

COMMITTEE MEMORANDUM

TO: Land Use and Sustainability Committee Members

FROM: Eric Carpenter, City Manager

DATE: March 11, 2025

TITLE: DISCUSS LAND DEVELOPMENT REGULATION INCENTIVES FOR THE
RETENTION AND REHABILITATION OF HISTORIC BUILDINGS

RECOMMENDATION

The Administration recommends that the Land Use and Sustainability Committee (LUSC) endorse the incentives identified herein and provide a favorable recommendation to the Planning Board.

BACKGROUND/HISTORY

On April 28, 2023, at the request of Commissioner Alex Fernandez, the Mayor and City Commission (City Commission) referred a discussion item (C4 D) regarding incentives for the retention and rehabilitation of contributing and historic buildings to the (LUSC) and Planning Board. On May 10, 2023, the item was discussed and continued to the September 27, 2023, LUSC meeting. On September 27, 2023, the item was deferred to the October 11, 2023, LUSC meeting, with no discussion. On October 11, 2023, the item was deferred to the January 2024, LUSC meeting with no discussion.

The item was placed on the February 26, 2024, LUSC agenda and was deferred to the March 19, 2024, LUSC meeting with no discussion. On March 19, 2024, the item was deferred to a future meeting date, with no discussion.

ANALYSIS

As noted in the attached referral memorandum, this discussion was in anticipation of the approval by the State Legislature of House Bill 1317 and companion Senate Bill 1346. The item sponsor has requested that the LUSC discuss possible amendments to the Land Development Regulations of the City Code (LDRs) that would provide incentives to property owners to retain or rehabilitate historic buildings.

The City currently has fourteen (14) locally designated historic districts and seventeen (17) individually designated historic sites. To limit the potential negative impacts associated with potential future State Legislation, the Planning Department has been exploring development incentives to encourage the retention and rehabilitation of individually designated historic sites and contributing buildings located within the City's local historic districts. The following is an initial summary of some potential incentives:

Expansion of Ad Valorem Tax Exemption Program

In 2004, the City enacted legislation authorizing an exemption for its portion of ad valorem taxes for improvements to historically designated single-family homes to incentivize the preservation and renovation. This legislation allows for the City's portion of property taxes to be "frozen" at the rate they were assessed prior to improvements, including the construction of new additions, for a period of ten (10) years. While currently, only single-family homes are eligible for this incentive, the program could be expanded to include all contributing or historic buildings regardless of use.

This type of expansion would be consistent with the Miami-Dade County Historic Ad Valorem Tax Exemption program. Areas of applicability, improvement criteria, and other factors would need to be considered particularly with respect to potential impacts to the City's General Fund.

Expansion of Lot Aggregation Incentive

The aggregation of multiple platted lots as part of a single development project has the potential to result in new construction that may be out of scale and inconsistent with the character of the City's historic districts. The Administration would note that there are currently lot aggregation restrictions within the Flamingo Park Historic District and North Beach National Register District. This type of regulation could be expanded to additional historic districts and include incentives for projects that include the retention and rehabilitation of contributing buildings and/or the construction of affordable housing.

Expansion of Height Incentives

Currently, the Land Development Regulations of the City Code (LDRs) allow for additional height for additions to contributing buildings in specific areas of the City, including portions of the RM-1 and RM-3 zoning districts subject to the review and approval of the Historic Preservation Board. This type of height incentive could be strategically expanded to additional historic districts when a contributing building is proposed to be retained as part of project.

Expansion of Parking Requirement Incentives

The LDRs currently incentivize the retention of contributing and historic buildings through the elimination of parking requirements for uses within contributing and historic buildings. In certain instances, parking requirements are eliminated or reduced for additions to contributing and historic buildings. This incentive could be expanded to include a broader range of parking incentives when a contributing or historic building is retained as part of a development project.

Limited Ground Floor Neighborhood Commercial Use Incentive

The allowance of limited commercial accessory uses within certain multi-family zoning districts may provide an economic tool for renovating and restoring historic structures. Adaptive uses that could be considered include accessory café, retail, office or personal service uses.

Incentives for Resiliency Adaptation outlined in Buoyant City

The concepts contained within "Buoyant City – Historic District Resiliency & Adaptation Guidelines" were adopted by the Mayor and City Commission in 2020. Part of this study includes recommendations to incentivize work that combines the preservation of contributing buildings and adaptation. The report also recommends the city explore the following incentives for adaptation projects that fully implement a resiliency strategy that meets the City's minimum standard and which are brought up to current Building Code:

1. Transfer of Development Rights (TDRs).
2. Additional height and floor area for rear additions.
3. Additional flexibility for the introduction of rooftop additions.

The above noted incentives are proposed to encourage the retention, renovation, and adaptation of existing contributing and historic buildings within the city. If there is consensus on these, or other incentives, a draft ordinance can be prepared for review by the LUSC at a future meeting date or moved directly to the Planning Board for consideration as an LDR amendment.

FISCAL IMPACT STATEMENT

No Fiscal Impact

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

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

FINANCIAL INFORMATION

Not Applicable

CONCLUSION

The Administration recommends that the LUSC endorse the incentives identified herein and provide a favorable recommendation to the Planning Board.

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 Land Development Regulation Incentives for the Retention and Rehabilitation of Historic Buildings