

RESOLUTION NO. 2016-358

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, TO ACCEPT THE AFFORDABLE HOUSING ADVISORY COMMITTEE (AHAC) 2016 INCENTIVE REVIEW AND RECOMMENDATION TRIENNIAL REPORT REQUIRED BY FLORIDA STATE STATUTE.

WHEREAS, St. Johns County is the recipient of State Housing Initiative Partnership (SHIP) funds for the construction, acquisition, and preservation of affordable housing; and

WHEREAS, Section 420.9706 requires recipients of SHIP funds to establish an Affordable Housing Advisory Committee (AHAC) and to submit a Triennial Report to recommend monetary and nonmonetary incentives as part of an affordable housing incentive plan; and

WHEREAS, County Ordinance 2008-29 established the St. Johns County Affordable Housing Advisory Committee; and

WHEREAS, the AHAC Committee conducted a public meeting 10/19/16 to consider incentives and impediments to the construction, acquisition, and preservation of affordable housing; and

WHEREAS, the AHAC Committee completed and recommended the Affordable Housing Advisory Committee 2016 Incentive Review and Recommendation Triennial Report; and

WHEREAS, participation in the SHIP Program and the recipient of housing trust fund grants for the construction, acquisition, and preservation of affordable housing serves a public purpose and is in the best interest of St Johns County residents.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY:

Section 1. The above recitals are incorporated by reference into the body of this resolution and such recitals are adopted as findings of fact.

Section 2. The Board of County Commissioners hereby accepts the attached Affordable Housing Advisory Committee 2016 Incentive Review and Recommendation Triennial Report.

Section 3. To the extent that there are typographical or administrative errors or omissions that do not change the tone, tenor, or context of this resolution, this resolution may be revised without subsequent approval of the Board of County Commissioners.

Section 5. This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County this 15th day of November 2016.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY

By: [Signature]
Jeb S. Smith, Chair

ATTEST: Hunter S. Conrad, Clerk

By: [Signature]
Deputy Clerk

RENDITION DATE 11/17/16



AGENDA

ST. JOHNS COUNTY AFFORDABLE HOUSING ADVISORY COMMITTEE (AHAC)

October 19, 2016

3:00 pm

St. Johns County HHS

**200 San Sebastian View
Kingfisher Conference Room
St. Augustine, FL 32084**

MEETING

Call to order at 3:00 pm

- 1) Introduce AHAC Members and SJC staff. Acknowledge and thank elected officials and introduce other professionals in attendance.**
- 2) Review and approval of September meeting Minutes.**
- 3) Opening Statement by Chair, Bill Lazar**
- 4) Review Triennial Report by Chair**
- 5) Member Vote on Recommendations**
- 6) Public Comments**

Adjourn

St. Augustine/St. Johns County

Affordable Housing Advisory Committee

2016 Incentive Review and Recommendation Triennial Report



I. Introduction / Background Information:

The following members were appointed/reconfirmed to the Affordable Housing Advisory Committee (AHAC) by St. Johns County Resolutions 2008-177 on June 24, 2008, 2010-92 on April 20, 2010 and by agenda item motion #6 on October 18, 2016.

- **Donna Pullium**, as a citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- **Jannis Shannon**, as a citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- **Sally Walters**, as a citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- **Malinda Peeples**, as a citizen who is actively engaged as an advocate for low income persons in connection with affordable housing.
- **Harry Maxwell**, as a citizen who is actively engaged as a for-profit provider of affordable housing.
- **Bill Lazar**, as a citizen who is actively engaged as a not-for-profit provider of affordable housing.
- **Barbara Goll**, as a citizen who is actively engaged as a real estate professional in connection with affordable housing.
- **Jon Woodard**, as a citizen who actively serves on the local planning agency pursuant to s.163.3174.
- **Herbert Wiles**, as a citizen who represents employers within the jurisdiction.
- **Steven Ladrido**, as a citizen who resides within the jurisdiction of the local governing body making the appointments.
- **Anne Yaun**, as a citizen who represents essential services personnel, as defined in the local housing assistance plan.

By State Statute and per Board of County Commissioners actions, the Committee is made up of appointed and ad hoc members representing a cross-section of the affordable housing development community. The 2006 Affordable and Workforce Housing report prepared by the Public Policy Institute was used as a baseline for completing the goals required by Section 420.9706 F.S., which required the establishment of an Affordable Housing Advisory Committee to recommend monetary and nonmonetary incentives as part of an affordable housing incentive plan. The meetings were advertised as required by the Sunshine Law and open to the public. In addition to the hours spent together at these meetings, Committee members spent many additional hours reviewing materials, including studies and reports from other jurisdictions, in developing their recommendations.

At the pleasure of the Board of County Commissioners, the Committee is interested in continuing to serve as an active board by helping to draft implementing legislation, and by continuing to monitor the demand for affordable housing and the ability of, and restrictions on, the development community in meeting those needs.

2016 Committee Recommendations

Incentive a: The processing of approvals of development orders or permits, as defined in s. 163.3164(7) and (8), for affordable housing projects is expedited to a greater degree than other projects. (*Mandatory Implementation*)

Review Synopsis: Use the Florida Housing Finance Corporation guidelines to standardize

discussions regarding defining an affordable property and allow for a possible graduated incentive plan for providing for lower income housing needs. The County "Point of Contact" should review this process with the County's Growth Management and Development staff.

Recommendation(s):

- Use Income and rent guideline chart provided by the Florida Housing Finance Corporation, when defining affordability, unless specified by a particular fund source. Consider more incentives/subsidy for projects that target lower income populations.
- Designate a "Point of Contact" to assist affordable housing developers in navigating the County development process.
- In September, 1993, the County instituted the Development Review Committee (DRC) to establish uniform requirements and procedures for submittal and review of applications for development plan approval, to implement the goals and policies of the Comprehensive Plan, and to ensure compliance with all applicable land development regulations. The eighteen-member committee representing planning, zoning, growth management, transportation, utilities, environmental health, fire service, 911-addressing, building, codes, survey, environmental planning, and landscaping, reviews all proposed developments (such as subdivisions or multi-family) within 20 working days, then meets with the developer to discuss their independent findings at a joint DRC meeting. February 24, 1998, adopted by Resolution 98-48, developers planning affordable housing projects will be directed to the Housing Office by any staff receiving questions. Housing staff can work with the developer to determine, quantitatively, if the project is truly affordable. Upon issuance of an "Affordable Housing Development" (AHD) designation, a sheet to be attached to all copies submitted for development review, the developer is assured that the original review time may be reduced by up to 50 percent. Rezoning requests may be facilitated in agenda placement for committee and Board of County Commissioners' review. St. Johns County's permitting process has been centralized and expedited with the location of all applicable permitting departments in one facility. It has cut down on developer's time expended on obtaining permits. The Comprehensive Plan adopted by Ord. 90-53, Policy E.1.1.4(a), adopted in December, 1990, and amended by Policy C.1.1.4, adopted by Ordinance 2000-34, and amended by Policy C.1.1.4, adopted by Ordinance 2000-34, recommended this change. Permits may be applied for in advance of lot purchase closing so delays can be avoided by careful planning.

Incentive b: The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

Review Synopsis: On modestly priced housing (under \$150,000), utility and impact fees can account for almost 10% of the building costs and financed over a 30 year mortgage, can cost as much as the fees themselves. Many developers are not able to build and finance rental property with lower rents because of the financing costs for impact, school, and connection fees. The challenge is creating a way to eliminate the impact of these fees on the development of both rental and homeownership housing for the local workforce.

Recommendation(s):

- Scale impact fees by square foot, provide a credit based on community impact, or refund impact fees to affordable housing builders.
- Offer full (100%) impact fee and utility connection offsets for the construction of both homeownership and rental projects for income qualified buyers under 80% AMI. Consider 50% offset for household incomes greater than 80% and less than 120%.
- Create an income fee credit program that offers a 100% discount to the developer of

single or multi-family development for households under 80% of the AMI. The program is based on long-term savings to the community that recognizes the negative impact on economic development and transportation if the County does not have sufficient workforce housing for local employees.

- Allow payment of impact fees and utility connection fees over a period of time, possibly paid thru property tax process. Longer repayment period proposed when projects focus on lower income populations.
- Consider the utilization of County impact fee investment earnings (from interest) on roads, parks and public buildings to support the development of affordable owner-occupied, for sale and rental housing.

Incentive c: The allowance of flexibility in densities for affordable housing.

Review Synopsis: Localities need to devise ways to encourage developers to include some percentage of affordable housing to their developments or ask that they contribute to a housing fund when requesting variances or waivers to the existing codes.

Recommendation(s):

- Consider density bonus outside of the designated parcel that would include paying a percentage (30-50%) of the value of the additional new lots into a local Housing Trust Fund.
- Offer an affordable housing density bonus of one unit per buildable lots in RS3 zoning, without requiring a special use permit. (Limited, perhaps, to designated areas i.e.; West Augustine CRA)

Incentive d: The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.

Review Synopsis: Encourage better coordination with government departments, including planning, utilities and roads to include affordable housing in their expansion plans. Those same departments could offer advice or services to incorporate affordable housing projects into their improvement plans.

Recommendation(s):

- Both City and County Utility and Road Departments could work more closely with affordable development efforts to reduce infrastructure costs.
- Consider allowing a developer to utilize existing stormwater capacity retention ponds within the development's area rather than having to construct new storm water retention ponds and lift-stations, or allow developer to divert stormwater to adjacent County-owned properties, when feasible. This would allow for additional units to be built instead of property being utilized for infrastructure requirements.
- Consider that when lift stations are required on infill efforts, affordable housing developers can ask the utility company to incorporate the construction costs into their capital improvement plans or finance the costs over an affordable period of time.

Incentive e: The allowance of affordable accessory residential units in residential zoning districts.

Review Synopsis: Ancillary dwelling units could provide an opportunity for other affordable units. Current code allows for multi-family zoning to increase density, but it could be expanded into more areas and/or zones.

Recommendation(s):

- There should be an emphasis on encouraging accessory residential dwellings, such as granny flats, converted overseas shipping containers, small housing restricted to 500-600 sq. ft, and multiple efficiency units in a single structure. All of this should be included as part of density bonus negotiations. These accessory dwellings must include limited onsite parking, perhaps restricting onsite parking for one vehicle per dwelling. If possible, perhaps limited on street parking with valid parking pass could be used in conjunction with onsite parking or in lieu of onsite parking.

Incentive f: Reduction of parking and setback requirements for affordable housing.

Review Synopsis: If parking reductions are facilitated, the outcome may be dysfunctional developments that are questionably viable and may create land use conflicts as parking spills out into public and off-site areas. The AHAC committee recommends the maintenance and establishment of Comprehensive Plan provisions that further multi-modal transportation options.

Recommendation(s):

- Consider a reduction in required set-backs for affordable housing projects.

Incentive g: The allowance of flexible lot configurations, including zero lot-line configurations for affordable housing.

Review Synopsis: With the current growth in the County, one incentive for affordable housing could be that any PUD or flex zoning requirement (that increases density) includes some level of participation in affordable housing efforts.

Recommendation(s): Encourage developers to include some percentage of affordable housing to their developments or ask that they contribute to a housing fund when requesting variances or waivers to the existing codes.

Incentive h: The modification of street requirements for affordable housing

Review Synopsis: With households earning less than 80% of the AMI, or affordable rental developments, infrastructure costs can be challenging. For developers that need HOAs or CDDs to recover their costs, that may preclude any affordable units. The County should consider accepting any roads or other infrastructure with affordable housing as public.

Recommendation(s):

- Affordable housing developments, for households under 80% AMI, cannot afford the cost of CDD/HOA fees that cover infrastructure. Consider accepting all roads constructed for affordable housing as public when built to County standards.

Incentive i: 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. (*Mandatory Implementation*)

Review Synopsis: The County has tasked both the AHAC and Housing Finance Authority with reviewing these changes. In the past, department staffs have not been fully aware of providing this notification. This will improve with the appointment of a "Point of Contact" for affordable incentives. There are estimates that regulations, policies and other local government requirements have increased the cost of housing from 7% to 35% (HUD 1991). This increase can be a direct result of local government regulations and bureaucratic process. Process can be

translated into more time and higher soft costs, such as protracted land development review, onerous engineering submittals, etc. Government regulations encompass a wide range of requirements including zoning, building codes, etc. The creation of more process, even for a good cause, can be viewed as contradictory to streamlining governmental rule making. Regulations are subject to the public hearing process and related public involvement regarding adoption of such regulations can help shape policy.

Recommendation:

- The SHIP-required Affordable Housing Advisory Committee (AHAC) was transformed to the Housing Revitalization Agency (HRA) and thence to the Housing Advisory Committee (HAC) with policy-reviewing responsibilities. This incentive was adopted by the original ordinance establishing the SHIP Program on April 23, 1993 {93-21} and the "glitch" ordinance required by the State to amend Resolution 93-21 on July 27, 1993 {93-36}. It was also covered by the Local Affordable Housing Incentive Plan (LAHIP), which was adopted on April 1, 1994. The HRA became the Housing Advisory Committee (HAC) by Resolutions 99-61 and 99-112, and the HAC responsibilities were added to the Housing Finance Authority on March 13, 2001 by Resolution 2001-41. The board was increased from 5 to 7 members and serves as a "clearing house" for affordable housing issues. In addition, the Planning and Zoning Agency and Board of County Commissioners (BCC) review policies, ordinances, regulations and plan provisions affecting affordable housing.

Incentive j: The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

Review Synopsis: SJC 2013 Affordable Housing Inventory List is in the process of being reviewed by staff and the County may task the HFA with an RFP process to evaluate which parcels could be immediately used for housing initiatives.

Recommendation:

- Continue forward as noted in the Review Synopsis above.

Incentive k: The support of development near transportation hubs and major employment centers and mixed-use developments.

Review Synopsis: St. Johns County has a traditional suburban development pattern.

Recommendation(s): The AHAC Committee should meet with County departments periodically to discuss long term planning efforts that will incorporate plans that utilize affordable developments and emphasize differing modes of transportation

Other Incentives-Homebuyer Programs/Advocacy:

Review Synopsis: Homebuyer programs only work well with a comprehensive credit counseling program that requires all applicants for down payment assistance to participate. Advocacy efforts are a mutual effort with both staff and non-profit developers monitoring various down payment housing programs to combine them to best serve homebuyers by keeping housing costs as close to 30% of the household income and not more than 40%. The recommendations listed will benefit greatly from having one Housing Point of Contact at the County who is able to work closely with for-profit and non-profit developers. Using the FHFC income charts makes it a common standard for both for-profit and non-profit developers to work from.

Recommendation(s):

- Recommend modification to the Down Payment Assistance guidelines to reflect homeowners who qualify for down payment assistance should only receive an amount necessary to make the home affordable instead of awarding a "flat fee" amount given regardless of their income. This will allow for the down payment assistance funds to be allocated to more homeowners and only subsidize what is needed to each qualified homeowner. The overall result will be more down payment assistance funding available to assist more homeowners within the County.
- Credit and credit counseling education is needed and should be performed by certified housing/non-profit organizations to ensure potential homebuyers have been counseled and are taking standard credit education. This will assist with credit repair services and will utilize County resources to "fix" credit. This will result in decreased County services and funding and ongoing credit counseling and training will ensure homeowners understand how to manage their credit and housing expenses.
- Work with County Code Enforcement to potentially foreclose on the liens held by the County on properties that are dilapidated and the County has to expend County funds to demolish existing structures that are beyond repair and considered a safety hazard. These properties could be donated to non-profit, affordable housing builders rather than the properties sitting vacant on the tax rolls. Many times the value of the liens exceeds the value of the land and otherwise said properties would never be developed.
- To assist in blight reduction, create a record for existing structures that would qualify for a reduced impact fee credit for the property. Allow the existing building to be removed without the one year requirement
- Review deed restriction affordability requirements based on income, population served and length of time the property remains affordable.
- Make all incentives available to both for-profit and non-profit providers.
- Provide incentives to homebuilders of affordable rental with qualifying rents, and low to moderate income qualified renters. (i.e.; the anticipated payments do not exceed 30% of the very low to moderate income categories, or if rents do not exceed standard limits adjusted for bedroom-size.)
- Make all incentives available to both for-profit and non-profit sectors.
- Offer down payment assistance subsidy amount for qualified buyers of affordable housing. Homebuyers must meet the affordable income qualifications at 80% or below the median income and based on household size.
- Investigate the potential/requirements for a Community Land Trust.
- Utilize the Housing Finance Authority as housing experts to assist in evaluating proposals and financing pro formas.

Other Incentives-Economic Impact:

Review Synopsis: The Committee is suggesting at multiple levels the County (and City) could review ways to recognize the negative economic impact that the lack of affordable housing can have on a community. Whether certain requirements can be reduced, eliminated or absorbed by another source depends on the specifics of the request.

Recommendation(s):

- Consider using private funds such as DRI contributions for lower interest rate enticements.
- The County actively promotes economic development through their Economic Development Office and partnership with the Economic Development Council of the St. Johns County Chamber of Commerce. However, to be completely successful, there

should be a higher priority placed on creating more affordable housing. It is difficult to bring large corporations and businesses into St. Johns County if their workforce cannot find affordable housing in St. Johns County.

- One way to provide funding for affordable housing would be to have a policy that any large corporations or businesses receiving incentives to relocate and/or build in St. Johns County must pay a specific dollar amount, based on the incentive being received, into an Affordable Housing Fund. A way to make it more attractive to the companies receiving the incentives would be to give their qualified employees priority to the affordable housing being built. The policy could also set out that a percentage of the affordable housing being built could be set aside or reserved for other qualified residents of St. Johns County.
- Consider reducing landscape requirements for development of affordable housing units.
- Waive water re-use requirements for affordable housing units.
- Use County Inventory of Land for Affordable Housing for joint venture experiments
- Consider removal or reduced percentage rate for bond requirement for roadway improvements if it will serve affordable housing. Land Development Code Reference: "Previously platted roadways, which have not been constructed, are subject to the requirements of Part 6.04.00, unless Bonds have been received and accepted on Construction of such roadways."