



# **Linkage Fee Ordinance to Fund Housing Affordability**



**st.petersburg**  
[www.stpete.org](http://www.stpete.org)

# 2018 COW's

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- Goals
  - Define affordable housing and explain the need
  - Establish baseline of mutual understanding on current plans, policies and programs
  - Provide an update on programs we are working on
  - Provide explanation of potential options
  - Look for consensus on strategic approach
  - Establish direction to move forward



# 2018 COW's

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- Post COW Action Item Memo

- Increase staff by 2 for Neighborhood Team – Completed
- Work with County to reduce Mobility Impact Fee for smaller units and affordable units – Completed
- Create affordable lot disposition program – Completed
- Income category clarification in Workforce Housing Density Bonus program – Completed
- Modify Workforce Housing Density Bonus Public Hearing Requirement – Completed
- Establish expedited permit process for affordable housing – Completed
- Reduce minimum required lot area for Accessory Dwelling Units – Completed
- Multi-family parking reductions – Completed



# 2018 COW's

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- Post COW Action Item Memo

- Improve and modify South St. Petersburg CRA housing programs – Completed
- Revise FAR Bonus structure to emphasize housing affordability – Completed
- Permit Accessory Dwelling Units in Suburban zoning districts – Discussion Ongoing
- Consider additional Activity Centers – Innovation District Completed & other areas TBD
- Create NTM Missing Middle zoning category – Completed
- Conduct Nexus Study and consider linkage fee to fund affordable housing – In Process



# Cost Burden Data

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- Cost = or less than 30% - 63,860
- Cost burden 30% to 50% - 20,585
- Cost burden above 50% - 18,670
- Total households – 103,115
- Total households burdened – 38%
- Source 2017 American Community Survey 5 year Estimate



# Cost Burden Data

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- CHAS Data
  - 74% of households at 30% or less of AMI are cost burdened
  - 75% of households between 30% and 50% of AMI are cost burdened
  - 59% of households between 50% and 80% of AMI are cost burdened
  - 32% of households between 80% and 100% of AMI are cost burdened
  - 9% of households at 100% or greater of AMI are cost burdened
- Source Comprehensive Housing Affordability Data (CHAS) 2012-1016



# Cost Burden Data

Table 2.2. Top Ten Occupations for 0-60 Percent of AMI Renters and All Renters, Florida, 2017

	Median hourly wage	Top Ten Occupation	
		0-60% AMI Renters	All Renters
Maids and housekeeping cleaners	\$10.33	x	x
Cashiers	\$9.36	x	x
Waiters and waitresses	\$10.15	x	x
Janitors and building cleaners	\$10.69	x	x
Cooks	\$9.81-12.53	x	
Nursing, psychiatric, and home health aides	\$10.97-12.07	x	x
Retail salespersons	\$10.53	x	x
Customer service representatives	\$14.34	x	x
Construction laborers	\$13.79	x	
Driver/sales workers and truck drivers	\$10.07-18.39	x	x
Supervisors of retail sales workers	\$19.21		x
Managers	\$45.18		x

Notes: "Top Ten Occupation" refers to ten most prevalent occupational categories in the American Community Survey for employed heads of household in the respective group (0-60 percent of AMI renters and all renters).

Sources: Shimberg Center analysis of U.S. Census Bureau, 2017 American Community Survey and Florida Department of Economic Opportunity, 2017 Occupational Employment Statistics and Wages



# State and Federal Funding Sources

<u>City of St. Petersburg Formula Allocations</u>												
<u>FY 2001-2018</u>												
Fiscal Year	CDBG	HOME	ADDI	ESG	SHIP	CHTF	CDBG-R	HPRP	HPRP DCF	NSP 1	NSP 3	TOTAL
2001	\$3,050,000	\$1,526,000	\$0	\$104,000	\$2,205,865	\$0	\$0	\$0	\$0	\$0	\$0	\$6,885,865
2002	\$3,012,000	\$1,525,000	\$0	\$104,000	\$2,573,405	\$0	\$0	\$0	\$0	\$0	\$0	\$7,214,405
2003	\$2,800,000	\$1,548,051	\$0	\$103,000	\$1,989,836	\$0	\$0	\$0	\$0	\$0	\$0	\$6,440,887
2004	\$2,716,000	\$1,448,017	\$91,446	\$102,422	\$1,879,728	\$0	\$0	\$0	\$0	\$0	\$0	\$6,237,613
2005	\$2,563,713	\$1,377,739	\$0	\$99,334	\$1,832,808	\$0	\$0	\$0	\$0	\$0	\$0	\$5,873,594
2006	\$2,303,202	\$1,302,166	\$26,020	\$98,612	\$2,346,040	\$2,155,064	\$0	\$0	\$0	\$0	\$0	\$8,231,104
2007	\$2,292,435	\$1,288,286	\$26,020	\$99,337	\$2,286,432	\$1,077,532	\$0	\$0	\$0	\$0	\$0	\$7,070,042
2008	\$2,203,141	\$1,247,117	\$10,513	\$98,772	\$2,237,420	\$911,592	\$598,343	\$914,999	\$0	\$9,498,962	\$0	\$17,720,859
2009	\$2,221,154	\$1,398,298	\$0	\$98,091	\$221,290	\$0	\$0	\$0	0	\$0	\$0	\$3,938,833
2010	\$2,395,171	\$1,389,703	\$0	\$97,573	\$0	\$0	\$0	\$0	\$413,227	\$0	\$3,709,133	\$8,004,807
2011	\$1,992,563	\$1,229,023	\$0	\$97,039	\$218,027	\$0	\$0	\$0	\$0	\$0	\$0	\$3,536,652
2012	\$1,565,253	\$718,005	\$0	\$172,553	\$96,539	\$0	\$0	\$0	\$0	\$0	\$0	\$2,455,811
2013	\$1,613,306	\$668,159	\$0	\$114,190	\$364,213	\$0	\$0	\$0	\$0	\$0	\$0	\$2,759,868
2014	\$1,590,819	\$707,675	\$0	\$131,063	\$1,143,819	\$0	\$0	\$0	\$0	\$0	\$0	\$3,573,376
2015	\$1,586,081	\$634,961	\$0	\$141,800	\$1,211,978	\$0	\$0	\$0	\$0	\$0	\$0	\$3,574,820
2016	\$1,606,833	\$671,770	\$0	\$142,779	\$1,622,936	\$0	\$0	\$0	\$0	\$0	\$0	\$4,044,318
2017	\$1,603,521	\$682,978	\$0	\$144,659	\$1,111,704	\$0	\$0	\$0	\$0	\$0	\$0	\$3,542,862
2018	\$1,603,521	\$682,978	\$0	\$144,659	\$363,709	\$0	\$0	\$0	\$0	\$0	\$0	\$2,794,867
<b>Totals</b>	<b>\$38,718,713</b>	<b>\$20,045,926</b>	<b>\$153,999</b>	<b>\$2,093,883</b>	<b>\$23,705,749</b>	<b>\$4,144,188</b>	<b>\$598,343</b>	<b>\$914,999</b>	<b>\$413,227</b>	<b>\$9,498,962</b>	<b>\$3,709,133</b>	<b>\$103,900,583</b>

# AREA MEDIAN INCOME DEFINED

	 1 PERSON	 2 PEOPLE	 3 PEOPLE	 4 PEOPLE
HOUSEHOLD INCOME UP TO 30% OF AREA MEDIAN INCOME*	< \$14,070	< \$16,080	< \$18,090	< \$20,070
HOUSEHOLD INCOME UP TO 60% OF AREA MEDIAN INCOME*	< \$28,140	< \$32,160	< \$36,180	< \$40,140
HOUSEHOLD INCOME UP TO 100% OF AREA MEDIAN INCOME*	< \$46,900	< \$53,600	< \$60,300	< \$66,900
HOUSEHOLD INCOME UP TO 120% OF AREA MEDIAN INCOME*	< \$56,280	< \$64,320	< \$72,360	< \$80,280



# ST. PETERSBURG'S HOUSING PLAN

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The City of St. Petersburg has developed a 10-year plan setting goals to address housing affordability by expanding existing programs and introducing new solutions.

The goals will begin in 2020 and will be funded through various public and private sources.

This plan impacts approximately 7,000 of our households, improving life for 19,000 of our neighbors across the city. Overall, this is an approximate 75% increase over the previous 10 years.

***St. Petersburg's Housing Plan: For All, From All.***



## LOW- AND MODERATE-INCOME HOUSEHOLDS

### *For those who earn up to 120% of Area Median Income*

- Create and preserve 2,400 multi-family units
- Support the development of 200 non-subsidized Workforce Density Bonus Units\*
- Include mixed-income developments on City-owned land to increase the supply of multi-family units
- Support the construction of 300 accessory dwelling units, such as encouraging developers to include affordable units like carriage houses and garage apartments
- Enable the purchase of 500 single-family homes for households earning 120% of the area median income or below
- Provide 150 single-family lots for construction of new affordable homes
- Enable more than 3,200 single-family homeowners to stay in their homes by remedying code violations through available grants and additional City funding

## MIDDLE-INCOME HOUSEHOLDS AND ABOVE

### *For those who earn more than 120% of Area Median Income*

- Make housing more affordable by increasing the supply of market rate units through the new Neighborhood Traditional Multi-Family zoning districts
- Support the construction of 300 accessory dwelling units, such as encouraging developers to include affordable units like carriage houses and garage apartments
- Include mixed-income developments on City-owned land to increase the supply of multi-family units

\* Zoning strategy to encourage developers to include affordable units



## FEDERAL

- **HOME (HOME Investment Partnership) | \$1.5 million:**  
a federal funding source that provides money to the City through annual Federal budget process

## STATE

- **SHIP (State Housing Initiative Partnership) | \$2.5 million:**  
a state funding source that provides money to the City through annual state budget process

## LOCAL

- **City-Owned Land | \$10 million:**  
existing City-owned land and future acquisitions, valued at approximately \$10 million, for the use of housing that is affordable
- **Penny for Pinellas | \$15 million:**  
a portion of the 1% sales tax that funds long-term capital projects in Pinellas County
- **SSP CRA (South St. Petersburg Community Redevelopment Area) | \$8.5 million:**  
a City program by which local taxes collected from the CRA are used for projects located within the CRA alone
- **Floor Area Ratio Bonus | \$2.5 million:**  
a fee paid by developers for the right to develop additional square footage on a property
- **Linkage Fee | \$20 million:**  
a proposed impact fee on new market-rate construction, pending results of the City's nexus study, in progress



# Nexus Study

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- Previous Discussion of Nexus Study/Linkage Fee
  - COW – April 19, 2018
  - BF&T – September 13, 2018
  - BF&T – January 24, 2019
  - COW - October 24, 2019



# Nexus Study & Linkage Fee

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- Public Outreach
  - Emerging Leaders Meeting 6.7.18
  - Housing Development & Affordability Meeting 6.26.18
  - C.O.N.A Meeting 7.18.18
  - Housing Development & Affordability Meeting 8.7.18
  - ISAP Summit Meeting 8.14.18
  - Pinellas County Realtors Meeting 8.22.18
  - Chamber of Commerce Meeting 8.29.18
  - New Deal St. Pete – 10.10.18
  - Developer Meeting – 10.18.18
  - Chamber of Commerce Meeting – 11.12.19
  - Public Meeting on Nexus Study – 11.19.19
  - Bay Area Apartment Association – 1.31.20



# Nexus Study & Linkage Fee

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- What are linkage/mitigation fees?
  - Linkage fees are a means for local government to collect monies to help support affordable housing. These fees, collected from market rate residential development and non-residential development, are placed in a fund to provide for the construction and maintenance of affordable residential units.



# Nexus Study & Linkage Fee

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## Legal Requirement for a Nexus

- Under Florida law, there must be a rational relationship between the linkage/mitigation fee imposed and the impact of new construction on the need for affordable housing.



# Nexus Study & Linkage Fee

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- Local governments must determine the need new market rate residential and non-residential developments create for housing that is affordable to the workforce, as a legal basis for establishing a workforce housing mitigation program
- A nexus study provides the required information for the workforce housing need created by new developments and provides statistical support for the fee calculation
- Fee is typically calculated on a square foot basis or a per unit basis for residential



# Reasonable Basis to Implement a Linkage Fee

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- State Statute, Comprehensive Plan and common-sense approach
  - To facilitate the provision of decent, safe, sanitary, healthy and affordable housing in suitable neighborhoods at affordable costs to meet the needs of the present and future residents of the city
- 2007 Pinellas County Nexus Study
- 2019 St. Petersburg Nexus Study



# Linkage Fee & Nexus Study 2019

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- Nexus Study Scope of Work
  - Housing Affordability Need
  - Demographics
  - Housing Supply
  - Residential Linkage Fee Analysis
  - Non-residential Linkage Fee Analysis
  - Linkage Fee Impact on Development



# Linkage Fee & Nexus Study 2019

- Maximum Residential Linkage Fee

	Market	50%	60%	80%	120%
Total Supportable Unit Value	\$248,663	\$33,623	\$56,925	\$103,530	\$196,738
GAP	\$37,631	(\$177,408)	(\$154,106)	(\$107,502)	(\$14,293)
GAP PSF	\$44	(\$209)	(\$181)	(\$126)	(\$17)
Percent Employees		37%	3%	32%	13%
Total GAP PSF		(\$77.42)	(\$6.17)	(\$40.22)	(\$2.15)
Commute Adjustment (33%)		(\$25.55)	(\$2.04)	(\$13.27)	(\$0.71)
Rental GAP					(\$41.56)
GAP 60-120					(\$16.02)
GAP 80-120					(\$13.98)



# Linkage Fee & Nexus Study 2007

- Maximum Residential Linkage Fee

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## Demand for Affordable Housing Induced by Development of New Market-Rate Housing Units in Pinellas County

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### Net Number of New Pinellas County Generated by Income Level -- Adjusted for Out-of-County Comuters (a)

<u>Housing Type</u>	<u>Extremely Low Income</u> (30 % or less)	<u>Very Low Income</u> (31% to 50%)	<u>Low Income</u> (51% to 80%)	<u>Below Median</u> (81% to 100%)	<u>Moderate Income</u> (101% to 120%)	<u>Above Moderate</u> (121% or more)	<u>Total</u> (All Incomes)
100 Units of For-Sale Housing	0.9	3.0	7.6	5.5	5.2	18.5	40.7
100 Units of Rental Housing	0.3	0.9	2.3	1.7	1.6	5.7	12.5



# Linkage Fee & Nexus Study 2007

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- Maximum Residential Linkage Fee

	<b>Extremely Low Income (15% to 30%)</b>	<b>Very Low Income (31% to 50%)</b>	<b>Low Income (51% to 80%)</b>	<b>Below Median 100%</b>	
<b>100 New Ownership Units</b>					
Unit Demand by Income Level	0.9	3.0	7.6	5.5	17.0
Cost to Produce Units	\$180,000	\$600,000	\$1,520,000	\$1,100,000	\$3,400,000
Total Subsidy	\$112,500	\$375,000	\$228,000	\$0	\$715,500
Total Ability to Pay	-\$40,500	-\$30,000	\$304,000	\$495,000	\$728,500
Affordability Gap	\$108,000	\$255,000	\$988,000	\$605,000	\$1,956,000
Maximum Linkage Fee Per 100 Unit Ownership Development	\$1,956,000				
Maximum Linkage Fee Per Unit	\$19,560				



# Linkage Fee & Nexus Study 2007

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- Maximum Residential Linkage Fee

	<b>Extremely Low Income (15% to 30%)</b>	<b>Very Low Income (31% to 50%)</b>	<b>Low Income (51% to 80%)</b>	<b>Below Median 100%</b>	
<b>100 New Rental Units</b>					
Unit Demand by Income Level	0.3	0.9	2.3	1.7	5.2
Cost to Produce Units	\$60,000	\$180,000	\$460,000	\$340,000	\$1,040,000
Total Subsidy	\$37,500	\$112,500	\$69,000	\$0	\$219,000
Total Ability to Pay	-\$13,500	-\$9,000	\$92,000	\$153,000	\$222,500
Affordability Gap	\$36,000	\$76,500	\$299,000	\$187,000	\$598,500
Maximum Linkage Fee Per 100 Unit Ownership Development					\$598,500
Maximum Linkage Fee Per Unit					\$5,985



# Linkage Fee & Nexus Study 2019

- Maximum Non-Residential Linkage Fee

Table 61: Worker Households Adjusted for Commute Factor

Before Commute Adjustment	Industrial	Commercial	Office	Hotel	Limited Service
					Hotel
Very Low (Under 60% of Median Income)	14	16	45	168	3
Low (60% to 80% of Median Income)	31	99	42	16	4
Moderate (80% to 120% of Median Income)	16	11	39	11	1
<b>Total</b>	<b>61</b>	<b>126</b>	<b>126</b>	<b>195</b>	<b>9</b>
<b>After Commute Adjustment</b>	<b>33.0%</b>				
Very Low (Under 60% of Median Income)	5	5	15	55	1
Low (60% to 80% of Median Income)	10	33	14	5	1
Moderate (80% to 120% of Median Income)	5	4	13	4	0
<b>Total</b>	<b>20</b>	<b>42</b>	<b>42</b>	<b>64</b>	<b>2</b>

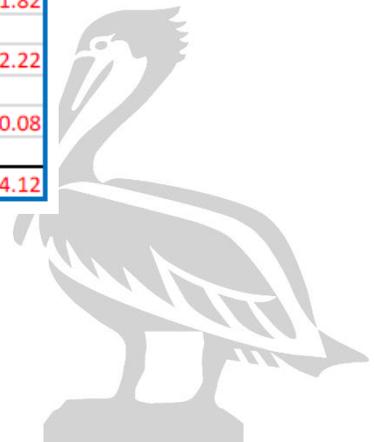


# Linkage Fee & Nexus Study 2019

- Maximum Non-Residential Linkage Fee

Table 62: Linkage Fee Based on New Construction Data

Before Commute Adjustment	Limited Servi					Gap	Affordability					Limited Service
	Industrial	Commercial	Office	Hotel	Hotel		Industrial	Commercial	Office	Hotel	Hotel	
<b>Very Low</b> (Under 60% of Median Income)	14	16	45	168	3	-\$220,325	-\$31.67	-\$36.29	-\$98.32	-\$369.17	-\$5.51	
<b>Low</b> (60% to 80% of Median Income)	31	99	42	16	4	-\$153,732	-\$47.08	-\$152.77	-\$64.86	-\$24.98	-\$6.73	
<b>Moderate</b> (80% to 120% of Median Income)	16	11	39	11	1	-\$47,182	-\$7.45	-\$5.01	-\$18.63	-\$5.31	-\$0.24	
<b>Total</b>	61	126	126	195	7		-\$86.20	-\$194.08	-\$181.80	-\$399.46	-\$12.47	
<b>After Commute Adjustment</b>	33%						33%					
<b>Very Low</b> (Under 60% of Median Income)	5	5	15	55	1	-\$220,325	-\$10.45	-\$11.98	-\$32.44	-\$121.83	-\$1.82	
<b>Low</b> (60% to 80% of Median Income)	10	33	14	5	1	-\$153,732	-\$15.54	-\$50.41	-\$21.40	-\$8.24	-\$2.22	
<b>Moderate</b> (80% to 120% of Median Income)	5	4	13	4	0	-\$47,182	-\$2.46	-\$1.65	-\$6.15	-\$1.75	-\$0.08	
<b>Total</b>	20	42	42	64	2		-28.45	-64.05	-59.99	-131.82	-4.12	



# Linkage Fee & Nexus Study 2019

- Maximum Non-Residential Linkage Fee

Table ES 5: Summary Nonresidential Linkage Fee based on Average MLS and New Construction

	Industrial	Commercial	Office	Hotel	Extended Stay Hotel
<b>New Construction</b>					
Very low income	-\$10.45	-\$11.98	-\$32.44	-\$121.83	-\$1.82
Low income	-\$15.54	-\$50.41	-\$21.40	-\$8.24	-\$2.22
Moderate income	-\$2.46	-\$1.65	-\$6.15	-\$1.75	-\$0.08
Total	-\$28.45	-\$64.05	-\$59.99	-\$131.82	-\$4.12
<b>MLS Pricing</b>					
Very low income	-\$4.56	-\$5.22	-\$14.15	-\$53.14	-\$0.79
Low income	-\$2.64	-\$8.58	-\$3.64	-\$1.40	-\$0.38
Moderate income	\$3.42	\$2.30	\$8.55	\$2.44	\$0.11
Total	-\$3.78	-\$11.50	-\$9.25	-\$52.11	-\$1.06
<b>Combined</b>					
Very low income	-\$7.50	-\$8.60	-\$23.30	-\$87.48	-\$1.31
Low income	-\$9.09	-\$29.50	-\$12.52	-\$4.82	-\$1.30
Moderate income	\$0.48	\$0.32	\$1.20	\$0.34	\$0.02
Total	-\$16.11	-\$37.77	-\$34.62	-\$91.97	-\$2.59



# Linkage Fee & Nexus Study 2007

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- Maximum Non-Residential Linkage Fee

<u>Land Use</u>	<u>Maximum Allowable Fee per Sq. Ft.</u>
Office	\$106.01
Industrial	\$59.76
Retail	\$81.75
Full-Service	
Hotel	\$50.53
Limited-Service	
Hotel	\$13.57



# Linkage Fee & Nexus Study 2019

- % of Total Development Costs

		Hotel		Hotel DC		Retail		Office		Office DC		Industrial		Residential	
<b>Total Development Costs (TDC) without Nexus Fees</b>															
No Fee		\$264	\$26,442,639	\$353	\$35,317,763	\$177	\$4,419,575	\$201	\$10,071,319	\$339	\$16,944,973	\$108	\$16,262,052	\$178	\$26,646,006
Maximum Linkage Fees		\$92	\$9,200,000	\$92	\$9,200,000	\$38	\$944,311	\$35	\$1,731,037	\$35	\$1,731,037	\$16	\$2,417,230	\$41	\$6,150,000
Total Development Costs (TDC)		\$356	\$35,642,639	\$445	\$44,517,763	\$215	\$5,363,886	\$236	\$11,802,356	\$374	\$18,676,010	\$125	\$18,679,283	\$219	\$32,796,006
Linkage Fee ( \$1 per GBA)	\$1.00	0.38%	\$100,000	0.28%	\$100,000	0.57%	\$25,000	0.50%	\$50,000	0.30%	\$50,000	0.92%	\$150,000	0.56%	\$150,000
		\$265	\$26,542,639	\$354	\$35,417,763	\$178	\$4,444,575	\$202	\$10,121,319	\$340	\$16,994,973	\$109	\$16,412,052	179	\$26,796,006
Linkage Fee (\$5 per GBA)	\$5.00	1.89%	\$500,000	1.42%	\$500,000	2.83%	\$125,000	2.48%	\$250,000	1.48%	\$250,000	4.61%	\$750,000	2.29%	\$750,000
		\$269	\$26,942,639	\$358	\$35,817,763	\$182	\$4,544,575	\$206	\$10,321,319	\$344	\$17,194,973	\$113	\$17,012,052	\$183	\$27,396,006



# Linkage Fee & Nexus Study

- Impact Fee Comparison

- Source – Duncan Associates 2019 National Impact Fee Survey and County Staff

Single Family Residence 2,000 square feet			
County	Impact Fee	Impact Fee with \$1 Linkage Fee	
Pinellas	\$2,418	\$4,418	
Hillsborough	\$10,858		
Pasco	\$15,822		
Sarasota	\$12,533		
Manatee	\$14,306		
Citrus	\$4,809		



# Linkage Fee & Nexus Study

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- Impact Fee Comparison

Multi Family Unit 1,000 square feet			
County	Impact Fee	Impact Fee with \$1 Linkage Fee	
Pinellas	\$1,596	\$2,596	
Hillsborough	\$7,302		
Pasco	\$10,322		
Sarasota	\$8,215		
Manatee	\$6,559		
Citrus	\$3,644		



# Linkage Fee & Nexus Study

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- Impact Fee Comparison

Retail Per 1,000 square feet			
County	Impact Fee	Impact Fee with \$1 Linkage Fee	
Pinellas	\$3,683	\$4,683	
Hillsborough	\$9,552		
Pasco	\$7,756		
Sarasota	\$6,905		
Manatee	\$10,726		
Citrus	\$2,343		



# Linkage Fee & Nexus Study

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- Impact Fee Comparison

Office Per 1,000 square feet			
County	Impact Fee	Impact Fee with \$.10 Linkage Fee	
Pinellas	\$2,823	\$2,923	
Hillsborough	\$6,583		
Pasco	\$1,556		
Sarasota	\$6,101		
Manatee	\$5,041		
Citrus	\$2,203		



# Linkage Fee & Nexus Study

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- Impact Fee Comparison

Industrial Per 1,000 square feet			
County	Impact Fee	Impact Fee with \$1 Linkage Fee	
Pinellas	\$1,470	\$2,470	
Hillsborough	\$4,025		
Pasco	\$1,706		
Sarasota	\$2,464		
Manatee	\$2,769		
Citrus	\$780		



# Linkage Fee Draft Ordinance

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- Legislative Findings
  - Critical lack of housing for low and moderate-income households
  - New residential and non-residential development is associated with an increased need for housing for low and moderate-income households
  - Acknowledgement that fee does not exceed the cost of mitigating the impact created by new development
  - Fee is at much lower level than maximum justifiable in an effort to ensure development feasibility
  - Incorporates both Nexus Studies into the legislative findings



# Linkage Fee Draft Ordinance

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*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.



# Linkage Fee Draft Ordinance

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*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.

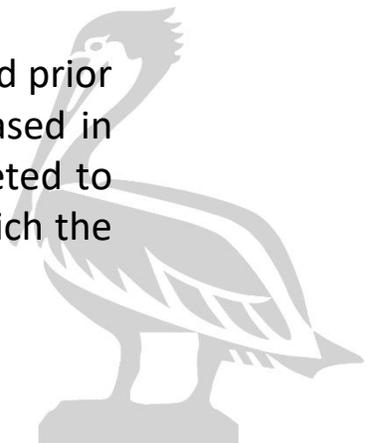


# Linkage Fee Draft Ordinance

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*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.



# Linkage Fee Draft Ordinance

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- Exceptions

- Affordable housing restricted by contract or covenant, including the SPHA
- Education, religious, charitable or government use that is exempt under F.S. Chapter 196
- Developments by charitable, religious or other non-profits primarily used to provide shelter and related services to the homeless
- Reconstruction of any floor area due to involuntary destruction
- Accessory Dwelling Units
- Grocery stores provided there is no other grocery store within a one-mile radius
- Any gross floor area permitted as a result of floor area ratio bonus which requires payment to the City
- A single-family residence that is 1,400 square feet or less
- An addition of 1,000 square feet or less to a single-family residence or duplex



# Linkage Fee Draft Ordinance

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- Build Alternative
  - All uses other than single-family
    - $(\text{Gross square feet of structure}/1000) \times .02 = \text{number of units}$
  - Single-family or two-unit with 25 units or more requires 2% affordable units
  - Workforce Housing Density Bonus may be used to satisfy build alternative criteria



# Linkage Fee Draft Ordinance

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## 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.



# Linkage Fee Draft Ordinance

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- Collection of Fees
  - Planning & Development Services will calculate and collect the fees
  - Fee implementation will begin for permits submitted six months after the effective date of the ordinance
  - Appeal process to resolve fee disputes
  - Fee will be due prior to issuance of a building permit
  - Fees will be submitted into a special revenue fund
  - Refund must be requested if development is reduced or permit is relinquished



# Linkage Fee Draft Ordinance

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- Reductions and Waivers
  - Developer may submit for a reduction or waiver by providing evidence that the required fee exceeds the impact created for affordable housing.
  - AHAC will make decision on applications



# Linkage Fee Draft Ordinance

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## 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%.



# Linkage Fee Potential Contribution to Support Housing Affordability

Table 71: Impact Fee Revenue

	10 Year		Linkage Fee (Annual)	
	Projection	Annual		
Proposed Impact Fee			\$1	\$5
Residential	13,842,821	1,384,282	\$1,384,282	\$6,921,411
Office	829,130	82,913	\$82,913	\$414,565
Industrial	49,437	4,944	\$4,944	\$24,719
Hotel	557,662	55,766	\$55,766	\$278,831
Retail	761,238	76,124	\$76,124	\$380,619
Mixed Use	1,506,000	150,600	\$150,600	\$753,000
Non Residential other	3,248,446	324,845	\$324,845	\$1,624,223
<b>Total Annual</b>	<b>20,794,734</b>	<b>2,079,473</b>	<b>\$2,079,473</b>	<b>\$10,397,367</b>
<b>Total 10 Year</b>			<b>\$20,794,734</b>	<b>\$103,973,670</b>



City	Population	Enacted	FY19 Revenue	Revenue To Date
Boston, MA	685,000	January 1987	\$11,459,956 (5-year average)	\$189,797,830
Boulder, CO	107,000	January 2015 (phased implementation)	\$3,500,000	\$4,400,000
Coconut Creek, FL	61,000	January 2006	\$171,060	\$1,819,157
Daly City, CA	107,000	April 2019	\$1,000,000 (estimated)	\$9,800,000 (includes impact and in-lieu)
Denver, CO	620,000	January 2017	\$7,923,108	\$13,458,403
Fremont, CA	235,000	January 2018	\$66,000 (estimated)	\$2,700,000 (estimated)
Jupiter, FL	65,000	May 2015	Not Available	\$291,559
Mountain View, CA	81,000	January 2002	\$ 9,072,004	\$ 48,355,436 (FY 2013-2019)
San Bruno, CA	43,000	November 2016	\$0	\$3,800,000 (estimated)
San Carlos, CA	30,000	November 2016	\$2,374,290	\$2,374,290
San Diego, CA	1,420,000	January 2015	\$1,815,019	\$65,911,831
Santa Monica, CA	92,000	June 2015	\$552,415	\$1,672,269
Seattle, WA	725,000	February 2017 (phased implementation)	\$13,262,041 (FY18)	\$15,317,457
Walnut Creek, CA	70,000	April 2005	\$929,332	\$4,977,056
Winter Park, FL	31,000	January 1990- July 2014	\$221,944 (FY13)	\$4,500,000 (estimated)



- Next Steps
  - March/April Public Outreach
  - May/June City Council Meeting(s)

- Acknowledgements
  - Housing & Community Development
  - Planning & Development Services
  - City Attorney's Office