



City of Gainesville

Department of Sustainable
Development

TO: City Commission
FROM: Department of Sustainable Development

DATE: October 4th 2022

SUBJECT: Inclusionary Zoning Proposal

Applicant: City of Gainesville

Discussion

This petition initiated by the City of Gainesville is a text amendment to the Comprehensive Plan and the Land Development Code in order to include provisions requiring affordable housing in multi-family development with related bonus density.

Affordable Housing

Over 60% of Gainesville residents are renters. However, affordable rental units in Gainesville are difficult to find. The average household income needed to be able to afford the average rent per unit in Gainesville is about \$40,000.00 per year. However, the median income in Gainesville is about \$35,000.00 per year. Furthermore, the market for rental units development in Gainesville currently favors the student population which makes it even more difficult for the non-students population to find rental housing that is affordable. Student renters make up 36% of the total Gainesville population but still comprise 50% of the population that lives in housing built after the year 2000. This contributes to the high cost of rental units in Gainesville and further limits the options for Gainesville citizens.

Inclusionary Zoning

In order to mitigate the rising costs of housing, Gainesville has taken several actions which include creating provisions for more diverse housing, relaxing regulations for housing development, removing excessive requirements for single family development, and allowing more people to live within a dwelling unit. The Inclusionary Zoning proposal detailed in this memo serves to add to the list of actions taken by the City of Gainesville to mitigate high housing costs and provide greater affordability.



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Inclusionary zoning is a land use tool that requires or encourages developers to create affordable units in new market-rate residential and commercial developments. Over 1000 jurisdictions have some form of inclusionary zoning programs. These programs vary along design considerations, whether the program is voluntary or mandatory, the depth of affordability required, if it applies to rental or for sales development, etc.

Inclusionary Zoning Proposal

Based on the study done by the HR&A consulting group as well as analysis of other municipalities, staff is proposing an Inclusionary Zoning policy that mandates new multi-family development to provide 10% of market rate housing to households earning up to 80% AMI in exchange for a density bonus of 30%. This would apply to any development that provides 10 units or more. Developments that provide less than 10 units would still have the option of voluntarily providing affordable housing units in exchange for the density bonus. A “fee in lieu of” program is also being proposed in order to allow for development flexibility. The fee would reflect the going market rate for housing units per HUD guidelines and would be reviewed every two years. The collected fees would be added to an Affordable Housing Opportunity Fund unless required to be deposited into another fund per State or Federal law. The funds would be reserved specifically for paying costs associated with this provision as well as for providing more affordable units.

The units provided by this proposal are meant to have the same finishings and access to amenities as market rate units. As such, affordable units provided shall be comparable to the market rate units within the same residential development in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction. Affordable units shall also have access to all on-site amenities available to market rate units, including access to common area and facilities. If parking is provided, affordable units shall have functionally equivalent parking comparable to that of market rate units. Affordable units shall be constructed, completed, and ready for occupancy with or prior to the market rate units in the residential development and they will be reasonably dispersed throughout the residential development so that no single building or floor has disproportionate percentage of affordable units.



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In order to manage the allocation of the affordable units, the developer must enter into a management agreement with the City, a community land trust, or other third party agency mutually agreeable to the City and the applicant. The third party agency will administer the affordable set-aside units and will address marketing, applicant screening, rental rates, monitoring, Fair Housing requirements, and other elements as determined by the City.

Land Development Code Amendment

Along with the added language for the Inclusionary Zone provision, this proposal also amends the stated density bonuses for certain zoning districts in order to reflect the provision for the 30% density bonus exchange. The exchange for 30% density bonus reflects the findings of the HR&A study which concluded that a 30% density bonus exchange would help overcome the gap in expected financial returns and can deliver strong financial value for owners without directly spending public dollars.

The Land Development Code amendment also eliminates the density bonus manual provisions. This is to further incentivize development to provide affordable housing by tailoring density bonuses to that specific need, as well as removing a bonus system that has been seldom used.

Future Land Use Amendment

Future land uses for Residential Low (RL), Residential Medium (RM), Residential High (RH), Urban Mixed Use (UMU), Urban Mixed Use High Intensity (UMUH), Urban Core (UC), Office (O), Mixed-Use Low Intensity (MUL), Mixed-Use Medium Intensity (MUM), Mixed-Use Residential (MUR), and Mixed-Use Office/Residential (MOR) have been amended to allow for the provisions of added density bonuses associated with Affordable housing initiatives.

Please consider the proposal before you and feel free to direct staff in any way necessary.

Respectfully submitted,



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