

MIAMI BEACH

PLANNING DEPARTMENT

Staff Report & Recommendation

PLANNING BOARD

TO: Chairperson and Members
Planning Board

DATE: December 20, 2022

FROM: Thomas R. Mooney, AICP
Planning Director



SUBJECT: **Affordable and Workforce Housing Discussion.**

HISTORY

On March 24, 2022, the Planning Board scheduled a discussion item on Affordable and Workforce Housing for the June 21, 2022 meeting. On June 21, 2022, the Planning Board continued the discussion to the July 26, 2022 meeting.

On July 26, 2022, the Planning Board discussed the item, made the following recommendation and continued the discussion to the September 20, 2022 meeting:

Transmit a recommendation to the City Commission that the Planning Board be designated as a taskforce to address issues to incentivize the creation of affordable and workforce housing to run concurrently with the Charter Review that will be taking place. Furthermore, the Planning Board recommended that if there are recommendations that would require voter approval that those be placed on the November 2023 ballot.

On September 20, 2022 the Planning continued the item to the October 25, 2022 meeting.

On October 25, 2022, the Housing Authority and City Staff made a presentation to the Planning Board. The Board discussed the item, made the following recommendations and continued the discussion to the November 22, 2022 meeting:

1. *Transmit a recommendation to the City Commission to implement the following practices to facilitate the development and maintenance of affordable and workforce housing:*
 - i. *Cap fees for building permits for affordable and workforce housing.*
 - ii. *Waive impact fees for affordable and workforce housing.*
 - iii. *Prioritize building permits for affordable and workforce housing.*
 - iv. *Waive or reduce operating fees, such as water and wastewater fees.*

Additionally, direct staff to research best practices throughout other jurisdictions for the development of workforce and affordable housing and reach out to developers.

2. *Transmit a recommendation to the City Commission to establish an Affordable Housing Trust Fund for the depositing of miscellaneous funds collected for the purposes of providing affordable and workforce housing and provide that using such funds for any other purposes would require a super majority vote of the City Commission.*

On November 22, 2022, the Planning Board discussed the item and continued the discussion to the December 20, 2022 meeting with direction to research the affordable and workforce housing impacts of Florida House Bill's 337 and 1339, as well as the City of Miami Market Rate Inclusionary Housing Ordinance.

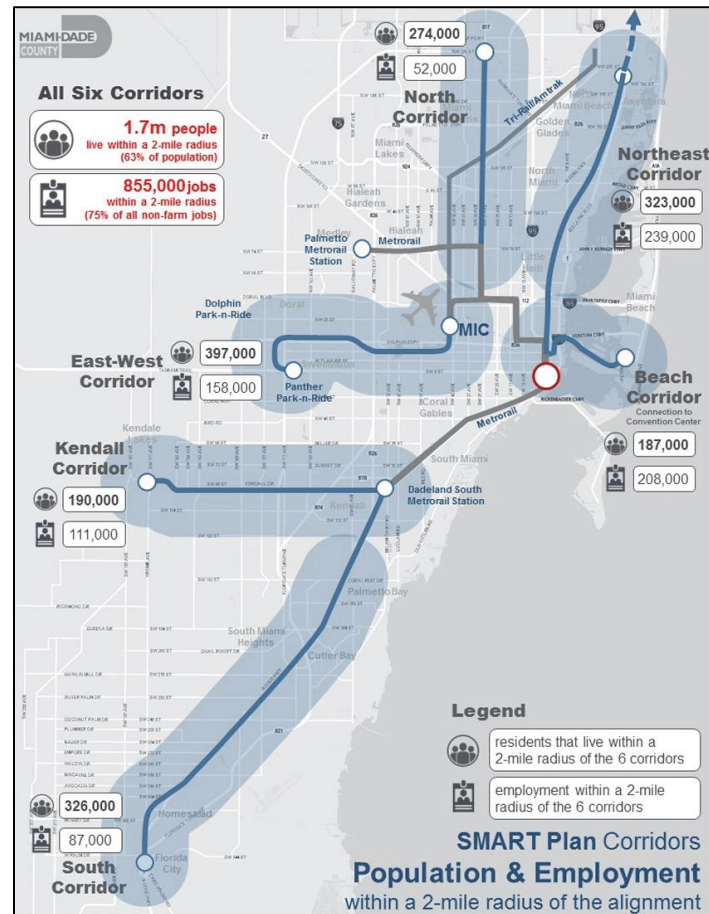
ANALYSIS

Pursuant to the direction from the Planning Board at the October 25, 2022 meeting, below is a list of best practices that are utilized by other jurisdictions to incentivize the development of affordable (AH) and workforce housing (WFH):

Miami-Dade County, FL

- Accessory Dwelling Units (ADUs) are permitted in all single family zoning districts.
- Workforce Housing Development Program: Voluntary Program that provides the following incentives:
 - Up to 25% Density Bonus:
 - 5% WFH provides 5% Bonus
 - 6% WFH provides 9% Bonus
 - 7% WFH provides 13% Bonus
 - 8% WFH provides 19% Bonus
 - 9% WFH provides 21% Bonus
 - 10% WFH provides 25% Bonus
 - The density bonus can be transferred.
 - Increases intensity standards per zoning district such as:
 - Increased FAR
 - Increased height limits
 - Maximum lot coverage
 - Reduced minimum open space
 - Reduced setbacks
 - Parking requirement reductions
 - Sets a tiered income limit target.
 - Allows monetary contribution in lieu of WFH
 - 2-year deferral of impact fees. Exempts impact fees for AH.
 - Expedited plan review.
 - Requires a 20-year covenant.
- Rapid Transit Zone: Voluntary zoning district permitted within a half mile of a SMART Plan Corridor.
 - Additional height
 - Increases Floor Area Ratio and provides density bonuses
 - Requires 12.5% of units be set aside for WFH.
 - Provides reduced parking requirements.

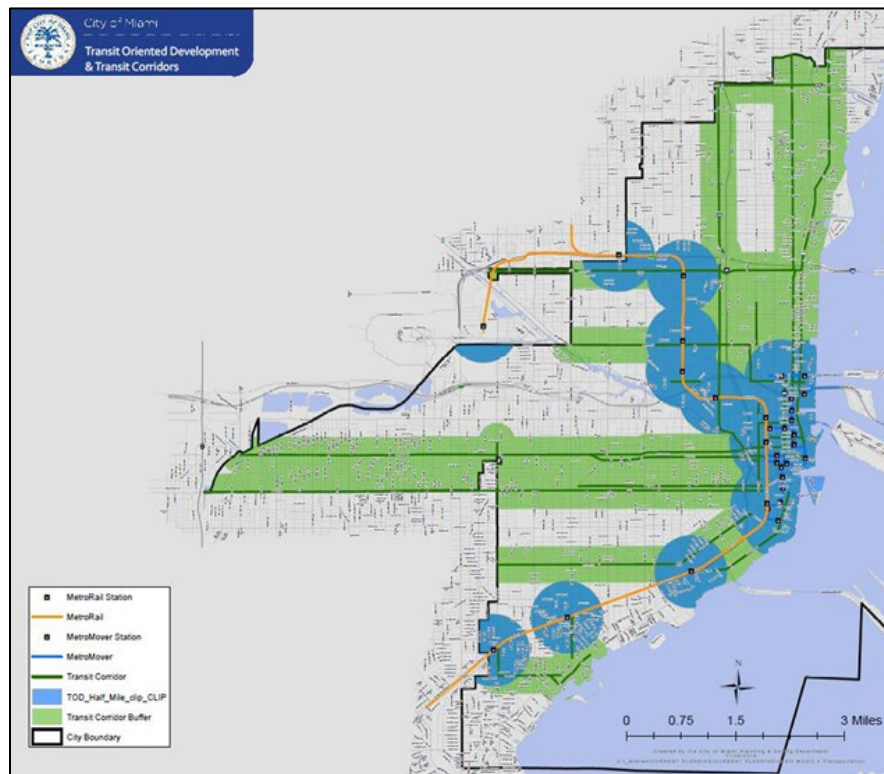
- Streamlined rezoning process.



City of Miami, FL

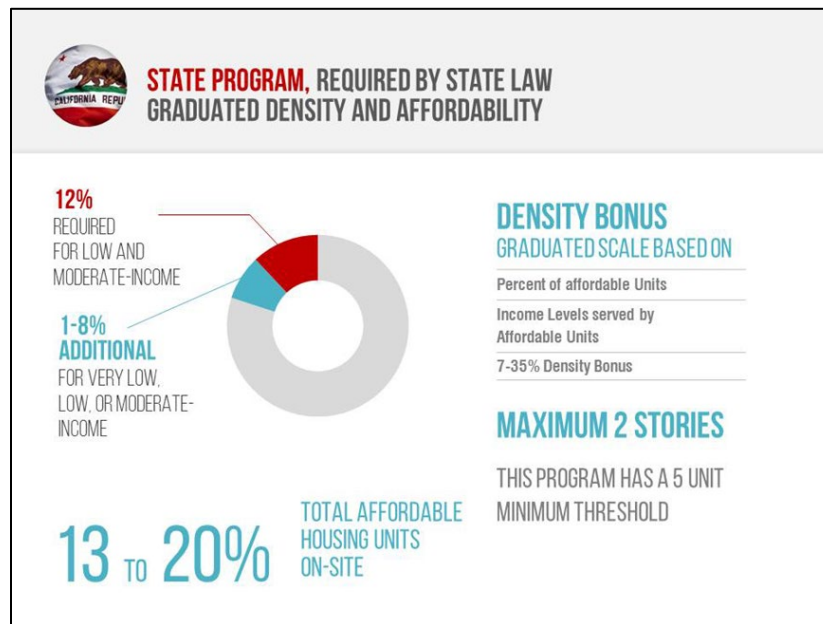
- Allows ADUs in T3-L districts.
 - Property owner must live on site
 - 450 SF maximum
- High Intensity Area Incentives:
 - Project may double residential density for projects that are 100% Affordable and Workforce.
 - May not abut T3 (Single Family District)
 - Parking reductions of up to:
 - 80% in a TOD (Transit Oriented Development) areas
 - 50% in a Transit Corridor
 - Relaxation of number of stories, only sets maximum height for T5, T6-8, and T6-12
 - Staff level design review, instead of design review board
 - Increased FLR (Floor Lot Ratio).
 - Increase varies per Zoning District.

- No maximum lot area requirements.
- Modification of setback requirements above the 8th story.
- Allow transfer of unused density from historic sites to TOD areas.
- 30-year covenant with two automatic 10-year extensions.



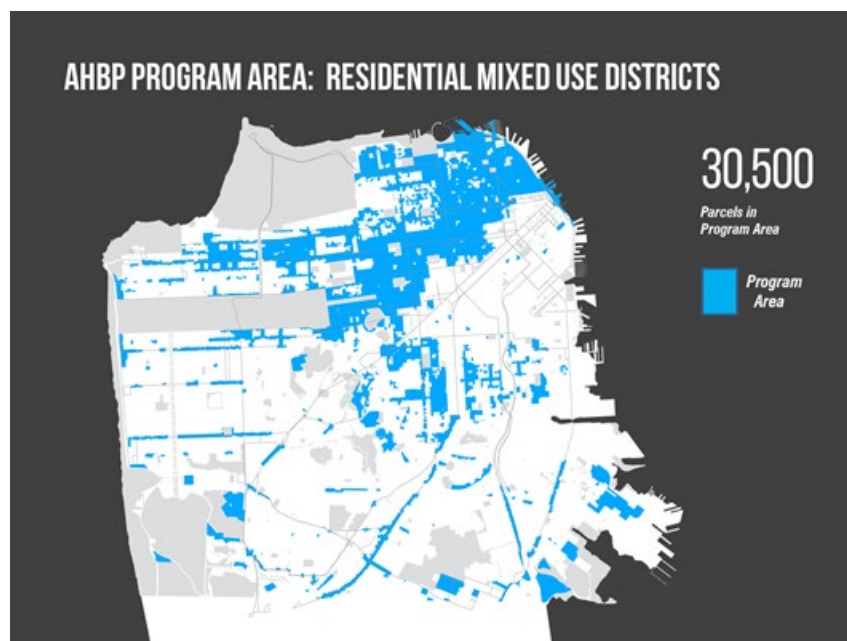
California

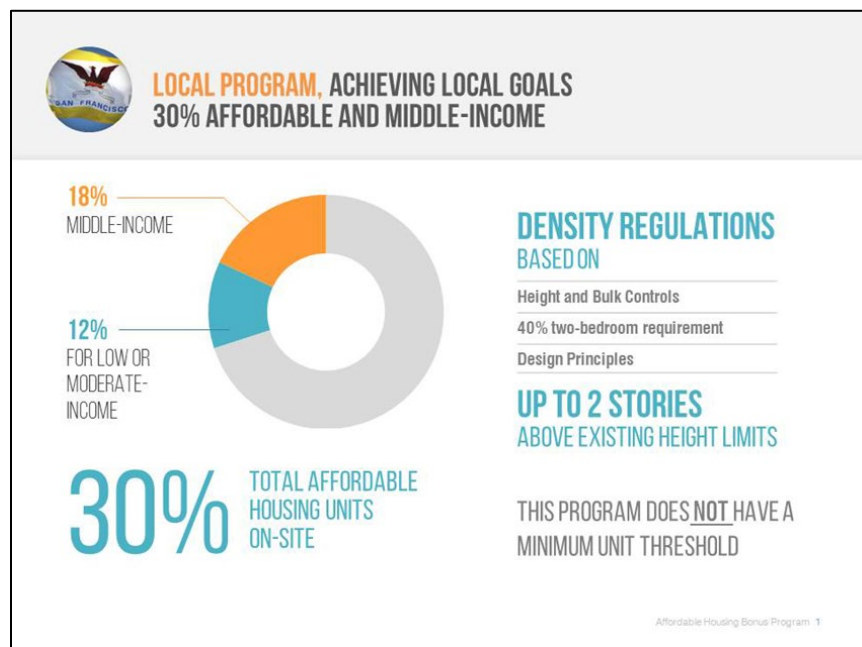
- The Density Bonus Law: State mandate in all jurisdictions that provides density bonuses and other incentives to provide low- and moderate-income housing.
 - Density bonus varies based on AFH percentage provided and income level served.
 - Applies to projects with 13% to 20% AFH.
 - Requires local governments to provide other zoning concessions that result in cost reductions such as site development standards, zoning code modifications, architectural design requirements, mixed-use zoning, or other incentives.
 - Prohibits local governments from enforcing standards which preclude such developments and provides a waiver process, including setbacks, lot coverage, open space, and height limits.
 - Sets a maximum minimum parking requirement.
 - Requires a 55-year term for income restrictions.
 - Allows local governments to apply FAR bonuses in place of density bonuses.



San Francisco, CA

- Exceeds minimum standards of the statewide Density Bonus Law.
- When development has 30% of units affordable for low and middle income, allows 2 stories above existing height limits.
- When 100% of a project is affordable, allows 3 stories above existing height limits.
- Modifies other building bulk controls to facilitate development
- Modifies design principles to facilitate development.





New York City, NY

- Inclusionary Housing Program has three (3) types of inclusionary housing areas:
 - Mandatory
 - Affordable units are required for all new developments.
 - Bonus provided in optional areas apply.

- Optional
 - Bonuses are provided for providing Affordable units.
 - However, opting out may incur a zoning penalty in certain districts.
- R10 Optional areas.
 - Program provides a floor area bonus of up to 20 percent, increasing the maximum FAR of 10.0 to 12.0 for the provision of affordable housing in applicable residential and commercial districts with R10 density.
- The Inclusionary Housing Program provides two optional floor area incentives in exchange for the creation or preservation of affordable housing, on or off-site, predominantly for low-income households.
- In Inclusionary Housing designated areas mapped in medium- and high-density residential neighborhoods and commercial districts with equivalent density, a bonus of 33 percent of floor area can be obtained for providing 20 percent as affordable housing. The base FAR in designated areas is, in most cases, lower than the maximum FAR allowed in the same zoning district located outside a designated area.
- Bonuses vary by zoning district.
- Manufacturing areas have rezoned to allow for housing.

Orlando, FL

- Reduced or Waived Impact Fees
- Density/Intensity Bonus
 - The City of Orlando offers developers a density/intensity bonus to construct a greater number of dwelling units per acre or commercial floor area per acre than would otherwise be permitted.
 - The City provides a density bonus program opportunity for many of the City's zoning districts to receive additional density or intensity by providing on-site affordable units in conjunction with another approved use.
 - The City also provides a program for some of the residential, commercial, and office zoning districts to receive a density or intensity bonus in exchange for an-in-lieu fee contribution to the City of Orlando's Housing Trust Fund, or provide on-site housing units that are dedicated to low and very low income households.
- Alternative Development Standards
- Expedited Permitting

Minneapolis, MN

- Eliminated single family zoning:
 - All former single-family districts now allow up to triplex units.
 - Units must generally fit within the same envelope as was previously permitted.

- Provides tax incentives and rebates for 20% of units or more being affordable housing units.

Miami Beach's Incentives

For reference, the zoning incentives currently adopted within the City of Miami Beach are below:

- Expedited Building Permit Review for Low- & Moderate-Income Housing
- Waive Mobility Fees, Parks Concurrency, Sustainability Fees, and Art in Public Places for affordable and workforce housing.
- Reduced Off-Street parking Requirements
 - Generally 0.5 spaces per unit
 - 0 spaces in the North Beach Town Center
 - Waive permanent space removal fees
- Reduced minimum unit sizes
 - 400 SF
- Density Bonus
 - 80% Density Bonus for Workforce and Affordable Units.
- Allows rental of accessory buildings (ADUs) built prior to 2019 in the mid-beach area.

UPDATE

On November 22, 2022, the Planning Board discussed the item and continued the discussion to the December 20, 2022 meeting with direction to staff to research the affordable and workforce housing impacts of Florida House Bill's 337 and 1339 and City of Miami Market Rate Ordinance. Below is a summary of the three legislative items:

Florida House Bill 1339

On March 13, 2020, the Florida Legislature approved House Bill 1339, related to community affairs. This bill made many changes to various statutes in order to facilitate the development of affordable housing. The bill includes the following:

- Authorizes local governments to approve affordable housing on any land zoned for residential, commercial, or industrial use, notwithstanding any other laws, ordinances, or regulations which would prohibit such construction. This section appears to authorize local governments to approve affordable housing developments which would otherwise being inconsistent with the Comprehensive Plan or Land Development Regulations Ordinance.
- Updates regulations authorizing local governments to adopt an ordinance allowing accessory dwellings in areas zoned for single-family use. If utilizing this provision, the applicant must submit an affidavit stating that the accessory dwellings will be rented to an extremely low-income, very low-income, low-income, or moderate-income persons at an affordable rate as part of the building permit application.

- Modifies the definition of affordable housing to include not-for-profit corporations that provide low-income and other health-related community support housing.
- Authorizes the use of linkage fees, instead of previously authorized inclusionary housing policies. The linkage fee would require payment of a flat or percentage fee, calculated either by number of units or square footage, for the purposes of providing affordable housing. However, like the inclusionary housing policy, it requires the City to fully offset all costs to the developer of its affordable housing contribution or linkage fee.
- Requires that the State Apartment Incentive Loan Program consider local government policies that promote access to public transportation, reduce the need for onsite parking, and expedite permits for affordable housing be considered, in addition to previously existing criteria for the competitive criteria for issuing loans for affordable housing.

Florida House Bill 337

On April 26, 2021, the Florida Legislature approved House Bill 337 related to impact fees. The modified the requirements in section 163.31801, Florida Statutes for assessing impact fees, including how fees can be modified. Specific to affordable housing, this section authorizes local governments to waive impact fees for affordable housing developments.

To this end, on May 12, 2021, the City Commission adopted ordinance no. 2021-4416, exempting affordable housing developments from undergoing Parks Concurrency review and from paying Mobility Fees. Furthermore, on September 28, 2022, the City Commission adopted ordinance no. 2022-4513, Waive Mobility Fees, Parks Concurrency, Sustainability Fees, and Art in Public Places for both affordable and workforce housing developments.

City of Miami Market-Rate Inclusionary Housing Ordinance

On November 15, 2018, the City of Miami adopted the T6-24B Market-Rate Inclusionary Housing ordinance that requires developers in the T6-24b zone to provide affordable or workforce housing as the only option for obtaining significant bonus height and intensity. The T6-24b zone is a high intensity area located in the Park West neighborhood of Miami. It has a residential density limit of 500 units per acre, with the possibility for further increases.

The ordinance requires the following public benefits:

In T6-24b zones, bonus Height and FLR shall be fully satisfied through the following requirements:

- For rental Residential Development, a minimum of fourteen percent (14%) of the units shall be provided as Workforce Housing or a minimum of seven percent (7%) of the units shall be provided as Affordable Housing.*
- For ownership Residential Development, a minimum of ten percent (10%) of the units shall be provided as Workforce Housing or a minimum of five percent (5%) of the units shall be provided as Affordable Housing.*
- For all other development excluding ground floor Commercial and Office Uses, fourteen percent (14%) of the non-residential FLR shall be provided as a Trust Fund contribution as described in Section 3.14.4.a.(3).*

The height and density bonuses provided to incentivize the use of these public benefits are quite significant. The limit on number of stories is doubled and the Floor Lot Ratio (FLR) is increased by 40%. For reference, FLR is similar to Floor Area Ratio (FAR), however, FLR is inclusive of parking, utilities, and other elements which do not count towards FAR limits. See the excerpt from the code below:

T6-24b: twenty-four (24) Story maximum, bonus to forty-eight (48) Stories, FLR 16, bonus of forty percent (40%)