

MEMORANDUM



Community
Development
Department

TO: Shannon M. Lewis, City Manager

THRU: Cindy Dittmer, AICP, Community Development Director
Denise Carter, Housing & Improvement Manager

FROM: Kelly A. Calvacca, Program Administrator
Jeff Higgins, Planner

RE: State Housing Initiatives Partnership (SHIP) Annual Review and Recommendation Report on Affordable Housing Incentives

DATE: September 16, 2021

This is a request for City Council to acknowledge receipt of the State Housing Initiatives Partnership (SHIP) 2021 Annual Review and Recommendation Report and to provide further guidance regarding proposed code changes related to the development of affordable housing.

City Council adopted Ordinance No. 2010-14 which provided for a number of incentives for the development of affordable housing and addresses the two statutorily mandated areas. As required by the State Housing Initiatives Partnership (SHIP) Florida Statute 420.907, the Affordable Housing Advisory Committee (AHAC) performed the annual review and evaluation of existing City policies, procedures, ordinances, land development regulations and the comprehensive plan, as they relate to affordable housing. The committee's review focused on specific actions or initiatives meant to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The 2021 SHIP Annual Review and Recommendation Report proposed six changes to the incentives currently in place within the land development regulations for affordable housing projects.

To comply with the SHIP statute and regulations, the results of the evaluation described above and the AHAC's housing incentive strategy recommendations must be approved at a public hearing by affirmative vote of a majority of its membership. A public hearing advertised in the newspaper on Thursday, July 22, 2021, was held before the AHAC on August 9, 2021. The recommendation report is also required to be submitted to City Council for acknowledgement by December 31, 2021.

In compliance with Florida Statute 420.9076 (4), and based on the review conducted by the Affordable Housing Advisory Committee here are the recommendations regarding incentives for affordable housing development.

Review and Recommendations

1) 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 F.S. §163.3177(6)(f)3.

The City's new online portal for permit and plan approval, EnerGov, provides electronic access to submitting applications for review. Within the web-based portal for application submittals, one selects if they are an affordable housing project. Those affordable housing application submittals are then identified to City staff reviewers to be expedited. City staff reviewing plans and permits are responsible with expediting their review of these affordable housing developments. Application submittals for affordable housing development whether for a building permit, site plan, subdivision plat, construction plans, or re-zoning are all expedited reviews consistent with City policy.

The Affordable Housing Advisory Committee recommends this expedited permit and plan review process continue.

(2) All allowable fee waivers provided for the development or construction of affordable housing.

City Code allows affordable housing projects to defer payment of transportation, water, sewer, recreation, and public facilities impact fees. The deferral amount increases based on moderate, low, and very low income levels for which the housing units are provided. A recorded land use restriction agreement with the city determines when the deferred amount must be paid and requires the units to remain affordable during the timeframe. The non-deferred amount must be paid prior to certificate of occupancy.

The Affordable Housing Advisory Committee recommends continuation of these impact fee deferrals.

(3) The allowance of flexibility in densities for affordable housing.

Density allowance is designated by the Future Land Use category established in the City's Comprehensive Plan. Additionally, City Code allocates a density allowance based on whether or not the property is located within an activity center. The City has designated activity centers to reflect the need to intensify and consolidate complementary land uses in strategic locations to prevent urban sprawl and encourage alternative transportation options.

The Affordable Housing Advisory Committee recommends the City allow increases in density for affordable housing developments.

(4) The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.

The City's concurrency evaluation system measures the potential impact of any proposed project or expansion to an existing project for which a development order is required, upon the established minimum acceptable level of service for a roadway, solid waste, potable water, drainage, wastewater treatment, schools, or park/recreation public

facility or service. No final development order shall be approved unless adequate public facilities and services are available as determined by the concurrency evaluation.

The Affordable Housing Advisory Committee recommends no changes.

(5) Affordable accessory residential units.

An accessory residential dwelling unit is allowed in residential zoning districts within one-acre lots. In the Central Business Overlay Zone and the Eau Gallie Art Overlay, one accessory dwelling unit is allowed with no minimum lot area requirement. Within nonresidential developments, one accessory residential dwelling unit is allowed.

The Affordable Housing Advisory Committee recommends expanding the allowance for accessory dwelling units to residential lots less than one-acre.

(6) The reduction of parking and setback requirements for affordable housing.

Setbacks are reduced for affordable housing single-family residential subdivision developments.

Setbacks are reduced for affordable housing multi-family residential developments.

Required parking spaces are reduced in affordable housing multi-family residential developments. For two bedroom units or more two parking spaces are required for each dwelling unit. One parking space is required for each efficiency unit and 1.5 parking spaces for each one-bedroom unit.

Required parking spaces for residential developments in the Central Business Overlay Zone and Eau Gallie Art Overlay are one parking space for each efficiency and one bedroom dwelling unit, 1.5 parking spaces for each two bedroom dwelling unit, and two parking spaces for each three bedroom or more dwelling units.

No additional parking space is required for an accessory dwelling unit.

The Affordable Housing Advisory Committee recommends changes to parking requirements for affordable single-family homes and one-bedroom apartments. Additionally, to not require increased setbacks for multi-story buildings.

(7) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.

The R-1B single-family residential zoning district allows 50 feet lot widths for affordable housing projects. R-1B zoning districts also allows the smallest lot area (5,000 square feet) for single-family home development.

Townhome development in the R-2 and R-3 zoning districts have interior zero lot line configurations.

C-3 (Central Business District) is a zero lot line zoning district.

The Affordable Housing Advisory Committee recommends no changes.

(8) The modification of street requirements for affordable housing.

A local street right-of-way width requirement is 50 feet. Within that right-of-way width, the paved area must be at least 28 feet wide. This right-of-way area also typically includes sidewalks, drainage, and water & sewer lines. Modification of these requirements affect all the other development elements utilizing the right-of-way area.

The Affordable Housing Advisory Committee recommends no changes.

(9) 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.

City staff presents to the Affordable Housing Committee proposed changes that may affect the cost of housing. City staff will continue this practice.

The Affordable Housing Advisory Committee recommends no changes.

(10) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

City Staff provides this information to the Committee upon each review and as requested by the Committee.

The Affordable Housing Advisory Committee recommends no changes.

(11) The support of development near transportation hubs and major employment centers and mixed-use developments.

Mixed-use development is allowed within the R-P, C-1A, C-1, C-3, and C-P zoning districts.

Future land uses allowing residential density and nonresidential floor area include: (Mixed Use) future land use with higher density allowances ranging from 30 dwelling units per acre to 100 in the activity centers of the city and an allowance of 15 dwelling units per acre outside the activity centers; (General Commercial) future land use density allowance is 15 dwelling units per acre in all areas; and (Office/Professional) future land use allows density of 15 dwelling units per acre in all activity centers and 10 dwelling units per acre outside an activity center.

Mixed Use future land use is prevalent in the Downtown and Eau Gallie redevelopment areas, along Lipscomb St., and the Mayfair property east of Babcock St. north of Pirate Ln. Other areas of the City with (Mixed Use) future land use include west of MLK Blvd north of Hibiscus Blvd. and south of Nasa Blvd., west of Babcock St. in the Nieman Rd. area, as well as other pockets throughout the City.

General Commercial future land use is prevalent along the major roadways throughout the City.

Office/Professional future land use is mostly along Sarno Rd. with pockets of areas along Babcock St. south of New Haven Ave., MLK Blvd. between Hibiscus Blvd. and New Haven Ave., and along the east side of Dairy Rd. south of New Haven Ave. and north of Edgewood Dr.

The Affordable Housing Advisory Committee recommends mixed-use developments continue to be encouraged within these designated areas of the City.

Based upon this annual review and discussions between the AHAC and City staff, the following City Code changes are proposed for affordable housing projects and based upon City Council direction, will return to City Council for consideration in ordinance form:

- Allow a covered parking space with a minimum 100 square feet of interior storage area instead of requiring an enclosed garage for single-family affordable housing.
- Allow one parking space for both efficiency and one-bedroom affordable housing dwelling units within multi-family developments. Currently one-bedroom units require 1.5 parking spaces per unit.
- Allow all parking spaces to be 10-feet-wide within affordable housing multi-family developments. Current code allows 80% of the parking spaces to be 10 feet wide when assigned to each dwelling unit, however, additional parking spaces must be provided for visitors. This code change allows 10 feet wide parking spaces, assigned or not, and would not require additional parking spaces for visitors.
- Allow a decrease in the minimum living area for affordable single-family residential dwelling units. Allow a one-bedroom home with a minimum living area of 550 square feet; a two-bedroom home with a minimum living area of 650 square feet; and a three-bedroom home with a minimum living area of 800 square feet plus 100 square feet for each additional bedroom. Currently, 1,000 square feet of living area is required.
- Allow an accessory dwelling unit to single-family residential lots with a minimum lot area of 14,520 square feet. Current code requires a minimum one-acre lot area in order to include an accessory dwelling unit.
- Reduce building setbacks for affordable multi-family residential developments that increase depending on the height of the building. The original code change was not intended to keep multi-story setback requirements in place for affordable housing.
- Reduce the buffer/setback area from 50 feet to 30 feet between a new multi-family affordable housing development, and abutting single-family lots and instead of a masonry wall requirement between these developments, allow an opaque fence.
- Allow infill lots to utilize the affordable housing development standards within existing single-family residential neighborhoods. Currently, only residential

subdivisions and multi-family developments are identified to utilize these development standards.

- Allow residential developments in the C-1 (Neighborhood Commercial) zoning district to be permitted uses instead of requiring conditional use approval.
- Remove required thresholds for a minimum number units in each income level. Currently, affordable housing standards require each development designate 30% of units to very-low-income households, 30% for low-income households, and 40% to moderate-income households. Not all affordable housing developments provide units for each income range and most typically focus on one income range. Staff proposes to not require a percentage of dwelling units for each income range, but to continue to require at least 30% of the units be at or below moderate-income households.
- Propose a straightforward occupancy timeline for tracking each affordable housing development's progress by requiring 50% of the affordable units be constructed at 50% of the overall development completion. Current City Code requires 25% of the units be constructed at 40% build-out; 50% of the units at 60% build-out; and all affordable housing units completed at 80% build-out.
- Propose a minimum timeframe of 20 years to the Land Use Restriction Agreement (LURA).
- Allow a density bonus for affordable housing developments outside the activity centers. To amend density allowances, a Comprehensive Plan Amendment must be approved and requires review by Department of Economic Opportunity. Staff will research allowances to implement this concept.

Staff is seeking any input related to these proposed changes for new, affordable housing incentives. After City Council direction, staff will proceed with drafting an ordinance that would implement any code changes.

Recommendation

Acknowledgement of receipt of the SHIP 2021 Annual Review and Recommendation Report and direction on future City Code amendments.