

2.11 Affordable Housing – Density Bonus Provisions

The EAR will evaluate whether its density bonus provisions have been effective in promoting the construction of affordable housing and workforce housing.

Related Objectives & Policies

Policy 1.4: Affordable housing will be distributed equitably throughout the County using strategies that include, but are not limited to, density bonus agreements and impact fee waivers or deferrals. In addition, affordable housing will be located where adequate infrastructure and services are available.

Policy 2.1: Increase the supply of housing for all segments of the community including very low, low and moderate income residents and those with special needs including farm worker housing, through the use of existing programs such as low income housing tax credits, density bonuses and impact fee waivers or deferrals.

Policy 2.9: Review the County’s Density Bonus Ordinance every two years to reflect changing community needs and market conditions. Encourage the blending of affordable housing density bonus units into market rate developments and review the feasibility of approving density bonus at an administrative level.

Policy 2.10: Through the adoption of local incentives, such as density bonus agreements and impact fee waiver/deferrals, public and private sponsors will be encouraged to provide adequate housing for rural residents and farm worker families.

Policy 2.12: The County will adopt and implement policies that address site locations for farm worker housing, including strategies such as density bonus agreements, impact fee waivers or deferrals, and adequate infrastructure and services.

Comments:

The Density Bonus program has been successful in producing affordable multi-family rental units. Approximately 500 units per year have been built utilizing this incentive. The program has experienced a recent decline in the past year for at least two reasons. First, the Florida Housing Finance Corporation has classified Collier County as a “Category A” county when competing for low-income housing tax credits. This makes it extremely difficult for prospective affordable housing developers to compete for statewide credits; second, political pressures have influenced private developers away from producing low-income rental units in favor instead of owner-occupied units. However, the existing Density Bonus Program is geared toward producing housing at 60% of median level (in line with the State Housing Tax Credit Program). The cost of land, infrastructure, construction and impact fees in Collier County make it very difficult, if not impossible, for the private sector to produce owner-occupied units serving this income group. When the density bonus formula is used to produce units at the 80% income level, the resulting bonus is still not enough to make producing owner-occupied units attractive to the private sector.

The County recommends modifying the affordable density bonus provisions as set forth previously in EAR Sections 1.5.F and 1.5.H. The objective achievement analysis in these sections demonstrate with certainty the need to modify the affordable housing density bonus.