

ADMINISTRATIVE MEMORANDUM NO. 22 - 045

TO: David L. Recor, ICMA-CM, Director of Development Services
VIA: Jennifer Gomez, AICP, Assistant Development Services Director
FROM: Jean E. Dolan, AICP, CFM, Principal Planner
SUBJECT: Justification to Limit Flex/Redevelopment Unit Allocations
DATE: April 7, 2022

A. Request

This is a request to consider limiting to 50 units the maximum number of flex/redevelopment units any individual project can be granted if they are located in an area eligible for the use of policy 2.16.3 or 2.16.4 to create additional residential entitlements in a residential land use category or to create residential entitlements in a commercial land use category.

Policy 2.16.3 can be used anywhere in the City except on Commercial land use properties greater than 10-acres. Those are only eligible for entitlements under Policy 2.16.4. Flex/redevelopment units can be used to create the “base” entitlement under policy 2.16.3 for properties with no residential entitlements (including Palm Aire). The purpose of the flex/redevelopment unit allocation is to serve as the basis for calculating the density bonus allowed by the policy. Since flex/redevelopment units are required to “seed” the commercial properties or residential properties with zero units (Palm Aire) using 2.16.3, 500’ notice mailings and City Commission is required to approve the allocation for those units prior to the bonus formula being applied.

The areas eligible for the use of 2.16.4 in question are all properties with frontage on a local, County or State arterial roadway which include the main north/south thoroughfares: Federal Highway, Dixie Highway, Andrews Avenue, Powerline Road, NW 31st Avenue, and the main east/west thoroughfares: Sample Road, Copans Road, Dr. Martin Luther King, Jr. Blvd (portion), Atlantic Boulevard and McNab Road. Projects that use Policy 2.16.4 are granted the units through site plan approval with no 500’ notice mailings or City Commission hearing required.

B. Need for Request

The attached flex/redevelopment unit table shows that if all the projects that have either been submitted or that we have received inquiries about actually were awarded flex/redevelopment units, we would already be short 327 units even though we were just awarded 500 redevelopment units on April 5, 2022.

We can only request redevelopment units 500 at a time and the County does not have to award those units to us if we can’t show we are in compliance with their affordable housing policies. The only advantage of 2.16.4 is that no notice mailings or City Commission is required to get the units by right. If that time savings is not enough to attract a developer to provide the mixed use and affordable housing component in their

projects, that policy will never be used on properties less than 10-acres if we freely distribute redevelopment units (which have a reasonably low buyout for the affordable housing requirement and no mixed use requirement).

In regard to Policy 2.16.3, the same is true. No developer that does not want to provide affordable housing will choose that option if we are meeting their demand with redevelopment units. In the case of applying 2.16.3 to commercial properties or residential with zero entitlements (Palm Aire) the fact that the project still has to go to City Commission for the flex/redevelopment unit allocation makes the advantage of 2.16.3 accrue only to the City (by making our redevelopment units last longer) and really does nothing special for the Applicant since the affordable *must* be provided due to the high cost of buying out of the County requirement (\$42,000+ per unit for EVERY unit granted) and there is no shortening of the advertising and approval process.

C. Pros and Cons of Restricting Allocations of Redevelopment Units

Pros –

- (1) Extends the life of our pool of redevelopment units thus allowing more projects to be built on a faster track than doing Land Use Plan amendments;
- (2) Enables us to set aside a pool of 50 (recommended) redevelopment units for administrative allocations of 1-2 units at a time for SF and duplex infill (we've had 30 units made possible using this policy since the code amendment was adopted in 2020 so a 50 unit set-aside should last 3+/- years).¹
- (3) Demonstrates we are in compliance with the County's affordable housing policies (2.16.3 and 2.16.4) which makes it far more likely we will be awarded future allocations of 500 additional redevelopment units when we ask for them.
- (4) Ensures we have a minimal amount of affordable units set aside in projects using the County policies while still allowing the buyout, where affordable housing is still required for flex (generally east of Dixie), for small (under 50 unit) projects.

Cons –

- (1) Forcing projects to use 2.16.3 and 2.16.4 ensures at least 15% moderate income-restricted units in areas that already have subsidized housing thus not allowing for 100% non-income restricted projects over 50 units in size. This may not be considered optimal by the CRA, however, moderate income is a higher price point than tax credit projects which are priced at 60% or less of median (low and very low income).
- (2) Right now, 2.16.4 has an unrealistically high mixed use requirement so if we don't get that changed, this policy may never work so all commercial properties over 10-acres might have to do a land use plan amendment to get more than 50 residential units entitled if we adopt this restriction. Based on the conversation Mayor Hardin and I had with County Commissioner Geller today (April 7, 2022), we are hopeful there is some understanding of the need to make this requirement more flexible and if it is changed, it will be in the next 6-month (or so) time frame.

¹ We can actually do this now, however, it will just make our flex/redevelopment unit pool deplete faster especially if we don't limit withdrawals.

G:\Zoning 2009\Miscellaneous Zoning Cases\Flex Unit Request\2021 Request for Redevelopment Units\Policy to Limit Allocation of

D. Recommendation

- (1) Staff recommends we adopt a policy to only allow 50 redevelopment units for any property eligible for 2.16.3 or 2.16.4 and establish a reserve of 50 of the units we currently have for administrative flex allocations of 1-2 units at a time.
- (2) Process a text amendment to Chapter 154.61 to reduce the length of the approval process for the allocation of flex units if using County Policy 2.16.3 to provide an incentive for Developers to use the policy.

Pompano Beach - Residential Flex

Historic and Current Flex Allocation Tables
Ordinances

Description	Approval Date	Expiration Date	Reso No.	UNITS ALLOCATED		UNITS AVAILABLE	
				Flex	Redevelopment Units	Flex	Redevelopment Units
Flex Zone Unification	3/23/2018	N/A	N/A	0	0	1,437	0
(Units added back to Pool) The Jefferson Local Amendment - changed local plan only to create 207 new flex units	10/27/2015	N/A	Ordinance 2016-11	207	0	1644	0
East CRA Flex Dedication	9/1/2010	N/A	N/A	-310	0	1334	0
East CRA Flex Back to General Pool (Note 1)	3/23/2018	N/A	N/A	310	0	1644	0
New Covenant Church, 901 NW 33rd Street (Expiration date was extended for HB 503 the expired)	12/14/2010	12/14/2014	# 2011-105	-114	0	1530	0
Shoal Creek, 4661 North Federal (Note 2)	1/10/2012	1/10/2014	# 2012-114	-18	0	1512	0
Pompano Beach Commerce Center (expired)	3/28/2013	3/28/2015	#2013-175	-1	0	1511	0
(Units added back to Pool) New Covenant Church, 901 NW 33rd Street (flex & reserve units forfeited at time of Comp Plan Amendment changing to Dashed Line Ireg allowing 110 max. units)	4/8/2014	N/A	# 2014-29	114	0	1625	0
Habitat Abyssinian (Note 2)	1/13/2015	1/13/2017	# 2015-143	-21	0	1604	0
Pinnacle at Entrada (expired)	1/27/2015	1/27/2017	# 2015-162	-101	0	1503	0
Units Added Back to Pool Pinnacle at Entrada (expired)	3/23/2018			101		1604	0
(Units added back to Pool) Pompano Beach Commerce Center Expired	3/28/2013	3/28/2015	#2013-175	1	0	1605	0
Atlantic Tower / 225 N Federal (Note 2)	12/8/2015	12/8/2017	# 2016-72	-145	0	1460	0
Paloma / 2119 SE 9 St (Note 2)	12/8/2015	12/8/2017	# 2016-73	-14	0	1446	0
Habitat First Street (Note 2)	2/9/2016	2/9/2018	2016-118	-6	0	1440	0
9 East Atlantic	4/26/2016	4/26/2018	#2016-182	-3	0	1437	0
2606 Palm Aire Drive N.	3/13/2018	3/13/2020	#2018-104	-99	0	1338	0
COPB and Natjack	11/14/2017	11/14/2019	#2018-47	-100	0	1238	0
St. Elizabeth	6/25/2019	6/25/2021	#2019-212	-15	0	1223	0
Aloha 1, LLC	7/9/2019	7/9/2021	#2019-226	-108	0	1115	0
Usman Palm Aire	2/23/2021	2/23/2023	#2021-88	-40	0	1075	0
Aviara East Pompano	1/28/2020	1/28/2022	#2020-117	-187	0	888	0
Dixie & 8th (Sonata)	10/22/2019	10/22/2021	#2020-43	-100	0	788	0
Hus Group, LLC	3/10/2020	3/10/2022	#2020-155	-41	0	747	0
300 NW 31st Ave	9/8/2020	9/8/2022	#2020-239	-14	0	733	0
500 NW 31st Ave	9/8/2020	9/8/2022	#2020-240	-12	0	721	0
600 NW 31st Ave	9/8/2020	9/8/2022	#2020-241	-14	0	707	0
620 NW 31st Ave	9/8/2020	9/8/2022	#2020-242	-12	0	695	0
213 NW 12 Street	1/28/2021	1/28/2023	DO #20-05000014	-1	0	694	0

Historic and Current Flex Allocation Tables Ordinances

Pompano Beach - Residential Flex

Holmes 2955 SFR	3/23/2020	N/A	DO #20-05000002	-1	0	693	0
Atlantic 3350 Reinstated	9/10/2019	N/A	#2019-270	-77	0	616	0
NW 7th Terrace Duplex	7/2/2020	7/2/2022	DO #20-05000006	-1	0	615	0
Costa Duplex	7/20/2020	3/23/2022	DO #20-05000001	-1	0	614	0
NW 4th St. Duplex	8/9/2020	8/9/2022	DO #20-05000007	-1	0	613	0
Black Label Flex 514	10/1/2020	10/1/2022	DO #20-05000009	-2	0	611	0
Black Label Flex 514A	10/1/2020	10/1/2022	DO #20-05000010	-2	0	609	0
Hilghman Flex 2321 NW 4th St.	10/1/2020	10/1/2022	DO #20-05000011	-1	0	608	0
Hilghman Flex NW 4th St. 2341	10/1/2020	10/1/2022	DO #20-05000012	-1	0	607	0
Lot 7 Blk 2 SW 10St.	10/29/2020	10/29/2022	DO #20-05000013	-1	0	606	0
Habitat PB 191	2/11/2021	2/11/2023	DO #20-05000015	-1	0	605	0
Habitat PB 190	2/11/2021	2/11/2023	DO #20-05000016	-1	0	604	0
Habitat PB 189	2/11/2021	2/11/2023	DO #20-05000017	-1	0	603	0
Habitat PB 187	3/4/2021	3/4/2023	DO #20-05000001	-1	0	602	0
Habitat PB 188	3/4/2021	3/4/2023	DO #20-05000002	-1	0	601	0
Habitat PB 192	3/4/2021	3/4/2023	DO #20-05000003	-1	0	600	0
Habitat PB 193	3/29/2021	3/29/2023	DO #20-05000004	-1	0	599	0
Habitat PB 194	3/29/2021	3/29/2023	DO #20-05000005	-1	0	598	0
Habitat PB 195	3/29/2021	3/29/2023	DO #20-05000006	-1	0	597	0
Habitat PB 196	3/29/2021	3/29/2023	DO #20-05000007	-1	0	596	0
Habitat PB 197	3/29/2021	3/29/2023	DO #20-05000008	-1	0	595	0
Habitat PB 198	3/29/2021	3/29/2023	DO #20-05000009	-1	0	594	0
3050 NW 6th Court	12/12/2021	12/14/2023	DO #21-05000011	-1	0	593	0
Falcone 3151-3251 N. Federal Hwy	12/14/2021	12/14/2023	Resolution 2022-45	-285	0	308	0
Casavista III - NW 27th Ave	3/22/2022	3/22/2024	DO #22-05000003	-2	0	306	0
Casavista IV - NW 27th Ave	3/22/2022	3/22/2024	DO #22-05000004	-2	0	304	0
3055 NW 4th Street	3/22/2022	3/22/2024	DO #22-05000002	-1	0	303	0
Luxury Turnpike Apts	in for DRC			-357	0	-54	0
Covenant Gardens	in for DRC			-40	0	-94	0
Gateway Luxury Apts	PreApp			-128	0	-222	0
4211 Federal Hwy	On Market			-105	0	-327	0
Oaks Country Club Palm Aire	Met with Management			-325	0	-652	0
2050 MLK	Discussions with staff			-175	0	-827	0
ALLOCATION OF 500 RDU	4/5/2020				500	-827	-327

Unit Savings With Proposed Policy (based on Moderate Income Housing Bonus)

Habitat PB 196	3/29/2021	3/29/2023	DO #20-05000007	-1	0	596	0	
Habitat PB 197	3/29/2021	3/29/2023	DO #20-05000008	-1	0	595	0	
Habitat PB 198	3/29/2021	3/29/2023	DO #20-05000009	-1	0	594	0	
3050 NW 6th Court	12/12/2021	12/14/2023	DO #21-05000011	-1	0	593	0	
Falcone 3151-3251 N. Federal Hwy	12/14/2021	12/14/2023	Resolution 2022-45	-285	0	308	0	
Casavista III - NW 27th Ave	3/22/2022	3/22/2024	DO #22-05000003	-2	0	306	0	
Casavista IV - NW 27th Ave	3/22/2022	3/22/2024	DO #22-05000004	-2	0	304	0	
3055 NW 4th Street	3/22/2022	3/22/2024	DO #22-05000002	-1	0	303	0	
Luxury Turnpike Apts	in for DRC			-357	0	-54	0	Elilible for 2.16.3 or 2.16.4 (in CRA)
Covenant Gardens	in for DRC			-40	0	-94	0	
Gateway Luxury Apts	PreApp			-128	0	-222	0	Eligible for 2.16.3 or 2.16.4 (in CRA)
4211 Federal Hwy	Discussions with staff			-240	0	-462	0	Getting this density through PD rezoning - Eligible for 2.16.3 or 2.16.4
Oaks Country Club Palm Aire	Met with Management			-325	0	-787	0	Eligible for 2.16.3 (in Palm Aire)
2050 MLK	Discussions with staff			-175	0	-962	0	Eligible for 2.16.3 or 2.16.4 (in CRA)
ALLOCATION OF 500 RDU	4/5/2020				500	-962	-462	
1531-1537 N. Dixie Hwy (CRA)	Awarded CRA RFP				-10			
								-472

Math using 50 unit limit and 2.16.3 or 2.16.4 where the Applicant can have 6 bonus units for every one deed restricted Moderate Income Unit:

Project	Request	Allocation using 1 flex and 6 bonus		Units Remaining Under Restrictive Policy
		Flex	Bonus	
Luxury Turnpike Apts	357	51	306	803
Covenant Gardens	40	40		752
Gateway Luxury Apt	128	18	110	694
4211 N. Federal Hwy	240	34	206	659
Oaks Country Club Palm Aire	325	46	279	613
2050 MLK	175	25	150	588
1531-1537 N. Dixie Hwy (CRA)	10	10		
	1,275	225	1,050	578