ATTACHMENT #5

An Analysis of Voluntary Incentive-Based Inclusionary Housing Strategies Used by Other Florida Local Governments

Comparison with other inclusionary housing ordinances and with other affordable housing development incentive-based programs. Review of the inclusionary housing strategies from the other communities (outside of Florida) finds: 1) that these strategies are typically more rigorous (in terms of number of inclusionary units required and size of developments affected) than this proposed ordinance; and, 2) almost all of these strategies provide at least some development incentives.

As part of the research and preparation for developing the proposed inclusionary housing ordinance, the Planning Department has reviewed the following ordinances from other localities:

The Pinellas County, Florida, Land Development Code,
Affordable Housing Density Bonus
The Collier County, Florida, Land Development Code,
Affordable Housing Density Bonus
The Lee County, Florida, Florida, Land Development Code,
Housing Density Bonus for Provisions of Low- and Moderate-Income Housing
The City of Jacksonville, Florida, Ordinance Code, Density/Intensity Bonuses
The Palm Beach, Florida, County Code, [Affordable Housing – density bonus program]
The City of Orlando, Florida, City Code, Bonuses for Low Income Housing

All of these ordinances or programs a provide density bonus or similar incentive in exchange for provision of inclusionary units. Below are (research note) summarizations of these incentive-based strategies:

- **Pinellas County**, Florida, provides a voluntary density bonus of up to 50% above base zoning district density and relaxation of some development standards for developments that include affordable housing.

  [Larry Yancey, Community Dev't, 727-464-8210; 12/18/2002] Developments go through Community Development §138.1346 Pinellas County Code. The provision been in place since 1995 revised in 1999. The provision has been used primarily by non-profit organizations (CHODOs) and their projects could not be done without it/have been used to build about a total of 45 units – spread over 3 projects, with a 4th in planning stages.

- **Collier County**, Florida, provides a voluntary density bonus (up to a 200% increase above the base density of 4 units per acre in urban designated areas on the Future Land Use Map) for developers who provide affordable housing within their development. The actual amount of the density bonus depends on a number of factors including the number of moderate-, low-, very low

income units provided onsite, the total number of affordable units provided, number of bedrooms in affordable units, etc.

[Cormac Giblin, Housing Development Administrator, Collier County Department of Community Development; December 10, 2002] This works very well in providing developers the density they need for multifamily development density for 10 – 16 (program gives up to 8 dwelling units/acre) yields 500 to 800 units per acre. Can be used to provide for low, very low, and *very very low* housing (see web page http://colliergov.net/fah/). For affordable housing impact fees deferred (rental) or paid for ownership by SHIP (Does not provide ownership units). Collier County is noted as having perhaps the most expensive new housing and least amount of affordable housing in Florida [TLCPD staff note]

Collier County is looking at something to do this for homeownership. Have an inclusionary housing zoning ordinance under consideration. Proposing, as an incentive, prioritization of trip reservation for developments with transportation moratorium/concurrency limitation.

- **Lee County**, Florida, provides a voluntary density bonus (generally from 50% to 67% above the base zoning district in a limited number of districts) for those developers who either provide a payment to the Lee County low and moderate income housing fund, or provide a number of units onsite to low and moderate income households, equivalent to number of units permitted by the bonus.

  [Susan M. Strum, AICP, Planner, Lee County Department of Community Development/Planning SHIP Administration, 239-479-8585; December, 2002]
  Lee County has a Bonus Density program that permits a developer to get increased density by either paying $4,000 per unit or building the units on site. It has been on the books for several years but has not been used very often. When it is used, more often than not, the developer pays us the $4,000 per unit and does his/her own thing.

- **The City of Jacksonville**, Florida, provides voluntary bonuses for density, relaxed lot and yard requirements, and reduced parking requirements for developers in exchange for a number of sought-after objectives including location of the development in proximity to services and facilities, provision of low or moderate-income housing, rehabilitation of existing urban core housing, provision of housing to serve disabled persons, as well as various objectives related to environmental protection, facilitation of efficient multimodal transportation, mixed use development, use of historic structures, and good urban design.

  [Jack Shad, Assistant Planner, Comprehensive Planning Division, 904-630-1900; January 10, 2003] Developer can accrue points for providing affordable

housing development. Points awarded on a scalar basis; for example if 20% of development is affordable housing (low or moderate) = 2.5% density bonus (which is the maximum available) or other incentive, e.g., parking reduction, etc. Staff has no recollection of the this incentive ever being used. It's thought that the minimal bonus available has not provided an attractive incentive. Information about density bonuses for provision of affordable housing and in exchange for other developer provisions is found in §656.1401-656.1403 City of Jacksonsville Code, available at http://livepublish.municode.com/5/lpext.dll?f=templates&fn=main-j.htm&vid=12174

- **Palm Beach County**, Florida, provides a voluntary density bonus to developers in exchange for payments to the affordable housing trust fund. The program allows a developer to increase the density as much 100% if 20% or more if the housing developed is for very low and low; also provisions; 67% density bonus if less affordable housing provided.

  [Linda Jeter PBC Housing and Urban Dvpt, 561-233-3627; 12/18/02] Bonus housing within ¾ mile if offsite or 15 minute walk of a mass transit stop, or a commercial and employment center that shopping and pharmaceutical services. If seeking than 67% bonus increase still have to set aside 20% or more of the housing as low & very low as rental; if for homeownership, must provide 10% of housing for low income. Results/usage: Not very many so far -- will get back to me on exact # soon.

The City of Orlando, Florida, provides a voluntary density bonus (generally from 20% to 33% above the base zoning district in applicable districts) for those developers who either provide a payment equivalent to 2% of total site construction costs to the City of Orlando Trust Fund for Low and Very-Low Income housing, or provide a number of units onsite to low and very-low income households, equivalent to number of units permitted by the bonus.

[Mike Haynes, Chief, Land Development Division, 407-246-2078; January 6, 2003] These incentives have been available for some years now, but this option has not been exercised to date. One of the major reasons is that the densities/intensities permitted by right in the base zoning districts are relatively high and bonuses are presently also available for providing public art, street-level retail business, and superior site and building design. For the few projects that require additional density/intensity, these alternative bonus options may appear more desirable and cost-effective than opting for the low-income housing bonus.

The Importance of Incentives -- Conclusion: Although the use of voluntary incentive-based strategies alone have not proven particularly effective in stimulating the production of inclusionary housing, incentives are a fundamental element of an effective strategy and research finds that the most successful inclusionary housing strategies provide the most robust development incentives.