

9:30am

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 05/13/08 ☐ Consent ☐ Regular
 ☒ Workshop ☐ Public Hearing

Department: Planning, Zoning & Building and Housing and Community Development
Submitted By: Planning Division
Submitted For: Planning Division

=====

I. EXECUTIVE BRIEF

Motion and Title: Workforce Housing Issues

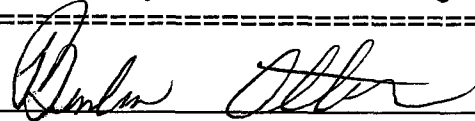
Summary: This workshop addresses three separate topics relating to the County's continuing effort to address workforce housing. The first is an annual report of the Mandatory Inclusionary Zoning Ordinance (MIZ). The second is a review of legislation approved relating to housing and its impact on the County. The third is a review of proposed amendments to the Unified Land Development Code (ULDC) submitted by the Gold Coast Builders Association (GCBA). Countywide (RB)

Background and Policy Issues:

1. The Board approved the MIZ on November 21, 2006. This required residential projects containing 10 or more units to provide a percentage of those units at prices established by the County. This Ordinance required that an annual report be submitted to the Board indicating the status of the MIZ. Staff is presenting this annual report and is recommending minor modifications to the pricing levels for rental units.
2. The Housing and Community Development Department will present a summary of House Bill 1375. This legislation addresses a number of workforce housing related issues including submission to the state of a financially feasible plan for ensuring adequate workforce housing.
3. The GCBA has submitted a proposal indicating amendments to the ULDC they feel are necessary to lower the costs of new home construction and build workforce housing. These are detailed in an attached letter dated March 3, 2008. Staff will meet with representatives of GCBA on May 7 to review these proposals. A summary of staff's position on the proposed amendments will be delivered under separate cover.

Attachments:

- A. Memorandum from Patrick Rutter, Chief Planner, to BCC dated April 22, 2008
- B. Ordinance 2006-055
- C. Workforce Housing specific changes to ULDC
- D. PBC Mandatory Workforce Housing program history
- E. Attainable Units list
- F. Rental and For Sale unit pricing
- G. HB 1375
- H. GCBA proposed amendments
- I. Executive Summary: Workforce Housing "Policy Options Memorandum" draft report
- J. Executive Summary: Workforce Housing "Support Study" draft report

Recommended by: 
 Executive Director

4/1/08
Date

Approved By: 
 Deputy County Administrator

5/9/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	20 <u>08</u>	20 <u>09</u>	20 <u>10</u>	20 <u>11</u>	20 <u>12</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>* See note below</u>				_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____

Budget Account No.: Fund _____ Department _____ Unit _____ Object _____

Program _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

* There is no fiscal impact associated with this workshop item. Fiscal impacts and funding sources for any specific Board direction resulting from this workshop would be analyzed at the time those items are brought to the Board for action.

C. Departmental Fiscal Review: Pat DiGirolamo

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Atwellwhite 5.8.08
5/8/08 OFMB SH CN 5/5/08
Dr. J. Jacobs 5/8/08
5/8/08 Contract Dev. and Control

B. Legal Sufficiency:

[Signature]
Assistant County Attorney

C. Other Department Review:

Department Director



**Department of Planning,
Zoning & Building**

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Planning Division 233-5300
Zoning Division 233-5200
Building Division 233-5100
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Karen T. Marcus

Robert J. Kanjian

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Burt Aaronson

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MEMORANDUM

TO: The Honorable Addie L. Greene, Chairperson, and Members of the Palm Beach County Board of County Commissioners

FROM: Patrick Rutter
Chief Planner Planning Division, PZ&B *PR*

DATE: April 22, 2008

RE: **Workforce Housing Workshop**

This annual report of the County's Mandatory Inclusionary Zoning Program (MIZ) is submitted pursuant to requirements contained in the Unified Land Development Code (ULDC). The BCC adopted amendments to the ULDC on November 21, 2006 implementing the MIZ. In short, this requires development containing 10 or more residential units to set aside a portion at prices defined by the County as workforce. Attachment "B" is a copy of Ordinance 2006-055, which includes the MIZ program. Included in the ordinance were a number of additional incentives in the form of regulatory relief. A summary of these changes is included in attachment "C".

The creation of the MIZ was the culmination of many years of work. A summary of the background and history of the program is contained in attachment "D". Given the current state of the housing market there are a remarkable number of projects that have been approved or are in process which are subject to the MIZ program. These projects are listed in attachment "E". Since inception 162 workforce units have been approved and 122 are in process.

As part of the annual review an assessment of the prices for rental and for sale units is included in staff's review for BCC consideration. County median income a.k.a. Area Median Income (AMI) is the basis by which prices are established in the MIZ program. These are established by the US Department of Housing and Urban Development (HUD) and are updated annually. The County uses the HUD standard for a household of four persons in the MIZ program. For 2008 AMI is \$66,000. At inception of the program it was \$64,400. Given this small 2.5 % increase staff is proposing no change to the prices based upon the AMI. We are recommending a modification to the pricing levels for rental units. This is based upon the initial calculations not containing an appropriate amount for other factors which constitute household expenses i.e. utilities. Attachment "F" details the pricing levels and further explains these modifications. No other changes are proposed to the MIZ program.

ORDINANCE 2006-055

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING THE UNIFIED LAND DEVELOPMENT CODE, ORDINANCE 03-067, AS AMENDED, AS RELATES TO AN INCLUSIONARY WORKFORCE HOUSING PROGRAM, AS FOLLOWS: **ARTICLE 1 - GENERAL PROVISIONS; CHAPTER I - DEFINITIONS AND ACRONYMS; ARTICLE 2 - DEVELOPMENT REVIEW PROCESS; CHAPTER F - CONCURRENCY (ADEQUATE PUBLIC FACILITY STANDARDS); ARTICLE 3 - OVERLAYS & ZONING DISTRICTS; CHAPTER E - PLANNED DEVELOPMENT DISTRICTS (PDD\$); ARTICLE 5 - SUPPLEMENTARY STANDARDS; CHAPTER G - DENSITY BONUS PROGRAMS; ARTICLE 7 - LANDSCAPING; CHAPTER F - PERIMETER BUFFER LANDSCAPE REQUIREMENTS; ARTICLE 12 - TRAFFIC PERFORMANCE STANDARDS; CHAPTER H - AFFORDABLE HOUSING; PROVIDING FOR: INTERPRETATION OF CAPTIONS; REPEAL OF LAWS IN CONFLICT; SEVERABILITY; A SAVINGS CLAUSE; INCLUSION IN THE UNIFIED LAND DEVELOPMENT CODE; AND AN EFFECTIVE DATE.**

WHEREAS, Section 163.3202, Florida Statutes, mandates the County compile Land Development Regulations consistent with its Comprehensive Plan into a single Land Development Code; and

WHEREAS, pursuant to this statute the Palm Beach County Board of County Commissioners (BCC) adopted the Unified Land Development Code (ULDC), Ordinance 2003-067, as amended from time to time; and

WHEREAS, the Board of County Commissioners finds that dramatic increases in the cost of housing in Palm Beach County has created a critical shortage of affordable housing opportunities for the Palm Beach County workforce; and

WHEREAS, the lack of affordable housing opportunities for Palm Beach County workforce continues to reduce the labor pool available to County employers, and increasingly requires members of the workforce to live in adjacent counties, lengthening their work commute, consuming more fuel than necessary, and aggravating traffic congestion; and

WHEREAS, the Board of County Commissioners finds existing regulations which provide incentives for voluntary provision of workforce housing has proven ineffective; and

WHEREAS, allowing residential development to continue without mandatory regulations for workforce housing will further reduce an already dwindling supply of land available to address this critical shortage; and

WHEREAS, Section 163.3177 (3) (f), Florida Statutes, states that local government Comprehensive Plans shall contain a Housing Element consisting of standards, plans and principals to be followed in order to provide housing for all current and anticipated future residents of the jurisdiction, provide adequate sites for housing, including housing for low income, very low income, and moderate income families, and formulate housing implementation programs; and

1 WHEREAS, amendments to the Palm Beach County Comprehensive Plan adopted by the
2 Board of County Commissioners on August 21, 2006, requires the establishment of a
3 Mandatory Workforce Housing Program that sets aside a percentage of new housing units for
4 low, moderate and middle income households (60 to 150% of Area Median Income);

5 WHEREAS, in order to increase the supply of affordable housing opportunities, and to
6 prevent further irrevocable harm of allowing residential development to continue without
7 mandatory regulations, the Board of County Commissioners hereby amends the Unified Land
8 Development Code to provide inclusionary zoning, which shall be known as the Workforce
9 Housing Program; and

10 WHEREAS, the County Commission finds that establishing the Workforce Housing Program
11 is a valid exercise of its police powers and serves a compelling public purpose; and

12 WHEREAS, the Workforce Housing Program is the product of participation by the public in
13 general and the regulated community in particular, as well as advice from the Palm Beach
14 County Land Development Regulation Advisory Board; and

15 WHEREAS, the Land Development Regulation Commission has found these amendments
16 to the ULDC to be consistent with the Palm Beach County Comprehensive Plan; and

17 WHEREAS, the BCC hereby elects to conduct its public hearings on this Ordinance at 10:30
18 a.m.; and

19 WHEREAS, the BCC has conducted this public hearing to consider these amendments to
20 the ULDC in a manner consistent with the requirements set forth in Section 125.66, Florida
21 Statutes.

22
23 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS**
24 **OF PALM BEACH COUNTY, FLORIDA, as follows:**

25
26 **Section 1. Adoption**

27 The amendments set forth in Exhibit A attached hereto and made a part hereof, are hereby
28 adopted.

29 **Section 2. Interpretation of Captions**

30 All headings of articles, sections, paragraphs, and sub-paragraphs used in this Ordinance
31 are intended for the convenience of usage only and have no effect on interpretation.

32 **Section 3. Providing for Repeal of Laws in Conflict**

33 All local laws and ordinances in conflict with any provisions of this Ordinance are hereby
34 repealed to the extent of such conflict.

EXHIBIT A

INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

Part 1. ULDC, Art. 1.1.2, Definitions (page 53 of 96), is hereby amended as follows:

CHAPTER I DEFINITIONS AND ACRONYMS

Section 2 Definitions

I. Terms defined herein or referenced Article shall have the following meanings:

6. Income, WHP - The following household income ranges shall apply to the WHP. These income ranges are based on the Area Median Income (AMI) for Palm Beach County, as published annually by the U.S. Department of Housing and Urban Development.

a. Income, Low - A family of four that earns between 60 and 80 percent of the County's median income.

b. Income 1, Moderate - A family of four that earns between 80 and 100 percent of the County's median income.

c. Income 2, Moderate - A family of four that earns between 100 and 120 percent of the County's median income.

d. Income, Middle - A family of four that earns between 120 and 150 percent of the County's median income.

[Renumber Accordingly.]

U. Terms defined herein or referenced Article shall have the following meanings:

18. Usable open space for WHP - a common area such as a park, square, plaza or courtyard, accessible to the public and used for passive or active recreation or gatherings. Credit shall not be given for any indoor spaces, road R-O-W's, building setback areas, lakes or other water bodies, drainage or retention areas, parking lots, and other impervious surfaces or any pervious green area not intended for passive or active recreation.

[Renumber accordingly.]

Part 2. ULDC, Art. 1.1.3, Abbreviations and Acronyms (page 93 of 96), is hereby amended as follows:

CHAPTER I DEFINITIONS AND ACRONYMS

Section 3 Abbreviations and Acronyms

AMI Area Median Income

SIS Florida's Strategic Intermodal System

Part 3. ULDC, Art.2.F.3, Review for Adequate Public Facilities (page 41 of 49), is hereby amended as follows:

CHAPTER F CONCURRENCY (ADEQUATE PUBLIC FACILITY STANDARD)

Section 3 Review For Adequate Public Facilities

B. Procedure for Review of Application for a Concurrency Reservation

1. Submission of Application

a. Concurrency Reservation

An application for a concurrency reservation shall be submitted jointly with an application for a development order (joint review), to the Zoning Director in a form established by the Zoning Director and made available to the public. If the proposed development does not require site plan approval, the application shall be submitted at scheduled intake times (separate review) as specified on the Annual Zoning Division Calendar. The application shall be accompanied by a fee established by the BCC for the filing and processing of each application. The fee shall be non-refundable.

b. WHP Traffic Concurrency Hall Pass

Notes:

Underlined language indicates proposed new language.

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INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

A WHP Traffic Concurrency Hall Pass is a provisional traffic concurrency approval that may be used for Projects subject to Art. 5.G.1, Workforce Housing Program. A WHP Traffic Concurrency Hall Pass Certificate shall be considered a traffic concurrency reservation only for the purposes of Art. 12.C.1.C.4.c, TPS Database, and shall be valid for a period of not more than 90 days.

An application for a WHP Traffic Concurrency Hall Pass may be submitted separate from an application for a development order to the Traffic Division Director in a form established by the Traffic Division Director and made available to the public. The application may be submitted at any time and shall be accompanied by a fee established by the BCC for the filing and processing of each application. The fee shall be non-refundable.

2. Determination of Sufficiency

a. Separate Review

Upon receipt of the application, the Zoning Director (or Traffic Division Director, in the case of a WHP Traffic Concurrency Hall Pass) shall initiate a review and within ten days determine whether the application is sufficient. If it is determined that the application is not sufficient, written notice shall be sent to the applicant specifying the deficiencies. The Zoning Director (or Traffic Division Director, in the case of a WHP Traffic Concurrency Hall Pass) shall take no further action on the application unless the deficiencies are remedied. If the deficiencies are not remedied within 20 days of written notification, the application shall be considered withdrawn.

4. Review and Recommendation

a. Separate Review

Within ten days of submittal or re-submittal, the application shall be forwarded to the PBC Departments and service providers for review. Within 15 working days of its receipt, the appropriate PBC Departments and service providers shall file a statement with the Zoning Director as to whether or not adequate public facilities are available, pursuant to the standards of Art. 2.F.3.C, Standards for Review of Application for Concurrency Reservation. In the case of an application for a WHP Traffic Concurrency Hall Pass, the same review time frames shall apply and the statement as to whether or not adequate public facilities are available pursuant to the standards of Art. 2.F.3.C, Standards for Application for Adequate Public Facilities Determination and Concurrency Reservation, shall be filed with the Traffic Director, with a copy to the Zoning Director.

5. 90 Day Negotiation

a. Separate Review

If the Zoning Director (or Traffic Division Director, in the case of a WHP Traffic Concurrency Hall Pass) determines that an application fails to meet any one of the public facility component standards of Article 2.F.3.C, Standards for Review of Application for Adequate Public Facilities Determination and Concurrency Reservation, the applicant shall be notified of such deficiency(ies) in writing. If the applicant does not notify the Zoning Director (or Traffic Division Director, in the case of a WHP Traffic Concurrency Hall Pass) in writing that he/she wishes to withdraw the application, the application shall be entered into 90 day negotiation period with the service provider.

- 1) If during the 90 calendar day negotiation period, the applicant addresses the deficiencies, the application shall be reconsidered by the Zoning Director (or Traffic Division Director, in the case of a WHP Traffic Concurrency Hall Pass) and approved or denied consistent with the standards of this Chapter.

6. Approval

a. Separate Review

b. Joint Review

c. WHP Traffic Concurrency Hall Pass Certificate

If it is determined that adequate public facilities are available in compliance with the Art. 2.F.3.C.3, Traffic Facilities, the Traffic Director shall issue a Hall Pass Certificate. An application for a Concurrency Reservation in conjunction with a Development Order application shall be submitted within 90 days of issuance of the Traffic Concurrency Hall Pass Certificate or else it shall expire.

C. Standards for Review of Application for Adequate Public Facilities Determination and Concurrency Reservation

3. Traffic Facilities

The roads component shall be approved if the proposed development complies with Article 12, TRAFFIC PERFORMANCE STANDARDS. In determining whether the road component meets the requirements of this subsection, the Six Five Year Capital Road Improvement

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INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

Schedule in the Capital Improvements Element may be considered only if the development proposed in the application is phased so that the impacts of the proposed development and the capacity provided by the road projects in the Six Five Year Road Improvement Schedule will occur concurrently. The phasing of development and transportation improvements to ensure the LOS for road facilities is met may be addressed through a development or road agreement.

D. Rules of General Applicability for a Concurrency Reservation

1. Expiration

Unless revoked by the BCC or the ZC reservation is valid for the life of a specific development order pursuant to Article 2.F, CONCURRENCY, or shall expire one year from the date of issuance of the reservation, whichever is applicable. If the Concurrency Reservation was based upon a converted WHP Traffic Concurrency Hall Pass, then the Reservation shall be valid for one year from the date of issuance of the Traffic Concurrency Hall Pass Certificate or for the life of the specific Development Order pursuant to Art 2.F, whichever is applicable. If the required development order is a building permit, then the application for the building permit must be submitted prior to the expiration date of the reservation. In such cases, the building permit must be issued within six months from the date of intake of the building permit application, or the reservation shall expire. If a reservation either expires or becomes invalid, the public facility capacity reserved by the reservation expires, and becomes additional available public facility capacity. An applicant cannot apply for a new reservation until the previous reservation has expired. The expiration or revocation of a development order shall result in the automatic expiration or revocation of the reservation. A reservation shall not expire if an application for a specific development order is pending. All Concurrency reservations shall be issued for the number of units or square footage shown on the approved site plan or master plan most recently certified by the DRC. For any Master Plan or Site Plan, which was approved for acreage only, the capacity for the approved use shall be calculated by the applicant and affirmed by the Zoning Division and each service provider. Any concurrency reservation shall be adjusted accordingly. Any increase in units or square footage above that shown on the current site plan/master plan shall be subject to concurrency review.

Part 4. ULDC, Art. 3.E.2, Planned Unit Development (PUD) (page 70 of 134), is hereby amended as follows:

CHAPTER E PLANNED DEVELOPMENT DISTRICTS (PDDS)

Section 2 Planned Unit Development (PUD)

A. General

4. Exemplary

A rezoning to the PUD district or a Development Order Amendment (DOA) to a previously approved PUD shall only be granted to a project exceeding the goals, policies and objectives in the Plan, the minimum requirements of this Code, and the design objectives and performance standards in this Article which include, but are not limited to, sustainability, trip reduction, cross access, buffering, aesthetics, creative design, vegetation preservation, recreational opportunities, mix of uses, mix of unit types, safety, and affordable housing. See the PBC Zoning Division Technical Manual for examples. A DOA to a previously approved PUD shall be reviewed pursuant to Article 1.E.1.C. Previous Approvals, of the ULDC.

B. Objectives and Standards

1. Design Objectives

c. Provide perimeter landscape areas to connect or buffer incompatible land uses, or where residential uses are adjacent to other incompatible design elements such as roadways, usable open space areas, where a more intense housing type is proposed, or where residential setbacks are less than adjacent residential development within and outside the perimeter of the PUD.

2. Required Performance Standards

A PUD shall comply with the following standards. Standards a - d are required and must be met. A minimum of two of the four standards listed in e - h are required:

a. Landscape Buffers

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SUMMARY OF ULDC AMENDMENTS
(Updated 9/27/06)

- 1 A minimum of 50 percent of the required canopy trees in the ROW buffer shall have a
2 height of 14 feet. No overlap or easement encroachment shall be permitted in ROW
3 buffer of utility easements.
- 4 **ab. Proximity to Other Uses**
5 All residential pods with five or more units per acre shall be located within 1,320 feet of a
6 neighborhood park, recreation pod, private civic pod, commercial pod, or a public
7 recreational facility.
- 8 **1) Measurement of Distance**
9 For the purpose of this Section, distance shall be measured by drawing a straight line
10 between the property line of a residential Pod to the property line of the pod where
11 the commercial/personal services are located.
- 12 **c. Street Lights**
13 All street lights shall include decorative elements. Decorative elements shall not be
14 included in the height limitation in Art. 3.E.1.C.2.b, Street Lighting.
- 15 **b.d. Focal Points**
16 A focal point shall be provided at the terminus of 15 25 percent of the streets in the
17 project. The focal point may be in the form of a plaza, fountain, landscaping, or similar
18 amenity deemed acceptable to the DRO. The focal point shall not be located on a private
19 residential lot.
- 20 **ca. Neighborhood Park**
21 Neighborhood parks shall be provided within each Pod and shall have a direct connection
22 to the pedestrian system and include a tot lot, gazebo, fitness station, rest station, or
23 similar recreation amenity. Neighborhood parks shall not be used towards the Parks and
24 Recreation Departments minimum recreation requirements and shall not be located
25 within areas designated for drainage, stormwater management or other utility purposes.
- 26 **df. Drainage**
27 Drainage easements shall not be permitted in the minimum required rear setback for
28 residential structures.
- 29 **g. Zero-Lot-Line (ZLL)**
30 ZLL units with a ZLL side that abuts the rear property line of two or more lots shall be
31 restricted to one story in height.
- 32 **h. T-Intersection**
33 Lots fronting a T-Intersection in ZLL pods with three or more units per acre shall be
34 limited to one of the following options:
35 1) unit with a side-loading garage;
36 2) easement or flip tract, a minimum 25-foot in width;
37 3) neighborhood park; or
38 4) focal point or alternative features acceptable to the DRO.
- 39 **e. Decorative Paving**
40 Decorative pavers shall be provided at the development entrances and incorporated into
41 recreational areas.
- 42 **f. Fountains**
43 A minimum of one fountain shall be located in the main or largest lake or water body.
- 44 **g. Benches or play structures**
45 Benches or play structures shall be provided in usable open space areas and along
46 pedestrian pathways.
- 47 **h. Interspersed Housing**
48 WFH units shall be interspersed with market rate units within a pod.

51 **Part 5. Repealing ULDC, Art. 5.G.1, Workforce Housing Program (page 43 of 56), and adopting**
52 **in it's place a new Art. 5.G.1, Workforce Housing Program, as follows:**

53 **CHAPTER G DENSITY BONUS PROGRAMS**

54 **Section 1 Workforce Housing Program (WHP)**

55 **A. Purpose and Intent**

56 The WHP implements HE Policies 1.1-o and 1.5-g of the Plan, among others, by establishing an
57 inclusionary WHP. The program mandates or encourages the development and equitable
58 geographic distribution of workforce housing units for low, moderate 1 and Moderate 2, and
59 middle-income households, ensures a minimum affordability period, and provides for a density
60 bonus and other incentives. The program is intended to increase the supply of housing
61 opportunities for persons employed in PBC in jobs that residents rely upon to make the
62 community viable.

63 **B. Applicability**

64 In cases of conflict between this Chapter and other Articles of this Code, the provisions of this
65 Chapter shall apply. The WHP shall apply to all new developments with a residential component
66

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INCLUSIONARY WORKFORCE HOUSING PROGRAM

SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

of 10 or more dwelling units. This shall include the expansion of existing projects that add 10 or more dwelling units, where the program shall apply to those units being added. Requirements and limitations are further defined in Table 5.G.1.B-13, Workforce Housing Program.

1. Exemptions

- a. Projects that target the development of units primarily limited to households having incomes that are less than or equal to 60 percent AMI, and use federal, state or local funding sources. An exemption may require the submittal of documentation indicating how income restrictions and affordability periods will be guaranteed. These projects may elect to utilize the WHP program, but any density bonus shall be subject to the requirements of Art. 5.G.1.F.1, Sector Analysis.
- b. All congregate living facilities (CLFs); and, nursing or convalescent facilities.

Table 5.G.1.B-13, Workforce Housing Program

Applicability:	Threshold	Required > or = to 10 residential dwelling units
	Tier or Overlay	US (including SCO), Exurban and Rural Tiers
Location:	FLU (1)	RR-20, RR-10, RR-5, RR-2.5, LR-1, LR-2, LR-3, MR-5, HR-8, HR-12, HR-18
Density Bonus Incentive		
RR-20 thru LR-3		0 - 30%
MR-5 thru HR-18 (2)		0 - 100%
Required % of Affordable Units (3)		
Standard Density		6%
Maximum Density		20%
WHP Density Bonus		40%
Required Affordability Ranges (4)		
Low (60-80%)		25%
Moderate 1 (> 80-100%)		25%
Moderate 2 (>100-120%)		25%
Middle (>120-150%)		25%
Provision of Units		
On-site (5)		Minimum 25% of Required Workforce Units
Off site		Maximum 75% of any combination of options
Option 1		Construct units off site
Option 2		Purchase existing market rate units and deed to the County or sell to eligible households and deed restrict
Option 3		Donate buildable land acceptable to the County in an amount = or > than the buyout cost
Option 4		In-lieu Payment = 50% of unit maximum
Notes for Table 5.G.1.B-13, Workforce Housing Program Provisions		
1. Shall also apply to mixed use projects with applicable underlying FLU designations for Commercial and Industrial Mixed Use Development.		
2. A density bonus of >30% shall be permitted subject to meeting the additional standards of Art. 5.G.1.F, Additional Requirements for >30% Density Bonus.		
3. Percentages shall be rounded up to the nearest whole number.		
4. Based on County Median Income. Where assigning units to a category, priority may be given to middle income first, proceeding downward to low income (i.e. where 3 units are required, the first shall be middle (>120-150%); the 2 nd Moderate 2 (>100-120%); and the 3 rd Moderate 1 (>80-100%). This does not prohibit allowing higher numbers of lower income units.		
5. a. The DRO may waive the minimum 25% on-site requirement where mandatory workforce units total ten units or less; or		
b. If the homes in a development are valued at 200% or more of the median County home value (as updated by HCD).		
Note: This provision does not reduce the requirement to provide WHP units, and all units not located on site shall comply with options 1 through 4 for 100% of all mandatory Workforce housing units.		

C. Design Requirements

1. Design

- WHP units shall be designed to be compatible with the overall project, as follows:
- a. All WHP units shall be constructed on site, unless approved otherwise in accordance with Art. 5.G.1.E, WHP Off Site Options;
- b. All affordable units shall be designed to a compatible exterior standard as other units within the development or pod; and
- c. Required WHP units may be clustered or dispersed throughout the project.

D. WHP Incentives

All projects with 10 or more residential units shall be eligible for WHP Incentives.

1. Density Bonus

Table 5.G.1.B-13, Workforce Housing Program, delineates the ranges of density bonus allowed for the WHP. For the purposes of this Section, permitted density shall be the number of units allowed by the standard density allowed by the Plan; or, the maximum density allowed by the Plan, where developed as a PDD, TDD or other density provision of the Plan. TDR units or any other density bonus shall not be included as part of the permitted density for purposes of calculating the WHP density bonus. To ensure compliance with the compatibility requirement of HE Objective 1.5 of the Plan, projects requesting a density bonus greater than 30 percent shall be subject to the requirements of Table 5.G.1.D-14, Review Process, and Art. 5.G.1.F, Additional Requirements for >30% Density Bonus.

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EXHIBIT A

INCLUSIONARY WORKFORCE HOUSING PROGRAM

SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/08)

Table 5.G.1.D - 14. Review Process

Density Bonus	DRO Approval	Class A Conditional Use	Requested Use
Standard District >30% - 50%	X		
Standard District >50% - 100%		X	
PDD or TOD >30% - 100%			X

2. **Traffic Performance Standards Mitigation**
- a. **WHP Special Methodologies**
TPS mitigation shall be permitted for WHP projects in accordance with Art. 12.H.6. Workforce Housing.
- b. **WHP Traffic Concurrency Hall Pass**
TPS mitigation shall also include the option of applying for a WHP Traffic Concurrency Hall Pass separate from a development order application. The WHP Traffic Concurrency Hall Pass serves as a provisional traffic concurrency approval for a period of not more than 90 days, during which it must be merged into an application submitted for a Concurrency Reservation approval. The WHP Traffic Concurrency Hall Pass is described further in Art. 2.F.
3. **Expedited Review**
The following expedited review processes may apply to a proposed WHP development:
- a. **Design Review**
Review of multifamily or townhouse structures by the Building Division and Fire Rescue shall be allowed concurrent with final DRO review, prior to permit application.
- b. **Platting**
- 1) If only a boundary plat is required for an existing single lot, building permits may be issued after submittal of the final plat for recordation
 - 2) If a subdivision plat is required, permits will be concurrently reviewed, but only issued at recording of the plat.
 - 3) Pursuant to Article 3.E.1.G.1.a, Permits, Building permits may be issued for sales offices, sales models, gate houses, entry features, and utilities may be issued prior to the recording of a final plat.
4. **Density Bonus Development Options**
- a. **Purpose and Intent**
To provide flexibility from property development and other related regulations in order to provide greater opportunity for cost effective development of WHP units. These provisions are not intended to supersede deviations that are normally addressed through the variance process. These options shall only be granted at the time of approval for the entire project, and shall not be granted on a lot-by-lot basis.
- b. **Applicability**
Projects with ten or more units that utilize a density bonus incentive and are subject to the requirements of the WHP may utilize the Development Options listed herein.
- c. **Justification Report**
Use of Density Bonus Development Options shall not be granted by right, and shall require submittal of a justification report that demonstrates that deviations are the minimum needed to allow for the use of density bonus incentives. The report shall include the following:
- 1) The regulations that are proposed to be modified.
 - 2) The amounts and specifics of the requested deviation(s).
 - 3) The areas within the development that the deviation(s) will be applied to.
 - 4) Graphic representations such as, but not limited to, site plans, elevations, perspectives, and typical examples, showing how the deviations will meet the intent of the district and WHP with emphasis on open space, privacy, maintenance, and public health, safety and welfare.
- d. **Site Plan Approval**
All projects requesting Density Bonus Development Options, shall submit an application and site plan to the DRO for certification where applicable, and for final site plan approval for all others. The site plan shall indicate in the tabular data all Development Options requested and where feasible, a regulating plan shall be included to provide typical examples. Approval shall be granted only for the minimum deviations needed to allow for the use of density bonus incentives and where the requirements of all applicable reviewing agencies have been met.
- e. **Drainage**
Any reduction in lot size or open space area, or increase in building coverage shall be subject to approval of a drainage study demonstrating that reduced pervious surface area will not create adverse drainage issues.
- f. **Option 1 - AR, RE and RT Districts**
This option is limited to residential projects using up to but not exceeding a 30 percent density bonus, in accordance with Table 5.G.1.B-13, Workforce Housing Program.

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EXHIBIT A

INCLUSIONARY WORKFORCE HOUSING PROGRAM

SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

- 1) **AR and RE Minimum Lot Size in RR FLU Designation**
Minimum required lot size may be reduced by dividing gross acreage by the total number of permitted units to include the highest standard density permitted and any bonus units.
- 2) **AR FAR Calculations**
New SFD lots in the AR district shall be permitted to calculate FAR based on the acreage of the FLU designation.
- 3) **RT PDR Deviations**
Deviations from the minimum PDRs for the RT district with a LR 2 or LR 3 FLU designation may be in accordance with Table 5.G.1.D-15 RT Deviations for WHP, only for those projects that qualify for maximum density in accordance with Table 2.1-1, Residential Categories and Allowed Densities, of the FLU Element of the Plan, and utilize a minimum density bonus of 20 percent.

Table 5.G.1.D-15, RT Deviations for WHP ⁽¹⁾

Zoning District	FLU	Lot Dimensions			Setbacks	
		Size	Width and Frontage	Depth	Side	Rear
RT	LR 2	12,000 sq'	85'	100'	ND	ND
RT	LR 3	9,000 sq'	65'	80'	1 st Floor 10'	1 st floor - 15'

Notes for Table 5.G.1.C-16, RT Deviations for Mandatory WHP

ND	No deviation.
1.	Eligible projects must qualify for maximum density in accordance with Table 2.1-1, Residential Categories and Allowed Densities, of the FLU Element of the Plan, and use

- a. **Option 2 - TND Regulations**
Projects eligible for this option shall be permitted to utilize the PDRs of Table 3.F.3.E-39, TND Residential Lot Size and Setback Regulations, subject to meeting the requirements of Art. 3.F.3.E.5, Residential Uses and the following limitations:
- 1) U/S Tier Only;
 - 2) Project does not qualify to be a TND or use Option 1 or 3;
 - 3) If the subject site has a LR-1, LR-2, LR-3 or MR-5 FLU designation, the project shall meet all requirements for and be approved as a PDD;
- b. **Option 3 - Flexible Regulations**
Projects with MR-5, HR-8, HR-12, HR-18 FLU designations, or if approved as a PDD or TDD, may deviate from the residential requirements of Table 3.D.1.A-5, Property Development Regulations, or Table 3.D.2.B-7, ZLL Property Development Regulations, as follows:
- 1) SFD units may be permitted up to a maximum ten percent deviation for the following PDRs: lot size; width and frontage; building coverage; and, side, and rear setbacks.
 - 2) SFD units limited to one floor with no loft or other similar feature, may be permitted up to a maximum 20 percent deviation for the following PDR's: building coverage; and front and side street setbacks.
 - 3) ZLL lots may be permitted up to a maximum lot width reduction of five feet, and ten percent deviation from the minimum lot size, building coverage, and front setback for units with front loading garages.
- i. **Option 4 - PDD Open Space Reduction**
Projects which elect to utilize a density bonus of not less than 15 percent, may reduce the 40 percent open space requirement of Table 3.E.2.C-15, PUD Land Use Mix, to not less than 30 percent open space, provided the project incorporates common usable open space areas as defined in Article 1, Usable Open Space for WHP.
- j. **Option 5 - Internal Incompatibility Buffers**
Required incompatibility buffers between SFD and MF units within a WHP development shall not be required.
- k. **Option 6 - Relocation of Units to Civic Tracts**
Residential units may be permitted in a civic pod subject to PREM approval. This may include collocating residential units with civic uses. The DRO shall have the following authority where PREM approval is obtained after BCC approval of the overall project:
- 1) In the case of a civic site cash out, the deletion of the civic pod and increase in residential pod area; and,
 - 2) The relocation of residential units to a civic pod, or the relocation of residential units where the civic pod is deleted.
- E. **WHP Off-site Options**
WHP units may be located off-site using the options listed below and in accordance with the provisions of Table 5.G.1.B-13, Workforce Housing Program; however, under no circumstances shall any site be permitted to develop at a density greater than that permitted by the Plan. Prior to issuance of a building permit, or final DRO approval if applicable, all contracts or related agreements for any off-site option shall be approved by the County Administrator, or designee. Off-site options may be accommodated in municipalities located within Palm Beach County.
- a. **Option 1 - Off-site Construction**

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EXHIBIT A
INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS
(Updated 9/27/06)

Building permits shall be issued for a minimum of 50-percent of the required WHP units to be constructed off-site prior to the issuance of the first CO in the subject development. All off-site WHP units must receive CO prior to issuance of more than 75-percent of the CO's in the subject development.

b. Option 2 – Purchase Market Rate Units

Purchase of an equivalent number of existing market rate units to be deeded to the County or sold to eligible households and deed restricted. The developer may retain the title to off site units subject to recordation of a deed restriction that meets the intent of this provision. A minimum of 50-percent of the units must be purchased and deeded to the County or deed restricted prior to the issuance of the first CO in the subject development. All market rate units shall be purchased and deeded to the County or deed restricted prior to issuance of more than 75-percent of the CO's in the subject development.

c. Option 3 – Donate Buildable Land

Donation of developable land acceptable to the County in an amount equal to the buyout costs of the affected units. Donated land must be deeded to the County prior to issuance of the first building permit in the subject development.

d. Option 4 – In-lieu Payment

The in-lieu payment shall be \$81,500 per unit. The payment shall be deposited in a WHP Trust Fund maintained by the PBC Department of HCD.

F. Additional Requirements for >30% Density Bonus

Projects requesting a density bonus greater than 30 percent shall comply with the following:

1. Sector Analysis

WHP projects, including relocated WHP units, shall be equitably distributed so that there is no undue concentration of very-low and low income households housing. Table 5.G.1.C-16, WHP Density Bonus Guide, indicates the maximum density bonus permitted. Prior to submittal of a WHP pre-application, the applicant shall meet with the Planning Director to establish the sector within which the distribution analysis shall be conducted. The boundaries of the sector shall be approved by the Planning Director.

Table 5.G.1.C – 16, WHP Density Bonus Guide

% of Affordable Housing in Sector	50%	40-50%	20-40%	0-20%
Maximum Density Bonus ⁽¹⁾	40%	50%	80%	100%
Notes for Table 5.G.1.C-16				
1. The Planning Director may recommend a density bonus in excess of the Maximum Density Bonus where the project serves to mitigate existing very low and low income concentrations by including a mix of higher income market rate units or Medium 1, Medium 2 and Middle Income WHP units.				

a. The sector shall be proportional to the size and character of the proposed development. At a minimum, the sector shall consist of one or more neighborhoods that include features such as schools, shopping areas, an integrated network of residential and collector streets bounded by arterial roads, civic uses, localized shopping, and employment opportunities. For data and analysis purposes, the sector shall be adjusted to accommodate census tracts or census block groups but shall not extend beyond important physical boundaries that may include a major arterial roadway or a wildlife refuge.

b. Household income characteristics for the sector shall be derived from the most current available census data. The income level of a "family of four" shall be used for the determination of households within the low, moderate and middle income household categories. The analysis of housing and demographic data within the sector shall be in a manner and form approved by the Planning Director.

2. Pre-Application

An application for density bonus greater than 30 percent shall require the submittal of a pre-application prior to submittal of a Zoning or Building permit application for purposes of establishing a density bonus determination.

a. Contents

The pre-application shall be in a form established by the Planning Director, and made available to the public.

b. Sufficiency Review

The pre-application shall be subject to the provisions of Art. 2.A.1.G.3, Sufficiency Review.

c. Compliance

The density bonus shall not be granted until the project is found in compliance with HE 1.5.h in the Plan.

d. Density Determination

The Planning Director shall provide a written density determination letter within ten days of determining the pre-application is sufficient. The determination shall be based on the sector analysis, size, location and development characteristics of the project with consideration given towards affordability, accessibility, proximity to mass transit or employment centers, compatibility, quality of design, pedestrian and vehicular circulation.

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EXHIBIT A

INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

open space, and resource protection. The Planning Director shall prepare a report for the applicant, DRO, ZC, or BCC, whichever is appropriate, making a determination of compliance with this chapter, consistency with the Plan and recommend approval, approval with conditions, or denial of the request.

G. Affordability Requirements

Where applicable, the required percentage, affordability ranges and provision of units, shall be in accordance with Table 5.G.1.B-13, Workforce Housing Program.

1. Sales and Rental Prices of WHP Units

All required WHP units shall be offered for sale or rent at an attainable housing cost for each of the targeted income ranges. The sale and rent prices may be updated annually by the County Administrator, or designee, based on the Area Median Income (AMI), and the household income limits for PBC (West Palm Beach/Boca Raton metropolitan statistical area) as published annually by HUD.

2. Master Covenant

Prior to final DRO approval, the applicant shall record in the public records of Palm Beach County a Covenant binding the entire project, in a form provided for by the County, which identifies each required WHP unit. In the event the project is not subject to final DRO approval, the applicant must submit a recorded copy of the Covenant to Building Division prior to issuance of the first building permit. The Covenant shall include but not be limited to restrictions requiring: that all identified WHP units shall be sold, resold, or rented only to low, moderate 1, moderate 2, or middle-income qualified households at an attainable housing cost for each of the targeted income ranges; that these restrictions remain in effect for 25 years for units sold to eligible households, and 50 years for rental units, from the date each unit is first purchased or designated as WHP rental unit; and that in the event a unit is resold before the 25 or 50 year periods conclude, a new 25 or 50 year period shall take effect on the date of resale. The Covenant shall further provide monitoring and compliance requirements including but not limited those set forth below to ensure compliance with the WHP. Every deed for sale of a WHP housing unit shall incorporate by reference the controlling Covenant.

3. Monitoring and Compliance

Prior to the sale, resale, or rent of any WHP unit established pursuant to this program, the seller shall provide the County Administrator, or designee, documentation sufficient to demonstrate compliance with the WHP. Such documentation shall include but not be limited to information regarding the identity and income of all occupants of the WHP unit. The owner or lessee of the WHP unit shall submit to the County Administrator, or designee, on a form provided by the County, an annual report containing information and documentation to demonstrate continued compliance with the WHP. The County may conduct site visits at reasonable times, or perform other independent investigation to verify continued compliance with the WHP.

4. Enforcement

The County may enforce the requirements of the WHP through any cause of action available at law or equity, including but not limited to seeking specific performance, injunctive relief, rescission of any unauthorized sale or lease, and tolling of the 25-year term of the WHP.

5. Limitation on Restrictions

WHP units shall not be subject to restrictions beyond income qualifications. The limitation on restrictions may be waived by the ZC, BCC, or Planning Director, only to ensure housing for a specific target group (e.g. disabled populations) where there is a demonstrated need.

H. Annual Report

The Executive Director of PZB shall submit an annual report to the BCC indicating the status of the WHP.

Part 6. ULDC, Art. 7.F.1.B, Compatibility, (page 29 of 48), is hereby amended as follows:

CHAPTER F PERIMETER BUFFER LANDSCAPE REQUIREMENTS

Section 1 Buffer Types

B. Compatibility

Compatibility buffers shall be provided between all compatible use types, excluding: single family residential subdivisions or pods adjacent to single family residential subdivisions or pods; and internal buffers within TDD's unless specifically stated otherwise; or where residential uses are not adjacent to other incompatible design elements such as roadways, useable open space areas, or where residential setbacks are less than adjacent residential development.

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INCLUSIONARY WORKFORCE HOUSING PROGRAM
SUMMARY OF ULDC AMENDMENTS

(Updated 9/27/06)

Part 7. ULDC, Art. 12.H.6, Workforce Housing, (page 26 of 38), is hereby amended as follows:

CHAPTER H Affordable Housing

Section 6 Workforce Housing

~~A WHP development that meets the requirements of Art. 5.G.1, Workforce Housing Program will not be required to meet the traffic performance standards set forth in Art. 12, if traffic generated by the development is less than or equal to five percent of the service volume for all affected intersections and Links.~~

TE Policy 1.2-b of the Plan allows special methodologies to be applied for WHP projects. The projects net trips associated with the non-WHP units attributable to the standard density and all non-residential land uses shall be subject to the 1% of adopted level-of-service. The project's net trips associated with all remaining residential units of the project (including WHP units) shall be subject to a 5% of adopted level-of-service significance level in determining compliance with TPS.

To address any adverse impacts on Florida's Strategic Intermodal System (SIS) facilities, any development utilizing this exception and significantly impacting SIS facilities shall be required to address impacts on the SIS facilities.

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1 **Section 4. Severability**

2 If any section, paragraph, sentence, clause, phrase, word, map, diagram, or any other item
3 contained in this Ordinance is for any reason held by the Court to be unconstitutional,
4 inoperative, void, or otherwise invalid, such holding shall not affect the remainder of this
5 Ordinance.

6 **Section 5 Providing for a Savings Clause**

7 All development orders, permits, enforcement orders, ongoing enforcement actions, and all
8 other actions of the Board of County Commissioners, the Zoning Commission, the Development
9 Review Committee, Enforcement Boards, all other County decision-making and advisory
10 boards, Special Masters, Hearing Officers, and all other County officials, issued pursuant to the
11 regulations and procedures established prior to the effective date of this Ordinance shall remain
12 in full force and effect.

13 **Section 6. Inclusion in the Unified Land Development Code**

14 The provisions of this Ordinance shall be codified in the Unified Land Development Code
15 and may be reorganized, renumbered or re-lettered to effectuate the codification of this
16 Ordinance.

17 **Section 7. Providing for an Effective Date**

18 The provisions of this Ordinance contained in Exhibit A shall become effective upon the
19 effective date of the amendments to the Palm Beach County Comprehensive Plan transmitted
20 as item 2.D.1, Workforce Housing Program in amendment round 2006-01, or December 1st,
21 2006, whichever occurs last.

22
23 **APPROVED and ADOPTED** by the Board of County Commissioners of Palm Beach
24 County, Florida, on this the 21st day of November, 2006.

SHARON R. BOCK, CLERK &
COMPTROLLER

PALM BEACH COUNTY, FLORIDA, BY
ITS BOARD OF COUNTY
COMMISSIONERS

By: 

Deputy Clerk

By: 

Chairman

Addie L. Greene

John (Jeff) Koon, Vice Chair

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: 

County Attorney

25
26
27 Filed with the Department of State on the 28th day of November, 2006.

28 U:\zoning\CODEREV\2006\BCC Hearings\Workforce Housing Program Ord\11-21-06 Adoption Hearing\Ordinance.doc

Workforce Housing specific changes to ULDC

Obviously the density bonus is the largest benefit. The better part of the code changes reflect concerns by industry that they would not be able to use the additional units. Additional density was also a major point cited by industry as an incentive. Coupled with this are the multiple ways by which you can meet the WFH requirement i.e. building off-site, cashing out, donating land and deeding an existing home (this idea came from GCBA). We also have the ability to waive on site construction requirement of WFH units if community is building market rate homes at 200% or greater then County median price.

Traffic

1. Modification to Hall Pass: This permits applicants to submit traffic study prior to DRO submittal. Previous requirement only allowed review of study at DRO submittal. Builders stated that they were only permitted to submit studies concurrent with DRO and may have intensity or density reduced due to traffic. This resulted in additional costs associated with redesign.
2. Level-of-service significance: The standard by which traffic was deemed to be significant for the purposes of TPS was amended. The highest level of review or 1% significance factor only applies to standard density units minus the WFH required. All other units including the bonus units are reviewed at a 5% standard. These percentages are the minimum level of project traffic impacting a particular roadway segment or intersection that must be addressed. The higher the percentage equates to more traffic that is permitted to be generated before it must be addressed.

PUD

1. Eliminate requirement for internal buffers: Previously, projects were required to provide buffers between uses such as parks and residential pods. The usefulness of these buffers was questioned and the additional costs they generated were considered as well.
2. Eliminate requirement that streetlights include decorative elements: Removed as a cost cutting measure.
3. Reduce percentage of streets where focal points required: Removed as a cost cutting measure.
4. Eliminate requirement to provide a neighborhood park within each pod. Removed as a cost cutting measure.
5. Zero lot line homes: A number of design limitations such as restriction to one story if side of home abuts rear of home were eliminated.
6. Modification to design performance standards: Reduce the number of standards that must be met. These include such things as decorative paving and fountains in lakes.

Expedited Review

Residential projects containing workforce housing are given priority in the DRO process. These projects are moved to the "front of the line" and are the first projects reviewed. Furthermore, the ULDC provides the following benefits to assist in reviewing applications expeditiously.

1. DRO review: Multifamily and townhome projects may be reviewed by Fire Rescue and Building Division concurrent with final DRO review.
2. Platting: Concurrent platting and building permit review permitted.

Density Bonus Development Option

1. This allows applicant to seek flexibility from property development regulations. Deviations are permitted when the applicant justifies the use of such as it relates to a density bonus or creation of WFH units. These are reviewed and included in the DRO process. This is a deviation from the strict variance process and ties provision of bonus units to need for property development regulation relief. This process includes the following:

- a. Minimum lot size reduction in AR and RE districts.
- b. Enhanced ability to calculate floor area ratio in AR district.
- c. Deviations in regulations for RT district.
- d. Ability for properties in multiple other residential zoning districts to use the standards in the TND district. These allow for smaller lots, increased building coverage and reduced setbacks.
- e. Planned developments and higher density projects. Single-family units may deviate various percentages on lot size, setbacks and building coverage.
- f. Reduced open space requirement in planned developments.
- g. Allow residential units in civic pods subject to certain approvals.

Palm Beach County

Mandatory Workforce Housing Program Background/History

In August of 2002, the Board of County Commissioners (BCC) adopted a comprehensive plan amendment that created a new policy within the Housing Element (f.k.a. Policy 1.5-c) to evaluate the possibility of establishing a Workforce Housing program for the County. A Workforce Housing (inclusionary zoning) program would allow residential developments to receive certain development incentives in order to provide a percentage of housing units for lower income households. This is a means towards meeting affordable housing needs and dispersing it in the unincorporated County. The policy committed the County to establishing an advisory group to evaluate the viability of a Workforce Housing program and make recommendations to the BCC regarding appropriate program parameters. In March 2003, the BCC appointed eleven (11) Members to the Workforce Housing Taskforce. The Taskforce met a total of eleven (11) times and presented recommendations, including program criteria and incentives, to the BCC in December 2003. The recommendations were positively received and endorsed by the BCC. Planning staff was directed to institute a voluntary Workforce Housing program.

Subsequently, amendments were processed in amendment Round 04-1 to the Housing, Transportation and Future Land Use Elements that established a voluntary Workforce Housing program. These amendments were adopted by the BCC on August 24, 2004 public hearing. Additionally, during a workshop on Evaluation and Appraisal Report (EAR), the BCC discussed the timeframe for evaluating the voluntary Workforce Housing program. It was at this time that the Board provided Planning with direction to perform the evaluation of the voluntary program following the first year of the program's implementation, instead of the three-year timeframe previously adopted. Housing Element Policy 1.5-h was revised by the BCC on November 28, 2005, to perform the evaluation of the voluntary program following the first year of the program's implementation.

Pursuant to subsequent BCC direction, staff has been looking at methods to increase the stock of attainable/workforce housing. An informal committee had been formed that consisted of representatives of the not-for-profit sector, the home building industry, real estate interests, the business community and representatives of several municipalities. Three BCC Workshops were held with members of this informal committee to provide data and information on various housing programs currently utilized in the County, and to present and discuss methods utilized in other communities in the United States as optional techniques for the BCC to consider in order to increase the stock of attainable/workforce housing.

In addition, meetings were held with staff and representatives of the Gold Coast Builders Association, the Community and Economic Development Council,

several homebuilders and agents for homebuilders. This group specifically discussed the scope and criteria of a mandatory Workforce Housing program.

At a Workshop on March 28, 2006, the BCC discussed the framework for a mandatory Workforce Housing program for the County, and directed staff to prepare policies to establish the mandatory program. On April 5, 2006, the BCC directed staff to immediately put into effect an Interim Mandatory WHP policy.

On August 26, 2006, the BCC adopted Comprehensive Plan amendments to the Housing, Transportation & Future Land Use Elements that revised language to establish and recognize a mandatory workforce-housing program. Subsequent amendments to the County's Unified Land Development Code (ULDC) were adopted by the BCC on November 21, 2006. The mandatory program became effective in December 2006.

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Attainable Units

	Control #	Application #	Application Name	Total Units	TDR Units (Included in total)	WFH Units (Included in total)	Decision Date	Reso. #	Notes
Approved Prior To Ordinance									
	1973-036	DOA2006-180	Boca Lago	130	0	9	10/26/2006	06-2334	Submitted Prior (2/01/06) but approved with Condition requiring 9 WFH
	1986-013	2005-985	Sardinia	60	5	2	1/5/2006	06-012	Approved with conditions requiring WFH (Pending rezoning to CG)
	1997-095	1997-095	Winsberg Farms PUD POD D	420	0	320	3/26/1998	98-423	Voluntarily made project WFH for POD D. PUD was originally approved prior to 2000
	2002-011	2005-1730	WD Gardens	266	114	21 WHP (Voluntary)	6/22/2006	06-1211	Approved prior to WFH Ord, but voluntarily added. No Conditions. (Pending rezoning to PIPD)
	2004-001	PDD2004-001	Briella PUD	230	77	23	1/6/2005	05-016	Approved prior to WFH but had condition to provide units at a base price not greater than \$250,000.00
	2005-130	2005-977	Osprey Oaks PUD	208	123	37	5/26/2006	06-928	Approved prior to WFH Ord, but voluntarily added.
	2005-452	2005-1233	Wyndsong Ranch	54	5	2	3/23/2006	06-522	Approved prior to WFH Ord, but voluntarily added.
	2005-456	PDD/R2005-1333	Eastwood PUD (Terracina)	281	0	40 WHP (Voluntary)	6/22/2006	06-1194	Approved prior to WFH Ord, but voluntarily added. (Pending a Large Scale Land Use Amendment which is in process for industrial)
	2005-535	2005-1720	Sabal Grove	67	0	7 WHP (Voluntary)	5/26/2006	06-922	Approved prior to WFH Ord, but voluntarily added. No Conditions
	2006-008	Z/CA/TDR2006-016	Boatman Hammock	45	20	8	1/25/2006	07-88	Submitted Prior (1/04/06)
	2006-304	DRO2006-832	PBCHA Boynton	34	0	34	9/27/2006	NA	Submitted Prior (5/17/06)
	2006-010	Z2006-022	Colonial Lakes	144	35	34	11/29/2007	07-2147	Submitted Prior (1/04/06)
	2006-503	PDD/TDR2006-1554	In Pines North PUD	30	11	30	8/23/2007	07-1429	Submitted Prior (10/04/06)
	2006-527	DRO2006-1691	Seahorse Bath Club	42	0	3	3/14/2007	NA	Submitted Prior (11/01/06)
Total Units				2047	390	570			

Attainable Units

	Control #	Application #	Application Name	Total Units	TDR Units (Included in total)	WFH Units (Included in total)	Decision Date	Reso. #	Notes
Approved After Ordinance									
	2003-058	PDD2006-948	Coral Lakes PUD	169		12	3/27/2007	07-0432	Submitted Prior (6/07/06)
	2005-589	Z/CA2006-1901	Glenwood Townhomes	52		12	9/24/2007	07-1620	Submitted After Ordinance
	2007-053	CA/TDR2007-509	Gulfstream Villas	6	3	3	1/24/2008	2008-???	Submitted After Ordinance
	2000-111	DRO2007-1591	Vivendi	36		6	2/13/2008	NA	Submitted After Ordinance
	2003-061	PDD/DOA/TDR2006-1931	Angelocci PUD	140 total (51 new)	51	67	7/26/2007	07-1240; 1241; 1242	Submitted After Ordinance
	2003-085	DOA/TDR2007-1398	Aspen Square PUD	171	35	62			
Total Units									
				573	89	162			
In Process									
	2003-011	DOA/TDR2007-1202	Belmont at Greenacres	226 total (65 new)	28 new	58			(149 Previously approved units including 38 prior TDRs already purchased)
	2005-103	DOA/TDR2007-1400	Haverhill Acres	160	29	39			
	2005-414	Z2007-2014	Marques-Jones PUD	43	0	6 off site			Applicant is requesting to buy out 6, code does not allow 100% but out.
	2007-052	2007-1621	Cole Street Villas	13	5	5			
	2007-339	CA2007-1190	Mirzadeh Apartments	34	11	11			
	2007-051	Z2007-1802	Savannah Palms	22	0	3			
	2007-343	Z/CA-2007-	Westgate One	52	0	0			in WCRA and exempt from WFH
Total Units									
				550	73	122			

Workforce Housing Rents

Housing Element - Definitions

Affordable Housing: Means that monthly rents including utilities or monthly mortgage payments including property taxes, insurance and utilities do not exceed thirty (30%) percent of that amount which represents the percentage of the median adjusted gross annual income for the households composed of very low-income persons, low-income persons and moderate income persons. (60% to 120% of area median income per workforce housing criteria)

Workforce Housing Rents (established in 2006)

<u>Income Level</u>	<u>% Rent based on</u>	<u>Rent 30%</u> (of monthly HH income)
Low (60-80%)	<u>80%</u> of AMI	\$1,287
Moderate (81-100%)	<u>90%</u> of AMI	\$1,450
Moderate (101-120%)	<u>110%</u> of AMI	\$1,771
Middle (121-150%)	<u>135%</u> of AMI	\$2,173

Workforce Housing Rents (established in 2006) did not take into account the monthly cost of utilities

Examples: Monthly utilities cost estimates (04/2008).

Random survey of monthly utility cost at 5 Rental Apartment Complexes provided responses from \$80 to \$170 per month for utilities (electric & water) depending on floor plans (number of bedrooms). Using the range of \$80 to \$170 ... the average monthly utility cost would be **\$125 per month**.

For this year, staff recommends revising the 2008 rents by subtracting the average utility cost from the existing rent figures as indicated below:

Recommended 2008 Workforce Housing Rents

<u>Income Level</u>	<u>Rent</u>	<u>Utilities</u>	<u>2008 Rent</u>	<u>For Comparison</u> <u>2008 HUD FMR</u>
Low (60-80%)	\$1,287	- \$125	\$1,162	1BR - \$1,006
Moderate (80+ -100%)	\$1,450	- \$125	\$1,325	2BR - \$1,188
Moderate (100+ -120%)	\$1,771	- \$125	\$1,646	3BR - \$1,680
Middle (120+ -150%)	\$2,173	- \$125	\$2,048	4BR - \$1,731

Workforce Housing Sale Prices

Who is eligible for Workforce Housing?

All workforce housing units will be offered to income qualified households with incomes from 60 percent to 150 percent of area medium income (AMI).

In Palm Beach County, the March 2008 median income was \$66,000 for a family of four. This is a household income range from \$39,600 (60%) to \$99,000 (150%).

- Low-income (60-80%) between approximately \$39,600 and \$55,350.
- Moderate-income 1 (80-100%) will range between \$55,350 and \$66,000.
- Moderate-income 2 (100-120%) will range between \$66,000 and \$83,040.
- Middle-income (120-150%) ranges from \$83,040 to \$99,000.

NOTE: The household income for a family of four from the Annual Income Limits for West Palm Beach and Boca Raton MSA at 80% and 120%, provided by the Housing and Community Development Department. The a family of four household income at 60%, 100% and 150% are provided by the Planning Division.

The Workforce Housing sale prices were established in 2006 when the County's Median Household Income (HUD) was \$64,400. The 2008 Median Household Income (HUD) is \$66,000. Thus there is no significant change in median household income from \$64,400 in 2006 (2.48% change).

For this year, staff recommends keeping the 2008 sales prices consistent with the prices established in 2006 as indicated below:

Recommended 2008 Workforce Sales Prices

<u>Income Level</u>	<u>Sales Price</u>
Low (60-80%)	\$164,000
Moderate (81-100%)	\$189,000
Moderate (101-120%)	\$240,000
Middle (121-150%)	\$304,000

CHAPTER 2007-198

Council Substitute for House Bill No. 1375

An act relating to affordable housing; amending s. 163.3177, F.S., relating to the housing element of a local government comprehensive plan; requiring certain counties to adopt a plan for ensuring affordable workforce housing; providing that a local government that fails to comply with such requirement is ineligible to receive state housing assistance grants; amending s. 163.3180, F.S.; providing an exemption from transportation concurrency for certain workforce housing units; amending s. 163.3184, F.S.; authorizing certain local government comprehensive plan amendments to be expedited; providing requirements for amendment notices; requiring a public hearing; amending s. 163.3187, F.S.; authorizing certain local government comprehensive plan amendments to be made more than twice a year; amending s. 163.3191, F.S.; authorizing a local government to adopt amendments to the local comprehensive plan in order to integrate a port master plan with the local comprehensive plan; providing a limitation; creating ss. 197.307, 197.3071, 197.3072, 197.3073, 197.3074, 197.3075, 197.3076, 197.3077, 197.3078, and 197.3079, F.S.; authorizing a county commission or municipality to adopt an ordinance providing for the deferral of ad valorem taxes and non-ad valorem assessments for affordable rental housing property under certain conditions; requiring the tax collector to provide certain notices to taxpayers about deferrals; providing specifications for such ordinances; providing eligibility requirements; authorizing a property owner to defer payment of ad valorem taxes and certain assessments; providing circumstances in which taxes and assessments may not be deferred; specifying the rate for deferment; providing that the taxes, assessments, and interest deferred constitute a prior lien on the property; providing an application process; providing notice requirements for applications that are not approved for deferment; providing an appeals process; requiring applications for deferment to contain a list of outstanding liens; providing the date for calculating taxes due and payable; requiring that a property owner furnish proof of certain insurance coverage under certain conditions; requiring the tax collector and the property owner to notify the property appraiser of parcels for which taxes and assessments have been deferred; requiring the property appraiser to notify the tax collector of changes in ownership or use of tax-deferred properties; providing requirements for tax certificates for deferred payment; providing the rate of interest; providing circumstances in which deferrals cease; requiring the property appraiser to notify the tax collector of deferrals that have ceased; requiring the tax collector to collect taxes, assessments and interest due; requiring the tax collector to notify the property owner of due taxes on tax-deferred property under certain conditions; requiring the tax collector to sell a tax certificate under certain circumstances; specifying persons who may pay deferred taxes, assessments and accrued interest; requiring the tax collector to maintain a record of payment and to distribute payments; providing for construction of provisions authorizing the de-

ferments; providing penalties; amending s. 253.0341, F.S., requiring the Board of Trustees of the Internal Improvement Trust Fund to convey certain property; restricting the use of property to be conveyed; providing a consideration for conveyance; amending s. 380.06, F.S.; providing that all phase, buildout, and expiration dates for projects that are developments of regional impact and under active construction on a specified date are extended for 3 years; providing an exemption from further development-of-regional-impact review; amending s. 380.0651, F.S.; revising certain developments of regional impact statewide guidelines and standards; amending s. 420.504, F.S.; providing that the corporation is a state agency for purposes of the state allocation pool; authorizing the corporation to provide notice of internal review committee meetings by publication on an Internet website; providing that the corporation is not governed by certain provisions relating to corporations not for profit; amending s. 420.506, F.S.; deleting a provision relating to lease of certain state employees; amending s. 420.5061, F.S.; deleting obsolete provisions; removing a provision requiring all assets and liabilities and rights and obligations of the Florida Housing Finance Agency to be transferred to the corporation; providing that the corporation is the legal successor to the agency; removing a provision requiring all state property in use by the agency to be transferred to and become the property of the corporation; amending s. 420.507, F.S.; requiring that an agreement financing affordable housing be recorded in the official records of the county where the real property is located; providing that such agreement is a state land use regulation; amending s. 420.5087, F.S.; authorizing the Florida Housing Finance Corporation to provide partially forgivable loans to nonprofit organizations that serve extremely-low-income elderly tenants; providing criteria; amending s. 420.5095, F.S.; specifying the content of rules for reviewing loan applications for workforce housing projects; requiring the corporation to establish a committee for reviewing loan applications; providing for membership; providing powers and duties of the committee; requiring the corporation's board of directors to make the final decisions concerning ranking and program participants; specifying areas where local governments may use program funds; expanding the types of projects that may receive priority funding; requiring that the processing of certain approvals of development orders or development permits be expedited; providing loan applicant requirements; revising reporting requirements; amending s. 420.511, F.S.; requiring that the corporation's annual report include information on the Community Workforce Housing Innovation Pilot Program; amending s. 420.513, F.S.; providing exemption from taxes for certain instruments issued in connection with the financing of certain housing; amending s. 420.526, F.S.; revising the cap on predevelopment loans; amending s. 420.9076, F.S.; increasing affordable housing advisory committee membership; revising membership criteria; authorizing the use of fewer members under certain circumstances; revising and providing duties of the advisory committee; creating s. 624.46226, F.S.; authorizing certain public housing authorities to create a self-insurance

fund; exempting such public housing authorities that create a self-insurance fund from certain assessments; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (f) of subsection (6) of section 163.3177, Florida Statutes, is amended to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

(6) In addition to the requirements of subsections (1)-(5) and (12), the comprehensive plan shall include the following elements:

(f)1. A housing element consisting of standards, plans, and principles to be followed in:

a. The provision of housing for all current and anticipated future residents of the jurisdiction.

b. The elimination of substandard dwelling conditions.

c. The structural and aesthetic improvement of existing housing.

d. The provision of adequate sites for future housing, including affordable workforce housing as defined in s. 380.0651(3)(j), housing for low-income, very low-income, and moderate-income families, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities.

e. Provision for relocation housing and identification of historically significant and other housing for purposes of conservation, rehabilitation, or replacement.

f. The formulation of housing implementation programs.

g. The creation or preservation of affordable housing to minimize the need for additional local services and avoid the concentration of affordable housing units only in specific areas of the jurisdiction.

h. By July 1, 2008, each county in which the gap between the buying power of a family of four and the median county home sale price exceeds \$170,000, as determined by the Florida Housing Finance Corporation, and which is not designated as an area of critical state concern shall adopt a plan for ensuring affordable workforce housing. At a minimum, the plan shall identify adequate sites for such housing. For purposes of this sub-subparagraph, the term "workforce housing" means housing that is affordable to natural persons or families whose total household income does not exceed 140 percent of the area median income, adjusted for household size.

i. Failure by a local government to comply with the requirement in sub-subparagraph h. will result in the local government being ineligible to re-

ceive any state housing assistance grants until the requirement of sub-subparagraph h. is met.

The goals, objectives, and policies of the housing element must be based on the data and analysis prepared on housing needs, including the affordable housing needs assessment. State and federal housing plans prepared on behalf of the local government must be consistent with the goals, objectives, and policies of the housing element. Local governments are encouraged to utilize job training, job creation, and economic solutions to address a portion of their affordable housing concerns.

2. To assist local governments in housing data collection and analysis and assure uniform and consistent information regarding the state's housing needs, the state land planning agency shall conduct an affordable housing needs assessment for all local jurisdictions on a schedule that coordinates the implementation of the needs assessment with the evaluation and appraisal reports required by s. 163.3191. Each local government shall utilize the data and analysis from the needs assessment as one basis for the housing element of its local comprehensive plan. The agency shall allow a local government the option to perform its own needs assessment, if it uses the methodology established by the agency by rule.

Section 2. Subsection (17) is added to section 163.3180, Florida Statutes, to read:

163.3180 Concurrency.—

(17) A local government and the developer of affordable workforce housing units developed in accordance with s. 380.06(19) or s. 380.0651(3) may identify an employment center or centers in close proximity to the affordable workforce housing units. If at least 50 percent of the units are occupied by an employee or employees of an identified employment center or centers, all of the affordable workforce housing units are exempt from transportation concurrency requirements and the local government may not reduce any transportation trip-generation entitlements of an approved development-of-regional-impact development order. As used in this subsection, the term "close proximity" means 5 miles from the nearest point of the development of regional impact to the nearest point of the employment center and the term "employment center" means a place of employment that employs at least 25 or more full-time employees.

Section 3. Subsection (19) is added to section 163.3184, Florida Statutes, to read:

163.3184 Process for adoption of comprehensive plan or plan amendment.—

(19) Any local government that identifies in its comprehensive plan the types of housing developments and conditions for which it will consider plan amendments that are consistent with the local housing incentive strategies identified in s. 420.9076 and authorized by the local government, may expedite consideration of such plan amendments. At least 30 days prior to adopting a plan amendment pursuant to this subsection, the local government

shall notify the state land planning agency of its intent to adopt such an amendment, and the notice shall include the local government's evaluation of site suitability and availability of facilities and services. A plan amendment considered under this subsection shall require only a single public hearing before the local governing body, which shall be a plan amendment adoption hearing as described in subsection (7). The public notice of the hearing required under subparagraph (15)(b)2. must include a statement that the local government intends to use the expedited adoption process authorized under this subsection. The state land planning agency shall issue its notice of intent required under subsection (8) within 30 days after determining that the amendment package is complete. Any further proceedings shall be governed by subsections (9) through (16).

Section 4. Paragraph (p) is added to subsection (1) of section 163.3187, Florida Statutes, to read:

163.3187 Amendment of adopted comprehensive plan.—

(1) Amendments to comprehensive plans adopted pursuant to this part may be made not more than two times during any calendar year, except:

(p) Any local government comprehensive plan amendment that is consistent with the local housing incentive strategies identified in s. 420.9076 and authorized by the local government.

Section 5. Subsection (14) is added to section 163.3191, Florida Statutes, to read:

163.3191 Evaluation and appraisal of comprehensive plan.—

(14) The requirement of subsection (10) prohibiting a local government from adopting amendments to the local comprehensive plan until the evaluation and appraisal report update amendments have been adopted and transmitted to the state land planning agency does not apply to a plan amendment proposed for adoption by the appropriate local government as defined in s. 163.3178(2)(k) in order to integrate a port comprehensive master plan with the coastal management element of the local comprehensive plan as required by s. 163.3178(2)(k) if the port comprehensive master plan or the proposed plan amendment does not cause or contribute to the failure of the local government to comply with the requirements of the evaluation and appraisal report.

Section 6. Sections 197.307, 197.3071, 197.3072, 197.3073, 197.3074, 197.3075, 197.3076, 197.3077, 197.3078, and 197.3079, Florida Statutes, are created to read:

197.307 Deferrals for ad valorem taxes and non-ad valorem assessments on affordable rental housing property.—

(1) A board of county commissioners or the governing authority of a municipality may adopt an ordinance to allow for ad valorem tax deferrals on affordable rental housing if the owners are engaging in the operation, rehabilitation, or renovation of such properties in accordance with the guidelines provided in part VI of chapter 420.

(2) The board of county commissioners or the governing authority of a municipality may also, by ordinance, authorize the deferral of non-ad valorem assessments, as defined in s. 197.3632, on affordable rental housing.

(3) The ordinance must designate the percentage or amount of the deferral and the type and location of affordable rental housing property for which a deferral may be granted. The ordinance may also require the property to be located within a particular geographic area or areas of the county or municipality.

(4) The ordinance must specify that the deferral applies only to taxes and assessments levied by the unit of government granting the deferral. However, a deferral may not be granted for taxes or non-ad valorem assessments levied for the payment of bonds or for taxes authorized by a vote of the electors pursuant to s. 9(b) or s. 12, Art. VII of the State Constitution.

(5) The ordinance must specify that any deferral granted remains in effect for the period for which it is granted regardless of any change in the authority of the county or municipality to grant the deferral. In order to retain the deferral, however, the use and ownership of the property as affordable rental housing must be maintained over the period for which the deferral is granted.

(6) If an application for tax deferral is granted on property that is located in a community redevelopment area as defined in s. 163.340:

(a) The amount of taxes eligible for deferral must be reduced, as provided for in paragraph (b), if:

1. The community redevelopment agency has previously issued instruments of indebtedness which are secured by increment revenues on deposit in the community redevelopment trust fund; and

2. The instruments of indebtedness are associated with the real property applying for the deferral.

(b) The tax deferral does not apply to an amount of taxes equal to the amount that must be deposited into the community redevelopment trust fund by the entity granting the deferral based upon the taxable value of the property upon which the deferral is being granted. Once all instruments of indebtedness that existed at the time the deferral was originally granted are no longer outstanding or have otherwise been defeased, this paragraph no longer applies.

(c) If a portion of the taxes on a property are not eligible for deferral as provided under paragraph (b), the community redevelopment agency shall notify the property owner and the tax collector 1 year before the debt instruments that prevented such taxes from being deferred are no longer outstanding or otherwise defeased.

(d) The tax collector shall notify a community redevelopment agency of any tax deferral that has been granted on property located within the agency's community redevelopment area.

(e) Issuance of debt obligation after the date a deferral has been granted does not reduce the amount of taxes eligible for deferral.

(7) The tax collector shall notify:

(a) The taxpayer of each parcel appearing on the real property assessment roll of the law allowing the deferral of taxes, non-ad valorem assessments, and interest under ss. 197.307-197.3079. Such notice shall be printed on the back of envelopes used to mail the notice of taxes as provided under s. 197.322(3). Such notice shall read:

NOTICE TO TAXPAYERS OWNING
AFFORDABLE RENTAL HOUSING PROPERTY

If your property meets certain conditions you may qualify for a deferred tax payment plan on your affordable rental housing property. An application to determine your eligibility is available in the county tax collector's office.

(b) On or before November 1 of each year, the tax collector shall notify each taxpayer for whom a tax deferral has been previously granted of the accumulated sum of deferred taxes, non-ad valorem assessments, and interest outstanding.

197.3071 Eligibility for tax deferral.—The tax deferral authorized by this section is applicable only on a prorata basis to the ad valorem taxes levied on residential units within a property which meet the following conditions:

(1) Units for which the monthly rent along with taxes, insurance, and utilities does not exceed 30 percent of the median adjusted gross annual income as defined in s. 420.0004 for the households described in subsection (2).

(2) Units that are occupied by extremely-low-income persons, very-low-income persons, low-income persons, or moderate-income persons as these terms are defined in s. 420.0004.

197.3072 Deferral for affordable rental housing properties.—

(1) Any property owner in a jurisdiction that has adopted an ad valorem tax-deferral ordinance or a deferral of non-ad valorem assessments ordinance pursuant to s. 197.307 and who owns an eligible affordable rental housing property as described in s. 197.3071 may apply for a deferral of payment by filing an annual application for deferral with the county tax collector on or before January 31 following the year in which the taxes and non-ad valorem assessments are assessed. The property owner has the burden to affirmatively demonstrate compliance with the requirements of this section.

(2) Approval by the tax collector defers that portion of the combined total of ad valorem taxes and any non-ad valorem assessments plus interest that are authorized to be deferred by an ordinance enacted pursuant to s. 197.307.

(3) Deferral may not be granted if:

(a) The total amount of deferred taxes, non-ad valorem assessments, and interest plus the total amount of all other unsatisfied liens on the property exceeds 85 percent of the assessed value of the property; or

(b) The primary financing on the affordable rental housing property is for an amount that exceeds 70 percent of the assessed value of the property.

(4) The amount of taxes deferred, non-ad valorem assessments, and interest shall accrue interest at a rate equal to the annually compounded rate of 3 percent plus the Consumer Price Index for All Urban Consumers; however, the interest rate may not exceed 9.5 percent.

(5) The deferred taxes, non-ad valorem assessments, and interest constitute a prior lien on the affordable rental housing property and shall attach as of the date and in the same manner and be collected as other liens for taxes as provided for under this chapter, but such deferred taxes, non-ad valorem assessments, and interest are due, payable, and delinquent as provided in ss. 197.307-197.3079.

197.3073 Deferral application.—

(1) The application for a deferral of ad valorem taxes and non-ad valorem assessments must be made annually upon a form prescribed by the department and furnished by the county tax collector. The application form must be signed under oath by the property owner applying for the deferral before an officer authorized by the state to administer oaths. The application form must provide notice to the property owner of the manner in which interest is computed. The application form must contain an explanation of the conditions to be met for approval of the deferral and the conditions under which deferred taxes, non-ad valorem assessments, and interest become due, payable, and delinquent. Each application must clearly state that all deferrals pursuant to this section constitute a lien on the property for which the deferral is granted. The tax collector may require the property owner to submit any other evidence and documentation considered necessary by the tax collector in reviewing the application.

(2) The tax collector shall consider and render his or her findings, determinations, and decision on each annual application for a deferral for affordable rental housing within 45 days after the date the application is filed. The tax collector shall exercise reasonable discretion based upon applicable information available under this section. The determinations and findings of the tax collector are not quasi judicial and are subject exclusively to review by the value adjustment board as provided by this section. A tax collector who finds that a property owner is entitled to the deferral shall approve the application and file the application in the permanent records.

(a) A tax collector who finds that a property owner is not entitled to the deferral shall send a notice of disapproval within 45 days after the date the application is filed, giving reasons for the disapproval. The notice must be sent by personal delivery or registered mail to the mailing address given by the property owner in the manner in which the original notice was served

upon the property owner and must be filed among the permanent records of the tax collector's office. The original notice of disapproval sent to the property owner shall advise the property owner of the right to appeal the decision of the tax collector to the value adjustment board and provide the procedures for filing an appeal.

(b) An appeal by the property owner of the decision of the tax collector to deny the deferral must be submitted to the value adjustment board on a form prescribed by the department and furnished by the tax collector. The appeal must be filed with the value adjustment board within 20 days after the applicant's receipt of the notice of disapproval, and the board must approve or disapprove the appeal within 30 days after receipt of the appeal. The value adjustment board shall review the application and the evidence presented to the tax collector upon which the property owner based a claim for deferral and, at the election of the property owner, shall hear the property owner in person, or by agent on the property owner's behalf, concerning his or her right to the deferral. The value adjustment board shall reverse the decision of the tax collector and grant a deferral to the property owner if, in its judgment, the property owner is entitled to the deferral or shall affirm the decision of the tax collector. Action by the value adjustment board is final unless the property owner or tax collector or other lienholder, within 15 days after the date of disapproval of the application by the board, files for a de novo proceeding for a declaratory judgment or other appropriate proceeding in the circuit court of the county in which the property is located.

(3) Each application for deferral must contain a list of, and the current value of, all outstanding liens on the property for which a deferral is requested.

(4) For approved applications, the date the deferral application is received by the tax collector shall be the date used in calculating taxes due and payable at the expiration of the tax deferral net of discounts for early payment.

(5) If proof has not been furnished with a prior application, each property owner shall furnish proof of fire and extended coverage insurance in an amount that is in excess of the sum of all outstanding liens including a lien for the deferred taxes, non-ad valorem assessments, and interest with a loss payable clause to the county tax collector.

(6) The tax collector shall notify the property appraiser in writing of those parcels for which taxes or assessments have been deferred.

(7) The property appraiser shall promptly notify the tax collector of changes in ownership or use of properties that have been granted a deferral.

(8) The property owner shall promptly notify the tax collector of changes in ownership or use of properties that have been granted tax deferrals.

197.3074 Deferred payment tax certificates.—

(1) The tax collector shall notify each local governing body of the amount of taxes and non-ad valorem assessments deferred which would otherwise

have been collected for the governing body. The tax collector shall, at the time of the tax certificate sale held under s. 197.432 strike each certificate off to the county. Certificates issued under this section are exempt from the public sale of tax certificates held pursuant to s. 197.432.

(2) The certificates held by the county shall bear interest at a rate equal to the annually compounded rate of 3 percent plus the Consumer Price Index for All Urban Consumers; however, the interest rate may not exceed 9.5 percent.

197.3075 Change in use or ownership of property.—

(1) If there is a change in use or ownership of the property that has been granted an ad valorem tax or non-ad valorem assessment deferral such that the property owner is no longer entitled to claim the property as an affordable rental housing property, or if there is a change in the legal or beneficial ownership of the property, or if the owner fails to maintain the required fire and extended insurance coverage, the total amount of deferred taxes, non-ad valorem assessments, and interest for all previous years becomes due and payable November 1 of the year in which the change in use or ownership occurs or on the date failure to maintain insurance occurs, and is delinquent on April 1 of the year following the year in which the change in use or ownership or failure to maintain insurance occurs.

(2) Whenever the property appraiser discovers that there has been a change in the use or ownership of the property that has been granted a deferral, the property appraiser shall notify the tax collector in writing of the date such change occurs, and the tax collector shall collect any taxes, non-ad valorem assessments, and interest due or delinquent.

(3) During any year in which the total amount of deferred taxes, non-ad valorem assessments, interest, and all other unsatisfied liens on the property exceeds 85 percent of the assessed value of the property, the tax collector shall immediately notify the property owner that the portion of taxes, non-ad valorem assessments, and interest which exceeds 85 percent of the assessed value of the property is due and payable within 30 days after receipt of the notice. Failure to pay the amount due shall cause the total amount of deferred taxes, non-ad valorem assessments, and interest to become delinquent.

(4) If on or before June 1 following the date the taxes deferred under this subsection become delinquent, the tax collector shall sell a tax certificate for the delinquent taxes and interest in the manner provided by s. 197.432.

197.3076 Prepayment of deferred taxes and non-ad valorem assessments.—

(1) All or part of the deferred taxes, non-ad valorem assessments, and accrued interest may at any time be paid to the tax collector by:

(a) The property owner; or

(b) The property owner's next of kin, heir, child, or any person having or claiming a legal or equitable interest in the property, if an objection is not

made by the owner within 30 days after the tax collector notifies the property owner of the fact that such payment has been tendered.

(2) Any partial payment made pursuant to this section shall be applied first to accrued interest.

197.3077 Distribution of payments.—When any deferred tax, non-ad valorem assessment, or interest is collected, the tax collector shall maintain a record of the payment, setting forth a description of the property and the amount of taxes or interest collected for the property. The tax collector shall distribute payments received in accordance with the procedures for distributing ad valorem taxes, non-ad valorem assessments, or redemption moneys as prescribed in this chapter.

197.3078 Construction.—This section does not prevent the collection of personal property taxes that become a lien against tax-deferred property, or defer payment of special assessments to benefited property other than those specifically allowed to be deferred, or affect any provision of any mortgage or other instrument relating to property requiring a person to pay ad valorem taxes or non-ad valorem assessments.

197.3079 Penalties.—

(1) The following penalties shall be imposed on any person who willfully files information required under this section which is incorrect:

(a) The person shall pay the total amount of deferred taxes, non-ad valorem assessments, and interest which shall immediately become due;

(b) The person shall be disqualified from filing a tax-deferral application for the next 3 years; and

(c) The person shall pay a penalty of 25 percent of the total amount of taxes, non-ad valorem assessments, and interest deferred.

(2) Any person against whom penalties have been imposed may appeal to the value adjustment board within 30 days after the date the penalties were imposed.

Section 7. Subsection (4) is added to section 253.0341, Florida Statutes, to read:

253.0341 Surplus of state-owned lands to counties or local governments.—Counties and local governments may submit surplusage requests for state-owned lands directly to the board of trustees. County or local government requests for the state to surplus conservation or nonconservation lands, whether for purchase or exchange, shall be expedited throughout the surplusage process. Property jointly acquired by the state and other entities shall not be surplusaged without the consent of all joint owners.

(4) Notwithstanding the requirements of this section and the requirements of s. 253.034 which provides a surplus process for the disposal of state lands, the board shall convey to Miami-Dade County title to the property on which the Graham Building, which houses the offices of the Miami-Dade

State Attorney, is located. By January 1, 2008, the board shall convey fee simple title to the property to Miami-Dade County for a consideration of one dollar. The deed conveying title to Miami-Dade County must contain restrictions that limit the use of the property for the purpose of providing workforce housing as defined in s. 420.5095, and to house the offices of the Miami-Dade State Attorney. Employees of the Miami-Dade State Attorney and the Miami-Dade Public Defender who apply for and meet the income qualifications for workforce housing shall receive preference over other qualified applicants.

Section 8. Paragraphs (c) and (e) of subsection (19) of section 380.06, Florida Statutes, are amended to read:

380.06 Developments of regional impact.—

(19) SUBSTANTIAL DEVIATIONS.—

(c) An extension of the date of buildout of a development, or any phase thereof, by more than 7 years shall be presumed to create a substantial deviation subject to further development-of-regional-impact review. An extension of the date of buildout, or any phase thereof, of more than 5 years but not more than 7 years shall be presumed not to create a substantial deviation. The extension of the date of buildout of an areawide development of regional impact by more than 5 years but less than 10 years is presumed not to create a substantial deviation. These presumptions may be rebutted by clear and convincing evidence at the public hearing held by the local government. An extension of 5 years or less is not a substantial deviation. For the purpose of calculating when a buildout or phase date has been exceeded, the time shall be tolled during the pendency of administrative or judicial proceedings relating to development permits. Any extension of the buildout date of a project or a phase thereof shall automatically extend the commencement date of the project, the termination date of the development order, the expiration date of the development of regional impact, and the phases thereof if applicable by a like period of time. In recognition of the 2007 real estate market conditions, all phase, buildout, and expiration dates for projects that are developments of regional impact and under active construction on July 1, 2007, are extended for 3 years regardless of any prior extension. The 3-year extension is not a substantial deviation, is not subject to further development-of-regional-impact review, and must not be considered when determining whether a subsequent extension is a substantial deviation under this subsection.

Section 9. Paragraph (f) of subsection (3) of section 380.0651, Florida Statutes, is amended to read:

380.0651 Statewide guidelines and standards.—

(3) The following statewide guidelines and standards shall be applied in the manner described in s. 380.06(2) to determine whether the following developments shall be required to undergo development-of-regional-impact review:

(f) Hotel or motel development.—

1. Any proposed hotel or motel development that is planned to create or accommodate 350 or more units; or

2. Any proposed hotel or motel development that is planned to create or accommodate 750 or more units, in a county with a population greater than 500,000, ~~and only in a geographic area specifically designated as highly suitable for increased threshold intensity in the approved local comprehensive plan and in the strategic regional policy plan.~~

(e)1. Except for a development order rendered pursuant to subsection (22) or subsection (25), a proposed change to a development order that individually or cumulatively with any previous change is less than any numerical criterion contained in subparagraphs (b)1.-13. and does not exceed any other criterion, or that involves an extension of the buildout date of a development, or any phase thereof, of less than 5 years is not subject to the public hearing requirements of subparagraph (f)3., and is not subject to a determination pursuant to subparagraph (f)5. Notice of the proposed change shall be made to the regional planning council and the state land planning agency. Such notice shall include a description of previous individual changes made to the development, including changes previously approved by the local government, and shall include appropriate amendments to the development order.

2. The following changes, individually or cumulatively with any previous changes, are not substantial deviations:

a. Changes in the name of the project, developer, owner, or monitoring official.

b. Changes to a setback that do not affect noise buffers, environmental protection or mitigation areas, or archaeological or historical resources.

c. Changes to minimum lot sizes.

d. Changes in the configuration of internal roads that do not affect external access points.

e. Changes to the building design or orientation that stay approximately within the approved area designated for such building and parking lot, and which do not affect historical buildings designated as significant by the Division of Historical Resources of the Department of State.

f. Changes to increase the acreage in the development, provided that no development is proposed on the acreage to be added.

g. Changes to eliminate an approved land use, provided that there are no additional regional impacts.

h. Changes required to conform to permits approved by any federal, state, or regional permitting agency, provided that these changes do not create additional regional impacts.

i. Any renovation or redevelopment of development within a previously approved development of regional impact which does not change land use or increase density or intensity of use.

j. Changes that modify boundaries and configuration of areas described in subparagraph (b)14. due to science-based refinement of such areas by survey, by habitat evaluation, by other recognized assessment methodology, or by an environmental assessment. In order for changes to qualify under this sub-subparagraph, the survey, habitat evaluation, or assessment must occur prior to the time a conservation easement protecting such lands is recorded and must not result in any net decrease in the total acreage of the lands specifically set aside for permanent preservation in the final development order.

k. Changes to permit the sale of an affordable housing unit to a person who earns less than 120 percent of the area median income, provided the developer actively markets the unit for a minimum period of 6 months, is unable to close a sale to a qualified buyer in a lower income qualified income class, a certificate of occupancy is issued for the unit, and the developer proposes to sell the unit to a person who earns less than 120 percent of the area median income at a purchase price that is no greater than the purchase price at which the unit was originally marketed to a lower income qualified class. This provision may not be applied to residential units approved pursuant to subparagraph (b)7. or paragraph (i), and shall expire on July 1, 2009.

~~l.k.~~ Any other change which the state land planning agency, in consultation with the regional planning council, agrees in writing is similar in nature, impact, or character to the changes enumerated in sub-subparagraphs a.-j. and which does not create the likelihood of any additional regional impact.

This subsection does not require the filing of a notice of proposed change but shall require an application to the local government to amend the development order in accordance with the local government's procedures for amendment of a development order. In accordance with the local government's procedures, including requirements for notice to the applicant and the public, the local government shall either deny the application for amendment or adopt an amendment to the development order which approves the application with or without conditions. Following adoption, the local government shall render to the state land planning agency the amendment to the development order. The state land planning agency may appeal, pursuant to s. 380.07(3), the amendment to the development order if the amendment involves sub-subparagraph g., sub-subparagraph h., sub-subparagraph j., ~~or sub-subparagraph k., or sub-subparagraph l.,~~ and it believes the change creates a reasonable likelihood of new or additional regional impacts.

3. Except for the change authorized by sub-subparagraph 2.f., any addition of land not previously reviewed or any change not specified in paragraph (b) or paragraph (c) shall be presumed to create a substantial deviation. This presumption may be rebutted by clear and convincing evidence.

4. Any submittal of a proposed change to a previously approved development shall include a description of individual changes previously made to

the development, including changes previously approved by the local government. The local government shall consider the previous and current proposed changes in deciding whether such changes cumulatively constitute a substantial deviation requiring further development-of-regional-impact review.

5. The following changes to an approved development of regional impact shall be presumed to create a substantial deviation. Such presumption may be rebutted by clear and convincing evidence.

a. A change proposed for 15 percent or more of the acreage to a land use not previously approved in the development order. Changes of less than 15 percent shall be presumed not to create a substantial deviation.

b. Notwithstanding any provision of paragraph (b) to the contrary, a proposed change consisting of simultaneous increases and decreases of at least two of the uses within an authorized multiuse development of regional impact which was originally approved with three or more uses specified in s. 380.0651(3)(c), (d), (e), and (f) and residential use.

Section 10. Subsection (2) of section 420.504, Florida Statutes, is amended to read:

420.504 Public corporation; creation, membership, terms, expenses.—

(2) The corporation is constituted as a public instrumentality, and the exercise by the corporation of the power conferred by this act is considered to be the performance of an essential public function. The corporation is shall constitute an agency for the purposes of s. 120.52 and is a state agency for purposes of s. 159.807(4). The corporation is subject to chapter 119, subject to exceptions applicable to the corporation, and to the provisions of chapter 286; however, the corporation shall be entitled to provide notice of internal review committee meetings for competitive proposals or procurement to applicants by mail, or facsimile, or publication on an Internet website, rather than by means of publication. The corporation is not governed by chapter 607 or chapter 617, but by the provisions of this part. If for any reason the establishment of the corporation is deemed in violation of law, such provision is severable and the remainder of this act remains in full force and effect.

Section 11. Section 420.506, Florida Statutes, is amended to read:

420.506 Executive director; agents and employees.—The appointment and removal of an executive director shall be by the Secretary of Community Affairs, with the advice and consent of the corporation's board of directors. The executive director shall employ legal and technical experts and such other agents and employees, permanent and temporary, as the corporation may require, and shall communicate with and provide information to the Legislature with respect to the corporation's activities. The board is authorized, notwithstanding the provisions of s. 216.262, to develop and implement rules regarding the employment of employees of the corporation and service providers, including legal counsel. ~~The corporation is authorized to enter into a lease agreement with the Department of Management Services or the~~

Department of Community Affairs for the lease of state employees from such entities, wherein an employee shall retain his or her status as a state employee but shall work under the direct supervision of the corporation, and shall retain the right to participate in the Florida Retirement System. The board of directors of the corporation is entitled to establish travel procedures and guidelines for employees of the corporation. The executive director's office and the corporation's files and records must be located in Leon County.

Section 12. Section 420.5061, Florida Statutes, is amended to read:

420.5061 Transfer of agency assets and liabilities.—~~Effective January 1, 1998, all assets and liabilities and rights and obligations, including any outstanding contractual obligations, of the agency shall be transferred to~~ The corporation is the as legal successor in all respects to the agency, ~~is, the corporation shall thereupon become obligated to the same extent as the agency under any existing agreements existing on December 31, 1997, and is be entitled to any rights and remedies previously afforded the agency by law or contract, including specifically the rights of the agency under chapter 201 and part VI of chapter 159. The corporation is a state agency for purposes of s. 159.807(4)(a).~~ Effective January 1, 1998, all references under Florida law to the agency are deemed to mean the corporation. The corporation shall transfer to the General Revenue Fund an amount which otherwise would have been deducted as a service charge pursuant to s. 215.20(1) if the Florida Housing Finance Corporation Fund established by s. 420.508(5), the State Apartment Incentive Loan Fund established by s. 420.5087(7), the Florida Homeownership Assistance Fund established by s. 420.5088(4), the HOME Investment Partnership Fund established by s. 420.5089(1), and the Housing Predevelopment Loan Fund established by s. 420.525(1) were each trust funds. For purposes of s. 112.313, the corporation is deemed to be a continuation of the agency, and the provisions thereof are deemed to apply as if the same entity remained in place. Any employees of the agency and agency board members covered by s. 112.313(9)(a)6. shall continue to be entitled to the exemption in that subparagraph, notwithstanding being hired by the corporation or appointed as board members of the corporation. ~~Effective January 1, 1998, all state property in use by the agency shall be transferred to and become the property of the corporation.~~

Section 13. Subsection (46) is added to section 420.507, Florida Statutes, to read:

420.507 Powers of the corporation.—The corporation shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including the following powers which are in addition to all other powers granted by other provisions of this part:

(46) To require, as a condition of financing a multifamily rental project, that an agreement be recorded in the official records of the county where the real property is located, which requires that the project be used for housing defined as affordable in s. 420.0004(3) by persons defined in 420.0004(8), (10), (11), and (15). Such an agreement is a state land use regulation that limits the highest and best use of the property within the meaning of s. 193.011(2).

Section 14. Subsection (3) of section 420.5087, Florida Statutes, is amended to read:

420.5087 State Apartment Incentive Loan Program.—There is hereby created the State Apartment Incentive Loan Program for the purpose of providing first, second, or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and public entities, to provide housing affordable to very-low-income persons.

(3) During the first 6 months of loan or loan guarantee availability, program funds shall be reserved for use by sponsors who provide the housing set-aside required in subsection (2) for the tenant groups designated in this subsection. The reservation of funds to each of these groups shall be determined using the most recent statewide very-low-income rental housing market study available at the time of publication of each notice of fund availability required by paragraph (6)(b). The reservation of funds within each notice of fund availability to the tenant groups in paragraphs (a), (b), and (d) may not be less than 10 percent of the funds available at that time. Any increase in funding required to reach the 10-percent minimum must shall be taken from the tenant group that has the largest reservation. The reservation of funds within each notice of fund availability to the tenant group in paragraph (c) may not be less than 5 percent of the funds available at that time. The tenant groups are:

- (a) Commercial fishing workers and farmworkers;
- (b) Families;
- (c) Persons who are homeless; and

(d) Elderly persons. Ten percent of the amount reserved for the elderly shall be reserved to provide loans to sponsors of housing for the elderly for the purpose of making building preservation, health, or sanitation repairs or improvements which are required by federal, state, or local regulation or code, or lifesafety or security-related repairs or improvements to such housing. Such a loan may not exceed \$750,000 per housing community for the elderly. In order to receive the loan, the sponsor of the housing community must make a commitment to match at least 5 percent of the loan amount to pay the cost of such repair or improvement. The corporation shall establish the rate of interest on the loan, which may not exceed 3 percent, and the term of the loan, which may not exceed 15 years; however, if the lien of the corporation's encumbrance is subordinate to the lien of another mortgagee, then the term may be made coterminous with the longest term of the superior lien. The term of the loan shall be based on established on the basis of a credit analysis of the applicant. The corporation may forgive indebtedness for a share of the loan attributable to the units in a project reserved for extremely-low-income elderly by nonprofit organizations, as defined in s. 420.0004(5), where the project has provided affordable housing to the elderly for 15 years or more. The corporation shall establish, by rule, the procedure and criteria for receiving, evaluating, and competitively ranking all applications for loans under this paragraph. A loan application must include evidence of the first mortgagee's having reviewed and approved the sponsor's intent to apply for a loan. A nonprofit organization or sponsor may not use

the proceeds of the loan to pay for administrative costs, routine maintenance, or new construction.

Section 15. Section 420.5095, Florida Statutes, is amended to read:

420.5095 Community Workforce Housing Innovation Pilot Program.—

(1) The Legislature finds and declares that recent rapid increases in the median purchase price of a home and the cost of rental housing have far outstripped the increases in median income in the state, preventing essential services personnel from living in the communities where they serve and thereby creating the need for innovative solutions for the provision of housing opportunities for essential services personnel.

(2) The Community Workforce Housing Innovation Pilot Program is created to provide affordable rental and home ownership community workforce housing for essential services personnel affected by the high cost of housing, using regulatory incentives and state and local funds to promote local public-private partnerships and leverage government and private resources.

(3) For purposes of this section, the term following definitions apply:

(a) “Workforce housing” means housing affordable to natural persons or families whose total annual household income does not exceed 140 percent of the area median income, adjusted for household size, or 150 percent of area median income, adjusted for household size, in areas of critical state concern designated under s. 380.05, for which the Legislature has declared its intent to provide affordable housing, and areas that were designated as areas of critical state concern for at least 20 consecutive years prior to removal of the designation.

(b) “Essential services personnel” means persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to s. 420.9075(3)(a).

(c) “Public-private partnership” means any form of business entity that includes substantial involvement of at least one county, one municipality, or one public sector entity, such as a school district or other unit of local government in which the project is to be located, and at least one private sector for-profit or not-for-profit business or charitable entity, and may be any form of business entity, including a joint venture or contractual agreement.

(4) The Florida Housing Finance Corporation is authorized to provide Community Workforce Housing Innovation Pilot Program loans to an applicant for construction or rehabilitation of workforce housing in eligible areas. ~~The corporation shall establish a funding process and selection criteria by rule or request for proposals.~~ This funding is intended to be used with other public and private sector resources.

(5) The corporation shall establish a loan application process by rule which includes selection criteria, an application review process, and a fund-

ing process. The corporation shall also establish an application review committee that may include up to three private citizens representing the areas of housing or real estate development, banking, community planning, or other areas related to the development or financing of workforce and affordable housing.

(a) The selection criteria and application review process must include a procedure for curing errors in the loan applications which do not make a substantial change to the proposed project.

(b) To achieve the goals of the pilot program, the application review committee may approve or reject loan applications or responses to questions raised during the review of an application due to the insufficiency of information provided.

(c) The application review committee shall make recommendations concerning program participation and funding to the corporation's board of directors.

(d) The board of directors shall approve or reject loan applications, determine the tentative loan amount available to each applicant, and rank all approved applications.

(e) The board of directors shall decide which approved applicants will become program participants and determine the maximum loan amount for each program participant.

(6)(5) The corporation shall provide incentives for local governments in eligible areas to use local affordable housing funds, such as those from the State Housing Initiatives Partnership Program, to assist in meeting the affordable housing needs of persons eligible under this program. Local governments are authorized to use State Housing Initiative Partnership Program funds for persons or families whose total annual household income does not exceed:

(a) One hundred and forty percent of the area median income, adjusted for household size; or

(b) One hundred and fifty percent of the area median income, adjusted for household size, in areas that were designated as areas of critical state concern for at least 20 consecutive years prior to the removal of the designation and in areas of critical state concern, designated under s. 380.05, for which the Legislature has declared its intent to provide affordable housing.

(7)(6) Funding shall be targeted to innovative projects in areas where the disparity between the area median income and the median sales price for a single-family home is greatest, and for projects in areas where population growth as a percentage rate of increase is greatest. The corporation may also fund projects in areas where innovative regulatory and financial incentives are made available. The corporation shall fund at least one eligible project in as many counties and regions of the state as is practicable, consistent with program goals as possible.

~~(8)(7)~~ Projects shall receive priority consideration for funding where:

(a) The local jurisdiction has adopted, or is committed to adopting, ~~adopts~~ appropriate regulatory incentives, or the local jurisdiction or public-private partnership has adopted or is committed to adopting local contributions or financial strategies, or other funding sources to promote the development and ongoing financial viability of such projects. Local incentives include such actions as expediting review of development orders and permits, supporting development near transportation hubs and major employment centers, and adopting land development regulations designed to allow flexibility in densities, use of accessory units, mixed-use developments, and flexible lot configurations. Financial strategies include such actions as promoting employer-assisted housing programs, providing tax increment financing, and providing land.

(b) Projects are innovative and include new construction or rehabilitation; mixed-income housing; ~~or commercial and housing mixed-use elements; innovative design, green building principles; storm-resistant construction; or other elements that reduce long-term costs relating to maintenance, utilities, or insurance and those that promote homeownership.~~ The program funding may ~~shall~~ not exceed the costs attributable to the portion of the project that is set aside to provide housing for the targeted population.

(c) Projects that set aside at least 80 percent of units for workforce housing and at least 50 percent for essential services personnel and for projects that require the least amount of program funding compared to the overall housing costs for the project.

~~(9)(8)~~ Notwithstanding the provisions of s. 163.3184(3)-(6), any local government comprehensive plan amendment to implement a Community Workforce Housing Innovation Pilot Program project found consistent with the provisions of this section shall be expedited as provided in this subsection. At least 30 days prior to adopting a plan amendment under ~~pursuant to~~ this subsection, the local government shall notify the state land planning agency of its intent to adopt such an amendment, and the notice shall include its evaluation related to site suitability and availability of facilities and services. The public notice of the hearing required by s. 163.3184(15)(b)2. ~~s. 163.3184(15)(e)~~ shall include a statement that the local government intends to use ~~utilize~~ the expedited adoption process authorized by this subsection. Such amendments shall require only a single public hearing before the governing board, which shall be an adoption hearing as described in s. 163.3184(7), ~~and~~ The state land planning agency shall issue its notice of intent pursuant to s. 163.3184(8) within 30 days after determining that the amendment package is complete. Any further proceedings shall be governed by ss. 163.3184(9)-(16). Amendments proposed under this section are not subject to s. 163.3187(1), which limits the adoption of a comprehensive plan amendment to no more than two times during any calendar year.

(10) The processing of approvals of development orders or development permits, as defined in s. 163.3164(7) and (8), for innovative community workforce housing projects shall be expedited.

(11)(9) The corporation shall award loans with interest rates set at 1 to 3 percent, which may be made forgivable when long-term affordability is provided and when at least 80 percent of the units are set aside for workforce housing and at least 50 percent of the units are set aside for essential services personnel.

(12)(10) All eligible applications shall:

(a) For home ownership, limit the sales price of a detached unit, town-home, or condominium unit to not more than ~~90~~ 80 percent of the median sales price for that type of unit in that county, or the statewide median sales price for that type of unit, whichever is higher, and require that all eligible purchasers of home ownership units occupy the homes as their primary residence.

(b) For rental units, restrict rents for all workforce housing serving those with incomes at or below 120 percent of area median income at the appropriate income level using the restricted rents for the federal low-income housing tax credit program and, for workforce housing units serving those with incomes above 120 percent of area median income, restrict rents to those established by the corporation, not to exceed 30 percent of the maximum household income adjusted to unit size.

(c) Demonstrate that the applicant is a public-private partnership in an agreement, contract, partnership agreement, memorandum of understanding, or other written instrument signed by all the project partners.

(d) Have grants, donations of land, or contributions from the public-private partnership or other sources collectively totaling at least ~~10~~ 15 percent of the total development cost or \$2 million, whichever is less. Such grants, donations of land, or contributions must be evidenced by a letter of commitment, an agreement, contract, deed, memorandum of understanding, or other written instrument only at the time of application. Grants, donations of land, or contributions in excess of ~~10~~ 15 percent of the development cost shall increase the application score.

(e) Demonstrate how the applicant will use the regulatory incentives and financial strategies outlined in subsection (8) paragraph (7)(a) from the local jurisdiction in which the proposed project is to be located. The corporation may consult with the Department of Community Affairs in evaluating the use of regulatory incentives by applicants.

(f) Demonstrate that the applicant possesses title to or site control of land and evidences availability of required infrastructure.

(g) Demonstrate the applicant's affordable housing development and management experience.

(h) Provide any research or facts available supporting the demand and need for rental or home ownership workforce housing for eligible persons in the market in which the project is proposed.

(13)(11) Projects may include manufactured housing constructed after June 1994 and installed in accordance with mobile home installation standards of the Department of Highway Safety and Motor Vehicles.

~~(14)(12)~~ The corporation may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this section.

~~(15)(13)~~ The corporation may use a maximum of 2 percent of the annual program appropriation for administration and compliance monitoring.

~~(16)(14)~~ The corporation shall review the success of the Community Workforce Housing Innovation Pilot Program to ascertain whether the projects financed by the program are useful in meeting the housing needs of eligible areas and shall include its findings in the annual report required under s. 420.511(3). ~~The corporation shall submit its report and any recommendations regarding the program to the Governor, the Speaker of the House of Representatives, and the President of the Senate not later than 2 months after the end of the corporation's fiscal year.~~

Section 16. Subsection (3) of section 420.511, Florida Statutes, is amended to read:

420.511 Business plan; strategic plan; annual report.—

~~(3)(a)~~ The corporation shall submit to the Governor and the presiding officers of each house of the Legislature, within 2 months after the end of its fiscal year, a complete and detailed report setting forth:

- ~~1.(a)~~ Its operations and accomplishments;
- ~~2.(b)~~ Its receipts and expenditures during its fiscal year in accordance with the categories or classifications established by the corporation for its operating and capital outlay purposes;
- ~~3.(c)~~ Its assets and liabilities at the end of its fiscal year and the status of reserve, special, or other funds;
- ~~4.(d)~~ A schedule of its bonds outstanding at the end of its fiscal year, together with a statement of the principal amounts of bonds issued and redeemed during the fiscal year; and
- ~~5.(e)~~ Information relating to the corporation's activities in implementing the provisions of ss. 420.5087, and 420.5088, and 420.5095.

~~(b)~~ The report ~~required by this subsection~~ shall include, but not be limited to:

1. The number of people served, delineated by income, age, family size, and racial characteristics.
2. The number of units produced under each program.
3. The average cost of producing units under each program.
4. The average sales price of single-family units financed under s. 420.5088.
5. The average amount of rent charged based on unit size on units financed under s. 420.5087.

6. The number of persons in rural communities served under each program.
7. The number of farmworkers served under each program.
8. The number of homeless persons served under each program.
9. The number of elderly persons served under each program.
10. The extent to which geographic distribution has been achieved in accordance with the provisions of s. 420.5087.

11. The success of the Community Workforce Housing Innovation Pilot Program in meeting the housing needs of eligible areas.

~~12.11.~~ Any other information the corporation deems appropriate.

Section 17. Subsection (1) of section 420.513, Florida Statutes, is amended to read:

420.513 Exemption from taxes and eligibility as investment.—

(1) The property of the corporation, the transactions and operations thereof, the income therefrom, and the bonds of the corporation issued under this act, together with all notes, mortgages, security agreements, letters of credit, or other instruments that arise out of or are given to secure the repayment of bonds issued in connection with the financing of any housing development under this part, and all notes, mortgages, security agreements, letters of credit, or other instruments that arise out of or are given to secure the repayment of loans issued in connection with the financing of any housing under this part, as well as the interest thereon and income therefrom, regardless of the status of any party thereto as a private party, shall be exempt from taxation by the state and its political subdivisions. The exemption granted by this subsection shall not apply to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations.

Section 18. Subsection (7) of section 420.526, Florida Statutes, is amended to read:

420.526 Predevelopment Loan Program; loans and grants authorized; activities eligible for support.—

(7) No predevelopment loan made under this section shall exceed the lesser of:

(a) The development and acquisition costs for the project, as determined by rule of the corporation; or

(b) Seven hundred and fifty ~~Five hundred~~ thousand dollars.

Section 19. Subsections (2), (4), (5), and (6) of section 420.9076, Florida Statutes, are amended, and subsections (8) and (9) are added to that section, to read:

420.9076 Adoption of affordable housing incentive strategies; committees.—

(2) The governing board of a county or municipality shall appoint the members of the affordable housing advisory committee by resolution. Pursuant to the terms of any interlocal agreement, a county and municipality may create and jointly appoint an advisory committee to prepare a joint plan. The ordinance adopted pursuant to s. 420.9072 which creates the advisory committee or the resolution appointing the advisory committee members must provide for eleven ~~nine~~ committee members and their terms. The committee must include:

(a) One citizen who is actively engaged in the residential home building industry in connection with affordable housing.

(b) One citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.

(c) One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.

(d) One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.

(e) One citizen who is actively engaged as a for-profit provider of affordable housing.

(f) One citizen who is actively engaged as a not-for-profit provider of affordable housing.

(g) One citizen who is actively engaged as a real estate professional in connection with affordable housing.

(h) One citizen who actively serves on the local planning agency pursuant to s. 163.3174.

(i) One citizen who resides within the jurisdiction of the local governing body making the appointments.

(j) One citizen who represents employers within the jurisdiction.

(k) One citizen who represents essential services personnel, as defined in the local housing assistance plan.

If a county or eligible municipality whether due to its small size, the presence of a conflict of interest by prospective appointees, or other reasonable factor, is unable to appoint a citizen actively engaged in these activities in connection with affordable housing, a citizen engaged in the activity without regard to affordable housing may be appointed. Local governments that receive the minimum allocation under the State Housing Initiatives Partnership Program may elect to appoint an affordable housing advisory committee with fewer than eleven representatives if they are unable to find representatives that meet the criteria of paragraphs (a)-(k).

(4) Triennially, the advisory committee shall review the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan of the appointing local government and shall recommend specific actions or initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. ~~The Such~~ recommendations may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions, including recommendations to amend the local government comprehensive plan and corresponding regulations, ordinances, and other policies. At a minimum, each advisory committee shall submit a report to the local governing body that includes make recommendations on, and triennially thereafter evaluates the implementation of, affordable housing incentives in the following areas:

(a) The processing of approvals of development orders or permits, as defined in s. 163.3164(7) and (8), for affordable housing projects is expedited to a greater degree than other projects.

(b) The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.

(c) The allowance of flexibility in densities ~~increased density levels~~ for affordable housing.

(d) The reservation of infrastructure capacity for housing for very-low-income persons, ~~and low-income persons, and moderate-income persons~~.

(e) The allowance of affordable accessory residential units in residential zoning districts.

(f) The reduction of parking and setback requirements for affordable housing.

(g) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.

(h) The modification of street requirements for affordable housing.

(i) The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.

(j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

(k) The support of development near transportation hubs and major employment centers and mixed-use developments.

The advisory committee recommendations ~~may~~ must also include other affordable housing incentives identified by the advisory committee. Local governments that receive the minimum allocation under the State Housing

Initiatives Partnership Program shall perform the initial review, but may elect to not perform the triennial review.

(5) The approval by the advisory committee of its local housing incentive strategies recommendations and its review of local government implementation of previously recommended strategies must be made by affirmative vote of a majority of the membership of the advisory committee taken at a public hearing. Notice of the time, date, and place of the public hearing of the advisory committee to adopt final local housing incentive strategies recommendations must be published in a newspaper of general paid circulation in the county. The Such notice must contain a short and concise summary of the local housing incentives strategies recommendations to be considered by the advisory committee. The notice must state the public place where a copy of the tentative advisory committee recommendations can be obtained by interested persons.

(6) Within 90 days after the date of receipt of the local housing incentive strategies recommendations from the advisory committee, the governing body of the appointing local government shall adopt an amendment to its local housing assistance plan to incorporate the local housing incentive strategies it will implement within its jurisdiction. The amendment must include, at a minimum, the local housing incentive strategies required under s. 420.9071(16). The local government must consider the strategies specified in paragraphs (4)(a)-(k) as recommended by the advisory committee (4)(a)-(j).

(8) The advisory committee may perform other duties at the request of the local government, including:

(a) The provision of mentoring services to affordable housing partners including developers, banking institutions, employers, and others to identify available incentives, assist with applications for funding requests, and develop partnerships between various parties.

(b) The creation of best practices for the development of affordable housing in the community.

(9) The advisory committee shall be cooperatively staffed by the local government department or division having authority to administer local planning or housing programs to ensure an integrated approach to the work of the advisory committee.

Section 20. Section 624.46226, Florida Statutes, is created to read:

624.46226 Public housing authorities self-insurance funds; exemption for taxation and assessments.—

(1) Any two or more public housing authorities in the state as defined in chapter 421 may also create a self-insurance fund for the purpose of self-insuring real or personal property of every kind and every interest in such property against loss or damage from any hazard or cause and against any loss consequential to such loss or damage, provided all the provisions of s. 624.4622 are met.

(2) Any public housing authority in the state as defined in chapter 421 that is a member of a self-insurance fund pursuant to this section shall be exempt from the assessments imposed under ss. 627.351, 631.57, and 215.555.

Section 21. This act shall take effect July 1, 2007.

Approved by the Governor June 19, 2007.

Filed in Office Secretary of State June 19, 2007.



GOLD COAST BUILDERS ASSOCIATION

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S. Jew
March 8 2008

STAFF
Comments

March 3, 2008

The Honorable Jeff Koons
County Commissioner -- District 2
Palm Beach County
301 North Olive Avenue, 12th Floor
West Palm Beach, FL 33401

Via United States Postal Service

Re: Proposed List of Unified Land Development Code Amendments

Dear Commissioner Koons:

On behalf of the leadership of Gold Coast Builders Association (GCBA), thank you for taking the time to meet with us this week. As you requested, attached is the list of Unified Land Development Code (ULDC) Amendments that GCBA has reviewed with County Staff. GCBA feels that these modifications to the ULDC will assist in lowering the costs of new home construction and allow builders and/or developers to build more workforce housing, which is a priority as has been stated by the Board of County Commissioners.

GCBA respectfully requests your support for the review and discussion of these modifications to the ULDC. These proposed modifications would allow County staff to take a closer look at these items and would move these amendments through the County's Zoning Code process, which includes the Land Development Regulation Advisory Board and ultimately, to the Board of County Commissioners.

If you have any questions on these modifications or would like to meet to review this proposal, please contact me at 561-262-6901 or chris@gcbaonline.com.

As always, we appreciate your consideration and dialogue with our association.

Sincerely,

Christopher Roog
Director of Government Affairs
Gold Coast Builders Association

Xc: GCBA Executive Committee
GCBA Government Affairs Committee
Mark Hill, AICP, Executive Vice President - GCBA

PROPOSED REVISION TO ULDC

Palm Beach County has an affordable housing crisis. Over the last eight years, the sales prices of new homes in Palm Beach County have had an unsustainable appreciation which is currently in the process of correcting. However, during the appreciation time period, local governments steadily increased government regulatory requirements. The result was an increase of time delays in order to obtain development rights approvals and the specific costs associated with complying with the regulations. Added regulation combined with a significant increase in governmental fees such as impact fees and permit fees makes affordable housing impossible.

These governmental costs have effectively created a cost floor which will prevent future development of residential homes with an affordable rate as market conditions normalize. Regulations, if not changed, potentially threaten the long term growth and prosperity of Palm Beach County.

In order to ensure the long term growth of affordable housing in Palm Beach County, government is required to significantly decrease governmental fees and make sweeping changes to the Unified Land Development Code (ULDC). These main changes are designed to reduce the costs of development and to simplify the code to permit a more rapid approval process. Attached to this list are technical amendments that must be applied to further streamline the ULDC. This includes alterations to the Inclusionary zoning ordinance once it is reverted to voluntary.

Recommended Changes:

1. **Repeal of Mandatory Inclusionary Zoning (MIZ) ordinance and replace it with a voluntary program that has the same density/traffic incentives of the current MIZ ordinance.**

- a. Based upon a market adjustment resulting in lower home prices in Palm Beach County, a significant number of housing units now fall within the "affordable" AMI household range mitigating the requirement of the ordinance. County staff will be preparing a one year assessment of the MIZ ordinance for BCC consideration sometime early next year and this would be a perfect time for the Commission to repeal the mandatory ordinance.
 - b. Attachment 1 – includes technical amendments to the workforce housing ordinance that will encourage more development on a voluntary basis.
- 2. Significantly reduce the threshold requirements permitting projects to be quickly approved with standard density and save the PDD process only for project requesting maximum density.
 - a. The thresholds are so low every project must be reviewed as a PDD and is thus exposed to the "extra" costs associated including the exemplary requirements.
 - b. By increasing the acreage thresholds, it will allow more standard zoning subdivisions which do not have to meet all the "extras" associated with achieving PUD density, and thus, development order can be attained at less cost.
 - c. Projects that are approved with standard density should be exempt from various costs such as civic sites, open space requirements, and other conditions placed on developments that go through the PDD process.
- 3. Drastically reduce the number and/or costs of exemplary standards in a residential development, i.e. decorative street light requirement and focal points.
 - a. A significant portion of time and money is being spent on these conditions of approval adding unneeded costs to residential construction.
 - b. A list of criteria should be developed. Once two or more of the criteria is met, the project is exempt of any further review of exemplary standards.

4. Eliminate public building / civic site requirement.

- a. Public building requirements are an extraction on residential developments that add costs to the overall price of the homes within the development.
- b. Projects which are five acres or less should be exempt, if added, the project should receive an impact fee credit or wavier.
- c. Projects five acres or more will receive impact credit for the public buildings or the county purchases the site of the public building.

5. Eliminate neighborhood park requirement.

- a. Standard regulations require that .006 acres of parkland per residential unit be included in the development, guaranteeing recreation space around the development.
- b. The requirement to include neighborhood parks within 1,320 feet of each dwelling unit results in multiple small non-functional parks that are wasteful and not desired by the homeowners. The park requirement should be able to be fulfilled the one or two functional centralized recreation facilities.

6. Eliminate open space requirement.

- a. Standardize buffer widths and required landscape material/plantings for all residential projects. Allow developers to "add" to the material/width voluntarily, but remove the discretion of the County to impose by condition of approval upgraded buffer widths and/or materials/plantings.
- b. Remove minimum 40% open space requirement. Developments still must provide the minimum recreation area, meet minimum surface water/storage requirements of SFWMD, buffers, etc. The standard simply reduces usable land and thus increases the cost of development (that is why the MIZ reduced the open space standard. More units with the same amount land to build them on if you keep 40% does nothing to reduce costs)
- c. Remove minimum lot coverage restrictions of 50% (ZLL) and 40% (SF). Allow the setback restrictions to establish the maximum permissible lot coverage. Since the lot area cannot be utilized to meet the current 40%

open space standard anyway, there is no need for what is the point of the additional restriction other than to "ensure" that someone can build a pool in the future.

7. **Article 2.E.3.E-1: Extend commencement time period for five years per phase. Place no restrictions on the number of phases. Allow extension to change from one year to two years.**

- a. The time restrictions and extension restrictions are arbitrary in nature. The start of projects should be based on market conditions. It is inappropriate to force builders to commencement at an arbitrary date or lose entitlements that can result in poor business timing. While it is appropriate to have a fixed date that the entitlements lapse, a longer period is significantly more appropriate.

8. **Eliminate the requirement to take storm drainage from adjacent public roads into project. Any drainage taken into a project should be paid for by the County to the developer in the form of road impact fee credits.**

- a. Storm water drainage control for public road projects should be a cost of the road project. The requirement of a project to take the storm water for the adjacent public road is an unfair governmental extraction which the developer should be compensated financially by either cash or impact fee credit for the amount of land used for the drainage.

9. **Article 2 – Chapter F – Section 3 – D.6.B.2: Performance Security required for development conditions should be required to be posted prior to commencement versus six months from date development order is approved.**

- a. The surety should only be required at the time of commencement. Prior to this date, is an unfair cost placed upon the developer.

10. **Eliminate architectural standards on any residential project.**

- a. All aspects for residential projects should be exempt from architectural review including, but not limited to guard houses, entry features, club houses and amenity features.

- b. This subjective regulation adds a tremendous amount of time to the project. Architecture preference is a market issue.

11. Article 8: Amend the restrictions on temporary signs, flags and banners for residential developments

- a. There is a need to increase the size, quantity and type of temporary visual advertisements that are permitted along residential development frontage including signs, flags and banners.
- b. There is a need to increase the time period that temporary visual advertisements are permitted for along residential development frontage.
- c.

12. Eliminate zoning overlays ("COZ", "GAO", "IOZ", "LOSTO", "LWRCCO", "NEO", "NBOZ", "RTO", "SCO", "SR80", "TAPO", "WCRAO") and replace them with zoning designations.

- a. Zoning overlays are frequently repetitive, cumbersome and tend to make the ULDC longer and more complicated. Almost all issues related to overlays can be simplified and included in the zoning designation section of the code.

Inclusionary Zoning Changes – Attachment 1

In order to encourage development under the Inclusionary Zoning Ordinance, changes must be made once the ordinance reverts to voluntary participation. Incentive based voluntary regulations will work better in a competitive market where prices are falling into the workforce housing range.

1. Waiver of impact fees/processing fees for any units which are sold to households having incomes that are less than or equal to 150% of County's annual median income. If a project has units both above and below the 150%, the processing fees would be proportionate to only the proportion of units to be sold to households having incomes above 150% of the annual median income.
2. Remove the 25 year recurring deed restriction for workforce housing units to 10 years, non-recurring. This will allow purchasers an incentive to purchase deed restricted homes, knowing that 10 years down the road they can sell at market rate and thus be willing to put real equity into the home.
3. Amend ULDC and UPAP (Uniform Policies and Procedures Manual of Water Utilities Department) to waive the requirement for DRO concurrency certification that requires the developer to enter into an SDA (Standard Developers Agreement) prior to BCC approval of the Development Order. Rather, require the SDA prior to final DRO approval. While this only delays the payment... why must we pay thousands upon thousands of dollars just to get to the BCC for approval? They will argue that the money is refundable in the event the BCC denies the project, but the point is that this money comes from our bank accounts and then sits in the County coffers for months on end unnecessarily raising the cost of obtaining development approvals. WUD can easily certify capacity exists without the obligation to enter into an SDA so early in the process.
4. Require developers that do not voluntarily build workforce units within their projects to pay a per unit fee to the County. The County can then utilize to purchase existing homes for sale to households that fall within the annual median income parameters of the existing MIZ ordinance. The County can decide if they want to impose a 25 year recurring deed restriction on those units in order to maintain an adequate stock of workforce housing units in the future.

Technical Changes – Attachment 2

The following changes will streamline the ULDC, allowing for a shorter review time. Each aspect may sometime during the development process adds time and cost to the final price of new homes.

1. Allow concurrent processing of re-zonings/development orders and final DRO site plans so that a site plan can be reviewed and be ready for approval upon BCC approval of the development order.
 - The final DRO site plans would be an "at risk", but concurrent processing will shave approximately 2 months off the approval process.
2. Article 2 - Chapter F - Section 1- D.5: Replacement of dwelling unit should be revised to be from 1 year to 2 years.
3. Same Article: Time extension should be for 2 consecutive 1 year time periods instead of 6 month extension.
4. Same Article and Chapter - Section E.4.:
 - Reduce width of lot in RS to 50 feet.
 - Increase building coverage to 50%.
 - Decrease front set back to 20 feet.
5. Article 3 - Chapter C - Section 2: Decrease rear set back for TNH from 25 feet to 15 feet for standard zoning.
6. Correct privacy wall regulations for missing criteria.
 - Clarify the need to reduce the cost.
 - Eliminate privacy walls on second stories.
7. Eliminate TDD's and replace with language that would permit development under standardize zoning application not requiring DRO process.
8. Eliminate requirements for connectivity between projects.
 - A consistent condition of approval that should not be required.
9. Parking Commercial: Eliminate side and rear requirements and 600 feet distance requirements.

10. Eliminate requirements to show on Regulatory Plan the following:

- C - Focal Points
- H - Elevation
- I - Pedestrian Pathways
- K - Screening
- L - Exemplary Requirements
- M - Public Amenities
- N - Entry Features
- O - Neighborhood Parks

11. Article 3 – Chapter E – Section 1G: Sales Offices and Models temporary access should be increased from 1 year to 2 years and no restrictions should be placed on size, number or location. Same Article: Eliminate all restrictions and requirements for model rows.

12. Eliminate requirements for all dwelling units to be within 1,320 feet of a public park.

13. Eliminate range of housing requirements.

14. Eliminate "OR" Pods.

15. Article 5 has a multitude of Use restrictions that are arbitrary and unnecessary to enforce. Use restrictions should be significantly relaxed. Examples of arbitrary restrictions are:

- Bicycles racks shall have a minimum of "5" bikes.
- A watchman trailer needs a minimum of "2" parking spaces.

16. Eliminate Chapter D parks recreation and rules for recreation development standards for community and neighborhood parks.

17. Article 6: Eliminate 600 foot maximum distances from parking space to entrance of commercial building and rear/side park minimum requirements.

18. Article 7 – Section 4: Berms Height section requires rewriting due to height requirements being mathematically inadequate because of grade differences between projects.

19. Article 11: Eliminate requirements for Parks Department and ERM Department to review technical compliance and plat.

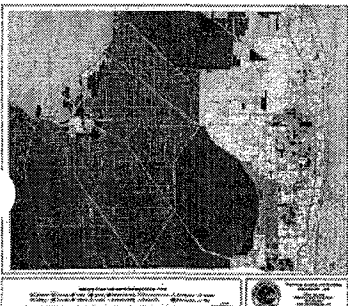
20. Increase expiration time period of technical compliance from 6 months to 1 year.

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. INTRODUCTION

To address the increasing need for local housing affordable to the county's workforce, the Palm Beach Board of County Commissioners adopted a voluntary workforce housing program in 2004 and directed county staff to evaluate other programs to increase the local stock of workforce housing, and the feasibility of a mandatory workforce housing program. County staff worked with community stakeholders representing local business, the real estate industry, homebuilders, housing non-profits, and other groups to evaluate options. The result was a two-phase process to incorporate a new workforce housing mitigation program into the County's Unified Land Development Code (ULDC).

- Phase 1 incorporated the mandatory workforce housing mitigation program into the ULDC in November, 2006.
- Phase 2 involves a comprehensive review of the ULDC to evaluate and potentially incorporate additional options and incentives to foster the development of workforce housing.



Palm Beach County's mandatory workforce housing mitigation program requires development of workforce housing units within developments of 10 units or more, and identifies areas where residential density can be increased contingent upon development of workforce housing units.

In addition, Palm Beach County initiated an effort in the fall of 2006 to develop a workforce housing methodology to determine the need new residential and non-residential developments create for housing that is affordable to the county's workforce. Clarion Associates and Dr. James Nicholas were retained by Palm Beach County to conduct this analysis. As part of this effort, the county is also exploring options available to mitigate the affordable housing need identified. The first phase of this initiative involves gathering data from surveys to assess the employment needed from home maintenance and business operations to support residential and non-residential development in the county. The second phase involves the preparation of two reports:

- (1) A Workforce Housing Support Study (hereinafter "Support Study") that provides background, technical documentation methods, and statistical support to determine the need for affordable workforce housing created by residential and non-residential development. (This report is provided under separate cover.)
- (2) A Policy Options Memorandum that outlines policy options the county might pursue to mitigate the need for workforce housing.

This is the Policy Options Memorandum (hereinafter "Policy Options"). It is organized into six sections.

- **Section I: Introduction and Executive Summary** provides an Introduction and Executive Summary of the policy options outlined. It explains the policy options for workforce housing.
- **Section II: Optional Regulatory Initiatives** discusses optional regulatory initiatives that might be considered for the county's workforce housing mitigation program. This section discusses seven regulatory options, including: (1) regulations that shift the standard of development review for certain types of workforce housing, (2) use of an ombudsman to assist workforce housing developers, (3) an expedited permit process, (4) impact fee reductions or waivers, (5) density bonuses, (6) waiver of use, density, and dimensional standards,

and (7) regulatory options to allow for reduction of parking and landscaping requirements.

- **Section III: Mandatory Workforce Housing Mitigation** outlines additional mandatory mitigation options that are available to the county, including linkage fees and comprehensive mandatory mitigation.
- **Section IV: Dedicated Funding Source for Workforce Housing** outlines optional sources of dedicated public funding that might be considered for the development of affordable workforce housing in the county.
- **Section V: Public/Private Partnerships** discusses examples of public/private partnerships that further homeownership opportunities.
- **Section VI: Administering a Local Workforce Housing Program** discusses key programmatic actions for creating a successful workforce housing mitigation program. Key actions include: (1) developing occupancy guidelines, (2) defining renter and for-sale unit eligibility, (3) applying resale controls to ensure units remain affordable, (4) developing policies on equity sharing, (5) developing policies on involuntary transfers and other "family" transactions, and (6) developing policies on improper transfers of property.

Each is summarized below in the Executive Summary and discussed in more detail in the balance of the Policy Options Memorandum.

B. EXECUTIVE SUMMARY

All effective local government workforce housing programs around the country are multi-dimensional in nature, meaning they include regulatory, funding, and sometimes mandatory initiatives for the production of affordable workforce housing. For this reason, the Policy Options Memorandum suggests it is important for the county to take a multi-dimensional approach to address affordable workforce housing issues and outlines multiple policy options for consideration. They include:

- Optional regulatory initiatives;
- Mandatory mitigation options;
- Public funding for workforce housing;
- Public/private partnerships; and
- Key programmatic actions for administering a workforce housing mitigation program.

1. Optional Regulatory Initiatives for Workforce Housing

The section on **optional regulatory initiatives** identifies a variety of regulatory incentives that might be considered by Palm Beach County for its workforce housing strategy. They are:

- **Regulations that shift the standard of review** for the permitting of certain types of workforce housing when they are proposed;
- **The use of an Ombudsman** to assist landowners who build workforce housing;



The new Merry Place development in West Palm Beach is an example of a multi-family housing development built in Palm Beach County.

- The development of **expedited permit processing** and review for workforce housing units;
- Development **impact fee reductions or waivers**;
- **Density bonuses** and the recognition that higher density development is needed for the provision of affordable workforce housing on a site, for residential development;
- **Minor adjustments of use, density, and dimensional standards** for workforce housing projects when there is assurance they do not affect the compatibility of the project with surrounding development; and
- Regulatory options to allow for the **reduction of parking and landscaping requirements** for the provision of workforce housing units.

2. Mandatory Workforce Housing Mitigation Options

The section on mandatory workforce housing mitigation requirements includes a discussion of both inclusionary and linkage fee programs.

An **inclusionary requirement** is a land use regulation that requires a certain percentage of new residential development built be affordable housing for the workforce, to offset the need for affordable workforce housing created by the residential development. Palm Beach County currently employs this option.

Linkage fees are fees that are imposed on non-residential development in order to offset the need for affordable workforce housing created by the nonresidential development. The need for the fee is "linked" to the development through a nexus/support study, which quantifies the degree of impact or need for workforce housing created. Once collected, the in-lieu fee is deposited into a fund for affordable workforce housing purposes.

The section also points out that some more recent local government mandatory workforce housing mitigation requirements integrate the inclusionary and linkage concepts through a **comprehensive mandatory workforce housing mitigation requirement** based on the need for workforce housing created by the new development or redevelopment.

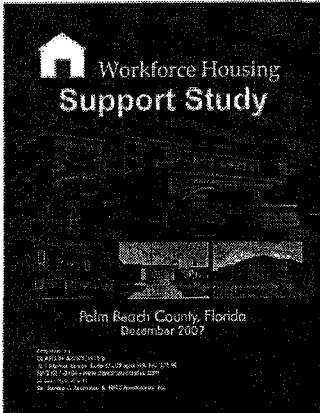
Today the mandatory inclusionary workforce housing program in Palm Beach County is one of just a few in Florida. Other programs are in Key West, Islamorada, and Tallahassee. Many other Florida communities are considering adoption of mitigation programs.

Because California is far out in front of the rest of the nation in addressing housing affordability issues, it is important to note that in California there are a number of mandatory affordable housing mitigation programs. Based on our review, there are at least 170 inclusionary programs in place and 19 linkage fee programs.

It is also important to note that experience teaches a mandatory mitigation program for workforce housing (either an inclusionary program or a linkage program, or both), standing alone, is not going to solve the workforce housing problem in a community. It must be implemented in conjunction with incentive-based programs, as well as a substantial source of dedicated funding to be effective.

The analysis conducted in the Support Study provides technical support for the county to refine its inclusionary program and adopt a linkage program or comprehensive mitigation program. It is suggested that if the county desires to act on the Support Study, it consider adopting a **comprehensive mandatory workforce housing mitigation requirement** that integrates both inclusionary and linkage concepts, by imposing mitigation requirements on both residential and nonresidential development. It is also suggested that the form of the mitigation emphasize the actual construction of units over the payment of in-lieu fees, but also allow the dedication of land for workforce housing, the conversion of existing market housing to restricted workforce housing, or the payment of in-lieu fees, as options. Provisions should also be placed on these options to ensure that they result in housing solutions that are consistent with the county's goals for the construction of workforce housing.

Table 1: *Summary of Workforce Housing Need Created by Residential and Non-Residential Development*, identifies the levels of workforce housing need identified in the Support Study for varying levels of both residential and non-residential development, both in terms of units and housing assistance. The Support Study outlines this in greater detail.



The Workforce Housing Support Study outlines the methodology to determine demand for workforce housing generated by new residential and non-residential development.

Table 1: Summary of Workforce Housing Need Created by Residential and Non-Residential Development		
Land Use	Workforce Housing Units Needed	Workforce Housing Assistance Needed
Residential Development (Per Square Feet)		
500	0.0158	\$387
1,000	0.0306	\$745
2,000	0.0982	\$2,062
3,000	0.2627	\$4,891
4,000	0.3863	\$7,073
5,000	0.4899	\$8,947
6,000	0.5805	\$10,619
7,000	0.6621	\$12,165
8,000	0.7366	\$13,590
9,000	0.8062	\$14,951
10,000	0.8708	\$16,222
12,000	0.9334	\$17,461
Non-Residential Development (Per 1,000 Square Feet)		
Governmental	0.7880	\$14,710
Industrial	0.7610	\$8,703
Institutional	0.3900	\$9,498
Office	0.9150	\$8,302
Retail	1.0200	\$28,820
Tourist	1.3930	\$34,536

3. Optional Sources of Public Funding for Workforce Housing

No local government workforce housing program has been effective without the use of a substantial dedicated public source of funding for the provision of workforce housing. Consequently, it is important that the county pursue a dedicated source of funding for workforce housing, along with these other policy options. This section highlights several fiscal realities that exist for Palm Beach County and all Florida local governments related to this issue, and then makes some suggestions.

The fiscal realities are that, given the present fiscal environment in the state and the county, there are limited realistic taxation options available for local governments. In addition, there is a great likelihood such funding for affordable workforce housing will require state legislative authorization. The section suggests examples of funding that other communities use that the county might consider:

- A real estate transfer tax, which is a tax on all real estate transactions, paid at the time of closing. Aspen/Pitkin County, Colorado utilizes this approach for affordable workforce housing. A real estate transfer tax could generate significant dollars annually in Palm Beach County over time.
- Other sources of funding may potentially be available. All taxation in Florida is within the exclusive purview of the State Legislature unless local governments are specifically authorized to impose a tax. At this time the only source of tax revenue available to Palm Beach County appears to be general funds. The Legislature could make other sources available as the Legislature sees fit. However, history shows the Legislature is reluctant to expand taxation, even if it is done as a local option.
- It is also suggested the county lobby the State Legislature for full SHIP funding.

4. Public/Private Partnerships

In addition to local government initiatives and public funding, it is also important to review the role public-private partnerships can play in providing affordable workforce housing.

In California, partnerships established between local governments and corporations through non-profits have helped to further homeownership opportunities for the workforce. Public/private partnerships require some form of financial participation by the private sector, and are an important component of the initiatives to address affordable housing needs in the communities where they are located. Generally, these programs should be viewed as a source of leverage for affordable workforce housing funds.

5. Administration of a Workforce Housing Program

Finally, the Policy Option Memorandum notes it is important to recognize that with the initiation of any of these efforts to increase the supply of affordable workforce housing in the county, it will be necessary to provide for the administration of workforce housing units over time. This type of commitment requires a commitment of resources in a number of different forms. The section

on the administration of a workforce housing program outlines some of the basic elements such a program entails. They include:

- **Occupancy Guidelines** - Minimum specifications for how required mitigation units are to be constructed. This may include the size of the unit, amenities provided, and type of housing to be provided.
- **Eligibility** - A process to determine the eligibility of the homeowners or tenants of any workforce housing units provided.
- **Resale Controls to Ensure Units Remain Affordable** - Resale controls through restrictions to ensure that a unit selling before the affordability period expires is resold to another member of the workforce that falls within the appropriate income levels.
- **For Sale Units and Equity Sharing** - Equity sharing provisions that address how much of the appreciation in a unit a buyer can take out on sale. Many programs allocate equity on a sliding scale: the longer the owner owns the home, the more equity they gain. Some allow for a modest increase in value based on the Consumer Price Index (CPI).
- **Involuntary Transfers and Other "Family" Transactions** - Provisions to manage involuntary transfers, such as when the affordable units are inherited by a non-qualified person.
- **Improper Transfer of Properties** - Provisions to assure that properties are not improperly transferred. This is done in many instances through a right of first refusal to the local government against all for sale properties that are restricted for workforce housing. This assures, in most cases, that the local government is notified when there is an attempt to transfer the property or change the title. The local government may then exercise its option or allow the unit to be sold directly to an income eligible buyer. Most local governments maintain lists of income eligible buyers.

6. Conclusion

There are a number of options for enhancing the county's current workforce housing mitigation program. Efforts from other communities around the nation show that successful programs are multi-dimensional, comprehensive, and usually include the following:

- regulatory and programmatic incentives;
- mandatory mitigation from new development;
- provision of a dedicated source of public funding for new units;
- partnerships with local businesses through non-profit associations to assist in the provision of affordable workforce housing; and
- staff capacity and an administrative framework for managing development and occupancy of new mitigation units.

These elements should be taken into consideration as Palm Beach County considers its policy options for workforce housing.

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. INTRODUCTION

Real estate prices in Palm Beach County have increased significantly in recent years. In addition, housing prices in the county have continued to rise since 2003 to the point that a household earning a moderate income today can no longer afford a majority of housing that is available through the private market. Concern about this issue has grown to the point that business owners are concerned about the difficulties of recruiting and retaining employees because of the lack of local affordable housing for their workers.

In response to this problem, in October 2006 Palm Beach County initiated an effort to develop a workforce housing methodology to determine the need new residential and non-residential developments create for housing that is affordable to the county's workforce. As part of this effort, the county is also exploring the options available to mitigate the workforce housing need identified. This initiative includes the development of several reports, specifically:

- A *Workforce Housing Support Study* to provide background and technical documentation for the workforce housing methodology, and statistical support for any kind of implementation and mitigation program; and
- A *Policy Options Memorandum* that outlines options the County might pursue to mitigate affordable housing demand, options for administering a mitigation program, and sources of additional funding that might be considered in addressing the affordable housing needs of the workforce.

This is the *Workforce Housing Support Study* (hereinafter "Study"). Initially it identifies the workforce housing problem in the county. It then provides the technical documentation and analysis needed to establish whether new development (both residential and non-residential) creates a need for affordable workforce housing. This is done by evaluating the linkage between (1) employment generated by the construction and maintenance/operations (post-construction) of new residential units, (2) the employment generated by the construction and then employment that occurs at non-residential development after the construction is completed (post-construction activities), and (3) critical workers that provide educational, public safety, law enforcement, and nursing services to both residential and non-residential developments. Because the analysis demonstrates there is a need created by both residential and non-residential development for affordable workforce housing, the Study identifies the need both in affordable housing units (or a fraction thereof) that could be built to address the need, and funding shortages (housing assistance) that could be addressed to ensure that housing for the workforce in the county is affordable.

After this Introduction (Section I), there is an Executive Summary in this section that summarizes the findings of the Support Study.

The second section in the Study describes the housing affordability problem in Palm Beach County (See **Section II. Problem Description**). It shows that while employment in the county has grown over the past decade, wages have tended to stagnate and housing prices have escalated dramatically making housing for the large majority of the local employment base unaffordable.

The third section (**Section III: The Need for Affordable Housing Created by New Development**) discusses the relationship between residential and nonresidential

development and the demand this new development creates for affordable workforce housing. It outlines the methodology and calculations that determine the need created for affordable workforce housing by new development (both residential and nonresidential). As is highlighted above, because the analysis demonstrates there is a need created by both residential and non-residential development for affordable workforce housing, the Study quantifies the need both in affordable workforce housing units (or a fraction thereof) that could be built to address the need, and funding shortages (housing assistance) that could be addressed to meet the need.

B. EXECUTIVE SUMMARY

1. Problem Description

There is a workforce housing problem in Palm Beach County today. Like many other communities in south Florida, the price of housing in the county increased dramatically in recent years, while incomes and wages remained relatively static. Over the past 14 years the gap between median household income and median housing cost in the county increased to the point that over the past three years median housing costs are no longer affordable to those in the workforce with a median household income.

In 1993, the median income for a household of four in Palm Beach County was \$43,100, and the median price of a single family home was \$116,300 – approximately 270 percent of median income levels.¹ By 2003, the median income for a household of four in Palm Beach County was \$60,800 and the median price of a single family home was \$241,300 – approximately 397 percent of median income levels. In 2004, the median income for a household of four in Palm Beach County was \$62,100 and the median price of a single family home was \$300,900 – approximately 485 percent of median income levels. In September 2007, the median homes sales price exceeded what was affordable to a median income household – by approximately 581 percent of median income levels. See Table 1.1, *Palm Beach County Median Household Income and Housing Prices, 1994-2007*. Also see Figure 1.1: *Comparison of Median Cost of Single Family Home to 300 Percent of Median Family Income, 1993-2007*.

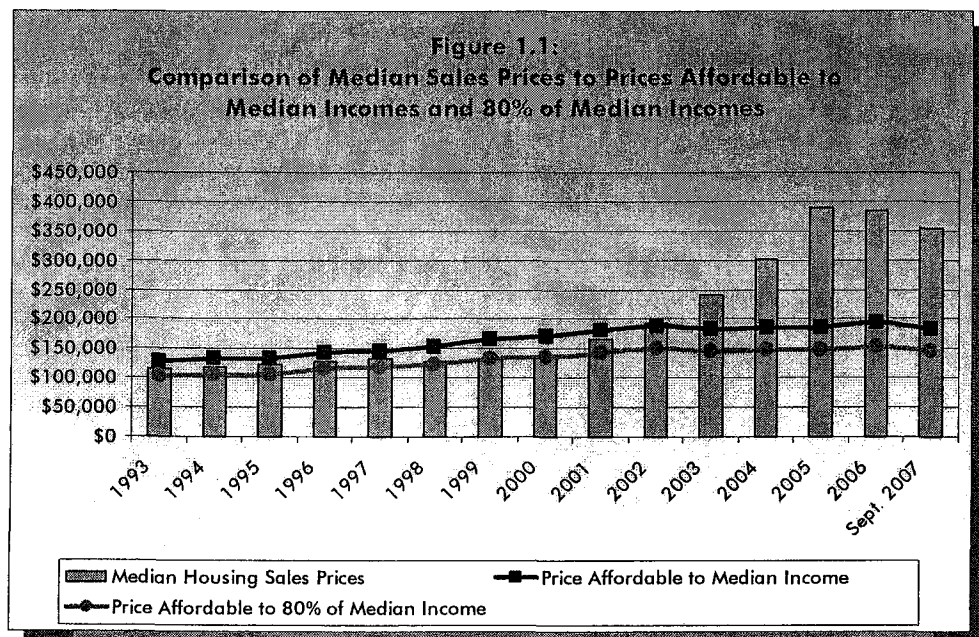
Table 1.1: Palm Beach County Median Household Income and Housing Prices, 1993-2007				
Year	Median Sales Price of Existing Housing	Median Household Income	Median Price of Housing as % of Median Income	Price Affordable for Median Income
1993	\$116,300	\$43,100	270%	\$129,300
1994	\$117,600	\$44,500	264%	\$133,500
1995	\$122,700	\$44,500	276%	\$133,500
1996	\$127,900	\$48,000	266%	\$144,000
1997	\$132,700	\$48,800	272%	\$146,400
1998	\$128,100	\$51,200	250%	\$153,600
1999	\$133,800	\$55,600	241%	\$166,800

¹ A national benchmark for evaluating affordability is whether median household incomes in a community are at the level where the family is able to afford a median priced home; more specifically, affordability of owner-occupied housing is normally defined as 300 percent of median household income.

Table 1.1:
Palm Beach County Median Household Income and Housing Prices, 1993-2007

Year	Median Sales Price of Existing Housing	Median Household Income	Median Price of Housing as % of Median Income	Price Affordable for Median Income
2000	\$138,600	\$56,600	245%	\$169,800
2001	\$149,600	\$60,000	249%	\$180,000
2002	\$194,600	\$62,800	310%	\$188,400
2003	\$241,300	\$60,800	397%	\$182,400
2004	\$300,900	\$62,100	485%	\$186,300
2005	\$390,100	\$62,100	628%	\$186,300
2006	\$384,700	\$64,400	597%	\$193,200
Sept. 2007	\$355,300	\$61,200	581%	\$183,600

Source: U.S. Department of Housing and Urban Development and Florida Association of Realtors.



Source: U.S. Department of Housing and Urban Development and Florida Association of Realtors.

a. Growth in Employment and Wages of the Palm Beach County Workforce

Comparing growth of employment and wages to the increase in housing prices also reveals a significant workforce housing affordability problem in Palm Beach County. Review of Palm Beach County employment and wage data from 2001 and 2006 show that increases in wages for the State of Florida outpaced that of Palm Beach County in all but six industries. Many of the industries with lower wage growth pay their employees lower wages. What this shows is that the industries with nominal to lower wage growth rates are earning the lowest wages, and if these trends persist, households earning the lowest wages will continue to have difficulty finding affordable workforce housing.

Table 1.2: Comparison of Percent Growth in Wages for Palm Beach County and the State of Florida, 2001-2006, demonstrates that average earnings in Palm Beach County grew at 3.70% in comparison to the Florida wage growth rate of 4.90% from 2001 to 2006. During this period, the Consumers' Price Index (CPI) grew at an annual rate of 2.66%, indicating some improvement in real (after inflation) earnings for Palm Beach County employees. However, the average sales price of a home in Palm Beach County went from \$203,499 in 2001 to \$402,147 in 2006. This is an annual rate of increase of 14.59 percent per year. While real wages increased, the rate of increase was approximately one quarter what is necessary to maintain the degree of affordability in Palm Beach County observed in 2001. This indicates that housing in Palm Beach County is no longer available at prices that much of the workforce can reasonably afford. See Table 1.2.

Table 1.2: Comparison of Percent Growth in Wages for Palm Beach County and the State of Florida, 2001-2006		
Industry	Percent Growth (2001-2006)	
	Palm Beach County	State of Florida
Total, All Industries	3.70%	4.90%
Goods-Producing	6.58%	7.15%
Agriculture, Forestry, Fishing and Hunting	6.14%	6.53%
Construction	6.00%	6.95%
Manufacturing	8.11%	5.52%
Service-Providing	3.21%	4.65%
Trade, Transportation, and Utilities	2.86%	1.68%
Wholesale Trade	5.84%	-4.24%
Retail Trade	1.60%	4.04%
Transportation and Warehousing	4.23%	2.18%
Information	2.80%	6.65%
Financial Activities	1.93%	4.33%
Finance and Insurance	3.83%	4.87%
Real Estate and Rental and Leasing	-2.25%	2.74%
Professional and Business Services	3.06%	1.26%
Education and Health Services	3.83%	6.04%
Educational Services	3.70%	6.80%
Health Care and Social Assistance	3.89%	5.10%
Leisure and Hospitality	4.64%	5.11%
Accommodation and Food Services	4.62%	6.54%
Other Services	4.65%	7.49%
Public Administration	6.68%	2.52%

Source: Florida Labor Market Statistics, November 2007.

b. Supply of Affordable Housing to the Workforce is Substantially Decreasing

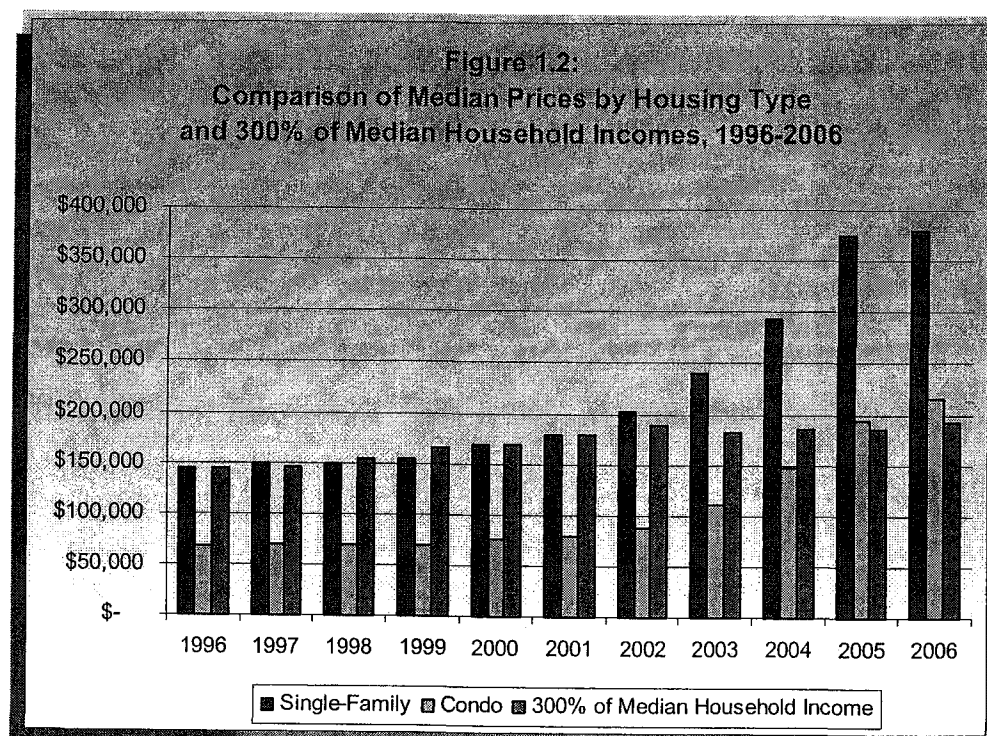
The breadth of the housing affordability problem in the county is further demonstrated by considering the income data in comparison to Property Appraiser data on the sales price of all residential units listed and sold in Palm Beach County between January 1, 1996 and December 31, 2006. Analysis of this data shows there has been a sharp increase in the sales price of residential units in the county over the past ten years,

particularly since 2003, to the point that median income households can no longer afford many of the homes listed and sold. In addition, there has been a decline in the number of units that are available for sale at prices that are affordable to a large part of the workforce. The median sales price of single-family homes has increased by more than two and one half times (162 percent) the sales price of homes in 1996. In 1996, the median sales price of single-family homes was \$144,900. By 2003, the median sales price of a single-family home had increased to \$241,459. And in 2006 it rose to \$380,000. Similar increases have occurred for the other types of residential units. See Table 1.3: *Median Sales Price by Housing Type, 1996-2006*.

Table 1.3: Median Sales Price by Housing Type, 1996-2006				
Year	Single-Family Detached	Townhouse/ Duplex	Condominium	Mobile Home
1996	\$144,900	\$88,500	\$68,000	\$30,000
1997	\$148,700	\$91,900	\$70,000	\$31,000
1998	\$150,000	\$91,400	\$70,000	\$31,800
1999	\$155,000	\$96,000	\$70,000	\$35,835
2000	\$168,500	\$102,000	\$76,000	\$35,800
2001	\$180,000	\$119,100	\$79,000	\$37,500
2002	\$203,000	\$130,245	\$88,000	\$42,000
2003	\$241,459	\$150,000	\$111,000	\$47,000
2004	\$293,322	\$189,000	\$147,000	\$60,000
2005	\$375,000	\$241,500	\$194,000	\$77,000
2006	\$380,000	\$260,000	\$215,000	\$80,000
Annual Growth Rate	10.12%	11.38%	12.20%	10.31%
Increase from 1996-2006	162%	194%	216%	167%

Source: Palm Beach County Property Appraiser Sales Data, February 2007.

In fact, the Property Appraiser data show that by the end of 2006, the median sales price for over 80 percent of the residential units sold in the county (the single-family detached and condominium units) were above levels that are considered affordable for persons and families with median incomes. See Figure 1.2: *Comparison of Median Prices by Housing Type and 300% of Median Household Incomes, 1996-2006*.



Source: Palm Beach County Property Appraiser Sales Data, February 2007.

2. The Need for Affordable Workforce Housing

The need to provide affordable housing for the workforce in Palm Beach County is generated by new development that demands labor (employees). Because both new residential and new non-residential development create demand for labor (employees), both are evaluated to determine the affordable workforce housing need created by each type of development.

a. Residential Development

Residential development in Palm Beach County has three employment needs: (1) the construction of the residence, (2) the operation and maintenance of the residence, post-construction, and (3) employment of critical workers that provide public services to these residences (i.e., teachers, fire and rescue personnel, law enforcement personnel, and nurses).

i) Demand for Workforce Housing Units for Construction Employees

The construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The wages of many of these workers are within a range such that they can not afford housing in Palm Beach County. The method used to assess the demand for affordable workforce housing created by construction activities involves the following. First, the amount of construction authorized and built in Palm Beach County over the past from 2001-2006 (measured in square feet) was determined from annual Palm Beach County Property Appraiser data. Second, the number of construction workers involved in the construction of these buildings was determined using ES-202 data on local construction workers. Third, and based upon the amount of square footage built and the number of construction workers needed to construct these buildings, the actual amount of a building (in square feet) a construction employee builds in a year was determined.

Table 1.4: *Construction Employment and Construction Activity, 2001-2006*, summarizes this analysis. These data illustrate that, on average, one construction employee directly involved in construction builds an average of 1,033 square feet of space in a year. Put another way, it takes an estimated 0.968 employee-years to construct 1,000 square feet of floor area.

Table 1.4 Construction Employment and Construction Activity, 2001-2006	
Construction Activity	Square Feet Added (2001-2006)
Residential	164,766,050
Non-Residential	22,836,941
Total	187,602,991
Employment	181,610
Feet per Employee per Year	1,033

Source: Palm Beach County Property Appraiser Data and ES-202 data.

Table 1.5: *Construction Employees per Unit by Size of Unit,* sets out the number of employees needed to construct different size residential units based on the fact that one construction employee builds 1,033 square feet of space annually (See the column in Table 1.5 labeled “Employee Years to Construct Units”). Specifically, the table displays the number of employee years it takes to construct a building of a certain size, the number of employees needed over the course of a 40-year construction career to construct a certain size unit, and the number of housing units needed for these employees. To determine the housing units needed for construction employees in Palm Beach County (last column in Table 1.5), the employee equivalent (shown in the column labeled “Employees Needed (Over Career of Employee)) is divided by the average number of employees per dwelling unit that exist in Palm Beach County (1.585)².

Table 1.5: Construction Employees per Unit by Size of Unit			
Floor Area	Employee Years to Construct Units	Employees Needed (over career of employee)	Housing Units Needed for Employees
500	0.484	0.012	0.008
1,000	0.968	0.024	0.015
2,000	1.936	0.048	0.030
3,000	2.904	0.073	0.046
4,000	3.872	0.097	0.061
5,000	4.840	0.121	0.076
6,000	5.808	0.145	0.091
7,000	6.776	0.169	0.107
8,000	7.744	0.194	0.122
9,000	8.712	0.218	0.138
10,000	9.681	0.242	0.153
11,000	10.649	0.266	0.168
12,000	11.617	0.290	0.183

Source: Clarion Associates and Dr. James C. Nicholas.

² See Appendix B: *Employees Per Household, Palm Beach County.*

ii) Demand for Workforce Housing Units for Operations and Maintenance Employees

Operations and maintenance services provided to residential dwelling units also create a demand for labor (employees). To assess the effect of this labor demand on the need for affordable housing, Palm Beach County contracted RRC Associates, Inc., to conduct a survey of homeowners in Palm Beach County in the spring of 2007, the results of which are summarized in a report titled Palm Beach County Household Study (April 2007) (hereinafter referred to as "Homeowner Survey"). One of the primary objectives of the Homeowner Survey was to acquire data on the employment associated with the operations and maintenance of residential units in Palm Beach County. The Homeowner Survey asked homeowners questions about the use, both directly and indirectly, of five primary categories of employees that are hired to assist in the operation and maintenance of residential units. They include:

- Direct hires by home owners;
- Hires by property management firms retained by home owners to operate and maintain residential properties;
- Hires by homeowners associations responsible for operating and maintaining residential properties;
- On-sight caretakers; and
- Other local service firms.

The operations and maintenance services asked about include exterior maintenance and upkeep (i.e., gardeners, mowers, and other exterior maintenance), housekeepers, kitchen help, childcare/nannies, caretakers, butlers, personal trainers, and administrative assistants for the residential unit. The survey also gathered extensive data about selected operational characteristics of residential homes, as well as the use patterns and demographics of homeowners.

The survey was mailed to a sample of 3,000 homeowners in Palm Beach County. A total of 529 surveys were returned by the response cutoff date, for an average response rate of 15 percent. Of these 529 survey responses, 273 were responded to in full, whereas the remaining surveys lacked responses to some of the survey questions. Any survey that included a response to a relevant question was used in the analysis.

The results of this survey were analyzed using regression analysis to determine the relationships between the number of operations and maintenance employees used by households in Palm Beach County. Generally, the analyses determined that the residential unit size was the best indicator for the number of EEs ("employee equivalents") that provide operations and maintenance services to a residential unit. The result of the analyses in terms of the number of operations/maintenance employees needed to service homes of varying sizes is shown in Table 1.6: *Operations and Maintenance Employment by Home Size, Palm Beach County*. To determine the needed number of residential units needed to house these operations and maintenance employees, the employee equivalent is divided by the average number of employees per dwelling unit that exist today in Palm Beach County (1.585³) to estimate the fraction of a dwelling unit needed to house the employees engaged in the operation and maintenance of homes of different sizes.

³See Appendix B: *Employees per Household, Palm Beach County*.

Table 1.6: Operations and Maintenance Employment by Home Size		
Floor Area	Employees Needed	Housing Units Needed for Employees
500	0.000	0.000
1,000	0.000	0.000
2,000	0.059	0.037
3,000	0.269	0.170
4,000	0.417	0.263
5,000	0.533	0.336
6,000	0.627	0.396
7,000	0.707	0.446
8,000	0.776	0.490
9,000	0.837	0.528
10,000	0.891	0.562
11,000	0.941	0.594
12,000	0.986	0.622

Source: Clarion Associates, Dr. James C. Nicholas, and RRC Associates, Inc.

iii) Demand for Workforce Housing Units for Critical Employees

Public employees that provide critical services to new residential development also demand affordable workforce housing. These Critical Employees include:

- Public School Teachers⁴
- Fire & Rescue Personnel⁵
 - Firefighters
 - Emergency Medical Technicians
 - Paramedics
- Law Enforcement⁶
 - Police officers and Sheriff’s deputies
 - Corrections (jail) deputies
- Nurses⁷

⁴ Public school teachers consist of all public school teachers employed by the School District of Palm Beach County. This includes only full-time teachers, and does not include personnel serving in administrative or supervisory capacities.

⁵ Fire and Rescue personnel include the firefighters, emergency medical technicians, and paramedics employed in Palm Beach County. This includes only full-time Fire and Rescue personnel, and does not include personnel serving in administrative or supervisory capacities.

⁶ Law Enforcement personnel consist of all police officers, sheriff’s deputies, and correctional deputies employed in Palm Beach County. This includes only full-time Law Enforcement officers, and does not include personnel serving in administrative or supervisory capacities.

⁷ Nursing personnel consist of all nurses employed in Palm Beach County.

These critical employees are important to the overall functioning of the community. In determining the need for workforce housing for teachers, the need is attributed solely to residential development because it is residential development where school age children live. In allocating the need for workforce housing for fire and rescue personnel and law enforcement personnel created by new development, need is attributed to both residential and nonresidential development based on data provided in an impact fee study prepared for Palm Beach County by Dr. James C. Nicholas entitled *Technical Memorandum on Impact Fees for Palm Beach County*, November 2007. The need for workforce housing for nurses was allocated solely to residential development since nurses provide services to people who live in homes. Using current data on critical employees and the amount of existing residential and non-residential development in Palm Beach County, the critical employees needed to serve new development and workforce housing units needed for these critical employee households was determined. Table 1.7: *Critical Employees - All Categories*, presents the number of critical employees needed and the number of workforce housing units needed per 1,000 square feet of new residential development built in Palm Beach County.

Table 1.7: Critical Employees- All Categories		
	Employees per 1000 FT ²	Employee Households
Teachers	0.0103	0.0065
Fire & Rescue Personnel	0.00136	0.00086
Law Enforcement Personnel	0.0016	0.0010
Nurses	0.0114	0.0072
TOTAL CRITICAL EMPLOYEES	0.0247	0.0156

Source: Florida Agency for Workforce Innovation, Florida Occupational Employment and Wages, Q1 2007, <http://www.labormarketinfo.com/oes/> and Palm Beach County School District, May 10, 2007.

iv) Summary of Needs for Workforce Housing Units from Residential Development

Table 1.8: *Workforce Housing Need Created by Residential Development*, summarizes the total workforce housing unit need created by new residential development, for construction, operation/maintenance employees, and critical employees. For example, a 2,000 square foot residential unit creates demand for 0.0982 of a workforce housing unit. A 3,000 square foot residential unit creates a demand for 0.2627 of a workforce housing unit. (See Table 1.8.)

Table 1.8:
Workforce and Critical Employee Housing (Unit) Need
Created by Residential Development⁸

Unit Size	Construction		Operations and Maintenance		Critical Employees		Total Households
	Employee s	Employee Households	Employee s	Employee Households	Employee s	Employee Households	
500	0.012	0.008	0.000	0.000	0.0123	0.0078	0.0158
1,000	0.024	0.015	0.000	0.000	0.0247	0.0156	0.0306
2,000	0.048	0.030	0.059	0.037	0.0494	0.0312	0.0982
3,000	0.073	0.046	0.269	0.170	0.0741	0.0467	0.2627
4,000	0.097	0.061	0.417	0.263	0.0988	0.0623	0.3863
5,000	0.121	0.076	0.533	0.336	0.1235	0.0779	0.4899
6,000	0.145	0.091	0.627	0.396	0.1482	0.0935	0.5805
7,000	0.169	0.107	0.707	0.446	0.1729	0.1091	0.6621
8,000	0.194	0.122	0.776	0.490	0.1976	0.1246	0.7366
9,000	0.218	0.138	0.837	0.528	0.2223	0.1402	0.8062
10,000	0.242	0.166	0.891	0.610	0.2469	0.1692	0.9452
11,000	0.266	0.182	0.941	0.645	0.2716	0.1861	1.0131
12,000	0.290	0.199	0.986	0.675	0.2963	0.2030	1.0770

Source: Clarion Associates, Dr. James C. Nicholas, and RRC Associates, Inc.

v) Assistance to Address Workforce Housing Need (For Construction and Post Construction Employees)

In fully exploring the need for workforce housing created by residential development, there is one final step that needs to be taken -- determining the amount of assistance (housing subsidy) that is needed to make housing in the community affordable for the construction, operations/maintenance, and critical employee households that build and service residential units. To adequately address the different types of households that need workforce housing assistance, four Workforce Housing Categories are used in this Study. The intent of the categories is to recognize that households of varying income levels live in units of varying size and price. For example, it is logical that a household earning \$60,000 lives in a different and more expensive house than a household earning \$30,000. These four categories address this issue. They also address the fact that not all households earning the same income have the same housing needs. For example, two households may earn the median income, but have a different number of household members and require a different number of bedrooms in a unit. These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories and housing needs found in the community. These categories were developed using data from previous Palm Beach County housing studies and local costs to construct workforce units in Palm Beach County.

The household incomes earned by construction, operations and maintenance employees/households, and critical employee households, were used to determine the subsidy needed to afford a workforce housing unit within the appropriate workforce housing category, based on the size of the unit. This was determined by subtracting the amount of housing that is affordable to the household from the price of the prototypical workforce housing unit. The housing assistance that is needed is based on the size of

⁸ Note that the data shown in Table 1.8: *Workforce and Critical Employee Housing Need Created by Residential Development*, are illustrative only. The precise formulae should be used to calculate the need created by individual dwellings. See page 46 of this Support Study.

the residential unit being built. Examples of the housing assistance that needs to be provided by new residential development (of varying sizes) to address the workforce housing need it creates is outlined below in Table 1.9: *Workforce Housing Need Created by Residential Development (Units and Assistance)*. The precise formulae provided within this Study on page 46 should be used to calculate the actual number of workforce housing units and housing assistance need created by a given development.

Table 1.9:
Workforce Housing Need Created by Residential Development (Units and Assistance)

Unit Size	Construction		Operations & Maintenance		Critical Employees		Total Affordable Housing Units Needed	Total Housing Assistance for Employees in Need of Affordable Housing
	Employee Households	Assistance Needed	Employee Households	Assistance Needed	Employee Households	Assistance Needed		
500	0.008	\$228	0.000	\$0	0.0078	\$159	0.0158	\$387
1,000	0.015	\$427	0.000	\$0	0.0156	\$318	0.0306	\$745
2,000	0.030	\$854	0.037	\$572	0.0312	\$635	0.0982	\$2,062
3,000	0.046	\$1,310	0.170	\$2,628	0.0467	\$953	0.2627	\$4,891
4,000	0.061	\$1,737	0.263	\$4,066	0.0623	\$1,271	0.3863	\$7,073
5,000	0.076	\$2,164	0.336	\$5,194	0.0779	\$1,589	0.4899	\$8,947
6,000	0.091	\$2,591	0.396	\$6,121	0.0935	\$1,906	0.5805	\$10,619
7,000	0.107	\$3,047	0.446	\$6,894	0.1091	\$2,224	0.6621	\$12,165
8,000	0.122	\$3,474	0.490	\$7,575	0.1246	\$2,542	0.7366	\$13,590
9,000	0.138	\$3,930	0.528	\$8,162	0.1402	\$2,859	0.8062	\$14,951
10,000	0.153	\$4,357	0.562	\$8,687	0.1558	\$3,177	0.8708	\$16,222
11,000	0.168	\$4,784	0.594	\$9,182	0.1714	\$3,495	0.9334	\$17,461
12,000	0.183	\$5,211	0.622	\$9,615	0.1869	\$3,813	0.9919	\$18,639

Source: Clarion Associates, Dr. James C. Nicholas, and RRC Associates, Inc.

b. Non-Residential Development

The other basic sector in Palm Beach County that employs workers is nonresidential development. This includes offices, retail establishments, industrial businesses, tourist/recreational services, institutional uses, and government facilities. Non-residential development places a demand on labor (the workforce) in three ways: (1) demand for workers to construct the building, (2) demand for employees that will work at the new non-residential development, and (3) demand for critical employees to provide public services to the new non-residential development. Construction employees construct the nonresidential buildings. All different types of employees work at the structure after the building is complete, depending on the type of business/land use. These businesses also require public services (law enforcement and fire protection). These activities generate employment in Palm Beach County, and because of the wage levels and existing housing prices, a number of these activities result in a need for affordable workforce housing.

i) Construction Employees

As discussed previously, the construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The need for affordable workforce housing created by construction employees for non-residential development was determined to be the same as residential development.

Table 1.10: *Construction Employment and Need for Housing*, sets out the number of employees needed to construct different size non-residential buildings. Specifically, the table displays the number of employee years it takes to construct a building of a certain size, the number of employees needed over the course of a 40-year construction career to construct a certain size unit, and the number of housing units needed for these employees.

Table 1.10: Construction Employment and Need for Housing			
Floor Area	Employee Years to Construct Units	Employees Needed (over career of employee)	Housing Units Needed for Employees
1,000	0.968	0.024	0.015
5,000	4.840	0.121	0.076
10,000	9.681	0.242	0.153
20,000	19.361	0.484	0.305
50,000	48.403	1.210	0.763
80,000	77.444	1.936	1.221
100,000	96.805	2.420	1.527
200,000	193.611	4.840	3.053

Source: Clarion Associates and Dr. James C. Nicholas.

ii) Post-Construction Employees

The employment impacts on non-residential development, once the building is constructed, comes from the employees that work at the businesses/land uses that use the buildings. In determining the need for workforce housing created by non-residential development, the analysis includes 4 steps:

- Step 1.** Using Department of Revenue Codes for Industries, all non-residential development was categorized into ten land use categories (retail, office, industrial, tourist/recreational, institutional, governmental, residence, critical employees, other, and no location).
- Step 2.** The employment and average household earnings in Palm Beach County for each industry were assigned to 10 land use categories to determine employment and household earnings by land use category.
- Step 3.** The amount of building space (in square feet) provided, on average, per employee, was determined for the appropriate land use categories.⁹
- Step 4.** The demand for affordable workforce housing units created by a specific amount (1,000 square feet) of net floor area of development was determined, by land use category.

⁹ A survey of local Palm Beach County employers was conducted by RRC Associates, Inc. to determine the amount of employment per square feet of development. The results of this survey were compared with ES-202 data and professional judgment was used to determine the appropriate number of employees per 1,000 square feet for each land use category.

The need created for workforce housing for post-construction employees is outlined in Table 1.11: *Non-Residential Post-Construction Workforce Housing Needed per 1,000 Square Feet*.

Table 1.11: Post-Construction Housing Affordability Gap			
Land Use	Income per Household	Employees/1000FT²	Housing Units Needed for Employees
Government	\$74,550	1.222	0.771
Industrial	\$76,822	1.179	0.744
Institutional	\$72,792	0.591	0.373
Office	\$77,541	1.423	0.898
Retail	\$55,939	1.589	1.003
Tourist	\$57,015	2.182	1.376

Source: Clarion Associates and Dr. James C. Nicholas.

iii) Critical Employees

Public employees that provide critical services to new non-residential development also demand affordable workforce housing. These critical employees include:

- Fire & Rescue Personnel
 - Firefighters
 - Emergency Medical Technicians
 - Paramedics
- Law Enforcement
 - Police officers and Sheriff’s deputies
 - Corrections (jail) deputies

These critical employees are important to the overall functioning of the community. In allocating the need for workforce housing for fire and rescue personnel and law enforcement personnel created by new development, need is attributed to both residential and nonresidential development based on the amount (square feet) of development being served (residential versus nonresidential development). Using current data on critical employees and the amount of existing residential and non-residential development in Palm Beach County, the demand for critical employees and workforce housing units needed for these critical employee households was determined. Table 1.12: *Non-Residential Critical Employees - All Categories*, presents the number of critical employees needed and the number of workforce housing units needed per 1,000-square feet of new non-residential development built in Palm Beach County.

Table 1.12: Non-Residential Critical Employees- All Categories Per 1,000 FT² of Non-Residential Development		
	Employees	Households
Fire & Rescue	0.0007	0.0004
Law Enforcement	0.0026	0.0016
Total Critical Employees	0.0032	0.0020

Source: Florida Agency for Workforce Innovation, Florida Occupational Employment and Wages, Q1 2007, <http://www.labormarketinfo.com/oes/> and Palm Beach County School District, May 10, 2007.

iv) Assistance to Address Workforce Housing Needs

As mentioned previously, to fully explore the need for workforce housing created by non-residential development, there is one final step -- determining the amount of assistance (housing subsidy) that is needed to make housing in the community affordable for the workforce employees that build and service non-residential development. As is discussed earlier, to adequately address the different types of households that need workforce housing assistance, four Workforce Housing Categories are developed in this Study. These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories and household needs found in the community.

The household incomes earned by construction households, post-construction households, and critical employee households, were used to determine the housing assistance (i.e., subsidy) needed to afford a workforce housing unit within the appropriate category. This was determined by subtracting the amount of housing that is affordable to the household from the price of the appropriate prototypical workforce housing unit. The housing assistance that is needed is based on the size and type of the non-residential structure being built. Examples of the housing assistance and workforce housing units that need to be provided by new non-residential development (for varying land uses per 1,000 square feet) to address the workforce housing need it creates is outlined below in Table 1.13: *Need for Workforce Housing Created by Non-Residential Development*. The precise formulae provided within this report on page 88 should be used to calculate the actual number of workforce housing units and housing assistance need created by a given development.

Table 1.13: Need for Workforce Housing Created by Non-Residential Development								
Land Use	Construction		Post-Construction		Critical Employees		Total Workforce Units Needed	Total Workforce Housing Assistance Needed
	Employee Households	Assistance Needed	Employee Households	Assistance Needed	Employee Households	Assistance Needed		
Per 1,000 Square Feet								
Government	0.015	\$427	0.771	\$14,236	0.0020	\$46.97	0.7880	\$14,710
Industrial	0.015	\$427	0.744	\$8,229	0.0020	\$46.97	0.7610	\$8,703
Institutional	0.015	\$427	0.373	\$9,024	0.0020	\$46.97	0.3900	\$9,498
Office	0.015	\$427	0.898	\$7,827	0.0020	\$46.97	0.9150	\$8,302
Retail	0.015	\$427	1.003	\$28,346	0.0020	\$46.97	1.0200	\$28,820
Tourist	0.015	\$427	1.376	\$34,062	0.0020	\$46.97	1.3930	\$34,536

c. Summary of Workforce Housing Needs (Residential and Non-Residential)

A summary of the workforce housing needs generated by both residential and non-residential development is outlined on the next page in Table 1.14: *Summary of Workforce Housing Need Created by Residential and Non-Residential Development*.

Table 1.14: Summary of Workforce Housing Need Created by Residential and Non-Residential Development		
Land Use	Workforce Housing Units Needed	Workforce Housing Assistance Needed
Residential Development (Per Square Feet)		
500	0.0158	\$387
1,000	0.0306	\$745
2,000	0.0982	\$2,062
3,000	0.2627	\$4,891
4,000	0.3863	\$7,073
5,000	0.4899	\$8,947
6,000	0.5805	\$10,619
7,000	0.6621	\$12,165
8,000	0.7366	\$13,590
9,000	0.8062	\$14,951
10,000	0.8708	\$16,222
12,000	0.9334	\$17,461
Non-Residential Development (Per 1,000 Square Feet)		
Governmental	0.7880	\$14,710
Industrial	0.7610	\$8,703
Institutional	0.3900	\$9,498
Office	0.9150	\$8,302
Retail	1.0200	\$28,820
Tourist	1.3930	\$34,536

Source: Clarion Associates and Dr. James C. Nicholas.

3. Policy Options/Mitigation Options

A number of policy options are available to Palm Beach County to address this affordable workforce housing need created by residential and non-residential development, once the methodology for determining need is developed and applied. They involve local and state funding, incentive zoning practices, as well as inclusionary or mandatory affordable housing requirements in the county's land development code. These policy options are discussed in the Policy Options Memorandum. If the affordable workforce housing need is going to be effectively addressed as development occurs, the policy options should address the workforce housing need in one of four ways. They include:

- Payment of funds (housing assistance) to make up the difference between the cost of housing in the county for the employee(s) in need of affordable workforce housing and what the employee(s) can reasonably afford;
- Construction of affordable workforce housing units for employee(s) in need;
- Conversion of existing market units to affordable workforce housing units for the employee in need; or
- Providing land for affordable workforce housing that is of equal value to the funds (housing assistance fee) needed.