



# Evaluation & Appraisal and Update of Alachua County Comprehensive Plan: 2011-2030

## *Discussion of Potential Linkage Fees for Affordable Housing*

# **Directive from Board of County Commissioners**

**(January 29, 2019)**

Schedule a policy discussion and provide a presentation and coordinate with the housing authorities, Community Land Trust, and non-profit partners to create and administer a potential linkage fees program for development and redevelopment projects which will provide funding for construction and renovation of affordable housing units.

# Purpose of Presentation & Discussion

- Provide overview on linkage fees;
- Seek direction from Board of County Commissioners as to whether or not they want to pursue linkage fees;
- Discussion of next steps

# WHAT ARE HOUSING LINKAGE FEES?

Linkage fees are a tool for local governments to help support affordable housing. Such fees may be assessed at the time of new development and are placed in a fund specifically used for the construction and/or maintenance of affordable residential units.

Based on Federal and State case law, there must be a ***rational nexus*** between the fee and the demand for affordable housing resulting from the new development.

# Nexus Study

- Needed to establish “linkage” between new development and the demand for affordable housing based on local employment, wage and development data:
  - For non-residential development: new employees and expected earnings/affordable housing cost (or for residential development: construction and maintenance workers needed and expected earnings/affordable housing cost);
  - Determine the gap, or assistance needed, for workforce households to afford housing in the local market;
  - Linkage fees for various types of development would be established to mitigate impact based on analysis and policy & feasibility considerations.

# Select Florida Communities with Linkage Fees

- City of Coconut Creek
- Town of Jupiter
- City of Winter Park

# CITY OF COCONUT CREEK

- Completed a nexus study;
- Adopted ordinance in March 2006;
- Fees range from \$0.15 to \$2.42/sf of non-residential construction;
- Affordable Housing Trust Fund collected \$2.6 million and expended \$1.6 million to provide homebuyer assistance to 24 households and rehabilitation assistance to 19 households

# TOWN OF JUPITER

- No nexus study;
- Adopted ordinance in May 2015;
- Nominal fee of \$1/sf of non-residential construction;
- \$291,600 collected to date;
- Awaiting direction for use of funds



# CITY OF WINTER PARK

- No nexus study;
- Adopted ordinance in 1990;
- Current fee is \$0.50/sf of residential and non-residential development (with exemptions);
- Currently collecting \$350,000/year;
- Funded lot purchases for Habitat for Humanity, housing authority projects and community land trust projects

# RELEVANT CURRENT HOUSING ELEMENT POLICIES:

## Policy 1.1.5

Alachua County shall support the development of new affordable housing within the areas identified in Policy 1.1.3 through the allocation of dedicated funding sources such as CDBG or single family revenue bond programs.

## Policy 1.4.6

Alachua County shall encourage methods of financing which will increase the opportunities for low, very low and extremely low-income households to obtain decent, safe, sanitary, attractive and affordable housing.

# LINKAGE FEES

## DEVELOPMENT & IMPLEMENTATION

- NEXUS STUDY
- POTENTIAL FEE LEVELS FOR TYPES OF DEVELOPMENT
- TIMING OF ASSESSMENT
- EXEMPTIONS/WAIVERS
- USE OF REVENUES
- ADMINISTRATIVE PROVISIONS

# RECOMMENDATION

- PROVIDE DIRECTION TO STAFF ON WHETHER TO PURSUE DEVELOPMENT OF A LINKAGE FEE PROGRAM AS ONE OF THE POTENTIAL FUNDING SOURCES FOR AFFORDABLE HOUSING .
  - IF SO, FIRST STEP WOULD BE THE PROCUREMENT OF A CONSULTANT FOR THE REQUIRED NEXUS STUDY.



# QUESTIONS & COMMENTS



# For More Information

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