

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: August 23, 2018 Consent Regular
 Ordinance Public Hearing

Department: County Administration
Submitted By: County Administration

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to hear: presentation of the Housing Summit Regional Subcommittees' recommendations and Steering Committee recommendations on County staff's proposed changes to the Workforce Housing Program (WHP) and Key Policy Issues.

Summary: Following the inaugural Housing Summit held in May of 2017, the Summit Steering Committee developed "Guiding Principles–Actions" and established four Regional Subcommittees to work with municipalities through an inclusive, collaborative approach to develop and help move forward tailored Regional Housing Plans responsive to local conditions. At the March 27, 2018 workshop on the County's WHP, the Board requested that the Subcommittees also review proposed changes to the County's WHP. The subcommittees have completed these tasks and will present their recommendations to the Board; (**Attachment 1**). The Subcommittees' full reports have been posted online and separate copies of the full reports were provided to the Board. In addition, the Steering Committee will present their recommendations on County staff's proposed changes to the WHP and Key Policy Issues presented to the Board at the March 27, 2018 workshop; (**Attachment 2**). Countywide (RPB).

Background and Policy Issues: The 2017 Countywide Housing Summit was a partnership between Palm Beach County and the Housing Leadership Council. Under the leadership of the County Administrator, an 18-member Steering Committee (**Attachment 3**) was formed to develop the program for the Summit. Held at the Palm Beach County Convention Center, the goal of the Summit was to strengthen communitywide efforts to mitigate the county's housing crisis with a desired outcome to increase housing that is affordable, attainable and appropriate. Immediately following the Summit, the Steering Committee began working on the ideas and suggestions from the Summit participants. That information was developed into "Guiding Principles-Actions" (**Attachment 4**) and a regional framework consisting of four regional subcommittees was established to continue the ongoing effort on a countywide basis. The regional subcommittees, comprised of eleven members from a cross-section of industries including business, civic, nonprofit and government (**Attachment 5**) committed to a seven-month process, working with stakeholders within each region and established recommendations for a countywide housing plan.

Attachments:

- 1. Regional Subcommittees Recommendations
- 2. Steering Committee WHP-Key Policy Issues Recommendations
- 3. Steering Committee Roster
- 4. Guiding Principles & Actions
- 5. Regional Subcommittees Roster

Recommended by:  8/14/18
 Assistant County Administrator Date

Approved By:  8/16/18
 County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years					
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income(County)					
In-Kind Match(County)					
NET FISCAL IMPACT					
#ADDITIONAL FTE					
POSITIONS (CUMULATIVE)					

Is Item Included in Current Budget? Yes No
 Does this item include the use of federal funds? Yes No

Budget Account No:

Fund Agency Organization Object

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

C. Departmental Fiscal Review:

III. REVIEW COMMENTS:

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


 OFMB AK SP 8/16

N/A

 Contract Dev. & Control

B. Legal Sufficiency


 Assistant County Attorney

C. Other Department Review

 Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

FINAL REPORT

Palm Beach County North County Regional Sub-Committee

June 2018

Attachment 1

PREAMBLE - PALM BEACH NORTH

The northernmost portion of Palm Beach County, referred to herein as "Palm Beach North", is comprised of ten (10) municipalities and some unincorporated areas. The ten (10) municipalities in Palm Beach North are Juno Beach, Jupiter, Jupiter Inlet Colony, Lake Park, Mangonia Park, North Palm Beach, Palm Beach Gardens, Palm Beach Shores, Riviera Beach and Tequesta. Palm Beach North is currently the home to 196,000 residents and contains 9400 businesses that employ a workforce of 96,000.

Only three of the municipalities in Palm Beach North (i.e., Jupiter, Palm Beach Gardens and Riviera Beach) currently have an existing work force housing ordinance. We have prepared and attached a summary of the existing ordinances which are attached to this report (see Exhibit "A"). There are also three CRA's located within Palm Beach North in Jupiter, Riviera Beach and Mangonia Park (see Exhibit "B").

This area of Palm Beach County has been one of the fastest growing regions in Florida over the past two decades. Due to the MacArthur Foundation's retained land ownership until the early 2000s, much of the newer housing stock is relatively expensive and outside the reach of the work force. However, since other portions of Palm Beach North were developed between the 1920s - 1970s, there are also many towns and neighborhoods with older and dilapidated housing that are ripe for rehabilitation and redevelopment.

Nine of these municipalities in Palm Beach North may be appropriate places for work force housing (excluding only Jupiter Inlet Colony). In a few of the municipalities the existing housing stock is still well within the affordable and work force housing price ranges. We have attached a chart, broken down by municipality and property type, showing values of the existing housing stock currently available in Palm Beach North (see Exhibit "C"). Some suggestions have been made that a community revitalization program, with neighborhood by neighborhood redevelopment, may provide a partial solution to the work force housing issue, particularly if funding sources or tax credits are made available to assist with this effort.

Like many places in Palm Beach County, Palm Beach North also has many run-down and under tenanted strip centers that may also be places for redevelopment. Since most of these centers are located on or very proximate to the major bus routes (US-1, Military Trail, etc.), transportation is also readily available.

In 2017, Palm Beach North engaged in a collaborative planning effort involving the ten (10) municipalities and the business community represented by the Palm Beach North Chamber of Commerce. The end result was a five year strategic plan (2017-2022) addressing many of the current and future issues facing Palm Beach North. A copy of the Palm Beach North Strategic Plan is attached to this report (see Exhibit "D").

One of the issues identified in the Palm Beach North Strategic Plan, as a necessary component of maintaining the high quality of life, is to thoughtfully and collaboratively address the need for workforce housing, and, in particular, housing for teachers, nurses, police and fire personal and other "essential services" workers. The Palm Beach North Strategic Plan calls for the development of a strategy to expand housing options in Palm Beach North for these "essential services" workers and to develop a plan to closing this housing gap. As a consequence of this early work, the business community and municipalities in Palm Beach North are poised and ready to develop a comprehensive strategy for workforce housing.

RECOMMENDATIONS OF NORTH COUNTY REGIONAL
SUBCOMMITTEE TO HOUSING SUMMIT
STEERING COMMITTEE

PRIMARY RECOMMENDATION

We believe that the time has come for Palm Beach County to create its own dedicated funding source for affordable and workforce housing. We are recommending that the County pursue either a general obligation bond or an annual ad valorem tax dedicated to affordable and workforce housing. An alternative would be for the County Commission to commit to allocate a specific dollar amount for affordable and workforce housing from its ad valorem taxes each year for a specific number of years. The Broward County Board of County Commissioners recently made this commitment. We are recommending these sources because with a county-wide tax of general application all property owners are contributing to a problem that affects us all. A documentary stamp tax surcharge similar to what Miami-Dade County has is an attractive alternative, but may require legislative action. Additional rationale for this recommendation is set forth on Exhibit "H".

We propose that Palm Beach County initially issue \$150,000,000 in general obligation bonds, or alternatively initially increase its county-wide ad valorem taxes by an amount equal to the annual debt service on a 20 year, \$100,000,000 general obligation bond issue. We believe that the cost of this to a house with an assessed valuation of \$300,000 after exemptions would be approximately \$15 a year.

We are recommending the following parameters for use of the funds:

At least 75% of the proceeds would be used to provide "gap financing" in the form of subordinate loans for the construction of new multifamily housing, both rental and owner-occupied.

Up to 25% of the proceeds would be used to provide "gap financing" in the form of subordinate loans for the construction of new single family homes, townhomes or condominiums, or for subordinate loans for the rehabilitation or repair of existing homes under a "model block" or similar program.

Properties receiving financing would be required to be preserved as affordable /

workforce housing for a minimum of 30 years. Priority would be given to units reserved as such in perpetuity. If less than perpetuity the loan would be repayable at the end of the restrictive period unless the restrictions are renewed.

A committee would be created to make awards/appropriations. The committee should contain representatives from the County, the League of Cities, the Treasure Coast Planning Council the Gold Coast Builder's Association and the "non-profit development community." The respective parties would rely on their own staff for assistance, as well as reaching out to organizations representing other interests in the community, such as the School District, the Metropolitan Planning Organization and the South Florida Water Management District.

The process should be transparent—we suggest using the Florida Housing Finance Corporation competitive programs as an example, i.e., established policy/rules, public comment, posting on website of RFP and responses, review and rankings, with independent third party project feasibility and assistance level review. Tracking of project awards, funding, construction, rent up, occupancy and compliance should be posted as well. This could be done through the Palm Beach County Department of Housing and Economic Sustainability or a third party contractor such as the Housing Leadership Council of Palm Beach County on an annual/fee basis.

You will note that we are not recommending any outright grants – only subordinate loans at 0% or below market interest rates. We hope this will provide the program with a steady revenue stream to provide additional affordable / workforce housing.

OTHER RECOMMENDATIONS

A. Recommendations related to Municipal and County codes and ordinances.

1. **Permit smaller units:** Many municipalities have zoning codes that require a minimum square footage for residential units, especially for multi-family, as well as minimum lot sizes, setbacks and parking requirements. Allowing smaller units, and easing these other requirements, should reduce the cost, and therefore make prices and rents more affordable.
2. **Permit "Granny Flats":** Granny flats in single family residential zoning

districts should be either a permitted use of a use that can be approved administratively.

3. Fee waivers for affordable / workforce housing:

(a) We have been advised by the Palm Beach County Attorney's office that the law does not permit the County to waive impact fees. The County should either seek to have the law changed or provide funding from an alternative funding source to pay the impact fees for affordable / workforce housing. Each municipality in Palm Beach County should adopt a similar waiver or an alternative payment program with respect to its impact fees.

(b) The County does have a program that provides for the interest earned on the various impact fee funds maintained by the County to be used to pay impact fees (within the same zone as collected). School impact fees are not currently included in this program. The County should revise this program to include school impact fees.

(c) The County and municipalities should waive or reduce, to the maximum extent possible, building permit fees, utility connection fees and other fees and charges for affordable / workforce housing developments.

4. Underlying Multifamily Residential Zoning of Commercial Property: We all have all seen the demise of the "big box" store or 1970's era strip center, and we expect this decline to continue. The County and municipalities should amend their comprehensive land use plans and zoning codes to assign property in each commercial category a multifamily residential zoning overlay (i.e., allowing for redevelopment without a comprehensive land use plan change or rezoning), but only if a predesignated substantial percentage of those units will be used for affordable and/or workforce housing. This same concept should be explored for other non residential zoning categories. In that regard, mixed-use developments should be encouraged. Municipalities should be encouraged, to the extent appropriate, to use the same guidelines as the County.

5. Transit - Oriented Development. Higher density residential development should

be encouraged in Transit – Oriented Development areas, with density bonuses provide for development that provides a substantial percentage of those units for affordable and/or workforce housing.

6. Expedited Permitting. The County and municipalities should provide for expedited permitting for affordable and workforce housing developments, and should provide specific time frames for review and approval. This should include development approvals such as comprehensive plan amendments, rezonings and site plan approvals.
7. Other Incentives. There are a variety of other incentives that the County and municipalities can provide to reduce the cost to provide affordable and workforce housing. See, for example, the excerpts from the City of West Palm Beach Housing Assistance Incentives Program (See Exhibit “E”).
8. Workforce Housing / Inclusionary Zoning Ordinances. The municipalities, especially the larger ones, should create their own workforce housing programs. The cities could use the County’s proposed program as a guide, but with revisions as appropriate to the needs of each community. We have drafted an Essential Services Housing Program Model Ordinance (See Exhibit “F”).
9. Support for Multi-Family Housing. The data provided by the builders/developers on our subcommittee show that the “gap” for a unit of multi-family housing is much less than the gap for a unit of single family housing. Therefore, the County and municipalities should consider strategies that incentivize the production of multi-family housing as much as possible.
10. Model Affordable / Workforce Housing Codes. Instead of dealing with affordable / workforce issues on a piecemeal basis, the County and municipalities should address their concerns on a comprehensive basis and adopt comprehensive housing codes. (See Exhibit “F”)

B. Recommendations related to Financing / Affordability.

1. Tax Abatement.

- (a) In many of our communities, there is older housing stock that needs

significant renovation. Discussions should be held with the County Property Appraiser and/or Tax Collector to see if there is a way to defer taxes or reduce the assessed valuation of residential property undergoing renovation until the renovation is complete.

- (b) The assessed valuation of single-family and multi-family properties that have deed restrictions limiting the income of occupants and/or rental or resale prices should take those restrictions into account. Discussions should be held with the County Property Appraiser.
2. Create a Self Sustaining Loan Pool for Buyer Assistance. Local lenders should be approached about creating a loan pool to provide funding for down payment assistance and renovation. If created, this loan pool should generate enough income to become self sustaining.
 3. Collaboration / Public-Private Partnerships. Government and the private sector need to work together to identify opportunities for funding from grants and other sources. A good recent example is proposal submitted on behalf of the Town of Lake Park for the Fannie Mae Innovation Challenge, which was a collaborative effort by the Town of Lake Park, the Housing Leadership Council of Palm Beach County, the Palm Beach North Chamber of Commerce and the Treasure Coast Regional Planning Council (See Exhibit "G").

C. Other Recommendations related to Funding Sources.

1. School District and Sheriff. The Palm Beach County School District and the Palm Beach County Sheriff should each (a) include money in their respective annual budgets for affordable / workforce housing for their employees, and (b) use surplus lands or the proceeds from the sale of surplus lands for affordable / workforce housing.
2. Local Housing Trust Funds. Municipalities should be encouraged to create their own affordable / workforce housing trust funds, and provide a dedicated source of funding.

D. Recommendations related to proposed changes to Palm Beach County's Workforce Housing / Inclusionary Zoning Ordinance (based

on version presented to the Board of County Commissioners on March 27, 2018)

We agree with the Staff Recommendations (See Exhibit "T"), except for the following:

1. In lieu fee: We do not take a position on the specific in lieu fees being recommended. We do agree that there should be separate fees for single family, townhouse and multifamily as recommended.
2. Like-for-like Units. We do not agree with this requirement. We prefer allowing a conversion factor of 1 single family unit to 1.5 multifamily units.
3. Exchange Program. We strongly support an Exchange Program that includes the following features:
 - (a) An exchange fee significantly less than the corresponding in lieu fee (either a fixed fee for each product type or a range (minimum and maximum) that would allow for some negotiation;
 - (b) "Uncoupling" the market rate development from the below-market rate development.
4. Use of in lieu fees. Although not included in the Staff Recommendations, do not limit use of in lieu fees collected by the County to the workforce units constructed under the program. Specifically, allow in lieu fees to be used for municipal and County impact fees, permit fees, etc.
5. Notification to Municipalities. Revise the ordinance to require the County to notify a municipality when a developer's workforce housing obligation is being satisfied by building in that municipality instead of on site.
6. Municipal IZ Programs. Encourage the municipalities adopt their own workforce housing / inclusionary zoning ordinances and, to the extent appropriate, to use the same guidelines as the County.

E. Background Information.

Exhibit "J" is the survey that was sent to each Palm Beach North municipality along with the few responses that were received. Our final recommendations take into consideration these responses.

EXHIBIT "H"

RECOMMENDATIONS OF NORTH COUNTY SUBCOMMITTEE OF HOUSING SUMMIT STEERING COMMITTEE RELATING TO FUNDING

We believe that, for the reasons discussed below, the time has come for Palm Beach County to create its own dedicated funding source for affordable and workforce housing. We are recommending that the County pursue either a general obligation bond or an annual ad valorem tax dedicated to affordable and workforce housing. Our reasoning for this is as follows:

1. The cost to produce a unit of for sale "workforce housing" exceeds the price at which that housing can be sold to a person or family earning 140% or less of median area income. The gap lessens significantly as you move up the income scale. For example, based on that same standard that a family should not spend more than 30% of its income on housing, a four person family earning 80% of the median area income (\$54,320) can afford a purchase price of approximately \$142,900, while a four person family earning 140% of the median area income (\$95,660) can afford a purchase price of approximately \$264,810.
2. The cost to produce a unit of rental "workforce housing" exceeds the price at which that housing can be rented to a person or family earning 100% or less of median area income. For example, based on that same standard that a family should not spend more than 30% of its income on housing, a four person family earning 100% of the median area income (\$67,900) can afford a monthly rent of approximately \$1,620.
3. By the time you get to families earning 120% of area median income, the cost to produce a unit of rental "workforce housing" does not substantially exceed the price at which that housing can be rented to a person or family earning 120% or less of median area income. For example, based on that same standard that a family should not spend more than 30% of its income on housing, a four person family earning 120% of the median area income (\$81,480) can afford a monthly rent of approximately \$1,944.
4. As we discuss, there are a number of other ways to reduce the cost of producing

new affordable or workforce housing, but no way to totally reduce this “gap,” especially at the lower income levels. Therefore, the cost or price of the housing must be significantly subsidized.

5. Unfortunately, we can no longer count on existing governmental funding programs to provide this subsidy. For affordable housing, the federal 9% low income housing tax credit program still “works,” but the number a units of affordable housing it creates each year in Palm Beach County is miniscule (for example 80, 231, and 123 units awarded in 2015, 2016 and 2017, respectively. The federal 4% low income housing tax credit program for affordable housing requires significant additional subsidy to make a project work, typically a combination of a subordinate SAIL loan from the Florida Housing Finance Corporation and a subordinate loan or grant from Palm Beach County or another local jurisdiction. But again, the number of new multi family units being created is only scratching the surface of the need (125 units in 2015, 85 units in 2016 and 0 units in 2017).
6. On the state level, the Florida Legislature created the State and Local Government Housing Trust Funds (called the Sadowski Act) in 1992. The Trust Funds are funded by a portion of the documentary stamp tax collected on real estate transactions. The amount of the tax on deeds is \$0.70 per \$100.00 of consideration. The Sadowski Act increased the tax from its prior level of \$0.60 per \$100.00 for the express purpose of funding the State Housing Trust Fund and the Local Government Housing Trust Fund. Unfortunately, for the past 9 or 10 years, the State has swept significant portions of the trust fund monies into the general fund, with the total amount swept now being in excess of 2 billion (yes billion) dollars. For example, in the budget for the upcoming state fiscal year, Palm Beach County is allocated an estimated \$1,887,024 in SHIP funding (which includes the allocation to Palm Beach County and the “entitlement” cities of Boca Raton, Boynton Beach, Delray Beach and West Palm Beach), less than half of what Palm Beach County would have received without the sweep.
7. The time has come for Palm Beach County to create its own dedicated finding source for affordable and workforce housing. We are recommending that the County pursue either a general obligation bond or an annual ad valorem tax dedicated to affordable and workforce housing. Either would require a voter referendum. A 0.10 mill tax would generate approximately \$20,000,000 each

year, and would increase the ad valorem taxes on a typical \$300,000 house with a \$50,000 exemption by approximately \$25. Some of the advantages of this are as follows:

- a. No state legislation or other approval from the state is required;
- b. The shortage of affordable and workforce housing impacts the entire community, so it is appropriate that the entire community should contribute to the solution;
- c. By making it subject to a referendum, the community is also expressing its support;
- d. General obligation bond programs for housing have been successful in Miami-Dade County and other communities around the country.

Please note that we have not investigated the legal restrictions on the use of this money.

8. Other dedicated funding sources that could be considered if determined to be more appropriate to the County include:

- a. Countywide sales tax for affordable and workforce housing;
- b. State legislation permitting a local surtax on documentary stamp tax collection similar to Miami-Dade County;
- c. State legislation redirecting documentary stamps to the county in which they were collected;
- d. State legislation allowing a flat fee to be added to every recorded deed;
- e. The County increasing its tax rate, fees, etc. and voluntarily allocating County funds to affordable and workforce housing;
- f. Persuade CRA's to use their tax increment dollars for affordable and workforce housing;
- g. Linkage fees on new non-residential development (we would note that this is very similar to an impact fee and therefore could only be used to offset the need for affordable and workforce housing created by that development); and
- h. State legislation providing for the waiver of impact fees for affordable and workforce housing.

9. Regardless of the funding source, the goal should be to use the funds to create as

many units as possible, leverage the funds with other sources and create a recurring source of revenue to provide additional housing.

EXHIBIT "I"

Workforce Housing Program - March 27, 2014 Workshop
Key Policy Issues for Board Direction

Provisions	Current Code	Changes Under Discussion	Considerations	REQUIRED BOARD DIRECTION: Staff Recommendation
Optional Density Bonus *	Under 'Full Incentive' Option: • LR-1 to LR-3: limited to 30% bonus • MR-5 and higher: based on concentration of VL-L income households and other factors	Increase density bonuses to allow up to 100% density bonus, subject to compatibility	• Potential benefit to developer, but requires early engagement of residents, staff • Density bonus not valuable to low density builders	Allow up to 100% density bonus
Limited/No Incentive Options *	In addition to 'Full Incentive' Option, WHP offers: • Limited Incentive Option, reduces bonus and obligation in half • No Incentive Option, for projects with all WH units, all on site, no bonus density	Eliminate existing No Incentive option	• These options were added to the program during recession	Eliminate No Incentive option
In-Lieu Fee *	\$81,500 (SF) \$50,000 (MF)	Increase in lieu fee to: \$120,000 (SF) \$100,000 (TH) \$75,000 (MF)	• Unchanged since program inception in 2006 • Engages only the residential building sector • Higher in-lieu fees increase incentive to build units, or result in additional funds	Increase to: \$120,000 (SF) \$100,000 (TH) \$75,000 (MF)
On-site WH Units *	No requirement (except under 'No Incentive' Option)	Reduce obligation by 10% if units are built on site	• To assist with affordability, on-site WH units can be provided in a separate 'pod' with reduced amenities and HOA fees	Revise to incentivize onsite construction
Select WHP Option at Public Hearing	Developer can revise selected method to meet WH obligation until final DRQ or 1st building permit	Require developer to declare method at public hearing, and return to BCC to change method		Require declaration at public hearing
Release of Obligation	After 180 day good faith effort to market WH units, developer can request release from obligation and pay significantly reduced in lieu fee, if market rate units in project/phase are 80% under contract	After 180 day good faith effort to market WH units and starting marketing at same time as market rate units, developer can request release from obligation and pay significantly reduced in lieu fee, if market rate units in project/phase are 80% sold (recorded deed). Requirement for marketing plan and updates by developer.	• Current provision creates disincentive to market WHP units	Revise this provision
Like-for-Like WH Units *	No requirement	Require some or all WH units to be same type (SF, TH, or MF) and same ownership type (for-sale, rental) as parent project, (but not same size, finishes, or location- NA if not on site); or allow conversion factor (1 SF unit=1.5 MF unit) for some or all required units	• Like for Like requirement would result in more single-family units • Conversion factor would result in more total units for projects opting for conversion (keep this bullet only if conversion factor stays in)	Establish this requirement

FINAL REPORT

Palm Beach County Central Region Sub-Committee

June 2018

**Central Region Subcommittee
Final Report
June 14, 2018**

The Central Region Subcommittee held ten (10) meetings from December 2017 through May 2018 for the purpose of developing a tailored Housing Plan for the Central Region comprised of the following communities: Atlantis, Briny Breezes, Cloud Lake, Village of Golf, Glen Ridge, Greenacres, Haverhill, Lake Clarke Shores, Lake Worth, Lantana, Ocean Ridge, Palm Beach, Palm Springs, South Palm Beach and West Palm Beach.

Community Engagement

A survey was sent to each municipality requesting the following information about their current state of housing:

- Planned/approved housing developments & new workforce units
- Existing workforce housing stock
- Greatest housing concern
- Efforts to address identified housing concerns
- Code amendments, expedited permitting, zoning restrictions
- Requested focus for subcommittee's housing plan

In addition to the survey, committee members gathered regional input through various outreach efforts including a January 24 meeting for central elected officials that followed the League of Cities regularly scheduled meeting. On March 6 a Workforce Housing Charrette was also held and was hosted by Greenacres with invitations sent to the central region League of Cities members, CRA representatives, municipal staff and local officials as well as other stakeholders. In addition, committee members met individually with officials from the City of West Palm Beach and the West Palm Beach CRA, Greenacres, Palm Springs, Lake Worth, Lake Clarke Shores and the Westgate CRA.

Summary of Findings

Of the twelve (12) municipalities that responded, eight (8) communities indicated that their residential property values are already consistent with those outlined by the County for workforce housing. West Palm Beach, Lake Worth and Palm Springs also indicated additional affordable and/or workforce units being added through their development pipeline. Other affordable housing efforts include the use of the County's CDBG program to upgrade infrastructure in low to moderate-income neighborhoods by the City of Greenacres, creation of the Lake Clarke Shores CRA that requires workforce housing, and Lake Worth's efforts to encourage more diverse housing types. West Palm Beach, a HUD/SHIP entitlement city, adopted incentives for affordable and workforce housing that include: fee waivers/reductions, parking reductions, expedited permitting, density incentives, micro units (350 – 549 sq. ft.) and limited financial subsidies. They also made available surplus land to nonprofit affordable housing developers. Survey responses are included in the Appendix.

The central cities are essentially built out with very limited land available for new workforce housing production. While there is some opportunity for infill and redevelopment, the lack of basic infrastructure like sanitary sewer and drainage is preventing redevelopment along some portions of the commercial corridors such as Congress Ave. However, the acquisition and rehabilitation of both single-family houses and multi-family rentals presents an opportunity to reclaim, renovate and preserve affordable homes.

A common thread among the central cities is their concern for the age and poor condition of their existing affordable housing stock as well as inadequate infrastructure including water, sewer and transit. Their number one requested focus area is for the subcommittee to identify potential County resources and partners that can help to renovate and preserve the stock of existing affordable homes while improving the quality life.

Recommendations

1. Implement a Palm Beach County led **Model Block Initiative** with government participation through a public/private partnership to upgrade and preserve as affordable the supply of existing housing stock and to improve the quality of life through comprehensive neighborhood improvements. In addition to the affordability of homes, the Model Block concept focuses on basic quality of life aspects such as infrastructure, transportation and neighborhood-serving uses and amenities to create a suitable living environment. The Model Block concept was presented on May 17, 2018 to the Intergovernmental Plan Amendment Review Committee (IPARC) and was well received. Program goals and objectives include:
 - a. Increase quality home ownership opportunities that are attainable for the workforce through the purchase of newly renovated homes.
 - b. Reclaim and preserve affordable rental homes through reinvestment and sound property management.
 - c. Maximize housing investment with comprehensive neighborhood improvements.
 - d. Target program investment to a defined geographical area to achieve maximum impact.
 - e. Achieve economy of scale through a consortium of private lenders, affordable housing developers and local governments.
 - f. Grow the residential tax base.
 - g. Focus efforts creating comprehensive roadway corridors and make improvements to enhance basic infrastructure for walking/biking/transit use within the target areas to provide accessible and safe alternate modes of transportation.
 - h. Plan for and encourage the development, renovation and redevelopment of neighborhood serving commercial uses in the area through basic infrastructure improvements as a key to supporting the community needs of the area.
 - i. Generate a perpetual Model Block funding mechanism.

The perpetual funding model (see Appendix) was applied to an example Model Block area within a municipality. It calculated a tax revenue increase of \$185,000 after year one. In year two, an

additional \$80,000 per year is generated over and above the initial revenue increase of \$185,000 with added revenue growth each year thereafter. Base assumptions in the model are as follow:

- 66% of homes are homesteaded
- No commercial property values used
- The assessed values of the homes range from \$78,00-124,000
- The area of influence is 3,000 homes
- Assessed value increases by 10% after the first year and by 3% per year thereafter
- Only operating revenue for city & county is applied

Examples of potential Model Block Target Areas for the Cities of Greenacres Lake and West Palm Beach are included in the Appendix.

2. Include the **Exchange Program** as an option for production builders to meet their workforce housing requirements, and modify the "like for like" requirement to allow flexibility for the substantial renovation and preservation of an existing affordable single or multi-family home. Providing an alternative approach to allow a developer to acquire existing housing units and utilize their workforce housing contribution to renovate aging/ rundown units within the County would benefit the existing housing stock in the County and meet the goal of sustaining existing affordable and workforce housing stock.
3. Consider additional **Dedicated Funding Sources** in addition to the Workforce Housing Program and County federal/state housing entitlement programs, which are not sufficient to address the affordable housing crisis. Other possible mechanisms:
 - a. Linkage fees and/or hotel taxes from businesses that are directly creating workforce housing demand.
 - b. Percentage of ad valorem revenue.
 - c. General Revenue – Broward County made a three-year commitment of \$5 million per year from their General Fund for affordable housing.
 - d. Tax Increment Obligations – Broward County has committed that as municipal CRA districts expire in the next three (3) years, they will allocate the additional freed-up funds for affordable housing.
 - e. General Obligation/Housing Bond – Miami voters chose to tax themselves in order to fund \$400 million to help storm drain upgrades, quell flooding and to fund affordable housing (\$100,000 million).
 - f. Community Redevelopment Agencies (CRA) should be encouraged to amend their plans to include affordable housing. A minimum of 20% of all new housing in a CRA should be affordable based upon local needs along with a minimum of 20% of every CRA's budget dedicated to affordable housing.
 - g. Allow new CRA districts as a mechanism to leverage additional funding for future Model Block infrastructure improvements and the rehabilitation and preservation of affordable homes.
4. Encourage government to look at their Land Development Regulations and build in accommodations to allow for **Higher Densities** in appropriate areas such as vacant land along

commercial thoroughfares that could be used for mixed-use and multi-family developments. When additional density is granted, a majority of the added units should be affordable. Increased density can also be achieved by **Reduced Parking** requirements for affordable housing where appropriate. Many low-income families have one car or use public transit. Shared parking should be looked at as an option for mixed-use development.

5. **Expand the Diversity of Housing Types** and facilitate the use of lower-cost housing by revising zoning policies. There is potential to increase the supply of rental homes in existing neighborhoods by updating zoning codes to allow innovative practices such as smaller lot sizes, townhouses, micro-units, and tiny houses. Encourage owners of single-family homes to add accessory dwelling units to include garage apartments or backyard cottages that can be inhabited by extended family or renters.
6. **Expedite and Streamline Permitting** for affordable housing projects. Government needs to recognize the cost impact of unnecessary conditions and delays placed upon the construction of affordable homes. Creating a more predictable and less burdensome process remains an issue for affordable housing developers. Establishing a "single window" clearance (consolidating approvals from multiple agencies into one clear interface) and "fast track" (a dedicated planner expeditor and ombudsman) are good starting points.
7. **Defer Impact Fee Payments** until Certificate of Occupancy to allow affordable housing projects to use the PBC Impact Fee Program. Often funding cycles do not match the timing of building permit issuance and the affordable housing project must assume the cost burden, which makes the home less affordable to the end user.
8. **Dedicate Surplus Property** for affordable housing. Palm Beach County, municipalities, CRAs, and the School District own property that could be dedicated for housing development. Land owned by public agencies should be used for the public good, which includes affordable housing. Government including CRAs should be required to provide an inventory of all surplus property and where appropriate, these governmental entities can dedicate unused public land for housing development. Together they should set an annual target for affordable housing production on public land. Other public agencies such as the School Board should be encouraged to use their property holdings to support affordable housing development. An example of public/private partnership for Palm Beach County's former Tax Collector Site is included in the Appendix.
9. Encourage the development of **Vacant and Underused Retail Sites**. An opportunity exists to add affordable homes by converting underused commercial sites into multifamily residential buildings.
10. **Facilitate Nonprofit Affordable Housing Developer Capacity** through donation or discounts of public land and predevelopment/acquisition revolving loans to help with the needed financial structuring of creating affordable homes. Non-profits should be provided with right

of first refusal on publicly subsidized affordable housing properties that have expiring affordability requirements. Make surplus land available to nonprofit housing developers.

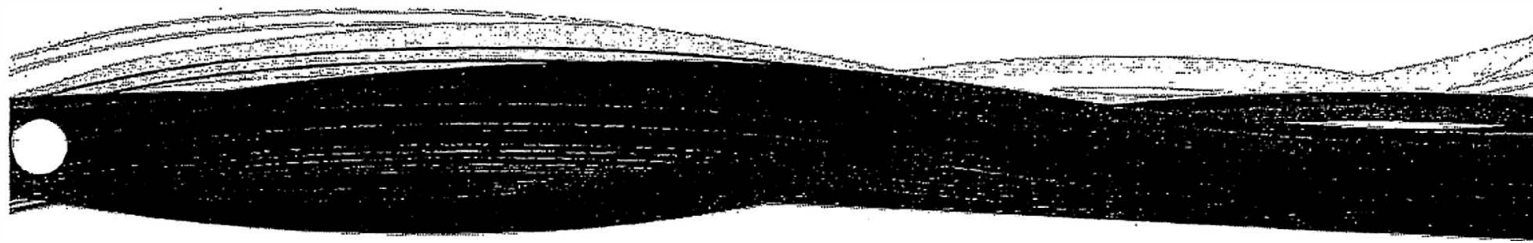
11. Engage **Major Employers and Anchor Institutions** to address affordable housing for their workforces, including the School Board and hospitals. Government should strongly encourage these companies and institutions to provide employee housing assistance and/or participate in the development of affordable housing.

Appendix

- Central Region Subcommittee Member List
- Municipal Survey Results
- Model Block Perpetual Funding Model
- Examples of Model Block Target Areas
- PBC Surplus Tax Collector Site – Affordable Site Plan Options

Central Region Subcommittee Members & Participants:

Terri Murray, Chair	Neighborhood Renaissance, Inc. Not for Profit
Sammy Alzofon, Co-Chair	League of Women Voters
Marylou Bedford	Central Palm Beach County Chamber of Commerce Steering Committee Appointment
Ryan Bridge	Hedrick Brothers Gold Coast Builders
Suzanne Cabrera	Housing Leadership Council
Armando Fana	City of West Palm Beach
Kara Ferris	Planning & Engineering Director City of Greenacres
Joel Flores	Mayor City of Greenacres
	League of Cities
Leon Fooksman	Digital Story Line Leadership Palm Beach County
Dorina Jenkins-Gaskins	Palm Beach County
David Kanarek	Steering Committee Liaison
Andrew Maxey	Pulte Group Gold Coast Builders
Leo Nobel	Steering Committee Appointment
Rick Reikenis	Steering Committee Liaison
Laurel Robinson	West Palm Beach Housing Authority Steering Committee Appointment
Ken Tuma	Urban Design Kilday Studios Economic Development Council



FINAL REPORT

Palm Beach County Western Region Housing Summit Sub-Committee

June 2018



EXECUTIVE SUMMARY

Our sub-committee began by evaluating the existing housing conditions, barriers and opportunities within the western region of the County. Those communities include: Belle Glade, Loxahatchee Groves, Pahokee, Royal Palm Beach, South Bay, Wellington, Westlake and unincorporated areas of Palm Beach County.

Some municipalities were responsive to our survey and provided feedback on housing within their community, while others did not.

We discussed the strengths, weaknesses, opportunities and threats to affordable and workforce housing within western Palm Beach County. The report contains correspondence received from the City of Belle Glade, City of Pahokee, City of South Bay, Village of Wellington and Palm Beach County.

We recognize that the affordable and workforce housing crisis cannot and will not be solved by any single municipality or company. It will take cooperation and agreement from all municipal governments within Palm Beach County, as well as employers who employ individuals that are in need of affordable and workforce housing.

Based on the Guiding Principles & Actions, the Western Region sub-committee has identified 20 recommendations. A brief list of the recommendations are below.

SUB-COMMITTEE RECOMMENDATIONS

Recommendation #1. A study should be commissioned to determine the appropriate costs (*i.e. cost per square ft., flat fees, etc.*) for a linkage fee program.

Recommendation #2. It is recommended that private business and public entities such as the School District of Palm Beach County, Sheriff's Office, health care agencies and local municipalities should collaborate with Palm Beach County to fund affordable housing for employees.

Recommendation #3. Work with the Community Reinvestment Act departments of local banks to get support in developing a loan pool for eligible affordable and workforce housing buyers.

Recommendation #4. The sub-committee supports the need for changes in municipal codes to require developers to build affordable/workforce housing or buyout.

Recommendation #5. The sub-committee supports the solicitation of funding to support infrastructure improvements.

Recommendation #6. The subcommittee recommends a comprehensive housing rehabilitation strategy be established countywide to address the needs of existing properties.

Recommendation #7. Establish the framework for a model ordinance (countywide) to allow density bonus, etc.

Recommendation #8. Use Community Land Trusts to preserve the affordability of the workforce housing units being created in perpetuity.

Recommendation #9. The sub-committee recommends that each municipality remove all minimum housing unit size requirements from their code.

Recommendation #10. The sub-committee recommends that each municipality explore other approved construction concepts and methodologies that could expedite and/or reduce the construction costs of quality affordable and workforce housing.

Recommendation #11. The sub-committee supports mandatory inclusion of workforce housing units in new developments for all municipalities throughout Palm Beach County.

Recommendation #12. The sub-committee supports long-term impact fee deferral, where impact fees are not waived but deferred until the house receives its certificate of occupancy.

Recommendation #13. The sub-committee recommends using County and municipality funding to provide construction loans or construction loan guarantees for new single family housing with a bank take out commitment at CO.

Recommendation #14. The County and each municipality within the County should established a similar process and procedure for expedited permitting for the construction of affordable and workforce housing.

Recommendation #15. The sub-committee recommends each municipality establishing an inventory of publicly and privately owned lands that can be made available for affordable and workforce housing projects.

Recommendation #16. The sub-committee supports all municipalities and other housing advocates (Banks, Realtors, etc.) working to stop the sweeping of the Sadowski Affordable Housing Trust Fund.

Recommendation #17. The sub-committee recommends that all HUD entitlement municipalities in the County establish a competitive process by which developers can

compete for Community Development Block Grant (CDBG) funding that will be used for offsite infrastructure improvements when required in the construction of affordable and workforce housing.

Recommendation #18. The County and municipalities should create a sustainable self-funded loan program for home improvements / rehabilitation.

Recommendation #19. The sub-committee recommends that all municipalities within the County should establish and encourage policies to reduce the chances of Disparate Impact.

Recommendation #20. Municipalities throughout the County should establish minimum housing standards to improve the quality of life for our residents.

* For a complete description/breakdown of each sub-committee recommendation (including a proposed implementation timeline), please refer to pages 12 – 24.

We also contacted the municipalities in the Western Region and asked them to share information on the following:

- Current state of housing in your municipality
- Housing developments planned in your municipality
- Greatest housing concerns (i.e. age of housing stock, housing costs, etc.)
- Your efforts (*including that of your community partners*) to date in addressing your identified housing concerns
- Housing aspects you would like this sub-committee to focus on as it relates to your municipality
- Are there available properties suitable for affordable or workforce housing in your municipality, if so please provide a list of what you are aware of to date
- Does your municipality offer expedited permitting for affordable and/or workforce housing

Please see the Appendix section for a customized overview of the housing market within Palm Beach County and each municipality.

Attached as **Exhibit 2**, are the responses received from each Western Region municipality.

Additionally, Chandler Williamson, City Manager (*City of Pahokee*) and Leondrae Camel, City Manager (*City of South Bay*) has attended meetings to discuss housing concerns and needs in the Glades Region.

Within the Glades communities, we recognize that the lack of economic opportunities (*through new or existing business development*) has a direct impact on the lack of new housing. That coupled with the higher than normal unemployment rate and the lower than normal average wages earned in the Glades communities, we must address economic development as part of the housing solution.

In an effort to address housing concerns for teachers in the Western Region, Marcia Andrews (*School District of Palm Beach County*) attended a meeting to discuss the housing needs for teachers in the Glades communities. Amongst things discussed at our January 18, 2018 meeting, Ms. Andrews advised us that there is a \$3K annual salary incentive provided to teachers to work in the Glades Region.

The sub-committee discussed its desires to see a set aside established countywide, for teachers, law enforcement, etc.

While it was noted that the percentage of sub-standard housing in the Glades remains a

concern and better housing options are needed, sub-committee members familiar with the Glades communities shared that some of the residents of the Glades community were moving to eastern Palm Beach County in part, because the quality of education was better for their children.

FOLLOW-UP EFFORTS BASED ON THE REGIONAL INTERIM REPORT

Following the April 2018 review of the Regional Interim Report, the Housing Summit Steering asked the subcommittee to address the following items and include in the final report:

- Ensure all recommendations include a timeframe for accomplishing the goal (*short-term, mid-term and long-term*).
- Review the existing housing diversity (*specifically home sizes and types*) within each municipality. For example, does the Village of Royal Palm Beach's unit size requirement limit the ability to create more affordable or workforce housing?
- Provide a recommendation on the impact fee program funds that are not used and returned to the general fund.
- Provide recommendations and or comments on the County's proposed amendment to the Workforce Housing Program Ordinance.

Additionally, the sub-committee contacted Palm Beach State University to get a status of housing concerns for University Professors and students.

WORKFORCE HOUSING ORDINANCE (proposed amendment)

As part of our efforts, we invited staff from Palm Beach County’s Planning Zoning and Building Department to our May 14, 2018 sub-committee meeting to discuss the proposed changes to the Workforce Housing Ordinance.

The sub-committee supports mandatory inclusion of workforce housing units in new developments for all municipalities throughout Palm Beach County. We support the “like-for-like” provision based on the following definition: if a developer creates market rate ownership units, then the developer should create ownership units for the workforce housing program. Additionally, the subcommittee believes that if a developer creates market rate single-family homes for sale, the developer should be permitted to provide either single family homes, townhomes, etc. to satisfy the workforce housing requirement.

Please refer to sub-committee **recommendation #11** for more details.

PALM BEACH STATE UNIVERSITY

As part of our final efforts, we sought feedback from Palm Beach State College on any potential housing concerns. We received the following response:

A concern was expressed that when professors and staff look for a place to live in the County they are limited if they have children and want a good school district. The cost of living in a good school district is significantly higher. As such, professors are not looking for housing throughout the County, only in communities where the schools are highly rated.

Also, some accept positions in the County, that either already have money and are older (*they come from the private sector up north and are in their mid-50's or older*), or they are a secondary income for their family, but it is more difficult to get a younger primary breadwinner with children to accept employment in the County due to the high cost of living.

Student loan debt is also a concern. Student loan debt for an FHA loan is counted significantly higher against a person's debt to income ratio, over and above what the required payment is. For example, let's say student loan debt is \$120K and the loan payment is \$300 a month. FHA does not care if you are actually on a graduated payment plan, their rule makes it hard to qualify for a loan. FHA requires that you take 10% of the balance (\$12,000) and divide that amount by 12 to determine your monthly payment. This payment is then deducted from your eligibility for loans, not the actual payment you are required to make for the student loan. As a result, FHA requires that \$1000 a month be counted towards your monthly debt. That effectively, disqualifies a lot of buyers with student loans, if they want a FHA insured loan.

Also when qualifying for a mortgage, lenders do not consider overloads/other work assignments or stipends, only the base salary is counted. As a result, that reduces the amount of income Professors can use when qualifying for a mortgage.

Additionally, FHA only goes up to \$345K and it is becoming harder and harder to find homes in communities with high rated schools in the county.

Lastly, college students find it incredibly difficult living in the land of the homeowner associations (HOA), when students have a family member living with them whose undocumented or they themselves are undocumented. The HOA's require background checks and license for every person in the home, so this disqualifies them entirely.

LAKE OKEECHOBEE REGIONAL ECONOMIC ALLIANCE (LORE) BOARD

Committee members from the LORE Board's Housing Task Force discussed the efforts to date from the taskforce.

The LORE Board established the LORE Housing Task Force prior to the organization of the County Housing Task Force Regional Subcommittees. Its prime initiative is to focus on providing education and advocacy at the local, County, State and Federal level regarding housing in the Glades.

The Committee reviewed Glades census data and information contained in the Glades Region Master Plan as it relates to population, number of households, income levels, and the number of housing units including vacant and occupied. Data was also collected demonstrating Glades area data versus Palm Beach County Data as it relates to housing units, poverty, median income, median gross rent, overcrowding, average age of structures and dwellings with a lack of complete kitchen and plumbing. HES also provided an 8-year snapshot of funding provided through the County with respect to housing units, infrastructure improvements and economic development initiatives in the Glades through funding received by HES.

Discussed were a number of educational initiatives including a Housing Education & Advocacy Program, Glades Housing Summit, Developer Familiarization Tour and Tiny Homes. The Committee has organized an "Is Homeownership for Me?" workshop scheduled on April 12, 2018. Panelists included representatives from a financial institution, an insurance provider, Habitat for Humanity, the HES Mortgage and Housing Manager, and a representative from the Urban League. The goal of the Workshop was to educate residents regarding available resources to residents who desire homeownership. Members from the Western Regional Sub-Committee was in attendance at the workshop.

Upon the organization of the Western Regional Subcommittee, some LORE Housing Task Force members also participated in the Western Regional Subcommittee meetings and provide updates regarding the meetings to the LORE Housing Task Force to streamline communication with respect to housing challenges and initiatives in the Glades.

Feedback received during meetings stressed that assisting the municipalities in the Glades Region with housing solutions for existing residents will help communities such as Wellington, Royal Palm, Loxahatchee, etc., because the impact of residents moving from the Glades to Eastern PBC would be reduced.

HOUSING SUMMIT: GUIDING PRINCIPLES & ACTIONS

In developing the interim report, we have prepared recommendations that are consistent with the Guiding Principles & Actions, as developed by the Steering Committee.

The Guiding Principles & Actions consists of 7 Sections:

- ✓ Shared Investment & Responsibility
- ✓ Preservation of Existing Stock
- ✓ Expanded Housing Diversity
- ✓ Enhanced Development Incentives
- ✓ Reduced Regulatory Barriers
- ✓ Strategic Sustainable Developments
- ✓ Increased Financial Resources

Below is feedback and discussion points brought up during our meetings on the guiding principle items:

Shared Investment & Responsibility

- Establish **linkage fees** for non-residential projects and-or a dedicated local revenue source for attainable housing initiatives in local jurisdictions. Suggestions include an attainable housing impact fee, transfer fee, job creation fee, etc.
 - ❖ The sub-committee discussed Jupiter's linkage fee program (**Exhibit 3**), while we did not evaluate Broward County's program, we did discuss it. Additionally, the Village of Wellington has had some conversations about it and is contemplating whether or not to develop a linkage fee program that their Village Council can discuss.

Recommendation #1. A study should be commissioned to determine the appropriate costs (i.e. cost per square ft., flat fees, etc.) for a linkage fee program. The costs should be reviewed and each municipality should adopt a linkage fee program.

Timeline: The sub-committee believes this can be accomplished in the mid-term. It will require a commitment from all parties to bring this to fruition.

- Develop local partnerships with banks, local government, non-profits, developers, employers, service providers, school districts, etc.

Recommendation #2. It is recommended that private business and public entities such as the School District of Palm Beach County, Sheriff's Office, health care

agencies and local municipalities should partner with Palm Beach County to fund affordable housing for employees. The sub-committee discussed the importance of establishing a meeting and garnering the support from major employers in Palm Beach County.

Timeline: The sub-committee recommends that this meeting be scheduled by October 2018.

Recommendation #3. Work with the Community Reinvestment Act departments of local banks to get support in developing a loan pool for eligible affordable and workforce housing buyers.

Recommendation #4. The sub-committee discussed the need for changes in municipal codes to require developers to build affordable and workforce housing or buyout.

Timeline: The sub-committee believes this can be accomplished in the short-term. Discussions with all parties begin immediately.

- Solicit government assistance for supplemental (area) improvements such as infrastructure and parks from local, state and federal funding.

Recommendation #5. The sub-committee supports the solicitation of funding to support infrastructure improvements, specifically in areas where it is lacking and is a barrier to affordable / workforce housing.

Preservation of Existing Stock

- Review and implement strategies that provide timeframes for attainable housing unit affordability while understanding the principal that **housing ownership equity** is a wealth builder.
 - ❖ In an effort to understand what down payment assistance programs are offered by the municipalities throughout Palm Beach County, a matrix was developed comparing the programs offered (see **Exhibit 4**).
- Local governments work with state legislators, building code officials, insurance carriers, etc. to develop and implement strategies to bring **existing housing stock** to current building code, hurricane hardening and energy efficiency standards. There must be an understanding of the costs associated with such improvements and providing local government subsidies, programs, mortgage assistance and fee structures that allow for the upgrades without pricing the unit out of attainable housing ranges.
 - ❖ The age and need for preservation of existing housing was a major emphasis

of our discussions. We discussed the added costs owners of older homes face and how improvements such as roof straps, hurricane hardening, etc. would allow owners to pass 4-point home inspections and reduce homeowners insurance costs paid by owners of these older homes.

- ❖ The sub-committee discussed how some owners will need subsidy assistance to make much needed repairs. It was also stated that some homeowners would be willing to sell their home, if they could secure the financing necessary to make the needed repairs. The sub-committee supports a set-aside of funds by municipalities for this effort, provided the funds are repaid once the home is sold.
- ❖ In our discussion about a minor rehabilitation program we discussed making the product a loan instead of a grant. We have calculated two examples that will provide an option of having a revolving account which will allow for service to more residents. The examples are based on a \$6000.00 repayment plan that's used to reduce the cost of insurance by updating a house to meet some of the wind mitigation and 4 point inspection guidelines.

One plan is with interest and the other is without interest. The interest version will allow the proceeds to grow over time and service more residents compared to the non-interest version. We suggest that all interest options should be on the table based on the income bracket of the borrower. The savings on the property insurance cost is substantial and will save some borrowers thousands per year making the benefit immediate.

Example 1: \$6,000 at 0% interest for a term of 10 years equals a payment of \$50.00.

Example 2: \$6,000 at 3% interest for a term of 10 years equals a payment of \$57.94.

Recommendation #6. The subcommittee recommends a comprehensive housing rehabilitation strategy be established countywide to address the needs of existing properties. The focus of the strategy should be ensure: properties are rehabilitated to meet the 4-Point Inspection requirements, wind mitigation (hurricane hardening) as well as energy efficiency requirements.

➤ The committee supports this being done in communities at or below 140% of AMI and eligible census tracts.

❖ Sub-committee comments include:

📌 In the Glades communities, real estate transactions seem as if they would sell faster and for a greater purchase price if the Seller would spend the money to make the property more easily insurable.

- i. This can be done by educating the community and possibly involving:
 - Realtor
 - Mortgage Banker
 - Roofer
 - Insurer
 - Hurricane Shutter Professional

☞ It would be good for all of our communities if a list was established with all of the programs and funding that could offer assistance to those in need for their properties.

- i. Some examples
 - SWA Paint Your Heart Out. Free house painting with volunteers
 - Memory Trees. Volunteer Landscaping opportunities
 - Whirlpool Foundation
 - Habitat for Humanity
 - Families First
 - FP&L's program to retrofit and finance LED Pole Lights which may help a community with safety and power costs

☞ Establish Community Investment Matching programs, where community members' dollars are leveraged alongside municipal funding.

☞ Hurricane hardening – provide funding for hurricane hardening to qualified buyers. \$3k in hurricane hardening can reduce insurance premiums sometimes \$3k annually.

☞ Impact of Older Homes on Affordability. Western Region homes that are in the Glades Area have a median age of 49 years old. This issue caused our committee to investigate the impact of older homes on affordability. What we discovered was the cost of insurance was thousands of dollars higher per year on these older homes thereby making the total monthly payment unaffordable to many homebuyers. We then looked at ways to reduce the cost of the insurance and identified two different reports that are used by insurance companies to determine the cost of insurance. The 4-Point Mitigation Inspection and Wind Mitigation Inspection. Our research has determined that many homes maybe upgraded for a little as up a \$6000 investment and can save up to \$9000 in as little as 36 months. The added benefit of the windstorm hardening also allows the county to reduce the amount of property damage that is anticipated due to climate change and

stronger hurricanes. Please read below to see a comprehensive definition of the two inspections.

i. Four (4) Point Mitigation Inspection

A Four (4) Point Mitigation Inspection is often required when obtaining a new homeowner's insurance policy, or when renewing an existing policy. Four (4) Point requirements will vary from carrier to carrier usually starting at 30 years or older. Four (4) Point inspections consists of a limited visual survey of the following:

- Heating/Air conditioning system
- Roof
- Electrical
- Plumbing

The purpose of the inspection is to determine the approximate age, general condition, and remaining lifespan of these systems. This is a limited visual inspection of components the insurance company may find unsafe or problematic.

With regards to the insurance company, they are generally looking to see if your property has been updated to current standards and is in good condition. After Hurricane Andrew, Insurance Companies in Florida started to encourage home owners to make their homes safer and reduce insurance claims. Today, most if not all of the insurance companies and JUA (Joint Underwriting Association) request or require Four Point Inspections for homes older than 30 years.

As of 09/01/12, a 4 point insurance inspection is required by Citizen's Insurance Company on every home 30 years or older in order to obtain a new insurance policy or renew an existing policy.

ii. Wind Mitigation

A Wind Mitigation Inspection is a great tool to reduce your overall cost when it comes to your homeowners insurance. Submitted to your insurance provider, it may result in discounts to your policy to help save money. Most existing homes have one or more construction features that will qualify for windstorm insurance premium discounts.

A Wind Mitigation Inspection verifies the construction details of your home and is used to qualify for discounts on your insurance premium. The better your house is built to withstand Wind Damage, the more discounts you will qualify for each year.

A wind mitigation inspection is a type of home inspection. The purpose of a wind mitigation inspection is to determine the appropriateness of a given structure's construction in the event of strong winds, such as those present in a hurricane.

A homeowner with windstorm insurance can often submit the results of a windstorm inspection to their insurer to obtain discounts on their windstorm insurance. In Florida premium discounts for certain favorable wind mitigation features are mandated by State law and can sometimes show savings that up to 45% of the original policy's premium.

This inspection will consist of the inspector looking for the following 8 key categories listed below:

- **Roof Covering:** inspectors want to know when the roof was installed and does it meet building codes.
- **Roof Deck Attachment:** inspectors will determine what type of roof decking is used and how it's attached to the underlying structure, for example, if it's nailed or stapled down. If nails are used, nail length and spacing between each will also be noted.
- **Roof to Wall Attachment:** the roof attachments become the focus here: are trusses attached with nails or hurricane clips? Are the wraps single or double? The more secure your roof, the more significant the savings.
- **Roof Geometry:** is your roof hip, gable or other? The inspector is looking for how it's shaped - a hip roof resembles that of a pyramid and is a definite qualifier for a discount.
- **Gable End Bracing:** if the roof is a gable style, an inspector will review if the gable ends are braced to Florida Building Code standards. Gable ends measuring more than 48 inches tall should be braced for reinforcement, and inspectors will be checking for this qualification for discount.
- **Wall Construction Type:** Inspectors will review the construction materials used on your home for framing, reinforcement, and

outer fascia, and at what percentages. Steel reinforced concrete block homes may yield a better discount than one with a plywood-only frame and plastic siding.

- **Secondary Water Barrier:** This is a newer item for roofs. If your roof was installed or upgraded before 2008, it's unlikely you'll have this sort of barrier. As with most newer features, photo documentation, at a minimum, will be required for a discount in this area.
- **Opening Protection:** Here, inspectors are looking for shutters and installed-protection devices from wind-born debris for doors and windows. They will also be checking the rating of the devices, if you have them (as in- are they hurricane-rated?). 100% of all openings (All or nothing) need to be covered with Hurricane rated protection to qualify for this discount.

Timeline: The sub-committee believes developing and implementing strategies to bring existing housing stock to current building code, hurricane hardening and energy efficiency standards, can be accomplished in the short-term. It will require a commitment from all municipalities in establishing a rehabilitation strategy with a dedicated funding source.

- Local governments develop a long-term plan to utilize attainable housing initiatives to promote redevelopment and/or rehabilitation of existing housing stock to **bring back blighted neighborhoods**, thereby preventing gentrification of downtown areas. Such plans should promote flexibility, provide for a sense of place in existing neighborhoods and under appropriate circumstances allow additional density.

Recommendation #7. Establish the framework for a model ordinance (countywide) to allow density bonus, etc.

Timeline: The sub-committee believes this can be accomplished in the mid-term. Local governments should begin discussions on this recommendation, with an expectation of finalizing a program that can begin with the start of the 2019-2020 fiscal year.

- Use community land trusts to preserve the units being created, by permanently holding land under workforce units to reduce costs to initial and subsequent buyers.

Recommendation #8. Use Community Land Trusts (CLT) to preserve the affordability of the workforce housing units being created in perpetuity. Community Land Trusts accomplish this by taking out the cost of the land for the initial and subsequent homebuyers and also through resale

restrictions in the 99 year ground lease requiring the home only be resold to another income eligible buyer for an affordable price. Attached as **Exhibit 5** is the CLT Resale Formula.

Timeline: Since CLT's exist within the County, the sub-committee believes this can be accomplished in the short-term. Municipalities should explore the benefits of working with CLT's to address affordable and workforce housing needs.

Expanded Housing Diversity

Recommendation #9. The sub-committee recommends that each municipality remove all minimum housing unit size requirements from their code.

Timeline: The sub-committee believes the recommendation can be accomplished in the mid-term.

Recommendation #10. The sub-committee recommends that each municipality explore other approved construction concepts and methodologies that could expedite and/or reduce the construction costs of quality affordable and workforce housing.

Timeline: The sub-committee believes the recommendation can be accomplished in the mid-term. There are different construction concepts presented in municipalities throughout the County. The appropriate Building Departments from each municipality should get together to discuss.

Enhanced Development Incentives

- Establish infrastructure **subsidies** for projects containing attainable housing.

See **Recommendation #5**.

Recommendation #11. The sub-committee supports mandatory inclusion of workforce housing units in new developments for all municipalities throughout Palm Beach County. We support the "like-for-like" provision based on the following definition: if a developer creates market rate ownership units, then the developer should create ownership units for the workforce housing program. Additionally, the subcommittee believes that if a developer creates market rate single-family homes for sale, the developer should be permitted to provide either single family homes, townhomes, etc. to satisfy the workforce housing requirement. If the developer creates a market rate single-family home and then opts to create a townhome as the workforce housing unit, then a multiplier should be applied to get the appropriate value. Townhomes should consist of no less than 2 bedrooms with 2 bathrooms and single family homes should consist of no less than 3 bedrooms with 2 bathrooms.

Timeline: The sub-committee believes this can be accomplished in the mid-term. Local governments should begin discussions on this recommendation, with an expectation of finalizing a program that can begin with the start of the 2019-2020 fiscal year.

- Reduce and/or waive planning, zoning, utility, building and impact fees.

Recommendation #12. The sub-committee supports long-term impact fee deferral, where impact fees are not waived but deferred until the house receives its certificate of occupancy.

Timeline: The sub-committee believes this can be accomplished in the mid-term. Local governments should begin discussions on this recommendation, with an expectation of finalizing a program that can begin with the start of the 2019-2020 fiscal year.

- Enhance PBC Impact Fee Credit Program.

Palm Beach County presented revised guidelines to the Board of County Commissioners on April 10, 2018. The proposed guidelines were approved and they are attached as **Exhibit 6**.

- Provide tax abatement or other tax relief.

Recommendation #13. The sub-committee recommends using County and municipality funding to provide construction loans or construction loan guarantees for new single family housing with a bank take out commitment at CO. Borrower could provide the lot and this could be combined with long-term impact fee deferral.

Timeline: The sub-committee believes this can be accomplished in the mid-term. Local governments should begin discussions on this recommendation, with an expectation of finalizing a program that can begin with the start of the 2019-2020 fiscal year.

Reduced Regulatory Barriers

Recommendation #14. The County and each municipality within the County should established a similar process and procedure for expedited permitting for the construction of affordable and workforce housing.

Timeline: The sub-committee believes the recommendation can be accomplished in the mid-term. Some municipalities already have successful expedited permitting processes. A meeting of the appropriate Building Department staffs from each municipality should meet and begin discussing.

Strategic Sustainable Developments

- Local governments should inventory and determine **publicly owned lands** that could be made available for attainable housing projects and establish an RFP (request for proposal) process by which these lands could be made available for attainable housing projects.

Recommendation #15. The subcommittee recommends each municipality establishing an inventory of publicly and privately owned lands that can be made available for affordable and workforce housing projects. The lists should be posted on each governments website and updated periodically.

- The committee researched and identified lots and land which maybe a target for new housing in Pahokee. The Palm Beach County Housing Authority currently owns vacant land and has been engaged by several developers including Habitat For Humanity. Habitat For Humanity has agreed to develop the land for affordable homebuyers at prices that are consistent with the homeowners are approved for, however the plan has stalled for unknown reasons. The Pahokee Housing Authority also owns vacant land and is looking for a partner to foster single family home ownership development. We've also identified vacant land that is owned by the City of Pahokee that is approximately 23 acres or larger. This land may also be suitable for a new construction development for the working class.

We've discussed individuals building on vacant lots and determined that we have two obstacles:

- Construction loans are difficult to gain for most home buyers and therefore we may need government assistance to execute the construction. If the cities | the Glades area can receive a revolving credit line in the form of a grant that is reimbursed in full at the sale of the properties this could eliminate the need for a construction loan. This would also require the borrower to receive a loan commitment before any funds are provided to the builder.
- The second potential issue is the appraised value of the new construction loans. The first 2-3 properties may have appraisal issues based on the current inventory and sales in Pahokee, Belle Glade, and South Bay. This issue may require additional strategies to cover the difference in building and the actual cost of building the properties.

Attached as **Exhibits 7 – 9**, are maps that show public and/or privately owned lots available in Pahokee, Palm Beach County and South Bay. As we move forward, the maps should be updated on a semi-annual basis.

Timeline: The sub-committee believes this can be accomplished in the short-term. Each municipality should update its list of available land

Increased Financial Resources

- ❖ Municipalities and business community should work diligently with neighboring municipalities and business groups to stop the State from sweeping the Sadowski Affordable Housing Trust Fund.

Recommendation #16. The sub-committee supports all municipalities and other housing advocates (Banks, Realtors, etc.) working to stop the sweeping of the Sadowski Affordable Housing Trust Fund. Support letters should be submitted to the appropriate State Legislative officials.

Recommendation #17. The sub-committee recommends that all HUD entitlement municipalities in the County establish a competitive process by which developers can compete for funding that will be used for offsite infrastructure improvements when required in the construction of affordable and workforce housing.

Timeline: The sub-committee believes the recommendation can be accomplished in the short-term. Entitlement municipalities can begin discussions with their Administrator / Manager and Elected Officials.

Recommendation #18. The County and municipalities should create a sustainable self-funded loan program for home improvements / rehabilitation. This repayable, mini-loan program would be issued at a below market interest rate. The repayments would become a sustainable revolving fund used to help County and municipal residents.

With rising rates, it is important that the interest rates for the mini-loan program be capped and that municipalities not use a for profit model that patterns itself after market rates. Interest rate caps would help to maintain affordability and build in some form of safeguard to sustain this program by providing limitations. This will assist in ensuring that residents would avoid loans that cannot be re-paid.

Timeline: The sub-committee believes the recommendation can be accomplished in the mid-term. Municipalities can begin discussions now and establish a mini-loan program by the 2019-2020 fiscal year.

Other Sub-Committee Research and Recommendations

Currently the residents of the City of Pahokee and the City of South Bay are eligible to receive United States Department of Agriculture (USDA) loans, but not the residents of the City of Belle Glade.

The sub-committee recommends that the city Belle Glade apply for an exception to receive eligibility for USDA loans. Legal Aid has agreed to assist by reaching out to USDA and determining what is required to receive the exception. As we understand it, the USDA primary focus is on communities with less than 10,000 residents; however, USDA can make a city eligible with as high as 35,000 residents. Belle Glade should make a strong case for an exception based on the current poverty rate and income levels. Additionally, there should be an immediate focus on addressing the middle class / middle income families in the Glades area, that are moving to eastern Palm Beach County.

Outcome of Sub-Committee Research: This recommendation was researched and the USDA provided the following response:

“Paragraph 5.3 of HB-1-3550-1 defines rural as follows:

Open country or any town, village, city, or place, including the immediate adjacent densely settled area, which is not part of or associated with an urban area and which:

- o Has a population not in excess of 2,500 inhabitants; or
- o Has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character; or
- o Has a population in excess of 10,000 but not in excess of 20,000, and-
 - Is not contained within a Metropolitan Statistical Area (MSA); and
 - Has a serious lack of mortgage credit for lower and moderate-income families as determined by the Secretary of Agriculture and the Secretary of Housing and Urban Development.

It appears that Belle Glade is within the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (MSA) and has not been determined to have a serious lack of mortgage credit for lower and moderate-income families. As the population of Belle Glade has exceeded 10,000 for many years, it is not considered an eligible area. I am unaware of any exceptions other than those that can be made by Congress to make specific areas eligible for other specific reasons other than population limitations.”

Recommendation #19. The sub-committee recommends that all municipalities within the County should establish and encourage policies to

reduce the chances of Disparate Impact. Attached as **Exhibit 10** is data on Disparate Impact. Examples of disparate impact include homeowners associations that require a 10% or higher earnest money deposit to purchase in their association, when banks / lenders can provide financing where a buyer may only need a 3% earnest money deposit.

Timeline: The sub-committee believes the recommendation can be accomplished in the short-term. Entitlement municipalities can begin discussions with their Administrator / Manager and establish policies to reduce Disparate Impact within their municipal boundaries.

Recommendation #20. Municipalities throughout the County should establish minimum housing standards to improve the quality of life for our residents. The following minimum housing standards should be applied countywide:

- ❖ Yards should be properly maintained
- ❖ Inoperable vehicles should be removed
- ❖ Deteriorating wood siding should be replaced
- ❖ Dirty, worn or peeling paint should be replaced
- ❖ Lawn, swales, driveways, and sidewalks
- ❖ Cars or other vehicles should not be parked on the grass
- ❖ Holiday decorations should be taken down in a timely manner
- ❖ See sample attached as **Exhibit 11**.

Timeline: The sub-committee believes the recommendation can be accomplished in the mid-term. This could be accomplished in part through Code Enforcement, but should not be merely a Code Enforcement program.



CONCLUSION

Access to sustainable affordable and workforce housing continues to be a pressing issue in the Western Region of Palm Beach County. The complexity of high land costs, which leads to high sales prices, places significant responsibilities on local governments and agencies. Affordable and workforce housing that is accessible housing for working families and households is vital to the local economy and contributes greatly to community and well-being.

Housing affordably is a major issue in many of Palm Beach County's working neighborhoods for existing and potential owners and renters alike. As the need for quality affordable and workforce housing continues to grow, there must be unified support from all municipalities, agencies and employers within Palm Beach County to address the need. Government, employers, banks, Realtors must work to ensure that funding sources continue to exist at the local, federal and state level.

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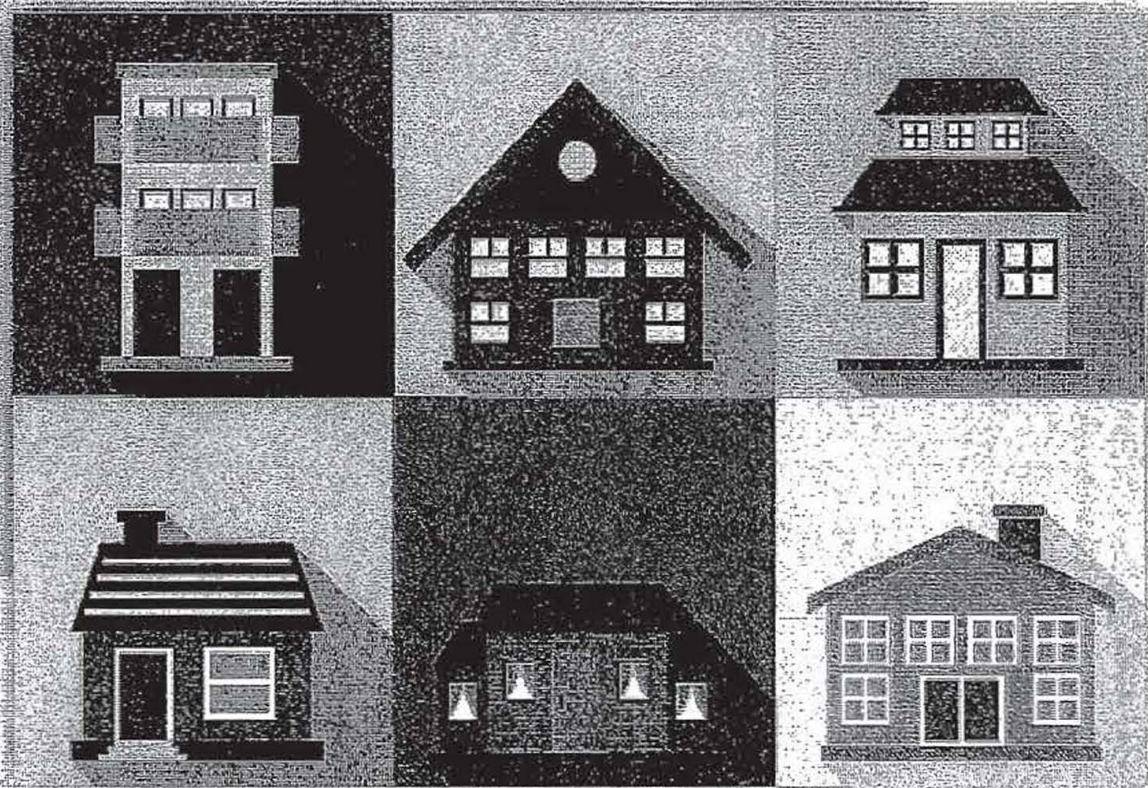
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Final Report
June 29, 2018

South Regional Subcommittee

.A Subcommittee of the 2017 Housing Summit Steering Committee

FINAL REPORT

Background

The South Region of Palm Beach County is primarily urban in character and includes 10 municipalities, 5 of which are entirely on the barrier island (Map in Attachment 3). This region includes the second, third and fourth largest cities in Palm Beach County: Boca Raton with a population approaching 92,000, Boynton Beach estimating at close to 74,000 and Delray Beach at approximately 66,000 people. The South Region consists of the following municipalities:

- City of Boca Raton – Entitlement city
- City of Boynton Beach – Entitlement city
- Town of Briny Breezes
- City of Delray Beach – Entitlement city
- Village of Golf
- Town of Gulf Stream
- Town of Highland Beach
- Town of Hypoluxo
- Town of Manalapan
- Town of Ocean Ridge

The total population for all of the municipalities in this region is 235,098. Regarding housing units, the municipalities in this region have approximately 128,000 units, of which 65,000 are owner-occupied, 34,000 are renter-occupied and 28,000 are vacant units. Seasonal units are not included in this interim report to determine market vacancy rates (difference between total housing units, total seasonal units, and occupied housing units). The median family income for these cities vary greatly from \$53,754 in Boynton Beach to \$250,000 in Manalapan.

Base Data

The subcommittee reached out to cities located within the south region of the county to determine existing efforts and programs already in place in the region and to gather information on the cities' housing needs. For each of the cities, the subcommittee surveyed the staff for housing needs (Attachment 4), took an inventory of the vacant land (Attachment 5), reviewed Comprehensive Plans and Land Development Regulations (Attachment 6), gathered existing

programs for the entitlement cities (Attachment 7) and provided current "for sale" listings (Attachment 8). Subcommittee members agreed to research available land owned by cities, churches, non-profit organizations, shopping centers, school district, etc., in an effort to identify available land for potential projects (Attachment 9).

Municipal Participation and Survey

Throughout this process, Subcommittee members reached out to contacts in all municipalities via email and phone. The City of Boynton Beach staff attended the April 17, 2018 Subcommittee meeting and staff from the cities of Boca Raton and Delray Beach attended the May 15, 2018 Subcommittee meeting. Additionally, Subcommittee members participated in the Intergovernmental Plan Amendment Review Committee (IPARC) on May 17, 2018, to meet with planning and zoning staff from various municipalities. The Subcommittee distributed a housing survey to all 10 municipalities to request information on their housing policies and needs. Responses were received from 7 out of the 10 cities. Summarized below are responses from each of the municipalities (Attachment 4).

- **City of Boca Raton**
 - The city recommends that the subcommittee focus on innovative development alternatives, reduced/flexible property development regulations and incentives that would result in expansion of the affordable housing supply on a regional basis.
 - The city identified a need for affordable housing that is constrained by high land value/construction costs and limited funding resources.
 - Current efforts to address housing needs include focusing on existing housing stock that can be assisted using state/federal entitlement resources and local partnerships and developing future land use and zoning regulations.
 - The City provides expedited permitting for affordable housing, and has a SHIP Trust Fund but currently does not own land suitable for affordable housing.
 - Current zoning regulations permit a maximum density of 20 units to the acre in the city. The city does not have a density bonus program and has no zoning regulations in place specifically for affordable housing.
- **City of Boynton Beach**
 - The city would like the subcommittee to focus on innovative development alternatives, density bonuses, and reduced/flexible property development regulations.
 - The city identified that they are in need of affordable housing with their greatest municipal housing concern being the increase in housing costs, affordable housing supply and not enough resources.
 - Their current efforts to address their housing needs include developing different future land use and zoning regulations.
 - The city provides expedited permitting for attainable housing as well as provides subsidies.

- **Town of Briny Breezes** – responded that they are not interested in participating in the survey
- **City of Delray Beach**
 - The city would like the subcommittee to focus on attainable housing, innovative development alternatives and local partnerships.
 - The city identified that they are in need of affordable housing with their greatest municipal housing concern being affordable housing supply and housing costs.
 - Their current efforts to address their housing needs include working with community partners.
 - The city provides expedited permitting for attainable housing and has a trust fund.
- **Village of Golf**
 - The village would like the subcommittee to focus on existing housing stock, local partnerships and linkage fees.
 - The village identified that their greatest housing concern is housing costs but do not believe that they need affordable housing.
 - One of the village's significant zoning restrictions is that the residential zoning is one unit per acre.
- **Town of Gulf Stream** – did not provide response
- **Town of Highland Beach**
 - The town identified that they do not have a housing concern and do not need affordable housing.
 - There are currently no available properties suitable for attainable housing, they do not offer expedited permitting and there are no affordable housing zoning regulations in place.
- **Town of Hypoluxo**
 - The town would like the subcommittee to focus on local partnerships, density bonuses and publicly owned lands.
 - The town identified that their greatest housing concern is not enough resources.
 - The town does not have available properties, no expedited permitting and no subsidies available and they feel that they do not need affordable housing.
- **Town of Manalapan** – did not provide response
- **Town of Ocean Ridge** – did not provide response

Challenges Identified

Throughout this process, the South Regional Subcommittee identified various housing challenges, including: (1) zoning barriers which could be taken care of by proactively creating zoning designations for specific properties in advance; (2) high fees for applications; (3) time to process an application; (4) rental housing costs; cost burden should be 30% of income for housing; (5) lack of available land; and (6) barrier island municipalities have not contributed, and in some cases, do not feel the "need", to provide attainable housing. The City of Delray Beach staff added that vacation rentals have removed potential attainable housing from the housing inventory, leading to a decrease of lower cost housing.

Solutions Suggested

As part of the discussions, the Subcommittee discussed various possible solutions including the need to provide opportunities to build above commercial; allow for easier shopping center redevelopment; need to find opportunities for a mix of people; and provide short and long-term goals/solutions. After reviewing the data and survey provided by the municipalities, the South Regional Subcommittee recommended the following from the Housing Summit's Guiding Principles and Actions (Attachment 2).

Shared Investment & Responsibility

- **Steering Committee:** Establish linkage fees for non-residential projects and-or a dedicated local revenue source for attainable housing initiatives in local jurisdictions. Suggestions include an attainable housing impact fee, transfer fee, job creation fee, etc.
 - **Subcommittee:** Encourage local government reduction of impact fees wherever/however possible for attainable housing. Encourage a dedicated local revenue source. Develop committee to review impact fee solutions.
- **Steering Committee:** Develop local partnerships with banks, local government, non-profits, developers, employers, service providers, school districts, etc.
 - **Subcommittee:** Develop a Countywide housing strategy by encouraging, creating and developing a type of "continuum of care" program for attainable housing by utilizing the expertise and resources of non-profit, housing authorities, community land trust, etc. Encourage working collaboration with county and cities. Encourage local government reduction of impact fees wherever/however possible for attainable housing. Develop committee to review impact fee solutions.

Preservation of Existing Stock

- **Steering Committee:** Local governments work with state legislators, building code officials, insurance carriers, etc. to develop and implement strategies to bring existing housing stock to current building code, hurricane hardening and energy efficiency standards. There must be an

understanding of the costs associated with such improvements and providing local government subsidies, programs, mortgage assistance and fee structures that allow for the upgrades without pricing the unit out of attainable housing ranges.

- o **Subcommittee:** Develop a program for rehabilitation and preservation of existing stock.

Expanded Housing Diversity

- **Steering Committee:** Combine rental with ownership and workforce with market rate units to lower costs and create more stable communities. Ensure a mix of income, with 25-50% of units as workforce.
 - o **Subcommittee:** Don't just concentrate on home ownership but rather provide and encourage all types of housing: rentals and for sale. We want to emphasize the need for a broad spectrum of housing.

Enhanced Development Incentives

- **Steering Committee:** Amend local government comprehensive plans and land development codes to provide for attainable housing initiatives that: (a) Provide density bonuses to residential projects that provide a minimum of 10% of the total projects units within attainable housing price ranges; and, (b) Provide additional density bonuses to residential projects that provide more than 10% of the total projects units within attainable housing prices. The resulting attainable housing can be built either on-site or off-site; either in new construction or rehabilitation of existing market rate housing stock.
 - o **Subcommittee:** Encourage and write regulations for the following:
 - Allow for residential above commercial
 - Lower parking requirements
 - Reduce costs to developers' fees
 - Encourage density bonus for affordable and attainable housing
 - Provide owners of commercial centers alternative uses with ability for higher density
 - Look at irregular properties, whether they are buildable or non-buildable, or non-conforming lots; and provide for flexible zoning regulations

Reduced Regulatory Barriers

- **Steering Committee:** Amend local government land development codes to provide reduced/flexible property development regulations for both attainable and market rate units. Encourage the use of reduced minimum lot sizes, lower minimum floor area, reduced setbacks, higher lot coverage, smaller buffers, reduced minimum parking standards, reduced recreation requirements, among others.
 - o **Subcommittee:** Adjust land use restrictions to create more flexibility and solutions for realistic appropriate housing to attainable housing for the populations served (workforce and attainable).

Strategic Sustainable Developments

- **Steering Committee:** Local governments amend the Future Land Use maps, Future Land Use elements and other portions of local Comprehensive plans allowing all non-residential properties, inclusive of commercial, industrial, institutional, public owners, etc., to establish underlying residential development potential that creates additional attainable (workforce) housing units and long-term preservation of existing units. The allowed underlying residential density can utilize any density bonus programs established to promote attainable housing.

- o **Subcommittee:** Encourage development of mixed-use projects that include a full range of uses and incomes. Potential mixed-use projects could include commercial shopping centers, parks of commerce, light industrial or other areas suitable for residential.

Increased Financial Resources

- **Steering Committee:** Use public private partnerships, including private equity funds, for creative financing.
 - o **Subcommittee:** Encourage full funding of the Sadowski Housing Trust Fund and encourage city and regional financial solutions. Encourage the School Board to look at underutilized school-owned sites for teacher housing and could make land available to developer.

Projects

The South Regional Subcommittee reviewed the land inventory throughout the southern region of Palm Beach County and identified sites to explore with property owners for possible attainable housing projects or use of the development rights. Attachment 9 provides additional information and maps of each site. Subcommittee members conferred with various entities, and were not able to confirm availability. Regulatory authority rests with the local government for these proposed sites. Inclusion of these sites does not bind the owners. Any implementation of the recommendations must follow the respective local government's or agency's processes.

City of Delray Beach

1. **Property #1: Congress Avenue Palm Beach County Campus Site #A**
 - a. Location: 501 S. Congress Ave., Delray Beach, 12-43-46-19-00-000-1100
 - b. Acres: 4.59 acres
 - c. Description: currently used as the Tax Collector offices and owned by Palm Beach County.
 - d. Benefits: Current zoning – MROC – allows up to 80 feet in height with no variances needed. Adjacent to Tri-Rail Station. Near entrance ramps to I-95. On Palm Tran bus route. City Trolley to downtown Delray Beach and beach area. Shopping and restaurants nearby at Linton Blvd. and Atlantic Blvd.
 - e. Idea: Tax Collector is looking for a site further west. Offer land to developers on a long-term land lease. Utilize/develop this site into TOD attainable/affordable housing. Mixed use possible with convenience-type businesses on grade level (café, dry cleaners, mini-market, etc.)

2. **Property #2: Congress Avenue Campus Site #B**
 - a. Location: South Congress Avenue, 12-43-46-19-00-000-1022
 - b. Acres: 2.05 acres
 - c. Description: current use is as a surface parking lot for the Tri-Rail station.
 - d. Benefits: Current zoning is MROC and allows up to 80 feet in height with no variances needed. Adjacent to Tri-Rail Station. Near entrance ramps to I-95. On Palm Tran bus route. City Trolley to downtown Delray Beach and beach area. Shopping and restaurants nearby at Linton Blvd. and Atlantic Blvd.
 - e. Idea: Utilize the "air rights" over the parking lot for multi-family housing – for sale and/or for rent. Offer "air rights" to developers on a long-term (30+ year) lease or outright sale.

Utilize/develop this site into TOD attainable/affordable housing. Mixed use is possible with convenience-type businesses on partial grade level area (café, dry cleaners, mini-market for commuters)

3. Property #3: Downtown Delray Beach

- a. Location: 40 NE 4th Avenue et al., next to Atlantic Avenue
- b. Acres: 1-2 acres
- c. Description: owned by the City of Delray Beach
- d. Benefits: Adjacent to planned Tri-Rail Coastal Link. On bus route and proposed train station (TCRPC 2017 study). Near everything downtown. City Trolley to main Tri-Rail station and beach area.
- e. Idea: Current site of City parking lot. Utilize the "air rights" over the parking lot for TOD multi-family housing. Utilize/Develop this site into attainable/affordable housing. For sale and/or for rent housing in an urban setting.

4. Property #4: Atlantic Avenue Delray Beach

- a. Location: 700 Block of West Atlantic Avenue, North Side Corridor
- b. Acres: Entire Block from SW 8th Avenue to SW 9th Avenue
- c. Description: owned by City of Delray Beach CRA
- d. Benefits: Land already assembled by CRA for future development. Located across Atlantic Avenue from recently built hotel (work center), near Atlantic High School and downtown employment centers. On Palm Tran bus routes. City Trolley to East Atlantic, Congress Ave., Tri-Rail station and beach area.
- e. Idea: Utilize/develop this site into attainable/affordable housing. Assist CRA with expediting development of housing for this important area. Mixed development with multi-family along Atlantic Ave., then single-family homes abutting neighborhood (to the north of the multi-family as buffer to existing neighborhood). For sale and/or for rent housing in an urban setting.

5. Property #5: Old Plumosa School

- a. Location: 2501 Seacrest Blvd, Delray Beach
- b. Acres: 7+ acres
- c. Description: owned by School Board of Palm Beach County
- d. Benefits: School Board-owned property is not currently in use. It is adjacent to a school campus known as the Plumosa School of the Arts. The property is on a Palm Tran bus route and 1.5 miles from the Bethesda East Hospital.
- e. Idea: Utilize/develop this site into an attainable/affordable housing development with the target market possibly being teachers and medical support staff. Could be developed as single family homes to match the surrounding area.

City of Boynton Beach

1. Property #1: Boynton Beach CRA Properties South

- a. Location: west of US-1, southeast block of Seacrest Blvd. and Martin Luther King Jr Blvd.
- b. Acres: 2.97 acres, consisting of 17 parcels
- c. Description: 3 of the 17 parcels are currently vacant, 6 of the 17 parcels are owned by Boynton Beach CRA
- d. Benefits: Close to bus routes along Seacrest Blvd. and US-1. Within walking distance of public schools and commercial along US-1. Close to employment and businesses.

- e. Idea: Utilize/develop this site into attainable/affordable housing. Assist CRA with expediting development of housing for this important area.
- 2. Property #2: Boynton Beach CRA Properties North**
- a. Location: west of US-1, northeast block of Seacrest Blvd. and Martin Luther King Jr Blvd.
 - b. Acres: 2.63 acres, consisting of 11 parcels
 - c. Description: 10 of the 11 parcels are currently vacant, 6 of the 11 parcels are owned by Boynton Beach CRA; A portion of the area will need future land use amendment and rezoning.
 - d. Benefits: Close to bus routes along Seacrest Blvd. and US-1. Within walking distance of public schools and commercial along US-1. Close to employment and businesses.
 - e. Idea: Utilize/develop this site into attainable/affordable housing. Assist CRA with expediting development of housing for this important area.
- 3. Property #3: Cottage District Properties**
- a. Location: east side of Seacrest Blvd., 650 ft north of Boynton Beach Blvd.
 - b. Acres: 5.02 acres, consisting of 22 parcels
 - c. Description: 15 of the 22 parcels are currently vacant, 16 of the 22 parcels are owned by Boynton Beach CRA; A portion of the area will need future land use amendment and rezoning.
 - d. Benefits: Close to bus routes along Seacrest Blvd. and Boynton Beach Blvd. Within walking distance of institutional and commercial along US-1. Close to employment and businesses.
 - e. Idea: Utilize/develop this site into attainable/affordable housing. Assist CRA with expediting development of housing for this important area.

Conclusion

The South Regional Subcommittee acknowledges that developing a strategic plan for attainable housing in Palm Beach County is extremely challenging. County government, municipalities, non-profit organizations, financial institutions, community organizations and the private sector are all key partners who must be stakeholders in finding solutions. This effort requires broad participation, including policy makers to make difficult decisions, private sector to increase supply of housing through efforts of flexible regulations, and job creators and businesses to contribute to the solution for housing their employees. The burden should not solely rest on one stakeholder. Most of all, education and engagement of the community to provide them with information on how attainable housing benefits everyone in the community. Only through the collaboration of all parties will we establish a response to the growing need for housing.

**Workforce Housing Program - March 27, 2018 Workshop
Key Policy Issues for Board Direction**

Provisions	Current Code	Changes under Discussion	Considerations	Housing Steering Committee Recommendation	REQUIRED BOARD DIRECTION: Staff Recommendation
Optional Density Bonus *	Under 'Full Incentive' Option: • LR-1 to LR-3: limited to 30% bonus • MR-5 and higher: based on concentration of VL-L income households and other factors	Increase density bonuses to allow up to 100% density bonus, subject to compatibility	<ul style="list-style-type: none"> Potential benefit to developer, but requires early engagement of residents, staff Density bonus not valuable to low density builders 	Concur with staff recommendation	Allow up to 100% density bonus
Limited/No Incentive Options *	In addition to 'Full Incentive' Option, WHP offers: • Limited Incentive Option, reduces bonus and obligation in half • No Incentive Option, for projects with all WH units, all on site, no bonus density	Eliminate existing No Incentive option	<ul style="list-style-type: none"> These options were added to the program during recession 	Concur with staff recommendation	Eliminate No Incentive option
In-Lieu Fee *	\$81,500 (SF) \$50,000 (MF)	Increase in lieu fee to: \$120,000 (SF) \$100,000 (TH) \$75,000 (MF)	<ul style="list-style-type: none"> Unchanged since program inception in 2006 Engages only the residential building sector Higher in-lieu fees increase incentive to build units, or result in additional funds 	The Steering Committee is not taking a formal position on the staff suggested in lieu increase, for or against. More information and understanding is needed in order to take a position.	Increase to: \$120,000 (SF) \$100,000 (TH) \$75,000 (MF)
On-site WH Units *	<i>No requirement (except under 'No Incentive' Option)</i>	Reduce obligation by 10% if units are built on site	<ul style="list-style-type: none"> To assist with affordability, on-site WH units can be provided in a separate 'pod' with reduced amenities and HOA fees 	Concur with staff recommendation	Revise to incentivize onsite construction
Select WHP Option at Public Hearing	Developer can revise selected method to meet WH obligation until final DRO or 1st building permit	Require developer to declare method at public hearing, and return to BCC to change method		Concur with staff recommendation; however, include the option to post performance surety to encourage off-site construction v. in lieu payment at first building permit. Create expedited process to amend the declaration through BCC process	Require declaration at public hearing
Release of Obligation	After 180 day good faith effort to market WH units, developer can request release from obligation and pay significantly reduced in lieu fee, if market rate units in project/phase are 80% under contract	After 180 day good faith effort to market WH units and starting marketing at same time as market rate units, developer can request release from obligation and pay significantly reduced in lieu fee, if market rate units in project/phase are 80% sold (recorded deed). Requirement for marketing plan and updates by developer.	<ul style="list-style-type: none"> Current provision creates disincentive to market WHP units 	<ul style="list-style-type: none"> County create a list of agencies/not for profits/governmental entities that must be noticed for any WFH project before start of 180 day period Concur with staff recommendation to require a marketing plan and updates by the developer County/HLC include on their respective websites the information on the project, including, but not limited to, location, floor plans, pricing, sales office location, contact information, and procedures to qualify for WFH units 	Revise this provision
Like-for-Like WH Units *	<i>No requirement</i>	Require some or all WH units to be same type (SF,TH, or MF) and same ownership type (for-sale, rental) as parent project, (but not same size, finishes, or location- NA if not on site); or allow conversion factor (1 SF unit=1.5 MF unit) for some or all required units	<ul style="list-style-type: none"> Like for Like requirement would result in more single-family units Conversion factor would result in more total units for projects opting for conversion (keep this bullet only if conversion factor stays in) 	Do not concur with staff recommendation. Rather, do not require like for like requirement. Require, however, that any off-site rental WFH units are calculated at 1.5 times the required on-site for sale (SF, ZLL, TH, and Condominium) WFH units. Condominium units should be construed as for sale units and not multi-family units.	Establish this requirement
Bedrooms Proportional to Market Rate *	<i>No requirement</i>	Require same distribution of bedroom unit types as in project's market rate units	<ul style="list-style-type: none"> Without this requirement, resulting WH units may be mostly one-bedroom, unsuitable for families 	<ul style="list-style-type: none"> Any for sale (SF, ZLL, TH, and Condominium) WFH units have a minimum of 2 bedrooms with each bedroom being a minimum of 100 sf Require 25% of for sale (SF, ZLL, TH, and Condominium) WFH units be 3 bedrooms or more, with each bedroom being a minimum of 100 sf No restriction on rental WFH projects relative to number of bedrooms per unit or sf of each bedroom 	Establish this requirement

Provisions	Current Code	Changes under Discussion	Considerations	Housing Steering Committee Recommendation	REQUIRED BOARD DIRECTION: Staff Recommendation
Income Category Flexibility	<i>No requirement</i>	Case by case, allow buyer to purchase WHP unit for another income level, if qualifying ratios are met and unit is available	<ul style="list-style-type: none"> Due to family size or other factors, a WH purchaser may need a different unit type or size not available in their income category 	Concur with staff recommendation	Allow this flexibility
WH Obligation on Comprehensive Plan Amendments	<i>No requirement</i>	Establish a 25% requirement on the increased density	<ul style="list-style-type: none"> BCC has imposed similar condition of approval on most recent amendments Historically, amendments were not subject to WHP, but projects using the amended designation were 	Do not concur with staff recommendation. Rather, the ULDC/Zoning approval is the appropriate mechanism for a determination as to a projects required WFH obligation, as the Zoning approval (development order) takes into account any density bonuses/TDRs being requested	Establish 25% requirement on density increase
Exchange Program *	<i>Not addressed (not precluded under current code)</i>	Formalize an 'exchange option' allowing a developer to contract with another party to build required WH units, with either party providing surety in amount equal to full in lieu fee	<ul style="list-style-type: none"> No exchanges have been utilized to date Concept proposed by builders in 2016 WHP review, includes 2 fee levels; however, If surety is less than in-lieu fee, County would not be made whole 	<ul style="list-style-type: none"> Support the exchange program with performance surety for participating exchange projects set 20% lower than the code required in lieu payment to incentivize developers to participate in the exchange. Provide off-site exchange project three years to complete the required WFH units with staff discretion to extend for good cause (such as the WFH units being close to being completed). The exchange in lieu fee payment (if subsequently required to be paid) by the workforce builder is also set 20% lower than the code required in lieu payment. Decouple the market rate project from the WFH project once surety is posted for projects participating in the exchange 	Allow exchange with requirement for surety equal to full in lieu fee

* Deviations from staff's recommendation will have a direct impact on BAE analysis

Palm Beach County Housing Steering Committee

Recommendations for Consideration by the Board of County Commissioners:

1. **WFH Dedicated Funding Source:** Establish a perpetual dedicated funding source through the issuance of a General Obligation Bond for the specific purpose of funding Workforce Housing units. Establish a committee to make recommendations to the Board of County Commissioners on how to best use the proceeds of the General Obligation Bond. If a General Obligation Bond cannot be issued, establish a comparable perpetual dedicated funding source, the cost of which is spread among the entire community.
2. **Land Development Regulations/Flexibility of Zoning Codes:** Amend the ULDC to authorize a Workforce Housing Zoning Overlay (WFHZO) wherein workforce housing projects land development regulations are established specific to that projects development order. The WFHZO project development order is then approved by the Board of County Commissioners through a public hearing process. Projects exempt from public hearing approval under current ULDC rules may elect to either utilize the WFHZO approval process or comply with the existing ULDC requirements. The WFHZO development order will supersede the ULDC requirements for those provisions specifically authorized in the WFHZO development order. The overlay will result in flexibility not available in the current ULDC.
3. **Waiver of Fees:** Authorize the waiving or deferral of permit and/or impact fees for workforce housing units. Considerations could include deferral of impact fee payment until CO for each workforce housing unit and/or utilizing in lieu fees paid by other projects to fund permit and/or impact fees for workforce units being constructed. Increase funding of current Impact Fee Assistance program and expand to cover school impact fees.
4. **Non Residential Participation:** Amend the adopted land use potential on nonresidential properties to authorize higher residential densities for the provision of workforce housing units. Also, consider authorizing additional square footage to be built on non-residential projects in exchange for the payment of an in lieu fund contribution.
5. **Expediting Permitting and Approvals:** Expedite permitting and approvals for workforce housing projects. Specific to Palm Beach County, and recommended for all jurisdictions, establish a designated project team that will shepherd and expedite the project through the approval/permitting process.
6. **Loan Pools:** Establish loan pools from paid in lieu funds and/or other public and private resources to assist in first time homebuyer assistance, construction loans for workforce single family, townhome and/or multi-family housing projects and the rehabilitation of existing housing stock for workforce housing.
7. **Tax Incentive Home Buyer Assistance:** Require businesses that receive County Tax Incentive dollars to establish an Employer Home Assistance Purchase Program to help fund their employee's purchase of workforce housing and/or a program to assist employees in paying the rent for workforce housing.

8. Local Housing Trust Fund: Utilize Housing Trust Funds in municipalities to incentivize construction and down payment assistance for workforce housing units.
9. Community Block Grants: Focus Community Block Development Grant funds for infrastructure improvements in those areas that are conducive to workforce housing.
10. Rehabilitation of Existing Housing Stock: Encourage rehabilitation of the existing housing stock through reinvestment of dollars received from the incremental tax increases in specific areas that are rehabilitated through the provision of workforce housing units.
11. Government Owned Land: Encourage Palm Beach County, all municipalities and the School District to inventory and publish all their land holdings and establish a committee to make recommendations on properties which could be made available for use as workforce housing.
12. Spread the Word: Request that the Steering Committee representatives and County staff meet with each municipality to encourage their participation in implementing these recommendations on a local level.

Palm Beach County 2017 Housing Summit Steering Committee Members

Derrick Berry, CEO Buccaneer Mortgage

Cindee LaCourse-Blum, Executive Director, Community Land Trust of Palm Beach County

Suzanne Cabrera, President & CEO, Housing Leadership Council of Palm Beach County

Dr. Gonzalo La Cava, Chief of Human Resources, Palm Beach County School Board

Armando Fana, Director, Housing & Community Development, City of West Palm Beach

Patricia Fitzgerald, Realtor, Illustrated Properties

Dennis Grady, Executive Director, Chamber of Commerce of the Palm Beaches

Annetta Jenkins, Director of Neighborhood Services, Riviera Beach CRA

Faye W. Johnson, Assistant County Administrator, Palm Beach County

David Kanarek, Land Project Manager & HOA Manager, Southeast Florida, Pulte Homes

Matthew Leger, Vice President of Public Policy, Realtors Association of the Palm Beaches

Morris "Skip" Miller, Attorney, Greenspoon Marder, P.A.

Kevin Ratterree, Vice President, GL Homes

Rick Reikenis, President, Reikenis & Associates LLC

Jessica Shapiro, Attorney, Gunster

Michael Weiner, Attorney, Sachs, Sax and Caplan, P.L.

Jack Weir, President, Eastwind Development

Ex-Officio Member

Verdenia C. Baker, Palm Beach County Administrator

Palm Beach County 2107 Housing Summit
Attainable Housing
Guiding Principles & Actions

Goal

To increase housing that is affordable, attainable and appropriate to maintain a sustainable community.

Shared Investment & Responsibility

- Establish linkage fees for non-residential projects and-or a dedicated local revenue source for attainable housing initiatives in local jurisdictions. Suggestions include an attainable housing impact fee, transfer fee, job creation fee, etc.
- Consider a developer exchange programs wherein market rate developers link with attainable housing developers to provide off-site attainable housing in proximity to transportation, job corridors and other areas of opportunity.
- Develop local partnerships with banks, local government, non-profits, developers, employers, service providers, school districts, etc.
- Solicit government assistance for supplemental (area) improvements such as infrastructure and parks from local, state and federal funding.
- Local governments develop marketing plans to promote attainable housing initiatives and reduce the NIMBY (not in my backyard) effect on attainable housing projects.

Preservation of Existing Stock

- Review and implement strategies that provide timeframes for attainable housing unit affordability while understanding the principal that housing ownership equity is a wealth builder.
- Local governments work with state legislators, building code officials, insurance carriers, etc. to develop and implement strategies to bring existing housing stock to current building code, hurricane hardening and energy efficiency standards. There must be an understanding of the costs associated with such improvements and providing local government subsidies, programs, mortgage assistance and fee structures that allow for the upgrades without pricing the unit out of attainable housing ranges.
- Local governments develop a long-term plan to utilize attainable housing initiatives to promote redevelopment and/or rehabilitation of existing housing stock to bring back blighted neighborhoods, thereby preventing gentrification of downtown areas. Such plans should promote flexibility, provide for a sense of place in existing neighborhoods and under appropriate circumstances allow additional density.
- Use community land trusts to preserve the units being created, by permanently holding land under workforce units to reduce costs to initial and subsequent buyers.

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Attachment 4

**Palm Beach County 2107 Housing Summit
Attainable Housing
Guiding Principles & Actions**

Strategic Sustainable Developments

- Local governments amend the Future Land Use maps, Future Land Use elements and other portions of local Comprehensive plans allowing **all non-residential properties**, inclusive of commercial, industrial, institutional, public owners, etc., to establish underlying residential development potential that creates additional attainable (workforce) housing units and long-term preservation of existing units. The allowed underlying residential density can utilize any density bonus programs established to promote attainable housing.
- Amend local comprehensive plans and land development regulations to **promote Transit Oriented Developments** that contain attainable housing in transportation and job corridors in support of attainable housing goals.
- Local governments should face the issue of whether marginally slower traffic movements are more important than the goal of attainable housing. For those local government who realize and acknowledge the crisis, formal amendment should be made to the local Comprehensive Plans giving clear instructions to **favor attainable housing**.
- Local governments should inventory and determine **publicly owned lands** that could be made available for attainable housing projects and establish an RFP (request for proposal) process by which these lands could be made available for attainable housing projects.

Increased Financial Resources

- Municipalities and business community should work diligently with neighboring municipalities and business groups to stop the State from sweeping the Sadowski Affordable Housing Trust Fund.
- Use public private partnerships, including private equity funds, for creative financing.
- Allow Tax Increment Financing (TIF) to fund workforce-affordable housing.
- Provide appropriate loans (subordinated debt) to developers.
- Use a rental floor commensurate with Area Median Income to facilitate financing of rental developments.

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**Palm Beach County 2017 Housing Summit Steering Committee
Regional Subcommittees Appointees
February 13, 2018**

	South County	Central County	Western County	North County
Economic Council	Art Menor	Ken Tuma		Bill Perry
Chamber of Commerce		Ryan Bridger	Regina Bohlen	Michael O'Rourke, Chair
League of Cities	David Scott	Joel Florez		Dawn Pardo
Gold Coast Builders		Andrew Maxey	Skeet Jernigan	Michael Caputo
Not for Profit	Evelyn Dobson, Chair	Terri Murray, Chair	Bernie Godek	Lynda Charles
Palm Beach County	Patricia Behn	Dorina Jenkins-Gaskins	Jonathan Brown, Chair	Rebecca J. DeLaRosa
Leadership Palm Beach County	Melanie Otero	Leon Fooksman	Tony Duboy	Rick Sartory
League of Women Voters	Ezra Krieg	Sammy Alzofon	Clare Miller	Andrea Brice
Steering Committee	Keith Ahronheim	Marylou Bedford	Kevin Shapiro	David Brandt
	Dorothy Ellington	Leo Noble	Paulette Edwards	Ron Roan
	Christina Morrison	Laurel Robinson	Jason Larson	Len Tylka
Steering Committee - Subcommittee Liaisons	Kevin Ratterree	David Kanarek	Derrick Berry	Annetta Jenkins
	Michael Weiner	Rick Reikenis	Cindee LaCourse-Blum	Morris "Skip" Miller