



DEVELOPMENT SERVICES

BUILDING | HISTORIC PRESERVATION | PLANNING & ZONING

PLANNING AND ZONING BOARD STAFF REPORT

Family/Workforce Housing LDR Update

Meeting	File No.	Application Type
February 28, 2022	2020-158-LDR	Amendment to the Land Development Regulations
Applicant	Property Owner	Authorized Agent
City of Delray Beach	Not applicable.	Not applicable. City initiated.

Request

Provide a recommendation to the City Commission on Ordinance No. 10-22 a City-initiated amendment to the Land Development Regulations (LDR), amending Section 4.7.1, "Definitions," Section 4.7.6, "Rental housing units", Section 4.7.7, "For sale housing units", and Section 4.7.8, "Resale and subsequent rentals of affordable units" in Article 4.7, "Family/Workforce Housing".

Background Information

The City adopted Article 4.7, Family / Workforce Housing on December 6, 2004, through Ordinance No. 66-04. The ordinance created three distinct overlay districts providing for workforce housing density bonuses: the Southwest Neighborhood Overlay District, the Southwest 10th Street Overlay District, and Carver Estates Overlay District. The Article has been periodically updated as additional overlay districts have been adopted throughout the city and additional workforce housing incentives were added. Map DIA-7, Workforce Housing, of the Always Delray Comprehensive Plan (attached), identifies the location of all workforce housing incentive areas, developments with approved workforce housing units, and housing units provided by the Community Land Trust and Habitat for Humanity as of May 2019. Two additional workforce overlay districts have been adopted: Aura Delray Beach Overlay District and Linton Commons Overlay District.

Per the request of the City Commission at a workshop on February 9, 2021, the proposed amendment updates Article 4.7 removes the "step" that allows developers of income-restricted units to charge the income level above that of the tenant. The proposed update also makes corrective updates to bring the LDR into compliance with the City's adopted Local Housing Assistance Plan (LHAP).

A more thorough update to Article 4.7 is planned to update the existing language to address identified issues (i.e. 40-year restrictive covenant requirement for for-sale housing units), potentially provide additional mechanisms to incentive workforce housing, and improve readability through restructuring of the adopted regulations and updating the language. Additionally, an update is necessary to Section 4.4.29, Mixed Residential, Office, and Commercial District (MROC), to clarify the revitalization incentive, related to HB 7103 adopted by the Florida Legislature in 2019, amending s. 125.01055, F.S. to require municipal governments to provide certain incentives to fully offset all costs to the developer of its affordable housing contribution. Development Services Staff will work with the Neighborhood Services Staff and Affordable Housing Advisory Committee (AHAC) on the effort associated with the larger update to gather additional input and ideas.

Description of Proposal

The proposed changes to Article 4.7 are designed to improve the readability of the regulations and ease of access to accurate information on locations where workforce housing incentives are available.

Article 4.7, Family/Workforce Housing

- **Section 4.7.1, "Definitions"**. Update the Infill Workforce Housing Area map. Ordinance No. 03-08, adopted January 15, 2008 revised the Infill Workforce Housing Area and Carver Estates Overlay, and inadvertently included an old version of the Infill Workforce Housing Area map in the updated section. The proposed change is corrective only.

- **[POLICY CHANGE] Section 4.7.6, “Rental housing units”.** The LDR currently allows developers to charge up to 100% of the fair market rent (FMR) for households earning less than 60% of the average medium income (AMI), 120% of the FMR for those earning 61-80% AMI, and 140% of the FMR for those earning 81-120% of the AMI. The adopted City of Delray Beach Local Housing Assistance Program (LHAP) follows the Florida Housing Finance Corporation (FHFC) guidance on the maximum rental rates associated with the affordability levels, which does not allow developers to charge the higher rental allowed by the adopted LDR. This proposed change (provided in the chart below) brings the City in line with the adopted LHAP and the purpose and intent of the City’s workforce housing regulations.

Table 4.7.6-A Workforce Housing - Rental Units		
<u>Household Income Level</u>	<u>Affordability Level Range (determined by Palm Beach County Median Income)</u>	<u>Units shall not have rental rates that exceed the following percent of the HUD determined fair market rent for the area:</u>
<u>Very Low</u>	<u>Under 60%</u>	<u>60%</u>
<u>Low</u>	<u>61% to 80%</u>	<u>80%</u>
<u>Moderate</u>	<u>81% to 120%</u>	<u>120%</u>
<u>NOTE: Any developments previously approved with another maximum rent for a particular household income level shall remain subject to the terms of project approval.</u>		

- **[POLICY CHANGE] Section 4.7.7, “For sale housing units”.** Provides an updated method of calculating the maximum sales price for workforce units available for purchase, to be consistent with the adopted LHAP and State of Florida standards.
- **[POLICY CHANGE] Section 4.7.8, “Resale and subsequent rentals of affordable units”.** Provide caveats to income restrictions on transfer of title or ownership to allow for family members to inherit property, consistent with the adopted LHAP.
- **Section 4.7.11, “Density bonus tables”.** The density bonus tables are demonstrative only, not regulatory. It is more appropriate to eliminate these tables and make them available to members of the development community through a different medium. Therefore, these tables are proposed for deletion, and will be available on the City’s website.

Review and Analysis

Pursuant to **LDR Section 1.1.6, Amendments**, *the text of these Land Development Regulations may from time to time be amended, changed, supplemented, or repealed. No such action however, shall be taken until a recommendation is obtained from the Planning and Zoning Board and until a public hearing has been held by the City Commission.*

The recommendation of the Planning and Zoning Board will be provided to the City Commission, where the amendments will be reviewed at two upcoming public meetings, with the second reading held as a Public Hearing.

Pursuant to **LDR Section 2.4.5(M)(1)**, *“Amendments to the Land Development Regulations may be initiated by the City Commission, Planning and Zoning Board or City Administration; or an individual.”*

The proposed amendment is initiated by the Development Services Department at the direction of the City Commission.

Pursuant to **LDR Section 2.4.5(M)(5), Findings** *“The City Commission must make a finding that the text amendment is consistent with and furthers the Goals, Objectives and Policies of the Comprehensive Plan.”*

The following Goals, Objectives, and Policies (GOPs) of the adopted Comprehensive Plan are applicable to the proposed amendment:

Neighborhoods, Districts, and Corridors Element

Policy NDC 2.8.3. *Continue to utilize workforce housing programs and incentives, such as but not limited to, increased density and smaller lot sizes where appropriate and compatible in the Land Development Code to encourage the provision of workforce housing in the city.*

Policy NDC 2.8.5. *Promote the development of workforce housing units by offering incentives, such as, increased density, in specific areas identified in the Land Development Regulations.*

Policy NDC 2.8.6. *Monitor the progress of workforce/affordable housing programs and incentives to identify successful initiatives and to adjust underperforming programs or incentives or regulations.*

Objective NDC 3.5. *Regularly review and update the Land Development Regulations to provide timely, equitable and streamlined processes including, but not limited to, building permit processes for residential developments and to accommodate mixed-use developments, address market changes and development trends, and other innovative development practices.*

Policy NDC 3.5.1. *Review the uses and use descriptions in the Land Development Regulations to provide consistent terminology.*

Housing Element

Housing Element, Policy HOU 6.2.5. *Utilize incentives outlined in the workforce housing ordinance to develop additional workforce housing units.*

The proposed amendment supports these policies by providing procedures to improve the delivery of affordable housing.

Options for Board Action

- A. Recommend **approval** to the City Commission of Ordinance No.10-22, amending Section 4.7.1, “Definitions,” Section 4.7.6, “Rental housing units,” Section 4.7.7, “For sale housing units,” Section 4.7.8, “Resale and subsequent rentals of affordable units,” Section 4.7.11, “Density bonus tables,” and renumbering Section 4.7.12, “Other incentives,” in Article 4.7, “Family/Workforce Housing” of the Land Development Regulations by finding that the amendment and approval thereof is consistent with the Comprehensive Plan and meets the criteria set forth in Land Development Regulations.
- B. Recommend **approval** to the City Commission of Ordinance No. 10-22, **as amended**, amending Section 4.7.1, “Definitions,” Section 4.7.6, “Rental housing units,” Section 4.7.7, “For sale housing units,” Section 4.7.8, “Resale and subsequent rentals of affordable units,” Section 4.7.11, “Density bonus tables,” and renumbering Section 4.7.12, “Other incentives,” in Article 4.7, “Family/Workforce Housing” of the Land Development Regulations by finding that the amendment as amended and approval thereof is consistent with the Comprehensive Plan and meets the criteria set forth in Land Development Regulations.
- C. Recommend **denial** to the City Commission of Ordinance No. 10-22, Section 4.7.6, “Rental housing units,” Section 4.7.7, “For sale housing units,” Section 4.7.8, “Resale and subsequent rentals of affordable units,” Section 4.7.11, “Density bonus tables,” and renumbering Section 4.7.12, “Other incentives,” in Article 4.7, “Family/Workforce Housing” of the Land Development Regulations by finding that the amendment and approval thereof is not consistent with the Comprehensive Plan and does not meet the criteria set forth in Land Development Regulations.

Public and Courtesy Notices

X Courtesy Notices are not applicable to this request

N/A Public Notices are not required for this request.