

# ATTACHMENT

## F

AFFORDABLE HOUSING LINKAGE  
FEE STUDY PROPOSAL

## ATTAINABLE HOUSING

On June 16, 2008, CRA and City staff discussed the potential changes necessary to the Attainable Housing Ordinance with the Palmetto City Commission. It had become apparent that, with the current economic climate, it was not feasible to remain in a "mandatory period" requiring the construction of homes valued at the maximum of \$201,600 with restrictions on re-sale value.

Commission directed staff to investigate an Impact Fee for attainable housing in lieu of the Attainable Housing Ordinance.

Staff obtained the attached cost estimate from Burton and Associates to provide justification for the appropriate fees. This is the same company that calculated the City of Palmetto's other impact fees.

## QUESTIONS:

- Is this still the direction of the City Commission?
- If so, should we obtain an updated proposal from the company listed and bring a contract back to the CRA Board?

# **BURTON & ASSOCIATES**

September 18, 2008

Ms. Tanya Lukowiak  
CRA Director  
City of Palmetto  
516 8th Avenue, West  
Palmetto, Florida 34221

Re: Affordable Housing Linkage Fee Study Proposal

Dear Ms. Lukowiak:

As requested, Burton & Associates is pleased to present the City of Palmetto with this proposal to conduct an Affordable Housing Linkage Fee Study for the City. This proposal was prepared based upon our understanding of the required scope of services discussed in a telephone call with Mr. Jim Free.

Based upon our understanding of the required scope of services, we have prepared a detailed Work Plan and Cost Estimate Schedule (Schedule) which is enclosed. This schedule shows that successful completion of the Study will require approximately 248 man-hours for an estimated fee of \$35,700 plus estimated out-of-pocket expenses of \$2,856 for a total estimated cost of \$38,556.

I will serve as Project Principal on this project and Bob Gray, President of Strategic Planning Group (SPG), will serve as Project Director. SPG specializes in providing planning related services to local government and has considerable experience in affordable housing. Bob and I have known each other professionally for over 20 years he provides specialized technical assistance to us on projects such as this, where his expertise and experience are particularly relevant to the subject. SPG served in a similar role in an Affordable Housing Linkage Fee Study that we performed for the City of Coconut Creek, Florida.

We can begin work on this assignment immediately upon receipt of a notice to proceed and estimate that the Study can be completed within about 60 days. We appreciate the opportunity to present the City with this proposal and look forward to the possibility of working with you again on this assignment.

Ms. Tanya Lukowiak  
September 18, 2008  
Page 2

We look forward the opportunity to continue to be of service to the City on this project.  
If you have any questions, please do not hesitate to call me at (904) 247-0787.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Michael E. Burton", with a stylized flourish at the end.

Michael E. Burton  
President

MEB/cs  
Enclosure

# CITY OF PALMETTO

## AFFORDABLE HOUSING LINKAGE FEE PROPOSAL

### PROJECT WORK PLAN & COST ESTIMATE

Prepared by **Burton & Associates**

**BURTON & ASSOCIATES**

PROJECT TASKS	Hourly rate--	ESTIMATED MAN-HOURS							Total Project
		Burton & Associates			SPG				
		Project Principal	Clerical	Total BKA	Project Director	Senior Associate	Clerical	Total SPG	
		\$205	\$40	\$40	\$195	\$125	\$40		
<b>PHASE 1</b>									
<b>TASK 1</b>									
<b>INITIATE THE PROJECT</b>									
a. Conduct project kick-off meeting to validate project objectives, determine project schedule milestones, project responsibilities and data requirements.		2	0	2	2	0	0	2	4
b. Prepare project schedule with key milestones and responsibilities.		1	0	1	1	0	0	1	2
<b>TASK 2</b>									
<b>DEVELOP AN AFFORDABLE HOUSING LINKAGE FEE</b>									
a. Review City's Comprehensive Plan Housing Element, and other applicable affordable housing data and commercial inventory/projection data sources and/or studies		0	0	0	6	8	0	14	14
b. Develop current housing demand and housing costs by type		0	0	0	8	40	0	48	48
c. Develop current housing supply by cost and type (ownership and rental)		0	0	0	0	8	0	8	8
d. Define cost components for housing construction by type (single family, townhome, apartment, etc.)		0	0	0	0	24	0	24	24
e. Define current commercial construction demand, cost by type and wage levels of permanent employment		0	0	0	0	10	0	10	10
f. Review work to date with consulting team and adjust as appropriate.		2	1	3	2	6	0	8	11
g. Review with City staff the makeup of the Affordable Housing Linkage Fee.		2	0	2	2	0	0	2	4
h. Develop a ten year population and commercial space projection for the City.		0	0	0	0	8	0	8	8
i. Develop an affordable housing needs generation model that determines projected needs and costs for each type of housing demand based upon population and commercial inventory growth		2	0	2	12	40	0	52	54
j. Define current impact fee affects on affordable/workforce housing		0	0	0	0	4	0	4	4
k. Develop an linkage fee calculation model that calculates affordable housing fees based upon the needs determined in Task 2.i.		0	0	0	0	16	0	16	16
l. Review with City staff the preliminary results.		3	0	3	3	0	0	3	6
m. Make adjustments as required.		0	0	0	8	4	0	12	12
n. Prepare a Final Report of the results of the study.		2	1	3	8	6	2	16	19
-- At Standard Hourly Rates as Required --									
<b>PHASE 2</b>									
<b>TOTAL ESTIMATED MAN-HOURS</b>		14	2	16	56	174	2	232	248
<b>TOTAL ESTIMATED CONSULTING FEE</b>	8.00%	\$2,870	\$80	\$2,950	\$10,920	\$21,750	\$80	\$32,760	\$35,700
<b>ESTIMATED EXPENSES</b>				\$236				\$2,620	\$2,856
<b>TOTAL ESTIMATED COST</b>				\$3,186				\$36,370	\$38,556

Source: Burton & Associates

01/02/2009

**Burton & Associates**  
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708  
 E-mail: [mburton@burtonandassociates.com](mailto:mburton@burtonandassociates.com)  
 Page 3

# Ordinance

ORDINANCE NO. 06-892

AN ORDINANCE OF THE CITY OF PALMETTO, FLORIDA, ESTABLISHING A MEANS OF INCREASING LOCAL ATTAINABLE HOUSING FOR MEDIAN-INCOME HOUSEHOLDS; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR DEFINITIONS; PROVIDING FOR A VOLUNTARY PERIOD; PROVIDING FOR REQUIREMENTS; PROVIDING FOR DEVELOPER INCENTIVES; PROVIDING FOR PAYMENTS IN LIEU; PROVIDING FOR EXEMPTIONS, REDUCTIONS, AND WAIVERS; PROVIDING FOR ADMINISTRATION; PROVIDING FOR ENFORCEMENT; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VIII, Section 2 of the Florida Constitution provides that municipalities shall have governmental, corporate and proprietary powers to enable municipalities to conduct municipal government, perform municipal functions and render municipal services; and

WHEREAS, pursuant to the referenced provision of the Florida Constitution, the City may exercise any power for municipal purposes except as otherwise provided by law; and

WHEREAS, Chapter 166, Florida Statutes, the "Municipal Home Rule Powers Act," implements the applicable provisions of the Florida Constitution and authorizes municipalities to exercise any power for municipal purposes, except when expressly prohibited by law and to enact ordinances in furtherance thereof; and

WHEREAS, within the above-referenced grant of powers, the City of Palmetto, Florida ("City") has the authority to establish land use and

development regulations for the protection of the public health, safety and welfare; and,

WHEREAS, the City is home to a diverse array of people representing all socio-economic backgrounds and income levels; and

WHEREAS, the City has conducted research and accumulated data pertaining to available housing within the boundaries of the City for residents of various income levels; and

WHEREAS, said research and current data indicates that housing needs for households earning between 80% and 120% of the median income are not being met; and

WHEREAS, said research and data indicates that while approximately 30% of the City's households fall within said income range, approximately 5% of currently available housing stock in the City is affordable to these households; and

WHEREAS, federal and state funds for the construction of housing units do not fully meet the needs of households earning between 80% and 120% of the median income; and

WHEREAS, the City has conducted research and accumulated data pertaining to the type and amount of housing that is desirable and necessary for the City to create a healthy, safe and economically secure environment for its residents now and in the future; and

WHEREAS, the City endeavors to promote a range of housing opportunities for all income levels in such proportion that current and future residents of the City will benefit from the City's growth and development; and

WHEREAS, in order to better meet housing demands and keep pace with projected growth, the City seeks to achieve approximately 15% of the City's stock of homes affordable to households earning between 80% and 120% of the median income ("Attainable Housing Units"); and

WHEREAS, to achieve this result, it is necessary to mitigate the negative impacts of market-rate housing on the supply and cost of housing stock within the City; and

WHEREAS, prolific development of market-rate housing reduces the supply of developable sites that would otherwise be appropriate for Attainable Housing Units; and

WHEREAS, it is necessary, reasonable and in the public's best interest to require that developers of new market-rate housing bear some responsibility for the negative impacts of such development; and

WHEREAS, the City Commission has determined that a mix of regulatory requirements and developer incentives is an equitable and efficient method of increasing the supply of Attainable Housing Units within the City; and

WHEREAS, the City Commission finds that allowing cash payments and equivalent donations in lieu of providing required Attainable Housing Units is a reasonable alternative to the provision of such housing; and

WHEREAS, said payments and donations will be used to subsidize and facilitate achievement of the optimal number of Attainable Housing Units within the City limits; and

WHEREAS, the City's calculation of the payment in lieu amount takes into account the City's costs associated with purchasing real property, constructing Attainable Housing Units and required improvements, and administering the Attainable Housing Units program; and

WHEREAS, development of market-rate housing encourages new residents to move to the City, but a significant portion of the public and private sector employees needed to meet the needs of these new residents do not earn incomes that would enable them to purchase market-rate housing; and

WHEREAS, the City Commission has determined that the requirements of this ordinance do not impose inequitable or disproportionate burdens upon landowners, developers or builders; and

WHEREAS, the City Commission finds that all requirements imposed by this ordinance are related to the need for Attainable Housing Units and that the means set forth herein specifically and reasonably address that need; and

WHEREAS, the City Commission has determined that the exemptions, reductions, and waivers set forth within this ordinance implement such intent; and

WHEREAS, the City Commission has considered draft ordinances pertaining to attainable housing at numerous public workshop meetings; and

WHEREAS, the City Commission held properly noticed public hearings on July 24, 2006;

WHEREAS, the City Commission has taken into consideration the recommendations of City staff and information provided at the public hearings; and

WHEREAS, the City Commission has determined that adoption of this ordinance is in the best interest of the public health, safety, and welfare.

NOW THEREFORE, be it ordained by the City of Palmetto, Florida, in session duly assembled that:

Section 1. Findings of Fact. The above "whereas" clauses are hereby adopted as findings of fact and incorporated herein.

Section 2. New Language. Chapter 17, Article III of the City of Palmetto Code of Ordinances is hereby amended by adding Division 1, Sections 17-47 through 17-97, which sections shall read in their entirety as follows:

## Division 1. Attainable Housing

### Sec. 17 - 47. Policy and Intent.

(a) *Attainable Housing Problem.* The City faces a serious housing problem that threatens its economic security. Lack of attainable housing has a direct impact upon the health, safety, and welfare of City residents. The City will not be able to maintain a healthy environment without additional housing affordable to households earning between 80% and 120% of the median income. By adoption of this ordinance, the City intends the following:

- (1) To encourage development and availability of housing units within the City that are soundly constructed, aesthetically pleasing, and affordable to a broad range of households with varying income levels;
- (2) To promote the City's goal of achieving a specific number of housing units within the City that are affordable to households earning between 80% and 120% of the median income;
- (3) To achieve a balanced housing market that provides adequate housing for public and private sector employees that will be needed to meet service demand resulting from the development of market-rate housing within the City;
- (4) To expand the array of housing opportunities within the City such that employees may live in the region where they work, thereby reducing, among other things, traffic, related air quality impacts, and demands placed on the City's infrastructure.

(b) *Compliance and presumption of public benefit.* Consistent with the City's intent and policy behind enacting this ordinance, the City hereby determines that those who construct Attainable Housing Units pursuant to this ordinance shall be afforded a presumption that their efforts to construct such housing and the benefits they may receive pursuant to this ordinance are in the best interests of the health, safety, and welfare of the City. The City further declares that it shall fully

cooperate with those who construct Attainable Housing Units pursuant to this ordinance to provide to such developers as many incentives and benefits as possible. Any benefits and incentives denied to developers who construct Attainable Housing Units pursuant to this ordinance shall be accompanied by findings of fact which clearly support the denial.

**Sec. 17 - 48. Definitions.**

The following terms shall have the following meanings within this ordinance, except where context would otherwise require:

- (a) *"Affordable Housing Unit" or "Affordable Unit"* means a residential unit that must be affordable for purchase by Eligible Households earning less than 80% of the Median Household Income. Sales prices for Affordable Housing Units may be determined by the County Department and shall be approved by the City Commission.
- (b) *"Attainable Housing Unit" or "Workforce Unit"* means a residential unit within the City that an Eligible Household may purchase as their homestead at or below the Maximum Attainable Housing Unit Sales Price, but above the maximum sales price for an Affordable Housing Unit.
- (c) *"Maximum Attainable Housing Unit Sales Price"* means the maximum sales price for a home that an Eligible Household can afford. The Maximum Attainable Housing Unit Sales Price may be determined by the County Department and shall be approved by the City Commission. The price shall include the total cost of the purchase of the home and shall include any additional amenities that may be offered by the seller, such as parking spaces and community facility usage, with the purchase of the home.
- (d) *"Baseline"* means the number of Attainable Housing Units a developer is required to construct pursuant to Section 17-51. During a "Voluntary Period," as defined in Section 17-49, the Baseline

means the number of Attainable Housing Units a developer *would be* required to construct pursuant to Section 17-51, were that provision in effect and applicable at that time.

- (e) "*Certificate of Credit*" is a certificate issued by the Office of the City Planner. Such Certificate indicates that a developer has constructed Attainable Housing Unit(s) during a "Voluntary Period", as defined in Section 17-49, or has constructed Attainable Housing Unit(s) above the Baseline during a "Mandatory Period", as defined therein.
- (f) "*City Planner*" means the City Planner for the City of Palmetto and shall include his or her designee.
- (g) "*Construct*" or "*Construction*", as it pertains to the building of Attainable Housing Units, means to build an Attainable Housing Unit and be issued a Certificate of Occupancy for that Unit, or in instances where the developer may make a "payment in lieu" pursuant to Section 17-54 for an Attainable Housing Unit, means to remit all funds or make all donations to the City in accordance with such section. "Construct" or "Construction" shall only apply to new Attainable Housing Units built after the effective date of this ordinance and to the renovation of Units built before the effective date of this ordinance, where such renovation increases the market value of the Unit by 51% or more.
- (h) "*County Department*" means the Manatee County Housing Authority, so long as its responsible for administering the workforce housing program provisions of Manatee County's Land Development Code, Chapter 13.
- (i) "Credit" means the measurement by which individual Attainable Housing Units are represented in a Certificate of Credit. A Certificate of Credit may represent one (1) Credit, a part of a Credit, or several Credits.

- (j) *"Developer"* means any person, business, or other legal entity that seeks approval from the City to construct residential Units.
- (k) *"Eligible Household"* means a household determined by the County Department to earn not less than 80% nor more than 120% of the Median Household Income, and not exceed a corresponding maximum asset level.
- (l) *"Housing Trust Fund"* means a trust fund maintained by the City Commission to hold any payments made by developers as provided for in this ordinance. The funds shall be used only to subsidize the purchase of a home by an Eligible Household or to facilitate the development of additional Attainable Housing Units.
- (m) *"Median Household Income"* means the median income of a household within the Manatee County Metropolitan Area. The Median Household Income may be determined by the County Department and shall be approved by the City Commission.
- (n) *"Unit"* means a room or group of rooms forming a single independent habitable area used for, or intended to be used for living, sleeping, sanitation, cooking, and eating purposes by one (1) family only; and made available to such family for purchase. Unless the context requires otherwise, a "Unit" does not include Attainable Housing Units, Affordable Units, nursing homes, assisted care living facilities, retirement homes, school dormitories, mobile homes, and apartments.

#### **Section 17 - 49. Applicability of Mandatory Provisions.**

Section 17-51 of this ordinance shall apply only during such times when the number of Attainable Housing Units falls below 15% of the total number of residential units constructed or expected to be constructed within the City after the effective date of this ordinance and by the next Determination Date set forth below in subsection (b) ("Total Residential Units"). This shall be referred to as a "Mandatory Period." Those times when

the number of Attainable Housing Units meets or exceeds 15% of the Total Residential Units shall be referred to as a "Voluntary Period".

- (a) The City Planner shall initially determine the number of Total Residential Units by utilizing reliable data to estimate the number of residential units expected to be constructed in the City from the effective date of this ordinance to January 1, 2010.
- (b) Beginning on January 1, 2010, and on January 1 every five years thereafter ("Determination Date"), the City Planner shall update the number of Total Residential Units by utilizing reliable data to estimate the number of residential units constructed as of the effective date of this ordinance and expected to be constructed in the City by a date that is five years from the date of the prior determination.
- (c) In determining whether the required percentage of Attainable Housing Units exists, the City Planner may include, in his or her sole discretion and pursuant to an adopted administrative policy, those Attainable Housing Units which have been sufficiently guaranteed, in writing, to be constructed before the next Determination Date set forth in subsections (a) and (b), above. The City Planner shall be authorized, pursuant to an adopted administrative policy, to withhold declaring a Voluntary Period until all or some portion of the Attainable Housing Units that have been sufficiently guaranteed are constructed.

#### **Section 17 - 50. Voluntary Period.**

Developers who voluntarily construct Attainable Housing Units during a Voluntary Period shall be eligible for developer incentives as set forth in Section 17-52, provided that the developer constructs a number of Attainable Housing Units equivalent to or above the Baseline, and shall be eligible for developer Certificates of Credit as set forth in Section 17-53.

**Sec. 17 - 51. Attainable Housing Unit Requirements  
(Mandatory Period).**

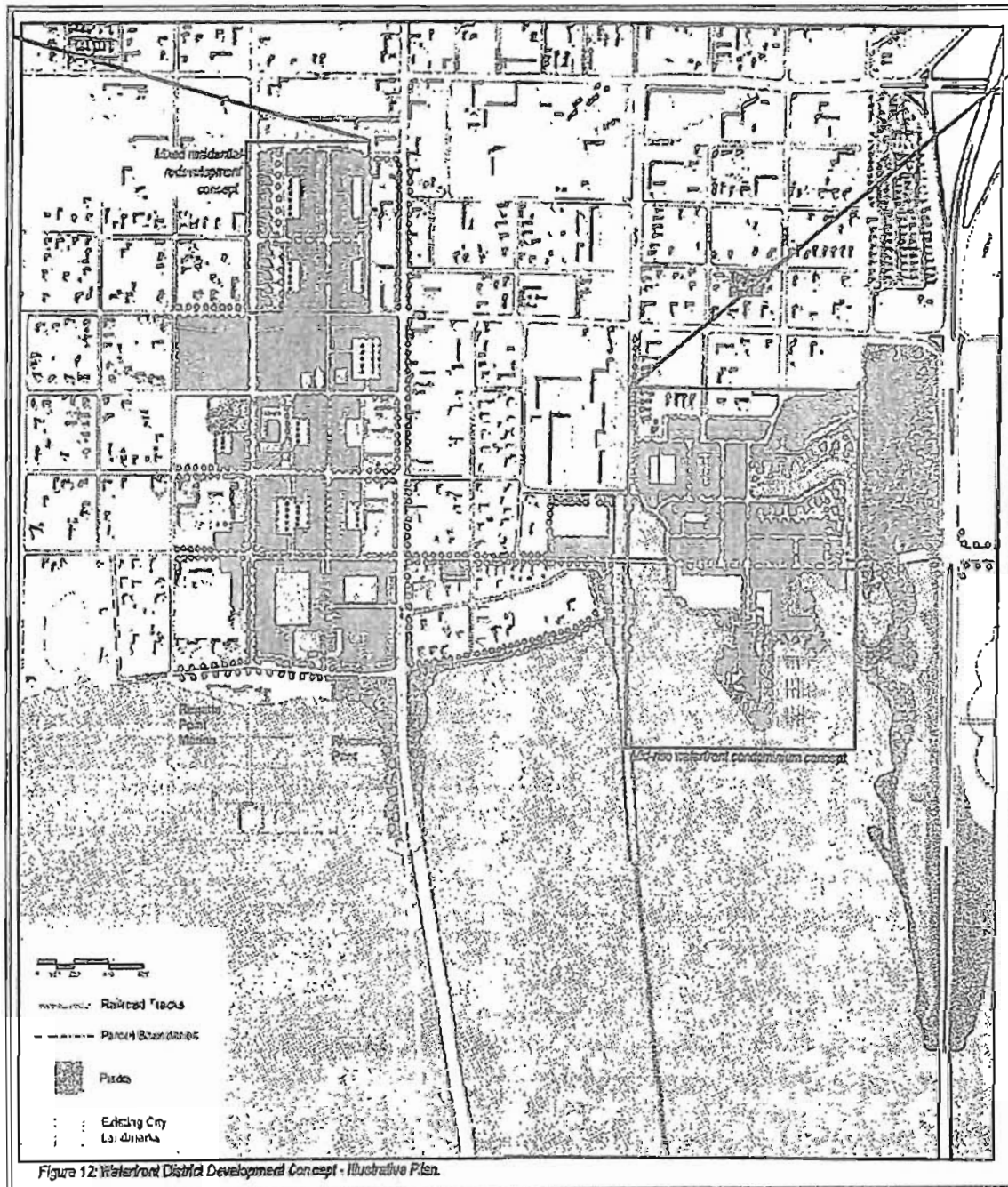
(a) *Applicable developments.* The provisions of this section may apply to developers who intend to and ultimately do construct Attainable Housing Unit(s) and who voluntarily subject themselves to this ordinance by execution of a written agreement with the City, and shall apply to all developers seeking subdivision approval or other approvals requiring site plan review in connection with new construction:

- (1) of ten (10) units or more; or
- (2) of five (5) units or more, but less than ten (10) units, where the total estimated project value is at least \$1,500,000, or eight (8) times the Maximum Attainable Housing Unit Sales Price, whichever is greater; or
- (3) of five (5) units or more, but less than (10) units, where the total project area, excluding designated wetlands and mandatory conservation areas, is ten (10) acres or more.

(b) *Avoidance prohibited.* Developments shall not be segmented or phased in a manner to avoid compliance with these provisions.

(c) *Number of Attainable Housing Units required.* Developers to which this section applies shall provide a minimum of fifteen percent (15%) of the total number of approved units (rounding up where necessary to result in a whole number of units) for the construction of Attainable Housing Units. The minimum number of Attainable Housing Units shall be referred to as the "Baseline".

(d) *Location and quality.* Developers shall provide Attainable Housing Units either on the site of the proposed development or off-site within the City limits. The character and quality of Attainable Housing Units must be consistent with established guidelines kept on file in the Building Department. All guidelines shall further the policy and intent of this ordinance, including, but not limited to, the policy that the location of off-site Attainable Housing Units shall be in areas



From Wallace Roberts & Todd, LLC *Waterfront District Development Plan Draft Report* dated October 2005

To that end, the CRA is interested in the possibility of a buried stormwater vault as an alternative to using ponds for stormwater detention and/or treatment. As such, the CRA has requested assistance from Jones Edmunds in evaluating the feasibility of a stormwater vault to serve the area north of Riverside Park, and in designing such a system.

## SCOPE OF SERVICES

Jones Edmunds proposes to conduct this project for the CRA using a standard 3-phased project approach for a stormwater project of this nature. The three phases are:

- o Phase 1 – Preliminary Study
- o Phase 2 – System Design and Permitting
- o Phase 3 – Construction Phase Services

Each of these phases is discussed in detail in the following section.

### Phase 1 – Preliminary Study

During the Preliminary Study phase, Jones Edmunds will establish the general sizing criteria for a vault system, as well as explore the general feasibility of constructing a stormwater vault to service the subject area. We envision that the services to be provided during this phase include:

*Project Kickoff Planning Meeting:* Jones Edmunds will schedule and attend a project kickoff meeting with CRA and Public Works staff, as well as personnel from WRT. The purposes of the meeting will be to review the project goals, establish lines of communication, and to jointly establish the limits of the project area to be utilized in evaluating pre- and post-development stormwater conditions. We will also initiate coordination with WRT so that any stormwater vault is consistent with the overall Waterfront District development plan.

*Initial Meeting with SWFWMD:* In conjunction with the kickoff meeting, Jones Edmunds will schedule and attend a meeting with City and SWFWMD staff. The purpose of this meeting will be to discuss with District staff the concept of installing a stormwater vault as part of an overall stormwater management plan for the Waterfront District development project. From this discussion we will strive to establish SWFWMD's requirements for the system design, including the level of stormwater treatment that will be required, the design storm events to be used, and other related items.

*Data Gathering and Review:* Jones Edmunds will gather and review pertinent information related to the project area. This includes review of the City utility drawings of the project area, any existing information regarding subsurface conditions in the area, and any information already assembled by WRT.

*Field Reconnaissance:* Following review of the existing information, Jones Edmunds will conduct a field reconnaissance of the project area to assess the level and type of existing development in the area, the location, size and condition of the existing stormwater drainage system, and establish current flow patterns.

*Project Area Survey:* To develop an accurate stormwater model of the existing drainage systems, it is essential to have elevation information for each of the storm sewer structures, including rim and invert elevations, as well as information on the type of inlets (open grates, curb inlets, etc.). To that end, Jones Edmunds will arrange for a detailed site survey to be conducted that will collect the pertinent and critical information for use in developing the project area model.

*Geotechnical Investigation:* To aide in our evaluation of a stormwater vault design and to satisfy SWFWMD requirements, a geotechnical investigation of the general project area will be completed. This will include performing borings in the potential locations for the vault to establish subsurface conditions and ground water levels. The geotechnical report must include information on the seasonal high groundwater table, percolation rates, and the ability of the soil to support the heavy concrete structure which will be used as a small stormwater vault. Percolation tests are required to establish the potential for infiltrating stormwater into the subsurface environment.

*Model Development:* Once we receive the survey and geotechnical information, Jones Edmunds will utilize the data to develop a stormwater model of the existing storm drainage system within the project area. In addition to the survey and geotechnical data, we will also utilize information from other available sources such as:

- Record Drawings for projects the City may have on file for the project area,
- tail water elevations for the Manatee River, if available to the City, and
- post development plans for the Waterfront District from WRT.

Once the model has been developed, we will utilize it to establish the stormwater volumes that any potential vault will need to handle. Model simulations of existing conditions under 24-hour duration design storm events with 2-, 5-, 10- and 25-year frequencies will be performed. These model simulations will be run for the piping system in the current state to provide a check on the ability of the model to simulate the existing drainage problems.

*Evaluation of Post Development Conditions:* The next step in the project will be to utilize the model to evaluate the post development conditions for the project area. For this, we will need to further coordinate with WRT to get a reasonably accurate estimate of what the project area will look like once developed, so that we can determine the critical stormwater volumes for sizing a stormwater vault.

*Evaluation of Vault Alternatives:* Once the volume of the vault is established, we will evaluate alternatives for how to best fit the vault into the development plan for the project area. Again this will require coordination with WRT. In addition, we will evaluate the feasibility for infiltration of stormwater to be integrated into the vault design. Such an approach can aid in obtaining regulatory permission for new stormwater discharges to the Manatee River.

*Update Meeting:* Following completion of the above tasks, Jones Edmunds will schedule and attend an update meeting with CRA and Public Works staff to review the results from the modeling and the alternatives evaluation.

*Preliminary Engineering Report:* Jones Edmunds will develop and submit to the City a preliminary engineering report presenting the results of our system modeling efforts and evaluation of alternatives. This report will include our recommendations for the sizing and general design configuration for a stormwater vault, as well as any additional stormwater treatment components required to service the Waterfront District. Included in this report will be preliminary plans showing the recommended stormwater system for the area, as well as a preliminary opinion of the construction cost for the system.

*Review Meeting:* Following submittal of the PER, Jones Edmunds will schedule and attend a project review meeting with the City. At this meeting, the PER and its recommendations will be discussed and a path forward for implementing the recommendations established.

#### Phase 2 – Design / Permitting

Unfortunately, the extent of services required under Phase 2 cannot be accurately delineated until the Phase 1 services are completed. Once Phase 1 is completed, Jones Edmunds will provide the CRA with a detailed scope of work and budget to complete the system design and permitting.

While we cannot fully define the Phase 2 services at this time, we can state that the main focus of Phase 2 is the complete design of the alternative ultimately chosen by the CRA. Design drawings for the new stormwater system, and its related appurtenances will be included. Wetland impacts are not expected on this project, but will be assessed as required now on all SWFWMD Environmental Resources Permits.

During this phase, applicable permits will be filed with the various jurisdictional agencies which govern this area. Those agencies include the SWFWMD, and potentially, Manatee County, the Florida Department of Transportation (FDOT) and Florida Department of Environmental Protection (FDEP).

The construction plans will be submitted to the City Public Works Department in the regular review intervals of 60%, 90% and 100%. Accompanying the plans will be detailed engineering cost estimates of the proposed design.

Also under this phase, Jones Edmunds will prepare construction documents necessary for advertisement, bidding and award of the project. We will assist the City throughout this process and ultimately make a recommendation of award based on the City's best interests.

### Phase 3 – Construction Phase Services

Similar to Phase 2, the extent of services required under Phase 3 cannot be accurately delineated until the Phase 1 services are completed. In addition, Phase 3 services to be provided will depend on what level construction phase assistance the CRA/City desire. Once Phase 1 is completed, Jones Edmunds will coordinate with the CRA/City to establish the extent of Phase 3 services to be provided and we will then prepare for and provide to the CRA a detailed scope of work and budget to provide the selected construction phase services.

Construction Administration is vitally important to the success of any construction project. Jones Edmunds has a long-standing commitment to the special demands required of construction phase services. Our staff, led by Mr. David Herndon, possesses the highly specialized construction experience required to conduct an effective program of resident observation and construction administration with focus on efficiency, practicality, and claims avoidance. Jones Edmunds has the experience to anticipate potential construction problems, delays, and contractual conflicts. These capabilities affect our client's final cost through cost reduction and minimization of construction delays. Services we will provide the City of Palmetto include the following:

- Preparation of construction cost estimates
- Bid evaluations
- Provide the Contractor CAD drawings of the project
- Review and resolution of permitting requirements and any conflicts
- Pre-construction conference development and administration (if requested)
- Review of construction schedules
- Review of construction procedures
- Review of payment requests
- Progress meetings
- Construction observation
- Progress reporting
- Shop drawing review
- Construction document interpretation
- Change-order request evaluation
- Coordination of all pressure testing
- Preparation of record documents
- Operational start-up support
- System performance evaluation
- Final walk-through and close-out documents
- Project certification
- Coordination of "as-built" plans from the contractor for submittal to the City
- Provide the City with final "as-built" drawings of the project

Ms. Tanya Lukowiak  
January 25, 2006  
Page 7

### BUDGET AND SCHEDULE

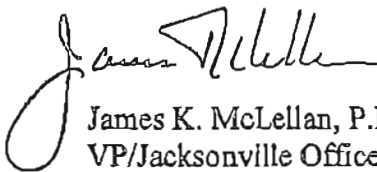
Jones Edmunds proposes to provide the above-defined, Phase 1 services in accordance with our current contract with the City of Palmetto dated April 1, 2003, for the estimated lump sum amount of \$59,620. As part of this proposed budget we have conservatively included allowances of \$15,000 for survey work and \$7,500 for the geotechnical investigation. At this point, these are only estimates, as a firm budget for these tasks cannot be accurately determined until the limits of the project area are established with the CRA and City Public Works staff, along with input from WRT. Once the project area is clearly defined, we will obtain cost proposals from subcontractors for each of these tasks so that the overall project budget can be finalized.

We are prepared to commence work on this project within seven days of receiving notice to proceed. The schedule for completion of the preliminary engineering report will be driven by how quickly we can get the site survey work completed. At this time, we estimate that the Preliminary Engineering Report can be completed within 120 days from our receipt of the site survey information. For your convenience, we have attached a "suggested letter" of authorization that you can use to indicate your acceptance of our proposal and our notice to proceed.

### CLOSING

Jones Edmunds thanks you for this opportunity to offer our services to the CRA, and we look forward to working with you, your staff and the Public Works staff to successfully complete this challenging project. In the meantime, should you have any questions regarding this proposal, or wish to discuss any aspect in more detail, please feel free to contact me.

Sincerely,



James K. McLellan, P.E.  
VP/Jacksonville Office Manager

JCM:js / K:\09502 Palmetto\Proposals\CRA Storm Vault.doc

Enclosure

cc: Chris Lukowiak, City of Palmetto  
Karen Falkenberry, Jones Edmunds

which are deemed by the City Commission to be appropriate and beneficial to the public.

(e) *On-site development plans.* Where required Attainable Housing Units will be constructed on-site, developers shall simultaneously submit plans for both the Attainable and Non-Attainable Housing Units to the City Planner.

(f) *Off-site development plans.* Where some or all of the required Attainable Housing Units will be constructed off-site, developers shall not be required to simultaneously submit plans for Attainable Housing Units, but shall not receive a certificate of occupancy for non-Attainable Housing Units until all off-site required Attainable Housing Units have received a certificate of occupancy or until the City Planner has been provided with a sufficient written guarantee, as determined by the City Commission, that the off-site required Attainable Housing Units will be constructed at a location deemed by the City Commission to be appropriate and beneficial to the public within two (2) years of the execution of such guarantee, unless such time limit is modified by approval of the City Commission.

(g) *Developer Incentives.* Developers who provide the requisite number of Attainable Housing Units under this section shall be entitled to request incentives pursuant to Section 17-52.

(h) *Waivers and Payments-in-Lieu.* Developers for whom the provisions of this section impose demonstrable burdens, as outlined in section 17-56(b), may apply for waivers and request approval to make payments in lieu of constructing all or some of the Attainable Housing Units required herein, as provided for in section 17-54 of this division.

#### **Sec. 17 - 52. Developer Incentives.**

(a) *Request for Incentives required.* At the development approval application stage, a developer who intends to construct Attainable Housing Units and desires to receive incentives pursuant to this ordinance must notify the City Planner on a form provided by the City Planner to be entitled "Request for Incentives". The form shall include:

- (1) a list of incentives potentially available to the developer, including, but not limited to, an increase

in density over what is otherwise permitted in the zoning district in which the development is located, waivers and modifications to setbacks, parking, and amenity requirements, and development fee reductions; and

- (2) a description of any other benefits or incentives the developer seeks which would assist in making the construction of Attainable Housing Units more feasible and economically justifiable for the developer; and
- (3) a narrative describing how the design and orientation of the overall development minimizes any negative impacts of applying the proposed incentives and maintains compatibility with the surrounding land uses. The narrative shall address any matter concerning such impact on the surrounding neighborhood and the City as a whole, including but not limited to the following:
  - a. Does applying the proposed incentives conform in all respects to the current Zoning Code?
  - b. Does applying the proposed incentives conform to the current Comprehensive Plan?
  - c. Does applying the proposed incentives conflict with or place an inordinate burden on existing or planned public infrastructure and services such as the provision of water and sewer services, refuse management, emergency services, and similar necessary services?
  - d. Will applying the proposed incentives adversely affect vehicular or pedestrian traffic patterns or congestion?
  - e. Will the proposed change adversely impact population density or development intensity such that the demand for schools,

recreational areas and facilities, and other public facilities are adversely affected?

- f. Will the proposed change otherwise adversely affect the health, safety, and welfare of the neighborhood or the City as a whole?
- g. Is applying the proposed incentives consistent with the development patterns in the area and appropriate for orderly development of the community?
- h. Will the proposed change adversely impact historic resources?
- i. Will the proposed change have an adverse environmental impact on the vicinity?

(b) *Completeness review by City.* Within ten (10) business days of receipt of the Request for Incentives, the City Planner shall review the request for completeness.

- (1) If all required information is included within the request, the City Planner shall consider the Request for Incentives complete and provide the petitioner with written notification of such.
- (2) If additional information is required, the City Planner shall notify the petitioner in writing, by hand-delivery or by certified mail, return-receipt requested, of any additional information that the City Planner must receive before it can deem the application complete. The Request for Incentives shall be considered withdrawn if all required information is not provided within sixty (60) business days of receipt of notification provided for under this section.
- (3) Nothing herein shall prevent the petitioner from amending the Request for Incentives with supplemental information, or prevent the City Planner from requiring supplemental information, at any time after the request is deemed complete

and while the request is being reviewed; however, whether such additional information will be considered is at the discretion of the City Planner.

(c) *Review by City Planner.* Within forty-five (45) business days of the determination that the Request for Incentives is complete, the City Planner shall review the Request and determine in writing which incentives are recommended to be applied to the development. The City Planner shall provide, where possible, conditional recommendations for incentives not otherwise recommended for approval. City staff shall work with developers to award incentives that make the construction of Attainable Housing Units economically viable. Toward that end, the City Planner shall have the authority to waive administrative requirements promulgated by the Mayor or City departments and imposed on developments by the City, so long as such waiver does not conflict with the City's Comprehensive Plan or Charter, or with preemptive state and federal laws. Any waiver made pursuant to this subsection shall be uniformly applied amongst similarly situated developments, as determined at the sole discretion of the City Planner.

(d) *Agreement required.* All awarded incentives shall be memorialized in an agreement between the City and the developer. Where applicable, the incentives also shall be included in the final development order.

(e) *Review by City Commission.* Notwithstanding anything herein to the contrary, the City Commission shall hold a properly noticed public hearing regarding all requests to apply developer incentives. Proper notification shall be consistent with the requirements of Section 13.6(b) of the City Zoning Code pertaining to variances. Subsequent to the public hearing at which the request for development approval is considered, the City Commission shall make specific findings and determinations as set forth herein. The Commission shall deny application of requested incentives only if it finds that applying the incentives is incompatible with surrounding development and infrastructure, that such application would contravene the intent of this ordinance, or that application of the requested incentives is otherwise detrimental to the public health, safety, and welfare. The Commission shall have the authority to approve an application of such incentives with conditions, or

approve an application of such incentives that is less than that requested by the applicant.

(f) *Incentives for on-site construction.* It is the intent of this ordinance to promote mixed developments of both Attainable and non-Attainable Housing Units. Accordingly, the City Commission shall have the authority to award additional incentives where Attainable Housing Units will be constructed on-site.

(g) *Time limit.* All incentives, benefits, and credits awarded pursuant to this section 17-52 and section 17-53 must be applied to a development within three (3) years of construction of the Attainable Housing Units that gave rise to the request for such incentives and benefits and to the issuance of such credits. A developer may receive an extension on such time limit for a maximum of two (2) years, provided that the City Commission finds that an extension is necessary and consistent with the intent and purposes of this ordinance, and provided that the City Commission authorizes such requested extension or an extension of less time than requested.

#### Sec. 17 - 53. Certificates of Credit.

(a) *Receiving.* Developers who construct Attainable Housing Units above the Baseline during a Mandatory Period shall receive a Certificate of Credit representing the number of Attainable Housing Units constructed above the Baseline. Developers who voluntarily construct Attainable Housing Units during a Voluntary Period shall receive a Certificate of Credit representing the number of all Attainable Housing Units constructed. The City Planner shall issue these Certificates to the developer upon the completion of construction and issuance of a certificate of occupancy for these Attainable Housing Units. Such Certificate must contain: (1) a unique reference number, (2) the name(s) of the developer(s), (3) the name of the subject development, (4) information concerning what the Certificate represents, (5) the number of Credits, (6) whether the Certificate was granted for the construction of Attainable Housing Units during a Mandatory or Voluntary Period, (7) the number of years for which the Certificate is valid, and (8) instructions on how to validly transfer the Certificate. As it pertains to determining the number of Attainable Housing Units constructed and the number of Credits to be issued under this

subsection, the City Planner shall not take into account redeemed Certificates of Credit.

(b) *Redeeming.* The holder of a Certificate of Credit may present such Certificate to the City Planner during the development approval application stage with a request to redeem the Certificate. The holder of the Certificate may request to redeem the Certificate for the total number stated thereon or a number less than the total number stated thereon. A redeemed Certificate is equivalent to the developer having constructed an Attainable Housing Unit or Units within the development for which the developer has applied for approval. The redeemed Certificate shall decrease the total number of Attainable Housing Units the developer must construct in order to reach the Baseline and receive the incentives set forth in this ordinance, by one (1) for each one (1) credit the developer redeems from his Certificate. If the holder of a Certificate does not redeem the total number of Attainable Housing Units represented by a Certificate, the remainder of such number, not then redeemed, shall be issued by new Certificate to the holder of the original Certificate.

(c) *Transferring.* The holder of a Certificate of Credit may transfer the Certificate, provided that the holder surrenders it, properly endorsed, to the City Planner. The City Planner shall then issue a new Certificate to the party to whom the holder of the Certificate instructs the same to be transferred, and the City Planner shall record such transfer on the records of the City. If the holder of a Certificate does not transfer the total number of Attainable Housing Units represented by a Certificate, the remainder of such number, not then transferred, shall be issued by new Certificate to the transferor.

(d) *Voluntary Period.* Certificates of Credit received for the construction of Attainable Housing Units during a Voluntary Period must be redeemed within ten (10) years from the date of issue and are not subject to time limitations otherwise imposed on Certificates of Credit granted for the construction of Attainable Housing Units during a Mandatory Period. A developer who applies for incentives based on the redemption of a Certificate of Credit, received during a Voluntary Period, but who is not granted the incentives applied for, may withdraw the use of the Certificate. In such

circumstances, the City Planner shall return the Certificate to the developer and no longer consider the Certificate redeemed.

**Sec. 17 - 54. Payment in Lieu.**

A developer may make a payment into the Housing Trust Fund in lieu of constructing a required Attainable Housing Unit provided that the City Commission finds that a waiver of the requirements of this ordinance to build the Attainable Housing Unit is appropriate in accordance with section 17-56(b) herein. These payments shall be by cash or by equivalently valued contributions, as determined solely by the City Commission. A payment shall be made for every required Attainable Housing Unit not provided by the developer. For each unit required, the amount of the payment shall be 20% of the then-current Maximum Attainable Housing Unit Sales Price. The amount paid to the Trust Fund shall be used only to subsidize the purchase of a home by an Eligible Household or to facilitate the development of additional Attainable Housing Units.

**Sec. 17 - 55. Vested Rights.**

(a) *Vested properties.* Those provisions set out in this ordinance requiring of new development the provision of Attainable Housing Units or in-lieu-of payments shall not apply to the development of any property authorized by and consistent with any of the following development orders approved of prior to the effective date of this ordinance or in application prior to the effective date of the ordinance and subsequently approved without major modification during the application period: preliminary plat approval; site plan approval; conceptual plan approval; general development plan approval; development agreement, approved pursuant to Florida Statutes; or, DRI development order approval.

(b) *Effect of major modification.* In those instances where the property owner of a vested property applies for a new development order, that if approved, would constitute a major modification of the previous development order, that property may lose its vested status as it relates to the provisions of this ordinance. Any modification to a previously approved development order resulting in the addition of ten (10) or more dwelling units than previously allowed in the development order approved prior to July 31, 2006, that were not previously

mitigated, shall be subject to the provisions of this ordinance for the increased number of Units.

(c) *Review of modification.* Determination as to whether a change to a development order would constitute a major modification shall be made by the City Planner, based upon applicable criteria in this code and state law. Any property owner may appeal the City Planner's determination to the City Commission.

(d) *Review considerations.* In rendering its determination as to vested rights status, the City Commission shall consider staff's recommendation and whether the affected property already complies with this ordinance; has reached its residential development capacity; or, substantially complies with this ordinance. If the City Commission determines that the property substantially complies with this ordinance, it shall also specify those Attainable Housing Unit requirements that thereafter apply to its further development, if any.

(e) *Attainable Housing Units.* Developments to which this ordinance does not apply, because the properties therein are vested as provided for herein, but in which Attainable Housing Units nevertheless are constructed, shall receive the same benefits for the construction of Attainable Housing Units as other developments would receive if those developments were constructed during a Voluntary Period. For any development to receive such benefits, the developer must construct the number of Attainable Housing Units as required to request incentives in Section 17-50. This subsection shall only apply to the portion of a development that is not otherwise affected by a major modification pursuant to this section.

#### **Sec. 17 - 56. Exemptions, Reductions, and Waivers.**

(a) *Exemptions.* The following developments shall be exempt from the requirements of this ordinance:

- (1) Residential developments of Affordable Units provided as part of a federal, state, local, or non-profit Affordable Housing and/or community development program;

- (2) Nursing homes, assisted care living facilities, and retirement homes;
- (3) School dormitories;
- (4) Mobile homes and manufactured homes; and
- (5) New developments of exclusively Affordable and/or Attainable Housing Units.

(b) *Modification and waiver.* The City Commission shall have the authority to modify or waive the requirements of this ordinance upon providing public notice consistent with Section 17-52(e) herein, holding a public hearing, and making all of the following specific findings of fact:

- (1) Special circumstances, unique to a particular development, justify the grant of the modification or waiver; and
- (2) The development would not be practicable (i.e., economically feasible) without the modification or waiver; and
- (3) A specific and substantial financial hardship would occur if the modification or waiver were not granted; and
- (4) No alternative means of compliance are available which would be more effective in attaining the purpose of this ordinance than the relief requested.

#### **Sec. 17 - 57. Restrictions and Administration.**

(a) *Restrictions on homeowners.* All Attainable Housing Units shall remain as such for thirty (30) years through the use of a restrictive covenant that shall be recorded in the public records of Manatee County, Florida, and by other lawful mechanisms deemed acceptable by the City Commission. The City Commission shall approve such additional mechanisms by resolution. The 30-year period shall begin anew for each new owner of the Attainable Housing Unit, provided that no owner owns the Attainable Housing Unit for the full 30 years, and provided that before the end of the active 30-year period, no

more than ninety (90) years would pass from the original sale by the developer of the Attainable Housing Unit to the original purchaser. The developer, or other seller of an Attainable Housing Unit, shall be responsible for ensuring that all covenants and related documents are properly executed and recorded no more than thirty (30) days after the sale of the Attainable Housing Unit, and that a copy of the recorded documents is provided to the City Planner.

(b) *Costs of administration.* A portion of the Housing Trust Fund may be used for the necessary costs of administering this ordinance.

(c) *Confirming determination of eligibility.* The City Planner shall be responsible for verifying the eligibility of persons applying to purchase Attainable Housing Units.

(d) *Annual updates.* The City Planner shall annually provide the City Commission with updated estimates for the Median Household Income and Maximum Attainable Housing Unit Sales Price.

(e) *Delegation to County permitted.* Upon approval by the City Commission, the City Planner shall be permitted to delegate its responsibilities under this section to the County Department, to the extent the County Department agrees to assume such responsibilities.

#### Sec. 17 - 58. Enforcement.

(a) *Non-limiting enforcement mechanisms.* This ordinance may be enforced as provided for by Florida law, including referral or citation to the City's code enforcement board, issuance of a citation as may be provided for by City ordinance, or the filing of an action in a court of competent jurisdiction to obtain civil remedies, including a restraining order, injunction and damages. Any enumeration of enforcement mechanisms set forth herein is supplemental and not exclusive.

(b) *Stop work order.* In the event that a developer has failed to meet the requirements of this ordinance or the conditions of an agreement pertaining to the construction of Attainable Housing Units, the City Building Official is hereby authorized to issue a stop work order on any and all

development activity which had been approved by the City and for which approval was conditioned on the developer's compliance to this ordinance or such agreement. Such approvals of development activity include, but are not limited to, subdivision approvals, site plan review approvals, and plat approvals, and approvals for the issuance of any and all certificates of occupancy. Such stop work order shall remain until the developer comes into compliance with this ordinance and otherwise fulfills the terms of any related Court order.

(c) *Reimbursement of costs and lien.* The City shall be entitled to reimbursement of its costs, including reasonable attorneys' fees, of enforcing the provisions of this ordinance. By submitting an application for a development approval requesting incentives, developers agree to pay such costs and consent to the City's placement of a lien on the subject property in connection with such costs.

Secs. 17-59 – 17-97 Reserved.

Section 3. **Repeals and Conflicts.** All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. **Severability.** If any section, subsection, paragraph, sentence, clause or phrase of this Ordinance shall be held invalid by a court of competent jurisdiction, then such invalidity shall not affect the remaining portions hereof

Section 5. **Effective Date.** This Ordinance shall take effect as provided for by law and by City Charter, Section 14, upon execution by the Mayor or, if disapproval occurs, upon reconsideration by the City Commission and passing of the Ordinance by at least four (4) votes.

FIRST READING	June 19, 2006
PUBLICATION DATE	July 14, 2006
SECOND READING and PUBLIC HEARINGS	July 24, 2006

PASSED AND DULY ADOPTED, BY THE CITY COMMISSION  
OF THE CITY OF PALMETTO, FLORIDA, with a quorum present and  
voting, in regular session assembled, this 24th day of July, 2006.

By: \_\_\_\_\_

Lawrence E. Bustle, Jr., Mayor

ATTEST:

By: \_\_\_\_\_

James R. Freeman, City Clerk

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## Commission Meetings

PALMETTO CITY COMMISSION  
NOVEMBER 5, 2007 - 4:00 PM

*PLEDGE OF PUBLIC CONDUCT*

*We may disagree, but we will be respectful to one another.  
We will direct all comments to issues.  
We will avoid personal attacks.*

516 8th Avenue, West  
Palmetto, Florida

(941) 723-4570  
[www.palmettofl.org](http://www.palmettofl.org)

Larry Bustle, Mayor

Commission Members

Eric Ball, Vice Mayor, Commissioner-at-Large 1  
Tamara Cornwell, Commissioner-at-Large 2  
Mary Lancaster, Ward 1  
Tambra Varnadore, Commissioner, Ward 2  
Brian Williams, Commissioner, Ward 3

1. AGENDA APPROVAL

Action Request: Motion to approve the November 5, 2007 4:00 pm agenda.

2. MANATEE SCHOOL FOR THE ARTS

Discussion regarding MSA's request for the City to commit a portion of its annual maximum debt allowance for MSA to qualify for a bank-qualified loan of \$4.5 million in calendar year 2007 and \$4 million in calendar 2008.

3. DISCUSSION: ATTAINABLE HOUSING (T. Lukowiak)

(TAB 1)

Staff seeks dialogue with Commission regarding options available to maintain developer's participation in the attainable housing program, as established by Ordinance No. 06-892.

4. DISCUSSION: DEMOLITION 515-519 9<sup>TH</sup> AVE. (T. Lukowiak)

(TAB 2)

CRA purchased the property October 12, 2007 and now seeks authorization to demolish the two vacant triplex structures.

5. DISCUSSION: SUSPENSE LOG (J. Freeman)

(TAB 3)

6. ADJOURNMENT

If any person desires to appeal any decision of the City Commission or of any other Board of the City, that person will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

The City of Palmetto does not discriminate on the basis of race, color, national origin, sex, religion, age, marital status or handicapped status in employment or in the provision of services. Handicapped individuals may receive special accommodation in services on one working day's notice (F.S. 286.011(6)).

Anyone requiring reasonable accommodation for this meeting as provided for in the Americans with Disabilities Act should contact the City Clerk at 941-723-4570, fax 941-723-4578 or e-mail [www.palmettofl.org](http://www.palmettofl.org).

POSTED: OCTOBER 31, 2007

## POINT PAPER

### DISCUSSION REGARDING ATTAINABLE HOUSING

November 5, 2007

**PROBLEM:** The housing market has slumped, and there are many homes for sale under the county-wide calculated maximum price for attainable housing (\$201,600). As such, it may be inappropriate for us to require that builders construct and sell homes with deed restrictions that limit the resale of the homes. Homes with such restrictions would almost certainly not sell, while similarly priced homes are available without any limit to the future market price.

**BACKGROUND:** Last year, the City of Palmetto adopted Ordinance # 06-892 requiring the construction of attainable housing units. This Ordinance also has provisions that restrict the resale price of attainable homes, so as to ensure that the supply wouldn't dwindle as people bought the homes and "flipped" them for a greater-than-normal profit.

The Ordinance allowed for payment in lieu of construction of the homes, so that developers could provide cash into a Housing Trust Fund or other public amenities that further the goals of the ordinance.

The current availability of "attainably priced" housing units would suggest that the City move to a voluntary period for the construction of these homes. Unfortunately, it seems that doing so will cause the City to lose the momentum achieved with the adoption of this Ordinance. When the market changes, we will, again, face a critical shortage of housing.

Staff has contemplated a variety of options:

- o Shall we move into the "voluntary period" with regard to attainable housing?
- o Do we continue to allow for the utilization of the incentive matrix?
- o What should we do about the "Certificates of Credit" that developers can earn?
- o Shall we continue to collect payment in lieu of construction, and keep these funds in a Housing Trust Fund until such time that the number of available attainably priced units drops? This Fund could subsidize the purchase of market rate homes to eligible buyers, and the acceptance of the subsidy could "trigger" the restrictions.

**City Commission should provide feedback before Staff's beginning to draft proposed amendments to the Ordinance.**

Palmetto City Commission  
November 5, 2007 4:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor  
Eric Ball, Vice Mayor  
Tamara Cornwell, Commissioner  
Tambra Varnadore, Commissioner  
Brian Williams, Commissioner

Elected Officials Absent:

Mary Lancaster, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Chris Lukowiak, Public Works Director  
Chief Garry Lowe  
Tanya Lukowiak, CRA Executive Director  
Michele Hall, City Attorney  
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:08 pm. A moment of silence was observed for our military men and women serving all over the world, followed by the Pledge of Allegiance.

1. AGENDA APPROVAL

Mrs. Lukowiak requested item #3 Discussion: Attainable Housing be deleted until such time staff has met with Manatee County representatives to discuss their findings on the topic.

**MOTION:** Mr. Ball moved, Ms. Cornwell seconded and motion carried 4-0 to approve the November 5, 2007 4:00 pm agenda, as amended with the deletion of Item #3.

2. MANATEE SCHOOL FOR THE ARTS

Mayor Bustle stated he and the department heads had discussed the school's request for the City's assistance in securing a qualified loan. He explained the City's budget has been established for the remainder of 2007 and through September 30, 2008. In addition, the City has identified the amount of financing necessary to complete the approved Capital Improvement Plan through fiscal year 2008.

Mr. Freeman informed Commission he has met with Kerry Ward since his presentation of the loan request to Commission, and stated the school is seeking \$8 million; \$3.8 million in 2007 and \$4.2 million in 2008. Mr. Freeman confirmed the City can participate in both loans and the City's \$10 million borrowing cap will not be compromised.

After discussing the item, Commission directed to proceed with the City's participation in MSA's request. The topic will be brought to Commission for formal action in December.

3. DISCUSSION: DEMOLITION 515-519 8<sup>th</sup> AVE.

Mrs. Lukowiak informed Commission CRA is now in possession of the property containing three triplex structures. The proposed demolition of the buildings will be considered by CRA at its November meeting, but Commission must approve the action prior to the Board's consideration. It was consensus of Commission to approve the demolition as proposed by Mrs. Lukowiak.

## POINT PAPER

### DISCUSSION REGARDING ATTAINABLE HOUSING

June 16, 2008

**PROBLEM:** The housing market has slumped, and there are many homes for sale under the county-wide calculated maximum price for attainable housing (\$201,600). As such, it may be inappropriate for us to require that builders construct and sell homes with deed restrictions that limit the resale of the homes. Homes with such restrictions would almost certainly not sell, while similarly priced homes are available without any limit to the future market price.

**BACKGROUND:** Last year, the City of Palmetto adopted Ordinance # 06-892 requiring the construction of attainable housing units. This Ordinance also has provisions that restrict the resale price of attainable homes, so as to ensure that the supply wouldn't dwindle as people bought the homes and "flipped" them for a greater-than-normal profit.

The Ordinance allowed for payment in lieu of construction of the homes, so that developers could provide cash into a Housing Trust Fund or other public amenities that further the goals of the ordinance.

The current availability of "attainably priced" housing units would suggest that the City move to a voluntary period for the construction of these homes. Unfortunately, it seems that doing so will cause the City to lose the momentum achieved with the adoption of this Ordinance. When the market changes, we will, again, face a critical shortage of housing.

Staff has contemplated a variety of options:

- Shall we move into the "voluntary period" with regard to attainable housing?
- Do we continue to allow for the utilization of the incentive matrix?
- What should we do about the longevity of the "Certificates of Credit" that developers can earn?

**City Commission should provide feedback before Staff's beginning to draft proposed amendments to the Ordinance.**

code 34221 revealed there are 184 homes listed under \$200,000; specific to city limits there is currently 74 homes available vs. 6 when the attainable housing ordinance was developed. Given this information, staff is questioning whether the City should now move to the voluntary basis provided for in the attainable housing ordinance, which will still allow the use of the matrix if a developer wishes to utilize the benefits. Commission discussed the options available to trigger a review of the ordinance; housing price level and residential unit availability.

The following portions of the ordinance were identified as needing review:

- The type of trigger that can be used to mandate a review of the mandatory and voluntary period provision, i.e. a set percentage vs. a statement regarding the adjustable level based on market value.
- The mandatory 45 business day response to a review of Incentives. (Staff confirmed the time frame was adequate.)
- Clarification of the language regarding Certificates of Credit to state that when a certificate owner sells a portion of earned credits, a new Certificate of Credit is issued to all involved parties and the original Certificate of Credit becomes null and void. (Only Pelican Bay has applied for a certificate, which has not yet been issued.)
- The redemption period of ten years for Certificates of Credit received during a voluntary period.
- The Mayor and Commission are to be notified of any review of modification to a development order, as well as an issued stop work order.
- The 90-year term of the restrictive covenant on an Attainable Housing Unit. Staff was asked to research the term.

Mrs. Lukowiak stated she did not run the number of homes available as a percentage of what is available in the market. Mrs. Lancaster opined that with the number of foreclosure homes that are available, if the market went up, the number of available attainable housing units would decrease. Mrs. Lukowiak agreed, again stating it is staff's opinion the period should be voluntary rather than mandatory, because of the inability to sell the unit.

Mrs. Lukowiak requested that Commission give staff direction on the following questions:

1. Should the period be declared voluntary?
2. Should use of the Incentive matrix be allowed?
3. What should be done about the term (30, 60 90 years) of the deed restrictions on the property?

Mr. Williams and Ms. Varnadore did not support going into a voluntary period. Mr. Williams questioned where money could be put into Palmetto; low interest loans for refurbishment of low income areas. Discussion ensued on the cash in lieu provision, and whether or not now is the time to remain in a voluntary period with the City choosing to receive the cash payment in lieu of constructed units. This option would require the developers' payment for chosen incentives and allow the City to determine the best use of the funds for the betterment of the entire city.

Mrs. Lukowiak confirmed that direction to staff was to review the following options:

**Mandatory period**

Commission decides whether incentive payment is cash in lieu or construction

Availability of a housing trust fund for affordable and attainable housing

A new breakdown of percentages, including low-income properties

City's recourse if low interest loans are made available and a default on the loan occurs