

Sec. 23.2-39 – City of Lake Worth Beach Affordable/Workforce Housing Program

- a) *Intent.* The of Lake Worth Beach Affordable/Workforce Housing Program is intended to implement Objective 3.1.2 of the city comprehensive plan future land use element and provisions therein regarding affordable and workforce housing. This program provides for a density bonus and a reduction in overall housing unit areas for developments that incorporate residential units with restrictive covenants that meet the requirements of the program.
- b) *Purpose.* The purpose of the Lake Worth Beach Affordable/Workforce Housing program is to encourage the inclusion of affordable and workforce housing units within both residential and mixed-use projects as well as planned developments of all types to provide for broader and more accessible housing options within the City. The program offers; (a) up to a fifteen percent (15%) increase in overall project density; (b) up to a fifteen percent (15%) reduction in the gross area requirements based on unit type; (c) up to a twenty five percent (25%) reduction in required parking; (d) financial incentives to be considered on a case by case basis; and (e) the aforementioned incentives may be combined with other incentive and bonus programs related to density, height and intensity predicated that any increase in density, intensity and/or height must include a reservation of at least fifteen percent (15%) of the associated areas involving any density, intensity and/or height increases as affordable. The Lake Worth Beach Affordable/Workforce Housing programs listed herein (subsections (a), (b), (c), (d), and (e)) shall be referred to as “Program Incentives”.
- c) *Application and Review Process.*
  - 1. *Application.* All development proposals seeking increased density of up to fifteen percent (15%) and/or reductions in overall unit sizes of up to fifteen percent (15%) shall submit an affordable/workforce housing program application as provided by the department of community sustainability. The application shall accompany the standard City of Lake Worth Beach Universal Development Application for the development proposal.  
The affordable/workforce housing program application shall include all of the following:
    - (a) A project fact sheet with building specifications including the number of additional units, unit types and unit sizes proposed.
    - (b) The affordability criteria for each unit proposed to be included in the program.
    - (c) Draft restrictive covenants should the City’s version not be submitted
    - (d) Any other additional information to ensure the timely and efficient evaluation of the project by city staff to ensure that the requirements of the program are being met.
  - 2. *Review/decision.* The development review official shall review the application along with the zoning approvals otherwise required of the development proposal under these LDRs. Development applications that require further review or approval by a decision-making board shall also include the development review official's recommendation regarding the award of additional density and/or unit size reduction under the program. Any decision on the award shall be made by the planning and zoning board, the historic resources planning board, or the city commission as applicable. A decision on an award may be appealed under the procedures applicable to the development application with which it is associated. No waiver or variance may be granted regarding the award. The award of bonus height or intensity under this program shall be based on the following criteria:
    - (a) Is the award calculated correctly, consistent with the density and unit size reduction(s) that are allowed under the program;
    - (b) Do the proposed income restrictions meet the intent of the program;

(c) Do the proposed annual rents and/or mortgage costs meet the intent of the program;  
and

(d) Do the proposed restrictive covenants to maintain affordability meet the intent of the program?

d) **Qualifying income restrictions.** The following provisions outline the required income limits and overall percentage of household income to qualify program units as being affordable/workforce. All income values shall be based on the then current area (County) median household income published annually by the US Department of Housing & Urban Development. Whether with a rental unit or for a fee simple, for sale unit, the overall housing expense (rent, mortgage, property taxes, and insurances) for the unit shall not exceed thirty percent (30%) of the income limit provided for each unit type, based upon the number of bedrooms.

1. For a studio unit, the annual gross income maximum shall not exceed forty five percent (45%) of area median income and minimum household size is one (1) person.
2. For a one-bedroom unit, the annual gross income maximum shall not exceed sixty five percent (65%) of the area median income and minimum household size of one (1) person, not to exceed two (2) people per bedroom.
3. For a two-bedroom unit, the annual gross income maximum shall not exceed eighty five percent (85%) of the area median income and minimum household size of two (2) people, not to exceed two (2) people per bedroom.
4. For a three-bedroom unit, the annual gross income maximum shall not exceed one hundred and five percent (105%) of the area median income and minimum household size of three (3) people, not to exceed two (2) people per bedroom, .
5. For a four or more-bedroom unit, the annual gross income maximum shall not exceed one hundred and twenty five percent (125%) of the area median income and minimum household size of four (4) people, not to exceed two (2) people per bedroom.
6. For fee simple ownership, the limits provided above may be increased by fifteen (15%) based on unit type and shall include the overall housing expense.
7. *Alternatively, the income restrictions may adhere to the following guidelines singularly or in combination.*
  - a. *"Affordable Housing Eligible Households" means a household with a total income at or less than eighty percent (80%) of the Area Median Income, calculated as percentages of the Median Family Income for Palm Beach County, as published annually by the US Department of Housing and Urban Development.*
  - b. *"Workforce Housing Eligible Households" means a household with a total income within the following income categories: Moderate (80%-100%) and Middle (101%-140%) of the Area Median Income, calculated as percentages of the Median Family Income for Palm Beach County, as published annually by the US Department of Housing and Urban Development.*

e) **Additional restrictions.** The following requirements outline the restrictive covenant that shall be recorded and maintained on each unit awarded under the program.

1. Each unit proposed under the program shall be governed by a recorded restrictive covenant that maintains its affordability for a minimum of twenty (20) years.
2. The restrictive covenant shall be in a legal form acceptable to the department of community sustainability and the city attorney's office or as otherwise provided by the city.

3. Shall other affordable/workforce housing incentives be combined with the Lake Worth Beach Affordable/Workforce Housing Program, the more restrictive program requirements shall govern the project.
  4. An annual report of the project's compliance with all of these requirements shall be provided to the City or its designee for evaluation, review and approval. Should the annual report demonstrate the project is not meeting the requirements of the Lake Worth Beach Affordable/Workforce Housing Program, the project owner shall pay the city an amount no less than fifteen dollars (\$15) per square foot for each unit that does not comply with the program's requirements. Said amount shall be due annually for each year remaining under the restrictive covenant recorded for the project.
- f) *Financial incentives.* The following are parameters for financial incentive values based on unit type, which may be utilized to ensure dwelling units in excess of the fifteen percent (15%) density increase incentive remain affordable for a guaranteed twenty (20) year period as governed through a covenant and/or deed restriction. Values may be paid through utilization of Sustainable Bonus Incentive Values, Transfer Development Right Values or cash payments from the City from either the Sustainable Bonus Incentive Trust Account or the Transfer Development Rights Trust Account.
1. For a studio dwelling unit, a one-time payment of \$40,000 or 50% percent of the area median income, whichever is greater;
  2. For a one-bedroom dwelling unit, a one-time payment of \$60,000 or 75% percent of the area median income, whichever is greater;
  3. For a two-bedroom dwelling unit, a one-time payment of \$80,000 or 100% percent of the area median income, whichever is greater;
  4. For a three-bedroom dwelling unit, a one-time payment of \$100,000 or 125% percent of the area median income, whichever is greater;
  5. For a four or more-bedroom dwelling unit, a one-time payment of \$120,000 or 150% percent of the area median income, whichever is greater;
  6. For a fee simple ownership dwelling unit, an additional one-time payment of \$25,000 may be provided; and
  7. Payments shall be made at time of dwelling units receiving a final certificate of occupancy or certificate of completion.

Definitions:

Gross rent – Total all-inclusive amount required from a lessee from a lessor.

Overall Housing Expense – Total homeowner expenses for mortgage, mortgage insurance, property insurance and taxes.