

DRAFT
CITY OF PENSACOLA
AFFORDABLE HOUSING INCENTIVE PLAN REVIEW
BY
ESCAMBIA/PENSACOLA AFFORDABLE HOUSING ADVISORY COMMITTEE

1. BACKGROUND

The Sadowski Affordable Housing Act as approved by the Florida Legislature and codified as Chapter 420 of the Florida Statutes requires the development of an Affordable Housing Incentive Plan by all local governments electing to participate in the housing production and preservation initiatives authorized by the Act. Pensacola City Council, jointly with Escambia County Board of County Commissioners, appointed the members to serve on the Escambia-Pensacola Affordable Housing Advisory Committee (AHAC). The Escambia- Pensacola AHAC reviewed the implementation of the Affordable Housing Incentive Plan and determined the incentives are being implemented in accordance with the plan. A summary of the strategies and the implementation status is presented in Attachment 1.

2. PURPOSE

The purpose of the Incentive Plan is to set out the deliberations and recommendations for monetary and non-monetary incentives targeting regulatory reform with respect to affordable housing including the evaluation of the established policies, procedures, ordinances, land development regulations and the comprehensive plan. All recommendations should encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The Plan encompasses the specific recommendations of the AHAC all of which were voted upon and approved at a Public Hearing on November 16, 2021. This Plan details existing City housing related policies/procedures to be undertaken by the City in support of affordable housing.

3. AFFORDABLE HOUSING INCENTIVES

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.

Discussion:

The City's permitting system implemented an all electronic "one stop" process allowing for both convenience and safety of application. The City building permit application will provide an applicant the opportunity to note if the project will be supported with affordable housing funding (CDBG, SHIP, or OTHER). Affordable housing documentation will be required to fast track the permitting process to 3-5 business days.

Recommendation:

AHAC recommends City of Pensacola Housing Department verify and provide supporting documentation to building inspections department for affordable housing projects allowing for fast tracking the permitting process. The AHAC will review the incentive on an annual basis.

INCENTIVE B: THE MODIFICATION OF IMPACT FEE REQUIREMENTS, INCLUDING REDUCTION OR WAIVER OF FEES AND ALTERNATIVE METHODS OF FEE PAYMENT FOR AFFORDABLE HOUSING.

Discussion:

The City does not have impact-fee requirements. To support the creation and preserve sustainable affordable housing, the Comprehensive plan supports offering incentives for infill development, one of which is the liens waiver policy for affordable housing.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

INCENTIVE C: THE ALLOWANCE OF FLEXIBILITY IN DENSITIES FOR AFFORDABLE HOUSING.

Discussion:

The City of Pensacola Comprehensive Plan and Land Development code allow flexibility in development density for residential developments. This is generally coordinated through predevelopment review meetings with developers' through the Special Planned Development (SPD) process.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

INCENTIVE D: THE RESERVATION OF INFRASTRUCTURE CAPACITY FOR HOUSING FOR VERY-LOW INCOME PERSONS, LOW-INCOME PERSONS, AND MODERATE-INCOME PERSONS.

Discussion:

Infrastructure capacity is not an issue for development of affordable housing within the urban area of the City as water, sewer, electricity, and roadways are more than adequate for concurrency. Additionally, all areas within the City's Community Redevelopment Areas are exempt from traffic concurrency.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

INCENTIVE E: THE ALLOWANCE OF AFFORDABLE ACCESSORY RESIDENTIAL UNITS IN RESIDENTIAL ZONING DISTRICTS.

Discussion:

Accessory dwellings are allowed in the City of Pensacola Comprehensive Plan and Land Development Code.

Recommendation:

This incentive is being implemented in accordance with the plan, AHAC recommends a lease options minimum. The AHAC will review the incentive on an annual basis.

INCENTIVE F: THE REDUCTION OF PARKING AND SETBACK REQUIREMENTS FOR AFFORDABLE HOUSING.

Discussion:

The City may grant a reduction in the parking requirement through its SPD process.

Recommendation:

This incentive is being implemented in accordance with the plan, AHAC recommends exploring specific reductions such as walkability, sidewalk design. The AHAC will review the incentive on an annual basis.

INCENTIVE G: THE ALLOWANCE OF FLEXIBLE LOT CONFIGURATIONS, INCLUDING ZERO-LOT-LINE CONFIGURATIONS FOR AFFORDABLE HOUSING.

Discussion:

The City Land Development Code provides for the use of zero-lot-line configurations in development of residential housing.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

INCENTIVE H: THE MODIFICATION OF STREET REQUIREMENTS FOR AFFORDABLE HOUSING.

Discussion:

The SPD process provides a means for a developer to present modifications for street design. Pensacola City Council adopted by Resolution No. 29-12 is support of the complete street design concept.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

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.

Discussion:

The review process is in place within the City. Review information and comments are provided by planning staff with input, as needed, by housing and community development staff for consideration by the policy makers.

Recommendation:

This incentive is being implemented in accordance with the plan, AHAC recommends consideration of a tiered permitting cost based on project affordability. The AHAC will review the incentive on an annual basis.

INCENTIVE J: THE PREPARATION OF A PRINTED INVENTORY OF LOCALLY OWNED PUBLIC LANDS SUITABLE FOR AFFORDABLE HOUSING DEVELOPMENT.

Discussion:

The City maintains a printed inventory of City owned real property appropriate for development as affordable housing. Those suitable lots identified for affordable housing have been developed. The City currently has no real property for the consideration of affordable housing.

The City of Pensacola Housing Initiatives Fund continues to support existing and future adopted City of Pensacola Housing Department programs. The fund is supported from the proceeds of the sale of city owned properties and the funds are used to support a homebuyer incentive program.

Recommendation:

This incentive is being implemented in accordance with the plan, AHAC recommends county owned properties within the city limits be made available to the city for affordable housing development. The AHAC will review the incentive on an annual basis.

INCENTIVE K: THE SUPPORT OF DEVELOPMENT NEAR TRANSPORTATION HUBS AND MAJOR EMPLOYMENT CENTERS AND MIXED-USE DEVELOPMENTS,

Discussion:

Development regulations support and encourage the location of affordable housing, including a priority for mixed use/mixed income, housing near transit stops/interchanges and employment/educational centers.

Recommendation:

This incentive is being implemented in accordance with the plan, AHAC recommends review of city lien forgiveness policy for consideration of waiving/reducing permitting fees, tracking mechanism for tiny house development and quality bus stop shelter. The AHAC will review the incentive on an annual basis.

ADDITIONAL RECOMMENDATIONS

No additional incentives were recommended by the Committee.

l:\ship\affordable housing incentive strategies\draft report affordable housing incentive plan review.docx

LIEN RELEASE POLICY FOR AFFORDABLE HOUSING INFILL PROJECTS

Adopted by Council Action and Resolution September 28, 2000; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

1. Requests by non-profit and for-profit developers of affordable housing for release of city liens will be reviewed by the Mayor and recommended for approval by City Council.
2. Requests for release of liens to construct affordable infill housing will be submitted with the appropriate information regarding the proposed infill housing development, including: a description of the location and number of units to be constructed, the proposed sales price or monthly rent, a description as to how this proposed infill development will enhance the surrounding neighborhood and a copy of the house plans.
3. For the purposes of this lien release policy, the definition of affordable housing is owner-occupied or rental housing for persons with household income at 80 percent of median or below (according to current HUD guidelines). In the case of properties within the Front Porch or Community Outreach Partnership Center (COPC) areas, or any other areas designated by City Council from time to time, there will be no income limits to encourage higher income households to move into these targeted revitalization areas.
4. The Mayor will review the request for the release of liens and request any additional information necessary to determine if the proposed housing development is consistent with existing neighborhood plans or strategies as well as with the Comprehensive Plan and other local ordinances.
5. The Mayor will notify the existing neighborhood association representing the area to ensure that they are notified of the proposed infill development and that they have an opportunity to provide input.
6. If the application is approved by City Council, the applicant will execute an agreement with the City to ensure that the proposed infill development is constructed according to the agreed upon terms. Default on the terms of the contractual agreement with the City will result in the lien amount being repaid to the City.

BCC: 11-05-2009



BOARD OF COUNTY COMMISSIONERS
Escambia County, Florida

ORGANIZATION: Management & Budget Services

FROM: Amy Lovoy, Bureau Chief *AL*

DATE: October 11, 2009

ISSUE: Amendment to the Policy for Surplus Property Disposition for Affordable Housing

RECOMMENDATION:

That the Board approve the amendment to the Policy for Surplus Property Disposition for Affordable Housing to allow the County to convey properties directly to qualified non-profit agencies without auction and to set the price for said conveyance.

BACKGROUND:

The amendment to this policy will allow the County to convey property directly to pre-approved non-profit agencies for the purpose of providing affordable housing. The County may convey these properties in any of the following manners provided that the County's actual expenditure of funds is reimbursed:

- The value of the property as defined by the Escambia County Property Appraiser
- The value of all County held liens at the time of the transfer excluding interest, all County held tax certificates, any foreclosure costs and any costs associated with acquiring title to the parcel.

Updating of this policy will allow approved not for profits to access County-owned properties primarily in County Community Redevelopment Areas for development of affordable housing. Additionally, the County will be able to recoup hard costs associated with these properties together with returning the parcel back to productive use. The derelict nature of many of these parcels reduces surrounding home values, spreads blight, and expends County resources in the physical and fiscal management required to keep the properties on the County rolls. Development of affordable housing can provide a stabilizing influence in these areas.

BUDGETARY IMPACT:

The County is currently losing property tax revenues on these properties, as well as expending resources on code enforcement, property maintenance, and staff time. Transfer of these properties to affordable housing providers will put these properties back into productive use by generating tax revenue and raising surrounding property values.

BCC: 11-05-2009

RE: Amendment to the Policy for Surplus Property Disposition for Affordable Housing

Date: October 11, 2009

Page 2 of 2

LEGAL CONSIDERATIONS/SIGN-OFF:

Management and Budget Services and Neighborhood Enterprise Foundation, Inc. (NEFI) will work with the County Attorney's office to produce an Agreement with the participating not-for-profit specifying production requirements as stipulated in the policy. This agreement will be subject to legal sign-off.

PERSONNEL:

POLICY/REQUIREMENT FOR BOARD ACTION/DISCUSSION:

IMPLEMENTATION REQUIREMENTS:

Management and Budget Services will cooperate with NEFI in the disposition of property for not-for-profits.

COORDINATION WITH OTHER AGENCIES/PERSONS:

CONCUR:


Robert R. McLaughlin, County Administrator

Board of County Commissioners
Escambia County, Florida

Title: Surplus Property Disposition for Affordable Housing
Development, Section II, B.15
Date Adopted:
Effective Date:
Reference:
Policy Superseded:

-
- A. **Purpose:** To encourage redevelopment of blighted areas through reinvestment in non-productive properties for the purpose of meeting affordable workforce housing needs in Escambia County.
- B. **Surplus Property and Affordable Housing (Brief Overview):** In 1992, Escambia County and the City of Pensacola each adopted an Affordable Housing Development Incentive Plan as a precursor to implementation of the State Housing Initiatives Partnership Program (SHIP). In 2008, the County updated its Incentive Plan and amended the Local Housing Assistance Plan as required by F.S. 420.906. An element of this plan requires continual review of County and City owned properties suitable for affordable housing. Escambia County works very closely with many non-profit and for profit workforce/affordable housing builders and developers through various programs administered through the ~~Neighborhood and Environmental Services Department~~ Neighborhood Enterprise Foundation, Inc (NEFI). Land cost is integrally linked to housing affordability, especially when homes are targeted to very low, low and moderate income families for homeownership or long term rental purposes. Routinely, the County attains ownership of vacant, blighted or abandoned properties through tax deed, foreclosure ~~of code enforcement or related liens~~ or donation. Most are non-productive properties with minimal improvements, or more typically with serious code deficiencies requiring recurring corrective actions by County officials. After reviewing internally, a significant percentage of these properties are not required for County public functions, and therefore are deemed to be surplus. Many of the surplus parcels are suitably sized and located thus allowing for construction of reasonably priced homes to address the continuing shortage of affordable workforce housing in the County. A number of locally based non-profit and for-profit builders and developers routinely request the donation or discounting of such parcels specifically for housing production.
- C. **Surplus Property Disposition by County:** the County has routinely undertaken a variety of methods to dispose of surplus real property to legal non-profit corporations, ranging from outright donation to sale via bid. The intent of this Policy is to provide a framework for the disposition of properties incorporating a "discounted purchase price" option for affordable housing interests. This process must comply with governing Florida Statutes and County ordinances that prescribe alternatives available to the County for disposition of "surplus" property.
- D. **Affordable Housing Development Incentive Plan:** The County will utilize a series of screening procedures to govern disposition of surplus property as an incentive fostering development of quality affordable workforce housing including:

1. Internal County Review: Prior to declaring "surplus" any real property coming under the ownership of the County, each parcel shall be first routed internally to appropriate County Departments to determine if the property is needed for County functions. This process is coordinated by the Department of Administrative Services, with specific parcel review performed minimally by the following Departments: Engineering, Road Operations, Parks & Recreation, Facilities Management, Neighborhood & Environmental Services (NEFI/CRA/EOD), and Planning & Zoning reviewed internally to determine the means of disposition which maximizes the greatest return (financial or goodwill) for the County. This review shall include a financial analysis to determine whether the parcel should be sold at auction to the highest bidder, kept for future County purposes or sold at some discounted price to agencies for affordable housing production.
2. Open Bid Solicitation: ~~Parcels remaining after step (1) to be sold at auction above~~ shall be declared surplus, publicly advertised for bid and sold to the highest bidder in accordance with State statutes and County Purchasing ordinance requirements. The property will be conveyed "as is" and no representations or warranties are made concerning title, zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, property value, operating history, governmental approvals or governmental regulations.
3. Pre-Qualified Non-Profit Agency Review: ~~Parcels remaining after Open Bid Solicitation~~ that are deemed suitable for affordable housing development shall be disseminated via e-mail by NEFI to all "pre-qualified" non-profit agencies meeting the requirements cited in Exhibit I for review and selection (no formal bidding or auction will be required). Qualified agencies shall be provided a minimum of 10 days to submit a request for individual parcels on their agency letterhead using a form similar to Exhibit III upon which affordable housing units will be constructed and sold (or rented) to income eligible persons/families within 12 months from the date of property transfer. In the event that more than one agency requests the same parcel(s), the selection shall be made by lottery drawing. Said parcel may then be conveyed directly to the requesting agency for the any of the following discount methods provided that the County's direct expenditure of funds are is reimbursed:
 - a. The value of the property as defined by the Escambia County Property Appraiser
 - b. The value of all County held tax certificates, property taxes, County held liens at the time of the transfer excluding accrued interest, any foreclosure costs and any costs associated with acquiring title to the parcel. Following award of individual parcels to qualified housing agency(ies), the previously advertised Minimum Bid Amount shall be adjusted by the following discount factors (Note: The receiving agency shall be responsible for costs related to transferring the property to the agency):
 - ~~a. 75% Unit(s) targeted to Moderate Income families (see Exhibit II for limits)~~
 - ~~b. 100% Unit(s) targeted to Low, Very Low and Extremely Low Income families (see Exhibit II for limits)~~

- E. Unit Production Requirement: Affordable housing unit(s) must be constructed and sold to income eligible families as described previously, within a maximum of 12 months from the date of property transfer, unless such time is extended in writing by NEFI. Properties shall contain a "reverter" clause stipulating this requirement. Failure to complete unit(s) shall result in the property being recaptured by the County.

Board of County Commissioners
Escambia County, Florida

Title: Surplus Property Disposition for Affordable Housing
Development, Section II, B.15
Date Adopted: July 20, 2006
Effective Date: November 5, 2009, as amended
Reference:
Policy Amended: July 20, 2006, November 5, 2009

A. **Purpose:** To encourage redevelopment of blighted areas through reinvestment in non-productive properties for the purpose of meeting affordable workforce housing needs in Escambia County.

B. **Surplus Property and Affordable Housing (Brief Overview):** In 1992, Escambia County and the City of Pensacola each adopted an Affordable Housing Development Incentive Plan as a precursor to implementation of the State Housing Initiatives Partnership Program (SHIP). In 2008, the County updated its Incentive Plan and amended the Local Housing Assistance Plan as required by F.S. 420.906. An element of this plan requires continual review of County and City owned properties suitable for affordable housing. Escambia County works very closely with many non-profit and for profit workforce/affordable housing builders and developers through various programs administered through the Neighborhood Enterprise Foundation, Inc (NEFI). Land cost is integrally linked to housing affordability, especially when homes are targeted to very low, low and moderate income families for homeownership or long term rental purposes. Routinely, the County attains ownership of vacant, blighted or abandoned properties through tax deed, foreclosure or donation. Most are non-productive properties with minimal improvements, or more typically with serious code deficiencies requiring recurring corrective actions by County officials. After reviewing internally, a significant percentage of these properties are not required for County public functions, and therefore are deemed to be surplus. Many of the surplus parcels are suitably sized and located thus allowing for construction of reasonably priced homes to address the continuing shortage of affordable workforce housing in the County. A number of locally based non-profit and for-profit builders and developers routinely request the donation or discounting of such parcels specifically for housing production.

C. **Surplus Property Disposition by County:** the County has routinely undertaken a variety of methods to dispose of surplus real property to legal non-profit corporations, ranging from outright donation to sale via bid. The intent of this Policy is to provide a framework for the disposition of properties incorporating a "discounted purchase price" option for affordable housing interests. This process must comply with governing Florida Statutes and County ordinances that prescribe alternatives available to the County for disposition of "surplus" property.

D. **Affordable Housing Development Incentive Plan:** The County will utilize a series of screening procedures to govern disposition of surplus property as an incentive fostering development of quality affordable workforce housing including:

1. **Internal County Review:** Prior to declaring "surplus" any real property coming under the ownership of the County, each parcel shall be reviewed internally to determine the means of disposition which maximizes the greatest return (financial or goodwill) for the County. This review shall include a financial analysis to determine whether the parcel

should be sold at auction to the highest bidder, kept for future County purposes or sold at some discounted price to agencies for affordable housing production.

2. Open Bid Solicitation: Parcels to be sold at auction shall be declared surplus, publicly advertised for bid and sold to the highest bidder in accordance with State statutes and County ordinance requirements. The property will be conveyed "as is" and no representations or warranties are made concerning title, zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, property value, operating history, governmental approvals or governmental regulations.
 3. Pre-Qualified Non-Profit Agency Review: Parcels that are deemed suitable for affordable housing development shall be disseminated via e-mail by NEFI to all "pre-qualified" non-profit agencies meeting the requirements cited in Exhibit I for review and selection (no formal bidding or auction will be required). Qualified agencies shall be provided a minimum of 10 days to submit a request for individual parcels on their agency letterhead upon which affordable housing units will be constructed and sold (or rented) to income eligible persons/families within 12 months from the date of property transfer. In the event that more than one agency requests the same parcel(s), the selection shall be made by lottery drawing. Said parcel may then be conveyed directly to the requesting agency for the any of the following discount methods provided that the County's direct expenditure of funds is reimbursed:
 - a. The value of the property as defined by the Escambia County Property Appraiser
 - b. The value of all County held tax certificates, property taxes, County held liens at the time of the transfer excluding accrued interest, any foreclosure costs and any costs associated with acquiring title to the parcel.
- E. Unit Production Requirement: Affordable housing unit(s) must be constructed and sold to income eligible families as described previously, within a maximum of 12 months from the date of property transfer, unless such time is extended in writing by NEFI. Properties shall contain a "reverter" clause stipulating this requirement. Failure to complete unit(s) shall result in the property being recaptured by the County.