

THE CITY OF KEY WEST  
PLANNING BOARD  
Staff Report



To: Chairman and Planning Board Members  
Through: Katie P. Halloran, Planning Director  
From: Nathalia A. Mellies, Assistant City Attorney  
Meeting Date: August 19, 2021

Agenda Item: **Text Amendment of the Comprehensive Plan** - A Resolution of the City of Key West Planning Board recommending an Ordinance to the 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 known as the 3.2 (re# 00001630-000801); providing for transmittal to the state land planning agency; providing for the filing with Secretary of State; providing for severability; providing for repeal of inconsistent provisions; providing for the inclusion in the City of Key West Comprehensive Plan; and providing for an effective date.

Request: The proposed ordinance to amend the City's Comprehensive Plan is an essential part of an effort to encourage the redevelopment of vacant City-owned properties and mixed-use development to include high density mixed income housing including affordable housing. The Planning Board is hearing this Comprehensive Plan text amendment and the associated text amendment to the Land Development Regulations (the "LDRs") in order to set aside Building Permit Allocations (BPAS) for the City-owned parcel known as the 3.2 (re# 00001630-000801).

Applicant: City of Key West

**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 Land Development Regulations 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.

**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 Meeting:	August 19, 2021
City Commission (1st Reading):	TBD, 2021

Local Appeal Period:	30 days
DEO Review (1st Reading):	Up to 60 days
City Commission (2nd Reading / Adoption):	TBD, 2021
Local Appeal Period:	30 days
DEO Review (2nd Reading):	Up to 45 days
DEO Notice of Intent (NOI):	Effective when NOI posted to DEO site

**Analysis:**

The purpose of 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”) is to allow for Comprehensive Plan map and text amendments. The Section 90-551 states that the purpose of these amendments, “... *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 division, the consistency of the proposed amendment with the intent of the comprehensive plan.*”

Changed conditions are present in this instance: the City of Key West acquired this and other parcels as part of a federal Base Realignment and Closure process. The transfer of this property from the federal government was intended to provide an opportunity for new affordable housing development together with the provision of other community amenities, many of which have been realized through the construction of the Truman Waterfront Park and athletic fields. This proposed amendment does not confer special privileges or rights; the City of Key West Building Permit Allocation System is available to all property owners within the city limits.

*90-5554 (6) Justification. The need and justification for the proposed change. The evaluation shall address but shall not be limited to the following issues:*

*a. **Comprehensive Plan consistency.** Identifying impacts of the proposed change in zoning on the Comprehensive Plan. The zoning should be consistent with the Comprehensive Plan.*

The proposed amendment is consistent with and further implements the Comprehensive Plan objectives and policies below:

*Objective 1-1.6: Integrate Former Military Sites: Ensure that the integration of former military land provides for long-term, sustained, economic growth consistent with the community's vision for the City of Key West, as follows:*

- 1. Provide meaningful integration of the sites into the community fabric;*
- 2. Help diversify the economy;*
- 3. Encourage balanced growth in the area's economy, including commercial and service sector job growth;*
- 4. Provide employment opportunities for the region's unemployed and underemployed persons;*
- 5. Strengthen the local tax base*
- 6. Help existing business and industries expand;*
- 7. Help small businesses develop;*
- 8. Provide affordable housing for Key West residents;*
- 9. Provide public recreation and access opportunities, especially on the waterfront;*

10. Provide opportunities for port, harbor and marina improvements;
11. Facilitate improvements and provide physical and economic links to Bahama Village;
12. Ensure environmental sensitivity and efficient resource use;
13. Provide opportunities for social services and special needs facilities.

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.

*Objective 3-1.1: - Managing Building Permit Allocation. The Comprehensive Plan currently requires the City to manage a Building Permit Allocation System in order to protect the health and safety of the residents in the City of Key West. The City shall implement the following policies in order to assist in accommodating existing and projected housing need. Monitoring Measure: Number of affordable housing units provided (public housing and deed restricted affordable housing) compared to current and projected demand.*

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.

*Policy 1-1.6.4: Truman Waterfront Organizing Elements: All new development and redevelopment within the Truman Waterfront Parcel shall be consistent with the following key organizing elements:*

1. Recreation and open space linked through landscaped multimodal green ways and view corridors with multiple access points connecting the large park and recreational area on the northwestern portion of the site.
2. Uninterrupted public access to the waterfront through a wide promenade along the full length of the harbor.
3. Landscaped and hardscaped areas which are well-lit and designed to provide a safe area for use by a diverse mix of recreational users.
4. Affordable housing, neighborhood retail and social service uses which function as an extension of the neighborhood fabric of Bahama Village.
5. Educational and historical activity nodes.
6. Expanded use of the portions of the Truman Waterfront property for port activities.
7. Multiple ingress/egress points into the Truman Waterfront property.
8. High profile green design and livability principles, including but not limited to the International Dark Sky Association, the National Complete Streets Coalition, and highest-level green building certifications.

The proposed Comprehensive Plan amendment will allow for redevelopment within the Truman Waterfront Parcel to contain mixed use, high-density mixed income housing, affordable workforce housing, neighborhood retail, and social services that will function as an extension of the neighborhood fabric of Bahama Village.

*Policy 3-1.1.11: Selecting Sites for Affordable Housing for Low and Moderate Income Households.*

*The Comprehensive Plan states that the City of Key West shall continue to promote access to a broad range of housing opportunities with a full complement of urban services through cooperation and coordination with the private sector and Monroe County.*

The City intends identify a partner to develop affordable housing in this location. The City shall also support local community members to utilize Monroe County resources to acquire homeownership assistance (through State and Federal subsidy).

*Policy 3-1.1.13: South Florida Regional Planning Council Initiatives.*

*The Comprehensive Plan states that the City of Key West shall participate in South Florida Regional Planning council initiatives directed toward educating local governments of new techniques especially programs applicable to the region and/or the County, for promoting affordable housing. The Comprehensive Plan also states that in drafting updated Land Development Regulations, the City shall ensure that regulatory techniques and review procedures do not create barriers to affordable housing.*

*Goal 3-1: - Housing: Allocate land area for accommodating a supply of housing responsive to the diverse housing needs of the existing and projected future population and served by adequate public facilities; assist the private sector in: providing affordable quality housing in neighborhoods protected from incompatible uses; promote best practices of land use planning, urban design, and landscaping.”*

Through this amendment, the City will directly assist the private sector to facilitate the development of affordable workforce housing at this site by reserving needed building permits.

*Appendix A, The City’s Chapter 1. – Affordable Housing Needs Analysis . . . Some of the contributing factors to the need for affordable housing included lower wage tourism based jobs; loss of military families that lived in housing subsidized by the government; increased demand for second homes; government limitations on growth; the loss of housing due to conversion to guesthouses; and the lack of available vacant land.*

(...)

*Policy 3-1.1.3 of the City's Comprehensive Plan requires that 30 percent of units constructed each year be affordable. At the time of the 2005 EAR, it was noted that this policy has been successful, however at that time there was still a recognized shortage of affordable units.*

(...)

*In addition to requiring private developers to provide a percentage of affordable units, the City has historically taken a proactive approach in providing affordable units. The City has worked within the limits of the BPAS policies and, while being mindful of evacuation planning, has signed agreements with the State and with private developers to allow more affordable units.*

*The provision of decent, safe, sanitary and affordable housing to all residents continues to be one of the most daunting challenges that the City of Key West faces. The City's scarcity of land for new development, growth in the second home market, high quality of life and desirability, and unique and historic housing stock all contribute to property and housing values that are among the highest in the State. The City's economy is largely based on*

*tourism and service industries, which generally pay lower wages than many other industries. . .*

Additionally, the City's Chapter 3: - Housing Element of the Comprehensive Plan addresses the City's goal to allocate land area to accommodate a supply of housing that is responsive to the diverse housing needs of the existing and projected future populations.

The proposed Land Development Regulations amendment will encourage the redevelopment of vacant City-owned properties while encouraging and ensuring affordable housing in the Bahama Village community.

*b. **Impact on surrounding properties and infrastructure.** The effect of the change, if any, on the particular property and all surrounding properties. Identify potential land use incompatibility and impacts on infrastructure.*

The redevelopment areas in Key West were originally established through a Finding of Necessity in 1992. One of the two areas is Bahama Village. F.S. 163.335 details the findings and declarations of necessity for areas that qualify for redevelopment. One such declaration states that "[i]t is further found and declared that there exists in counties and municipalities of the state a severe shortage of housing affordable to residents of low or moderate income, including the elderly; that the existence of such condition affects the health, safety, and welfare of the residents of such counties and municipalities and retards their growth and economic and social development; and that the elimination or improvement of such condition is a proper matter of state policy and state concern and is for a valid and desirable public purpose."

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.

*c. **Avoidance of special treatment.** The proposed change shall not: 1. Single out a small piece of land and confer special and privileged treatment not provided to abutting properties with similar characteristics and land use relationships; and 2. Provide for land use activities which are not in the overall public interest but only for the benefit of the landowner.*

The proposed amendment will allow for the development of mixed income housing and affordable workforce housing, a critical need of the community. There is a severe shortage of affordable housing not only in Bahama Village but City-wide. This large parcel is owned by the City of Key West and is distinct from surrounding parcels; the redevelopment in this location will have direct benefit to the public and is in the overall public interest.

*d. **Undeveloped land with similar comprehensive plan future land use map designation.** The amount of undeveloped land in the general area and in the city having the same zoning classification as that requested shall be stated.*

Undeveloped land and vacant properties are subject to unit allocations from the Beneficial Use pool. The proposed change involves allocation of new building permits in a recently created zoning district where the landowners are mostly governmental entities. Most of the surrounding property is protected, i.e. Fort

Zachary Taylor State Park, or has been developed for public use, i.e. Truman Waterfront Park. Owners of undeveloped land with similar land use designations may apply for BPAS or Beneficial Use units at any time.

RECOMMENDATION:

The Planning Department, based on the criteria established by the Comprehensive Plan and the Land Development Regulations, recommends to the Planning Board that the request to amend the Comprehensive Plan be **APPROVED**.