



Joint City/County Affordable Housing Advisory Committee

October 25, 2021 - 10:00 a.m.
Smith-Williams Service Center

MEETING AGENDA

- 1. CALL TO ORDER**
 - 1.1. Establish Quorum
 - 1.2. Posting of Meeting Notice
- 2. PUBLIC COMMENT**
- 3. APPROVAL OF MINUTES**
 - 3.1. Summary of the August 23, 2021 Joint AHAC Meeting
- 4. PRESENTATIONS**
 - 4.1. Overview of Impact Fees for Funding Affordable Housing
- 5. POLICY & DIRECTION**
 - 5.1. Inclusionary Housing
 - 5.2. Draft 2021 Recommendations
- 6. ANNOUNCEMENTS**
- 7. UNAGENDAED ITEMS**
- 8. ADJOURNMENT**

Leon County & City of Tallahassee
Affordable Housing Advisory Committee
Joint Meeting
August 23, 2021
Meeting Minutes

COUNTY MEMBERS PRESENT:

Nick Maddox (County AHAC, Commissioner)
Trina Rose Searcy (County AHAC, Chair)
Lawrence Tobe (County AHAC, Resident of the Jurisdiction)
Deborah Lloyd (County AHAC, Not-for-Profit Provider of Affordable Housing)
Herschel Holloway (County AHAC, Banking or Mortgage Industry)

CITY MEMBERS PRESENT:

Mayor John Dailey (City AHAC, Locally Elected Official)
Jim McShane (City AHAC, Chair)
Christopher Daniels (City AHAC, Advocate for Low-Income Persons)
Kayana Gaines (City AHAC, At-Large/Real Estate Professional)
Karlus Henry (City AHAC, Area of Labor within the Home Building Industry)
Kyndra Light (City AHAC, Residential Home Building Industry)

MEMBERS ABSENT:

Adela Ghadimi (City AHAC, Representative of “Essential Services Personnel”)
Marthea Pitts (County AHAC, Vice Chair)
Madelon J. Horwich (County AHAC, Resident of the Jurisdiction)
Shawn Menchion (County AHAC, Advocate for Low-Income Persons)
Ian Waldick (City/County AHAC, Planning Commission Member)
Virtual Participation – Not included in quorum
Bill Wilson (City AHAC, For-Profit or Not-for-Profit Provider of Affordable Housing)
Oral Payne (County AHAC, Engaged in Homebuilding)

STAFF PRESENT:

Shington Lamy, Director of LC Human Services & Community Partnerships
Abena Ojetayo, Director of COT Housing and Community Resilience
Artie White, TLC Planning Department
Courtney Thomas, Aide to Mayor Dailey
Kristellys Estanga, Aide to City Commissioner Jack Porter
Amy Toman, Assistant City Attorney
Matthew Wyman, LC Housing Services Manager

Virtual Participation

Ryan Culpepper, LC Development Support & Environmental Services Staff
Ryan Guffey, LC Development Support & Environmental Services Staff
Kyle Kemper, County Attorney’s Office

1. Call to Order

The City AHAC Chair Jim McShane called the meeting to order at 10:12 a.m. without a quorum present of the City's Affordable Housing Advisory Committee (City AHAC), nor the County's Affordable Housing Advisory Committee (County AHAC).

The County AHAC established a physical quorum at approximately 10:29 a.m.

The City AHAC established a physical quorum at approximately 10:40 a.m.

2. Public Comment

There were no public comments

3. Approval of Minutes

After the County AHAC established a physical quorum, Chair Searcy requested a motion to approve the minutes from the May 24, 2021 joint meeting.

Nick Maddox moved, seconded by Trina Searcy, to approve the minutes with a correction to show Mayor Dailey as present. The motion passed unanimously.

After the City AHAC established a physical quorum, Chair McShane requested a motion to approve the minutes.

Mayor Dailey moved, seconded by unknown City AHAC member, to approve the minutes with a correction to show Mayor Dailey as present. The motion passed unanimously.

4. Presentations

None

5 Policy and Direction

5.1 Inclusionary Housing Policy

Matthew Wyman, Leon County Housing Services Manager, provided an overview of the agenda item on inclusionary housing that was presented to the Board of County Commissioners on July 13, 2021, which included:

- Review of Florida Statutes rules governing inclusionary housing policies; and
- A detailed summary of the current inclusionary housing policy adopted by the County and City of Tallahassee, respectively; and
- An update on the Leon County Affordable Housing Advisory Committee's (AHAC) approach to develop inclusionary housing policy recommendations.

Discussion among the County and City AHAC as well as staff ensued on the agenda item on inclusionary housing including:

- The number of households in Leon County that are cost burdened, and staff's collection and evaluation of data initiated by Chair McShane.
- Rent affordability for households with income at 50% AMI and the establishment of affordable rent rates initiated by Mrs. Light. Affordable rent rates are determined by entities that provide subsidy such as the Florida Housing Finance Corporation based upon the number of bedrooms a unit has as well as area median income. This information was to be provided in a follow up email.
- Mayor Dailey inquired about next steps on formulation of a County inclusionary housing policy which includes collecting additional information and discussion on best practices, the use of a consultant to assist in the process of research and policy development and the County AHAC formulating a recommendation for Board consideration.
- The City AHAC's recent recommendation on adding Residential Rental development to the City's existing Inclusionary Housing Ordinance which will be included in their report to the City Commission.

Following the discussion, Mr. Wyman provided a summary on large residential development activity in unincorporated Leon County which included that since 2015, there have been six residential developments in the unincorporated areas of the County having 50 or more units and that three have annexed into the City. Over 750 units market rate units were produced including 288, multi family, residential units.

Bill Wilson inquired if the Joint AHAC's were going to formulate a recommendation on inclusionary housing as a group to which Chair McShane replied that additional information from staff was going to be provided at the next meeting.

Mr. Wilson continued that the current policies on inclusionary housing do not address the biggest needs in the community.

Mr. Wilson moved, seconded by unknown City AHAC member, that the City AHAC work for the development of a comprehensive city county ordinance that includes single family and rental development that is not bound by the socio economics of the neighborhood in which the development is taking place. Motion passed unanimously.

In response to a request for clarification from Mr. Lamy, Mr. Wilson explained the reasoning why he believes that the City's inclusionary housing policy should not be limited to certain areas based on census tracts with higher average household incomes.

Mr. Lamy explained that at the County AHAC's next meeting, staff will bring a recommendation regarding inclusionary housing mandatory, considering the results of the survey being conducted in partnership with the Florida Housing Coalition which will provide a sense of best practices, goals, the number of local governments that have adopted inclusionary housing since the changes to statute in 2019 and the number of communities that have used the services of a consultant to evaluate all related components to draft an inclusionary housing policy. Any recommendation would be included as part of the AHAC report to the County Commission in December.

6. Announcements

Chair McShane announced the next Joint AHAC Meeting on October 25, 2021.

7. Unagendaed Items

Chuck White introduced himself that he previously served on the County AHAC and now has been designated to represent the Housing Finance Authority of Leon County at both the City and County AHAC meetings.

8. Adjournment

The meeting was adjourned at 11:46am.

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Density Bonus Comparison

Category	Collier County	Clearwater	Brevard County	Miami-Dade County
Density Bonus	10-300% (add an additional 1-12 units when four are allowed per acre). Affordable to lower income categories incentivized. See Handout	25% Bonus Density Awarded if 15% of units are affordable; 50% Bonus Density Awarded if 25% of units are affordable (Example: 20 units 1.5 = 30 units; 30 * .30 = 10 units required as affordable housing.)	25% Bonus Density Awarded if 30% of units are affordable. The required affordable units are calculated after the bonus is determined. (Example: 20 units 1.25 = 25 units; 25 units * .30 = 7 units required as affordable housing.)	Varies up to 25% (for 10% of units constructed as affordable) depending on the percent of units constructed. If under 20 total units, all bonus units must be affordable
Period of Affordability	30 Years for Ownership and Rental restricted via development agreement	20 Years for Ownership; 30 Years for Rental restricted via restrictive covenant	land use and deed restriction affordability agreement (LURA). A land trust may be used as a mechanism to retain units as affordable and/or special needs.	Not specified
AMI, Eligibility Limited	Up to 120%			No less than 50% of the WHUs shall target households with incomes ranging up to 110% of the area median income.
Appreciation	Yes, capped at 5% per year			
Includes Rentals	Yes	Yes	Yes	Yes
Construction	Size, construction and ratio of bedrooms per affordable housing unit shall in general be the same as the market rate units	Size, construction and ratio of bedrooms per affordable housing unit shall in general be the same as the market rate units. Minimum size in sqft is specified	Design standards must be similar to market rate	Concurrently with market rate units

Mandatory Inclusionary Housing Comparison

Category	City of Tallahassee	Palm Beach County	Town of Jupiter, FL
Applicable Project Size	Applies to developments of 50 or more units intended for owner occupancy	Applies to all new residential developments of 10 units or more; Multiple, complex obligation calculations	Applies to all new residential developments of 10 units or more. 6% or more units (not Bonus units) must meet requirements.
Applicable Project Location	In census tracts where average income is higher than Area Median Income;	All unincorporated areas of the County and in other areas where required by a project's conditions of approval.	Within limits of Jupiter, FL with the following exceptions: -Planned Unit Developments effective prior to May 2015 -Mobile Home Parks -Dormitories; -Nursing Homes.
Density Bonuses	Up to 25% as established in the Land Use element of the Comp Plan	50-100% bonus depending upon the incentive	30% if 40% of units are designated to be affordable; up to 100% bonuses available if 50% or more are designated to be affordable.
Other Incentives	Water & Sewer Fee Exemption	Impact Fee(s) determined for NOFA	Concurrency Traffic Exception
Affordability	Mortgage or rent does not exceed 27% of Income; payments may be higher if buyer has a willing lender.	See Average Sales Price and Handout; 35% of income	Determined by Town Council or staff at the time of development
Period of Affordability	Variable; specified at developer agreement.	15 Years for Ownership (Recurring if sold); 30 for rental	Determined by Town Council or staff at the time of development
AMI, Eligibility	70-100% AMI; allows for higher or lower AMI ranges by CC approval.	60-140% of AMI	60-140% of AMI
Average Sales Price	Original ASP: \$159,379; Cannot exceed annual SHIP max (Currently \$294,601), recalculated annually	Low (60-80%) - \$168,420 Mod1 (>80%-100%) - \$216,540 Mod2 (>100-120%) - \$264,660	Not Available
Includes Rentals	Not at this time	Yes	Yes
Rental Rates	N/A	Max rates as established by Housing and Urban Development and used by Florida Housing Finance Corporation	Determined by Town Council or staff at the time of development
Construction	Not specified	Complete within 180 days of completion of 75% of market rate units.	Must have the same ratio of BR and Baths and be at least 80% of market rate units sq ft; and must be completed at same rate as market rate.
Waiver of Requirements	CC may allow waiver of IH ordinance provisions (Sect. 9-245(d))	Payment in Lieu; Restrict an existing market rate unit; build off-site units same developer or an exchange builder	Payment in Lieu including donation of land and deposited into the town's trust fund




Inclusionary Housing Policy in Florida

October 6, 2021

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Florida Housing Coalition Survey

- In July 2021, Leon County engaged the Florida Housing Coalition to survey local governments in Florida on inclusionary housing policy.
- Representatives from the following 22 local governments responded to the survey questions:

City of Plantation	Orange County	Marion County
St. Johns County	Alachua County	City of Miami Beach
City of Orlando	City of St. Petersburg	City of Hialeah
Pinellas County	Nassau County	City of Cape Coral
Okeechobee County	Hernando County	City of Tallahassee
Lee County	Nassau County	Broward County
Charlotte County	Town of Jupiter	Pasco County
Miami-Dade County		

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Types of Inclusionary Housing Policy (IHP)

- Mandatory Inclusionary Housing Policy requires developers to provide a set number or percentage of affordable housing units within a market rate development or allow a developer to contribute to a housing fund or other alternatives in lieu of building affordable housing units.
 - 3 survey respondents indicated they have a Mandatory IHP (Palm Beach County and other local governments with a mandatory program did not respond)
- Voluntary Inclusionary Housing Policy offer incentives such as density bonuses, fee waivers, and expediting permitting to encourage the development of affordable and/or workforce housing.
 - 45% of survey respondents indicate they have a Voluntary IHP

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Impact of House Bill 7103

- In 2019, the Florida Legislature amended Statute to require local governments with a mandatory IHP to provide incentives to “fully offset all costs” to a developer of its affordable housing contribution.
 - 50% of survey respondents (7) noted that the bill has either stalled or changed the local government’s process to adopt mandatory IH
 - 4 of the survey respondents (18%) indicated that their local government is currently considering establishing a mandatory IHP

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Comparing Inclusionary Housing

Mandatory IHP	Voluntary IHP
<ul style="list-style-type: none"> Requires a market-rate developer to provide affordable housing 	<ul style="list-style-type: none"> Encourages the private sector to produce affordable housing through a set of favorable development rights, or incentives
<ul style="list-style-type: none"> Local government must “fully offset all costs” to the developer for its affordable housing contribution under HB 7103 	<ul style="list-style-type: none"> HB 7103 cost offset requirements do not apply
<ul style="list-style-type: none"> Nearly all local governments with mandatory IZ have produced affordable units through their programs (According to FHC) 	<ul style="list-style-type: none"> Most incentive zoning ordinances in Florida are not utilized

Both require political will, staff commitment, ability to monitor long-term affordability, & flexible policy design

Note: Strategies to “fully offset all costs” and Voluntary IHP and will be discussed later.

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Current Local Mandatory IHP

City of Tallahassee - Inclusionary Housing Ordinance

- Initially established in 2005 and amended in 2008, all new developments portions of the City where average household income levels are above the area median income with 50 or more units are required to set aside no less than 10% of the units for households earning 100% or below the area median income.
- The City offsets costs via:
 - a density bonus program for up to 25% as established in the Land Use Element (also limited to the Urban Services Area).
 - Water/Sewer fee waiver
 - Expedited permitting
- Does not allow payment in lieu of building affordable housing units.
 - Miami-Dade, Jupiter and Palm Beach County accept in lieu payments to an Affordable Housing Trust Fund.

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City AHAC IHP Recommendations

- At the May 24, 2021, Joint AHAC Meeting, the City AHAC voted to recommend to the City Commission that multifamily developments be added to the City's mandatory inclusionary housing ordinance.
- Additionally, at the August 23, 2021, Joint AHAC Meeting, the City AHAC unanimously approved to recommend to the City Commission the development of a comprehensive countywide City-County IHP that is not limited to portions of the community where income levels are above the area median income.

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Mandatory IHP Outcomes


Established in 2006, Palm Beach County has been successful

- 10+ unit developments across the entire jurisdiction must produce affordable units offering density bonuses of 50-100%

- 2,574 WHP units have been required through the program.
 - 1,418 (55%) are built or currently under development
 - 1,156 (45%) stem from projects that have been approved but are not yet under construction
- Of the 2574 units:
 - 1,570 (61%) are identified as rentals
 - 644 (25%) are identified as for-sale units
 - 188 already sold, under contract, or actively for sale
 - In Lieu Fee: \$14,036,074 paid for 185 units in 24 developments

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Other Mandatory IHP Outcomes


- **City of Tallahassee**
 - In 2009, Brush Hill Townhomes at Evening Rose voluntarily participated to construct 10 affordable rental units
 - The Canopy Planned Unit Development (PUD) off Welaunee Boulevard has 67 affordable 1300 sqft; 3-BR; 2-Bath homes (detached) and 10 townhomes according to City staff.

- **Town of Jupiter**
 - Produced less than 10 units for homeownership and more than 50 rental units since establishment in 2017.
 - Requires developments of 10+ units across the jurisdiction to produce affordable units.

- **Miami-Dade County**
 - Established the mandatory program in 2020.




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Affordable Housing Incentives

Favorable Development Rights (Incentives)
Flexible housing types & uses
Density Bonus
Height Increase
Parking Requirement Relief
Relaxation of Design Standards
Expedited Permitting & Building Inspections
Fee waivers
Infrastructure Contributions
Offering publicly-owned land below-market

- Survey results reveal that expedited permitting (86%) is the most implemented incentive as it is required by SHIP followed by;
- Density bonuses (68%);
- Waiver of impact fees (41%);
- Parking Modifications (36%);
- Flexible Lot Configurations (27%).



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Density Bonuses

Density bonuses allow the number of units that can be constructed on a given parcel of land to increase in exchange for Affordable Housing

- According to the Florida Housing Coalition density bonuses are:
 - Increasing in popularity throughout the state
 - Most programs do not attract private sector involvement
 - Work best in areas with high market demand, limited land availability, and restrictive zoning codes
 - May not work in rural areas unless a developer proposes converting agricultural land to residential or proposes a large-scale development/subdivision

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Current Voluntary Incentive IHP

Leon County Land Development Code

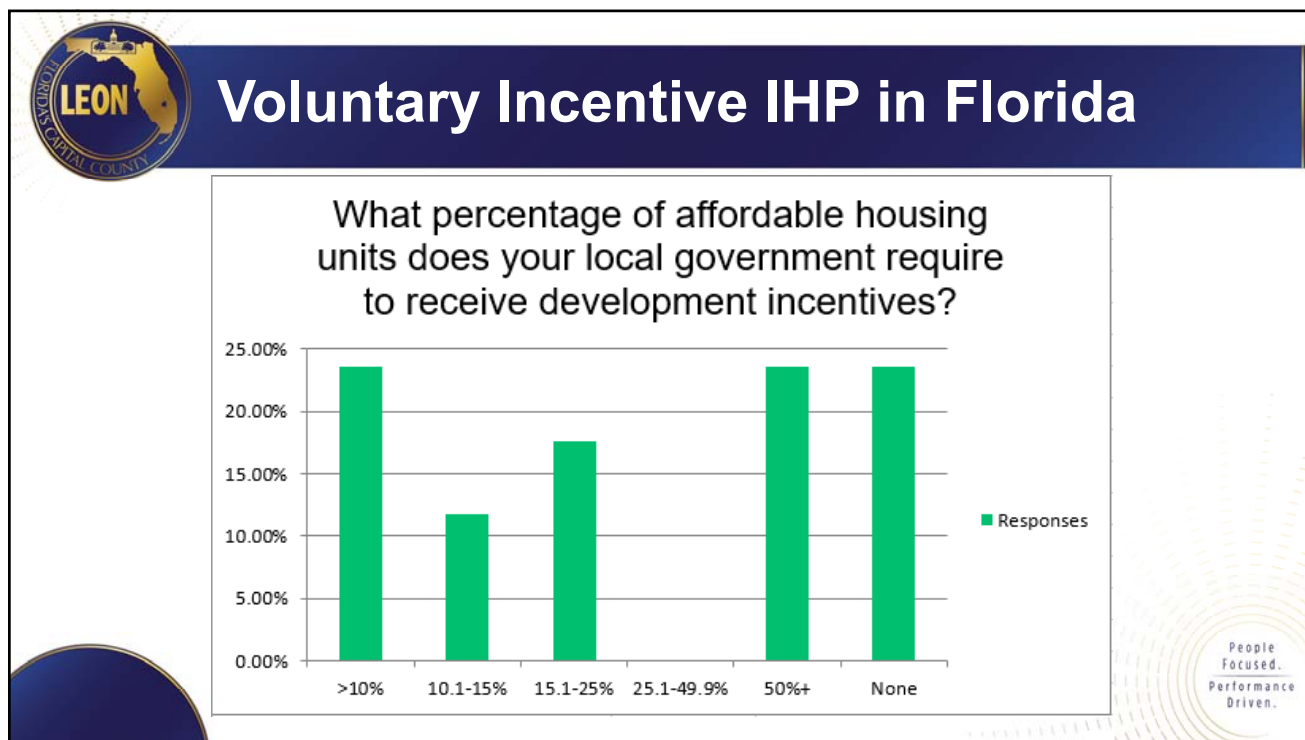
Sec. 10-7.402. - Development review and approval system.

H. Incentive for Affordable Housing

- If 50% of the residential units within a proposed development meet the criteria for affordable housing the incentive is to save the developer time and money through a more streamlined review process.
- The County currently does not provide other common voluntary inclusionary housing incentives, such as density bonuses or fee waivers.
- Reducing the review threshold is not expected to significantly reduce permitting costs and processing time
- Incentive has not been utilized by developers according to DSEM most likely to the significant proportion of units that must be affordable (50%)

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Voluntary IHP Outcomes

36% (8) of survey respondents have a Voluntary IHP (50% if including those with a mandatory policy)

- Three local governments reported significant positive results
 - Lee County (101-500 HO & rental units) and Nassau County (51-100 HO & rental units) indicated that density bonus have driven production
 - The City of St. Petersburg identifies density bonuses provided with Gap financing & Land Acquisition/Land Trust options have contributed to the 101-500 rental units
- Five other local governments reported production of less than 10 units

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Community Needs

- As presented in the March 13, 2021 Board Workshop on Affordable Housing Initiatives, the highest affordable housing needs in Leon County are for more rental units for households with income levels 50% (\$38,150 for a household of 4) or less of the AMI.
- Florida Housing Coalition study assessed that Leon County generally lacks smaller (1 to 2 bedroom) affordable units and affordable rental units for extremely low and low-income households.

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Development Activity

Pending Applications for Developments with 20+ Units in Unincorporated Leon County

Development Name	# of Units	Type of Units
Tapley Trail	21	Single Family - Detached
Fallschase – Phase IV	80	Single Family - Detached
Fallschase – Phase V	75	Single Family - Attached
Fallschase – Phase VI	111	Single Family - Detached
Cawthon Apartments	210	Multi-Family Rental
Arbor Vineyard Apartments	198	Multi-Family Rental
Horseman’s Bluff	134	Single Family - Attached
Camellia Oaks – Phase III	150	Single Family - Detached
Kendall Hill	33	Single Family - Detached

Note: County staff anticipate receipt of a formal and complete application on Camellia Oaks – Phase III and Kendall Hill Subdivision in the future.

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Main Takeaways

- Greatest need is for rental units affordable to household earning 50% of AMI (\$76,400 for 4)
- The County's current review incentive has not been utilized by a developer
- The City of Tallahassee's mandatory IHP has the highest unit threshold (50) of survey respondents and has produced less than 100 units since 2005
- Palm Beach County has by far the most productive program in Florida (mostly rental units) but also has a median sales price of more than \$800,000
- Most voluntary IHP do not produce affordable units; those that do produce through density bonuses

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