

STAFF REPORT: ORDINANCE # 03- 2025 ESTABLISHING “CHAPTER 65 WORKFORCE HOUSING”

BACKGROUND AND SUMMARY

Ordinance 03-2025, establishing a code chapter, “Chapter 65 Workforce Housing” is before the Town Commission for first reading. The ordinance establishes regulations for workforce housing in the Town, primarily to address the “Live Local Act” (LLA). The ordinance, in its initial form, was presented to the Commission at an August 7, 2024 workshop. Following the workshop the Commission adopted “zoning in progress” (ZIP) for any affordable housing projects to allow time to coordinate with possible changes in the PADD that might impact the proposed ordinance. The ZIP was extended, but has now expired as of March 31.

The “Live Local Act” (LLA), passed by the State Legislature in 2023 and amended in 2024 and 2025, created a State program to encourage the construction of rental housing projects in which a minimum of 40 % of the units are “affordable”. The Town’s major concern with the legislation is the preemption of the local government control regarding various zoning decisions, and a loss of ad valorem taxes for the affordable units.

Any housing project that qualifies under the LLA can locate in any district in the Town that allows industrial, commercial or mixed use. A LLA project is entitled to the highest density in the Town and the greatest allowable height in the Town that is within one mile of the project. Only administrative approval of the municipality is required. The 2025 legislation also created the ability for LLA projects to be constructed on sites owned by religious institutions on which a house of worship is located.

The Commission had expressed concerns with potential incompatibility of uses, conflicts with the Comprehensive Plan, lack of public involvement, and lack of specificity in the statute regarding the process. Attachment 3 of this report contains the relevant section of the Act.

It has also been determined by staff that the housing ordinance can proceed ahead of any changes to the PADD. The Town Attorney is in agreement with proceeding at this time, and has also been involved in the ordinance revisions.

The proposed Chapter 65 addresses housing that falls into the “Workforce Housing” category, as this is how the Town proposes to define “affordable” in the context of the LLA.

Workforce Housing includes five income categories which are classified as very low, low, moderate, upper moderate and middle. The ordinance sets out the Town's procedure to apply, establishes where such housing can be located, provides requirements to insure that such housing is built to standards compatible with other units in any project and other such regulations to insure the health, safety, and welfare of those who will reside in the workforce and affordable units. In addition to providing regulations for any LLA project, the ordinance will also be applicable to any workforce housing project. Additional detail is provided in this report. Please see **Attachment B**, following the staff report, for the proposed ordinance.

To date, the Town is not aware of any developers intending to submit projects under the LLA, although we have received inquiries. However, unless amended, this act will be in effect until October 2033.

Update from August 7 2024 Town Commission Workshop

Public input and TC discussion

Since the August 7 Workshop the Workforce Housing Ordinance has been revised to reflect Commission comments, public input, incorporate useful text from a recent draft model ordinance on administration of the LLA prepared by the University of Florida, and focus on workforce housing. The ordinance has also been revised in response to new amendments to the Live Local Act which will go into effect July 1. These changes are summarized in **Attachment 1** of this report. .

One change to note- staff has added the upper level of the "very low" income range to the definition of workforce housing, based on comments from Commissioner Thomas, who was concerned that that a teacher with a family would not have sufficient income to qualify for workforce housing. Currently a starting teacher's salary of \$53,000 (source: PB Post). Therefore, while Palm Beach County workforce housing starts with those making 60% of the median family income, the Lake Park program proposes to start at 50%. The income categories and allowable rents are contained in **Attachment 2** of this report.

This addition will also help qualify an entry level public employee, as well as mid-range public employees with families'

LIVE LOCAL ACT PROJECTS: LOCATION, AND MAXIMUM HEIGHT AND DENSITY IN THE TOWN

In order to understand the reasoning for some of the requirements in the Town's proposed ordinance, the potential locations of any LLA project, density and height as it relates to the Town are set out below.

Location of Live Local Housing

The LLA mandates that local governments must allow any qualified LLA project in any district that allows commercial, industrial, or mixed use. For Lake Park, such projects could be located in the C-1, C-2 and C-1B commercial districts, the C-4 and CLIC-1 industrial districts and the mixed use districts of Park Avenue Downtown (PADD), Twin Cities (C-3), and Federal Highway Mixed Use District Overlay (FHMUDO), which are shown below. Another way to describe the allowed location- anywhere on the zoning map that is not yellow or pink (residential) or dark green (Conservation).

LLA: MUST ALLOW QUALIFIED PROJECTS IN DISTRICTS THAT PERMIT COMMERCIAL, INDUSTRIAL, OR MIXED USE

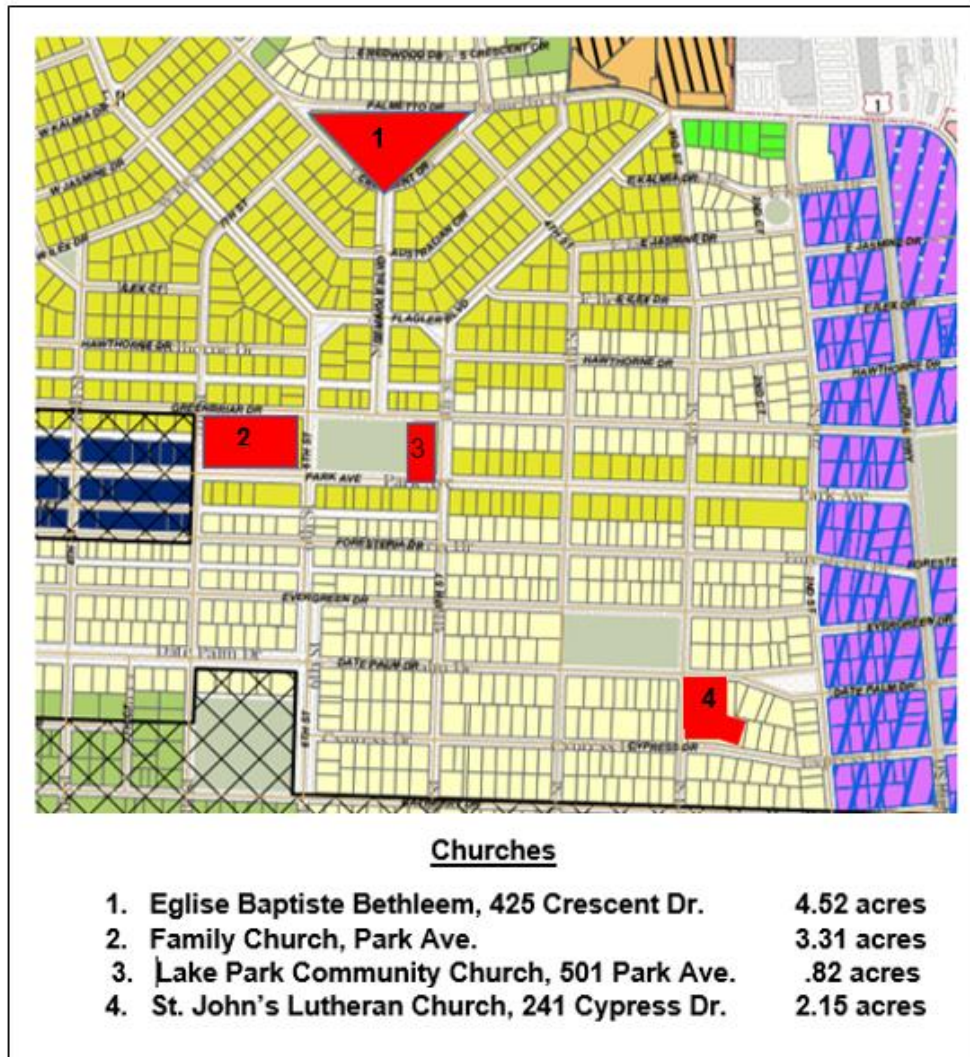
IN LAKE PARK

INDUSTRIAL DISTRICTS: BROWN (C-4) AND BLUE (CLIC) COMMERCIAL: ORANGE (C-1), RED(C-2), AND PURPLE (C1B)

MIXED USE DISTRICTS: DARK BLUE (PADD), LIGHT ORANGE (C-3) AND PURPLE/BLUE STRIPES (FHMUDO)



If the 2025 LLA amendment becomes law, as of July 1, 2025 qualified LLA projects could also be located on property owned by a religious institution that has a house of worship on the site. There are four such properties in the Town, located in single-family districts, shown on the map below. While use of this section is unlikely for most of the additional sites, regulations have been added to the ordinance to address such a location.



Mandated Allowable Density

BY statute, A LLA project is entitled to the maximum density permitted in the Town, not including any density bonuses. Therefore the **maximum allowable density would be 48**

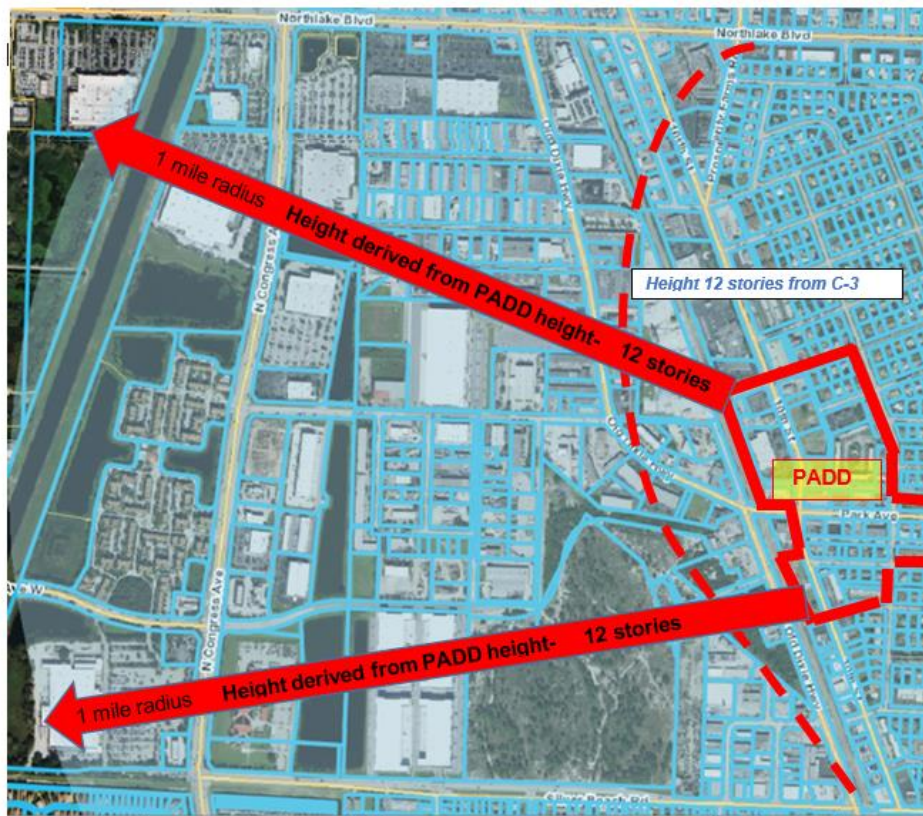
du/acre. This reflects the density of the C-3 Twin Cities District, the PADD District, and the FHMUDO District (excluding bonuses).

Mandated Allowable Height

The statute mandates that a LLA project is entitled to the maximum height (excluding bonuses) allowed by the Town within one mile of the project. Depending on location, the maximum allowable LLA heights in the Town could vary from 12 stories to 15 stories. (However by limiting the density to 48 du/acre, this alone would likely significantly reduce the height of any LLA project.)

The heights and the governing districts are shown on the two maps that follow.

Most of the Industrial area, as well as the Congress Ave. commercial corridor and San Marco would be governed by PADD height, currently 12 stories. Under the 2025 amendments to the LLA (pending the Governor's signature) this height would continue to govern, even if the PADD height is reduced.





PROPOSED ORDINANCE # 03-2025 TOWN REGULATIONS FOR WORKFORCE HOUSING

The LLA authorizes the locations and densities without regard for the compatibility of the proposed development with surrounding properties as required by the Town's Comprehensive Plan and Land Development Regulations, and without regard for the impacts of height, density or intensity on adjacent existing properties. Without Town regulations, this would result in serious land use conflicts and impacts on the general welfare of residents and businesses.

Without regulation the implementation of the LLA would be inconsistent with existing objective and policies of the Town's Comprehensive Plan, including specifically Future Land Use Element Policy 5.4 that requires that the Town "utilize such techniques as distance requirements, buffering, landscaping, lower- intensity development, and scale-down requirements to provide appropriate transitions between high density uses and zoning districts having different intensities, densities, and functions." Thus the Zoning in Progress allowed the Town the time to develop the necessary regulations.

The primary goal of the new chapter is to insure that the Town has in place regulations that would be utilized should any developer propose housing under Florida Statute 166.04151 (7) of the LLA. The ordinance has also been drafted such that these would apply to any proposed workforce housing project as well. The proposed regulations would insure the health and safety of any occupants and help to mitigate any impacts due to projects being located in commercial and industrial use districts. The ordinance also includes regulations to protect single-family neighborhoods should any church property be the site of a LLA project. The proposed Chapter 65 establishes a framework under which the Town can consider and process any applications under this statute.

While the LLA uses the term "affordable housing", the local government can choose what income categories are used. The Town is providing its "affordable housing" in the form of "workforce housing", which excludes the lowest income tier that is best served through subsidized housing programs. The current median household income in Palm Beach County for a family of four is \$104,000. The Town's workforce housing covers five household income categories, ranging from 50 % to 120% of the County's median household income. The income ranges and related rents are shown in Attachment 2 of this report.

Major provisions proposed for Chapter 65

Several key components of the proposed ordinance are listed below. Please see **Attachment B** for the ordinance itself which contains Chapter 65.

(Reference to applicable proposed chapter section provided in parenthesis.)

- Provides definitions and income ranges of the various categories typically used when considering who is eligible for “affordable housing”, which follow the income ranges those used by HUD. The Town is proposing to use the same income categories adopted by the County for its workforce housing program, for ease of administration. The one exception is the Town’s addition of a Very Low category, which includes the upper levels “very low”. The specific ranges are contained in the definition section of the proposed chapter. (sec. 65-2)
- Defines “affordable” in keeping with the State Statute, which states that monthly rents or mortgage payments cannot exceed 30 percent of monthly household income. (sec. 65-2)
- Affordable” Income Categories: Specifies how the income levels will be used by the Town to address the “affordable housing” requirements set by the LLA to **insure that a developer doesn’t only use the highest income level in the affordable category. The Town’s ordinance provides that affordable rental units be equally allocated among the four specified income level ranges** in workforce housing of very low, low, moderate, and upper moderate. Any project proposing units for sale must provide for the three income levels of moderate, upper moderate, and middle as set out in the ordinance. (sec.65-6)
- Requires submittal of a Sustainable Workforce Housing Plan (SWHP) that provides specific detail regarding the program being utilized, financing and details of the workforce units, including rental ranges, location, etc. This is to be submitted along with the site plan. (sec.65-4)
- Provides requirements to ensure the affordable units are substantially similar to market units regarding quality and are interspersed throughout the project. Includes usable open space and buffering requirements.(sec. 65-6)
- Sets out requirements to help mitigate the impact of any adjacent incompatible uses and provide for the health and safety of residents living in a LLA project. Requirements include an impact review of adjacent uses, protections such as buffering and setbacks, and the provision of open space for recreation. (sec.65-7)
- Provides requirements to mitigate impacts of LLA projects proposed for sites owned by religious institutions in residential neighborhoods.

- Provides that demolition of any local historic structure on the site of a LLA project, while mandated by the State to be handled administratively, shall follow the same adopted review criteria as any historic project.
- Sets out a process for the mandated administrative review for the LLA projects. Under the Town Code projects would normally follow a Public Hearing Process. However as this does not occur for administrative review, staff has included a requirement for the project to be the subject of a workshop meeting with notice to all properties within 300 feet. (sec.65-9)
- Requires a monitoring plan, annual monitoring reports for duration of affordable units (sec.65-13) and sets out enforcement (sec.65-14)
- Requirements of Town Chapter 65 would also apply to any project that is proposing “affordable” housing under any federal, state or local developer funding/financial assistance program.

Legal Notice and other Legal Requirements

State Statutes now require that the governments prepare a “Business Impact Estimate” for all ordinances adopted, with certain exceptions. This must be posted on a local government’s website no later than the date of public notice for the public hearing, and included in the agenda package. This document is included as **Attachment C.**

A display ad was published in the May 24 edition of the Palm Beach Post, in accordance with statutory and Town requirements (Attachment D).

Following second reading, the Department will prepare an outline of the Town’s procedures and requirements for administrative approval of LLA projects which will be posted on the Town’s website as required by the act.

STAFF RECOMMENDATION: Staff recommends approval of Ordinance 03-2025, subject to any Town Commission changes.

Attachments to this report:

1. Summary of changes to the Ordinance since August Workshop
2. Workforce Housing Income and Rental Ranges
3. LLA Statute

UPDATE ON ORDINANCE REVISIONS SINCE AUGUST 7, 2024 WORKSHOP

Since the August 7 Workshop the Workforce Housing Ordinance has been revised to reflect Commission comments and incorporate useful text from a recent draft model ordinance on administration of the LLA. These revisions are summarized below, as well as staff response to all issues raised by the Commission.

In this 2025 legislative session the legislature approved certain amendments to the Live Local Act. It is anticipated that the changes will go into effect July 1, and therefore staff has now made changes to reflect the amendments, summarized below in section C.

A. ADDRESSING ISSUES RAISED BY THE COMMISSION AND PUBLIC AT THE AUGUST 7 WORKSHOP:

1. **There is no reasonable buffer to protect residential from industrial uses.** *The proposed ordinance requires a forty foot landscaped buffer and minimum six foot masonry wall adjacent to industrial uses. Further conditions may be imposed depending on the type of adjacent uses as an “Environmental Assessment and Mitigation Plan” is required to address impacts within 300 feet of the property.*
2. **How does monitoring work?**
Section 65.14 of the proposed chapter sets forth reporting and monitoring requirements, which would be expanded upon in a “land use restriction agreement” that must be executed by the property owner. There are detailed annual reporting requirements, and the ability for the Town to request monthly monitoring and reporting if deemed necessary. All reports would be reviewed by a 3rd party, hired by the Town and paid by the property owner. .
3. **Concern with any parking reductions.**
The proposed ordinance does not reduce parking for LLA projects.
4. **Teachers don’t qualify for workforce housing.**
According to the Palm Beach Post the starting salary for a teacher in PB County is now \$53,000. Therefore, a starting teacher with a family would not be eligible under this program, making too little to qualify for workforce housing under a program

based on the Palm Beach County Workforce Program which begins with the low income category.

Staff has added the upper level of the “very low” income range, 50% to 60% of the median family household income, to the definition of workforce housing, based on comments from Commissioner Thomas. This addition will also help qualify an entry level public employee, as well as mid-range public employees with families.

Therefore, while Palm Beach County workforce housing starts with those making 60% of the median family income, the Lake Park program proposes to start at 50%.

5. Why are all income brackets not included?

The very low income category is proposed to be added, as noted above. However, the extremely low income category is best addressed through subsidized programs rather than the private sector.

B. PROPOSED CHANGES BASED ON THE “MODEL LLA ADMINISTRATIVE REVIEW POLICY”

A draft “Model Administrative Review Policy to Implement Florida’s Live Local Act” was recently released by the Univ. Florida. Staff has reviewed this document and incorporated some of the language. Staff has not restructured the Town’s proposed ordinance to reflect the model, as our ordinance also covers any workforce housing project that receives financial aid for construction.

C. AMENDMENTS TO THE LIVE LOCAL ACT: POTENTIAL IMPACT FOR THE TOWN

If signed by the governor, CS for CS for SB 1730 will take effect July 1, 2025. The bill includes corresponding amendments impacting both counties and municipalities pertaining to the Live Local Act.

Those that may have an impact on the Town are listed below. Staff explanation and/or proposed changes to Ordinance 03-2025 (Chapter 64 Workforce Housing) to address the amendment are shown in blue italic below, as well as in the staff report.

1. Extends the districts/area in which LLA housing may be built to include any parcel of land with a house of worship owned by a religious institution, regardless of zoning district.

In Lake Park this would include

- *Eglise Baptiste Haitienne Bethlehem Church, Crescent Circle, zoned R-1A single-family*
- *Lake Park Community Church, 501 Park Ave., zoned R-1A single-family*
- *Family Church, 600 block of Park Avenue, zoned R1A single-family.*
- *St. John's Evangelical Lutheran Church, 241 Cypress Dr., zoned R-1 single-family.*

Staff has added a section to address mitigating impacts with single- family neighborhoods

2. Essentially prevents municipalities from reducing maximum height or density requirements in other districts which would then govern the LLA projects. The bill states that the government must use current regulations or those that were in effect on July 1, 2023, whichever is least restrictive. (pgs. 15,16)

Therefore, any reduction in height in the PADD would not change the height to be allowed for LLA projects within 1 mile, as the PADD maximum allowable height as of July 2023 would be applied. (The PADD was amended in July 2022.) The industrial, commercial, and mixed use properties west of the PADD would continue to be allowed up to 12 stories

3. Requires that “The municipality must administratively approve the demolition of an existing structure associated with a proposed development..., without further action by the governing body of the municipality .., if the proposed demolition otherwise complies with all state and local regulations.” (pg. 18)

*Therefore IF there was a qualified LLA project submitted for the 918 Park Avenue project, the Town would have to administratively approve the demolition. However, it does **not appear that demolition must necessarily occur due to the phrase “if the demolition otherwise complies with all state and local regulations”, which would then include the process and standards set out in Chapter 66 on historic preservation.** However, this should be confirmed by the Town Attorney.*

Staff is proposing to add language to insure that while handled administratively the staff is able to utilize the same process and requirements as the HPB would use by adding “3)Should an historic structure be located on a parcel for a proposed Live

Local Act project, the Community Development Department shall assume the responsibilities otherwise reserved for the Historic Preservation Board and the Town Commission when evaluating any special certificate of appropriateness or request for demolition.”

4. Differentiates between structures designated historic on the National Register of Historic Places and those that are locally designated. If a proposed development is on a parcel that is on the National Register, the municipality can limit the project height to the maximum height within $\frac{3}{4}$ mile of the project, as compared to 1 mile required. (pg. 17)

As written then the height reduction does not related to locally designated historic structures in the Town. Therefore this will have no impact on the Town.

5. Changes from “must consider” to “must reduce” parking by 15% if requested by the LLA applicant, if any one of three conditions exist: within $\frac{1}{4}$ mile of a transit stop (as defined by the town) and the stop is accessible by the development, within $\frac{1}{2}$ mile of a major transportation hub, or there is available parking within 600 feet of the proposed development.

As proposed in Chapter 65 “Workforce Housing” of the Town code, transit stop would mean “a designated location with a covered structure recognized by the transit authority as a pick-up/drop off connection to a countywide transit system that provides routine service with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods. Connection to the transit system shall be sufficient for commuters in terms of number of daily connections and destinations.” Given the limited Palm Tran service at this time, a project would not be able to utilize this option to obtain reduced parking.

Staff has also proposed to add a definition of “accessible” as it relates to a transit stop: “Accessible to a transit stop shall mean (1) that a person walking between the transit stop and the development may travel the entire distance on even, paved sidewalks or within marked crosswalks, (2) that the entire route meets applicable standards of the Americans with Disabilities Act, and (3) that the route does not cross any road having a design speed greater than 25 miles per hour or having more than two motor vehicle lanes.”

It may be possible for a LLA project in the Downtown or certain areas of Federal Highway to utilize the option of available parking, but it’s not entirely clear from the statute.

6. Specifically limits a municipalities' ability to enact more than a 90 day building moratorium to delay the construction of LLA project. The subsection does not apply if it relates to addressing "stormwater or flood water management or the supply of potable water, or due to the necessary repair of sanitary sewer systems, so long as it applies to "all types of residential and mixed -use development".

With the pending adoption of Chapter 65 - Workforce Housing there will be no need to consider a moratorium at this time. However, any moratorium in an area related to lack of various utilities could apply.

7. Sets limits on attorney fees for the prevailing party in any civil action filed against municipality.

TOWN OF LAKE PARK PROGRAM: WORKFORCE HOUSING CATEGORIES

2024 Rents and Incomes

Effective July 1, 2024

Income and Rental Ranges by Category

<i>Income Levels – family of 4</i>			<i>Studio</i>	<i>1 BR</i>	<i>2BR</i>	<i>3BR</i>	<i>4BR</i>
Very Low2	50-60% MFI	\$52,000-\$62,399	\$843-\$1,125	\$903-\$1,205	\$1,084-\$1,446	\$1,253-\$1,671	\$1,398-1,864
Low	60-80% of MFI	\$62,400 - \$83,200	\$1,125 - 1,500	\$1,205 - 1,607	\$1,446 - 1,928	\$1,671 - 2,228	\$1,864 - 2,486
Moderate 1	>80-100% of MFI	>\$83,200 - \$104,000	\$1,500 - 1,875	\$1,607 - 2,009	\$1,928 - 2,410	\$2,228 - 2,785	\$2,486 - 3,108
Moderate 2	>100-120% of MFI	\$104,000 - \$124,800	\$1,875 - 2,250	\$2,009 - 2,410	\$2,410 - 2,892	\$2,785 - 3,342	\$3,108 - 3,729

Tables for Income sources: Low –Middle: Palm Beach County Workforce Housing categories; Very low 2: Florida Housing Finance Corp. All information derived from HUD. Updated annually

INCOME LEVELS AND RENTAL LIMITS.

EFFECTIVE JULY 2024

Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
	1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
50%	37,500	42,850	48,200	53,550	57,850	62,150	66,400	70,700	74,970	79,254	937	1,004	1,205	1,392	1,553	1,713
60%	45,000	51,420	57,840	64,260	69,420	74,580	79,680	84,840	89,964	95,105	1,125	1,205	1,446	1,671	1,864	2,056
70%	52,500	59,990	67,480	74,970	80,990	87,010	92,960	98,980	104,958	110,956	1,312	1,406	1,687	1,949	2,175	2,399
80%	60,000	68,560	77,120	85,680	92,560	99,440	106,240	113,120	119,952	126,806	1,500	1,607	1,928	2,228	2,486	2,742

Palm Beach County Median Income (Family of 4) \$104,000

Source: from Table "2024 Income Limits and Rents", Florida Housing Finance Corp. Data Origin HUD

Effective July 2024 Effective July 2024