2 3 4 5 6 7 8 9	AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA; AMENDING THE UNIFIED LAND DEVELOPMENT CODE, ORDINANCE 2003-067, AS AMENDED, AS FOLLOWS: REVISION FOR WORKFORCE HOUSING PROGRAM COMPLIANCE MONITORING AND UPDATES, AND TRANSFER OF DEVELOPMENT RIGHTS APPROVAL MODIFICATION, AMENDING; ARTICLE 5 – SUPPLEMENTARY STANDARDS; PROVIDING FOR: INTERPRETATION OF CAPTIONS; REPEAL OF LAWS IN CONFLICT; SEVERABILITY; A SAVINGS CLAUSE; INCLUSION IN THE UNIFIED
11 12	LAND DEVELOPMENT CODE; AND, AN EFFECTIVE DATE.
13 14	WHEREAS, Section 163.3202, Florida Statutes, mandates the County compile Land
15	Development Regulations consistent with its Comprehensive Plan into a single Land
16	Development Code; and
17	WHEREAS, pursuant to this statute the Palm Beach County Board of County
18	Commissioners (BCC) adopted the Unified Land Development Code (ULDC), Ordinance
19	2003-067, as amended from time to time; and
20	WHEREAS, the BCC has determined that the proposed amendment furthers a
21	legitimate public purpose; and
22	WHEREAS, the Land Development Regulation Commission has found this
23	amendment to the ULDC to be consistent with the Palm Beach County Comprehensive Plan;
24	and
25	WHEREAS, the BCC hereby elects to conduct its public hearings on this Ordinance
26	at 9:30 a.m.; and
27	WHEREAS, the BCC has conducted public hearings to consider this amendment to
28	the ULDC in a manner consistent with the requirements set forth in Section 125.66, Florida
29	Statutes.
30	NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS
31	OF PALM BEACH COUNTY, FLORIDA, as follows:
32	Section 1. Adoption
33	The revisions set forth in Exhibit 1, Workforce Housing Program Compliance
34	Monitoring and Updates and Exhibit 2, Transfer of Development Rights Approval Modification,
35	attached hereto and made a part hereof, are hereby adopted.
36	Section 2. Interpretation of Captions
37	All headings of articles, sections, paragraphs, and sub-paragraphs used in this
38	Ordinance are intended for the convenience of usage only and have no effect on
39	interpretation.

ORDINANCE NO. 2023 - 036

Section 3. Repeal of Laws in Conflict

All local laws and ordinances in conflict with any provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 4. Severability

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

Section 5. Savings Clause

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

Section 6. Inclusion in the Unified Land Development Code

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

Section 7. Providing for an Effective Date

The provisions of this Ordinance shall become effective upon filing with the Department of State.

APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach

County, on the __26th day of __0ctober______, 2023.

Gregg K.

ATTEST:
JOSEPH ABRUZZO, CLERKY COMPTROLLER

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

Mayor

& COMPTROLLER BY ITS

100 D 100 D 1

Clerk FLORIDA

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

31 By Scott A. Stone, Assistant County Attorney

Filed with the Department of State on the <u>26th</u> day of <u>October</u>, 2023.

EXHIBIT 1

WORKFORCE HOUSING PROGRAM COMPLIANCE MONITORING AND UPDATES

This exhibit revises the following Article(s):

ARTICLE 5 – SUPPLEMENTARY STANDARDS

Revision Key: Proposed revisions are shown with new text as underlined, deleted text in strikeout, and relocated text italicized. *Stricken and italicized* means text to be totally or partially relocated. Relocation notes are shown in brackets as **[Relocated to:]** or **[Relocated from:]**. Unaltered text omitted for brevity is indicated by a series of four bolded ellipses....

Part 1. ULDC Art. 5.G.1, Supplementary Standards, Density Bonus Programs, Workforce Housing Program (WHP), is hereby amended as follows:

CHAPTER G DENSITY BONUS PROGRAMS

Section 1 Workforce Housing Program (WHP)

A. General

1. Purpose and Intent

The WHP is intended to increase the supply of housing opportunities for persons employed in PBC in jobs that residents rely upon to make the community viable. The WHP implements Policies 1.1-o and 1.5-g of the Housing Element of the Comprehensive Plan, among others, by establishing an inclusionary WHP to provide Low, Moderate 1, Moderate 2, and Middle-Income housing. The program mandates the provision of workforce housing for all new developments in the Urban/Suburban Tier with a residential component of ten or more dwelling units; encourages the development of additional workforce housing through a density bonus and other incentives; encourages the equitable geographic distribution of workforce housing units; and, ensures a minimum affordability period. The WHP is implemented by the Planning Division of the Planning, Zoning and Building Department, and the Department of Housing and Economic Development (HED) Sustainability. [Ord. 2019-033]

2. Applicability

. . . .

c. Prior Approvals

For existing projects proposing ten or more additional dwelling units, the program shall apply to those units being added. For projects approved under versions of the Section in effect prior to October 26, 2023 and having rental WHP units subject to the requirement for either an annual report or Utility Allowance, or both, the Property Owner may request an amendment to the Master Restrictive Covenant in order to forgo either the annual report or Utility Allowance requirement, or both. [Ord. 2019-033]

. . . .

f. Developments with Both WHP and AHP

If a development includes both WHP and AHP units or units restricted to occupancy by households with Annual Household Incomes below 60 percent of Median Family Income, the Planning Director or designee shall make a determination as to the applicability of the WHP to the development which program shall be followed, considering the affordable housing programmatic requirements of the governmental or other agency providing affordable housing funding. [Ord. 2019-033]

3. Program Standards

a. Definitions

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5) Annual Household Income

For WHP rental units, documentable gross income before taxes received annually by income earners residing in the WHP tenant's household only. At least one income earner must be employed in Palm Beach County. Annual Household Income is used to determine the income category, and subcategory if applicable. Annual Household Income does not include investment, retirement, or checking/savings account balances, but may include distributions to the WHP tenant from retirement accounts, and periodic determinable allowances such as alimony and child support. Irregular income such as overtime and bonus payments may be considered income at the discretion of the WHP rental unit owner or designee.

6) Maximum WHP Rent

The maximum price published and updated annually by the Planning Director, or designee, for each income category, and subcategory if applicable, by the number of bedrooms, based on the monthly rent limits published annually for the Florida Housing Finance Corporation Multifamily Rental Programs.

7) WHP Rent

The amount that is charged to the WHP tenant that includes all Mandatory Fees, and reflects the Utility Allowance if applicable.

8) Mandatory Fees

Fees required to be paid by all tenants in a rental development that includes WHP rental units. These fees include but are not limited to charges assigned by virtue of ratio utility billing or similar unmetered allocation arrangements. For projects subject to a Utility Allowance pursuant to a Master Restrictive Covenant, Mandatory Fees shall not include charges assigned by virtue of ratio utility billing or similar unmetered allocation arrangements for water, sewer, gas, or electric service provided directly to the unit and not to common areas.

9) Voluntary Fees

Fees for optional services or features offered to and selected by the WHP tenant, and not mandatory for all units in the development.

10) Utility Allowance

A monthly rent reduction to help offset WHP tenant-paid costs of water, sewer, gas, and/or electric service provided directly to the unit and not to common areas, that are billed to the WHP tenant by the WHP rental unit owner or designee, the utility, or a third party. If the cost of one or more of these utilities is borne by the WHP rental unit owner and not billed to the WHP tenant by the WHP rental unit owner or designee, the utility, or a third party, the Utility Allowance is applied against such cost and any difference is credited or charged to the WHP tenant.

c. Pricing

The Planning Director or designee shall annually set and publish WHP sale *prices* and rent <u>ranges</u> *prices* for all income categories and <u>subcategories</u>. **[Ord. 2019-033]**

- 1) For-sale WHP for-sale units shall target the Low, Moderate 1, and Moderate 2 categories. The sale prices shall be derived as follows: Median Family Income for Palm Beach County (West Palm Beach/Boca Raton Metropolitan Statistical Area) published annually by the U.S. Department of Housing and Urban Development, multiplied by three, and adjusted to the midpoint of each of the income categories: Low (70 percent), Moderate 1 (90 percent), and Moderate 2 (110 percent). [Ord. 2019-033]
- 2) Rental WHP rental units shall target all four WHP income categories, unless otherwise specified by the project's development approval. Rent ranges shall be based on the monthly rent ranges published annually by the Planning Director or designee, Palm Beach County based on the Florida Housing Finance Corporation Multif-Family Rental Programs Rent Limits, by number of bedrooms, for the following income ranges: > 60 to 70 percent; > 70 to 80 percent; > 80 to 90 percent; > 90 to 100 percent; > 100 to 110 percent; > 110 to 120 percent; > 120 to 130 percent; and, > 130 to 140 percent of MFI. [Ord. 2019-033]
- 3) For the purposes of annual price updates, the WHP prices initially established for the for-sale unit's income category at the time of approval of the Subject Development shall be the sales floor throughout the affordability period. No WHP for-sale unit is required to be sold at a price below the sales floor, though a seller may opt to do so. The WHP rent range price initially established for the rental unit's income category at the time of approval of the Subject Development shall be the rental floor throughout the affordability period. No WHP rental unit is required to be rented at a price below the rental floor, though an rental unit owner may opt to do so. [Ord. 2019-033]

d. Assignment of the Required WHP Units

WHP required units are intended to be distributed equally among all required income categories pursuant to Art. 5.G.1.B, Program Options or Conditions of Approval. When assigning units to income categories, units shall be assigned first to the highest income category, proceeding downward to low income. This does not prohibit a <u>Deeveloper or rental unit owner</u> from providing higher numbers of lower-income units. [Ord. 2019-033]

e. Calculations

Calculations of the WHP density bonus and WHP obligation shall be performed using two decimal places, and standard rounding applied for density and WHP density bonus calculations; standard rounding is applied at the end for the WHP

obligation calculation. [Ord. 2019-033]

f. Unencumbered Units

WHP units shall not be subject to restrictions beyond WHP income qualifications. Unless otherwise indicated, units used to meet a WHP obligation shall not be units, which are income restricted as a result of funding or other requirements of any other program, unless: WHP units shall not be subject to restrictions beyond WHP income qualifications. [Ord. 2019-033]

- 1) The workforce housing units result from the Off-Site Construction/Exchange Builder Option of the Workforce Housing Program, and the Board of County Commissioners approves the income restriction to be applied due to another program; or
- 2) The restrictions result from funding sources used to provide purchase assistance to qualified buyers of a for-sale workforce housing unit with terms that are consistent with or equal to County terms.

g. Affordability Periods

1) For-Sale Units

All *for-sale* WHP *for-sale* units shall be income restricted for a period of 15 years (recurring), from the date of <u>sale</u> the Certificate of Occupancy (CO) for <u>each unit</u>. In the event a unit is resold before the 15-year period concludes, a new 15-year period shall take effect on the date of resale. [Ord. 2019-033]

2) Rental Units

All *rental* WHP *rental* units shall be income restricted for a period of 30 years (non-recurring), from the date of occupancy of the first WHP unit. **[Ord. 2019-033]**

h. Design Standards

1) Compatible Design and Unit Features for All WHP Units

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2) Requirements for WHP For-Sale Units

a e)At minimum, all for-sale WHP for-sale units shall include a refrigerator, range, built-in microwave, dishwasher, washer, and dryer. [Ord. 2019-033]

2) Number of Bedrooms

a) For-Sale WHP Units

<u>b</u> (1)All for-sale WHP for-sale units shall have a minimum of two bedrooms, and 25 percent of the for-sale WHP for-sale units shall have a minimum of three bedrooms. All WHP for-sale units shall have a minimum bedroom size of 100 square feet. [Ord. 2019-033]

(2) All for-sale WHP units shall have a minimum bedroom size of 100 square feet. [Ord. 2019-033]

3 b) Rental Requirements for WHP Rental Units

(1) No minimum number or size of bedrooms applies to *rental* WHP *rental* units. **[Ord. 2019-033]**

B. Program Options

The WHP offers the choice of either a "limited" or a "full" program option, which determines the amount of required workforce housing and the availability of other incentives. <u>These options are not available to Subject Developments that are subject to FLUA amendment Conditions of Approval establishing a specific percentage of required workforce housing.</u> [Ord. 2019-033]

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2. Full Incentive Option

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c. Amount of WHP Required

For *for-sale* WHP *for-sale* units, the required percentage of WHP units shall be four and three-eighths percent of standard density; 14 percent of maximum density; and, 29.75 percent of any WHP density bonus used. For *rental* WHP *rental* units or in-lieu fee purposes, the required percentage of WHP units shall be five percent of standard density; 16 percent of maximum density; and, 34 percent of any WHP density bonus used. The WHP obligation may be further modified by the disposition option selected, per Art. 5.G.1.C.4, Methods Available. The number of WHP units required shall be identified by the Planning Director or designee in a WHP Letter of Determination, pursuant to the Density Bonus process in Art. 5.G.1.B.2.e, Density Bonus Determination for Full Incentive Developments below. **[Ord. 2019-033]**

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C. Disposition of WHP Obligation

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2. Change of Declared Method

A change to the selected method cannot be requested after Building Permits have been issued for more than 25 percent of the units in the <u>S</u>subject <u>D</u>development. A change to the declared method shall be subject to the same approval process through

which the <u>S</u>subject <u>D</u>development received approval. For developments subject to public hearing, approval of a change in declared method shall be at the discretion of the Board of County Commissioners. The <u>D</u>developer may request Expedited Application Consideration for a Development Order Amendment pursuant to Art. 2, Application Processes and Procedures. Any necessary amendments to the recorded Master <u>Restrictive</u> Covenant for the <u>S</u>subject <u>D</u>development as a result of the change of declared method shall be recorded by the <u>D</u>developer no later than 60 days following the approval of the change. [Ord. 2019-033]

3. Recalculation

A change to a <u>S</u>subject <u>D</u>development's unit total, unit type, <u>unit tenure</u>, or declared method or WHP unit location shall require a recalculation of the workforce housing obligation, and shall include reassessment of the density bonus pursuant to the process outlined in Art. 5.G.1.B.2.e, Density Bonus Determination for Full Incentive Developments. Any recalculation that reduces the number of units approved on the <u>S</u>subject <u>D</u>development's Final Site Plan may require that the Final Site Plan be amended to reflect the reduced unit count, or the purchase of Transfer of Development Rights in the amount of the reduction. **[Ord. 2019-033]**

4. Methods Available

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b. WHP Off-Site Options

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1) Off-Site Option 1 - Off-Site Construction/Same Developer

Prior to issuance of the first residential Building Permit or Final DRO approval for the Scubject Ddevelopment, whichever comes first, all contracts or related agreements for any off-site option evidencing site control and necessary approvals shall be approved by the County Administrator, or designee. Certificates of Occupancy shall be issued for a minimum of 50 percent of the required WHP units to be constructed off-site prior to the issuance of no more than 50 percent of the Building Permits in the Scubject Ddevelopment. All off-site WHP units must receive Certificates of Occupancy prior to issuance of no more than 85 percent of the Building Permits in the Scubject Ddevelopment. The Site Plan, the Master Restrictive Covenant, or other appropriate document shall be amended to reflect the number of WHP units, including the number in each applicable WHP income category, to be located on the receiving site(s). The Planning Director or designee shall determine the appropriate document and the timeframe for the modification, which shall be no later than the 85 percent threshold identified in this paragraph. [Ord. 2019-033]

2) Off-Site Option 2 – Off-Site Construction/Exchange Builder

The Off-Site Construction/Exchange Builder Option shall be evaluated and a report provided to the Board of County Commissioners no later than three years from the effective date of this Ordinance. Provision of required WHP units may be arranged by the <u>D</u>developer of the <u>S</u>subject <u>D</u>development through an Exchange Builder who will provide them off site, subject to the following: [Ord. 2019-033]

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- b) A subject development which received a Development Order prior to the effective date of Ordinance No. 2019-033 may select the Exchange Builder Option as the subject development's disposition option, provided that: [Ord. 2020-021]
 - (1) No residential Building Permits have been issued for the subject development; [Ord. 2020-021]
 - (2) The Development Order for the subject development shall be revised through the Zoning Agency Review process to reflect the change in disposition, and shall include any necessary notes, condition changes, and amendments to previously approved plans; [Ord. 2020-021]
 - (3) The exchange price shall be 80 percent of the applicable in lieu fee in effect at the time of the Development Order for subject development; and, [Ord. 2020-021]
 - (4) All other provisions of Art. 5.G.1.C.4.b, WHP Off-Site Options and Art. 5.G.1.C.4.b.2), Off-Site Option 2 Off-Site Construction/Exchange Builder shall apply. [Ord. 2020-021]
- <u>b</u> e)All <u>E</u>exchange <u>P</u>projects that propose to utilize other programs in addition to WHP exchange payments that will result in income restrictions on WHP units will require the approval of the Board of County Commissioners. This approval is required prior to the earlier of Final DRO or first Building Permit. [Ord. 2019-033]
- c d)Prior to issuance of the first residential Building Permit for the Ssubject Development, the Development of the Ssubject Development shall record a Notice of Disposition for the Subject Development indicating that the

Exchange Builder Option has been selected to meet some or all of the WHP obligation, and shall select one of the following two options: [Ord. 2019-033]

(1) Demonstrate engagement of an Exchange Builder, who shall provide: **[Ord. 2019-033]**

....

(d) A recorded <u>Master</u> Restrictive Covenant, or <u>deed restriction if a Master Restrictive Covenant is not practical</u>, for the <u>E</u>exchange <u>P</u>projects site; and, [Ord. 2019-033]

- d e)Prior to the end of the 36th month of the guarantee, all WHP units shall be issued COs or a renewed guarantee shall be delivered by the Exchange Builder to Palm Beach County. The terms of the renewed guarantee shall be at the discretion of Palm Beach County, but in no case shall exceed an additional three months beyond the term of the original guarantee. The amount of the renewed guarantee shall be prorated to reflect any WHP units already issued Certificates of Occupancy. The Exchange Builder may request additional time beyond the three-month extension; approval of such a request will be at the discretion of the Board of County Commissioners and will require a renewed guarantee for the extension approved by the Board. If neither the required WHP units nor an acceptable renewed guarantee is delivered, Palm Beach County shall collect the guarantee. [Ord. 2019-033]
- f) During the three-year evaluation period for the Off-Site Construction/Exchange Builder Option, County Administration shall provide the Board of County Commissioners with status reports annually or more frequently as needed, identifying the progress made by the Exchange Builders engaged under this option. [Ord. 2019-033]
- e g)The Site Plan, the Master Restrictive Covenant, or other appropriate document shall be amended to reflect the number of WHP units, including the number in each applicable WHP income category, to be located on the Eexchange Pprojects(s). The Planning Director or designee shall determine the appropriate document and the timeframe for the modification, which shall be no later than the 85 percent threshold identified in Art. 5.G.1.C.4.b.2)cd) above. [Ord. 2019-033]

3) Off-Site Option 3 - Purchase of Market Rate Units

Purchase of existing market rate units to be deeded to the County, sold to eligible households and deed restricted, or retained by the Deeveloper subject to recordation of a deed restriction that meets the intent of this provision and subject to the conversion factor pursuant to Art. 5.G.1.C.4.b, WHP Off-Site Options if applicable. Prior to issuance of the first residential Building Permit or Final DRO approval for the Ssubject Deevelopment, whichever comes first, all contracts or related agreements for any off-site option evidencing site control and necessary approvals shall be approved by the County Administrator, or designee. A minimum of 50 percent of the units must be purchased and deeded to the County or deed restricted prior to the issuance of no more than 50 percent of the residential Building Permits in the Ssubject Deevelopment. All market rate units shall be purchased and deeded to the County or deed restricted prior to issuance of no more than 85 percent of the COs in the Ssubject Deevelopment. The market rate units shall be approved by the Department of Housing and Economic Development Sustainability, and must meet housing quality standards and criteria established by PBC. The Site Plan, the Master Restrictive Covenant, or other appropriate document shall be amended to reflect the number of WHP units, including the number in each applicable WHP income category, to be located on the receiving site(s). The Planning Director or designee shall determine the appropriate document and the timeframe for the modification, which shall be no later than the 85 percent threshold identified in this paragraph. [Ord. 2019-033]

c. Donation of Buildable Land Option

Donation of developable land acceptable to the County in an amount equal to the buyout costs of the affected units. Donated land must be approved by the Property and Real Estate Management Division prior to submittal of the Subject Development's application in the Zoning process. The donated land must be and deeded to the County prior to issuance of 50 percent of the residential Building Permits in the Subject Development. [Ord. 2019-033]

d. In-Lieu Fee Option

In-lieu fees shall be <u>published by the Palm Beach County Planning</u>, <u>Zoning and Building Department</u>: <u>120,000 dollars</u> for Single Family units, <u>100,000 dollars</u> for Townhouse units, <u>and 75,000 dollars</u> for Multifamily units, as defined by Art.

4, Use Regulations of the ULDC. Beginning on September 29, 2021 the in-lieu fee amounts shall be adjusted annually in accordance with the annual All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, not seasonally adjusted, as published by the U.S. Bureau of Labor Statistics. [Ord. 2019-033]

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3) Fees shall be paid prior to the issuance of 50 percent of residential unit Building Permits for the Subject Development. Fees shall be made payable to the Palm Beach County Board of County Commissioners and submitted to the Department of Housing and Economic Development Sustainability. The payment shall be deposited in the WHP Trust Fund maintained by the PBC Department of Housing and Economic Development Sustainability. [Ord. 2019-033]

5. Banking of WHP Units

A Developer may opt to bank or restrict WHP units for the purpose of applying those units toward the obligation of a future development subject to the WHP. The Developer shall record, in a form provided by the County, a Master Restrictive Covenant or deed restriction for the banked unit site which shall include the applicable restriction for WHP for-sale or WHP rental units, pursuant to Art. 5.G.1.D, Delivery of WHP Units below. The affordability period for the banked units shall begin upon the effective date established by the Master Restrictive Covenant or deed restriction recorded for the banked unit site. The Developer may claim a banked unit for a future Subject Development through the Master Restrictive Covenant or deed restriction for the Subject Development, provided that the income category of the banked units is consistent with or lower than the income category of the WHP units required for the Subject Development.

5. Developments with Outstanding Obligations

Developments approved prior to September 29, 2019, which by that date have recorded a Master Covenant indicating that the WHP obligation will be met on site, received Certificates of Occupancy for at least 85 percent of approved units, and have an approved Master Plan reflecting the required WHP units on site, may request approval of the Board of County Commissioners to pay the in-lieu fee for a portion of the obligation. This option is available only for units that have not been previously offered for rent or sale as WHP units. The in-lieu amount shall be based on the applicable in-lieu fee in effect at the time of the issuance of the first residential Building Permit for the subject development, and shall include interest, calculated from the date of the first residential Building Permit, using the rate in effect at the time of election, as set by the Florida Chief Financial Officer pursuant to F.S. § 55.03(1) (2018). Upon approval by the Board and payment of the required amount, the County shall schedule BCC consideration of amendments to the Master Covenant to reflect the revised disposition of workforce obligation for the subject development. This provision shall sunset 90 days following the effective date. [Ord. 2019-033]

D. Delivery of WHP Units

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1. For-Sale Units

a. Master Restrictive Covenant

- 1) Except for Subject Developments using Off-Site Construction/Exchange Builder Option for the Subject Development's entire WHP obligation, pPrior to first Building Permit on the Ssubject Deevelopment, the Deeveloper of the Subject Development shall record in the Public Records of Palm Beach County a Master Restrictive Covenant binding the entire Subject Development property, in a form provided by the County, which identifies the WHP unit requirement for the subject development and addresses the requirements of this Subsection. Subject Developments that use the Exchange Builder Option to meet some or all of the WHP obligation may record a Notice of Disposition instead of a Master Restrictive Covenant for that portion of the obligation met through the Exchange Builder Option Developments for which the in-lieu fee has subsequently been paid to Palm Beach County as a result of the guarantee provided in the Exchange Builder Option, pursuant to Art. 5.G.1.C.4.b.2), Off-Site Option 2 - Off-Site Construction/Exchange Builder, and no units subject to WHP were provided prior to the County receiving payment pursuant to the guarantee, many request that the Master Covenant be released. [Ord. 2019-033]
- 2) The Restrictive Master Restrictive Covenant shall include but not be limited to restrictions requiring: that all identified WHP units shall be sold or resold only to a purchaser certified by the Department of Housing and Economic Development Sustainability, at or below the price established annually by Palm Beach County for the income category of the WHP for-sale unit, subject to the affordability requirements and provisions of this Article; that the County shall

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have the exclusive option to purchase WHP units that are unsold at day 150 of the required marketing period; that rental of units is permitted only under specific circumstances, for limited periods of time, and with prior approval by the Director of the Department of Housing and Economic Development Sustainability; that these restrictions remain in effect for 15 years recurring from the date of sale the CO for each unit; and, that in the event a unit is resold before the 15-year period concludes, a new 15-year period shall take effect on the date of resale; and, that the 15-year period shall be extended by the amount of time a Code Enforcement magistrate or a judge finds the Developer or unit owner out of compliance with the WHP. The Master Restrictive Covenant shall further provide monitoring and compliance requirements including but not limited to those set forth below to ensure compliance with the WHP, and provide that every deed for sale of a WHP housing unit shall include: a statement that the units are subject to covenants, conditions, and restrictions including the Master Restrictive Covenant; the date and the Book and Page of the Official Record of recordation of the Master Restrictive Covenant; and, incorporate by reference the Master Covenant and shall specify the income category associated with the unit. [Ord. 2019-033]

b. Process for Initial Sale of WHP Units

1) Pricing/Affordability

- c) The price of a for-sale WHP-for-sale unit shall not be raised once a unit is under contract to a purchaser. Purchase price of the WHP unit, including all charges imposed by the seller, cannot exceed the maximum WHP price for the income category. Options selected by the purchaser, including but not limited to upgraded finishes or premium lots, shall not be reflected in the sales price of WHP units, but may be paid by the purchaser at the time of contract execution, or included as a line item on the closing/settlement statement. Earnest money deposit required of purchasers shall not exceed two percent of the sales price. [Ord. 2019-033]
- d) Affordability restrictions remain in effect for 15 years recurring from the date of sale of the CO for each unit; in the event a unit is resold before the 15year period concludes, a new 15-year period shall take effect on the date of resale. [Ord. 2019-033]
- e) Rental of WHP for-sale units is permitted only under specific circumstances, for limited periods of time, to income-qualified renters, at or below the Maximum WHP Rents prices established annually by Palm Beach County for the unit's designated income categories, and with prior approval by the Director of the Department of Housing and Economic Development Sustainability based on criteria established by the Department. [Ord. 2019-033]

2) Qualification and Certification for For-Sale Purchasers

WHP units shall be sold only to a purchaser certified by the Department of Housing and Economic <u>Development</u> <u>Sustainability</u>. HE<u>DS</u> shall qualify prospective purchases and issue a certification letter confirming eligibility to purchase the WHP unit. Palm Beach County retains the right to qualify purchasers for units in categories above or below their income category. When available, down payment assistance may be offered for all workforce housing purchasers; Palm Beach County shall not be obligated to provide down payment assistance to any purchaser. The amount of financial assistance, if any, that is available for purchase of the WHP unit shall be identified in the certification letter. The HEDS certification process shall be implemented according to procedures established and published by the Department. [Ord. 2019-033]

3) Closing

- b) Every warranty deed documenting a sale of a WHP unit shall include a statement that a unit is subject to covenants, conditions, and restrictions including the Master Restrictive Covenant, and shall include the date of recordation of the Master Restrictive Covenant, and the Book and Page of the Official Record. [Ord. 2019-033]
- 5) Marketing of WHP For-Sale Units

- b) WHP Units Delivered through the On-Site Construction or Off-**Site/Same Developer Options**
 - (3) Prior to commencement of sales, the **Deleveloper** shall obtain from the Director of HEDS or designee a list of interested parties, WHP

brochures, and informational packets which provide the qualification standards, terms of the *Restrictive* Master *Restrictive* Covenant, where to go to get qualified, and other relevant information regarding the WHP units. **[Ord. 2019-033]**

- (4) The <u>Deeveloper</u> shall provide notice of commencement of sales to the Planning Director or designee, the Director of HEDS, and the list of interested parties. The notice shall include the address where the WHP units are located, the address of the sales office, the hours of the sales office, the floor plan and construction specifications for the WHP units, and the pricing of the WHP units. The <u>Deeveloper</u> shall provide to the Planning Director or designee proof of notice to the interested parties list, in the form of a copy of the email or letter sent, and a copy of the distribution list. [Ord. 2019-033]
- (5) Within ten days of receipt, the County shall provide written acknowledgement of the notice of commencement of sales. [Ord. 2019-033]
- (6) The <u>Ddeveloper</u> shall maintain in the sales office and in the sales office of the subject development if the WHP units are located off site, hard physical copies of the informational packets obtained from HE<u>DS</u>, available to any and all potential buyers. The <u>Ddeveloper</u> shall also maintain hard physical copies of the County's WHP brochure and prominent displays indicating that certain units are available for purchase for qualified households subject to the WHP provisions, and shall identify the location and availability timeframe for the WHP units. [Ord. 2019-033]
- (7) The <u>Dd</u>eveloper shall attend all housing workshops, fairs, orientations, and other WHP events requested by HE<u>D</u>S during the marketing period, and shall present information about the WHP units and purchase options. [Ord. 2019-033]

6) Release of Obligation

It is the County's intent that each subject development fulfill its obligation pursuant to this Chapter. Release of obligation is available only for subject developments delivering WHP required units as for-sale units through the WHP On-Site Construction or the Off-Site Construction by Same Developer disposition options. It is not the intent of the WHP provisions to require a Developer to commence construction on any WHP for-sale unit for which a valid and binding contract for purchase between Developer and purchaser has not been executed. In the event WHP units have been marketed according to the requirements of this Article, then the WHP units are eligible to be released from the WHP obligations indicated in the Master Restrictive Covenant pursuant to the process below. [Ord. 2019-033]

c) Upon payment of the required In-Lieu cash payment, the WHP unit shall thereafter be released from any and all obligations of the WHP requirements of this Code the ULDC and the County shall provide written confirmation that the unit has been released, inclusive of release from the Master Restrictive Covenant. [Ord. 2019-033]

c. Process for Subsequent Sales

1) Pricing/Affordability

 Affordability restrictions remain in effect for 15 years recurring from the date of <u>sale</u> the CO for each unit; in the event a unit is resold before the 15-year period concludes, a new 15-year period shall take effect on the date of resale. [Ord. 2019-033]

2) HEDS Review

a) Qualification and Certification of For-Sale Purchasers

WHP units shall be sold only to a purchaser certified by the Department of Housing and Economic <u>Development Sustainability</u>. Unit owners shall refer prospective purchasers to HEDS, who shall qualify prospective purchasers and issue a certification letter confirming eligibility to purchase the WHP unit. Palm Beach County retains the right to qualify purchasers for units above or below their income category. When available, down payment assistance may be offered for all workforce housing buyers; Palm Beach County shall not be obligated to provide down payment assistance to any purchaser. The amount of financial assistance, if any, that is available for purchase of the WHP unit shall be identified in the certification letter. The HEDS certification process shall be implemented according to procedures

established and published by the Department. [Ord. 2019-033]

b) Every warranty deed documenting a sale of a WHP unit shall include a statement that a unit is subject to covenants, conditions, and restrictions including the Master Restrictive Covenant, and shall include the date of recordation of the Master Restrictive Covenant, and the Book and Page of

- 1) Except for Subject Developments using Off-Site Construction/Exchange Builder Option for the Subject Development's entire WHP obligation, pPrior to first Building Permit on the subject development, the Deeveloper of the Ssubject Deevelopment shall record in the Public Records of Palm Beach County a Master Restrictive Covenant binding the entire project, in a form provided by the County, which identifies the WHP unit requirement for the subject development and addresses the requirements of this Subsection. Subject Developments that use the Exchange Builder Option to meet some or all of the WHP obligation may record a Notice of Disposition instead of a Master Restrictive Covenant for that portion of the obligation met through the Exchange Builder Option Subject developments for which the in-lieu fee has subsequently been paid to Palm Beach County as a result of the guarantee provided in the Exchange Builder Option, pursuant to Art. 5.G.1.C.4.b.2), Off-Site Option 2 - Off-Site Construction/Exchange Builder, and no units subject to the WHP program were provided prior to the County receiving payment pursuant to the guarantee, may request that the Master Covenant be released.
- 2) The Master Restrictive Covenant shall include but not be limited to restrictions requiring: that all required WHP units shall be rented only to an incomequalified household, in an income category corresponding to the WHP obligation of the subject development, at or below the Maximum WHP Rents prices established for the income category annually by Palm Beach County, subject to the affordability requirements and provisions of this Article; that these restrictions remain in effect for a period of 30 years (non-recurring) for each unit, from the date of occupancy of the first WHP unit; that the 30-year period will be extended by the amount of time a Code Enforcement magistrate or judge finds that the Subject Development is out of compliance with the WHP; and that in the event a rental complex is resold before the 30-year period concludes, the new owner assumes the requirement for the number of remaining years; and the number of years remaining shall be determined by the Planning Director or designee; and shall take effect on the date of resale. The Master Restrictive Covenant shall further provide monitoring and compliance requirements including but not limited to those set forth below to ensure compliance with the WHP. Every deed for a rental development with WHP housing units and every rental agreement for each WHP unit shall incorporate by reference the Master Restrictive Covenant. [Ord. 2019-033]

b. Marketing of WHP Rental Units

Marketing of WHP rental units is the responsibility of the WHP rental unit owner or designee. Information regarding the WHP, including eligible income ranges and the availability of workforce housing units, shall be posted in the leasing office and website for the rental project, if any. The WHP rental unit owner or designee shall also maintain current the information provided to the County regarding the rental project. [Ord. 2019-033] [Relocated from: Art. 5.B.1.D.2.d, Marketing of WHP Rental Units]

Notifications to Palm Beach County

The WHP rental unit owner or designee shall notify the Planning Director, or designee, in writing prior to the commencement of leasing, to obtain the current income and rent ranges. The WHP rental unit owner or designee shall provide the Planning Director, or designee, with written notice of the date of occupancy of the first WHP unit no later than five days after occupancy. The WHP rental unit owner or designee shall also provide written notice to the Planning Director or designee of a change in WHP rental unit owner or designee no later than 30-calendar days after the change occurs. [Ord. 2019-033] [Relocated from: Art. 5.B.1.D.2.e,

Commencement of Rentals]

d b. Rents Pricing/Affordability

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3) The rent ranges prices shall be updated annually by the Planning Director, or designee, based on the monthly rent limits ranges published annually for the

Florida Housing Finance Corporation Multif—Family Rental Programs, by number of bedrooms, for. The rent ranges shall address the following income subcategories ranges: > 60 to 70 percent; > 70 to 80 percent; > 80 to 90 percent; > 90 to 100 percent; > 100 to 110 percent; > 110 to 120 percent; > 120 to 130 percent; and, > 130 to 140 percent of MFI. The maximum rent established by Palm Beach County for each income category and subcategory, by number of bedrooms, constitutes the Maximum WHP Rent for that category or subcategory. The WHP price initially established for the rental unit's income category at the time of approval of the subject development shall be the rental floor throughout the affordability period. No WHP unit is required to be rented at a price below the rental floor, though an owner may opt to do so. [Ord. 2019-033] [Relocated to: Art. 5.G.1.D.2.d.7)]

- 4) WHP Rents for required WHP rental units are set by the rental unit owner or designee, and shall:
 - a) include any Mandatory Fees required to be paid by all tenants. Mandatory Fees cannot be charged in addition to the Maximum WHP Rent, even if such charges are designated as "Additional Rent" per the lease.
 - b) reflect the Utility Allowance if applicable.
 - c) not exceed the Maximum WHP Rent minus any applicable Utility Allowance.

Voluntary Fees may be charged in addition to the WHP Rent, even if these cause the Maximum WHP Rent to be exceeded.

Owners of WHP rental units may choose to include one or more utilities for the unit in the base rental price. Units that do not include utilities must provide a utility allowance in the form of a rent reduction based on the number of bedrooms, according to a schedule established by the Planning Division. Utilities shall include, but not be limited to, water, sewer, gas, and electric. When one or more utility cost(s) are included within the WHP unit rent price, and reasonable, reliable, and verifiable documentation is provided that indicates the total utility cost included within the WHP unit rent price meets or exceeds the stated utility allowance cost, then the utility allowance requirement would be waived. If the utility costs are less than the prescribed utility allowance, the difference shall be credited to the WHP resident's rent cost. [Ord. 2019-033]

5) Utility Allowance

A Utility Allowance is required to be applied if the WHP rental units are subject to a Utility Allowance pursuant to the Master Restrictive Covenant governing the WHP rental units. The amount of the Utility Allowance shall be as established by the Master Restrictive Covenant. For the purposes of this provision, utilities are limited to water, sewer, gas, or electric service provided directly to the unit, and not for common areas. Owners of WHP rental units subject to a Utility Allowance must either:

- a) reduce the rent by the amount of the Utility Allowance, if the cost of all the identified utilities is billed to the WHP tenant by the WHP rental unit owner or designee, the utility, or a third party; or
- b) apply the Utility Allowance amount against the actual cost of the utilities provided to the unit, if the cost of any of the identified utilities are borne by the WHP unit owner and not billed to the WHP tenant by the WHP rental unit owner or designee, the utility, or a third party. If the utility costs are less than the prescribed Utility Allowance, the difference shall be credited to the WHP resident's rent cost. If the cost of the utilities exceeds the Utility Allowance, the excess cost may be charged to the WHP tenant, even if it exceeds the Maximum WHP Rent for the WHP tenant's income category or subcategory. Reasonable, reliable, and verifiable documentation is required to confirm utility costs.

6) Rentals Below Low-Income Category

The owner of a WHP unit may request approval from the Executive Director of the Planning, Zoning and Building Department, or designee to rent the unit to a household having an income below 60 percent of Area Median Income, at a rent below the minimum rent for the Low-Income category, but not to exceed 33 percent of the WHP tenant's monthly household income. The Executive Director of the Planning, Zoning and Building Department, or designee, in consultation with the Department of Housing and Economic Development, shall consider the income characteristics of the census block(s) or tract(s) where the development is located and any other relevant information in determining whether to grant the request. [Ord. 2019-033] [Relocated from:

Art. 5.G.1.D.2.f, Compliance Reporting]

7) The rent ranges initially established for the rental unit's income category at the time of approval of the Subject Development shall be the rental floor throughout the affordability period. No WHP unit is required to be rented below the rental floor, though a rental unit owner or designee may opt to do so. [Ord. 2019-033]

[Relocated from: Art. 5.G.1.D.2.b.3)]

e c.Income Qualification of WHP Tenants

WHP units shall be rented only to an income-qualified household. The verification of prospective WHP tenants as income qualified for the income rental unit category or subcategory, pursuant to the requirements of this Article and procedures established by the Department of Planning, Zoning and Building, is the responsibility of the rental unit owner or designee designated management company. [Ord. 2019-033]

1) At Initial Lease Execution

The household's income eligibility must be verified through completion of the County's WHP lease addendum and WHP Rent calculation worksheet, which are available on the County's website or from the Planning Director or designee. The WHP rental unit owner or designee may request financial documents it deems reasonably necessary to ensure the household is eligible pursuant to the WHP. The WHP lease addendum and WHP Rent calculation worksheet are submitted by the WHP rental unit owner or designee to the Planning Director or designee for compliance review prior to or at the time of lease execution, but no later than the timeframe specified in the Master Restrictive Covenant for submittal of the lease addendum, or no later than ten days after lease execution if no timeframe is specified.

2) At Lease Renewal or at Income Reverification

At renewals of the lease, the WHP rental unit owner or designee may choose to reverify the Annual Household Income and assigned income category, but is not required to do so. If the WHP tenant's income is to be reverified at lease renewal, the WHP rental unit owner shall provide the tenant a minimum of 60 days' notice prior to renewal date of the intent to reverify. If no new income reverification is completed at lease renewal, no new WHP lease addendum is required, but the WHP rental unit owner or designee is required to provide the WHP Rent calculation worksheet within ten days of lease renewal, indicating the WHP Rent amount pursuant to the renewed lease, to the Planning Director or designee for compliance review.

The WHP rental unit owner or designee may also reverify the income, adjust the income category or subcategory, and adjust the WHP Rent of the WHP rental unit during the course of the lease if requested by the WHP tenant due to changed household circumstances, but is not required to do so.

In considering any income category reassignment as a result of the income reverification, the required number of WHP rental units in each category shall not be exceeded, except when opting to shift a WHP rental unit to a lesser income category.

In the event of any reverification of Annual Household Income, a new completed WHP lease addendum and WHP Rent calculation worksheet must be provided to the Planning Director or designee for compliance review prior to or at the time of lease execution, but no later than the timeframe specified in the Master Restrictive Covenant for submittal of the initial WHP lease addendum, or no later than ten days after lease execution if no timeframe is specified in the Master Restrictive Covenant.

d. Marketing of WHP Rental Units

Marketing of WHP rental units is the responsibility of the rental unit owner or designated management company. [Ord. 2019-033] [Relocated to: Art. 5.G.1.D.2.b, Marketing of WHP Rental Units]

e. Commencement of Rentals

The owner of the rental WHP unit(s) shall provide the Planning Director, or designee, with notice of the date of occupancy of the first WHP unit. [Ord. 2019-033] [Relocated to: Art. 5.G.1.D.2.c, Notifications to Palm Beach County]

f. Compliance Review and Compliance Determination Reporting

It is the County's intent that each Subject Development fulfill 100 percent of its workforce housing obligation pursuant to its Development Order and this Chapter. For each WHP rental unit, the Planning Director or designee shall review the WHP lease addendum and/or WHP Rent calculation worksheet documenting the Annual Household Income verified by the WHP rental unit owner or designee, the household's WHP category and subcategory if applicable, and the WHP Rent to be charged.

A WHP rental unit shall only be considered compliant once an accurate, complete, and fully notarized WHP lease addendum and/or WHP Rent calculation worksheet are provided to the Planning Director or designee, and the Planning Director or designee verifies that the correct income category, income subcategory if applicable, and rent are applied.

The Planning Director or designee shall notify the WHP rental unit owner or designee of the result of the review of the submitted documents within three business days of receipt.

If compliance issues are identified, the WHP rental unit owner or designee shall address the issues identified by the Planning Director or designee to the Planning Director or designee's reasonable satisfaction and resubmit the required documentation for review within ten business days of the Planning Director or designee's request.

A copy of the completed WHP lease addendum and WHP Rent calculation worksheet shall be provided to the WHP tenant by the WHP rental unit owner or designee within three business days of verification of compliance by the County.

If the documents are deemed compliant, the WHP rental unit shall be considered compliant from the date of the event (lease start, lease renewal, or income reverification), or the date the compliant documents were submitted to the County, whichever is later.

The Planning Director or designee shall maintain a record of the project's WHP unit compliance using the WHP lease addenda form and WHP Rent calculation worksheets and other documentation provided by the WHP rental unit owner or designee.

The <u>Planning Director or designee</u> may conduct site visits at reasonable times, request rent rolls, unit ledgers, or other documentation, and/or perform other independent investigation to verify compliance with the WHP. [Ord. 2019-033]

It is a violation of this Code if the project has failed to maintain a minimum of 90 percent of its WHP unit obligation for more than 60 consecutive days, has failed to make a non-compliant WHP rental unit compliant within ten business days of written notice provided by the Planning Director or designee, or has failed to provide additional compliance documentation requested by the Planning Director or designee within ten business days of the written request provided by the Planning Director. In the event of a violation of this part or any other part of this Section, the 30-year period will be extended by the amount of time a Code Enforcement magistrate or judge finds that the Subject Development was out of compliance.

The owner of the WHP unit shall submit to the Planning Director, or designee, on a form provided by the County, an annual report containing information and documentation to demonstrate continued compliance with the WHP. The County may conduct site visits at reasonable times, or perform other independent investigation to verify continued compliance with the WHP. The owner of the WHP units shall also provide notice to the Planning Director or designee of a change in management company no later than 30 days after the change occurs. The owner of a WHP unit may request approval from the Executive Director of the Planning, Zoning and Building Department, or designee to rent the unit to a household having an income below 60 percent of Area Median Income, at a price below the minimum rent for the Low-Income category. The request is to include documentation of the owner's efforts to market the unit in the WHP income categories and other information demonstrating that current area market conditions do not support the rental of the unit to households in the 60 to 80 percent Low-Income category. The Executive Director of the Planning, Zoning and Building Department, or designee, in consultation with the Department of Housing and Economic Sustainability, shall consider the documentation provided, the income characteristics of the census block(s) or tract(s) where the development is located, and any other relevant information in determining whether to grant the request. [Ord. 2019-033] [Ord. 2020-020] [Relocated to: above, Art. 5.G.1.D.2.c, Notifications to Palm Beach County, and Art. 5.G.1.D.2.d.6), Rentals Below Low-Income Category]

E. Enforcement

The County may enforce the requirements of the WHP through the County's Code Enforcement process or by bringing an action in the 15th Judicial Circuit Court in and for Palm Beach County, Florida, by any cause of action available at law or equity, and seek remedies including but not limited to, seeking specific performance, injunctive relief, rescission of any unauthorized sale or lease, reclassification of a market rate unit to a WHP unit, reclassification of the WHP unit income categories to lower categories lesser unit to another income category, and extensions tolling of the 15-year recurring term of for-sale units or the 30-year non-recurring term for rental units of the WHP. These remedies are not exclusive and may be awarded in combination with each other and in addition to any other remedy available to the County. [Ord. 2019-033]

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EXHIBIT 2

TRANSFER OF DEVELOPMENT RIGHTS APPROVAL MODIFICATION

This exhibit revises the following Article(s):

ARTICLE 5 – SUPPLEMENTARY STANDARDS

Revision Key: Proposed revisions are shown with new text as underlined, deleted text in strikeout, and relocated text italicized. *Stricken and italicized* means text to be totally or partially relocated. Relocation notes are shown in brackets as **[Relocated to:]** or **[Relocated from:]**. Unaltered text omitted for brevity is indicated by a series of four bolded ellipses....

Part 1. ULDC Art. 5.G.3.K.3, Supplementary Standards, Density Bonus Programs, Transfer of Development Rights (TDRs) – Special Density Program, TDR – Receiving Area Procedure, Review Process, is hereby amended as follows:

CHAPTER G DENSITY BONUS PROGRA	MS
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3 Section 3 Transfer of Development Rights (TDRs) – Special Density Program

K. TDR – Receiving Area Procedure

3. Review Process

The review process for TDR applications is based upon the density and type of residential development proposed <u>as provided below, with the exception of the transfer of density required by a FLUA amendment Ordinance which shall be reviewed by the DRO subject to the provisions of Art. 2.C, Administrative Processes.</u>

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RON DESANTIS
Governor

CORD BYRDSecretary of State

October 30, 2023

Tracey Powell
Deputy Clerk of the Circuit Court and Comptroller
Palm Beach County
301 North Olive Avenue
West Palm Beach, Florida 33401

Dear Tracey Powell:

Pursuant to the provisions of Section 125.66, Florida Statutes, this will acknowledge receipt of your electronic copy of Palm Beach County Ordinance No. 2023-036, which was filed in this office on October 26, 2023.

Sincerely,

Anya Owens Administrative Code and Register Director

ACO/wlh