



**NOTICE OF REGULAR MEETING  
CITY OF TITUSVILLE  
AFFORDABLE HOUSING ADVISORY COMMITTEE  
AGENDA  
MONDAY, SEPTEMBER 29, 2025  
HARRY T. MOORE SOCIAL SERVICE CENTER  
725 S. DE LEON AVENUE, TITUSVILLE, FL 32780  
4:30 P.M.**

The City desires to accommodate persons with disabilities. Accordingly, any physically handicapped person, pursuant to Chapter 286.26 Florida Statutes, should, at least 48 hours prior to the meeting, submit a written request that the physically handicapped person desires to attend the meeting.

- I. CALL TO ORDER
- II. ROLL CALL
- III. DETERMINATION OF QUORUM
- IV. APPROVAL OF MINUTES  
July 14, 2025  
September 8, 2025
- V. OLD BUSINESS
  - 1) **Incentive D:** Reservation of Infrastructure Capacity for Affordable Housing
  - 2) **Incentive E:** Allowance of Affordable Accessory Residential Units in Residential Zoning Districts
  - 3) **Incentive F:** Reduction of Parking and Setback Requirements for Affordable Housing
  - 4) **Incentive H:** Modification of Street Requirements for Affordable Housing
- VI. NEW BUSINESS
  - 1) **Incentive J:** The preparation of printed inventory of locally owned public lands suitable for affordable housing.
  - 2) **Incentive K:** The support of development near transportation hubs and major employment centers, and mixed-use developments.
  - 3) **Incentive L:** Inclusionary Zoning
  - 4) **Incentive M:** Community Land Trust
- VII. PETITIONS AND REQUESTS FROM THE PUBLIC PRESENT (OPEN FORUM)
- VIII. REPORTS
  - A. Chairman update
  - B. Members update
  - C. Staff update
- IX. ADJOURNMENT



**CITY OF TITUSVILLE  
AFFORDABLE HOUSING ADVISORY COMMITTEE  
MINUTES  
MONDAY JULY 14, 2025  
4:30 P. M.**

**The Affordable Housing Advisory Committee meeting was held at the Harry T. Moore Social Service Center, 725 S. DeLeon Avenue.**

XXX

The members present were Vice Mayor Cole, Chairperson Manning, Vice-Chairperson Gary, and Member Ross. City Staff present were Tracy Davis, Neighborhood Services Manager, Sheila Martin, Neighborhood Services Housing Program Specialist, and Eddy Galindo, Principal Planner.

XXX

I. Meeting was called to order at 4:34 p.m.

XXX

II. Roll Call

XXX

III. Quorum established by roll call.

XXX

IV. APPROVAL OF MINUTES – JULY 23, 2025

Motion to accept minutes as is made by Vice-Chairman Gary; seconded by Member Ross.  
Motion passed by unanimous voice vote of yes.

XXX

V. OLD BUSINESS  
NONE

XXX

VI. NEW BUSINESS

1) **Incentive A:** Expedited Permitting

Tracy Davis reviewed the current strategy and information from last year. AHAC discussed that the incentive is working as intended.

Motion to accept Incentive A as is made by Member Ross; Seconded by Vice-Chairman Gary.  
Motion passed by unanimous voice vote of yes.

2) **Incentive B:** Modification of Impact Fee Requirements

Tracy Davis reviewed last year's actions with the Committee. Vice Mayor Cole asked how the Live local Act will affect this incentive. Eddy Galindo stated that he would investigate it further. Tracy Davis discussed the Affordable Housing Study with Inclusionary Zoning (Housing) and Linkage Fee that is going to be done in the City and that the results of the study should be available in 2026.

Motion to accept Incentive B as is, pending the results of the Affordable Housing Study with Inclusionary Zoning (Housing) and Linkage Fee, made by Chairperson Manning; seconded by Vice-Chairperson Gary. Motion passed by unanimous voice vote of yes.

3) **Incentive C:** Increase Allowable Density Levels

Tracy Davis reviewed the Florida Housing Coalition recommendations with the Committee. The Committee discussed how the Affordable Housing Study with Inclusionary Zoning (Housing) and Linkage Fee will impact this incentive.

Motion to accept Incentive C as, pending the results of the Affordable Housing Study with Inclusionary Zoning (Housing) and Linkage Fee, made by Vice-Chairperson Gary; Seconded by Member Ross. Motion passed by unanimous voice vote of yes.

XXX

VII. Petitions and Requests from the public  
NONE

XXX

VIII. REPORTS

A. Chairman update

NONE

B. Members update

NONE

C. Staff update

Tracy Davis further discussed the Affordable Housing Study with Inclusionary Zoning (Housing) and Linkage Fee and how it will benefit the AHAC incentives and other grant funded housing activities such as those using CDBG.

IX. Adjournment

With no further business and discussions, the Committee adjourned the meeting at 5:15 p.m.



**CITY OF TITUSVILLE  
AFFORDABLE HOUSING ADVISORY COMMITTEE  
MINUTES  
MONDAY SEPTEMBER 9, 2025  
4:30 P. M.**

**The Affordable Housing Advisory Committee meeting was held at the Harry T. Moore Social Service Center, 725 S. DeLeon Avenue.**

XXX

The members present were Chairperson Manning, Vice-Chairperson Gary, Member Clark, Member Mantecon, and Eddy Galindo, Principal Planner. City Staff present were Tracy Davis, Neighborhood Services Manager and Sheila Martin, Neighborhood Services Housing Program Specialist.

XXX

I. Meeting was called to order at 4:35 p.m.

XXX

II. Roll Call

XXX

III. Quorum established by roll call.

XXX

IV. **APPROVAL OF MINUTES – JULY 14, 2025**

Motion to accept minutes as is made by Vice-Chairman Gary; seconded by Chairman Manning.  
Motion passed by unanimous voice vote of yes.

XXX

V. **OLD BUSINESS**

1) **Incentive D:** Reservation of Infrastructure Capacity for Affordable Housing  
Tracy Davis provided an overview and summary of last year's recommendation for Incentive D. The Committee discussed the definition of "affordable" as it pertains to affordable housing. Tracy Davis explained that we generally depend on the HUD definition of affordable housing. Member Clark suggested that a comprehensive list of approved waivers and incentives be drafted and made available to developers. Eddy Galindo stated that it would also be beneficial to provide affordable housing developers with examples of approved affordable housing projects that utilized incentives and allowable flexibilities, similar to a one-page case study so that developers can see how the process works step-by-step.

Member Clark recommended that the recommendations of this Incentive include that staff compile a comprehensive list of available waivers and incentives that demonstrate the benefits available

for developing affordable housing in Titusville. Chairperson Manning suggested that the Incentive also includes the recommendation that the City require or incentivize developments that utilize publicly funded infrastructure to contain affordable homes.

Motion to include the recommendations of Member Clark and Chairperson Manning made by Chairperson Manning; Seconded by Member Clark.  
Motion passed by unanimous voice vote of yes.

XXX

2) **Incentive E:** Allowance of Affordable Accessory Residential Units in Residential Zoning Districts  
Eddy Galindo informed the Committee that so far, the ADU ordinance has not been utilized. Member Clark asked if the community is aware that the ADU ordinance exists and the Committee suggested the need to inform the community of the ability to build ADUs.

Motion to add recommendation that staff look into community outreach and partnering with Public Relations Department to inform residents of the ADU ordinance and that staff compile a “how to” guide including all of the requirements for ADUs to promote usage of ADUs in Titusville made by Member Clark; Seconded by Chairperson Manning.  
Motion passed by unanimous voice vote of yes.

XXX

3) **Incentive F:** Reduction of Parking and Setback Requirements for Affordable Housing  
The Committee discussed the current parking requirements for residential developments and the allowable requirement for affordable housing developments. The Committee agreed that Incentive F was working effectively as is and no changes were needed at this time.

Motion to keep Incentive F as is made by Chairperson Manning; Seconded by Member Clark.  
Motion passed by unanimous voice vote of yes.

XXX

## VI. NEW BUSINESS

4) **Incentive G:** Flexible Lot Configurations for Affordable Housing  
Tracy Davis reviewed the Florida Housing recommendations and the Committee’s recommendations from last year for Incentive G. Eddy Galindo provided the Committee with an overview of the process that developers can use for lot configurations including the Planned Development Ordinance process. It was the consensus of the AHAC that Incentive G is working effectively as is.

Motion to keep Incentive G as is made by Member Clark; Seconded by Member Mantecon.  
Motion passed by unanimous voice vote of yes.

XXX

5) **Incentive H:** Modification of Street Requirements for Affordable Housing  
Tracy Davis reviewed the Florida Housing recommendations and the AHAC’s recommendations from last year for Incentive H. The AHAC discussed the street requirements and what could be

done to incentivize building affordable housing. It was the consensus of the AHAC that Incentive H is working effectively.

Motion to keep Incentive H as is made by Member Clark; Seconded by Chairperson Manning.  
Motion passed by unanimous voice vote of yes.

XXX

- 6) **Incentive I:** Establishment of a Process by which a local government considers, before adopting, Policies, Procedures, Ordinances, Regulations, of Plan Provisions that increase the cost of housing.

Tracy Davis reviewed the Florida Housing recommendations for Incentive I and explained that this incentive is required. The AHAC discussed the benefits and disadvantages of implementing an additional internal process that affects the timeliness and costs of City processes. Chairperson Manning recommended retaining the first part of last year's recommendation, which was that "the incentive should remain the same to avoid imposing any further development costs that could potentially be passed on to residents, thereby increasing housing costs", while deleting the recommendation that "for any proposed housing ordinances and/or policies, an affordable housing economic impact analysis should be conducted and the collective experience of the AHAC should be utilized to determine whether a proposed action affects the cost of housing."

Motion to keep the recommendation that the incentive should remain the same to avoid imposing any further development costs that could potentially be passed on to residents, thereby increasing housing costs made by Member Clark; Seconded by Vice Chairperson Gary.  
Motion passed by unanimous voice vote of yes.

XXX

- VII. Petitions and Requests from the public  
NONE

XXX

VIII. REPORTS

- A. Chairman update

Community of Hope should be completing the 6 affordable housing units located on Palmetto & Brown by October or November of this year.

- B. Members update

NONE

- C. Staff update

Tracy Davis informed the Committee that tomorrow, NSD will be going before City Council regarding SHIP funding for the CLT Project with Community of Hope, and Housing for the Homeless signed their land use agreement for Forest Glenn which is a 72 unit affordable housing project for seniors.

XXX

IX. Adjournment

With no further business and discussions, the Committee adjourned the meeting at 5:26 p.m.



# **Incentive J: Printed Inventory of Publicly Owned Lands**

# Affordable Housing Land Inventory

**(j) “The preparation of a printed inventory of locally owned public lands suitable for affordable housing.”**

- Connected to Florida’s “surplus land statutes” at ss. 125.379 (counties) and 166.0451 (municipalities).
- The AHAC can make recommendations on how to address:
  1. Land identification
  2. Land disposition
- The AHAC can also explore the City or County’s entire approach to its land resources.

# Surplus Land Statutes

- F.S. 125.079 (counties)/166.0451 (cities) – commonly referred to as the “Surplus land statutes”
- These statutes require cities and counties to prepare an inventory list **every three years** of lands owned in fee simple that are “appropriate for use as affordable housing.”
- Parcels placed on the inventory list can be used for affordable housing purposes.
- **Purpose:** to utilize as much publicly owned land as possible for affordable housing.

# 1) Land Identification

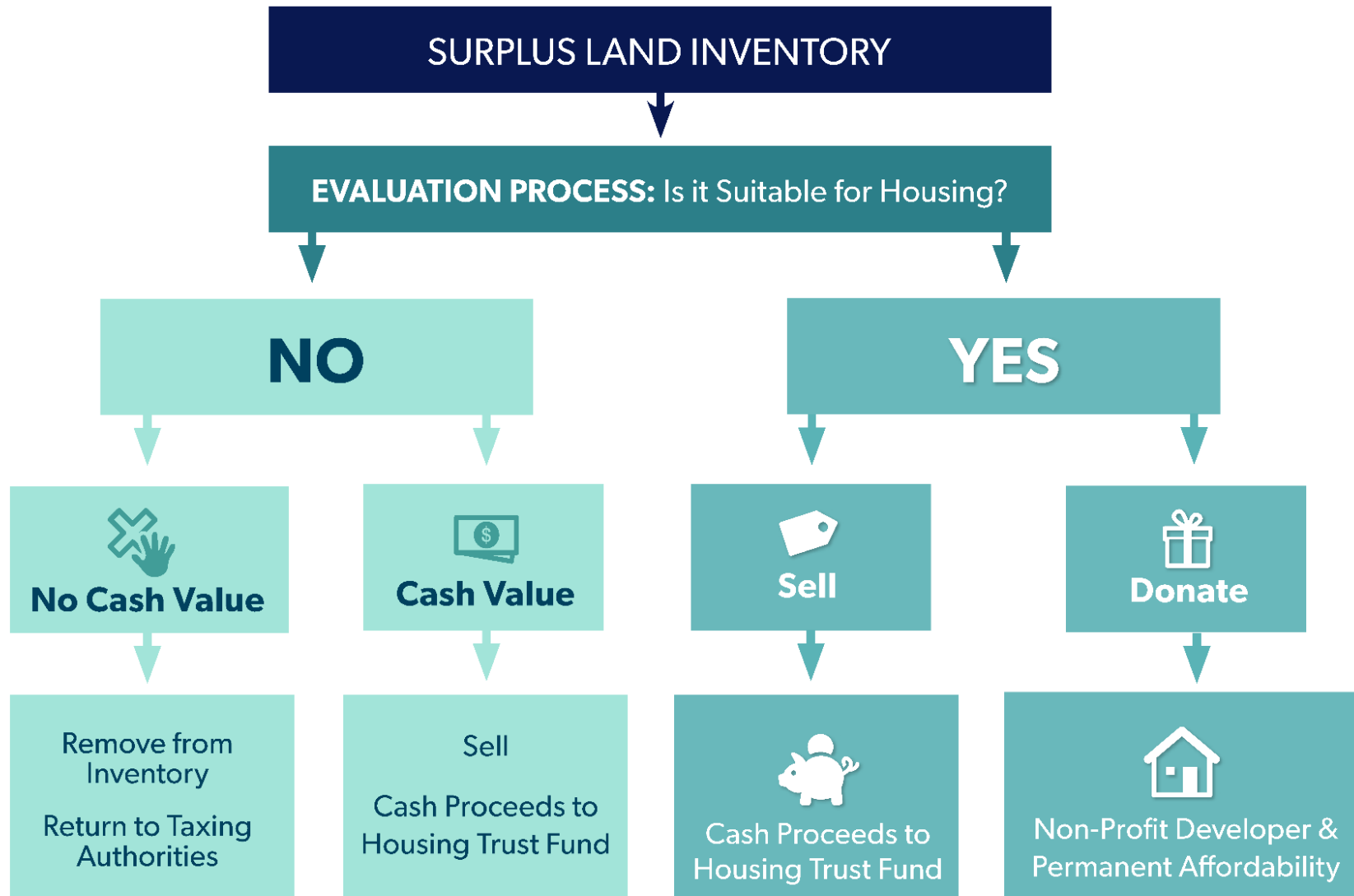
- Florida law does not define what “appropriate for use as affordable housing” means in the context of the surplus land statutes
- Because of this, identifying “appropriate” parcels is up to the discretion of the local government
- The AHAC can make recommendations on a system for identifying parcels that should be placed on the affordable housing land inventory
- **Best practices & possible AHAC recommendations:**
  - Create a clear definition for when a parcel is “appropriate”
  - All developable parcels should be placed on the inventory
  - Review publicly owned lands more frequently than every 3 years

# When is a Parcel “Appropriate” for Affordable Housing?

- AHAC can make recommendations on parcel characteristics that deem a property “appropriate.” These characteristics could include:
  - Availability of existing infrastructure
  - Whether parcel is in Urban Service Boundary
  - Proximity to grocery stores
  - Proximity to job centers and schools
  - Environmental risks & proximity to environmentally sensitive areas
- Bottom-line: if it is appropriate for market-rate housing, it is appropriate for affordable housing

## 2) Land Disposition

- AHAC can make recommendations on how the City and County should use the lands it identifies as being appropriate for affordable housing
- **Best practices for land disposition:**
  - Prioritize long-term or permanent affordability
  - Provide a preference for a Community Land Trust (CLT)
  - Sell at a discount or donate to non-profit housing developers
  - Utilize ground leases when necessary
  - If land is not used for affordable housing, use sale proceeds towards an affordable housing trust fund



# Examples

## Jacksonville

- All publicly owned parcels get a “first look” by identified city agencies. The city-supported Community Land Trust is considered a city agency that gets an early claim at public land.

## Miramar

- Affordable housing trust fund ordinance states that 15% of the net sales from city-owned non-residential properties go towards the affordable housing trust fund



# AHAC Ideas: Affordable Housing Land Inventory

## REVIEW

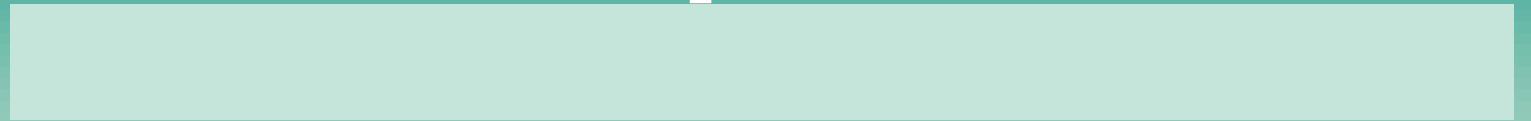
## RECOMMEND

Ask: What is the current process for identifying parcels that are “appropriate for use as affordable housing”?	Review publicly owned land every 6 months or annually (instead of every 3 years as required by state law)
Provide and explain any written policies related to the land inventory process	Establish specific criteria for how to determine whether a parcel is “appropriate” for affordable housing
Provide the current list of parcels on the affordable housing inventory	Create disposition procedures that prioritize using publicly-owned land for long-term or permanent affordability
Ask: What is the current disposition process for publicly owned land?	Use proceeds from sale of publicly-owned land towards a local housing trust fund
	Explore using local funding to purchase lots
	Encourage partnership with CRA, school board, etc. on land owned by other governmental entities





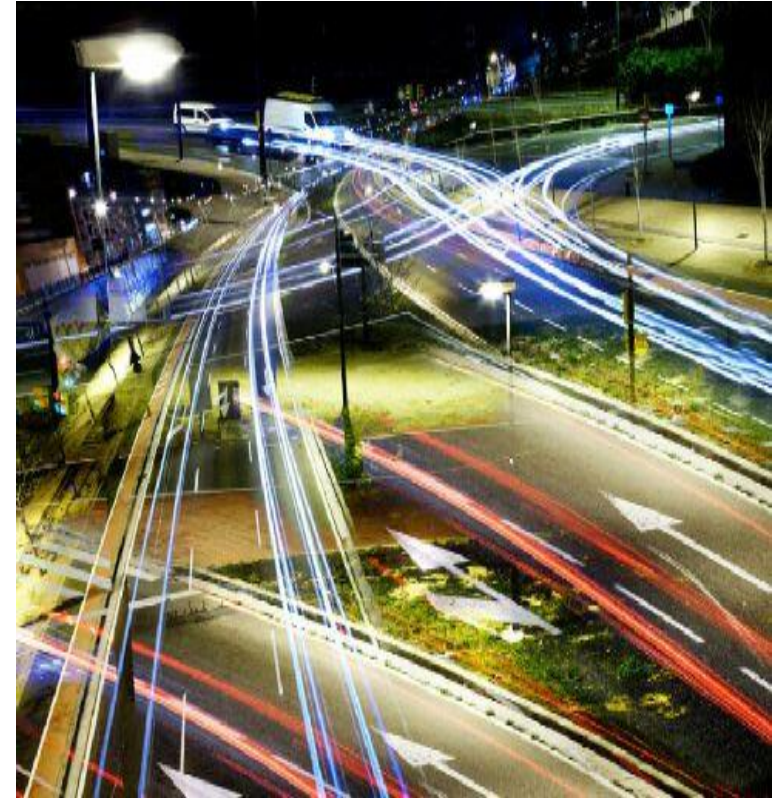
# **Incentive K: Transit-Oriented & Mixed- Use Development**



# Transit-Oriented & Mixed-Use Development

**(k) “The support of development near transportation hubs and major employment centers and mixed-use developments.”**

- “Catch-all” strategy
- Purpose: decrease transportation costs & create walkable communities
- Create dense housing options around transit lines & employment centers



# Considerations

- Require or incentivize high-density affordable housing around transit and major employment centers through overlay districts
- Create and implement community plans around employment/transit centers
- Use this strategy in concert with other regulatory incentives proposed by the AHAC

# Examples

## **Brevard County**

- From 2021 Report: “Study and consider increasing as of right density and intensity bonuses to levels that meet market development feasibility in the production of affordable residential units in these locations. Study and consider concurrency exemptions and impact fee waivers for affordable housing units developed in mixed use centers, corridors and along established transit routes and hubs.

## **Manatee County**

- From 2021 Report: “The County adopted in 2016 higher densities along 6 major corridors within the urban core.”

## **Marion County**

- From 2021 Report: “Develop incentives for developers who build affordable multi-family housing accessible to public transportation routes and large employment areas.”

# AHAC Ideas: Transit-Oriented and Mixed-Use Development

## REVIEW

## RECOMMEND

Identify transportation and employment hubs	Regulatory reform near transit and employment centers to allow more housing (or through a density bonus program)
Assess long-range transportation plans	Use HB 1339 affordable housing land use flexibility to create walkable communities in commercial areas
	Incorporate housing into long-range transportation plans

## Inclusionary Zoning & HB 7103 FAQ

Contact: Kody Glazer, Legal Director, [glazer@flhousing.org](mailto:glazer@flhousing.org)



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The 2019 Legislative Session produced House Bill 7103, which changed how cities and counties in Florida can develop and implement inclusionary zoning (IZ) ordinances. The Florida Housing Coalition supports IZ as a best practice for boosting the supply of affordable housing in growing or rapidly gentrifying communities. Local governments and housing advocates must understand HB 7103 and what it means for IZ, especially its requirements around cost offsets for developers and its explicit permission for cities and counties to incorporate IZ.

### [What is Inclusionary Zoning \(IZ\)?](#)

- Inclusionary zoning is a local land use regulation that requires some market-rate developers to include a percentage of affordable housing within a market-rate development.
- IZ can come in a variety of forms. IZ can be an ordinance that covers an entire jurisdiction, an overlay district over a redeveloping area with affordable housing requirements, a negotiated development agreement, or another method.
- Most IZ structures provide for flexibility in implementation including:

- 1) allowing developers to build the required affordable units **offsite** at another location;
- 2) providing an option to pay a **fee in-lieu** of the production of affordable units;
- 3) allowing developers to donate **land in-lieu** of production; and
- 4) offering a **mix of incentives** to offset the costs associated with IZ.

### What is mandatory IZ and how is it different than voluntary IZ?

- A mandatory IZ ordinance requires a market rate developer to include a percentage of affordable housing or below-market rate units within a market-rate development.
- By contrast, voluntary IZ ordinances aim to *encourage* the private sector to build affordable housing. A voluntary IZ ordinance offers incentives such as density bonuses, height bonuses, parking reductions, or other zoning bonuses in exchange for the developer building affordable housing units.
- Mandatory IZ is more successful than voluntary programs in developing affordable housing. Typically, voluntary programs are only utilized by developers already in the business of building affordable housing and do not attract market-rate developers. Market-rate developers often leave voluntary incentives on the table and opt to continue to build market-rate units.

### What are the common characteristics of a mandatory inclusionary zoning ordinance?

- *Threshold number of market rate units* that activate the IZ requirement w/a corresponding percentage of affordable units required;
- Requirement that affordable units are *comparable in quality and aesthetics* to market rate units;
- *Benefits or incentives* to assist the private sector in providing the affordable units;
- Provision for *payment in-lieu* where nature of development makes it practically infeasible to include affordable units;
- Housing trust fund as the *depository for the payments in-lieu*;
- *Term of affordability*; and
- Policies for *administration* of the program and opportunity for appeal.

It is important to note that an IZ ordinance should provide for long-term or permanent affordability; the affordable units produced under an IZ program must be preserved for the long haul. An inclusionary housing ordinance that delivers developer benefits in exchange for required affordable housing but fails to require the housing stay affordable long-term is not an ordinance worth adopting. Failure to provide long term affordability will create a windfall to the lucky owner of the affordable home when the land use restriction agreement expires. The local government will have given away valuable incentives and find that it has nothing to show for it.

### How did House Bill 7103 change inclusionary zoning practices in Florida?

House Bill 7103 became law on July 1, 2019 and in part, amended Florida's inclusionary zoning statutes (F.S. 125.01055 for counties and F.S. 166.04151 for municipalities). The new statutory

language explicitly allows cities and counties to implement mandatory inclusionary zoning ordinances. In exchange, HB 7103 requires local governments to provide incentives to “fully offset all costs” to the developer as a result of the affordable housing requirement.

For example, if there is a 100-unit market-rate development and a 10% inclusionary requirement, the local government would need to “fully offset all costs” associated with the 10 required affordable units. Local government can do so by providing incentives such as a density or intensity bonus, reducing or waiving fees, or by granting other incentives. Local government can also offset costs by granting an up-zoning that raises the value of the developer’s property.

How does a local government offset all costs associated with a mandatory IZ ordinance?

There are different methods in which a local government can keep developers economically whole when implementing IZ. Local governments can offer density bonuses, height bonuses, reduce or waive fees, and grant other incentives. The main issue will be how a local government *calculates* the amount of costs that are being offset.

The Florida Housing Coalition created a four-step process for compliance with HB 7103. This is only one method to calculate cost offsets; there can be other methods of compliance.

**1. Identify the Costs**

- First, identify the costs of the affordable units.
- For example, if a developer is required to build 30 affordable units as part of 200-unit complex, identify the cost of the 30 units.
- This chart below shows some of the costs associated with development. Utilize a local government staff member or consultant with development expertise to lead this analysis on a project by project basis.

Construction Costs	Construction Materials Labor General Contractor Overhead
Land Costs	Per Acre Total Cost Cost per Unit
Parking Space Costs	Required Parking
Soft Costs	Impact Fees Architectural & Engineering Costs Planning Approval Fees Environmental Clearance Building Permit Fees Legal & Insurance Fees

Other Development Costs	Required Landscaping Outdoor & Common Area Amenities Setback & Other Structural Standards Infrastructure
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2. **Determine the Revenue Gained from the Affordable Units**

- Next, determine the revenue gained on the sale or rental of the required affordable units.
- Developers will still gain revenue from the required affordable units albeit not at market-rate.
- This is where we get the total cost to offset. The total cost the local government will need to offset is the cost to build the affordable units (step 1) minus the revenue on the sale or rental of the affordable units (step 2).

<p><b>Cost to Build Affordable Units (Step 1)</b></p> <p><b>- Revenue on Sale/Rental of Affordable Units (Step 2)</b></p> <hr style="width: 50%; margin: auto;"/> <p><b>Cost to Offset under House Bill 7103</b></p>
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3. **Identify Which Costs Local Government Can Reduce**

- Once the local government knows how much in costs it needs to offset, the local government will need to identify which development costs they can reduce.
- Identifying the development costs that can be reduced will aid the final calculation in how a local government keeps developers economically whole under HB 7103.
- Using the chart in step 1, the bold items represent an example of certain development costs that can be reduced by the local government.

Construction Costs	Construction Materials Labor General Contractor Overhead
Land Costs	Per Acre Total Cost Cost per Unit
Parking Space Costs	<b>Required Parking</b>

Soft Costs	<b>Impact Fees</b> Architectural & Engineering Costs <b>Planning Approval Fees</b> <b>Environmental Clearance</b> <b>Building Permit Fees</b> Legal & Insurance Fees
Other Development Costs	<b>Required Landscaping</b> Outdoor & Common Area Amenities <b>Setback &amp; Other Structural Standards</b> <b>Infrastructure</b>

4. **Bundle Incentives to Keep Developer Economically Whole**

- Once the local government knows how much in costs it will need to offset and which development costs it can reduce, the local government can then bundle various incentives to comply with HB 7103.
- Common incentives include density/intensity bonuses, height bonuses, impact & other fee reductions, lower parking requirements, up-zoning.
- The local government should create a calculation tool to identify the value of various incentives and how they fully offset the costs of an inclusionary housing requirement.
- Using a development professional or consultant can be helpful.

It is important to note that density bonuses alone are likely to be more than enough to comply with HB 7103. If density bonuses do not completely offset costs, then add on the other incentives, such as reduced parking and fee waivers.

What is Land Value Capture? How does it come into play for compliance with HB 7103?

Land value capture (LVC) is a concept that enables communities to recover and reinvest increases in land values that result from public investment and other governmental action. For example, the act of rezoning a parcel of land from an agricultural use to a residential use substantially increases the parcel’s value. Under LVC principles, a local government would recover some of this increase in value for public benefit.

Inclusionary zoning can be a vital tool for reinvesting property value increases created by government action. A local government could link IZ directly with local rezoning decisions. A locality could require the inclusion of affordable housing whenever it increases the value of land from actions such as rezoning agricultural land to residential, for example. This strategy can be particularly effective in rural and agricultural parts of the state that are prime for large-scale development due to development patterns and the planning for new roads.

**Land value capture should be included in the economic analysis for compliance with HB 7103.** Local government should use the increase in land value due to rezoning and other government actions as part of the calculation to “fully offset all costs” associated with IZ requirements. In areas with low allowable densities and intensities, a rezoning to a more intense

use, which would allow the development to build more units, could cover the costs of an affordable housing contribution without the need for additional incentives.

### [How does a local government best implement an in-lieu of fee? How do in-lieu fees work under HB 7103?](#)

The creation of an in-lieu fee depends on local preferences. It depends on whether the locality wants to encourage on-site development or whether it wants to collect the revenue for other affordable housing purposes. If an in-lieu fee is set too low, the market-rate developer will likely opt to pay the fee which in total may not be enough to provide housing assistance under an affordable housing program. Generally, the higher the fee, the higher chance that developers will choose to build units on site.

There are several ways to implement an in-lieu fee. One of which is called the “production costs method.” Under this method, the fee is based on the average amount invested to produce an additional off-site affordable unit. For example, if it generally costs \$300,000 to build a new unit and a qualified low income buyer could generally afford a \$200,000 home, the fee would be \$100,000. A fee could also be calculated by the difference in price between market rate and affordable units. Cities typically base their fees on a consultant report that estimates the market prices and rents for a given area.

Under HB 7103, in-lieu fees are more difficult to administer. Using our four-step compliance method found above, when a developer participates in an IZ program by physically producing the required affordable units, they are still receiving revenue from the disposition of those units. This revenue gained lowers the total cost the local government is required to offset. With an in-lieu fee, the developer is gaining no revenue and thus, the local government would need to offset dollar-by-dollar the amount paid.

As an example, if it cost \$1 million to construct the required affordable units and the developer received \$650,000 in revenue from the disposition of the units, the local government would need to offset \$350,000 in costs. However, if an in-lieu fee of \$1 million was paid, the local government would need to offset \$1 million in costs as the developer is not gaining any revenue from an in-lieu fee.

### [How are inclusionary zoning ordinances different from linkage fees? Are linkage fees covered by HB 7103?](#)

In short, linkage fees are not governed by HB 7103. A linkage fee is a type of development exaction where a local government collects a fee, typically on non-residential development, to be placed in a housing trust fund. The foundation for the linkage fee is the connection between the workforce housing needs generated by the industrial, commercial, or other type of development that generates employment. The legal basis for linkage fees is found in the two-part *Nollan/Dolan* U.S. Supreme Court test.

Linkage fees are not inclusionary housing ordinances. An inclusionary housing ordinance is a land use regulation and need only be related to advancing a legitimate government purpose. A linkage

fee is an exaction, akin to an impact fee. This distinction between exactions and land use ordinances is important when understanding the impact of HB 7103. The new state mandate to “fully offset all costs” only applies to “inclusionary housing ordinances”; linkage fees are not inclusionary housing ordinances. Therefore, local governments do not need to provide cost offsets for linkage fees.

## [What is the Florida Housing Coalition’s role in inclusionary zoning?](#)

### **1. Education**

Mandatory inclusionary zoning is currently a relatively uncommon form of land use regulation found in the state of Florida. Less than a dozen local governments in Florida currently have mandatory inclusionary zoning policies. Although local governments are aware that inclusionary zoning ordinances are in operation in parts of the state, there has been reticence to adopt inclusionary housing policies due to push-back from the homebuilding industry and uncertainty about legal parameters. However, in a time where Florida is seeing an increase in population and an increase in the need for affordable housing, inclusionary zoning can be a valuable tool for creating affordable units.

Although IZ is still relatively uncommon in Florida, IZ ordinances are increasingly being considered for adoption by local governments as evidence mounts and consensus is reached that it is in the best interest of both employers and their workforce that residential developments provide a balance of market rate and below market rate housing. A main reason why the 2019 Legislative Session did not produce an outright ban on mandatory IZ is because an influential Hillsborough County Commissioner voiced her opposition to a full preemption of mandatory IZ. Her point, as was the point of local governments across the state, is that local governments should have mandatory IZ as a tool in their toolbox of methods to address the affordable housing crisis.

With over twenty years of inclusionary housing expertise, the Florida Housing Coalition is available to provide education on inclusionary zoning and its benefits for the affordable housing stock of our state. The Coalition is also available to provide training and technical assistance on HB 7103 and how a local government can comply with the new state requirements regarding mandatory inclusionary zoning.

### **2. Local Government Planning & Administration**

Affordable housing development requires a healthy partnership between the public and private sector. The same is true with an inclusionary zoning ordinance. Successful IZ ordinances engage the private sector to produce affordable units without deterring new housing development. HB 7103 provides a level of comfort that will enable counties and municipalities to add inclusionary housing policies to their toolkit. Because localities are now required to “fully offset all costs” associated with an IZ ordinance, the private sector will be more inclined to develop in areas with mandatory IZ.

Inclusionary housing policies are not simple to craft or administer, but they are essential for large scale developments and to prevent gentrification in areas of redevelopment. Inclusionary zoning

can be particularly useful in rural or agricultural areas that due to development patterns or planned new roadways, will see a substantial increase in housing development. The Florida Housing Coalition can assist in drafting and revamping inclusionary ordinances to comply with the new statutory framework found in HB 7103. The Coalition can also assist in strategies for implementing best practices to administer long-term affordability under an IZ ordinance.

### **3. Advocacy**

The 2019 Florida Legislative Session brought a statewide challenge to the legality of inclusionary zoning. In fact, the first iteration of the infamous HB 7103 contained an outright ban on mandatory IZ. Due to the hard work of the Florida Housing Coalition in partnership with the Florida League of Cities, Florida Association of Counties, 1000 Friends of Florida, local government advocates, and other housing professionals, we were able to stem the ban on mandatory IZ and reach the compromise found in HB 7103.

The Florida Housing Coalition will continue to advocate at the state and local level for IZ as one tool to increase the stock of affordable housing.

#### [Contact Us](#)

If you have any questions on Inclusionary Zoning and how the Florida Housing Coalition can assist your work, please contact us at [glazer@flhousing.org](mailto:glazer@flhousing.org) or 954-804-1320.

# Frequently Asked Questions

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As Florida's historically high-cost housing markets recover from the foreclosure crisis, local governments and their nonprofit partners are examining alternative models for providing long-term affordable housing for residents least served by the prevailing market. A Community Land Trust can benefit low-income families by providing access to affordable housing in high-cost, service-industry dependent areas, while keeping housing affordable for future residents. Just as importantly, the CLT model can be used to capture the value of public investment for long-term community benefit.

## What exactly is a Community Land Trust?

In the Community Land Trust (CLT) model, housing is made affordable by separating its value from the value of the land underneath it. A qualified low-income homebuyer can purchase the house, but the land is owned by a community-based nonprofit corporation, which provides a 99-year ground lease to the homeowner. Because the sales price of the home does not include the value of the land, the homebuyer has an affordable monthly mortgage payment and a nominal ground lease payment.

Many nonprofits that form a Community Land Trust are already involved with developing or maintaining affordable housing in the community they serve, and can easily adapt from producing and selling the house with the land to selling the house together with a 99-year leasehold interest in the land.

## What is the role of a local government when forming a CLT?

Several local governments in Florida recognize that CLTs can play an important role as stewards of community resources for current and future residents. Local governments typically provide CLTs with essential resources for startup and sustained operation, including donating publicly owned land, providing construction financing, offering down payment assistance to CLT homebuyers, and providing ongoing administrative support to the CLT.

From the perspective of local governments, CLTs use public subsidies more efficiently than traditional homebuyer subsidies. In markets with rapidly increasing home values, recapture provisions for traditional down payment and closing cost assistance do not keep pace with the appreciation in value of the homes that low-income families buy. By taking a property out of the speculative market, a CLT is often able to recycle an initial subsidy from a local government for many subsequent homebuyers.

## How large an area does a CLT serve?

Some CLTs serve a single neighborhood, like Hannibal Square CLT in Winter Park. Other CLTs serve a city or county, like Delray Beach CLT and the Community Land Trust of Palm Beach County, respectively. A CLT can

extend beyond a single county; the largest CLT in the nation, Champlain Housing Trust in Vermont, serves a three-county area.

CLTs, when defining their boundaries, take into account the immediate interests of their founders, market characteristics such as household income and home sale prices, and availability of affordable housing opportunities in their potential catchment areas. In Florida, it is important to be mindful of the variety of submarkets in any community, each with unique economic conditions and political climate.

## **How does the CLT make sure that the home will remain affordable?**

The terms of the 99-year ground lease place limitations on the resale of the home, requiring that the home be sold to another family that is income-qualified. The lease prescribes a “resale formula” that keeps the home price affordable to the next buyer while providing the seller with a fair return. There are several types of resale formulas, but most CLTs use what are called “appraisal-based” formulas. These formulas set the maximum price as the sum of what the seller paid for the home plus a certain percentage of any increase in market value (as measured by appraisals). Most local groups starting CLT programs spend a good deal of time examining various types of resale formulas before deciding on one that is right for them.

## **Is it really fair to restrict resale prices for lower income CLT homeowners when higher income conventional homeowners can sell for market-rate prices?**

CLTs commonly operate in high-cost areas and serve families between 50% and 80% of area median income—families who might not otherwise be able to afford a decent home in a neighborhood with amenities such as good schools. For these families, CLT homes offer many advantages over renting, including proximity to employment, stability, a chance to build wealth, and an ability to pass the home on to their children. Fee simple homeownership has become more attainable for low-income families in Florida since the housing market downturn flooded the market with foreclosed homes; however, it may drift out of reach again as housing markets recover in high-cost areas. Moreover, although wealth creation in low-income communities is an important policy goal, local governments in rapidly appreciating housing markets may have limited resources for subsidizing individual buyers of market-rate homes. A CLT can allow a local government to assist many more homebuyers with the same amount of money.

Ultimately, a CLT will only work with the initiative and buy-in of the community it intends to serve. Each community must weigh the objectives of wealth creation and long-term affordability, and determine whether sufficient demand exists among low-income families for CLT homeownership.

## **How do property taxes work?**

Typically, the homebuyer is responsible for the real property taxes on both the land and the home. The ground lease provisions adopted by the CLT will usually provide either that the real property taxes are spread

out over 12 months and paid to the CLT together with the nominal ground lease fee, or the homebuyer will simply be responsible for paying the bills each year. In some jurisdictions, there will be one tax bill for the land and the house, while in others the tax office may send two bills. If a separate bill is sent for the land, it will most likely be sent to the CLT, as it is the title holder of record. However, a 99-year ground lease is treated as the functional equivalent of ownership in Florida, and therefore, the tax bill for the land may be sent directly to the homeowner.

In 2009, after many years of advocacy, the Florida Legislature provided statutory direction for assessing the taxable value of CLT properties. Florida Statute 193.018 instructs property appraisers to assess CLT properties in accordance with the resale-restricted value, rather than the price that the property would fetch on the open market. This statute simply codified what property appraisers in many Florida counties were already doing.

## **Can CLT homebuyers get mortgage loans even though they won't own the land outright?**

CLTs have been able to negotiate mortgage agreements that address the basic concerns of lenders while protecting the CLT's long-term interest in the property. These agreements typically allow the CLT to take action, if necessary, to prevent foreclosure and the sale of the property on the open market. Such mortgages give the lender a claim on the borrower's house and "leasehold interest". The CLT's "fee interest" in the land is not mortgaged.

As mortgage lending standards have tightened in the wake of the recession, obtaining mortgages has become more challenging for CLT homebuyers. Prior to the recession, CLT mortgages were commonly purchased by Fannie Mae, which provided a CLT lease rider that allowed the mortgages to be sold on the secondary market. As Fannie Mae has tightened its mortgage lending guidelines, putting its mortgage insurance beyond reach of most first-time homebuyers, many CLT homebuyers have turned to the Federal Housing Administration (FHA) for mortgage insurance. However, FHA financing is unworkable for lenders wishing to sell CLT mortgages on the secondary market. As a result, CLTs are increasingly building relationships with banks willing to portfolio CLT mortgages.

The Florida Community Land Trust Institute is a program of the Florida Housing Coalition which began in January 2000. The Florida CLT Institute provides training, technical assistance, and consulting services to government and nonprofit entities to assess if the CLT model is appropriate for their community.

For more information, call the Florida Housing Coalition at 850-878-4219 or email [nesbitt@flhousing.org](mailto:nesbitt@flhousing.org).