Proposed Indian River County

Affordable Housing Advisory Committee

2025 Incentives Review and Recommendation Report

Community Services Department
Indian River County
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Approved by the Affordable Housing Advisory Committee at a Public Hearing on
(October 22, 2025)

Approved by the Board of County Commissioners
(November 18, 2025)

Resolution No. 2025 –

INTRODUCTION

With passage of HB 1375 in 2007, local governments that receive State Housing Initiatives Partnership Program funds were required to establish an Affordable Housing Advisory Committee (AHAC) by June 1, 2008. In Indian River County, the Board of County Commissioners created an Affordable Housing Advisory Committee on March 18, 2008. Between 2008 and 2019, triennially each AHAC was required to review their local government's established policies and procedures, ordinances, land development regulations and comprehensive plan and recommend specific actions or initiatives to encourage or facilitate affordable housing, while protecting the ability of property to appreciate in value. Pursuant to House Bill 1339 adopted during the 2020 Florida Legislative Session, each AHAC must now annually complete this task.

In Indian River County, the first AHAC report was approved by the Board of County Commissioners on November 19, 2008. Following submission of the initial AHAC report, reports were required to be submitted triennially on December 31 every three years. Therefore, the subsequent AHAC reports were approved on December 6, 2011, December 9, 2014, December 5, 2017, December 1, 2020, and December 7, 2021. The next AHAC report must be submitted to the FHFC by December 31, 2025.

According to Section 420.9076 (4) F.S., each AHAC report must give recommendations on affordable housing incentives in the following areas:

A. 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.
B. All allowable fee waivers provided for the development or construction of 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. Affordable accessory residential units.
F. The reduction of parking and setback requirements for affordable housing.
G. The allowance of flexible lot configuration, 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.

BACKGROUND

In February, 1990, the Indian River County Board of County Commissioners adopted the Indian River County Comprehensive Plan. In the Housing Element of that plan, Policy 1.3 stated:

> "An advisory committee shall be appointed by the Board of County Commissioners to provide additional guidance on county housing policies. Comprised of representatives of the housing industry, financial institutions, Housing Authority, and citizens, the committee shall be advisory and terminated upon acceptance of its final report. This committee shall submit a final report to the Board of County Commissioners by 1993…"

Consistent with Housing Policy 1.3, the Board of County Commissioners, on March 5, 1991, created a fifteen (15) member Indian River County Affordable Housing Advisory Committee (Resolution No. 91-29). That committee was comprised of representatives of the housing industry, financial institutions, and the Housing Authority, as well as citizens.

In April 1993, the Affordable Housing Advisory Committee voted to adopt and transmit the Committee's Final Report to the Board of County Commissioners for its review and consideration. That final report was submitted to the Board of County Commissioners on May 25, 1993, and the original AHAC was then dissolved.

In 1992, the Florida Legislature established the State Housing Initiatives Partnership (SHIP) program. The purpose of the SHIP program is to provide funds to local governments for the provision of affordable housing for qualifying households. In order to receive SHIP funds, the county was required to satisfy several requirements, including the creation of a Local Affordable Housing Advisory Committee to conduct a review of the county's regulations and to develop a Local Housing Incentive Plan.

To obtain SHIP funds, the Board of County Commissioners adopted the Indian River County Local Housing Assistance Program (Ordinance #93-13) in April 1993. Consistent with the requirements of Section 420.9076, F.S. and Section 308.07 of the County Code, the Board of County Commissioners created the county's second Affordable Housing Advisory Committee (AHAC) in 1993. The function of that committee was to review the County's Local Housing Assistance Plan and develop local housing incentive strategies. Once established, that committee worked with staff and fulfilled all of the requirements of Section 420.9076, F.S.

On December 13, 1994, the Board of County Commissioners adopted the final Indian River County Affordable Housing Incentive Plan with resolution number 94-162. That plan which remains in effect includes many of the affordable housing incentives listed in paragraphs A through K of Section 420.9076(4) F.S. The second AHAC was dissolved in 2001.

Since adoption of the affordable Housing Incentive Plan, the county's affordable housing incentives have been utilized by for-profit and non-profit housing developers and organizations to provide affordable housing within the county. Through those incentives, 2,634 affordable rental housing units have been constructed. Also, 1,698 income eligible

individuals have received SHIP and HHR funds for the purchase of a home and/or for rehabilitation of their housing unit.

Consistent with the 2007 legislature's directive, Indian River County established its Affordable Housing Advisory Committee in March 2008 and, in December 2019, updated its membership composition consistent with state statute. The primary function of the AHAC is to prepare an update on the County's Local Housing Incentives Report. In 2008, 2011, 2014, 2017, 2020, and annually from 2021 – 2024, the AHAC prepared the County's update. This is the tenth Local Housing Incentives Report update.

Beginning in December 2018 and concluding in early 2020, the BCC directed the AHAC to study the affordable housing issue outside of the county's normal three-year window to update its incentives and recommendations report. That directive included the request to review the county's existing local affordable housing incentives and programs and County regulations impacting and encouraging the development of more affordable housing to develop recommendations for improvement. This AHAC report incorporates many of the AHAC's recent findings and recommendations adopted by the AHAC on January 22, 2020, and those ultimately approved by the BCC on February 18, 2020.

ANALYSIS

In this section, each of the Chapter 420.9076(4), F.S. requirements, A through K, are addressed. For each of the requirements, current citations from the county's Comprehensive Plan and Land Development Regulations (LDRs) are provided. Each section also includes an analysis and recommendation(s).

A. The process 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.

Section 163.3164(7), F.S. defines a development order as "any order granting, denying, or granting with conditions an application for a development permit." Section 163.3164(8), F.S. defines a development permit to "include any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land".

In Indian River County, permits for affordable housing projects are expedited to a greater degree than other projects. Established policies and procedures for expedited permitting are found in Policies 1.5 and 1.6 of the Housing Element. These policies read as follows:

POLICY 1.5: ***By 2015, the county shall establish a web-based permitting process.***

POLICY 1.6: ***The county shall take all necessary steps to eliminate delays in the review of affordable housing development projects. In order to define delay, the county hereby establishes the following maximum timeframes for approval of projects when an applicant provides needed information in a timely manner:***

- ***Administrative approval – 5 days;***
- ***Minor site plan – 5 weeks;***
- ***Major site plan – 6 weeks;***
- ***Special exception approval – 13 weeks***

Whenever these review times increase by 150% or more due to the workload of review staff, the county will begin prioritizing the review of affordable housing development project applications. In prioritizing affordable housing development project applications, staff will schedule affordable housing project applications for review before other types of project applications to ensure that maximum review timeframes are not exceeded for affordable housing projects.

ANALYSIS:

Consistent with Policy 1.6, the Community Services Department processes affordable housing projects ahead of all other projects. This has been done since 1994. For each affordable housing project application, SHIP staff notifies other reviewing departments that the application is an affordable housing project and must be reviewed ahead of all other projects. Overall, this process has worked well, with affordable housing projects identified upfront and reviewing departments expediting these project reviews. For major affordable housing projects, this process has saved applicants several weeks in application review/processing time.

In 2019, after a recommendation from the AHAC, the County revised the permit expediting process further to make identification of affordable housing permits more identifiable. For hardcopy permit application submissions, the new process uses a bright neon green affordable housing permit expediting form and a similarly colored permit review folder to designate the permit as a permit that must be expedited.

More recently, in 2020, in response to the COVID-19 health crisis, the Community Development Department implemented an electronic permit e-mail application process for all building permits, and this has now become a permanent feature. While not specific to affordable housing, the electronic permit application process eliminates the time it takes to produce paper copies and have them delivered. With this process, applicants may request that the permit be expedited in the subject line of the e-mail and provide a copy of the neon green permit expediting form.

RECOMMENDATION:

The county should maintain Housing Element Policy 1.5, regarding web-based permitting, and Policy 1.6, regarding prioritizing the permit process review of affordable housing development projects ahead of all other projects. No other action is needed.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [ ] No □

B. All allowable fee waivers provided for the development or construction of affordable housing.

Impact fees and utility capacity charges are one-time charges applied toward new construction to generate the revenue necessary to make capacity-producing capital improvements. Overall, these impact fees and utility capacity charges increase the cost of housing. Until Florida's 2019 legislative session, communities in Florida that adopted impact fees were required by statute and/or case law to apply those impact fees to all activities that create a demand for capital facilities. During the 2019 legislative session, however, Florida's Impact Fee Act was amended to allow exemptions for affordable housing (housing for households earning less than 120% of Area Median Income (AMI)).

In March of 2020, with the County's most recent impact fee study and fee schedule update, Indian River County adopted a portion of the allowable affordable housing impact fee waiver/reduction allowance as part of the County's Impact Fee Regulations under Title X of the Indian River County code. Indian River County now provides:

- impact fee exemptions for single-family homes of less than 1,000 square feet (under air) for households with incomes below 80% of AMI; and
- impact fee reductions at 50% of the calculated rate for single-family homes between 1,000 square feet and 1,500 square feet (under air) for households with incomes below 80% of AMI.

In October of 2022, the Board of County Commissioners directed County Staff to prepare a formal amendment to the County's Impact Fee Regulations under Title X of the Indian River County code and to begin providing the following impact fee waiver/reductions per the Pending Ordinance Doctrine:

- impact fee exemptions for single-family homes of less than 1,500 square (under air) for households with incomes below 80% of AMI; and
- impact fee exemptions for multifamily units of less than 1,500 square feet for households with incomes below 80% AMI

Impact fees for single-family homes of any square footage larger than 1,500 square feet (under air) and impact fees for homes of less than 1,500 square feet (under air) not occupied by households with household incomes of less than 80% of AMI continue to be collected at the full calculated and adopted rates with no affordable housing reduction or waiver.

Currently, Indian River County provides SHIP program loans and grants of up to $20,000.00 per unit to income-eligible households for the cost of impact fees and utility capacity charges for new units. The county also provides SHIP loans and grants for existing units to connect to the county's regional water and wastewater system. To obtain SHIP impact fee funds, applicants must execute loan or grant agreements with the county, indicating that they will comply with the county's Local Housing Assistance Program's requirements. Those loans or grants are limited to income-eligible households in the Very low Income (VLI) (not to exceed 50% of the county's median income), Low Income (LI) (51-80% of the county's median income), and moderate-income (MI) (between 81-120% of the county's median income) categories.

Besides providing impact fee loans and grants, the county also provides financing of water and sewer capacity charges for new units and existing units connecting to the county regional system. The following policies from the Housing Element of the Comprehensive Plan provide for financial assistance for payment of impact fees and connection charges for affordable housing units.

POLICY 4.3: ***The county shall maintain its current policy of financing water and sewer capacity charges for newly constructed housing units.***

POLICY 4.4: ***The County shall maintain its Housing Trust Fund, which provides below-market interest rate financing and/or grants for land acquisition, downpayment/closing cost loans, impact fee/capacity charges payment loans, and rehabilitation loans for affordable housing units in the county. The fund will also assist non-profit facilitators with pre-development expenses associated with very low, low, and moderate income housing development. Some disbursements from the Housing Trust Fund will be grants, but the majority of funds will be revolving loans, with borrowers paying back principal and applicable interest into the trust, therefore ensuring a permanent source of financing.***

ANALYSIS:

Impact fees and utility capacity charges are needed to provide revenue for constructing capacity-producing capital improvements necessary to accommodate growth. Overall, impact fee revenue partially funds the construction of major roadways, libraries, schools, parks, correctional facilities, fire/ems facilities, law enforcement facilities, solid waste facilities, and public buildings, and capacity charges fund the expansion of the county's regional water and sewer system. These fees are based on fair share payments by the people benefiting from the capital improvements, impact fees and utility capacity charges. With respect to affordable housing, those fees increase the cost of housing and put a burden on the production of affordable housing projects. To lessen the impact on affordable housing projects, the county in March of 2020 (upon recommendation by the AHAC and approval by the BCC) implemented new impact fee waivers/exemptions impact fees for single-family homes of less than 1,500 square feet occupied by households earning less than 80% of Area Median Income. The County's SHIP program can also be utilized to provide impact fee loans and grants to extremely low, very low, and moderate-income households and grants and loans to connect to the county water or sewer system (this includes loans associated with new home construction to Habitat for Humanity clients).

Besides using SHIP funds, in the past, the county has provided impact fee grants and loans to eligible households as part of Community Development Block Grant (CDBG) neighborhood revitalization and housing projects. Although CDBG funds can be used for impact fee loans and grants, they are not always available for the county to utilize. This is due to a number of factors, including the fact that:

- the County must apply to the state for CDBG program funds for a specific project;
- the application process is highly competitive, and awards are not guaranteed;
- the County can only have one active/open CDBG contract with the state at any given time;
- at times, the County submits CDBG applications and obtains awards for non-housing-related projects;
- CDBG awards can last from 2 to 4 years at a time, and

- the County cannot apply for more CDBG funds until the previously awarded CDBG project is complete and the awarded CDBG contract with the state is closed out.

Overall, the county has provided many SHIP impact fee grants/loans to eligible households. Since this program has been successful, the county should keep its SHIP Program impact fee assistance strategy for income-qualified households. The County's new impact fee waiver categories for single-family and multifamily homes of less than 1,500 square feet for income-eligible households should also be maintained and evaluated in future years to determine their overall utilization and whether or not adjustments should be made to the eligible categories.

RECOMMENDATION:

The county should maintain Housing Element Policy 4.3 and Policy 4.4 regarding financing of impact fees, payment of impact fees, and payment of water and wastewater capacity charges for income-eligible households through SHIP funds. The County should also maintain its newly adopted impact fee waiver and reductions under Title X of the Indian River County Code for certain single-family and multifamily housing units occupied by households with incomes of less than 80% of AMI, and the County should continue to apply for other funding sources (such as CDBGs) to subsidize impact fees and utility capacity charges.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [ ] No □

C. The allowance of flexibility in densities for affordable housing.

Within Indian River County, the future land use map and zoning district designations establish a maximum density or intensity for all properties. Overall, density is an important factor in forming the character of a community and the preferred lifestyle of its residents. While higher densities may result in lower housing costs, higher across-the-board densities, do not always translate into lower housing prices. Consequently, the preferred method for reducing housing costs through increased density is to provide affordable housing density bonuses associated with affordable housing projects. Currently, Housing Policy 2.5 and LDR Section 911.14(4) provide affordable housing projects with up to a 20% density bonus over the maximum density established by the underlying land use designation.

Currently, Housing Element Policy 2.5 and Section 911.14(4) of the LDRs provide for affordable housing density bonuses. Section 971.41(9) of the LDRs provides for small lot subdivisions for affordable housing.

POLICY 2.5: ***The County shall maintain its affordable housing density bonus provision for planned development projects, allowing eligible affordable housing projects with a market value of affordable housing units not to exceed 2 1/2 times the county's median income, to receive up to a 20% density bonus based on the following table.***

Very Low Income (VLI) and Low Income (LI) Affordable Units as Percentage of Project's Total Units	*Density Bonus (Percent increase in allowable units).*	*Additional Density Bonus for Providing Additional Buffer and Landscaping based on one of the following options (percent increase in allowable units)*		*Range of Possible Density Bonus Percentage (Percent increase in allowable units)*
		Option I	*Option II*	
		Material equal to a 20' wide Type C buffer with 6' opaque feature along residential district boundaries and 4' opaque feature along roadways*	*Material equal to a 25' wide Type B buffer* with 6' opaque feature along residential district boundaries and 4' opaque feature along roadways*	
More than 30%	*10%*	*5% or*	*10%*	*10–20%*

*Buffer types are identified in Chapter 926 of the county's Land Development Regulations

The county's current median income is $93,200 (per FHFA 04/01/2025).
The County's Affordable Housing Density Bonus Provisions are Codified in Section 911.14(4) of the LDRs (located at Municode.com).

As part of the AHAC's January 22, 2020, recommendations, the AHAC recommended increasing the density bonus from 20% to 50%. The BCC agreed in concept, but requested that the County Attorney's office review to consider any legal considerations and present its findings to the BCC for a final determination. If reviewed and approved by the BCC, staff will ultimately need to prepare draft revisions to Section 971.41(9) for BCC consideration.

Another option to increase affordable housing project yields is the county's small lot subdivision allowance. Although the county's small lot subdivision regulations, section 971.41(9) of the county's land development regulations, do not have an allowance for density bonuses, the smaller lot configuration allows for more lots to be created. While a standard RS-6 parcel (single-family residential up to 6 units per acre) has a minimum lot size of 7,000 square feet, the small lot subdivision regulation allows for lot sizes to be reduced to 5,000 square feet. While standard RS-6 zoning typically yields about 2.5 to 3 units per acre, a small lot subdivision can yield up to 5 units per acre.

The county's Small Lot Subdivision for Affordable Housing Projects are Codified in Section 971.41(9) of the LDRs (located at Municode.com).

As part of the AHAC's January 22, 2020 recommendations, the AHAC recommended and the BCC approved in concept allowing very small lot subdivisions (smaller lots than currently provided for in the small lot subdivision regulations. In the future, regulations for very small lot subdivisions will be prepared and considered for adoption.

ANALYSIS:

The allowance of an up to 20% density bonus (or more based on recent recommendation by the AHAC) for affordable housing projects and the county's small lot subdivision provision and potential very small lot subdivision regulations approved in concept by the BCC provide and can provide for the development of affordable housing projects with higher densities and/or higher yields.

Those provisions are appropriate tools for providing density increases for affordable housing projects. General density increases, however, are not acceptable in Indian River County and may not result in less expensive homes.

RECOMMENDATION:

The county should maintain its affordable housing density bonus and small lot subdivision provisions for affordable housing projects and move forward with providing specific ordinance revision recommendations to the BCC for very small lot subdivisions and for increased density bonuses for affordable housing development projects.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

D. The reservation of infrastructure capacity for housing for very low income persons, low income persons, and moderate income persons.

Consistent with state law, the Indian River County Comprehensive Plan provides that no development, including housing development, shall be approved unless there is sufficient infrastructure capacity or capacity funding available to serve the development. These requirements are contained in Chapter 910, Concurrency Management System, of the county's LDRs. This concurrency management requirement serves as the principal mechanism for ensuring that growth is managed in a manner consistent with the provisions of the comprehensive plan.

In Indian River County, there are two types of concurrency certificates. One is a conditional concurrency certificate. A conditional concurrency certificate indicates that, at the time of conceptual development approval, there is sufficient capacity to accommodate the development. Conditional concurrency, however, does not require payment of impact fees and water and sewer capacity charges and does not vest or guarantee that capacity will be available at the time of building permit issuance. The second type of concurrency is initial concurrency. Initial Concurrency requires payment of impact fees and water and sewer capacity charges and vests (reserves capacity for) the development.

In Indian River County, initial concurrency certificates vest capacity for the duration of the concurrency certificate, either one (1) year, three (3) years, or seven (7) years. According to county regulations, initial concurrency certificates may be issued only to projects with approved site plans or complete Land Development Permit applications. To obtain an initial concurrency certificate, an applicant must pay all applicable impact fees, as well as water and sewer capacity charges, in advance of development. This then vests the project and guarantees that adequate infrastructure will be available for the project at the time of building permit issuance. The vesting will last for the duration of the concurrency certificate and will expire at the end of the concurrency certificate timeframe. After issuance of an initial concurrency certificate, an applicant must obtain all building permits associated with the initial concurrency certificate and pursue development to completion by obtaining a Certificate of Occupancy (CO).

ANALYSIS:

Reserving infrastructure capacity upfront for a project is important if there are deficiencies in concurrency-related facilities. In Indian River County, there currently is sufficient capacity in all concurrency-related facilities to accommodate development projects. Therefore, reserving capacity upfront is not a critical issue at this time.

As development activity increases in the future, however, capacity may become an issue. When that occurs, reserving capacity for a project may become an actuality. Reserving capacity for one project means that the capacity reserved for the project is not available for other projects. For that reason, the county requires that an applicant pay all impact fees and utility capacity charges in order to reserve capacity, thereby ensuring that the county has the funds to construct the increment of capacity consumed by the applicant's project. To date, no affordable housing project or unit has been denied due to concurrency requirements.

RECOMMENDATION:

The county should maintain its current concurrency management procedures, which allow for upfront reservation of infrastructure capacity. Like other applicants, affordable housing applicants may apply for an Initial Concurrency Certificate and reserve infrastructure capacity upfront. Each time the county evaluates its affordable housing incentives, the county will also determine whether or not its concurrency requirements are an impediment to approving affordable housing projects or issuing permits for affordable housing units.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

E. Affordable accessory residential units.

Through its land development regulations, Indian River County permits the construction of small dwelling units (second unit) as accessory to single family houses on a residentially zoned property. This regulation is intended to make inexpensive dwelling units associated with a primary residence available to low income households. Following is the applicable LDR section for accessory dwelling units.

Section 971.41(10) of the LDRs Accessory Dwelling Unit:

a) The construction of an accessory dwelling unit on a residentially zoned lot shall be allowed subject to the provisions of this section). The standards and requirements of this section are intended to make available inexpensive dwelling units to meet the needs of older households, single-member households, and single-parent households. This is in recognition of the fact that housing costs continue to increase, that households continue to decline in size, and that the number of elderly Americans is on the rise.

(b) Districts requiring administrative permit approval,

A-3	***A-2***	***A-1***	***RFD***	***RS-1***	***RS-2***	***RS-3***
RS-6	***RT-6***	***RM-3***	***RM-4***	***RM-6***	***RM-8***	***RM-10***
Con-2	***Con-3***	***Rose-4***	***RMH-6***	***RMH-8***		

I Requirements of section 971.41(10) shall not supersede property owner deed restrictions.
(d) Additional information required:
1. A site plan conforming to Chapter 914 requirements.

e) Criteria for accessory dwelling units:
1. Accessory dwelling units shall be located only on lots which satisfy the minimum lot size requirement of the applicable zoning district, with the exception of legal nonconforming lots that are at least 75 feet wide and have a minimum lot area of 9,750 square feet.
2. Any accessory dwelling unit shall be clearly incidental to the principal dwelling and shall only be developed in conjunction with or after development of the principal dwelling unit.
3. On lots that are less than 200,000 square feet in size, not more than one (1) accessory dwelling unit shall be established in conjunction with a principal dwelling unit.
4. No accessory dwelling unit shall be established in conjunction with a multifamily dwelling unit.
5. For lots that are one (1) acre in size or less, the heated/cooled gross floor area of the accessory dwelling unit shall not exceed fifty (50) percent of the heated/cooled gross floor area of the principal structure or one thousand,000) gross square feet, whichever is less. For lots greater than one (1) acre in size or less, the heated/closed gross floor area of the accessory dwelling unit shall not exceed fifty (50) percent of the heated/cooled gross floor area of the principal structure or one thousand two hundred (1,200) gross square feet, whichever is less. Existing accessory dwelling units may be enlarged consistent with the above allowances. Any accessory dwelling unit shall be no smaller than three hundred (300) gross square feet of heated/cooled area.
6. Lots two hundred thousand (200,000) square feet in size or greater may be allowed a second accessory dwelling unit not exceeding six hundred (600) square feet in size.
7. For lots that are less than two hundred thousand (200,000) square feet in size, detached accessory dwelling units shall be located no farther than seventy-five (75) feet in distance from the principal dwelling unit from the closest point of the principal dwelling unit to the closest point of the accessory dwelling unit. For lots two hundred thousand (200,000) square feet in size or greater, the maximum distance separation shall be one hundred fifty (150) feet measured in the same manner.

8. Excluding converted garage accessory dwelling units, the accessory dwelling unit shall be designed so that the exterior facade material is similar in appearance to the facade of the existing principal structure.
9. One (1) off-street parking space shall be provided for each accessory dwelling unit in addition to the minimum spaces required for the principal dwelling unit.
10. The accessory dwelling unit shall be serviced by centralized water and wastewater, or meet the environmental health department's well and septic tank and drain field requirements. Modification, expansion or installation of well and/or septic tank facilities to serve the accessory dwelling unit shall be designed in a manner that does not render any adjacent vacant properties "unbuildable" for development when well and/or septic tank facilities would be required to service development on those adjacent properties.
11. No accessory dwelling unit shall be sold separately from the principal dwelling unit. All accessory dwelling unit and the principal dwelling unit shall be located on a single lot or parcel or on a combination of lots or parcels unified under a recorded unity of title document.
12. An accessory dwelling unit shall be charged an impact fee based on the lowest appropriate residential unit impact fee category
13. Mobile or manufactured homes and recreational vehicles shall not be used as accessory dwelling units. The accessory dwelling unit shall mee the minimum requirements for a dwelling unit in accordance with the Florida Building Code.
14. All applicable zoning district regulations pertaining to setbacks and lot coverage provisions shall be met.
15. An accessory dwelling unit shall not be operated as a vacation rental, as defined in Section 901.03. No accessory dwelling unit may be utilized for commercial purposes or may be permitted to obtain home occupation permit.

On February 18, 2020, the BCC approved a recommendation by the AHAC to increase the square footage cap for accessory dwelling units from 33% to 50% of heated/cooled gross floor area of the principal home and to keep the 750 square foot under air cap, except for lots greater than one acre in size containing a principal residence greater than 2,500 square feet under air. In those cases, the accessory dwelling unit cap would be 1,000 square feet.

On June 19, 2022, the BCC approved an LDR amendment that increases the maximum size for ADUs to 50% of the heated/cooled area of the primary residence or 1,000 square feet (this is increased to 1,200 sf for lots exceeding one acre in size), whichever is less. On parcels that are 200,000 square feet or larger, a second accessory dwelling unit is allowed as long as the size does not exceed 600 sf.

ANALYSIS:

On September 29, 1992, the Board of County Commissioners adopted the county's accessory dwelling unit provision. In Indian River County, accessory dwelling units are allowed in all residential zoning districts. In addition to allowing for these smaller units, Section 971.41(10) of the county's land development regulations establishes specific land use criteria to regulate the size, location, and appearance of these units and prevent overcrowding.

Even though the county has allowed accessory dwelling units since 1992, these types of units were not popular until 2004, when the price of land and housing started to increase. When housing affordability became an issue, more people started looking at ways to create affordable housing units. One method was to build more accessory dwelling units. These types of units are appropriate as affordable housing units. Recently recommended revisions will allow more opportunities for homeowners to create more appropriately sized affordable housing units throughout the Unincorporated County.

RECOMMENDATION:

The county's accessory dwelling unit provision with modifications proposed by AHAC and adopted by the Board of County Commissioners is appropriate.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

F. The reduction of parking and setback requirements for affordable housing.

As structured, the county's Land Development Regulations establish minimum setback and lot size requirements for both single-family residential zoning districts and multiple-family residential zoning districts. These setback requirements provide a standard separation between houses and between houses and roadways. For affordable housing projects, the small lot subdivision provisions of section 971.41 of the LDRs allow for a reduction of lot size and building setbacks for single-family homes.

In the RS-6 zoning district, for example, single-family homes are required to have a minimum lot width of seventy (70) feet. With small lot subdivisions, however, lots having a minimum width of only fifty (50) feet and reduced side yard setbacks of seven (7) feet (instead of ten (10) feet) can be created. While rear yard setbacks are reduced from 20 feet to 15 feet, the minimum front yard setback on all single-family homes from the edge of right-of-way is twenty (20) feet. This setback distance allows for cars to be parked in the driveway and not block the sidewalk or impede pedestrian movement.

More recently, the AHAC proposed and on February 18, 2020 the BCC approved the concept of allowing for very small lot subdivisions that would have lots as narrow as 36 feet. While the concept needs to be presented in code form to the BCC, it is anticipated that side, front, and rear yard setbacks will be similar to those of the County's small lot subdivision provisions.

For residential uses, throughout the County's various residential zoning districts, the county requires two parking spaces for each dwelling unit. This requirement is detailed in section 954.05(56) and is as follows:

Section 954.05(56)

Single-family dwellings and duplexes. Two (2) spaces for each dwelling unit, single-family dwellings, and duplexes shall be exempted from all other requirements in subsections 954.07(4) and 954.10. Uncovered parking spaces shall be exempted from the front yard setback requirements.

ANALYSIS:

To ensure health and safety, all residential development must meet current minimum parking and setback requirements for the appropriate zoning district as established in the county LDRs. For example, the county's 20-foot minimum front yard setback provides enough distance, but not an excessive distance, for parking a vehicle in a driveway without the vehicle projecting into the sidewalk. Reducing or eliminating parking requirements would force residents to park in roadway rights-of-way. This could create safety issues unless minimum mandatory right-of-way widths are increased (which would reduce lot depth and area).

Generally, reduced setbacks for affordable housing projects are appropriate, because reduced setbacks can increase yield and reduce housing prices. In Indian River County,

the small lot subdivision allowances provide for reduced lot sizes, as well as reduced side yards and reduced rear yard setbacks, for affordable housing projects only. The very small lot subdivision concept proposed by AHAC and conceptually approved by the BCC on February 18, 2020, would serve to maintain an appropriate front yard setback but would reduce lot widths to as little as 36 feet. This would provide for the development of more homes and help to reduce overall development costs while maintaining minimal but acceptable setback distances.

RECOMMENDATION:

The county's current parking requirements are appropriate and should be maintained. Through its small lot subdivision allowance, the county provides for appropriate reduced setbacks for affordable housing projects. This small lot subdivision allowance should be maintained. The additional very small lot subdivision allowance should be evaluated further and considered for adoption, provided appropriate spacing and setbacks can be achieved while providing for appropriate home size and configurations.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

G. The allowance of flexible lot configuration, including zero lot line configurations for affordable housing.

Currently, the Board of County Commissioners may grant waivers from the residential development standards found in Chapter 911 of the LDRs through the Planned Development (PD) process established in Chapter 915 of the county LDRs. If granted, these waivers can allow for development of small lot configuration, zero lot line and reduced setback projects. The waiver criteria for the PD process are found in section 915.15 of the LDRs and are provided below.

Section 915.15.

Planned development allowable waivers and development parameters.
(1) Conceptual P.D. plans shall list, for all areas and phases within the P.D. project area, the proposed waivers and development parameters for the following:
a. Minimum lot size (in square feet);
b. Minimum lot width (in feet);
c. Minimum lot frontage (in feet);
d. Minimum yard setbacks for buildings: front, rear, and side;
e. Minimum yard setbacks for accessory structures (such as pools, patios, and decks); front, rear, and side;
f. Maximum lot coverage; building(s) and impervious surface area;
g. Minimum separation distances between buildings;
h. Minimum right-of-way widths (by road type);
i. Minimum open space per lot and by phase [Note: The minimum open space for the entire project shall meet or exceed the requirements of section 915.18.]
j. Minimum preservation/conservation area per lot.
Note: more conceptual plan submittal requirements are listed-out in section 915.22
(2) Notwithstanding other provisions in this chapter (915) and Chapter 971, specific land use criteria listed in Chapter 971 may be waived (modified or not applied) where such criteria would merely apply to the compatibility of uses within the P.D. project area if approved by the county. Where specific land use criteria apply to the relationship of a use(s) within a P.D. project and properties adjacent to the project area, the specific land use criteria shall apply pursuant to the provisions of chapter 971.
(3) The conventional standards and criteria found in Chapter 911, Zoning, not covered in section 915.15(1) shall apply unless otherwise specifically waived or modified by other provisions of this chapter.

ANALYSIS:

Generally, the PD process serves as a mechanism whereby the county can approve projects with reduced setbacks and/or mixed uses. The advantage of using the PD process instead of traditional zoning is that an applicant can increase or at least maximize his development project's density. In the PD process, however, there are development-required trade-offs, such as additional landscaping, which are required to gain the waivers for smaller lots and higher yields. These trade-offs can have the effect of off-setting any housing unit price reductions due to increasing yield. The county's small lot subdivision allowance, however, provides for specific reduced lot sizes, and setbacks without requiring any specific waivers. This is anticipated to be, to a greater extent, true with potential very small lot subdivision regulations recommended by the AHAC and conceptually approved by the BCC on February 18, 2020.

County Planning Staff are in the process of studying the inclusion of affordable housing as a public benefit in the PD process. Once a quantifiable understanding of the full benefit of

affordable housing is established in comparison to other proposed benefits. Then staff will be able to move forward with making affordable housing a regular component of residential planned developments.

RECOMMENDATION:

The county should maintain its existing PD process, which allows for waivers from conventional zoning standards (setbacks, lot size, etc.) as an option for residential development projects. The County should continue to investigate the inclusion of affordable housing in the PD process and then move towards making it a regular component of a residential planned development.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

H. The modification of street requirements for affordable housing.

As adopted, the county's existing sidewalk and street requirements provide for minimum construction standards to ensure public safety. According to section 913.09(b)(1) (Subdivisions and Plats) of the LDRs, all subdivisions must comply with the minimum standards set forth in Chapter 952 (Traffic). While Chapter 952 sets the minimum right-of-way width for a local or residential street at 60 feet, the minimum right-of-way width may be reduced to 50 feet if the street is constructed with a curb and gutter drainage system. In both cases, however, minimum lane widths remain the same at 11 feet. Although there is a higher cost associated with curb and gutter construction than with swale drainage, the reduction in the amount of right-of-way can produce a higher yield for a project. These street right-of-way requirements can be modified through the Planned Development (PD) process.

Following is the county's current minimum right-of-way requirement.

913.09(b)(1)

Minimum street and rights-of-way widths. The minimum street and rights-of-way widths shall be as stated in Chapter 952, Traffic, of the LDRs. The board of county commissioners may require the increase of right-of-way and pavement widths if it finds that the modification in width is consistent with the projected traffic needs and good engineering practice. No variance will be granted on minimum right-of-way widths for public streets. Right-of-way widths for one-way streets may be reduced from the above standards as approved by the public works director.

ANALYSIS:

As structured, the county's minimum street right-of-way width requirements are based on the minimum area needed to accommodate the various improvements that must be located in the right-of-way. Besides travel lanes, sidewalks, and drainage facilities, these improvements include water and sewer lines, gas lines, phone lines, cable lines, and others. Since the referenced improvements must be provided for in the road right-of-way, the county has determined that the minimum right-of-way width generally must be 60 feet for swale drainage roads and 50 feet for curb and gutter roadways. Reductions in those widths, however, may be accommodated via special designs approved through the County's PD (Planned Development) process.

Because the county's minimum local road right-of-way width requirement may be modified through a PD process, when warranted, the county accommodates the subject incentive.

RECOMMENDATION:

The county's current street right-of-way general requirements are appropriate to ensure public safety, and the County's current allowance for modifications through the PD approval process should be maintained.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation
Yes [] No □

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

Currently, Policy 1.7 of the Housing Element of the Comprehensive Plan requires that a financial impact statement be provided to appropriate advisory committees as well as to the Board of County Commissioners prior to the adoption of any new county regulation that may increase the cost of housing. Below is Policy 1.7 of the Housing Element of the Comprehensive Plan which details the adoption process for county regulations that may increase the cost of new housing.

POLICY 1.7: ***As part of the adoption process for any county regulation which could affect housing development, county planning staff shall prepare a Financial Impact Statement to assess the anticipated impact of the proposed regulation on the cost of housing. When proposed regulatory activities are anticipated to increase the estimated cost per unit for the development of housing, the Financial Impact Statement shall include an estimated increased cost per unit projection. The financial impact statement then will be reviewed by the Planning and Zoning Commission, and, if possible, the Affordable Housing Advisory Committee. Those groups shall consider the regulation's effect on housing cost in making their recommendation to the Board of County Commissioners. The Board of County Commissioners will consider the financial impact statement in making its final decision on the adoption of any proposed regulations.***

ANALYSIS:

Since 1994, staff has prepared Financial Impact Statements for all proposed new regulations impacting housing costs. By providing Financial Impact Statements of proposed regulations to decision-makers before the adoption of those regulations, planning staff ensures that decision-makers consider the costs as well as the benefits of proposed new policies, ordinances, and regulations. While these Financial Impact Statements do not prevent the Board of County Commissioners from adopting new regulations, the statements do provide the Board with an additional tool to measure the effect of proposed regulations.

RECOMMENDATION:

The county's current process of providing Financial Impact Statements to the Board of County Commissioners prior to the adoption of any new regulations, ordinances, policies, procedures, or plan provisions that may increase the cost of affordable housing should be maintained.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [✓] No ☐

J. The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

In 2006, the Florida State Legislature passed HB 1363 relating to affordable housing. One provision of that bill was that each local government must prepare an inventory of all real property that it owns within its jurisdiction that is appropriate for use as affordable housing. Beginning in July 2007, then every 3 years thereafter, Indian River County needs to prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title and is appropriate for use as affordable housing.

At a public hearing on June 19, 2007, the Board of County Commissioners reviewed an inventory list of 2007 county-owned properties. The Board then adopted a resolution that included an inventory list of county-owned properties that are appropriate for affordable housing. With respect to those properties, the Board of County Commissioners decided to donate the parcels to non-profit housing organizations for the construction of permanent affordable housing.

Consistent with the legislature's three-year review requirement, the Board of County Commissioners, in 2010, 2013, 2016, 2019, and 2022 reviewed an associated inventory list of county owned properties appropriate for the provision of affordable housing. At those times, the Board decided to sell surplus properties and deposit the sale proceeds into the county's affordable housing trust fund, as well as donate surplus properties to non-profit affordable housing developers.

Comprehensive Plan Housing Element Policy 2.4 provides for maintaining an inventory of all surplus county-owned land and making those lots available to housing developers.

POLICY 2.4: ***The county's general services department shall, pursuant to section 125.379 F.S., maintain an inventory of all surplus county-owned land and foreclosed properties that are appropriate for affordable housing and dispose of these properties consistent with section 125.379 F.S. requirements.***

ANALYSIS:

Consistent with state law, the Board of County Commissioners, in 2007, reviewed and approved an inventory list of county-owned properties. Of all the properties on that list, ten were determined to be appropriate for affordable housing. The county then donated eight of these properties to non-profit affordable housing organizations for the construction of permanent affordable housing units. The non-profit housing organizations that received the donated lots were Habitat for Humanity, Every Dream Has a Price, and the Coalition for Attainable Homes. Donating county-owned surplus lands to non-profit housing organizations will reduce the cost of affordable housing units on the donated properties and is an appropriate, affordable housing tool.

In 2010, 2013, 2016, 2019, and 2022, the county reviewed and approved its associated inventory lists of county-owned properties. The board determined certain properties to be surplus and directed staff to donate certain properties to non-profit housing organizations and sell the remaining properties and deposit the proceeds in the county's affordable housing trust fund.

RECOMMENDATION:

Policy 2.4 of the Housing Element should be maintained, and the county should continue to keep a list of county owned surplus properties appropriate for affordable housing and disposing of those properties.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [✓] No ☐

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

In Indian River County, the Future Land Use Map (FLUM) identifies areas appropriate for residential development and the appropriate density for those areas. The objective of the FLUM is to create a land use pattern that situates residential development in close proximity to schools, health care facilities, employment centers, and major roadways.

Policy 1.9 of the housing element provides support of development near transportation hubs, major development centers, and mixed-use developments. The policy reads as follows:

***Policy 1.9*: The county shall support housing development near transportation hubs, major employment center, and mixed-use development by expediting the permit process for these types of housing projects.**

ANALYSIS:

In Indian River County, the future land use map is an important tool in establishing appropriate locations for residential development. Generally, the map provides for residential development to be located near compatible land uses and existing neighborhoods and proximate to public transportation, major employment centers, and community services. Ideally, affordable housing projects should be located near employment centers and transportation hubs for additional savings in terms of transportation costs and travel time. For that reason, the county supports locating affordable housing developments near transportation hubs, major employment centers, and mixed-use developments by expediting the permit process for these types of housing projects.

RECOMMENDATION:

The county should maintain housing element policy 1.9 for support of residential developments to be located near transportation hubs, employment centers, and mixed-use developments by expediting permit reviews for these types of developments. At its next Evaluation and Appraisal Report (EAR) review, the county will examine its land use policies and land use designations to determine if such policies and designations are appropriate for encouraging development near transportation hubs and major employment centers and consistent with a recent AHAC recommendation will evaluate the need for additional multi-family allowances (either through increased multi-family zoning or increased allowances for multi-family housing in other zoning districts). Solutions will be reviewed with the County Attorney to consider any potential legal issues and proposed to the BCC.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

Other Housing Strategies

Besides the affordable housing incentives listed in paragraphs A through K of Section 420.9076 F.S., the county has established several other policies to assist non-profit housing organizations in providing affordable housing throughout the county.

Community Land Trust (CLT)

Policy 4.10 of the Housing Element reads as follows:

Policy 4.10: the county shall assist non-profit housing organizations in establishing Community Land Trusts (CLT) by providing technical support to those organizations.

One tool to provide homeownership opportunities to households that would otherwise be renters is a Community Land Trust. A Community Land Trust (CLT) is a nonprofit organization that seeks to preserve housing affordability over the long term. By selling homes to low or moderate-income families, but retaining ownership of the land under those homes, a CLT preserves housing affordability even after an affordable housing unit is sold. Generally, a CLT leases a land parcel to a homeowner for 99 years while the homeowner owns the structure on the land.

In the land trust model, buyers of land trust homes agree that, when they move, they will sell their home to another low or moderate-income family at an affordable price. Consequently, the resale of CLT units is limited to income eligible resale of CLT units is limited to income-eligible households, and resale prices are limited to keep CLT units affordable for the next homebuyer. By owning the land under the house, the land trust ensures that the subsidy is retained for the benefit of subsequent families. Therefore, the owner of a CLT unit may share in the equity produced by the sale of a CLT unit, but will not realize a market rate of return.

According to the Central Florida Workforce Housing Toolkit, some of the most established CLT's are Durham, North Carolina; Burlington, Vermont; The New Town, Tempe, Arizona; Sawmill, Albuquerque, New Mexico; Middle Key, Florida; and Hannibal Square, Winter Park, Florida.

Generally, CLTs are used:

- In fast-growing areas, where the price of real estate is escalating rapidly. They can be used in gentrifying areas to preserve a community's character. Limits on resale prices ensure that some housing remains affordable, even in these areas.

- In disinvested neighborhoods, where CLTs can be used to increase owner occupancy,

decrease absentee ownership, improve the physical condition of housing, and stabilize the community. Such CLTs assist not only the buyers of the CLT homes, but also existing homeowners in the area, who likely are lower income families.

- In expensive resort communities, where CLTs can provide housing for the community's workers.

Benefits:

- Provides permanent stock of affordable & workforce housing
- Lowers housing cost
- Provides some return on equity
- Provides for deduction of mortgage interest payments
- Provides financial stability (no fear of rent increase)
- No cost to the county

Issues:

- Better for a household than renting, but not as good as traditional home ownership
- Resale restriction limits the ability of the owner to utilize full equity
- Resale formula must be prepared carefully to provide some benefit to the homeowner without making the house unaffordable for the next homebuyer
- Mechanics of resales (direct sale or through CLT) are complicated and must be established upfront
- Payment of ad valorem taxes and insurance are additional costs that an owner of a CLT home must incur that a renter does not

Conclusion:

A CLT is an effective method of providing affordable homeownership opportunities. Although CLTs are generally established by private non-profit groups, local governments usually assist non-profit housing groups which are willing to form CLTs. This assistance may involve providing technical assistance, providing surplus properties appropriate for affordable housing and others.

RECOMMENDATION:

The county should maintain Housing Element policy 4.10 to assist non-profit housing organizations seeking to establish a CLT.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

Private/Public Housing Trust Fund

Policy 4.13 of the Housing Element reads as follows:

<u>Policy 4.13</u>: The county shall create a new private/public housing trust fund.

Generally, Housing Trust Funds are established through an ordinance or legislation passed by a county, city, or state legislature. Two steps are necessary to create a Housing Trust Fund. First, a revenue source must be dedicated to the Housing Trust Fund, or other obligations (e.g., developer extractions) that create revenue must be established. Second, the Housing Trust Fund must be created as a separate and distinct entity that can receive and disburse funds. Currently, the county has a housing trust fund for SHIP program funds and an HHR trust fund for HHR program funds.

A private/public housing trust fund may be established by a city or county to collect public and private funds that may be used to assist income eligible households with the provision of affordable housing. A private/public trust fund would be separate from a SHIP trust fund.

Benefits:

- Can provide gap financing (low-interest loan or grant)
- No cost to the county unless the county decides to contribute to the trust fund
- Local governments that cannot provide affordable housing within their jurisdictions could contribute to a trust fund
- Could be used as a match to get other federal or state funds
- Additional funding for the provision of Affordable or Workforce Housing (gap financing or leveraging other funds).

Issues:

- No major issues

Conclusion:

Establishing a private/public housing trust fund could facilitate the provision of more affordable housing. Within Indian River County, high cost barrier island towns that cannot provide affordable housing within their jurisdiction could contribute to a private/public affordable housing trust fund. Also, private parties, businesses, and developers could contribute money to this trust fund.

<u>RECOMMENDATION</u>:

The county should maintain Housing Element policy 4.13 for its current SHIP trust fund and in support of other trust funds that may be established in the future.

<u>BOARD OF COUNTY COMMISSIONERS ACTION:</u>

Board of County Commissioners Approval of the AHAC Recommendation
Yes [] No □

Community Development Corporation (CDC)

Policy 4.11 of the Housing Element reads as follows:

<u>Policy 4.11</u>: The county shall assist non-profit organizations in establishing Community Development Corporations (CDC) by providing technical support to those organizations.

Community Development Corporation (CDC) is a broad term referring to not-for-profit organizations incorporated to provide programs, offer services, and engage in other activities that promote and support a community. CDCs usually serve a geographic location, such as a neighborhood or a town. They often focus on serving lower-income residents or struggling neighborhoods. They can be involved in a variety of activities, including economic development, education, and real estate development. These organizations are often associated with the development of affordable housing.

Activities:

- Real estate development
  - affordable housing
- Economic development
  - -small business lending
  - -small business technical assistance
  - -small business incubation (i.e., provision of space at low or no cost to start-up businesses)
- Education
  - -early childhood education
  - -workforce training
- Non-profit incubation
- Youth and leadership development
- Advocacy
- Community Planning
- Community Organizing

Benefits:

- Facilitates the development of affordable or workforce housing
- Advocates for affordable housing
- No cost to the county

Issues:

- No major issues

Conclusion:

An active CDC can assist with the provision of affordable housing.

<u>RECOMMENDATION</u>:

The county should maintain policy 4.11 of the Housing Element for providing assistance to any not-for-profit organization proposing to form a CDC.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

Employer Assisted Housing

Policy 4.12 of the Housing Element reads as follows:

<u>Policy 4.12</u>: The county shall assist employers with establishing employer assisted housing projects by providing technical support to those employers.

Employer Assisted Housing (EAH) is an initiative where employers can assist their employees in purchasing a home; in exchange, the employer is guaranteed that the participating employee will remain with the firm for a designated period of time. The employee benefits as he/she receives substantial assistance in obtaining a home. The employer benefits as the program is an effective recruitment tool and aids in the retention of employees.

Employers who wish to assist employees with housing can undertake any number of activities, including providing (or partnering with another agency to provide) homeownership education and counseling services; providing down payment assistance, closing cost assistance, and/or second mortgage financing as grants, low or no-interest loans or forgivable loans; offering an employee a savings plan with the employer making a matching contribution; providing a mortgage guarantee to assist employees with securing financing; or acquiring property to rent to employees, either at market or subsidized rates.

Employer assisted housing programs generally are used in areas where housing prices are high and/or unemployment is low, and in areas where one employer is dominant.

Benefits:

- Provision of affordable or workforce housing
- Effective recruitment and retention tools for large private and public employers

Issues:

- Additional cost to the employer

Conclusion:

Employer assisted housing is an effective program for employers to provide affordable housing for workers and to retain those workers for longer periods.

<u>RECOMMENDATION</u>:

The county should maintain Housing Element policy 4.12 to assist employers with establishing an employer-assisted housing program.

<u>BOARD OF COUNTY COMMISSIONERS ACTION:</u>

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

New Construction Technologies

Policy 1.8 of the Housing Element reads as follows:

***Policy 1.8*: The county shall expedite permits for housing projects utilizing new construction technologies, including green building programs and Energy STAR® Program.**

New construction technologies (such as modular homes, factory made tiny homes, etc.) and new green building programs may be utilized for the provision of affordable housing. In some cases, new construction technologies can expedite the construction of new affordable homes and be more cost effective.

As part of the January 22, 2020, AHAC recommendations approved by the BCC is a recommendation to develop tiny and modular home information packets. Those packets, once developed, will be made available to homeowners and builders to inform them of the possibilities, key code allowances and requirements, and review processes related to them. The informational packets should serve to promote more affordable housing by simply presenting the option and helping to facilitate their expedited development through prompt/informative information.

Benefits:

- Decreases housing cost
- Expedites housing production

Issues:

- None

Conclusion:

This is an effective way of reducing housing costs. Currently, the county allows new construction technologies, including green building programs, and expedites permits for affordable housing projects. Providing detailed information will help to encourage and ultimately facilitate the development of new affordable housing types.

RECOMMENDATION:

The county should maintain Housing Element policy 1.8 for expediting permits for affordable housing projects utilizing new construction technologies and green building programs.

BOARD OF COUNTY COMMISSIONERS ACTION:

Board of County Commissioners Approval of the AHAC Recommendation

Yes [] No □

CONCLUSION

Since the adoption of the County's Comprehensive Plan Housing Element in 1990, the adoption of the County's Affordable Housing Incentive Plan in 1994, and then the adoption of the County's EAR-based amendments in 2010, the county has established and maintained a number of affordable housing incentives. As such, Indian River County currently provides ten of the eleven affordable housing incentives listed in items A through K of Section 420.9076(4) F.S. For reasons explained in the analysis, the item H incentive relating to modification of street requirements has not been adopted and is not recommended for adoption.

In the past, the county's ten adopted affordable housing incentives have worked well in encouraging non-profit housing organizations and for-profit affordable housing developers to provide affordable housing. Recent analysis by the AHAC has identified an opportunity for revision to several of the existing incentive strategies. Those proposed revisions include ordinance revisions to allow very small lot subdivisions (in addition to the current allowance for small lot subdivisions), increased accessory dwelling unit size, impact fee exemptions for affordable housing, and greater affordable housing development density. County Staff have been able to implement increased accessory dwelling unit size over the last year and are currently in the process of implementing additional impact fee waiver exemptions. Other initiatives will each need to be reviewed in greater detail, drafted in ordinance format, and presented to the BCC for final review and consideration.

The table on the next page provides a summary of recommendations for items A through K of Section 420.9076, F.S.

Housing Incentives Summary

Items	Strategy	Strategy Status			Recommendation
		Already Implemented by the County	Proposed for Addition	Not Appropriate	
A	Expedited Permitting for affordable housing projects	✓			- Maintain Housing Element Policy 1.5 for establishing web based online permitting process - Maintain Housing Element Policy 1.6 for expedited affordable housing projects and permits
B	All allowable fee waivers provided for the development or construction of affordable housing	✓			- Maintain Housing Element Policy 4.4 regarding payment of impact fees and utilities capacity charges for income eligible households with SHIP funds - Maintain Housing Element Policy 4.3 for financing water & sewer capacity charges - Maintain its newly adopted impact fee waiver and reductions under Title X of the Indian River County Code for certain single family housing units occupied by households with incomes of less than 80% of AMI - Continue to apply for other funding sources (such as CDBGs) to subsidize impact fees and utility capacity charges.
C	Flexible Densities	✓			- Maintain county's affordable housing density provision established in Policy 2.5 of the Housing Element and LDRs - Move forward with providing specific ordinance revision recommendations for very small lot subdivisions and for increased density bonuses for affordable housing development projects.
D	Reservation of infrastructure capacity for affordable housing projects	✓			- Maintain current county concurrency management system which allows for upfront reservation of infrastructure capacity
E	Affordable accessory residential units	✓			- Maintain county's accessory dwelling unit provision;

Items	Strategy	Strategy Status			Recommendation
		Already Implemented by the County	Proposed for Addition	Not Appropriate	
F	Reduction of parking and setback requirements for affordable housing projects	✓		✓ *	- Maintain county's reduced setbacks for affordable housing projects through small lot subdivision allowance and review potential very small lot subdivision regulations/allowances - Maintain county's parking requirements
G	Flexible lot configuration	✓			- Maintain county's PD process which allows for waiver of conventional zoning standards -
H	Modification of street requirements			✓	- Maintain the county's current street rights-of-way requirements
I	Establish process for considering before adoption cost effect of new regulations, policies, and ordinances	✓			- Maintain county's current policy of preparing financial impact statements for proposed new regulations, policies, and ordinances
J	Inventory of publicly owned land	✓			- Maintain policy 2.4 of the Housing Element
K	Support developments near transportation hubs and major employment centers	✓			- Maintain policy 1.9 of the Housing Element - Evaluate the need for additional multi-family allowances (either through increased multi-family zoning or increased allowances for multi-family housing in other zoning districts) and preset to BCC for consideration
---	CLT	✓			- Maintain policy 4.10 of the Housing Element
---	Private/Public Housing Trust Fund	✓			- Maintain policy 4.13 of the Housing Element
---	CDC	✓			- Maintain policy 4.11 of the Housing Element

Items	Strategy	Strategy Status			Recommendation
		Already Implemented by the County	Proposed for Addition	Not Appropriate	
---	Employer Assisted Housing	✓			- Maintain policy 4.12 of the Housing Element
---	New Construction Technologies	✓			- Maintain policy 1.8 of the Housing Element - Develop tiny and modular home information packets for homeowners and builders to inform them of the possibilities, key code allowances and requirements, and review processes related to them.

*The parking reduction component of Item F is not appropriate for Indian River County.

AHAC RECOMMENDATION:

The Affordable Housing Advisory Committee recommends that the Board of County Commissioners approve the 2025 AHAC Report, maintain the county's current affordable housing incentives, and proceed with additional revisions to the incentive as outlined in this report.