

## PRIORITY ITEMS 1

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Land Use and Sustainability Committee Members

FROM: Eric Carpenter, City Manager

DATE: November 25, 2024

TITLE: DISCUSS POTENTIAL INCENTIVES TO CONVERT CO-LIVING AND TRANSIENT UNITS TO APARTMENTS IN THE NORTH BEACH TCC DISTRICT

### **RECOMMENDATION**

The Administration recommends that the Land Use and Sustainability Committee (LUSC) discuss and conclude the item. If there is consensus, it is further recommended that the LUSC endorse the referral of an ordinance to the Planning Board, by the Mayor and City Commission (City Commission) that would allow for additional co-living units in a non-transient capacity.

### **BACKGROUND/HISTORY**

On February 26, 2024, the Land Use and Sustainability Committee (LUSC), at the request of Commissioners Alex Fernandez and Tanya K. Bhatt, recommended that the City Commission refer a discussion item to the LUSC to discuss potential incentives to convert existing co-living and transient units to apartments in the North Beach TC-C District. On March 13, 2024, at the request of Commissioner Alex Fernandez, the City Commission referred the subject discussion item (C4 K) to the LUSC. Commissioner Tanya K. Bhatt is the co-sponsor of the item.

On May 1, 2024, the item was deferred to the June 10, 2024, LUSC meeting, with no discussion. On June 10, 2024, the LUSC discussed and continued the item to the October 10, 2024, LUSC meeting for further deliberation. The October 10, 2024 LUSC was rescheduled to October 14, 2024, where the item was deferred to a future date, with no discussion.

### **ANALYSIS**

Co-living units, which were introduced pursuant to the creation of the North Beach Town Center Central Core District (TC-C) in 2018, are defined as follows in the Land Development Regulations of the City Code (LDRs):

**Co-living** shall mean a small multi-family residential dwelling unit that includes sanitary facilities and provides access to kitchen facilities; however, such facilities may be shared by multiple units. Additionally, co-living buildings shall contain amenities that are shared by all users.

The following is a summary of co-living units in the North Beach TC-C district that have obtained a building permit process number as of October 1, 2023:

<u>Project Address</u>	<u>Co-Living Units</u>
7118-7114 Collins Avenue	168
7125-7145 Carlyle Avenue	121

6970 Collins Avenue	20
409 71st Street	139
6973 Indian Creek Drive	81
Total Units Proposed	529

Co-living units in the TC-C district are only permitted for projects that obtained a building permit process number by October 1, 2023. As such no additional co-living units, beyond the 529 units noted above, can be authorized and if any of the permits for the above noted projects become inactive or expire, the associated co-living units would expire and could not be re-activated.

Although no additional co-living units beyond the 529 units currently permitted would be allowed in the TC-C district, the LUSC recommended that a separate discussion take place regarding potential incentives to convert these units, as well as other types of transient units, to permanent residential units.

Because co-living units are unique in terms of square footage and function, converting them to traditional residential apartments could be challenging. In this regard, since this housing type is still under construction and in permitting, the Administration believes that a more long-term evaluation of their success would be in order. Also, since the short-term rental of apartment units is permitted in the TC-C district, the conversion of such units to residential apartment may not address concerns with transient rentals.

Co-living units were introduced to provide more attainable housing options, particularly in the North Beach area, as more residential units are needed to activate the town center. One option to address concerns with transient rentals would be to allow additional co-living units in the TC-C district, provided such units are not rented on a transient basis. Another option would be to allow any of the 529 currently permitted co-living units that may become inactive or expire, to be reactivated if the owner voluntarily proffers to prohibit the short-term rental of the reactivated units.

Both of these options would provide incentives for long-term residential uses in a district that allows for transient rentals. If there is consensus on this approach, a separate amendment to the LDRs would need to be referred to the Planning Board by the City Commission.

### **FISCAL IMPACT STATEMENT**

No Fiscale 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**

N/A

### **CONCLUSION**

The Administration recommends that the LUSC discuss and conclude the item. If there is consensus, it is further recommended that the LUSC endorse the referral of an ordinance to the Planning Board, by the City Commission that would allow for additional co-living units in a non-

transient capacity.

**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 Alex Fernandez  
Commissioner Tanya K. Bhatt

**Co-sponsor(s)**

**Condensed Title**

Discuss Potential Incentives to Convert Co-Living and Transient Units to Apartments in the North Beach TCC District