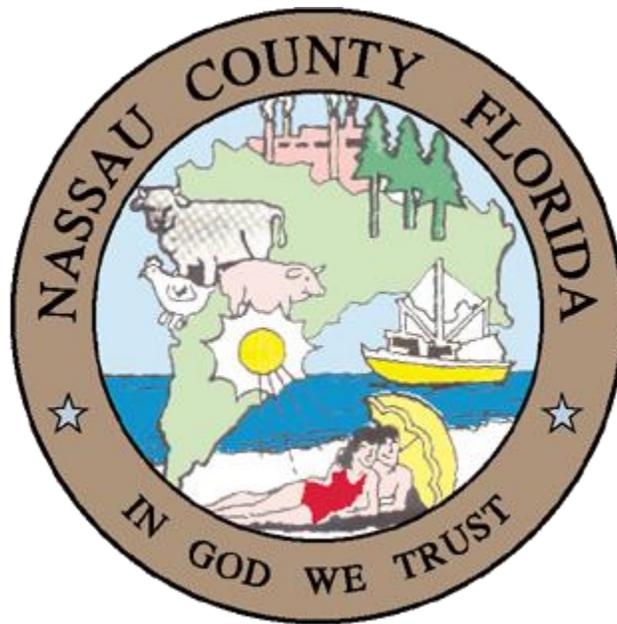


Nassau County
Affordable Housing Advisory Committee
2018 Incentive Review and Recommendations



December 19, 2018

I. Introduction/Background Information

The Nassau County Affordable Housing Advisory Committee (AHAC) meets on the third Wednesday of each month in Nassau County Board of County Commission Chambers located at 96135 Nassau Place, Yulee, Florida. The following members were appointed to the AHAC by the Board of County Commissioners by Resolution 2017-99 on May 17, 2017:

- **Greg Matovina**, citizen actively engaged in the residential home building industry in connection with affordable housing;
- **Lorra Britt**, citizen actively engaged in the banking or mortgage banking industry in connection with affordable housing;
- **Jenna Emmons**, citizen who is actively engaged as a not-for-profit provider of affordable housing;
- **Barbara McDuffie**, citizen who is actively engaged as a real estate professional in connection with affordable housing;
- **Justin Taylor**, citizen who resides within the jurisdiction of the local governing body making the appointments;
- **Mary Pitcher**, citizen appointed to represent employers in Nassau County, appointed by Resolution 2018-59 to fill the term of Laura DiBella, who was initially appointed under Resolution 2017-99.
- **Kathy Burns**, citizen who represents essential public services personnel, as defined in the Local Housing Assistance Plan; and
- **Len Kreger, Laureen Pagel, Lisa Rozier, Betsie Huben**, one or more citizens appointed from within the above referenced industries/activities without regard to affordable housing; and

In accordance with Florida State Statute 420.9076 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. Meetings were advertised as required by the Sunshine Law and open to the public. An Incentives subcommittee consisting of members Greg Matovina, Len Kreger, and Jenna Emmons met in publicly convened sessions to work on this Incentives report for recommendation to the full AHAC.

As defined in Florida Statutes 420.602 (3), “affordable” means:

- (a) With respect to a housing unit to be occupied by very-low-income persons, that monthly rents, or monthly mortgage payments including property taxes and insurance, do not exceed 30 percent of that amount which represents 50 percent of the median adjusted gross annual income for the households within the metropolitan statistical

area (MSA) or, if not within an MSA, within the county in which the housing unit is located, divided by 12.

(b) With respect to a housing unit to be occupied by low-income persons, that monthly rents, or monthly mortgage payments including taxes and insurance, do not exceed 30 percent of that amount which represents 80 percent of the median adjusted gross annual income for the households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the housing unit is located, divided by 12.

(c) With respect to a housing unit to be occupied by moderate-income persons, that monthly rents, or monthly mortgage payments including taxes and insurance, do not exceed 30 percent of that amount which represents 120 percent of the median adjusted gross annual income for the households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the housing unit is located, divided by 12.

At the pleasure of the Board of County Commissioners, the Committee is interested in continuing to serve as a proactive board by looking at the full spectrum of housing issues beyond just affordability, but also working on issues related to helping people stay in their homes, increase energy efficiency, provide links to resources and education, and increase public outreach around housing issues. Ways the AHAC can help include, but aren't limited to, drafting implementing legislation, continuing to monitor the demand for affordable housing in Nassau County, and working on incentives to encourage the development community to help meet those needs. The following recommendations are related to those incentives in particular, existing and recommended, that may help Nassau County implement more diverse housing options. **It is recommended this report and recommendations be evaluated and updated on an annual basis by the Nassau County AHAC.**

II. 2018 Committee Recommendations

A. Expedited processing of Development Orders and/or permits for affordable housing projects to a greater degree than other projects.

Explanation: Creation of an internal process to help expedite development of affordable housing projects.

Status: Existing Comprehensive Plan Policy

- Policy H.07.03: To eliminate delays in the review of affordable housing developments as defined herein, the County will create a distinct site plan review classification which will include affordable housing developments and will provide for shortened review times. The County

may also consider reduced application fees and deferral of impact fees for qualifying developments.

Recommendations:

- Implement formal internal procedure/process for how this occurs.
- Include inspections in the process in addition to applications/review.
- Coordinate with all departments who process applications and permits and conduct inspections – Building, Planning, Engineering, Public Works.

B. Modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

Explanation: Provides incentive and/or relief for qualifying applicants related to affordable housing. Such a policy could be related to affordable housing developments, nonprofits, and homeowners meeting a defined income level.

Status: Does not currently exist as County policy or process. The County Comprehensive Plan’s Housing Element has a statement that the County may consider such a reduction or waiver of fees.

- Policy H.07.03: To eliminate delays in the review of affordable housing developments as defined herein, the County will create a distinct site plan review classification which will include affordable housing developments and will provide for shortened review times. The County may also consider reduced application fees and deferral of impact fees for qualifying developments.

Recommendations: Formalize impact fee withholding process.

- Formalize withholding process using City of Fernandina Beach process as an example.
- Update Comprehensive Plan policy to reference “withholding” instead of “deferral.”
- Fees potentially eligible for withholding: parks, mobility, fire rescue, law enforcement, administrative facilities.

C. Allowance of density bonuses for projects providing affordable housing.

Explanation: Allows for above the base level residential density allocated by the Future Land Use Map and Comprehensive Plan when provision of affordable housing meets certain criteria.

Status: Existing in Comprehensive Plan and Land Development Code.

- Comprehensive Plan Policy H.01.01: The Land Development Code (LDC) shall include incentives which encourage the use of Planned Unit Developments (PUDs) and mixed-use developments which will offer a variety of housing types. The LDC shall include provisions for an affordable housing density bonus for PUDs and similar planned development projects the maximum density bonus for each FLUM designation will be established by the policies of the Future Land Use Element. Eligible projects must provide housing units that meet the criteria for “affordable” as defined in Sec. 420.0004(3), Florida Statutes.
- Comprehensive Plan Policy H.01.03: The Land Development Code shall permit the use of innovative land development techniques and allow for density bonuses to encourage construction of affordable housing units.
- Comprehensive Plan Policy FL.01.03: The Land Development Code (LDC) shall include provisions for the awarding of an affordable housing density bonus for master-planned developments. The developer of an eligible development must enter into a development agreement with the County that will ensure that the development meets the following criteria:
 - A) Eligible developments may claim a density bonus of one (1) market-rate unit for each affordable unit constructed up to and not to exceed 150 percent of the maximum density permitted by the underlying Future Land Use Map designation.
 - B) Eligible developments must provide housing units that meet the criteria for “affordable” as defined in Sec. 420.0004 (3), Florida Statutes such units shall remain “affordable” for the life of the development that receives the density bonus.
 - C) Affordable housing units in eligible developments shall be mixed with, and not clustered together or segregated in any way from, market-rate units of the same type.
 - D) If the eligible development contains a phasing plan, the phasing plan shall provide for the development of affordable housing units concurrently with the market-rate units. No phasing plan shall provide that the affordable housing units built are the last units in an eligible development.
 - E) The exterior appearance of affordable housing units in an eligible development shall be made similar to market-rate units by the provision of exterior building materials and finishes substantially the same in type and quality.
 - F) In the case of for-sale affordable units, purchasers would have to be income-qualified, and appreciation of the dwelling unit would be

calculated on the basis of certain listed factors to ensure that the unit remains affordable in the case of resale.

G) In the case of for-rent affordable units, the development agreement would establish an income-qualification process to ensure that the affordable units are rented to eligible households.

H) Eligible developments may not be located within a designated Coastal High Hazard Area (CHHA)

I) Eligible developments must demonstrate the ability to maintain adopted Level of Service (LOS) standards for all applicable public facilities.

- Comprehensive Plan Policy FL.10.01: The Land Development Code shall permit the use of innovative land development techniques and allow for appropriate density bonuses to encourage construction of affordable housing units.
- Land Development Code Sections 12.06 and 13.06: Residential General-1 and Residential General-2 zoning districts, respectively. These LDC sections allow for a bonus density of up to twelve (12) units when in compliance with Comprehensive Plan Policy FL.01.03.

Recommendations:

- Look at effectiveness of policies. Consider whether they need any updating to address additional residential districts or to reflect current best practices.
- Consider clarification of timeline for requiring units to stay affordable; currently the policy states that units must remain “affordable” for the “life of the development that receives the density bonus.” Does this envision transfer of ownership, etc.? Is there a process for changing the timeline in the future? Clarify County enforcement of time provisions.
- Consider more inclusionary zoning requirements as opposed to only related to density bonuses.
- Consider distinction between bonus incentives for units for sale and units for rental. Rental units should also have considerations around time units are required to stay affordable, etc.
- Evaluate levels of density bonus and what is practicable in terms of feasible development.

D. Allowance of affordable residential accessory dwelling units in residential zoning districts.

Explanation: Accessory dwellings are a secondary dwelling unit subordinate to a primary dwelling unit/residence located on the same parcel of land. They can be

attached or detached structures. Accessory dwellings are increasingly utilized in jurisdictions across the country as a best practice in provision of affordable housing and a way to increase affordable housing stock relatively easily. Accessory dwelling can be used for family or for rental purposes.

Status: In process. Currently the Nassau County Land Development Code does not allow accessory dwellings by right, but instead has provisions for “guest houses” by right limited to family and guests, and “mother-in-law dwellings” allowed by conditional use only. The AHAC Accessory Dwelling Subcommittee established in Summer 2018 worked on a draft of changes for the Land Development Code, and presented the changes to the full AHAC, who after discussion, recommending forwarding to the Planning and Zoning Board to start the formal code change process. Under this draft, accessory dwellings would be allowed by right in any residentially-zoned district subject to certain criteria but would only be for rental when demonstrated for low and very low-income tenants, consistent with Nassau County Comprehensive Plan policy and Florida State Statute.

- Comprehensive Plan Policy H.03.05: The County may pursue the use of accessory dwelling units as an affordable, rental option for very low-, low-, and moderate-income residents, based on a legislative finding by the County that there exists a shortage of affordable rental units within the County pursuant to Sec. 163.31771, Florida Statutes. An ordinance adopted under this provision would require any building permit application for an accessory dwelling unit to be accompanied by an affidavit from the applicant attesting that the unit will be rented at a rate affordable to very-low-, low-, or moderate-income residents.

Recommendations:

- Adopt changes to the Land Development Code to allow for accessory dwellings in Nassau County.
- Explore way to incentivize developers to allow this option in subdivisions.

E. Reduction of parking and setback requirements for affordable housing.

Explanation: Parking requirements can add substantial costs to a project, and setback requirements can limit creative site design. There is also some evidence to suggest that very low-income housing does not generate the parking demand of other types of housing. Allowing for reduction of parking and setback

requirements for affordable housing development projects meeting certain criteria can serve as an incentive.

Status: Does not currently exist in County Land Development Code.

Recommendations:

- Look at Jacksonville and Orlando for examples regarding reduction and reservation of parking, respectively.
- Amend Land Development Code; look at administrative waiver process vs. requiring public hearing process.
- Evaluate County Roadway and Drainage Standards and any issues that might relate – for example if parking is reduced, may not need to meet some of the standards in this section of County Code.

F. Allowance of flexible lot configurations for affordable housing.

Explanation: Allowing for flexible lot configurations in a subdivision to accommodate different types and sizes of housing can be an incentive to develop different housing types that would allow for affordable housing. One example is the creation of “pocket neighborhoods” that utilize smaller lots and encourage smaller footprints of homes.

Status: Does not currently exist in County Comprehensive Plan (as it relates to density) or County Land Development Code.

Recommendations:

- Look at other models adopted in the state and across the country.
- Explore how such neighborhoods would work with existing density requirements and if any Comprehensive Plan changes would be needed.
- Update Land Development Code.

G. Implementation of process by which a local government considers the impact of policies, procedures, ordinances, regulations or plan provisions that increase the cost of housing before adoption.

Explanation: Such a process envisions elected officials weighing the impact of decisions against how they might impact housing costs in a community.

Status: Existing Comprehensive Plan Policy

- H.07.04 As part of the adoption process for any county regulation, which could affect housing development, county staff shall assess the anticipated impact of the proposed regulation on the cost of housing based on a professionally acceptable methodology. When proposed regulatory activities are anticipated to increase the estimated cost per unit for the development of housing, the assessment shall include projections of the estimated increased cost per unit. The Planning & Zoning Board shall consider the regulation’s effect on housing cost in making their recommendation to the Board of County Commissioners. The Board of County Commissioners will consider the financial impact in making its final decision on the adoption of any proposed regulations.

Recommendation: Ensure Policy is being incorporated into Board decision-making processes.

H. Preparation of inventory of locally owned public lands suitable for affordable housing projects.

Explanation: Identifying locally owned public lands for potential projects and maintaining this as an up-to-date list can be a significant incentive for potential development. Jurisdictions can partner with affordable housing developers on projects serving the community and public benefit, and the land costs are not part of the equation for the developer.

Status: Mapping has been completed on this project and the associated information can be put into a table format with corresponding size, land use, zoning, etc. for easy to find information.

Recommendations:

- Complete inventory and update on an annual basis.
- Include how this could tie to potential community land trust development.

I. Support development of variety of housing types near transportation hubs, major employment centers, existing infrastructure, and mixed-use developments.

Explanation: Provision of a variety of housing types adjacent to amenities and transportation help keep housing affordable by providing a mix of types and reduction of transportation costs.

Status: Numerous County Comprehensive Plan policies help support this standard, including those in the Multi-Use land use designation, the William Burgess Overlay, and the ENCPA. Pending changes proposed to the Comprehensive Plan regarding criteria for Future Land Use Map changes will further support this objective, as will proposed changes to the development review process in the Land Development Code.

Recommendation: Continue implementation of existing policy, updates underway, and regular monitoring/evaluation for ways County policy can help support this objective.

J. Work with community partners on inclusion of affordable housing in other planning processes.

Explanation: Affordable housing is an issue that touches all aspects of community life and therefore should not be discussed or planned for in a silo. Working with other community partners such as other government entities, nonprofits, and community groups is an important component of future success around housing in Nassau County.

Status: In process.

Recommendations:

- Ensure housing is addressed in other long-range planning initiatives underway in Nassau County.
- Coordinate with the Nassau County Economic Development Board, Chamber, etc. regarding any future economic development plans.
- Coordinate with nonprofits and community groups regarding issues on the housing spectrum that may not fall within County purview, i.e. homelessness, domestic violence shelters, social services, financial education, etc.
- Participate in the County Health Department's Community Health Improvement Plan process.

K. Continue homeowner incentives as addressed in SHIP program and LHAP.

Explanation: The County administers State Housing Initiatives Partnership (SHIP) funds. Funds can be expended as directed by the County's Local Housing

Assistance Plan (LHAP). Currently the County's LHAP offers down payment assistance and housing rehabilitation funds for applicants meeting certain income criteria.

Status: Active.

Recommendations:

- Continue implementation of SHIP program.
 - Consider revising LHAP to offer other incentives for qualifying homeowners.
 - Regularly monitor LHAP for ways to make funding more effective for housing efforts.
 - Increase outreach and information around the program to inform more people about the program and availability.
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