SHIP Incentive Strategies and the AHAC

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Florida Housing Finance Corporation Catalyst Program
Presenters Michael Chaney and Gladys Cook

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Request a Site Visit to prepare for AHAC, Monitoring, or more

- Call (800) 677-4548
- Up to 6 hours of training in your office
- Review of Files, Staffing, Procedures
- Discuss new and existing strategies
Affordable Housing Advisory Committee (AHAC)

• AHAC recommends regulatory incentives:
  • Florida Statute 420.9076
  • Rule 67-37.010
  • “Review the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan...
  • and recommend initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value.”

Recommend Incentives for Affordable Housing

• **Recommend** modification or repeal of **existing** policies, procedures, regulations;
• **Recommend** the **creation of exceptions** applicable to affordable housing;
• **Recommend** adoption of **new** policies or amendments to local **comprehensive plan**.
POLL
For how long has your AHAC been assembled?

• Just assembling OR Less than a year
• More than a year
• More than 3 Years
• More than 9 Years

Is an AHAC Report required from every SHIP Jurisdiction?

• AHAC Report is only due for cities and counties that receive allocations of more than $350,000
When is the AHAC Report Due?

- AHAC Report must be completed in the December before your LHAP must be updated.
  - If Update LHAP due May 2018, then AHAC Report is due December 2017

OR

When jurisdiction’s SHIP allocation exceeds $350,000 for the first time

Recruit AHAC Committee Members

2016 AHAC Changes to SHIP Statute

- AHAC members no longer required to be appointed by resolution
- At least 8 members but not more than 11 members
- Must consist of 1 representative from at least 6 of the 11 categories
AHAC Membership Categories

1. Citizen engaged in the residential home building industry in connection with affordable housing
2. Mortgage banking industry
3. Labor actively engaged in home building
4. Advocate for low-income persons
5. For-profit provider of affordable housing

6. Not-for-profit provider of affordable housing
7. Real estate professional
8. Local planning agency member per 163.3174
9. Citizen who resides within the jurisdiction
10. Representative of employers in jurisdiction
11. Representative of Essential Services Personnel
AHAC Staff Support

- AHAC staff support from SHIP and Planners
- “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.”
- Provide orientation to current incentive strategies and report requirements.

Some General Comments

- Regulatory barriers affect new construction and rehab- not all strategies
- Consider housing needs and trends- check zoning code and land development regulations for definitions or other requirements that could stymie projects meeting those needs
- Work closely with those pulling the permits
- Add assistance requirements to applications
General Comments cont.

- Create a checklist of opportunities along with explanatory text— for application package
- Learn your comp plan and land use areas
- Learn your fee structure— plan review to permits
- Take a look at the timeframe and steps in your system

About special permissions

- If special permissions are required, give administrative authority to reviewer
  - Permitted
  - Conditional
  - Special— public hearing required— expensive and uncertain
Mandatory Incentive Strategies

• “The processing of expedited permits or development orders to a greater degree than other projects for affordable housing.”

• Local land use planning and zoning codes can Break or Make affordable housing.

• Purpose: Time is Money!

(a) Mandatory Expedited Permitting
What Qualifies for Expedited Attention?

• Define: What is an affordable housing project?

• What process initiates expedited permitting?

• Many TYPES of Expedited Review: Variances, re-zoning, waivers, request for re-platting, review of the builder’s plans.

Florida Examples: Expedited Permitting

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

Sarasota County
• SHIP office provides developer with “Priority Processing Notification form”
(i) Mandatory Ongoing Review

• “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.”

• Purpose: Avoid adoption of additional hurdles to affordable housing development.

Report Each Year on Mandatory Incentive Strategies

State Housing Initiatives Partnership (SHIP) Program
Annual Report and Local Housing Incentives Certification

On Behalf of ________________________________ (Local Government), I hereby certify that:

1. The Annual Report information submitted electronically to Florida Housing Finance Corporation is true and accurate for the closeout year __________________ and interim years __________________.

2. The local housing incentives or local housing incentive plan have been implemented or are in the process of being implemented. Including, at a minimum:
   a. Permits as defined in s.163.3164 (15) and (16) for affordable housing projects are expedited to a greater degree than other projects; and
   b. 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.

3. The cumulative cost per newly constructed housing per housing unit, from these actions is estimated to be $___________.

4. The cumulative cost per rehabilitated housing per housing unit, from these actions is estimated to be $___________.

Staff Member responsible for submitting annual report to FHFC: ________________________________

Witness Signature ___________________________ Date ___________ Chief Elected Official or Designee Signature ___________________________ Date ___________
INCENTIVE STRATEGIES
the SHIP Statute requires
the AHAC to consider

Topics for Discussion:
Items A - K

“Each advisory committee shall submit a report to the local governing body that includes recommendations on... affordable housing incentives in the following areas:”
AHAC Tasks when reviewing Incentives

Reviewing local plans and codes
- Comprehensive Plan
- Land Development Code
- Neighborhood Action Plans
- Overlay Districts

Importance of Market Analysis
- Understanding community demographics
- Housing needs

(b) Impact Fee Modifications

• “The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.”

• Impact Fees: typically used for roads and transportation, parks and recreation, emergency medical services, fire safety, water and sewer connections and schools.
Impact Fee Options

• Fee Deferment

• Fee Waiver
  • When impact fees have been pledged as repayment source for local bonds, they cannot be waived.
  • Future bond issues may have built in waiver for certain circumstances, such as affordable housing.

• Fee Modification: base on square foot rather than unit. Unit fee is regressive because greater impact on smaller/more affordable unit.

• Alternative sources of payment for impact fees

Impact Fee Examples

Lee County
• A waiver of all impact fees within 3 enterprise zones.
• School Impact Fee Rebate: low income purchaser receives a 50% rebate paid directly to mortgage holder
• Funded by the interest on the impact fee account.

Collier County
• Long standing impact fee deferral program.
• Fee is paid on behalf of affordable unit, repaid under a 10 year lien placed on the property.
(j) Land Bank Inventory

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

• Purpose: Reducing or eliminating the cost of land decreases the cost of developing affordable housing.

• Statutory Requirement since July 2007: Create a Surplus Land Inventory for affordable housing

Ongoing Land Bank Activities

First: Identify properties appropriate for affordable housing.

Second: Make properties suitable:
• Credit/title issues.
• Environmental conditions
• Available infrastructure /Access by public roads
• Zoning and Land use classifications
• Proximity to transportation, services, employment centers

Third: Disposition of properties for affordable housing.
LAND DONATION:
Section 420.615, FL Statutes

• A local government may provide “density bonus incentives” to any landowner who voluntarily donates land to the local government for affordable housing.
  • The land must be subject to deed restrictions.
  • The additional units built do not have to be affordable.

(c) Density Flexibility

• “The allowance of flexibility in densities for affordable housing.”
• Build more housing on a given plot of land.
• Purpose: Increased density offers an economic incentive.
Key Considerations about Density

• Consider the length of time that units must maintain affordability.
• Offer density bonus in targeted area or for any selected parcel of land
• Bonuses work best where developers cannot get as much land as they need.
• May be more applicable to multi-family rental, rather than to single family subdivisions.
(e) Accessory Dwelling Units

- “The allowance of affordable accessory residential units in residential zoning districts.”
- ADU = a residential unit that is secondary to the primary residence of the homeowner.
  - An apartment within the primary residence OR an attached or freestanding home on the same lot as the primary residence.
- Florida Statute 163.31771 encourages ADU permitting “to increase the availability of affordable rentals”

Land Use Code and ADUs

- Remove land use barriers which prevent accessory dwelling units
  - Virtually all ADU ordinances require the owner to reside in either the primary or secondary unit.
TIMELINE and RESPONSIBILITIES

STEPS
• Assemble AHAC members
• Consider affordable housing incentives in 11 areas outlined in FL Statutes
• Present report to City/County Commission
• HANDOUT contains Statute/Rule reference, LHAP due dates, AHAC Timeline
AHAC Report Time Line

- **Feb. - June 2017**: Designate staff and select AHAC members
- **June 30, 2017**: Complete draft report schedule and advertise public hearing
- **Oct. - Nov. 2017**: Submit report to local governing board and Florida Housing
- **Dec. 31, 2017**: Submit LHAP
- **March 31, 2018**: Governing Board Appoints members to AHAC
- **May 2, 2018**: Public hearing
- **Feb. 2020**: AHAC approves local housing incentive strategies
- **Local government adopts LHAP amendments to incorporate strategies**
- **Repeat process in preparation for triennial report**

**Dates in black are recommended timeline to meet deadlines**
**Dates in red are statute or rule deadlines.**

AHAC has public meetings, plus a public hearing to vote on report

- **Public Hearing**: Approval of recommendations by affirmative vote of a majority of the members at a public hearing.
- **Notice of public hearing**: Time, date, and location must be published in a newspaper of general paid circulation.
- **Notice must contain**: A summary of the recommendations and state where a copy may be obtained.
POLL  What is the status of your AHAC Report?
• Our AHAC Report is not due now
• AHAC committee and report not initiated
• AHAC members assembled
• Some AHAC meetings completed
• Report complete or to be voted on within a month

Related Training

Examples of AHAC Reports

View End of Recording:
https://vimeo.com/144782474
Possible AHAC Outcomes

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

(d) Reservation of Infrastructure

• “The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.”

• Some parts of Florida do not have enough water, sewer capacity, or transportation concurrency for all potential development.
  • A developer may build a house and yet be unable to get water and sewer hook ups.
(k) Proximity

“The support of development near transportation hubs and major employment centers and mixed-use developments.”

Purpose: Decrease transportation costs to increase housing affordability.

(f) Parking and Setbacks

• “The reduction of parking and setback requirements for affordable housing.”
• Some housing may benefit from a reduction in the required number of parking spaces required by the land use code.
  • EXAMPLE: housing for elderly residents or people with disabilities
• Regular zoning often comes with standard street requirements
(g) Flexible Lot Configurations

• “The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.”

• Zero-lot-line = two neighboring houses back to back, with a common wall between

• 15 ft side set-back requirements common,
  • Allow smaller setbacks to offer more freedom arranging home on lot.

(h) Street Requirements

• “The modification of street requirements for affordable housing”

• Example: An allowance for parking on only one side of the street.

  • Reduces the required width for the road, reduces paved area and accompanying drainage/water retention
  • This design allows for parking on the street instead of garage/carport
  • This approach may require a public hearing. Allow administrative approval of flexible options
  • Typically not helpful – you don’t want to create substandard subdivisions.
Incentives Beyond those Referenced in Statute

Inclusionary Housing in U.S.

• Several hundred inclusionary housing ordinances. Most are in California and the Northeast- NY, NJ, MA, Vermont
• Over 80,000 Californians live in the mixed-income neighborhoods.
• Several lawsuits have claimed I.H. to be ‘unconstitutional takings’, but none have been successful
• Builders Association sued over Tallahassee IH Ordinance and lost.
Inclusionary Zoning

Example: City of Jupiter


More Possible AHAC Responsibilities

AHAC may assist staff in many ways

- Review new strategies
- Enhance existing strategies
- Community Outreach and Feedback
- Help create SHIP Procedures
QUESTIONS AND EVALUATION

Technical Assistance is Available

Available Daily: 1 (800) 677-4548

Options for Further Assistance Include:
Phone and Email consultation
Site Visits

Register at www.flhousing.org for:
Workshops
Webinars