

**PALM BEACH COUNTY**  
**Workforce Housing Builder/Developer Information (2018)**

**What is the Workforce Housing Program?**

The Workforce Housing Program (WHP) is a **mandatory** program that provides for the development of a component of workforce housing units in new residential developments. The program is intended to serve the housing needs of people employed in the jobs that the general population of the community relies upon to make the community economically viable.

**When does the Workforce Housing Program Apply?**

The WHP requirements apply to all new residential developments of 10 or more units (by right) located within the Urban/Suburban Tier in unincorporated Palm Beach County.

**Who is eligible for Workforce Housing?**

All designated WHP units will be offered to income qualified households with incomes from 60 percent to 140 percent of area medium income (AMI). In Palm Beach County, the 2018 median income is \$74,300 for a family of four (per HUD). Household income ranges for a family of four from \$44,580 (60%) to \$104,020 (140%) as shown below.

<b>Income Category</b>	<b>WHP Household Ranges</b>
<b>Low</b> (60-80% of AMI)	\$44,580 - \$59,440
<b>Moderate-1</b> (>80-100% of AMI)	>\$59,440 - \$74,300
<b>Moderate-2</b> (>100-120% of AMI)	>\$74,300 - \$89,160
<b>Middle</b> (>120-140% of AMI)	>\$89,160 - \$104,020

**What are the Sales and Rental Prices of Workforce Housing Units?**

All designated WHP for-sale or rental units will be offered at an attainable housing cost to households with incomes from 60% to 140% of area medium income (AMI). The WHP homes cannot be sold or rented at a higher price. The sales prices are based on US HUD annual median income figure. The rents are based on the Florida Housing Finance Corporation (FHFC) Multi-Family Rental Figures, adjusted for number of bedrooms.

<b>WHP Income Category</b>	<b>2018 Sales Prices</b>
Low (60-80%)	\$156,030
Moderate-1 (>80-100%)	\$200,610
Moderate-2 (>100-120%)	\$245,190
Middle (>120-140%)	\$289,770

WHP sales prices are not adjusted based on number of occupants in a household. WHP units may be sold at prices lower than the listed income category price.

## **2018 Florida Housing Finance Corporation Family Rental Programs**

**NOTE:** The rental prices at 100% are determined by Planning Division staff.

<b><u>Income %</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>
60%	\$ 866	\$1,039	\$1,200	\$1,339
80%	\$1,155	\$1,386	\$1,600	\$1,786
>80%	\$1,155	\$1,386	\$1,600	\$1,786
100%	\$1,444	\$1,733	\$2,000	\$2,233
>100%	\$1,444	\$1,733	\$2,000	\$2,233
120%	\$1,732	\$2,079	\$2,400	\$2,679
>120%	\$1,732	\$2,079	\$2,400	\$2,679
140%	\$2,021	\$2,425	\$2,800	\$3,125

Any Utility Allowances are applied against gross maximum rent. WHP units may be rented at prices lower than the listed income category rent.

### **Utility Allowance Examples**

Below is the utility allowance text from an approved WHP restrictive covenant:

“Owner shall provide each Resident with a utility credit equal to \$50.00 per month for one (1) and two (2) bedroom units and \$75.00 for three (3) bedroom units. When one or more utility cost(s) are included within the WHP rent price, and reasonable, reliable and verifiable documentation is provided that indicates the total utility cost included within the WHP rent price meets or exceeds the stated utility allowance cost, then the utility allowance requirement would be waived. For purposes of this provision utilities shall include, but not be limited to, water, sewer, gas and electric.”

**Example A:** Developer provides water only.

Value = \$18/month. This amount is deducted from monthly allowance total.

**Example B:** Developer provides water, sewer and gas.

Value = \$55/month. This amount is deducted from monthly allowance total.

When the total meets or exceeds the allowance total, the allowance is waived.

### **WHP Unit Household Income Distribution**

When applicable (full bonus/incentive alternative) the required distribution would be equal among the Low and each of the Moderate and the Middle ranges. This does not prohibit consideration of allowing higher numbers of Low or Moderate income units when requested by an applicant.

### **Three WHP Development Alternatives**

A developer must choose one of the three WHP development options they wish to utilize prior to the submission of any Building Permit or Zoning Application.

**1) Full Bonus/Incentive Alternative**

- Required WHP units: 5% Standard, 16% PUD, 34% Bonus
- Up to 30% density bonus for LR-1 to LR-3
- Up to 100% bonus for MR-5 to HR-18 (over 30% bonus requires WHP Pre-Application)
- 15 year (recurring) restriction - All for-sale units
- 30 year (non-recurring) restriction - All rental units
- Payment in-lieu option available for all WHP units
- Release of obligation to construct is available when requirements are met

**2) Limited Bonus/Incentive Alternative (½ of potential bonus, all incentives)**

- Required WHP units: 2.5% Standard, 8% PUD, 17% Bonus
- Up to 15% density bonus for LR-1 to LR-3
- Up to 50% bonus for MR-5 to HR-18 (over 30% bonus requires WHP Pre-Application)
- ½ WHP units target 60% - 80% AMI
- ½ WHP units target 80% - 100% AMI
- 15 year (recurring) restriction - All for-sale units
- 30 year (non-recurring) restriction - All rental units
- Payment in-lieu option available for all WHP units
- Release of obligation to construct is available when requirements are met

**3) No Bonus/Incentive Alternative (no bonus, no TPS exception, etc.)**

- All units target WHP Incomes and all required on site
- No more than 90% of units in any one income category
- 7 year (non-recurring) restriction - All for-sale units
- 30 year (non-recurring) restriction - All rental units
- No payment in-lieu option
- No release of obligation to construct

**How Do the Workforce Housing Units Stay Affordable?**

A deed restriction recorded in the public records of Palm Beach County will be required to guarantee the affordability for each designated WHP unit.

**Term of Compliance (For-Sale) 15 year and 7 year terms:**

15 year (recurring): All designated Workforce Housing units shall remain affordable for 15 years (recurring). If the property is sold before the expiration of the 15-year restriction, the subsequent purchaser will be required to sign a new deed restriction for a new 15-year term.

7 Year (non-recurring): In the No Bonus/Incentive Alternative only, WHP units shall remain affordable for 7 years (non-recurring). This term shall apply to the structure and the land.

**Annual Sales Price Updates**

The sales prices for the designated WHP units will be adjusted annually and available on the PBC Planning Division website.

**Term of Compliance (Rental):** All designated Workforce Housing rental units shall remain affordable for 30 years (non-recurring). If the property is sold before the expiration of the 30-year restriction, the subsequent purchaser will be required to sign a new deed restriction for the remainder of the 30-year term. This term shall apply to the structure and the land.

### **Annual Rent Prices**

The rent prices for new WHP rental units will be provided annually and available on the PBC Planning Division website.

### **Workforce Housing Program Incentives**

In exchange for the construction of these lower priced workforce housing units, the program provides various incentives to the residential builders/developers, such as:

#### **Bonus Density**

- For LR-1, LR-2, LR-3, RR-2.5, a density bonus of up to 30%.
- For MR-5, HR-8, HR-12, and HR-18 a density bonus greater than 30%, up to 100% shall be permitted when all program criteria are met and the increased density creates no compatibility issues with adjacent properties.
- A request for a density bonus of greater than 30% will require the completion of a Workforce Housing Pre-Application form. The Workforce Housing Pre-Application process will be completed and a conformation letter from PBC Planning received prior to the submission of any Building Permit or Zoning Application.
- Developments are required to be located near certain amenities (e.g., mass transportation and employment centers in order to receive consideration for up to 100% density increase.

#### **Density Bonus Development Options** (to provide some development flexibility)

- In some cases, a deviation for lot size; width and frontage; building coverage; and, side, and rear setbacks.
- Also, reduced open space requirement, internal incompatibility buffers not required and relocation of units to civic tracts.

#### **Traffic Mitigation**

- For developments that include Workforce Housing units, the level of service standard permitted for all housing units beyond the standard density on affected segments and intersections shall be up to 30% above the LOS D volume on those segments and intersections.

Any project seeking to utilize this Workforce Housing exception which significantly impacts Strategic Intermodal System (SIS) facilities shall be required to address its impacts on SIS facilities as may be required by applicable state law in effect at the time of development order application.

#### **Expedited Review**

- Concurrent design review of multi-family and townhouse structures by Building Division and Fire Rescue
- Several platting processes are expedited

#### **Variety of ways to meet the workforce housing obligation**

- Build units on or off site
- Purchase available market rate units and deed restrict as WHP units
- Donate buildable land
- In-lieu fee payment (buy-out)

### **In-Lieu Fee (buy-out)**

#### **1) Determination at DRO and payment at first residential building permit**

- \$81,500 fee for each for-sale unit
- \$50,000 fee for each rental unit
- All required WHP units are eligible for buy-out

#### **2) Following DRO Approval - eligible for “Release of Obligation Payment”**

- WHP unit eligible for-sale not less than 180 days and 80% of market units w/binding contracts (pod/phase)

### **Release of Obligation (for-sale units)**

#### **Release of Obligation Process**

- Developer provides written notice to Planning identifying intent to pursue the release and also identifies the unit(s)
- Developer provides proof that marketing requirements were met
- Developer provides proof that unit(s) have been eligible for-sale for at least 180 days and proof that 80% (pod/phase) of market units have binding contracts

#### **Release of Obligation Payment**

- Payment - difference of market contract price & WHP unit price
- \$10,000 - when difference is  $\leq$ \$20,000
- 50% of difference - when  $>$ \$20,000 and  $<$ \$81,250
- \$40,750 - when difference is  $\geq$ \$81,250
- Payment to WH Trust Fund for WH home-buyer assistance

#### **Default of WHP unit following a binding contract**

- Provide payment if requirements have been made or sell at WHP price

### **WHP Preliminary Analysis Request**

Any property owner, or an authorized agent of the property owner, may request a Workforce Housing Program preliminary analysis which will indicate the maximum residential development potential of a site. Please contact the Planning Division.

Contact: Michael Howe, Senior Planner, at 561-233-5300 or [mhowe@pbcgov.com](mailto:mhowe@pbcgov.com)