




MEMORANDUM

Date: May 9, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress
City Manager 

From: Katie P. Halloran
Planning Director

Subject: **23-4250 - Official Zoning Map Amendment of the Land Development Regulations – 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 Zoning Map for properties located at 715 Seminole Avenue and 811 Seminole Avenue; amending the boundaries of the Official Zoning Map category from Historic Medium Density Residential (HMDR) to Historic Commercial Tourist (HCT) for the parcels stated above pursuant to Chapter 90, Article VI, Division 2 of the Land Development Regulations of the Code of Ordinances of the City of Key West, Florida; providing for concurrent and conditional adoption upon adoption of Comprehensive Plan amendments; providing for severability; providing for an effective date.**

Introduction

The subject application involves a request to rezone approximately 3.36 acres of property from Historic Medium Density Residential (HMDR) District to Historic Commercial Tourist (HTC) District to allow for the potential development of 23 transient units and 25 workforce housing units. The applicant's proposed housing density is already permitted under the existing HMDR zoning classification, however transient uses are not allowed in the HMDR district.

Concurrent with the official zoning map amendment, the applicant is also requesting a future land use map amendment for the subject properties, from Historic Residential (HR) to Historic Commercial (HC).

This item was recommended for approval by the City of Key West Planning Board at their hearing on March 12, 2024, under Resolution No. 2024-011.

Background

The basis for the proposed amendment of the Official Zoning Map (OZM) district 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 zoning classification (HMDR) currently allows for the development of the workforce 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 HMDR District.
The purpose of the proposed rezoning is to allow for the creation of transient rental units which is inconsistent with both the Comprehensive Plan and Land Development Regulations, as discussed below. Speculatively rezoning the subject property for a use that is inconsistent with the current code and comprehensive plan represents unsound planning practice and the improper segmentation of the full application.
2. Inconsistency with City Code Section 90-521 (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 transient rental units will create an misaligned incentive to reduce the available supply of market rate housing units, exacerbating current housing shortages.
3. Inconsistency with City Code Section 90-521 (4) Land use compatibility. The proposed rezoning from HMDR to HCT 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 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.

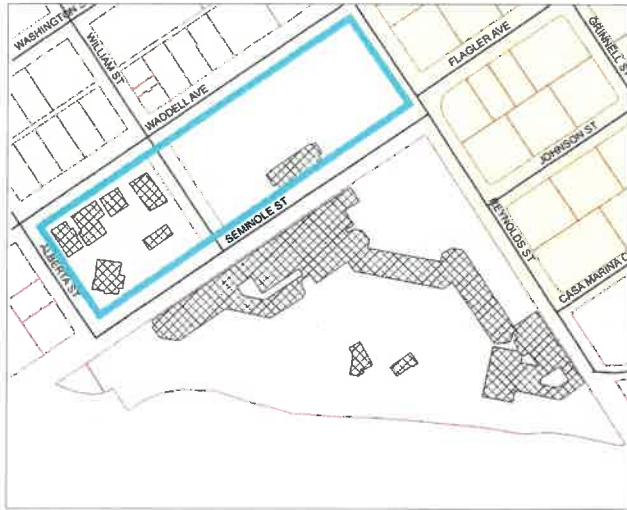
- Inconsistency with City Code Section 90-521 (9) Public interest; enabling act. The preservation of existing housing stock for local residents, including emergency responders, local police, and municipal employees is one of the most significant challenges facing the City of Key West. The potential conversion 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:

The applicant is requesting an amendment to the City's Official Zoning Map for the subject properties. The current zoning is Historic Medium Density Residential (HMDR). The proposed zoning map category is Historic Commercial Tourist (HCT).

Current Zoning:

Historic Medium Density Residential (HMDR)



Legend	
Existing Building Footprint	Parcel Boundary
Street	Proposed Zoning District
	Historic Commercial Tourist (HCT)
	Historic Medium Density Residential (HMDR)
	Public Service (PS)
	Single-Family (SF)

Proposed Zoning:

Historic Commercial Tourist (HCT)



Legend	
Proposed Building Footprint	Parcel Boundary
Street	Proposed Zoning District
	Historic Commercial Tourist (HCT)
	Historic Medium Density Residential (HMDR)
	Public Service (PS)
	Single-Family (SF)

Procurement

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

Recommendation:

As per Planning Board Resolution No. 2024-011, the Planning Board recommended that the City Commission approve the Official Zoning 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.