THE CITY OF KEY WEST PLANNING BOARD Staff Report



To: Chairman and Planning Board Members

From: Katie P. Halloran, Planning Director

Meeting Date: March 17, 2022

- 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 Element, Objective 1-1.17: - Workforce-Affordable Housing Initiative, and Policy 1-1.17.1: - Distribution of Workforce-Affordable Housing Allocations., to provide for building permit allocation system units for the properties at 241 Trumbo Road (RE# 00001720-000100) and 240 Trumbo Road (RE# 00001720-000300); 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 amendment to the City of Key West Comprehensive Plan was submitted by the Monroe County School Board to allow for the redevelopment of underutilized properties at 240 and 241 Trumbo Road for affordable workforce 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 150 "Affordable - Early Evacuation Pool" building permit allocations for the aforementioned parcels.

Applicant: Monroe County School Board

Background:

The proposed ordinance to amend the City's Comprehensive Plan will set aside 150 "Affordable – Early Evacuation Pool" building permit allocations to allow for the redevelopment of approximately six acres of land owned by the Monroe County School District. The District has written that they will endeavor to proactively address the affordable housing shortage in Key West that is affecting their ability to hire and retain educators by constructing housing units for current and prospective School District staff.

The City will allocate these units contingent upon the success of litigation associated with the 300 units previously allocated to the City through the State of Florida's Workforce-Affordable Housing Initiative. After the completion of Building Permit Allocation System Year 9, the City will have no remaining affordable BPAS units. The City recently allocated 38.40 market and 89.60 affordable BPAS units to the property commonly known as the 3.2 acres. The Planning Department plans to allocate 27.64 market rate units

during Year 9 to be deed restricted and function as affordable units. If the aforementioned litigation concludes in favor of the City, 103 affordable BPAS units will be returned to the City from the Gardenview Apartments project.

The School District has written in their text amendment application, "In the 2021-22 school year alone, more than 10 positions at schools throughout the keys were left vacant due to the inability of prospective applicants to find housing that they could afford. While this workforce shortage has impeded the ability of many businesses to attract and retain a qualified workforce, the impact on the School Board is unique in the sense that shortages in District staffing affect a significant portion of the Key West population."

Request / Proposed Text Amendment: *Proposed new language is <u>underlined below</u> and deleted language is <u>struck through</u> at first reading.*

Objective 1-1.17: Workforce-Affordable Housing Initiative.

To support the City of Key West's workforce by alleviating constraints on affordable housing, the City shall participate in the Workforce-Affordable Housing Initiative, as approved during the June 13, 2018 meeting of the Florida Administration Commission. The Workforce-Affordable Housing Initiative will require new construction that participates to commit to evacuating tenants in the Phase I clearance window of evacuation. The City, thereby, shall establish a new limited category to be known as the "Affordable - Early Evacuation Pool" which will provide 300 workforce-affordable building permit allocations for the Workforce-Affordable Housing Initiative, as well as any additional allocations which may be authorized by the Florida Administration Commission or transferred to Key West that are not accepted by other Florida Keys municipalities or Monroe County. These allocations are in addition to the building permit allocations identified in Objective 1-1.16. The City shall be responsible for the management, distribution, and enforcement of requirements associated with the Early Evacuation Affordable allocations. The City of Key West shall ensure adherence to these requirements through implementation of the policies of this objective.

(Ord. No. 19-06, 3-5-2019)

Policy 1-1.17.1: Distribution of Workforce-Affordable Housing Allocations.

Workforce-Affordable Housing allocations shall be available for allocation on a first-come first-served basis and distributed at any time following adequate public notice and hearing procedures pursuant to Chapter 108 of the City's Land Development Regulations. In the event applications received exceed the allocations authorized herein, the competing applications shall be ranked in accordance with the BPAS ranking procedures in Chapter 108, Section 997(c).

The City of Key West shall transfer one hundred fifty (150) previously unallocated Affordable – Early Evacuation Pool units to the School Board of Monroe County, Florida, for affordable housing development at the property commonly known as 240 and 241 Trumbo Road, Key West, Florida. Transfer of the aforementioned units shall be contingent on receipt of a sufficient number of Affordable – Early Evacuation Pool or equivalent affordable units by the City of Key West. All development associated with these 150 units shall be reviewed and approved as per City of Key West Land Development Regulations, notably Chapter 108, Article II. – Development Plan. The School Board of Monroe County, Florida, shall provide recorded Declarations of Affordable Housing Restrictions for these units acceptable to the City of Key West prior to the issuance of certificates of occupancy by the City. In the event building permits to construct affordable housing at 240-241 Trumbo Road have not been issued on or before June 30, 2026, these Affordable – Early Evacuation Pool units shall be released to the City of Key West and shall be re-allocated only for affordable housing purposes within the City of Key West limits. All units transferred under this policy shall be considered as contributing to the 50 percent minimum affordable housing allocation of Policy 1-1.6.1.

(Ord. No. 19-06 , 3-5-2019)

Comprehensive Plan Amendment Process:

Planning Board Meeting: City Commission (1st Reading):	March 17, 2022 TBD, 2022
Local Appeal Period:	30 days
DEO Review (1st Reading):	Up to 60 days
City Commission (2nd Reading / Adoption): Local Appeal Period:	TBD, 2022 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's deficit of affordable housing has worsened and been exacerbated by national Covid-19 employment trends. This proposed amendment does not confer special privileges or rights; the City of Key West Building Permit Allocation System and the Affordable- Early Evacuation Pool units are available to all property owners within the city limits.

The proposed Comprehensive Plan text amendment shall be reviewed as per the criteria of Section 90-554(6) below:

90-554 (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 1-1.17: Workforce-Affordable Housing Initiative. (full text above)

The proposed text amendment is in accordance with the first-come, first-serve language of the specified Objective for affordable workforce housing. The proposed amendment would also meet the criteria noted in Policy 1-1.17.2. The application states, "The proposed development would include multi-family structures, constructed in compliance with the Florida Building Code, offered as rental units, and would be deed restricted to workforce-affordable use in compliance with the Comprehensive Plan and the Code."

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 deed restricted affordable workforce housing at the Trumbo Road School Board properties.

Policy 3-1.1.8: Affordable Housing Applicant Eligibility Requirements.

The School Board provided the following statement in their application, "Due to legal restriction imposed on the School Board's ability to develop affordable workforce housing by Fla. Stat. 10001.43(12), all tenants of the proposed development would be residents of the City of Key West, deriving at least 70 percent of household income form employment with the Monroe County School District or other public agencies located within the City. In accordance with State law, all tenants of the proposed development would need to qualify for residency in accordance with the City's affordable housing guidelines."

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

The School Board development is anticipated to meet site development criteria. The property is serviced by potable water and central wastewater systems, provides access to employment centers due to its central Key West location, and can plan for stormwater management at the time of major development plan application and review.

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 endeavors to coordinate and assist the Monroe County School Board with redevelopment of their property for workforce affordable housing through this text amendment.

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 School Board 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 Monroe County School Board property to provide housing for educators and other School District staff.

Policy 8-1.1.3.: Principles and Guidelines to be used in Coordination of Development and Growth Management Issues.

This text amendment, and the future development anticipated with these 150 units, reflect interagency coordination. These units will function as required per Comprehensive Plan Policy 1-1.17.2- *Specific Standards and Requirements for Workforce-Affordable Housing.* As such, the City anticipates safe evacuation of future tenants.

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 City of Key West encourages the School Board to coordinate with the Housing Authority and the Bight Board and the developers of 255 Trumbo Road to design cohesively in this area of the Key West historic district. The Bight Board of the City of Key West is contemplating a capital project to extend the Key West Bight boardwalk east and north to wrap Trumbo Road, in cooperation with the Trumbo Annex/federal government. Affordable housing for first responders is anticipated at 255 Trumbo Road and may also allow for landscaping and pedestrian walkways that will enhance public access and views of the waterfront.

The Housing Authority has completed a needs assessment of all its properties and may renovate or redevelop the Lang B. Milian (formerly Porter Place) housing complex. All the aforementioned development activity will provide more benefit for tenants and Key West residents if the associated projects are designed collaboratively, with open green spaces, waterfront access, and roadway and bicycle/pedestrian connectivity at the forefront.

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 affordable workforce housing, a critical need of the community. There is a severe shortage of affordable housing City-wide. This large parcel is owned by the Monroe County School District 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 zoning district where the landowner is a governmental entity. 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**.