

Legislative findings and intent.

The City Council has determined that St. Petersburg is experiencing an escalation in housing costs and a corresponding and critical lack of housing opportunities for households with low or moderate incomes. The declining availability of low and moderately priced housing in St. Petersburg forces persons employed in the city to either spend a disproportionate percentage of their disposable income on housing, thus sacrificing other necessities of life, or forces them to seek housing opportunities outside the city. These both result in economic and social losses to the city. The housing cost increases in St. Petersburg are driven, in part, by the pace of population and job growth in the city, resulting in a situation where demand for housing has outpaced supply, especially for persons who may find jobs in St. Petersburg's growing economy but are employed at low or moderate income levels.

The City Council has determined that it is in the public interest to address the severe social and economic impacts to the city and its citizens caused by the increasing gap between supply and demand for housing by funding programs designed to preserve and increase the supply of affordable housing available to low and moderate income households. The City Council specifically finds that it is appropriate to fund a portion of the costs of such programs from a linkage fee on new development for the following reasons:

- (a) New residential and nonresidential development is demonstrably associated with the generation of new jobs at various income levels, with the number of jobs associated with any particular development being reasonably correlated with the type and size of the development.
- (b) When jobs are generated as a result of new nonresidential development, employees receiving low or moderate level incomes will experience a lack of housing availability and affordability in St. Petersburg under current market conditions unless efforts are taken by the city to increase housing opportunities to keep pace with job growth.
- (c) City Council specifically finds that job growth is associated with new residential development and some of the new jobs created provide incomes which necessitate affordable housing units.
- (d) For the foregoing reasons, the City Council has determined there is a direct nexus between both nonresidential and residential development, job growth, and demand for new housing that is affordable to households with low or moderate incomes.
- (e) The City Council acknowledges that impact fees on new development cannot exceed an amount that is justified by the impacts caused by the development. The City Council has determined that the fees set forth herein fall far below the amount of revenue that would actually be necessary to meet the demand for new affordable housing driven by the job growth that is associated with new development, and thus these fees do not exceed the applicable standards that define the maximum legally justifiable fee, but are still beneficial to address the housing affordability needs created by new development.
- (f) The City Council further acknowledges that the revenue derived from the fees provided herein must be used, not to address the existing gap between supply and demand for affordable housing in the city, but instead to mitigate future increases in the gap caused by new construction which will lead to new employment opportunities in the city, and the increased demand for affordable housing associated with such employment.
- (g) The City Council has determined to set the affordable housing linkage fees set forth herein at a level much lower than the maximum justifiable fee in an effort to ensure that the fees do not impair the feasibility of any development project in the city.
- (h) The foregoing findings are supported by the "City of St. Petersburg Attainable/Workforce Housing and Linkage Study" prepared for the city by Strategic Planning Group, Inc and dated December 2019, the contents of which are expressly incorporated herein as a part of the legislative findings of the City Council.
- (i) The foregoing findings are also supported by the "Housing Nexus Analysis" prepared for the city and Pinellas County by Bay Area Economics and dated July 24, 2007, the contents of which are expressly incorporated herein as a part of the legislative findings of the City Council.

Sec. - Definitions.

The following words and phrases, as used in this division, have the following meanings:

- (a) *Dwelling unit, dwelling, single-family; dwelling, multifamily; and accessory dwelling unit* shall have the same meaning as these terms are used in Chapter 16 Land Development Regulations.
- (b) *Affordable Housing* shall have the same meaning as the term is defined in City Codes Chapter 17.5.
- (c) *Gross floor area* shall have the same meaning as the term is defined in Chapter 16 Land Development Regulations.
- (d) *Grocery Store* means a development that is for a retail use of which greater than half the floor area is dedicated to the sale of food items intended for consumption or use off the premises, excluding alcoholic beverages.
- (e) *Hotel* shall have the same meaning as the term is defined in Chapter 16 Land Development Regulations.
- (f) *Commercial sales, services and repair uses* shall mean all Commercial Uses as defined in Chapter 16 Land Development Regulations.
- (g) *Industrial, manufacturing and wholesale uses* shall mean all Industrial, Manufacturing and Wharehousing Uses as defined in Chapter 16 Land Development Regulations.
- (h) *Residential use* shall have the same meaning as the term is defined in Chapter 16, and shall be deemed to include any and all primary residential uses and all uses accessory to a residential use, except accessory dwelling units, as set forth in Section xxxxx.
- (i) *Structure* shall have the same meaning as the term is defined in Chapter 16 Land Development Regulations.
- (j) *Affordable Housing Advisory Committee* or *AHAC* shall be the same as the committee is identified in Section Chapter 17.5, Article II (Sections 17.5-19 through 26) and Section 420.9076, Florida Statutes.

Sec. - Imposition of linkage fee.

- (a) *In general.* Except as provided in section x , an affordable housing linkage fee shall be imposed prior to the issuance of a building permit for any new structure or for any addition to an existing structure that increases the gross floor area of the existing structure, according to the following fee schedule:
 - (1) Structures containing any residential dwelling single-family or dwelling units multifamily: One dollar (\$1.00) per square foot of gross floor area.
 - (2) Structures containing any industrial, manufacturing and wholesale uses: One dollar (\$1.00) per square foot of gross floor area.
 - (3) Structures containing any hotel, commercial sales, services and repair uses: One dollar (\$1.00) per square foot of gross floor area.
 - (4) Structures containing an office use: Ten cents (\$0.10) per square foot of gross floor area.
- (b) *Mixed use structures.* When a structure is proposed to be constructed and used for any combination of the uses set forth in subsection (a) of this section, the required linkage fee shall be determined based upon an apportionment of the gross floor area in the structure attributable to each of the proposed uses.

- (c) *Modification of existing structures.* The linkage fees imposed by this section shall not be required for the issuance of building permits associated with any change of use, improvement, repair, remodeling, tenant finish, or any other modifications to an existing structure unless the modification increases the gross floor area of the structure more than 1,000 square feet.
- (d) *Annual inflation adjustment; future fee increases.*
 - (1) On July 1, 2021, and on each July 1 thereafter, the fees set forth in subsection (a) of this section shall be adjusted in an amount equal to the percentage change from the previous year in the CPI-U. The adjustments will be reflected in a fee schedule issued by the Director of Planning and Development Services and made publicly available in advance of the fees becoming effective. The annual inflation adjustment shall apply to and be collected in conjunction with the issuance of any building permit on or after July of the year in which the adjustment is made, regardless of when the application for the building permit was made.
 - (2) As used in subsection (d), the term "CPI-U" means the United States Department of Labor Statistics (Bureau of Labor Statistics) Consumer Price Index for All Urban Consumers, All items, for the Tampa – St. Petersburg – Clearwater area. In the event that the CPI-U is substantially changed, renamed, or abandoned by the United States Government, then in its place shall be substituted the index established by the United States Government that most closely resembles the CPI-U.
 - (3) Except as provided in paragraph (1) of this section, the fees set forth in this section shall not be increased prior to January 1, 2025. On and after January 1, 2025, the fees set forth in this section shall not be increased in excess of the inflation adjustments set forth in subsection (1) unless and until another study is completed to evaluate whether the fee increase will affect the economic feasibility of any type of development to which the fee increase is proposed to be applied.

Sec. . - Exceptions.

The payment of linkage fees as set forth in section XXXX shall not be required for the issuance of a building permit in connection with development of a structure or portion of a structure under any of the following circumstances. For mixed-use development, this section shall only apply to the portion of the building that meets the exception.

- (a) Construction upon any property which is, alone or in combination with other properties, the subject of a contractual commitment or covenant that is dated and properly recorded prior to the imposition of a linkage fee on the first structure on the property to construct affordable housing. The exception provided by this subsection (a) shall apply only for so long as such contractual commitment or covenant to construct affordable housing remains in effect. Construction upon property that, alone or in combination with other properties, was originally developed under such a contractual commitment or covenant and is substantially proposed for redevelopment shall be subject to payment of linkage fees hereunder unless the redevelopment is governed by a new contractual commitment or covenant to construct affordable housing, or otherwise qualifies for an exception under any other provision of this section.
- (b) Non-residential building construction that constitutes the exempt use of property for education, religious, charitable or governmental use, as defined by F.S. ch. 196, or that is used for such purposes by organizations which qualify for exemption from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- (c) Affordable housing developments that are constructed with the support of any combination of federal, state or local financial resources, including private activity bonds, tax credits, grants, loans, or other subsidies to incentivize the development of affordable housing and that are restricted by law, contract, deed, covenant, or any other legally enforceable instrument to provide housing units only to income-qualified households. This exception shall also apply to any housing development financed or constructed by or on behalf of the St. Petersburg Housing Authority.

- (d) Residential dwelling units that are certified as affordable housing by the Housing & Community Development department and are restricted to ensure the affordability of the dwelling unit to low- or moderate-income households.
- (e) Developments that are built by any charitable, religious or other nonprofit entity and that are primarily used to provide, shelter, housing, housing assistance, or related services to low income households or persons experiencing homelessness.
- (f) The previously existing gross floor area of any structure that is being reconstructed due to involuntary destruction.
- (g) An addition of one thousand (1,000) gross square feet or less to an existing structure containing a single-unit dwelling or a two-unit dwelling.
- (h) Accessory dwelling units as defined in Chapter 16 Land Development Regulations.
- (i) Any grocery store provided there is no existing grocery store within a one-mile radius of the development project site.
- (j) Any gross floor area permitted as a result of a floor area ratio bonus which requires payment to the City.
- (k) A single-family detached home that is 1,400 square feet or less in gross floor area or less.

Sec. - Build alternative.

- (a) As an alternative to the linkage fee requirement set forth in section x, an applicant for a building permit for any structure subject to the requirements of this division may elect to build or cause to be built affordable housing units on the subject property or within a mile radius of the subject property, or within the nearest zoning district which permits residential development, with the required number of affordable housing units to be determined by the following formulas:
 - (1) Structures containing multifamily dwellings:
 $(\text{Gross square feet of structure}/1000) \times .02 = \text{number of units}$
 - (2) Structures containing any industrial, manufacturing and wholesale uses or primary agricultural uses:
 $(\text{Gross square feet of structure}/1000) \times .02 = \text{number of units}$
 - (3) Structures containing any hotel, office, commercial sales, services and repair uses:
 $(\text{Gross square feet of structure}/1000) \times .02 = \text{number of units}$
 - (5) Developments consisting of twenty five (25) or more single-unit dwellings or two-unit dwellings:
 Number of affordable housing units shall equal two (2) percent of the total number of housing units in the development.

In the event the application formulas set forth in this subsection to a particular project creates an obligation to build a fractional housing unit, any fraction of one-half (.5) or greater shall be converted into a whole unit.

- (b) Any housing units to be provided under the build alternative shall be restricted to households earning eighty (80) percent or less of AMI with an affordability period of 30 years. However, build alternative units that are provided under the regulations for the Workforce Housing Density Bonus shall be restricted by the provisions of the Workforce Housing Density Bonus.
- (c) An applicant who chooses to comply with the requirements of this division through the construction of affordable housing units shall submit to the POD sufficient information to enable the POD to determine that the applicant will construct or cause to be constructed the affordable housing units, and enter into a binding agreement with the city to covenant-restrict such units in order to ensure their affordability, to stipulate when affordable housing units will be built, and to include any other

terms of conditions as may be imposed by the POD to enforce the requirements of this section. The POD may require in any such agreement forms of financial security to ensure that the units are built. If the POD approves a build alternative under this section and an agreement is executed and recorded, the POD shall deliver to the department of Planning and Development Services written notice of such approval and a copy of the agreement. Only after the agreement is executed and recorded may any building permits be issued for a project for which the applicant has elected to use the build alternative as provided in this section.

Sec. – Land Dedication Alternative

As an alternative to the linkage fee requirement set forth in section x, an applicant for a building permit for any structure subject to the requirements of this division may elect to dedicate residentially zoned land to the city for the purpose of affordable housing. The offer must be accepted by the POD. The value of the land to be dedicated shall be determined by the average of two independent appraisals funded by the applicant. The value of the land shall be deducted from the linkage fee amount owed for the applicant's development project and if the value of the dedicated land is more than the linkage fee owed for the applicant's development project, the city shall bear no responsibility for the difference in value, nor shall that overage be applied as a credit to any future development project. The POD shall notify the director of the Planning and Development Services department of any acceptance of land dedication and the value of the land.

Sec. - Collection and remittance of linkage fees.

- (a) The responsibility for the calculation and collection of linkage fees shall reside with personnel in the department of Planning and Development Services, and the fees required shall be collected in conjunction with the administration of the city's system for issuing building permits. Any and all linkage fees applicable to a construction project shall be paid in full prior to the issuance of any building permit, excluding the shoring or excavation permit, for that project. For projects such as townhomes where units receive separate building permits, fees shall be assessed on a permit-by-permit basis. All fees collected by the department shall be remitted to the affordable housing linkage fee special revenue fund as provided in section xxx and used exclusively for the purposes set forth therein.
- (b) If, after the issuance of a building permit and collection of the applicable linkage fee but before the issuance of a certificate of occupancy, the amount of gross square footage of the construction project increases or a decision is made by the applicant to change the use of the structure to a use category for which a higher linkage fee would be imposed under section xxx, then the applicant shall be required to pay additional linkage fees in compliance with this division prior to a certificate of occupancy being issued on the property.
- (c) Any dispute over the applicability or calculation of the linkage fees may be appealed by the applicant for a building permit to the director of Planning and Development Services, who shall determine such appeals in consultation with the City Development Administrator. Any dispute of the applicability or calculation of an exception from linkage fees may be appealed by the applicant to the director of Housing & Community Development, who shall determine such appeals in consultation with the Neighborhood Affairs Administrator.
- (d) Linkage fees previously paid by an applicant at building permit issuance may be refunded from the affordable housing linkage fee revenue fund if it is later determined on appeal or otherwise by the POD that the fees were not due and owing under this division, if a decision is made by the applicant after a building permit has been issued to reduce the gross square feet of the construction project or to change the use of the structure to a use category for which a lower linkage fee would be imposed under section xxx, or if the building permits for the project lapse or are relinquished by the applicant without the project building built. The POD shall not be obligated to make any refund under this subsection (d) unless the applicant files a written request for a refund with the director within sixty (60) days from the day any grounds for a refund arise.
- (e) After a building permit has been issued and the applicable linkage fees have been paid, no additional fees shall be required under either of the following circumstances:

- (1) If the original building permit is cancelled in order to issue a replacement building permit to change the general contractor; or
 - (2) If modified drawings for the construction project are submitted and logged in for review, so long as the modified drawings do not increase the overall gross square footage of the project.
- (f) Any building permit application submitted six months after the effective date for the approval of a linkage fee shall be subject to this division.

Sec. - Reductions and waivers.

- (a) The amount of linkage fees that would otherwise be imposed upon a specific development under section x may only be reduced or waived by the AHAC. If an applicant seeks a reduction or waiver of the amount of linkage fees, they must submit a request to the POD along with sufficient information to demonstrate that the required amount of fees exceeds the amount that would be needed to mitigate the actual demand for affordable housing created by the development. An application for such a reduction or waiver shall include information showing the reduced affordable housing impacts created by the development, based upon the actual characteristics of the development including, for example:
- (1) The unique characteristics and space utilization of the workforce that will occupy a nonresidential development and the demand of that particular workforce for affordable housing;
 - (2) A nonresidential development that will involve a structure built for and suitable solely for a specific use involving no or de minimis employees; or
 - (3) The unique characteristics of the residents who will occupy a residential development, and the likelihood those particular residents, due to their disposable household income or projected spending patterns, will not drive additional employment requiring additional affordable housing.
- (b) The POD shall review the application, and if the POD determines it is sufficient for submittal to the AHAC, the POD will transmit such information to the AHAC for their consideration.
- (c) If the AHAC determines that a reduction or waiver is appropriate, it shall notify in writing the director of the Planning and Community Development department of any reduction or waiver of linkage fees granted under the authority of this section.
- (d) An applicant or a citizen of St. Petersburg may appeal the decision of the AHAC to reduce or waive the amount of linkage fees to the City Council. Such notice of appeal must be filed with the City Clerk within ten(10) days of the decision by the AHAC sought to be appealed.

Sec. – Special Revenue Fund and Use of Funds

- (a) An affordable housing linkage fee special revenue fund is hereby established. All fees collected under this section shall be deposited within this fund and shall be expended only for those purposes budgeted and authorized by the City Council.
- (b) The City Council authorizes the use of the funds deposited within the affordable housing linkage fee special revenue fund for the following purposes:
- (1) Construction of affordable housing units for households earning up to 120% of Area Median Income (AMI), including site preparation and infrastructure.
 - (2) Acquisition of land for affordable housing unit construction for households earning up to 120% of AMI.
 - (3) Assistance for first-time home buyers with income up to 140% of AMI.
 - (4) Preservation of existing affordable housing supply for households earning up to 120% of AMI.
 - (6) Reasonable administrative costs and expenses of the program not to exceed 5%.

The above list is not exhaustive, and the City Council by resolution may add or remove alternative affordable housing programs. The city explicitly acknowledges that use of the funds is limited by law and intends this section to be interpreted in compliance with such law, as amended or changed from time to time.