

## Interim Workforce Housing Program

### 1. Purpose and Intent

The Workforce Housing program provides for the development and equitable geographic distribution of workforce housing units, preserves the affordability of the units created under the program, provides a density bonus and other incentives in exchange for the construction of dwelling units affordable to low, moderate and middle income households. The program is intended to serve the housing needs of people employed in the jobs that the general population of the community relies upon to make the community viable.

### 2. Applicability

#### **A. Proposed Developments in Unincorporated County**

All proposed developments with a residential component of 10 dwelling units or more that require approval of the Board of County Commissioners.

#### **B. Program implementation area**

Within the Urban/Suburban, Exurban and Rural Tiers of unincorporated Palm Beach County and the Scientific Community Overlay.

#### **C. Workforce Units**

1. Projects shall be required to provide 7% of the units attributable to their standard density as workforce.
2. If PUD density is sought, 25% of the units attributable to the PUD density shall be provided as workforce.
3. For land uses LR1, RR 2.5, RR 5, RR10 and RR20 the PUD density does not apply and 7% of all units shall be provided as workforce. The Agricultural Reserve is not included.

#### **Example LR3 and LR2**

Land Use	Acres	Standard Density	Units	PUD Density	Units	Total Units	Bonus 30%	Total units w/ bonus	Std. X .07	PUD x .25	Bonus x .50	Total
LR 2	50	1.5	75	2	25	<b>100</b>	30	<b>130</b>	5.25	6.25	15	<b>26.5</b>
LR 3	50	2	100	3	50	<b>150</b>	45	<b>195</b>	7	12.5	22.5	<b>42</b>

#### **Example MR-5 and more intense**

Land Use	Acres	Standard Density	Units	PUD Density	Units	Total Units	Bonus 50% (1)	Total units w/ bonus	Std. X .07	PUD x .25	Bonus x .50	Total
MR 5	50	4	200	5	50	<b>250</b>	125	<b>375</b>	14	12.5	62.5	<b>89</b>
HR 8	50	6	300	8	100	<b>400</b>	200	<b>600</b>	21	25	100	<b>146</b>

(1) The maximum bonus density is 100%, this is an illustration only using 50% bonus.

#### **Project worksheet**

Land Use	Acres	Standard Density	Units	PUD Density	Units	Total Units	Bonus	Total units	Std.	PUD	Bonus	Total
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Use	Acres	Density	Units	Density	Units	Units	50% (2)	w/ bonus	X .07	x .25	x .50	Total

(2) Apply the appropriate bonus density percentage

### **3. Incentives**

#### **A. Bonus Density**

1. The first option available is to utilize TDR's to provide the bonus density:
  - a. For land uses LR3, LR2, and LR1, a density bonus of 30% shall be permitted. If a density bonus is utilized, 50% of the bonus units shall be provided as workforce.
  - b. For land uses MR-5, HR-8, HR-12 and HR-18 a density bonus of up to 100% shall be permitted when the increased density (above 30%) creates no compatibility issues with adjacent properties. If a density bonus is utilized, 50% of the units shall be provided as workforce.
  - c. Density bonus shall be provided through application of TDR units. All TDR units shall be recommended to be provided for \$1. All TDR units must be built either on-site or off-site in conjunction with the Workforce Housing application. TDR units cannot be reserved or banked for future projects.
2. The second option available is to utilize the existing voluntary workforce housing program.

#### **B. Traffic Mitigation**

The projects net trips associated with 93% of the units attributable to the standard density and all non-residential land uses shall be subject to the 1% of adopted level-of-service.

The project's net trips associated with the entire project (including workforce units) shall be subject to a 5% of adopted level-of-service significance level in determining compliance with the Traffic Performance Standards.

#### **C. Expedited Review**

See Section 8. below.

### **4. Provision of units**

- A. For all projects obligated to provide at least 10 workforce units a minimum of 25% shall be built on-site. The applicant is given the option to address the remaining 75% of the units:
  1. Off-site.
  2. Purchase the equivalent number of existing market rate units and deed these to the County.
  3. Donate buildable land acceptable to the County in an amount equal to the buyout cost for the remaining units.
  4. Provide any combination of the above.
  5. Elect to utilize in-lieu payment option. In no case shall the number of units seeking this option exceed half of the total number of units required.
- B. For all projects required to provide less than 10 workforce units all of the above options are available. Furthermore, the requirement to construct the on site units may be waived in DRO.
- C. If homes in the proposed development are valued at 200% or more than the median County home value as published by the Realtors Association of the Palm Beaches (January 2006 value \$393,700 x 200% = \$787,400), the applicant shall be able to:
  1. Construct 100% of the required units off-site.

2. Purchase the equivalent number of existing market rate units and deed these to the County.
  3. Donate buildable land acceptable to the County in an amount equal to the buyout cost for the remaining units.
  4. Utilize the in-lieu payment option. In no case shall the number of units seeking this option exceed half of the total number of units required.
  5. Provide any combination of the above including constructing any percentage of the required units within the subject development.
- D. If an applicant elects to construct only the minimum number of units on-site as required they shall be able to sell these at price points established for the “Moderate” and “Middle” income bracket.

### **5. In-lieu payment**

If the applicant elects to make the in-lieu payment, that figure is calculated by adding the estimated construction cost of the smallest unit within the proposed development with the cost of the land. That figure is then multiplied by the number of workforce units employing this option.

- A. The construction cost of a unit is determined by utilizing building evaluation data established by the International Code Council (ICC). Presently, this value is estimated at \$78 per square foot. This figure is multiplied by the square footage of the smallest unit planned in the subject development to obtain the home value.
- B. The value of the land is determined by multiplying the established Transfer of Development Rights (TDR) value by the number of units utilizing this option. Presently, the TDR value is \$50,000. This would be multiplied by 1.3 to obtain a total land value of \$65,000.
- C. The total value established for both the structure and the land shall be added and multiplied by .5 to establish the in-lieu payment amount. In no case shall the in-lieu payment be less than \$90,000.
- D. The maximum square footage considered for calculation of in-lieu payment shall be 1,999 square feet.

*Example:*

**Home value:** 1 unit of 1,800 square feet ( $\$78 \times 1,800 = \$140,400$ )

**Land value:** TDR price multiplied by 1.3 ( $\$50,000 \times 1.3 = \$65,000$ )

**Total price:**  $\$205,400$  multiplied by 50% =  $\$102,700$

### **6. Sales Prices of Workforce Units**

The County shall establish the prices for each income level annually. In Palm Beach County, the March 2006 median income was \$64,400. This figure forms the basis for determining each level of affordability. The prices set represent the four income categories the County is targeting for the provision of workforce housing. These are:

- A. **Low** (60%-80%) of County median income.
- B. **Moderate** (81%-100%) of County median income.
- C. **Moderate** (101%-120%) of County median income.
- D. **Middle** (121%-150%) of County median income.

All moderately priced workforce housing units will be offered for rent or for sale at an attainable housing cost to households with incomes from 60% to 150% of area medium income (AMI). 25% of the required workforce units shall be provided for households at

60-80% of AMI, 25% for households at 80-100% of AMI, 25% for households at 100-120% of AMI and 25% for households at the 100-120% of AMI.

<u>Income Level</u>	<u>Rent</u>	<u>Home Value</u>
Low (60-80%) <b>80% of median</b>	(\$1,287)	\$164,000
Moderate (81-100%) <b>90% of median</b>	(\$1,450)	\$189,000
Moderate (101-120%) <b>110% of median</b>	(\$1,771)	\$240,000
Middle (121-150%) <b>135% of median</b>	(\$2,173)	\$304,000

**7. Maintenance of Affordability**

- A. Deed Restriction: A deed restriction recorded in the public records of Palm Beach County will be required to guarantee the affordability for each moderately priced Workforce Housing unit. This document will be a signed confirmation by the renter or buyer of the Workforce Housing unit, prior to their occupation of, (rental) or purchase of, (for sale) a unit, confirming their understanding and agreement to the terms of compliance (their restrictions, requirements and responsibilities) with the Workforce Housing program.
- B. Term: 25 Year Recurring: This term shall apply to the structure and the land. All designated Workforce Housing units shall remain affordable for 25 years. However, in cases when the property is sold before the 25-year term is expired, a new 25-year term shall begin anew with the re-sale of the property.

**8. Submittal Process**

- A. Expedited Review
  - 1. Applicant will contact Zoning and arrange/attend a mandatory pre-application conference with DRO agencies prior to application submittal.
  - 2. A primary contact person shall be designated from Planning, Zoning and Building and Engineering.
  - 3. If a boundary plat is required permits may be issued after submittal of the final plat. If a subdivision plat is required permits will be reviewed but only issued at recording of the plat.
  - 4. Design review for multi-family can be done by the Building Division while proceeding through site plan review. Fire Rescue review can also be done.
  - 5. ULDC Deviation Identification - The applicant must identify which section of the ULDC the proposed development will not be able to comply with due to the bonus density.
- B. Master/Site Plans
  - 1. All dwelling units, including bonus and workforce units must be shown on the master/site plan.

2. Appropriate conditions will be applied to ensure the number and location of workforce units.
3. Zoning staff will review PUDs for exemplary standards considering the provision of workforce as meeting some of the standards

C. Workforce Housing Methods

The applicant shall include in their submittal the method by which they will fulfill their workforce housing obligation.

1. In the case of utilizing the in-lieu payment all monies must be paid to the County prior to DRO final approval.
2. In the case of constructing units off site, the applicant must have approved building permits for 50% of the workforce units prior to the issuance of the first certificate of occupancy in the subject development. All workforce units must receive certificates of occupancy prior to 75% of the subject development units receiving certificates of occupancy.
3. If land is being donated transfer must take place prior to issuance of first building permit for subject site.
4. If existing units are being purchased and deeded to the County 50% must be given to County prior to first certificate of occupancy in the subject site. All units must be given to County prior to 75% of the subject development receiving certificates of occupancy.