Affordable Housing Policy Workshop

June 04, 2019

AHAC'S SIX NEW AFFORDABLE HOUSING 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 City-wide.

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.

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.

AHAC MEETINGS

City Commission Joint Affordable Housing Workshop	July 10, 2018
AHAC, UD&P and HCD Meeting	November 26, 2018
AHAC, UD&P and HCD Meeting	January 14, 2019
AHAC, UD&P and HCD Meeting	February 20, 2019

KEY TAKEAWAYS FROM AHAC DISCUSSIONS

1. Inclusionary zoning cannot be solely responsible for alleviating all affordable housing issues, and is only one tool that can be implemented to support the development of affordable housing. A larger comprehensive approach needs to be taken to focus on creating and supporting affordable housing preservation, rehabilitation and development.

2. Affordable housing solutions should include the entire development community, i.e. the establishment of a nonresidential linkage fee to support affordable housing development - a measure also being considered by Broward County

3. Need to monitor Broward County Commission actions to fund the recently established County Affordable Housing Trust Fund to ensure affordable housing fee obligations are not imposed on a City and County level.

4. Inclusionary Zoning needs to be a “carrot and stick” approach with meaningful incentives to balance the financial burdens.

5. Additional resources for implementation and continued oversight may be needed.

HOUSE BILL 7103

Mandates :

"…Provide incentives to fully offset all costs to the developer of its affordable housing contribution "

Such As:

- *Floor Area Increase*
- *Density Bonus*
- *Fee Waivers*
- *Other (Funding?)*

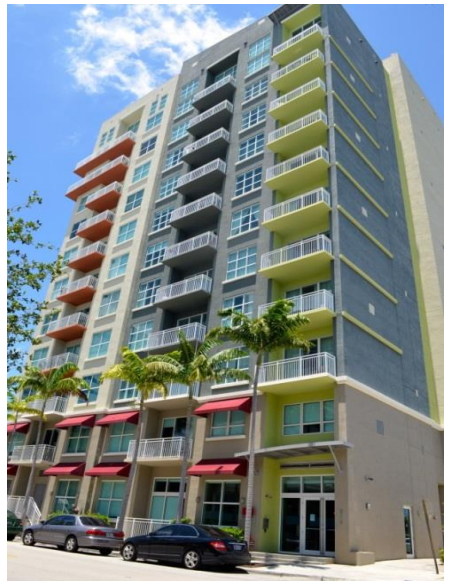
Considerations:

Incentives to offset the cost of affordable housing

- *Formula /methodology for determining affordable housing units*
- *Consider Non- residential linkage fee*
- *Resources/ funding for rational nexus studies and continued program operation oversight.*

OVERVIEW

1. Defining Affordability



2. Inclusionary Zoning

3. Next Steps

DEFINING AFFORDABLE HOUSING

Housing Affordability

In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her [gross] income for housing costs, including utilities.

Therefore, affordability is based on the base income being analyzed.

HUD Metro Area Median Family Income

=

$65,700

INCREASED COST OF LIVING

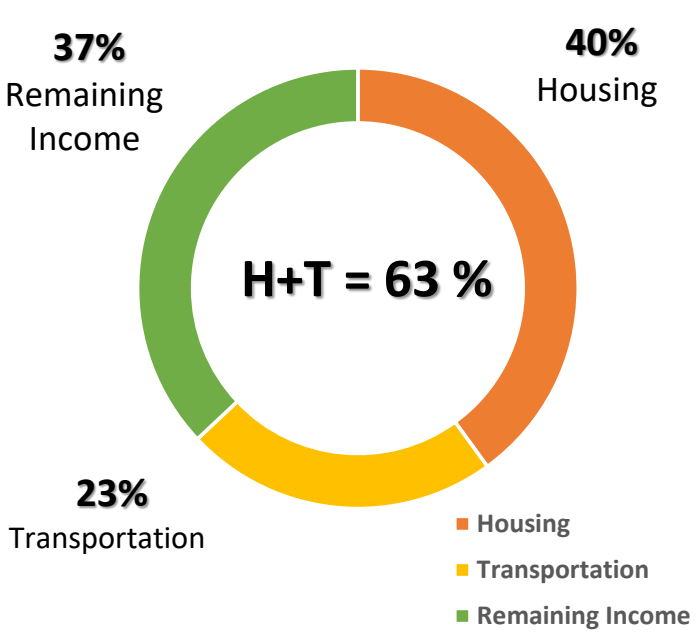
Multifamily rental rates increased
22%
since 2013

Single-family Sale Price increased
41%
since 2013

Median Household Income Increased
6.51 %
Since 2013

Approximately
60.6% of households spend more than 30% of their income on housing

$11,036
Annual Transportation Costs



2018 Median Sale Price

Single-Family	$352,000
2 Bedroom	$440,000
3 Bedroom	$835,000

2018 Average Rental Price

1 Bedroom	$1,941
2 Bedroom	$2,705
3 Bedroom	$3,204

Sources: Center for Neighborhood Technology; U.S. Census, 2017 ACS; Costar, Colliers International; The Metropolitan Center Florida International University ; Zillow,2018; 3Q 2018 Reinhold P. Wolff Economic Research, Inc.

TARGET ECONOMIC DEMOGRAPHIC

New Rental Target (60%-100%) Based on Municipal Income Distribution

For Sale (80%-120%) is Not Adjusted

Adjusted Area Medium Income

Moderate-Income Housing	80% -120% of MFI
Low-Income Housing	50% - 80% of MFI
Very Low-Income Housing	30% - 50% of MFI
Extremely Low- Income Housing	30% and below MFI

HUD Metro FMR Area Median Family Income

=

$65,700

Rent
1-4 Persons (60%-100% of MFI)
$33,960 - $87,300
Approx. 39% of Households

Sale
1-4 Persons (80%-120% of MFI)
$45,280 - $96,960
Approx. 31% of Households

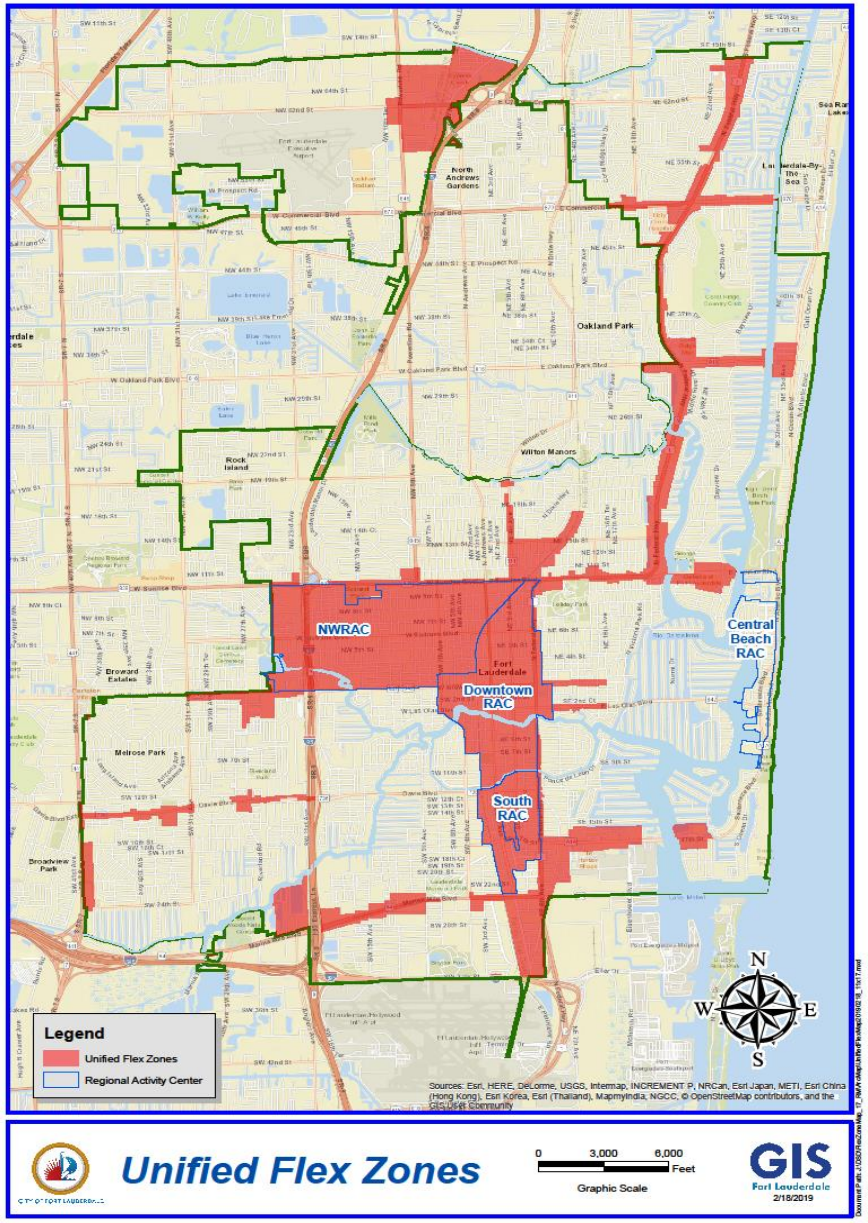
Source: U.S. Census, 2017 ACS

INCLUSIONARY ZONING POLICY

- Inclusionary Overlay Zone
- Income Eligibility
- Set-Aside Requirements and Deed Restrictions
- Incentives

LOCATION OF INCLUSIONARY ZONE

- Including all RAC's and TOD corridors offers an opportunity to adopt a city-wide policy.
  - Economies of Scale
- Provides affordable housing tied to transportation options.
  - Access to transit = ⬇ cost of living
- Set-aside requirements are tied to RAC Units and request for Residential Flex Units.



(RENTAL) SET-ASIDE REQUIREMENTS/ DEED RESTRICTION

Small Development

> 15 Units = 10 % Set-Aside → **5%** of Units at or below **80%** of MFI

30 Year Deed Restriction → **5%** of Units at or below **100%** of MFI

Large Development

> 30 Units = 15 % Set-Aside → **5%** of Units at or below **60%** of MFI

30 Year Deed Restriction → **5%** of Units at or below **80%** of MFI

→ **5%** of Units at or below **100%** of MFI

OR

PAYMENT IN- LIEU OF

Amount Per Unit TBD → Deposited into Affordable Housing Trust Fund

(SALE) SET-ASIDE REQUIREMENTS/ DEED RESTRICTION

Small Development

> 15 Units = 7 % Set-Aside → **3.5%** of Units at or below **80%** of MFI

30 Year Deed Restriction → **3.5%** of Units at or below **100%** of MFI

Large Development

> 30 Units = 10 % Set-Aside → **5%** of Units at or below **100%** of MFI

30 Year Deed Restriction → **5%** of Units at or below **120%** of MFI

OR

PAYMENT IN- LIEU OF

Amount Per Unit TBD → Deposited into Affordable Housing Trust Fund

NON-RESIDENTIAL DEVELOPMENT FLOOR AREA LINKAGE FEE

NON-RESIDENTIAL LINKAGE FEE

A percentage of non-residential floor area market value shall be placed within the Affordable Housing Trust Fund excluding ground floor commercial/retail.

Considerations:

- **Exclusion of small square footage buildings**
- **Geographic applicability**
- **Stakeholder input**

WORKFORCE HOUSING INCOME AND RENT LIMITS

Income Limit by Persons in Household

	1	2	3	4	5	6
60%	$ 33,960	$ 38,820	$ 43,680	$ 48,480	$ 52,380	$ 56,280
80%	$ 45,280	$ 51,760	$ 58,240	$ 64,640	$ 69,840	$ 75,040
100%	$ 56,600	$ 64,700	$ 72,800	$ 80,800	$ 87,300	$ 93,800

FY 2018 Broward County – Median Family Income
$65,700.00

Rent Limit by Number of Bedrooms in Unit

	0	1	2	3	4	5
60%	$849	$909	$1,092	$1,260	$1,407	$1,551
80%	$1,132	$1,213	$1,456	$1,681	$1,876	$2,069
100%	$1,415	$1,516	$1,820	$2,101	$2,345	$2,586

Broward County Rent Limits, 2018 (Fort Lauderdale MSA)
Source: **Florida Housing Finance Corporation**

WORKFORCE HOUSING SALE LIMITS

Income Limit by Persons in Household

	1	2	3	4	5	6
80%	$45,280	$51,760	$58,240	$64,640	$69,840	$75,040
100%	$56,600	$64,700	$72,800	$80,800	$87,300	$93,800
120%	$67,920	$77,640	$87,360	$96,960	$104,760	$112,560

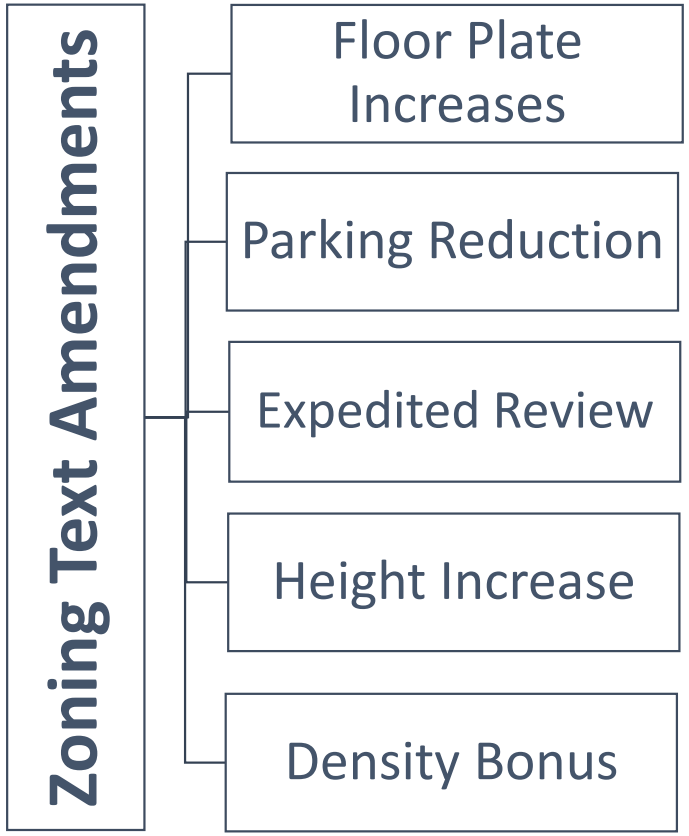
FY 2018 Broward County – Median Family Income
$65,700.00

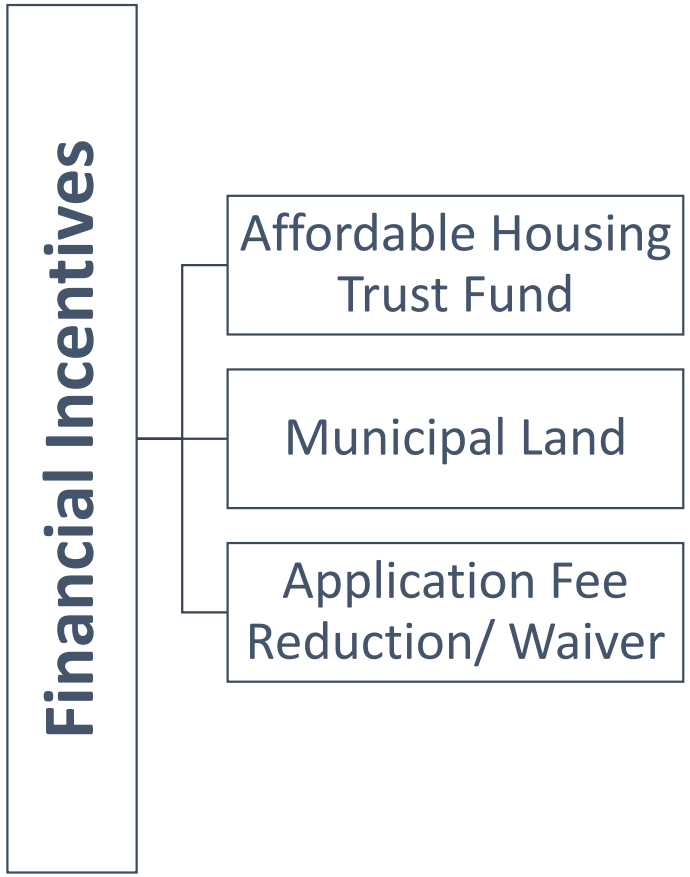
Maximum Affordable Sales Price by Bedroom Count

	0	1	2	3	4	5
80%	$125,717	$150,196	$174,675	$198,851	$218,494	$238,138
100%	$168,479	$199,078	$229,676	$259,896	$284,451	$309,005
120%	$211,241	$247,959	$284,677	$320,942	$350,407	$379,872

Broward County Rent Limits, 2018 (Fort Lauderdale MSA)
Source: **Florida Housing Finance Corporation**

ZONING AND FINANCIAL INCENTIVES





ZONING INCENTIVES

Floor Plate Increase

Example:

20 % Floorplate Size Increase

≤8,000 SF	**≤9,600 SF**
8,001 - 10,000 SF	**10,001 – 12,000 SF**
10,001 - 12,000 SF	**12,001 – 14,000 SF**

Density Bonus

Example:

10% Density Bonus

(50 Units X 10% = 5) 5 + 50
= **(55 Units Per Acre)**

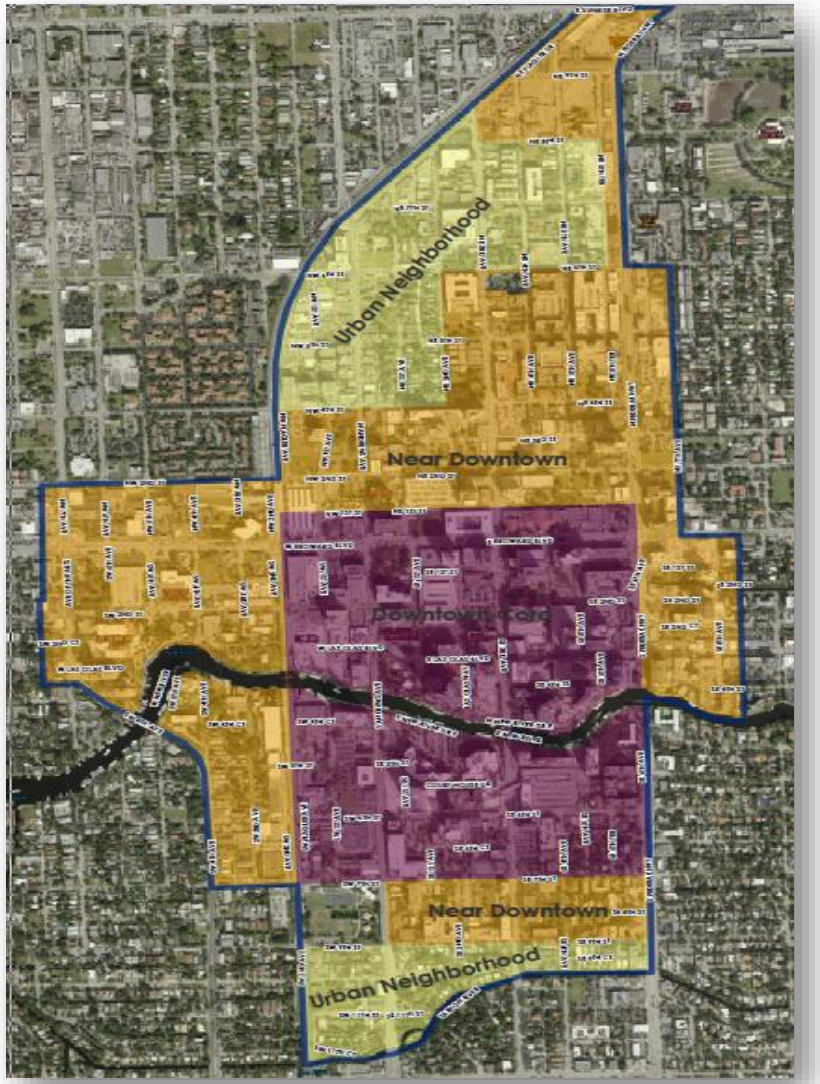
Parking Reduction

Existing: Ordinance Adopted on December 15, 2018 Reduces Parking Requirement for Affordable Housing Units to **1 Per Dwelling Unit**

Expedited Review

Example: Allocation of Flex Units
(Under 100 Units, No City Commission Call Up)
(Over 100 Units, City Commission Call Up)

Examples of Area Specific Incentives



Fee Waiver → *Site Plan Application Fees, Impact Fees, Permit Fees up to the value of the AH Units*

Shoulder Height → ***+ 2 Floors***
6 Floors ⇨ 8 Floors

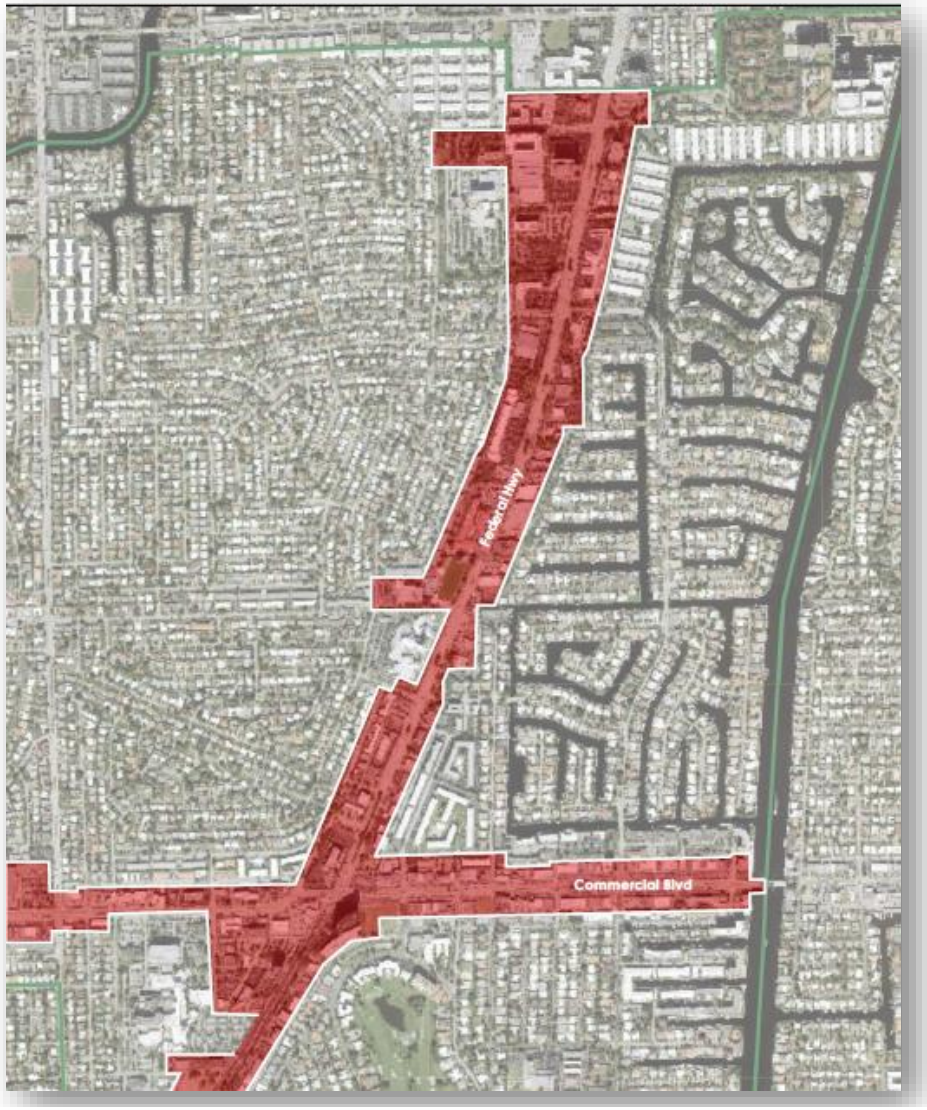
Floorplate Size Increase →

Office: 20%
32,000 s.f. to 38,400 s.f.

Residential: 20%
12,500 s.f. to 18,000 s.f.
12,500 s.f. to 21,600 s.f.

Decreased Tower Separation → ***Office: 33% Decrease***
60 feet ⇨ 40 feet

Examples of Area Specific Incentives



Commercial Corridors

Fee Waiver → *Site Plan Application Fees, Impact Fees, Permit Fees up to the value of the AH Units*

Density Bonus → 10% Density Bonus

(50 Units X 10% = 5 Units) 5 + 50 = **(55 Units Per Acre)**

Height Increase → Based on Neighborhood Context

Parking Reduction → **Existing:** Ordinance Adopted on December 15, 2018 Reduces Parking Requirement for Affordable Housing Units to **1 Per Dwelling Unit**

BROWARD COUNTY POLICY – ACCESSORY DWELLING UNITS

Accessory Dwelling Units

Broward County Land Use Plan Text Amendment (PCT 19-5)

- Authorizes local governments to permit affordable, accessory dwelling units in any area zoned for single-family residential use.
- Must include an affidavit from the applicant which attests that the unit will be rented at an affordable rate.
- The accessory dwelling unit would not be included in density calculations.

City Regulations - ULDR Sec. 47-19.2. - Accessory buildings

Currently Permitted Residential Single Family Zoning Districts:
RS-8, RD-15, RC-15

Potential Districts:
RS-4.4, RDs-15, RCs-15, RS-3.52, RS-6.70, RS-6.85A, RS-6.85B

POLICY DIRECTIVES & NEXT STEPS

Policy Directives

If House Bill moves forward does the City want to adopt a mandated inclusionary zoning policy or an optional incentivized program?

What Incentives does the City support implementing?

What resources can the City provide to support the implementation and continued oversight of the inclusionary zoning program?

Next Steps

Craft inclusionary zoning regulations by further analyzing area specific incentives and continue intergovernmental coordination for financial incentives;

Identify where additional resources are necessary to assist with the implementation of the affordable housing amendments; and

Work closely with Broward County to avoid duplicative policies.