

**CITY OF PENSACOLA**  
**2024 AFFORDABLE HOUSING INCENTIVE PLAN REVIEW REPORT**  
**ESCAMBIA/PENSACOLA AFFORDABLE HOUSING ADVISORY COMMITTEE**

**1. BACKGROUND**

The Sadowski Affordable Housing Act as approved by the Florida Legislature and codified as Chapter 420 of the Florida Statutes requires the development of an Affordable Housing Incentive Plan by all local governments electing to participate in the housing production and preservation initiatives authorized by the Act. Pensacola City Council, jointly with Escambia County Board of County Commissioners, appointed the members to serve on the Escambia-Pensacola Affordable Housing Advisory Committee (AHAC). The Escambia-Pensacola AHAC reviewed the implementation of the Affordable Housing Incentive Plan and determined the incentives are being implemented in accordance with the plan.

**2. PURPOSE**

The purpose of the Incentive Plan is to set out the deliberations and recommendations for monetary and non-monetary incentives targeting regulatory reform with respect to affordable housing including the evaluation of the established policies, procedures, ordinances, land development regulations and the comprehensive plan. All recommendations should encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The Plan encompasses the specific recommendations of the AHAC all of which were voted upon and approved at a Public Hearing on November 12, 2024. This Plan details existing City Housing related policies/procedures to be undertaken by the City in support of affordable housing.

**3. AFFORDABLE HOUSING INCENTIVES**

**INCENTIVE A:** THE PROCESSING OF APPROVALS OF DEVELOPMENT ORDERS OR PERMITS, AS DEFINED IN S. 163.3164(7) AND (8), FOR AFFORDABLE HOUSING PROJECTS IS EXPEDITED TO A GREATER DEGREE THAN OTHER PROJECTS.

Discussion:

The City Inspection Services Department utilizes an online application process allowing for both convenience and safety. The City Housing Department, in cooperation with the Development Services Department, offers affordable housing developers an opportunity to apply for expedited permitting. The application is available on the City of Pensacola Housing, Development Services, One-Stop Development, and Planning Department webpages. Affordable housing documentation is required to fast track the permitting application.

Recommendation:

The incentive is being implemented in accordance with the plan. The AHAC will review the incentive on an annual basis.

**INCENTIVE B:** THE MODIFICATION OF IMPACT FEE REQUIREMENTS, INCLUDING REDUCTION OR WAIVER OF FEES AND ALTERNATIVE METHODS OF FEE PAYMENT FOR AFFORDABLE HOUSING.

Discussion:

The City does not have impact-fee requirements. To support the creation and preserve sustainable affordable housing, the Comprehensive plan supports offering incentives for infill development, one of which is the liens waiver policy for affordable housing.

Recommendation:

This incentive is being implemented in accordance with the plan. The AHAC will review the incentive on an annual basis. Review and update the City's lien waiver policy for affordable housing.

**INCENTIVE C: THE ALLOWANCE OF FLEXIBILITY IN DENSITIES FOR AFFORDABLE HOUSING.**

Discussion:

The City of Pensacola Comprehensive Plan and Land Development code allow flexibility in development density for residential developments. This is generally coordinated through predevelopment review meetings with developers through the Special Planned Development (SPD) process. Section 12-3-109 of the Land Development code specifically permits a residential bonus of not more than 25% or a density transfer of up to 50% of a donor site for new affordable housing construction projects.

Recommendation:

Review the residential density bonus offering in conjunction with the City's LDC Assessment to encourage wider spread use for development of affordable housing. The current residential density bonus as written is underutilized for affordable housing development. The AHAC encourages incorporation of target income levels for this incentive as well as specific affordability periods and a clearly defined minimum percentage of units. Since this incentive must currently be approved by the Planning Board, the provision of more specific goals and guidelines will aid developers by outlining what the City wants to see and what may be approved. Additionally, revision of this section of the LDC with specific guidelines that could be approved by staff without going to the Planning Board could expedite affordable housing development.

**INCENTIVE D: THE RESERVATION OF INFRASTRUCTURE CAPACITY FOR HOUSING FOR VERY-LOW INCOME PERSONS, LOW-INCOME PERSONS, AND MODERATE-INCOME PERSONS.**

Discussion:

Infrastructure capacity is not an issue for development of affordable housing within the urban area of the City as water, sewer, electricity, and roadways are more than adequate for concurrency. Additionally, all areas within the City's Community Redevelopment Areas are exempt from traffic concurrency.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review on an annual basis.

**INCENTIVE E: THE ALLOWANCE OF AFFORDABLE ACCESSORY RESIDENTIAL UNITS IN RESIDENTIAL ZONING DISTRICTS.**

Discussion:

Accessory dwellings are allowed in the City of Pensacola Comprehensive Plan and Land Development Code.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

**INCENTIVE F: THE REDUCTION OF PARKING AND SETBACK REQUIREMENTS FOR AFFORDABLE HOUSING.**

Discussion:

The City may grant flexibility in setbacks through its Special Planned Development (SPD) process. Parking variances of up to 10% may be granted administratively by Development Services staff for developments that demonstrate unique circumstances.

Recommendation:

Continue the allowance of parking variances of up to 10% for developments that demonstrate unique circumstances, particularly for affordable housing developments. The AHAC discussed allowing for parking variances for ADUs in cases where the unit is within ¼ mile of public transit route and where the primary unit meets current parking requirements. The AHAC also supports the reduction of parking requirements for elderly rental developments.

**INCENTIVE G: THE ALLOWANCE OF FLEXIBLE LOT CONFIGURATIONS, INCLUDING ZERO-LOT-LINE CONFIGURATIONS FOR AFFORDABLE HOUSING.**

Discussion:

The City Land Development Code allows for administrative waivers for flexible lot configuration and provides for the use of zero-lot-line configurations in development of residential housing.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

**INCENTIVE H: THE MODIFICATION OF STREET REQUIREMENTS FOR AFFORDABLE HOUSING.**

Discussion:

The SPD process provides a means for a developer to present modifications for street design. Pensacola City Council adopted by Resolution No. 29-12 in support of the complete street design concept.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

**INCENTIVE I: THE ESTABLISHMENT OF A PROCESS BY WHICH A LOCAL GOVERNMENT CONSIDERS, BEFORE ADOPTION, POLICIES, PROCEDURES, ORDINANCES, REGULATIONS, OR PLAN PROVISIONS THAT INCREASE THE COST OF HOUSING.**

Discussion:

The review process is in place within the City. Review information and comments are provided by planning staff with input, as needed, by housing and community development staff for consideration by the policy makers.

Recommendation:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

**INCENTIVE J: THE PREPARATION OF A PRINTED INVENTORY OF LOCALLY OWNED PUBLIC LANDS SUITABLE FOR AFFORDABLE HOUSING DEVELOPMENT.**

Discussion:

In accordance with F.S. 166.0451(1), as amended by the Live Local Act, on September 14, 2023 City Council adopted an updated inventory list by October 1, 2023 through Resolution 2023-059. Review and update policies related to the disposition of properties for affordable housing to provide a clear process for disposition of properties.

Recommendation:

This incentive is being implemented in accordance with the plan, with City update of the inventory in 2023. The AHAC encourages an update of the current property disposition policy for affordable housing, and to specifically include considerations for disposition to community land trusts or other shared equity models that promote long term affordability. The AHAC will review the incentive on an annual basis.

**INCENTIVE K: THE SUPPORT OF DEVELOPMENT NEAR TRANSPORTATION HUBS AND MAJOR EMPLOYMENT CENTERS AND MIXED-USE DEVELOPMENTS.**

Discussion:

Development regulations support and encourage the location of affordable housing, including a priority for mixed use/mixed income, housing near transit stops/interchanges and employment/educational centers.

Recommendations:

This incentive is being implemented in accordance with the plan and no changes were recommended. The AHAC will review the incentive on an annual basis.

**INCENTIVE L: OTHER AFFORDABLE HOUSING STRATEGIES IDENTIFIED BY THE AFFORDABLE HOUSING ADVISORY COMMITTEE.**

Recommendations:

1. Provide a definition of “affordable housing” in the Land Development code, so affordable housing incentives provided by the City clearly identify targeted households.
2. Update grant policies under SHIP and HOME to permit use of grant funds in collaboration with Community Land Trusts to create permanent community housing affordability.