MIAMIBEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Tanya K. Bhatt
DATE: March 13, 2024

SUBJECT: REFERRAL TO THE LAND USE AND SUSTAINABILITY COMMITTEE – DISCUSS CREATING ECONOMIC AND ZONING INCENTIVES TO ENCOURAGE THE CONVERSION OF EXISTING OFFICE BUILDINGS TO RESIDENTIAL, WHICH IDEALLY EXPLORE NEW INCENTIVES (ECONOMIC OR OTHER) BEING USED IN OTHER STATES, RATHER THAN RELYING ON EXISTING OPTIONS WHICH WE MIGHT NOT WANT TO ENCOURAGE, SUCH AS FLOOR AREA RATIO (FAR) AND PARKING INCENTIVES, REDUCTIONS TO THE MOBILITY FEE, IN ORDER TO INCREASE THE SUPPLY OF AVAILABLE HOUSING IN MIAMI BEACH.

BACKGROUND/HISTORY

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? __ Yes X No

If so, specify name of lobbyist(s) and principal(s): N/A

ANALYSIS

Please place the above item on the January 31, 2023 City Commission meeting agenda as a referral to the Land Use and Sustainability Committee ("LUSC").

I would like the LUSC to consider, with input from the Planning Department and possibly from Finance and Grants, adopting meaningful zoning and tax or other financial incentives (to the extent permitted under Florida law) to encourage the conversion of existing office buildings to residential development.

There is an acute need for workforce housing, and a deep desire to limit new development. We also seek to not meaningfully add to our city's height, nor add to landfills with unnecessary demolition. It is well accepted that the best "green" development is adaptive reuse, and since we have encouraged the significant development of new "CLASS A" office space, there may be a unique opportunity to put the underutilized, less desirable space to work for the greater good.

There is a national trend toward this type of conversion as businesses are transforming the ways they work and their office space needs. The Federal Government recently released guidelines and information on funding assistance to facilitate addressing the housing shortage, which can be found here. "Cities like Boston, New York, Chicago, Los Angeles, and Houston are doing this successfully; These efforts involve grants, zoning changes, and pilot programs. The guidebook also outlines a range of grants, including a $10 billion grant from HUD, to support these conversions."

I am particularly interested in incentives beyond the "old chestnuts" of increasing floor area ratio ("FAR"), parking incentives, and or reductions to the mobility fee for qualifying projects. I am also interested in a tax credit or other financial incentive (again, to the extent permitted under Florida law). Any financial incentive should be phased in gradually, in order to help defray the costs of the conversion. A public benefit (such as affordable or workforce housing) could be required as a condition of any financial incentive from the City.

I ask staff to research what is working in other parts of the country, as well as identifying grant sources from all possible areas. I would also like staff to identify zoning districts where such incentives would be appropriate (e.g., districts with underutilized office space, buildings that could be good candidates, and/or districts where additional residential development would be compatible).

Meaningful zoning incentives will move the needle and increase the supply of available housing in Miami Beach utilizing the greenest way to adaptively re-use existing built environments and minimizing the risk of impacting our character of place.

SUPPORTING SURVEY DATA

N/A

FINANCIAL INFORMATION

N/A

Applicable Area

Not Applicable

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?	Does this item utilize G.O. Bond Funds?
No	No

Strategic Connection
Non-Applicable

Legislative Tracking
Commissioner Tanya K. Bhatt

Sponsor
Co-sponsored by Commissioner Joseph Magazine

ATTACHMENTS:

	Description
🗋	Commercial to residential conversion - White House
🗋	Tax Credits, Grants, & Abatements for Converting Office to Multifamily - Hawkins CRE