

Incentive Strategies Report

Affordable Housing Advisory Committee
Report to Board of Okaloosa County/City of Fort Walton Beach
SHIP Affordable Housing Incentive Strategies

SUBMITTED TO: CITY OF FORT WALTON BEACH

SUBMITTED TO: BOARD OF COUNTY COMMISSION

SUBMITTED TO: FLORIDA HOUSING FINANCE CORPORATION

DATE SUBMITTED (to FHFC): _____, 2022

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BACKGROUND

As a recipient of State Housing Initiative Partnership funds, the Okaloosa County/City of Fort Walton Beach established an Affordable Housing Advisory Committee on March 5, 2013 as required by the Florida Statutes, Sec. 420.9076. The AHAC is responsible for reviewing and evaluating local plans, policies, procedures, land development regulations, the Comprehensive Plan, and other aspects of the Okaloosa County/City of Fort Walton Beach housing activities that impact the production of affordable housing. Further, the AHAC is specifically directed by the SHIP Statute to consider and evaluate the implementation of the incentives set out at Florida Statutes, Sec. 420.9076 (4)(a)-(k). Based on the AHAC evaluation, it may recommend to local government that it make modifications of, exceptions to, or creation of new plans, policies, procedures, and other governing vehicles which would encourage production of affordable housing.

As approved by Okaloosa County and the City of Fort Walton Beach, the recommendations are used to amend the Local Housing Assistance Plan and the local Comprehensive Plan Housing Element.

COMMITTEE COMPOSITION

The Okaloosa County/City of Fort Walton Beach appointed or re-appointed members to the Committee on 11/02/2021 & 05/17/2022. Florida Statutes, Sec. 420.9076(2) lists the categories from which committee members must be selected. Each AHAC must have a locally elected official from the county or municipality participating in the SHIP program. The locally elected official must be a City or County Commissioner. The elected official will count as a member of the AHAC for purposes of meeting the number of members requirements. There must be at least eight committee members with representation from at least six of the following categories:

- (a) A citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (b) A citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- (c) A citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- (d) A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.
- (e) A citizen who is actively engaged as a for-profit provider of affordable housing.
- (f) A citizen who is actively engaged as a not-for-profit provider of affordable housing.
- (g) A citizen who is actively engaged as a real estate professional in connection with affordable housing.
- (h) A citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local

planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process.

(i)A citizen who resides within the jurisdiction of the local governing body making the appointments.

(j)A citizen who represents employers within the jurisdiction.

(k)A citizen who represents essential services personnel, as defined in the local housing assistance plan.

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

Name	Membership Category
Paul Mixon	Elected official
Randy Wise	Citizen engaged in the residential home building industry in connection with affordable housing.
Felicia Scaife	Mortgage Banking industry
Felix Beukenkamp	Labor actively engaged in home building
Sarah Yelverton	Advocate for Low Income Persons
Mike Kent	For Profit Affordable Housing Provider
Nitsi Bennett	Not-for-Profit Housing Provider
Anita Williams	Real Estate Professional in connection with affordable housing
Jeremy Stewart	Local Planning agency member per 163.3174
Bonnie R. Barlow	Citizen who resides with the jurisdiction
	Representative of employers in jurisdiction
	Representative of Essential Service Personnel

AFFORDABLE HOUSING RECOMMENDATIONS

The AHAC has reviewed local government plans, policies, and procedures; ordinances; regulations; statutes; and the comprehensive plan, among other documents applicable to affordable housing, for evaluation of their impacts on affordable housing. Further, the AHAC has specifically considered and evaluated the strategies set out at Florida Statutes, Sec. 420.9076 (4)(a)-(k). Based on this review and evaluation, the AHAC has formulated recommendations to the Okaloosa County/City of Fort Walton Beach that it incorporate into its housing strategy certain changes designed to encourage production of affordable housing.

The AHAC, from its review, consideration, evaluation, and recommendations, drafts and submits this report to Okaloosa County/City of Fort Walton Beach and to Florida Housing Finance Corporation, which details the scope of its work and the resulting recommendations.

From the review and evaluation of the local government documents listed here, the AHAC makes these recommendations to the Okaloosa County/City of Fort Walton Beach that it incorporate into its housing strategy the following:

The AHAC has reviewed, considered, and evaluated the following the strategies provided in the SHIP Statute at Florida Statutes, Sec. 420.9076 (4):

- (a) The processing of approvals of development orders or permit, as defined in Florida Statutes, Sec. 163.3164(7), (8), 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-income persons, low-income persons, 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.

EXPEDITED PERMITTING

Meeting Synopsis: As discussed by the AHAC, the Comprehensive Plans of both Okaloosa County and the City of Fort Walton Beach include objectives and policies which address this incentive. In addition, Section 1A.05 of Chapter 1A of the Okaloosa County Land Development Code was amended in 2010 to include a formal expedited process for affordable housing projects. Due to the nature of development in Fort Walton Beach, the City is able to adaptively respond to affordable housing requests and provide priority handling of such applications. The City's Land Development Code specifically addresses this incentive in 4.10.05, which states that the City will implement procedures to expedite the development order and permitting process for housing projects which meet the definition for workforce housing.

Existing Strategy: 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.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

MODIFICATION OF IMPACT FEES

Meeting Synopsis: The AHAC reviewed the fee structure of Okaloosa County, and the only fee charged by Okaloosa County that may be considered an impact fee is the tap fee for connection to the County's central water and sewer system. Because the County's Water and Sewer Department is an enterprise fund (meaning it is funded solely by revenues from customers) and its fee structure is set by regulatory guidelines, this fee cannot be waived. The County has, however, used grant funds when available to offset hookup fees for qualified households. The City of Fort Walton Beach currently has a grant program approved by City Council in June 2012 that pays up to 100% of impact fees in the City's Community Redevelopment Area (CRA). As detailed in the City's 2012 CRA Plan, one of the primary goals of the CRA is to promote affordable housing. Additionally the City can utilize a Workforce Housing Incentive fund that can help offset cost for qualified individuals.

Existing Strategy: County will continue to use grant funds as applicable and available to offset water and sewer tap fees, and the City of Ft Walton Beach will continue to implement its impact fee payment system within the CRA.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

FLEXIBLE DENSITIES

Meeting Synopsis: The AHAC discussed Policy 10.1 of the Future Land Use Element of the Okaloosa County Comprehensive Plan which provides a bonus of 1 to 5 units *per acre* for affordable housing (it varies by Future Land Use Map designation) as well as Section 2.19.00.4 of the County' Land Development Code which provides for density bonuses consistent with the Comprehensive Plan. The

City of Fort Walton Beach Land Development Code Table 4.10.05 provides density bonus points workforce housing.

Existing Strategy: Board of County Commissioners created Section 2.19.00.4 which provides for density bonuses consistent with the Comprehensive Plan. City Council's adoption of the Land Development Code in March 2012 implemented new density bonus provisions that can encourage affordable housing development.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

RESERVATION OF INFRASTRUCTURE CAPACITY

Meeting Synopsis: As reviewed by the AHAC, Okaloosa County currently does not reserve capacity for any development until such time as a development order is issued, and there is no proactive reservation of capacity for affordable housing or any other type of development. The City of Fort Walton Beach also does not reserve capacity for any development until a development order is issued. However, the City's Comprehensive Plan contains Policy A.2.1 which states that the City will implement the mix of uses on a district wide basis. This is to ensure that the City is not overbalanced with commercial, and that the City will include housing when reviewing developments.

Existing Strategy: None

AHAC Recommendation: No change at this time, re-address in future.

Schedule for Implementation: N/A

PARKING AND SETBACK REQUIREMENTS

Meeting Synopsis: The AHAC discussed the parking requirements of the Okaloosa County Land Development Code noting that, while there were no requirements specific to affordable housing, they are very flexible which should benefit affordable housing as well as any other use. While the County has not reduced its standard setback requirements, development-specific setbacks may be established through the Planned Unit Development Process and through the use of the residential design alternatives added to the Code in 2010 as discussed under FLEXIBLE LOT CONFIGURATIONS, below. The City's Land Development Code includes 4.10.05.A.2 which allows for up to a 10% reduction in the requirement.

Existing Strategy: Okaloosa County Land Development Code allows flexibility. The City of Fort Walton Beach's Comprehensive, Policy C.5.6 and City's Land Development Code Section 2.02.02, allow for flexibility.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

AFFORDABLE ACCESSORY RESIDENTIAL UNITS

Meeting Synopsis: The AHAC acknowledged that the County's Land Development Code allows accessory residential structures in all residential zoning districts and that the City of Fort Walton Beach's Land Development Code allows accessory dwellings in Residential Single-family Low-Density Zoning Districts and Residential Single-family Estate Zoning Districts.

Existing Strategy: Okaloosa County allows accessory residential structures in all residential zoning districts. City of Fort Walton Beach allows accessory dwellings in Residential Single-family Low-Density Zoning Districts and Residential Single-family Estate Zoning Districts.

AHAC Recommendation: No change, Leave as is. Staff should research how other communities use this strategy.

Schedule for Implementation: N/A

FLEXIBLE LOT CONFIGURATIONS

Meeting Synopsis: The AHAC discussed Chapter 2 of the County’s Land Development Code which enables the creation of “Planned Unit Developments” (PUDs) specifically to allow “flexible land use and design regulations and to permit planned diversification and integration of uses and structures”, in order to, among other things, lower development and building costs. Reducing building and development costs helps facilitate the construction of affordable housing. In addition Section 2.18.00 of the County Land Development Code provides for the use of zero-lot-line, zipper-lot, and angled-lot configurations as well as cluster development as residential design alternatives in multiple zoning districts. The City of Fort Walton Beach Land Development Code addresses several development alternatives to encourage affordable housing. Section 4.07.04 of the City’s Land Development Code allows zero lot line development in the City to enable more efficient and affordable single-family development. Furthermore, the City’s Comprehensive Plan includes Policy C.5.6 which ensures that the City is continually seeking ways to facilitate affordable housing.

Existing Strategy: Okaloosa County allows flexible lot configurations and cluster development to encourage housing diversity, while the City of Fort Walton Beach’s Comprehensive Plan Policy C.5.6 and City’s Land Development Code Section 4.07.04 also allow for flexibility.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

MODIFICATION OF STREET REQUIREMENTS

Meeting Synopsis: As part of the County’s 2010 amendments of its Land Development Code, the width requirements for local streets as provided in the County’s Land Development Code were reduced from 66 feet to 50 feet for public roads, and to 40 feet for private roads in an effort to reduce development costs. While not specific or unique to affordable housing projects, these width reductions nonetheless provide the desired benefit for affordable housing. Policy 5.8 of the City’s Comprehensive Plan states that the City will coordinate with the Affordable Housing Alliance Committee to consider modifying current street requirements for affordable housing. The City is continually monitoring the need for flexibility in this area. The AHAC discussed street requirements and generally agreed that further reductions would not provide any additional benefit to affordable housing.

Existing Strategy: None specific to affordable housing, but overall requirements reduced and City will continue to work with its housing alliance.

AHAC Recommendation: No change, Leave as is. Staff should look into options to change existing LDC to allow more.

Schedule for Implementation: N/A

PROCESS OF ONGOING REVIEW

Meeting Synopsis: The AHAC agreed that this incentive has been implemented by both the City and County. The County has implemented this through the adoption of Ordinance 11-01 which amended the Okaloosa County Land Development Code to include the following provisions under section 1A.05.03: “3. Review of regulations and procedures that affect housing cost. Any and all changes in code, procedure or process that affect the cost of housing shall be reviewed by the Okaloosa County Affordable Housing Advisory Committee. No such changes shall be considered for approval by the Okaloosa County Board of County Commissioners, or any person or agency delegated with authority to act on its behalf, unless it has been considered by the affordable housing advisory committee at a public meeting. The Okaloosa County Affordable Housing Advisory Committee shall make nonbinding recommendations of any proposed changes in code, procedure or process that affect the cost of housing to the Okaloosa County Board of County Commissioners.”

The City’s Comprehensive Plan addresses this in Policy C.5.7, which states that the City will consider the implications of adopting policies, procedures, ordinances, regulations, and plans which may

increase the cost of housing and report such information to the Municipal Planning Board (currently known as the Local Planning Agency) as part of the deliberation process.

Existing Strategy: The County has implemented this through the adoption of Section 1A.05.03 of its Land Development Code, while the City’s Comprehensive Plan addresses this in Policy C.5.7.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

PUBLIC LAND INVENTORY

Meeting Synopsis: The AHAC discussed the availability of the County’s public land inventory as part of its Geographic Information System which is free and readily accessible through the County’s website. Any provider of affordable housing can at no cost search the entire County inventory for properties as may seem most desirable for housing from which a request for such use could be presented to the Board of County Commissioners. The AHAC acknowledged, however, that the County has very few properties that are both suited for development as well as unencumbered by plans for public infrastructure. City Council periodically reviews all public lands in Fort Walton Beach and determines the best use for them. This information is available by request at City Hall.

Existing Strategy: Both the County and the City of Fort Walton Beach maintain an inventory list available to the public upon request.

AHAC Recommendation: No change, Leave as is

Schedule for Implementation: N/A

SUPPORT OF DEVELOPMENT NEAR TRANSPORTATION HUBS

Meeting Synopsis: Through the upgrade of its Bob Sikes and Arbennie Pritchett water treatment plants and associated installation of transmission lines connecting existing and future growth areas, as well as through its road paving programs and its 5-year Capital Improvements Plan, Okaloosa County is actively trying to support development in areas suited for growth. In addition, the 2010 Land Development Code revisions included creation of a “Mixed Use” zoning district intended to encourage diversification of land uses in existing urbanized areas. The City of Fort Walton Beach supports development in mixed-use zoning districts by broadening the permissible uses and relaxing development standards. Maximum allowable density has been increased and the Land Development Code contains bonus incentives for mixed use developments. The AHAC acknowledged the County’s and City’s strategy for promoting development in appropriate areas.

Existing Strategy: None

AHAC Recommendation: No change, Leave as is. Staff should look into previous cut express route from north to south county to see if route can be restored.

Schedule for Implementation: N/A