



Affordable Housing Advisory Committee

2024 Incentive Review
and Recommendation
Annual Report



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

Date: 12/17/2024

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

EXECUTIVE SUMMARY

The following is the annual report to the Board of County Commissioners (BCC) by the AHAC as required to meet the annual incentive report requirement. Of the incentive strategies outlined in this report the AHAC highlights the two top issues that must be addressed by the BCC in order to have a positive impact on the affordable housing crisis in St Johns County.

Issue #1

The AHAC has continued to meet with staff members from Growth Management, Housing and Community Development, local developers, and the St Johns County Chamber, to continue flexible density roundtable discussions. Missing Middle Housing solutions have been presented to the BCC for consideration and are critical as a first step in having a positive impact on the affordable housing crisis.

Issue #2

Allow payment of impact fees, and utility connection fees over a period, possibly paid through the property tax process. A longer repayment period is 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.

Justification

The St Johns County Chamber of Commerce (SJCCC) recently paid for an independent financial impact analysis of our county by Dr. Jerry Parrish, Florida State University, Chief Economist and Director of State and Local Policy Analysis at the Institute of Government. The complete report was provided to all of the BCC members. Below is an excerpt from the report showing the impact of “Ad Valorem Tax Receipts” derived from affordable housing would have from our county, hospitality, medical, and manufacturing industries.

Single-Family Home
\$180,000

Apartment
\$80,000

First 5-Years' Ad Valorem Tax Receipts - 5,000 housing units				
	Type	Single Family	Apartment	Total
County	General	\$8,380,848.33	\$1,859,618.52	\$10,240,467
	Road	\$1,520,679.96	\$337,422.24	\$1,858,102
	Health	\$28,814.40	\$6,393.60	\$35,208
	Total	\$9,930,342.69	\$2,203,434.36	\$12,133,777
School	School - State Law	\$5,825,911.50	\$1,292,706.00	\$7,118,618
	School - Local Board	\$4,048,423.20	\$898,300.80	\$4,946,724
	Total	\$9,874,334.70	\$2,191,006.80	\$12,065,342
Other	SJRWMD	\$355,497.66	\$78,881.04	\$434,379
	Fire	\$2,487,583.17	\$551,967.48	\$3,039,551
	Mosquito	\$342,171.00	\$75,924.00	\$418,095
	Inland Nav District	\$57,628.80	\$12,787.20	\$70,416
	Port Authority	\$107,693.82	\$23,896.08	\$131,590
	Total	\$23,155,252	\$5,137,897	\$28,293,149



As our County continues to grow, we must start to implore additional measures immediate to address the affordable housing needs/crisis of our residents, whom are the “backbone of our County” that makes St Johns County such a great place to live.

In the absence of any actions to address this housing crisis, we will see a significant reduction in the quality of education, fire and sheriff, hospitality, and private industry that will have a negative impact on the quality of life for all residents in Saint Johns County.

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 (AHAC) in 1993 as required by the Florida Statute section 420.9076. The 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.

In order to receive funding for affordable housing through the SHIP program, the AHAC is required to submit an incentive report every year. The AHAC 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 current appointed AHAC members are:

Name	Category Represented	Date Appointed
1 Alaimo, Roy	Locally elected official	01/16/2024
2 Geisel, Andrew	County Resident	08/06/2024
3 Burke, Gregory	Residential Home Building Industry	02/21/2023
4 Dothage, Orville	County Resident	02/21/2023
5 Lazar, Bill	Not-for-Profit	08/17/2021
6 Mansur, Alexander	Labor Engaged in Home Building	05/17/2022
7 Maxwell, Harry	For-profit provider	08/17/2021
8 O'Donnell, Michael	HFA Chair/Advocate for Low-Income	09/24/2020
9 Spiegel, Judy	Local Planning Agency	05/7/2024
10 Vierck, Karl	Real Estate Professional	08/17/2021
11 Crabtree, Polly	Essential Service Personnel	10/15/2024

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.

AHAC PRIMARY RECOMMENDATIONS

FLEXIBLE DENSITIES

- 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 including the Missing Middle Housing to be recommended to the Board of County Commissioners.

IMPACT FEE CREDIT TRANSFER

- 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.

ADDITIONAL AHAC CONTINUING RECOMMENDATIONS

MODIFICATION OF IMPACT FEES

- 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

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

NEGATIVE ECONOMIC IMPACT

- 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. Sometype of Affordable Housing impact or linkage fee on larger or commercial developments could also be considered.

CORPORATE INCENTIVES

- 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.

EXPEDITED PERMITTING

- 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.
- 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

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

AFFORDABLE ACCESSORY RESIDENTIAL UNITS

- 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.

FLEXIBLE LOT CONFIGURATIONS

- 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.

- Require builders to construct 20 percent of affordable units prior to beginning market rate.

RESERVATION OF INFRASTRUCTURE CAPACITY

- 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.
- 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.

SUPPORT DEVELOPMENT NEAR TRANSPORTATION HUBS

- 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

- 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.

Appendix

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.

Link to Florida Statute:

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>