



# Affordable Housing Incentive Strategies

**A Guidebook for  
Affordable Housing  
Advisory Committee  
Members and Local  
Government Staff**



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**Florida Housing**  
Finance Corporation

# Florida Housing

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# I. Introduction to the Guidebook

## Purpose of the guidebook

Regulatory reform and a program of incentives are powerful tools for attracting private-sector development of affordable housing. Every city and county that receives funding from the State Housing Initiatives Partnership (SHIP) program is statutorily required to assemble an Affordable Housing Advisory Committee (AHAC) for this purpose.

The core requirement of the AHAC is to recommend housing strategies to incentivize the production of affordable housing. Those recommendations are submitted to the local elected body for approval. Upon adoption, the recommendations can become part of the Local Housing Assistance Plan (LHAP) and implemented by the City or County.

This guidebook addresses the AHAC process from forming the committee, through submitting its report, to annually evaluating implementation. It provides information on the specific incentive strategies that the AHAC is required to consider. It also provides examples from AHAC Reports and offers best practices for engaging in policy discussions and developing implementation strategies.

While there are many SHIP workshops, webinars, and publications devoted to *spending* SHIP funds, this guidebook focuses on incentives to attract developers to *build* affordable housing.

## Intended audience

Included among those who are specifically addressed by this guidebook are:

- AHAC Members
- Local Government Planning Staff
- SHIP Administrators
- Local Government Administrators and Elected Officials
- Affordable Housing Stakeholders

The guidebook offers Affordable Housing Advisory Committee members an orientation to their statutory responsibilities. It also provides detail on each incentive strategy that must be considered by the AHAC.

Local government Planning Departments, City and County Managers and Administrators, and local elected officials are key to the implementation of the affordable housing incentive strategies, and therefore will also benefit from this guidebook.

Finally, the guidebook provides SHIP staff members with the information needed to assemble an advisory committee, consider a variety of possible incentives, draft the report, and submit recommendations to the City or County Commission.

The SHIP statute requires that the AHAC receive staff support from local government departments with authority to administer local planning and housing programs to ensure an integrated approach to the work of the advisory committee. This guidebook will help all those involved with the process to provide the best possible incentive strategies for their community.

## Section overview

The remaining sections of this guidebook are briefly described below.

- II. Florida Comprehensive Plan Housing Element and Incentive Strategies Overview: This section of the guidebook explains the connection between the Comprehensive Plan Housing Element requirements and the incentive strategies that encourage the development of affordable housing.
- III. Affordable Housing Advisory Committee Overview: This section describes the statutory requirements for the AHAC, including structure, membership composition, and responsibilities. Frequently asked questions
- IV. Preparing the AHAC Report: This section provides strategies and best practices for preparing the AHAC Report.
- V. Steps in the Review Process: This section lays out the tasks by which the Affordable Housing Advisory Committee drafts, approves, and submits the AHAC Report.
- VI. The AHAC Report Timeline: This section identifies mandated deadlines and discusses the timeline for producing the AHAC Report.
- VII. General Recommendations and Requirements for Incentive Strategies: This section lays out general recommendations and requirements for incorporation of incentives.
- VIII. Incentive Strategies: Details and Examples: This section provides a detailed description and examples of each incentive strategy that the AHAC must consider.
- IX. Beyond Incentive Strategies: Other Possible AHAC Responsibilities
- X. Appendix:
  - 1. AHAC Report template
  - 2. Glossary
  - 3. Housing Acronyms Explained

## II. Florida Comprehensive Plan Housing Element and Incentive Strategies Overview

### Local Comprehensive Plan Housing Element

Each local government is required to include a housing element in its comprehensive plan. This element must consist of “principles, guidelines, standards, and strategies” to plan for the provision of housing for all current and anticipated populations, including special needs populations, and the provision of adequate sites for future housing, among other items. The housing element also must provide for specific programs to partner with the private and nonprofit sector to address housing needs in the jurisdiction, streamline the permitting process, and minimize costs and delays for affordable housing. The comprehensive plan can be modified to reflect the development trends of a community and should be written strategically to support and improve access to affordable housing. The AHAC can play a key role in helping a local government meet its mandate under the Housing Element requirement at s. 163.3177(f) of the Florida Statutes.

The Housing Element requirement, originally part of the 1985 Growth Management Act, remaining in force as part of the subsequently adopted Community Planning Act of 2011, requires that every local jurisdiction provide for housing its current and anticipated populations. In 1992, in part due to the concern of local elected officials that the housing element constituted an unfunded mandate, the legislature enacted the William E. Sadowski Affordable Housing Act (Sadowski Act).

The Sadowski Act created a dedicated revenue source for affordable housing to assist local governments in meeting their housing element requirements. The dedicated revenue source was funded by an increase in the documentary stamp tax collected on deeds. The Sadowski Act created two trust funds: the State Housing Trust Fund and the Local Government Housing Trust Fund. The Local Government Housing Trust Fund funds the State Housing Initiatives Partnership (SHIP) program, which provides money to every county and entitlement city in Florida to assist in the implementation of their housing element. The Sadowski Act was supported by a diverse combination of eleven statewide interest organizations, including industry groups such as the Florida Realtors and the Florida Home Builders Association (FHBA). A requirement for regulatory reform through local housing incentive programs was part of the package that won the FHBA support of the Sadowski Act. The list of regulatory incentives that are statutorily required to be considered by the AHAC was a joint effort by the initial group of eleven statewide organizations and the bill sponsors. The two incentives that are required to be in place in all SHIP jurisdictions (expedited permitting and an ongoing process of review, described in detail in this guidebook) were a “must have” to ensure the FHBA support.

## Affordable housing incentive strategies

Regulatory incentives are a valuable tool for facilitating private sector development of affordable housing. Local government is not expected to build or fund all the necessary housing units, but it must create an environment that is favorable to development by the private sector. Regulatory incentives are designed to increase the likelihood that developers will build affordable housing in the community without the need for deep government subsidy. The incentives are tied to the local government's land use authority and land development planning efforts. The combination of regulatory incentives and the financial support offered through the SHIP program will help a community meet its affordable housing goals.

The first sentence of the SHIP Statute, at Florida Statutes, Sec. 420.9072, states that SHIP *"is created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government*

Florida Statutes, Sec. 163.3177 (6) (f), provides that local government comprehensive plans shall include:

1. A housing element consisting of principles, guidelines, standards, and strategies to be followed in:
  - a. The provision of housing for all current and anticipated future residents of the jurisdiction.
  - b. The elimination of substandard dwelling conditions.
  - c. The structural and aesthetic improvement of existing housing.
  - d. The provision of adequate sites for future housing, including affordable workforce housing as defined in Florida Statutes, Sec. 380.0651 (3) (h), housing for low-income, very low-income, and moderate-income families, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities. The element may include provisions that specifically address affordable housing for persons 60 years of age or older. Real property that is conveyed to a local government for affordable housing under this sub-subparagraph shall be disposed of by the local government pursuant to Florida Statutes, Sec. 125.379 or Florida Statutes, Sec. 166.0451.
  - e. Provision for relocation housing and identification of historically significant and other housing for purposes of conservation, rehabilitation, or replacement.
  - f. The formulation of housing implementation programs.
  - g. The creation or preservation of affordable housing to minimize the need for additional local services and avoid the concentration of affordable housing units only in specific areas of the jurisdiction.



*comprehensive plan specific to affordable housing, and to increase housing-related employment.”*

The SHIP program mandates that all local governments receiving SHIP funds establish local initiatives that facilitate affordable housing development. To guide advisory committees, the SHIP Statute provides eleven affordable housing incentives that must be considered by the AHAC and reported on to the local governing body. The City or County Commission then assesses the incentives provided by the AHAC and considers each incentive for adoption. The eleven incentives are found at s. 420.9076(4) of the Florida Statutes and each AHAC must report on recommendations in the following areas:

- (a) The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.
- (b) All allowable fee waivers provided for the development or construction of affordable housing.
- (c) The allowance of flexibility in densities for affordable housing.
- (d) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- (e) Affordable accessory residential units.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (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.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- (k) The support of development near transportation hubs and major employment centers and mixed-use developments.

Not all these incentives are equally important or relevant to a particular SHIP jurisdiction. The guidebook emphasizes those incentives that are valuable to most jurisdictions. The two most important incentives are the two strategies that are required to be adopted as a threshold for receiving funding: (a.) expedited permitting and (i.) establishing a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.

Strategy (e.) is worth noting, regarding affordable accessory residential units. Although local governments are not required to permit accessory dwelling units as a tool for affordable housing, they are strongly encouraged to do so by the Florida Legislature at s. 163.31771 of

the Florida Statutes. Strategy (j.), an inventory of locally owned public lands, was codified in the Florida Statutes in 2007. Commonly referred to as the Surplus Lands Law, it is outlined in Florida Statutes, Sec. 125.379 for counties and Sec. 166.0451 for municipalities.

# III. Affordable Housing Advisory Committee Overview

## Affordable Housing Advisory Committee (AHAC)

A SHIP jurisdiction is statutorily required to assemble the initial Affordable Housing Advisory Committee when it first begins receiving SHIP funds. It is then required to annually convene the AHAC to review its earlier plan(s) and complete a Housing Incentive Strategies report that recommends affordable housing regulatory incentives to the local governing body. Jurisdictions receiving \$350,000 or less in SHIP funding are exempt from the annual review but still must complete an initial review.

The work of the AHAC is summarized in this excerpt from s. 420.9076(4) of the Florida Statutes:

“Annually, the advisory committee shall . . . recommend specific actions or initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The recommendations may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions.”

Sec. 420.9076, Florida Statutes, outlines the AHAC requirements, including the deadlines for assembling a committee, considering specific incentive strategies, and submitting a report.

There are other tasks that AHAC members may undertake, but the information presented in this guidebook focuses on the AHAC’s primary responsibility, and only statutorily required task, to complete an annual Housing Incentive Strategies report.

## Committee composition

Sec. 420.9076 (2), Florida Statutes, provides details on the AHAC committee composition. The AHAC must have at least eight and no more than eleven members representing at least six categories identified in the statute. Effective on October 1, 2020, each AHAC must have a locally elected official from each county or municipality participating in the SHIP program. The locally elected official must be a City or County Commissioner on the Commission responsible for implementing the recommendations. If an AHAC is consolidated to govern two or more SHIP jurisdictions, one elected official from any of the covered SHIP jurisdictions will meet this requirement, although it is a best practice to include one elected official from each represented local government. The elected official will count as a member of the AHAC for purposes of meeting the number of members requirement.

AHAC members should be appointed by the governing body of the local government, but do not have to be adopted by resolution. Representatives are to be selected from the following categories:

- (a) Citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (b) Citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- (c) Citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- (d) Citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.
- (e) Citizen who is actively engaged as a for-profit provider of affordable housing.
- (f) Citizen who is actively engaged as a not-for-profit provider of affordable housing.
- (g) Citizen who is actively engaged as a real estate professional in connection with affordable housing.
- (h) Citizen who actively serves on the local planning agency pursuant to Florida Statutes, Sec. 163.3174.
- (i) Citizen who resides within the jurisdiction of the local governing body making the appointments.
- (j) Citizen who represents employers within the jurisdiction.
- (k) Citizen who represents essential services personnel, as defined in the local housing assistance plan.

Some individuals might have the experience to represent more than one category, but they should only be counted in one category. For example, a committee member may have experience with both for-profit and non-profit housing development. However, that individual should be counted as the for-profit or the non-profit provider, not both.

The SHIP Statute describes each category as “a citizen.” The Statute is not explicit about whether this is a resident of the United States, a Florida resident, or resident of the city or county that the AHAC serves. However, an effort should be made to recruit representatives who reside in the applicable city or county. The AHAC Report should document any representatives who work within the jurisdiction but reside elsewhere.

Builders, lenders, and realtors are often represented on the AHAC. Builders who may be interested in volunteering can be identified by contacting the local homebuilder’s association and realtors can be located by connecting with a local realtor association.

There is a distinction between a representative “engaged in residential home building industry” and a “representative of those areas of labor actively engaged in home building.” The first category can be filled by a local homebuilder executive or a staff member of a non-profit development agency like Habitat for Humanity. By contrast, “a representative of those

areas of labor actively engaged in home building” could include a rehabilitation contractor, a subcontractor, an engineer, or an architect.

An “advocate for low-income persons” could be a staff member of a local legal services office, a leader from a faith-based group involved with affordable housing, or a representative of a community service organization related to affordable housing. The local government will need to consider whether such a person is “actively engaged” as an advocate.

A “for-profit provider of affordable housing” may be an owner or property manager for a rental property financed with housing tax credits, the State Apartment Incentive Loan program (SAIL), or other housing subsidies. Alternatively, this may be the owner or manager of naturally occurring affordable housing units who offer rental housing at monthly rents that are affordable according to the SHIP rent limits chart.

### **Local government program staff**

Local government program staff support the AHAC. First, staff must identify and recruit committee members. The SHIP administrator must invite potential committee members, document their eligibility, and request their participation in fulfilling the duties of the advisory committee. The local government staff must also educate the advisory committee members about their responsibilities. New committee members should receive the SHIP governing statute (Florida Statutes, Sec. 420.907-9079) as well as local planning documents and policies. Local government staff must also provide an orientation to the current incentive strategies being implemented by the jurisdiction and an overview of the reporting requirements of the advisory committee.

SHIP staff should collaborate with planning staff on land use, zoning policies, and practices, the applicable economic development department on how various policies affect affordable housing development, and other local government divisions that impact housing affordability. The SHIP Statute states that “the advisory committee shall be cooperatively staffed by the local government department or division having authority to administer local planning or housing programs to ensure an integrated approach to the work of the advisory committee.” Generally, staff in these positions have different areas of expertise. SHIP program administrators usually hold positions in housing and community development or neighborhood departments and have regulatory or program knowledge that is unique to those positions. Planning departments, alternatively, have staff with formal education in areas like urban planning, and have extensive knowledge of land use and zoning laws. Persons in the economic development department may have formal training on how local government policy affects the cost of housing. The majority of AHAC responsibilities fall more squarely within the planning, building, and growth management departments.

The AHAC must review the jurisdiction’s comprehensive plan and land development regulations and recommend actions to encourage the creation of affordable housing units. This role requires that staff have knowledge of land use issues so the committee can consider

potential barriers to the development of affordable housing and recommend regulatory reforms to overcome the barriers. The AHAC presents an opportunity for multiple local government departments to collaborate and meet the jurisdiction's responsibility to provide housing for all its residents.

Prior to a revision of the SHIP statute in July 2016, the AHAC was required to have a member from each of the eleven categories identified above. Therefore, if the jurisdiction was in compliance, there was always a representative knowledgeable about the local planning process. With the change to the statute, local governments can now choose committee representatives from six other categories. Although no longer required by the SHIP Statute, local governments should consider including staff from the planning department as committee members. This SHIP Statute suggests participation from "a citizen who actively serves on the local planning agency", but it also notes that "if the local planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process." This is good justification for arranging for a planner to assist the SHIP administrative staff in providing support to the AHAC and monitoring the actions of the committee to ensure adherence to all program requirements.

## **Roles and responsibilities of the AHAC**

### **SHIP Statute overview**

Sec. 420.9076(4) of the Florida Statutes describes the process for developing the AHAC Report. The key role of the AHAC is to prepare the AHAC Report and evaluate its implementation annually. The AHAC Report identifies incentive strategies and recommendations for adoption by the local government. The recommendations should seek to remove regulatory barriers that limit the development or preservation of affordable housing or drive-up housing costs. The recommendations should also suggest policies that encourage the production of affordable housing.

To fulfill this task, the advisory committee must first review the local government's existing policies and procedures, ordinances, land development regulations, and the comprehensive plan. Then the committee recommends specific actions or initiatives to encourage affordable housing while protecting the ability of the property to appreciate in value.

Actions the advisory committee can take include:

- Modifying or repealing existing policies, procedures, regulations.
- Creating exceptions applicable to affordable housing.
- Adopting new policies or amendments to the local comprehensive plan and corresponding regulations, ordinances, and other policies.

## Local government implementation

The advisory committee must approve the final AHAC Report by majority vote and submit it to the Florida Housing Finance Corporation (FHFC), the local government, and to the entity providing statewide training and technical assistance for the Affordable Housing Catalyst Program. Upon receipt of the AHAC Report, the local government has 90 days to amend its local housing assistance plan to incorporate the adopted incentive strategies it plans to implement. Only two strategies are required in the amended LHAP:

- Expedited permitting for affordable housing projects.
- An ongoing process for review, prior to their adoption, of any local policies, ordinances, regulations, and plan provisions that increase the cost of housing.

## Frequently Asked Questions

This list of frequently asked questions is provided as a quick reference. In many cases, the topics referenced below are addressed in greater detail in other sections of this guide.

### Question: How does the Sunshine Law apply to our SHIP advisory committees?

**Answer:** When dealing with advisory committees it is very important to keep in mind the requirements of Florida's open meetings laws. Any local government-appointed committee that is part of a fact-finding commission or any board or committee that has final decision-making authority is covered by these laws. There is a strong legislative and judicial presumption in favor of transparency. If you have any questions about these requirements, consult with your city attorney, county attorney, or other appropriate legal counsel.

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### Question: How does the Sunshine Law apply to the biannual, regional workshops?

**Answer:** Florida's Sunshine Law only applies to meetings or gatherings where two or more members of the same board or committee discuss some matter which will foreseeably come before that board for action. Since most local governments will only have one elected official present at the workshop, Sunshine Law will not be an issue for most jurisdictions. However, there are some local governments with a joint City/County AHAC that will have two or more elected officials present at the workshops. For these local governments, two or more elected officials from the same AHAC may not, under any circumstances, communicate with each other during the workshop. Out of an abundance of caution, all elected officials who are not required to but wish to attend the workshops can attend but will not be allowed to speak to avoid Sunshine Law concerns. The primary purpose of these workshops is to educate local elected officials on affordable housing best practices, not to make decisions, and the elected officials can raise information presented at the local, publicly noticed AHAC meetings.





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**Question: Did the Florida Legislature make changes to the SHIP Affordable Housing Advisory Committee (AHAC) in 2020?**

**Answer:** Yes, these changes are in House Bill 1339, the Omnibus Housing Bill from the 2020 Florida Legislative session. AHACs are charged with recommending regulatory incentives for affordable housing under the SHIP program in Section 420.9076 of the Florida Statutes. As of October 1, 2020, SHIP AHACs must include one locally elected official from each county or municipality participating in the SHIP program. Additionally, the AHAC Report is now required every year and the list of incentives each AHAC must consider in its recommendations to the local government was amended as well. For example, the fee waiver incentive was broadened to focus on all allowable fee waivers for affordable housing, rather than a specific focus on impact fees. Finally, each AHAC Report must now be sent to the Florida Housing Coalition in addition to the local governing body and the Florida Housing Finance Corporation (FHFC).

Furthermore, the Florida Housing Coalition is newly charged with convening biannual, regional workshops for the locally elected officials who will now be serving on the Affordable Housing Advisory Committees (AHACs). The Florida Housing Coalition will report a summary of the deliberations, actions, and recommendations of each region, as well as the attendance record of the locally elected officials. The summary annual report by the Florida Housing Coalition must be submitted to the President of the Senate, the Speaker of the House, and the FHFC.

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**Question: What was the Legislature’s objective in requiring an elected official on the AHAC?**

**Answer:** The overarching goal of these new requirements is to better engage local elected officials in regulatory reform for affordable housing. By requiring elected official participation on the AHAC, the legislature is encouraging improved implementation of recommended incentives in the AHAC’s annual report.

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**Question: What is the purpose of new biannual, regional workshops for the elected officials?**

**Answer:** Elected officials can gain a deeper understanding of a local government’s role in affordable housing development and share information with their peers on best practices in improving access to affordable housing.

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**Question: What training is available to provide elected officials an orientation to the AHAC?**

**Answer:** First, watch the recording of the AHAC Orientation webinar available here: <https://vimeo.com/463357569>. Starting in 2021, the Florida Housing Coalition will schedule and register locally elected officials for the virtual biannual regional workshops. Coalition staff will survey and interview each participating elected official about what they want to address through the AHAC. Topics to be covered during each regional workshop will include an analysis of local codes, housing plans and needs, and recent news about housing best practices. Elected officials will also receive materials on incentive strategies and background information on AHACs, including an updated AHAC Guidebook, which provides instruction on assembling a committee and addressing each incentive strategy type.

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**Question: Aside from attending AHAC meetings and the required regional workshops, does the elected official have any additional duties?**

**Answer:** The elected official must participate in AHAC meetings as a voting member of the committee and assist in production of the AHAC report each year. The elected official does not have any special duties on the AHAC other than by attending the regional workshops.

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**Question: My community always receives the minimum SHIP allocation, has never produced an AHAC report other than the initial review, and as a result, has not had an active AHAC in recent years. Under HB 1339, must we now activate a new AHAC with an elected official?**

**Answer:** No. The only statutory requirement for the AHAC is to produce an annual incentive report but local governments that receive the minimum allocation under SHIP are exempt from this requirement. Therefore, local governments that receive the minimum allocation do not need to produce the annual report and are not required to have an active AHAC.

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**Question: If my local government receives the minimum allocation under SHIP, do we need to appoint an elected official to participate in the biannual regional workshops?**

**Answer:** No. The SHIP Statute only requires elected officials serving on the local AHAC to attend the biannual regional workshop. If you do not have an active AHAC because you receive the minimum allocation, there does not need to be an elected official at the biannual regional workshops. However, if an elected official wishes to attend the workshops,

regardless of if they are on an AHAC, they can still attend to learn about affordable housing best practices. Elected officials who are not required to attend the workshops will not be allowed to deliberate or comment and can only listen to the workshops.

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**Question:** In the past ten years, my city has sometimes received more than \$350,000 and has sometimes received less than the minimum SHIP allocation. My city does not currently have an AHAC and has not produced an AHAC report in recent years. Under HB 1339, must we now activate a new AHAC with an elected official?

**Answer:** Local governments that receive the minimum SHIP allocation are exempt from this requirement, but you might soon receive more than the minimum allocation. In such a case, you will need to produce an AHAC report before receiving this allocation. Your city should consider assembling an AHAC now in anticipation of this possibility.

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**Question:** Our advisory committee report is due to the Board of County Commissioners on November 12, before the December 31st deadline. Does November 12th start our 90-day clock for the Board to adopt any incentives or do we still have until March 31 of next year?

**Answer:** Your 90-day clock begins when the advisory committee submits its report to the Board. According to Florida Statutes, Sec. 420.9076 (6), "Within 90 days after the date of receipt of the local housing incentive strategies recommendations from the advisory committee, the governing body of the appointing local government shall adopt an amendment to its local housing assistance plan to incorporate the local housing incentive strategies it will implement within its jurisdiction." The last day allowed by statute to submit the AHAC Report to the governing body is December 31, making the 90-day deadline March 31 of the following year.

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**Question:** Can City/County Commissioners approve the incentives and adopt the amendment to the LHAP at the same time, or do they have to approve the incentives before adoption into the LHAP? Is it the adoption of the incentives that must be completed by resolution or the adoption of the amendment to the LHAP that must done by resolution?

**Answer:** There is nothing in the statute or rule that requires the incentives to be adopted prior to amending your LHAP. However, adopted incentives may require a Comp Plan Amendment, ordinance, or policy change prior to incorporation into the LHAP and will need to be approved by your Board separately. The amendment to the LHAP must be adopted by resolution.

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**Question: Do I have to use the AHAC Report template?**

**Answer:** No, the AHAC Report Template available in this Appendix is available for your use, but is not required. However, the FHFC staff request that Incentive Items A through K, outlined in the SHIP statute, be included in the report and explicitly cited, even if the Advisory Committee voted not to recommend the strategy.

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**Question: When we advertise the public hearing for our AHAC incentives, how much notice are we required to give?**

**Answer:** Both the rule and the statute are silent on this issue, so speak with your City or County Attorney about satisfying open meetings laws.

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**Question: What if the AHAC does not make recommendations on changes to the current incentives nor recommends new incentives? Also, what if the Board does not adopt any new incentives and keeps the current two required incentives as they currently exist in the LHAP? Does this have to be spelled out in a report?**

**Answer:** Your advisory committee report must provide evidence that the incentives listed in 420.9076(4), Florida Statute have at least been reviewed and the AHAC recommended that no changes be made. This must be provided to FHFC and your City or County Commission. A copy of the report must be submitted to FHFC as outlined by 420.9076 (7).

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**Question: How long should the terms be for AHAC members?**

**Answer:** The SHIP Rule and Statute are silent on this point, but you should check to see if your jurisdiction has policies related to the terms of committee and task force members.

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**Question: Regarding the citizen who is a ‘representative of those areas of labor actively engaged in home building’, does an architect fit this description?**

**Answer:** No, instead find someone more directly involved in building labor, including contractors and sub-contractors. No further clarification is provided for each type of representative. Simply document a justification for why each member was appointed.

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**Question: Regarding the advisory committee member who must be a “citizen who is actively engaged in the residential home building industry”, does our local Habitat affiliate fit this description? What about an engineer or architect?**

**Answer:** Yes, Habitat for Humanity is in the building industry aligned with affordable housing. The same is true for an engineer or architect, so long as you can document his or her connection with affordable housing.

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**Question: Who specifically is supposed to lead the advisory committee meetings?**

**Answer:** There is no guidance in the Statute and Rule about who leads meetings or about how many meetings are required. Instead, the Statute requires the committee to produce a written report of recommendations, which must be presented to your commission. Each committee member must vote on whether to accept each recommendation. The Statute outlines several topics that the committee must consider. Some committees have one or two outspoken and forward-moving leaders. Others do not, so staff keeps the group moving toward the point when it can produce its report. As much as possible, encourage committee members to set their own plan for meeting and discussing these topics.

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**Question: Please clarify the role of the local housing partnerships and distinguish it from the local Affordable Housing Advisory Committee.**

**Answer:** Since the SHIP statute addresses both entities, it is easy to be confused on this issue. Section 420.907, Florida Statutes - the SHIP statute - details specific information about the formation, powers and duties, and required membership of the affordable housing advisory committee. Advisory committee members must be appointed by local government resolution, must follow all laws related to government in the sunshine, and has as its specific statutory charge the recommendation of local housing incentive strategies to the local governing body.

While the presence of a locally formed affordable housing partnership is an integral part of the SHIP program, the statute only gives general information as to its membership. The legislative intent is to combine local resources to the extent that the effort will reduce the cost of producing or providing decent and affordable housing. It is important to note that the statute does not intend for the partnership to be formally constituted as a corporate body. The legislative intent is to encourage partnerships in order to secure the benefits of cooperation between the public and private sectors, and to reduce the cost of housing by effectively combining all available resources and cost-saving measures.

Each community utilizes its partnership differently. The most successful partnerships are often those in which the membership is broad and inclusive and each member brings a service or product to the table which maximizes the value while reducing the cost of affordable housing within the community. In many successful communities the appointed advisory committee functions as a partnership and acts in an oversight capacity only, assisting with setting the direction of the program through suggesting policy to the local governing body, and making specific recommendations for improving the overall program and amending the LHAP.

## IV. Preparing the AHAC Report

### Reviewing local plans and codes

Local plans and codes related to affordable housing include, but are not limited to, the Comprehensive Plan, Land Development Codes and Neighborhood Action Plans. Coordinating local departments and community plans is essential to supporting housing efforts. Planning and zoning departments, building, and permitting departments, real estate departments, and local government housing departments are conduits to developing affordable housing. The AHAC is responsible for reviewing local established policies, procedures, ordinances, land development regulations, and the Comprehensive Plan to identify recommendations for initiatives that will encourage affordable housing.

When reviewing local plans and codes, AHAC members should look for policies, procedures, or ordinances that *inhibit* affordable housing development. AHAC members with development experience will be especially helpful in this exercise. This pertains to policies and ordinances currently in place, such as allowable housing types, minimum square footage, and setback requirements, that may increase or artificially set the cost of development higher than necessary. AHAC members should consider helpful policies and ordinances that are not in place, such as expedited permitting, mixed-income housing incentives, or accessory dwelling unit policies, that encourage and facilitate the development of housing that is affordable.

AHAC members should also look for consistency between land use plans and finance plans. Local governments typically develop two types of plans: 1) land use plans, which identify elements for future land use, transportation, housing, economic development, infrastructure, and capital improvement needs; and 2) finance plans, which identify sources of funds and how the jurisdiction is going to spend available government dollars.

It is important to ensure that housing and community development initiatives align with the budget and comply with regulations governing funding. An example of a land use plan would be a Comprehensive Plan; examples of finance plans would be a Five-Year Consolidated Plan for HUD funds, Annual Action Plan, or the Local Housing Assistance Plan which governs SHIP.

AHAC activity is an example of how the public is involved in local planning and housing initiatives. The AHAC helps departments administering different programs coordinate their goals and objectives for maximum community benefit. The AHAC can be a catalyst for a robust, comprehensive housing strategy at the local level.

### Encouraging input from all AHAC members

A committee's success is based upon everyone fulfilling their duties and being involved in the process. Members should be familiar with the mission, values, and vision of the

committee and attend meetings regularly. Members are expected to help carry out the functions of the committee, specifically to share expertise and provide recommendations on affordable housing incentive strategies.

Local government staff and the AHAC Chairperson should generate and encourage input from all members. Tips for encouraging participation include:

- Developing agendas to help structure meetings.
- Ensuring items on the agenda are well documented.
- Providing agenda to committee members so that they can familiarize themselves with discussion topics prior to meeting.
- Holding meetings at a convenient place and time.
- Retaining and distributing committee minutes.
- Encouraging casual and relaxed conversation among all members.
- Seeking consensus among the committee.
- Encouraging members to act as resources, providing individual expertise and knowledge in their related field.

Additionally, the AHAC should consider appointing a Committee Chairperson to facilitate the participation of all members. A chairperson:

- Sets the tone for committee work.
- Guides the process using successful group discussion methods.
- Ensures that members have the information needed to complete their tasks.
- Maintains active interest and member involvement.

## **Conducting a SHIP survey and incorporating results**

Conducting a survey may be a helpful method for collecting information needed by the AHAC. Conducting a survey of SHIP administrators that serve similar local governments and stakeholders may provide critical guidance in creating the AHAC Report and provide insight into developing effective policies. A survey sent to developers and builders can be a great way to find out whether incentive strategies are working and how various land development processes can be amended to facilitate affordable housing development.

There are several applications that can assist in developing an on-line survey with templates that simplify the process. Two popular applications are Survey Monkey and Google Survey. These applications provide quantifiable responses for analysis.

Steps for setting up an online survey include:

- Deciding on the research goals.
- Creating a list of questions and type them into the survey platform.
- Inviting participants and providing them with directions on completing and submitting the survey
- Gathering responses.
- Analyzing results (the survey platform can assist).
- Providing results to AHAC members and, possibly, survey participants.

The survey method can be very useful and allows for maximum outreach. An on-line survey can reach individuals that might not otherwise be consulted, significantly increasing input, and improving the output of the AHAC's work. We strongly recommend including the local Realtor Association and Builders Association in the survey.



## V. Steps in the Review Process

Upon appointment of the AHAC members and each year after, the AHAC is required to review existing local government plans, policies, and procedures, ordinances, regulations, and the comprehensive plan applicable to affordable housing, to evaluate their impacts on the provision of affordable housing.

The AHAC is specifically directed by the SHIP Statute to consider and evaluate the implementation of the incentives set out at Florida Statutes, Sec. 420.9076 (4) (a)-(k). The AHAC may also consider other incentives not listed in statute as identified by the AHAC. Based on the AHAC evaluation, it may recommend to local government that it make modifications or exceptions to certain regulations, or creation of new plans, policies, procedures, and other governing vehicles which would encourage production of affordable housing. The AHAC, from its review, evaluation, and recommendations, drafts and submits a report to the local government governing body, the Florida Housing Coalition, and to the Florida Housing Finance Corporation which details the scope of its work and the resulting recommendations.

### Meetings

The SHIP program mandates the review of the eleven areas of possible affordable housing incentives included in the SHIP Statute, at a minimum. The AHAC members should schedule a sufficient number of meetings to allow enough time for this review. Several of these incentives might require extensive time to thoughtfully review and discuss. For topics like the waiver of fees, flexibility in densities, and others, the advisory members will benefit from history and information provided by staff and from their own research and experience. An entire meeting might be devoted to one of the eleven topics.

### Draft the report

The committee's report should be incrementally drafted as it meets and discusses the incentives. Staff may assist with report development, but the report's content should come from the Committee's discussion of incentive strategies. Use the AHAC Report template included in the Appendix to help with developing this report.

The SHIP Statute does not mandate the length and the content of the report. Some committees may generate more than a dozen recommendations for new incentive strategies, others may only focus on revisions to existing incentive strategies, while other AHACs may conclude that no further recommendations are needed.

## Approve recommendations at a public hearing

Although all AHAC meetings are public meetings, the final approval of the AHAC Report recommendations is more formal and must be made at a public hearing. This is required in the SHIP Statute at Florida Statutes, Sec. 420.9076 (5): “The approval by the advisory committee of its local housing incentive strategies recommendations and its review of local government implementation of previously recommended strategies must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing.” This final AHAC public hearing has specific notice requirements in statute that are not required for the prior AHAC meetings. For example, the notice for the final AHAC meeting approving the report must contain a short and concise summary of the AHAC’s work and local housing incentive strategies to be considered.

Details on scheduling and organizing the public meeting can be found in Section VI. The AHAC Report Timeline, in this guidebook.

## Submit report to local governing body and Florida Housing Coalition

After the AHAC approves its report by a majority vote, the AHAC must provide the City or County Commission with the final AHAC Report. Typically, the AHAC Report is presented at a regularly scheduled commission meeting. The SHIP Statute does not mandate the adoption of the AHAC recommendations by the governing body of the local government, other than the required incentives for expedited permitting and an ongoing process of review. The elected officials may:

- Discuss the report and vote to adopt only one of many recommendations.
- Adopt all the recommendations.
- Use the report as a springboard to generate their own ideas for incentive strategies.
- Read the report and take no further action.

If the local government does adopt recommendations of the AHAC, the SHIP Statute establishes that the local government has 90 days to amend its LHAP to incorporate the recommended incentive strategies that it plans to implement. The city or county will provide the LHAP amendments to the Florida Housing Finance Corporation.

Newly enacted in 2020, the AHAC must also submit the annual report to the “entity providing statewide training and technical assistance for the Affordable Housing Catalyst Program,” in addition to the local governing body. That entity is the Florida Housing Coalition.

## **Submit report to the Florida Housing Finance Corporation**

The SHIP Statute states that “the final report, evaluation, and recommendations shall be submitted to the corporation.” This is accomplished by providing the Florida Housing Finance Corporation the report at the same time it is presented to the city or county officials. An electronic version of the report is to be emailed to the Florida Housing staff with responsibility for SHIP.

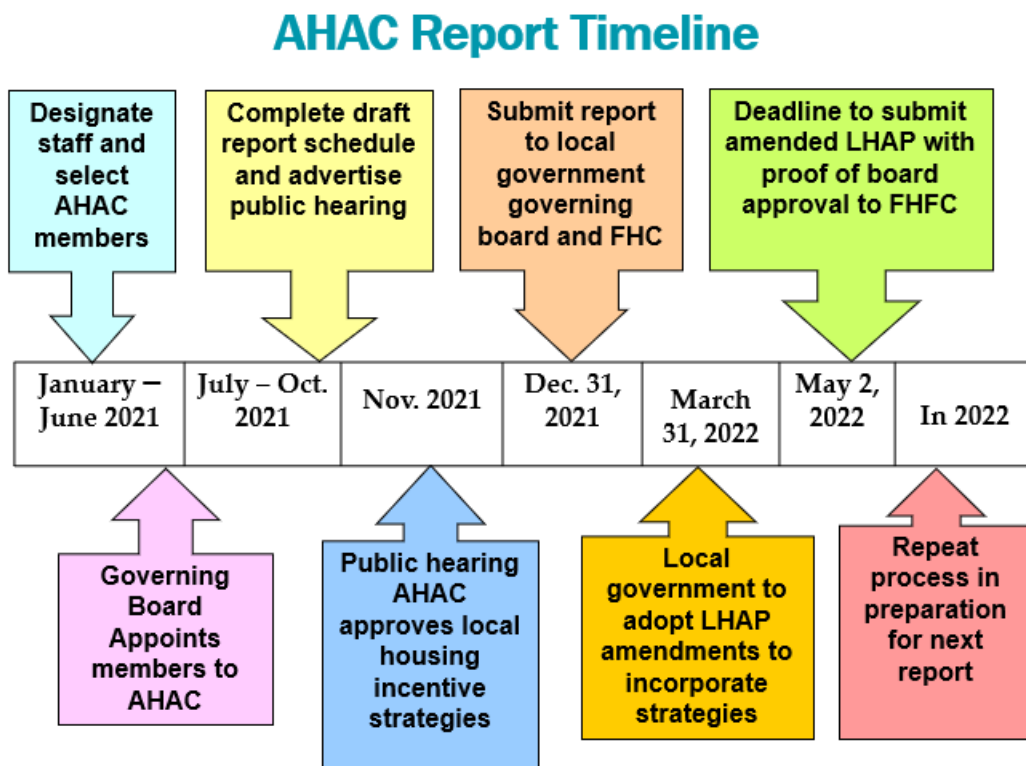
## VI. The AHAC Report Timeline

### Review of deadlines

The AHAC is required to review implementation of previously adopted incentive strategies and submit a report to the City or County Commission annually. Prior to the 2020 Florida Legislative session, this report was only required every three years. Now, the AHAC Report is required annually and is due by December 31 to the local governing body and FHFC each calendar year.

Within 90 days after receipt of the AHAC’s report with its local housing incentive recommendations, the local governing body shall adopt an amendment to its LHAP to incorporate the housing incentive strategies.

Figure 1: AHAC Report Timeline.



## Public notice requirements

Florida law requires that the AHAC's approval of its final report be made by vote of a majority of members during a properly noticed public hearing. Florida Statutes, Sec. 420.9076 (5). The public notice shall:

- Provide the time, date, and place of the meeting where the AHAC will consider adoption of its recommendations and evaluation in a newspaper of general circulation in the county.
- Include a short and concise summary of the recommendations and evaluation.
- State a public place where the proposed recommendations and evaluation can be obtained by the public.

## Scheduling and organizing the public hearing

The advisory committee is required by statute to hold a minimum of one public hearing, at which the committee's housing incentive strategy recommendations are voted on and the local government's implementation of previously recommended strategies are reviewed. A public hearing is also intended to solicit public comment on the AHAC Report as it is being considered for adoption. While only the final adoption hearing is specially directed by the SHIP statute, all AHAC meetings are covered by Sunshine Law and are ideal places to solicit input and engage the public.

When scheduling and organizing meetings or hearings, the following should be considered:

- Give adequate advance notice to the public and stakeholders.
- Publish sufficient information about the subject of the meeting or hearing.
- Hold meetings and hearings at times and locations convenient to the public and stakeholders.
- Choose locations that can accommodate persons with disabilities.
- Implement a strategy for how the needs of non-English speaking residents will be met.

## Suggested meetings

The AHAC is required to meet regularly to fulfill its committee duties. It is highly recommended that a committee chairperson be appointed and tasked with developing a meeting schedule that is convenient for all members. Meetings should be scheduled often enough to enable thorough discussion and the completion of all AHAC responsibilities. To ensure all required topics are addressed, the AHAC should consider holding the following types of meetings:

- **Status Update Meetings:** Status update meetings include regular member meetings, where the primary goal is to align the committee via updates on progress, challenges, and next steps.
- **Information Sharing Meetings:** These meetings feature presentations, panel debates, keynotes, and lectures with the primary goal of sharing information between members.
- **Decision-Making Meetings:** Important decisions often get their own dedicated meetings. A decision-making meeting includes information gathering and sharing, brainstorming solutions, evaluating options, ranking preferences, and voting.
- **Problem-Solving Meetings:** These are meetings where project scope and priorities are defined, opportunities and threats are identified, and possible solutions are brainstormed, evaluated, and agreed upon.
- **Innovation Meetings:** These “broad scope” meetings include brainstorming, networking, and sharing ideas. Members can use various techniques and processes to reduce the diverse pool of ideas to a more focused list. The most suitable ideas are identified, leading to recommendations and tasks can be assigned based on this.

The purpose of regularly scheduled meetings among AHAC members is to:

- Encourage participation and input.
- Engage in the process.
- Discuss strategy for completing tasks.
- Openly discuss incentive strategies.
- Provide additional information.
- Ensure the committee complies with timelines.

In addition to the required meetings, the AHAC may also consider holding meetings specially designed for public input. Attendance levels may provide an indicator of a community’s level of interest on a particular issue.

## Coordinating with the LHAP timeline

The affordable housing strategies recommended by the AHAC Report are the basis for the LHAP. Because the two documents go hand-in-hand, it is important to coordinate timelines to ensure timely submittal and compliance with Florida law.

As a result of House Bill 1339 (2020), the AHAC must submit an *annual* report instead of a *triennial* report. The AHAC should submit this report to the local government governing board, Florida Housing Finance Corporation, and the Florida Housing Coalition by

December 31<sup>st</sup> of each year. For years in which the LHAP is not due to the Florida Housing Finance Corporation, the local government may need to amend the LHAP to reflect any new incentive changes as a result of the annual AHAC Report. It is important to identify steps to be completed to coordinate processes. Starting the process early is key in completing tasks on time.

Steps to consider and timelines to follow are listed in Table 1: LHAP Timeline.

Table 1: LHAP Timeline.

Task	Timeline
Recruit AHAC Members	January – February
Designate Staff & Select AHAC Members	February – June
Appoint Members to AHAC	June 30 <sup>th</sup>
Orientation for AHAC Members on Current Incentive Strategies and Report Requirements	July
Develop AHAC Report	July – September
Draft Report Complete	Early October
Public Hearing: AHAC Approval of Incentive Strategies	November
Submit Report to Local Government Governing Board, Florida Housing Coalition, and Florida Housing Finance Corporation	December 31 <sup>st</sup>
Local Government Staff Develops LHAP	January – April (following year)
Submit LHAP to Florida Housing Finance Corporation (if due)	May 2 <sup>nd</sup> (following year)

As a reminder, experienced SHIP administrators and planners can provide AHAC staff with their expertise in coordinating timelines early in the process. This increases the likelihood of a streamlined process. Cooperatively staffed support from local government department or division with the authority to administer planning or housing programs helps create an integrated approach to the work of the advisory committee.

## VII. General Recommendations and Requirements for Incentive Strategies

This section lays out general recommendations and statutory requirements for jurisdictions developing incentive programs. The recommendations and requirements laid out here are for all incentives. Specific incentive strategies are discussed in detail in Section VIII.

### General recommendations for incentive strategies

1. **Eligibility Determination:** Eligibility determination certifies that a development meets affordable housing criteria. The provision of incentives to assist affordable housing developments requires some basic structural elements. Perhaps the most critical element is “eligibility criteria.”

As part of its Incentive Plan, the jurisdiction should use criteria to determine if a given development is eligible for one or more of the offered incentives. The criteria may be delineated for housing developments that are only partially dedicated to serving low-income households or for projects in which 100% of the units are considered affordable to a defined income level. The Incentive Plan should include an application process for the jurisdiction to determine if a development is qualified, and for which incentives.

The application should include:

- Proportion of units designated affordable.
- Income levels served.
- Specific incentive eligibility.

2. **Incentive Agreement:** For developments that have been approved for certain incentives, the jurisdiction should prepare an agreement that describes the incentives and duration of the affordability period and any other conditions. The agreement should describe penalties for developments that fail to meet the affordability conditions. The incentive agreement should describe:

- Monetary value of incentives- including fee waivers and value of donated or discounted land.
- Estimated time saved with expedited reviews.
- Duration of affordability.
- Method of tracking, reporting, or monitoring.
- Reversion or penalties in case of default.



3. **Application process:** In some cases, the review and approval of development incentives is required prior to any request for funding from the jurisdiction or other financing entity. The jurisdiction should prepare an application and procedures for review and approval. The application should include the following:
  - Project location.
  - Project description- number of units, number of bedrooms, baths.
  - Projected income restrictions.
  - Other funding sources under consideration or committed.
  - Type of relief requested.
  
4. **Case by Case Review:** The applicability of local government incentives for affordable housing construction may be undertaken on a case-by-case basis. Each development will be different and may have a variety of needs, so a “one size fits all” review process may be insufficient. Develop local policies and procedures for a case-by-case review of offered incentives. Policies should be written in such a way that approval is predictable to avoid arbitrary decision-making.
  
5. **Incentives Based on Demonstrated Need:** The jurisdiction should carefully consider their housing needs the local strategies intend to address. Incentives should effectively meet those needs. For example, if a critical part of a jurisdiction’s strategic plan is to end homelessness, then it is important to conduct a careful review of zoning and land development codes and how these regulations affect the development of housing for targeted populations. There may be obsolete prohibitions that could inhibit the development of a small congregate living center or shared living arrangement. If a critical part of your local housing goals is to support the development of housing in targeted areas as part of a community growth initiative, then it will be important to assess how local rules and policies can be unlocked to facilitate that growth. An understanding of housing needs is fundamental to the AHACs work.
  
6. **Developer Rights to Incentives:** Development incentives should be provided to the developer by right whenever feasible, without the need for a variety of public meetings. This means that incentives could be provided through an administrative process rather than a public hearing. By right access to incentives may encourage private sector involvement as the development process will be easier to predict. Incentives should be established through community input.
  
7. **Assurances of public benefit in exchange for incentives:** The goal for regulatory reform and incentives for developers is to help the local government meet their obligation to ensure affordable housing for the entire current and anticipated population. Local government is increasing the value of land when it provides land use flexibility or offers incentives or exemptions from certain fees or requirements. Assurance that these incentives result in more affordable housing and or housing that is affordable long term should be included in the local government analysis.

8. **Consistency with Other Laws:** Housing assistance incentives, while offering alternative compliance with the regulatory framework, must be consistent with other statutory requirements and plans, including the housing element, Local Housing Assistance Plan, Consolidated Plan and Action Plans, and Fair Housing laws.

## Incentive Strategies

Incentives fall into a few broad categories and can be used in conjunction to increase effectiveness. Below are some general categories of incentives.

**Site Plan Design:** Site plan design incentives couple plan and site design incentives so development processes are viewed simultaneously to allow for the most flexible and innovative solutions possible. Site plan and site design incentives should be included as a policy in the Comprehensive Plan's housing element and should be available by administrative review, rather than through a public hearing.

**Sustainable Housing Features:** These prioritize developments that meet or exceed energy, green, or sustainable features. For example, in an incentive relating to density bonuses, an AHAC could recommend that additional density bonuses be offered to structures that demonstrate exceptional capacity for climate resiliency. The AHAC can be creative in how it recommends incentivizing developments that contain sustainable housing features.

**Surplus Lands:** Alongside providing incentives related to government surplus lands, local governments should have an entire apparatus of policies and procedures for the identification and provision of surplus lands. These policies and operating guidelines establish how the local government assesses suitable property for affordable housing, how to dictate an RFP process for the development of housing, and other relevant policies that leverages government owned land for affordable housing purposes.

**Community Land Trusts:** The jurisdiction can avoid much of the tracking needed to ensure long term affordability compliance by utilizing the community land trust model. "Community land trust" (CLT) is the name of both a nonprofit and a strategy to ensure permanent affordability by separating the ownership of land from the ownership of improvements. CLTs have land stewardship expertise to ensure that properties remain affordable in perpetuity. The local government can partner with a CLT to monitor affordability requirements and otherwise assist residents with proper education on financial sustainability. Units that are managed or overseen by a CLT are guaranteed to be affordable long-term. If the local government does not have access to a partnership with a CLT, requirements for long term affordability should be executed and enforced through a mortgage, note, restrictive covenant or land use restriction agreement.

## Statutory requirements for incentive plans

Section 420.9076 (4), Florida Statutes

At a minimum, each advisory committee shall submit an annual report to the local governing body, the Florida Housing Finance Corporation, and Florida Housing Coalition that includes recommendations on, and the implementation of, affordable housing incentives in the following areas:

- (a) The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.
- (b) All allowable fee waivers provided for the development or construction of affordable housing.
- (c) The allowance of flexibility in densities for affordable housing.
- (d) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- (e) Affordable accessory residential units.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (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.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- (k) The support of development near transportation hubs and major employment centers and mixed-use developments.

Section 420.9076 (8) authorizes the advisory committee to perform other duties at the request of the local government, including:

- The provision of mentoring services to affordable housing partners including developers, banking institutions, employers, and others to identify available incentives, assist with applications for funding requests, and develop partnerships between various parties.
- The creation of best practices for the development of affordable housing.

Mentoring assistance can be provided by connecting housing developers with subject-matter experts, on-site technical assistance, workshops, and clinics. Support can also be provided remotely by email, telephone assistance and/or webinars. These services are provided by the Florida Housing Coalition and are available to every SHIP jurisdiction.

## **What qualifies as an “affordable housing development”?**

It is best to have a formal application process to determine whether a housing development can be certified as “affordable.” Such a process will prevent time and resources being spent on units that, ultimately, cannot be certified as affordable.

The minimum requirement for certification is whether the development will result in owner or rental units that are affordable to extremely low income, very low income, or low-income households. This might include housing that is affordable to moderate-income households or housing that is sometimes referred to as “workforce” serving households up to 140% (and sometimes 150%) of area median income.

When a development is certified as an affordable housing development, it may qualify for a number of incentives. Therefore, the certification findings should be specific, so that the finding can be used to determine whether the units qualify for additional assistance, such as fee waivers or bonus units through increased density.

Development that are certified as affordable can include units that are publicly supported with, for example, SHIP, HOME, Emergency Solutions Grants (ESG), or Housing Opportunities for Persons with AIDS (HOPWA). Developments certified as affordable can also receive financing through local housing finance agencies, public housing authorities, Community Development Block Grants (CDBG), or the Florida Housing Finance Corporation. Developments that are part of an inclusionary zoning ordinance or that are included in a community land trust can also be certified as affordable.

## **Examples of how local jurisdictions certify affordable housing developments**

### **City of Sarasota**

The processing of approvals of development orders or permits for affordable housing units is expedited to a greater degree than other developments. The committee recommends that any applicant with a development meeting any one of the following conditions be given expedited review and approval:

- Individuals or organizations that are receiving assistance through the Office of Housing and Community Development.
- Builders and developers who are applying for Federal and/or State Affordable Housing Programs.

- Nonprofit organizations that are building affordable housing with a sales price that does not exceed the maximum sales price for the Housing Partnership Program.
- Any organization building affordable housing in the Community Reinvestment Area (CRA) with a sales price that does not exceed the maximum sales price for the Housing Partnership Program.
- Nonprofit organizations that are building rental housing and agree to lease the property for no more than the fair market rent for a period of 10 years.
- Any organization that is building rental housing in the CRA that commits to lease the property for no more than the fair market rent for a period of 10 years.
- Applicants applying for a rezone or special exception for a development where a minimum of 15% of the total units within the development are affordable to households earning less than 100% of area median income.
- Applicants applying for site and development approval, plats and building permits for any development where a minimum of 15% of the total units within the development are affordable to households earning less than 100% of area median income.

## City of Orlando

**Affordable Housing Certification Process:** The intent of the Affordable Housing Certification Process is to identify developments that meet the definition of affordable housing. To participate in the Affordable Housing Certification Process, a minimum of 20% of the units in the development must meet the definition of very-low, low-, and/or moderate-income housing. These developments are eligible to receive specific regulatory and financial incentives. The certification process allows the City to effectively direct its incentives to those units that will result in the provision of decent, safe, and affordable housing. Further, the certification process provides the developer with early information regarding available incentives. Another benefit of the Affordable Housing Certification Process is that certified developments receive expedited services from City departments at all steps in the development review and permitting process.

Developments seeking affordable housing incentives must be certified before receiving incentives such as the following: SHIP/HOME funds, capacity reservation set-asides, reduced reservation fees, impact fee grants, discounts, or exemptions, reduced Land Development or Growth Management application fees, or developing a residential project utilizing the Alternative Housing Development standards

The Affordable Housing Certification Process has been amended to include certain incentives for attainable housing developments.

## VIII. Incentive Strategies: Details and Examples

The AHAC must consider the following eleven incentive strategies to encourage the construction of affordable housing:

- (a) The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.
- (b) All allowable fee waivers provided for the development or construction of affordable housing.
- (c) The allowance of flexibility in densities for affordable housing.
- (d) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- (e) Affordable accessory residential units.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (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.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- (k) The support of development near transportation hubs and major employment centers and mixed-use developments.

Each of these strategies is discussed below. Two incentives are required to be adopted in the Local Housing Assistance Plan (LHAP): item (a) for expedited permitting and item (i) for a process of ongoing review.

## Strategy: Expedited process of development approvals

### Purpose

Time is money. The time it takes for government staff to review development approvals is a factor in the overall cost of a development. Increased costs lower the overall prospects of any development and force the developer to charge higher housing prices to offset increased costs. A functioning process for expedited permitting for affordable housing units reduces time and helps avoid setbacks by designating a staff member to shepherd a development through the process. The requirement to expedite permitting extends to all reviews and approvals, including site plan review, zoning hearings, and special approvals. A builder can schedule construction more quickly when there is a clear intention by the local government to expedite the permit review and issuance process.

Expedited permitting gives the housing staff the opportunity to work closely with the developer to offer additional support, help them overcome other obstacles that may delay a development, and ensure that affordable developers are receiving any other applicable incentives.

### Relevant Statutes

S. 420.9076(4)(a) of the Florida Statutes requires the AHAC to assess: “The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3” of the Florida Statutes.

The requirement to expedite permits for affordable housing projects is one of only two required incentives to be implemented in the Local Housing Assistance Plan (LHAP) as part of the “local housing incentive strategies” under s. 420.9071(16) of the Florida Statutes.

### Considerations

- Clearly define which developments are eligible for expedited permitting.
- Expedite all steps in the development process in which government staff is involved, not just the final approval.
- Understand the economic importance of reducing permitting time and expenses to affordable housing developments.
- Designate a staff person(s) for individual developments to help shepherd them through the process.
- Understanding and improving staff capacity is key to a successful expedited permitting program.

- Whenever feasible, delegate the authority to approve various steps of the review process to department directors in lieu of a board approval.
- Expedited permitting requires affordable housing developments to be placed ahead of other development. This may result in tension with other developers whose projects are put behind as a result.

## Methodology

Local government staff should set clear standards for which proposed affordable housing developments are eligible for expedited permitting and consider delineating separate benefits depending on how much of the development is set-aside as affordable housing. Under s. 420.9071 of the Florida Statutes, “affordable” means that “monthly rents or mortgage payments . . . do not exceed 30 percent” of an extremely low income to moderate income household’s monthly income. However, the statute does not state how many units in a development must meet this standard to qualify as an affordable housing development. Local governments should strive to focus on developments where 100% of the units are intended to be used as long-term affordable housing. Local government could decide to lower emphasis on developments that set-aside a lower proportion of units as affordable to income-eligible households. For example, if a development sets aside only 20% of its units as affordable housing it would receive less favorable expedited permitting benefits than a development with 100% affordable units.

S. 163.3164 of the Florida Statutes defines what is a “development order” and “development permit” for the purposes of this expedited permitting requirement. A “development order” means “any order granting, denying, or granting with conditions an application for a development permit.” A “development permit” includes “any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land.” These two terms cover virtually all approvals in the development process.

Local government staff should embrace the breadth of this requirement and expedite and prioritize all areas requiring land use permitting or approvals. This action is one of only two statutorily required regulatory incentives and is of high value for facilitating the construction of affordable housing.

Any step involving an affordable housing developer’s attempt to develop a parcel of land should be expedited. Staff in the engineering, planning, housing, or other applicable departments must be involved and fully informed of the procedures regarding expedited permitting for affordable housing developments. The local government should assess staff capacity to implement these procedures and streamline all functions to the greatest extent feasible. Whenever feasible, authority to approve various steps of the development process should be granted to a department director in lieu of a board approval. Lowering the number of board approvals will quicken the review process.



How permits are expedited is based on the size and complexity of the existing permit review process. Applications must be flagged in some manner, such as with a brightly colored cover sheet, with the certification information entered and signed by the housing department. Such a form might have contact information and further instructions on how to prioritize the application. Electronic systems may have a required field indicating that this is an affordable housing development.

Task completion entities should be able to verify that eligible developments are reviewed expeditiously and immediately forwarded to the next task for final approval with notification of the approval to the developer. Alternatively, the local jurisdiction could provide a concurrent preapplication/predevelopment review process to bring all the departments that will be required to sign off on the development into a preapplication/predevelopment review meeting.

### Examples:

**Pasco County.** Developments that receive a certification as affordable receive expedited review – including single and multi-family, attached or detached, residential and planned, or mixed-use developments.

Staff assist applicants to submit a fully completed application before the expedited review begins. Once the completed application is accepted, the Director of Growth Management or an assignee shepherds the application through each level of review. In no case will an application be set aside while awaiting a decision. The application is returned to the Director immediately after the review is completed. The Growth Management Director has the authority to approve developments - those that do not require a comprehensive plan amendment of developments below 100 units - without submittal to a reviewing committee. The county uses a yellow band to identify certified housing applications.

- For Single Family development: SHIP staff email the central permitting manager, who pulls out the permit request for the contractor/builder and processes it right away.
- For Multi-Family development: SHIP staff arrange a meeting with the developer and representatives from the engineering, development services, zoning, and growth management departments. Each department indicates upfront what is needed to process the application. Each department commits to review applications swiftly. In this fashion, every point of review is expedited.

**Lee County.** A green cover sheet is placed on top of all qualified application packages. Staff are instructed to direct any questions or issues to the Housing Staff who will then work with the applicant to provide more information or correct insufficiencies.

**City of Orlando.** The Housing and Community Development Department, the Planning Division, and the Office of Permitting Services worked together to form the Expedited Housing Development Approval Process. A Housing Expediter is assigned who serves as the lead staff member responsible for coordinating the City's review through the various departments. The Expediter performs an initial review of the project applying for certification to determine whether it meets income criteria. The Expediter then communicates with other departments and serves as the key contact between City staff and the project developer. In addition, the Planning Division and Permitting Services Division each assign a staff person to serve as Ombudsman for certified housing developments. This ensures that issues are addressed early and can be resolved quickly. The City of Orlando also prioritizes developments meeting the City's residential green building principles.

## Strategy: Fee waivers for the development or construction of affordable housing

### Purpose

Local government fees can be a major expense in developing newly constructed housing. By modifying fee requirements for affordable housing construction, the overall cost of the development can be reduced, and the savings can be passed on in the form of lower rents or lower sales prices. Reducing fees can also result in the reduced need for local SHIP funds. This can make SHIP and other housing dollars go further and result in more affordable units. Reduced, deferred, or waived impact fees can also count as a local government contribution in the Low-Income Housing Tax Credit (LIHTC) application through the Florida Housing Finance Corporation. Local government contributions will allow an application to score higher points, making the project more competitive.

Impact fees are the main type of fee that may be modified for affordable housing with the intent of reducing the cost of development. However, the modification and waiver of other local government fees should also be assessed. These fees include:

- Informal Review
- Site Plan Review
- Landscape Plan
- Platting and Subdivision
- Building Permit
- Variance or Special Exception
- Impact fee:
  - Roads
  - Parks
  - Infrastructure
  - Schools
- Concurrency Capacity Availability or Encumbrance

Local governments rely on impact fees to pay for the services required when new residents move into a community as a result of development. The government may charge fees for increased school enrollment, road capacity, and utility access. By reducing or waiving a fee to the affordable housing developer, the local government may not have to provide as much subsidy to ensure that the development is financially feasible. They can also ensure long-term affordability by providing terms that require repayment with interest if the property does not meet affordability terms at a future date.

## Relevant Statutes

S. 420.906(4)(b) of the Florida Statutes directs the AHAC to assess: “All allowable fee waivers provided for the development or construction of affordable housing.” Under s. 163.31801 of the Florida Statutes, local governments can “provide an exception or waiver for an impact fee for the development or construction of housing that is affordable.” If a local government does so, “it is not required to use any revenues to offset the impact.” Further, local governments must report each exception or waiver of impact fee for housing that is affordable to the state.

## Considerations

- First and foremost, it is imperative that local government is provided assurance that a waiver or modification of fees will result in greater affordability to the consumer, not greater profitability to the developer. Consider reserving impact fee waivers for non-profit housing developers that provide permanent affordable housing.
- Impact fees are based upon a nexus argument that development creates a definable impact on public infrastructure, including roads, sewer, water, parks, schools, etc. Without these fees, local government may need to rely on other sources of existing revenue or increase fees on non-affordable development. Local governments may or may not have fees that they can modify for affordable housing developers. Further, some departments may rely solely on impact fees to fund needed improvements.
- Some local governments define a maximum amount of dollars that can be waived or a number of affordable units that can receive a waiver in a fiscal year. This cap on impact fee waivers can help focus assistance on units that will be permanently affordable or developments that are 100% affordable.
- The 2019 Florida Legislative session confirmed that impact fees can be waived for affordable housing without needed to use any revenues to offset the impact. Some legal advisors take the position that waiving impact fees is not permissible. In these cases, it is possible for the fee to be paid, but by other sources. One such source is the interest that has accrued on the impact fee financial accounts. This action simply moves interest money back to the impact fee income stream.
- Local governments may or may not have fees that they can modify for affordable housing developers. Further, some departments may rely solely on impact fees to fund needed improvements.

## Methodology

Fee modification methods can include, but are not limited to, the following:

- Waiver or forgiveness of fees.
- Discount or reduction of fees.

- Loan- payable in favorable terms, with payments deferred until a pre-designated time.
- Reimbursement- fees are paid at time of application and are reimbursed upon completion of development or at another point in time.

**Fee waiver:** To waive certain fees, a governing local ordinance can provide the conditions and process for receiving the waiver. For example, the local government can reserve full fee waivers only for units that will be permanently affordable or for developments that set aside 100% of their units as affordable housing. The local government could then provide a partial waiver or reduction of fees for units that will be affordable long-term (but not permanently) or for developments that devote a smaller percentage of its units as affordable.

When impact fee revenue is pledged for the repayment of a bonded improvement, it is likely that the covenants for the bonds would allow forgiveness. If this is the case, then an alternative source of funding might be considered. Future bond issues should be evaluated for the possibility of including a built-in waiver for certain circumstances, such as affordable housing.

**Fee deferral:** To defer fees, local policies should contain a provision for the terms of the deferral and the terms for the agreement or lien to be in place that describes when and how the fees are to be repaid.

**Fee modification:** The fee amount can be adjusted for smaller or lower cost units. Because impact fees, specifically, are typically regressive - fees are typically collected on a per unit basis rather than on a square-foot or value basis - smaller, more naturally affordable homes pay the same fee as larger homes. Impact fees could be modified for affordable housing by restructuring the fee amount based on the size or the type of the unit. For example, a proposed housing development targeted to seniors might be eligible for a reduced impact fee for roads or school impact, along with other provisions such as reduced parking spaces.

### Alternative sources to pay impact fees

Local government could offset the costs of waived or reduce impact fees from the interest on the impact fee account. The fee can be reduced or discounted with the balance paid from the interest. It is not recommended that SHIP or other housing dollars be used to subsidize impact fees as these funds can be better used for direct housing costs, such as construction or down payment assistance. Any adjustments or exclusions need to be spelled out in a local ordinance. Finally, because impact fee programs are dynamic and come under discussion frequently, housing staff and advocates should be aware of the changes in relation to impact fees - especially impact fee increases. Staff and advocates should become an active part of impact fee discussions. This ongoing responsibility is part of the required incentive strategy to maintain an ongoing process of review.

## Examples:

**Alachua County.** The County's impact fee amounts are not collected on a per-unit basis but rather on a square-foot basis.

**Hillsborough County.** Section 40-64 of the Hillsborough County Code creates the "Affordable housing relief program." Applicants approved under the program are entitled to relief from impact fee assessments relating to impacts on park sites, road improvements, right-of-way, and fire rescue service. The County Commission is authorized to create a reimbursement policy for school impact fees.

To be eligible for impact fee relief, an applicant's maximum family income cannot exceed 80% AMI, housing prices must meet Section 8 guidelines, and income verification is performed by the County. The types of housing eligible for relief include single-family homes that are site-built, manufactured, or mobile homes, and rental developments participating in other appropriate local, State, and/or federal low-income housing programs.

Eligible housing must meet locational criteria within the comprehensive plan under the affordable housing bonuses section, must be either within the Urban Services Area, or fully or partially developing on a site with in-place infrastructure. Farm-worker housing and affordable housing constructed within designated CDBG Target Neighborhoods are except from the locational criteria.

The maximum amount of relief available annually for multifamily developments shall not exceed \$800,000. However, an eligible housing developer can petition the Board to waive fees in excess of the annual maximum if the Board finds that 1) sufficient funds are available to cover the additional relief; and 2) the granting of additional relief will serve a public purpose.

Fee waivers are available on a first-come, first-served basis. Developments that receive fee waivers will be subject to a legally binding restrictive covenant that provides that, for a period of seven years, any subsequent conveyance of the property which fails to qualify for relief shall nullify the impact fee waiver and the developer will be responsible for paying the full amount in waived fees. The impact fee waiver ordinance also provides standards for administration and review.

**Orange County.** A deferral for the payment of impact fees is available to all single-family residences and duplexes until issuance of a Certificate of Occupancy. Multi-family developments that are certified as affordable may defer the payment of the impact fee until power is authorized for the first building or until the first Certificate of Occupancy is issued.

**Lee County.** The impact fee for Lee County contains a provision for the waiver of all impact fees, except school fees, within its three enterprise zones. Lee County also provides a School Impact Fee Rebate (SIFR) for certified affordable housing units. A nonprofit affordable housing developer can apply for the SIFR at the time of permitting. After the fee is paid and the home is completed, the lower-income purchaser of the home receives a 50% rebate that is paid directly to their first mortgage holder to reduce their principal. For-profit builders can

also participate for a 25% rebate. The rebate program is funded by the interest that accrues on the impact fee account. Thus, the school board does not give up real income but part of the interest on the account. There is a \$200,000 cap on the program that is renewable.

**Polk County.** Any residential construction that qualifies as affordable housing can seek a full exemption of impact fees. Any person seeking the exemption shall file with the county manager an application with listed information under section 8.7-16 of the Polk County Code of Ordinances. Residential units must be occupied by low-income persons or very-low-income persons and the application requires a copy of a recordable lien on the property that requires the payment of the waived impact fees in the event the development fails to provide affordable units. Units must be affordable for at least seven (7) years from the date of issuance of certificate of occupancy.

**Collier County.** Collier County has a long-standing impact fee deferral program. Using building permit fee revenues, the fee is paid on behalf of the affordable home at the time of permitting which is a loan that is to be repaid within ten years. There is an annual limit of 225 units for the deferral program.

**Sumter County.** All affordable housing developments, in which the County is the lead entity in the process, receive waived building permit fees, site plan review, variance or special exception, and re-zoning fees.

## Strategy: Flexibility in density

### Purpose

Increasing the maximum units allowable may help make a development more financially feasible. The local land development code dictates a maximum number of housing units that may be developed on a particular lot depending on the zoning classification. As an affordable housing incentive, a jurisdiction may increase the maximum units allowable if a builder develops affordable housing units in exchange. The presence of bonus units will allow a developer to sell more homes or rent more apartments and thus help meet various financial feasibility criteria. A developer of affordable housing should be able to qualify for bonus density units by right if other development criteria are met.

The concept of providing bonus units to a developer who is not *building* affordable housing, but rather is contributing either land or funding, would be considered an inclusionary housing or inclusionary zoning strategy. “Inclusionary housing” is addressed in this section on density because if a local government chooses to implement inclusionary housing policies to create mixed income housing, it will need to include density bonus provisions in that ordinance.

An increase in density offers an economic incentive to produce affordable housing. The allowance of full density allowed by land use and zoning regulations, as well as additional approved units allowed by density bonuses, creates the opportunity for an affordable housing development to be financially feasible. The allowance of more density also incentivizes market-rate developers to produce affordable units. The sale of more units or the leasing of more apartments offsets the lower sales price or rent payments for each affordable unit.

### Relevant Statutes

S. 420.9076 (4)(c) of the Florida Statutes directs the AHAC to assess: “The allowance of flexibility in densities for affordable housing.”

A density bonus is a voluntary incentive that should be available to certified affordable housing developments by right. Density bonuses can also be provided as part of a mandatory inclusionary zoning ordinance. Local governments have the inherent home rule authority to provide density bonuses in exchange for the production of affordable housing units. S. 125.01055(1) and 166.04151(1) of the Florida Statutes confirm this tool by stating that local governments can use various land use mechanisms to increase the supply of affordable housing.

Sections 125.01055(6) and 166.04151(6) of the Florida Statutes allow local governments to approve the development of housing that is affordable on any parcel zoned for residential, commercial, or industrial use notwithstanding any other law or local ordinance to the contrary. In practice, this allows affordable housing units to be developed in those zones



without the need for a zoning change or comprehensive plan amendment. This provision can also be used as justification provide density bonuses to affordable developments in the eligible zone districts.

The Florida Statutes also provide direction for local governments choosing to provide density bonuses in exchange for a donation of property to be used for affordable housing.

- Section 420.615 of the Florida Statutes states that "[a] local government may provide density bonus incentives pursuant to the provisions of this section to any landowner who voluntarily donates fee simple interest in real property to the local government for the purpose of assisting the local government in providing affordable housing. Donated real property must be determined by the local government to be appropriate for use as affordable housing and must be subject to deed restrictions to ensure that the property will be used for affordable housing."
- The statute requires that, as part of the approval process, the local government adopt a comprehensive plan amendment for receiving land that incorporates the density bonus. It further provides that the plan amendment shall be adopted in the manner required for small-scale amendments under section 163.3187, Florida Statutes.

## Considerations

- Assess local land development regulations and identify areas where density bonuses can be authorized.
- Consider allowing density bonuses as-of-right through administrative procedures rather than requiring a public hearing. Predictable development standards may attract more private sector involvement.
- A density bonus is one of the most attractive tools a local government has to offer. Before increasing densities across the board, consider preserving the greatest density benefits for housing that will be affordable.
- The implementation of a density bonus program requires skillfully prepared regulations, standards, and agreements to effectively ensure that the bonus units are affordable long-term or that a payment or exchange in lieu is effective. In lieu payments should be high enough that they reflect the true cost of new development.
- In areas where there is not a high demand for density, such as rural areas, the incentive may not be effective, unless a project is a large-scale, master-planned development.
- Determine which entity will be responsible for income verification and compliance monitoring for the affordable units. Record and enforce a Land Use Restriction Agreement to ensure the units are affordable throughout the established term of years.

## Income groups to be served

“Affordable housing” must be defined by the density bonus or inclusionary zoning ordinance, and a methodology must be established for determining the sales price or rent of an affordable unit. Incentives generally target households with “low” or “very low” incomes as defined by HUD. Some density bonuses or inclusionary zoning ordinances define “affordability” to include moderate-income households, or those with incomes up to 120% of the area median income or higher. Income requirements are generally stricter for rental units than for units intended for ownership. In the case of units for sale, “affordable housing” may mean housing in which principal, interest, taxes, and insurance make up no more than 30% of the gross household income. For rental housing, “affordable” may mean housing for which the rent and utility payments constitute no more than 30% of the gross annual household, adjusted for household size.

## Duration of affordability

To preserve affordable units that are produced under density bonuses or inclusionary zoning ordinances, a control period is established. During this period, rental and ownership units must remain affordable. New tenants and buyers must meet income requirements, and the rent or sales price must be established according to the current area median income (interest rates may also be a factor for ownership units). Home buyers are typically allowed to keep a portion of the proceeds from the sale or to earn a specified rate of appreciation on the unit. Monitoring is important to assure continued compliance with the initial affordability requirements. A local agency or other monitoring agent must be established for low- and moderate-income housing developed under the density bonus or inclusionary zoning policy. A community land trust is well suited to manage these units, providing a pipeline of income eligible tenants and buyers.

## Elements of an inclusionary zoning ordinance

The primary purpose of inclusionary zoning is to increase the supply of affordable housing concurrently with the development of market-rate housing. An inclusionary zoning ordinance requires market-rate developers to include a percentage of affordable units within their market-rate developments. Inclusionary zoning is an approach that ensures that affordable units are created with limited public expenditure.

Inclusionary zoning can provide a number of benefits. Where new development occurs in metropolitan centers, inclusionary zoning can result in affordable units that are closer to jobs and transportation. In addition, because of the density bonuses awarded for affordable units, inclusionary zoning can lead to higher-density development. The higher-density and infill development that can result from inclusionary zoning increases housing supply in the city center and reduces the demand for housing overall and fringe development in particular. This, in turn, reduces the need for new infrastructure, shortens commutes, and reduces congestion.

## Threshold size

Inclusionary zoning ordinances typically establish a minimum development size before requirements are applied. This threshold should be large enough to contribute to the financial feasibility of the required affordable units. Study local development patterns to identify an ideal threshold number of units that triggers an affordable housing requirement. If the average new development in a community produces 50 units, an inclusionary zoning threshold at 50 units may capture a sizable number of developments that will need to meet affordability requirements. Similarly, if the average new development in a community produces 50 units and the inclusionary threshold is at 100 units, the policy may not capture enough new development to maximize the effectiveness of an inclusionary zoning ordinance.

## Percentage set-aside

Inclusionary zoning ordinances generally require a certain percentage of a market-rate development to be set aside as affordable units. The percentage of affordable units included in new development should consider the following: the financial feasibility of producing the affordable units, the incentives or cost offsets available to developers to produce the affordable units, the need for affordable units, and the strength of the local housing market. Nationally, inclusionary zoning ordinances have required developers to set aside 5%–35% of their new housing developments as affordable, although requirements of 10%-25% are most common. The share of affordable units required often varies, depending on whether the units will be for homeownership or rental, and whether the income targeted is moderate-, low-, or very-low.

## Cost offsets

Under s. 125.01055 and 166.04151 of the Florida Statutes, local governments must “fully offset all costs” to a developer for their affordable housing contribution under an inclusionary zoning ordinance. One of the primary cost offsets offered to developers in exchange for producing affordable units is a density bonus. A density bonus allows the developer to construct additional market rate units beyond what is normally allowed under the current zoning ordinance, in exchange for providing a specified number of affordable units.

In addition to density bonuses, there are several ways of offsetting the costs of a development to enable the construction of affordable housing. For example, developers can be given waivers from various development standards, including maximum lot coverage, setbacks, and parking, and/or can receive waivers for fees such as impact fees, demolition, water and sewer charge, and utility connection fees. Developers may also be eligible for expedited permitting.

## Flexibility

A major component on an inclusionary zoning ordinance is flexibility. Developers should be given multiple options to satisfy the inclusionary requirements including paying a fee in-lieu, providing land in-lieu, or building the units off-site at a different location. For an in-lieu fee, the paid amount can be placed in an affordable housing trust fund for other affordable housing initiatives, keeping in mind that if an in-lieu fee is paid, the local government will still need to “fully offset all costs” associated with that fee. For a land donation in-lieu of producing the required affordable units, the land can be granted to a nonprofit organization that will produce permanent affordable housing. If the developer is allowed to build the required affordable units offsite, a partnership with a nonprofit to help build and manage the affordable units is key.

## Statutory authorization for inclusionary zoning

S. 125.01055 and 166.04151 of the Florida Statutes expressly authorize inclusionary housing ordinances as a tool to increase the supply of affordable housing. However, due to legislation passed in 2019, local governments must “fully offset all costs” to the development of its affordable housing contribution required by an inclusionary zoning ordinance. Local governments can offset these costs by providing density bonuses, a reduction in fees, or by granting other incentives.

It is important to note that inclusionary zoning is exempt from Florida’s rent control statute. S. 125.0103(2) of the Florida Statutes states that no local government can adopt or maintain an ordinance which imposes rent controls unless such controls are necessary and proper to eliminate an existing housing emergency which is so grave as to constitute a serious menace to the general public. Subsection (7) of this statute specifically exempts inclusionary housing ordinances from this prohibition on rent control.

S. 163.3177(6)(f) of the Florida Statutes requires that the Housing Element of the local Comprehensive Plan include principles, guidelines, standards, and strategies for the provision of adequate sites for future housing, including affordable workforce housing, and principles to provide housing for all a jurisdiction’s current and future anticipated populations, including special needs populations. Inclusionary housing strategies would satisfy this Comprehensive Plan requirement.

## Examples:

**Palm Beach County Workforce Housing Program (WHP).** Palm Beach County’s Workforce Housing Program is an extensive framework of regulations that requires a sliding scale of affordable units to be built based on the degree of incentives a developer receives in return. In certain zoning and Future Land Use designations, a minimum of 15% of units developed must be reserved for affordable housing for an established period of years. The WHP offers the choice of either a “limited” or “full” program option, which determines the amount of required workforce housing and the availability of incentives. The only available incentive with the “limited” option is a density bonus while the “full” option provides for a density

bonus plus expedited permitting review, greater flexibility in property development regulations, and other incentives to offset costs. Developments that choose the “full” option must provide a greater percentage of affordable units.

Developers are allowed flexibility to build units off-site, pay an in-lieu fee, or donate buildable land in lieu of developing the workforce units on-site. For homeownership units, affordability restrictions remain in effect for 15 years but if the unit is resold before the 15-year period concludes, a new 15-year period takes effect. For rental units, affordability restrictions are in effect for 30 years.

The County offers healthy incentives to fully offset the cost of the affordable units to developers. As of 2020, over 1,200 units have been produced with Palm Beach County’s mandatory inclusionary zoning ordinance with almost 2,400 units dedicated.

**City of Jupiter.** Under Jupiter’s Workforce Housing Program, six percent of dwelling units in a residential development of ten units or more must be “workforce housing units.” A residential developer who seeks a rezoning or land use amendment to increase density is required to develop 12 percent of the dwelling units as workforce housing units. For sale workforce housing units are “equally allocated sequentially” among the four eligible income household categories (low, moderate-low, moderate-high, and middle incomes). As an example, if 16 units are required workforce housing units, 4 will be for households at 80% or below AMI, 4 will be for 81-100% AMI, 4 will be for 101 to 120% AMI, and 4 will be for households at 121 to 140% AMI. Rental workforce units can only serve up to 120% AMI.

The City allows for an in-lieu of fee, off-site construction, or donation of land in-lieu of building the required affordable units.

**City of Orlando.** The City of Orlando operates a voluntary density bonus program. The program offers a density bonus in several residential, office, and commercial districts. In exchange for more density, the developer must commit to build affordable housing units on-site. However, instead of building affordable units on-site, the developer may choose to provide an in-lieu contribution to the “City of Orlando Trust Fund for Low- and Very Low-Income Housing.”

The Land Development Code requires a Neighborhood Compatibility Review for all developments requesting a density bonus. The purpose of the review is to ensure that the intensity of a development utilizing a density bonus remains compatible with adjacent neighborhoods. All variances, except variances to height requirements, are prohibited within developments that have received density bonuses. If the Neighborhood Compatibility Review is favorable, the applicant can increase the density of development in accordance with the approval.

In return for the density bonus, the developer is required either to provide on-site affordable housing units equal to the number or additional units permitted by the bonus or to contribute a percentage of the total construction costs to the trust fund at the time of permitting. At the time of building permitting, the Building Official determines the amount of the contribution

based on 2% of the total construction costs of the development. The on-site alternatives require that the affordable units be devoted by deed restriction to low- and/or very low-income households.

**Brevard County.** Developments located within any residential or commercial zoning or future land use category with a density of six units per acre or greater, and with a minimum 30 percent of units designated as “affordable housing” are eligible to apply for a 25 percent density bonus consistent with the criteria in the county comprehensive plan, provided the overall residential development density does not exceed the density in the next highest residential future land use designation. “Affordable housing” is defined as housing affordable to households up to 120% AMI. Developments that are defined as “workforce housing”, are only eligible for a 15 percent density bonus. “Workforce housing” is defined as housing affordable to households up to 140% AMI.

All developments with workforce housing units shall be eligible for refunds of county review and agreement filing fees (e.g., planning, building, engineering), from funds administered by the county department of housing and human services, as permitted by law, contingent on availability of funds. Developments with workforce units will be eligible to request a refund of review and recording fees only on the units designated as workforce. This does not include impact fees, facility investment fees, connection fees or similar fees.

Developments in which 15 percent or more of the entire project is workforce housing can receive the assistance of the county's affordable/workforce housing team. The team will provide technical assistance to facilitate the movement of the development through the necessary permitting procedures. Priority use of the team resources will be given to developments with affordable units, and a greater period of time that units will remain affordable. Subsequent priority will be given to developments that have workforce, or a combination of affordable and workforce units. A higher percentage of units mean a higher priority.

Developers are allowed to transfer density bonus rights and developments within any coastal hazard area are not eligible for a density bonus. The Brevard County density bonus ordinance codifies that a land trust may be used as a mechanism to retain units as affordable.

**City of Clearwater.** The City provides density bonuses for affordable housing developments that demonstrate a minimum of 15% of the total units are reserved as affordable housing units. Such bonuses shall not exceed 50% of the density permitted by the Future Land Use Map and shall not include properties located in the Coastal Storm Area.

**City of St. Petersburg.** St. Petersburg offers density bonuses to developers who commit to providing affordable units for no less than 30 years. The workforce housing density bonus program sets out strict terms for location, character, and income levels served by the bonus units.

## Strategy: Reservation of infrastructure capacity

### Purpose

The reservation of infrastructure capacity is based upon local requirements in largely urban areas. These larger areas require future developments to make a reservation to guarantee the new development will meet concurrency requirements by meeting designated levels of service for certain types of infrastructure. Reservation is the act of setting aside a portion of available infrastructure capacity necessary to accommodate valid intermediate or final development orders.

Typically, a local concurrency ordinance requires that public facilities and services that are needed to support development be available “concurrently” with the impacts from each development. Facilities and services may include the following:

- Transportation (roadways)
- Public Transit
- Water supply
- Sanitary Sewerage
- Solid waste disposal
- Flood protection
- Schools
- Parks

The designated concurrency review agency is responsible for maintaining data on the current level of service standards for the public facilities and services. This will inform future development of the exact nature of the infrastructure capacity available and the impact requirements that may be placed upon a given development.

This incentive is not a significant factor in areas that may already have infrastructure in place, such as urban infill areas or urban service areas. Small scale developments, as well as those proposed to be located in designated target areas such as community redevelopment areas, may be exempt from concurrency requirements. In addition, developments located within a designated vicinity to mass transit systems, such as light rail, may also be exempt.

It is up to the community to decide how it can assist affordable housing developments in reserving infrastructure capacity. One way is to waive the filing fees which can reduce overall costs. Another is to give certified affordable housing developments priority so that the availability of infrastructure would not be a roadblock. A local government can also reserve infrastructure capacity by prioritizing public infrastructure funds for developments with an affordable housing component.

## Relevant Statutes

S. 420.9076(4)(d) of the Florida Statutes directs the AHAC to assess: “The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.”

The Community Planning Act of 2011 was enacted by the Florida Legislature to exempt communities from addressing parks and recreation, schools, and transportation from their concurrency requirements in their comprehensive plans. Concurrency for sanitary sewer, solid waste, drainage, and potable water infrastructure remained mandatory. Local governments may voluntarily elect to require concurrency for parks and recreation, schools, transportation, or other facilities. The impact of concurrency on the viability of affordable housing is that of cost and competition with private-market developments to reserve infrastructure capacity.

### 163.3180 Concurrency

(1) Sanitary sewer, solid waste, drainage, and potable water are the only public facilities and services subject to the concurrency requirement on a statewide basis. Additional public facilities and services may not be made subject to concurrency on a statewide basis without approval by the Legislature; however, any local government may extend the concurrency requirement so that it applies to additional public facilities within its jurisdiction.

Florida Statutes, s. 163.3180(5)(f)6. allows local governments that elect to retain transportation concurrency in their comprehensive plans to development tools and techniques to reduce impact fees or local access fees to promote affordable or workforce housing.

## Considerations

- Non-urban areas most likely will not need this type of incentive. However, in urban areas where concurrency is a significant permitting factor, the local government will need to make a choice in prioritizing available capacity for market rate, commercial or certified affordable housing developments.
- There can be a cost differential if fees are waived or deferred that can affect capital improvement plans.
- Prioritize public infrastructure funds for developments that have an affordable housing component.

## Methodology

To implement this incentive, it must be addressed in the Local Government Comprehensive Plan as it has an impact on several elements including Capital Improvements, Future Land Use, Infrastructure, and Housing. Florida Statutes, s. 163.3180(5)(f) authorizes a level of relief by allowing local governments that require transportation concurrency to reduce impact fees



or local access for affordable or workforce housing. A procedure for the certification of developments as affordable is essential to ensure that this provision is used properly with the intended results.

An AHAC can also consider infrastructure capacity in the context of how the local government spends its public infrastructure funding. Local governments can use the Wastewater Grant Program, for example, a statewide program created in 2020 which is aimed at improving wastewater infrastructure and connecting septic systems to central sewer, to assist affordable housing developments with central sewer connections. Local governments have a variety of infrastructure dollars that can be prioritized or set-aside for affordable housing developments.

## Strategy: Accessory dwelling units

### Purpose

Accessory dwelling units (ADUs) are secondary residential units typically on single-family lots that are independent of the primary dwelling unit. An ADU can be an apartment within the primary residence, or it can be an attached or freestanding home on the same lot as the primary residence. ADUs are commonly referred to as granny flats or mother-in-law suites and are also sometimes referred to as accessory apartments, garage apartments, carriage houses, or backyard cottages. The concept of an accessory dwelling unit is to have an additional complete residence, meaning a place for sleeping, bathing, and eating, independent of the primary home.

ADUs are a way to increase the number of housing units in areas that have primarily single-family homes. The smaller housing option is ideal for smaller households, young adults, or elderly individuals who wish to live in close proximity to a caretaker. The ADU is a great smart growth tool for infill development as it can use existing infrastructure and make greater use of already developed land. When ADUs are built in single-family neighborhoods near employment centers, more people can have the opportunity to live closer to where they work – reducing transportation costs and the associated environmental impacts. Allowing more accessory dwelling units to be built in more locations could be successful in improving a community's affordable housing stock.

An accessory dwelling unit creates affordable housing in two ways: the secondary (accessory) dwelling is a rental unit that, due to its relatively small size, will ordinarily rent at a price within the means of lower-income persons. At the same time, the rental income from the accessory dwelling unit can render the primary residence more affordable by virtue of the income it generates for the resident.

The American Association of Retired Persons (AARP) recognizes that ADUs can assist the elderly to “age in place.” The owner of a primary house and ADU may choose to live in the smaller unit and rent out what was the primary residence or may use either the main house or the ADU as housing for a nurse or caregiver. For a single elderly homeowner living on a fixed income, this arrangement can provide the perfect affordable living solution: a more appropriately sized living space and rental income. ADUs are particularly well suited for lower-income elderly persons because in addition to increasing affordability, the elderly homeowner may also obtain companionship and needed services from the tenant in the ADU. If allowed, the owner can also choose not to live on site and can rent both the primary unit and ADU.

Local government can ease regulatory barriers to ADU development and should strive to amend land development codes to encourage the construction of these units. First, ADUs should be allowed in all single-family zoning districts. Then, local government can amend other requirements, such as density, parking, minimum lot size, maximum lot coverage, and other standards, to ensure that the most possible lots can contain a lawful ADU. Parking requirements alone may make ADU construction financially infeasible. If the local code is too

stringent and imposes addition costs on construction, homeowners will be discouraged from building ADUs. Further, local governments can financially assist ADU development through a loan programs as an effective way to assure affordability through a recorded land use restriction agreement made in conjunction with the loan. Homeowner education through pre-approved designs and clear standards for development can incentivize the creation of these units as well.

## Relevant Statutes

S. 420.9076(4)(e) of the Florida Statutes directs the AHAC to assess: “Affordable accessory residential units.” The goal of this strategy is to provide incentives and amend land use regulations to encourage the development of accessory dwelling units.

S. 163.31771 of the Florida Statutes addresses accessory dwelling units. The Legislative findings section of the statute is provided here:

(1) The Legislature finds that the median price of homes in this state has increased steadily over the last decade and at a greater rate of increase than the median income in many urban areas. The Legislature finds that the cost of rental housing has also increased steadily, and the cost often exceeds an amount that is affordable to extremely low-income, very low-income, low-income, or moderate-income persons and has resulted in a critical shortage of affordable rentals in many urban areas in the state. This shortage of affordable rentals constitutes a threat to the health, safety, and welfare of the residents of the state. Therefore, the Legislature finds that it serves an important public purpose to encourage the permitting of accessory dwelling units in single-family residential areas in order to increase the availability of affordable rentals for extremely low-income, very low-income, low-income, or moderate-income persons.

Through this statute, local governments are not required to permit ADUs in all single-family residential districts but are highly encouraged to do so. The state has recognized that ADUs are an important tool to increase the stock of affordable rental housing.

## Considerations

- Allow accessory dwelling units in all single-family districts.
- Amend local land development regulations to allow the most possible lots to contain a lawful ADU.
- Examine the local code and remove unnecessary barriers to lower the cost of ADU development, especially parking requirements.
- Exempt ADUs from density calculations.
- Allow ADUs as a permitted use.
- Charge impact fees by square foot or waive impact fees for ADUs of a comparatively low square footage.

- Avoid strict owner-occupancy requirements and allow homeowners to occupy the ADU and rent the primary unit.
- Consider forming a loan program or provide other financial incentives for ADUs that provide affordable rental housing.
- Provide education to homeowners on how to navigate the development process.

## Methodology

Most ADU ordinances require the owner to reside in either the primary or the secondary unit. However, the local government can allow homeowners to rent both the primary unit and ADU.

- **Size regulations:** Consider standards to maintain the aesthetic integrity of the surrounding neighborhood. Most local governments regulate ADU size in relation to the primary unit. This may restrict the use of ADUs on smaller lots. Consider using a set number of allowable square footage. For example, a local government could allow ADUs up to 1,200 square feet with additional size allowances depending on the size of the lot.
- **Occupancy restrictions:** Some ordinances limit ADUs to occupancy by family members and for a limited period of time. To maximize the ADU as a tool for affordable housing, allow ADUs to be rented to freely on the market as a long-term rental.
- ADUs that are built with SHIP funds must comply with all SHIP rental regulations for the accessory unit. Staff must implement a monitoring plan to monitor an ADU annually to determine if the resident is still income eligible.
- A waiver of impact fees or an impact fee based on square footage rather than by unit may be required to make an ADU financially feasible.

See the Florida Housing Coalition’s Accessory Dwelling Unit Guidebook for more information on how to craft a model ADU ordinance.

## Examples:

**Orlando.** The City of Orlando updates its ADU ordinance with a clear intent to promote the use of ADUs. Their ordinance allows ADUs in all single-family districts, does not require parking if the ADU is 500 square feet or less, and does not have a strict owner-occupancy requirement. A 2018 staff report presented in support of the ordinance demonstrates the local government’s understanding of ADUs as a tool for affordable housing and the need to create a regulatory atmosphere that encourages their use. The staff report includes an excellent description of the benefits ADUs provide, a survey of comparative local governments and their ADU policies, and a comprehensive analysis of how the new ADU ordinance lessens the land-use restrictions on local governments.

#### Elements of the Ordinance:

- Type of Use: Accessory
- Zone Districts Allowed: All residential districts as well as mixed use and office districts.
- Size: Maximum of 50% of the size of the principal unit and can be no larger than 1,000 square feet.
- Minimum Lot Size: Correlated with the size of the ADU and depends on the zoning district. Residential districts require a lot size of a minimum of 5,500 square feet for an ADU of up to 500 square feet and 8,250 square feet minimum for an ADU of up to 1,000 square feet.
- Parking: No required parking for ADUs of 500 square feet or less. One additional off-street parking space is required for ADUs above 500 square feet.
- Owner-Occupancy: Not explicit in the ordinance.

**Pinellas County.** Pinellas County's ordinance has an important element that is worth showcasing: ADUs are exempt from density calculations. This is a best practice as it allows more single-family lots to construct lawful ADUs. Further, Pinellas County allows the owner of the property to occupy either the primary unit or ADU. This flexibility in owner-occupancy is essential to a successful ADU Ordinance.

#### Elements of the Ordinance:

- Type of Use: Accessory
- Zone Districts Allowed: All single-family districts and multi-family residential.
- Density: ADUs are exempt from density calculations.
- Size: Shall not exceed 750 square feet or 50% of the living area of the primary, whichever is less

**Alachua County.** As with Pinellas County, Alachua County does not include the size of an ADU in gross residential density calculations and allows the homeowner to live in either the primary unit or ADU. The Alachua County ordinance is similar to Pinellas' in many respects and is also a model for local governments around the state. A change a county like Alachua could make is to consider zero-lot line configurations when establishing setback requirements. A relaxed setback requirement can encourage healthy ADU development on lots that may be otherwise unable to build a lawful ADU.

#### Elements of the Ordinance:

- Type of Use: Accessory
- Zone Districts Allowed: Single-family districts and agricultural districts.
- Density: ADUs are exempt from density calculations.

- Size: Maximum of 50% of principal residence or 1,000 square feet, whichever is greater
- Setbacks: Must meet applicable zoning district setback requirements.
- Owner-Occupancy: Owner must occupy either the primary unit or ADU.

## Strategy: Reduction of parking and setback requirements

### Purpose

The modification of parking and setback requirements can resolve issues an affordable housing development might have in design and siting. Flexibility in these requirements can help lower development costs and ensure that more of the buildable land is available for housing development. While the intent of setbacks is to create consistency in lot composition and to preserve sight lines, utility easements, or future rights of way, there are many cases when the modification of these requirements can result in greater land area for the development. Traditional setback requirements can make it impossible to build multiple smaller units on a single parcel, including accessory dwelling units. Setback requirements that are reduced for affordable housing developments can result in more integrated neighborhoods.

Some housing developments—including those focused on housing for elderly residents or people with disabilities or near transit—may benefit from a reduction in the number of parking spaces required by the land use code. Parking requirements can impose relatively high costs on affordable housing developers and should be assessed on a neighborhood basis, especially if there is on-street parking available. Similarly, builders may benefit from the flexibility in design that comes with reductions in setback requirements for the sides of a lot. Although 15-foot side setback requirements are common, allowing smaller setbacks may offer more freedom when arranging a home on a lot.

### Relevant Statutes

S. 420.9076(4)(f) of the Florida Statutes directs the AHAC to assess: “The reduction of parking and setback requirements for affordable housing.”

### Considerations

- Study existing parking requirements and identify areas where standards can be waived for affordable housing units. For example, if on-street parking is available, requiring multiple off-street parking spaces can be overly burdensome from an economic and functional standpoint.
- Allow a reduction in setback requirements to allow more smaller units to be developed on a single parcel or allow smaller lots to contain homes. This strategy can be beneficial for duplexes, triplexes, and other “missing middle” housing types.
- Many local governments allow developers to seek a waiver of parking requirements through the Planned Unit Development (PUD) or other local process. Consider providing greater benefits for developments that produce affordable housing units.

## Examples:

**Brevard County.** Section 62-6310 of the Brevard County Land Development Code allows affordable housing developers to seek reduced design requirements and standards by up to 35 percent for eligible developments 30 acres or under. The standards that may be reduced include front yard setbacks, side yard setbacks, rear yard setbacks, and guest parking spaces. For developments 30 acres and under, permitted on street parking spaces in the public right-of-way along site frontages may count as one-half of a space toward on-site parking requirements.

**Hillsborough County.** Section 6.11.07 of the Land Development Code provides flexibility in setback standards for eligible affordable housing developments. Setback requirements are dictated through the site plan process rather than the established zone district.

**Pinellas County.** Through an Affordable Housing Development (AHD) designation at Section 138-3211 of the Pinellas County Land Development Code, projects are eligible for a variety of zoning incentives including a reduction in setback requirements when it is demonstrated that the development will be compatible with the surrounding neighborhood in terms of scale and building character. On-site parking requirements may be reduced to match the projected parking demand for the development. The applicant shall demonstrate through a technical memorandum or similar analysis that a reduction will not cause an adverse impact to the surrounding neighborhoods.



## Strategy: Flexible lot configurations

### Purpose

Minimum lot size, maximum lot coverage, open space, and setback requirements may prevent the development of smaller affordable housing units. For example, unduly large minimum lot size requirements will prevent the development of smaller parcels and thus, smaller units that are ripe for affordability. An arbitrary maximum lot coverage requirement could prevent the development of multiple small units on a single lot. Flexible lot configurations can be a creative way to encourage the development of affordable housing units, especially for parcels that may be unique in shape and size. A flexible lot configuration can create a number of smaller housing units on a single lot.

One example of flexible lot configuration is zero-lot-line configuration. Zero-lot-line housing enables a more efficient use of smaller lots by allowing developers to construct housing up to the edge of a given lot line. An affordable housing developer could request a zero-lot-line option on a case-by-case basis, or the local government could allow it as-of-right for affordable units.

### Relevant Statutes

S. 420.9076 (4)(f) of the Florida Statutes directs the AHAC to assess: “The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.”

### Considerations

- Grant flexible lot configurations on a case by case or as-of-right basis.
- Setback relief for the installation of accessibility modifications, such as a ramp that must be built within a setback, should be by administrative approval. This request is in the form of a reasonable accommodation and should be treated as such.

### Methodology

The availability of alternative site criteria should be included in the zoning and land development regulations with a specific procedure for review and approval. The approval should be administrative and not require a public hearing.

## Examples:

### City of Orlando

**Site design incentives:** Certified affordable housing developments or developments with a minimum of 20% affordable housing units are eligible for flexibility and administrative relief for site design elements. This is to allow for the additional density permitted through the inclusionary ordinance. Developments submitted under conventional zoning shall receive the same flexibility in interpretation of the performance standards as a Planned Unit Development. Administrative relief may be granted for all aspects of the Development Review Procedures provided the overall development is consistent with the Comprehensive Plan.

**Open space:** A 50% open space requirement reduction is permissible for certified affordable housing developments.

**Setbacks:** Setbacks for certified affordable housing developments may be varied or reduced from standard requirements on a case-by-case basis and approved administratively by the Growth Management director.

**Zero-lot line development:** Certified affordable housing developments may request zero-lot line configurations on a case-by-case basis where and approved administratively by the Growth Management director.

**Hillsborough County.** Zero-lot-line development is available at 6.01.04 of the Land Development Code for environmentally sensitive developments, affordable housing developments, and planned districts. There is a minimum building spacing of ten feet between detached housing and the section of the Code delineates different standards based on lot size.

**Hardee County.** Where density bonuses are approved for affordable housing, minimum lot size can be reduced by 20%.

## Strategy: Modification of street requirements

### Purpose

The modification of street requirements can reduce development costs and allow more land to be developed as housing. Modifications may free up land for lots and may allow for more flexible design. Land use regulations typically list a number of requirements related to streets: driveway and walkway requirements, alleyways, curb allowances, drainage requirements, utility easements, and parking on both sides of the street.

For example, some affordable housing subdivisions or rental properties may benefit from an allowance for parking on only one side of the street. This reduces the required width for the road, which reduces paved area and its accompanying drainage and water retention area requirements. By designing for parking on one side of the street, rather than no street parking, a developer avoids a design that devotes too much space to parking in a garage, carport, or elsewhere on the lot. On-street parking provides the opportunity to build more housing units. There are trade-offs to consider with each modification to street requirements. Emphasis should be placed on street policies that reduce costs for the affordable housing development and/or allow more units to be built on site.

Often, traditional zoning codes provide standard street requirements. If, however, a developer chooses the Planned Unit Development option, street requirements may be negotiated. This approach may require a public hearing, however, which might attract neighborhood opposition. As an alternative, address street modifications through administrative procedures granted on a case-by-case basis by Planning or Development Services staff as they review the details of each project.

### Relevant Statutes

S. 420.906(4)(h) of the Florida Statutes directs the AHAC to assess: “The modification of street requirements for affordable housing.” This strategy should not be confused with the required strategy to access parking requirements for affordable housing.

### Considerations

- Consider allowing affordable housing developments to plan for parking on only one side of the street. This reduces the required width for the road, which reduces paved area and its accompanying drainage and water retention area requirements. By designing for parking on one side of the street, rather than no street parking, a developer avoids a design that devotes too much space to parking in a garage, carport, or elsewhere on the lot.
- Address street modifications through administrative procedures, granted on a case-by-case basis by Planning or Development Services staff as they review the details of each project.

- Remove unnecessary walkways, sidewalks, alleys, and other paved area requirements.

### Examples:

**Hillsborough County.** This incentive reduces the required width for the road, reduces paved area, and accommodates drainage or water retention. This design allows for parking on the street instead of via a driveway, garage, or carport, which can reduce construction costs and preserve more buildable land for housing units.

Sidewalks typically must be constructed on each side of internal subdivision streets. At Section 6.02.08 of the Land Development Code, affordable housing developments are only required to have sidewalks on one side of internal subdivision streets.

**Brevard County.** For eligible affordable developments, permitted on street parking spaces in the public right-of-way along site frontages may count as one-half of a space toward on-site parking requirements. For developments providing a minimum of 30 percent of affordable (up to 120% AMI), or 15 percent workforce (up to 140% AMI) housing units, road widths, driveway widths, drive aisle widths, turn radii, and similar guidelines may be reduced.

## Strategy: Ongoing regulatory review process

### Purpose

The purpose of this strategy is to require local governments to consider how proposed governmental actions may affect the cost of housing development. This level of review may lead governmental bodies to reconsider certain actions that may increase the cost of development and in turn, increase the price of housing. Similar to the National Environmental Policy Act (NEPA), this strategy does not require a specific action to be taken, but it does require that local government consider the costs associated with a proposed regulation. This strategy is centered on creating awareness of the potential impact that proposed actions can cause, as well as the economic impact of those decisions on the affordable housing stock.

For example, newly proposed design and architectural requirements can increase the overall cost of housing development. This strategy requires local governments to make a record showing how the proposed design standards affect the cost of development so the governing body can weigh the public benefit of proposed actions with the increase in costs to the housing developer. This weighing of interests can result in fewer actions that increase the price of housing.

This impact on the cost of housing is required to be tracked by City/County staff and reported each year with the submission of the Annual Report. The chief elected official or designee must execute a certification to confirm that there is an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption, the cumulative estimated cost per newly constructed housing unit, and the estimated cost of these actions for each State fiscal year.

### Relevant Statutes

S. 420.9076 (4)(i) of the Florida Statutes directs the AHAC to assess: “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.” This is one of the two strategies that is required to be adopted in the Local Housing Assistance Plan (LHAP).

### Considerations

- The implementation of this process requires an affordable housing economic impact analysis to be provided to elected officials when considering each policy, procedure, ordinance, regulation, or plan provision before adoption.
- The process requires the staff assigned to determine if decisions have a financial impact on affordable housing and the actual dollar amount of this impact if the policies, procedures, ordinances, regulations, or plan provisions are approved.
- Consider utilizing the collective experience of the AHAC to determine whether a proposed action affects the cost of housing.

- Train key housing staff in determining the economic impact of various governmental actions related to housing.

## Methodology

Determining how staff will identify the impact of policies, procedures, ordinances, regulations, or plan provisions before their adoption requires that a process be set in place and that key personnel who are responsible for this ongoing review are identified. To properly implement this requirement, the key staff involved must have access to all proposed policies, procedures, ordinances, regulations, or plan provisions with sufficient time to review before they are presented to the City or County Commission. This review requires key staff to identify if there is a financial impact on affordable housing and the exact amount of that impact. This may require additional research, meeting with other government staff, consulting other experts, and attending council and commission meetings to provide this information to the government body before the proposed policy is adopted. This requirement does not prohibit local government from taking actions that increase the cost of housing; it is only meant to ensure they do not do so accidentally.

## Examples:

**City of Orlando.** The Florida Statutes require local governments to establish a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan revisions if the adoption increases the cost of housing. Land Development Code (LDC) amendments and Growth Management Plan (GMP) amendments are reviewed by the Planning Division and the Municipal Planning Board. Final review and approval is by City Council. Those responsible for reviewing proposed ordinance and policy amendments consider a variety of issues including the reason(s) why the amendment is being proposed and whether the regulations and policies within the LDC and GMP respectively support the proposed amendment.

All LDC and GMP amendments that may impact the development of affordable and attainable housing are reviewed by the Housing Expediter and the AHAC before submission to City Council for approval. During the review of the proposed policy or regulation, staff performs research on the impacts of that policy or regulation on housing cost in the Technical Review Committee Project and Analysis Report. Staff from the initiating department/division discusses the policy impact with the Housing Expediter. The Housing Expediter then schedules a meeting to present the policy amendment to the AHAC with a Housing Impact Statement detailing the economic impact for the development of affordable or attainable housing. Recommendations by the AHAC regarding the impacts of the proposed regulations or policy on housing costs are included in the MPB report for recommendation to City Council, who makes the final decision.

**Hillsborough County.** The Board of County Commissioners approved the creation of a permanent Affordable Housing Advisory Board (AHAB) to advise and make recommendations to the Board of County Commissioners and Affordable Housing Services on issues affecting affordable housing development. The AHAB is to assist the County in developing new programs and policies in order to foster the development and preservation of attainable housing for those County residents who desire to live in safe, decent, and affordable housing. County housing staff shall draft an Administrative Directive for consideration by the County Administrator establishing a requirement for consultation among the relevant departments or offices before drafting policies, procedures, ordinances, regulations, or plan provisions to determine the effect on affordable/workforce housing development or the cost of housing development. This includes activities which may impact the protection of current affordable/workforce housing or the rehabilitation of the existing housing stock for low-income homeowners/buyers.

**Volusia County.** Volusia County's Growth and Resource Management/Development Review Committee submits a quarterly summary to the Community Assistance Division that summarizes if any actions anticipated to be taken during the next quarter could increase the cost of housing.

**Lee County.** Lee County created an Executive Regulatory Oversight Committee with the responsibility to review and consider the impact of development regulations being considered for adoption on the cost of development.

## Strategy: Surplus lands inventory

### Purpose

Discounted or donated land can significantly reduce the cost of developing affordable housing. Generally, due to the high cost and limited availability of land in urban parts of the state, government-owned land is an essential tool for affordable housing development. Locating suitable land for affordable housing can be challenging. Public land is a valuable resource, and it is essential to have guidelines to ensure that these parcels are properly identified and used for affordable housing.

Available land that is suitable for affordable housing development is a primary concern for housing providers. A land bank is an active and thorough tool that can be used to implement the surplus land statute. With appropriate disposition, policies can create more opportunities for the successful development of affordable housing.

### Relevant Statutes

S. 420.9076 (4)(j) of the Florida Statutes directs the AHAC to assess the strategy to: “Prepare a printed inventory of locally owned public lands suitable for affordable housing.”

Cities and counties are required by Florida’s surplus lands law (Florida Statutes 166.0451 and 125.379, respectively), to prepare an inventory list every three years of all real property within the jurisdiction to which the local government holds fee simple title that is “appropriate for use as affordable housing.” The inventory list must go to a public hearing, and it may be revised afterward. Following the public hearing, the governing body must adopt a resolution that includes the inventory list.

The statute does not define what is “appropriate for use as affordable housing” so the standard for determination is up to each local government. Local government should strive to place the most parcels on the inventory list as possible. It is a best practice to start with the concept that if a parcel that could be developed for residential purposes, it is appropriate for use as affordable housing. Types of properties which are undevelopable or not appropriate for affordable housing would be slivers of land remaining from right of way work, or properties that would be unsafe for human habitation due to the proximity of toxic uses. All parcels that could be developed for residential use and are not absolutely needed for other governmental purposes should be placed on the inventory to further the local government’s housing goals. When a parcel is placed on the inventory or otherwise determined to be suitable for affordable housing development, the local government has a new valuable resource for housing at its disposal.

Further, s. 125.01055 and 166.04151 of the Florida Statutes allow local governments to approve the development of housing that is affordable on any parcel zoned for residential, commercial, or industrial use notwithstanding any other law or local ordinance to the contrary. In practice, this allows affordable housing units to be developed in those zones without the need for a zoning change or comprehensive plan amendment. In the surplus land



context, this provision of Florida law opens up more government-owned land to use as affordable housing. Local governments should look at its parcels zoned for residential, commercial, and industrial uses for use as affordable housing.

Under Florida's surplus lands law, the properties on the inventory list of properties appropriate for use as affordable housing may be offered for several purposes: 1) for sale in which the proceeds are used to purchase land for the development of affordable housing; 2) to increase the local government fund earmarked for affordable housing; 3) for sale with a restriction that requires the development of the property as permanent affordable housing; 4) to donate to a nonprofit housing organization for the construction of permanent affordable housing; or 5) to otherwise make the property available for the production and preservation of permanent affordable housing. Even if a local government asset is not on the inventory list, the local government can still place a deed restriction on the parcel for use as affordable housing or use the proceeds from its disposition for affordable housing purposes.

## Considerations

- A robust surplus land policy with a variety of available parcels on the inventory list can be of great value to a community's affordable housing stock.
- All parcels that are appropriate for residential development are appropriate for use as affordable housing.
- Consider properties that are not currently zoned for residential uses pursuant to s. 125.01055 and 166.04151 of the Florida Statutes.
- A properly managed land bank requires a commitment of staff time.
- The resolution of title issues requires legal action and incurs costs for counsel and quiet title actions.
- Disposition policies that are not properly designed can result in either too little activity due to burdensome requirements or excessive demand from private developers who may be able to sidestep affordable housing provisions.
- See the Florida Housing Coalition's *Surplus Lands Guidebook* for more information.

## Methodology

The land bank is an ongoing program; to be truly effective it will require staff resources and should become an integral part of the housing planning process. The essential components are an Action Plan and Operating Procedures. An advisory committee can serve as the oversight group that reviews and possibly improves upon the land inventory that is being developed and maintained as well as disposition procedures.

Greater commitment to finding or creating appropriate parcels can render the surplus lands initiative more successful. The three examples below illustrate this:

1. Oftentimes, local government obtains title to environmentally sensitive properties for conservation, but not all the land obtained in a particular transaction is environmentally sensitive or important for conservation. In that instance, lands for affordable housing may be derived from separating non-sensitive lands from environmental acquisitions.
2. With property appraisal data readily available and the large number of realtors who are both affordable housing advocates and knowledgeable about local inventory, an advisory committee may be in the position to ask why a certain parcel is not on the list. Remember, the list initially submitted for review at the public hearing may not be the list that is ultimately adopted by resolution.
3. Other governmental entities in your community may be able to donate land for the local government's affordable housing purposes. Local school districts are authorized by s. 1001.43(12) of the Florida Statutes to use portions of school sites, land deemed not suitable for education purposes, or land declared as surplus by school board to provide sites for housing for teachers and other school personnel. The Community Redevelopment Agency (CRA) may have land at its disposal that can be transferred to the city or county. Further, s. 189.081(6) of the Florida Statutes provides that any independent district created under a special act or general law for the purpose of providing urban infrastructure or services may provide housing and housing assistance for its employed personnel whose total annual household income does not exceed 140% of the area median income. Consider reaching out to nearby governmental entities to partner on surplus land policies.

### Escheated properties

In cases where the property has escheated pursuant to s. 197.592(3) of the Florida Statutes the county is required to convey the property to the city in which the land is located but only if certain conditions apply. In the event the city does not accept title to the property, the disposition of the property would be at the county's discretion. This underscores the importance of a policy for affordable housing land banking.

### Steps to establish and operate a Land Bank Program

#### Phase I: Establish the Land Bank Program

- Appoint staff to implement the program.
- Appoint advisory committee (may be sub-committee of AHAC).
- Review the county and city owned land inventory.
- Review all outstanding code liens.
- Review status of abandoned or tax foreclosed properties.
- Review status of escheated properties.

- Develop a spreadsheet or other database that includes the parcel identification, legal description, address, ownership, site dimensions, known tax or code liens, type of deed (tax or otherwise) current zoning and land use and a comment on suitability.
- Solicit offerings of properties from the private sector; conduct due diligence, add to land bank for future purchase consideration.
- Categorize or prioritize parcels for quiet title action.
- Provide funding for legal services to conduct legal proceedings.

#### Phase 2: Develop Operating Procedures

- Develop Acquisition Procedures.
- Develop Disposition Procedures.

#### Phase 3: Activities

- Identify remediation requirements so properties are insurable for title insurance.

### Due diligence

When determining if a lot is suitable for affordable housing, consider the following forms of due diligence:

- Environmental conditions.
- Available infrastructure.
- Access by public roads.
- Zoning and Land Use classifications.
- Proximity to transportation, services, and employment centers.
- Size and dimensions characteristics with consideration for assemblage.
- Consolidation with other parcels.

### Disposition of surplus land

The disposition of surplus lands should further the goals of the Local Housing Assistance Plan and the Housing Element of the Comprehensive Plan. Parcels should be conveyed to developments that can be occupied within 24 months with appropriate long-term affordability through a land trust, deed restrictions, or mortgages. The advisory committee can establish or improve upon the policies for land disposition. Parcels might, for example, be reserved for those recipients who are part of ongoing affordable housing partnerships. Each local government may decide to prioritize the use of surplus land for those lowest income applicants most in need, or for uses identified as priorities in the comprehensive plan. Each community may decide whether to allow for-profit developers to develop on surplus land or may only provide land for nonprofit developers. Consider also that local governments

throughout Florida are currently faced with the displacement of mobile home park residents; putting public surplus lands into the hands of a nonprofit to provide permanent housing for displaced mobile home park residents may be ideal for many communities.

### Examples:

**City of Jacksonville.** In 2021, the City of Jacksonville passed new legislation that elevates the Community Land Trust to a “city agency” that can request government-owned land before the general public. By giving a Community Land Trust first look at available parcels, more government-owned land is expected to be used for affordable housing.

**Miami-Dade County.** The Miami-Dade County Urban Infill Program is designed with the primary purpose of increasing the supply of affordable housing by the conveyance of municipally-owned vacant land, and strategically acquired privately-owned properties within targeted neighborhoods. The program aims to eliminate blight and increase the tax rolls, like typical land banks seen in other states. Yet, the program has a clear focus on homeownership for very low-, low- and moderate-income households. The program calls for an affordability period of twenty years.

Properties within the program include:

- Government-owned property no longer in use or needed.
- Surface parking lots of government-owned facilities.
- Land donated in lieu of satisfying inclusionary zoning requirements.
- Private donations of land other than in lieu donations.
- Land held by nonprofits for future development.
- Land acquired specifically for affordable housing using revenue from in lieu fees and commercial linkage fees. Land acquisition could focus on transit-oriented development opportunities.

**Palm Beach County.** As required by Florida Statute, section 125.379, the Department of Housing and Community Development maintains a listing of County owned properties that are appropriate for use as affordable housing. The property list shall be updated and provided to the County Commission for surplus approval when surplus is required.

The Department of Housing and Community Development is, upon approval of this Housing Assistance Incentives, authorized to dispose of the properties for affordable, attainable or workforce housing purposes with the advice and consent of the Mayor. The Mayor is authorized to execute all documents necessary achieve the disposition. The methods of disposition may include:

- Sale of the properties with the proceeds going to the Housing Trust Fund.
- Transfer of properties, at no cost, to a nonprofit for the development of affordable housing.

- Selling to nonprofits or private parties with a provision that the property be used for an affordable, attainable or workforce housing developments.
- The City may retain the properties to build or preserve affordable, attainable or workforce housing.

The City Commission shall be advised of all such dispositions on a quarterly basis.

**City of West Palm Beach.** The City of West Palm Beach has a robust surplus land program that has resulted in dozens of new homes built for low- and moderate-income families. Due to the city's historical development pattern and its geographical network of older neighborhoods, many properties were abandoned and acquired through code enforcement lien foreclosure or tax deed escheatment. Additionally, the city has purchased many properties outright with Neighborhood Stabilization Program (NSP) funds. The supply of parcels constantly changes as the city receives tax deeds from the county, clears title, and prepares the properties to be marketed both for sale to the private sector and for donation to nonprofit housing developers. A real estate firm is selected to market the for-sale parcels on Multiple Listing Service (MLS) and the city's website. When properties are sold, the city deposits the sale proceeds into its affordable housing trust fund.

Nonprofit housing organizations can also review the city-owned property list and apply to receive properties by donation. A committee reviews the applications, and donation recipients have 18 months to complete the proposed developments. While the city does not prioritize community land trusts for receiving donated parcels, community land trusts are active participants in the program.

## Strategy: Transportation hubs and transit-oriented development

S. 420.9076(4)(k) of the Florida Statutes directs the AHAC to assess: “The support of development near transportation hubs and major employment centers and mixed-use developments.”

### Purpose

**Development near transportation hubs:** In many urban areas of Florida, the costs of owning and maintaining an automobile is the second largest expense after housing. Long commutes can further drive-up total household expenses. Flexible land use requirements that support development near transportation hubs and major employment centers can help low- to moderate-income residents reduce their transportation costs.

By concentrating development around transit hubs, local government can make public transportation more convenient to users and improve ridership. Further, by having citizens use public transit, there is less pressure to expand roads, which can be very costly in highly urbanized areas. Increasing densities around transit and employment hubs reduces commuting costs can create robust mixed-use communities.

**Mixed-Use Developments:** Mixed-use developments, in the affordable housing context, are structures typically containing commercial or office and residential uses. For example, a mixed-use development could have retail stores on lower floors with residential units on the top of the building. The income generated from the retail space can help subsize the cost of the housing units. Areas that are high in mixed-use developments can be more walkable, thus lowering transportation costs.

**Transit-oriented development:** More Florida communities are developing rail transit systems. In 2012, the Florida Department of Economic Development prepared a framework and guidelines to help communities plan for development within the vicinity of transit stations. This planning framework is generally referred to as Transit Oriented Development (TOD) and was included as an incentive in the SHIP program. TOD recognizes that urban and regional planning can support viable transportation infrastructure that can reduce transportation costs for residents and reduce traffic and the need for new road construction.

Proper planning of transit centers can boost ridership, spur economic development, limit sprawl, and minimize the impact of traffic congestion. It can also alleviate the need for lower-income households to rely solely on personal automobiles which can result in great financial opportunities for housing, health care and/or education.

TOD planning is generally focused on land use patterns within a quarter to a half-mile of transit stations. This planning area generally has higher property values compared to surrounding areas which can price lower-income or workforce households out of the neighborhood. It is important to prioritize the development of high-density affordable housing in transit station neighborhoods. This can be done with regulatory and financial incentives. Financial incentives could include giving higher scores to funding applications

that are in TOD areas or otherwise in close proximity to transit. Regulatory incentives could include density bonuses for developments that provide affordable housing.

TOD incentives or strategies can include the following:

- Expedited permit review.
- Funding priorities placing higher scores on applications near transit.
- Flexible residential development strategies such as density and site criteria
- Reduced impact fees.
- Inclusionary housing programs.
- Land acquisition and land banking reserved sites for residential development that targets workforce households.
- Reduced parking requirements.

TOD methods are most relevant in urban areas, but clustering development near transit and higher density mixed use neighborhoods can have a positive impact on the livability, cost, and long-term financial stability of suburban and rural communities as well.

### Considerations

- Explore incentives, such as density bonuses and other flexible land regulations, to increase the supply of affordable housing near transportation and employment centers. Overlay districts over targeted areas can be a successful tool to encourage affordable housing development.
- Public transportation hubs are not typically found in the less urbanized regions of the state. In addition, citizens may prefer to live in suburban subdivisions when available, and at a reasonable cost, over a highly concentrated development.

### Methodology

Local government can offer flexible land use regulations to allow more units to be built near transit hubs and major employment centers. An overlay district or special zoning category governing targeted areas can be used to increase densities and provide flexible standards in regard to parking, height, green space, and setback requirements.

### Examples:

**City of Tampa.** Under the Comprehensive Plan, there are established development criteria for main corridors. Light rail routes are focal points for proposed affordable housing. Most bus routes are currently accessible along main corridors. The Comprehensive Plan incorporates significant use of transit.

The City's policy is to determine the future needs of the aging population and address those needs in the Comprehensive and Consolidated plans. Future needs of disabled populations for housing are also a key concern.

The City's policy is to focus recommendations on the Urban Core and transit/economic development areas, but not to the exclusion of the rest of the City. The City explores funding from SMART grants.

**City of St. Petersburg.** The City supports development near transportation hubs and major employment centers. Moreover, the City supports mixed use development. In order to be successful, development near transportation hubs and employment centers typically includes a mixture of land uses, as well as higher densities and higher floor area ratios. The City's land development regulations (LDRs) encourage mixed-use and mixed-income, higher-density development that is concentrated along major corridors and within five designated activity centers: Gateway, In town/Downtown, Central Plaza, Central Avenue Corridor and Tyrone area.

### **Additional Incentives and Strategies to Consider**

Although the SHIP statute establishes the eleven incentive strategies that must be considered, the AHAC can include recommendations on additional incentive strategies in its Report. These additional incentives can focus on any aspect of affordable housing policy as decided on by the AHAC. This section provides some examples of additional incentives the AHAC can consider. For more information on any of these incentives, please see the Florida Housing Coalition's publications at [www.flhousing.org/publications](http://www.flhousing.org/publications) or contact us.

### **Inclusionary Zoning**

Inclusionary zoning (IZ) is a land use planning tool that requires certain market-rate developers to include a percentage or number of affordable units within the market-rate development. This strategy is discussed in the previous section on "Flexibility in Densities for Affordable Housing." The AHAC can make recommendations to the City or County Commission on how and where to implement an inclusionary zoning ordinance.

### **Community Land Trust**

A community land trust (CLT) is the name of both a nonprofit and a strategy to ensure permanent affordable housing. Under the CLT model, the CLT retains ownership of the underlying land and sells the home and improvements to an income-eligible household. The homeowner household has a fee simple interest in the home and improvements subject to 99-year ground lease on the land with the CLT. The 99-year ground lease contains resale restrictions to keep the home permanently affordable and establishes the CLT as the steward of the property in perpetuity. This stewardship role allows the CLT to help if the homeowner misses a mortgage payment, needs continuing education, or suffers an unexpected hardship.



CLTs maximize the use of government subsidy. Homeownership programs, such as SHIP, provide subsidies that are generally loaned rather than granted. When electing to issue a loan as opposed to a grant, subsidies are recaptured upon resale and are recycled to help another family transition into homeownership. However, under the normal economic environment of rising home prices, recaptured monies from a loan made five to ten years earlier are typically not enough to get another income eligible family into homeownership, as the gap between the family income and the purchase amount will now be greater. In markets with rapidly increasing home values, recapture provisions for traditional down payment and closing cost assistance do not keep pace with the appreciation in value of the homes that low-income families purchase. Thus, under subsidy recapture, governments typically need more public subsidy to get subsequent households into homes.

Through a CLT, instead of a subsidy being tied to a particular homebuyer, the subsidy is linked to a specific unit. This allows the public resource to be retained in the home that continues to be affordable to an income eligible family, regardless of the rise in home prices. This is because the price of a CLT-owned property is required to remain affordable upon resale, and the resale formula is based on how much the CLT homebuyer paid in equity at closing (down payment) as well as all principal payments made on the mortgage, plus a defined amount of appreciation. Upon resale, the initial subsidy is retained by the new homeowner, rather than recaptured by the CLT.

The AHAC can include a recommendation to direct the City or County to explore forming a CLT or to partner with an existing CLT to produce permanently affordable housing units. For more information on CLTs, see the Florida Housing Coalition's *CLT Primer* at [www.flhousing.org/publications](http://www.flhousing.org/publications).

### Locally Sourced Funds

In addition to looking at how SHIP funds are expended, the AHAC could make recommendations on how the City or County Commission could raise or utilize other local funding for affordable housing development. The AHAC could look at the following strategies to supplement local SHIP dollars:

- Federal funding
- Linkage fees
- Infrastructure surtax
- General revenue
- Community Redevelopment Agencies (CRA)
- Bonding authority

## Adaptive Reuse

Adaptive reuse is a term that refers to repurposing a building or structure for a use other than its original design. This includes repurposing abandoned or underutilized shopping centers, industrial sites, and public buildings into more productive uses. The AHAC could recommend strategies, including amendments to the land development code, that facilitate the transformation of vacant or underutilized structures into housing. For more on adaptive reuse, see the Florida Housing Coalition's *Eyesore to Asset – Adaptive Reuse Guidebook* at [www.flhousing.org/publications](http://www.flhousing.org/publications).

## Manufactured Housing

Manufactured housing units make up a sizeable portion of Florida's unsubsidized affordable housing stock. The AHAC could consider zoning and funding recommendations that facilitate the siting of manufactured housing units.

## Strategic Partnerships

The AHAC could make recommendations for the local government to partner with local or regional institutions to form a comprehensive approach to facilitate the development of affordable housing. Strategic partnerships could include:

- Local school board
- Universities
- Philanthropy
- Major employers
- Community-Based Nonprofit Organizations
- Religious Institutions
- For-profit housing providers

## IX. Beyond Incentive Strategies: Other Possible AHAC Responsibilities

The SHIP Statute only assigns one task to AHAC members: annually recommend affordable housing incentive strategies. In some communities, however, AHAC members may be assigned additional responsibilities. Several possible activities are offered in this chapter. If responsibilities are thoughtfully assigned, an AHAC may save staff time and serve as an additional level of program quality control. Committee members may contribute ideas to improve the local SHIP program, and the AHAC's recommendations may carry weight as City or County Commissioners consider changes to SHIP strategies, policies and procedures, as well as other affordable housing initiatives.

### Options included in the SHIP Statute

Other AHAC duties are addressed in section 420.9076 (8) of the Florida Statutes, which notes that:

*"(8) The advisory committee may perform other duties at the request of the local government, including:*

*(a) The provision of mentoring services to affordable housing partners including developers, banking institutions, employers, and others to identify available incentives, assist with applications for funding requests, and develop partnerships between various parties.*

*(b) The creation of best practices for the development of affordable housing in the community."*

### Mentoring services

New community partners may benefit from an orientation to affordable housing initiatives. Lenders, for example, may benefit from an orientation when starting with SHIP, especially in SHIP communities that require participating lenders to follow loan terms guidelines. Newly participating lenders may find it helpful to network with loan originators experienced at coordinating SHIP purchase assistance with other closing requirements. The same is true for contractors working on owner occupied rehabilitation. If participating lenders and contractors are on your AHAC, ask them to support those new to the SHIP program. Also consider the mentoring services that other AHAC members might provide, including the members who actively serve on the local planning agency, advocate for low-income persons, and work for a nonprofit provider of affordable housing.

## Creation of best practices

The AHAC can support best practices by improving existing strategies for SHIP funds in the LHAP. They may, for example, recommend changes to the application process or the eligibility criteria. The AHAC can also operate outside of SHIP and offer best practices for other programs and local initiatives including federally funded programs, local revenue raising initiatives, and making recommendations on other local funding strategies.

## Additional Possible AHAC Responsibilities

### Community Outreach and Feedback

The members on an advisory committee are intentionally selected because of their networks, spheres of influence, and relationship to affordable housing. AHAC members are encouraged to share with their network the details of how to apply for local government assistance and the successes of the program. AHAC members can also be the eyes and ears in the community. They may observe changing trends in housing need, barriers to SHIP strategy success, or sources of housing assistance to leverage with SHIP. These and other observations may inform the AHAC, which can propose changes to improve affordable housing funding strategies.

AHAC members may also assist with 'Ongoing Review', the SHIP mandatory affordable housing incentive addressed earlier in this guidebook involving a process to consider before adoption policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing. If an AHAC meets monthly, they could adopt the responsibility of monitoring any local government action related to housing in advance of the next city or county commission meeting. More guidance on ongoing review is provided in the "Overview of Incentive Strategies".

### Oversee SHIP Assistance

The AHAC may request that staff provide an updated SHIP tracking spreadsheet at each ongoing AHAC meeting. This tool will assist advisory members in reviewing staff's progress related to SHIP expenses, encumbrances, set-aside compliance, and upcoming deadlines. In cases where a community is close to missing an expenditure or encumbrance deadline, AHAC members can join staff in making a plan to ensure compliance. In-depth training on SHIP tracking and reporting may be viewed on the Florida Housing Coalition's website, [www.flhousing.org](http://www.flhousing.org).

### Help Create SHIP Procedures

It is not the role of the AHAC to be involved in day to day operations of the SHIP program. That deep level of program administration is completed by SHIP staff, who are guided by the LHAP, the SHIP Rule and Statute, and local policies and procedures manuals.

The AHAC should avoid serving as a loan committee or otherwise assisting with applicant processing and other administrative duties. This type of arrangement may be counter-productive to a program, adding another layer of bureaucracy to the process, and possibly resulting in a poorly-run program, potential conflict of interest issues, and potential program compliance problems. The application process and eligibility determination should be completed by staff based on written guidelines. The commitment of a SHIP award should not be contingent on AHAC review or approval.

AHAC members may, however, have a role to play in writing policies and procedures—since some SHIP offices do not have them—or adding to an existing procedures manual. Often, the role of the AHAC is to ensure that the application and assistance process is efficient, reasonable, and applied consistently for all SHIP applicants. Ultimately, the advisory committee’s job is to offer recommendations. Often, final authority on decisions resides with senior staff or the governing body.

#### Review or Propose New Strategies

In some cases, SHIP staff may present new strategies for spending SHIP funds to the AHAC to gain their support and recommendation before seeking adoption by the governing board. In other cases, AHAC members respond to trends that they see in housing need to recommend new SHIP-funded assistance strategies. In recent years, SHIP jurisdictions have explored strategies focused on applicants with COVID-related hardships, veterans assistance, rent subsidies for homeless households, hurricane home strengthening, community land trusts, foreclosure prevention, and more. AHAC members may get additional ideas by attending the Florida Housing Coalition’s conference, webinars and workshops, as well as by reviewing the Coalition’s past journals and training materials on [www.flhousing.org](http://www.flhousing.org).

#### Enhance Existing Strategies

**Change Maximum Award:** Costs increase over time, and the maximum amount of assistance must occasionally be increased. SHIP staff and AHAC members should consider feedback from local housing partners like lenders, builders and repair contractors when recommending award levels. They should also review data of recently assisted households to get a clearer picture of the funding levels that future applicants will need.

**Update Eligibility Criteria or Prioritize Assistance:** While all who receive SHIP assistance must be income eligible, additional criteria might include being current on property taxes, or the requirement to attend a class related to the assistance provided. For some strategies, the AHAC might recommend requiring applicants to contribute some of their own money towards the housing assistance provided. In other cases, the AHAC may recommend offering priority assistance to certain types of applicants. Some priorities include assistance for elderly applicants or persons with disabilities. Also consider prioritizing cases where other subsidy funds will be leveraged alongside SHIP to help an applicant.

**Types of Eligible Housing:** Consider recommendations related to manufactured housing—also called mobile homes. SHIP may be spent on manufactured home that are constructed after July 1994, which is a statutory requirement. Consider if such housing should be eligible for purchase assistance or repair in the local SHIP plan.

# X. Appendix

## Incentive Strategies Report Template

This report template is a sample for review and there is no requirement to adopt this report format. At a minimum, items (a) through (k), as outlined in the SHIP Statute, must be included in the report. Florida Housing Finance Corporation staff request that each of the (a) through (k) items be explicitly included even in cases when the advisory committee has no recommendation. In such a case, write “No Recommendation” or an explanation to document that the incentive was discussed, like “The AHAC does not consider that this type of incentive strategy is appropriate for the community”. For each recommendation to improve an incentive strategy or add a strategy, propose a ‘Schedule for Implementation’. This should list steps needed to apply the recommendation if it is approved by the governing board. It may identify additional documents beyond the LHAP that must be updated to implement the reform.

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, procedures, land development regulations, the Comprehensive Plan, and other aspects of the City/County housing activities that impact the production of affordable housing. Further, the AHAC is specifically directed by the SHIP Statute to consider and evaluate the implementation of the incentives set out at Florida Statutes, Sec. 420.9076 (4)(a)-(k). Based on the AHAC evaluation, it may recommend to local government that it make modifications of, exceptions to, or creation of new plans, policies, procedures, and other governing vehicles which would encourage production of affordable housing.

As approved by the City/County Commissioners, the recommendations are used to amend the Local Housing Assistance Plan, the local Comprehensive Plan, land development regulations, and other policies affecting affordable housing.

## COMMITTEE COMPOSITION

The City/County Commission appointed or re-appointed members to the Committee on DATE. Florida Statutes, Sec. 420.9076(2) lists the categories from which committee members must be selected. Each AHAC must have a locally elected official from the county or municipality participating in the SHIP program. The locally elected official must be a City or County Commissioner. The elected official will count as a member of the AHAC for purposes of meeting the number of members requirements. There must be at least eight committee members, but not more than eleven, with representation from at least six of the following categories:

- (a) A citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (b) A citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- (c) A citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- (d) A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.
- (e) A citizen who is actively engaged as a for-profit provider of affordable housing.
- (f) A citizen who is actively engaged as a not-for-profit provider of affordable housing.
- (g) A citizen who is actively engaged as a real estate professional in connection with affordable housing.
- (h) A citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process.
- (i) A citizen who resides within the jurisdiction of the local governing body making the appointments.
- (j) A citizen who represents employers within the jurisdiction.
- (k) A citizen who represents essential services personnel, as defined in the local housing assistance plan.

The appointed AHAC Committee members are included here, along with their category affiliation.

Name	Category Represented	Date Appointed
1	Elected Official	
2		
3		
4		
5		
6		
7		
8		

## AFFORDABLE HOUSING RECOMMENDATIONS

The AHAC has reviewed local government plans, policies, and procedures; ordinances; regulations; statutes; and the comprehensive plan, among other documents applicable to affordable housing, for evaluation of their impacts on affordable housing. Further, the AHAC has specifically considered and evaluated the strategies set out at Florida Statutes, Sec. 420.9076 (4)(a)-(k). Based on this review and evaluation, the AHAC has formulated recommendations to the City/County Commission that it incorporate into its housing strategy certain changes designed to encourage and facilitate the production of affordable housing.

The AHAC, from its review, consideration, evaluation, and recommendations, drafts and submits this report to the City/County Commission, to the Florida Housing Finance Corporation, and the Florida Housing Coalition, as the entity providing statewide training and technical assistance for the Affordable Housing Catalyst Program, which details the scope of its work and the resulting recommendations.

From the review and evaluation of the local government documents listed here, the AHAC makes these recommendations to the City/County Commission that it incorporate into its housing strategy. The AHAC has reviewed, considered, and evaluated the following the strategies provided in the SHIP Statute at Florida Statutes, Sec. 420.9076 (4):

- (a) The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects, as provided in s. 163.3177(6)(f)3.



- (b) All allowable fee waivers provided for the development or construction of affordable housing.
- (c) The allowance of flexibility in densities for affordable housing.
- (d) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- (e) Affordable accessory residential units.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (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.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- (k) The support of development near transportation hubs and major employment centers and mixed-use developments.

## EXPEDITED PERMITTING

Meeting Synopsis:

Existing Strategy:

AHAC Recommendation:

Schedule for Implementation:

## FEE WAIVERS FOR AFFORDABLE HOUSING

Meeting Synopsis:

Existing Strategy:

AHAC Recommendation:

Schedule for Implementation:

## FLEXIBLE DENSITIES

Meeting Synopsis:

Existing Strategy:

AHAC Recommendation:

Schedule for Implementation:

## RESERVATION OF INFRASTRUCTURE CAPACITY

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## PARKING AND SETBACK REQUIREMENTS

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## AFFORDABLE ACCESSORY RESIDENTIAL UNITS

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## FLEXIBLE LOT CONFIGURATIONS

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## MODIFICATION OF STREET REQUIREMENTS

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## PROCESS OF ONGOING REVIEW

Meeting Synopsis:  
Existing Strategy:  
AHAC Recommendation:  
Schedule for Implementation:

## PUBLIC LAND INVENTORY

Meeting Synopsis:

Existing Strategy:

AHAC Recommendation:

Schedule for Implementation:

## SUPPORT OF DEVELOPMENT NEAR TRANSPORTATION HUBS

Meeting Synopsis:

Existing Strategy:

AHAC Recommendation:

Schedule for Implementation:

## Glossary

**Affordability Period**—The time period for which rent restrictions or resale restrictions apply to housing that has been assisted by government funding.

**Affordable Housing**— Affordable housing is safe and decent housing. It differs from market rate housing in two ways: 1) The income of the family living in the housing, and 2) The financing of the housing. In Section 420.0004 of the Florida Statutes, “affordable” means monthly housing payments including taxes, insurance, and utilities that do not exceed 30 percent of the gross annual income for extremely low (0-30% AMI) to moderate-income households (120% AMI).

**Amortization**—A plan for paying off a financial obligation by making periodic installment payments over a set period of time, at the end of which the loan balance is zero. Often mortgages have a 30-year amortization, requiring the borrower to make 360 equal monthly payments.

**Annual (Gross) Income**—Total income before deductions (earned, unearned and asset income) anticipated to be received by all persons who currently reside or intend to reside in a program assisted-unit for the coming 12-month period. When determining whether a household is income eligible, local governments, participating jurisdictions and project owners often use the definition of annual income in 24 CFR section 5.609 along with chapters of detailed guidance on what counts and is excluded from household income.

**Articles of Incorporation**—Legal document submitted to a designated officer of the state for permission to commence business as either a for-profit or non-profit corporation. The articles of incorporation, or charter, state the purpose, rights and duties of the corporation.

**Assets**—Cash or non-cash item that can be converted to cash. Under most federally and state funded housing programs, the income from an asset, either actual or imputed, is included in a family’s total household income.

**Back-End Ratio**—(i.e., debt ratio) A calculation used by the lender to determine if the amount of income less debt is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (PITI) and dividing it by the sum of the gross monthly income minus the total monthly debt payments of the applicant. The maximum ratio varies from 32% to 40%, depending on the loan and program applied for. In other words, no more than 40% of the applicant’s income should be set aside for the monthly mortgage payment.

**Bylaws**—The rules governing the internal affairs of an organization or governmental entity.

**CAA - Community Action Agency**—CAAs were organized in the 1970s with the goal of eliminating the causes, conditions, and effects of poverty. Sometimes referred to as CAP (Community Action Program) agencies, they may be a private, non-profit, tax-exempt corporation or a department within local government. CAAs may operate a variety of

programs that serve low income and elderly residents of the community, including emergency home repair, weatherization, food distribution, employment counseling, homeless assistance, transportation and Headstart. CAAs generally receive funding from a variety of federal, state, local, and private sources. Sometimes referred to as CAP (Community Action Program) agencies.

**Cash Flow**—Revenue less expenditures over a set period of time.

**Catalyst Program**—The Affordable Housing Catalyst Program is administered by the Florida Housing Finance Corporation. It provides training and technical assistance to local governments and community-based organizations to assist in developing capacity to undertake affordable housing.

**CDBG - Community Development Block Grant**—The U.S. Department of Housing and Urban Development (HUD) administers two CDBG programs. Under the CDBG Entitlement Program, HUD provides funds directly to urban counties and metropolitan cities based on a population-based formula. The CDBG Small Cities Program awards grants on a competitive basis to non-entitlement counties, cities, and towns in Florida.

**CDC - Community Development Corporation**—A CDC is usually a local, non-profit entity organized to address long-term community revitalization by building affordable housing, assisting, or starting small businesses, and creating jobs.

**CHDO - Community Housing Development Organization**—Under the HOME Program, a CHDO is a private, non-profit, 501(c)(3) tax exempt organization that has, among its purposes, the provision of decent, affordable housing to low- and moderate-income persons. CHDOs must, among other things, have demonstrated capacity for carrying out activities funded with HOME funds, and must maintain at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. Further information can be found in the HOME Rule, 24 CFR, Parts 91 and 92.

**Compliance**—The act of meeting requirements and conditions specified in statutes, rules and/or federal laws regarding the CDBG Small Cities, HOME, SHIP, or other state and federal housing programs.

**Consolidated Plan**—A plan developed by a local government which describes the needs, resources, priorities, and proposed activities to be undertaken with funds provided under various federal programs. A consolidated plan is required for all participating jurisdictions.

**CRA - Community Reinvestment Act**—enacted by Congress in 1977, this states that banks and savings institutions have an affirmative obligation to serve the public, and especially to help meet the deposit and credit needs of local communities in which they are chartered, including the needs of residents in low- and moderate-income neighborhoods. Failure of an

institution to meet these needs can result in a financial institution being unable to expand or merge with another lender.

**Credit Underwriting**—A process used by lenders (including government lenders) to evaluate the feasibility of a rental development, i.e., whether project income will be sufficient to pay the loan and operating expenses.

**Deed**—A legal instrument that transfers property ownership from one party to another.

**Deferred Payment Loan**—Funds provided to a borrower under terms that calls for repayment to be delayed for a certain length of time, until certain circumstances change, or a certain threshold is met. In housing programs, deferred payment loans are often used as a recapture mechanism. In home ownership programs the loans often become due when the assisted family sells the home. Under rental programs the loans often become due if the affordability requirements are breached. In most housing programs these loans have an interest rate of zero percent; in some communities interest does accrue.

**Demographic Data**—Information about the characteristics of human populations, including size, income, age, wealth, race, ethnicity, gender, housing conditions, etc.

**Developmental Disability**—Florida Statute 393 defines “developmental disability” as a disorder or syndrome which is attributable to retardation, cerebral palsy, autism, or spina bifida and which constitutes a substantial handicap that can be reasonably be expected to continue indefinitely. The Florida Statutes requires that at least 20 percent of a community’s SHIP allocation be expended to assist households in which one or more members has a developmental disability or another type of special need.

**Disabling Condition**—This is defined in section 420.0004(7) of the Florida Statutes as a diagnosable substance abuse disorder, serious mental illness, developmental disability, or chronic physical illness or disability, or the co-occurrence of two or more of these conditions, and a determination that the condition is: (a)Expected to be of long-continued and indefinite duration; and (b)Not expected to impair the ability of the person with special needs to live independently with appropriate supports. The Florida Statutes requires that at least 20 percent of a community’s SHIP allocation be expended to assist households in which one or more members has a disabling condition or another type of special need.

**DRI - Development of Regional Impact**—Large-scale developments that are required to undergo a comprehensive regional impact review prior to local government approval. The review process is coordinated by a regional planning council (RPC). Among other considerations, the RPC must consider whether nonresidential DRIs ensure the availability of accessible housing for use by the employees of the development.

**EAR - Evaluation and Appraisal Report**—This is a report that each local government must initially prepare five years after the adoption of its local government comprehensive plan to look at how the plan is working. It is required to be reviewed periodically thereafter. The EAR

is intended to reflect changes in state policy on planning and growth management. The EAR must set forth the “actions” or “plan amendments” that are necessary to respond to changes in growth policies and updated information on local conditions.

**Eligible Household**—An individual, family or group of individuals living together as a unit, determined to be of very low- to low-income for participation in the CDBG Small, HOME, among other funding programs. Eligible households have income ranging from very-low up to moderate-income for participation in the SHIP Program.

**Equity**—The market value of real property, less the amount of existing debt or liens.

**Fair Housing Act**—The Fair Housing Act makes it illegal to deny housing, refuse to rent, sell, or negotiate, or offer different terms and considerations because of race, color, religion, sex, national origin, handicap, or familial status. If you suspect violation of the Fair Housing Act or want more information, you may contact the U.S. Department of Housing and Urban Development, Fair Housing, 451 7th Street, SW, Washington, D.C. 20410, 1-800-669-9777.

**FHFC – Florida Housing Finance Corporation**—The FHFC’s mission is as follows: (1) finance affordable housing for very low-, low-, and moderate-income people; and, (2) to stimulate the home building industry. The FHFC obtains funds through program revenues and by issuing bonds that are secured by mortgages taken in exchange for the FHFC’s loans. The FHFC also receives appropriations of federal grants and tax credits as well as Sadowski Act documentary stamp tax revenues to finance affordable single- and multi-family housing to be occupied by very low-, low-, and moderate-income persons (FHFC, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329 (850) 488-4197).

**501(c)(3)**—Section of the Internal Revenue Code that addresses the requirements that an organization must meet in order to be considered a tax exempt organization. Many people refer to agencies that have obtained a tax exempt status as a “501(c)(3).”

**Front-End Ratio**—(i.e., income ratio) A calculation used by the lender to determine if an applicant’s income is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (principal, interest, taxes and insurance) and dividing it by the gross monthly income of the applicant.

**Grants**—Gifts of money given by foundations, or federal or state government, without expectation of repayment. Also see deferred payment loan, another method of providing housing assistance.

**HOME - HOME Investment Partnerships Program**—The Home Investment Partnerships Program was enacted in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act. HOME funds are allocated on a needs-based formula to state and local governments designated participating jurisdictions (PJs) and require non-federal match of HOME dollars.

The Florida Housing Finance Corporation (FHFC) administers the state's HOME program. (HOME, FHFC, (850) 488-4197).

**HUD - U.S. Department of Housing and Urban Development**—The department within the federal government that is mandated by Congress to create conditions for every family to have decent and affordable housing, to ensure equal housing opportunities for all, and to strengthen and enrich the nation's communities. Offices are located at the national and state levels.

**Ineligible Household**—An individual, family or group of individuals whose household characteristics or income prevent it from meeting the eligibility requirements of a program.

**Lease-up Period**—The amount of time it takes for a building, such as multi-family housing, to reach a stable occupancy rate and income stream.

**Leveraging**—Using a small amount of funds to attract other funds, including loans, grants and equity investments. The premise of leveraging is to use public dollars in conjunction with private dollars to increase the number of affordable housing units that can be produced. The SHIP program requires staff to report the public and private funds that are leveraged with SHIP to provide rehabilitation, purchase assistance, and other housing help assistance.

**LIHTC - Low Income Housing Tax Credit**—A competitive federal program administered by the state which grants income tax credit to developers who build or substantially rehabilitate affordable rental housing. The tax credits are used to raise project equity.

**Loan-To-Value Ratio**—The loan amount(s) as a percentage of the property's appraised value or sales price, whichever is less. For example, a loan amount of \$114,000 on a home that has a sales price of \$120,000 has a 95 percent loan-to-value ratio (114,000/120,000). A lender will use a loan-to-value ratio to determine the maximum amount it will lend on a property.

**Low-Income Person or Household**—A person or household whose annual (gross) income does not exceed 80 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

**Median Income**—A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups: one group having income above the median and the other group having income below the median.

**Moderate-Income Person or Household**—A person or household whose annual (gross) income does not exceed 120 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).



**MRB - Mortgage Revenue Bonds**—State and local housing finance agencies (HFAs) sell tax-exempt bonds and use the money that is raised to lend to first-time homebuyers. Because buyers of these bonds accept a lower rate of return on their investment than if the bonds were taxable, HFAs can lend proceeds to the homebuyers at interest rates below conventional mortgage rates.

**Nonprofit Corporation**—A corporation established under state law for purposes other than making profits that would be distributed to the owners, directors, members or officers.

**Persons with Special Needs**—This is defined in section 420.0004 of the Florida Statutes as an adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition 420.0004(7) FL Statutes, or a young adult formerly in foster care who is eligible for services under s. 409.1451(5); or a survivor of domestic violence as defined in s. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits. The Florida Statutes requires that at least 20 percent of a community's SHIP allocation be expended to assist households in which one or more members has a special need.

**PHA - Public Housing Authority**—Created by local governments pursuant to Chapter 421, Florida Statutes, local PHAs develop, own, and operate public rental housing and administer Section 8 rental assistance programs.

**PJ - Participating Jurisdiction**—The term given to any state or local government that HUD has designated to administer an allocation of HOME Investment Partnerships Program funds.

**PMI - Private Mortgage Insurance**—Coverage that, in instances of default, guarantees a lender the partial payment of an outstanding loan balance. Traditionally, lenders require PMI in instances where the loan to value ratio is higher than 80 percent, however, lenders have been known to waive this requirement under their affordable housing programs. PMI premiums are included in a borrower's monthly mortgage payments. The insurance can be discontinued when an appraisal shows that the loan to value ratio has dropped below 80 percent. The cost of such an appraisal is the responsibility of the borrower.

**Pro Forma**—Projected annual income and expenses for a rental development for a given period (usually 15 years).

**RD - Rural Development**—Provides funding for mainly rural housing programs. Formerly known as Farmers Home Administration, the programs from this office are sometimes used by local governments to supplement CDBG and other housing projects. The state RD office is in Gainesville. Initial inquiries should be made at the local RD office.

**Reconstruction**—Rebuilding of a structure, usually on the same foundation as the existing housing which will be demolished.

**Rehabilitation**—The alteration, improvement or modification of an existing structure.

**RPC – Regional Planning Council**—RPCs provide planning and technical assistance to local governments on federal and state issues such as housing, growth management, emergency management, and intergovernmental coordination.

**SHIP - State Housing Initiatives Partnership Program**—SHIP was the centerpiece of the William E. Sadowski Affordable Housing Act of 1992. SHIP is administered by the Florida Housing Finance Corporation (FHFC) and channels documentary stamp revenue to Florida’s counties and CDBG entitlement cities for the express purpose of creating and preserving affordable housing.

**Subsidy**—Financial assistance in the form of government loans, grants, or other contributions that are used to make housing affordable.

**Sweat Equity**—The value of volunteer labor in producing affordable housing.

**Very Low-Income Person or Household**—A person or household whose annual (gross) income does not exceed 50 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

## Housing Acronyms Explained

Admin	Administration
ADA	Americans with Disabilities Act
AHAC	Affordable Housing Advocacy Committee
AMI	Area Median Income
CAA	Community Action Agency
CDBG	Community Development Block Grant
CDC	Community Development Corporation
CHDO	Community Housing Development Organization
CoC	Continuum of Care
CRA	Community Reinvestment Act
CRE	Center for Racial Equity established by FHC
Demo	Demolition
DRI	Development of Regional Impact
DTI	Debt to Income - considered when qualifying for a mortgage to purchase a home
EAR	Evaluation and Appraisal Report
FHC	Florida Housing Coalition
FHFC	Florida Housing Finance Corporation
HAF	Homeowner Assistance Fund
HERA	Housing and Economic Recovery Act
HFA	Housing Finance Agency
HHRP	Hurricane Housing Recovery Program
HHS	Department of Health and Human Services
LIHTC	Low Income Housing Tax Credit
LMI	Low to Moderate Income
MMRB	Multifamily Mortgage Revenue Bonds
MRB	Mortgage Revenue Bonds
MTSP	Multifamily Tax Subsidy Program
NOFA	Notice of Funding Availability

NSP	Neighborhood Stabilization Program
OOR	Owner Occupied Rehabilitation
PHA	Public Housing Authority
PITI	Principal, Interest, Taxes and Insurance- parts of a mortgage payment
PJ	Participating Jurisdiction
PLP	Predevelopment Loan Program
PR	Principal Reduction
QCT	Qualified Census Tract
RECAP	Racially and Ethnically Concentrated Areas of Poverty
RFP	Request for Proposal
RIC	Residential Income Certification
ROOF	Residential Options of Florida
SAIL	State Apartment Incentive Loan program
SBA	Small Business Association
SHIP	State Housing Initiatives Partnership program
SSI	Supplemental Security Income
USDA	United States Department of Agriculture
VOA	Verification of Assets
VOCA	Victim of Criminal Acts
VOE	Verification of Employment



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