

**CITY OF FORT LAUDERDALE  
CITY COMMISSION JOINT WORKSHOP WITH  
JOINT AFFORDABLE HOUSING WORKSHOP  
JULY 10, 2018  
12:00PM – 1:30 PM**



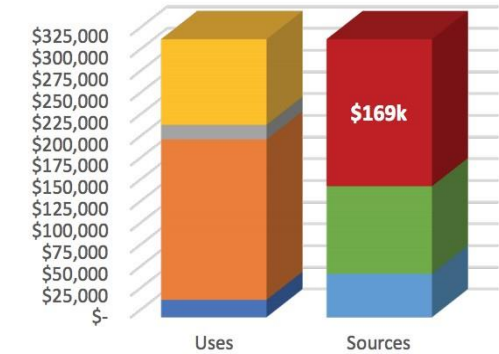
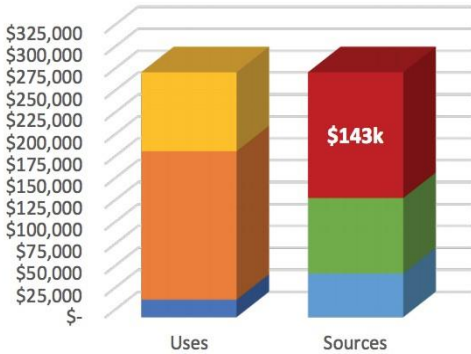
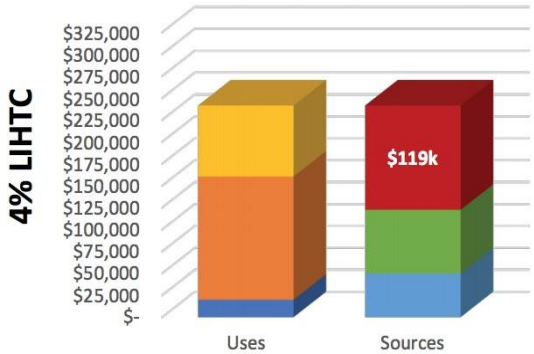
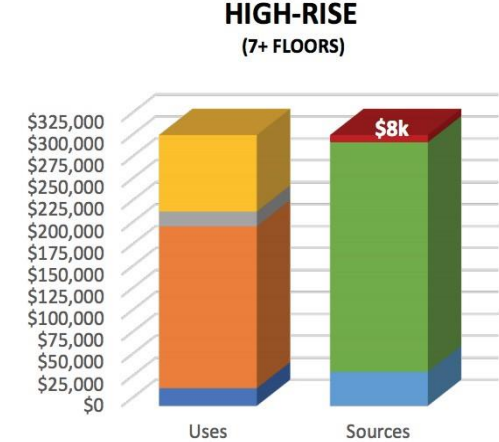
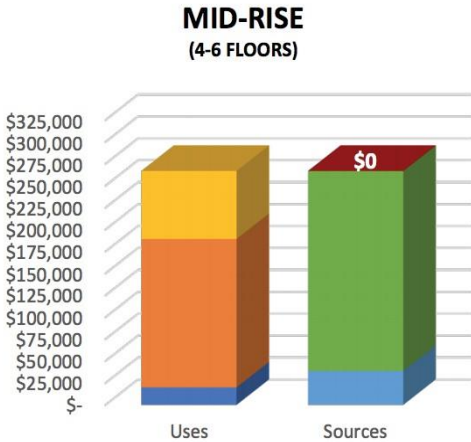
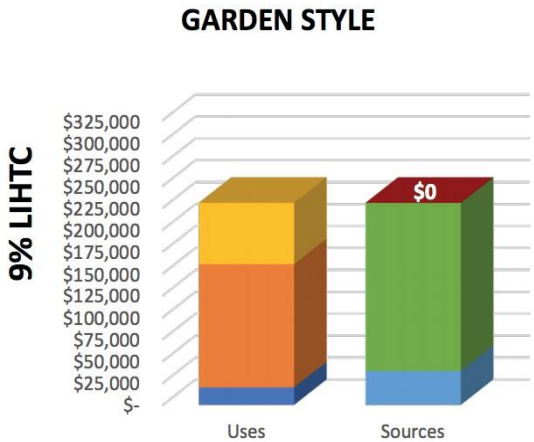
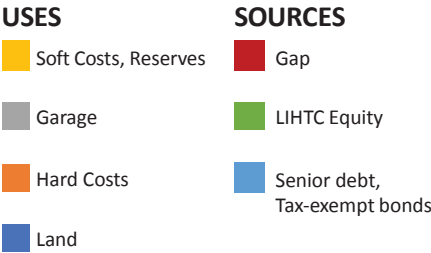
# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS

- The Low-Income Housing Tax Credit (LIHTC) program was created in 1986 and is the largest and most consistent source for affordable housing development and preservation in the country.
- Two types of housing tax credits are available: 9% (which are competitive) and 4% (which are non-competitive and combined with tax-exempt bonds and other subsidies).
- Since 2012:
  - In the City of Fort Lauderdale, five LIHTC communities and 645 affordable units have been funded. Of these units, 69% have been funded with 9% LIHTC and 31% have been partially funded with 4% LIHTC.
  - In Broward County, 17 LIHTC communities and 1,846 affordable units have been funded. Of these units, 60% have been funded with 9% LIHTC and 40% have been partially funded with 4% LIHTC.

# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS

- On average, non-competitive (4%, tax-exempt bond developments) need at least \$100k per unit in subsidy to balance the budget and keep rents affordable.
- Federal and State subsidies available to fill this gap are diminishing. At the State level, between 1992 and 2001, all of the money in Florida's affordable housing trust funds was used for the intended purpose of funding affordable housing in Florida. Since that time, however, the Legislature has taken \$2.2 billion out of these funds for other purposes – including \$182 million in the 2018-19 state budget alone.  
[\(http://www.sadowskicoalition.org/news-2018/\)](http://www.sadowskicoalition.org/news-2018/)
- From 2010 to 2018, Broward has contributed over \$140 million more than what has been received back from the Sadowski Trust Fund to Broward County and its municipalities. (Coordinating Council of Broward, Inc.)

# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS



# AHAC POLICY AND PROCEDURES

- On January 4, 2017, CAM 17-0023, the Commission approved Ordinance No. C-16-30 for an Affordable Trust Fund and delegated authority to the AHAC to establish Affordable Housing Trust Fund administrative procedures.
- Commission will be required to approve the Affordable Housing Trust Fund administrative procedures which include:
  - details for fund administration
  - eligible applicants
  - eligible uses and activities
  - eligible projects
  - award preferences and selection criteria and
  - award process.

# AHAC'S FIVE EXISTING AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

1. Include Community Land Trusts (CLTs) as a strategy to provide a permanent source of affordable housing.
2. Support tax credit developments—direct financial support utilizing Affordable Housing Trust Fund.
3. Establish public-private partnerships with nonprofit and for profit affordable developers.
4. Increase the capacity of nonprofit agencies as they work to develop affordable housing by conducting workshops, training, and direct assistance.
5. Adopt corresponding ordinances to implement the programs discussed in the affordable housing plan before the end of the fiscal year.

# AHAC'S SIX NEW AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

1. Create an Affordable Housing Overlay Zoning District to permit higher density and reduced building requirements for affordable housing developments and rehabilitation, and make such Overlay available for application Citywide.
2. Place 15% of net proceeds from the sale of City owned commercial and industrial lots into the Affordable Housing Trust Fund.
3. Create a funding source to provide grants to affordable housing developers to use to offset the cost of required infrastructure improvements (i.e. water, sewer, stormwater, street lighting and sidewalks) and provide utility connection fee waivers related to new and rehabilitation affordable housing developments.

# AHAC'S SIX NEW AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

4. Create a realistic aspirational goal for the number of new affordable housing units to be developed in the City over the next 3 years.
5. Evaluate whether the City's new electronic plan review provides sufficient opportunities to expedite permitting for affordable housing, rehabilitation and new construction and if not, create a mechanism to provide such expedited processing.
6. Prepare a comprehensive list of City owned properties which are vacant or underutilized and which are suitable for affordable housing development and can be donated to an affordable housing developer.



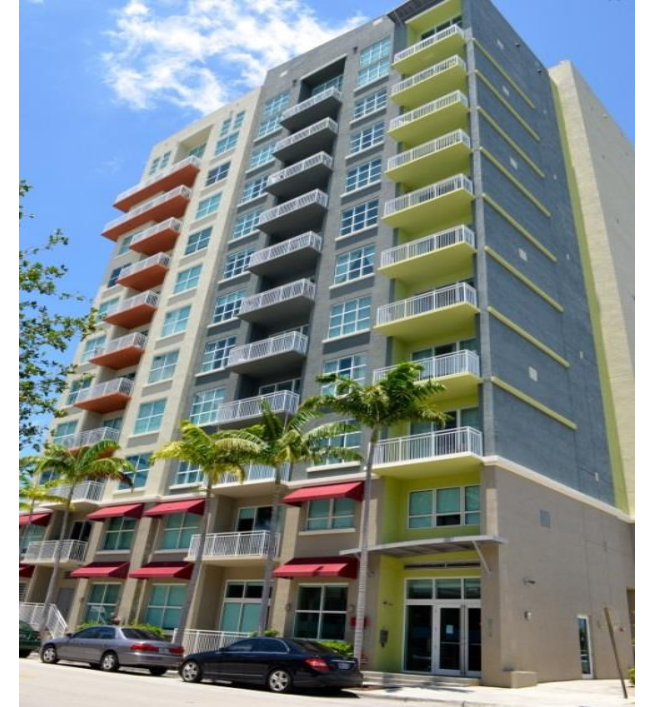
# OVERVIEW OF INCLUSIONARY ZONING

## Inclusionary Zoning :

- Mandated Set-asides
- Incentivized Programs
- Payment in Lieu

## Financial Incentive Examples:

- Building Permit Fee Reduction / Waiver
- Impact Fee Reduction / Waiver



# INCLUSIONARY ZONING POLICY

## Considerations to Determine Policy Development:

- Location of Inclusionary Zone(s)
- Income Eligibility
- Set-Aside Requirements
- Longevity of Deed Restrictions
- Rental vs. Ownership
- Types of Incentives
- Existing Affordable Housing Conditions



# INCLUSIONARY ZONING

## Zoning Text Amendments

Setback Reductions

Height Increase

Parking Reduction

Expedited Review

Exemption of Floor  
Area

## Financial Incentives

Tax Increment  
Financing

Housing Trust Fund

Municipal Land

Redistributed County  
CRA Funds

Application Fee  
Reductions



# INCLUSIONARY ZONING

## Zoning Text Amendment Incentives

### Benefits:

- Low costs associated with text amendment changes
- Faster implementation timeline
- Can be adjusted to accommodate financial incentives programs at a later date

### Negatives:

- Limited to offsetting costs by relaxing regulatory requirements
- Existing zoning language is permissive; limited room for incentivizing



## Financial Incentives

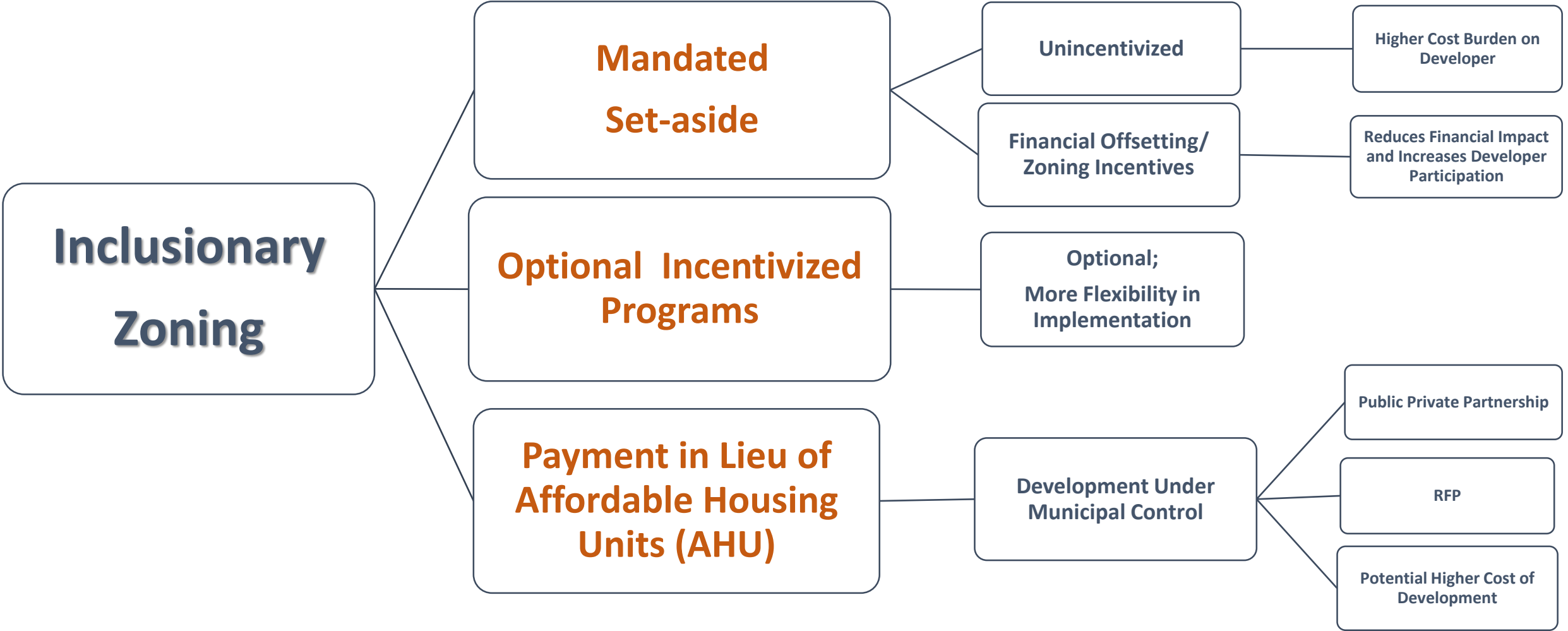
### Benefits:

- Offsets the cost of affordable units
- Lessens opposition by development community
- Can add additional requirements for receiving funding

### Negatives:

- Slower implementation timeline
- Heavier burden on program creation, implementation and continued oversight
- Difficult to setup and interdepartmental collaboration and oversight Departments

# INCLUSIONARY ZONING



## INCLUSIONARY ZONING EXAMPLES

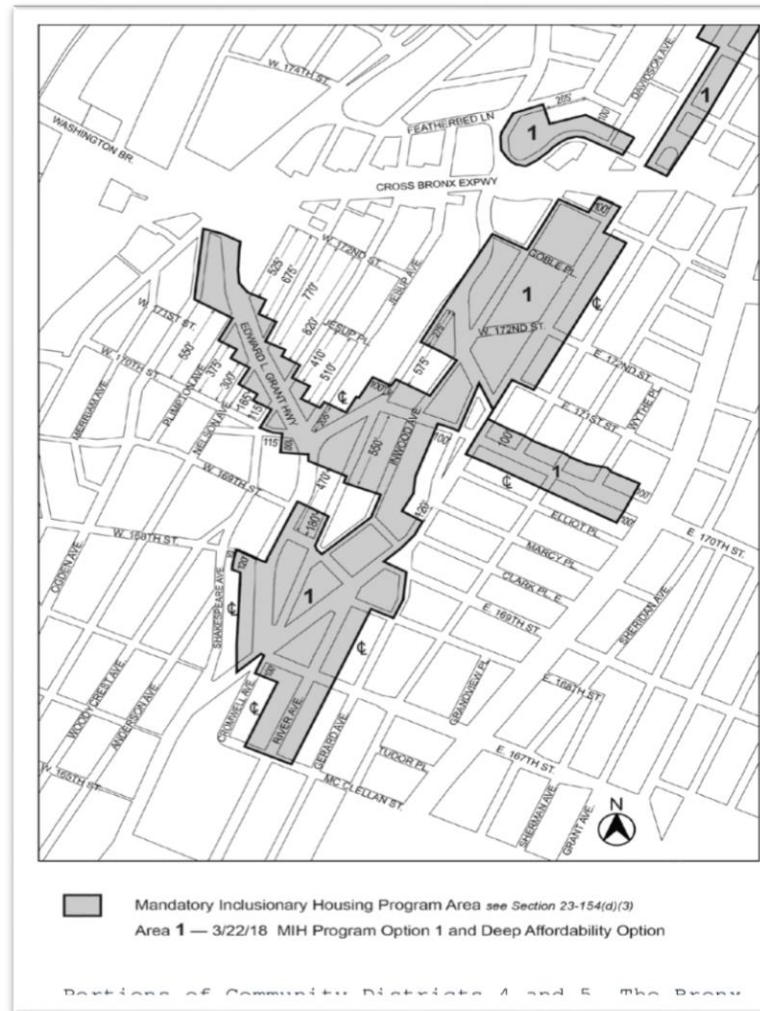
# NYC- Mandatory Inclusionary Housing

**25% at 60% AMI or  
30% at 80% AMI**

City Council and the City Planning Commission could apply one or both options:

## Workforce Option

30% at 115% AML and;  
No residents with incomes above 135% AML



## San Francisco - Inclusionary Zoning

### ***Small Projects (10-24 units)***

Rental: 12% at 55% of AMI  
Ownership: 12% at 80% of AMI  
Off-Site: 20% Set-aside

### Large Projects (25+ units)

Rental: 18% at:  
10% at 55% AMI  
4% at 80% AMI  
4% at 110% AMI  
Off-Site: 30% Set-aside

Ownership: 20% at:  
10% at 80% AMI  
5% at 105% AMI  
5% at 130% AMI  
Off-Site: 33% Set-aside

# INCLUSIONARY ZONING EXAMPLES

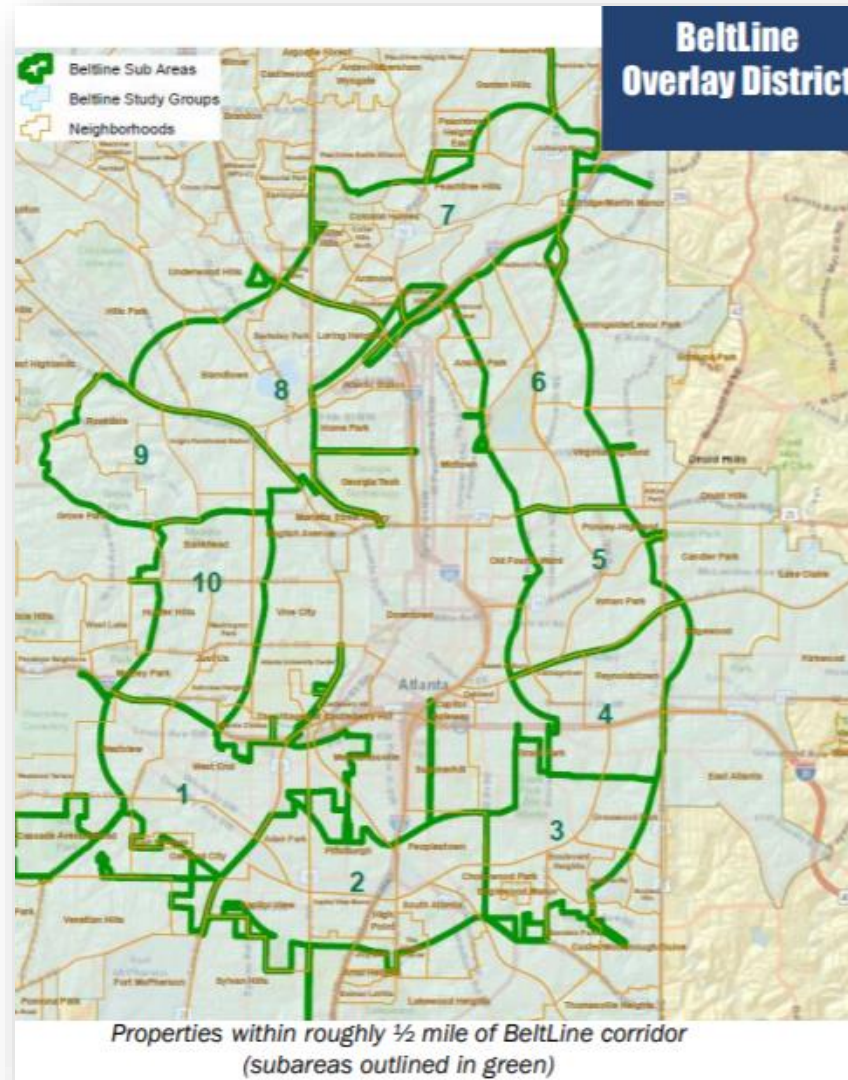
## City of Atlanta

### Inclusionary Zone Requirements:

- 10% of all new units affordable to households at 60% of area median income (AMI); or
- 15% of all new units as affordable to households at 80% of AMI; or
- One time Payment In-Lieu of Fee into the Housing Trust Fund

### Two Inclusionary Zones:

- BeltLine Overlay District
- Four Westside Atlanta neighborhoods



### Developers can select up to 3 of the following incentives:

- Increase in density bonus
- Transfer of development rights
- No residential minimum parking requirement
- Reduction in non-residential minimum parking requirement
- Priority review: SAP applications will be reviewed within 21 days
- Major project status which allows meeting with representatives from all departments.



# INCLUSIONARY ZONING EXAMPLES

## Optional Incentivized Program – New York City 421a Program

### Incentive 1

100% property tax exemption for a construction period of up to three years

### Multiple Affordability Options:

#### Option A-25%

10% up to 40% of AMI  
10% up to 60% of AMI  
5% up to 130% of AMI

#### Option B-30%

10% up to 70% of AMI  
20% up to 130% of AMI

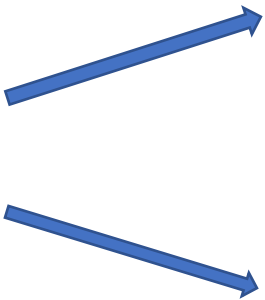
#### Option C-30%

30% up to 130% of AMI  
cannot receive any government subsidies

#### Options D-F...

### Incentive 2

35-year Property Tax Exemption



First 25 Years- 100% Property Tax Exemption

Last 10 Years- Property Tax Exemption is Equal to the Percentage of Affordable Units



# INCLUSIONARY ZONING EXAMPLES

## PAY IN LIEU OF FEE

- Fee to be Determined
- Use Existing Trust Fund
- Annual Reports for Monitoring
- Option for small or other projects where inclusion of affordable housing is not practical

| Municipality | Required In Lieu Fee         |
|--------------|------------------------------|
| Berkeley     | \$15-34K per unit            |
| Chicago      | \$100k per unit              |
| Denver       | \$0.4-\$1.70 per square foot |
| San Jose     | \$17-28 per square foot      |



Aria Apartments, Denver



Acton Courtyard, Berkeley



Armstrong Place, San Francisco

# FINANCIAL INCENTIVE EXAMPLES

## City of Austin

***Safe. Mixed-Income. Accessible. Reasonably Priced. Transit Oriented (S.M.A.R.T) Policy***

### **A Builder Provides Set-Aside of:**

- 10% S.M.A.R.T. Reasonably Priced Units
- 20% S.M.A.R.T. Reasonably Priced Units
- 30% S.M.A.R.T. Reasonably Priced Units
- 40% S.M.A.R.T. Reasonably Priced Units

### **Builder Receives:**

- 25% Fee Waivers & Fast-Track Review
- 50% Fee Waivers & Fast-Track Review
- 75% Fee Waivers & Fast-Track Review
- 100% Fee Waivers & Fast-Track Review



## Permit Fee Waivers



## City of Berkeley

Fees shall be automatically waived for projects receiving:

- Funds from the Housing Trust Fund, or
- Any Project Receiving City of Berkeley Affordable Housing funding

## City of Flagstaff

### **Affordable Housing Homeownership:**

115% of AMI -fees waived for the individual affordable units

### **Affordable Housing Rental:**

20% or more of units deed restricted for 25 years at 80% of the AMI



# LETTER OF INTENT TO DEVELOP AFFORDABLE HOUSING

- On June 19, 2018, Housing Authority of the City of Fort Lauderdale (HACFL) has sent a letter of intent to the City Manager to develop 125 units of affordable housing located at 1801 SW 1<sup>st</sup> Avenue property.
- The Housing and Community Development (HCD) and The Department of Sustainable Development (DSD) Department's will work together drafting a CAM to discuss HACFL request to acquire parcel of land located at 1801 SW 1<sup>st</sup> Avenue from the City to develop 125 units of affordable housing.