




MEMORANDUM

Date: May 9, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Katie P. Halloran
Planning Director

Subject: **23-4249 - Official Future Land Use Map Amendment of the Comprehensive Plan – 715 Seminole Avenue (RE # 00037230-000100; AK# 8735669) and 811 Seminole Avenue (RE # 00037160-000100; AK# 8735677) – An ordinance of the City of Key West, Florida, amending the boundaries of the Official Future Land Use Map of the City of Key West Comprehensive Plan for properties located at 715 Seminole Avenue and 811 Seminole Avenue; amending the Future Land Use Map Legend from Historic Residential to Historic Commercial for the parcels stated above pursuant to Chapter 90, Article VI, Division 3 of the Land Development Regulations of the Code of Ordinances of the City of Key West, Florida; providing for severability; 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 and for an effective date; and providing for the inclusion into the City of Key West Comprehensive Plan.**

Introduction

The subject application involves a request to amend the future land use designation of approximately 3.36 acres of property at 715 Seminole Avenue and 811 Seminole Avenue from Historic Residential (HR) District to Historic Commercial (HC) to allow for the development of 23 market rate units and 25 workforce housing units and the eventual conversion of the market rate units to transient rental units.

Concurrent with the FLUM amendment, the applicant is also requesting a zoning map amendment for the subject properties, from Historic Medium Density Residential (HMDR) to Historic Commercial Tourist (HCT).

This item was recommended for approval by the City of Key West Planning Board at their hearing on March 12, 2024, under Resolution No. 2024-010.

Background

The basis for the proposed amendment of the Future Land Use Map (FLUM) category is to allow the property owner to develop Transient Rental Units on 715 Seminole Avenue in order to offset their costs to construct deed restricted workforce or employee housing at 811 Seminole Avenue. The market rate units and workforce housing units are both permitted under the existing HMDR zoning classification. Densities for both housing types are also under the maximum permitted densities per code. An amended Declaration of Affordable Housing Restrictions was recorded in 2009 for the 811 Seminole Avenue property, whereby a portion of the Block (Block 7, Lots 13, 14, and 15) is required contain exclusively workforce housing.

It is worth noting that in 2018, the City Commission passed and adopted Ordinance No. 18-11, amending Section 108-995 of the Land Development Regulations, which required that the City of Key West building permit allocation system permits issued for new units be residential and that no transient allocations would be made subsequent to the closure of the 2017-2018 allocation period. Since closure of that allocation period, no transient allocations have been provided in the City of Key West. However, existing transient licenses can still be transferred from other properties. The applicant is aware that a separate application to amend the requirements of Section 108-995 would need to be approved and adopted prior to the issuance of any new transient licenses. If approved, the property owner stands to benefit financially, represented by the high value of each transient license as it fluctuates with the Key West real estate market, plus the revenue represented by nightly transient rentals, which can far surpass vacation rentals with a 30 day minimum limitation.

Planning staff has the following concerns with the proposed amendment:

1. The existing FLUM category (HR) allows for the development of the employee housing units and market rate units, which could be operated as vacation rentals. The densities proposed for both the market rate units and the workforce housing units are also under the maximum permitted density within the HR category. The purpose of the proposed rezoning and FLUM category amendment is to allow for the creation of new transient rental units which is inconsistent with both the Comprehensive Plan and Land Development Regulations. Speculatively rezoning the subject property to allow for the development of transient rental units before the Land Development Regulations and Comprehensive Plan have been amended to permit same is premature and inconsistent with sound planning practice.
2. Inconsistency with City Code Section 90-555 (3) Changed conditions. The ability to meet local housing needs has become significantly more difficult since the adoption of the current Land Development Regulations (1997) and Comprehensive Plan (2013). Approval of the subject application and the proposed amendment to allow for the creation of new transient rental units will create a misaligned incentive to reduce the available supply of market rate housing units, exacerbating current housing shortages.
3. Inconsistency with City Code Section 90-555 (4) Land use compatibility. The proposed rezoning and FLUM amendment from HR to HC allows for significant increases in both development density and the range of permitted/conditional uses. The increases in both development density and permitted/conditional uses within the HCT District and HC FLUM category will result in potential adverse impacts to surrounding lower intensity uses within adjacent and surrounding HMDR properties to both the north and east. Staff appreciates that the applicant has recently stated they would be willing to restrict some uses and density, to attempt to minimize risk of

nuisance and incompatible land uses, however City Legal staff have opined that there is not an available legal avenue to restrict uses/density of the HCT zoning district.

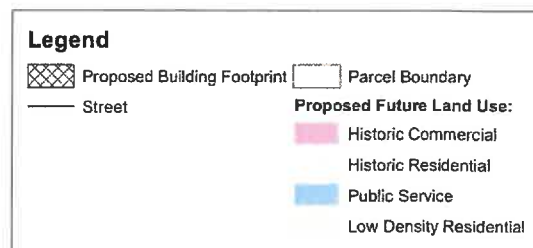
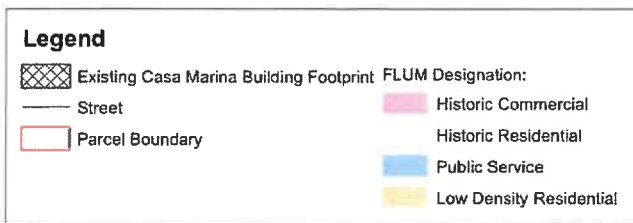
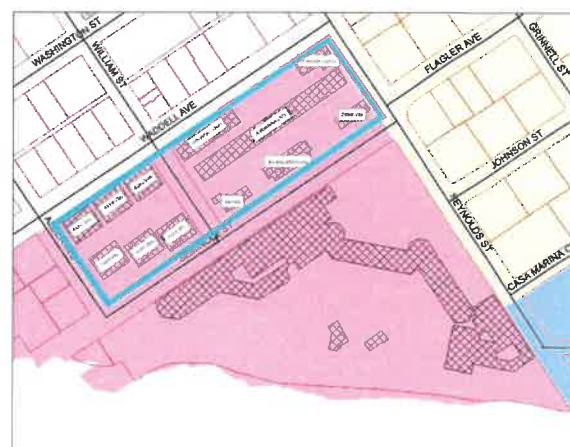
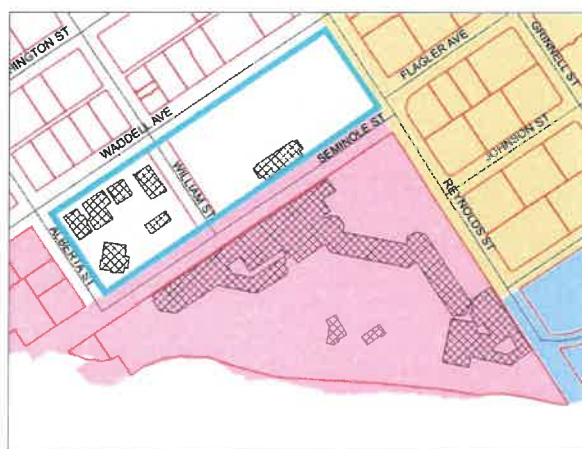
4. Inconsistency with City Code Section 90-555 (9) Public interest; enabling act. The preservation of existing housing stock for local residents, including emergency responders, local police, and municipal employees is one of the most significant challenges facing the City of Key West. The potential conversion of existing market rate housing stock to transient rental units will undermine the City’s efforts to meet critical housing needs.

Request/Proposed Map Amendment:

Amend the City’s Future Land Use Map (FLU-1, pg. 1-3): Remove Historic Residential (HR) land use designation applied to the properties and substitute Historic Commercial (HC) future land use designation.

Current FLUM: Historic Residential (HR)

Proposed FLUM: Historic Commercial (HC)



Procurement

The proposed map amendment is not anticipated to have any financial impact on the City.

Recommendation:

As per Planning Board Resolution No. 2024-010, the Planning Board recommended that the City Commission approve the Future Land Use Map amendment. Planning Department staff note that the applicant has not addressed the concerns referenced above. In addition, the applicant has not provided a

basis for the rezoning other than the potential to convert market rate units to transient units, which is currently prohibited by code.