

ORDINANCE 2024-6

AN ORDINANCE OF THE CITY OF OCALA, FLORIDA, AMENDING CHAPTER 106 ARTICLE IV (AFFORDABLE HOUSING), CODE OF ORDINANCES; AMENDING SECTION 106-102 BY REVISING THE DEFINITION OF AFFORDABILITY THRESHOLD; AMENDING SECTION 106-105 BY REVISING THE ELIGIBLE NUMBER OF AFFORDABLE HOUSING UNITS QUALIFYING FOR THE HOUSING INCENTIVE FUND, APPLICATION PROCESS, MAXIMUM AMOUNT OF ELIGIBLE HOUSING INCENTIVE FUNDS PER UNIT, LIEN TIMEFRAMES AND AVAILABILITY OF LOANS; PROVIDING DIRECTION TO STAFF; REPEALING INCONSISTENT AND/OR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY OF ORDINANCE PROVISIONS; PROVIDING FOR MODIFICATIONS ARISING FROM CONSIDERATION AT A PUBLIC HEARING; PROVIDING DIRECTION TO THE CODIFIER; 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, Code of Ordinances, City of Ocala, Florida is hereby amended by revising the following definition which shall be codified such that all definitions in such section are in alphabetical order:

Sec. 106-102. Definitions.

Affordability threshold means the maximum amount (including mortgage principal, interest, taxes, insurance, rent, and utilities) that a dwelling unit can be sold or rented for to be considered affordable housing. This threshold must be no greater than 30 percent of the income of a moderate-income household earning 120 percent of the median household income for the Ocala MSA. Rental units must be at or below Fair Market Rents for moderate-income households as established by the United States Department of Housing and Urban Development (HUD).

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.

(a) *Eligibility.* Eligible work shall include:

- (1) Rehabilitation to address HUD or building code violations in units that will be provided as affordable housing.
- (2) Construction of new single-family affordable housing units.
- (3) Construction of new duplex affordable housing units on one individual lot.

(4) Construction of multiple new duplex affordable housing units as part of a larger development requiring site plan review. The housing incentive fund payments may be attributed up to a maximum of 30 units or forty percent of the approved new units, whichever is greater.

(5) Construction of new multifamily affordable housing units under the following conditions:

a. Site plans including at least four proposed new units must consist of a minimum of twenty percent affordable units to qualify for housing incentive fund payments.

b. Housing incentive fund payments may be attributed to a maximum of 60 units or forty percent of new units, whichever is greater.

(b) *Fees eligible for payment from the housing incentive fund.*

(1) All fees must be paid in their entirety by the developer for the percentage of dwelling units not set aside as affordable housing units. Eligible fees may include:

- (a) Building permits.
- (b) Plumbing permits.
- (c) Electrical permits.
- (d) Mechanical permits.
- (e) Gas permits.
- (f) Fire review fee.
- (g) Site plan review fee.
- (h) 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.
- (p) Sanitation impact fee.

(c) *Application.* At a mandatory pre-application conference prior to applying for building permits or a site plan, the applicant will inform the city building, zoning and licensing department of the intent to apply for payment of fees from the housing incentive fund. Once the applicant subsequently submits their building permit or site plan application, the applicant must also submit the following to apply for a housing incentive fund distribution:

(1) *For rehabilitation of existing units:*

- (a) Written description of work.
- (b) At least two quotes from eligible contractors detailing costs.

(c) Evidence that the proposed work is addressing HUD or building code violations and that completion of the proposed work will result in full code compliance.

(d) A written statement that the developer agrees to pay back housing incentive fund distributions for any units intended to be affordable housing units that do not meet the definition of affordable housing units any time in the 10 years after issuance of a certificate of occupancy.

(e) Any other information reasonably deemed necessary by the internal review board.

(2) *For construction of new units:*

(a) Written description of the project.

(b) Floor plans.

(c) Architectural elevations.

(d) The number of proposed owner-occupied and renter-occupied units along with those units' associated prices, number of bedrooms, and area in square feet.

(e) Amenities and unit finishes available for residents of the affordable housing units.

(f) A written statement that the developer agrees to pay back housing incentive fund distributions for any units intended to be affordable housing units that do not meet the definition of affordable housing units any time in the 10 years after issuance of a certificate of occupancy.

(g) Any other information reasonably deemed necessary by the internal review board.

(d) *Application review.* After an application is submitted, the internal review board shall complete their review within 15 business days allowed for staff review in a building permit or site plan review process. The internal review board sends a decision in writing to the applicant regarding whether the internal review board will recommend distributing housing incentive funds, and the amount, and may reasonably condition a housing incentive fund distribution. The applicant may request additional conferences with the internal review board to reach an agreement, if necessary. The applicant shall submit a statement in writing that they agree or disagree with the internal review board's recommendation no more than 30 days after the internal review board issues their recommendation, otherwise, the application shall be deemed withdrawn, and the recommendation along with the

applicant's letter shall be included as an agenda item at the first available public meeting of the city council.

(e) *Housing incentive fund distributions.* Housing incentive fund distributions shall not exceed \$20,000 per affordable housing unit across all eligible fees and stages of development and will be distributed after an application for funds is reviewed and approved by the internal review board.

- (1) Projects located within an eligible Community Redevelopment Area (CRA) shall have the ability to utilize the CRA to pay eligible fees listed in 106-105 (b) in-lieu of the housing incentive fund.
- (2) Housing incentive funds may be utilized to assist in down payment or rental assistance for applicable projects. Down payment assistance may be allowed up to the maximum as referenced in chp.106-105(e) for individual units. Rental assistance may be allowed to cover the cost of the security deposit, first, and last month's rent.
- (3) The decision to distribute housing incentive funds shall be based on:
 - (a) estimated need for the housing product being proposed;
 - (b) quality of the development layout;
 - (c) architecture;
 - (d) unit finishes;
 - (e) amenity package;
 - (f) historic status of existing units being rehabilitated;
 - (g) other factors reasonably deemed relevant by the internal review board.

(f) *Process for payment through housing incentive fund escrow deposit or lien.* The applicant must allow a lien to be placed on the property, which stipulates that reimbursable liens will be paid back to the city if units intended to be affordable housing units do not meet the definition of affordable housing units;

- (1) Housing rehabilitation, new single-family and duplex units will be required to remain affordable for a period of 10 years from the issuance of the certificate of occupancy. The value of the lien will be reduced by 10 percent of the total original lien value each year until the lien is released.
- (2) New multi-family residential units will be required to remain affordable for a 20 year period from the issuance of the certificate of occupancy. The value of the lien will be reduced 5 percent per year until the lien is released.
- (3) If the unit is sold or rented at a rate beyond the amount specified in (g) below, the city shall require repayment of the remaining lien amount for all fees paid out of the housing incentive fund.

(g) *Changes to the affordability threshold.* In the case of increases in the affordability threshold, since the time housing incentive fund money was distributed for an affordable housing unit, those units may be sold or rented in accordance with the new affordability threshold. In the case of a decrease in the affordability threshold, the originally determined affordability threshold recorded in the lien shall govern.

(h) *Affordable housing agreements and grant matches.* The City may include commitments to dedicate housing incentive funds in formally executed agreements with a developer or as a local match for grant funding. These commitments may supersede conflicting requirements in subsections 106-105(a)—(e), except that the

maximum distribution per affordable housing unit shall be \$20,000, the minimum amount of affordable housing provided in the development covered by the affordable housing agreement shall be 20%, and housing incentive fund payments may be attributed to a maximum of sixty (60) units or forty percent of affordable housing units, whichever is greater in the development covered by the affordable housing agreement.

(i) *Affordable housing loans.* When funding is available, the City may establish a loan program to help finance the creation or preservation of affordable housing units. Loans will be issued at zero percent (0%) interest. The repayment period of the loan shall not exceed five (5) years.

Section 3. Direction to Staff.

The City Council of the City of Ocala, Florida directs staff to take any and all steps necessary to effectuate the adoption and implementation of this ordinance; and all other matters as provided for above and herein as well as to ensure the orderly and effective administration and implementation of the intent of this ordinance and the specific matters outlined herein.

Section 4. Repealing Inconsistent and/or Conflicting Provisions.

The City Council of the City of Ocala, Florida hereby specifically repeals, to the extent of any such conflict, any and all ordinances, resolutions, policies, procedures, and/or other articles which are conflicting and/or inconsistent with this ordinance and the intent and direction provided by the City Council herein.

Section 5. Severability of Ordinance Provisions.

If any section, phrase, sentence or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, it is the intent of the City Council of the City of Ocala, Florida that (1) such portion shall be deemed a separate, distinct and independent provision; (2) such holding shall not affect the validity of the remaining portions hereof; and (3) this ordinance be adopted as though any such provision was not included herein.

Section 6. Modifications Arising from Consideration at a Public Hearing.

It is the intention of the City Council of the City of Ocala, Florida that (1) the provisions of this ordinance may be modified as a result of its consideration by the City Council of matters that may arise during the public hearing(s) at which this ordinance is considered; and (2) any such modifications shall be incorporated into the final version of this ordinance.

Section 7. Direction to the Codifier.

It is the intention of the City Council of the City of Ocala, Florida that (1) this ordinance shall become and be made a part of the *Code of Ordinances, City of Ocala, Florida*, (2) the sections and paragraphs of this ordinance may be renumbered or relettered in order to accomplish said intention; (3) terms or headings not affecting the intent of this ordinance may be changed to further accomplish said intention; and (4) any scrivener's error(s) contained herein which do not affect the intent of this ordinance be corrected with the authorization of the City Manager or their designee and without the need for additional public hearings or consideration by the City Council.


Section 8. Effective Date of Ordinance.


This ordinance shall become effective immediately upon approval by the Mayor or becoming law without such approval.

PASSED AND ADOPTED, in a regular session with a quorum present and voting, by the City Council of the City of Ocala, Florida this 16 day of January 2024.


ATTEST:

CITY OF OCALA

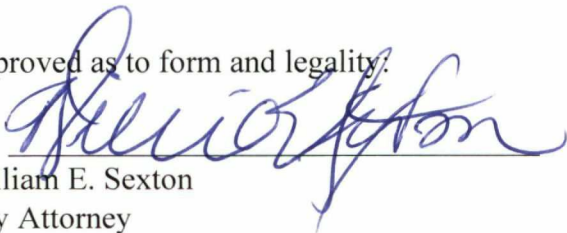
By: 
Angel B. Jacobs
City Clerk

By: 
Barry Mansfield
President, Ocala City Council

Approved/Denied by me as Mayor of the City of Ocala, Florida, on 1/17/24, 2024.

By: 
Ben Marciano
Mayor

Approved as to form and legality:

By: 
William E. Sexton
City Attorney

Ordinance No: 2024-6
Introduced: 1/2/2024
Adopted: 1/16/2024
Legal Ad No: Ocala Gazette – January 5, 2024