

# ORDINANCE 2018-39

AN ORDINANCE OF THE CITY OF OCALA, FLORIDA, CONCERNING HOUSING; AMENDING SECTION 106-102 PROVIDING FOR DEFINITIONS BY REVISING THE DEFINITIONS OF AFFORDABLE HOUSING AND INTERNAL REVIEW BOARD; AMENDING SECTION 106-105 BY REVISING HOUSING INCENTIVE FUND PAYMENTS AND WAIVER REQUIREMENTS TO INCLUDE: ADDING ELIGIBLE DEVELOPMENT THRESHOLDS, INCREASING ELIGIBLE DEVELOPMENT FEES AND MAXIMUM DISTRIBUTION AMOUNTS, DELETING THE SEPARATE HOUSING INCENTIVE FUND DISTRIBUTION MAXIMUM FOR RENTAL UNITS AND EXTENDING THE TIME PERIOD THAT AFFORDABLE UNITS SUBSIDIZED THROUGH THE HOUSING INCENTIVE FUND SHALL REMAIN AFFORDABLE; ADDING SECTION 106-106 PROVIDING FOR AFFORDABLE HOUSING DENSITY INCENTIVE; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OCALA, FLORIDA, in regular session, as follows:

**Section 1.** That section 106-102 of the Code of Ordinances, City of Ocala, Florida is hereby amended to read as follows:

## **Sec. 106-102. - Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Affidavit* means a written declaration made under oath attesting to the applicant's eligibility as a low-income household.

*Affordable housing* means quality housing which is financially accessible to an eligible low-income household at a cost (mortgage principal, interest, taxes and insurance; rent and utilities) no greater than 30 percent per month of the total household income of a low-income household. Rental units must be at or below Fair Market Rents for low-income households as established by the United States Department of Housing and Urban Development (HUD). Affordable housing units, whether detached or attached single- or multiple-family units, shall meet minimum housing quality standards for Section 8 housing, as established by HUD.

*Certification* means a written and signed statement confirming that the claim for an affordable housing project is true and accurate, and that the development conforms to applicable

federal and state regulations.

*Housing incentive fund* refers to funds as may be available for affordable housing purposes as funded through the city's annual budget process, with state or federal funds, and through developer contributions. In no event will a developer's contribution affect their ability to draw from the housing incentive fund at any time.

*Internal review board* means the building, zoning and licensing director, the city's HUD program administrator, and the planning director or their designee shall comprise an internal review board.

*Low-income household* means a household with a total household income at or below 80 percent of the median household income for the Ocala MSA, adjusted for household size, as set annually by HUD.

*Total household income* consists of all sources of wage income, such as base pay, overtime, bonuses and other sources of non-wage income, including disability pensions, public assistance, alimony and child support payments. Household income includes income from all members of the household over the age of 18.

**Section 2.** That section 106-105 of the Code of Ordinances, City of Ocala, Florida is hereby amended to read as follows:

**Sec. 106-105. - Housing incentive fund payments and waivers of certain requirements for multiple-unit or multiple single-unit development; limitation.**

Procedures for housing incentive fund payments and waivers of certain PUD and RZL requirements for multiple-unit or multiple single-unit development, including new rental units, are as provided in this section.

- (1) *Application.* At a pre-hearing conference, the developer will inform the city building, zoning and licensing department of the intent to apply for payment of fees from the housing incentive fund and/or development modifications as provided in this section. The developer must submit a conceptual site plan and data including a layout of the project showing buildings, parking and internal streets, the frontage of the project along city streets, and information on the units including square footage and number of bedrooms. Housing incentive fund credits will be pro-rated based on the percentage of affordable units. Development projects including at least four units must consist of a minimum of twenty percent affordable units to qualify for housing incentive fund payments. Housing incentive fund payments may be attributed to a maximum of forty percent of the units of a development project. Developers certify that the proposed affordable housing units will be

affordable as defined in section 106-102, and meet minimum housing standards for participation in this program. A written agreement must be submitted to the building official by the developer or his agent which states that the set-aside and affordable unit requirements will be met, representing a contract between the city and the applicant.

- (2) *Fees eligible for payment from the housing incentive fund.* Permitting fees must be paid in their entirety by the developer for the percentage of dwelling units not set aside for eligible low-income households. Eligible fees include:
  - a. Building.
  - b. Plumbing.
  - c. Electrical.
  - d. Mechanical.
  - e. Gas.
  - f. Fire review fee.
  - g. Site plan review fee.  
Site permit fee.
  - i. Fees to access city-owned drainage retention areas.
  - j. Water and sewer impact fees.
  - k. Water meter charges.
  - l. Sidewalks.
  - m. Fire impact fee.
  - n. Education impact fee.
  - o. Transportation impact fee.
- (3) *Housing incentive fund distributions.* Housing incentive fund distributions shall not exceed \$10,000 per affordable housing unit.
- (4) *City commitment of payment.* City council may commit payment from the housing incentive fund after application has been made per paragraph (1). City council may waive fees listed in (2)g. through (2)i. of this section if there are insufficient housing incentive funds.
- (5) *Process for payment through housing incentive fund escrow deposit or lien; certification of occupancy by low-income household.* Before payment through the housing incentive fund for eligible units, the developer must agree to pay those fees if the unit is not occupied by an eligible low-income household. The developer must allow a lien to be placed on each unit, which stipulates that reimbursable liens will be paid back to the city if a low-income household does not occupy the unit.
  - a. Prior to issuance of a certificate of occupancy for any affordable housing unit within

any development under this program, the proposed occupant of the unit must submit documentation and complete and sign a letter of certification, as provided through the building department, attesting to qualifications as an eligible low-income household. The city will place a lien on the properties at the time of transfer to the homeowner to ensure that the units remain occupied by an eligible low-income household for at least ten years. The value of the lien will be reduced by 10 percent of the total original lien value each year that the unit is occupied by a low-income household until the lien is released at the end of the tenth year. If the unit is sold, leased, transferred or rented to an ineligible household during that period, the city may require repayment of the remaining lien amount for all fees paid out of the affordable housing incentive fund or waived under subsection (2) of this section. For custom units built for a specific client where possession of the lot is transferred to the client before building permits are pulled, a letter of certification and title opinion will not be required when the city has placed the lien on the property prior to the application for building permits. After determination of income eligibility and the recording of the lien ensuring occupancy by an eligible low-income household, the monies paid into the escrow account or the lien placed ensuring payment of fees will be released.

- b. Requirements in this section regarding liens and certifications may be waived by the city upon documentation that the affordable units are restricted to occupancy by low-income households through bond covenants or other such restrictions that allow for an independent audit and certification of such residency.

(6) *Permitted modifications for planned unit developments and zero lot line developments.* Modifications for affordable housing developments may include but shall not be limited to the following:

- a. Master landscape plan.
- b. Lot size (RZL only).
- c. Building height.
- d. Pedestrian access.
- e. Parking.
- f. Open space requirements.
- g. Street network. Street design shall at a minimum be such that it minimizes through traffic and responds to the needs of the street system, including infrastructure proposed and the topographic conditions of the site at the time of plat approval.
  - 1. Entry parkways which provide attractive entranceways designed to be included in the conceptual plans must meet minimum standards for street construction regarding paved cross section width, median width and turn lane width, as established by the city or the state department of transportation in the developer's agreement, as approved by the planning and zoning commission and

city council.

2. Neighborhood local streets and loop collectors, which carry traffic through neighborhoods and distribute traffic throughout the development shall meet minimum width requirements as determined by the city and the planning and zoning commission.

Modifications per subsections (6)a. through (6)g. of this section must be reviewed by the planning and zoning commission and approved by the city council during the normal PUD or RZL review process.

- (7) *Developer's agreement.* Details pertaining to conveyance or dedication of right-of-way, park facilities or public facilities, to include easements or water, sewer or storm lines installed in the right-of-way, shall be as identified in the developer's agreement and approved by the site plan review committee for each portion of the subject property or the project in its entirety. The property's designation as PUD or RZL, and any modifications as approved through the planning and zoning commission and city council, shall be identified in the developer's agreement.

**Section 3.** That section 106-106 of the Code of Ordinances, City of Ocala, Florida is hereby added to read as follows:

**Sec. 106-106. - Affordable housing density incentive.**

Maximum densities in the High Intensity / Central Core, Medium Intensity / Special District, Low Intensity, and Neighborhood future land use classifications may be increased by up to 25 percent as an incentive for development projects that qualify for affordable housing incentive fund payments, per the requirements of section 106-105 above. This incentive only applies for development that requires an approved site plan, and does not apply in zoning districts that measure density by floor area ratio (FAR). A site plan proposing development that requires the density bonus allowed by this section must state on the approved plans that the set-aside and affordable unit requirements will be met. Any violation of the set-aside and affordable unit requirements will be deemed a violation of the approved site plan and of the city's land development regulations.

**Section 4.** Severability Clause: Should any provision or section of this ordinance be held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the validity of this ordinance as a whole, or any part thereof, other than the part so declared to be unconstitutional or invalid.

**Section 5.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 6.** This ordinance shall take effect upon approval by the Mayor, or becoming law without such approval.

**ATTEST:**

**CITY OF OCALA**

By: \_\_\_\_\_  
Angel B. Jacobs  
City Clerk

By: \_\_\_\_\_  
Matthew J. Wardell  
President, Ocala City Council

Approved/Denied by me as Mayor of the City of Ocala, Florida, on \_\_\_\_\_, 2018.

By: \_\_\_\_\_  
Reuben Kent Guinn  
Mayor

Approved as to form and legality:

By: \_\_\_\_\_  
Patrick G. Gilligan  
City Attorney

Ordinance No: 2018-39  
Introduced: 8/7/2018  
Adopted: 8/21/2018  
Legal Ad No: A000938562 - 8/10/18