



**City of Boynton Beach
Development Department**

Workforce Housing Program Amendments CDRV 17-004

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Objectives

- Short Term
 - Provide flexibility in the workforce housing program.
 - Encourage participation through incentives.
 - Update outdated data with current market data.
- Long Term (Future Amendment)
 - Comprehensive review of land development regulations to incentivize workforce housing.
 - Overlay regulations, micro units, flexible lots sizes, accessory units, parking reductions, etc.

Key Changes

- Conversion from mandatory to voluntary program.
- Utilization of Downtown Transit-Oriented Development District (DTODD) density bonus as incentive for workforce housing.
- Addition of a height bonus as incentive for workforce housing.
- Adjustment to set-aside percentages to increase participation.
- Addition of in-lieu fee option for rental projects.
- Adjustment of in-lieu fees based on current market data.
- Adjustment to duration of restrictive covenants for rental and for sale projects.

In Lieu Fee Calculations

RENTAL DEVELOPMENTS		
	MARKET RATE	WORKFORCE
Monthly Gross Rent per Unit	\$1,558	\$1,154
Annual Gross Rent per Unit	\$18,696	\$13,848
less expenses @40%	\$7,478	\$5,539
less vacancy/collection losses@8%	\$1,496	\$1,108
Annual Net Operating Income per Unit	\$9,722	\$7,201
Capitalized Value of Net Income per Unit with 5% Cap Rate	\$194,438	\$144,019
Capitalized values amortized (like a mortgage): the numbers represent the sum of "payments" over 30 years	\$354,600	\$262,699
Affordability Gap	-\$91,901	
In lieu fee per workforce unit at 20% of affordability gap	\$18,380	

In Lieu Fee Calculations

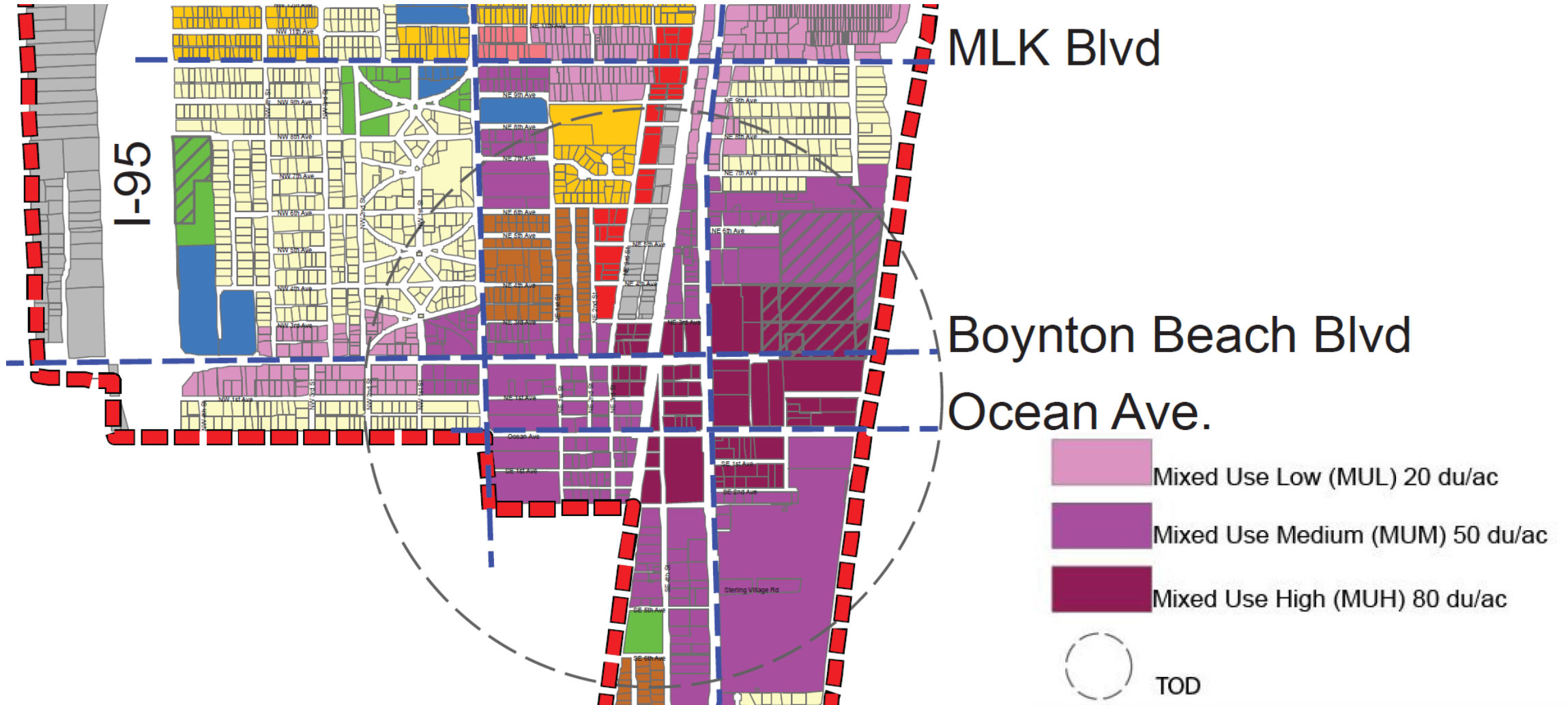
FOR-SALE HOMES		
Prices Market rate: median price of new single family home in PB County, per Realtors' Association of the Palm Beaches; Workforce; affordable price at 100% MHI, at 3 times income (PBC methodology)	\$335,000	\$138,534
Affordability Gap	-\$196,466	
In lieu fee per workforce unit at 20% of affordability gap	\$39,293	

Sample Project

<u>Sample Rental Project</u>			
Acres		=	3.379
MUH Density = 80 Units per Acre		=	270
DTODD (25%) Bonus = 20 Units per Acre		=	67
		Total	337

<u>In Lieu Fee Cost (Sample Rental Project)</u>			
Number of Workforce Housing Units at 10% of total Density			34
In Lieu Fee at 20%			\$ 18,380.20
Total In Lieu Fees Collected			\$624,926.80
Average cost for additional density			\$ 9,327.27

DTODD Boundaries



Summary

- Amendments will create a voluntary Workforce Housing Program.
- Provide flexibility in the Workforce Housing Program.
- Encourage participation through incentives.
- Provide a balanced approach to obtain workforce housing units.

Questions

