

City of
Gainesville
Inclusionary Zoning

**Department of Sustainable
Development**

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October 26th, 2023

HOUSING PROBLEM

- Too Expensive
- Not Enough Affordable Units
- Lack of Diverse Housing Types



Illustrative IZ Policy with Density Bonus Incentive

INCLUSIONARY ZONING

Developers provide affordable housing in exchange for off-set incentives

Without IZ

All market-rate units



With IZ

+ Additional density



+ Affordable units

INCLUSIONARY ZONING

Four Key Features

- **Target Threshold** – Which development provides affordable units
- **Target Tenant** – Who can live in the affordable units
- **Target Units** – How many affordable units are provided by the developer
- **Target Bonus** – How to offset the cost of the affordable units

Inclusionary Zoning | Proposal to adopt an IZ policy with a 10% set-aside for households earning up to 80% AMI, with the option of an in-lieu fee.

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

COMPREHENSIVE PLAN AMENDMENT

Inclusionary Zoning Density
Bonus: 30%-90%

Any and all Future Land Use
Elements are eligible for a
Density Bonus from 30% up to
90% when the Density Bonus
is associated with Inclusionary
Zoning proposals.

Amending
Density
Bonus Points
Manual

- ◆ ~~Sec. 30-4.18. Density bonus points:~~
- ◆ Development criteria described in the density bonus points manual, when met, shall allow increases in development intensity based upon the limits in this section. These increases in intensity shall be allowed should a developer propose to undertake a project that will result in a development sensitive to the unique environmental and developmental needs of the area. For each criterion met by the developer, certain points shall be credited to the project. Those points, calculated in accordance with the Density Bonus Points Manual, shall determine the maximum allowable density.
- ◆ **Table V-6: Permitted Density Using Density Bonus Points**

EXPAND

RMF-6		RMF-7		RMF-8	
Points	Max. residential density (du/ac)	Points	Max. residential density (du/ac)	Points	Max. residential density (du/ac)
0	10	0	14	0	20
26	11	20	15	16	21
52	12	39	16	30	22
79	13	59	17	46	23
108	14	79	18	59	24
138+	15	98	19	75	25

Adding Inclusionary Zoning Regulations

Sec. 30-4.10. Provisions for Affordable Housing

A. Developers of rental projects shall provide 10% of the dwelling units in the project as affordable housing at 80% of the AMI for developments of 10 units or more for the life of the development (i.e., perpetuity). This shall be documented in a deed restriction, covenant, or other legal mechanism that must be submitted to the City for review and approval prior to certificate of occupancy for any unit in the development.

Developers may also choose to pay a fee in lieu of providing the affordable housing units. The fee will reflect the going market rate for one unit per HUD guidelines and shall be reviewed every two years. Developments that do not meet the 10 units threshold can voluntarily opt into the provisions for affordable housing requirements housing requirements in exchange for receiving density bonus incentives. In exchange, developments incorporating provisions for affordable housing as required in this chapter will be provided with a density bonus of up to 30%.

Adding Inclusionary Zoning Regulations

- 10% AH – 80% AMI = 30% Bonus Density
- For development providing 10 units or more
- Fee in lieu off at Market Rate per HUD guidelines
- Provided Units shall be comparable to market rate units
 - Dispersed throughout development
 - Same material
 - Same services including parking, amenities, etc

Adding Inclusionary Zoning Voluntary Deeper Affordability

- **Voluntary** Provision for deeper affordability
 - 10% Interval = 5% Density Bonus (Max 50%)
 - **Other potential benefits**
 - Reduction off application fees and other fees
 - Flexibility with setbacks and lot size requirements
 - Expedited Review
 - Any other reasonable

City Oversees Inclusionary Policy

- Housing
- Planning
- Code Enforcement
- Other Dept. as needed



First Step/Application

Development Review

Agreement Acquisition

Final Review/CO

Developer's responsibility

Enforcement and penalties

Relation with Live Local Act

PROPOSED

- 10-unit threshold
 - Recommended by the HR&A report
 - Consistent with other municipalities

OPTION

- 51-unit threshold
 - Consistent with Major Development threshold
 - Reflects findings of development amount within multifamily
 - Would alleviate pressure on smaller developments
 - More likely to use Transfer of Development Rights as an Incentive

Timetable

9/28/2023 -
Information Item
(discussion)

10/26/2023 - City
Plan Board hear
the item and vote

January – First
Reading before
the Commission

Thank You

Set-Aside and Affordability Requirements

PRECEDENTS

City	Affordability Level	Portion of Development
Atlanta, GA	60-80% AMI	10% of units for incomes \leq 60% AMI, or 15% of units for incomes \leq 80% AMI
Boston, MA	70% AMI	13% of total number of units on-site (citywide, percentage varies by zone)
Burlington, VT	65% AMI	15% of units, depending on the avg. price of the market-rate homes
New Orleans, LA	60% AMI	10% of units (Tier 1); 5% of units (Tier 2); voluntary (Tier 3)
Newtown, MA	80-120% AMI	10% of total habitable space
Norwalk, CT	60% AMI (based on state income)	10% of total units
Seattle, WA	60% AMI	5-7% of total units
Stamford, CT	50% AMI	10% of units
Washington, D.C.	60% MFI; tenant must not spend $>$ 41% of income on housing	8-10% of residential square footage

Recommendation

Staff recommends that the City of Gainesville implement an IZ policy that requires a set-aside of 10% of units affordable to households, all affordable to households earning 80% of AMI.

Implementation of Inclusionary Zone Regulation

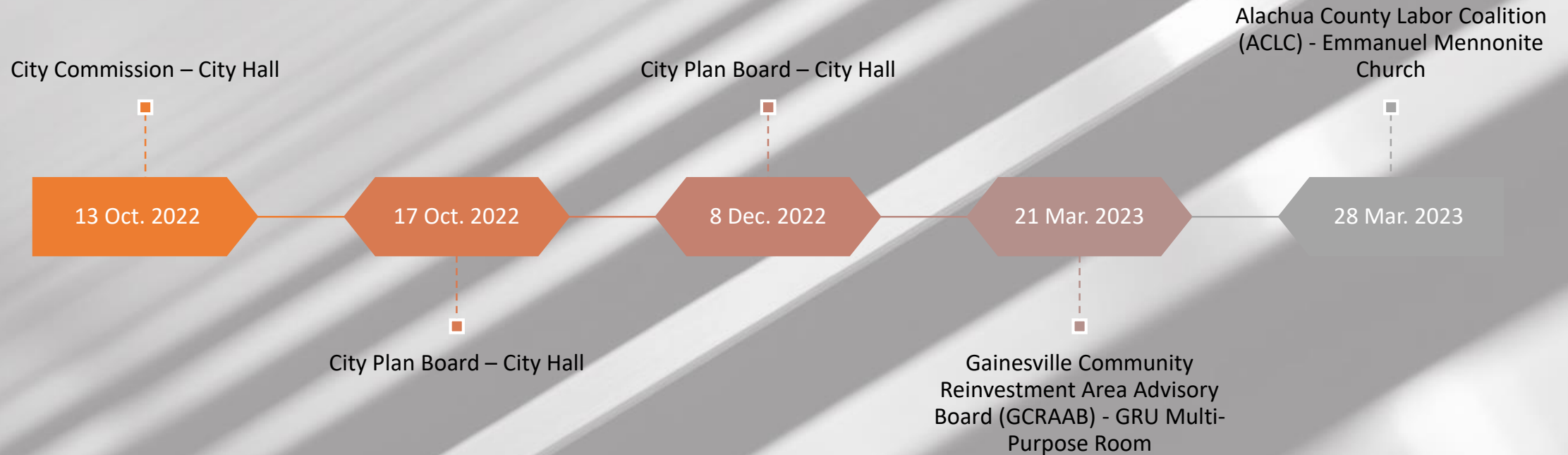


City Plan Board requests detailed process for Inclusionary Zoning implementation.



City Plan Board requests different threshold option

Non- AHAC Public Engagement



AHAC Regular meetings where Inclusionary Zoning was discussed, and the public had a chance to comment:

November 1st 2022

December 13th 2022

January 10th 2023

February 13th 2023

March 14th 2023

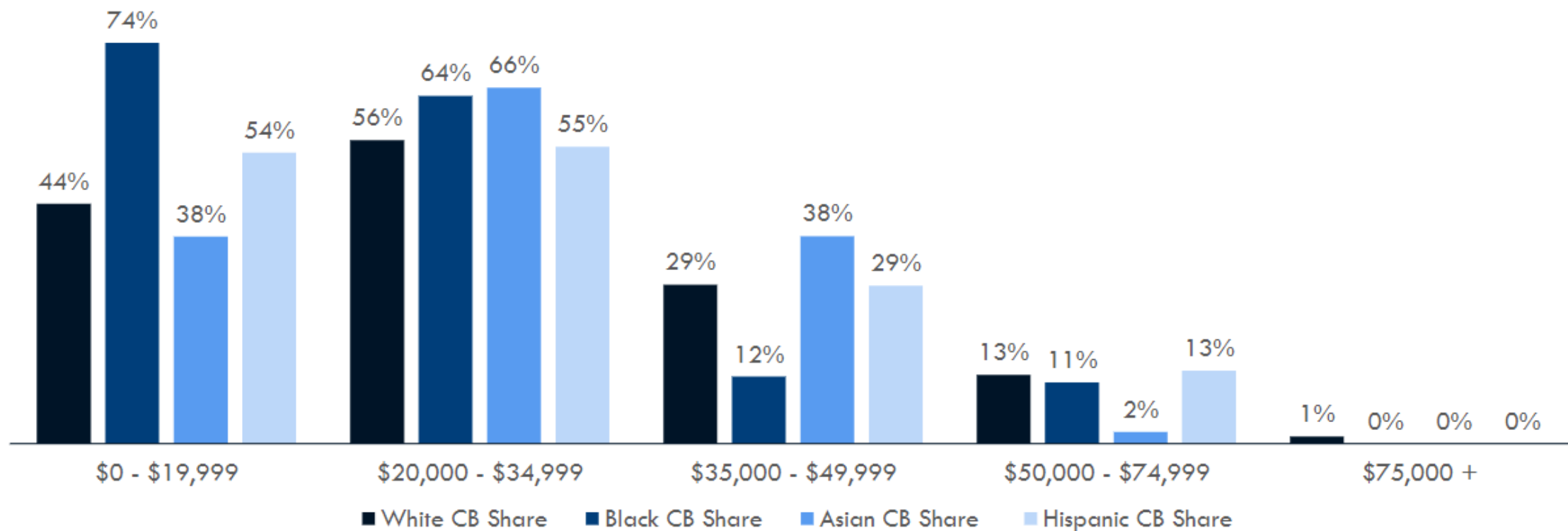
April 18th 2023

Affordable
Housing
Advisory
Committee
(AHAC) Public
Engagement

- **Commission asks AHAC to lead Public Outreach (October 13th 2022)**
 - East Gainesville Alliance - Lincoln Middle School – **January 23rd 2023**
 - City Services Fair – Senion Recreation Center (two sessions) – **February 4th 2023**
 - Parkview Baptist Church – **February 21st 2023**
 - Holy Faith Catholic Church – **February 28th 2023**

Renters of all races earning <\$35K per year experience high rates of housing cost burden, indicating a need for more affordable rental units.

Share of Cost Burdened Renters by Race (Non-Student)



Florida State law requires that local governments seeking to use IZ policies "fully offset all costs" to a developer

Section 125.01055 of Florida's statutes authorizes localities to increase the supply of affordable housing using land use mechanisms, such as inclusionary housing or linkage fees. Inclusionary housing ordinances may require a specific set-aside of housing units or an in-lieu fee.

May 2019 – Florida Legislature passed HB7103

Requires incentives to fully offset all costs associated with affordable housing from IZ.

Density bonuses and/or Reduced or waived fees,

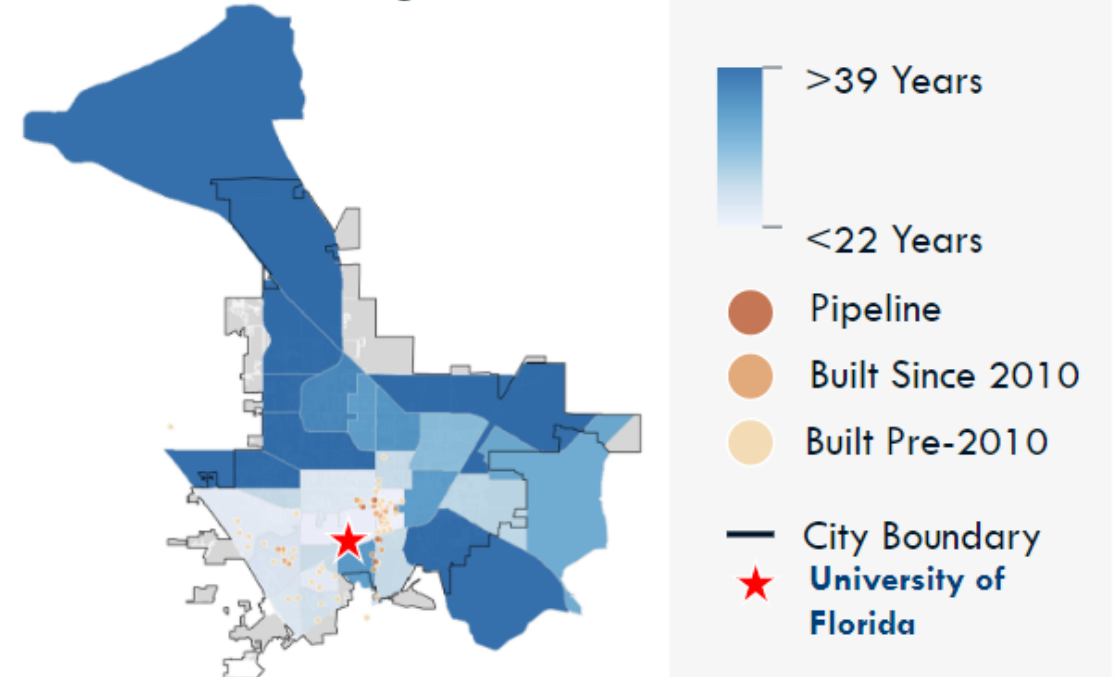
Existing Conditions | The student housing market is the strongest rental market in Gainesville. Non-student renters are not benefitting from new housing at the same rate.



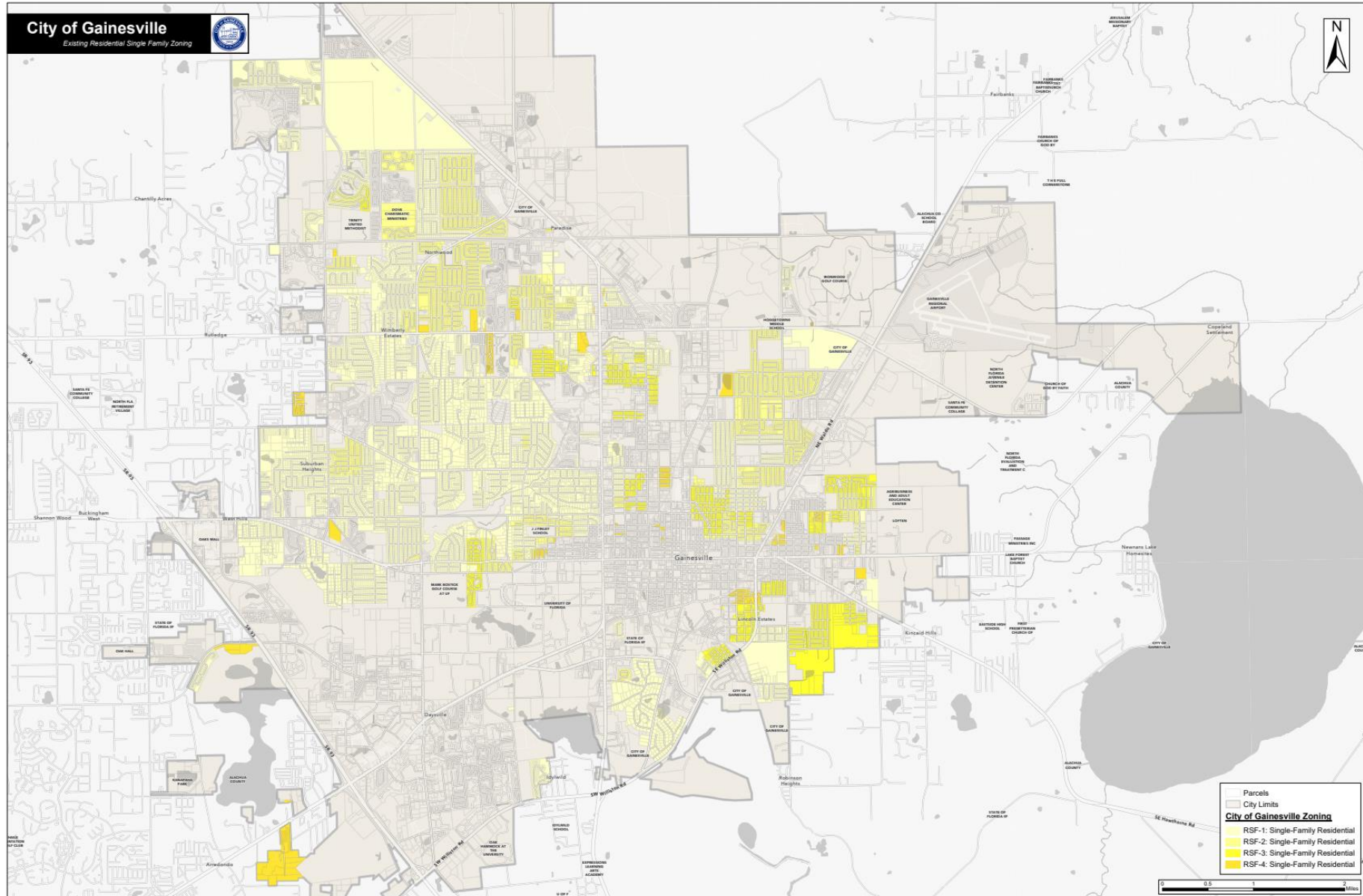
Housing Access and Quality

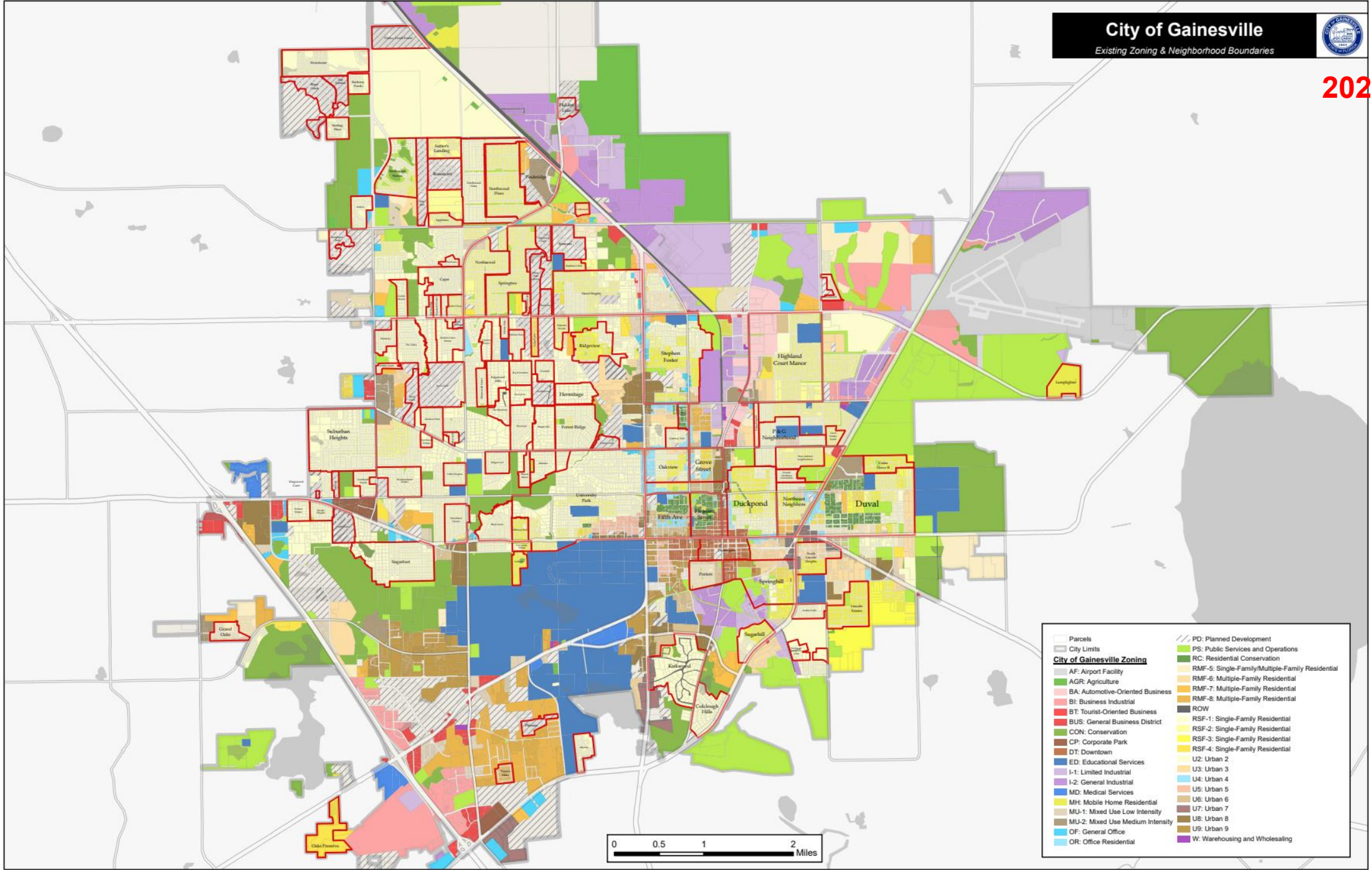
- Student renters are the primary beneficiaries of new rental housing development in Gainesville, which makes it more difficult for non-students to access such housing.
- Student renters make up 36% of the total population but comprise 50% of the population that lives in housing built after 2000.
- The average household in Gainesville struggles to access homeownership, especially Black, Hispanic or Latinx, and renter households. As a result, 61% of households in the City are renters. Less than a third of Black and Hispanic or Latinx households are homeowners.

Median Age by Census Tract and Student Housing*

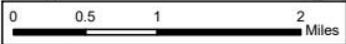


*Includes both student housing (i.e., housing that exclusively serves students) and student-focused housing (i.e., housing that caters to students but is available to all residents).





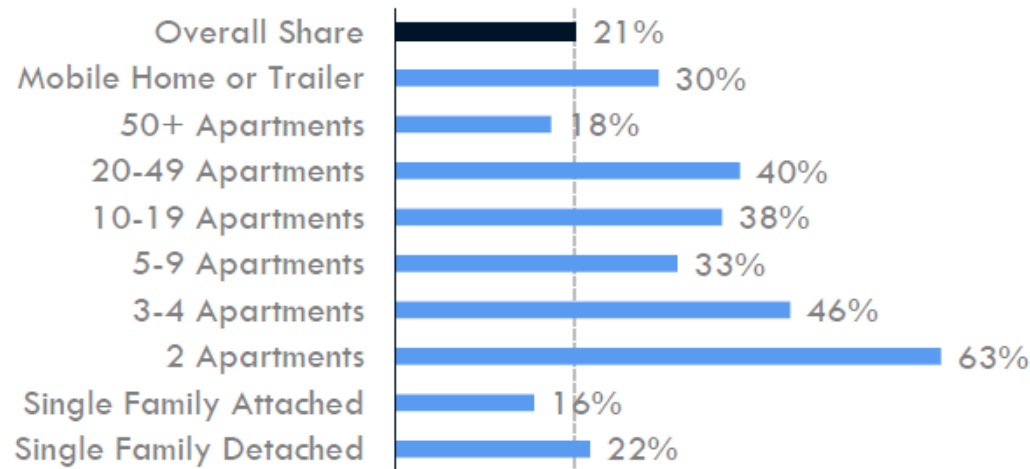
Parcels	PD: Planned Development
City Limits	PS: Public Services and Operations
AF: Airport Facility	RC: Residential Conservation
AGR: Agriculture	RMF-5: Single-Family/Multiple-Family Residential
BA: Automotive-Oriented Business	RMF-6: Multiple-Family Residential
BI: Business Industrial	RMF-7: Multiple-Family Residential
BT: Tourist-Oriented Business	RMF-8: Multiple-Family Residential
BUS: General Business District	ROW
CON: Conservation	RSF-1: Single-Family Residential
CP: Corporate Park	RSF-2: Single-Family Residential
DT: Downtown	RSF-3: Single-Family Residential
ED: Educational Services	RSF-4: Single-Family Residential
I-1: Limited Industrial	U2: Urban 2
I-2: General Industrial	U3: Urban 3
MD: Medical Services	U4: Urban 4
MH: Mobile Home Residential	U5: Urban 5
MU-1: Mixed Use Low Intensity	U6: Urban 6
MU-2: Mixed Use Medium Intensity	U7: Urban 7
OF: General Office	U8: Urban 8
OR: Office Residential	U9: Urban 9
	W: Warehousing and Wholesaling



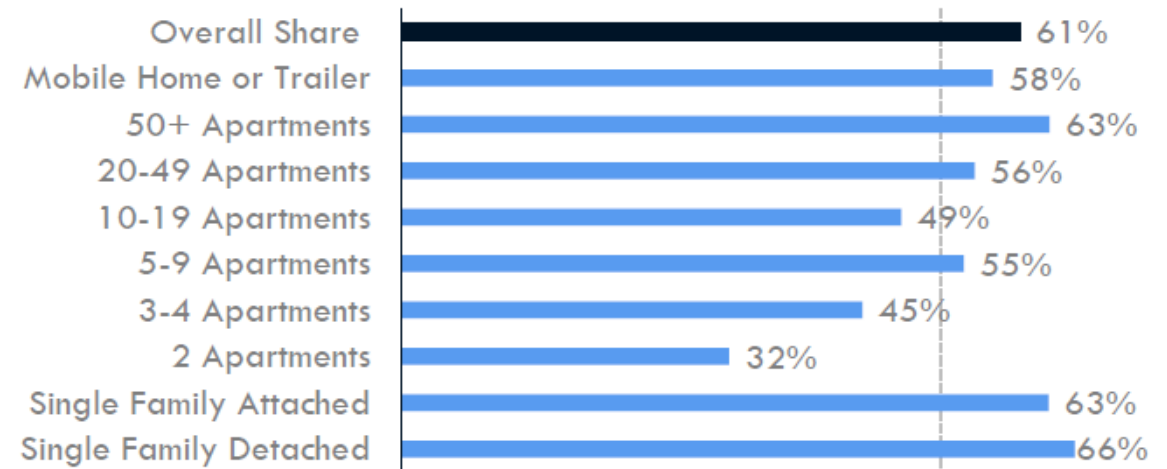
Race determines not only where people live in Gainesville, but also the type of housing in which they live.

Gainesville's Black population occupies “missing middle” housing, or buildings with 2-4 units, at a high rate relative to the population, while white households are underrepresented in this typology. White households are more likely to live in single-family homes (which are typically owned, rather than rented) and large apartment complexes. The differences in occupancy by race reflect housing affordability trends. In Gainesville, missing middle housing tends to be more affordable to low- and middle-income residents compared to single-family homes and multifamily buildings.

Share of Black Households by Housing Type (Non-Student)



Share of Non-Hispanic White Households by Housing Type (Non-Student)



Source: Public Use Microdata Sample (PUMS) ACS 2019 (5-Year Estimates)

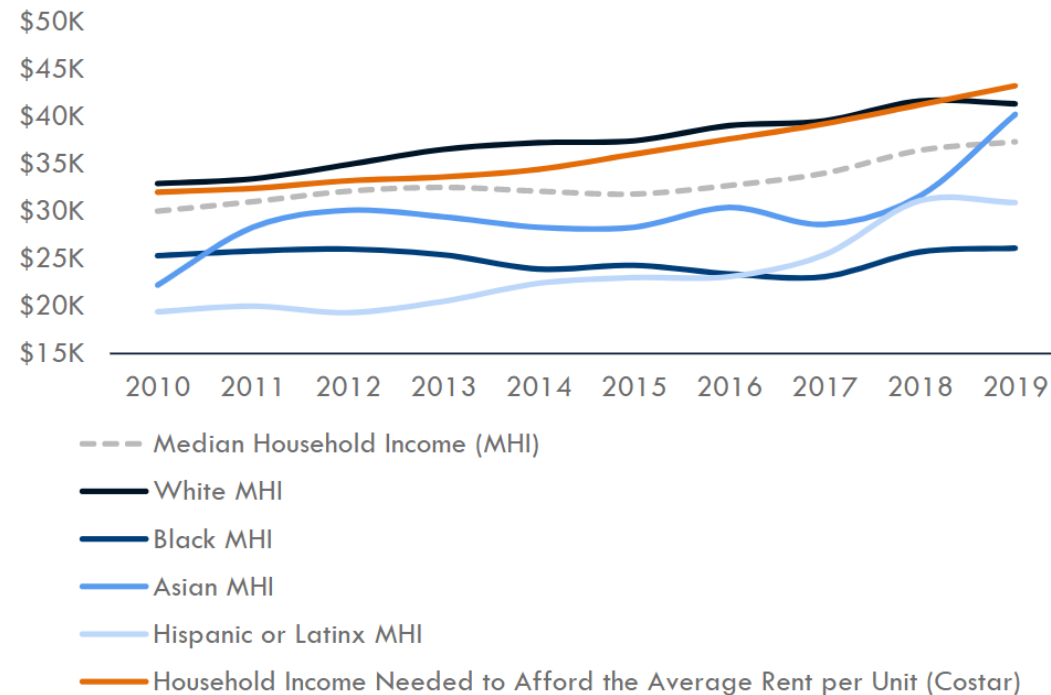
Existing Conditions | Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.



Housing Cost Burden

- Renters across all racial groups earning <\$35K annually experience high rates of housing cost burden.
- Race is a predictor of household income and poverty in Gainesville. Only white and Asian households earn above Gainesville’s median household income. Black households make 73% of the median.
- The average rental unit is currently only affordable to the typical white or homeowner household in Gainesville.

Income at which Average Rental Unit is Affordable by Race (All)



Source: Social Explorer – ACS 2019 (5-Year Estimates)