



**COMMISSION MEMORANDUM**

TO: Honorable Mayor and Members of the City Commission

FROM: Commissioner Alex Fernandez

DATE: September 11, 2024

TITLE: REFERRAL TO THE LAND USE AND SUSTAINABILITY COMMITTEE - 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**

Please place the above item on the September 11, 2024, City Commission meeting agenda as a referral to the Land Use and Sustainability Committee (LUSC).

**BACKGROUND/HISTORY**

**ANALYSIS**

In Florida, including Miami Beach, it is reported that a significant portion of renters allocate over 30% of their income on housing. The cost of living in Miami Beach is about 15.4% higher than the national average, with housing expenses playing a major role in this disparity. Specifically, housing in Miami Beach is approximately 40% more expensive than the Florida average, making it difficult for low-and middle-income to find housing they can afford with modern amenities. This issue is exacerbated by a shortage of attainably priced rental units for these income brackets. These challenges highlight the need for a broader policy approach that addresses the housing needs of a wider range of income levels.

The Florida Live Local Act, while well intended, poses significant challenges for Miami Beach. The Act's broad application risks imposing one-size-fits-all development across the city, potentially altering the character of neighborhoods that are integral to our community's identity. Additionally, the Live Local Act primarily focuses on lower-income brackets, overlooking the "missing middle" - a substantial segment of Miami Beach residents who are being priced out of the city due to a lack of attainable housing options that include modern amenities and are appropriately priced.

To tackle this issue, I propose that with the City Commission's referral of this matter that the Planning Department and the City Attorney's Office craft policies to present at the LUSC specifically designed to alleviate the strain on middle-income renters who are struggling to keep up with rising costs. Possible strategies could include 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. Additionally, we can adjust zoning regulations to promote a variety of housing types that cater to different income levels, ensuring diverse and inclusive communities. We should also explore 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.

With the “Live Better” initiative, we have the 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. By focusing on the areas that can accommodate development without disrupting the existing fabric of our community, we can provide relief to the lower and middle-income residents who are crucial to the vibrancy and diversity of our city.

These incentives could include the following:

1. Percentage density bonuses on a sliding scale based on the amount 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, I would like the LUSC to 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.

With the approval of this referral, the city administration is directed to 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. The city administration shall also 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.

By focusing on the needs of the ‘missing middle,’ the ‘Live Better’ initiative aims to create a more balanced, inclusive housing market in Miami Beach, ensuring that those who contribute to the fabric of our city can continue to live here and that displaced residents have opportunities to return to the community.

## **FISCAL IMPACT STATEMENT**

N/A

## **Does this Ordinance require a Business Impact Estimate?**

(FOR ORDINANCES ONLY)

**If applicable, the Business Impact Estimate (BIE) was published on:**

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

## **FINANCIAL INFORMATION**

## **CONCLUSION**

### **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**

Office of Commissioner Alex Fernandez

### **Sponsor(s)**

Commissioner Alex Fernandez

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

### **Condensed Title**

Ref: LUSC – Attainable Housing Incentives (“Live Better”) (Fernandez)