




## MEMORANDUM

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Date: March 14, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress  
City Manager 

From: Katie P. Halloran  
Planning Director

Subject: **23-4912 Text Amendment of the Comprehensive Plan** – An ordinance to the City of Key West City Commission amending Comprehensive Plan Chapter 1, Future Land Use, Policy 1-1.16.1, entitled, “Maintain A Building Permit Allocation Ordinance”, and by amending Chapter 3, Housing, Policy 3-1.1.4, entitled “Building Allocation System”, to provide for building permit allocation system units for the property located at 301 White Street (RE# 00001780-000000); providing for the repeal of inconsistent provisions; providing for transmittal to the State Land Planning Agency; providing for the filing with the Secretary of State; providing for severability; providing for the inclusion in the City of Key West Comprehensive Plan; providing for an effective date.

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### Introduction

The proposed ordinance to amend the City’s Comprehensive Plan is an essential part of an effort to promote the redevelopment of affordable workforce housing and public housing on a property owned by the Housing Authority of the City of Key West, Florida (KWAH). The property contains eighteen buildings, with a total of 136 residential dwelling units.

This item was recommended for approval by the City of Key West Planning Board at their hearing on November 16, 2023, under Resolution No. 2023-025. The Ordinance was passed to second reading at the City Commission hearing on December 14, 2023. *No changes have been made to this project between the first and second reading.*

## **Background**

The construction of the 136 units began in December 1940, over 80 years ago, and the structures have far exceeded their useful life. Currently, the KWHA is plagued by high maintenance and repair costs, and those expenses continue to grow. The Housing Authority has determined that the best path forward for the property is to demolish the structures and replace them through Section 18 of the US Housing Act of 1937 (as amended in 1998), or a combination of Section 18 and the US Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) program. RAD was created in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the \$26 billion dollar nationwide backlog of deferred maintenance. RAD also gives owners of three HUD "legacy" program (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements. Preserving affordable housing, particularly in Key West, is crucial.

In January 2023, the City Commission passed and adopted Ordinances 23-05 and 23-06, which changed the future land use and zoning of the property to High Density Residential (HDR), which allows for a maximum density of 22 dwelling units per acre. This allows for a maximum 196 dwelling units on the 8.91-acre parcel, an increase of 60 units from what exists currently.

According to the KWHA, all new and redeveloped units will be deed restricted for affordable housing with maximum income to qualify ranging from 120% of Area Median Income (AMI), up to possibly 140% of AMI. The KWHA will also have units at 30% of AMI, along with 50%, 80%, and 100 % units. Section 122-1467(1)(c) of the City's Land Development Regulations (LDRs) defines affordable workforce housing below:

*The maximum total rental and/or sales price for all affordable work force housing units in a single development shall be based on each unit being affordable housing (moderate income). The rental and/or sales price may be mixed among affordable housing (low income), (median income), (middle income) and (moderate income) in order that the total value of rental and/or sales does not exceed ten percent of the rental and/or sales of all the units at affordable housing (moderate income).*

Section 122-1466 of the LDRs defines affordable housing (moderate income) as follows:

*Affordable housing (moderate income) for a rental dwelling unit shall mean a dwelling unit whose monthly rent, not including utilities, does not exceed 25 percent of that amount which represents 120 percent of the monthly median household income (adjusted for family size) for Monroe County. For an owner-occupied dwelling unit, affordable housing (moderate income) shall mean a dwelling unit whose sales price shall not exceed five times the annual median household income (adjusted for family size) for Monroe County, in accordance with section 122-1472.*

The proposed redevelopment must meet the criteria indicated above in order to qualify as an affordable BPAS unit set aside.

The proposed ordinance to amend the City's Land Development Regulations is an effort to more effectively implement the Comprehensive Plan Goals, Objectives, and Policies of the City of Key West, especially those related to the provision of affordable housing. The City recognizes the finite nature of the Building Permit Allocation System, and that the City may no longer be authorized to issue permits for new residential units when all BPAS units have been allocated.

## **Request/Proposed Text Amendment:**

*Proposed new language is underlined below and deleted language is struck through at first reading.*  
Policy 1-1.16.1 – Maintain a Building Permit Allocation Ordinance.

The City of Key West shall maintain and enforce its building permit allocation ordinance as follows: Between 85 and 100 units will be reserved as beneficial use permits to address property rights associated with existing vacant lots of record. The permit allocation system shall limit the number of permits issued for new permanent and transient development to 910 units during the period from July 2013 to July 2023. The annual allocation will not exceed 91 single-family units or an equivalent combination of residential and transient types based on the equivalency factors established in Policy 1-1.16.3. The annual allocation limitation shall not apply to affordable housing allocations. 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 and ten (2016-2023), a minimum of 50 percent of the total allocations shall be affordable. Between years four and ten, no more than ten percent may be transient. During Year One (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. During Year Nine (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. Building permits shall be obtained within two years of the development approval date. If a building permit is not obtained within that timeframe the allocated units will revert to the City for reallocation. The reallocation provision shall not apply to the property currently known as the 3.2 development located in Bahama Village. During Year Eleven (11) (July 2023-2024), 60 of the units to be allocated will be dedicated for use at the property currently known as the Lang Milian Apartments.

The annual building permit allocation period will begin on July 1 of each year—and shall end on the 30th of June of the following year. Staff may consider the following criteria in ranking applications: 1) building one to two feet higher than the base flood elevation; 2) exceeding the minimum required percentage of affordable housing; 3) compliance with green building standards; 4) compliance with adopted urban design standards, and; 5) a minimum contribution to a sustainability and open space recreation fund.

*{new paragraph}*

Building permits shall be obtained within two years of the development approval date. If a building permit is not obtained within that timeframe the allocated units will revert to the City for reallocation. The reallocation provision shall not apply to the property currently known as the 3.2 development located in Bahama Village.

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Policy 3-1.1.4 – Building Permit Allocation System.

Between years four and ten, no more than ten percent may be transient. During Year One (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, which leaves 43 units to be allocated from the first allocation pool. During Year Nine (July 2021-2022), 89.6 of the affordable units to be allocated will be dedicated to the development known as the 3.2 located in Bahama Village, 38.4 of the market-rate units to be allocated will be dedicated to the property currently known as the 3.2 development located in Bahama Village, which leaves 7.6 market-rate units to be allocated from the Year Nine allocation pool. During Year Eleven (11) (July 2023-2024), 60 of the affordable units to be allocated will be dedicated for use at the property currently known as the Lang Milian Apartments.

**Comprehensive Plan Amendment Process:**

Planning Board Meeting:	November 16, 2023
City Commission (1 <sup>st</sup> Reading):	December 14, 2023
Dept. of Commerce (1 <sup>st</sup> Review):	Up to 60 days
City Commission (2 <sup>nd</sup> Reading / Adoption):	March 14, 2024
Local Appeal Period:	30 days
Dept. of Commerce Review (2 <sup>nd</sup> Reading):	Up to 45 days
Dept. of Commerce Notice of Intent (NOI):	Effective when NOI posted to DOC site

**Analysis:**

Staff has determined that the proposed Comprehensive Plan amendment is in compliance with Chapter 90, Article VI, Division 3 of the Land Development Regulations of the Code of Ordinances of the City of Key West, Florida, which provides specific criteria for Comprehensive Plan map and text amendments. This section partially states that the City Commission shall not confer special privileges or treatment upon any person, as well as consider the consistency of proposed amendments with the intent of the comprehensive plan.

The proposed amendment does not confer any special treatment upon the KWHA, as any property owner within the city limits may apply for Building Permit Allocation System (BPAS) units. In addition, the proposed amendment appears to be consistent with the Comprehensive Plan, as further described in the planning staff analysis in the Planning Board staff report.

**Recommendation:**

As per Planning Board Resolution No. 2023-025, the Planning Board recommended to the City Commission the approval of the text amendments to the Comprehensive Plan. Planning staff supports Planning Board Resolution No. 2023-025, and recommends for approval of the text amendments to the Comprehensive Plan.