

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

WORKSHOP SUMMARY

Meeting Date: June 18, 2024

Department: Planning, Zoning and Building

I. EXECUTIVE BRIEF

Title: Density Bonus Program Overview & Workforce Housing Concepts

Summary: This workshop will provide an overview of the density bonus programs available in the County, including the history, objectives, implementation mechanisms, workforce housing obligation, and potential density bonuses of each. This will include discussion of possible changes for the Board of County Commissioners (BCC) to consider with possible direction, toward the objective of increasing the overall supply of workforce housing units, particularly for-sale units, and keeping the units income-restricted for longer periods of time. Unincorporated (DL)

Background and Policy Issues: At the April 25, 2024 BCC Zoning hearing, the Board discussed density bonus programs, including their associated approval processes. This workshop is intended to provide an overview regarding these programs. At the April 16, 2024 BCC workshop, the Department of Housing and Economic Development presented the Palm Beach County FY 2024-2025 Action Plan & Housing Update. The Board has previously discussed several issues regarding workforce housing, including possibly extending affordability periods, and further incentivizing developers to deliver more for-sale workforce housing units. Staff has identified several policy provisions of the Workforce Housing Program (WHP) that could be modified to improve the program and potentially yield additional workforce units. If the BCC gives direction to explore these matters, staff would verify the economic viability of any proposed changes, seek industry input, and return to the Board to finalize concepts and direction before drafting code amendments for Board consideration.

Attachments:

1. Power Point Presentation
2. Workforce Housing Program Key Policy Issues
3. Currently adopted Workforce Housing Program Price Ranges

Recommended by:


Department Director


Date

Approved By:

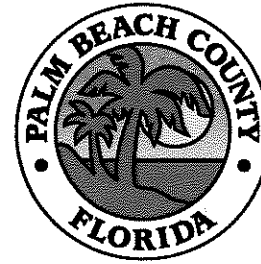

Assistant County Administration


Date

Placeholder for Powerpoint Presentation (Being finalized)

Workforce Housing Program Key Policy Issues – Toward Increasing the Availability of WHP Units

Topics		Current Program	Possible Changes for Further Evaluation
Applicability	Tier Applicability	<ul style="list-style-type: none"> U/S Tier only Other tiers by BCC condition of approval ; Essential Housing option in Ag Reserve 	<ul style="list-style-type: none"> Extend program to Exurban, Rural and AGR Tiers
	Voluntary Participation of Projects of < 10 units	NA	<ul style="list-style-type: none"> Allow projects with <10 units to participate
	Affordability Periods	Rentals: 30 years For-sale: 15 year, recurring	<ul style="list-style-type: none"> Per recommendations of the Florida Housing Finance Corporation: <ul style="list-style-type: none"> Extend to 50 years for new rental projects Restrict in perpetuity on County-owned land Extend to 30 years for for-sale units
	WHP Income Eligibility Determination	Eligibility certification required only at initial lease; recertification at renewal at property manager's discretion	<ul style="list-style-type: none"> Require annual income verification and eligibility determination at lease renewal to make available units where the household has exceeded income limits
Disposition Options	In-Lieu Fees	\$142,633 for single-family \$118,860 for townhouses \$89,145 for multi-family units.	<ul style="list-style-type: none"> Eliminate In Lieu Fee option, OR Revise In Lieu Fee Structure to set fee based on differential between median market rate price and WH sales price, square footage or other measure
	Limited Incentive Option	Option available to developer-- reduces WHP obligation by 50%, if project does not exceed a 50% WH density bonus and provides all WH units in lowest 2 income categories	<ul style="list-style-type: none"> Eliminate Limited Incentive option, so all projects contribute same base percentage
	Exchange Options	Exchange option allows developers to pay another builder to provide WH units off-site. An "uncommitted" sub-option was included that offers extra time for developers with no exchange agreement in place by 1 st building permit.	<ul style="list-style-type: none"> Eliminate the uncommitted exchange sub-option
	Default Disposition of WH	Developer declares selected disposition at project approval; any changes require approval through same process	<ul style="list-style-type: none"> Set default disposition as "on site," and require BCC waiver to use other options
	On-site, For-Sale WHP Units	<ul style="list-style-type: none"> Discounted WH obligation for projects that provide WH units as on site, for-sale, SF or TH 1.5x multiplier (For-sale to off-site rental WH units) 	<ul style="list-style-type: none"> Require "Like for Like" , OR Provide further discount obligation for providing WH units as for-sale, on-site. Require WH units located on civic sites to be SF, For-sale
	Separate MF/TH/SF Pricing	Single for-sale price schedule	<ul style="list-style-type: none"> Create new WH for-sale price schedule, to allow for lower prices for MF and higher for SF
	WH Rent/For-sale Pricing Schedules	For-sale prices based on annual median income, for Low, Mod 1 and Mod 2; for-sale units priced at 60-80, 80-100, and 100-120% AMI; no 120-140% AMI Rental rates based on FHFC (HUD derived) Multi-family Rental Program price schedule; includes Middle income category for rentals at 120-140% of AMI	<ul style="list-style-type: none"> Identify different source, or use percentage of prices from current Include a lower bracket 40-60% Shift obligation distribution to require more units at lower end Eliminate "Middle" (highest) rent category, and reinstitute Middle for-sale category
Development Process and Regulations	Reduced Development Costs and Obstacles	<ul style="list-style-type: none"> 2022 Housing Bond Impact Fee Credit Program 	<ul style="list-style-type: none"> Use some In Lieu Fee proceeds to assist with development costs Reduce land/development costs <ul style="list-style-type: none"> Offer county-owned civic or other sites Provide Land Development Regulation relief Allow for other construction methods, provide ready plans
	Reduced Parking Requirements	NA	<ul style="list-style-type: none"> Reduce Parking Requirements



**Workforce Housing Program (WHP)
2023 Income Categories, Sales Prices, and Rent Prices
Effective July 1, 2023 – June 30, 2024**

WHP prices are set annually, based on the provisions of Article 5.G.1.A.3.c.2 of the Unified Land Development Code.

2023 PBC Median Family Income: \$98,300 (per HUD)

WHP Income Category			2023 Maximum Sales Prices
Low	60 -80% of MFI	\$58,980 - \$78,640	\$206,430
Moderate 1	>80 -100% of MFI	>\$78,640 - \$98,300	\$265,410
Moderate 2	>100 -120% of MFI	>\$98,300 - \$117,960	\$324,390
Middle	>120 -140% of MFI	>\$117,960 - \$137,620	\$383,370*

**Middle Income category does not apply to WHP units in projects approved under WHP Code adopted 8/22/2019.*

WHP Income Category			Studio	1 BR	2 BR	3BR	4BR
Low	60-80% of MFI	\$58,980 - \$78,640	\$1,023 - 1,364	\$1,096 - 1,462	\$1,315 - 1,754	\$1,519 - 2,026	\$1,695 - 2,260
Moderate 1	>80-100% of MFI	>\$78,640 - \$98,300	\$1,364 - 1,705	\$1,462 - 1,828	\$1,754 - 2,193	\$2,026 - 2,533	\$2,260 - 2,825
Moderate 2	>100-120% of MFI	>\$98,300 - \$117,960	\$1,705 - 2,046	\$1,828 - 2,193	\$2,193 - 2,631	\$2,533 - 3,039	\$2,825 - 3,390
Middle	>120-140% of MFI	>\$117,960 - \$137,620	\$2,046 - 2,387	\$2,193 - 2,558	\$2,631 - 3,069	\$3,039 - 3,545	\$3,390 - 3,955