

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Land Use and Sustainability Committee Members

FROM: Eric Carpenter, City Manager

DATE: November 25, 2024

TITLE: DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE/REHABILITATE HISTORIC RESIDENTIAL APARTMENT BUILDINGS IN NORTH BEACH.

### **RECOMMENDATION**

The Administration recommends that the Land Use and Sustainability Committee (LUSC) endorse the recommendations identified in the summary herein, and send a favorable recommendation to the City Commission for policy direction.

### **BACKGROUND/HISTORY**

On September 11, 2024, at the request of Commissioner Tanya K. Bhatt, the Mayor and City Commission (City Commission) referred a discussion item (C4 S) to the LUSC and the Ad Hoc Historic Preservation Ordinance Review Committee (Preservation Committee) regarding incentives for property owners to restore/rehabilitate historic residential apartment buildings in North Beach.

### **ANALYSIS**

As noted in the attached referral memorandum, the item sponsor would like the LUSC to consider potential incentives to encourage owners of apartment buildings to renovate their buildings within North Beach including upgrades to electrical, plumbing and air-conditioning systems, window replacement, and roof replacement while keeping properties at a reasonable rent. Specifically, the Administration was requested to explore the following possible incentives:

1. A fast-tracked and streamlined process at the Building Department and with the Historic Preservation Board (HPB).
2. A single point of contact for the permitting and inspection processes and for the HPB approval process.
3. Reducing or waiving City fees.
4. Assisting property owners with the identification of affordable housing grants.
5. Assisting property owners with the process to obtain life safety variances.
6. Providing grants from the City's workforce housing funds.

### **Permitting Initiatives**

On February 21, 2024, the City Commission established the Ad Hoc Permitting Process Improvement Advisory Committee (Permitting Committee) for a period of one (1) year; the Permitting Committee is scheduled to conclude in early 2025. The purpose of the Permitting

Committee is to comprehensively assess and evaluate the City's permitting process and identify recommendations for streamlining the process and improving the customer service experience with the public. The Permitting Committee's final report and recommendations are expected to be transmitted to the City Commission early next year and the recommendations are expected to serve as the basis for improving and expediting the permit review process for all applicants.

Further, all permitting departments, including Building, Planning, Fire, Public Works, and Parking, are fully engaged in an ongoing service improvement initiative to enhance the customer experience. This initiative includes training for all staff, service standards for each key role, process improvement, revisiting internal policies, and enhancing communication and access for all customers.

In addition to any future recommendations from the Permitting Committee, the Building Department could provide the following for housing rehabilitation projects in North Beach:

1. A single point of contact for property owners.
2. An expedited building permit review process.
3. Assisting property owners who request accessibility waivers from the State of Florida for an eligible project (the Florida Building Code and the Fire Prevention Code do not provide for life safety variances or waivers)

### **Certificate of Appropriateness Procedures**

The renovation of multi-family buildings, including window and door replacement, air-conditioning replacement, interior modifications, roof repair, and other general repairs, are most often reviewed and approved by the Planning Department as part of the regular building permit review process. These types of improvements, in most instances, do not require the review and approval of the HPB.

In the event the scope of work exceeds administrative review thresholds, the Historic Preservation & Architecture Officer serves as a single point of contact for applicants. While a fast-track application process is possible, it would likely require a reduced timeframe for the current thirty (30) day public notice. Any modification to the public notice requirements would require an amendment to the Land Development Regulations of the City Code (LDRs).

### **Fee Reductions**

Florida Statute 553.80 restricts the City's ability to reduce or waive building permit fees. Certain city fees that are currently charged for projects, including HPB application fees, mobility fees, and permit training and technology fees, may be waived. However, these fees typically apply to development projects consisting of new construction and larger additions and are typically not applicable to smaller renovation projects.

### **Funding Sources of Property Owners/Developers of Affordable Housing**

The Office of Housing & Community Services currently assists property owners with the identification of affordable housing grants. A list of potential 2024-2025 funding sources that may be available for developers and/or property owners interested in rehabilitation of affordable housing projects is attached.

Further, the North Beach Community Redevelopment Agency (CRA) Board has established the Residential Property Improvement Program (Improvement Program). The Program focuses on cultivating an improved visual experience and sense of place through exterior enhancements to existing buildings such as paint, lighting, windows, and stucco, among other improvements. Program funding awards consist of matching grants of up to 70% of the cost of eligible projects, not to exceed \$20,000.00 per application. Such funds are provided on a reimbursement basis for eligible expenses paid on completed work. The CRA Program funds may only be utilized within

the CRA's Redevelopment Area and within the Program boundary, which consists of a portion of North Beach.

The Program aims to (i) assist certain qualifying residential property owners to improve, repair, and preserve older residential buildings whose owners commit to providing affordable and workforce housing including for extremely low, very low-, low-, or moderate-income persons; (ii) stimulate investment in private property that preserves and enhances the tax base; and (iii) highlight historic architecture and preserve neighborhood character.

The CRA Board may establish additional programs to promote the renovation, preservation or construction of affordable and workforce housing.

### **Ad Hoc Historic Preservation Ordinance Review Committee Discussion**

On September 18, 2024, the Preservation Committee discussed the incentives in the referral memorandum to the LUSC. There was consensus that the incentives identified would likely not be sufficient to encourage property owners to undertake any type of substantial building renovation.

The Preservation Committee members recommended that in conjunction with other smaller financial incentives, such as a reduction in permitting fees, the City explore larger financial incentives including an expansion of the City's Historic Ad Valorem Tax Exemption program and creating a transfer of development rights (TDR) process. Several Preservation Committee members also expressed concern that major construction could result in the need to vacate tenants and substantially increased rental rates.

### **SUMMARY**

As it pertains to the policy initiatives identified herein, the Administration recommends the following:

1. Endorse a TDR program, where the North Shore and Normandy Isle Historic Districts are identified as a sending district. This will require a separate referral to the LUSC.
2. The City Commission refer a separate discussion to the LUSC regarding an expansion of the City's Historic Ad Valorem Tax Exemption program to include multi-family buildings in the North Shore and Normandy Isle Historic Districts.
3. The City Commission direct the Administration to develop a single point of contact for property owners submitting permit applications in the North Shore and Normandy Isle Historic Districts.
4. The City Commission direct the Administration to develop an expedited permit review process for property owners submitting permit applications in the North Shore and Normandy Isle Historic Districts.

If there is consensus on these, and any other initiative that may be identified by the LUSC, the proposal can be sent to the full City Commission for policy direction.

### **FISCAL IMPACT STATEMENT**

Not Applicable

### **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-notice/>

## **FINANCIAL INFORMATION**

Not Applicable

## **CONCLUSION**

The Administration recommends that the LUSC endorse the recommendations identified in the summary herein, and send a favorable recommendation to the City Commission for policy direction.

## **Applicable Area**

North Beach

**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 Tanya K. Bhatt

## **Co-sponsor(s)**

Commissioner Laura Dominguez

## **Condensed Title**

Discuss Incentives For Property Owners To Restore/Rehabilitate Historic Residential Apartment Buildings In North Beach.