



**Affordable Housing Advisory Committee**

**2022 Report of Recommendations**

## Executive Summary

The William E. Sadowski Affordable Housing Act was signed into law on July 7, 1992 and later incorporated into Chapter 420 of the Florida Statutes. The Sadowski Act created a dedicated revenue source for local governments allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing. In addition, the Sadowski Act created the State Housing Initiatives Partnership Act (the “SHIP Act”).

In order to receive funding for affordable housing through the SHIP Program, the City of Orlando submitted an Affordable Housing Incentive Plan (AHIP) on February 7, 1994. The AHIP outlined the recommendations of the Affordable Housing Advisory Committee (AHAC), an advisory board to City Council, regarding the adoption of incentives to encourage the production of affordable housing.

Pursuant to F.S. 420.9076, the Committee is required to “review established policies, procedures, ordinance, land development regulations, and the comprehensive plan and recommend specific actions or initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value.” The AHAC’s approval of its local housing incentive strategy recommendations must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing.

The AHAC is pleased to submit the following 2022 Annual Report.

### AHAC membership

<b>Member</b>	<b>Position</b>
Commissioner Jim Gray	Locally elected official from the municipality participating in the State Housing Initiatives Partnership Program
Antoinette Giles	A citizen who resides within the jurisdiction of the local governing body making the appointments
Juan Hollingsworth	A citizen who represents essential services personnel, as defined in the local housing assistance plan
Justin Hannah	A citizen who actively serves on the local planning agency pursuant to s.163.3174
Imar DaCunha	A citizen who represents employers within the jurisdiction.
Gregory Allen-Anderson	A citizen who is actively engaged as a not-for-profit provider of affordable housing
Gregory Jackson	A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
Alicia Matheson	A citizen who is actively engaged as a real estate professional in connection with affordable housing
Becki Douglas	A citizen who is actively engaged as a real estate professional in connection with affordable housing
Nathan Ritter	A citizen who is actively engaged in the residential home building industry in connection with affordable housing
Jason Sena	A citizen who represents employers within the jurisdiction.

## Activity

This report to the local governing body includes recommendations on affordable housing incentives in the following areas:

- a. The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects.
- b. The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.
- c. The allowance of flexibility in densities for affordable housing.
- d. The reservation of infrastructure capacity for housing for very-low, low, and moderate-income persons.
- e. The allowance of affordable accessory residential units in residential zoning districts.
- f. The reduction of parking and setback requirements for affordable housing.
- g. The allowance of flexible lot configurations, including, zero-lot-line configurations for affordable housing.
- h. The modification of street requirements for affordable housing.
- 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.
- j. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- k. The support of development near transportation hubs and major employment centers and mixed-use developments.

The AHAC evaluated the following City of Orlando plans and policies for affordable housing incentives:

- City of Orlando Comprehensive Plan
  - Existing established policies and new proposed changes
- State Housing Initiatives Partnership (SHIP) Local Housing Assistance Plan (LHAP)
  - Grants and programs
- City of Orlando's Annual Action Plan (first year for the new Consolidated Plan)
  - Grants and programs
- Applicable policy proposals that may increase the cost of affordable housing

The AHAC conducted meetings to review current Affordable Housing Incentives and Policies in the City of Orlando, and to make recommendations for improvement of those incentives and policies where applicable on the following dates:

- January 20, 2022
- March 17, 2022
- May 19, 2022
- August 18, 2022
- September 15, 2022
- October 20, 2022
- November 17, 2022

During the meetings, the AHAC discussed the affordable housing incentive strategies and policies with staff from the City of Orlando’s Housing and Community Development and Planning Departments.

**Incentive Strategies and AHAC Recommendations:**

**1. Expedited Permitting (a)**

**Description:** The processing of approvals of development orders or permits for affordable housing projects is expedited to a greater degree than other projects as defined in s. 163.3177 (6) (f) 3.

**Established Policy Summary:** The Housing Expediter, who works in the Housing and Community Development Department, coordinates with staff in the Permitting Services Division and the City Planning Division to expedite reviews of plans and permits to projects that have been certified as an affordable housing development. The Housing Expediter assists the developer throughout the development review and permitting process, and coordinates with City staff to ensure that any issues are addressed early in the development process.

**Comprehensive Plan and Land Development Code (LDC) References:**

- a. Housing Element:
  - Objective 5.8: Policies 5.8.1 to 5.8.5
  - Objective 5.6: Policies 5.6.1
- b. HCD Program Manual

**AHAC Recommendation:** AHAC tasks staff to work with applicable departments in order to identify, mitigate, and alleviate time-consuming or costly requirements found during the review process.

**2. Ongoing Review Process (i)**

**Description:** The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, and plan provisions that increase the cost of housing.

**Established Policy Summary:** All City Code and GMP amendments that may increase the cost of developing housing are reviewed by the Housing Expediter and the Affordable Housing Advisory Committee (AHAC) before submission to City Council for approval. Recommendations by the AHAC regarding the impacts of the proposed regulations or policy on housing costs are included in the MPB staff report, or other appropriate formats as recommendations to City Council, who makes the final decision.

**Comprehensive Plan and Land Development Code References:**

- a. Housing Element:
  - Objective 5.3: Policy 5.3.4
  - Objective 5.6: Policies 5.6.1 to 5.6.2
  - Objective 5.7: Policy 5.7.1

**AHAC Recommendation:** No Recommendations.

**3. *Affordable Housing Inventory (j)***

**Description:** The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

**Established Policy Summary:** The City of Orlando’s Real Estate Office (REO) and the Housing and Community Development (HCD) Department work together to prepare an inventory of city-owned properties that are suitable for affordable housing. The lots are categorized by their readiness for development. City Council reviews and approves this list by resolution after a public hearing process. The properties identified as appropriate for use as affordable housing on the adopted inventory may be offered to interested parties for the development of affordable housing by submitting a proposal and completing a funding application with HCD, or through a solicitation made by the HCD or the Downtown Community Redevelopment Agency.

**Comprehensive Plan and Land Development Code References:**

- a. Housing Element:
  - Objective 5.5: Policy 5.5.1

**AHAC Recommendation:** Staff to continue working with applicable departments to keep the published list updated with viable properties that could be developed with Affordable housing. In addition, to coordinate with Real Estate to identify City owned property that may not necessarily be residentially zoned but that could potentially still hold affordable housing in order to align with applicable relief provided by the State in accordance with §166.04151.

**4. *Impact Fees (b)***

**Description:** The modification of impact fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

**Established Policy Summary:** The City of Orlando offers incentives for certified affordable housing in the form of impact fee reductions and reimbursements. Transportation impact fees are reduced based on meeting the City’s commuter criteria. Parks impact fees are reduced based on the level of service of parks in the surrounding area. Sewer impact fees along with the 50% remainder of Park and Transportation impact fees (if applicable) are eligible for reimbursement using SHIP funds as identified in the Local Housing Assistance Plan (LHAP); however, these fees must be paid upfront, and residents must meet income requirements promised in the affordable housing certification application in order to seek reimbursement, this is also subject to available funding. School impact fees can be waived based on the most recent Orange County ordinance update regarding school impact fees. To receive this fee waiver, the project must be certified as affordable and requires an agreement between the city, Orange County Public Schools, and the developer. Accessory Dwelling Units are exempt from School impact fees.

**Comprehensive Plan and Land Development Code References:**

- a. Housing Element:

- Objective 2.5: Policies 2.5.1 to 2.5.4
- b. Land Development Code:
  - Transportation Impact Fee: Sec. 56.02, 56.06-56.08, 56.11, 56.15
  - Parks Impact Fee: Sec. 56.32-56.41
  - Sewer Fees: Sec. 30.19-30.20
- c. Orange County Code of Ordinances:
  - School Impact Fee: Sec. 23-141 to 23-163
    - i. School Impact Fee Exemptions: Sec.23-161(10)

**AHAC Recommendation:** The current application of the City’s Impact Fee incentives may require some developers who offer affordable housing to pay some of the Impact Fees on the affordable units if the project is not within close proximity to “premium” public transit or if it is located in an area with insufficient levels of service for Parks. In addition, Sewer Impact Fees are required to be paid in full and developers can later seek reimbursement using SHIP funding to cover the cost once the developer provides beneficiary data. This reimbursement is based on available funds. The AHAC has tasked staff with evaluating options to further incentivize affordable housing units and also provide additional waivers so scarce grant resources can be allocated to the creation and preservation of affordable housing. Recent internal operational changes have brought Impact Fees under one division which should help implementation and monitoring efforts; staff will continue to explore ways to further expand waivers and incentives for affordable housing development.

**5. *Flexible Densities (c)***

**Description:** The allowance of flexible densities for affordable housing.

**Established Policy Summary:** The City of Orlando operates a voluntary density bonus program. The Land Development Code offers two bonus sections with the opportunity to gain density with the inclusion of Affordable Housing. The program offers a density bonus in several residential, office, and commercial districts. In exchange for more density, the developer must commit to build affordable housing units on-site. As an option, the section for bonuses for low-income housing offers developers the alternative to on-site units by allowing the developer to pay an in-lieu fee contribution to the “City of Orlando Trust Fund for Low and Very Low-Income Housing.” In addition, in order to support affordable housing production, subarea policies have been established or explored on existing industrial sites that are in close proximity to residential and institutional uses in order to encourage redevelopment. In addition, in 2022, an amendment to the GMP Housing Element provided relief to affordable housing developments from meeting minimum density requirements.

**Comprehensive Plan and Land Development Code References:**

- a. Future Land Use Element:
  - Objective 2.4: Policy 2.4.10
  - Objective 6B2: Policy S.6.15
  -
- b. Housing Element:

- Objective 5.1: Policy 5.1.1 and 5.1.4
  - Objective 5.2: Policy 5.2.1
  - Objective 5.9: Policy 5.9.2
- c. Land Development Code:
- Sec. 58.1000-58.1105, particularly Sec. 58.1133

**AHAC Recommendation:** There are currently two sections of the Land Development Code that provide opportunities for a density bonus. One section allows for a bonus by providing two separate uses (allowable uses are defined in the LDC) which could include affordable housing. The other section is specifically for low and very low-income households where a developer can provide on-site affordable units which requires all of the bonus units to be dedicated to those at or below 80% of Area Median Income (AMI) or opt to pay an in-lieu fee of 2% of the development's construction costs to the City's Trust Fund for Low and Very Low-Income Housing. The current policy has not generated significant on-site affordable housing units and it appears that many developers choose to either provide other uses or pay the in-lieu fee to meet the minimum requirements, limiting the generation of affordable housing units. In addition, the generated in-lieu fee is not meeting the cost of building and subsidizing an affordable housing unit. The AHAC recommended that staff review ways to further incentivize the generation of on-site affordable housing units without discouraging developers from seeking the bonus opportunity. If the in-lieu fee is kept as an option, staff is to look for a more appropriate calculation to off-set the cost to generate an affordable unit. Staff should continue efforts to further capture increased entitlements and to assign costs more appropriately for an in-lieu fee. Staff will need to bring any formal recommendations to the AHAC once finalized.

**6. *Reservation of Infrastructure Capacity (d)***

**Description:** The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.

**Established Policy Summary:** The City of Orlando does not currently employ this incentive strategy for affordable housing.

**Comprehensive Plan and Land Development Code References:**

- a. Future Land Use Element:
  - Objective 1.2: Policy 1.2.1
- b. Public Schools Element:
  - Goal 1: All objectives and policies, particularly Policy 1.3.6
- c. Land Development Code:
  - Sec. 59.100-59.106
  - Sec. 59.500-59.505
  - Sec. 59.600-59.607
- d. OCPS Interlocal Agreement:
  - Sec. 18: School Concurrency Implementation Procedures

**AHAC Recommendation:** No Recommendation

## 7. *Accessory Dwellings (e)*

**Description:** The allowance of accessory residential units in residential zoning districts.

**Established Policy Summary:** The City of Orlando permits accessory dwelling units (ADU's) in residential zoning districts. Ordinance No.2018-44 was adopted September 4, 2018 and provided additional flexibility for ADU development around the City. Properties that are zoned residential (R-1, R-1N, R-1A, R-1AA, R-2A, R-2B, R-3A, R-3B, R-3C, R-3D), mixed residential-office districts (MXD-1, MXD-2), Office (O-1, O-2) and Planned Developments (PD) with the previously noted default zonings can build accessory dwelling units in accordance with regulations outlined in Chapter 58 Part 3A.

### **Comprehensive Plan and Land Development Code References:**

- a. Land Development Code:
  - Sec. 58.110, particularly Footnote 13 (after zoning tables)
  - Sec. 58.500-58.502
  - Sec. 58.900-58.901

**AHAC Recommendation:** AHAC would like city staff to look into potential ways to further incentivize ADU development. Currently, these units are difficult to finance leaving it difficult for current homeowners to invest.

## 8. *Alternative Development Standards (f)*

**Description:** The reduction of parking and setback requirements for affordable housing.

**Established Policy Summary:** The Land Development Code has provisions for alternative development standards for certified affordable housing projects. These provisions promote innovative design, encourage the production of affordable housing, and allow for a more efficient use of land, all without compromising the quality of the development. Approvals may be granted administratively to save both time and money.

### **Comprehensive Plan and Land Development Code References:**

- a. Housing Element:
  - Objective 5.1
  - Objective 5.3: Policy 5.3.6
- b. Land Development Code:
  - Sec. 61.322-61.323
  - Sec. 67.600-67.608

**AHAC Recommendation:** AHAC would like for staff is to look into overhauling Chapter 67 of the Land Development Code in order to expand applicable development types such as multifamily developments and also potentially implement relief provided by the State of Florida through §166.04151. Any formal policy recommendations will need to come before AHAC prior to adoption.

## 9. *Flexible Lot Configurations (g)*



**Description:** The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.

**Established Policy Summary:** The City of Orlando permits zero-lot-line development as a design option for one- or two-family dwellings. With the zero-lot-line standards, the code allows the unit to be placed along the rear and/or side property lines, reduces the rear and front setbacks below the minimum yard requirements in the applicable zoning districts, and reduces the minimum lot depth required in the district.

**Comprehensive Plan and Land Development Code References:**

- a. Housing Element:
  - Objective 5.9: Policy 5.9.1
- b. Land Development Code:
  - Sec. 58.600-58.604
  - Sec. 67.600-67.605

**AHAC Recommendation:** The City provides options for flexible lot configurations. Any changes to Chapter 67 as mentioned in the previous recommendation should not conflict with existing relief without further investigation of the AHAC.

**10. *Alternative Transportation Standards (h)***

**Description:** The modification of street requirements for affordable housing.

**Established Policy Summary:** The Land Development Code has provisions for alternative transportation standards for certified affordable housing projects. These provisions promote innovative design, encourage the production of affordable housing, and allow for a more efficient use of land, all without compromising the quality of the development. Approvals may be granted administratively where applicable.

**Comprehensive Plan and Land Development Code References:**

- a. Land Development Code:
  - Sec. 67.606

**AHAC Recommendation:** Staff is tasked to look at amending this section under Chapter 67 in order to align with current transportation requirements and to potentially expand to other development types such as multifamily developments. Any formal recommendations will need to come before AHAC prior to adoption.

**11. *Support Accessible Development (k)***

**Description:** The support of development near transportation hubs and major employment centers and mixed-use developments.

**Established Policy Summary:** The City generally supports development at transportation and employment nodes through the allowance of greater densities and heights in mixed-use and

activity center zoning districts that surround these nodes. There is no special consideration for affordable housing development at these nodes.

**Comprehensive Plan and Land Development Code References:**

- a. Future Land Use Element:
  - Objective 2.1: Policies 2.1.1 to 2.1.9
- b. Housing Element:
  - Objective 2.4: Policy 2.4.4
  - Objective 5.4: Policy 5.4.2
- c. Land Development Code:
  - Sec. 58.110
  - Sec. 58.340-58.341
  - Sec. 58.350-58.351

**AHAC Recommendation:** No Recommendation

**12. Additional Recommendations:** No additional recommendations at this time.

**AHAC Adoption of the 2022 Final Report of Recommendations**

This report was adopted by the AHAC by affirmative vote of a majority of the membership at a public hearing on November 17, 2022. Notice of the public hearing to adopt the 2022 Report of Recommendations was published in the Orlando Sentinel.