

PRIORITY ITEMS 2

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Land Use and Sustainability Committee Members

FROM: Eric Carpenter, City Manager

DATE: September 24, 2024

TITLE: DISCUSS AND CONSIDER ADOPTING A "LIVE BETTER" PROGRAM, INCLUDING ZONING AND OTHER INCENTIVES, TO PROMOTE ATTAINABLE HOUSING SOLUTIONS IN MIAMI BEACH FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES.

RECOMMENDATION

The Administration recommends that the Land Use and Sustainability Committee (LUSC) discuss the proposal and provide policy direction regarding the areas identified herein. Considering the number of components associated with this proposal, it is further recommended that the discussion be continued to the November LUSC meeting, to provide additional updates and information.

BACKGROUND/HISTORY

On September 11, 2024, at the request of Commissioner Alex Fernandez, the Mayor and City Commission (City Commission) referred the item (C4 V) to the LUSC.

ANALYSIS

As indicated in the attached referral memorandum, the item sponsor has requested that the Planning Department and the City Attorney's Office craft policies to present to the LUSC specifically designed to alleviate the strain on middle-income renters who are struggling to keep up with rising costs. Possible strategies identified in the referral memorandum include the following:

- Creating robust incentives for the construction of attainable, non-luxury housing for middle-income individuals and families by offering density and height bonuses, reduced parking requirements, and expedited permitting.
- Amending zoning regulations to promote a variety of housing types that cater to different income levels, ensuring diverse and inclusive communities.
- Exploring rent stabilization measures within voluntary zoning incentives to ensure that new developments remain accessible to middle-income residents without compromising the economic viability of the projects.

As further noted in the referral memorandum, the proposal herein has been identified as the "Live Better" initiative and provides an opportunity to offer targeted incentives that achieve the intended outcomes of the Live Local Act but are tailored to the unique needs and character of Miami Beach. These incentives could include the following:

1. Percentage density bonuses on a sliding scale based on the number of income-restricted units provided. The more income-restricted units offered, the greater the density bonus achievable.

2. Floor area bonuses on a sliding scale, similar to the density bonus, rewarding developments that offer more income-restricted units.
3. Modified intensity standards by district, such as reduced setbacks, open space requirements, and increased height allowances.
4. Waiver of impact fees and mobility fees to reduce the financial burden on developers of attainable housing.
5. Transfer or sale of excess density or floor area to market rate projects, allowing for more flexibility in development.
6. Expedited application processing to streamline the development process for projects that meet “Live Better” criteria.
7. Waiver of parking requirements in transit-rich areas to reduce development costs.

As part of this discussion, the item sponsor has also requested the following regarding the proposal:

Income Thresholds and Appropriate Locations

The sponsor is requesting the LUSC discuss and consider appropriate income thresholds and identify areas of the city where these incentives would be most successful. This framework could also be incorporated into other voluntary incentives for long-term residential development currently pending before the LUSC, Planning Board, and City Commission.

The relevant sections of Chapter 58 of the City Code (attached) include a detailed framework and structure for workforce housing developments. The income thresholds that have been discussed, initially, are above those used for workforce housing, which includes a household whose total income is between 65 and 140 percent of area median income (AMI). Adding an income threshold specific to attainable housing would likely be in the range of 140% - 180% AMI and could be included within Chapter 58 of the City Code.

Areas of the City most suitable for attainable housing would be interior areas in close proximity to local and regional transit and micro-mobility infrastructure. This would include, but not be limited to, the Fifth Street, Alton Road and 17th Street corridors, as well as the 41st Street and 71st Street corridors. The areas would include both multi-family and commercial zoning districts.

Resident Survey

The sponsor is requesting that the Administration collaborate with the item sponsor on conducting a comprehensive survey of residents and the workforce employed by major employers in Miami Beach. The purpose of this survey is to gather essential data on where these individuals live, their housing status (rent or own), household size, income levels, affordability limits, and their housing preferences and challenges. This information will provide valuable insights to guide the development of policies that address the housing needs of lower and middle-income residents who are at risk of being priced out of Miami Beach.

A survey such as this will likely require retaining an outside consultant and would likely have budget implications. The Administration recommends that the LUSC discuss this facet of the proposal further, to identify specific areas and employment sectors. The Administration can discuss this endeavor with the applicable city departments and come back with recommendations.

Stakeholder Engagement

The Administration would work with the item sponsor in engaging with key stakeholders, including local developers, housing advocates, and community organizations, to gather input and feedback on the proposed incentives and policies.

Members of the Planning Department and City Attorney's Office have met with representatives of developers who have completed attainable housing projects and may have an interest in such projects in Miami Beach. Some of the challenges facing developers in Miami Beach include the following:

1. Land costs and availability of larger parcels.
2. Development rights (intensity and density) in relation to the amount of attainable housing provided.
3. Cost of providing excessive off-street parking.

One of the suggestions made was for the city to consider leveraging underutilized parcels, such as large surface parking lots, and participating in a joint venture with the private sector.

SUMMARY

The following is a summary of the areas for additional study specific to the proposed "Live Better" endeavor:

1. Defining an appropriate AMI for attainable housing units and adding these provisions to Chapter 58 of the City Code.
2. Identifying the areas of the city where incentives for attainable housing are most appropriate.
3. Identifying appropriate zoning incentives for attainable housing including, but not limited to, intensity, density, building height, minimum parking requirements, as well as a Transfer of Development Rights (TDR) framework.
4. Identifying other incentives for attainable housing including, but not limited to, reductions in city fees, concierge permit service and allowing for administrative review of certain types of attainable housing projects.
5. Defining the parameters for a survey of the city's housing needs in relation to the current and projected workforce. This will entail coordination with the Office of Housing & Community Services, Economic Development and Marketing & Communications departments, and may require the retention of an outside firm. There may also be budget implications, depending on the overall cost.

In addition to the above, the Administration recommends that consideration be given to identifying large city lots, including, but not limited to, vacant parcels and surface parking lots, which could be redeveloped for mixed-use housing as part of a future public-private partnership. As some of these lots would require voter approval for development, the city could create the vision and parameters for specific lots, as part of a community-oriented process. Assuming broad consensus can be reached on a particular vision and development option, the specific lots could be opened to the market, to gauge private interest in developing the sites. Although this process may take longer, it could achieve broader community consensus, which would be critical for any required voter referendum to pass.

FISCAL IMPACT STATEMENT

No Fiscal Impact

Does this Ordinance require a Business Impact Estimate? NO
(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

N/A

CONCLUSION

The Administration recommends that the LUSC discuss the proposal and provide policy direction regarding the areas identified herein. Considering the number of components associated with this proposal, it is further recommended that the discussion be continued to the November LUSC meeting, to provide additional updates and information.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Planning

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

Discuss and Consider Adopting A "Live Better" Program, Including Zoning And Other Incentives, To Promote Attainable Housing Solutions In Miami Beach For Middle-Income Individuals And Families.