

**STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS**

FLORIDA DEPARTMENT OF
ECONOMIC OPPORTUNITY

Petitioner

DOAH Case No.: _____

vs.

CITY OF GAINESVILLE, FLORIDA

Respondent

Comprehensive Plan Amendment 22-03ESR

_____ /

**DEPARTMENT OF ECONOMIC OPPORTUNITY'S
PETITION FOR FORMAL ADMINISTRATIVE HEARING**

Petitioner, the Florida Department of Economic Opportunity (“**DEO**”), as the state land planning agency, and by and through its undersigned counsel, files this Petition for Formal Administrative Hearing pursuant to sections 163.3184, 120.569, 120.57, Florida Statutes, challenging the City of Gainesville’s adoption of its Comprehensive Plan Amendment No. 22-03ESR, Ordinance No. 211357 (“**Amendment**”), and in support states as follows:

I. STATEMENT OF ISSUE

1. Whether the City of Gainesville’s (“**City**”) adoption of the Amendment will adversely impact an important state resource or facility, in this case being affordable housing.

II. PARTIES

2. DEO is the state land planning agency and has authority to administer and enforce the Community Planning Act, Chapter 163, Part II, Florida Statutes (“**Act**”).

3. DEO is a “reviewing agency” under section 163.3184(1)(c), Florida Statutes.

4. Under section 163.3184(3)(b)4. of the Act, as part of the expedited state review process, a reviewing agency can provide comments on local government submittals of

comprehensive plan amendments regarding whether the amendments will adversely impact important state resources or facilities that fall within their purview.

5. As shown by Exhibit A, in response to the notice provided by the City submitting the proposed Amendment through the expedited state review process, DEO did in fact provide the City with a response and comments regarding an important state resource—affordable housing—asserting that it would be adversely impacted if the City were to adopt the proposed Amendment as submitted (“**DEO’s Response**”).

6. The City is a political subdivision of the State of Florida, with its principal place of business at 200 E. University Avenue, Gainesville FL 32601. As a local government, the City has the duty to adopt only comprehensive plan amendments that comply with the Act and will not adversely impact an important state resource or facility. *See* sections 163.3167(2), 163.3177, and 163.3184, Florida Statutes

7. The City responded to DEO’s Response, and that document is attached as Exhibit B (“**City’s DEO Response**”).

8. DEO is a proper petitioner under section 163.3184(5)(b), Florida Statutes, with the authority to raise issues in this matter from comments it provided (i.e., DEO’s Response).

9. Pursuant to section 163.3184(5)(b) and Exhibit C attached, DEO has timely filed this Petition.

10. The Division of Administrative Hearings (“DOAH”) has jurisdiction over the subject matter and the parties hereto, pursuant to sections 120.569, 120.57(1), and 163.3184(5)(c)(3), Florida Statutes.

III. UNDISPUTED FACTS

11. Through the Amendment, the City seeks to alter the Future Land Use Element and Future Land Use Map of the City's Comprehensive Plan by deleting the Single-Family Future Land Use Category, and for all land within the City that previously carried that designation, to change the land use category to Residential Low-Density.

12. The challenged Amendment is attached as Exhibit D, and contains a four (4) page Exhibit A that when viewed together visually depicts the extent of the property impacted by the City's proposed change.

13. The Exclusionary Zoning & Inclusionary Zoning Study the City commissioned from HR&A ("**HR&A Study**") identified about 8,500 acres in the Single-Family Future Land Use Category that the Amendment will impact. *See* Exhibit E.

14. The Single-Family Future Land Use Category adopted in the Comprehensive Plan and currently in effect is defined as follows:

Single-Family (SF): up to 8 units per acre

This land use category shall allow single-family detached dwellings at densities up to 8 dwelling units per acre. The Single-Family land use category identifies those areas within the City that, due to topography, soil conditions, surrounding land uses and development patterns, are appropriate for single-family development. Land development regulations shall determine the performance measures and gradations of density. Land development regulations shall specify criteria for the siting of low-intensity residential facilities to accommodate special need populations and appropriate community-level institutional facilities such as places of religious assembly, public and private schools other than institutions of higher learning, and libraries. Land development regulations shall allow home occupations in conjunction with single-family dwellings under certain limitations.

15. The Residential Low-Density Future Land Use Category is defined as follows:

Residential Low-Density (RL): up to 15 units per acre

This land use category shall allow dwellings at densities up to 15 units per acre. The Residential Low-Density land use category identifies those areas within the City that, due to topography, soil conditions, surrounding land uses and

development patterns, are appropriate for single-family development, particularly the conservation of existing traditional low-density neighborhoods, single-family attached and zero-lot line development, and small-scale multi-family development. Land development regulations shall determine gradations of density, specific uses and performance measures. Land development regulations shall specify criteria for the siting of low-intensity residential facilities to accommodate special need populations and appropriate community level institutional facilities such as places of religious assembly, public and private schools other than institutions of higher learning, and libraries. Land development regulations shall allow home occupations; accessory units in conjunction with single-family dwellings; and bed-and-breakfast establishments within certain limitations.

III. DISPUTED ISSUES OF MATERIAL FACT OR LAW

A. Affordable Housing is an Important State Resource

16. The City's DEO Response contests DEO's assertion that affordable housing is an important state resource. *See* Exhibit B. It is therefore expected that the City will contest DEO's standing to include in this Petition matters showing how the Amendment will adversely impact affordable housing.

17. There is no merit to the City's position that affordable housing is not an important state resource. More than 40 years ago the Florida Legislature created the Florida Housing Finance Corporation ("FHFC"). *See* Exhibit F. The Legislature created the FHFC for it to provide affordable housing opportunities to Florida's residents to make communities places in which to live, work, and do business. *Id.*

18. The goal of FHFC is "to maximize the capacity of local governments in the private sector, both for profit and nonprofit, to develop and preserve affordable housing." *See* Exhibit G. The FHFC administers many programs that seek to increase access to affordable housing, both single-family and multi-family, and its efforts were supported during FY 22-23 by a \$25 million-dollar appropriation from the State's General Revenue Fund and a more than \$125 million-dollar appropriation from the State's Affordable Housing Trust Fund. *Id.*

19. The Legislature’s handling of affordable housing in various sections of the Act likewise establish it as an important state resource – “affordable housing” is defined in the Act at section 163.3164(3) and subsequently identified as an area in which DEO “shall help communities find creative solutions to foster vibrant, healthy communities, while protecting the functions of important state resources and facilities.” That same section tasked DEO with the obligation to coordinate multiagency assistance if a local government requests the same to help develop comprehensive plan amendments that minimize adverse impacts.

20. Further, in section 163.3177, Florida Statutes, where the Legislature specified “required and optional elements of comprehensive plan; studies and surveys”, it mandated as follows regarding affordable housing:

The housing element must express principles, guidelines, standards, and strategies that reflect, as needed, **the creation and preservation of affordable housing for all current and anticipated future residents of the jurisdiction**, elimination of substandard housing conditions, adequate sites, and the distribution of housing for a range of incomes and types, including mobile and manufactured homes. The element must provide for **specific programs and actions to partner with private and nonprofit sectors to address housing needs in the jurisdiction**, streamline the permitting process, and minimize costs and delays for affordable housing, establish standards to address the quality of housing, stabilization of neighborhoods, and identification and improvement of historically significant housing. *See* 163.3177(6)(f)(3), (emphasis added).

21. Clearly and continually, through various methods, the Legislature has recognized through action and funding that affordable housing is an important state resource.

22. Lastly, it has been recognized that there are three areas of importance to the state that fall outside the jurisdiction of the other “reviewing agencies” identified in the Act, and therefore fall within the DEO’s jurisdiction, including the issue of affordable housing. *See Exhibit H, Robert M. Rhodes, Florida's Growth Management Odyssey: Revolution, Evolution, Devolution Resolution*, 4 J. Comp. Urb. L. & Pol'y 56, 60 (2020).

23. Given the overwhelming evidence, there is no merit to the City's assertion that affordable housing is not an important state resource.

B. The Amendment will Adversely Impact an Important State Resource

24. The City's DEO Response notwithstanding, DEO maintains that the Amendment will adversely impact an important state resource and facility, the creation and preservation of affordable housing.

25. DEO's Response focused on the Amendment's adverse impact on the creation and preservation of affordable housing, which is required under sections 163.3177(6)(a)4. and 163.3177(6)(f)3., Florida Statutes. In the creation and preservation of that important state resource, all comprehensive plans "should allow the operation of the real estate markets to provide adequate choices for permanent and seasonal residents" and must contain a housing element that "must express principals, guidelines, standards, and strategies that reflect, as needed, the creation and preservation of affordable housing for all current and anticipated future residents of the jurisdiction" Given that the Amendment creates internal inconsistency with other elements of the City's Comprehensive Plan, including Housing Element Policies 1.1.5 and 3.1.4, it adversely impacts the creation and preservation of affordable housing, and it therefore cannot stand.

26. The Amendment would (1) eliminate the Single-Family land use category that required detached dwellings, and (2) drastically increase the density on those properties for Multi-Family use. With the lack of focus on locating and providing affordable housing in a strategic and comprehensive manner, such as locating it near or accessible to employment centers, including the University of Florida, the amendment internally conflicts with Housing Element Policy 1.1.5, which requires that "the University of Florida (UF) and the private sector **shall be responsible for providing housing for college students[,]**" (emphasis added) resulting in an adverse impact to

the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes.

27. The City's own evidence shows that additional multi-family housing without incentives or restrictions to promote the creation and preservation of affordable housing will predominantly benefit college students. Specifically:

- a) The HR&A Report shows that nearly a third of the City's population is 18 – 24 years old, and that 36 percent of all rental units in the City exclusively serve or cater to college students. *See Exhibit E* at p. 38 – 39; and
- b) The Office of Policy Development and Research Report from the U.S. Department of Housing and Urban Development ("**HUD's PD&R Report**") approximates that only 11,550 students live on UF's campus balance of the 46,250 students enrolled live in privately-owned apartments and homes, and that since 2010 only 600 beds have been added to UF dormitories, while enrollment has increased by more than 7,000 students. *See Exhibit I* at p. 10.

Based on its own data, it is simply illogical for the City to argue that by entirely removing the concept of lower density detached residential dwellings, and doing so with no incentives or restrictions to promote the creation and preservation of affordable housing, that it is doing anything more than helping provide housing to college students and higher income residents.¹

28. Pursuant to Housing Element Goal 3, "the City, with the assistance of private and non-profit organizations, shall maintain sound viable neighborhoods and revitalize those that have suffered disrepair and neglect." Under that Goal is Policy 3.1.4 that "the City shall help neighborhoods develop plans that address neighborhood character, stability, housing, safety,

¹ The Amendment is also inconsistent with Policy 2.1.2 of the Goals, Objectives & Policies of the City's Future Land Use Elements of its Comprehensive Plan, which requires that any efforts by the City to accommodate for increased enrollment at the University of Florida must occur within one half (1/2) mile of that campus and the Innovation Square, but must be "**outside of single-family neighborhoods.**" (emphasis added).

infrastructure, and historic resources.” The Amendment is inconsistent with this Goal and Policy as it does not account for established neighborhoods that have plans for development based on their character, neighborhoods that are currently stable in their makeup, neighborhoods that are currently appropriately served by the infrastructure in the area, or neighborhoods that have developed a plan for housing such that adjoining properties are used in a consistent manner.

29. While the City tries to pass off the Amendment as a strategy, it does nothing but make it impossible for a neighborhood that has already planned its character and created stability to know whether it can maintain it. The Amendment fails to protect neighborhoods and foster the unique character of the City. Thus, the Amendment violates section 163.3177(1) given that it injects unpredictability into the City’s Comprehensive Plan and renders other elements of the Plan no longer meaningful, resulting in an adverse impact to the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes.²

30. The City’s Comprehensive Plan must be internally consistent pursuant to section 163.3177(2), which requires that the several elements of that plan are coordinated and consistent with each other. The Amendment, however, creates inconsistency within the City’s Comprehensive Plan that will prevent the City from creating and preserving affordable housing for current and future residents under section 163.3177(6)(f)3. As to both workforce and

² The City’s Comprehensive Plan must be internally consistent pursuant to section 163.3177(2). Here, however, not only is the Amendment inconsistent with elements of that Plan that look to protect developed neighborhoods, but its sweeping changes will also be inconsistent with elements directed toward neighborhoods that need redevelopment, enhancement or stabilization. Specifically, Policy 2.1.1 and its subparts from the City’s Goals, Objectives & Policies of the City’s Future Land Use Element require the City to develop recommendations for such areas while considering unique functions and images of the areas, accounting for economic development strategies, looking at the characteristics of each parcel, and looking for infill and redevelopment sites. By drastically changing the density and permissible dwelling type for 8,500 acres the Amendment treats all those acres the same without consideration of any of the requirements of Policy 2.1.1.

affordable housing for various income levels, Objective 1.3 of the City's Goals, Objectives & Policies of its Housing Element to its Comprehensive Plan and underlying Policy 1.3.1 combined to require that the City "shall allocate sufficient acreage in appropriate locations to meet the housing needs of the City's residents", and those efforts must include workforce and varying levels of affordable housing based on income levels. These requirements are consistent with the City's obligation to create and preserve affordable housing, but it conflicts with the Amendment's impact through a blanket change to all previously categorized Single-Family Residential property without considering whether the acreage is sufficient, or if it is located appropriately to support affordable housing.

31. The Amendment's blanket change also conflicts and is inconsistent with other Goals, Objectives & Policies of the City's Future Land Use Element. Specifically, Policies 1.1.1, 1.1.2, and 1.1.3, in sum, require when possible that planning shall strive to create complete communities containing the attributes essential to the daily life of residents, with those communities sized such that the attributes are in walking distance, and the housing types should be diverse to enable those from a wide range of economic and age levels to cohabitate. These Policies are designed to hold the City to a certain standard in planning the development of its communities and neighborhoods, a standard that the Amendment both conflicts with and removes with its blanket and significant change in density to some 8,500 acres. Without that level of planning, affordable housing will not be created nor preserved.

32. As a result, the Amendment creates internal inconsistency in the City's Comprehensive Plan in violation of the Act, and as a consequence the Amendment adversely impacts the creation and preservation of an important state resource—affordable housing.

33. The City’s adopted Amendment will also be wholly ineffective to create and preserve affordable housing, and will actually have an adverse impact in that regard. With its Amendment, the City will inject 8,500 acres of property into the market with density almost twice what it was previously³, and without the requirement that dwellings on those acres be detached. The City is doing this with nothing more than the hope that the market will create and preserve affordable housing – and that hope goes against the City’s own data, resulting in an adverse impact to the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes.

34. Nothing in the Amendment compels or incentivizes a property owner to create or preserve affordable housing on the scattered Residential Low-Density sites. Further, the data the City points to for support expressly states that only removing exclusionary land use controls cannot by itself create or preserve affordable housing. Instead, the removal of exclusionary land use controls must be paired with inclusionary zoning tools that require or encourage developers to create affordable housing in what are otherwise market-rate developments. *See* HR&A Report at Exhibit E, p. 17, and 63 – 68 (noting on p. 68 when discussing inclusionary zoning that “bringing new construction projects to meet expected developer returns **requires** providing incentives that makeup the profitability gap.” (emphasis added)).

35. The “invisible hand” of a free market operates simply in this situation—without inclusionary zoning tools, developers will not build affordable housing.

36. Simply put, the Amendment does not “express principles, guidelines, standards, and strategies that reflect, as needed the creation and preservation of affordable housing for all

³ Even if the City does apply the Neighborhood Residential district to implement the Amendment, there will still be a 50% density increase to the 8,500 acres.

current and anticipated future residents” of the City, and thus violates sections 163.3177(1), 163.3177(6)(a)4., and 163.3177(6)(f)3., resulting in an adverse impact to the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes

37. As noted in DEO’s Response, the City’s Comprehensive Plan must be internally consistent pursuant to section 163.3177(2), which requires that the several elements of that Plan are coordinated and consistent with each other. The Amendment, however, creates inconsistency within the City’s Comprehensive Plan that will prevent the City from creating and preserving affordable housing for current and future residents, as required under section 163.3177(6)(f)(3).

38. On a final point, the City did not adequately identify the extent of the impact of significantly increasing density for 8,500 acres on public facilities such as transportation, schools, potable water, wastewater, stormwater, and drainage facilities, thereby failing to demonstrate the planning and availability of these facilities and services pursuant to section 163.3177(6)(a)8., resulting in an adverse impact to the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes.⁴

39. The Amendment is not supported by data and analysis pursuant to section 163.3177(1)(f)1. and 163.3177(6)(a)2.d, regarding these potential impacts on public facilities from higher residential densities. The Amendment, therefore, does not minimize costs and delays for affordable housing, establish standards in terms of providing these facilities to affordable housing, or provide stabilization of neighborhoods that contain or might contain affordable housing, all of

⁴ The Amendment also represents the City departing from Objective 3.4 of its Goals Objectives & Policies of its Future Land Use Element, which requires that it “shall ensure that services and facilities needed to meet and maintain the Level of Service (LOS) standards adopted in this Plan are provided.”

which violates section 163.3177(6)(f)3. resulting in an adverse impact to the availability of and planning for affordable housing pursuant to section 163.3184(3)(b)2., Florida Statutes

IV. CONCISE STATEMENT OF ULTIMATE FACTS, INCLUDING SPECIFIC FACTS, WARRENTING REVERSAL OF PROPOSED ACTION

40. As set forth in more detail above, creating and preserving affordable housing in Florida's communities is an important state resource or facility over which the DEO had jurisdiction in the expedited state review process for comprehensive plan amendments.

41. Through its Amendment the City seeks to entirely eliminate a land use category from its comprehensive plan, a category that applies to some 8,500 acres, claiming that doing so will create and preserve affordable housing within its boundaries.

42. The City's own data shows that the Amendment will not have the desired effect, but instead that if more multi-family housing is created that it will serve the college student population of the City.

43. Further, the City's own data shows that without corresponding requirements or incentives to provide affordable housing within new multi-family developments, creating more multi-family housing it will be at market rates, further harming the ability to create and preserve affordable housing.

V. SPECIFIC RULES/STATUTES THAT REQUIRE REVERSAL OR MODIFICATION OF PROPOSED ACTION

44. The specific statutes and rules that require rejection of the Amendment include, but are not limited to, Chapters 120 and 163, Florida Statutes, specifically 120.57, 120.569, 163.3164, 163.3167, 163.3177, and 163.3184. An explanation of how the facts in this matter relate to these specific statutes is provided above.

VI. RELIEF SOUGHT

45. In bringing this challenge, DEO has complied with and completed all general and specific statutory prerequisites and conditions required by section 163.3184, Florida Statutes, and determined as set forth above that the Amendment will result in adverse impacts to important state resources and facilities as commented on by DEO.

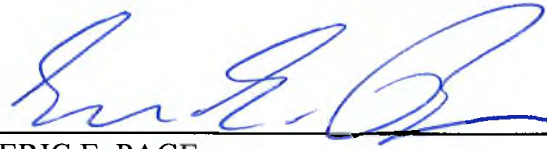
WHEREFORE, the DEO respectfully requests:

- that an Administrative Law Judge be assigned to this matter and assume jurisdiction pursuant to section 163.3184(5), Florida Statutes;
- that a formal hearing be conducted pursuant to sections 120.569, 120.57, and 163.3184, Florida Statutes;
- that the Administrative Law Judge issue a Recommended Order to the Administration Commission finding the Amendment adversely impacts important state resources or facilities contrary to section 163.3184, Florida Statutes;
- that the Administration Commission enter a Final Order finding the Amendment adversely impacts important state resources or facilities contrary to the requirements of section 163.3184;
- that the Administration Commission specify sanctions that may be imposed as a result of such a finding of adverse impacts to important state resources or facilities; and
- that such other relief consistent with this Petition be granted as may be fair and just.

Respectfully submitted this 28th day of November, 2022.

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CERTIFICATE REGARDING SERVICE

I HEREBY CERTIFY that on Monday, November 28, 2022, I contacted via email the interim City Attorney for the City of Gainesville, Daniel Michael Nee, in an attempt to determine if he would accept service of process for the City, that at the time of this filing I have not gotten a response, that this filing has been served via email and Fed. Ex. to Attorney Nee at needm@cityofgainesvill.org and 200 East University Ave., Room 425, Gainesville, FL 32601, and that if Attorney Nee does not waive formal service of process of this petition by 9:00 a.m. on Wednesday November 30, 2022, that the DEO will effectuate formal service of process on the City.



TPADOCS 24529911 1

EXHIBIT A

Ron DeSantis
GOVERNOR



Dane Eagle
SECRETARY

September 8, 2022

The Honorable Lauren Poe
Mayor, City of Gainesville
City Hall
200 East University Avenue
Gainesville, Florida 32601

Dear Mayor Poe:

The Department of Economic Opportunity (“Department”) has reviewed the City of Gainesville’s proposed comprehensive plan amendment (Amendment No. 22-03ESR), received on August 11, 2022, pursuant to the expedited state review process in section 163.3184(2) - (3), Florida Statutes (F.S.). We have identified a comment related to adverse impacts to important state resources and facilities within the Department’s authorized scope of review. The Agency’s comment regarding these amendments is attached to this letter.

The City should act by choosing to adopt, adopt with changes, or not adopt the proposed amendment. For your assistance, we have enclosed the procedures for adoption and transmittal of the comprehensive plan amendment. In addition, the City is reminded that:

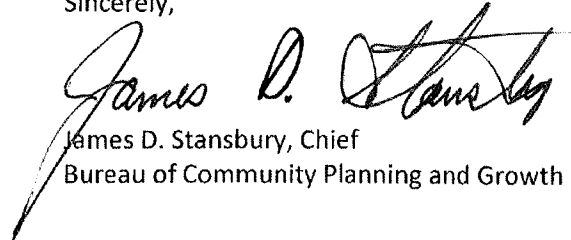
- Section 163.3184(3)(b), F.S., authorizes other reviewing agencies to provide comments directly to the City. If the City receives reviewing agency comments and they are not resolved, these comments could form the basis for a challenge to the amendment after adoption.
- The second public hearing, which shall be a hearing on whether to adopt one or more comprehensive plan amendments, must be held within 180 days of your receipt of agency comments or the amendment shall be deemed withdrawn unless extended by agreement with notice to the Department and any affected party that provided comment on the amendment pursuant to section 163.3184(3)(c)1., F.S.
- The adopted amendment must be rendered to the Department. Under section 163.3184(3)(c)2. and 4., F.S., the amendment effective date is 31 days after the Department notifies the City that the amendment package is complete or, if challenged, until it is found to be in compliance by the Department or the Administration Commission.

Florida Department of Economic Opportunity | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399
(850) 245.7105 | www.FloridaJobs.org | [www.Twitter.com/FLDEO](https://twitter.com/FLDEO) | www.Facebook.com/FLDEO

An equal opportunity employer/program. Auxiliary aids and service are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TTD equipment via the Florida Relay Service at 711.

If you have any questions concerning this review, please contact Barbara Powell, Regional Planning Administrator, by telephone at (850) 717-8504 or by email at barbara.powell@deo.myflorida.com.

Sincerely,



James D. Stansbury, Chief
Bureau of Community Planning and Growth

JDS/ bp

Enclosure(s): Procedures for Adoption

cc: Andrew Persons, Director, City of Gainesville, Sustainable Development
Scott Koons, Executive Director, North Central Florida Regional Planning Council

Comment 1: The proposed amendment is internally inconsistent with the City's comprehensive plan pursuant to section 163.3177 (2), F.S. This inconsistency is of such a manner as to adversely impact the provision of affordable housing for all current and anticipated future residents of the City as required in section 163.3177(6), (f), 3., F.S. Affordable housing is an important state resource. Through the inconsistent planning approach in the City's comprehensive plan, the creation and preservation of this state resource is adversely impacted. The proposed amendment is inconsistent with Housing Element Policies 1.1.5. and 3.1.4. With the inconsistent policies resulting from this amendment, the comprehensive plan does not provide clear principles, guidelines, standards, and strategies that will create and preserve affordable housing within the City. The amendment's contradiction in policies will adversely impact the provision of adequate affordable housing in the City through countervailing planning policies. If adopted, the comprehensive plan will not provide cohesive, clear, meaningful, and predictable planning principles, guidelines, standards, and strategies that reflect, as needed, the creation and preservation of affordable housing. The amendment may endanger the elimination of substandard housing conditions, the provision of adequate sites, and the distribution of housing for a range of incomes and types, including mobile and manufactured homes.

The reliance on this ineffective approach to providing affordable housing in the community is a detriment to the City's overall efforts in this matter. This approach will distract from the City's need to address affordable housing in its comprehensive plan through a directed and focused planning strategy that will provide well-planned access to affordable housing in proximity to employment centers where jobs are available but, in some cases, unfilled because of a lack of accessible affordable housing. The amendment assumes that the allowance of denser development will provide access to affordable housing. However, the scattered location of this denser development is in no way guaranteeing efficient, effective, and directed access to affordable housing. Further, the City's Housing Element Policy 1.1.5 requires the University of Florida (UF) and the private sector be responsible for providing housing for college students. However, data provided by the City indicates that student renters have been the primary beneficiaries of new rental housing built since 2000. Solely increasing the amount of land available for additional density and multifamily housing does not ensure that the ever-increasing student population does not absorb the newly created rental housing rather than providing affordable housing for the City's workforce.

Housing Element Policy 3.1.4. requires the City to help neighborhoods develop plans that address neighborhood character, stability, housing, safety, infrastructure, and historic resources. The City failed to analyze whether the addition of multifamily housing in existing stable neighborhoods is consistent with the plans developed pursuant to the Housing Element policy.

The City did not adequately identify the magnitude of the impact of increasing density from 8 units per acre to 15 units per acre on every parcel currently designated Single-Family. The provision of public facilities such as transportation, schools, potable water, wastewater, stormwater, etc., are connected to the quantity and type of housing. Section 163.3177(3)(a)2., F.S., requires the City's capital improvement element to estimate public facility costs, including a delineation of when facilities will be needed, the general location of the facilities, and projected revenue sources to fund the facilities. Allowing a density of 15 units per acre on numerous scattered parcels across the entirety of the City with no minimum density renders planning for future public facilities challenging. Moreover, increasing density on numerous vacant

lots throughout the City creates the possibility of incremental increases on the needs for services on scattered sites across the City and further complicates planning for public facilities. The proposed plan amendment is not meaningful and predictable as required in section 163.3177(1) F.S.

Section 163.31771, F.S., encourages local governments to adopt an ordinance to allow accessory dwelling units in any area zoned for single-family residential use if that unit will be rented at an affordable rate to an extremely-low-income, very-low-income, low-income, or moderate-income person or persons. The amendment does not address the alternative for addressing affordable housing by allowing accessory units that are affordable, in character, and compatible with single-family uses without the need for construction of denser development that may not be in character.

All the above planning considerations were not addressed with the proposed amendment. The amendment results in a scattered, unplanned, unfocused, and untenable approach to providing affordable housing. This approach may result in fewer opportunities for providing access to affordable housing by strategic properties located near employment opportunities being used for a denser residential use that is still not affordable. Furthermore, the unplanned location of these denser uses throughout the city has made planning for other public facilities, including water, sewer, roads, and schools untenable based on the lack of predictability of the density of the land use.

Recommendation: The amendment must be withdrawn while the City continues to consider a sound planning approach to providing access to affordable housing in a manner that will be strategic, and focused, and based upon sound planning principles that will actually provide guaranteed affordable housing that is accessible from the City's employment centers and not in such a careless way that will result in the opposite effect then the purpose it was proposed for.

**SUBMITTAL OF ADOPTED COMPREHENSIVE PLAN AMENDMENTS
FOR EXPEDITED STATE REVIEW**

Section 163.3184(3), Florida Statutes

NUMBER OF COPIES TO BE SUBMITTED: Please submit electronically using the Department’s electronic amendment submittal portal “**Comprehensive Plan and Amendment Upload**” (<https://floridajobs.secure.force.com/cp/>) **or** submit three complete copies of all comprehensive plan materials, of which one complete paper copy and two complete electronic copies on CD ROM in Portable Document Format (PDF) to the State Land Planning Agency and one copy to each entity below that provided timely comments to the local government: the appropriate Regional Planning Council; Water Management District; Department of Transportation; Department of Environmental Protection; Department of State; the appropriate county (municipal amendments only); the Florida Fish and Wildlife Conservation Commission and the Department of Agriculture and Consumer Services (county plan amendments only); and the Department of Education (amendments relating to public schools); and for certain local governments, the appropriate military installation and any other local government or governmental agency that has filed a written request.

SUBMITTAL LETTER: Please include the following information in the cover letter transmitting the adopted amendment:

_____ State Land Planning Agency identification number for adopted amendment package;

_____ Summary description of the adoption package, including any amendments proposed but not adopted;

_____ Identify if concurrency has been rescinded and indicate for which public facilities. (Transportation, schools, recreation and open space).

_____ Ordinance number and adoption date;

_____ Certification that the adopted amendment(s) has been submitted to all parties that provided timely comments to the local government;

_____ Name, title, address, telephone, FAX number and e-mail address of local government contact;

_____ Letter signed by the chief elected official or the person designated by the local government.

ADOPTION AMENDMENT PACKAGE: Please include the following information in the amendment package:

_____ In the case of text amendments, changes should be shown in strike-through/underline format.

_____ In the case of future land use map amendments, an adopted future land use map, **in color format**, clearly depicting the parcel, its future land use designation, and its adopted designation.

_____ A copy of any data and analyses the local government deems appropriate.

Note: If the local government is relying on previously submitted data and analysis, no additional data and analysis is required;

_____ Copy of the executed ordinance adopting the comprehensive plan amendment(s);

Suggested effective date language for the adoption ordinance for expedited review:

"The effective date of this plan amendment, if the amendment is not timely challenged, shall be 31 days after the state land planning agency notifies the local government that the plan amendment package is complete. If the amendment is timely challenged, this amendment shall become effective on the date the state land planning agency or the Administration Commission enters a final order determining this adopted amendment to be in compliance."

_____ List of additional changes made in the adopted amendment that the State Land Planning Agency did not previously review;

_____ List of findings of the local governing body, if any, that were not included in the ordinance and which provided the basis of the adoption or determination not to adopt the proposed amendment;

_____ Statement indicating the relationship of the additional changes not previously reviewed by the State Land Planning Agency in response to the comment letter from the State Land Planning Agency.

EXHIBIT B



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City of Gainesville

Lauren Poe, Mayor



October 17, 2022

James D. Stansbury, Chief
Bureau of Community Planning and Growth
Florida Department of Economic Opportunity
Caldwell Building
107 E. Madison Street
Tallahassee, FL 32399

RE: City of Gainesville Comprehensive Plan Amendment No. 22-03ESR under Expedited State Review

Dear Mr. Stansbury:

The City of Gainesville ("City") has considered your letter on behalf of the Department of Economic Opportunity ("Department"), received on September 8, 2022, pursuant to the expedited state review process in Section 163.3184, Florida Statutes. The Department's letter provided a comment regarding the City's proposed Comprehensive Plan amendment (Amendment No. 22-03ESR)("Amendment"). Pursuant to Section 163.3184(3)(b)2., Florida Statutes, the Department's authority to provide comments is limited to "important state resources and facilities" that will be adversely impacted by the Amendment if adopted by the City. In addition, the Department shall state with specificity exactly how the Amendment will adversely impact an important state resource or facility. Unfortunately, the Florida Statutes fail to define "important state resources and facilities" under the Department's authority. However, Section 163.3184(5)(c)3., Florida Statutes, requires the Department to ultimately prove with clear and convincing evidence that a matter it has commented on is in fact an important state resource or facility, otherwise the Department has no authority to provide comments under the statutory expedited state review process.

In its letter dated September 8, 2022, the Department provided a comment based on its conclusion that "affordable housing is an important state resource." However, the Department failed to define or cite any definition of what "affordable housing" means or what specific "affordable housing" is an "important state resource or facility" under the Department's limited authority in the statutory expedited state review process, and furthermore the Department failed to identify any specific "affordable housing" project, resource, or facility that would be adversely impacted by the City's Amendment. The City recognizes the Department's role in promoting affordable housing in local governments throughout the state through such means as grants and tax programs and technical assistance with housing elements. In addition, the City agrees that affordable housing (however the Department may define) is certainly important and is certainly an issue that each local government in Florida must plan for and address under its home rule authority. However, the City disagrees that the Department may in a cursory and sweeping manner claim "affordable housing" is an "important state resource or facility" that gives the Department specific authority under the statutory expedited state review process to provide comment to the City's

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Amendment. Because the Department failed to provide any evidence or state with specificity an important state resource or facility and because the Department failed to show how such resource or facility would be specifically and adversely impacted by the City's Amendment, the Department's comment is outside of its limited authority as provided in the statutory expedited state review process and is an infringement on the City's home rule authority as protected under Article VIII, Section 2 of the Florida Constitution and Chapter 166, Florida Statutes.

Assuming the Department has authority for its comment under the expedited state review process, which it does not, this letter serves as the City's response. The Department's comment contains three broad assertions: 1) the Amendment is internally inconsistent with the Housing Element; 2) the Amendment inadequately plans for the provision of public facilities and services; and 3) the Amendment does not address allowing Accessory Dwelling Units (ADUs).

Claim 1: The Amendment is internally inconsistent with the City's Housing Element.

The Department's first assertion demonstrates the Department's lack of understanding of the City's Comprehensive Plan. The Department asserts that the City's Amendment, which deletes one paragraph in the City's Comprehensive Plan Future Land Use Element pertaining to the single-family land use category, is internally inconsistent with Policy 1.1.5 and Policy 3.1.4 in the City's Housing Element. Policy 1.1.5 in the Housing Element is a single sentence that states in whole: "The University of Florida (UF) and the private sector shall be responsible for providing housing for college students." In support of the Department's claim, the Department cites City-provided data that the Department says indicates that student renters have been the primary beneficiaries of new rental housing built since 2000. Even if that was the case, the Department's citing of the fact that the *private sector* has provided housing for college students (which is exactly what Policy 1.1.5. requires) is not in any respect evidence that Policy 1.1.5 has either been violated or is in conflict with the City's Amendment. There is simply no logic or evidence undergirding the Department's claim that the City's Amendment (which fundamentally allows more housing types to be constructed by the *private sector* in the City) is in any way inconsistent with a housing policy that states that UF and the *private sector* shall provide housing for college students.

The Department also claims that the City's Amendment is internally inconsistent with the City's Housing Element Policy 3.1.4, which is a single sentence that states in whole: "The City shall help neighborhoods develop plans that address neighborhood character, stability, housing, safety, infrastructure, and historic resources." The Department provides no reasoning to support this claim other than stating that the City did not analyze whether the Amendment is consistent with this housing policy. The City in the adopting ordinance does in fact state that the Amendment is consistent with the City's Comprehensive Plan, which of course includes all policies and thereby Housing Element Policy 3.1.4. More to the point, the Amendment is consistent with Housing Element Policy 3.1.4. In fact, the City indeed has provisions to assist neighborhoods develop plans that will protect and regulate such neighborhoods through both historic preservation overlays or heritage overlays (see City Land Development Code Sections 30-4.27 and 30-4.28). As an overlay that protects the distinct identities and resources that are specific to a neighborhood, these neighborhood plans add more restrictive protections that take precedence over any underlying regulations. Accordingly, the City has complied with Policy 3.1.4 and this subject Amendment will in no way affect those neighborhood plans and protections, and therefore the Amendment is internally consistent with Policy 3.1.4.

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Consequently, the City's Amendment is internally consistent with both Housing Element Policy 1.1.5 and Policy 3.1.4, and this determination by the City certainly meets the fairly debatable standard in Section 163.3184(5)(c)2.b.

It is worth noting that the Department made other sweeping claims in its comment letter that the Department failed to support with any evidence or citations whatsoever, and which directly contradict a growing and supported consensus in land use and housing policy. The Department claims – without one source of support or evidence – that the City's Amendment “may endanger the elimination of substandard housing conditions, the provision of adequate sites, and the distribution of housing for a range of income and types.” Directly to the contrary and as evidenced by the substantial data and analysis provided by the City, there is a growing consensus among land use and housing professionals that restrictive or exclusionary zoning, which includes most fundamentally restricting land to single-family housing where no more than one single housing unit is allowable per certain-sized residential lot: 1) makes housing less affordable; 2) exacerbates income and racial inequities; 3) imposes increased environmental harms; 4) makes the economy less productive; and 5) limits the types of housing available for different living arrangements including at different stages of life.¹

In the local context as it regards the City of Gainesville, the City's widespread historic practice of restricting land use to single-family housing has exacerbated the City's discrepancies in housing equity and affordability. Gainesville is a rapidly growing city with an inadequate supply of housing units, types, and geographic disbursement, and which is experiencing a corresponding and growing housing affordability problem disproportionately affecting Gainesville's Black population. Specifically, Gainesville had a 54% increase in population between 1990 and 2018, and almost 30,000 additional people will be living in Gainesville by 2050.² White and wealthier households are concentrated in west and northwest Gainesville (where the majority of single-family zoning is located), while Black and poorer households are

¹ *Ending Exclusionary Zoning in New York City's Suburbs*, NYU Furman Center, (November 2020), (https://furmancenter.org/files/Ending_Exclusionary_Zoning_in_New_York_City's_Suburbs.pdf); *Multifamily Housing Impact Literature Review*, Delaware Valley Regional Planning Council, (October 2018), (<https://www.dvrpc.org/SmartGrowth/Multifamily/pdf/DVRPC-Multifamily-Housing-Impact-Literature-Review.pdf>); *Racial Diversity and Exclusionary Zoning: Evidence from the Great Migration*, Princeton University, Center for the Study of Democratic Politics, (January 2022), (https://drive.google.com/file/d/10_-WcJe4v6GfxVDfJ2h-R3pvjK4yjiG0/view); *How to Increase Housing Affordability? Understanding Local Deterrents to Building Multifamily Housing*, Kulka, Amrita and Sood, Aradhya and Chiumenti, Nicholas, (April 2022), (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4082457); *Exclusionary Zoning: A Legal Barrier to Affordable Housing*, Arizona State University Morrison Institute for Public Policy, (May 2022), (https://morrisoninstitute.asu.edu/sites/default/files/exclusionary_zoning_legal_barrier_to_affordable_housing.pdf); *Single-Family Zoning Analysis*, Cuyahoga County Planning Commission, (December 2021), (https://s3.us-east-2.amazonaws.com/s3.countyplanning.us/wp-content/uploads/2022/02/SFZ_Phase-1-Documents_12-14-21.pdf); Vicki Bean, 33 J. Land Use & Env. L. 217 (2018); *Regulation and Housing Supply*, Joseph Gyourko & Raven Molloy, 5 HANDBOOK REGIONAL & URB. ECON. 1289 (2015) (reviewing literature); *Why Have Housing Prices Gone Up?*, Edward L. Glaeser, et al., 95 AM. ECON. REV. 329, 329 (2005); *Racial Enclaves and Density Zoning: The Institutionalized Segregation of Racial Minorities in the United States*, Jonathan T. Rothwell, 13 AM. L. & ECON. REV. 290, 290 (2011); *The Effect of Density Zoning on Racial Segregation in U.S. Urban Areas*, Jonathan T. Rothwell & Douglas S. Massey, 44 URB. AFF. REV. 779 (2009); *The Impact of Land Use Regulation on Racial Segregation: Evidence from Massachusetts Zoning Borders*, Matthew Resseger, Harv. Univ. Working Paper (2013), (https://scholar.harvard.edu/files/resseger/files/resseger_jmp_11_25.pdf); *Segregation by Design*, Jessica Trounstine, (2018); *Arbitrary Lines: How Zoning Broke the American City and How to Fix It*, M. Nolan Gray, Island Press (2022); *The Effect of Market-Rate Development on Neighborhood Rents*, Shane Phillips, Michael Manville, and Michael Lens, UCLA Lewis Center for Regional Policy Studies, (February 2021), (<https://escholarship.org/uc/item/5d00z61m?>); *Carbon Footprint Planning: Quantifying Local and State Mitigation Opportunities for 700 California Cities*, Christopher Jones, Stephen Wheeler, and Daniel Kammen, Urban Planning Journal, Vol. 3, No. 2, (2018)(<https://www.cogitatiopress.com/urbanplanning/article/view/1218>).

² *Blueprint for Affordable Housing: An Action Plan for the City of Gainesville*, The Florida Housing Coalition, (September 2020); *Bureau of Economic and Business Research Projections of Florida Population by County, 2025-2050, with Estimates for 2021*, Volume 55, Bulletin 192, (February 2022).

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concentrated in east and southeast Gainesville.³ Over 63% of Gainesville’s total citywide residential land area is restricted to single-family housing, and over 65% of that total single-family zoning area is concentrated in (whiter and wealthier) northwest Gainesville.⁴ The Gainesville area has a current shortage of almost 1,800 units of housing for both renters and owners, and this doesn’t account for the projected population growth and demand in our area.⁵ Gainesville has a specific current shortage of over 1,300 rental units for households earning less than 60% of the Area Median Income (AMI).⁶ Because of the City’s vast land area that is restricted to single-family housing, over 80% of the housing units present in Gainesville are either single-family homes or larger apartment buildings (10+ units), with a corresponding deficiency in “missing middle” housing that includes townhomes, duplexes, triplexes, and quadplexes.⁷ Gainesville’s Black population disproportionately occupies “missing middle” housing because these units are generally much more affordable for low and middle-income residents compared to single-family homes or multi-family buildings, whereas White households are much more likely to live in single-family homes.⁸ Housing has become increasingly unaffordable for the Gainesville area since the early 2010s as supply has not kept up with demand, as home prices have increased at a much faster rate than income, and as rental vacancy rates have continued to decrease resulting in higher rents.⁹ Non-student renters earning less than 80% of the AMI are the largest group of cost-burdened households (greater than 30% of household income paid towards housing expenses) in Gainesville, and this group is disproportionately Black and minority renters living on Gainesville’s east side.¹⁰ In northeast Gainesville in particular, roughly 83% of renter households are cost-burdened and paying more than 30% of their income towards rent.¹¹

Given the established harms of restrictive or exclusionary zoning and its exacerbation of the problems identified above, the City has taken action (which includes the adoption of the Amendment) to loosen some of the City’s restrictions on single-family land use and zoning as one tool of many in a comprehensive housing action plan and as advised specifically by City staff and expert resources such as The Florida Housing Coalition and HR&A Advisors, among others.¹² The Amendment is not only internally consistent with Housing Element Policy 1.1.5 and Policy 3.1.4, but is in accordance with sound, equitable, and well-supported planning principles.

Claim 2: The Amendment inadequately plans for the provision of public facilities and services.

The Department claims that the Amendment inadequately plans for the provision of public facilities and services, and that the City’s Comprehensive Plan thereby does not provide meaningful and predictable

³ 2022 *Affordable Housing Framework*, City of Gainesville; *Exclusionary Zoning & Inclusionary Zoning Study*, HR&A Advisors, (December 2021).

⁴ See Exhibit A: City of Gainesville Map of Single-Family Zoning Districts; *Exclusionary Zoning & Inclusionary Zoning Study*, HR&A Advisors, (December 2021).

⁵ *Gainesville Comprehensive Housing Markey Analysis*, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, (2021), (<https://www.huduser.gov/portal/publications/pdf/GainesvilleFL-CHMA-21.pdf>).

⁶ *2019 Rental Market Study*, Shimberg Center for Housing Studies, (May 2019), ([2019-rental-market-study.pdf \(ufl.edu\)](https://www.shimbergcenter.org/wp-content/uploads/2019-rental-market-study.pdf)).

⁷ *Blueprint for Affordable Housing: An Action Plan for the City of Gainesville*, The Florida Housing Coalition, (September 2020).

⁸ *Exclusionary Zoning & Inclusionary Zoning Study*, HR&A Advisors, (December 2021).

⁹ *Gainesville Comprehensive Housing Markey Analysis*, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, (2021), (<https://www.huduser.gov/portal/publications/pdf/GainesvilleFL-CHMA-21.pdf>); *2022 Affordable Housing Framework*, City of Gainesville.

¹⁰ *2022 Affordable Housing Framework*, City of Gainesville; *2019 Rental Market Study*, Shimberg Center for Housing Studies, (May 2019), ([2019-rental-market-study.pdf \(ufl.edu\)](https://www.shimbergcenter.org/wp-content/uploads/2019-rental-market-study.pdf)).

¹¹ *Blueprint for Affordable Housing: An Action Plan for the City of Gainesville*, The Florida Housing Coalition, (September 2020).

¹² *Blueprint for Affordable Housing: An Action Plan for the City of Gainesville*, The Florida Housing Coalition, (September 2020); *Exclusionary Zoning & Inclusionary Zoning Study*, HR&A Advisors, (December 2021).

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standards for the use and development of land in accordance with Section 163.3177(1), Florida Statutes. The Department's comment on the City's Amendment, which again simply deletes one paragraph in the City's Future Land Use Element pertaining to the single-family land use category, wholly ignores the entirety of the City's Comprehensive Plan which in fact provides meaningful and predictable standards for the use and development of land.

For example, Objective 3.4 in the City's Future Land Use Element ensures that the City will have services and facilities needed to meet and maintain Level of Service (LOS) standards relating to transportation, schools, potable water, wastewater, stormwater, and recreation. In addition, the City's Capital Improvements Element maintains a 5-Year Schedule of Capital Improvements that gets updated yearly to set funding levels for the provision, renewal, or replacement of all public facilities necessary to meet and maintain the adopted LOS standards for both existing and future populations. Effects to public facilities and services resulting from the City's Amendment are accounted for and will be adequately addressed by the established LOS standards as development occurs.

Concerning the impacts to and funding for public facilities and services, supportive infrastructure meeting levels of service (LOS) standards is a condition of all development in the City. Future developments are also subject to site specific improvements identified at the time of development review, including the development of any three or four-family developments. Furthermore, it is expected that all transportation impacts of the City's Amendment will be adequately addressed through the City's Transportation Mobility Program Area (TMPA) as outlined in the Transportation Element of the City's Comprehensive Plan. The program provides the means for mitigation of transportation impacts via construction of infrastructure improvements, contributions towards transit improvements, or contribution of funding in lieu of construction. In addition, as emphasized throughout the Transportation Element, the City encourages the provision of a balanced multimodal transportation system through strategic investments in transit, bicycle, and pedestrian facilities to reduce dependency on automobile travel. These strategies coupled with (1) the City's Vision Zero strategy that prioritizes people versus cars, and (2) land use policies that encourage provision of higher densities and mixed land uses will continue to encourage the use of alternative transportation modes maintaining the downward trends in traffic volumes experienced over the last several years.

It is also important to note that any additional vehicle trips will occur incrementally as either existing vacant residential properties are built on or currently developed properties are gradually redeveloped. Within the entire City of Gainesville, there are currently only 194 vacant properties in the former Single-Family Residential designation. The average size of these properties is approximately 1/4-acre. The Neighborhood Residential zoning district which will implement the Amendment is limited to 12 du/acre, which means that the maximum development potential for the majority of these properties will be limited to a 3-unit triplex. Currently within the City of Gainesville, all existing Single-Family designated properties are permitted to have one primary residence and two Accessory Dwelling Units (ADUs) without an owner residency requirement. As such, the City's Amendment is an incremental change from what is currently allowed and the City's Land Development Code includes both current and newly proposed regulations that will mitigate any potential impacts to surrounding areas. Finally, the Amendment is anticipated to lower Vehicle Miles Traveled (VMT) by encouraging greater density within the urbanized area of the City of Gainesville through directing new housing development near existing transit routes and job centers as opposed to outside the urban core.

Additionally, the City is in the process of updating the TMPA program to better align with future needs as land uses and associated transportation patterns continue to evolve, and funding has been allocated for

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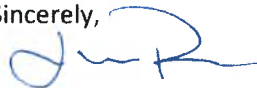
this effort which is expected to be completed within 18 to 24 months. Consistent with the efforts aforementioned, the City has implemented complementary transportation options over the past few years to further offset transportation needs and close the first mile/last mile transportation gaps throughout the city including micromobility and microtransit services. The transportation needs are also evaluated and mitigated through the Transit Development Plan which is updated every five to ten years; the next major update is expected in 2024.

Claim 3: The Amendment does not address allowing Accessory Dwelling Units (ADUs).

The Department claims that the City has not addressed allowing ADUs as a method of promoting affordable housing. This claim also demonstrates the Department's lack of understanding with the City's Comprehensive Plan and Land Development Code. To the contrary and as mentioned above, the City already allows ADUs citywide (see the City's Land Development Code Sections 30-4.12, 30-4.16, 30-4.19, and 30-4.23). In fact, and as maybe the best indicator of the rate of change that may be expected with the Amendment, the City has received only 37 total applications citywide to construct ADUs since September 2020 when the City first began allowing ADUs. Therefore, it is incorrect for the Department to claim that the City has not addressed the allowance of ADUs.

In sum, the Department's broad and undefined reference to "affordable housing" is an insufficient basis for the Department to assert authority to provide comments under the expedited state review process in Section 163.3184, Florida Statutes. Furthermore, the Department failed to identify with specificity or any support how the City's Amendment will adversely impact a specific state resource or facility. The Department, without any evidence, essentially provided sweeping and wholly unsupported claims outside of its authority, but which nevertheless were addressed above. Consequently, the City's Amendment is in compliance with Chapter 163, Florida Statutes, and the City's determination shall be presumed correct pursuant to Section 163.3184(5)(c)2.a. If you have any questions concerning this letter, please contact the City Clerk's Office by telephone at 352-334-5015 or by email at clerks@gainesvillefl.gov.

Sincerely,



Lauren Poe
Mayor
City of Gainesville

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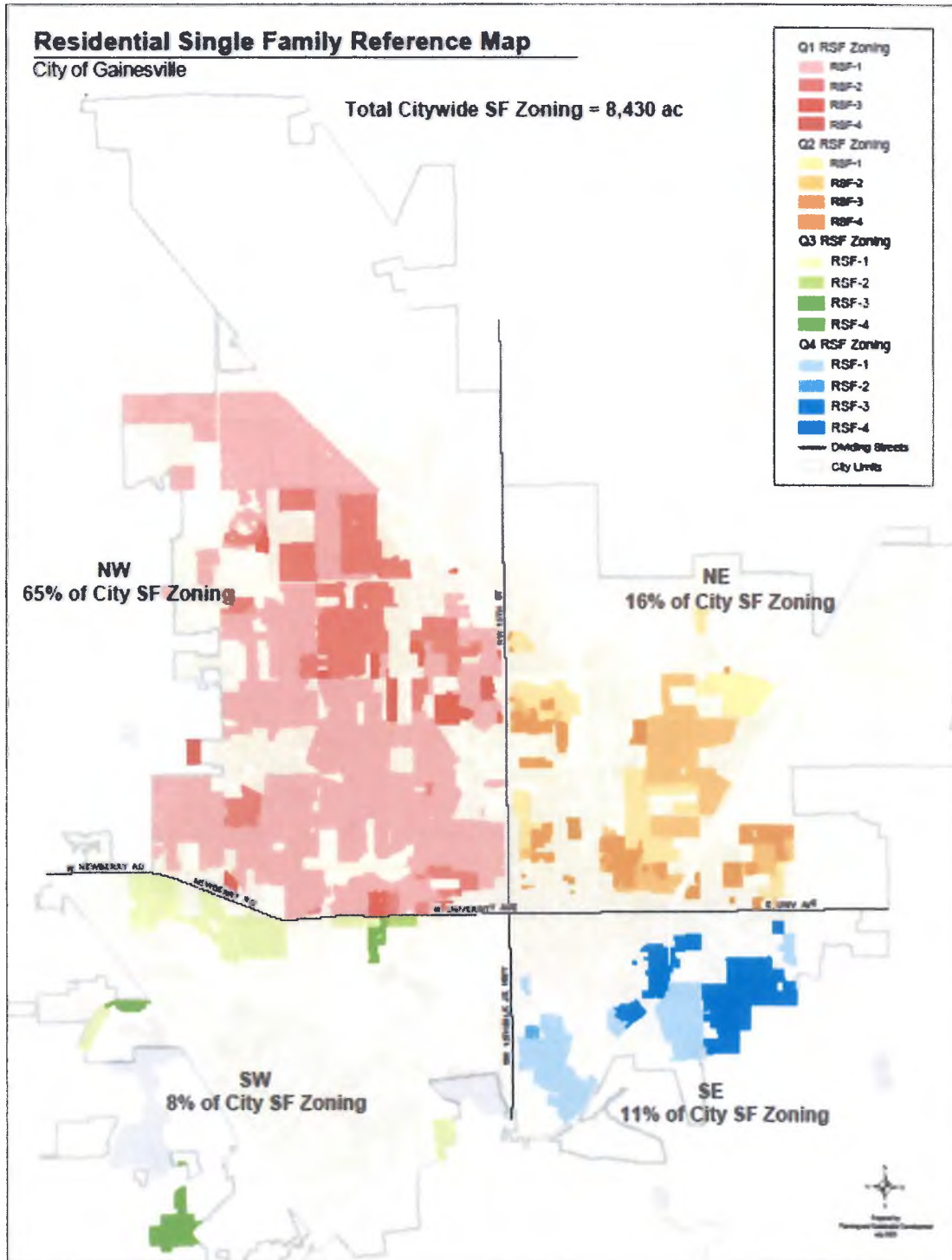


EXHIBIT C

Ron DeSantis
GOVERNOR



Dane Eagle
SECRETARY

October 25, 2022

Mr. Forrest Eddleton, AICP
Interim Director
City of Gainesville
Post Office Box 490, Station 11
Gainesville, Florida 32627

RE: 211357

Dear Mr. Eddleton:

Thank you for submitting the **Gainesville's Plan Amendment No. 22-03ESR**, adopted by **Ordinance No. 211357 on October 17, 2022**, for our review pursuant to the Expedited State Review process. The adopted package was received by the State Land Planning Agency on **October 25, 2022**.

We have conducted a preliminary inventory of the plan amendment package to verify the inclusion of all required materials. The submission package was determined to be complete on **October 25, 2022**, and your adopted plan amendment will be reviewed pursuant to the process set forth in Chapter 163.3184(3), Florida Statutes. Once the review is underway, you may be asked to provide additional supporting documentation by the review team to ensure a thorough review.

If you have any questions please contact Barbara Powell, Regional Program Administrator, who will be overseeing the review of the amendments, at (850)717-8504.

Sincerely,

D. Ray Eubanks, Administrator
Plan Review and Processing
Signed in his absence to avoid delay

DRE/dh

cc: External Agencies

Florida Department of Economic Opportunity | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399
(850) 245.7105 | www.FloridaJobs.org | www.Twitter.com/FLDEO | www.Facebook.com/FLDEO

An equal opportunity employer/program. Auxiliary aids and service are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TTD equipment via the Florida Relay Service at 711.

EXHIBIT D



Omichele D. Gainey
City Clerk

OFFICE OF THE CITY CLERK

STATE OF FLORIDA

COUNTY OF ALACHUA

I, Omichele D. Gainey, the duly appointed and qualified City Clerk of the City of Gainesville, Florida, a municipal corporation, do hereby certify that the foregoing is a true and correct copy of **Ordinance No. 211357** which was duly and regularly adopted by the City Commission of the City of Gainesville, Florida, at a City Commission meeting on **October 17, 2022.**

In Witness, Whereof, I have hereunto set my hand and affixed the official seal of the City of Gainesville, Florida this 18th day of October, A.D., 2022.

Omichele D. Gainey
City Clerk

www.cityofgainesville.org
clerks@cityofgainesville.org

352.334.5015 phone
352.334.2036 fax

200 E. University Avenue
Gainesville, FL 32601

P.O. Box 490, Station 18
Gainesville, FL 32627-0490

26 **WHEREAS**, this ordinance, which was noticed as required by law, will amend the Future Land Use
27 Element and Map of the Comprehensive Plan; and

28 **WHEREAS**, the City Plan Board, which acts pursuant to the authority granted in Section 4.02 of
29 the Charter Laws of the City of Gainesville and which acts as the Local Planning Agency pursuant
30 to Section 163.3174, Florida Statutes, held a public hearing on June 6, 2022, and voted to make
31 a recommendation to the City Commission regarding the subject of this ordinance; and

32 **WHEREAS**, an advertisement no less than two columns wide by ten inches long was placed in a
33 newspaper of general circulation and provided the public with at least seven days' advance notice
34 of this ordinance's first public hearing (i.e., transmittal hearing) to be held by the City Commission
35 in the City Hall Auditorium, located on the first floor of City Hall in the City of Gainesville; and

36 **WHEREAS**, after the first public hearing, the City of Gainesville transmitted copies of this
37 proposed amendment to the reviewing agencies and any other local government unit or state
38 agency that requested same; and

39 **WHEREAS**, a second advertisement no less than two columns wide by ten inches long was placed
40 in the aforesaid newspaper and provided the public with at least five days' advance notice of this
41 ordinance's second public hearing (i.e., adoption hearing) to be held by the City Commission; and

42 **WHEREAS**, public hearings were held pursuant to the notice described above at which hearings
43 the parties in interest and all others had an opportunity to be and were, in fact, heard; and

44 **WHEREAS**, prior to adoption of this ordinance, the City Commission has considered any written
45 comments received concerning this Future Land Use Element and Map amendment; and

46 **WHEREAS**, the City Commission finds this Future Land Use Element and Map to be consistent
47 with the City of Gainesville Comprehensive Plan.

48 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE,**

49 **FLORIDA:**

50 **SECTION 1.** Policy 4.1.1 of the Future Land Use Element of the City of Gainesville

51 Comprehensive Plan is amended as follows. Except as amended herein, the remainder of Policy

52 4.1.1 remains in full force and effect.

53 ~~**Single-Family (SF): up to 8 units per acre**~~

54

55 ~~This land use category shall allow single family detached dwellings at densities up to 8 dwelling~~
56 ~~units per acre. The Single-Family land use category identifies those areas within the City that,~~
57 ~~due to topography, soil conditions, surrounding land uses and development patterns, are~~
58 ~~appropriate for single family development. Land development regulations shall determine the~~
59 ~~performance measures and gradations of density. Land development regulations shall specify~~
60 ~~criteria for the siting of low intensity residential facilities to accommodate special need~~
61 ~~populations and appropriate community level institutional facilities such as places of religious~~
62 ~~assembly, public and private schools other than institutions of higher learning, and libraries. Land~~
63 ~~development regulations shall allow home occupations in conjunction with single family~~
64 ~~dwellings under certain limitations.~~

65

66 **SECTION 2.** The Future Land Use Map of the City of Gainesville Comprehensive Plan is

67 amended by changing the land use category of all property currently designated Single-Family

68 (SF) to Residential Low-Density (RL). The amendment and location of the property that is the

69 subject of this ordinance is shown on **Exhibit A** for visual reference. A detailed Future Land Use

70 Map is available for inspection on the City's website or in the City's Department of Sustainable

71 Development.

72 **SECTION 3.** It is the intent of the City Commission that the provisions of Sections 1 and 2 of

73 this ordinance will become and be made a part of the City of Gainesville Comprehensive Plan

74 and that the sections and paragraphs of the Comprehensive Plan may be renumbered in order

75 to accomplish such intent.

76 **SECTION 4.** The City Manager or designee is authorized and directed to make the necessary
77 changes to the City of Gainesville Comprehensive Plan in order to fully implement this ordinance.
78 The City Manager or designee is authorized to correct any typographical errors that do not affect
79 the intent of this ordinance.

80 **SECTION 5.** Within ten working days of the transmittal (first) hearing, the City Manager or
81 designee is authorized and directed to transmit this Future Land Use Map amendment and
82 appropriate supporting data and analyses to the reviewing agencies and to any other local
83 government or governmental agency that has filed a written request for same with the City.
84 Within ten working days of the adoption (second) hearing, the City Manager or designee is
85 authorized and directed to transmit this amendment to the state land planning agency and any
86 other agency or local government that provided comments to the City regarding the
87 amendment.

88 **SECTION 6.** If any word, phrase, clause, paragraph, section, or provision of this ordinance or
89 the application hereof to any person or circumstance is held invalid or unconstitutional, such
90 finding will not affect the other provisions or applications of this ordinance that can be given
91 effect without the invalid or unconstitutional provision or application, and to this end the
92 provisions of this ordinance are declared severable.

93 **SECTION 7.** As of the effective date of this amendment to the Comprehensive Plan as
94 described in Section 8 of this ordinance, all ordinances or parts of ordinances in conflict herewith
95 are to the extent of such conflict hereby repealed.

96 **SECTION 8.** This ordinance will become effective immediately upon adoption; however, the
97 effective date of this amendment to the City of Gainesville Comprehensive Plan, if the

98 amendment is not timely challenged, will be 31 days after the state land planning agency notifies
99 the City that the plan amendment package is complete in accordance with Section 163.3184,
100 Florida Statutes. If timely challenged, this Comprehensive Plan amendment will become effective
101 on the date the state land planning agency or the Administration Commission enters a final order
102 determining the amendment to be in compliance with Chapter 163, Florida Statutes. No
103 development orders, development permits, or land uses dependent on this Comprehensive Plan
104 amendment may be issued or commenced before this amendment has become effective.

105 **PASSED AND ADOPTED** this 17th day of October, 2022.

106
107
108
109
110



LAUREN POE
MAYOR

111 Attest:

Approved as to form and legality:

112
113



114 OMICHELE D. GAINES
115 CITY CLERK



DANIEL M. NEE
CITY ATTORNEY

116
117
118

This ordinance passed on transmittal (first) reading this 4th day of August, 2022.

119 This ordinance passed on adoption (second) reading this 17th day of October, 2022.



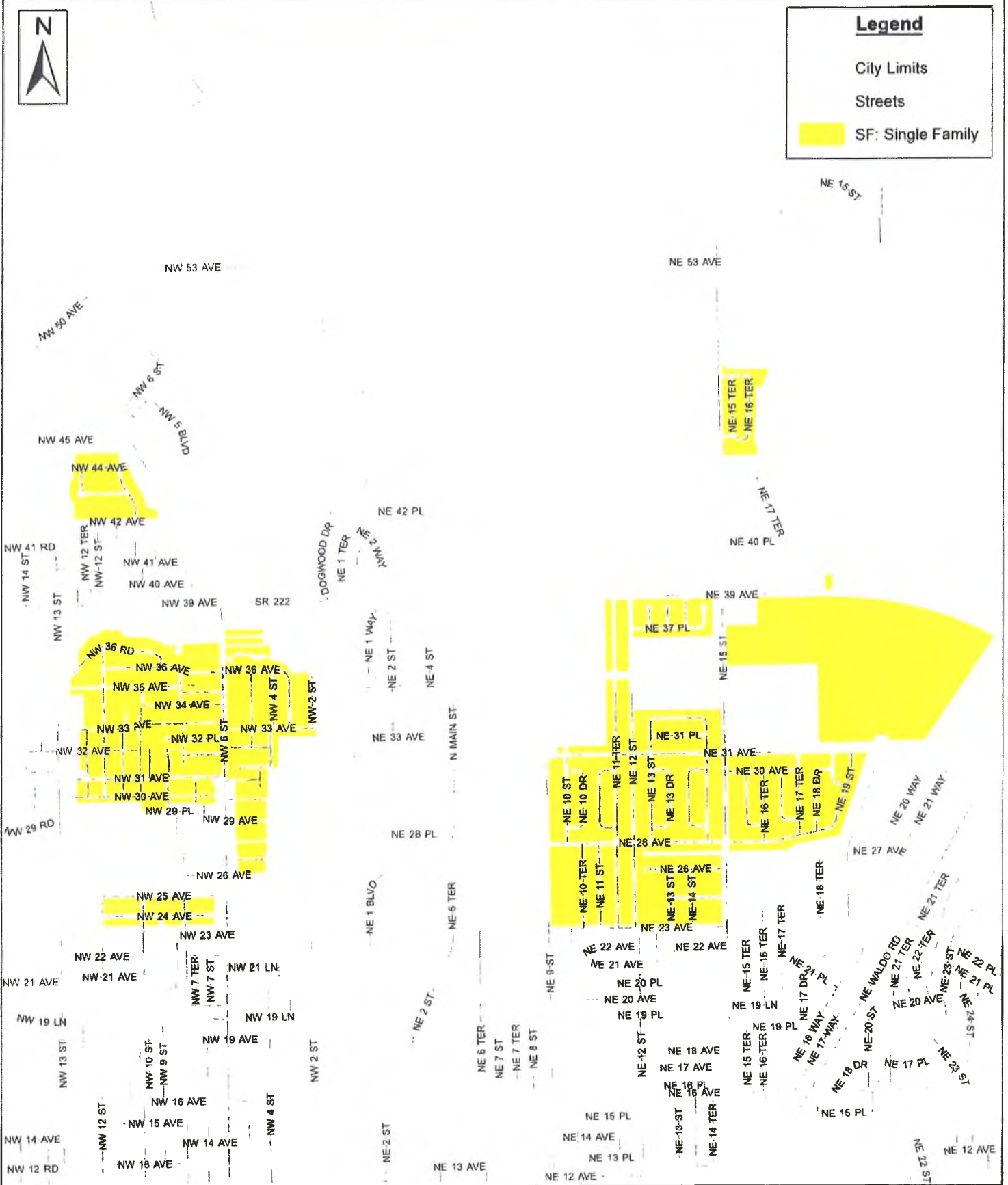
Q2 Existing Single Family (SF) Land Use

June 2022



Legend

- City Limits
- Streets
- SF: Single Family





Q4 Existing Single Family (SF) Land Use

June 2022



Legend

City Limits

Streets

SF: Single Family

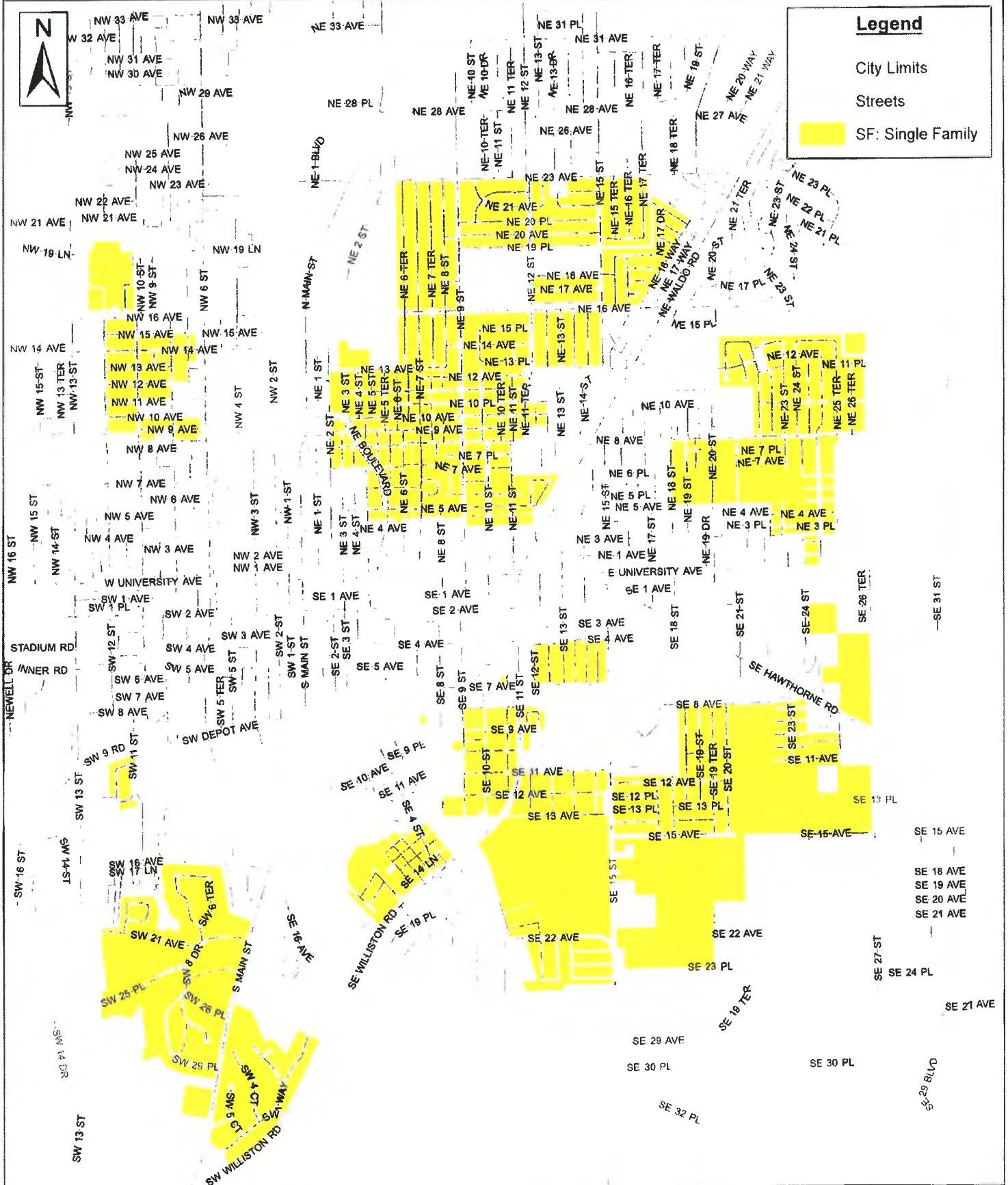


EXHIBIT E

City of
Gainesville

HR&A

Exclusionary Zoning & Inclusionary Zoning Study

Final Report
December 2021

DRAFT

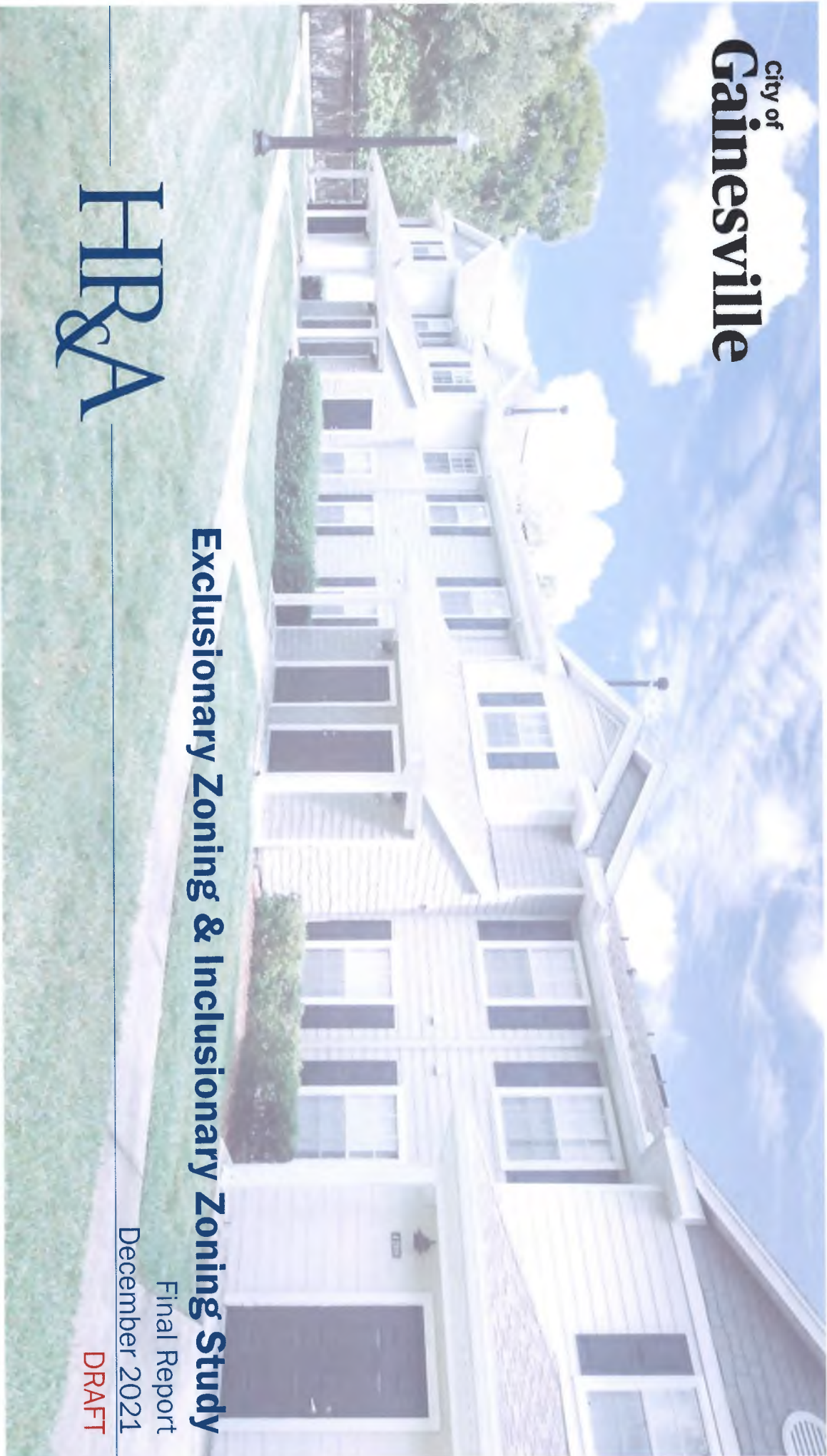


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We would also like to acknowledge former
Commissioner Gail Johnson.

Executive Summary

Project Overview | HR&A Advisors was engaged by the City of Gainesville to analyze the causes of and potential strategies to address housing instability and racial inequities.

This study responds to the following guiding questions:

1. What drives housing instability and inequities in Gainesville?
2. How do exclusionary land use controls drive local housing market trends?
3. How can changes to exclusionary land use controls make housing in Gainesville more equitable?
4. Is an inclusionary zoning policy a feasible and effective tool for producing new affordable housing in Gainesville?
5. What other programs and policies are needed to address housing instability and inequities?

Project Overview | The City of Gainesville has been committed to creating a path toward an equitable housing landscape. This study is additive to these efforts.



Recent Housing Efforts in Gainesville:

- Gainesville's **Housing Action Plan** (2020) calls for diversifying funding sources, increased zoning flexibility, and permanent affordability.
- Gainesville's current **Comprehensive Planning Process** includes a chapter exploring housing strategies to house all Gainesville residents.
- The **Gainesville Community Reinvestment Area** has pursued urban infill housing and worked to attract investment to underserved parts of the city.
- The **Gainesville Housing Authority** has partnered with private developers to subsidize permanently affordable housing.
- The **Gainesville Housing and Community Development Department** continues to administer funding and programs through CDBG, HOME and SHIP programs.



Existing Conditions | An analysis of existing conditions in Gainesville reveals several distinct but related issues that are driving instability and unequal housing outcomes.



Racial Segregation

In Gainesville, race is a key determinant of where you live, access to diverse housing options and homeownership, and the value of your home.



Housing Cost Burden

Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.



Housing Access and Quality

New rental housing in Gainesville has disproportionately benefited student renters, and non-student renters live in older, less diverse housing types as a result.

Existing Conditions | In Gainesville, race is a key determinant of where you live, your access to diverse housing options and homeownership, and the value of your home.

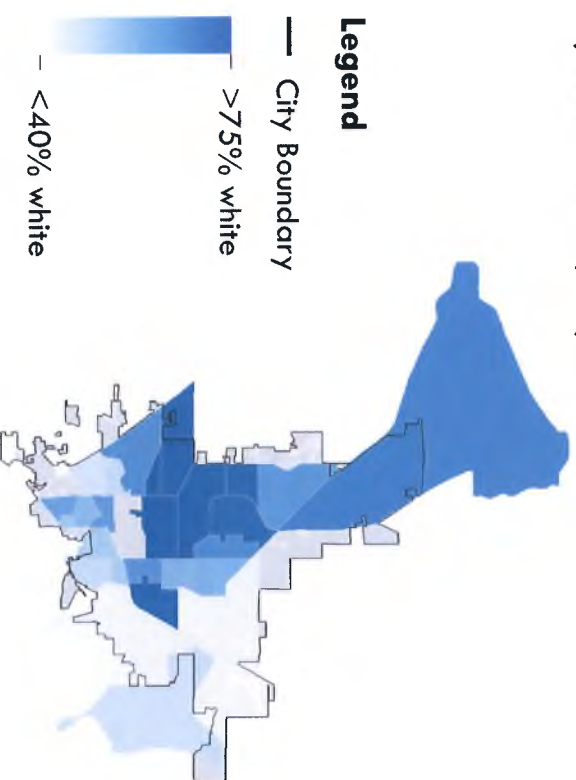


Racial Segregation

- White households are more likely to live in single-family homes (which are typically owned, rather than rented).
- Gainesville's Black population occupies "missing middle" housing, or buildings with 2-4 units, at a high rate relative to the population. These units tend to be more affordable in Gainesville.
- Homes in predominately white neighborhoods are assessed at higher values, increasing the wealth that accrues to white households.

Source: Social Explorer – ACS 2019 (5-Year Estimates)

Share of Non-Hispanic or Latinx white Households (Census Tracts, All)



Existing Conditions | Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.

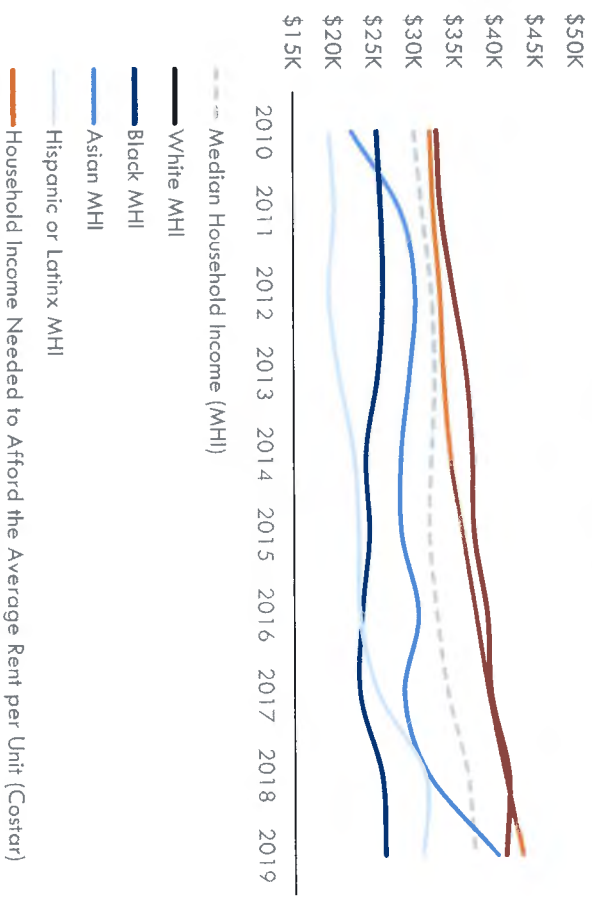


Housing Cost Burden

- Renters across all racial groups earning <\$35K annually experience high rates of housing cost burden.
- Race is a predictor of household income and poverty in Gainesville. Only white and Asian households earn above Gainesville's median household income. Black households make 73% of the median.
- The average rental unit is currently only affordable to the typical white or homeowner household in Gainesville.

Source: Social Explorer – ACS 2019 (5-Year Estimates)

Income at which Average Rental Unit is Affordable by Race (All)



Existing Conditions | The student housing market is the strongest rental market in Gainesville. Non-student renters are not benefitting from new housing at the same rate.

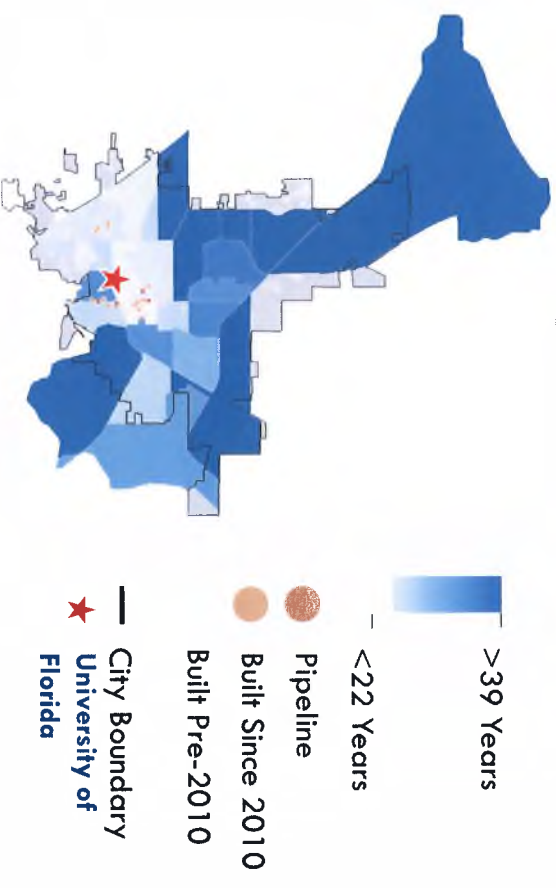


Housing Access and Quality

- Student renters are the primary beneficiaries of new rental housing development in Gainesville, which makes it more difficult for non-students to access such housing.
- Student renters make up 36% of the total population but comprise 50% of the population that lives in housing built after 2000.
- The average household in Gainesville struggles to access homeownership, especially Black, Hispanic or Latinx, and renter households. As a result, 61% of households in the City are renters. Less than a third of Black and Hispanic or Latinx households are homeowners.

Source: Social Explorer – ACS 2019 (5-Year Estimates)

Median Age by Census Tract and Student Housing*



*Includes both student housing (i.e., housing that exclusively serves students) and student-focused housing (i.e., housing that caters to students but is available to all residents).

Land Use | This study explores how land use tools can help to create a housing landscape in which who you are does not determine your housing options.

While there are many housing tools, programs, and mechanisms that can improve housing equity and affordability, this study is tasked with assessing two specific land use strategies.



Land Use Tools use municipal regulations and zoning authority to indirectly improve affordability by increasing the supply of housing and to directly require the production of affordable units.



Subsidy Tools, in the form of below-market rate loans, grants, or other public resources, close the gap between what a household can afford to pay and the costs to develop and operate housing.



Tenants' Rights Tools preserve existing affordable housing and housing stability by using laws and regulations that protect current occupants.

Land Use | Land use mechanisms analyzed here include: (i) redressing exclusionary policies and (ii) implementing an inclusionary zoning program.



In general, land use tools are most effective at addressing the housing needs of moderate-income residents and are not effective at addressing the housing needs of low- and very low-income residents.

Redressing exclusionary policies is a strategy to expand housing options throughout the city, creating housing opportunities for residents of all racial and economic statuses in places that households want and can afford to live in.

Inclusionary zoning, while not necessarily the antidote to exclusionary zoning, is a strategy to produce regulated affordable housing for moderate income households in the private market by incentivizing, requiring, and/or subsidizing private housing developers to deliver new affordable housing when they build new market rate housing.

These two land use strategies can, but don't necessarily need to, work hand in hand. While this study focuses on two specific land use strategies, future housing plans should consider the full landscape of housing tools to increase housing stability and equity in Gainesville, including subsidy and tenants' rights tools.

Recommendations | This study makes recommendations on land use strategies that can help drive an equitable housing landscape in Gainesville.



The City should **redress existing exclusionary land use controls**, with a particular focus on those that have the highest exclusionary impact in Gainesville, including strict lot utilization and parcel constraints, strict design and compatibility requirements, and occupancy and mobile home limitations.

The City should implement a **mandatory IZ policy** requiring that rental developments with at least 10 residential units provide a 10 percent set-aside of units that are affordable to households earning up to 80 percent of Area Median Income, offering a density bonus incentive of up to 30 percent. If possible, the City should also explore additional incentives, such as a synthetic TIF, to deepen affordability (e.g., to create units affordable to 60 percent of AML).

Both of these strategies should be used in combination with a set of housing tools to address the housing needs of low- and very low-income Gainesville residents, who have the highest housing need. HR&A recommends that the City of Gainesville work to identify revenue sources for an Affordable Housing Trust Fund and assess the possibility of deploying local subsidy for affordable housing.

Exclusionary Land Use Controls | Exclusionary land use controls exclude a diverse (often racially diverse) range of households from residential neighborhoods.

Exclusionary lands use controls both directly limit the types of housing that can be built, and indirect limit housing access by contributing to prohibitive housing costs. While zoning is a recognizable land use control, it is one of many tools that local government uses to control how, where, and what kind of development occurs. County and State land use regulations and housing policy, such as HB 7103, also play a role in determining development patterns in Gainesville. HR&A developed criteria with which to review Gainesville's Code of Ordinances.

Exclusionary land use controls are local regulations that:

1. Directly decrease or limit housing supply in residential areas (strict lot utilization and parcel constraints)
2. Increase the cost to build new housing (strict design and compatibility requirements)
3. Limit the use of existing housing (strict occupancy limitations and mobile home location limitations)

Each of these dynamics drives disparate outcomes by race.

Exclusionary Land Use Controls | Changing exclusionary land use controls is an important tool for reducing racial and economic exclusion across a housing market.



Benefits of Changing Exclusionary LUCs:

- No public funding required to induce private development
- Increases the overall supply of housing
- Can help address legacies of racial segregation by driving new housing supply more evenly across the city
- Reduces the ability of a limited constituency to prevent the creation of housing
- Supports economic growth and expands the City's tax base

Without reducing exclusionary land use controls, all other housing strategies, and those that require subsidy in particular, are less effective and more costly.

Exclusionary Land Use Controls | The City of Gainesville should complete in-depth land use analyses to consider the following changes to exclusionary land use controls.

Actions to Consider

- Reduce setbacks in low and moderate density residential areas.
- Permit lot splits in minor subdivisions.
- Reduce minimum lot dimensions.
- Allow housing typologies beyond single family ("missing middle", 2-4 unit housing) in residential districts with strict lot utilization constraints.
- Eliminate compatibility requirements between multifamily and single family uses.
- Reduce expensive design standards in historic preservation districts.
- Identify additional areas to permit mobile home uses.
- Eliminate single family occupancy limitations in low density districts.
- Increase the bedroom limit in the University of Florida Context Area when a structure includes more than one dwelling (attached housing).

Outcomes

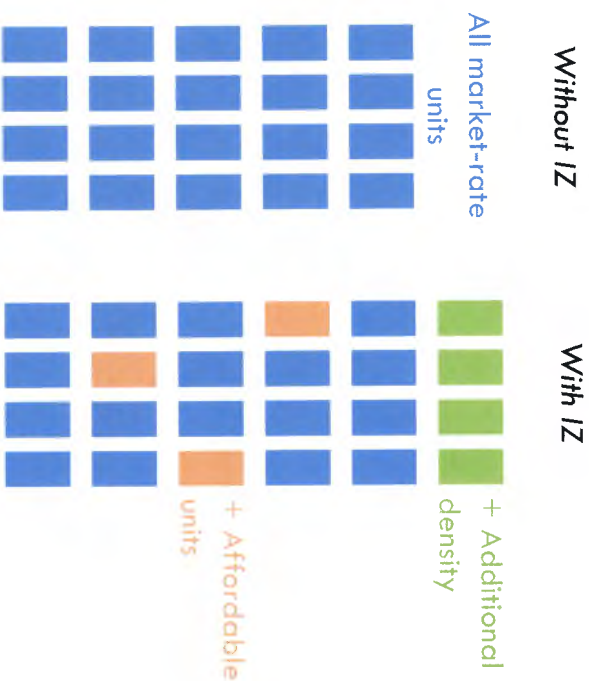
- ➡ **1. Increase the amount and type of housing in residential areas**
- ➡ **2. Decrease the cost to build and maintain housing**
- ➡ **3. Increase options for the use of existing housing**

Inclusionary Zoning | The goal of an inclusionary zoning policy is to support Gainesville’s housing needs through the creation of affordable housing.

Inclusionary zoning is a land use tool that requires or encourages developers to create affordable units in new market-rate residential and commercial developments. Incentives such as reduced parking requirements, additional density allowances, or tax abatements are sometimes provided to encourage participation.

More than 1 000 jurisdictions across 30+ states have inclusionary zoning programs. These programs vary along many design considerations, including whether the program is voluntary or mandatory, what amount and depth of affordability is required, if it applies to rental or for-sale development, whether there are alternative compliance pathways such as the payment of a fee in-lieu, and what incentives are available. These policy elements are adjusted based on local policy priorities, housing market strength, and affordability needs.

Illustrative IZ Policy with Density Bonus Incentive



Inclusionary Zoning | Inclusionary zoning is one of many tools that can support housing affordability, and it presents a variety of benefits and limitations.

Benefits of IZ

Captures value of land in areas with strong housing markets. The Gainesville market has seen steady market-rate development in recent years in some neighborhoods, suggesting the potential to support development of some affordable housing.

Serves households earning up to 80% of Area Median Income (AMI), which is an area of need for Gainesville.

Does not require public subsidy, though public subsidy may be provided as an incentive to achieve more or deeper affordability.

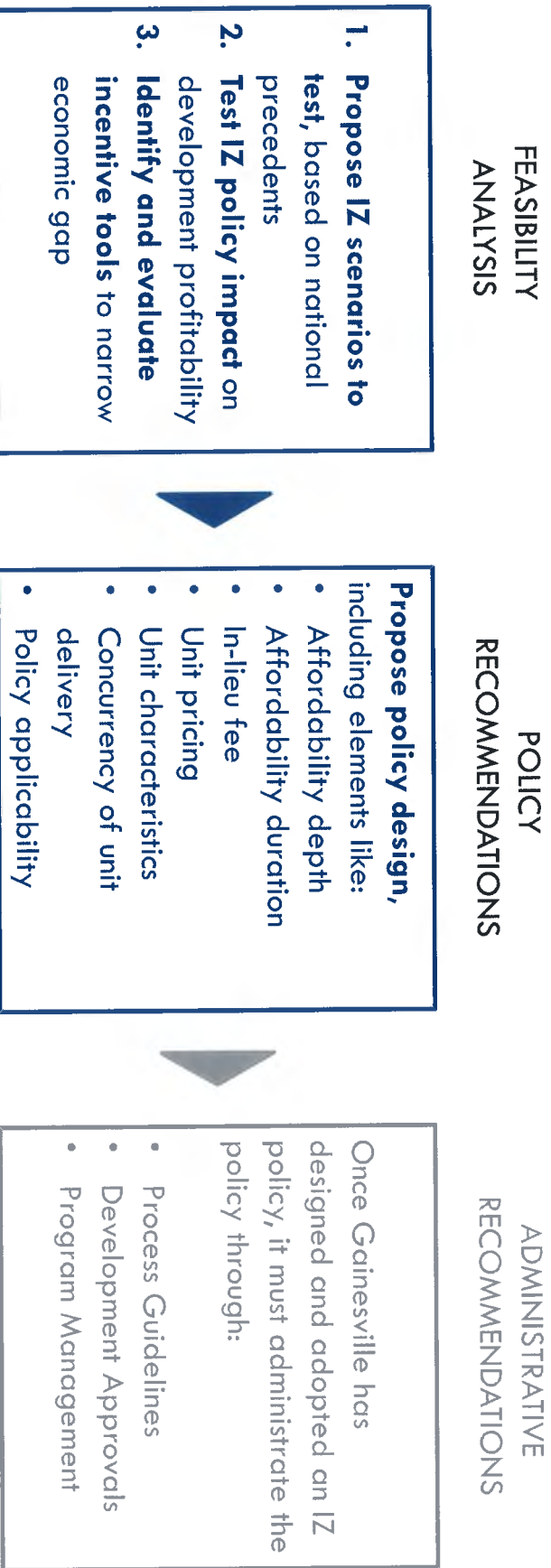
Limitations of IZ

Does not work in weaker housing markets and submarkets, where an overly restrictive IZ policy risks decreasing housing development, which ultimately harms affordability by both failing to deliver the mandated IZ units and limiting overall housing supply. An IZ policy that is overly restrictive relative to nearby jurisdictions also risks driving new development outside of political boundaries.

Do not serve very deep levels of affordability need, such as for households earning up to 30% AMI. For these residents, other alternatives such as housing vouchers should be layered with increased supply of rent-restricted affordable housing.

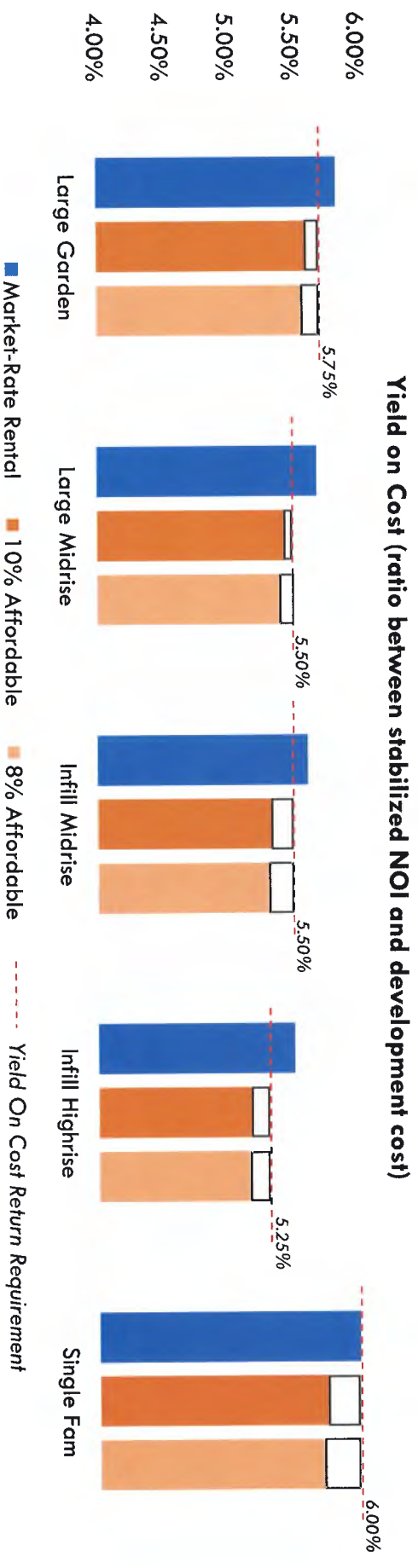
Need to triangulate and optimize between maximizing depth of affordability, ensuring continued housing development, and limiting the cost of incentives.

Inclusionary Zoning | HR&A tested the feasibility and impact of an inclusionary zoning policy in Gainesville and provided recommendations for policy design.



Inclusionary Zoning | HR&A's modeling finds that 10% and 8% IZ requirements bring project profitability below threshold return requirements for all five typologies.

Project profitability was measured using Yield on Cost, calculated for each property type using a 10-year cash flow model. The model was populated with assumptions gathered from empirical market data and developer interviews (see summary table of assumptions in the Appendix). The calculations below give a sense of the average directional impact and relative magnitude of policies. Falling below the return threshold does not mean every deal will die, but that fewer deals will happen; similarly, not every project above the return threshold will necessarily happen. Based on our model, **the likely profitability gap for a developer per required affordable unit is between \$16,000 to \$140,000.**



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Inclusionary Zoning | A range of incentives are available to overcome the gap in expected financial returns.

Incentive	Proposal	Tradeoffs
Additional density	Offer up to 30% additional density (more units)	Can deliver strong financial value for owners without directly spending public dollars, but impact is limited if developers are currently building below existing land use regulations.
Public land contributions	Waive an appropriate portion of public land costs (if density bonus is not sufficient)	A highly valuable tool that reduces upfront development costs, but applicability may be limited (based on City land holdings).
Expedited review	Always prioritize and expedite review for IZ projects, target 2 weeks	Little to no cost to City; likely not valuable enough to be a "but for" incentive
By-right development	Consider by-right approvals for IZ projects	Little to no cost to City; likely not valuable enough to be a "but for" incentive
Synthetic Tax Increment Financing	Explore mechanism for tax-increment financing to further deepen affordability	Some cost to City, need to establish mechanism for residential properties, and requires Council vote; offers way to provide valuable subsidy without commitment of new dollars
Direct subsidy	Not recommended unless reliable source of funding is identified and subsidy is used towards deepening affordability	<ul style="list-style-type: none"> • No sustainable, reliable source of ongoing funding • Highly valuable to developers, but costly to the City, and likely not the highest-impact/efficiency use of limited housing funds
Parking development	Not recommended	Not meaningful as parking requirements are already low, sometimes below market demand

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Inclusionary Zoning | HR&A recommends that Gainesville adopt an IZ policy with a 10% set-aside for households earning up to 80% AMI, with the option of an in-lieu fee.

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

Next Steps

Exclusionary Land Use Controls

- Provide guidance to the Department of Sustainable Development on key land use code elements for revision (all or a subset of those identified in this study).
- Implement land use control changes through land use code changes and other code or regulation changes, as needed.

Inclusionary Zoning Policy

- Explore priorities for affordable housing preservation and production to determine whether an inclusionary zoning policy is the highest-priority next step.
 - If IZ is not the highest-priority policy, pursue alternatives, such as an affordable housing trust fund.
 - If IZ is the highest-priority policy, begin to prepare for implementation by establishing an “owner” for policy design and development.

Existing Conditions: Housing Instability in Gainesville

Several distinct but related issues are driving housing instability and unequal housing outcomes in the City of Gainesville.



Racial Segregation

In Gainesville, race is a key determinant of where you live, access to diverse housing options and homeownership, and the value of your home.



Housing Cost Burden

Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.



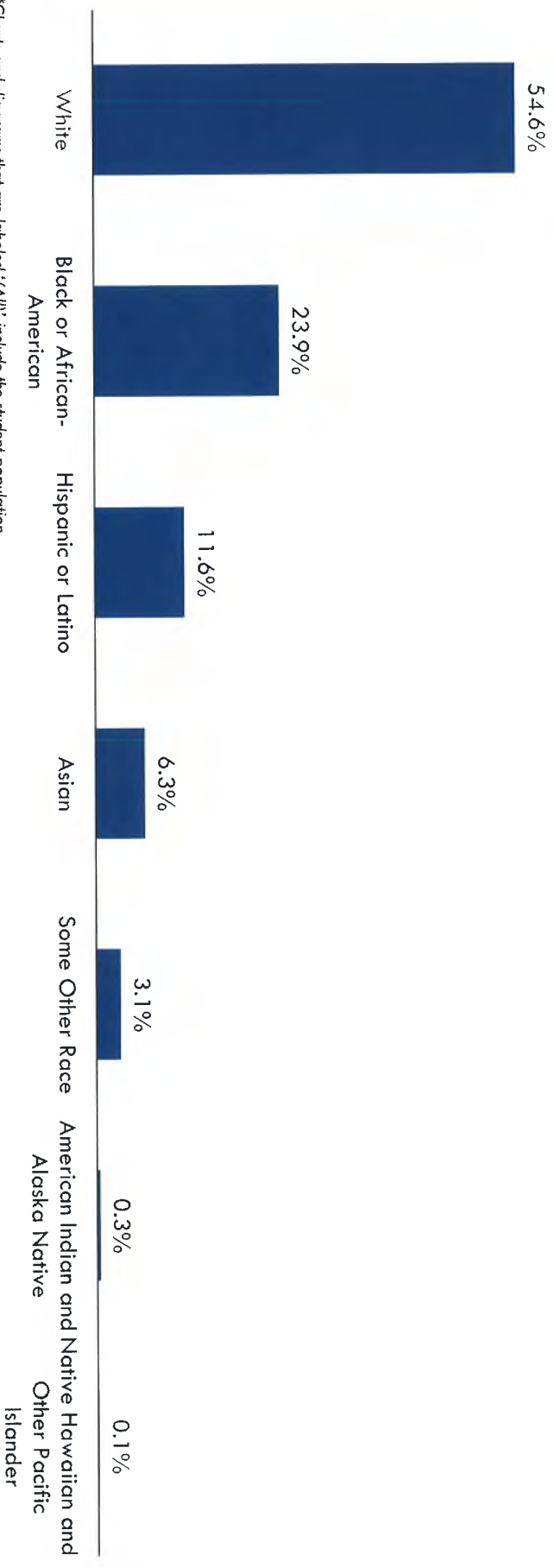
Housing Access and Quality

New rental housing in Gainesville has disproportionately benefited student renters, and non-student renters live in older, less diverse housing types as a result.

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Gainesville's population is predominately (55%) white. Black or African Americans are the next largest racial group, making up ~24% of the population.

Percent of Total Population by Race (All)*



*Charts and diagrams that are labeled '(All)' include the student population.

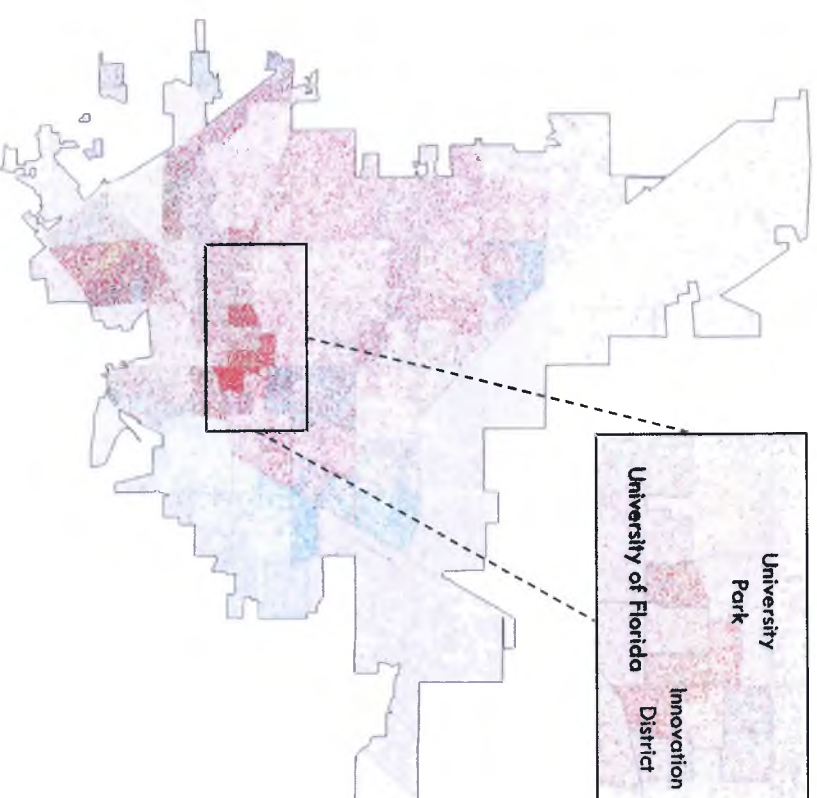
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Gainesville is racially segregated.

White households are increasingly concentrated in west and northwest Gainesville, while Black households are concentrated in east Gainesville and increasingly in the southeast part of the City.

Racial Dot Density Map (All) - Legend

- 1 Dot = 2 People
- White Only
- Black Only
- Asian Only
- Hispanic/Latinx

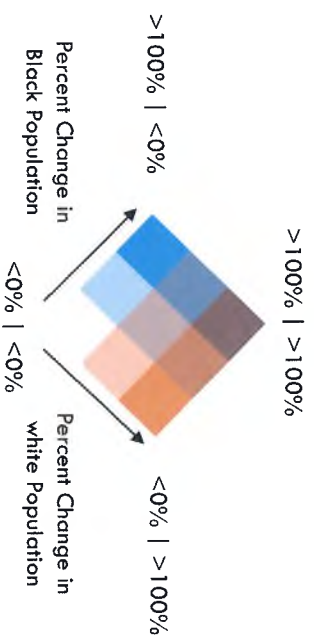


Source: Social Explorer – ACS 2019 (5-Year Estimates)

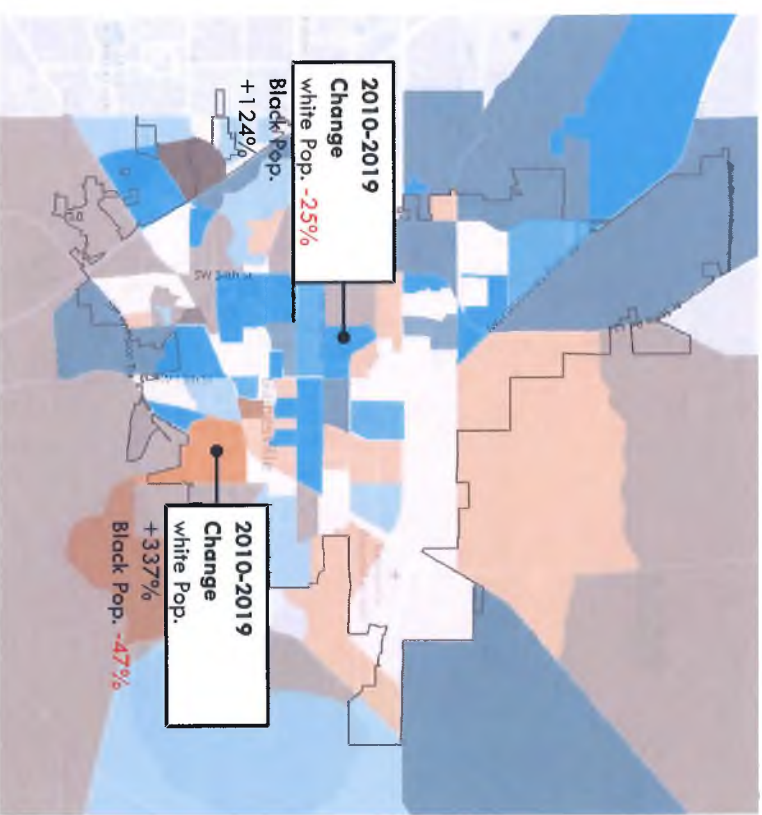
Race directly shapes population change in Gainesville.

In several areas, an increase in the Black population coincides with a decrease in the non-Hispanic white population, and vice versa. Many of the census block groups to the south of NW 16th Ave and along the Western portion of Gainesville are experiencing growth in their Black population, while also experiencing a loss in the white population. Northern Gainesville in particular has seen a substantial growth in white households while simultaneously losing Black households.

Population Change by Race (All) - Legend



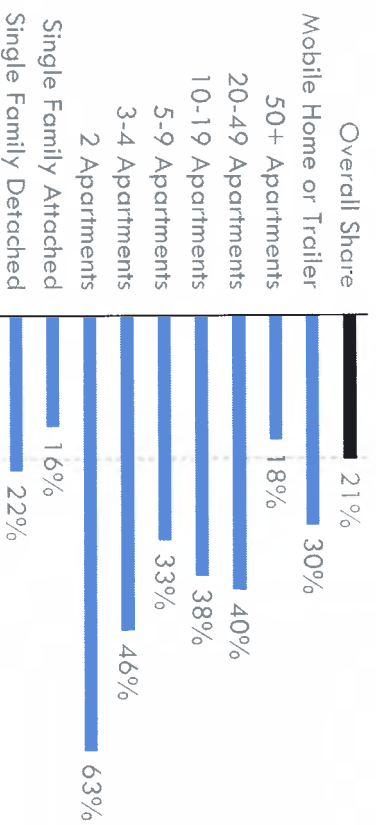
Source: Social Explorer – ACS 2010, 2019 (5-Year Estimates)



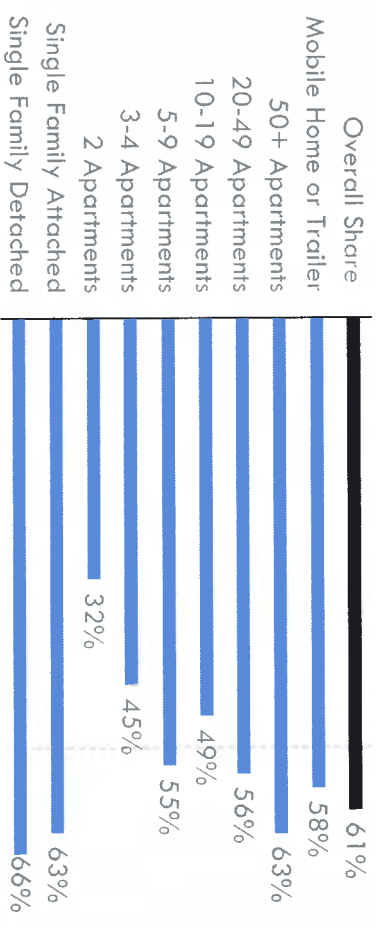
Race determines not only where people live in Gainesville, but also the type of housing in which they live.

Gainesville's Black population occupies "missing middle" housing, or buildings with 2-4 units, at a high rate relative to the population, while white households are underrepresented in this typology. White households are more likely to live in single-family homes (which are typically owned, rather than rented) and large apartment complexes. The differences in occupancy by race reflect housing affordability trends. In Gainesville, missing middle housing tends to be more affordable to low- and middle-income residents compared to single-family homes and multifamily buildings.

Share of Black Households by Housing Type (Non-Student)

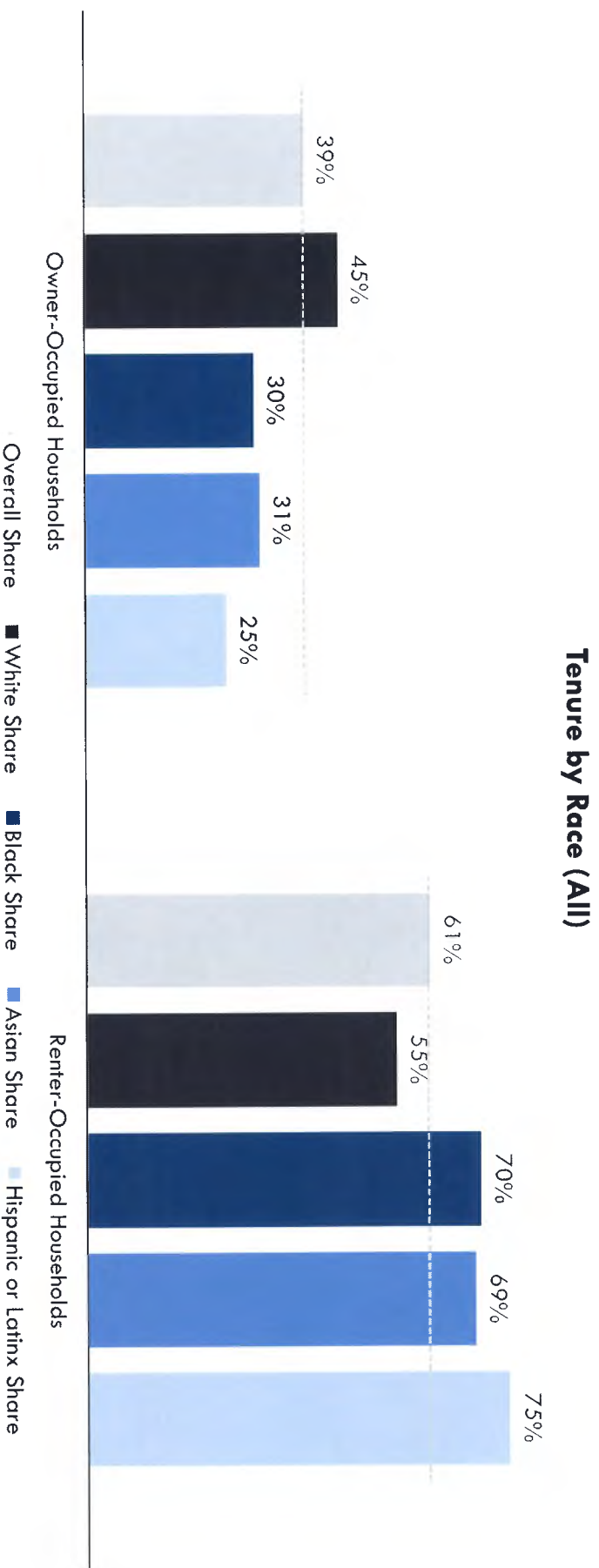


Share of Non-Hispanic White Households by Housing Type (Non-Student)



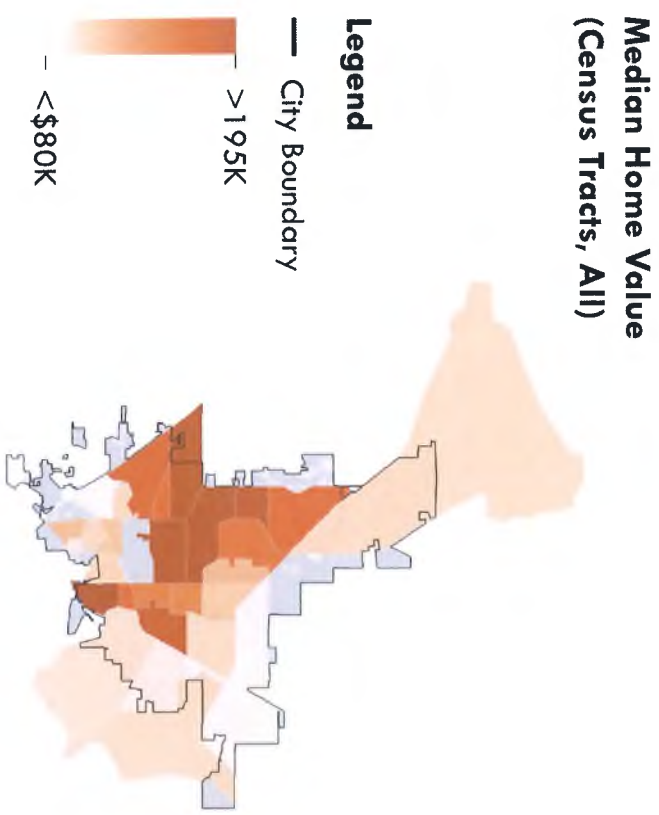
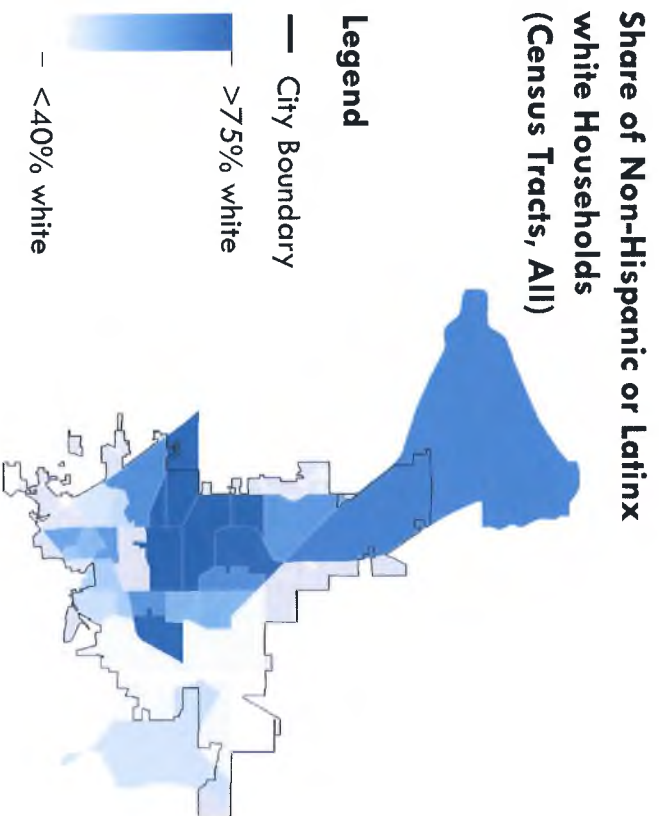
Source: Public Use Microdata Sample (PUMS) ACS 2019 (5-Year Estimates)

White households are more likely to own homes than non-white and or Hispanic households, cementing a disparity in generational wealth-building.



Source: Social Explorer – ACS 2019 (5-Year Estimates)

Predominately white neighborhoods correlate with higher median assessed home values, increasing the wealth that accrues to white households.



Source: Social Explorer – ACS 2019 (5-Year Estimates)

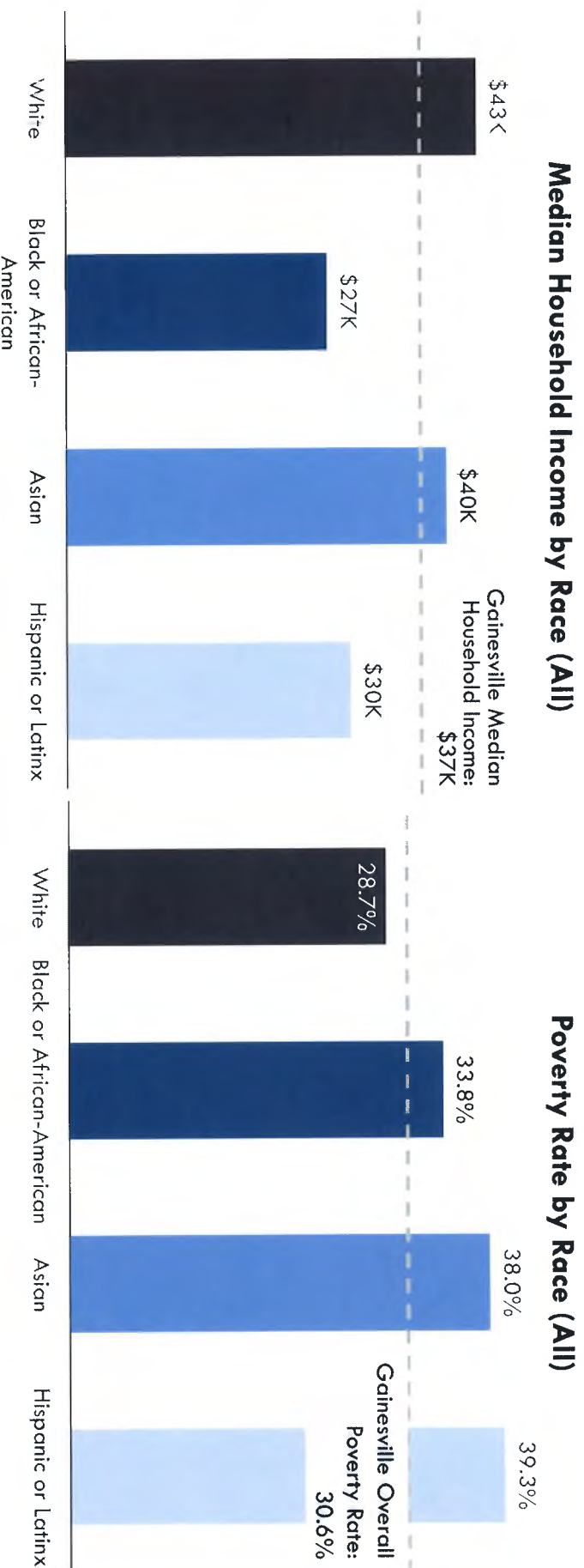
Low household incomes, especially for renters, are a key driver of housing cost burden and instability in Gainesville.

- Housing cost burden is defined by the cost of housing relative to incomes. The more a household spends on housing costs, the less **residual income** it has available for other basic needs, such as food and childcare. The median household income is about **\$37,000 in Gainesville**, well below what it costs to maintain a stable living standard.
- A household is considered **cost burdened** when it spends more than 30% of its gross income on housing costs. This measure can be more impactful for lower income households, as they struggle to live with **low residual incomes**.
- When affordable rental housing is unavailable, low-income households face housing instability and are more vulnerable to unsafe living conditions, overcrowding, and costly and harmful evictions.

MONTHLY COSTS	
2 adults and 2 children Gainesville metro area	
HOUSING	\$894
FOOD	\$892
CHILD CARE	\$899
TRANSPORTATION	\$1,134
HEALTH CARE	\$1,098
OTHER NECESSITIES	\$720
TAXES	\$627
MONTHLY TOTAL	\$6,265
ANNUAL TOTAL	<u>\$75,183</u>

*EPI's Family Budget Calculator measures the community-specific income a family needs in order to attain a modest yet adequate standard of living. Source: Economic Policy Institute, 2018

Race is a strong predictor of household income. Only white and Asian households earn above the median. Black households earn 73% of the median.

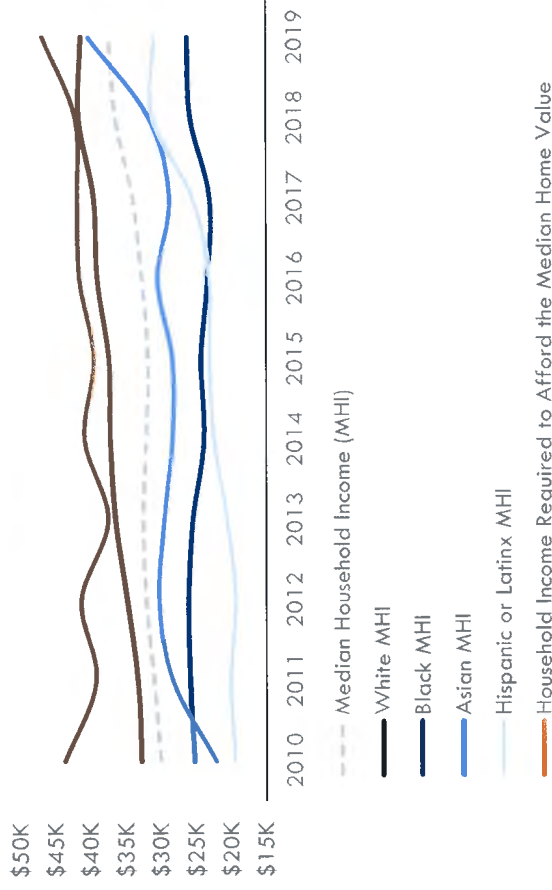


Source: Social Explorer – ACS 2019 (5-Year Estimates)

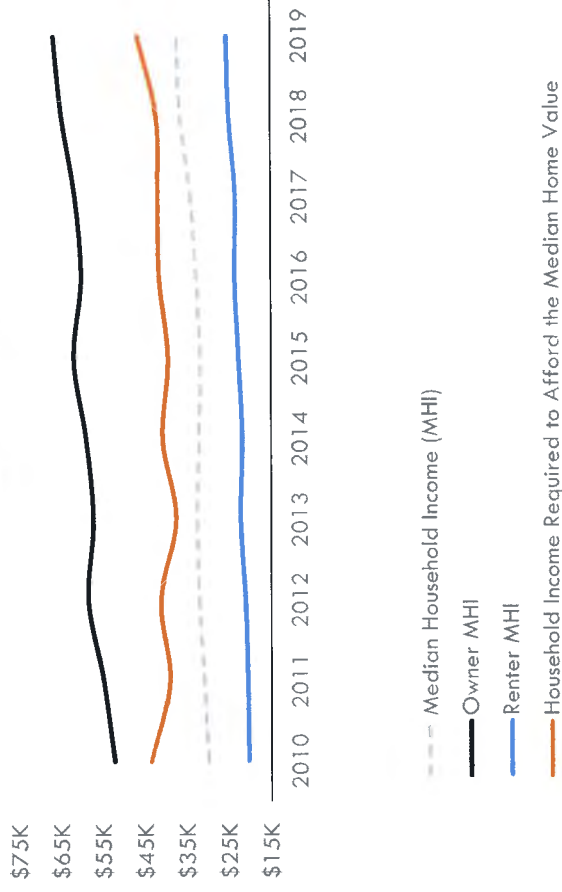
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Homeownership remains unattainable for the average household in Gainesville, especially Black, Hispanic and renter households.

Income at which Median Home is Affordable by Race (All)



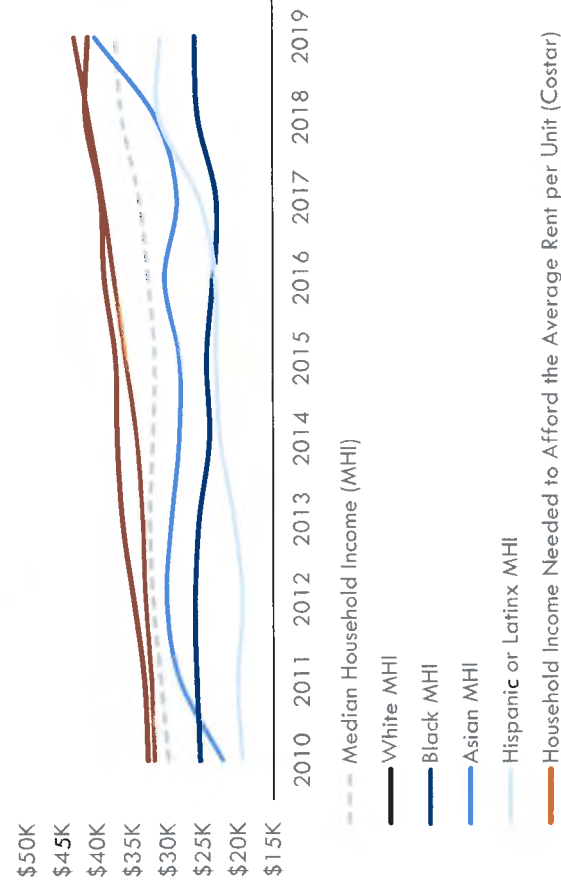
Income at which Median Home is Affordable by Tenure (All)



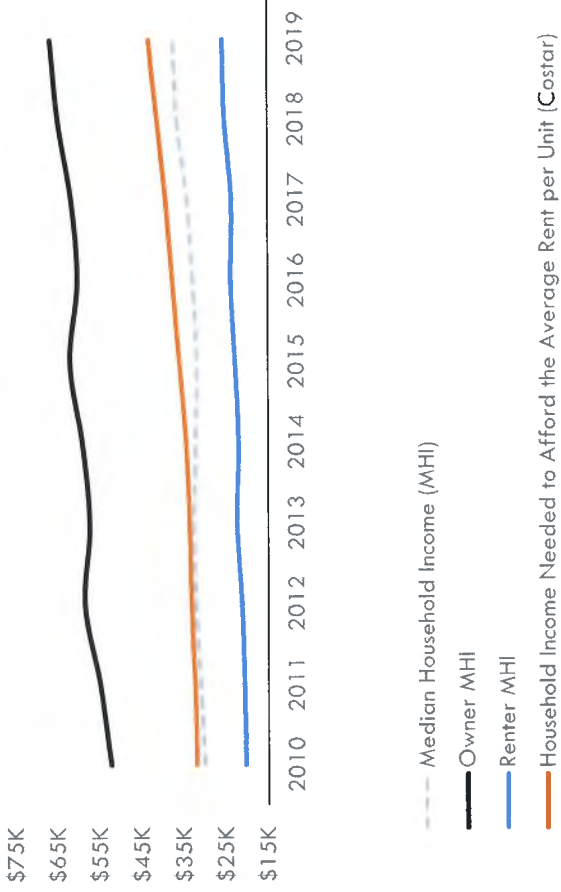
Source: Social Explorer – ACS 2010-2019 (5-Year Estimates)

The average rental unit is only affordable to the typical white or owner-occupied household in Gainesville.

Income at which Average Rental Unit is Affordable by Race (All)



Income at which Average Rental Unit is Affordable by Tenure (All)

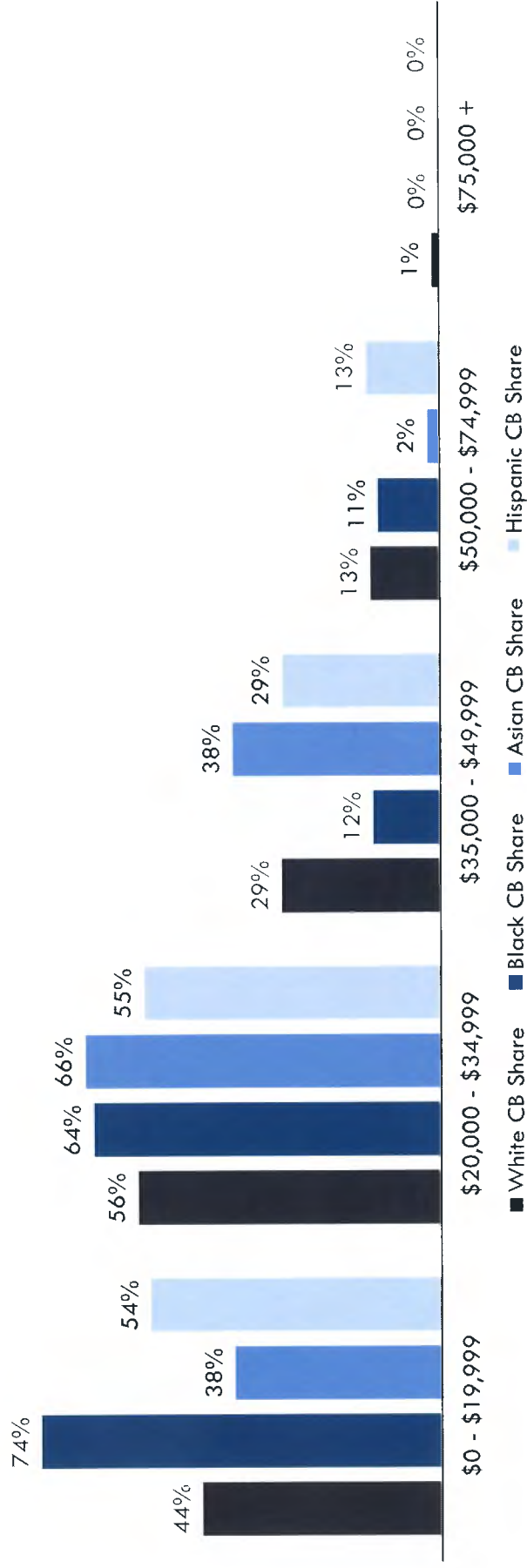


Source: Social Explorer – ACS 2010-2019 (5-Year Estimates)

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Renters of all races earning <\$35K per year experience high rates of housing cost burden, indicating a need for more affordable rental units.

Share of Cost Burdened Renters by Race (Non-Student)

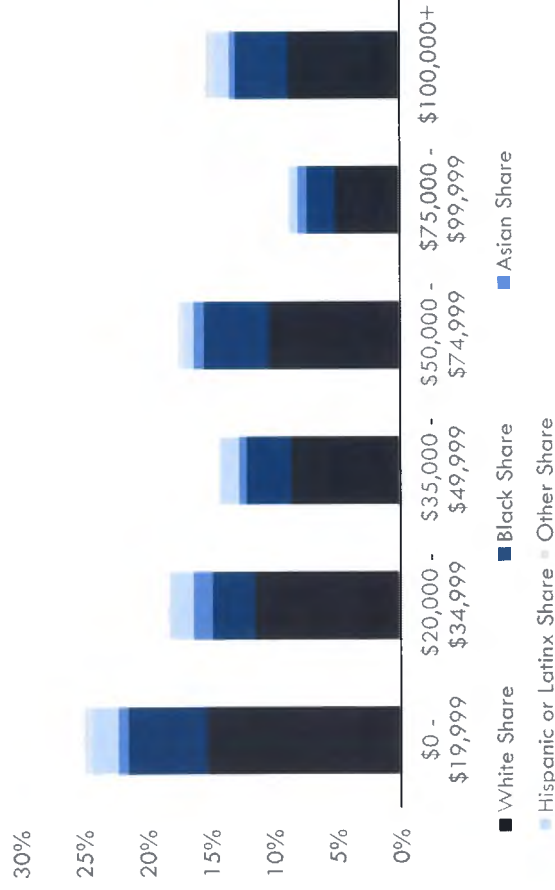


Source: Social Explorer – ACS 2019 (5-Year Estimates)

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Homeownership remains unattainable for the average household in Gainesville, especially Black, Hispanic and renter households.

Distribution of Non-Student Renters by Income Group



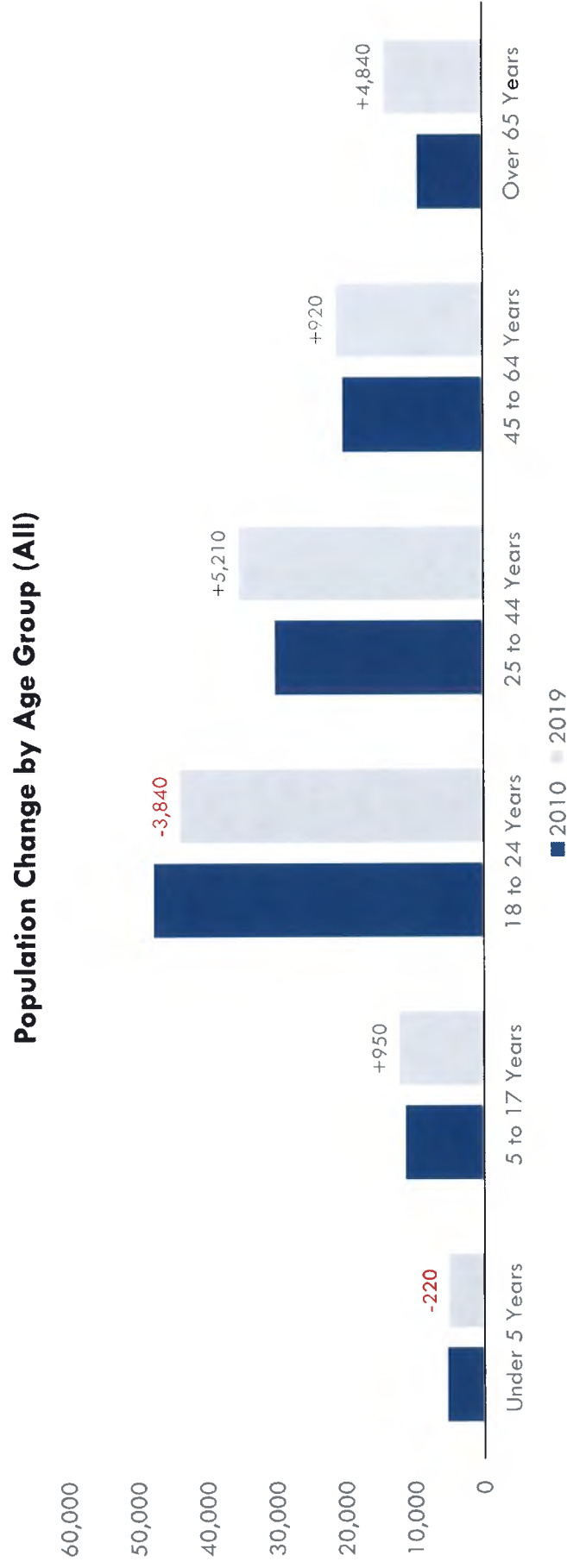
Distribution of Rental Units Affordable to Each Income Group (Non-Student)



Source: Public Use Microdata Sample (PUMS) ACS 2019 (5-Year Estimates)

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Nearly a third of Gainesville's population is between ages 18 to 24, illustrating the significant student population in schools such as University of Florida.

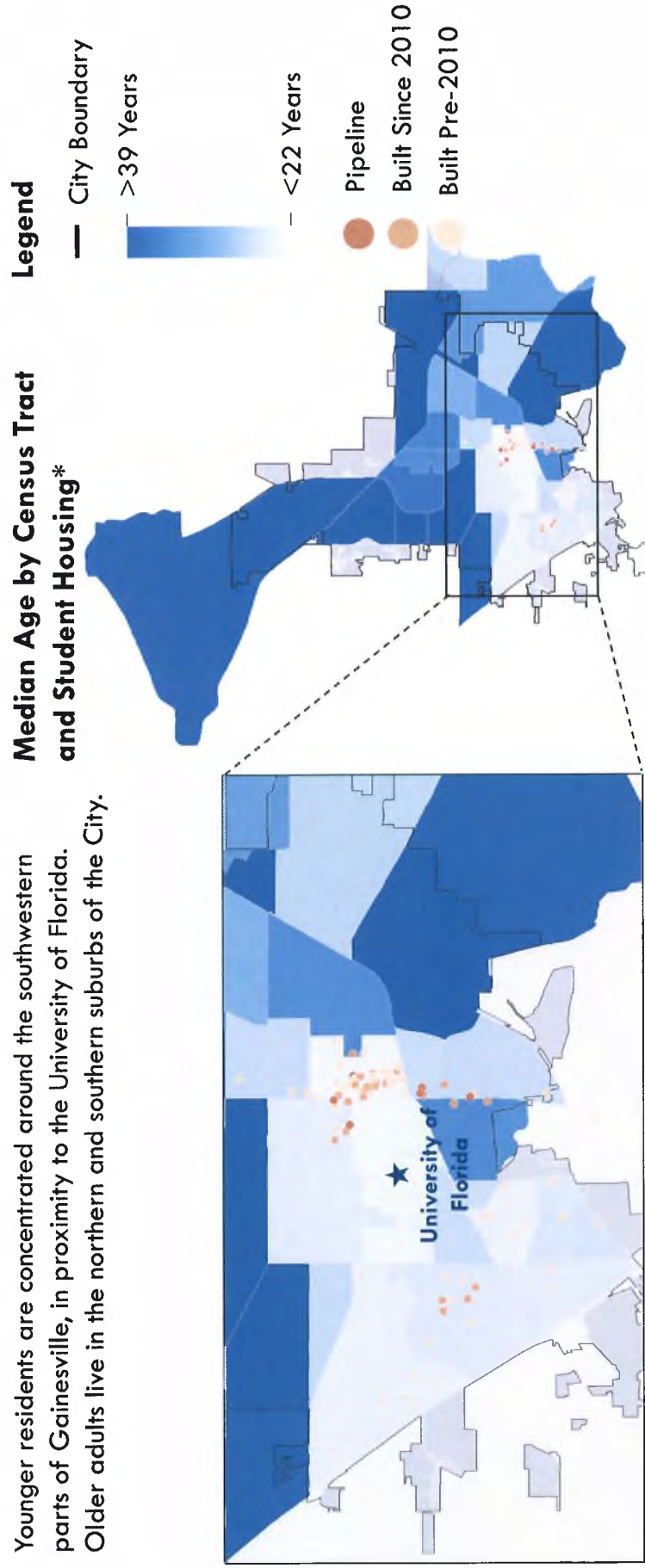


Source: Social Explorer – ACS 2019 (5-Year Estimates)

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36 percent of all rental units in Gainesville exclusively serve or cater to students.

Younger residents are concentrated around the southwestern parts of Gainesville, in proximity to the University of Florida. Older adults live in the northern and southern suburbs of the City.



*Includes both student housing (i.e., housing that exclusively serves students) and student-focused housing (i.e., housing that caters to students but is available to all residents).

Source: Social Explorer – ACS 2019 (5-Year Estimates), Costar

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Exclusionary Land Use Controls

HR&A City of Gainesville

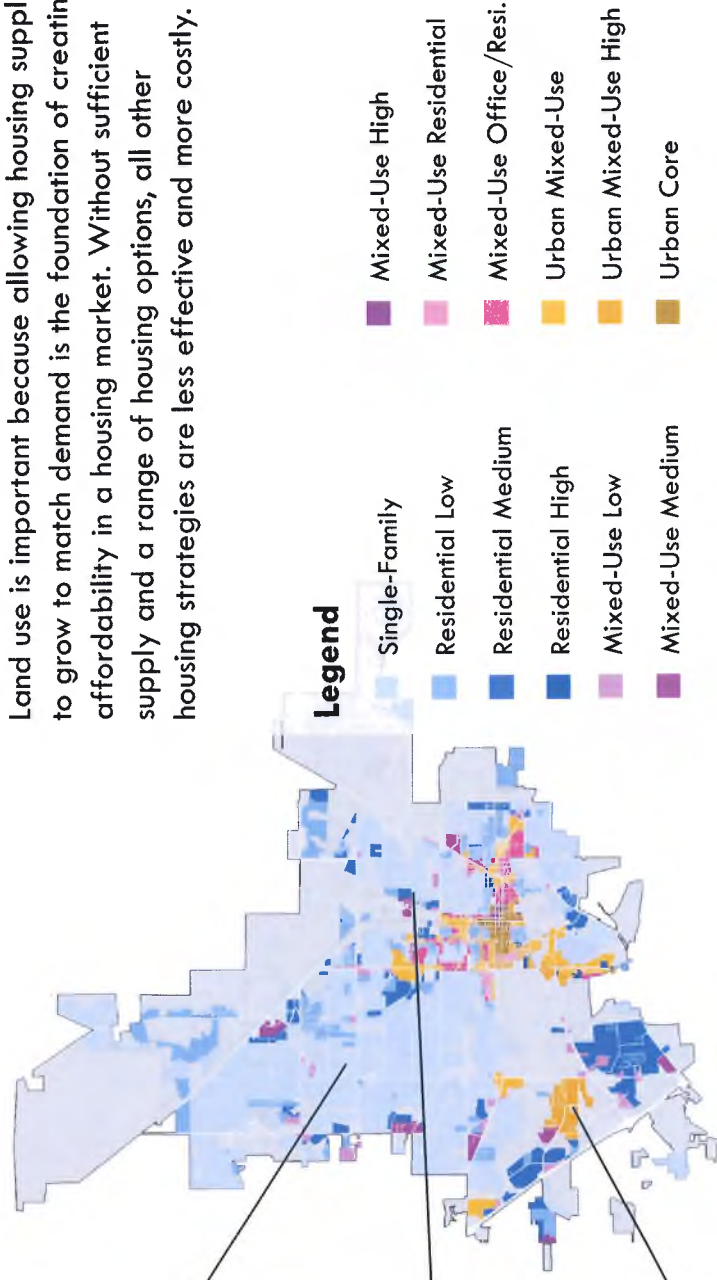
Exclusionary Zoning/Inclusionary Housing Study | 40

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Land use regulations shape the amount, type, and location of newly developed housing, which ultimately affect the cost and affordability of housing.



Land use is important because allowing housing supply to grow to match demand is the foundation of creating affordability in a housing market. Without sufficient supply and a range of housing options, all other housing strategies are less effective and more costly.



Exclusionary land use controls exclude racially diverse households from residential areas: directly, by limiting what housing is built, and indirectly, by pushing up housing costs.

While zoning is the most recognizable land use control, it is one of many tools that local government uses to control how, where, and what kind of development occurs. County and State land use regulations and housing policy, such as HB 7103, also play a role in determining development patterns in Gainesville. For the purposes of this analysis, HR&A focused on local land use controls that the City of Gainesville has direct control over. HR&A reviewed the existing literature on exclusionary land use controls, the relationship between racial and economic segregation, and the connection between land use controls and the cost of housing. This literature review revealed the following themes:

- Exclusionary land use controls are rooted in explicitly racist local policy but take new forms that are primarily economic.
- “Growth management” or “smart growth” tactics, which limit the extent to which diverse housing types can be built at a rate that accommodates the preferences and price points of a diverse population, can have the same exclusionary impacts.
- The results of this economic exclusion is that non-white residents continue to be excluded from high opportunity* neighborhoods, face continued barriers to asset-building through lower assessment values, and can face displacement pressures as the burdens of growth and new development are not distributed equitably across cities.

HR&A reviewed a range of academic and professional sources including the Lincoln Institute of Land Policy, and the National Bureau of Economic Research, among others. For a complete list of sources reviewed, see Appendix I. *Enterprise Community Partners measures neighborhood opportunity through housing stability, education, health and well-being, economic security, and mobility.

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HR&A defines exclusionary land use controls as local regulations that fit at least one of three criteria, each of which drives disparate outcomes by race.

Exclusionary land use controls are local regulations that:

- 1. Directly decrease or limit housing supply in residential areas**
(strict lot utilization and parcel constraints)
- 2. Increase the cost to build new housing**
(strict design and compatibility requirements)
- 3. Limit the use of existing housing**
(strict occupancy and mobile home limitations)

Changing exclusionary land use controls reduces racial and economic exclusion across a housing market by increasing housing supply and diversity and reducing housing costs.



Benefits of Changing Exclusionary LUCs:

- No public funding required to induce private development
- Increases the overall supply of housing
- Can help address legacies of racial segregation by driving new housing supply more evenly across the city
- Reduces the ability of a limited constituency to prevent the creation of housing
- Supports economic growth and expands the City's tax base

Without reducing exclusionary land use controls, all other housing strategies, and those that require subsidy in particular, are less effective and more costly.

Using the three exclusionary criteria, HR&A reviewed Gainesville's Code of Ordinances to analyze the implementation and impact of land use controls in Gainesville.

The following slides describe the implementation and impact of land use controls by category.

Key Exclusionary Land Use Controls in Gainesville's Code of Ordinances by Criteria

Criteria	Code of Ordinance Provisions
Directly decreases or limits housing supply in residential areas	<ul style="list-style-type: none">• Lot utilization constraints (e.g., setbacks, minimum lot dimensions, height limits, density limits)• Parcel constraints (lot split limits)
Increases the cost to build new housing	<ul style="list-style-type: none">• Design and compatibility constraints (e.g., historic preservation/conservation overlay, development compatibility)
Limits the use of existing housing	<ul style="list-style-type: none">• Occupancy limitations• Mobile home location

Lot utilization constraints constrain the development potential of an individual lot, increasing the price point of new housing and reducing the diversity of housing types.

While there are important reasons for lot utilization constraints, when too constraining, they limit the number of housing typologies that are feasible to build on a lot. When these constraints are widespread, they limit the diversity of housing across a city and drive up the price point of individual units as developers seek to maximize the value of each lot. These exclude a broad range of households from being able to access and benefit from new housing.

Primary lot utilization constraints in Gainesville's code of ordinances:

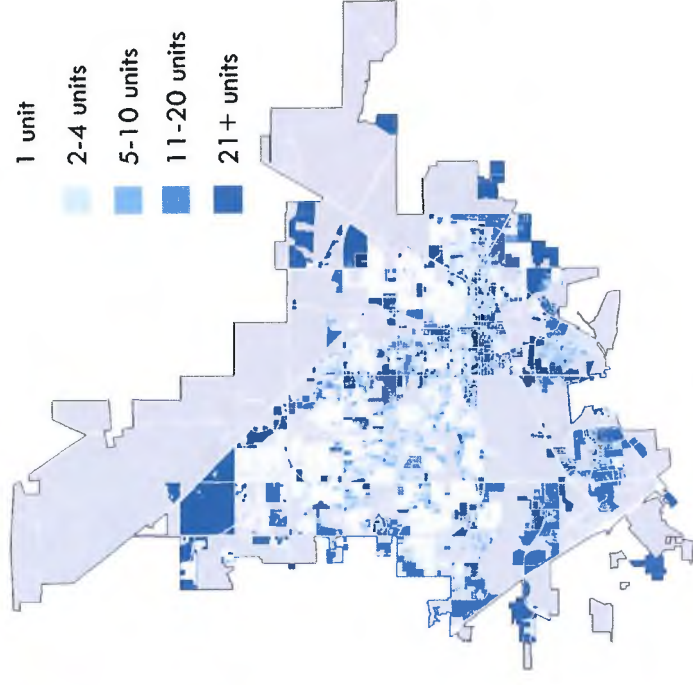
- | | |
|-----------------------------------|--|
| Residential Density Limits | Density limits constrain the number of units that can be built per acre of land, regardless of setbacks or height restrictions. |
| Setbacks | Strict minimum setback requirements on lots that permit multifamily dwellings limit the number of units that can be built, in some cases below the number of units that would otherwise be permitted through density limits. |
| Height Limits | Building height limitations can prevent the construction of vertical housing typologies which accommodate more households on a given lot compared to single-family development. |

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Residential density limits are the most restrictive lot utilization constraint. In Gainesville, 63% of residential parcels allow for the construction of only one housing unit.*

Density Limits Adjusted to Lot Size*

Zoning District	Max Density (Code)	Max Density Adjusted to Median Lot Size	Total Land Area in Gainesville	% of Total Residential Land Area
RSF-1	3.5 units/ac	1.2 units	5,793 ac	42.0%
RSF-2	4.6 units/ac	1.1 units	1,506 ac	10.9%
RSF-3	5.8 units/ac	1.1 units	814 ac	5.9%
RSF-4	8.0 units/ac	1.3 units	323 ac	2.3%



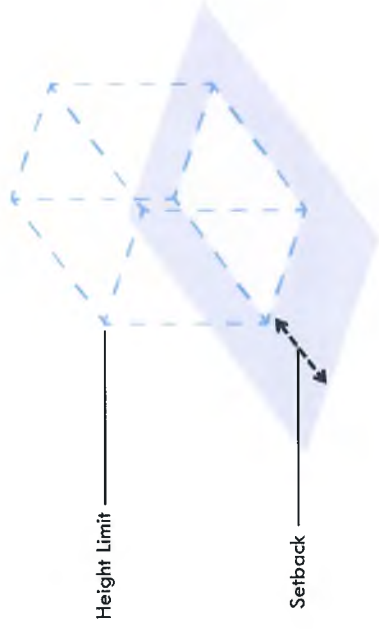
*One unit includes all values greater than 0 to less than 1.5, 2-4 units includes all values greater than or equal to 1.5 and less than 4.5, and so on. Excludes Planned Development zones.

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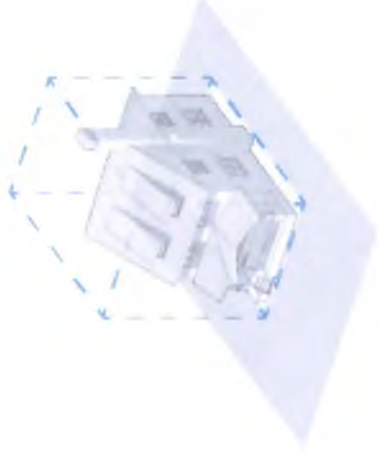
Strict lot utilization constraints incentivize developers to build larger single-family homes to maximize land value. This hurts the affordability of new for-sale housing supply.

Setbacks and height limits work together to form the **buildable area** of the lot, and the density limit determines how many units can be built within that buildable area. When the City sets strict constraints, developers will generally build larger single-family homes to maximize the value of the land within those constraints. When they are not strict, developers will generally build more units on one lot, which can house more families at a more moderate price point.

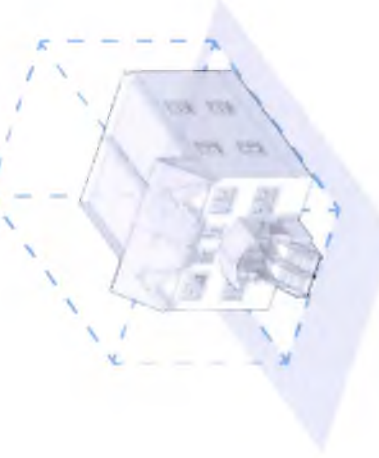
Buildable Area



Single-Family Home



Four-Family Home



Loosening lot utilization constraints would encourage developers to build different, denser housing typologies that house more families.

HR&A analyzed development costs at the parcel level for a typical 8,500 SF lot in Gainesville and modeled land-owners decisions in response to reducing residential density limits. When developers are less constrained on a lot, they will build the number of units that maximizes the land value. Analyzing the **land value*** of different typologies on the same lot demonstrates this decision-making.

Remain Single Family: Land Value

\$95K

Changes in lot utilization constraints may lead to changes in land values

8-Unit Rentals: Land Value

\$212K

If a property turns over a developer will convert it to the option with the highest property value

Strict lot utilization constraints
(Gainesville today)

Loosened lot utilization constraints

*"Land value" in this context refers to residual land value (RLV), or the price an investor will pay in a market, arms-length transaction for a piece of property and its development rights, calculated based on anticipated revenues, total development costs, and required return threshold. The 8-unit rental scenario assumes 2-bedroom units of 980 SF using the same lot coverage limits as the baseline scenario but no density limit. Sources: CoStar, Zillow, Gainesville parcel data.

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Reducing lot utilization constraints creates more opportunities for families to access new housing at a lower price point.

Changing the number of units built on a single site means that units are delivered at different price points based on the intensity of the use.

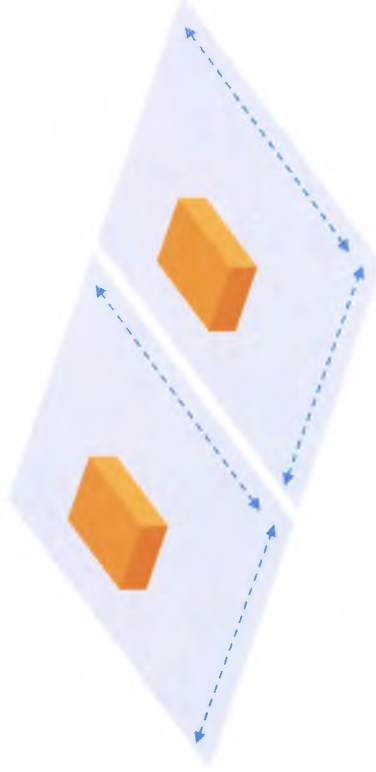
	Remain Single Family	8-Unit Rentals
Home Price/Rent of New Housing	\$378K	\$1,500 per unit
Annual HH Income Needed to Afford*	\$78K	\$61K
Families Housed per Parcel	1	8

* Assumes a housing cost burden ratio of 30% as per the United States Department of Housing and Urban Development.
Sources: Zillow, CoStar

Parcel constraints limit the intensity of use of a group of parcels, reducing the likelihood that new, large housing developments include diverse housing types at a range of prices.

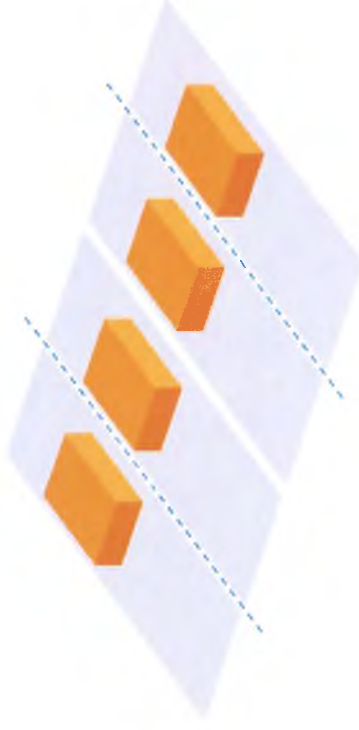
Minimum Lot Dimensions

Lot dimension requirements include minimums on lot width, depth, and overall area. In combination with lot utilization constraints, such requirements result in fewer single-family houses that can be built in an area.



Lot Split Limits

Lot split limits in minor subdivisions prevent developers and existing homeowners from subdividing larger lots to accommodate additional housing units at a more affordable price point.



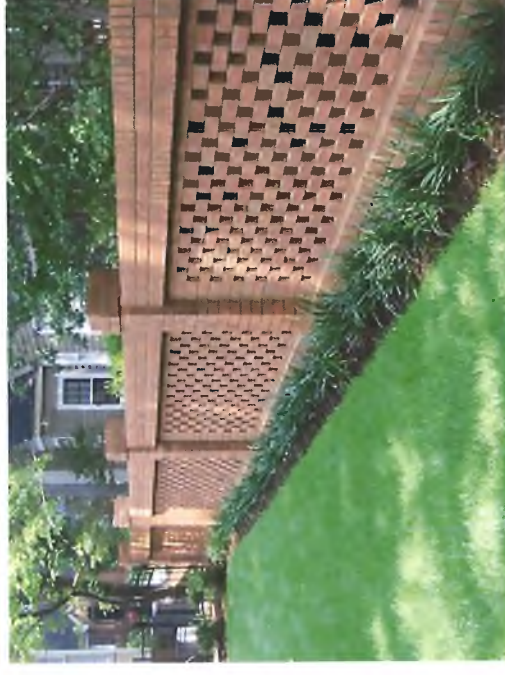
Design and compatibility requirements increase the cost to build and maintain housing, which raises cost burdens for low-income homeowners and excludes renters.

Historic Preservation Overlays

Historic preservation overlays can require homeowners to construct and maintain certain architectural and aesthetic features on their properties. The upfront investment and upkeep costs related to design requirements makes these homes more expensive and can make homeownership less attainable for low- and moderate-income households in Gainesville.

Development Compatibility Requirements

The Code of Ordinances uses density restrictions and design requirements to physically separate multifamily and single-family residential development. Not only does this directly exclude residents of multifamily buildings, who tend to be renters, in certain situations owners of multifamily properties must incur the costs related to building and maintaining buffer areas and partitions, which in turn limits the financial feasibility of denser (and more affordable) housing typologies.



Multifamily property owners must construct and maintain a decorative masonry wall if their property abuts a single-family home.

Strict occupancy requirements encourage developers to build single-family structures rather than attached housing, which would allow more families to live on the same lot.

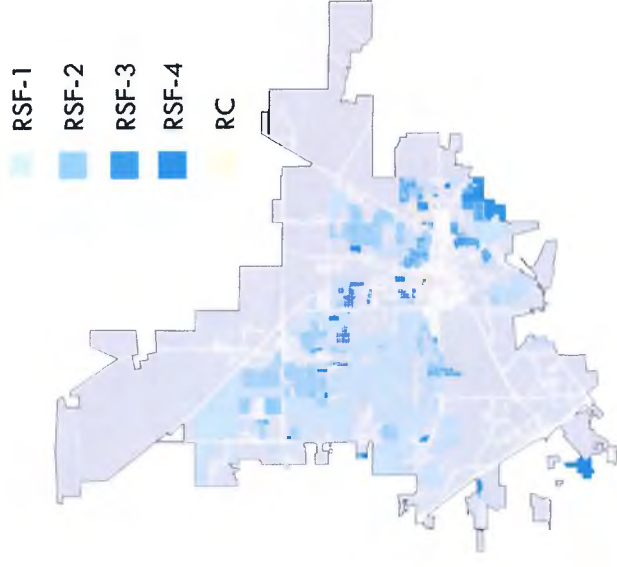
Occupancy Requirements

Occupancy requirements prohibit more than one family from living in one structure, which in turn excludes households with a diverse range of housing needs and preferences. The Code of Ordinances prohibits more than one family from occupying a dwelling in RSF-1, RSF-2, RSF-3, RSF-4, and RC zoning districts. These districts comprise 61% of the total residential land area in Gainesville. The requirement is also applicable to residential PDs with a maximum residential density of eight units per acre.

Bedroom Limits

In the University of Florida Context Area, the City limits the number of bedrooms that can be located within a single structure. This encourages developers to build single-family houses rather than attached houses, which would have a higher total bedroom count. Placing a cap on bedrooms also constrains the housing supply for large households.

Zoning Districts with Occupancy Requirements



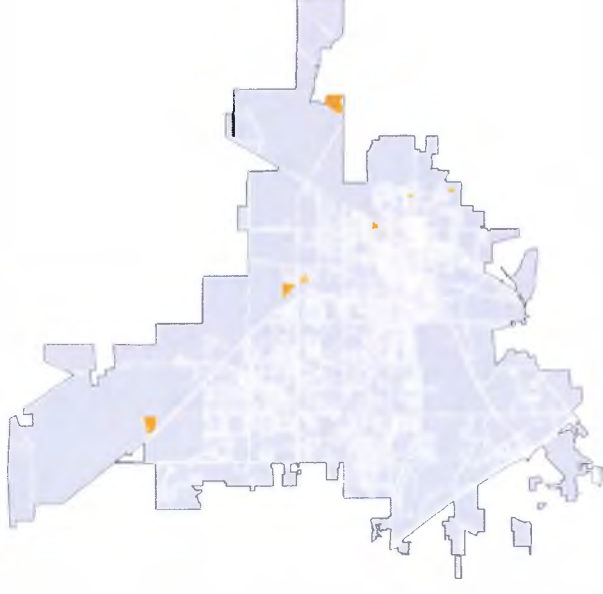
Limitations on the location of mobile homes in Gainesville exclude low-income households for whom mobile homes are an affordable homeownership option.

Mobile homes are a form of naturally occurring affordable housing for lower-income residents. Such homes (as well as other alternative formats such as tiny homes) provide more flexible and financially attainable living arrangements compared to traditional single- or multifamily units.

In Gainesville, mobile homes are only permitted in MH zones, which comprises only 1.3% of the total residential land area. Because of the zoning restrictions on mobile home construction, lower-income residents may:

- Face greater challenges in seeking homes that meet their financial needs
- Be especially vulnerable to displacement, given that landowners have a financial incentive to redevelop MH-zoned lots to more lucrative single- or multi-family typologies. When these lots are redeveloped, there are very limited options for where mobile home-owners can relocate, leaving them vulnerable to displacement from Gainesville.

Zones Where Mobile Homes are Permitted



The City of Gainesville should complete in-depth land use analyses to consider the following changes to exclusionary land use controls.

Actions to Consider

- Reduce setbacks in low and moderate density residential areas.
- Permit lot splits in minor subdivisions.
- Reduce minimum lot dimensions.
- Allow housing typologies beyond single family ("missing middle", 2- to 4-unit housing) in residential districts with strict lot utilization constraints.
- Eliminate compatibility requirements between multifamily and single family uses.
- Reduce expensive design standards in historic preservation districts.
- Identify additional areas to permit mobile home uses.
- Eliminate single family occupancy limitations in low density districts.
- Increase the bedroom limit in the University of Florida Context Area when a structure includes more than one dwelling (attached housing).

Outcomes

1. Increase the amount and type of housing in residential areas



2. Decrease the cost to build and maintain housing



3. Increase options for the use of existing housing



Inclusionary Zoning Feasibility

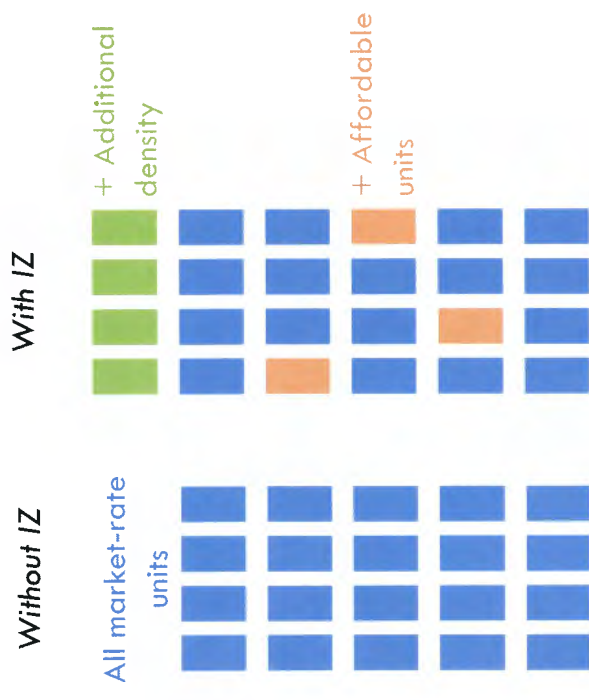
HR&A City of Gainesville

The goal of an inclusionary zoning policy is to support Gainesville’s housing needs through the creation of affordable housing that the market would not otherwise build.

Inclusionary zoning is a land use tool that requires or encourages developers to create affordable units in new market-rate residential and commercial developments. Incentives such as reduced parking requirements, additional density allowances, or tax abatements are sometimes provided to encourage participation.

More than 1000 jurisdictions across 30+ states have inclusionary zoning programs. These programs vary along many design considerations, including whether the program is voluntary or mandatory, what amount and depth of affordability is required, if it applies to rental or for-sale development, whether there are alternative compliance pathways such as the payment of a fee in-lieu, and what incentives are available. These policy elements are adjusted based on local policy priorities, housing market strength, and affordability needs.

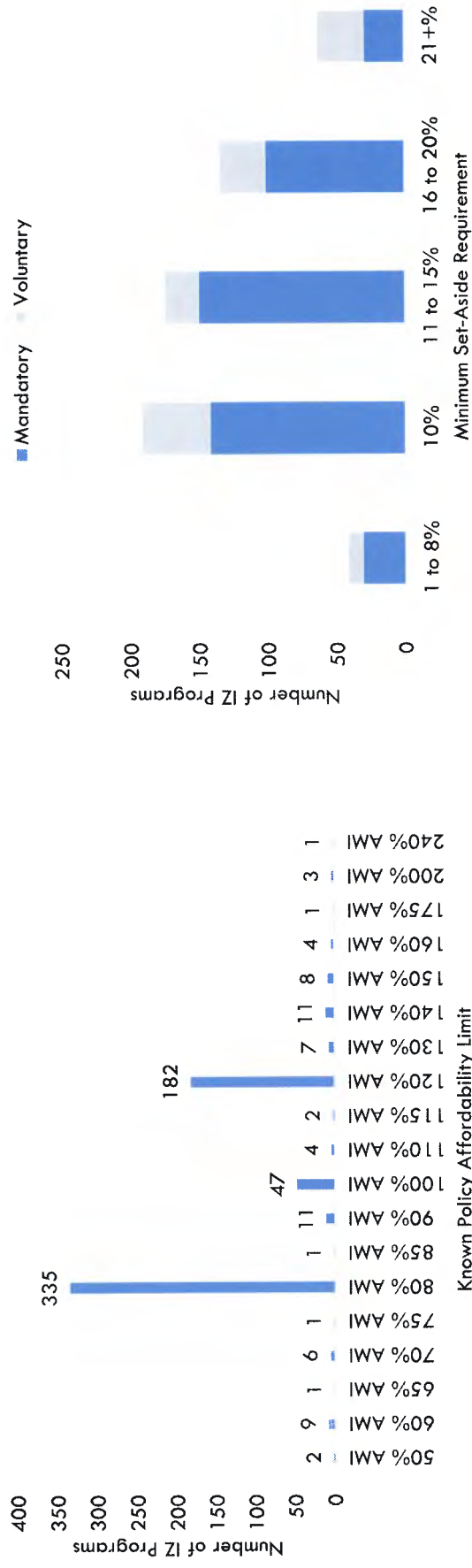
Illustrative IZ Policy with Density Bonus Incentive



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IZ policies around the country typically serve households earning up to 80% or 120% AMI, and require 10, 15, or 20% minimum set-asides.

For programs with greater than 20% affordability set-aside requirements, over half of the IZ programs are voluntary. The depth and amount of affordability required in each program depends on the strength of the local housing market. The programs also vary in the incentives that are offered to support housing development.



Source: HR&A analysis of Grounded Solutions Network Inclusionary Housing Database, 2020.

Inclusionary zoning is one of many tools that can support housing affordability, and it presents a variety of benefits and limitations.

Benefits of IZ

Captures value of land in areas with strong housing markets. The Gainesville market has seen steady market-rate development in recent years in some neighborhoods, suggesting the potential to support development of some affordable housing.

Serves households earning up to 80% of Area Median Income (AMI), which is an area of need for Gainesville.

Does not require public subsidy, though public subsidy may be provided as an incentive to achieve more or deeper affordability.

Limitations of IZ

Does not work in weaker housing markets and submarkets, where an overly restrictive IZ policy risks decreasing housing development, which ultimately harms affordability by both failing to deliver the mandated IZ units and limiting overall housing supply. An IZ policy that is overly restrictive relative to nearby jurisdictions also risks driving new development outside of political boundaries.

Do not serve very deep levels of affordability need, such as for households earning up to 30% AMI. For these residents, other alternatives such as housing vouchers should be layered with increased supply of rent-restricted affordable housing.

Need to triangulate and optimize between maximizing depth of affordability, ensuring continued housing development, and limiting the cost of incentives.

Florida State law requires that local governments seeking to use IZ policies align market economics and public benefit.

Section 125.01055 of Florida’s statutes authorizes localities to increase the supply of affordable housing using land use mechanisms, such as inclusionary housing or linkage fees. Inclusionary housing ordinances may require a specific set-aside of housing units or an in-lieu fee.

In May 2019, the Florida Legislature passed HB7103, which amended this statute to require municipalities in Florida to use incentives to “fully offset all costs” to a developer associated with creating affordable housing units from inclusionary zoning. These incentives may include (but are not limited to) density bonuses, reduced or waived fees, or granting other incentives.

For example, in August 2019, **Palm Beach County** revised the **Workforce Housing Program (WHP)**, a mandatory inclusionary program for 10+ units in Urban/Suburban tiers, to create incentives that reflect the number of affordable units. Similarly, in October 2019, **The City of Ocala** updated the **Affordable Housing Incentive Fund** to offset some of the costs of developing affordable units with money accrued from new development.

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HR&A tested the feasibility and impact of an inclusionary zoning policy in Gainesville and provided recommendations for policy design.

FEASIBILITY ANALYSIS

1. **Propose IZ scenarios to test**, based on national precedents
2. **Test IZ policy impact** on development profitability
3. **Identify and evaluate incentive tools** to narrow economic gap



POLICY RECOMMENDATIONS

- Propose policy design**, including elements like:
- Affordability depth
 - Affordability duration
 - In-lieu fee
 - Unit pricing
 - Unit characteristics
 - Concurrency of unit delivery
 - Policy applicability



ADMINISTRATIVE RECOMMENDATIONS

- Once Gainesville has designed and adopted an IZ policy, it must administrate the policy through:
- Process Guidelines
 - Development Approvals
 - Program Management

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Ultimately, HR&A recommends that Gainesville adopt an IZ policy with a 10% set-aside for households earning up to 80% AMI, with the option of an in-lieu fee.

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

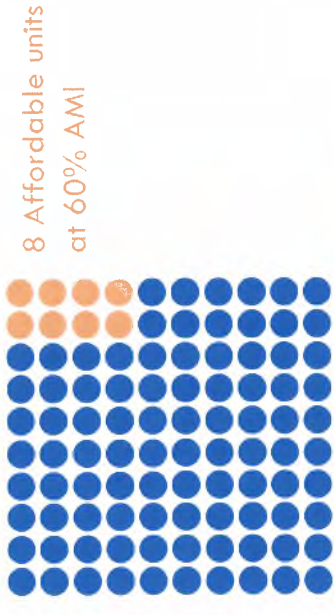
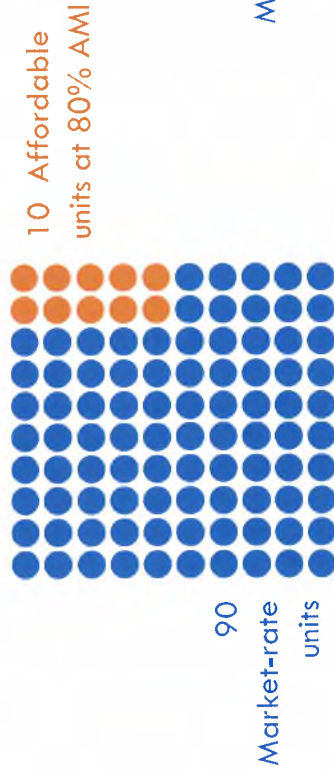
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Inclusionary Zoning – Feasibility Analysis

To evaluate the potential impact of IZ, HR&A considered two policy scenarios that present a tradeoff between amount and depth of affordability.

One scenario requires a 10% set-aside of affordable units at 80% AMI, and one requires an 8% set-aside of units at 60% AMI. These scenarios were selected based on precedent IZ policies around the nation.

Scenario 1, 10% Affordability Set-Aside at 80% AMI **Scenario 2, 8% Affordability Set-Aside at 60% AMI**
Example 100-Unit IZ Project Example 100-Unit IZ Project



If a mandatory inclusionary zoning policy with a 10% set-aside or an 8% set-aside would have been in place from 2018 to 2020, approximately 250 units or 200 units of affordable housing would have been created, respectively, based on the amount of market-rate multifamily residential housing that was built in those years.

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HR&A observed five common types of new development in the Gainesville market and tested the feasibility of an IZ policy against each of these development types.

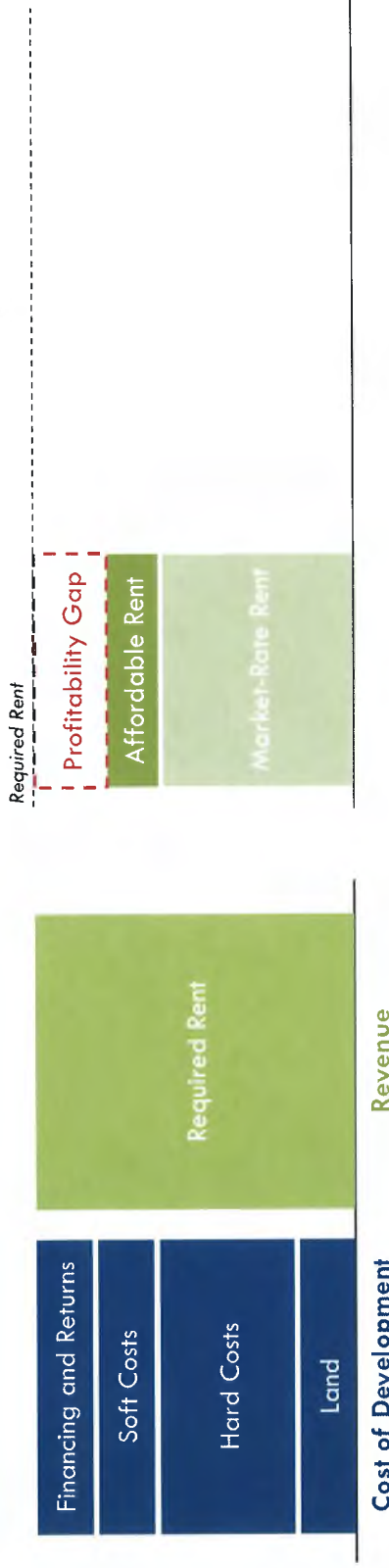
					
	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family
Neighborhood	West and NW Gainesville	West and NW Gainesville	Innovation District, University Heights	Innovation District, University Heights	West and NW Gainesville
Lot Size	Large	Large	Small	Small	Large
Number of Stories	3 – 4	4 – 5	4 – 6	7+	1 – 2
Example Recent Developments (student-oriented developments)	<ul style="list-style-type: none"> • Novo Markets West • 23West • The Mayfair 	<ul style="list-style-type: none"> • City Place at Celebration Pointe • Liv+ Gainesville 	<ul style="list-style-type: none"> • Cascades • Midtown Apartments 	<ul style="list-style-type: none"> • The Standard • Evolve Gainesville 	<ul style="list-style-type: none"> • 88th Street Cottages • Dream Gainesville

*The “single-family” rental developments are built in bulk on a single piece of land and are essentially “horizontal multifamily.” Recent developments include market rate development and “student-oriented developments,” which are those occupied by, and marketed to, students, but not limited to them, separate from dorms or private student housing. Detailed descriptions in Appendix.

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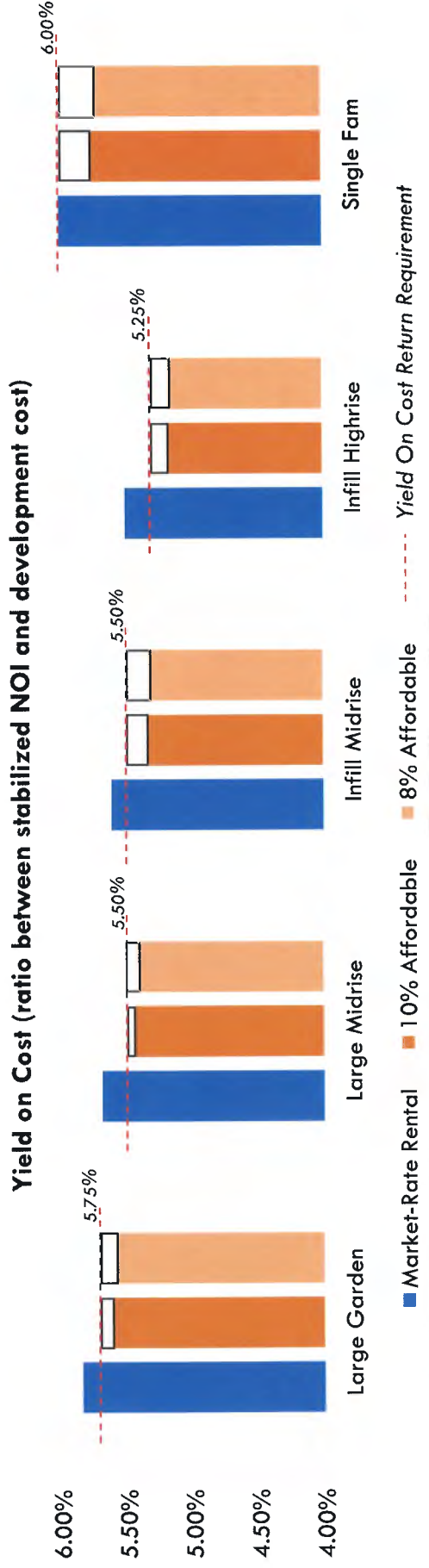
HR&A set up a development model that calculates the financial impact of requiring affordable units for each building typology.

Implementing an inclusionary zoning policy constrains rental revenue, which may reduce project revenues and make a project unprofitable if those revenues can no longer cover development costs. Without sufficient incentives, a mandatory policy could reduce affordability by creating infeasible developments and restricting the production of new units.



HR&A's modeling finds that 10% and 8% IZ requirements bring project profitability below threshold return requirements for all five typologies.

Project profitability was measured using Yield on Cost, calculated for each property type using a 10-year cash flow model. The model was populated with assumptions gathered from empirical market data and developer interviews (see summary table of assumptions in the Appendix). The calculations below give a sense of the average directional impact and relative magnitude of policies. Falling below the return threshold does not mean every deal will die, but that fewer deals will happen; similarly, not every project above the return threshold will necessarily happen. Based on our model, **the likely profitability gap for a developer per required affordable unit is between \$16,000 to \$140,000.**

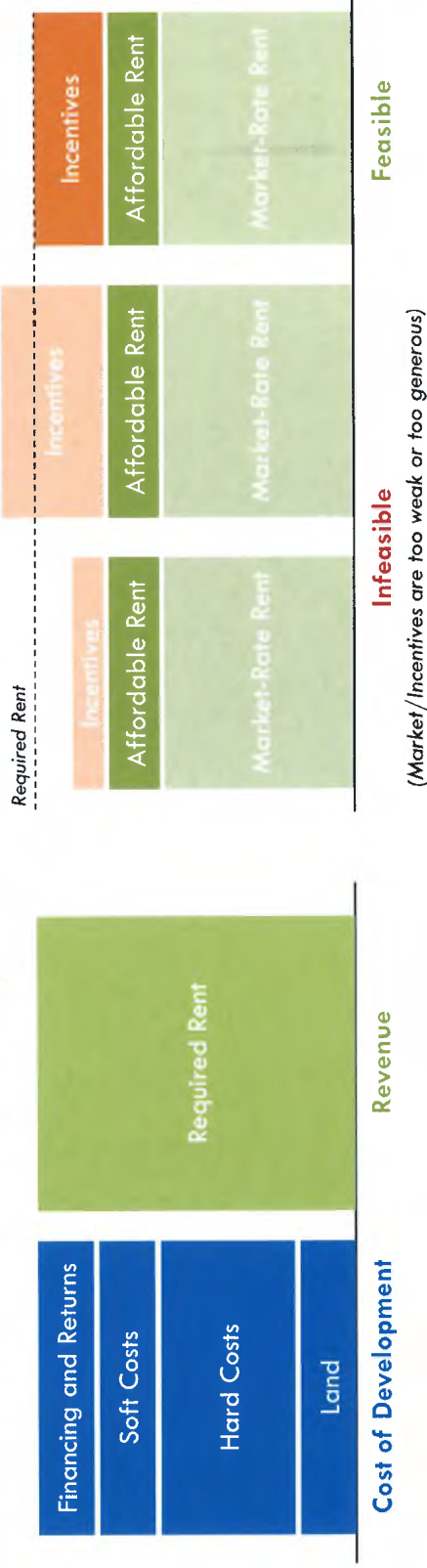


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Bringing new construction projects to meet expected developer returns requires providing incentives that make up the profitability gap.

Using our model, HR&A calculated the dollar value of incentives that would bring a project to a threshold level of feasibility, calibrated such that incentives are neither too weak nor too generous.

Inclusionary Zoning Feasibility | Identifying Appropriate Incentives for Development under IZ



After considering a range of tools, HR&A tested two forms of incentive to overcome the profitability gap.

Applicable, impacts modeled

Additional Density

The City can approve additional density and/or height to counter the loss of revenue associated with affordability.

Likely applicable, not modeled

Expedited Review

The City may be able to expedite review of certain permits and applications, but the value of this time is not fixed.

Public Land Contribution

Where applicable, the City could contribute some or all land, reducing development costs.

By-Right Development

The City could streamline the development process, but this may not shape the “go/no-go” decision for a project.

Needs further consideration

Minimum Parking Reduction

The City already plans to waive parking requirements in many urban areas.

Direct Subsidy

Direct subsidy can be costly and requires identification of a consistent and substantial source of funding. This incentive requires further analysis of (1) the efficiency of using public funds to create new units relative to other methods and (2) the depth of affordability that can and should be achieved with these resources.

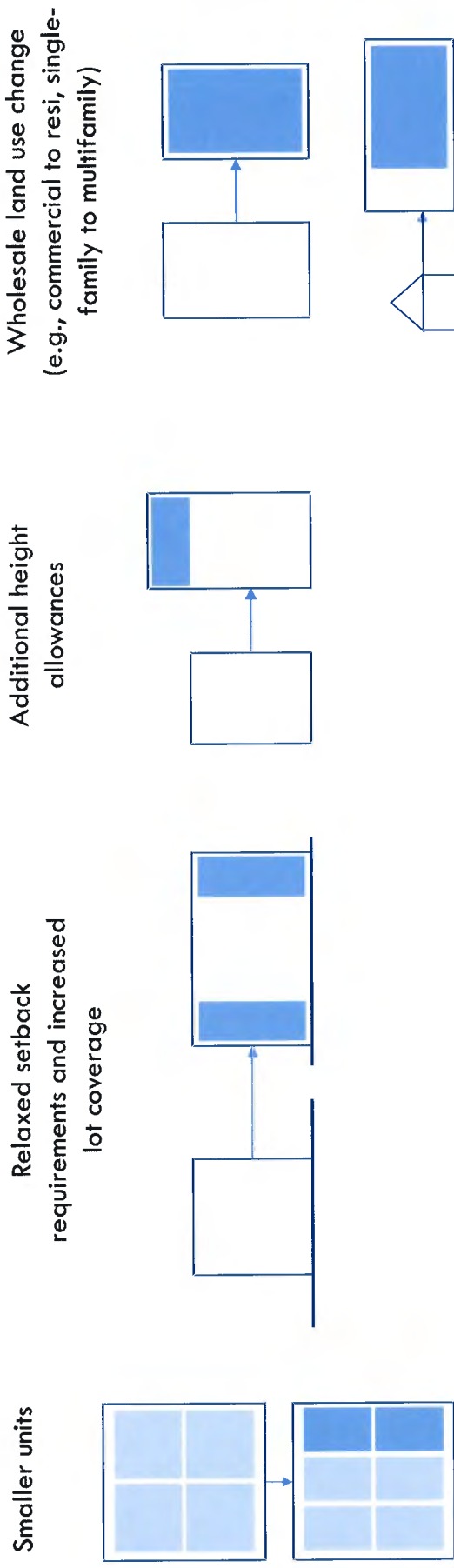
Synthetic Tax-Increment Financing

The City could establish a mechanism in its budget to offset a portion of real estate taxes for IZ properties. In Gainesville, there is precedent for a synthetic TIF for commercial developments, but not yet residential.

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Granting “additional density” to fill the feasibility gap can take several forms from a regulatory perspective to achieve the desired level of profitability.

Our model represents “additional density” as an increase in the number of units, and a commensurate increase in both rents and development costs. In practice, this additional density can be achieved through several zoning and land use changes, including the ones below:

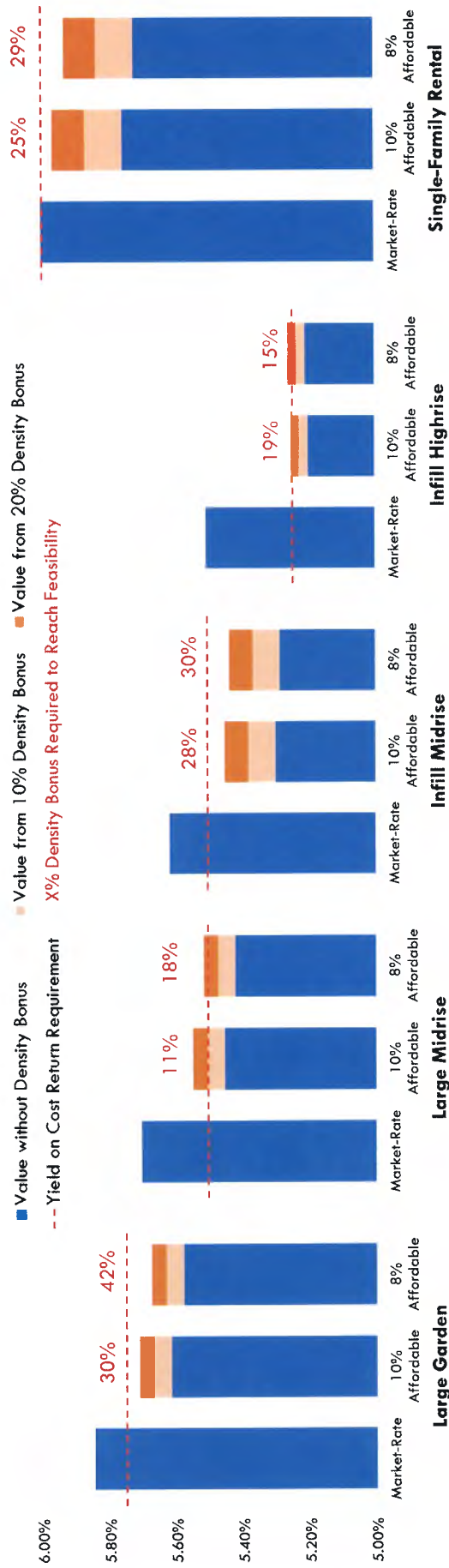


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A density bonus of up to 30 percent would help projects meet developer return expectations for all typologies under a 10% IZ requirement.

While additional density is an attractive incentive, the real-world value of additional density is constrained by market demand. Many developers are not currently building up to existing height restrictions because it is costly to build more vertically. A density bonus would be most meaningful for typologies that are currently brushing up against density restrictions—namely, infill high-rise typologies.

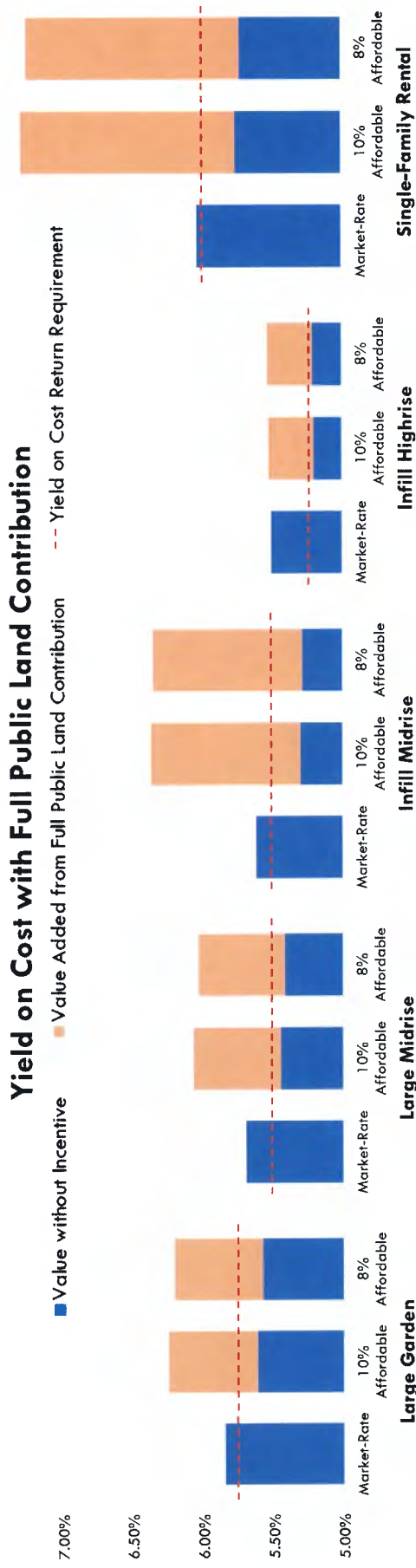
Yield on Cost with IZ Density Bonus



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To the extent that public land is available and suitable for new multifamily development, local governments can provide public land to support provision of affordable units.

Waiving the cost of public land in disposition to a developer would be highly valuable as it reduces upfront development costs. In fact, HR&A's modeling found that contributing the full value of public land (estimated to be between \$4M to \$6M in market value for our hypothetical test cases), exceeds normal developer returns without IZ. This indicates that the City could either waive a portion, but not all, costs associated with the purchase of public land, or could apply a steeper affordability requirements to development of housing on public land (some cities do this today, for instance, requiring up to a 25% set-aside requirements instead of 15% for projects receiving public land contributions).



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Inclusionary Zoning – Policy Recommendations

Set-Aside and Affordability Requirements

PRECEDENTS

City	Affordability Level	Portion of Development
Atlanta, GA	60-80% AMI	10% of units for incomes ≤60% AMI, or 15% of units for incomes ≤80% AMI
Boston, MA	70% AMI	13% of total number of units on-site (citywide; percentage varies by zone)
Burlington, VT	65% AMI	15% of units, depending on the avg. price of the market-rate homes
New Orleans, LA	60% AMI	10% of units (Tier 1); 5% of units (Tier 2); voluntary (Tier 3)
Newtown, MA	80-120% AMI	10% of total habitable space
Norwalk, CT	60% AMI (based on state income)	10% of total units
Seattle, WA	60% AMI	5-7% of total units
Stamford, CT	50% AMI	10% of units
Washington, D.C.	60% MFI; tenant must not spend >41% of income on housing	8-10% of residential square footage

HR&A Recommendation

HR&A recommends that the City of Gainesville implement an IZ policy that requires a set-aside of 10% of units affordable to households, all affordable to households earning 80% of AMI.

In-Lieu Fee

IZ programs often offer developers an option to opt out of developing on-site affordable housing through a financial payment, or in-lieu fee. The in-lieu fee creates flexibility for meeting an IZ requirement and provides funding to support affordable housing that is not being developed by the market, including larger family-sized units, supportive housing, and other forms of housing to serve **specific low-income populations**.

PRECEDENTS

Cities such as Boston, MA have written fees as specific dollar amounts in their policies, while other cities including Portland, OR and San Francisco, CA charge in-lieu fees based on a specified amount per gross square foot of development. In either case, the fee is typically developed based on the difference in market value between a market rate unit and an IZ unit. As market conditions change, the fee must be reevaluated to ensure it remains appropriately priced for the market.

HR&A Recommendation

HR&A recommends that the City of Gainesville establish an in-lieu fee option. The fees should be collected at the issuance of a building permit for the development, and the City should clearly outline how the fees will be deposited into a specified fund for affordable housing. Within an implementation and procedures manual developed separate from policy language, the City should require funds generated through in-lieu fees to be deployed within areas of opportunity—as defined by the City’s affordable housing task force to align production with identified City goals.

Adjustments to the in-lieu fee should be considered every two years to ensure it is set at an appropriate level as market conditions evolve. The IZ policy should clearly outline the process for updating, collecting, and expending fees. In some communities, a failure to update fee formulas has led to artificially low fee levels and developers overwhelmingly choosing to make fee contributions rather than construct on-site units.

In-Lieu Fee

CALCULATING THE IN-LIEU FEE

In order to ensure that developments in highly desirable neighborhoods still have an incentive to build affordable units on-site, the fee should be set above “average” opportunity cost to more closely resemble the true opportunity cost for high-end buildings. In Gainesville, it will be most appropriate to set this fee based on the most common building typologies. Under this structure, developers choosing to pay the fee will create the largest benefit to the surrounding community, who will receive the benefit of a fee that is larger in total financial worth than the subsidy that would flow to the affordable units within a given development.

HR&A Recommendation

Based on the analysis of current market conditions in Gainesville, the current fee in lieu fee in Gainesville should be \$120,000 to 160,000 per affordable rental unit. The fee calculation is based on the average per-unit difference in market value between building a fully market-rate development and a development that satisfies the IZ requirements. HR&A recommends applying an additional 5-10% premium to the calculated fee in order to incentivize developers to produce units on-site, in line with City policy goals.

Difference in Value between Market Rate and Affordable Units
\$115,000 – 150,000

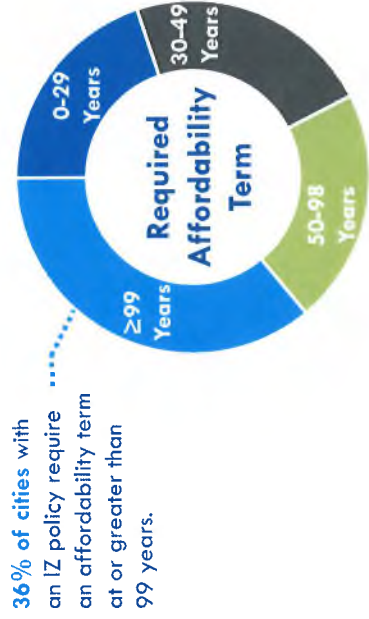
5% Premium to Encourage On-Site Production

Recommended Fee Per Affordable Unit
\$120,000 – 160,000

Affordability Term

Affordable housing created through IZ programs vary in the length of time units are required to remain affordable. The term of affordability typically begins for rental units when the unit is granted a certificate of occupancy and for for-sale units at the time a unit is initially sold.

Long-term affordability is viewed as a best practice for preserving affordable housing and newer IZ policies are increasingly focused on long-term affordability.



HR&A Recommendation

HR&A recommends that Gainesville establish an affordability term of 99 years. Long-term affordability will reinforce a sustainable model for affordable housing production in Gainesville and relieve pressure that developments to replace units as their term expires. HR&A's financial analysis supports this term of affordability.

Source: HR&A Analysis of Grounded Solutions Network Inclusionary Housing Database

Development Scale

As a policy that uses the value of market rate development to support the creation of affordable housing, IZ policies typically establish a minimum project size for developments subject to an IZ requirement.

PRECEDENTS

The minimum development scale to require IZ varies by jurisdiction, though most are between ten and twenty units. Washington, DC applies IZ to developments with ten or more units and Portland, OR applies its IZ policy to projects with twenty or more units. Some jurisdictions, including Washington, DC, provide a process for opting into IZ in developments smaller than the minimum requirement if the developer desires to utilize IZ incentives. Niche multifamily residential development types including assisted living facilities and dormitories are typically exempt from adhering to IZ policies due to their different living typologies.

HR&A Recommendation

HR&A recommends Gainesville apply IZ requirements to multifamily residential of ten or more units, though smaller developments should be permitted to voluntarily opt-in in exchange for receiving incentives provided by the IZ policy.

Inclusionary requirements should not be imposed on single-room occupancy (SRO) buildings, such as assisted living facilities or student dormitories. For the purposes of exclusion from IZ, assisted living should be considered separately from independent living and other group homes. IZ should still apply to new market-rate housing that may be student-oriented, i.e., marketed to or occupied by students.

Applicability

VOLUNTARY PARTICIPATION

For developments outside of geographies requiring IZ participation, the HR&A team recommends permitting **voluntarily opt-in for developments to provide affordable units in exchange for IZ zoning incentives**. Receipt of tax abatement or other tax reduction tools in these locations is not tied to meeting an affordability requirement. However, for any scenario in which public funds are being provided, the City should pursue affordable housing and other public goals to the extent possible.

APPLICABILITY OF POLICY TO PLANNED DEVELOPMENT

The City should establish that the policy does not apply to developments that have already been approved. Developments which have already received a permit should not have a requirement to provide IZ units after gaining development approvals. Although this will slow the near-term production of affordable housing, requiring IZ units can significantly alter the financial feasibility of a development and cause an already approved development to no longer be feasible. **However, the HR&A Team recommends that the City provide an opt-in option for approved developments.** Opt-in policies allow development which have already gained approval to voluntarily provide IZ units in exchange for the incentives offered for IZ developments.

HR&A Recommendation

HR&A recommends a policy that has: (1) voluntary opt-in for geographies outside mandatory IZ, (2) available incentives applicable to non-market rate units, and (3) should not apply to developments already approved (with an opt-in option for projects interested in seeking IZ incentives).

Unit Pricing

Unit pricing refers to the rent charged per unit. These are not regulated by Department of Housing and Urban Development (HUD) guidelines, unlike other housing programs. As a result, there is variation in strategy used.

A complete pricing formula must contain:

- **The share of household income for housing that is considered affordable.** Using an affordability standard of 30% of gross household income for housing costs—including rent and utilities—aligns with federal guidance and is most appropriate.
- **Unit size pricing based on household size.** Area Median Income, the common metric used for affordable housing programs, adjusts income limits by household size.
- **The income level used for pricing.** Based on IZ policy recommendations, the policy should clearly state that maximum rental cost levels for inclusionary units are equivalent to an affordable rent at 60% and 80% of AMI (per household).
- **The specific items included in housing costs.** All utilities paid by tenants and owners should be included in the affordability calculation (e.g. water, gas, electric) based on published utility allowances.

HR&A Recommendation

HR&A recommends developing a formula for unit pricing based on existing HUD guidelines. A formula must address share of household income considered affordable (30%), unit pricing based on household size, the income levels used for pricing, and the specific items included in housing costs (utilities, etc.)

Unit Characteristics

Common practice is to ensure IZ units are substantially similar to market rate units and are integrated into the rest of the building.

PRECEDENTS

Most jurisdictions, including San Mateo, CA and Washington, DC, require affordable units to be largely indistinguishable from market rate units. Important considerations include IZ unit location in building, quality of finishes, size, and unit mix relative to market rate units in the building.

HR&A Recommendation

HR&A recommends Gainesville require IZ housing units to be largely indistinguishable from market rate units and be integrated into the rest of the building, including specific guidelines such as:

- Scattering IZ units throughout the building so as not to be co-located on one floor or in less desirable areas of the building,
- Matching the quality of in-unit feature and finishes between affordable and market rate units, and
- Ensuring that IZ units resemble the makeup of the building in terms of unit size and unit mix.

Development Concurrency

Concurrency guidelines ensure IZ units within a development are delivered at the same time as market rate units. Without concurrency guidelines, there is risk that the delivery of IZ units may be delayed until after market rate units are constructed and completed, or never built.

PRECEDENTS

Concurrency is commonplace in IZ programs across the country and policies may use simple and direct language to ensure developers understand their responsibilities for providing a proportional number of affordable units in the same timeframe as market rate units.

HR&A Recommendation — **HR&A recommends Gainesville include a concurrency requirement as part of an IZ policy, which will require IZ units to be made available at the same time as market rate units.**

Fractional Units

Affordability requirements based on a percentage of total development regularly produce fractional inclusionary unit requirements. For example, a 42-unit building with a 10% affordability set-aside would be required to produce 4.2 affordable units. It is common practice to clarify how such cases should be handled.

PRECEDENTS

Although some jurisdictions require developments to round up to the next highest whole number, the American Planning Association's (APA) model policy for fractional units suggests using normal rounding where fractions above .5 round up to the next highest whole number while fractions below .5 round down to the next lower whole number. In the example 42-unit building above, the APA model policy would produce four units of affordable housing.

HR&A Recommendation

HR&A recommends that Gainesville follow APA guidelines and adopt normal rounding rules for determining the count of IZ units (fractions above .5 round up to the nearest whole unit).

Summary of Recommendations

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

DRAFT FOR DISCUSSION ONLY

Appendix

Appendix

Exclusionary Land Use Controls Literature Review

1. Gregory Ingram and Yu-Hung Hong, “Fiscal Decentralization and Land Policies”, 2007, Lincoln Institute of Land Policy.
2. Edward Glaeser and Joseph Gyourko, “The Impact of Zoning on Housing Affordability”, 2002. https://www.nber.org/system/files/working_papers/w8835/w8835.pdf
3. Robert Manduca, “How Rising U.S. Income Inequality Exacerbates Racial Economic Disparities”, 2018, The Washington Center for Equitable Growth <https://equitablegrowth.org/how-rising-u-s-income-inequality-exacerbates-racial-economic-disparities/>
4. Christopher Silver, “The Racial Origins of Zoning in the American Cities”, 1997. <https://www.asu.edu/courses/aph294/total-readings/silver%20-%20racialoriginsofzoning.pdf>

Appendix Precedent IZ Requirements

Existing IZ policies vary in their design, depending on local market conditions, public goals, and available tools.

City	Affordability Level	Length of Affordability	Portion of Development	In-Lieu Fee Amount Per Rental Unit
Atlanta, GA	60-80% AMI	20 years	10% of units for incomes ≤60% AMI, or 15% of units for incomes ≤80% AMI	\$124,830 - \$167,364 (varies by geography)
Boston, MA	70% AMI	30 years, with the right to renew for 20 years	13% of total number of units on-site (citywide; percentage varies by zone)	\$68,400 (market-rate); \$380,000 (affordable)
Burlington, VT	65% AMI	99 years	1.5-25% of units, depending on the avg. price of the market-rate homes	No in-lieu fee
New Orleans, LA	60% AMI	99 years	10% of units (Tier 1); 5% of units (Tier 2); voluntary (Tier 3)	HR&A proposal: \$29,100 (market-rate); \$291,000 (affordable)
Newtown, MA	80-120% AMI	40 years	10% of total habitable space	
Norwalk, CT	60% AMI (based on state income)	In perpetuity	10% of total units	Fee based on a percentage of State of CT median income; percentage varies by affordability level of unit
Seattle, WA	60% AMI	75 years	5-7% of total units	\$5.00 - \$32.75 per square foot
Stamford, CT	50% AMI	Life of building	10% of units	Fee based on a percentage of SMSA median household income; percentage varies by affordability level of unit
Washington, D.C.	60% MFI; tenant must not spend >41% of income on housing	Life of building	8-10% of residential square footage	No in-lieu fee

Appendix IZ Model Typology 1: Large Garden

Large Garden style apartments, have primarily been built in West or Northwest Gainesville, where land is more available and cheaper.

Large Garden style apartments generally consist of multiple buildings of 3 to 4 stories spread across a large lot.

Recent example developments include The Mayfair, Park Avenue Apartments, 23 West, and Novo Markets West in the pipeline.



Year Built	2018
Land Area (sf)	601,729
Stories	3
Units	243
Parking	392
Avg PSF Rent	\$1.32



Year Built	2016
Land Area (sf)	663,419
Stories	3
Units	298
Parking	400
Avg PSF Rent	\$1.58

Appendix IZ Model Typology 2: Large Midrise

Large Midrise style apartments have predominantly been built in West Gainesville.

Large Midrise style apartments generally consist of single or few buildings in 3-4 stories spread across a large lot.

Recent example developments include Liv+ Gainesville and The City Place at Celebration Pointe.



Year Built	2020
Land Area (sf)	130,000
Stories	4
Units	235
Parking	
Avg PSF Rent	\$2.24



Year Built	2021
Land Area (sf)	108,900
Stories	4
Units	220
Parking	400
Avg PSF Rent	\$1.84

Appendix IZ Model Typology 3: Infill Midrise

Typology 3 consists of Infill Midrise style apartments in University Heights (East of the campus) or the Innovation District.

Infill Midrise style apartments are usually a single wood-frame building of 4 to 5 stories built on a small lot in more land-constrained areas, such as near downtown.

Almost all of these infill properties have been targeted to students, which leads to higher per-square foot rents, larger units, and higher operating costs.

Recent example developments include Social 28 and Cascades.



Year Built	2015
Land Area (sf)	45,739
Stories	6
Units	169
Parking	
Avg PSF Rent	\$2.75



Year Built	2018
Land Area (sf)	84,942
Stories	5
Units	67
Parking	50
Avg PSF Rent	\$2.20

Appendix IZ Model Typology 4: Infill Highrise

Typology 4 consists of Infill Highrise style apartments in University Heights.

Infill Highrise style apartments are usually a single building of 7 stories or higher.

Almost all of these infill properties have been targeted to students, which leads to higher per-square foot rents, larger units, and higher operating costs.

Recent example developments include the Hub on Campus or the Standard at Gainesville.



The Hub on Campus

Year Built	2020
Land Area (sf)	96,155
Stories	8
Units	201
Parking	25
Avg PSF Rent	\$1.91



The Standard at Gainesville

Year Built	2017
Land Area (sf)	61,420
Stories	11
Units	430
Parking	250
Avg PSF Rent	\$2.67

Appendix IZ Model Typology 5: Single-Family Rental

Typology 5 consists of single-family rental properties in West or Northwest Gainesville.

Most single-family rentals are bulk construction of single-family homes in large plots of land.

Recent example developments include the 88th Street Cottages and The Retreat at Gainesville.



Year Built	2020
Land Area (sf)	166,835
Stories	2
Units	27
Parking	
Avg PSF Rent	\$1.33



Year Built	2016
Land Area (sf)	827,828
Stories	2
Units	82
Parking	150
Avg PSF Rent	\$1.70

Appendix Inclusionary Zoning Model Assumptions

We used a yield on cost analysis to estimate the amount of value that can be derived from different types of development. The yield on cost was calculated using a 10-year cash flow model that used a range of assumptions gathered from market data and developer interviews.

	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family Rental
Total Land (SF)	600,000	300,000	60,000	40,000	500,000
Land Cost (PSF)	\$10	\$15	\$120	\$120	\$10
All-in Construction Costs (GSF)	\$161	\$184	\$207	\$230	\$115
Average Unit Size (NSF)	1,150	935	1,003	1,080	1,420
Market Rent (NSF)	\$1.80	\$2.10	\$2.40	\$2.70	\$1.60
Parking Rent (space/month)	\$125	\$125	\$225	\$225	\$50
Operating Expense per unit	\$4,500	\$5,000	\$6,500	\$7,500	\$5,000
Cap Rate	4.50%	4.25%	4.25%	4.00%	4.75%

Appendix Summary of IZ Incentive Impacts

	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family Rental
Target Yield On Cost	5.75%	5.50%	5.50%	5.50%	6.00%
Today's Yield On Cost	5.85%	5.69%	5.57%	5.53%	6.03%
Scenario 1					
10% (all 80% AMI)	Infeasible	Borderline	Infeasible	Borderline	Infeasible
+ 15% Density	Borderline	Feasible	Borderline	Borderline	Borderline
+ 30% Density	Feasible	Feasible	Feasible	Feasible	Feasible
+ 100% Land Contribution	Feasible	Feasible	Feasible	Feasible	Feasible
Scenario 2					
8% (all 60% AMI)	Infeasible	Borderline	Infeasible	Borderline	Infeasible
+ 15% Density	Borderline	Borderline	Borderline	Feasible	Infeasible
+ 30% Density	Borderline	Feasible	Feasible	Feasible	Feasible
+ 100% Land Contribution	Feasible	Feasible	Feasible	Feasible	Feasible

Appendix

IZ Example Project: Large Garden

- = 10 units
- Market Rate Unit (\$1440 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 30% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 40% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.75% target)	5.85%	5.62%	5.75%	5.58%	5.75%
Total Units	250	250	325	250	350
Affordable Units	0	25	33	20	28

Appendix

IZ Example Project: Large Midrise

- = 10 units
- Market Rate Unit (\$1680 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 10% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 10% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.50% target)	5.69%	5.45%	5.50%	5.42%	5.50%
Total Units	200	200	220	200	240
Affordable Units	0	20	22	16	19

Appendix

IZ Example Project: Infill Midrise

- = 10 units
- Market Rate Unit (\$1920 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 30% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 30% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.50% target)	5.57%	5.30%	5.50%	5.29%	5.50%
Total Units	150	150	195	150	195
Affordable Units	0	15	20	12	16

Appendix IZ Example Project: Infill Highrise

- = 10 units
- Market Rate Unit (\$21 60 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 20% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 15% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.25% target)	5.53%	5.20%	5.25%	5.21%	5.25%
Total Units	250	250	300	250	288
Affordable Units	0	25	30	20	23

Appendix IZ Example Project: Single Family

- = 10 units
- Market Rate Unit (\$1,440 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1,099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 25% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 30% Minimum Density Bonus to achieve Feasibility
Yield On Cost (6.00% target)	6.03%	5.76%	6.00%	5.72%	6.00%
Total Units	100	100	125	100	130
Affordable Units	0	10	13	8	10

EXHIBIT F

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The Florida Housing Finance Corporation (Florida Housing) was created by the state Legislature more than 40 years ago to assist in providing a range of affordable housing opportunities for residents that help make Florida communities great places in which to live, work and do business. Our vision is to be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions that respond to the affordable housing challenges of our state.

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[Florida Hometown Heroes Housing Program \(/programs/homebuyer-overview-page/hometown-heroes\)](#)

[Homebuyer Program Overview \(programs/homebuyer-loan-program-wizard\)](#)
[Homebuyer Programs Wizard \(https://apps.floridahousing.org/StandAloneWizard\)](https://apps.floridahousing.org/StandAloneWizard)
[Salute Our Soldiers Military Loan Program \(programs/homebuyer-loan-program-wizards/salute-our-soldiers-military-loan-program\)](#)
[SHIP- Homeownership & Rental Programs \(buyers-renters/local-housing-programs\)](#)
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RENTERS

[Affordable Rental Housing Locator \(https://www.floridahousingsearch.org/\)](https://www.floridahousingsearch.org/)
[Special Needs Housing \(programs/special-programs/special-needs-housing-overview\)](#)
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[Disaster Relief Programs \(programs/special-programs/ship---state-housing-initiatives-partnership-program/disaster-relief\)](#)
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ASSISTANCE FOR HOMEOWNERS

[How to Request a Payoff \(programs/homeowners/how-to-request-a-payoff\)](#)
[Insurance Claim Check Endorsement Request \(programs/homeowners/insurance-claim-check-endorsement-requests\)](#)
[Disaster Relief Programs \(programs/special-programs/ship---state-housing-initiatives-partnership-program/disaster-relief\)](#)
[COVID-19 Resource \(about-florida-housing/covid-19-information-resource\)](#) (<https://www.floridajobs.org/community-planning-and-development/homeowner-assistance/homeowner-assistance-fund>)

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awards)

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Current Rules/Rule Development Process ([./programs/developers-multifamily-programs/competitive/current-rules-and-rule-development-process](#))

Special Programs ([./programs/special-programs](#))

Special Needs Housing ([./programs/special-needs-housing-overview](#))

Grants for Persons with Development Disabilities ([./programs/developers-multifamily-programs/grants-for-persons-with-developmental-disabilities](#))

CDBG-DR Programs ([./programs/developers-multifamily-programs/competitive/community-development-block-grant-disaster-recovery-programs](#))

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Rental Housing Rent Limits ([./owners-and-managers/compliance/rent-limits](#))

Rental Property Reports ([./data-docs-reports](#))

COVID-19 Resource ([./about-florida-housing/covid-19-information-resource](#))

What's Developing

Current News from Florida Housing

Florida Housing Finance Corporation Office of Inspector General Seeking (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/11/02/press-releases/florida-housing-finance-corporation-office-of-inspector-general-seeking>)

Governor Ron DeSantis Announces Support for Ian-Impacted Homeowners Insurance Deductibles (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/10/25/press-releases/governor-ron-desantis-announces-support-for-ian-impacted-homeowners-insurance-deductibles>)

The Florida Division of Emergency Management Announces Sign-Up Extension for Operation Blue Roof in

Response to Hurricane Ian (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/10/22/press-releases/the-florida-division-of-emergency-management-announces-extension-for-operation-blue-roof-in-response-to-hurricane-ian>)

Florida Housing Finance Corporation Honors Hurricane Michael Anniversary and Emphasizes Commitment to Providing Housing Resources to Floridians Impacted by Hurricane Ian (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/10/11/press-releases/florida-housing-finance-corporation-honors-hurricane-michael-anniversary-and-emphasizes-commitment-to-providing-housing-resources-to-floridians-impacted-by-hurricane-ian>)

Summary of High Utilizer Housing & Services Pilot (<https://www.floridahousing.org/programs/special-needs-housing-overview>)

Search and Rescue Efforts Underway Following Hurricane Ian (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/09/30/press-releases/search-and-rescue-efforts-underway-following-hurricane-ian>)

Florida Housing Finance Corporation Shares Hometown Heroes Housing Program Update in Honor of Labor Day (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/09/03/press-releases/florida-housing-finance-corporation-shares-hometown-heroes-housing-program-update-in-honor-of-labor-day>)

2022 Rental Market Study is now available (<https://www.floridahousing.org/press/publications/2022-rental-market-study>)

\$12 Million in Down Payment Assistance Awarded to Hometown Heroes (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/07/27/press-releases/12-million-in-down-payment-assistance-awarded-to-hometown-heroes>)

Governor Ron DeSantis and Florida Housing Finance Corporation Announce Launch of Florida Hometown Heroes Housing Program (<https://www.floridahousing.org/press/press-releases/releases/2022/2022/05/25/press-releases/governor-ron-desantis-and-florida-housing-finance-corporation-announce-launch-of-florida-hometown-heroes-housing-program>)

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EXHIBIT G



Florida Housing Finance Corporation

For assistance, call 850-488-4197 or visit <https://www.floridahousing.org/>

What is the purpose of the corporation?

The Florida Housing Finance Corporation's (FHFC) goal is to maximize the capacity of local governments and the private sector, both for profit and nonprofit, to develop and preserve affordable housing. The corporation provides affordable housing opportunities and ensures that programs are matched to the needs of the people served.

How is the corporation governed?

The corporation is a separate entity and is not subject to control, supervision, or direction of a department. The FHFC is governed by a nine-member [board of directors](#) and managed by an executive director.

What programs are administered by the corporation?

The FHFC administers several programs to increase access to affordable single-family and multi-family housing units. These programs include those listed below.

- State Apartment Incentive Loan (SAIL)
- Grants for Persons With Developmental Disabilities
- Multifamily Mortgage Revenue Bonds
- HOME Investment Partnerships
- Elderly Housing Community Loan
- Low Income Housing Tax Credits
- National Housing Trust Fund
- Multifamily Mapping Application
- State Housing Initiatives Partnership (SHIP)
- Predevelopment Loan Program
- Preservation Rehabilitation Pilot Program
- Affordable Housing Catalyst Program
- Salute Our Soldiers Military Loan Program
- First Time Homebuyer Program
- Mortgage Credit Certificate Program
- Down payment assistance Program

How many households does the corporation assist?

The FHFC reported that in 2020, its homeownership programs served the number of homeowners listed below.

Homeownership Programs	Homeowners Assisted
Homebuyer Loan	3,450
Down Payment Assistance	3,385
Mortgage Credit Certificates	801
Homeownership Pool	126
State Housing Initiatives Partnership	3,795
Foreclosure Counseling	444

Source: [2020 Annual Report](#), Florida Housing Finance Corporation.

During the same period, the FHFC's rental programs funded 17,602 units, 17,374 of which were set-aside units for lower income households.

How is the corporation funded?

Fiscal Year: 2022-23

	Fund	Salary Rate/ Position	General Revenue	Trust Funds
SPECIAL CATEGORIES GRANTS AND AIDS - HOUSING FINANCE CORPORATION (HFC) - AFFORDABLE HOUSING PROGRAMS FROM GENERAL REVENUE FUND			<u>25,000,000</u>	
	FROM STATE HOUSING TRUST FUND			<u>128,250,000</u>
SPECIAL CATEGORIES GRANTS AND AIDS - HOUSING FINANCE CORPORATION (HFC) - STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM				
	FROM LOCAL GOVERNMENT HOUSING TRUST FUND			<u>209,475,000</u>
TOTAL			25,000,000	337,725,000

Source: www.transparencyflorida.gov

Where can I get more information?

OPPAGA Reports

Miami-Dade's Discretionary Surtax Supports Affordable Housing for Low-income Residents; Recent Changes Will Improve the Program, Report No. 17-08, June 2017.

Other Reports

Florida Housing Finance Corporation [annual reports](#)

Websites of Interest

[Florida Housing Data Clearinghouse](#)

[Florida Affordable Housing Search](#)

[National Council of State Housing Agencies](#) (NCSHA)

Performance Information

Performance measures and standards for the corporation may be found in its [Long Range Program Plan](#).

What are the applicable statutes?

Chapter [420](#), *Florida Statutes*.

Who do I contact for help?

Florida Housing Finance Corporation, 850-488-4197

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EXHIBIT H

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Article 11

2020

Florida's Growth Management Odyssey: Revolution, Evolution, Devolution, Resolution

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FLORIDA'S GROWTH MANAGEMENT ODYSSEY: REVOLUTION, EVOLUTION, DEVOLUTION.....RESOLUTION

Robert M. Rhodes*

I have enjoyed reading Homer's epic poem *The Odyssey*. It is an allegory of struggle and perseverance that offers enduring insights and encouragement for anyone engaged in adventures and intellectual quests. I expect my friend Dr. Juergensmeyer has often identified with Odysseus' challenges over his 55 years of distinguished teaching and administration. I know I have.

An odyssey is a long, often difficult voyage or quest with many changes in fortune. It is an apt description of Florida's almost half century effort to manage its growth by enacting various state initiated legislation and related directives.

My goal is to relate the Florida story with special emphasis on what I consider its distinctive feature and the key institutional driver of its growth management program, the state's role.¹ Why focus on the state's role?

Balanced state policy and oversight are central to Florida's intergovernmental planning program. Policy establishes state goals that should be reflected in local planning and development decisions. Oversight provides the teeth, some call it the hammer or watch dog, for implementing and enforcing the state program. When properly articulated and applied, policy driven oversight can provide local government's policy context, sound process, tools and sometimes political cover and support to make difficult decisions. A state framework can also infuse a measure of uniformity into Florida's myriad of local land use planning programs.² It can provide a degree of desirable certainty that benefits all participants in planning decisions and enhances Florida's economic development prospects.³

Note I said a state program can accomplish these aims. Over the years, attainment has been irregular, primarily due to the philosophy and politics of the state leadership at the time and consequent budget and statutory policy.

To better understand Florida's odyssey, here is a snapshot history of our state and local planning program.⁴

* Former administrator of Florida's growth management program and Chairman, State of Florida Second Environmental and Land Management Study Committee. Practitioner in Residence, Georgia State School of Law, 2010. Former senior executive with The Walt Disney Development Company and The St. Joe Company. Graduate of the University of California, Berkeley, and Harvard Kennedy School.

REVOLUTION

Florida has an enduring home rule tradition.⁵ True to this legacy, since the late 1960s Florida cities and counties enjoyed broad discretion to adopt local land use plans and regulations, and if they did, determine their character and legal status. But in the early '70s, facing a firestorm of environmental, infrastructure and other public service crises and a crushing number of new residents to the state, the Florida Legislature joined what Fred Bosselman and David Callies called "The Quiet Revolution in Land Use Controls."⁶ By joining the revolution, the state broke with tradition and recouped some of the power and discretion previously delegated to localities to plan and regulate land use.

The early '70s legislative products included the development of regional impact program, which required intergovernmental review of large-scale development and infrastructure projects that would impact the citizens of more than one county.⁷ An area of critical state concern program granted the state authority to impose state planning goals and local regulations on especially sensitive and threatened environmental resource areas.⁸ Later, a state appointed work group, the First Environmental Land Management Study Committee, known as ELMS I, took the lead in developing and the Legislature enacted the state's first mandatory local planning program, the 1975 Local Government Comprehensive Planning Act.⁹

The local planning act was an important milestone that poured a foundation for later legislation, but was not a startling success. Working with a broadly worded state mandate to produce local comprehensive plans with minimal state guidance, little technical and financial assistance, and no penalties for non-compliance, many local governments adopted loosely worded, internally inconsistent advisory plans. Future land use maps were optional and often too politically sensitive to produce. Although state policy required consistency between plans and development approvals, this policy was largely ignored.

As a result, the first planning act produced more local plans, but no meaningful statewide improvement in planning and growth management practice.

EVOLUTION

Concern in the early '80s about the ineffectiveness of the local planning act prompted appointment of the Second Environmental Land Management Study Committee to assess the state's growth management effort.

ELMS II concluded if Florida wants effective growth management, the state must take the lead, chart a policy course, and then effectively administer its programs. In short: the state must actively engage.¹⁰

The Governor and Legislature agreed with the bulk of ELMS II recommendations and legislation was enacted over a two year period that directed production of a state comprehensive policy plan and statutory guidelines for regional councils to develop regional policy plans.¹¹ These plans would pour the foundation in 1985 for the state's Local Government Comprehensive Planning and Development Regulation Act, known as the growth management act or GMA.¹² Among other action, the GMA called for the state to adopt minimum uniform standards for local plans and amendments which would be enforced through state compliance decisions; possible state sanctions for non-complying localities; an adequate public facilities policy that required certain services and facilities be available to serve new growth concurrent with the impacts of this growth, popularly called concurrency; a frequency limit for amendments to local plans; a requirement that plans be consistent with the state comprehensive plan and regional policy plans and implemented by local land development regulations; expansive public notice provisions for adoption of plans and amendments; and rights for citizens to challenge administratively state compliance decisions. The GMA also reaffirmed an earlier requirement that local development approvals be consistent with adopted local plans and provided certain citizens and groups a judicial remedy to enforce this consistency policy.

The GMA energized the state program and ultimately produced workable and moderately effective growth management. All local governments eventually adopted plans that were found in compliance with state standards.

During the late '80s and early '90s, first and second generation state growth management programs, DRIs and the GMA, were formidable statewide proscribers and prescribers for local plans and large projects. But not surprisingly, these major state intrusions on traditional local prerogative generated criticism and a measure of reproof from both urban and rural localities and some in the building industries. The state's urban sprawl policy, concurrency, which was never properly funded by state or local governments, a vague and unpredictable policy requiring an assessment of "need" and economic feasibility of new projects and the scope and extent of DRI exactions were special lightning rods for GMA opposition. This growing criticism, plus the fact the state program was relatively new and expected to evolve with experience prompted another major reassessment of Florida's state program by the Third Environmental Land Management Study Committee, ELMS III.

DEVOLUTION

Jerry Weitz describes several waves or stages in the development and evolution of state growth management programs.¹³ The fourth wave contemplates characteristics especially pertinent to Florida's more recent experience: erosion of early mandate driven state planning and regulatory programs, greater flexibility for localities to implement state programs and less rigid state application of uniform state rules, statutory and rule revisions without benefit of evaluation, and the ascendancy of greater intergovernmental cooperation and collaboration.¹⁴

True to the fourth wave, ELMS III concluded that because local governments had developed compliance plans and most had enacted implementing land development regulations, rigid adherence to uniform state standards and program mandates was not desirable or practical.¹⁵ The Legislature agreed and in the early '90s, the state's oversight role was loosened and certain small scale amendments were exempted from state review and ultimately phased out and urban areas were granted flexibility to apply state compliance standards to local plan amendments.

State oversight continued to be loosened in the 2000s. In 2007, the Legislature established a pilot alternative review project that fast tracked and streamlined state review of plan amendments in urban areas.¹⁶ The project cut review time in half and focused state review on issues of state and regional importance. In 2009, this alternative state review process was authorized statewide for plan amendments that would encourage urban redevelopment.¹⁷ Additionally, urban areas were granted flexibility to satisfy transportation concurrency and certain dense urban areas, comprising 51% of local governments, were exempted from DRI review.¹⁸

Building on earlier devolution waves, the tsunami of Weitz's prescient fourth wave hit Florida shores with adoption of the 2011 Community Planning Act (CPA).¹⁹ The act's overall purpose was to strengthen local government's role, processes and powers and to focus the state's role on protecting important state resources and facilities. Passage was fueled by concern the state program overreached and was bloated with stultifying processes that unnecessarily delayed decisions and produced unacceptable private sector costs. Against the backdrop of a severe economic downturn, these concerns attracted the attention of a new state administration intent on promoting economic development, producing new jobs, cutting back state regulations and a Legislature that shared similar goals. Executive branch champions and the bipartisan legislative coalition that had enacted and supported an energetic state growth management role was long gone

from the capitol. Additionally, the GMA had been amended regularly and accumulated irrelevant provisions that were ripe for review and possible revision.

Separately in 2011, to underscore the new administration's commitment to economic development, the Department of Community Affairs, the state land planning agency which administered the GMA, was abolished and the program moved into a division of the new Department of Economic Opportunity, the DEO.²⁰

Unlike prior major revisions to the state planning framework, the 2011 act was not the product of thorough, deliberate evaluation of program goals and results by a broad based group of knowledgeable members and informed by extensive public input. Instead, it was largely developed and promoted by a relatively small group of state officials and lobbyists with the strong support of a new state administration. Its enactment continues to generate controversy and strong sentiment. It has been praised as long overdue reform that simplified a complex, burdensome intergovernmental program and returns major planning responsibility and accountability to local government.²¹ It has also been excoriated as a wholesale retreat from sound planning practice that cuts the heart out of a reasonably effective program that did not require the major surgery it received.²²

There is some validity to both views, but I do not believe it is productive to re-fight the battles over the CPA's enactment; it is law and will be judged on its results. Moreover, and importantly, since its passage there has been no discernable interest in the executive and legislative branches to change course.

The most impactful and contentious part of the act is its effect on the state's oversight role.²³ The CPA retained a state oversight role, but it is markedly reduced. The 2011 act builds on the 2007 alternative review program and applies its expedited process to most proposed plan amendments. Under expedited review, DEO and other state and regional agencies may review and comment on proposed local plan amendments for any potential adverse impacts to important state resources or facilities. Review comments are limited to the subject area of each agency's jurisdiction. DEO may challenge a local action only if it determines there will be an adverse impact primarily based on received agency comments.²⁴ To date, DEO has not commented on any of these amendments.²⁵

Another review process, coordinated review, provides more expansive state compliance review and applies to larger scale amendments and required local plan updates. Like expedited review, coordinated review considers agency comments on potential adverse impacts to important state resources and facilities. It also may consider various statutory planning policies applicable to proposed

local plan amendments.²⁶ DEO may issue objections, recommendations and comments and find a proposed amendment not in compliance with state law if an amendment may adversely impact an important state resource or facility.

Since enactment of the 2011 act, DEO has reviewed thousands of proposed local amendments; it has found four proposed amendments not in compliance with state standards.²⁷ The agency initiated a formal noncompliance proceeding in one case and all four cases were resolved through negotiation.²⁸

DEO's implementation of the CPA to date reflects a strong desire to largely defer to local government planning decisions and responsibility and to amicably resolve and accommodate any differences with local decisions. This track record implements a priority of the past administration to minimize state regulations and the administrative reality that the state planning program now is housed in a department primarily dedicated to promoting its eponymous economic opportunity mission. It also evidences a key characteristic of Weitz's fourth wave, enhanced intergovernmental collaboration. In sum, accommodating oversight plus 2011 CPA amendments that devolved more authority to local government are clearly accomplishing prime CPA goals to strengthen local governments' role and power vis-a-vis the state, grant localities more implementation flexibility, and expedite review and adoption of proposed plan amendments.

But what about the CPA's other major goal, protecting important state resources and facilities against adverse impacts? To be clear, I believe this focused state role is appropriate and provides the policy driver, foundation and the core justification for state compliance oversight. However, effective oversight is hampered and diluted by key CPA provisions. I will address two of these provisions.

First, the CPA's fundamental terms, important state resources and facilities are not statutorily defined and DEO is not authorized to define or refine these expansive terms by rule. Instead, for every proposed local plan amendment, up to ten state and regional government agencies may review the amendment and in the context of their statutory jurisdiction may determine what is an important state resource and facility and whether the amendment would adversely impact them.²⁹ This entirely subjective, ad hoc identification and assessment policy favors no one. Plan amendment applicants, local governments, and interested citizens are all left to divine the situational preferences of the many reviewers; there are no reliable rules for engagement.³⁰ Regulatory unpredictability is exacerbated by the reality that review agency policy preferences and interest in the program can be expected to change materially as state officers, governing body members and agency personnel cycle in and out of government. Lacking

established substantive benchmarks, state executive officers and the Legislature cannot appraise results and determine if the CPA's seminal policies are being achieved, and the courts, when asked to do so, cannot determine if state action comports with legislative intent. Further, this open ended identification process is legally fraught and vulnerable to constitutional and administrative law challenges.³¹

RESOLUTION

The state requires local government to provide “meaningful, predictable planning standards for use and development of land.”³² It should apply this same standard to its central oversight responsibility and amend the CPA accordingly. Specifically, the Legislature should define the key terms and direct DEO to refine the statutory definition and develop a rule that will particularly identify important state resources and facilities.

The rule need not be exhaustive. A premium should be placed on identifying resources and facilities that have compelling statewide importance. A first step is to review state and regional review agency comments on prior proposed amendments. This should be followed by an assessment of the scope and effectiveness of current federal, state and regional planning, regulatory permitting, funding and land purchase programs that could help identify possible gaps the CPA land use focus can fill or a state interest it can complement and promote.³³ For example, resources could include certain environmentally rich and vulnerable areas that are presently regulated by permits or subject to general CPA directives but would benefit from greater state oversight of local plan land use decisions. A priority should be coastal and riverine areas that are or are reasonably expected to be impacted by sea level rise.³⁴ Another guidepost could recognize state investments in resources and facilities, such as the state's significant financial contributions to cleaning Lake Okeechobee and restoring the Everglades,³⁵ and the effective functioning of facilities, such as major state funded highways and interchanges.

The rule should be adopted by the Governor and the elected state cabinet and be subject to legislative review and approval at the next legislative session following rule adoption.³⁶ It's time to do this. DEO has administered the CPA since 2011. It has processed thousands of proposed local plan amendments. This experience can provide a solid foundation for guidance that would direct, focus and circumscribe the state's oversight role and provide a measure of consistent implementation and regulatory certainty for all participants in the plan review process.

Next, recall the state may find a proposed plan amendment not in compliance with statutory standards. What happens if a local government disputes a state compliance finding? If the challenge goes to hearing, the state carries a heavy burden. To prevail, it must show by clear and convincing evidence that its determination is correct.³⁷ Clear and convincing means a finding can be made with “a firm belief or conviction without hesitation about the matter in issue.”³⁸ This is a much higher bar than the competent substantial evidence standard that applies in Florida to almost all other administrative proceedings.³⁹

Why such a high bar for the state, especially in situations that call for a subjective policy judgment without the benefit of definitive substantive guidelines? Clear and convincing is not an appropriate standard in this context. Moreover, it is a major disincentive for the state to perform its compliance oversight role. The playing field should be evened; competent substantial evidence is the right test when governments cannot agree and the CPA should be amended accordingly.

CODA

Prior sustained executive branch and legislative efforts to reduce state oversight and grant local governments more flexibility and discretion to manage their growth culminated with passage of the CPA. The 2011 act is directionally correct; the GMA was overdue for revision and a refocus of the state’s oversight role on important state planning interests. However, the failure to define the core CPA terms that form the basis for state review plus a very difficult standard for state enforcement of its compliance decisions have significantly weakened the state’s ability to perform its primary substantive role in the planning program, oversight.⁴⁰

If the state desires to retain an oversight role it should be meaningful and must clearly identify the important state interests that justify state involvement in local planning and development regulation decisions. If not, the CPA compliance effort will continue to be viewed by many as a box checking exercise that simply delays the effective date of locally approved plan amendments. This is a wasteful use of public and private resources. Moreover, weak state engagement and oversight will invite new efforts by growth management opponents to undermine the remaining salient provisions of the act and to question the overall relevance of a state oversight role.⁴¹

To paraphrase the ELMS II report, the state must reengage. State leadership is necessary for Florida to address the many planning issues of state importance that relentless growth continues to impose on already stressed

facilities and natural resources, including current and future deleterious effects of sea level rise on our peninsular state. As part of this effort, the CPA should be revised to produce clear guidelines to enable consistent administration by government, provide performance direction for citizens, and establish standards to assess program achievement for all parties, the Legislature and the courts.

Florida's Odyssean state planning program provides a several decades case study of an almost continuous intergovernmental battle for power to regulate land development. It merits consideration by any state seeking to sustain or join "the quiet revolution in land use controls. " The program has experienced revolution, evolution and devolution; it's time for resolution that will provide a stable, sustainable program. The odyssey continues.

ENDNOTES

1. A comprehensive history of Florida's planning and growth management programs is Richard G. Rubino & Earl M. Starnes, *Lessons Learned? The History of Planning in Florida* (2008).
2. 67 counties, 413 cities and certain special districts are subject to the requirements of the state planning act.
3. The significance of regulatory predictability to enhance economic development opportunity for the state and localities is highlighted in The Florida Council of 100, *Project Sunrise: an economic competitiveness strategy for the State of Florida*, 67 (2018).
4. The Florida Department of Economic Opportunity Division of Community Planning has compiled a history of all major community planning legislation and amendments from 1986—2018, www.floridajobs.org/docs/community-development/comp-plan/stat.
5. In a case that invalidated the statutory standards for designating areas of critical state concern, Florida's First District Court of Appeal noted: "the primacy of local government jurisdiction in land development regulation" which reflects "historical preference" and is "a corollary of the people's right to access government. "Cross Key Waterways v. Askew, 352 So.2nd 1052, 1053 (Fla. 1st DCA 1977), *aff'd* Askew v. Cross Key Waterways, 372 So.2nd 913 (1978).
6. Fred Bosselman & David Callies, *The Quiet Revolution in Land Use Control*, 1971.
7. Laws of Florida, ch. 72-317, sec. 6.
8. Laws of Florida ch. 72-317, sec. 5.
9. Laws of Florida ch. 75-257.
10. State of Florida, *Final Report of the Second Environmental Land Management Study Committee*, 1984.
11. Robert M. Rhodes & Robert C. Apgar, "Charting Florida's Course: the 1984 State and Regional Planning Act," 12 Fla. St. U. L. Rev. 583 (1984). Florida's checkered history developing state and regional plans to manage its growth and natural resources is addressed extensively in Rubino and Starnes, supra note 1.

12. Laws of Florida, ch. 85-55. For documentation of the legislative history and major provisions of the GMA, see Thomas G. Pelham, William L. Hyde, and Robert P. Banks, “*Managing Florida’s Growth Toward an Integrated State, Regional and Local Comprehensive Planning Process*,” 13 Fla. St. U. L. Rev. 515 (1985).
13. Jerry Weitz, *Sprawl Busting*, American Planning Association Planners Press, 1999.
14. *Id.*, 328-329.
15. State of Florida, *Report of the Third Environmental Land Management Study Committee*, 1992. For a summary of the Committee’s work, David Powell, *Managing Florida’s Growth: The Next Generation*,” Fla. St. U. L. Rev. 229 (1993). The ELMS III recommendations were included in Laws of Florida, ch. 93-206.
16. Laws of Florida, ch. 2007-204, sec. 13.
17. Laws of Florida, ch. 2009-96, sec. 9.
18. *Id.*, sec. 4 (transportation concurrency) and sections 2 and 12 (dense urban land areas).
19. Laws of Florida, ch. 2011-139.
20. Laws of Florida, ch. 2011-142, sec. 13.
21. See Linda Loomis Shelley & Karen Brodeen, *Home Rule Redux: The Community Planning Act of 2011*, 85 Fla. B.J. 49 (July/August 2011). A recurring theme of advocates for the bill that became the CPA was “let local government be local government” which reflects the Florida First District Court of Appeal’s observation in *Askew v. Cross Key Waterways* concerning “the primacy of local government jurisdiction in land development regulation.” *supra*, note 5.
22. See Tom Pelham, *Florida’s Retreat From Planning and Growth Management*, American Planning Association, 9 Practicing Planner No.4; Nancy Stroud, *A History and New Turns in Florida’s Growth Management Program*, 45 J. Marshall L. Rev. 397 (2012). See also Julian Conrad Juergensmeyer, Thomas E. Roberts, Patricia E. Salkin and Ryan Max Rowberry, *Land Use Planning and Development Regulation Law* 381, (4th ed. 2018), in which the authors comment that the 2011 CPA “virtually gutted the Florida growth management system.”

23. My focus on the state's oversight role does not diminish the significance and effect of additional, consequential CPA amendments that loosened or repealed GMA provisions. Per the 2011 Act, transportation, parks and recreation and school concurrency are no longer mandates but remain local options. The frequency restriction on local plan amendments was repealed. Also repealed were policies that required plan amendments to be financially feasible and based on demonstrated need. Anti-sprawl provisions were made less stringent and third party challenges to plan amendments were made more difficult to win by subjecting the challenges to a fairly debatable test. The remaining DRI program was terminated and DRI scale projects were required to undergo requisite CPA review only if the proposed project is inconsistent with an adopted local plan.

24. DEO has primary responsibility to review potential impacts to affordable housing, coastal high hazard areas and military installations .

25. Data gleaned from DEO's website, www.floridajobs.org/docs/community-development/communityplanning and data provided the author by DEO. Interpretation of the data is solely the author's.

26. The CPA repealed state rule 9J-5, F.A.C., which provided minimum standards for state review of local amendments for compliance with state standards. Some of the former rule's planning provisions are included in various parts of the CPA. The 2011 Act also provided that the legislatively adopted state comprehensive plan, Fla. Stat. ch. 187, will no longer be considered a factor in compliance review. See the definition of "in compliance" which no longer includes consistency with the state comprehensive plan. Fla. Stat. sec. 3184(1)(b)(2019).

27. Supra, note 25.

28. Id.

29. Fla. Stat. sec. 163.3184(1)(c) (2019), defining "reviewing agencies."

30. In an effort to infuse a measure of predictability into the local government land use decision process, Laws of Florida, ch. 2019-165, sec. 2, codified at Fla. Stat. sec. 125.022 (counties) and sec. 8, codified at Fla. Stat. sec. 166.033 (cities) provide time frames for local government action on applications for development orders and permits .

31. Robert M. Rhodes, *"The 2011 Community Planning Act: Certain Change, Uncertain Reform.* " 34 ELULS Reporter 1, 18, June 2013.

32. Fla. Stat. sec. 163.3177(1)(g)(10)(2019).

33. Land use approvals and regulatory permitting often are conflated and lumped together as entitlements. Generally, land use approval will precede regulatory permitting. The initial, salient decision whether land may be used for particular uses will consider the principles and provisions of a local plan and in some instances consistency with the plan. Once approval to use the land is obtained, regulatory permitting insures project impacts are satisfactorily addressed and site integrity maintained.

34. The CPA generally directs localities to plan for sea level rise and specifically authorizes but does not require localities to designate adaptation action areas for coastal areas that experience flooding and are vulnerable to sea level rise impacts. Fla. Stat. secs. 163.3164(1), 163.3177(6)(g)10, and 163.3178 (2019). However, DEO currently lacks authority to adopt substantive standards to assess local performance and compliance with state law.

35. Governor Ron DeSantis' Executive Order 19-12 directs state and regional agencies to give these actions priority.

36. For context, the first DRI standards were approved by the Legislature and later amendments subject to legislative approval. Fla. Stat. sec. 380.10(2). (1977). Additionally, the effectiveness of the state rule establishing minimum criteria for review of local plans and amendments, Fla. Admin. Code Rule 9J-5, was conditioned on legislative review, rejection, modification or no action. In Askew v Cross Key Waterways, 372 So. 2nd 913, 925 (1978), the Florida Supreme Court commented favorably on legislative approval of the DRI administrative standards prior to their effectiveness in contrast to the statutory standards applicable to areas of critical state concern, which the court invalidated. The legislature subsequently required an administrative rule designating an area of critical state concern to be submitted to the Legislature which may reject, modify or take no action on the rule. Fla. Stat. sec. 380.05(1)(c)(2019).

37. Fla. Stat. sec. 163.3184(5)(c)(2019).

38. Florida Supreme Court, *Florida Standard Jury Instructions*, sec. 411.3.

39. Regarding application of the competent substantial evidence standard in state administrative proceedings, see Fla. Stat. sec. 120.57 (1)(l) and in regard to appeals of final state agency action, Fla. Stat. sec. 120.68(7)(b)(2019). For application of the standard in local land use proceedings, see <https://floridaldrs/2011/07/08> and generally Gary K. Hunter and Douglas M.

Smith, “*ABCs of Local Land Use and Zoning Decisions*,” 84 Fla. B.J. 20, Jan. 2010.

40. Although the state’s role has been diminished, major parts of the state planning program remain. Local plans and amendments must be proposed, considered, reviewed and may be challenged pursuant to statutory process. Citizens are offered liberal opportunities and public notice to participate in local government decisions. Development approvals and required land development regulations must be consistent with an adopted local plan; the plan is still the primary planning document and enjoys legal status. The state and a broad range of affected citizens may challenge local action to adopt plans and amendments for non-compliance with state standards. Local development approvals may be challenged judicially as inconsistent with an adopted local plan. And although no longer mandated, localities may continue to apply adequate public facility, concurrency, policies to mitigated transportation, parks and recreation and school impacts.

41. For example, Laws of Florida, ch. 2019-165, sec. 7, codified at Fla. Stat. sec. 163.3215(8)(c)(2019), provides a prevailing party in a judicial challenge to a development approval as inconsistent with a local plan is entitled to attorney fees and costs. This act will likely discourage frivolous and ill-intentioned citizen suits, but also will likely significantly dilute the effectiveness of this singular citizen enforcement remedy. 1000 Friends of Florida, a leading smart growth advocacy organization, strongly opposed this legislation and observed it will sound “the death knell” for enforcement of the CPA. www.1000friendsofflorida.org, 2019 Legislative Wrap Up: “HB 7103 Signed into Law.” 1000 Friends of Florida has filed suit to invalidate the mandatory prevailing party attorney fees and costs provision. 1000 Friends of Florida v. State of Florida, 2019-CA002215 (Fl. 2nd Cir.).

EXHIBIT I

The COVID-19 pandemic has resulted in unprecedented large and rapid changes in many data series, and similarly unprecedented large policy responses, making analysis of, and longer run predictions for, the economy and housing markets exceptionally difficult and uncertain. HUD will continue to monitor market conditions in the HMA and provide an updated report/ addendum in the future.

COMPREHENSIVE HOUSING MARKET ANALYSIS Gainesville, Florida

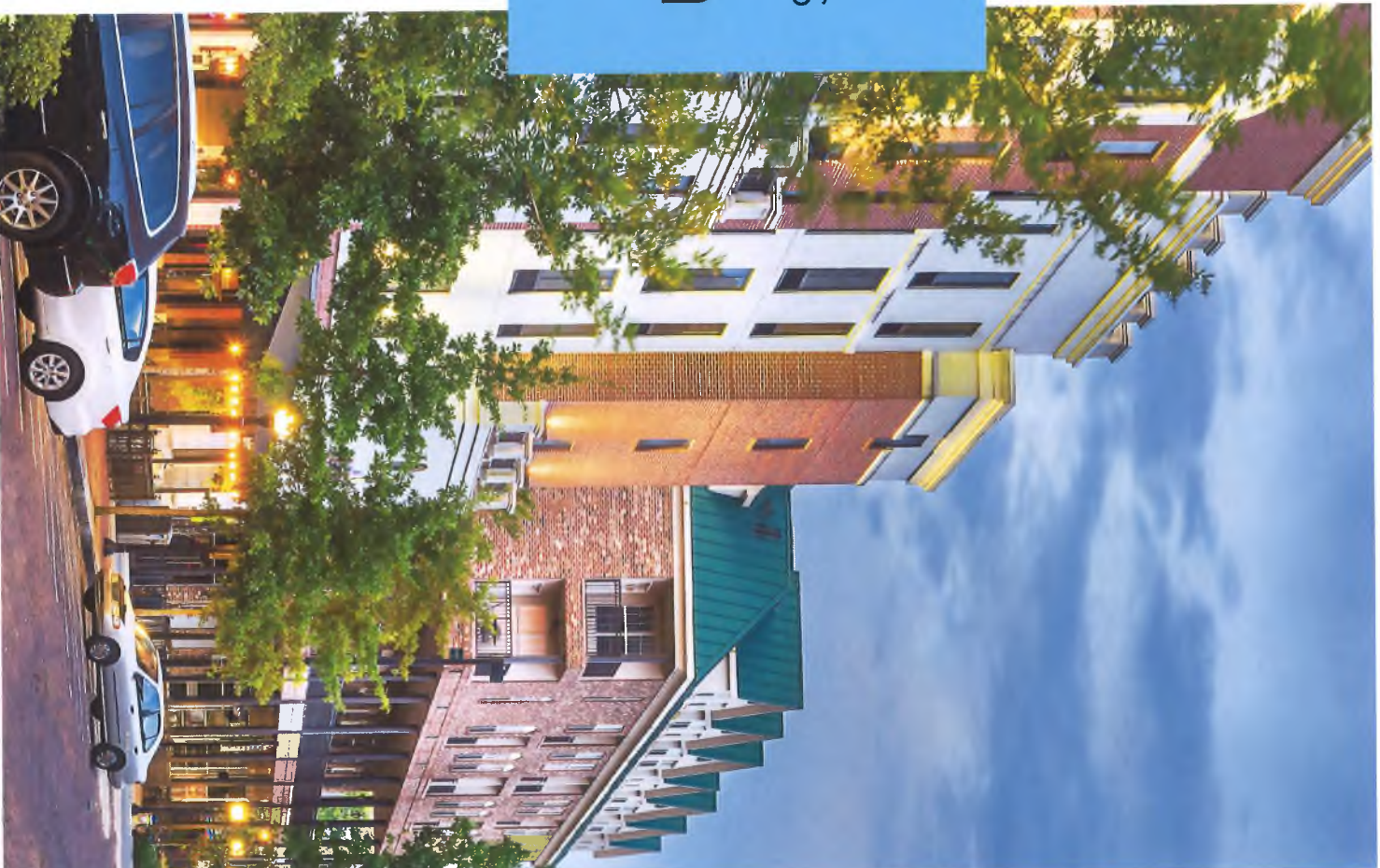
U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2021



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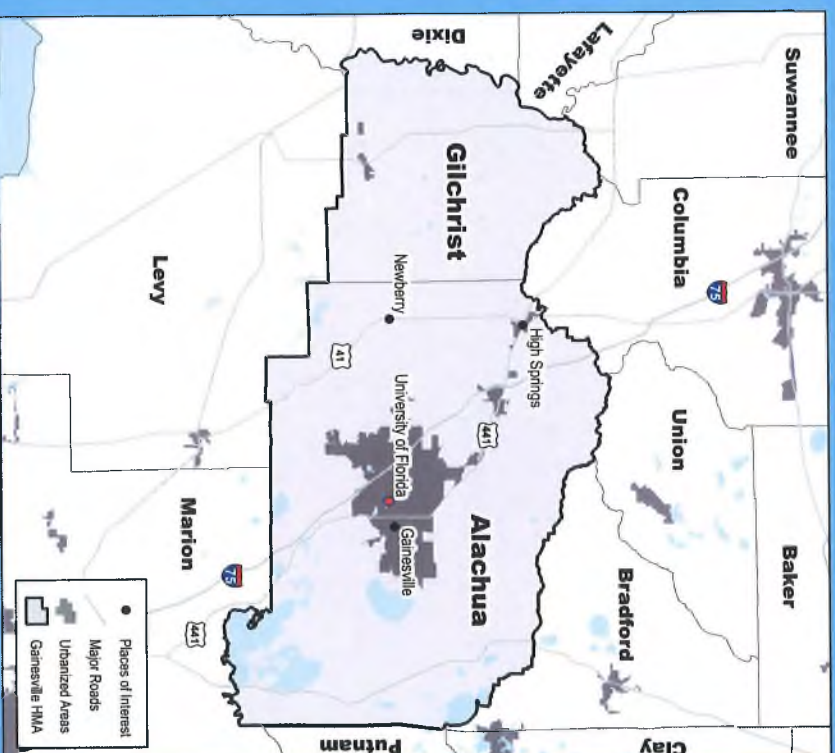
Executive Summary

Housing Market Area Description

The Gainesville Housing Market Area (HMA) is coterminous with the Metropolitan Statistical Area of the same name, including Alachua and Gilchrist Counties.

The population is currently estimated at 290,600.

The HMA is in northern central Florida and is home to the University of Florida (UF) and UF Health. The presence of the university supports high-tech jobs, and tourists are attracted to the HMA for its museums, performing arts, natural spring waters, and more than 200 miles of walking trails.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally at PD&R's [Market-at-a-Glance tool](#).
Additional data for the HMA can be found in this report's [supplemental tables](#).
For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Weak: During 2020, nonfarm payrolls decreased 3.6 percent, following more than 8 years of job gains

Nonfarm payrolls increased by an average of 2,700 jobs, or 2.0 percent, a year from 2012 through 2019, before declining by 5,400 jobs, or 3.6 percent, to 142,600 jobs in 2020. Job losses during the recent year were concentrated in the second quarter of 2020 as a result of actions taken to slow the spread of COVID-19. By comparison, 2,400 jobs, or 1.6 percent, were added in 2019. During 2020, job losses were greatest in the leisure and hospitality sector, which declined by 2,600 jobs, or 16.1 percent. During the 3-year forecast period, nonfarm payroll growth is expected to average 1.6 percent annually as jobs lost during the pandemic are regained.

Sales Market



Balanced: New and existing home sales decreased 2 percent during 2020.

The sales housing market has an estimated 1.5-percent vacancy rate, down from a 3.1-percent rate in 2010. During 2020, existing home sales decreased 4 percent, whereas the average existing home sales price was up 8 percent from a year earlier, to \$226,700 (Zonda). During the next 3 years, demand is expected for 2,475 new homes; the 840 homes currently under construction are expected to meet part of the demand during the first year of the forecast period.

Rental Market



Balanced: During the fourth quarter of 2020, the average apartment rent increased 1 percent from a year earlier to \$1,013 a month.

The rental housing market in the HMA had an overall estimated vacancy rate of 11.8 percent, down from 12.4 percent in April 2010. Apartment market conditions are slightly tight, with a 3.2-percent vacancy rate during the fourth quarter of 2020, compared with a 2.5-percent rate a year earlier (Moody's Analytics REIS). During the forecast period, demand is expected for 1,775 new rental units. The 1,625 units currently under construction are expected to satisfy most of the demand during the forecast period.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
Gainesville HMA		
Total Demand	2,475	1,775
Under Construction	840	1,625

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. (Units under construction as of January 1, 2021. The forecast period is January 1, 2021, to January 1, 2024.
Source: Estimates by the analyst.



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Economic Conditions

Largest sector: Government

The government sector represents 30 percent of the payrolls in the Gainesville HMA.

Primary Local Economic Factors

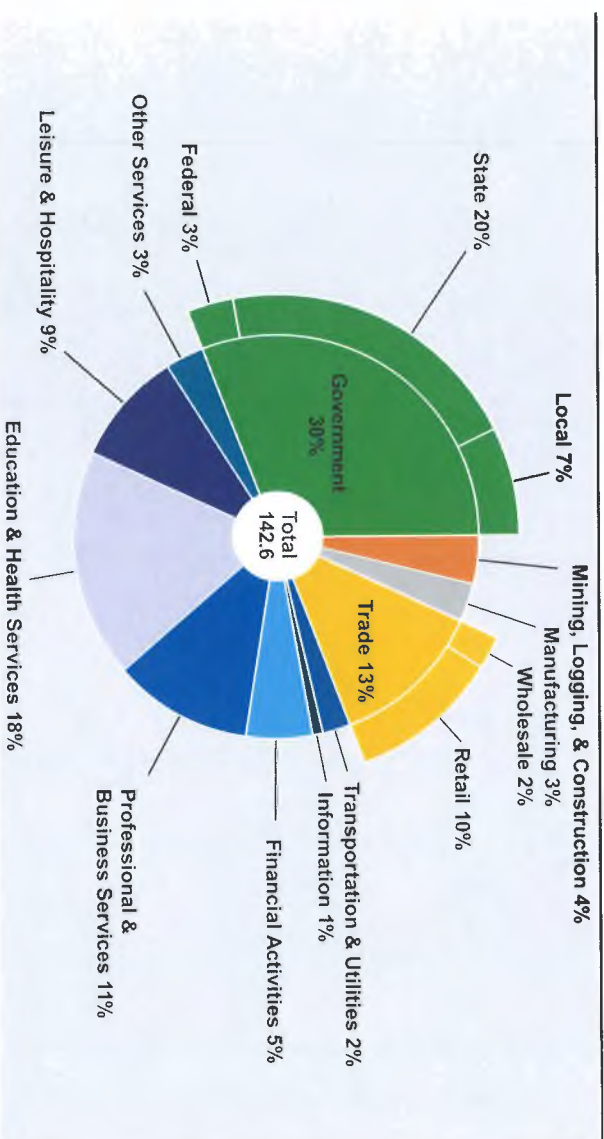
The Gainesville HMA is supported by UF, the largest employer in the HMA and a state-funded institution with 31,500 employees (Table 1) that enrolls more than 50,000 students a year. The state government subsector accounts for 20 percent of all jobs in the HMA (Figure 1) and includes UF. Students, faculty, and graduates of UF, along with research centers at the university, support creating high-tech jobs in the HMA. The UF Innovation District is a mixed-use community of offices, luxury apartments, and entertainment venues between UF and downtown Gainesville. Collaboration between UF and companies in the Innovation District bolsters payrolls in the HMA, including jobs in the transportation and utilities sector, which nearly doubled from 2001 through 2019, and in the professional and business services sector, which increased by an average of 300 jobs, or 2.1 percent, during the same period (Figure 2). At the Innovation District, Kimley-Horn, a consulting company, has hired 120 UF graduates since 2013. In addition to the importance of UF, tourism strengthens the local economy, and the leisure and hospitality sector accounts for 9 percent of payrolls in the Gainesville HMA. Before the

Table 1. Major Employers in the Gainesville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of Florida	Government	31,500
University of Florida Health	Education & Health Services	12,950
Malcom Randall Department of Veterans Affairs Medical Center	Government	6,125
North Florida Regional Medical Center	Education & Health Services	1,950
Gator Dining Services	Leisure & Hospitality	1,200
Nationwide Mutual Insurance Company	Professional & Business Services	1,325
Sante Fe College	Government	900
Walmart Inc.	Wholesale & Retail Trade	900
Publix Super Markets, Inc.	Wholesale & Retail Trade	750
RTI Surgical Inc.	Manufacturing	550

Note: Excludes local school districts.
Source: Greater Gainesville Chamber of Commerce

Figure 1. Share of Nonfarm Payroll Jobs in the Gainesville HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Percentage of retail are wholesale do not add up to total trade sector due to rounding. Based on 12-month averages through December 2020.
Source: U.S. Bureau of Labor Statistics



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pandemic, during 2019, this sector accounted for 11 percent of payroll in the HMA. Tourists are attracted to the HMA to enjoy unspoiled wetlands and fresh springs, UF Gators football, and university museums and galleries. Visitors to UF Health come from throughout the northern Florida region for the highly rated healthcare.

Current Conditions—Impacts of COVID-19

Nonfarm Payrolls

During 2020, nonfarm payrolls in the Gainesville HMA decreased by 5,400 jobs, or 3.6 percent (Table 2). By comparison, during 2020, nonfarm payrolls in the state and nation decreased 4.3 and 5.8 percent, respectively. In the HMA, the mining, logging, and construction sector increased by 100 jobs, or 1.6 percent. Some of the sector gain can be attributed to the recent increase in homebuilding, the construction of the new baseball field at UF that was finished in October of 2020, and the three-story tower at North Florida Regional Medical Center that was completed in November 2020. However, most nonfarm payroll sectors in the HMA lost jobs during 2020. The largest decline was in the leisure and hospitality sector, which lost 2,600 jobs, or 16.1 percent. COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The state of Florida issued a shelter-in-place order beginning on April 3, 2020. Among other restrictions, the order resulted in the closure of all schools, restaurant dining rooms, barbershops and

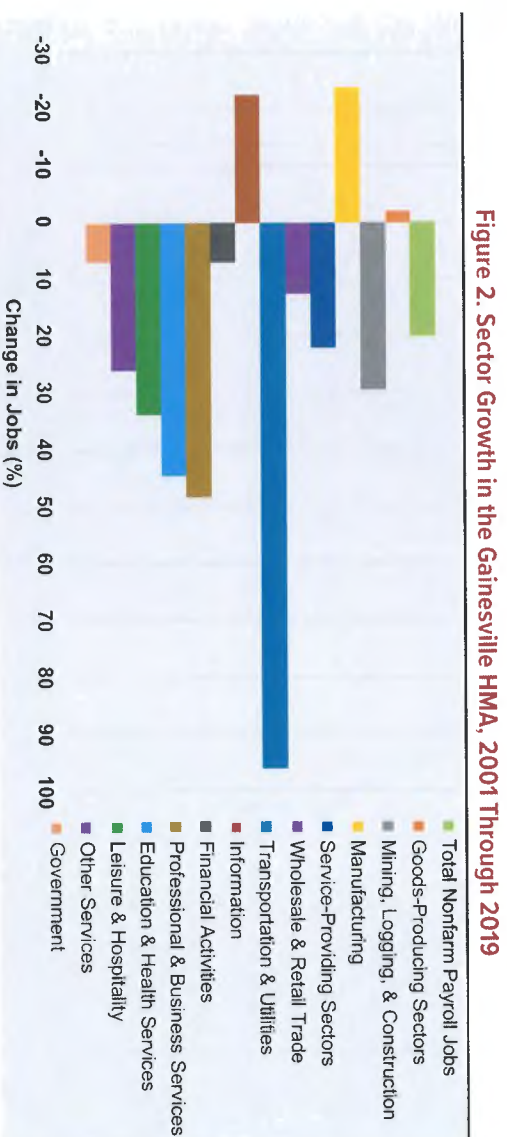


Figure 2. Sector Growth in the Gainesville HMA, 2001 Through 2019

Note: The current data is January 1, 2021.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Gainesville HMA, by Sector

	12 Months Ending December 2019	12 Months Ending December 2020	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	148.0	142.6	-5.4	-3.6
Goods-Producing Sectors	10.9	11.0	0.1	0.9
Mining, Logging, & Construction	6.1	6.2	0.1	1.6
Manufacturing	4.8	4.8	0.0	0.0
Service-Providing Sectors	137.1	131.6	-5.5	-4.0
Wholesale & Retail Trade	18.0	17.9	-0.1	-0.6
Transportation & Utilities	3.3	3.3	0.0	0.0
Information	1.8	1.7	-0.1	-5.6
Financial Activities	6.8	6.7	-0.1	-1.5
Professional & Business Services	15.3	15.4	0.1	0.7
Education & Health Services	27.5	26.3	-1.2	-4.4
Leisure & Hospitality	16.1	13.5	-2.6	-16.1
Other Services	4.4	4.2	-0.2	-4.5
Government	44.0	42.9	-1.1	-2.5

Notes: Based on 12-month averages through December 2019 and December 2020. Figures may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

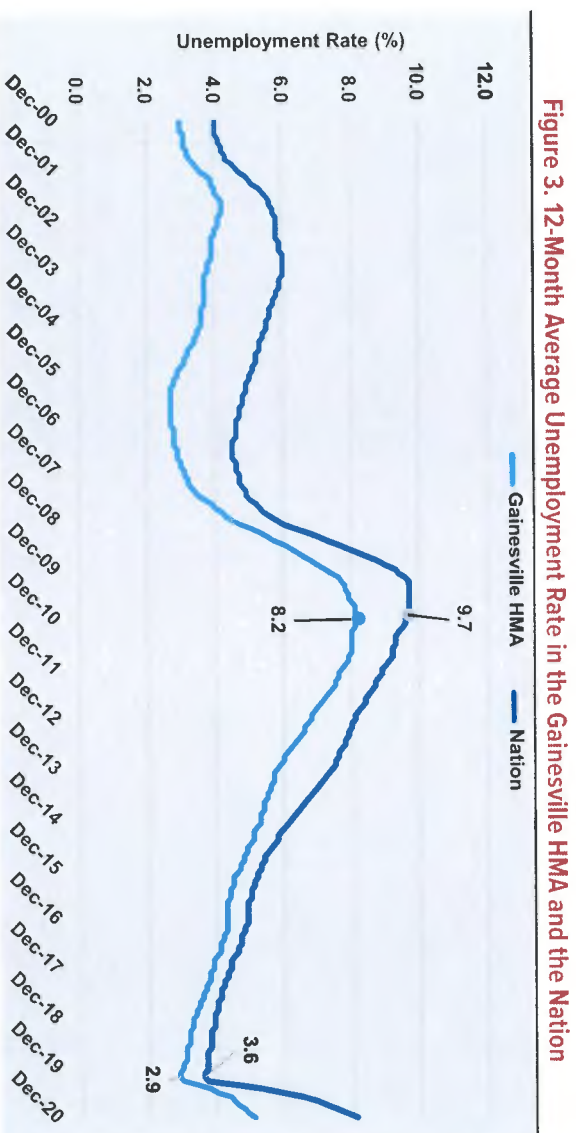


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salons, bars, and gyms in the state; the order also required that all businesses deemed nonessential must limit their activity to minimum basic operations. Although the order was relaxed in late April, many businesses had significantly lower sales as commerce slowed due to the unwillingness of consumers to return to pre-pandemic behaviors. From February to April 2020, nonfarm payrolls declined by 18,600 jobs, or 12 percent. As of January 1, 2021, 10,900 jobs had been regained, representing 59 percent of jobs lost. Currently, nonfarm payrolls are still 5 percent below the February 2020 level (not seasonally adjusted).

Unemployment

After the unemployment rate in the HMA peaked at 8.2 percent during 2010, the rate declined to a low of 2.9 percent during the 12 months ending February 2020 (Figure 3). As a result of the efforts used to contain the spread of COVID-19, the unemployment rate increased to 5.1 percent during 2020, up from 3.0 percent a year earlier. The rate in the HMA has been consistently below the national rate, which increased from a low of 3.6 percent during the 12 months ending February 2020 to the current rate of 8.1 percent. The national rate peaked during the 12 months ending November 2010 at 9.7 percent.



Note: Based on the 12-month moving average
Source: U.S. Bureau of Labor Statistics

Figure 3. 12-Month Average Unemployment Rate in the Gainesville HMA and the Nation

Economic Periods of Significance

2001 through 2008

The economy expanded by an average of 1,400 jobs, or 1.1 percent, annually from 2003 through 2008, following a period of relatively flat nonfarm payroll growth during 2001 and 2002 (Figure 4). The leisure and hospitality, the professional and business services, and the education and health services sectors led the growth from 2003 through 2008, adding an average of 400, 300, and 300 jobs, or 3.0, 3.3, and 1.5 percent, a year, respectively. In 2007 and 2008, Walmart Inc. and Sysco Corporation added facilities in the warehouse and distribution hub located between Interstate 75 and U.S. Route 41 in northern Alachua County, adding 600 and 150 jobs, respectively.



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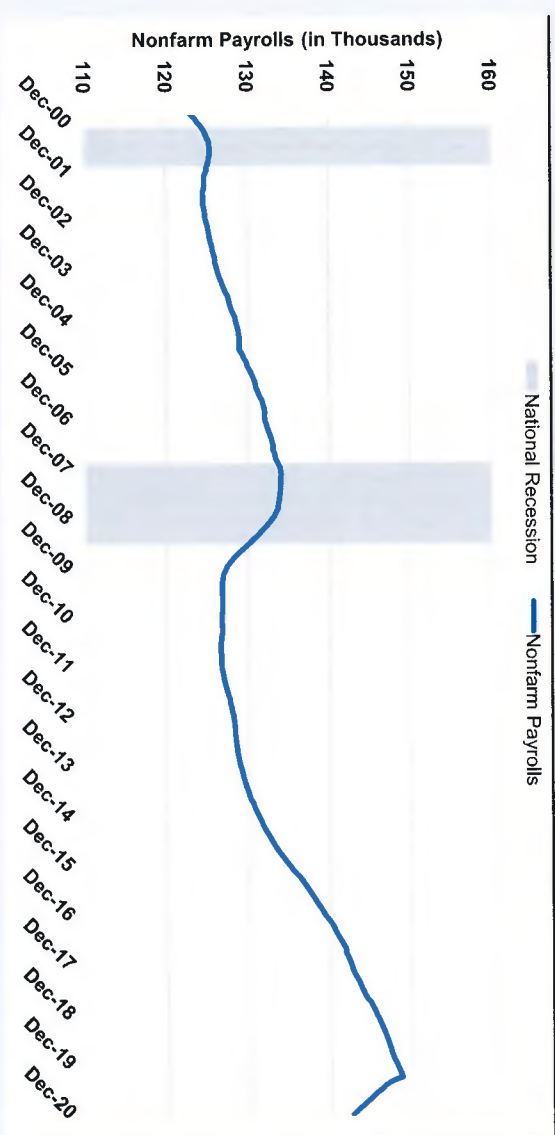
2009 through 2011

In the wake of the Great Recession (which lasted nationally from December 2007 through June 2009), nonfarm payrolls in the HMA declined by an average of 2,200 jobs, or 1.7 percent, annually from 2009 through 2011. The largest annual losses in the HMA were in the goods-producing sectors. The mining, logging, and construction sector decreased by an average of 600 jobs, or 11.9 percent, a year, and the manufacturing sector declined by an average of 400 jobs, or 7.7 percent, annually. Losses in the construction industry can be attributed to the sudden drop in homebuilding from 2009 through 2011. In 2011, the Coca-Cola Company laid off 87 employees in High Springs, and Georgia-Pacific eliminated 400 jobs.

2012 through 2015

The local economy began a modest recovery in 2012. Nonfarm payrolls rose an average of 2,100 jobs, or 1.6 percent, a year from 2012 through 2015. The education and health services and the professional and business services sectors led the growth, increasing by an average of 500 jobs, or 2.0 and 4.5 percent, respectively. UF Health expanded its pediatric cardiac intensive care unit and opened UF Health Congenital Heart Center in 2014. These developments, along with the construction of the \$46 million UF education building in 2015, contributed to gains in the mining, logging, and construction sector, which added an average of 200 jobs, or 4.8 percent, annually from 2012 through 2015.

Figure 4. 12-Month Average Nonfarm Payrolls in the Gainesville HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics, National Bureau of Economic Research

2016 through 2019

Nonfarm payroll growth in the Gainesville HMA accelerated from 2016 through 2019, increasing by an average of 3,300 jobs, or 2.3 percent, annually. During 2015, nonfarm payrolls exceeded the 2008 high. Although the rate of growth in the HMA during this period was stronger compared with previous periods, it was slower than the average growth of 2.4 percent for the nation and 3.5 percent for Florida. Again, the education and health services and the professional and business services sectors led the growth, increasing by respective averages of 800 and 600 jobs, or 3.2 and 4.4 percent, annually. Payrolls in the transportation and utilities sector increased by an average of 100 jobs, or 4.2 percent, annually from 2016 through 2019. Oplym, an automation transportation and logistics company, opened its headquarters in the Innovation District in 2017 and added 155 employees. Amazon.com, Inc. opened a distribution center in 2018 in northern Gainesville, which added 100 employees. The mining, logging, and construction sector had the largest average annual percentage increase from 2016 through 2019, up 6.7 percent, or by an average of 400 jobs. Some of these gains can be attributed to an increase in homebuilding as well as UF Health construction projects during this period.



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Comprehensive Housing Market Analysis Gainesville, Florida

U.S. Department of Housing and Urban Development, Office of Policy Development and Research

Economic Sectors of Significance

State Government Subsector

Payrolls in the state government subsector represent nearly two-thirds of the government sector, which is the largest sector in the HMA, comprising 30 percent of all payrolls. The state subsector decreased by 1,000 jobs, or 3.5 percent, during 2020. This is compared with a gain of 200 jobs, or 0.6 percent, during 2019. The state government subsector includes UF, with an annual statewide economic impact estimated at \$10.4 billion for the 2017–2018 fiscal year (UF Economic Impact Analysis, 2018). Employment at UF rose from 29,600 full- and part-time employees during the fall of 2015 to nearly 31,500 employees in the fall of 2019, an average annual increase of 480 employees, or 1.6 percent. During the same period, UF enrollment increased by an average of 1,000 students annually. Approximately 57,850 students were enrolled at UF in the fall of 2020, up from 56,550 a year earlier. The university has been gaining in popularity and was ranked sixth-best public university in the nation by *U.S. News and World Report* in 2020.

Education and Health Services

The education and health services sector is the second largest sector in the Gainesville HMA and currently accounts for 26,300 jobs, or 18 percent of total nonfarm payrolls. During 2020, payrolls in the sector decreased by 1,200 jobs, or 4.4 percent, compared with a gain of 1,100 jobs, or 4.0 percent, during 2019. The education and health services sector has added jobs nearly every year since

Employment Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.6 percent annually, with most sectors expected to add jobs. Job growth is expected to continue in the education and health services sector. North Florida Regional Medical Center, just east of Interstate 75 in Gainesville, expects to expand its workforce at the newly completed South Tower by more than

2001, increasing by an average of 400 jobs, or 1.8 percent, annually from 2001 through 2018. In December 2017, UF Health opened the UF Health and Vascular Hospital and UF Health Neuromedicine Hospital, which added 216 new rooms at the cost of \$415 million. A new North Florida Regional Medical Center freestanding emergency facility also opened in Gainesville in 2017—one of four emergency facilities added to the Gainesville HMA since 2015—adding 45 jobs.

Leisure and Hospitality

The leisure and hospitality sector increased by an average of 300 jobs, or 2.2 percent, from 2011 through 2019. During the past year, however, the leisure and hospitality sector declined by 2,600 jobs, or 16.1 percent, because travel slowed amid efforts to limit the spread of COVID-19. Tourists are attracted to the sporting events, museums and art galleries at UF, the wetlands, and the natural springs in the northern part of the HMA. In 2019, visitors to Alachua County spent an estimated \$841 million (Alachua County Visitor and Convention Bureau). Some of these visitors attended UF Gators football games. In 2019, the average Gators game filled more than 96 percent of the nearly 89,000 seats at Ben Hill Griffin Stadium, the largest football stadium in Florida. Visitors also come to the HMA to access the UF Health Shands Hospital, which was tied with the Mayo Clinic as the best ranked hospital in Florida by *U.S. News and World Report* in 2020. Hotel Eleo, a \$32 million, 173-room boutique hotel, opened in the summer of 2020 on the UF campus to accommodate patients and other university visitors. Six hotels were completed in the HMA from 2016 through the current date, adding approximately 770 rooms.

250 jobs during 2021. The mining, logging, and construction sector is expected to continue to grow partly because construction of a new \$85 million football complex at UF began in late 2020 and is expected to be completed in the winter of 2021.



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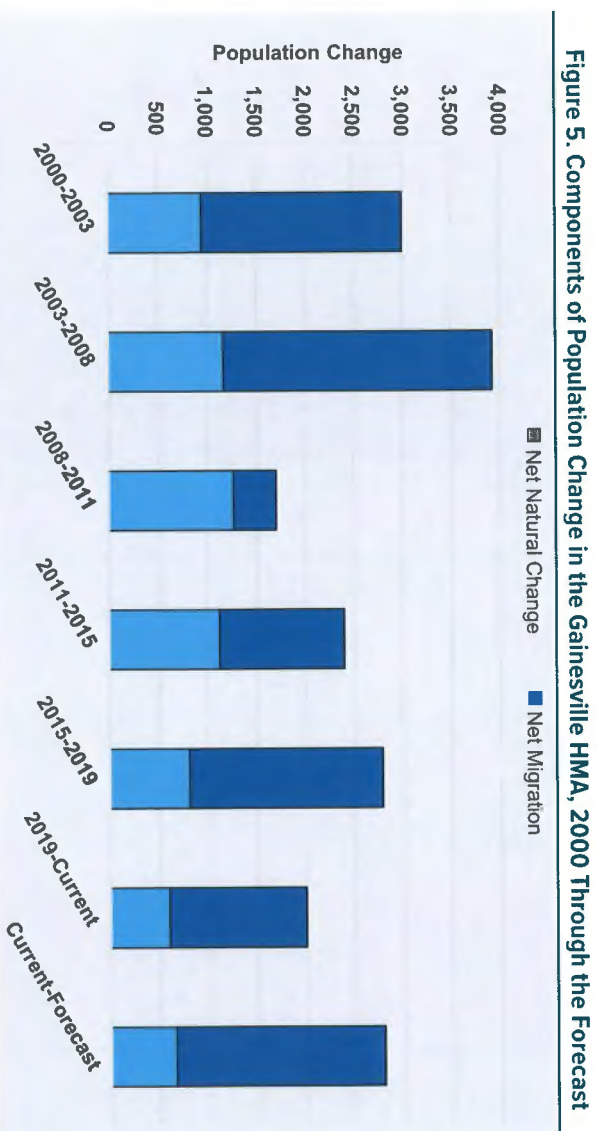
Population and Households

Current population: 290,600

Population growth since 2010 has been weaker than during the previous decade because net in-migration and net natural increase have slowed.

Population Trends

Population growth has generally followed economic trends in the HMA because net in-migration accompanied job gains. During the early-to-mid 2000s, when the economy expanded, the population growth rate rose from an average of 1.3 percent, or 2,975 people, annually from 2000 to 2003 to an average of 1.6 percent, or 3,925 people, annually from 2003 to 2008 (Census Bureau decennial census counts and population estimates as of July 1; Figure 5). Net in-migration increased from an average of 2,025 in the early 2000s to 2,750 a year from 2003 to 2008, and net natural change increased from an average of 950 to 1,175 a year. Population growth slowed during the economic downturn to an average of 1,725 people, or 0.7 percent, from 2008 to 2011, and net in-migration declined to 450 people a year, but net natural change increased to an average of 1,275 people. When the economy began expanding, net in-migration averaged 1,275 people a year,



Notes: Net natural change and net migration totals are average annual totals over the time period. The forecast period is from the current date (January 1, 2021) to January 1, 2024.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

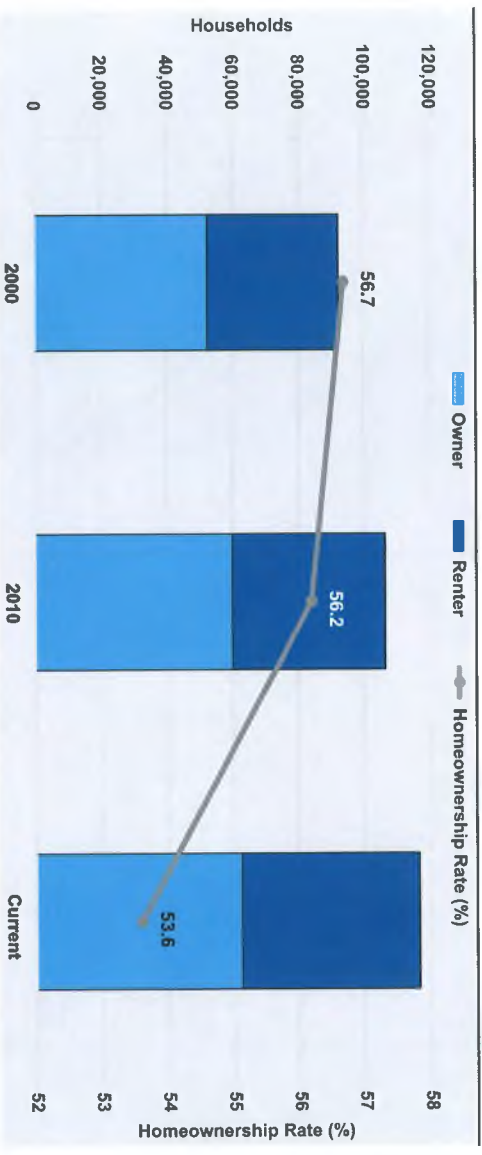
which offset a slowdown in net natural change to an average of 1,125 people, resulting in moderate population growth of 2,400 people, or 0.9 percent, annually from 2011 to 2015. As the expansion accelerated, from 2015 to 2019, net in-migration increased to an average of 2,000 people a year, and net natural change slowed further to an average of 800 people a year; population increased by an average of 2,800 people, or 1.0 percent, annually. Despite strengthening economic conditions, the rate of population growth since 2010 was slower than during the previous decade; this was due to a reduction in both net in-migration and net natural increase, which averaged 1,525 and 990 a year, respectively, from 2010 to 2019, compared with 2,225 and 1,125 a year, respectively, from 2000 to 2009. UF students represent nearly 20 percent of the population in the HMA as of January 1, 2021, slightly higher than the 19-percent student portion of the population in 2010. UF enrollment has grown an average of 1.4 percent annually since 2010 compared with 0.9 percent for the overall population.



Household Trends

As of January 1, 2021, the number of households is estimated at 116,700 (Figure 6). Similar to population growth, household growth has slowed since 2010, averaging 930, or 0.8 percent, annually, compared with an average annual increase of 1,400, or 1.4 percent, from 2000 to 2010. During the 2000s, the homeownership rate declined slightly from 56.7 percent in 2000 to 56.2 percent in 2010. From 2010 to the current date, the homeownership rate has declined to 53.6 percent. Only 27 percent of the growth in households has been attributed to owner households since 2010, compared with 53 percent of growth from 2000 to 2010. On the other hand, renter household formation has continued at a similar pace since 2010, averaging 1.4 percent, or 690 households, annually, compared with an average annual increase of 1.5 percent, or 660 households, during the 2000-to-2010 period. Some of the new renter households in the HMA were students. At UF, approximately 11,550 students live on campus (UF Housing). Most of the remaining 46,250 students live nearby in privately-owned apartments and homes, representing approximately 15,400 households, or approximately 13 percent of total households in the HMA and 28 percent of renter households. Since 2010, approximately 600 beds have been added to the UF dormitory inventory, whereas enrollment has increased by more than 7,000 students.

Figure 6. Households by Tenure and Homeownership Rate in the Gainesville HMA



Note: The current date is January 1, 2021.
 Sources: 2000 and 2010 – 2000 Census; current—estimates by the analyst.

Forecast

During the next 3 years, the Gainesville HMA population is expected to increase by an average of 2,800, or 1.0 percent, annually to 299,000, slightly higher than the population growth rate since 2010 (Table 3). Net in-migration of 2,125 people is expected annually, and net natural increase is estimated to slow slightly to 675 people a year. The HMA will continue to attract new residents due to added payrolls and increased student enrollment because of the high ranking of the university. The number of households in the HMA is expected to increase at a slightly slower rate of 1,125, or 0.9 percent, a year to 120,000 by the end of the forecast. Slower household growth is expected partly because students tend to form larger households. More than 40 percent of the new households in the HMA are expected to be renter households.



Table 3. Gainesville HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	264,275	290,600	299,000
	Average Annual Change	3.200	2.450	2.800
	Percentage Change	1.3	0.9	1.0
Household Quick Facts	Households	106,637	116,700	120,000
	Average Annual Change	1.400	930	1,125
	Percentage Change	1.4	0.8	0.9

Notes: Average annual changes and percentage changes are based on estimates from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (January 1, 2021) to January 1, 2026.
 Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst.



Home Sales Market

Market Conditions: Balanced

Total home sales are currently at approximately two-thirds of the 2006 pre-Great Recession peak.

Recent Conditions

The sales housing market in the Gainesville HMA is currently balanced, with an estimated vacancy rate of 1.5 percent (Table 4), down from 3.1 percent in April 2010 when conditions were soft. Approximately 5,325 new and existing homes sold during 2020. Approximately 17 percent of the homes sold ranged in price from \$150,000 to \$199,000 (Figure 7). The inventory of active home listings during December 2020 averaged 1.6 months of supply, down from 2.6 months of supply during December 2019 (Gainesville-Alachua County Association of Realtors[®]). The sales market has tightened considerably compared with the recent high of December 2012 when the average months of supply of homes was 7.8 months.

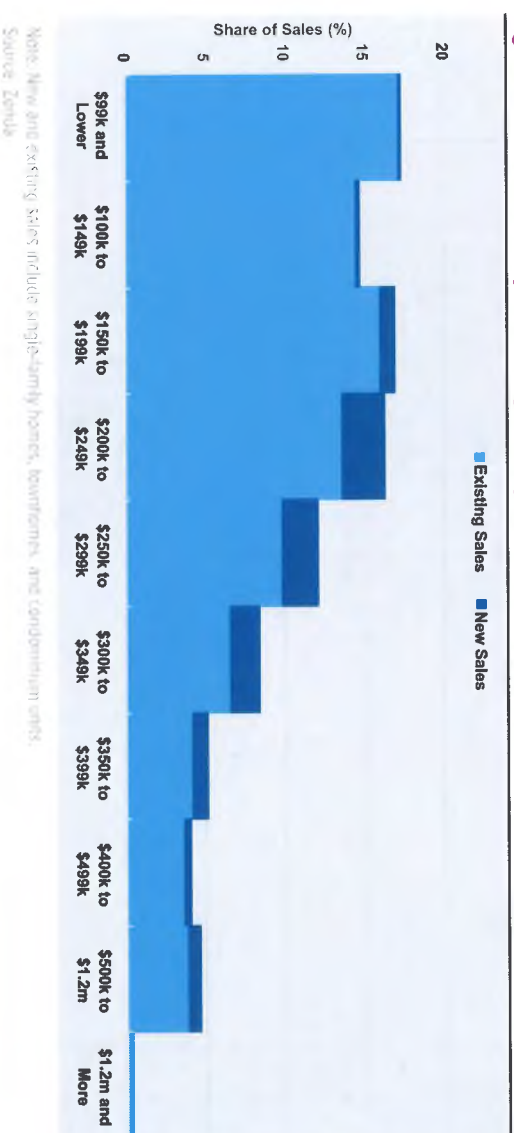
Existing Home Sales

Existing home sales have generally increased in the Gainesville HMA since a low of approximately 2,150 homes sold during 2009 (Zonda). Existing home sales declined an average of 26 percent annually from 2007 through 2009, when the economy was weak, and population growth and the demand for

	Gainesville HMA	Nation
Vacancy Rate	1.5%	NA
Months of Inventory	1.6	2.3
Total Home Sales	5,325	6,212,000
1-Year Change	-2%	-4%
New Home Sales Price	\$305,500	\$387,800
1-Year Change	0%	1%
Existing Home Sales Price	\$226,700	\$324,700
1-Year Change	8%	12%
Mortgage Delinquency Rate	3.7%	4.0%

NA – data not available
 Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2020; and months of inventory and mortgage delinquency data are as of December 2020. The current date is January 1, 2021.
 Sources: Vacancy rate estimate by analyst; CoreLogic, Inc.; Zonda, Gainesville-Alachua County Association of Realtors[®]

Figure 7. Share of Sales by Price Range During the 12 Months Ending December 2020 in the Gainesville HMA



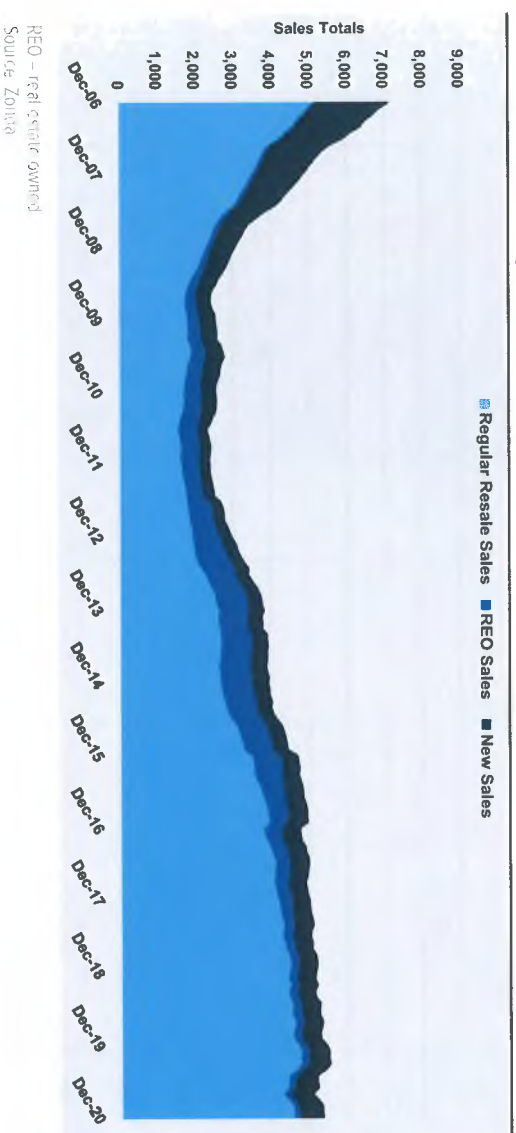
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homes slowed. From 2010 through 2013, existing home sales increased rapidly, averaging gains of 13 percent annually, to 3,475 homes during 2013, while net in-migration began to increase because the economy was improving. From 2014 through 2019, the economy improved, and existing home sales rose an average of 6 percent a year to 4,950 homes sold during 2019. During 2020, approximately 4,750 homes sold, down 4 percent from a year earlier due to the effects of COVID-19.

Real estate owned (REO) sales accounted for less than 2 percent of existing home sales in the Gainesville HMA in 2006 but increased to a high of 28 percent in 2012. While the economy strengthened, REO sales fell 17 percent a year from 2013 to 2020 and accounted for 4 percent of existing sales in December 2020. This downward trend is similar to the trend in REO sales for the nation, which accounted for a high of more than 27 percent of existing sales in January 2009 and decreased to slightly more than 3 percent of existing sales in December 2020.

New Home Sales

Trends in new home sales in the Gainesville HMA followed the overall trends in the economy, with sales growth accelerating with job growth. From 2007 through 2011, new home sales fell an average of 34 percent a year, decreasing from 1,900 homes in 2006 to a low of 240 homes in 2011 (Figure 8). As the economy began to recover after the Great Recession in 2012 and 2013, new home sales rose



an average of 20 percent annually to reach 340 homes sold in 2013. Sales of new homes continued to increase from 2014 through 2019, gaining 6 percent annually because the economy continued to expand. New home sales increased 21 percent in 2020 to 590 homes, partly because buyers were more comfortable touring vacant homes during the pandemic.

Home Sales Prices

During 2020, the average price of an existing home was \$226,700, up 8 percent from a year earlier. The price was 7 percent above the pre-recession peak of \$211,200 in August 2007. From 2008 through 2012, when the local economy slowed and contracted, the average existing home sales price declined 7 percent annually, to \$144,400 in 2012, before rebounding 10 percent during 2013 to \$158,300. From 2014 through 2019, prices for existing homes increased at a moderate pace, rising an average of 5 percent annually to \$210,400 in 2019. The average price for new homes exceeded the 2007 pre-recession high of \$236,400 in September 2014. Before the recession, the average price of a new home rose 12 percent during 2007 before falling an average of 7 percent annually from 2008 through 2010 (Figure 9). With a stronger economy, prices rose an average of 6 percent a year from 2011 through 2014. From 2015 through 2020, new home sales price growth moderated, increasing an average of 4 percent a year to \$305,500 in 2020.



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Seriously Delinquent Mortgages

The rate of home loans that were seriously delinquent or had transitioned into REO status in the HMA has increased recently due to pandemic-related job losses. During December 2020, the rate was 3.7 percent in the HMA, up from 1.5 percent a year earlier, but still well below the peak of 9.3 percent in mid-2012 (CoreLogic, Inc.). This increase is due to the approximately 960 mortgages in the HMA that were 90 or more days past due in December 2020, more than two and one-half times the number in December 2019. Despite the recent increase in mortgage delinquencies, the forbearance plans for federally backed mortgages in the Coronavirus Aid, Relief, and Economic Security (CARES) Act have allowed homeowners to avoid foreclosure. Foreclosures fell by nearly 40 percent since December 2019, and REOs have fallen by more than one-half. By comparison, the rate for the nation was 4.0 percent in December 2020, up from 1.4 percent in December 2019 and below the peak of 8.6 percent in early 2010.

Sales Permit Activity

The current level of home construction activity, as measured by the number of single-family homes, townhomes, and condominiums permitted, is below the level of the early-to-mid 2000s (Figure 10). Permitting averaged 1,325 homes a year from 2000 through 2005, before declining by 220 homes, or

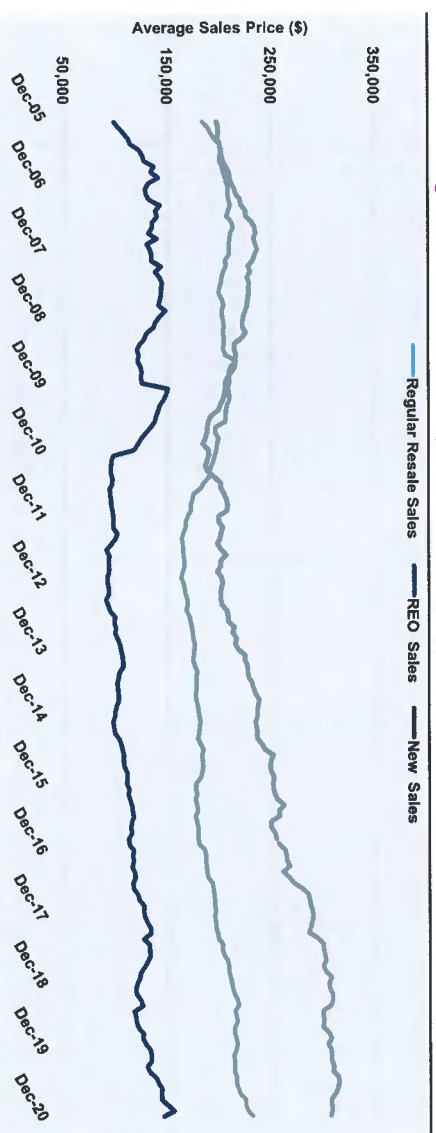
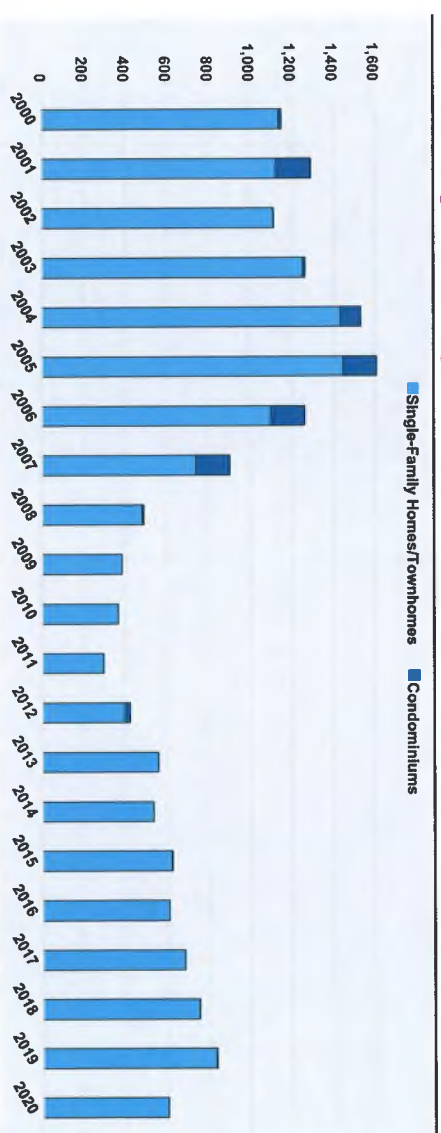


Figure 10. Average Annual Sales Permitting Activity in the Gainesville HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through December 2020. Sources: U.S. Census Bureau, Building Permits Survey, 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst.



25 percent, annually from 2006 through 2011 to a low of 300 homes in 2011, in response to weaker sales market conditions. Permitting increased during 2012 and 2013, averaging 490 homes a year. As the economic expansion strengthened from 2014 through 2019, permitting increased to an average of 670 homes annually. During 2020, approximately 600 homes were permitted, down 29 percent from the 840 homes permitted a year earlier (preliminary data with adjustments by the analyst). The construction of condominiums was more prevalent during the early-to-mid 2000s, averaging 90 units annually from 2000 through 2007. Since 2008, however, fewer than 30 condominium units have been permitted.

New Construction

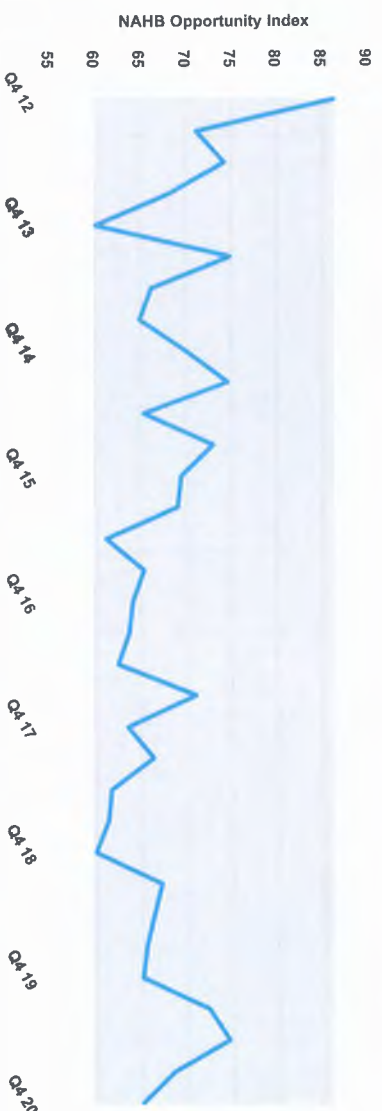
Since 2010, homebuilding activity has mostly occurred in Alachua County, in the cities of Gainesville and Newberry, a community 30 miles east of Gainesville. During the past decade, nearly 60 percent of the construction has been in unincorporated Alachua County. At Celebration Pointe, a planned community east of Interstate 75 near Gainesville, 46 townhomes, with prices starting in the low \$300,000s, have been sold at The Vue, a subdivision that will have 86 units upon completion in 2021. About 15 percent of the homes built in the past decade in the HMA were along Route 441 and Interstate 75 near High Springs in northern Alachua County, near employment centers. At Tara Village, 17 of the 20 available homes have been sold, which

range from 1,600 to 2,300 square feet and with prices starting at \$278,000. Approximately 10 percent of new homes built in the past decade were in the city of Newberry. All 80 homes have sold in Newberry Corners, now in the third and final phase of construction. These three- and four-bedroom homes range from 1,546 to 1,876 square feet, with prices ranging from \$211,900 to \$274,900.

Housing Affordability: Homeownership

Homeownership in the Gainesville HMA declined from 2010 to 2019, similar to the nation as a whole. During the previous decade, from 2000 to 2010, the homeownership rate in the HMA decreased by 0.4 percentage points, despite less stringent lending standards in the early-to-mid 2000s. Strengthening economic conditions did not reverse the trend, and the homeownership rate declined 1.9 percentage points from 2010 to 2019. Homeownership in the Gainesville HMA is becoming increasingly expensive, and the affordability of buying a home has trended downward since the early 2010s as home prices have increased at a much faster rate than income. The National Association of Home Builders' (NAHB/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 65.1 during the fourth quarter of 2020, and 131 of the 237 metropolitan areas measured had greater housing affordability than the Gainesville HMA (Figure 11). The HOI reached a high of

Figure 11. Gainesville HMA Housing Opportunity Index



NAHB – National Association of Home Builders. Q4 – 12, 13, 14, 15, 16, 17, 18, 19, 20
 Sources: NAHB, Wells Fargo



86.3 during the fourth quarter of 2012 when a relatively large number of distressed homes for sale kept downward pressure on home prices. The HOI trended downward until 2018 and then started to trend upward again. Home sales prices in the HMA increased an average of 5 percent annually from 2012 to 2020; however, the median income in the HMA increased only 2 percent annually during the same period. The downward trending index indicates a decline in affordability. The recent upward trend in the HOI since 2018 is partly because higher home prices have been offset slightly by lower mortgage rates.

Forecast

During the next 3 years, demand is expected for 2,475 new homes in the HMA (Table 5). The 840 homes currently under construction will satisfy a portion of the estimated demand during the first year of the forecast period. The sales demand is expected to be relatively stable during the 3-year period because population growth will continue to be modest and stable.

Table 5. Demand for New Sales Units in the Gainesville HMA During the Forecast Period

	Sales Units
Demand	2,475 Units
Under Construction	840 Units

Note: The forecast period is from January 1, 2021, to January 1, 2024.
Source: Estimates by the analyst.



Rental Market

Market Conditions: Balanced

The apartment market is slightly tight, with a vacancy rate of 3.2 percent.

Current Conditions and Recent Trends

Overall rental market conditions are currently balanced in the Gainesville HMA. The rental vacancy rate for all rental units (including apartments, single-family homes, townhomes, and mobile homes for rent) is estimated at 11.8 percent, down from 12.4 percent in April 2010 when the market was soft (Table 6). Rental market conditions had generally followed economic conditions, becoming soft during the economic downturn and tightening when the economy strengthened. The apartment market is typically tighter than the overall rental market because of the demand for apartments by UF students living off-campus. Students occupy approximately one-fourth of rental units in the HMA. Currently, there are fewer students on campus because of countermeasures to slow the spread of COVID-19. However, students are expected to return to pre-pandemic levels in the fall of 2021.

Apartment Market Conditions

The apartment market in the HMA is currently slightly tight. During the fourth quarter of 2020, the apartment vacancy rate was 3.2 percent, up from

Table 6. Rental Market Quick Facts in the Gainesville HMA

	2010 (%)	Current (%)
Rental Vacancy Rate	12.4	11.8
Occupied Rental Units by Structure		
Single-Family Attached & Detached	27.0	26.0
Multifamily (2–4 Units)	16.0	18.0
Multifamily (5+ Units)	52.0	46.0
Other (Including Mobile Homes)	6.0	11.0

Notes: The current date is January 1, 2021. Percentages may not add to 100 due to rounding. Sources: 2010 and 2019 American Community Survey; Year (data vacancy rate)—2010 Census; current—estimates by the analyst.

2.5 percent during the fourth quarter of 2019 and below the 5.2 percent rate for the nation (Moody's Analytics REIS; Figure 12). The average apartment rent rose \$13, or 1 percent, from a year earlier, to \$1,013 during the fourth quarter of 2020. By comparison, the average rent decreased 1 percent, to \$1,383, nationally.

Student households account for 28 percent of renter households in the HMA. Some students rent apartments similar to dormitories in which common rooms are shared and bedrooms are private. Others rent traditional apartments, often sharing with roommates. The vacancy rate for student apartments, defined as those apartments that are within 1 mile of the university that have more than 50 percent student renters, was 0.6 percent during the fall of academic year 2020–2021, down from 2.2 percent during the fall of academic year 2019–2020. The average student apartment rent rose \$37, or 3 percent, from a year earlier, to \$1,188 during the fall of academic year 2020–2021. By comparison, student apartments that are rented by the bed are not as full. The average per bed student vacancy rate was 5.7 percent, up from 1.7 percent during the fall of academic year 2019–2020. Part of the increase in per-bed vacancy can be attributed to fewer students on campus because some have chosen to attend online courses during the pandemic. However, some vacancies can be attributed to more units being added in the past year. The average student bed rent rose \$24, or 4 percent, from a year earlier, to \$698 during the fall of academic year 2020–2021.

From 2006 through 2008, the overall apartment market in the HMA was balanced, and the supply of new apartment units kept up with demand resulting from the economic expansion; during this period, the vacancy rate averaged 5.7 percent, and the average rent increased 2 percent a year. The market softened in 2009 and 2010 during the economic downturn in the HMA; the vacancy rate rose to 8.2 percent, and rents fell 2 percent annually. Market conditions trended toward balanced, with an average vacancy rate falling from 6.8 percent



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in 2011 to 4.1 percent in 2013 but tightened as economic and population growth accelerated and multifamily building remained low. Economic conditions were relatively strong from 2014 through 2018. Student enrollment increased sharply, by an average of 1,375, or 2.6 percent a year, compared with 2011 through 2013, when student enrollment increased by 160 students, or 0.3 percent a year. Market conditions transitioned from balanced to tight because multifamily construction remained low. The vacancy rate decreased from 2.8 percent in 2014 to 1.9 percent in 2018, and the average rent increased 3 percent annually. The market is expected to remain slightly tight until units currently under construction are completed in 2021 and 2022.

Rental Permit Activity

The number of rental units permitted has trended higher since 2015 and is currently above the average level of the early-to-mid 2000s but below the 2007 peak (Figure 13). The number of rental units permitted averaged 840 units from 2000 through 2006 in response to economic and population growth. After reaching a peak of 1,625 in 2007, permitting decreased significantly to an average of only 280 units permitted annually during the economic downturn from 2008 through 2010. Permitting averaged 220 units a year from 2011 through 2014 because builders were slow to respond to the steady expansion of the local economy. The number of units permitted annually

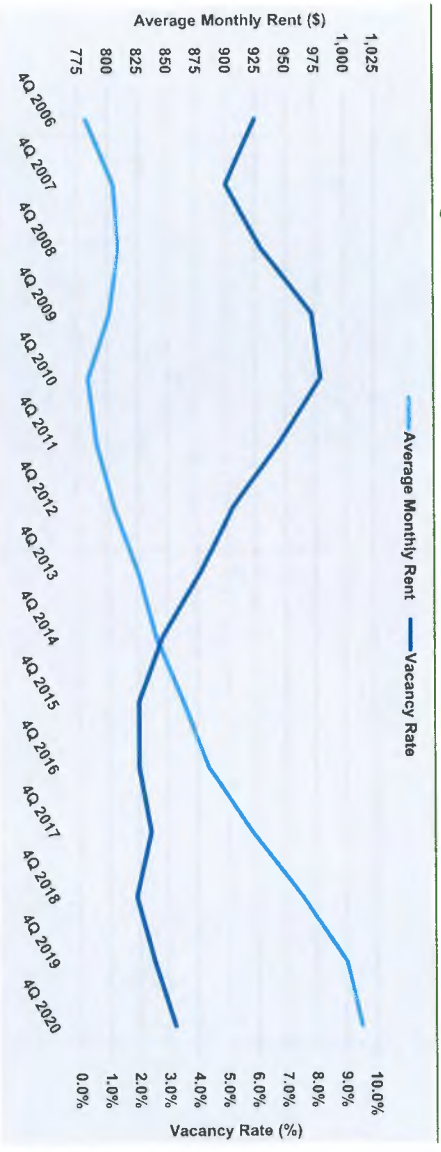


Figure 12. Apartment Rents and Vacancy Rates in the Gainesville HMA

4Q = fourth quarter
Source: Moody's Analytics REIS

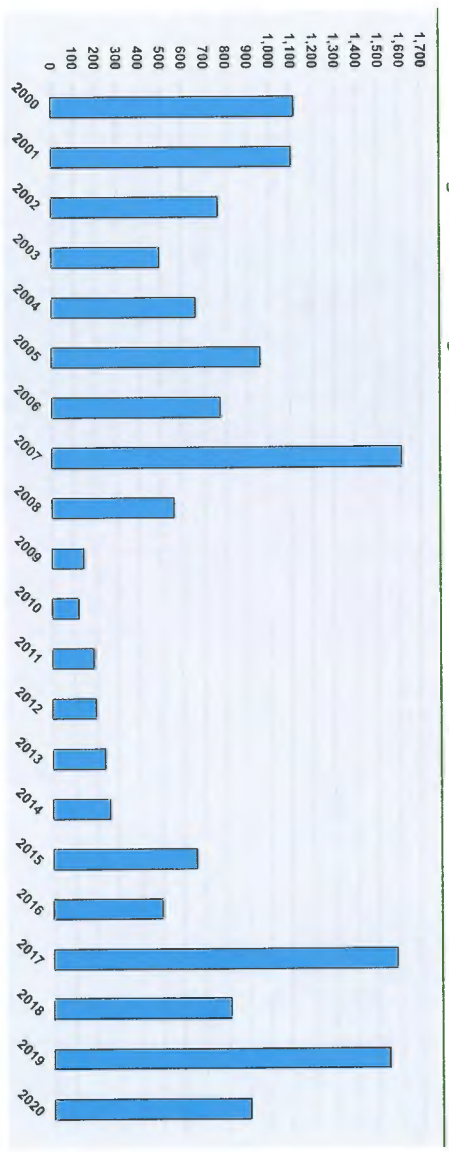


Figure 13. Average Annual Rental Permitting Activity in the Gainesville HMA

Notes: Includes apartments and units intended for general occupancy. Data for 2020 are through December 2020.
Sources: U.S. Census Bureau, Building Permits Survey, 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst.



averaged 1,025 units from 2015 through 2019. During 2020, 900 rental units were permitted, down more than 40 percent from the 1,550 units permitted a year earlier (preliminary data with adjustments by the analyst). Some of this decline can be attributed to builder caution because of the pandemic and an increase in lumber prices.

Rental Construction Activity

Rental construction has been mostly concentrated in the city of Gainesville and unincorporated Alachua County since 2015. Integra Twenty Four, currently leasing in west Gainesville, is a 232-unit community with one-to-three-bedroom units with rents ranging from \$1,349 to \$2,275. This development is between UF and Interstate 75. Slightly more than 5 percent of the rental units completed in the HMA in the past 5 years were designed for renters age 55 and older. On the eastern edge of the city of Gainesville, Harper's Pointe is a 66-unit, income-restricted senior community expected to begin leasing in early 2021. These one- and two-bedroom units have rents ranging from \$680 to \$875.

More than 80 percent of the rental units underway are designed for UF students. Many apartments for students consist of two-to-four-bedroom units, with shared common areas and leases for individual bedrooms. The Hub on Campus, built in 2020 across the street from UF, has 208 units, with 413 beds, and offers furnished bedrooms for rent ranging from \$750 to \$1,280 per person. Currently, apartment units under construction near UF include

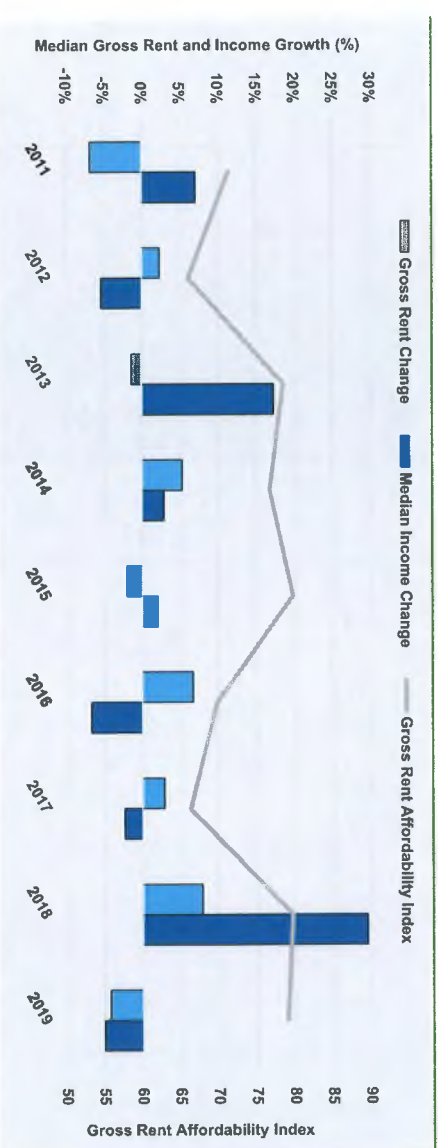
Liv+, a 235-unit apartment community, and Campus Circle, with 156 units. Both communities are within 1 mile of UF and are expected to be complete by fall of 2021. These developments will rent individual bedrooms in shared furnished apartments.

Housing Affordability: Renter

Rental affordability in the Gainesville HMA has improved since 2017 because moderate rent growth was accompanied by a sharp increase in the median income. From 2017 to 2019, the median household income for renter households in the HMA outpaced median gross monthly rent growth. As a result, the HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, has remained higher. Figure 14 compares the year-to-year change in the median gross rent (including single-family homes, apartments, and mobile homes for rent) with the respective change in the median gross income. After the post-recession low point of 66.1 in 2012, rent affordability fluctuated at higher levels before reaching a new low of 66.3 in 2017. In 2018, strong income growth was accompanied by an increase in the affordability index to 79.9. In 2019 the index fell slightly to 79.0.

During the 2013-through-2017 period, an estimated 20.6 percent of all renter households in the HMA were cost

Figure 14. Gainesville HMA Gross Rent Affordability Index



MSA - Metropolitan Statistical Area
 Notes: Rental affordability is for the larger Gainesville MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website. It is based on combined rent and utilities expenditure.
 Source: American Community Survey, 1-year data



burdened—spending between 30 and 49 percent of their income on rent—while 29.7 percent were severely cost burdened—spending more than 50 percent of income toward rent (Table 7). Nationwide, a larger proportion of renter households were cost burdened; however, fewer were severely cost burdened, at 21.8 and 22.9 percent, respectively. Cost burdens are particularly notable, however, for lower income renter households in the HMA. For renter households with incomes less than 50 percent of the Area Median Family Income (AMFI), a slightly lower proportion, 19.0 percent, were paying between 30 and 49 percent of their incomes toward rent, but more than one-half of households at these income levels, or 55.4 percent, were severely cost burdened. The share was higher nationally for cost-burdened households, at 25.6 percent, but lower for severely cost-burdened households, at 50.1 percent.

Forecast

During the next 3 years, demand is expected for 1,775 new rental units in the Gainesville HMA (Table 8). Most of the demand is expected to be met by the 1,625 units currently under construction. The demand is expected to be relatively stable during each year of the forecast period because renter growth is expected to increase at a stable rate, in line with student enrollment and job growth.

Table 7. Percentage of Cost Burdened Renter Households in the Gainesville HMA by Income, 2013–2017

	Cost Burdened		Severely Cost Burdened	
	Gainesville HMA	Nation	Gainesville HMA	Nation
Renter Households with Income <50% HAMFI	19.0	25.6	55.4	50.1
Total Renter Households	20.6	21.8	29.7	22.9

HAMFI – HUD area median family income.
 Note: “Cost-burdened” households spend between 30–49 percent of their income on rent, and “severely cost-burdened” households spend over 50 percent of their income on rent.
 Sources: Consolidated Planning/CHAS Data: 2013–2017 American Community Survey, 5-year estimates (huduser.gov)

Table 8. Demand for New Rental Units in the Gainesville HMA During the Forecast Period

	Rental Units
Demand	1,775 Units
Under Construction	1,625 Units

Note: The forecast period is January 1, 2021, to January 1, 2024.
 Source: ESOR files for the analyst.



Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes regular resale and real estate owned sales.
Forecast Period	1/1/2021–1/1/2024—Estimates by the analyst.



Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Other Vacant Units	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.



C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.
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