**PBC Housing Steering Committee**

**Thursday, September 9, 2021**

**9:00 a.m. - 10:30 a.m.**

**Planning and Regulatory Barriers**

**Attendees:** Morris “Skip” Miller (Chair), Mary Lou Bedford, Jim Bell, Maria Bello, Julia Botel, David Brandt, Charlotte Burnett, Aimee Carlson, Shereena Coleman, Caitlin Copeland, Julia Dattolo, Tiffany David, Jonathan Evans, Scott Hansel, Sherry Howard, Michael Howe, Isaac Hoyos, Annetta Jenkins, Elliott Johnson, Ezra Krieg, Gonzalo La Cava, Cindee LaCourse-Blum, Sergio Mariaca, Teresa McClurg, Andrew Meyer, Sheri Montgomery, Terri Murray, Lisa Nisenson, Joan Oliva, Charles Orozco, Shelly Petrolia, Charles Ridley, Mercedes Rodas, Myrna Rosoff, Michael Rumpf, Patrick Rutter, Caroline Shamsi-Basha, Carlton Smith, Katy Smith, Jennifer Thomason, Lori Vinikoor, Whitney Walker, William Waters, Jack Weir, Anna Yeskey. **Guest Speakers/Moderator:** Ana Maria Aponte, Patricia Behn, Bryan Davis, Ralph Stone, Michael Weiner

**Staff:** Leslie Mandell, Eralda Agolli

**Welcome****& Purpose – Development of a Countywide Housing Plan**

Palm Beach County Steering Committee Chair Skip Miller explained that this committee’s task is to develop a housing plan for Palm Beach County to alleviate the shortage of affordable and workforce housing that was identified in the Housing Needs Assessment by Florida International University commissioned by the Housing Leadership Council. This committee has been scheduling informative meetings for four focus groups: Finance, Neighborhood Revitalization, Planning & Regulatory Barriers, and Racial Equity.

**Topic Experts on Planning and Regulatory Barriers**

All bios are located at <https://www.hlcpbc.org/initiatives/housing-plan-meetings-and-resources/>

Michael S. Weiner, Esquire Sachs Sax Caplan, P.L. (Moderator)

Topic: Development and the Perception of Affordable Housing Across South Florida: How to gain support from residents in favor of developing property as multi-family as opposed to other potential permitted uses

* Volumes and sizes of buildings do not relate to intensity. Ex: a 7/11 store generates more traffic (5-6 hourly) than an apartment for a full day (5-6 per day).
* Apartment buildings are not traffic generators.
* Traffic is not going to be our big problem in the post COVID world.
* Residential and apartment complexes are now contributors to the GNP, as 50+% of employees now work from home. Residential communities should be sold based on the fact that they are no longer empty and useless.
* While mixed use development is optimal, outsiders are still needed to support the economy.
* Challenge: to try new ideas to achieve greater density and make residential units more affordable

Ralph Stone, Executive Director, Housing Finance Authority of Broward County

Topic: Broward County’s recently enacted ordinance that gives commercially zoned property a dual underlying multi-family housing zoning designation

* Broward County has had no land available for expansion/development for 10 years
* A recently implemented land use plan change allows residential development in any commercial or industrial land use categories, with a requirement that a portion be for affordable housing. Commissioners have final authority over all land use decisions and can veto local government decisions on their land use plans. The amendment is not a mandate but an opportunity; it does not require them to process a land use plan change or a rezoning on any parcel that might apply.
* The amendment applies to parcels west of US 1 that are designated commerce (commercial and industrial) on the county land use plan.
* New development will be focused on using big box stores in old shopping centers for affordable housing redevelopment and market rate housing downtown or along old commercial corridors.
  + Moderate income affordable housing: 6 market rate units for each moderate unit
  + Low-income affordable housing: 9 market rate units for each low-income unit
  + Very low affordable housing: 19 market rate units for each very low-income unit
  + Each unit cannot be smaller than 10% of the average gross floor area of the market rate units.
  + Single family dwellings are not allowed.
  + Affordable units must be available as affordable for a period of 30 years.
  + There is a requirement that a minimum of 10% of the gross floor area, excluding parking garages, must be reserved for office or commercial uses which are not ancillary to the residential piece of the project.
  + There is an option for payment in lieu of (Ex: condos and high-end condos may not want to integrate affordable units in their project.)
  + The average garden, mid-rise, and high-rise per unit costs are approximately $300,133/unit, which changes automatically as Florida housing updates their cost; if you have a requirement to build an affordable unit, you can do a payment in lieu of.
  + These projects and modifications that the city may choose to do in their own municipal framework does not require an amendment to the county wide land use plan.
  + 100% of the affordable units must be available before the final 25% of the market rate units get a CO.
  + Minimum of 25 units/acre.
  + Options are available in some cities with no hurricane implications that may need to plan for evacuation capacity that have areas in need of redevelopment. Cities can request if they have a large depth (east of US1 to the Intercoastal) to apply this policy in those areas.
  + In the payment in lieu of, 50% of the funding will go to the county housing trust fund and 50% will go to a local affordable housing trust fund.
  + The whole retail market has been impacted by online shopping and the pandemic.
  + Developers can use the cash flow (the profitability from residential) to support the 10% (see above) in terms of the retail, commercial mixed-use space. There is some value in the mixed-use corridor, rather than changing all the commercial corridors into residential-only.

Patricia Behn, Planning Director for the Palm Beach County Planning Division

Topic: What Palm Beach County is doing to promote affordable and workforce housing from a planning and zoning perspective.

* Presentation will focus on workforce housing, but Palm Beach County has a voluntary, affordable program that provides the opportunity to seek additional density when developing affordable units within the urban suburban tier for incomes <60% AMI.
* The county has a requirement for workforce housing for any projects with 10+ units in their development and only in the unincorporated area, and only within the urban suburban tier. The program does not apply to all of the cities.
* There is a minimum obligation, but the projects can also opt for a density bonus in exchange for additional workforce housing units. The county also offers the limited incentive option as well as the full incentive option for projects seeking to either minimize or maximize the workforce housing units.
* The percentages of the obligation and bonuses range from 2.5% -25%, depending on the method in which the developer moves forward with the project. The obligation is met by providing the units on site off site through the exchange builder, donating land or paying an in-lieu fee ($75,000 for multifamily, $100,000 for townhomes, and $120,000 for single family).
* The household income is set for the workforce housing program 60-140% of the median family income ($48,120-$112,280). To date, those households include 99% of teachers, 80% of county workers and others (health care and community service providers).
* Rental price range: $963-$3475; Sale price range: $168,420-$264,660.
* The workforce housing program is only applicable within certain areas within the urban suburban tier (unincorporated Palm Beach County). County directions ensure that all varieties of housing types are provided in the rural, urban/suburban and Ag Reserve tiers.
* The county represents ~44% of the county population (56% are within cities: the bulk of the density is downtown, along the FEC corridors, transit-oriented developments in downtown areas.
* To date, 2500+ WF housing units have been produced within that unincorporated area: 58% - rentals; 13% - for sale; 14% - in lieu fee payments; 15% - approved but TBD (exchange program, in lieu or could produce on- or off-site. For sale units: 273- completed/under development and 67- unbuilt. Rental units: 1,000 completed/under development and 532- unbuilt.
* Example of Approval Process for 10+ workforce housing units within the urban/suburban tier:
  + Developer and county staff identify what their obligation will be for the project for WFH units and apply

any density bonuses the applicant would like

* If the density bonus is <50%, a special analysis is not needed. If the bonus is 50%-100% (if the developer would like to have additional density on the project), then a point system is used to see how well the project furthers the county's workforce housing objective (will units be developed on site, will they be for sale, will it be a single family workforce housing , etc. (all of the points will add points and increase that percentage for the project with the density bonus.
* Compatibility determination: to ensure that thousands of units are not built adjacent to single family residential units. The Board of County Commissioners need to approve anything above 50%.
* Applicant selects the options (limited or full incentives; on- or off-site dispositions)
* Application receives either approval from the board of County Commissioners or a development review officer approval.
* Once approved, the project will have a restrictive covenant recorded prior to the first building permit to ensure that the units will be delivered through that restrictive covenant.
* Developer meets the workforce housing obligation, through the different thresholds that are set by the county’s ULD code.
* Main Options: on site or off site; 50% of the workforce housing program by 50% of the market rate; 100% of the workforce housing program by 85% of the market rate.
* Exchange Options:
  + Developer can engage an exchange builder to build either in unincorporated Palm Beach County or within the cities and guarantees for the 80% of the in-lieu fee by the first market rate building permit. The exchange builder then delivers the units within the 36 months of the project and the market rate developer is decoupled from that workforce housing obligation.
  + In lieu fee, due by the 50% of the market rate building permits or assurances that the units are delivered.
  + Require annual reports from owners of the for-sale units to ensure that they are held by homeowner
* Require management companies to provide reports for rental units, and ensure that they remain at the workforce housing rental rate
* For sale units do have a recorded deed restriction

Bryan Davis, Principal Planner with the Palm Beach County Planning Division

Topic: Overview of Palm Beach County’s Urban Redevelopment Area concepts, the recent Southport project approved in the area, and the work that County Planning staff has recently begun on updating the density concepts in the Comprehensive Plan

* The Urban Redevelopment Area (URA) was first conceived in the early 2000’s and implemented into the comprehensive plan in 2005. In 2006, the Regional Planning Council became the county’s consultant and created an urban design master plan.
* The first tier, the southern ¾ of the URA (post WWII suburbs) incorporates central Palm Beach County (west of I-95, from PBI to Lake Worth Beach/Atlantis, and was developed by subdivisions, but with no modern zoning, land use, drainage and infrastructure concerns addressed.
* The Urban redevelopment area overall is ~35 square miles that includes municipalities and unincorporated PBC.
* The areas needing the most attention in the commercial corridor was south of Southern Blvd (Congress Ave, Military Trail, parts of Lake Worth Rd and a node at 10th Ave N and Florida Mango Rd) and includes parts of the unincorporated county; the north side is within city of West Palm Beach and had many incentives in place.
* The master plan was completed in 2007 and accepted by the County Commission. Recommendations included forecasting urban redevelopment in this area. There were many form-based concepts building up towards the street. Palm Beach County has a Greenfield development concept (a term used for land that has never been used for any human activity like agriculture or real estate development ̶ land where there is no development of any kind) ̶ relatively low density, designed to achieve suburban form. Urban form was a new concept.
* In the mid-2000s (before the recession), there was a lot of vertically integrated mixed use that was called core, but generally 2-4 stories or higher.
* Best example of the new form: the new tax collector facility south of Lake Worth Rd, west of Military Trail
* PBC’s anticipated redevelopment and a long-term vision beyond the planning horizon of the comprehensive plan was achieved. It was determined that PBC’s existing land use and zoning tools were not adequate to achieve the envisioned development. Recommendations included creating new future land uses and a form-based code for zoning. The County instituted a requirement that 15% of all new units provided need to be designated as workforce as well as a new green building incentive program to achieve additional density.
* To facilitate implementation, PBC created new land use, gave them out at no cost, and rezoned to enable the URA to come forward as an incentive.
* Parcel owners were allowed to opt out because in 2009, there was concern for changing potential property valuation, especially since it would probably be the next owner who would benefit from the changes.
* Example: Southport Growth Project (there was not a lot of interest in this project until recently)
  + A developer out of Tampa that builds mostly age restricted housing using state program incentives found a local land planner who was aware of the URA and began to explore the concepts of it.
  + A 1.8-acre site that currently has only two single family homes was chosen; situated on Military Trail just north of Melaleuca Ln, at Main Street on the east side, with a potential to build 40-50 units.
  + Used the new zoning and land use (urban infill), all of PBC’s transferable development rights, land use change, density bonuses, etc. – an opt-in project; 51 units/acre
  + The development included an obligation of 14 workforce housing unit
  + Agreed to do green building certification to build a five story C-shaped mixed-used building with parking on the ground floor and recreation amenities on top of the parking deck: 1- and 2- bedroom units and studios.
  + URA critique: it was too small and took all the redevelopment options and put them all in one area.
  + Some limited shopping center redevelopment in PBC has begun.
  + There are compatibility concerns when urbanizing an area with current single family and detached homes.
  + The URA concept is now ten years old and has ideas that may be worth exploring redevelopment expands in Palm Beach County.
* Michael Weiner: Compatibility is always a huge hurdle to explain at public meetings. Yet the cities with the best neighborhoods actually thrive with incompatible development nearby, some of the least expensive housing that we won't count towards affordability because they are in neighborhoods with single family homes that go throughout the county for blocks.
* Bryan Davis: We need to establish what is compatibility, what does it mean locally, and bring this definition to the Commission. Frequently this has to be done on an ad hoc basis at the individual zoning or land use hearing. We need to take a wide range perspective as to what does it mean and how does it work and what it is. One of the reasons cities get valued for their urban form is their skyline, and everyone accepts that that will be a visual intrusion. But PBC has always considered itself to be suburban, and if you apply a suburban notion, we'll never get a skyline. The city needs to begin to designate upfront and define areas that are urban/suburban, appropriate/inappropriate to collectively achieve that compatibility.

Moderator Observation (Michael Weiner): Two of the most expensive neighborhoods in West Palm Beach are El Cid, which started more than 20 years ago and Flamingo Park, which has cemeteries, railroad tracks and I-95 to the West, and yet its location is hot. Compatibility with single family homes would lead you to believe that none of this could happen. But it did, and in fact it's outpaced almost any of the more suburban neighborhoods.

Ana Maria Aponte, AICP, LEED AP, City Urban Designer, City of West Palm Beach

Topic: The density incentive program recently incorporated in the City of West Palm Beach

* West Palm Beach (WPB), part of Palm Beach County, comprises 57.18 square miles, includes the water catchment area, so it's not as dense. Current population is 117,415 based on the 2020 census. Downtown West Palm Beach (785 acres) was designated as a downtown master plan area where density should go with a special urban code in 1994.
* Downtown WPB is 2.1% of the city area; comprises 15% of the residential units of the entire city: 7,724 residential units; 10,148,505 SF of nonresidential units; 1,066 rooms hotel rooms.
* Downtown WPB identified as an area to accommodate high intensity development. An active mixed-use district laid out as an urban grid pattern 500’x300’ blocks. Transportation infrastructure includes Seaboard train station, Brightline, Tri-Rail commuter train, Amtrak, and bus station.
* Has 20+ story mixed use buildings.
* Regulations established in 1994 to increase the development intensity of the downtown area.
* Housing supply: WPB has built an average 226 units/year in buildings 8-25 stories.
* Two neighborhoods - Northwest and Brelsford Park – remain mainly single-family neighborhoods:
  + Northwest: a traditional, historic African American neighborhood that is mostly single family, 14 dwelling units/acre with commercial uses on the edges and allows for ADUs.
  + Brelsford Park: mainly old houses that currently have several units inside
* WPB’s form-based code was updated in 2009; still has traditional components, including building setbacks, maximum height, footprint, but with a Floor Area Ration (FAR) component on it.
* Basic Development Capacity: no density limitations; developer needs to build commercial or residential or any combination but must be within the mixed mode, maximum capacity, with an average unit size. Can also build micro units 300-549SF (not included in the calculation for the average unit size); regular units have parking requirements.
* Project size ranges from 270 units/acre to 100 units/acre (average unit size) and, depending on location, can be built at any height, with no density limitations
* Bonuses are achieved through the transfer of development rights because Downtown WPB has a transportation concurrency exception area restriction.
* Master plan implemented in 1995, with a maximum development capacity of 15M sf of non-residential units and a minimum of 6,934 residential units. Used a minimum ratio of 2.46/1,000 sf of residential to non-residential. In actuality, more residential units have been built than the minimum required, resulting in more

people living downtown while trying to reduce the traffic impacts of the nonresidential development.

* Incentives are allowed through transfer of the development capacity from one location to another. Almost the entire core of the downtown was allowed to have additional development capacity in terms of not only height, but additional FAR. The incentives, which are driven by the market, varied, depending on the incentive that we wanted to provide. The city no longer has TDRs.
* Using TDRs, an affordable housing incentive program was implemented in 2009 allowing the additional development capacity according with those areas. Other TDRs were given for free as incentives for building residential units for families with 50%-100% AMI.
  + Evernia Place (80%AMI) 85 affordable housing units were built
  + Flagler Station (corner of Banyan and Tamarind Ave) under construction - all units <80% AMI.
  + The Grand (mixed use): 103 of 309 units will be for households with <100% AMI, with the city providing additional incentives (money from the CRA) to allow the additional development capacity.
* Rental prices in downtown are too high for most employees to live near their place of work

2021: AMI $80,200

* Created an incentive program with TDRs for additional development capacity within certain areas
  + Required for any project proposing residential uses and intending to utilize an incentive program to increase its development capacity
  + Requires developer to provide workforce or affordable housing
  + Example
    - Capacity was ten stories with maximum 2.5 FAR
    - Additional capacity for two more stories and another 1.25 FAR.
    - If the developer wants to use the additional capacity that is offered, they will have to acquire the TDR in a single private market and pay for that additional square footage.
    - Currently, in the private market, the TDRs come from historic buildings around downtown and cost $13-$15/sf
    - Developer will have to set aside 20% of the additional square footage for restricted residential units.
    - By the numbers:
      * 15story building with 72,372 sf. FAR by right 2.75 = 199,023 sf of GBA
      * Additional FAR with incentive 1.0 =72,372 sf
      * 20% of the 72,372sf (14,474 sf) must be for restricted income units.
      * 20% efficiency discount = 2,894 sf
      * Total GBA required to set aside = 11,580 sf
      * Average unit size = 800 sf
      * Total units required to set aside = 14 units (25% for 60% AMI; 25% for 80% AMI; 50% for any

income (100% AMI – approximately 6.2% of the total units will be income restricted. 210 units

will be market rate and 14 will be income restricted.

* + - * Builder was able to develop 59 more market rate units in exchange for 14, a 36% increase in

development capacity.

* Some sites have additional development capacity because the site allows more intense development
* It is a mandatory program if the developer wants to increase their development capacity above the base
* After discussing these proposals with several of the developers, it was determined that because of the price of the land downtown and that these were all high-rise units, the incentive was not sufficient, and because they also had to buy the TDRs, another proposal was implemented
  + Because downtown is part of the CRA district, the developer would be reimbursed up to 30% of the county/city ad valorem tax for 10 years
  + Maximum reimbursement by income of the restricted unit.
  + Units will have to be restricted for 20 years
  + Developers were allowed to provide the units in the same way as the county
  + To provide flexibility, the units can be provided on site (must be finished and match standard finishes for the market rate and cannot be clustered or segregated)
  + The intention is to have the units close to their employment. Offsite units in a different building or alternate location must be within the DMP area and units must be constructed before or concurrently with the parent project
  + In lieu payments are allowed. The International Code Council valuation table was used to determine the construction price per building type.
  + Additional exemptions from the zoning code:
    - No guest parking required
    - Income restrictive units proposed as microunits not required to pay the transit fee
    - Private open space may be reduced by 25%; Public open space may be reduced by 15%; and reduced active use requirement along primary streets above the first story by 50%
    - Program was just adopted on August 9, 2021.

**Questions & Answers**

Compatibility: How should this issue be discussed as it relates to affordable housing throughout the county?

Compatibility has nothing to do with the inhabitants of any particular structure; it has to do with intensity, use and size and doesn't measure how successful or unsuccessful a neighborhood is. Neighborhood groups and elected officials need to be reminded that residents who earn low- and very low-income wages are all of our neighbors, and the very employees that it takes to run the county. Just because they have lower incomes doesn't mean that they're a lower tribe of people.

Land use compatibility is part of the county directions in the comprehensive plan and the county is looking into defining what that means. In planning terms, it's use mass and scale, and we need to ensure that a residential neighborhood isn't next to a heavy industrial zone with noxious noises or smells. We need to ensure that we have livable communities as well as provide for intense areas. That's why we have the varied housing types and the varied locations of the manage pro tier system, because there's a place in the area for everything and we need to accommodate for that.

Future discussions will include topics relating to increasing residential density while still having compatibility.

Chair Skip Miller thanked the panelists for sharing incredible information and things to think about as we draft the PBC Housing Plan, as well as Michael Weiner for serving as moderator for today’s discussions.

**Other Business** - None

**Next Meeting**

The PBC Housing Steering Committee will next meet on Wednesday. October 13, 2021, 9:00-10:30 a.m.

The topic has not yet been finalized, but may be on either Neighborhood Revitalization, Racial Equity or reviewing the first draft of the Housing Plan. Questions can be sent to Leslie Mandell for distribution to the speakers.

**Adjournment**

The meeting was adjourned at 10:29 a.m.