



CITY OF RIVIERA BEACH STAFF REPORT

AMENDMENT TO THE CODE OF ORDINANCES CHAPTER 26 MINORITY EMPLOYMENT AND AFFORDABLE HOUSING OPPORTUNITY PLAN

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 26 OF THE CITY'S CODE OF ORDINANCES ENTITLED, "MINORITY EMPLOYMENT AND AFFORDABLE HOUSING OPPORTUNITY PLAN" BY ADDING THE IHC-PUD AND PROVIDING A MECHANISM FOR A HEIGHT BONUS; BY UPDATING DEFINITIONS AND CLARIFYING THE PURPOSE OF THE HOUSING TRUST FUND; BY PROVIDING A MECHANISM FOR THE POST CONSTRUCTION CONVERSION OF RESORT HOTEL UNITS TO YEAR ROUND RESIDENTIAL UNITS; BY INCREASING THE PER UNIT IN LIEU OF CONTRIBUTION RATE; PROVIDING FOR SEVERABILITY AND CONFLICTS; PROVIDING FOR CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE.

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- A. Applicant:** The Applicant is the City of Riviera Beach.
- B. Request:** The application is a proposed amendment to the Code of Ordinances Chapter 26, "Minority Employment and Affordable Housing Opportunity Plan" in order to provide a mechanism for the post construction conversion of resort hotel units to year round residential units, to add the Inlet Harbor Center planned unit developments (IHC-PUDs) to the section and further to provide a mechanism for those projects to attain up to five additional stories of height, to update the definitions section, to provide additional language clarifying the purpose of the housing trust fund, and the increase the in lieu contribution for ownership and rental units.
- C. Location:** The Ordinance is applicable city wide.
- D. Property Description and Uses:** N/A
- E. Adjacent Property Description and Uses:** N/A
- E. Background:** This proposed amendment to the code of ordinances is being brought forward for general updates and to address emergent needs. This is an existing section of the code and what is being proposed is not a full revision, rather it is targeted edits to meet specific needs, as follows. The definitions are being updated to reflect current practices and naming conventions. The existing in lieu of contribution numbers are being revised to reflect current market conditions in line with the Palm Beach County workforce housing



program requirements and the housing trust fund language is being clarified. The section is being revised to include IHC-PUDs in Table II, Table III and Table IV to provide a mechanism for a density bonus (increased building height) to those projects. And finally, a mechanism for post construction conversion of resort hotel suites to year-round residential units is being added.

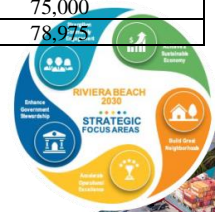
The updates to the naming conventions and definitions were drafted with the assistance of the CRA's Director of Neighbourhood Services, Ms. Jenkins, who is one of our in-house experts on affordable housing.

The in lieu of contribution amounts are proposed to be increased in line with the in lieu of contribution amounts that Palm Beach County has in their Workforce Housing Program. The City has not adjusted the minimum in lieu contribution amount since 2006 and given the changes in the market and economy since that time as well as the need for affordable, attainable workforce housing our recommendation is to do so now. Table One details local in lieu of fees. Included in the backup material is a report on Palm Beach Gardens Workforce Housing Program. The Appendix of that report has information on other examples of workforce housing as well as the text from the land development regulations in Jupiter detailing their Workforce Housing Program. Also included in the backup material are examples of code from Delray Beach and Boynton Beach, as well as a 2019 report from Palm Beach County on the need for their Workforce Housing Program and general information on Inclusionary Zoning Programs. Ultimately there are many different ways to set and calculate in-lieu of construction contribution fees. Our existing code has the per unit contribution set at a percentage of the sale price value per unit and then specifies a minimum per unit contribution (currently \$30,000). The bulk of the new construction projects that will be using MEAHOP to secure a density bonus will be providing a per unit contribution in excess of the minimum amount. Nonetheless we suggest that it is reasonable to increase our minimum in lieu of contribution requirements to correspond with Palm Beach County. Table Two shows the progression of In-Lieu-Contribution amounts in Palm Beach County over the past three years. The in-lieu contributions are deposited in the housing trust fund (see Section 26-7). As part of this code revision language has been added to state the purpose of the housing trust fund clearly. This is important because monies contributed in lieu of construction of affordable/attainable/workforce housing should be utilized in support of affordable/attainable/workforce housing in the city. This proposed edit states that.

Table One: Minimum In lieu of contribution amounts: Workforce Housing		
City/County	Townhome/Ownership	Rental Unit
Jupiter	\$200,000/unit	\$150,000
Palm Beach County 2021	105,300	\$78,975
Miami Dade 2015	-	-
Delray Beach	160,000	-
Boynton Beach	82,986	\$36,760
PROPOSED RIVIERA BEACH	105,000	78,000

Table Two: In lieu of contribution amounts: Palm Beach County			
City/County	SF detached	Townhome/Ownership	Rental Unit
2018	81,500	81,500	50,000
2020	120,000	100,000	75,000
2021 *	126,360	105,300	78,975

*PBC 2022 adjustment not set yet;



The remaining revisions to this section correspond to existing and future development. The first of this is a revision to include IHC-PUDs in Table II, Table III and Table IV to provide a mechanism for a density bonus (increased building height) to mixed use projects developed as a PUD. The existing code provides bonuses for PUD developments with the exception of the IHC-PUDs. You may recall that code was recently advanced to allow the development of higher density mixed use developments in the CRA as IHC-PUDs but that code revision limited those projects to 20 stories or 240 feet in height. We know that there is interest in the development community and the administration to be able to consider projects up to 25 stories in height. For this reason this code has been revised to enable applicants to apply for a height (density) bonus of an additional five stories in height by participating in MEAHOP and constructing affordable units or contributing to the housing trust fund.

And finally, a mechanism for post construction conversion of resort hotel suites to year-round residential units is being added up to a residential density of 28 units/acre. The initial reason for this supplemental bonus mechanism is that we have projects that were approved under the Resort Hotel (RH) zoning code that have a mix of year-round units as well as resort hotel suites. One project, the Ritz-Carlton, is now looking to convert the remaining resort hotel suites to year-round housing units in order to resolve some of the difficulties their owners have been facing (detailed in the letter included in the backup material). Understanding that we have other projects permitted with the same zoning code staff is proposing a revision to this section that provides a mechanism for post construction conversion of resort hotel rooms to year-round residences up to a maximum residential density of 28 units/acre. These conversions would be subject to the minimum in lieu contribution of 105,000 per unit. Once converted the owners would then be able to qualify for a homestead exemption and would also be able to secure financing more readily. These conversions would also only be allowed when the required parking per unit was available on site.

F. Staff Analysis: The revision of these Sections of the Code of Ordinances makes sense. This is a revision to update definitions and naming conventions, provide clarifying language about the housing trust fund, update the required contribution amount for in lieu of construction contributions to the housing trust fund, include the IHC-PUD district and provide for density bonuses for projects developed under that zoning code, and provide a mechanism for post construction conversion of resort hotel units to year-round housing units. This is a revision to the existing code intending to modernize and improve what we have in place and it is not a wholesale rewrite. This revision complements the recent revisions that were advanced in ZA-21-08 updating Sections 31-483, 497 and 534 related to the Downtown Districts and the PUD requirements.

G. Recommendation: Staff recommends that the Planning and Zoning Board find that it is reasonable and appropriate for the City to amend the Code of Ordinances Chapter 26 Minority Employment and Affordable Housing Opportunity Plan and recommend approval of this Ordinance as proposed.

