




MEMORANDUM

Date: March 14, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress
City Manager 

From: Katie P. Halloran
Planning Director

Subject: **23-4913 Text Amendment of the Land Development Regulations** – An ordinance to the City Commission to amend Chapter 108 of the Land Development Regulations, entitled “Planning and Development”, Article X entitled “Building Permit Allocation System”, Division 2 entitled “Building Permit Allocation System”, Section 108-995 – Reporting requirements and residential allocation schedule; to provide for building permit allocation system units for the property at 301 White Street (RE# 00001780-000000); providing for concurrent and conditional adoption upon adoption of Comprehensive Plan amendments; providing for severability; providing for repeal of inconsistent provisions; providing for an effective date.

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 (KWH). 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. 2023-026. 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 KWH 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 KWAHA, 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 KWAHA 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.

Sec. 108-995. - Reporting requirements and residential allocation schedule.

The City of Key West building permit allocation system shall limit the number of permits issued for new permanent development to 910 units, with the exception of the beneficial use permit allocations that have been reserved separately to address property rights claims. The Building Permit Allocation System shall operate on an annual basis in accordance with Section 108-997. The first allocation cycle is July 2013 through June 2014. Annual allocation cycles shall continue until all units have been allocated. Additionally, the Building Permit Allocation System shall be utilized in the event of an increase in available Building Permit Allocation System units.

The annual allocation will not exceed ninety-one (91) single-family units or equivalent types of units based on the equivalency factors established in policy 1-1.16.3 of the comprehensive plan. The annual allocation limitation shall not apply to affordable housing allocations. No transient allocations will be made subsequent to the closure of the 2017-2018 allocation period.

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 (4) and ten (10) (2016-2023), a minimum of 50 percent of the total allocations shall be affordable. Between years four (4) and ten (10), 80 percent of remaining (non-affordability restricted) units shall be permanent, and 20 percent may be transient. Between years six (6) and ten (10), 100 percent of the units shall be permanent. After year ten (10), 75 percent of units shall be deed restricted affordable, including any units recovered by the City due to failure to obtain building permits within two years of a BPAS award, per [Section 108-997\(e\)](#), or otherwise voluntarily released to the City.

During year one (1) (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, and shall meet the prerequisite standards for obtaining BPAS awards.

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 and shall meet the prerequisite standards for obtaining BPAS awards.

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 and shall meet the prerequisite standards for obtaining BPAS awards.

Table 2.0 below identifies allocated units at a rate of 1.0 ESFU's for the period from July 2013 to July 2024. As noted above, allocations shall continue after July 2023 but only 25% of units allocated during any one BPAS cycle year can be market rate. Deed restricted affordable allocations shall not have maximum annual allocation limits.

July 1, 2013 - June 30, 2014	July 1, 2014 - June 30, 2015	July 1, 2015 - June 30, 2016	July 1, 2016 - June 30, 2017	July 1, 2017 - June 30, 2018	July 1, 2018 - June 30, 2019	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - June 30, 2022	July 1, 2022 - June 30, 2023	July 1, 2023 - June 30, 2024
48 affordable units to be	Minimum of 55	Minimum of 55	Minimum of 45	Minimum of 45	Minimum of 45	Minimum of 45	Minimum of 45	38.4 market rate units	Minimum of 0.4	60 affordable

allocated for Peary Court development. Minimum of 7 affordable units. Maximum of 36 market rate units.	affordable units. Maximum of 36 market rate units.	affordable units. Maximum of 36 market rate units.	affordable units. Maximum of 46 market rate units, of which a maximum of ten (10) units may be transient.	affordable units. Maximum of 46 market rate units, of which a maximum of ten (10) units may be transient.	affordable units. Maximum of 46 market rate units.	affordable units. Maximum of 46 market rate units.	affordable units. Maximum of 46 market rate units.	and 89.6 affordable units shall be allocated to the property currently known as the 3.2 development in Bahama Village. Maximum of 7.6 market rate units.	affordable units. Maximum of 46 market rate units.	<u>units shall be allocated to the property currently known as Lang Milian Apartments.</u>
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Land Development Regulations Text Amendment Process:

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

Analysis:

The purpose of Chapter 90, Article VI, Division 2 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 provide a means for changing the text of the Land Development Regulations. It 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 subdivision, the consistency of the proposed amendment with the intent of the Comprehensive Plan.

This Land Development Regulations amendment will facilitate development of deed- restricted affordable workforce housing for families in need in Key West. A full planning staff analysis is available in the Planning Board staff report.

Recommendation:

As per Planning Board Resolution No. 2023-026, the Planning Board recommended to the City Commission for the approval of the text amendments to the Land Development Regulations. Planning staff supports Planning Board Resolution No. 2023-026, and also recommends approval of the text amendments to the Land Development Regulations.