

Affordable Housing Advisory Committee (AHAC) Orientation Part 1

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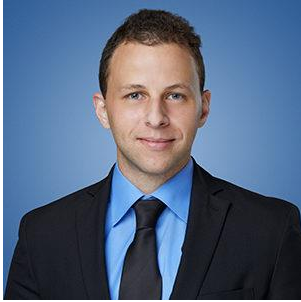
THE FLORIDA HOUSING COALITION



About the Florida Housing Coalition

- Statewide nonprofit organization that is primarily a training and technical assistance provider to local governments and nonprofits on all things affordable housing
- Our work covers:
 - Compliance with local, state, and federal affordable housing programs
 - Affordable housing program design
 - Capacity building for nonprofit housing providers
 - Land use planning for affordable housing
 - Research & data gathering

FHC Presenters



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Webinar Logistics

- All participants are on mute
- Please type in your questions and comments into the chat
- We will not identify who has asked a question unless the question is made public
- Webinar is recorded
- PPT is provided as a handout
- For follow-up information or problems downloading handouts, please contact: glazer@flhousing.org





Topics Covered Today

- Overview of AHAC timelines & responsibility
- Discussion of AHAC incentive strategies
- Expedited Permitting
- Ongoing process of review
- Inventory of publicly owned land
- Fee waivers for affordable housing
- Street modifications

Affordable Housing Advisory Committee (AHAC)

- Main responsibility: to produce an annual report with recommendations on local affordable housing incentives.
- 420.9076(4): “Annually, the [AHAC] shall review the established **policies and procedures, ordinances, land development regulations,** and adopted local government **comprehensive plan** . . . and **shall recommend specific actions** or **initiatives** to **encourage or facilitate affordable housing** while protecting the ability of the property to appreciate in value.”

Recommended Incentives for Affordable Housing

- **Recommend** the **modification or repeal** of existing policies, procedures, ordinances, regulations, or plan provisions;
- **Recommend** the **creation of exceptions** applicable to affordable housing; or
- **Recommend** to **amend** the local government comprehensive plan and corresponding regulations, ordinances, and other policies



Making Housing Affordable

- Increase the income of the household needing assistance
- Decrease interest rate on money you borrow to make affordable housing.
- Decrease housing-related debt
- Reduce the cost of building*
- Increase the supply of housing*

*AHAC Regulatory Reform makes a difference here



Summary of AHAC Responsibilities

- Review existing **plans, policies, procedures**, and laws that impact affordable housing development.
- **Recommend improvements** to existing policies or create new incentives that encourage/facilitate affordable housing.
- Produce a **report** that recommends and evaluates, at minimum, the 11 incentives required by s. 420.9076(4).
 - Staff will assist the AHAC in meeting its obligations.
- Approve the final report by “affirmative vote of a majority of the membership of the [AHAC] taken at a **public hearing**.”

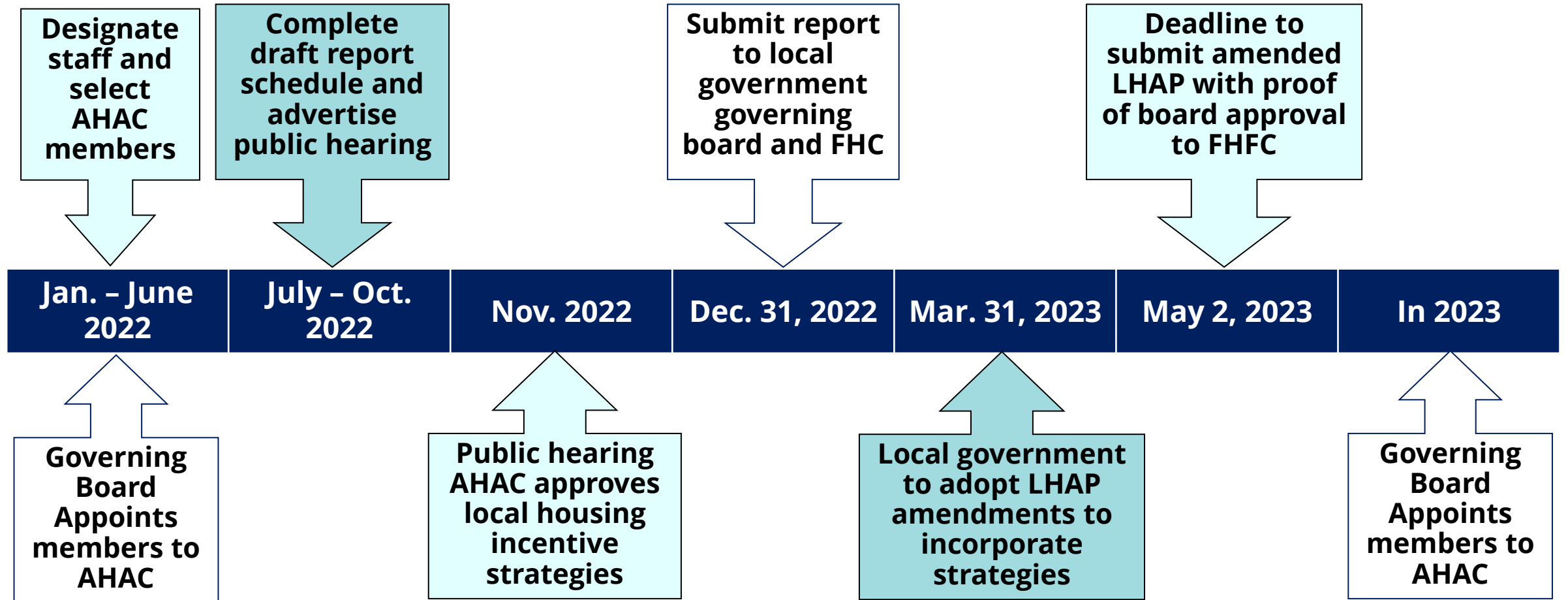


SHIP Funding is Contingent on AHAC Activity

If the AHAC does not produce an annual report, the SHIP Jurisdiction is out of compliance and cannot receive new funding



AHAC Report Timeline



An Elected Official on the AHAC

- An official with the Commission that oversees the city/county's Local Housing Assistance Plan (LHAP)
- Elected official counts as one of the 8--11 members but does not count under a statutorily defined category
- Elected official must participate in AHAC meetings as committee works to produce an AHAC report. Does not have any special authority on the committee



AHAC REPORT TEMPLATE

INCENTIVE STRATEGIES REPORT TEMPLATE

Affordable Housing Advisory Committee
Report to Board of City / County Commissioners
SHIP Affordable Housing Incentive Strategies

SUBMITTED TO: _____
BOARD OF CITY/COUNTY COMMISSION

SUBMITTED TO: _____
FLORIDA HOUSING FINANCE CORPORATION

DATE SUBMITTED: _____

PREPARED BY: _____

BACKGROUND

As a recipient of State Housing Initiative Partnership funds, the City/County established an Affordable Housing Advisory Committee on DATE as required by the Florida Statutes, Sec. 420.9076. The AHAC is responsible for reviewing and evaluating local plans, policies.

THE FLORIDA HOUSING COALITION

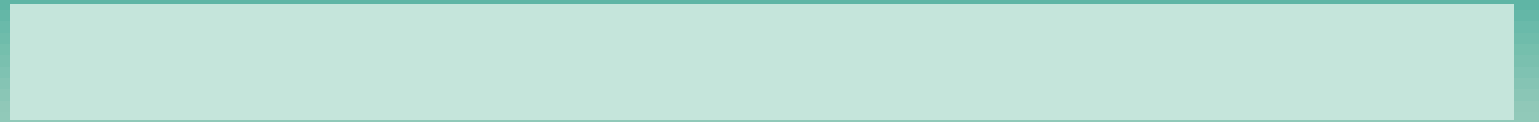


Possible AHAC Outcomes

- Recommend adding new incentive strategies
- Recommend changing existing incentive strategies
- No recommendations for anything new
- Commission accepts recommendations & implements recommendations
- Commission takes no action



Discussion of Incentives & Recommendations



Affordable Housing Incentive Strategies - 420.9076(4)

- Each AHAC must submit a report to the local governing body, Florida Housing Finance Corporation, and the Florida Housing Coalition that includes recommendations and the evaluation of at least 11 specified affordable housing incentives.
- All recommendations must be *considered* by the local government but only two are required to be *implemented* in the Local Housing Assistance Plan (LHAP).



The AHAC can be a Catalyst for Regulatory Reform

- Local government cannot control every cost of development, but it can control the costs associated with its local regulation.
- These incentives are designed to encourage local government to consider how its policies affect the cost of housing development and in turn, housing affordability.
- Each incentive will be highly localized – there is no one-size fits all method for encouraging & facilitating the development of affordable housing.



The AHAC Incentives. 420.9076(4)

Expedited Permitting*	Fee Waivers	Flexibility in densities
Reservation of infrastructure capacity	Affordable accessory residential units	Reduction of parking and setback requirements
Flexible lot configurations	Modification of street requirements	Housing impact statement*
Inventory of publicly owned lands suitable for affordable housing	Support of development near transportation hubs, major employment centers, and mixed-use developments	

*Required incentive to implement

The AHAC's Charge



Review established policies & procedures



Recommend specific actions or initiatives



(Optional) Create an implementation schedule.

Incentive Strategies Discussed in Part 1

1. Expedited Permitting
2. Ongoing process of review
3. Printed inventory of locally-owned lands
4. Fee waivers
5. Street requirements



Structure for Today's Training

REVIEW

List of ideas for what to review as part of the AHAC recommendations process



Ideas for professionals to invite to AHAC meetings



RECOMMEND

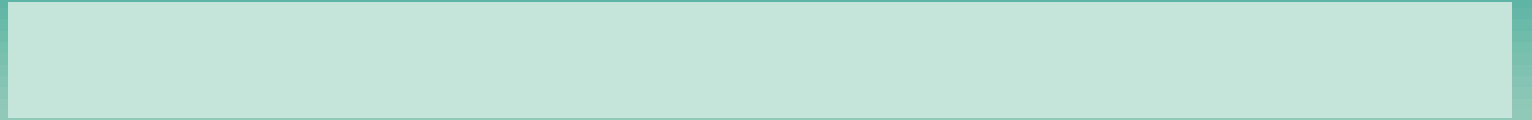
Specific policy ideas for the AHAC to recommend

Tips for a Good AHAC

- A thorough **review** and **understanding** of existing policies is fundamental to make effective recommendations
- Utilize the development experience of the AHAC members
- Involve planning staff
- Consider forming subcommittees to study certain incentives
- Focus on several incentives per year – not all at once each time
- Encourage creativity
- Always ask: How does this policy affect the cost, amount, or size of housing?



Expedited Process of Development Approvals



Expedited Permitting

Strategy (a): “The processing of approvals of development orders or permits for **affordable housing projects** is expedited to a greater degree than other projects.”

- The time it takes to review development approvals is a factor in the overall cost of a project.
- Gives housing staff opportunity to work closely with the developer to offer additional support as necessary.
- Purpose: **Time is Money!**

What Qualifies for Expedited Attention?

- Define: What is an affordable housing project?
 - Must, at minimum, follow SHIP definition of “affordable”
 - Generally, local governments only expedite permits for affordable developments that receive government subsidy
- Possible nuances:
 - Projects that set aside 100% of its units for affordable housing can receive quicker review than a project with only 20% affordability
- **Best practice:** Expedite permits for all housing developments that contain a set % of affordable units up to 120% AMI, not just developments that receive local, state, or federal housing funding

. . . to a greater degree than other projects

- SHIP statute requires that affordable projects be expedited “to a greater degree than other projects”
- No specific timeframes, just “to a greater degree”
- **Ask:** How long does it typically take for a project to be approved?
- **Best practices:**
 1. Have a clear system for identifying the projects that receive expedited approval
 2. Designate an ombudsman that can shepherd affordable projects through the process
 3. Coordinate housing & planning staff

What should be expedited?

- All steps in the development approval process should be expedited for affordable projects
- Opportunities for expedited attention:
 - Various levels of site plan review
 - Rezoning
 - Inspections
 - Environmental reviews
 - Public hearings
- This may require greater communication between departments responsible for steps in the permitting process



Examples

Pasco County

- Affordable single and multi-family development permit application packets have a yellow band to indicate expedited review
- Staff within the Growth Management Division shepherd application through review

Orlando

- Developer must receive affordable housing certification
- Designated Housing expediter on staff works to resolve issues between applicant and Permitting Services

Examples

Clearwater

- 2021 AHAC Report: Recommends the Assistant Director of Economic Development & Housing and Permit Manager be the primary and secondary points of contact when submitting projects for expedited review.
- These two staff positions should work through “close coordination” and act as “a liaison between the developer and all departments involved in the review and permitting process.”

Port St. Lucie

- 2021 AHAC Report: “The Committee recommends removal of the verbiage ‘state and federal funds’ from the application process. In addition, [several departments] should work together to better define the ability to confirm whether or not a project can be classified as affordable housing.”

AHAC Ideas: Expedited Permitting

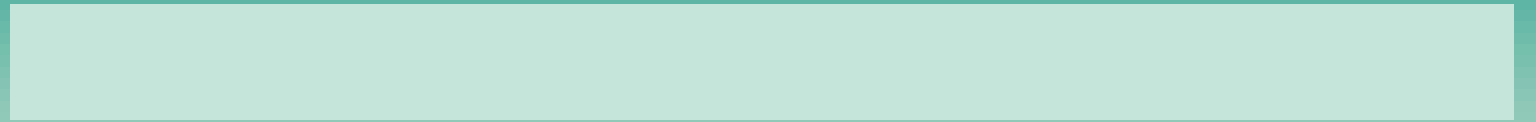
REVIEW

RECOMMEND

Look at the definition of “affordable housing project” to determine which projects are eligible for expedited approval.	Broaden the definition of “affordable housing projects” to include all projects that serve up to a certain income level, subsidized or not.
Recruit a planning staff member or building official to explain the permitting process.	Identify an ombudsman to shepherd affordable projects through the approval process.
Study the typical time it takes to permit various types of development.	Create a clear method to identify projects receiving expedited attention.
Identify each step of the permitting process that can be expedited.	Quality check to ensure affordable housing projects are being expedited to the intent of the SHIP requirement.
	Coordinate between different departments responsible for approvals.



Ongoing Regulatory Review Process



Ongoing Regulatory Review Process

(i) “The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.”

- SHIP statute or rule do not define a specific “process” to undertake
- Purpose: This process does not require any specific action to be taken but it does require local government to consider how proposed actions affect the cost of housing development.
- Basics of a good ongoing review process:
 - Step 1: Identify if a proposed policy could increase housing costs
 - Step 2: Determine what those costs may be
 - Step 3: Present findings to City/County Commission



Step 1: Identify Proposed Policies that Could Increase the Cost of Housing

- **Idea for Process:**
 1. Create a “housing impact statement” form
 2. Designate a staff member in charge of the ongoing review process
 3. Send the proposal to the designated staff member who can identify whether it may increase housing costs before policy is introduced at public meeting.
 4. Have staff member check “yes” or “no” on the housing impact statement form w/a brief description of the policy’s potential impacts
 5. Then, move to Step 2.
- Proposals that likely meet this standard:
 - Any zoning and land use changes
 - Fee or tax policies



Housing Impact Statement Form

- AHAC could recommend creation of a “housing impact statement” form for ease of administration
- Simple form could include 4 sections:
 1. Brief description of proposed policy
 2. Question: Is it possible this proposed policy could increase the cost of housing? (check yes or no)
 3. If checked yes in section 2, describe how the policy could increase housing costs.
 4. Estimated cost of impact





Step 2: Determine the Costs of Identified Policies

- If a policy has been identified in Step 1, the next step is to determine its potential cost
- Entities/people that could determine costs:
 - Staff member in charge of housing impact statement process in Step 1
 - Economic development director
 - Planning official
 - Building official
 - Housing director
 - AHAC Committee



Step 3: Present Findings to City/County Commission

- A “housing impact statement” form could be provided as part of the public meeting package.
- **Best practice:** Every agenda item should have a check box on whether the proposed policy may increase the cost of housing. If the box is checked yes, include the housing impact statement form.



Ongoing Review Examples

Hollywood

- Community Development (CD) staff are notified if an upcoming agenda item may increase the cost of housing
- CD staff responsible for scheduling an AHAC meeting to review the item with a set of questions

Lee County

- Created an “Executive Regulatory Oversight Committee” with the responsibility to review and consider the impact of proposed development regulations .

Largo

- 2021 AHAC report: “Establish a section on the City Commission Agenda Memos to include the evaluation of whether or not the proposed agenda item impacts housing costs and provide training to key staff on how to evaluate these impacts”

AHAC Ideas: Ongoing Process of Review

REVIEW

RECOMMEND

Recruit a development professional to provide a presentation on costs of development attributable to local government policies.	Designate a staff position to lead the ongoing review process.
Ask whether City or County Commissioners are adequately apprised of the potential costs of proposed policies.	Utilize the AHAC's expertise (or relevant local government office, if applicable) to review proposed policies.
	Make it a consistent process to send all zoning & land use proposals to the designated ongoing review staffer before public approvals.
	Include housing impact findings in agenda items for proposed policies.
	Create a housing impact statement form for ease of administration.





Printed Inventory of Publicly Owned Lands

Affordable Housing Land Inventory

(j) “The preparation of a printed inventory of locally owned public lands suitable for affordable housing.”

- Connected to Florida’s “surplus land statutes” at ss. 125.379 (counties) and 166.0451 (municipalities).
- The AHAC can make recommendations on how to address:
 1. Land identification
 2. Land disposition
- The AHAC can also explore the City or County’s entire approach to its land resources.

Surplus Land Statutes

- F.S. 125.079 (counties)/166.0451 (cities) – commonly referred to as the “Surplus land statutes”
- These statutes require cities and counties to prepare an inventory list **every three years** of lands owned in fee simple that are “appropriate for use as affordable housing.”
- Parcels placed on the inventory list can be used for affordable housing purposes.
- **Purpose:** to utilize as much publicly owned land as possible for affordable housing.

1) Land Identification

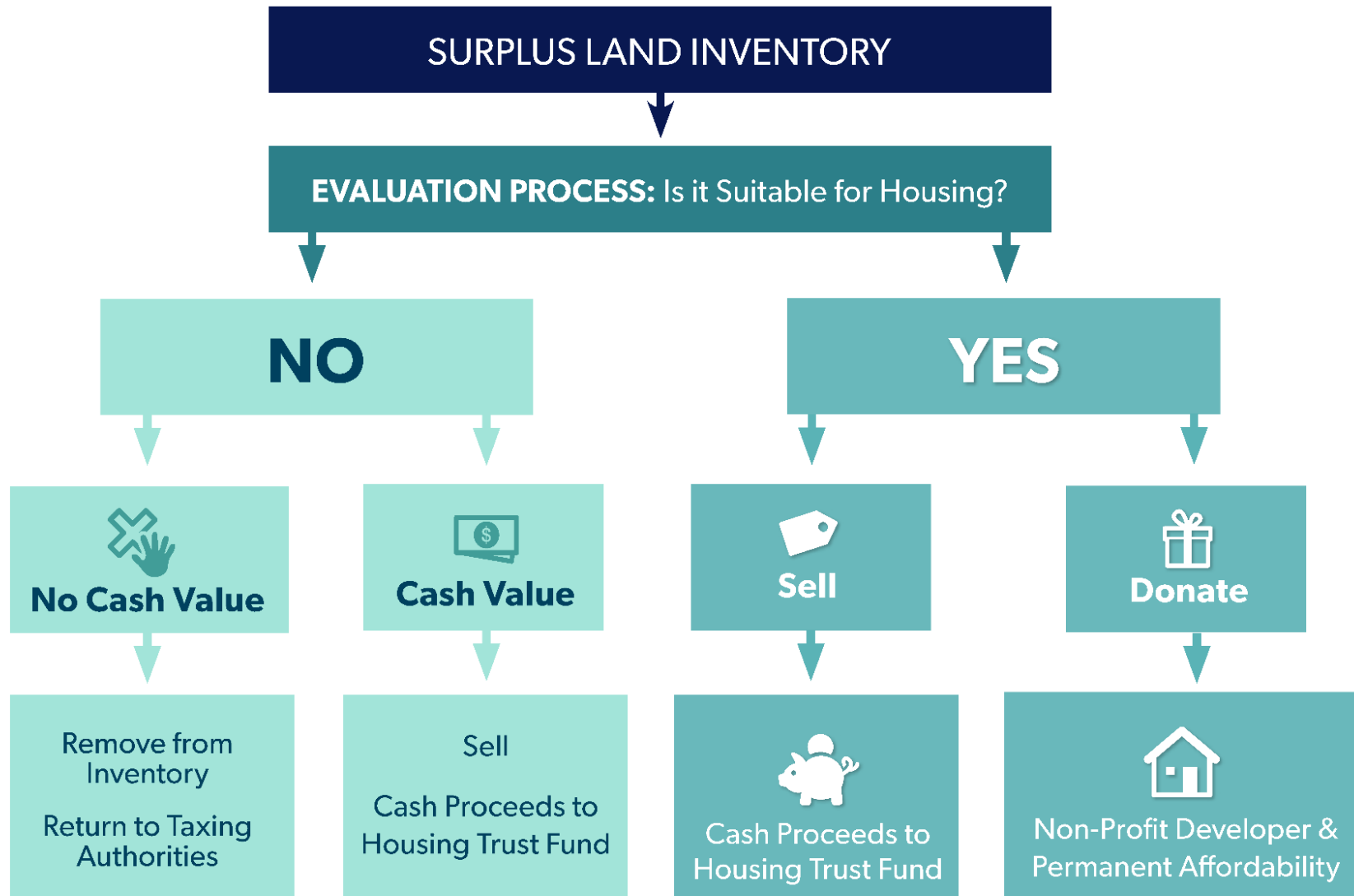
- Florida law does not define what “appropriate for use as affordable housing” means in the context of the surplus land statutes
- Because of this, identifying “appropriate” parcels is up to the discretion of the local government
- The AHAC can make recommendations on a system for identifying parcels that should be placed on the affordable housing land inventory
- **Best practices & possible AHAC recommendations:**
 - Create a clear definition for when a parcel is “appropriate”
 - All developable parcels should be placed on the inventory
 - Review publicly owned lands more frequently than every 3 years

When is a Parcel “Appropriate” for Affordable Housing?

- AHAC can make recommendations on parcel characteristics that deem a property “appropriate.” These characteristics could include:
 - Availability of existing infrastructure
 - Whether parcel is in Urban Service Boundary
 - Proximity to grocery stores
 - Proximity to job centers and schools
 - Environmental risks & proximity to environmentally sensitive areas
- Bottom-line: if it is appropriate for market-rate housing, it is appropriate for affordable housing

2) Land Disposition

- AHAC can make recommendations on how the City and County should use the lands it identifies as being appropriate for affordable housing
- **Best practices for land disposition:**
 - Prioritize long-term or permanent affordability
 - Provide a preference for a Community Land Trust (CLT)
 - Sell at a discount or donate to non-profit housing developers
 - Utilize ground leases when necessary
 - If land is not used for affordable housing, use sale proceeds towards an affordable housing trust fund



Examples

Jacksonville

- All publicly owned parcels get a “first look” by identified city agencies. The city-supported Community Land Trust is considered a city agency that gets an early claim at public land.

Miramar

- Affordable housing trust fund ordinance states that 15% of the net sales from city-owned non-residential properties go towards the affordable housing trust fund

AHAC Ideas: Affordable Housing Land Inventory

REVIEW

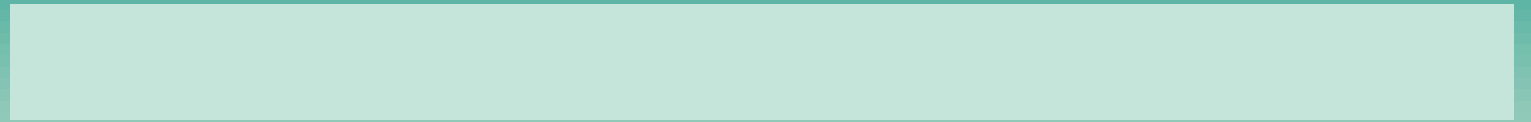
RECOMMEND

Ask: What is the current process for identifying parcels that are “appropriate for use as affordable housing”?	Review publicly owned land every 6 months or annually (instead of every 3 years as required by state law)
Provide and explain any written policies related to the land inventory process	Establish specific criteria for how to determine whether a parcel is “appropriate” for affordable housing
Provide the current list of parcels on the affordable housing inventory	Create disposition procedures that prioritize using publicly-owned land for long-term or permanent affordability
Ask: What is the current disposition process for publicly owned land?	Use proceeds from sale of publicly-owned land towards a local housing trust fund
	Explore using local funding to purchase lots
	Encourage partnership with CRA, school board, etc. on land owned by other governmental entities





Fee Waivers for Affordable Housing



Fee Waivers for Affordable Housing

(b) “All allowable fee waivers provided for the development or construction of affordable housing.”

- The AHAC can make recommendations on how to structure fees to reduce the cost of affordable housing development.
- Fees to consider for waiver or reduction:
 - Impact fees
 - Permitting fees
 - Inspection fees
 - Site plan review
 - Rezoning or other hearing fees
 - Engineering Fees

Creative Fee Options

Fee Waiver

- F.S. 163.31801 – Florida Impact Fee Act allows local governments to waive or provide an exception to impact fees for affordable housing without using any revenues to offset the impact

Fee Deferral – postpone payment of fees until units are occupied, sold, or other pre-determined point

Fee Modification – adjust for smaller or lower cost units

- Impact fees collected on a square footage basis may facilitate small unit development
- Fees collected on a per unit basis are regressive and disproportionately harm smaller units

Alternative sources of payment for fees – using SHIP, General Revenue, or other source

The Dual Rational Nexus Test

- Collection of impact fee must have a rational nexus between:
 1. The **need** for additional capital facilities and the **impact** generated by the new development; and
 2. The **expenditure of funds** collected and the **benefits accrued** to the new development.
- Some attorneys argue that if a local government gives away too many “waivers” of impact fees, the local government loses its nexus argument
- Because there will likely need to be a cap on the amount fees waived, policy needs to dictate which affordable developments can receive priority

Structuring a Fee Waiver Program

- Make sure the reduction or waiver of fees actually results in a lower purchase or rent price
- Prioritize units that will be permanently affordable or affordable long-term
- Prioritize non-profit housing developers with a track record of producing long-term, affordable units
- Some local governments only provide fee waivers to developments that receive funding through FHFC, a local HFA, SHIP, or other affordable housing subsidy program

Fee Flexibility Examples

Polk County

- Provides full waiver of impact fees for affordable housing for household making less than 80% AMI w/mitigation of 50% of impact fee costs for housing serving 80-120% AMI households

Collier County

- Defers impact fees for income eligible homeowners until home is sold; mortgage refinance; loses homestead exemption.

Hillsborough County

- Caps total impact fees waived at \$800,000 per year

Daytona Beach

- Wholly or partially waives the following fees for affordable housing development: tree removal; building permit; electrical permit; plumbing permit; mechanical permit; subdivision review; concurrency review; & more.

AHAC Ideas: Fee Waivers for Affordable Housing

REVIEW

RECOMMEND

Explain the current fee structure & provide estimated \$\$\$ of fees for different development types	Create a fee waiver program for affordable units based on AMI served
Provide information on fee waivers that have been provided in the past including affordability terms	Explore charging fees by square footage rather than by unit type
Recruit legal staff to provide guidance on fees that can be waived or reduced	In addition to fee waivers, explore fee deferrals and modifications





Modification of Street Requirements

Modification of Street Requirements

(h). “The modification of street requirements for affordable housing”

- **Purpose:** Certain street requirements may increase the cost of development and alter how much and where housing can be built
- Street placement & street design shapes the overall site plan and impacts the overall engineering of a project
- Think requirements like sidewalks, speed bumps, road width, road shape, curb and gutters, etc..
- This strategy is one of the more difficult AHAC incentives to make tangible recommendations on

Modification of Street Requirements

- Example: *An allowance for parking on only one side of the street.*
 - Could reduce the required width for the road, reduces paved area and accompanying drainage/water retention (and reduces those resulting costs)
 - Avoid unintended consequence of creating a substandard neighborhood.
- Other examples:
 - A cul-de-sac could unlock greater density
 - Lowering road widths and sidewalk widths could devote more land for housing
 - Tighter road curves can facilitate more units

Visualize it!



Photo credit: Linden Lenet Design Group: Design Guidelines for Planned Unit Developments

AHAC Ideas: Modifications of Street Requirements

REVIEW

RECOMMEND

Recruit an engineer to explain the impacts that street requirements may have on the number and size of units built	Explore subsidizing costly street requirements for nonprofit housing developments
Visualize recently approved projects and how street requirements could have been modified	Revisit existing street requirements and their impact on efficiency of land
	Allow variances for affordable developments and reduce number of meetings associated with street design review
	Pair this strategy with expedited permitting



Questions?

