



## EXECUTIVE SUMMARY

To: Patti McLaughlin, City Manager  
From: Katie P. Halloran, Planning Director  
Meeting Date: September 14, 2021  
Agenda Item: **Text Amendment of the Comprehensive Plan**

### **Action Statement:**

The purpose of this ordinance is to amend the City's Comprehensive Plan to set aside Building Permit Allocation System units to facilitate an affordable housing project at the property known as the "3.2" acres (RE# 00001630-000801).

### **Background:**

The proposed ordinance to amend the City's Comprehensive Plan 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 Comprehensive Plan is an effort to more effectively implement 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 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.

This amendment is being proposed together with amendments to the Land Development Regulations. Both amendments specify that 89.6 affordable BPAS units shall be set aside and 38.4 market rate units shall be set aside as part of Year Nine of the City of Key West Building Permit Allocation System. The City's affordable housing goals at the 3.2 acre site are more specifically outlined in the City's Request for Proposals document. The City's overall goal for this development is to maximize the number of affordable units on this site.

**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 (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.

[...]

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.

#### 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.

#### **Comprehensive Plan Amendment Process:**

Planning Board:	August 19, 2021 (Planning Board Res. 2021-36)
City Commission:	September 14, 2021 (first reading)
City Clerk renders to DEO:	Up to 60 days
City Commission:	TBD (second reading)
Local Appeal Period:	30 Days
City Clerk renders to DEO:	10 working Days
DEO Review:	TBD
DEO Final Order:	Comprehensive Plan amendment becomes effective when the final order is received

**Analysis:**

Staff has determined that this proposed Comprehensive Plan amendment complies with Chapter 90, Article VI, Division 3 of the Land Development Regulations (the “LDRs”) of the Code of Ordinances (the “Code”) of the City of Key West, Florida (the “City”) which provides criteria for Comprehensive Plan map and text amendments.

The parcel for which the new building permits would be allocated is former military land, granted to the City of Key West through a quit claim deed, recorded with the County, book # 1839, page # 410. The amendment to the Comprehensive Plan will allow a meaningful integration of the sites into the community fabric by providing affordable and mixed-income housing for Key West residents, employment opportunities for the region’s unemployed and underemployed persons, a strengthening of the local tax base, and an encouragement of a balanced growth in the area’s economy, including commercial and service sector job growth.

The proposed reservation of BPAS units will allow for the development of mixed income housing at the 3.2-acre development site and ensure that any future development be predominantly workforce affordable, with at least 70% of the units deed restricted affordable.

A full planning staff analysis is available in the planning board staff report.

**Other Matters:**

Market rate BPAS units can be used to construct affordable units and the City endeavors to ensure most if not all on-site units are deed-restricted affordable workforce housing.

**Options / Advantages / Disadvantages:**

**Option 1:**

Approve the proposed Comprehensive Plan text amendment to Policy 1-1.16.1 and Policy 3-1.1.4 as recommended by the Planning Board through Resolution No. 2021-36.

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

**Option 2:**

Deny the proposed Comprehensive Plan text amendment to Policy 1-1.16.1 and Policy 3-1.1.

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

**Recommendation:**

As per Resolution No. 2021-36, the Planning Board recommended to the City Commission Option 1 for approval of the text amendments to the Comprehensive Plan. Staff supports Planning Board Resolution No. 2021-36, and also recommends approval of Option 1.