

Housing in Downtown West Palm Beach

Palm Beach County Housing Steering Committee
September 9, 2021



WEST PALM BEACH

City of West Palm Beach



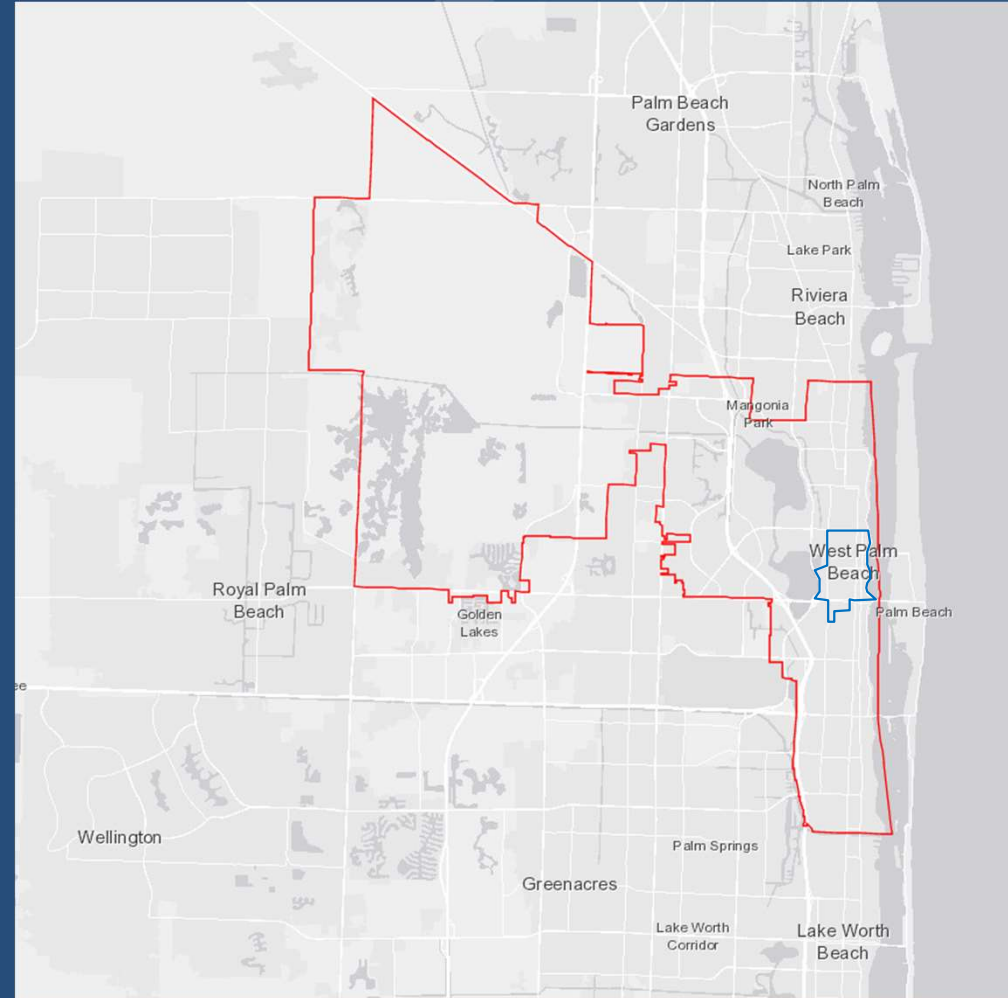
WEST PALM BEACH

2

County seat

City of WPB = 57.18 sq miles

Population 2020= 117,415



Downtown West Palm Beach

Downtown identified as an area appropriate to accommodate the highest intensity of development in the City

DMP:
+/- 785 acres of land

- 2021 development:
7,724 residential units
10,148,505 sf of non-residential
1,066 hotel rooms

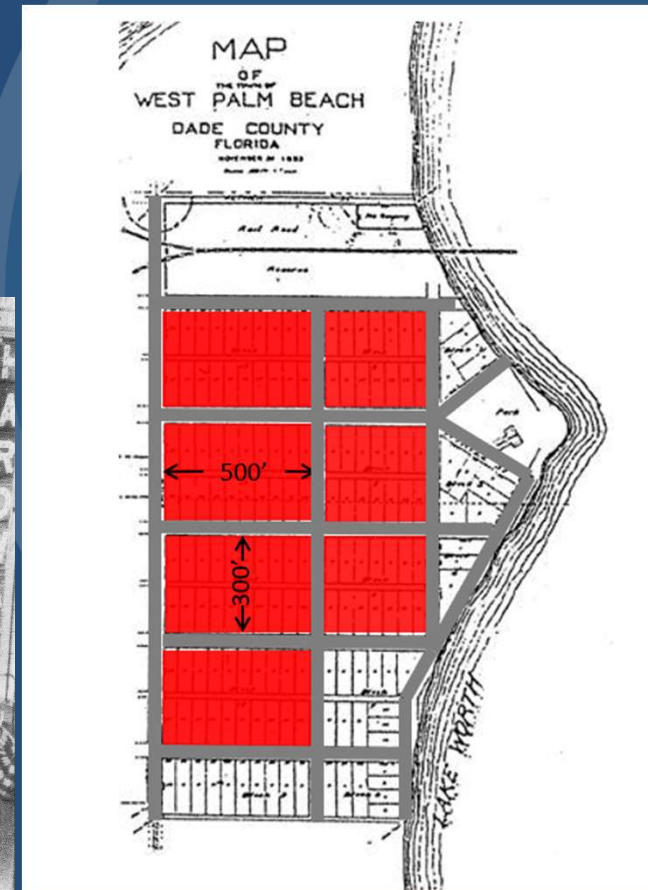
DMP= 2.1% of city area
15% of residential units



Downtown West Palm

- Active mixed-use district from the beginning
- Urban blocks 500' x 300' - Grid pattern
- Transportation infrastructure
Seaboard train station+Brightline

Ideal for high intensity development



DMP Housing

Since 1995 regulations have been implemented to increase the development intensity downtown

The housing supply in the downtown has increased for the last 15 years (226 units/year)



DMP Housing

Different actions:

1. Basic development capacity

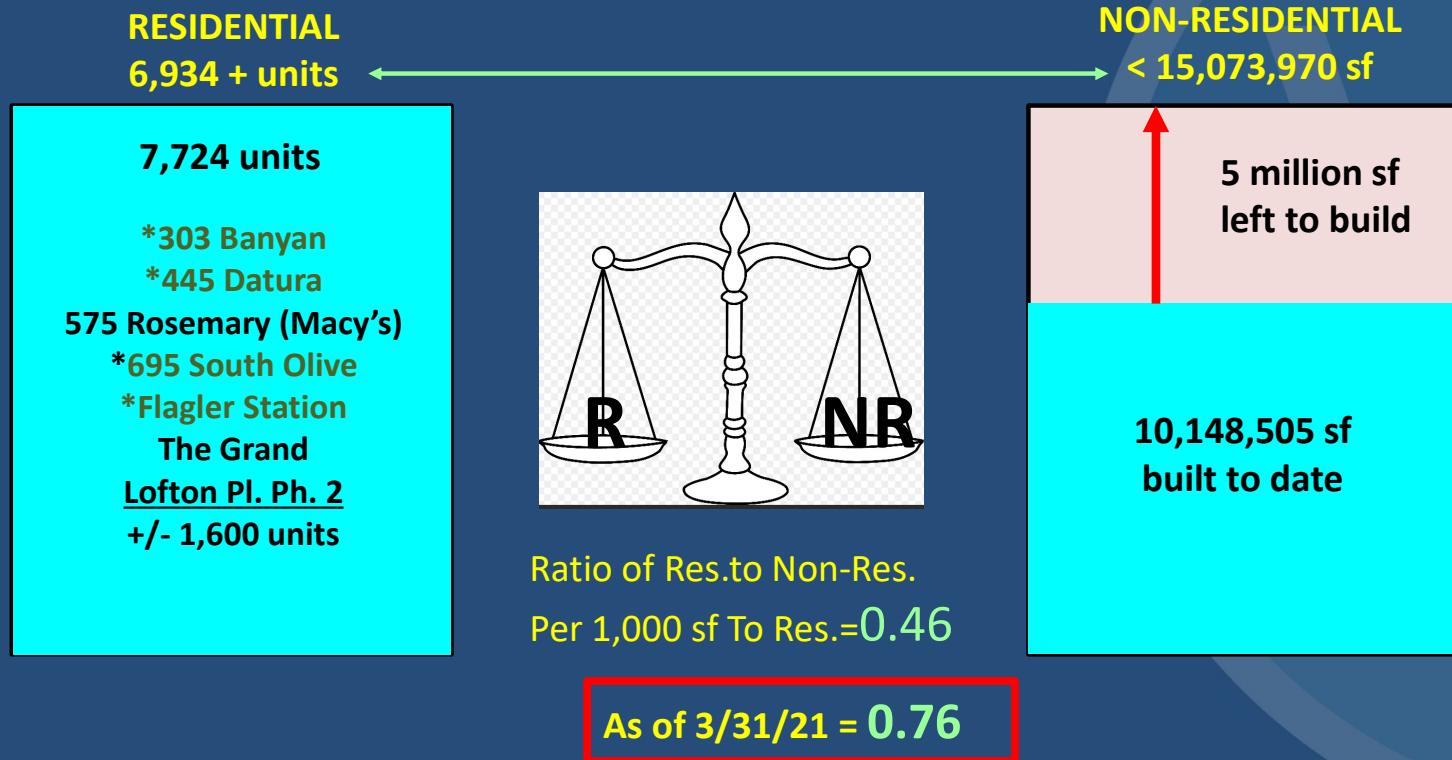
- No density limitations – only average unit size (+270 – 100 u/ac)
- FAR based code (7.0 FAR)

2. Increase development capacity through incentives

- Transfer of development rights
- Restrictions due to TCEA

Regulation of Downtown Development

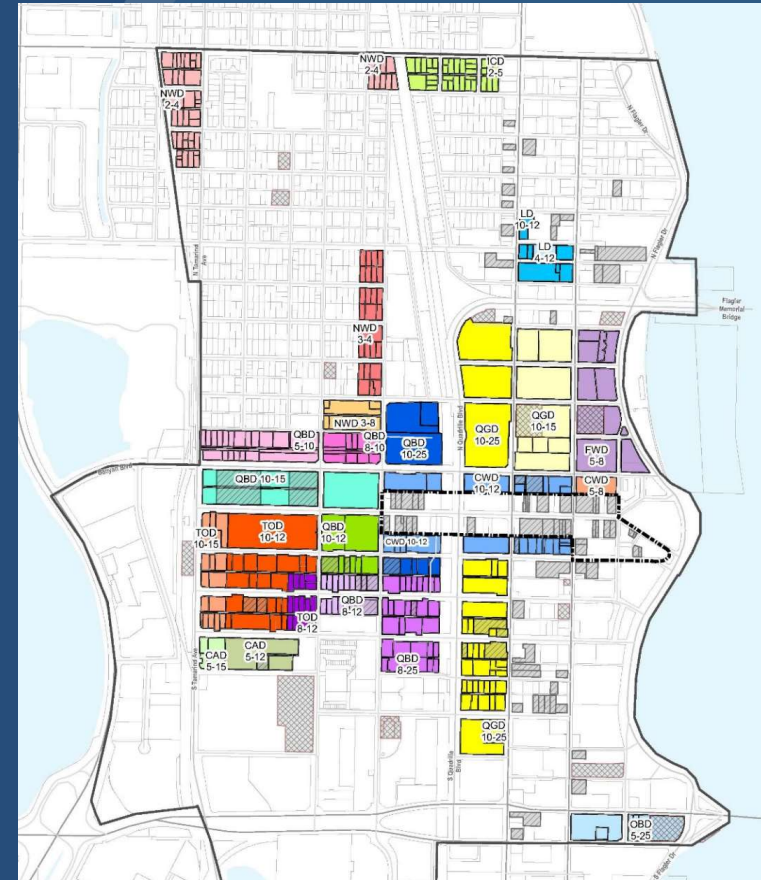
Transportation Concurrency Exception Area



DMP Incentive Programs

Additional development capacity allowed within certain areas of the DMP

- TDR transfer required
- Incentives allowed for residential and non-residential uses



Housing below market rate

Affordable housing incentive program (2009-2021)

- Program provided additional development capacity and City-owned TDRs
- Projects including housing for families between 50%-150% of AMI



Evernia Place
85 units =< 80% AMI



Flagler Station – Under construction
94 units =< 80% AMI



The Grand-Under building permit review
Total 309 units
103 units =< 100% AMI

All projects received City-owned TDRs at no-cost as an incentive for the construction of the affordable housing units
 - Only 85 units for families below 100% AMI built since 2006 (2.5% of the total 3,397 units built)

DMP Housing

Rent prices are not affordable to most of the population (2021 AMI \$80,200)

Rent Price for market Rate Units Downtown (May 2021)

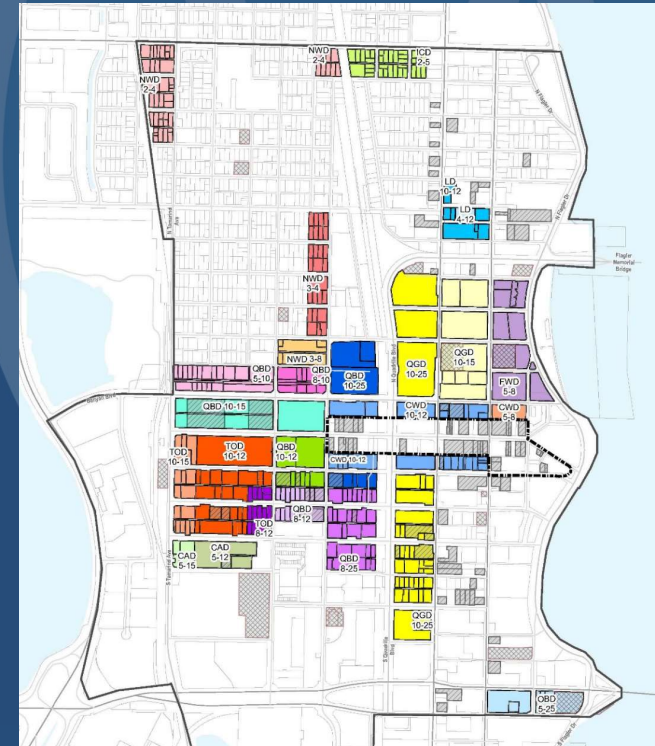
Project	Studio (\$)	1 Bed (\$)	2 Bed (\$)
Oversea	1,938	2,242	4,251
Parkline	1,640	2,065	3,055
Sole (Broadstone)	1,624	2,139	2,895
Avalon (Alexander)	1,575	2,345	3,816
Loftin Place	1,715	1,870	2,460
Average	1,758	2,128	3,381

Maximum Rent Affordable to Families within 60%-100% of AMI

Rent price	Studio (\$)	1 Bed (\$)	2 Bed (\$)
60% AMI	900	963	1,156
80% AMI	1,200	1,285	1,542
100% AMI	1,500	1,606	1,927

New DMP housing Incentive Program

- Additional development capacity allowed within certain areas of the DMP
- Required for any project proposing residential uses and intending to utilize an incentive program to increase its development capacity.



New Downtown Housing Incentive

Residential project

Workforce 20%	Additional capacity +2 stories +1.25 FAR
Base capacity 10 stories 2.75 FAR	

For the DMP HIP the city proposes to utilize the same incentive concept:

1. Additional development capacity allowed
2. Developer shall acquire the TDRs in private market
3. Give something back:
 - Dedicate a percentage of Incentive Area for Workforce Housing units

DMP Housing Incentive Program

Example: 303 Banyan Boulevard

Site: 72,372 sf

FAR by right 2.75= 199,023 sf of GBA

Additional FAR with incentive 1.0= **72,372 sf**

Total development capacity = 271, 295 sf



DMP housing incentive requirement

20% of incentive area = 14,474 sf

20% efficiency discount = 2,894 sf

Total GBA required to set aside= 11,580 sf



DMP Housing Incentive Program

Example: 303 Banyan Boulevard

Total GBA required to set aside= 11,580 sf

Average unit size = 800 sf

Total units required to set aside = 14 units

	Studios	1 bed	2 bed	3 bed	Total
Units at 60% AMI	2	1	0	0	3
Units at 80% AMI	2	2	0	0	4
Units at 100% AMI	2	2	3	0	7
Total set aside units	6	5	3	0	14
Market rate units	95	57	22	36	210

6.2% of total units to set aside

59 additional units in exchange for 14 set aside (36% increase in development capacity)

DMP Housing Incentive Program

In addition to the development capacity increase city is proposing a complementary program to provide additional financial support to participants.

CRA Tax increment finance program

Reimburse developers a percentage of the County and City portion of the ad valorem property tax generated by the project:

- Eligible to receive a reimbursement of up to **30%** of County/City ad valorem tax -10 years
- Maximum reimbursement by income of restricted unit:

Income Level	Max. Refund/ Month/Unit	Max. Refund/ Year/Unit	Max. Refund/10 Years/Unit
Units at 60% AMI or below	\$1,333	\$16,000	\$160,000
Units at 80% AMI or below	\$1,000	\$12,000	\$120,000
Units at 100% AMI or below	\$ 667	\$ 8,000	\$ 80,000

DMP Housing Incentive Program

Compliance can be provided in three ways:

1. **Provide units on site** as part of the project
 - units shall be finished and match standard finishes for the market rate
 - units cannot be clustered or segregated

2. **Provide units off site** in a different building
 - Alternate location shall be within the DMP area
 - Units constructed before or concurrently with parent project

DMP Housing Incentive Program

3. Payment in lieu: contribution to the Housing Trust Fund

- Based on per square foot construction cost according to the International Code Council Building Valuation Data table which establishes the cost of construction per building type.

303 Banyan example

-14,474 sf required

At \$162.09 per sf

Total contribution = \$2,344,788

Square Foot Construction Costs ^{a, b, c}

Group (2018 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	250.39	241.91	235.63	226.10	212.32	206.18	218.83	197.45	190.33
A-1 Assembly, theaters, without stage	229.42	220.94	214.66	205.12	191.35	185.21	197.86	176.48	169.35
A-2 Assembly, nightclubs	196.13	190.29	185.62	178.02	167.82	163.20	171.70	151.89	146.71
A-2 Assembly, restaurants, bars, banquet halls	195.13	189.29	183.62	177.02	165.82	162.20	170.70	149.89	145.71
A-3 Assembly, churches	232.04	223.57	217.29	207.75	194.34	189.19	200.49	179.48	172.35
A-3 Assembly, general, community halls, libraries, museums	194.17	185.69	178.41	169.87	155.09	149.96	162.61	140.23	134.10
A-4 Assembly, arenas	228.42	219.94	212.66	204.12	189.35	184.21	196.86	174.48	168.35
B Business	202.30	194.92	188.44	179.18	163.55	157.42	172.13	143.89	137.46
E Educational	212.03	204.70	198.82	190.25	177.27	168.29	183.70	155.00	150.26
F-1 Factory and industrial, moderate hazard	119.53	113.92	107.38	103.45	92.64	88.38	99.02	76.33	71.73
F-2 Factory and industrial, low hazard	118.53	112.92	107.38	102.45	92.64	87.38	98.02	76.33	70.73
H-1 High Hazard, explosives	111.77	106.15	100.62	95.69	86.11	80.85	91.26	69.81	N.P.
H234 High Hazard	111.77	106.15	100.62	95.69	86.11	80.85	91.26	69.81	64.20
H-5 HPM	202.30	194.92	188.44	179.18	163.55	157.42	172.13	143.89	137.46
I-1 Institutional, supervised environment	199.81	192.96	186.97	179.69	164.91	160.39	179.84	148.44	143.75
I-2 Institutional, hospitals	338.94	331.56	325.08	315.82	299.46	N.P.	308.77	279.79	N.P.
I-2 Institutional, nursing homes	235.48	228.11	221.62	212.37	197.49	N.P.	205.32	177.82	N.P.
I-3 Institutional, restrained	230.03	222.65	216.17	206.91	192.77	185.64	199.86	173.11	164.69
I-4 Institutional, day care facilities	199.81	192.96	186.97	179.69	164.91	160.39	179.84	148.44	143.75
M Mercantile	146.21	140.37	134.70	128.11	117.54	113.93	121.78	101.61	97.44
R-1 Residential, hotels	201.71	194.33	188.87	181.59	166.56	162.04	181.74	150.09	145.40
R-2 Residential, multiple family	168.94	162.09	156.10	148.82	135.04	130.52	148.97	118.57	113.88
R-3 Residential, one- and two-family ^d	157.40	153.13	149.31	145.53	140.33	136.62	143.14	131.34	123.68
R-4 Residential, care/assisted living facilities	199.81	192.96	186.97	179.69	164.91	160.39	179.84	148.44	143.75
S-1 Storage, moderate hazard	110.77	105.15	98.62	94.69	84.11	79.85	90.26	67.81	63.20
S-2 Storage, low hazard	109.77	104.15	98.62	93.69	84.11	78.85	89.26	67.81	62.20
U Utility, miscellaneous	85.53	80.63	75.42	72.03	64.67	60.42	68.74	51.21	48.79

DMP housing incentive program

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%
- Active use requirement along primary streets above the 1st story may be reduced by 50%

DMP housing incentive program



Program adopted by the City Commission last August 9, 2021

Thank you

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City of West Palm Beach

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