



**Section 14.1 Affordable Housing Developments (AHDs)**

**14.1.1 Purpose** – This Section outlines the development process, requirements, and incentives available to residential developments designated as Affordable Housing Developments (AHDs). It is intended to implement Ordinance No. 94-08, as amended, entitled, "Affordable Housing Incentive Plan," adopted by the City Commission on January 18, 1994.

Assisting and providing affordable housing increases home ownership opportunities by reducing the total cost of housing in the marketplace:

- A. Ensures the availability of sufficient and affordable rental housing by providing incentives to stimulate production;
- B. Permits households to freely choose among the different housing options and tenures which are available in an unrestricted market; and
- C. Encourages a balanced and mixed economic community.

**14.1.2 Definitions**

**Section 11.1 Purpose and Authority**

**A. Affordable housing** - Quality-designed housing which is available to a household earning one hundred-twenty (120) percent or less of the area median income (adjusted for family size), which can be rented or purchased in the market without spending more than thirty (30) percent of household income.

**B. Land use restriction agreement** – An agreement binding the parties to limit the use of property to a particular use for the term of the agreement.

**C. Set-Aside** – The total number of units in a subdivision or multifamily development that are made available for households earning one hundred-twenty (120) percent or less of area median income, adjusted for household size.

**D. Qualifying unit** – Set-aside unit occupied by an income eligible household.

**E. Affordable housing development (AHD)** - A residential development which incorporates market rate units with set-aside units. A single-family infill lot is also considered an AHD if it complies with the AHD criteria of this CDC (see Section 14.1.3).

**14.1.3 Minimum Criteria for AHD Designation** – Single-family and multifamily residential developments and single-family infill lots are eligible

for designation as an AHD, provided the following minimum criteria are met:

**A. Applicant/builder requirement** – The applicant must be the site developer and/or builder of the development, unless adequate provisions are in place to ensure the cost savings gained from an AHD subdivision accrue to the future lower income buyer.

**B. Quality design and unit distribution** – The applicant must commit to quality design and achieve comparable unit distribution for qualified units.

**C. Set-aside requirement** – At least ten (10) percent and no more than thirty (30) percent of the units permitted by the residential land use designation must be Set-Aside. Housing developments financed with Low Income Housing Tax Credits (LIHTC) will be considered eligible for an AHD designation, provided the income mix is consistent with the then current LIHTC program requirements. Proposed LIHTC developments located within difficult development areas, as defined by the U.S. Department of Housing and Urban Development, that are also located within the Largo Mall Area Activity Center or the Tri-City Mall/Largo Town Center Area Activity Center are permitted to set-aside up to 100 percent (100%) of the units for affordable housing.



**D. Within the Community Redevelopment Districts** – Housing developments in the City's CRD's financed with LIHTC may designate up to seventy (70) percent of the units as affordable and thirty (30) percent of the units as market rate provided the development is consistent with the respective Community Redevelopment District Plan. Within the Clearwater-Largo Community Redevelopment District (CLR-CRD) the City Commission may allow a project to exceed the maximum Set-Aside if it finds that the project meets all of the following criteria:

- (1) Consistent with the requirements of the Clearwater Largo Road Community Redevelopment Plan and furthers the intent of the Plan.
- (2) Consistent with the Housing Element of the City of Largo Comprehensive Plan.
- (3) The development is physically connected to the street and sidewalk network of the surrounding community.
- (4) The development is compatible with, and integrated into, the scale and character of the surrounding community.
- (5) *The project includes amenities and architectural design equivalent to market-rate housing in the surrounding area.*

(6) A Development Agreement must be entered into pursuant to the requirements of this CDC, prior to issuance of building permits.

**E. Sale or transfer of infill lots** – Infill lots must be sold or transferred to eligible persons whose incomes do not exceed one hundred-twenty (120) percent of median income for the area as established by the Department of Housing and Urban Development. Prior to the sale of the lot, the prospective buyer must be certified by the City's Community Development Department to meet the income eligibility criteria.

**F. Maximum Set-Aside sale price** – The maximum sale price of the Set-Aside units or infill lot shall not exceed ninety (90) percent of the median purchase price for the area provided annually by the Florida Housing Finance Corporation for the SHIP program and established by the United States Department of Treasury.

**14.1.4 Types of Incentives Available for AHDs**

**A. Fee payment** – Impact fees and development permit fees will be paid on behalf of the developer/builder utilizing State Housing Incentive Partnership (SHIP) program funds for qualified Set-Aside lots or units, provided program funds are available. Fees paid on behalf of the developer/builder are subject to a five-year recapture

period and to all other applicable requirements of the SHIP program. See Section 14.1.6.

**B. Density bonus** – Density increases to reduce overall land costs are available to the site developer based upon the percentage of qualified Set-Aside units provided. See Table 14-2. In order to be utilize an affordable housing density bonus, the developer must enter into an affordable housing density bonus agreement requiring the developer, its successors and assigns to maintain a certain ratio of AHD units, providing for fees for failure to maintain said ratio, providing for security for the payment of said fees, providing that the agreement shall be recorded and construed as a covenant running with the land binding all successor owners of the site, and providing for a 30 year term. The affordable housing density bonus agreement shall be subject to the review and approval of the City Manager and City Attorney.

**C. Alternative development standards** – Alternative development standards may be applied to the AHD project to reduce construction and site preparation costs.

**14.1.5 Development Review Process**



**A. Review process** – See Section 3.2.2, Full Scale or Section 3.3.2, City Commission Review, if a Development Agreement is required.

**B. Applicant’s responsibilities** – Failure to comply with conditions listed on the staff report or obtain permits required from outside agencies such as Pinellas County, Florida Department of Transportation, and Southwest Florida Water Management District may result in delays and possible denial of a DO.

**14.1.6 Impact and Development Fees** – Impact and development fees may be paid on behalf of the builder/developer as follows:

**A. DO/permit fees** - Qualifying Set-Aside units and AHD infill lots requiring a Development Permit only shall not be required to pay fees for review and approval of development plans.

**B. Impact fees** - The following impact fees may be paid on behalf of the builder/developer for Set-Aside units, provided SHIP housing is available: Transportation, Sewer, Water, Parkland and Recreation Facility, and Radon.

**14.1.7 Density Bonus** – Density bonuses shall be permitted in all land use designations that allow residential uses. The bonus shall not exceed the

maximum density of the next highest land use designation. For land uses allowing fifteen (15) or more units per acre, the bonus shall not result in a density increase above eighteen (18) units per acre. The use of the density bonus shall not require a land use plan amendment.

**Table 14-1: Affordability Rating**

Household Income	Type of Unit		
	Bedroom 1	Bedroom 2	Bedroom 3
80%	A	B	C
50%	B	C	D

**Table 14-2: Maximum Density Bonus Per Acre**

Rating	Percentage of Units Set-Aside			
	10%	20%	30%	40%
A	1	2	3	4
B	2	3	4	5
C	3	4	5	6
D	4	5	6	7

**A. Density bonus calculation** – Tables 14-1 and 14-2 depict the maximum number of additional units allowed, based upon the initial percentage of affordable units proposed and the bedroom mix provided.

**B. Other CDC requirements** – The use of density bonuses shall not violate the compatibility, concurrency, design, or performance standards of this CDC.

**C. Within the CRDs** – Developments in the City's Community Redevelopment Districts are eligible for a density bonus not to exceed twenty (20) percent of the current allowable density, provided the development is consistent with the respective Community Redevelopment District Plan.

*For example, if the maximum density is fifteen (15) units per acre, then an AHD could increase the density to eighteen (18) units per acre (15 x 0.2 = 3; 15 + 3 = 18).*

**14.1.8 Alternative Development Standards** – The intent of furnishing a menu of alternative development standards is to provide flexibility in design for the developer/builder, while ensuring design parity and quality. The use of standards singularly, or in combination, which would negatively affect the visual quality of the residential development violates the purpose of the AHD subsection, and therefore, shall not be permitted. Upon acceptance of a residential development as an AHD designation, the development may be permitted



to use the following alternative development standards:

**A.** Hammerheads and Y-shaped turn-a-rounds may be used in lieu of cul-de-sacs.

**B.** Right-of-way for local streets may be reduced from fifty (50) feet to thirty-six (36) feet and sidewalks may be located on easements rather than the right-of-way.

**C.** Sidewalks may be permitted on only one side of the street.

**D.** Private streets are permitted.

**E.** Sidewalks may adjoin the curb for one stop placement of both.

***14.1.9 Other CDC Provisions Which Support AHDs -***

The following features of the CDC support the reduction of costs for all residential developments and should be used in combination with this Section's standards to promote affordable housing:

**A.** All standards in the CDC are performance-based, and therefore, flexibility is provided in choosing the most effective approach to balancing environmental quality against affordable residential construction.

**B.** Transfer of development rights is permitted from conservation areas to upland areas.

**C.** Zero lot line developments are allowed in all land use designations.

**D.** Density exchange for open space and other community amenities in order to enhance environmental quality is permissible.

**E.** There are no minimum floor area requirements for residential uses within residential land use designations.

**F.** Infill lots within existing single-family subdivisions may be developed even if less than the 5,000 square feet minimum lot size.

**G.** Clustering of dwelling units is permitted on lots less than 5,000 square feet, provided the total site does not violate the gross density permitted.

**H.** There are no minimum lot widths contained in the CDC.

**J.** Pre-application conferences are provided to applicants with the opportunity to explore the housing proposal's feasibility without incurring expensive engineering/architectural work (see Section 3.3.4.D.)

**K.** Printed manuals on compatibility, design review, concurrency, the development process, and a schedule of impact fees are available upon request.

**L.** Neighborhood meetings are provided to come to consensus regarding any objections identified by adjacent residents.

**M.** Development reviews are approved administratively rather than by citizen advisory boards.

**N.** Provisions exist for administrative waiver of dimensional criteria.

***14.1.10 Land Use Restriction Agreements*** – Properties receiving an AHD designation shall be subject to covenants and restrictions running with the land for a period of five years. Anyone who purchases a lot with an AHD designation must comply with the provisions of the associated land use restriction agreement. The agreement shall be recorded in the official records in Pinellas County, shall be binding on all successors in interest for a period of five (5) years for owner-occupied units and fifteen (15) years for renter-occupied units, and shall be in a form acceptable to the City Attorney. At a minimum, the land use restriction agreement shall include the following provisions:

**A. All units**

(1) A statement that the impact fees and development fees shall be subject to recapture by the City for a



period of five (5) years should the property no longer meet the terms of the Land Use Agreement.

- (2) The total amount of fees subject to recapture.
- (3) A commitment to quality, equity, and unit distribution throughout the AHD subdivision.
- (4) A statement that all transactions will comply with the Fair Housing requirements established in the City Code of Ordinances.

**B. Fee simple units**

(1) A statement that the maximum sale price of the unit shall be based on the most current maximums for new homes not exceeding ninety (90) percent of the median purchase price for the area as established by the United States Department of Treasure, or a lower amount as determined by City Commission.

(2) A statement that prior to the sale of the unit, at any time during the recapture period, all prospective buyers must be certified by the City’s Community Development Department to have met the income eligibility requirements.

(3) A statement that the unit must be sold or transferred to eligible persons whose income does not exceed one hundred-twenty (120) percent of median

**Example:**

**1) The project:** An applicant has a 10-acre site with a land use designation of Residential Medium (15 u/a). The applicant proposes that 40% of the units will be affordable to households with incomes under 50% of median income and will have 3 bedrooms.

**2) Determine Affordability Rating:** An affordability rating of D would be applied to this proposal giving the development a density increase of 7 units per acre.

**3) Determine Maximum Pre-Bonus Density:** The maximum number of units allowed on this 10 acre parcel would be (15 u/a x 10 acres = 150 units). However, in accordance with the intensity equivalency requirements of this CDC (See Chapter 9), 3-bedroom units have the minimum required lot area of 3,960 s.f. Therefore, a maximum of 11 units per acre would be allowed for this project before the density bonus is granted.

$$10 \text{ acres} \times 43560 \text{ s.f./acre} = 435,600 \text{ s.f.}$$

$$435,600 \text{ s.f.} / 3,960 \text{ s.f. minimum lot area} = 110 \text{ units}$$

$$110 \text{ units} / 10 \text{ acres} = 11 \text{ units per acre}$$

**4) Add the Density Bonus:** A total of 180 units are allowed including a density bonus of 70 units. (10 acres, 7 density bonus units per acre = 70 additional units + 110 original units = 180 total units.) Although the density becomes 18 units per acre (180 units/10 acres = 18 u/a), the land use designation remains Residential Medium.

income for the area as established by the Department of Housing and Urban Development.

**C. Rental units**

- (1) The number of Set-Aside rental units
- (2) The rent limits for all Set-Aside units
- (3) The income limits proposed
- (4) The affordability period

**14.1.11 Special Needs Housing** – Special needs housing, e.g., handicap housing, shall receive the incentives for income-eligible individuals, provided appropriate documentation is furnished as proof that the development is sponsored by a private nonprofit organization and the Department of Housing and Urban Development has provided a Binding Letter of Commitment.

**14.1.12 AHD Program Management** – Participation in the AHD program is voluntary, and therefore, it is the



obligation of the applicant and their heirs and assigns to willingly accept the responsibilities and enforce the provisions which are inherent with an AHD designation.

**A. AHD responsibilities** - The various parties which have responsibilities as a result of an AHD designation include: the property owner, developer, builder, manager, homeowner, and tenant.

(1) Property owners and managers - An AHD designation for a multifamily rental development must ensure the income occupancy requirements are met, document tenant eligibility, establish affordable unit rents, use acceptable lease agreements, and provide a monitoring report to the Community Development Department each year the development retains its AHD designation.

(2) Tenants – Qualified tenants, as part of the lease, must agree to provide the information necessary to document income eligibility. In return for this responsibility, the tenant receives a standard unit at affordable rents.

(3) Developers/builders - Developers/ builders who request AHD designation receive financial benefits in the development process through reduced holding costs, land costs, and site preparation/construction costs. In return, the developer/builder is responsible

for signing a land use restriction agreement which specifies the lower income occupancy requirements for the owner-occupied unit or rental unit and the applicable affordability provisions for these units. The provisions remain in effect for five (5) and fifteen (15) years for owner- and renter-occupied units, respectively.

(4) Homeowners – The homeowner is responsible for maintaining the unit as his principal residence for five years. The unit may only be sold in full compliance with the terms of the land use restriction agreement.

**B. Income eligibility** – The AHD applicant and/or manager shall be required to document that the prospective homeowner or tenant purchasing or renting a qualifying unit is income eligible. Documenting prospective homeowner and tenant eligibility involves determining household annual income, verification, and obtaining an income certification.

The Community Development Department maintains specific procedures regarding what to count and not to count as income when calculating a prospective owner's or tenant's annual income.

If this income figure falls within the applicable AHD Program income limits, the prospective owner or tenant is eligible. All household income information

provided by the prospective owner or tenant must be verified for accuracy. The AHD applicant, property owner, or manager must obtain a written statement from the prospective owner or tenant that the income information provided is accurate and complete. Homes and rental units that have been documented as income eligible may be designated as Qualifying Units.

**C. Affordable purchase prices and rents** – The purchase price to prospective homeowners, or the rents charged to tenants in Qualifying Units, are controlled. To ensure the affordability of these units, the Land Use Restriction Agreement establishes a set of maximum prices or rents that can be sold or charged for Qualifying Units. The purchase prices and rent limits are based upon area median income and are subject to change annually, usually between March and June of each year. Income limits and rent limits may be obtained from the Community Development Department. AHD applicants are required to abide by the Fair Housing requirements as contained in the Largo Code of Ordinances.