

Affordable Housing Advisory Committee
Report to Board of St. Johns County Commissioners
SHIP Affordable Housing Incentive Strategies

Date:
12/19/2023

Prepared by:
The Housing & Community Development and Growth Management
Departments County Staff, in conjunction with:
St. Johns County Affordable Housing Advisory Committee

Submitted To:
Florida Housing Finance Corporation

BACKGROUND

As a recipient of State Housing Initiative Partnership (SHIP) funds, the St. Johns County Board of County Commissioners (BCC) established an affordable housing advisory committee in 1993 as required by the Florida Statute section 420.9076. The Affordable Housing Advisory Committee (AHAC) is responsible for reviewing policies, land development regulations, the Comprehensive Plan Policy, and other aspects of the County's policies and procedures that affect the cost of housing. In addition, the AHAC is responsible for making recommendations to encourage affordable housing.

The AHAC is required to submit an incentive report every year. The report includes recommendations by the Committee, as well as comments on the implementation of incentives for at least the following eleven distinct areas:

- 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.
- The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.
- The allowance of flexibility in densities for affordable housing.
- The reservation of infrastructure capacity for housing for very low-income persons, low-income persons, and moderate-income persons.
- The allowance of affordable accessory residential units in residential zoning districts.
- The reduction of parking and setback requirements for affordable housing.
- The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.

- The modification of street requirements for affordable housing.
- 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.
- The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- The support of development near transportation hubs and major employment centers and mixed-use developments.

COMMITTEE COMPOSITION

The County Commission appointed and re-appointed members to the Committee on the dates below. Section 420.907 of the Florida Statutes lists the categories from which committee members must be selected. There must be at least eight committee members with representation from at least six of the following categories:

- Citizen actively engaged in the residential home building industry in connection with affordable housing.
- Citizen actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- Citizen Representative of those areas of labor actively engaged in home building in connection with affordable housing.
- Citizen actively engaged as an advocate for low-income persons in connection with affordable housing.
- Citizen actively engaged as a for-profit provider of affordable housing.
- Citizen actively engaged as a not-for-profit provider of affordable housing.
- Citizen actively engaged as a real estate professional in connection with affordable housing.
- Citizen actively serving on the local planning agency pursuant to s.163.3174.
- Citizen residing within the jurisdiction of the local governing body making the appointments.
- Citizen who represents employers within the jurisdiction.
- Citizen who represents essential services personnel, as defined in the local housing assistance plan
- Locally elected official

The appointed AHAC Committee members are included here, along with their category affiliation:

Name	Category Represented	Date Appointed
1 Alaimo, Roy	Locally elected official	
2 Braxton, Jr. Jay	St. Johns County Resident	06/02/2020
3 Burke, Gregory	Citizen engaged in Residential Home Building Industry	02/21/2023
4 Dothage, Orville	St. Johns County Resident	02/21/2023
5 Ladrido, Steven	Citizen representing employers within St. Johns County	03/16/2021
6 Lazar, Bill	Citizen actively engaged as a not-for profit provider for affordable housing	08/17/2021
7 Mansur, Alex	Citizen actively engaged in Area of Labor in Home Building	05/17/2022
8 Maxwell, Harry	Citizen actively engaged as a for-profit provider for affordable housing	08/17/2021
9 O'Donnell, Michael	HFA Chair/Advocate for low-income persons	09/24/2020
10 Pierre, Elvis	Citizen actively serving on local planning agency	08/04/2022
11 Rodea, Lindsey	Citizen representing Essential Service Personnel	05/17/2022
12 Vierck, Karl	Citizen actively engaged as a REAL Estate Professional	08/17/2021

AFFORDABLE HOUSING DEFINITION

As defined by Florida Statutes “Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (20), subsection (21), or subsection (30). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

Florida Statute Link:

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0400-0499/0420/Sections/0420.9071.html

<https://www.floridahousing.org/owners-and-managers/compliance/income-limits>

AFFORDABLE HOUSING INCENTIVES

Staff presented the latest affordable housing practices and recommendations on incentives. Each of the affordable housing incentives recommended by the State were thoroughly examined and discussed with AHAC members. This plan is a result of the recommendations from the AHAC and meetings held with county staff to determine the feasibility of the recommendations. If approved by the St. Johns County Board of County Commissioners, the recommendations will be used to amend the Local Housing Assistance Plan (LHAP) and/or the local Comprehensive Plan-Housing Element.

FLEXIBLE DENSITIES

Meeting Synopsis:

- Localities need to devise ways to encourage developers to include some percentage of affordable housing as a part of their developments or ask that they contribute to a housing fund when requesting variances or waivers to the existing codes. In 2020, St. Johns County adopted a new Workforce Housing Zoning District that provides new regulations and density increase applicable to the Residential-B, Residential-C, Residential-D, and Mixed Used Future Land Use Designations. In addition, new multi-unit developments are required to have a designated number of affordable housing for purchasing and rental.

Existing Strategy:

- St. Johns County has a number of different zoning categories, such as Mixed Use and RES-D. which allow for greater densities and zoning categorifies, such as PUD, that allow for design flexibilities.

AHAC Recommendations:

- The AHAC will continue to meet with staff members from Growth Management, Housing and Community Development, local developers, and the St Johns County Chamber, in order to continue flexible density roundtable discussions, and come up with viable solutions to be recommended to the Board of County Commissioners.

Implementation:

- In June of 2023, the Board of County Commissioners approved the work-force housing overlay price increase from \$240,000 to \$260,000, to encourage more moderate pricing of new homes in exchange for extra density and flexibility for the developers.

MODIFICATION OF IMPACT FEES

Meeting Synopsis:

- On modestly priced housing, (SHIP Purchase Price cap \$536,906) utility and impact fees can account for almost 10% of the building costs and financed over a 30-year mortgage can cost as much as the fees themselves. The challenge is

creating a way to eliminate the impact of these fees on the development of both rental and homeownership housing for the local workforce.

Existing Strategy:

- Impact fees are currently scaled to address the type of use, as well as the square footage of a residential unit.

AHAC Recommendations:

- Allow payment of impact fees, and utility connection fees over a period, possibly paid through property tax process. Longer repayment period proposed when projects focus on lower income populations.
- Consider the utilization of County impact fee investment earnings (from interest) on roads, parks and public buildings to support the development of affordable owner-occupied, for sale, and rental housing.
- Allow holders of impact fee credits to transfer or sell, at a discount, impact credits to other developments; in the same impact fee zone for the development of housing that is for sale or rent. Housing that is ‘affordable’ to moderate, low or very-low income families under section 420.9071, Florida Statute, which generally evaluates an ability to be based on income. These impact credits reflect dollars previously invested by a developer in County or School district infrastructure and are recognized as being usable against impact fees.

PUBLIC LAND INVENTORY

Meeting Synopsis:

- Florida Statutes at Title XI, Section 125.35 (County Authorized to Sell Real and Personal Property and to Lease Real Property), 125.38 (Sale of County Property to United States or State), 125.37 (Exchange of County Property), 125.379 (Disposition of County Property for Affordable Housing) and St. Johns County Ordinance 2011-17, provide guidelines as to the sale or lease of land owned by the County. The disposition of any County owned land for purposes of addressing the needs identified in this Action Plan are subject to Florida State Statute and County Ordinance. The County maintains an inventory of lots and properties owned by St. Johns County. Land owned and managed by the County may be sold or donated to entities for the purpose of public and community good. A private entity or non-profit may request to the BCC, a conveyance or lease of a property. The property may be conveyed or leased, to an applying entity, for a price named by the BCC, regardless of the actual value of the property and pending BCC satisfaction of the proposed use of the property. The land must not be needed for County purposes as determined by the BCC. A number of properties in the inventory have been earmarked for the purpose of expanding affordable housing options.

Existing Strategy:

- At the time of this writing, staff has developed a procedure by which the County shall distribute these lots in a competitive and equitable manner. This procedure has been approved by the Board of County Commissioners.

AHAC Recommendations:

- Staff should continue the implementation of the distribution of the public lands for affordable housing.
- Use County inventory of land for affordable housing.

Implementation:

- Staff is continuing forward with its implementation of the public lands program.

NEGATIVE ECONOMIC IMPACT

Meeting Synopsis:

- The AHAC plans to target this matter with further discussions in future meetings with subject matter experts in St. Johns County. Eventually, AHAC will continue conducting research and collecting data to submit viable recommendations and incentive solutions to the Board of County Commissioners. There is a tremendous need to perform regular negative economic impact assessments and eliminate the economic development barriers that eventually will affect our workforce.

Existing Strategy:

- At this time, an existing strategy is not in place. The AHAC will further discuss this matter and submit recommendations to the Board of County Commissioners for their review and approval.

AHAC Recommendations:

- County and City should review and recognize the negative economic impact a lack of affordable housing can have on a community. The Housing and Community Development Department is currently securing a consultant firm to conduct an Affordable Housing Study for St. Johns County. This study will provide vital and essential data on the actual affordable housing needs in St. Johns County. In addition, the needs assessment data collected will assist in the preparation of future plans regarding affordable housing in St. Johns County. We are expecting to have a full report by 2024.
- Consider using private funds, such as DRI contributions, for lower interest rate enticements.

- Have a policy that any large corporations or businesses receiving incentives to relocate and/or build in St. Johns County must pay a specific dollar amount, based on the incentive received, into an Affordable Housing Fund. A way to make it more attractive to the companies receiving the incentives would be to give their qualified employees priority to the affordable housing being built. The policy could also set out that a percentage of the affordable housing being built could be set aside or reserved for other qualified residents of St. Johns County. Some type of Affordable Housing impact or linkage fee on larger or commercial developments could also be considered.

Implementation:

- The AHAC will identify all negative economic impact barriers through discussions, and the preparation of a comprehensive needs' assessment. In addition, AHAC will present recommendations and solutions to the BOCC for approval. Implementations are pending. An affordable Housing Needs Assessment Report will be completed in 2023 with additional information provided by the St Johns County Chamber Workforce Housing Coalition.

CORPORATE INCENTIVES

Meeting Synopsis:

- AHAC will schedule a meeting with St. Johns County Economic Development office to discuss this matter in more detail. Once we start having our dialogues regarding this matter, a meeting synopsis will be available. St. Johns County staff is coordinating a meeting between AHAC and the County Economic Development office within the next few months in order to start a dialogue regarding the utilization of affordable housing as an incentive to bring a business to St. Johns County. We plan to have our meeting synopsis ready for review once our regular meetings start. The creation of affordable housing as an incentive to attract corporations to St. Johns County is essentially important due to the fact that corporations are concerned about housing availability, affordability, and safety for their employees who many may be transferred to the area.

Existing Strategy:

- There are incentives available for businesses through the County's Business Incentive Program (Ordinance 2014-30). The categories within the program are for speculative space, new industry and existing business/industry and are based on a point system. Depending on how the application scores and the project type, projects can be eligible for 2 to 4 years of general county portion of ad valorem taxes paid on capital improvements, 2 to 4 years of general county portion of tangible personal property taxes (not applicable for speculative space), 50% or 100% of impact fees and water/sewer connection fees (in applicable areas), and expedited permitting.

AHAC Recommendations:

- Have a policy that any large corporations or businesses receiving incentives to relocate and/or build in St. Johns County must pay a specific dollar amount, based on the incentive being received, into an Affordable Housing Fund. A way to make it more attractive to the companies receiving the incentives would be to give their qualified employees priority to the affordable housing being built. The policy could also set out that a percentage of the affordable housing being built could be set aside or reserved for other qualified residents of St. Johns County. Some type Affordable Housing impact or linkage fee on larger, or commercial developments could also be considered.

IMPACT FEE CREDIT TRANSFER

Meeting Synopsis:

- At the May 2021 meeting, under the guidance of the St. Johns County Assistant County Attorney, suggested that the AHAC could recommend to the Board of County Commissioners to conduct comprehensive analysis in the next financial forecast study.

Existing Strategy:

- At this time, an existing strategy is not in place. The AHAC will further discuss this matter and submit recommendations to the Board of County Commissioners for their review and approval.

AHAC Recommendation:

- Allow holders of impact fee credits to transfer or sell, at a discount, impact credits to other developments; in the same impact fee zone for the development of housing that is for sale or rent. Housing that is “affordable” to moderate, low or very low-income families under section 420.9071, Florida Statute, which generally evaluates an ability to pay based on income. These impact credits reflect dollars previously invested by a developer in County or School district infrastructure and are recognized as being usable against impact fees.

EXPEDITED PERMITTING

Meeting Synopsis:

- Dating back to the 2019 AHAC report, staff has taken the time to address both the previous recommendations as well as previous resolutions passed by the BCC(see below). Committee did feel that there should be a continued emphasis on income guidelines set by the Florida Housing Finance Corporation, these guidelines are referenced in local ordinances, state statutes, and other state-based grant programs.

Existing Strategy:

- In September 1993, the County instituted the Development Review Committee (DRC), to establish uniform requirements and procedures for submittal and review of applications for development plan approval, to implement the goals and policies of the Comprehensive Plan, and to ensure compliance with all applicable land development regulations. The eighteen-member committee representing planning and zoning, growth management, transportation, utilities, environmental health, fire service, 911 addressing, building, codes, survey, environmental planning, and landscaping, review all proposed developments (such as subdivisions or multi-family) within 20 working days, then meets with the developer to discuss their independent findings at a joint DRC meeting. February 24, 1998, adopted by Resolution 98-48, developers planning affordable housing projects will be directed to the Housing Office by any staff receiving questions. Housing staff can work with the developer to determine, quantitatively, if the project is truly affordable (i.e., the anticipated payments do not exceed 30% of the very low to moderate-income categories, or rents do not exceed standard limits adjusted for bedroom size). Upon issuance of an "Affordable Housing Development" (AHD) designation, a sheet to be attached to all copies submitted for development review, the developer is assured that the original review time may be reduced by up to 50 percent. Rezoning requests may be facilitated in agenda placement for Committee and Board of County Commissioners' review. St. Johns County's permitting process has been centralized and expedited with the location of all applicable permitting departments in one facility. It has cut down on developer's time expended on obtaining permits. The Comprehensive Plan, adopted by Ord. 90-53, Policy E.1.1.4(a), adopted in December, 1990, and amended by Policy C.1.1.4, adopted by Ordinance 2000-34, and amended by Policy C.1.1.4, adopted by Ordinance 2000-34, recommended this change. Permits may be applied for in advance of lot purchase closing so delays can be avoided by careful planning. The County has addressed this item since 1993. The above paragraph has been in previous AHAC recommendation reports.

AHAC Recommendations:

- Continue to use the Income and Rent guideline chart provided by the Florida Housing Finance Corporation when defining affordability, unless specified by a particular fund source. Consider more incentives/subsidy for projects that target lower income populations.
- Staff currently, informally, uses the Income and Rent guideline chart provided by the Florida Housing Finance Corporation when defining affordability. Affordability is defined by one of two benchmarks; subsidy or funding provided to the recipient/builder and verified income by family.
- Designate a "Point of Contact" to assist affordable housing developers in navigating the County development process.

LOWER INTEREST RATE ENTICEMENTS

Meeting Synopsis:

- The AHAC plans to target this matter with further discussions in future meetings with subject matter experts in St. Johns County.

Existing Strategy:

- At this time, an existing strategy is not in place. The AHAC will further discuss this matter and submit recommendations to the Board of County Commissioners for their review and approval.

AHAC Recommendation:

- Consider using private funds, such as DRI contributions, for lower interest rate enticements.

AFFORDABLE ACCESSORY RESIDENTIAL UNITS

Meeting Synopsis:

- There should be an emphasis on encouraging accessory residential dwellings, such as granny flats, converted overseas shipping containers, small housing, and multiple efficiency units in a single structure.

Existing Strategy:

- Accessory dwelling units, while allowed by right, are limited in use by family members.

AHAC Recommendations:

- All of this should be included as part of density bonus negotiations.
- These accessory dwellings must include limited onsite parking, perhaps restricting onsite parking for one vehicle per dwelling. If possible, perhaps limited on street parking with valid parking pass could be used in conjunction with onsite parking or in lieu of onsite parking.

Implementation:

- County staff are currently in the process of modifying the current Land Development Code and are addressing this issue, primarily as it pertains to the user. The code change will have to go before the BCC for final approval.

FLEXIBLE LOT CONFIGURATIONS

Meeting Synopsis:

- With the current growth in the county, one incentive for affordable housing could be that any PUD or flex-zoning requirement (that increases density) includes some level of participation in affordable housing efforts. This will allow for a mixture and possible increase in the potential number of affordable housing units to be developed in a particular zone or zones.

Existing Strategy:

- Staff continues to work amongst themselves and with housing developers to explore issues related to affordability.
- St. Johns County has different zoning categories, such as PUDs, which allow for greater densities and some design flexibilities.

AHAC Recommendations:

- Encourage developers to include some percentage of affordable housing as part of their developments or ask that they contribute to a housing fund when requesting variances or waivers to the existing codes.
- Work with the HFA to determine how to utilize the lot inventory

RESERVATION OF INFRASTRUCTURE CAPACITY

Meeting Synopsis:

- Encourage better coordination with government departments, including planning, utilities, and engineering to include affordable housing in their expansion plans. Those same departments could offer advice or services to incorporate affordable housing projects into their improvement plans.

Existing Strategy:

- Staff continues to work amongst themselves and with housing developers to explore issues related to affordability

AHAC Recommendations:

- Both City and County Utility and Road Departments could work more closely with affordable development efforts to reduce infrastructure costs.
- Consider allowing a developer to utilize existing storm water capacity retention ponds within the development's area rather than having to construct new storm water retention ponds and lift-stations, or allow developer to divert storm water to adjacent County-owned properties, when feasible. This would allow additional units to be built instead of property being utilized for infrastructure requirements.
- Consider that when lift stations are required on infill efforts, affordable housing developers can ask the utility company to incorporate the construction costs into their capital improvement plans or finance the costs over an affordable period.

- Staff will invite and encourage attendance by County Utility and Road and Bridge departments at the monthly AHAC meetings.

Implementation:

- When appropriate, Housing and Community Development staff participates in development meetings to explore the issues above as they relate to affordability.

SUPPORT OF DEVELOPMENT NEAR TRANSPORTATION HUBS

Meeting Synopsis:

- St. Johns County has a traditional suburban development pattern.

Existing Strategy:

- Currently, there is little in the way to encourage development near transit.

AHAC Recommendation:

- The AHAC should meet with County departments periodically to discuss long term planning efforts that will incorporate plans that utilize affordable developments and emphasize differing modes of transportation.

ECONOMIC IMPACT

- Have a policy that any large corporations or businesses receiving incentives to relocate and/or build in St. Johns County must pay a specific dollar amount, based on the incentive being received, into an Affordable Housing Fund. A way to make it more attractive to the companies receiving the incentives would be to give their qualified employees priority to the affordable housing being built. The policy could also set out that a percentage of the affordable housing being built could be set aside or reserved for other qualified residents of St. Johns County. Some type of Affordable Housing impact or linkage fee on larger or commercial developments could also be considered.
- Recognize that parking requirements are important needs to address transportation needs and ensure compatible developments throughout the community. However, excessive parking requirements can increase the cost of affordable housing development.
- Consider using private funds, such as DRI contribution, for lower interest rate enticements.
- Consider an ordinance to be presented to the BCC regarding a new zoning

category that will have initiatives addressing affordable housing. One of the initiatives within this new zone may be to allow for flexibility in street requirements to address both design and affordability.

ADDITIONAL RECOMMENDATIONS

Homebuyer Programs:

- Homebuyer programs work with a comprehensive credit-counseling program that requires all applicants for down payment assistance to participate. Advocacy efforts are a mutual effort with both staff and non-profit developers monitoring various down payment housing programs. County staff and non-profit developers should combine housing programs to serve homebuyers by keeping housing costs as close to 30% of the household income and not more than 40%. The recommendations listed will benefit greatly from having one Housing point of contact at the County who is able to work closely with for-profit and non-profit developers. Using the FHFC income charts makes it a common standard for both for-profit and non-profit developers to work from. As of December 2023, St. Johns County does not currently have a Purchase Assistance program.
- Credit counseling education is needed and should be performed by a HUD certified housing counselor to ensure that potential homebuyers have been educated effectively. This will give the potential homebuyer access to rebuild their credit. Ongoing credit counseling and training will ensure homeowners understand how to manage their credit and housing expenses. St Johns County and other non-profits operating in the County are now providing counseling by certified HUD counselors for potential homeowners.
- Any Down Payment Assistance guidelines should reflect that homeowners who qualify for down payment assistance should only receive an amount necessary to make the home affordable. This will allow the down payment assistance funds to be allocated to more homeowners and only subsidize what is needed to each qualified homeowner.
- Offer down payment assistance subsidy amount for qualified buyers of affordable housing. Homebuyers must meet the affordable income qualifications at *120%* or below the median income based on household size.
- All potential affordable housing incentives should be available to both for-profit and non-profit providers.
- Staff should continue to investigate the potential for a Community Land Trust.
- Utilize the Housing Finance Authority as housing experts to assist in evaluating proposals and financing proformas.