



EXECUTIVE SUMMARY

To: Patti McLaughlin, City Manager
From: Katie P. Halloran, Planning Director
Meeting Date: September 14, 2021

Agenda Item: **Text Amendment of the Land Development Regulations**— An Ordinance of the City of Key West, FL, amending Chapter 108 of the Land Development Regulations, entitled “Planning and Development”, Article X entitled “Building Permit Allocation System”, Division 2 entitled “Building Permit Allocation System, Section 108-995 – Reporting requirements and residential allocation schedule; for building permit allocation system units for the property known as the 3.2 (re# 00001630-000801); providing for concurrent and conditional adoption upon adoption of comprehensive plan amendments; providing for severability; providing for repeal of inconsistent provisions; providing for an effective date.

Action Statement:

The purpose of this ordinance is to amend the City’s Land Development Regulations (the “LDRs”) to set aside Building Permit Allocation Units to facilitate the development of affordable housing at the property known as the “3.2” (RE# 00001630-000801) in Bahama Village.

Background:

The proposed ordinance to amend the City’s Land Development Regulations is an essential part of an effort to promote the Bahama Village community, encourage the redevelopment of vacant City-owned properties, and encourage local business and workforce housing in the Bahama Village community. The Bahama Village Visioning and Capital Projects Workplan, recommended for approval by the Bahama Village Redevelopment Advisory Committee (BVRAC) on August 10, 2017, and adopted by the Community Redevelopment Agency (CRA) on January 17, 2018, lists seven (7) recommended capital projects. Capital project number four (4) recommends an affordable housing and mixed-use development project on the City-owned 3.2 acre parcel located on Fort Street in Bahama Village. The recommended project is listed as “critical” on the prioritization level. The proposed ordinance to amend the City’s Land Development Regulations is an effort to more effectively implement Comprehensive Plan Goals, Objectives, and Policies

of the City of Key West. The City recognizes the finite nature of the Building Permit Allocation System, and that in 2023, or when all BPAS units have been allocated, whichever comes last, the City may no longer be authorized to issue permits for new residential units.

The text amendment proposed below sets aside 128 BPAS units for the affordable housing project at the “3.2” acre site, as 89.6 affordable units and 38.4 market rate units. The City’s goal, however is to achieve as close to one hundred percent affordable workforce housing at this site. To this end, the City can utilize market rate BPAS units to construct affordable housing beyond the 89.6 units. The City’s specific housing goals for the “3.2” project are outlined in the City’s forthcoming Request for Proposals associated with this development.

Request / Proposed Amendment: **Coding: Added language is underlined; deleted language is ~~struck through~~ at first reading.*

Sec. 108-995. – Reporting requirements and residential allocation schedule.

The City of Key West building permit allocation system shall limit the number of permits issued for new permanent development, to 910 units during the period from July 2013 to July 2023, with the exception of the beneficial use permit allocations that have been reserved separately to address property rights claims. The annual allocation will not exceed ninety-one (91) single-family units or equivalent types of units based on the equivalency factors established in policy 1-1.16.3 of the comprehensive plan. The annual allocation limitation shall not apply to affordable housing allocations. No transient allocations will be made subsequent to the closure of the 2017-2018 allocation period.

In order to address the ongoing affordable housing shortage and affordable housing deed restrictions expected to expire, during the first three years (July 2013—July 2016) 60 percent of the units allocated shall be affordable. Between years four (4) and ten (10) (2016—2023), a minimum of 50 percent of the total allocations shall be affordable. Between years four (4) and ten (10), 80 percent of remaining (non-affordability restricted) units shall be permanent, and 20 percent may be transient. Between years six (6) and ten (10), 100 percent of the units shall be permanent. During year one (1) (July 2013—2014), 48 of the affordable units to be allocated will be dedicated for use at the Peary Court Housing complex property, being transferred from military to private sector housing, and shall meet the prerequisite standards for obtaining BPAS awards.

During year nine (9) (July 2021—2022), 128 of the units to be allocated will be dedicated for use at the property currently known as the 3.2 development located in Bahama Village and shall meet the prerequisite standards for obtaining BPAS awards.

Table 2.0 below identifies the number of units that may be allocated at a rate of 1.0 ESFU's by housing type and by year for the period from July 2013 to July 2023.

Table 2.0									
July 1, 2013 - June 30, 2014	July 1, 2014 - June 30, 2015	July 1, 2015 - June 30, 2016	July 1, 2016 - June 30, 2017	July 1, 2017 - June 30, 2018	July 1, 2018 - June 30, 2019	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - June 30, 2022	July 1, 2022 - June 30, 2023
48 affordable units to be allocated for Peary Court development. Minimum of 7 affordable units. Maximum of 36 market rate units.	Minimum of 55 affordable units. Maximum of 36 market rate units.	Minimum of 55 affordable units. Maximum of 36 market rate units.	Minimum of 45 affordable units. Maximum of 46 market rate units, of which a maximum of ten (10) units may be transient.	Minimum of 45 affordable units. Maximum of 46 market rate units, of which a maximum of ten (10) units may be transient.	Minimum of 45 affordable units. Maximum of 46 market rate units.	Minimum of 45 affordable units. Maximum of 46 market rate units.	Minimum of 45 affordable units. Maximum of 46 market rate units.	<u>38.4 market rate units and 89.6 affordable units shall be allocated to the property currently known as the 3.2 development in Bahama Village.</u> Minimum of 45 affordable units. Maximum of 46 7.6 market rate units.	Minimum of 45 0.4 affordable units. Maximum of 46 market rate units.

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Land Development Regulations Text Amendment Process:

Planning Board: August 19, 2021 (Planning Board Res. 2021-37)
 City Commission: September 14, 2021 (first reading)
 Local Appeal Period: 30 Days
 City Clerk renders to DEO: 10 working Days
 DEO Review: Up to 45 Days
 DEO Final Order: LDR amendment becomes effective when the final order is received

Analysis:

The purpose of Chapter 90, Article VI, Division 2 of the Land Development Regulations (the “LDRs”) of the Code of Ordinances (the “Code”) of the City of Key West, Florida (the “City”) is to provide a means for changing the text of the Land Development Regulations. It is not intended to relieve particular hardships nor to confer special privileges or rights on any person, but only to make necessary adjustments in light of changed conditions. In determining whether to grant a requested amendment, the City Commission shall consider, in addition to the factors set forth in this subdivision, the consistency of the proposed amendment with the intent of the Comprehensive Plan.

This Land Development Regulations amendment, together with the proposed Comprehensive Plan amendment, will facilitate development of deed- restricted affordable workforce housing for families in need in Key West. A full planning staff analysis is available in the planning board staff report.

Other Matters:

N/A

Options / Advantages / Disadvantages:

Option 1:

Approve the proposed text amendment to Chapter 108 of the Land Development Regulations, entitled "Planning and Development", Article X entitled "Building Permit Allocation System", Division 2 entitled "Building Permit Allocation System, Section 108-995 – Reporting requirements and residential allocation schedule, as recommended by the Planning Board through Resolution No. 2021-37.

- a. Financial Impact:
There will be no cost to the City if this request is approved.

Option 2:

Deny the proposed text amendment to Chapter 108 of the Land Development Regulations, entitled "Planning and Development", Article X entitled "Building Permit Allocation System", Division 2 entitled "Building Permit Allocation System, Section 108-995 – Reporting requirements and residential allocation schedule.

- a. Financial Impact:
There will be no cost to the City if this request is denied.

Recommendation:

Staff supports Planning Board Resolution No. 2021-37, and further recommends approval of these amendments as stated in OPTION 1.