

ORDINANCE NO. 2007 -- ____

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA; AMENDING (cite to city's land development regulations) LAND DEVELOPMENT REGULATIONS" BY CREATING (cite) AN ORDINANCE RELATING TO THE REGULATION OF THE USE AND DEVELOPMENT OF LAND IN THE CITY OF DESTIN, FLORIDA, BY IMPOSING ATTAINABLE WORKFORCE HOUSING STANDARDS ON LAND DEVELOPMENT FOR THE PROVISION OF ATTAINABLE WORKFORCE HOUSING NECESSITATED BY SUCH NEW DEVELOPMENTS; PROVIDING FOR FINDINGS; PROVIDING FOR PURPOSE; PROVIDING FOR AUTHORITY; PROVIDING FOR TECHNICAL SUPPORT; PROVIDING FOR APPLICABILITY; PROVIDING FOR EXEMPTIONS; PROVIDING FOR PROCEDURES; PROVIDING ATTAINABLE WORKFORCE HOUSING STANDARDS; PROVIDING FOR INDEPENDENT CALCULATION FOR ALTERNATIVE MITIGATION; PROVIDING FOR COLLECTION AND ACCOUNTING FOR ATTAINABLE WORKFORCE HOUSING FEES IN-LIEU; PROVIDING FOR DEFINITIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE REPEAL OF ALL CODE PROVISIONS AND ORDINANCES INCONSISTENT WITH THIS ORDINANCE; PROVIDING FOR INCLUSION IN THE CITY CODE; AND PROVIDING FOR THE TRANSMITTAL OF THIS ORDINANCE TO THE SECRETARY OF STATE.

WHEREAS, pursuant to the Local Government Comprehensive Planning and Land Development Regulation Act the City of Destin has provided a housing element in its *Comprehensive Plan*, which includes provisions related to the current and future housing needs of the City; and

WHEREAS, the City has prepared and adopted *The City of Destin Attainable Workforce Housing Study* (hereinafter *Attainable Workforce Housing Study*), dated May 2007, attached as "Exhibit A" and incorporated herein by reference, that identifies there is a workforce housing attainability problem in the City; and

WHEREAS, as *The City of Destin Attainable Workforce Housing Study* demonstrates, beginning in 2000, significant increases in housing prices within Destin have made private

housing unattainable to most working residents of the City, and forced a number of residents to move outside of Destin; and

WHEREAS, the *Attainable Workforce Housing Study* demonstrates the jobs that are expected to be created by much of the new development and re-development in the City are expected to pay wages that make market rate housing in the City unattainable; and

WHEREAS, there is a concern that an essential component of the City's community character will be damaged or lost since most of the workforce and their families will no longer reside in the community, attend schools in the community, participate in local civic organizations, worship in the community, act as emergency services volunteers, or express their ideas at the ballot box; and

WHEREAS, to address this serious community problem and to maintain the long-term sustainability of the City's economy and the character of the community, the City Council has established the goal of providing housing in the City to [REDACTED] percent ([REDACTED]%) of the local workforce and their families, at prices they can afford; and

WHEREAS, in part to accomplish these objectives, the City Council adopts these Attainable Workforce Housing Standards in this ordinance; and

WHEREAS, the City Council finds that the provisions of this Ordinance are intended to advance the public health, safety, and welfare of the citizens of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF DESTIN, FLORIDA, AS FOLLOWS:

SECTION 1: FINDINGS.

The City Council of the City of Destin, finds that:

A. The City of Destin Needs a Resident Workforce to Ensure Sustainable Local Economy.

One of the overarching goals of the City and its *Comprehensive Plan* is to maintain a balanced and sustainable local economy that supports the City as a destination resort. Maintenance of a balanced and sustainable local economy requires the availability of a stable and qualified workforce.

B. Ensuring Workforce and Their Families Live in the City Is Important for Maintaining Community Character.

A second important goal of the City and its *Comprehensive Plan* is to maintain and enhance the City's community character, including the social, economic, and political fabric, and general sense of community that occurs when persons and families who work in the community, live in the community, attend schools in the community, participate in civic organizations in the community, worship in the community, and vote in the community. One of the primary factors that has allowed this special sense of community, and the maintenance of the City's community character is that for many years the cost of housing was attainable to those persons living and working in the City.

C. Provide Adequate Affordable Housing

Another goal of the *Comprehensive Plan* is to ensure there is an adequate supply of affordable and attainable housing to the City's workforce at prices they can reasonably afford.

D. Housing Costs Have Outpaced Ability of Workforce to Afford Housing.

Beginning in 2002, there has been a rise in housing prices that has made private housing unattainable to many working residents of the City.

E. Unattainability of Housing Has Been Documented.

Review of state and national census and other wage and labor data, in conjunction with Okaloosa County and City real estate sales data, demonstrate the amount of housing within the price ranges that are attainable to the City's workforce has been declining since 2002 to the point there are now only a very limited number of market units available today at prices the workforce in the City can afford.

F. Forced Out-Migration of Workers and Their Families.

The unattainability of workforce housing within Destin has or will soon result in a number of persons employed in the City and their families being forced to move from the City. Data outlined in *The Attainable Workforce Housing Study* demonstrate the following:

1. From 2000 to 2005, the gap between median household incomes and median housing costs in the City increased to the point that housing is not attainable to workforce households in Destin earning the area median income as evidenced by the following:

a. In 2000, the cost of a median priced home in the City amounted to 430 percent of the annual income of a household, which had a median household income.

b. By 2003, a household with a median annual income would have to spend 563 percent of its annual income for a median priced home.

c. In 2006, that same household would have to spend 911 percent of its income for that same home.

d. Sales of homes under \$400,000 went from 851 in the year 2003, to 385 in the year 2005.

2. The estimated earnings of households of persons employed in Destin approximate but rarely exceed the area median household income, confirming that Destin housing is typically unavailable to those employed in Destin.

G. Deterioration of Local Workforce and the Local Economy.

This lack of attainable workforce housing has placed increasing stress on the capacity of the local community to maintain a viable workforce. Estimates indicate this problem will worsen in the future, potentially affecting the long-term sustainability of the local economy unless additional housing is provided within price ranges that are attainable by the workforce.

H. Deterioration of Community Character.

If these present trends continue an essential component of the City's community character will be damaged since most of the workforce and their families will no longer reside in the community, attend schools in the community, participate in local civic organizations, worship in the community, act as emergency services volunteers, or express their ideas at the ballot box.

I. Attainable Workforce Housing Goal.

To address this serious community problem and to maintain the long-term sustainability of the City's and county's economy and the character of the community, the City Council has established the goal of providing attainable housing

in the City to [REDACTED] percent ([REDACTED]%) of the local workforce and their families, at prices they can afford.

SECTION 2: PURPOSE.

The purpose of these Attainable Workforce Housing Standards is to ensure there is an attainable supply of housing for [REDACTED] percent of the City’s workforce, and their families. This is done through these standards by:

1. Requiring attainable workforce housing be provided for all new development or re-development in an amount proportionate to the need for attainable workforce housing that development or re-development creates; or
2. The payment of a fee in-lieu or the donation of land for attainable housing in an amount proportionate to the need for attainable workforce housing the development or re-development creates.

SECTION 3: AUTHORITY.

The City has the authority to adopt these Attainable Workforce Housing Standards in accordance with Article VIII of the Florida Constitution (1968) and by Florida Statutes, Chapter 166 generally and Sections 166.04151, Chapter 163 generally and Section 163.3177 (6)(f).

SECTION 4: TECHNICAL SUPPORT.

The technical support and analysis upon which these Attainable Workforce Housing Standards are established are based on the *Attainable Workforce Housing Study*.

SECTION 5: APPLICABILITY.

The standards of these Attainable Workforce Housing Standards shall apply to the development or re-development of all lands within the City of Destin, unless exempted pursuant to this ordinance.

SECTION 6: DEFINITIONS

For the purposes of this Division, the following terms shall have the following meanings.

- A. **Attainable Workforce Housing Unit** means a dwelling unit which is provided for a person employed in the City of Destin and their families, either through sale or rent, at prices that are restricted to ensure the unit is maintained as attainable to persons employed in the City.
- B. **All Other Residential Unit(s)** means all other residential units not classified as Units Occupied by Full-Time Residents of the City of Destin.
- C. **Applicant** means the person, persons or entity that applies to the City of Destin for site plan or plat approval.
- D. **Attainable Workforce Housing Study** means the document providing the technical support and analysis upon which these Attainable Workforce Housing Standards are established. It is titled *The City of Destin Attainable Workforce Housing Study*, May 2007.
- E. **Attainable Workforce Housing Trust Account** means the account established in accordance with Section 11 A.: *Attainable Workforce Housing Trust Account*, to ensure the in-lieu fees collected pursuant to this ordinance are designated and used for attainable workforce housing units attributable to Employee-Generating Development that paid the in-lieu fees.

- F. **Average Just Value** means the mean or average estimate of market value for Vacant Residential Lands in the City, as determined by the Okaloosa County, Florida Property Appraiser. The Average Just Value is the quotient of the calculation where the numerator is the sum of the Just Value for all Vacant Residential Lands and the denominator is the total number of parcels categorized as Vacant Residential Lands in the City.
- G. **Building Permit** means that development permit issued by the City before any building or construction activity can be initiated on a parcel of land.
- H. **City Manager** means the City Manager of the City of Destin or his/her designee, appointed carry out the responsibilities of this Ordinance.
- I. **Comprehensive Plan** means the Comprehensive Plan of the City of Destin.
- J. **Council or City Council** means the elected legislative body of Destin.
- K. **Development** has the meaning provided in Section 380.04, Fla. Stat.
- L. **Employee Generating Development** means residential or nonresidential development designed or intended to permit a use of the land that will increase the size of residential units, contain more dwelling units or nonresidential development than the then existing use of the land, or the making of any material change in the use of any structure or land in a manner that creates an additional need for attainable workforce housing units, unless exempted pursuant to this ordinance.
- M. **Existing Use** is the highest intensity use on a parcel or site within the last 12 months.
- N. **Expansion or Redevelopment of Existing Uses** means the expansion or redevelopment of buildings on a parcel that were existing on the effective date of this Ordinance.

- O. **Fair Market Value** means the value of land that is determined as part of a provision of land for attainable workforce housing in accordance with Section 9 E.: *Conveyance of Land*. Fair market value shall be established through an appraisal provided by a State of Florida licensed real estate appraiser, or an appraiser who is a member of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers.
- P. **Full Time Residents** are individuals or households that maintain their domicile within the City of Destin and who reside within Destin for more than six (6) months per year.
- Q. **Governmental uses** include but are not limited to military facilities; parks and recreational areas; governmental office buildings; and other publicly owned facilities.
- R. **Independent Calculation for Alternative Mitigation Study** means a study prepared by an applicant in accordance with Section 10: *Independent Calculation Study for Alternative Mitigation*.
- S. **Industrial uses** include but are not limited to manufacturing; lumber yards; warehousing and distribution terminals; equipment and materials storage facilities; and other similar uses.
- T. **Institutional uses** include but are not limited to churches; private schools; colleges; daycares; privately owned hospitals; homes for the aged; orphanages; clubs; cultural organizations; and other similar uses.
- U. **Land** shall have the same meaning as set forth in Section 380.031(7), Fla. Stat.

- V. **Market Rate Housing** is private housing within the City of Destin that is available for sale or rent to individuals or households without housing assistance from any public or non-profit entity.
- W. **Maximum Extent Practicable** means no feasible or practical alternative exists, as determined by the City Manager, and all possible efforts to comply with the relevant standards or minimize potential harmful or adverse impacts have been undertaken by an applicant. Economic considerations may be taken into account but shall not be the overriding factor determining “maximum extent practicable.”
- X. **Office uses** include but are not limited to professional and non-professional office buildings, offices of financial institutions, professional services buildings, and insurance company offices; and other similar uses.
- Y. **Person** means an individual, corporation, governmental agency, business trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other entity.
- Z. **Part Time Residents** are individuals or households that maintain their domicile outside of the City of Destin and who reside within Destin for less than six (6) months per year.
- AA. **Retail uses** include but are not limited to stores, department stores, supermarkets, supercenters, shopping centers, restaurants, bars and night clubs, repair service shops, service stations, auto sales and repair, parking lots, and wholesale or discount outlets; and other similar uses.
- BB. **Tourist uses** include but are not limited to amusement parks, theatres; auditoriums; nightclubs; bowling alleys; tourist attractions; camps; race tracks; golf courses;

hotels, “beds and breakfasts,” motels and ancillary spaces within hotels or motels such as restaurants and shops; and other similar uses.

CC. **Unit(s) Occupied by Full-Time Residents** means a residential unit that an applicant/developer can ensure will be occupied full-time by a resident of Destin.

DD. **Vacant Residential Land** means land that is categorized by the Okaloosa County, Florida Property Appraiser as “vacant residential land,” and that is defined as being vacant, subdivided land available for development of single-family dwelling unit(s).

SECTION 7: EXEMPTIONS.

The following development shall be exempted from these Attainable Workforce Housing Standards:

A. Construction of an Attainable Dwelling Unit.

The construction of a dwelling unit that is deed restricted to ensure it is maintained as an attainable workforce housing unit.

B. Development of Residential Units Less Than 1,000 Square Feet.

Development or re-development of a residential unit that measures less than 1,000 square feet in heated or air-conditioned floor area upon completion of development or re-development provided that this dwelling is intended for occupancy by permanent full time residents and not as a second or vacation home.

C. Redevelopment, Remodeling or Expansion of Preexisting Residential Use.

Redevelopment, remodeling or expansion of a legally preexisting residential use of land if the redevelopment, remodeling or expansion does not increase the area of the nonresidential use that existed on the effective date of this Ordinance by more than 100 square feet of heated or air-conditioned area floor area.

D. Redevelopment, Remodeling or Expansion of Preexisting Nonresidential Use.

Redevelopment, remodeling or expansion of a legally preexisting nonresidential use if:

1. The use is not changed to a different category listed in Attachment C, and;
2. The redevelopment, remodeling or expansion does not increase the area of the nonresidential use that existed on the effective date of this Ordinance by more than 100 square feet of gross leasable floor area.

E. Temporary Uses.

Development of a temporary use, as listed in the Destin Land Development Code.

F. Attainable Workforce Housing Development.

Attainable workforce housing developments designed and administered to meet the purposes of this Ordinance. This may include projects developed or sponsored by non-profit organizations.

SECTION 8: PROCEDURES.

A. Submission of Attainable Workforce Housing Mitigation Plan.

An applicant for a subdivision, site plan or similar approval for any Employee Generating Development not exempted in accordance with Section 7: *Exemptions*, shall submit an Attainable Workforce Housing Mitigation Plan to the City Manager concurrent with the development application.

B. Contents of Attainable Workforce Housing Mitigation Plan.

The contents of the Attainable Workforce Housing Mitigation Plan shall include the following:

1. **Attainable Workforce Housing Need.**

Calculation of the need for attainable workforce housing created by the Employee Generating Development based on the requirements of Section 9: *Attainable Workforce Housing Standards*.

2. **Method.**

The method by which attainable workforce housing is to be provided to comply with the requirements of Section 9: *Attainable Workforce Housing Standards* by means of on-site or off-site construction of units, conversion of free market units, payment of a fee in-lieu, conveyance of land for attainable housing, or a combination of the above, and appropriate justification for the proposed mitigation method.

3. **Construction of Attainable Workforce Units.**

If attainable workforce housing units are to be constructed (either on or off-site), the Attainable Workforce Housing Mitigation Plan shall include:

a. ***Conceptual Site Plan.***

A conceptual site plan and building floor plan (if applicable) illustrating the number of attainable workforce units proposed, the type and nature of those units, their location in relation to the other residential or non-residential developments on the site and surrounding land uses, and the number and size of bedrooms of each unit.

b. ***Summary of Attainable Units.***

A summary of the number of attainable workforce units, the number and size of bedrooms of each unit, the rental/sale mix, and the sales price or rent for each unit.

c. ***Restrictions.***

The proposed restrictions to be placed on the attainable workforce units to ensure they remain attainable to the workforce.

4. **Conversion of Free Market to Attainable Workforce Housing**

If existing free market units are proposed to be converted to attainable workforce housing units, the Mitigation Plan shall include:

a. ***Site Plan.***

Identification of the location and construction quality of the free market units that are proposed to be converted to attainable workforce housing units.

b. ***Summary of Attainable Units.***

A summary of the number of free market units that will be converted to attainable workforce units, the number and size of bedrooms of each unit, the rental/sale mix, and the sales price or rent for each unit.

c. ***Restrictions.***

The proposed restrictions to be placed on the units to ensure they remain attainable workforce units.

5. **Land Conveyance.**

If land is to be conveyed, the Mitigation Plan shall include:

a. ***Survey.***

A survey depicting the location, size and topography of the land proposed for conveyance.

b. ***Title Report.***

A title report demonstrating clear title, physical and legal access, liens, easements, and other information necessary to fully describe the legal status of the property to be conveyed.

c. ***Appropriate for Development of Attainable Workforce Housing Units.***

Verification that the conditions of the land, any restrictions on title to the land (such as covenants and easements) and these regulations allow the development of residential units on the land, and that the site can generally be developed for attainable workforce housing.

d. ***Appraisal.***

An appraisal of the fair market value of the land.

e. ***Other Information.***

Any additional information or studies determined by the City Manager to be necessary to verify the suitability of the land for attainable workforce housing units.

6. Payment of In-Lieu Fee.

If payment of a fee in-lieu is proposed, the Mitigation Plan shall include a commitment by the applicant that the appropriate attainable workforce housing mitigation fee will be paid at the time of the issuance of building permits and in the amount required at the time of the request for the issuance of building permits. The Payments in-lieu fees are to be found in Attachments B and C, except as modified by the annual update as provided for in Section: 9 F.2 of this ordinance. Ninety days after the adoption of this ordinance, the Payments In-Lieu shown in Schedules B1 and C1, attached hereto in Exhibits B and C, are the amounts of payments in-lieu to be paid. One-year and 90 days after the adoption of this ordinance the payments in-lieu shown in Schedules B2 and C2, attached hereto in Exhibits B and C, are the amounts of payments in-lieu to be paid.

7. Attainable Workforce Housing Agreement.

A Attainable Workforce Housing Agreement (hereinafter “Agreement”) in which the applicant agrees to implement the Attainable Workforce Housing Mitigation Plan. The Agreement shall be in a form approved by the City Attorney, and shall include the following:

a. Construction of Units.

If the Attainable Workforce Housing Mitigation Plan proposes the construction of attainable workforce housing units, the Agreement shall identify: the location, number, type and size of the units to be constructed; sales and/or rental terms; occupancy requirements; a timetable for completion of the units; construction specifications; and the restrictions to

be placed on the units to ensure their permanent affordability to the workforce.

b. ***Conversion of Units.***

If the Attainable Workforce Housing Mitigation Plan proposes the conversion of free market units to attainable workforce housing units, the Agreement shall identify: the location, number, type and size of the units to be converted; sales and/or rental terms; occupancy requirements; a timetable for conversion of the units; and the restrictions to be placed on the units to ensure their permanent affordability.

c. ***In-Lieu Fees***

If the Attainable Workforce Housing Mitigation Plan proposes the payment of in-lieu fees, the Agreement shall provide the commitment by the applicant that the fees will be paid at the time of issuance of building permits.

d. ***Conveyance of Land.***

If the Attainable Workforce Housing Mitigation Plan proposes the conveyance of land, the Agreement shall identify the land to be conveyed, its fair market value, and the time at which the land will be conveyed to the City.

e. ***Combination of Mitigation Methods***

If the Attainable Workforce Housing Mitigation Plan proposes a combination of mitigation methods (construction of units, conversion of

units, conveyance of land, or in-lieu fees), the Agreement shall identify the appropriate provisions for each method of mitigation.

f. ***Plan to be Recorded & Run with the Land***

Once approved pursuant to the procedures established by this Ordinance, the Attainable Workforce Housing Mitigation Plan shall be recorded, shall run with the land, and shall be binding upon and enforceable by the City of Destin against the parties thereto and all subsequent owners of any interest in the land subject to the Plan.

8. **Review of Attainable Workforce Housing Mitigation Plan.**

a. ***General.***

The procedures for review of the Attainable Workforce Housing Mitigation Plan shall be the same as those for the Site Plan or plat with which it is submitted.

b. ***Timing of Review and Approval.***

The Attainable Workforce Housing Mitigation Plan shall be approved, approved with conditions, or disapproved by the City Manager, based on the standards in Section 9: *Attainable Workforce Housing Standards*. A decision on the Attainable Workforce Housing Mitigation Plan shall be made prior to a decision on the Site Plan or plat with which it is submitted. A Site Plan or plat shall not be approved without a Attainable Workforce Housing Mitigation Plan approved in accordance with the procedures and standards of this Section.

c. ***Amendment.***

An approved Attainable Workforce Housing Mitigation Plan may be amended or modified only in accordance with the procedures and standards established for its original approval.

SECTION 9: ATTAINABLE WORKFORCE HOUSING STANDARDS.

A. General Requirements.

1. **Mitigate Attainable Workforce Housing Demand.**

Each Employee Generating Development not exempted by Section 7: *Exemptions*, shall mitigate the demand for attainable workforce housing created by the development by one or a combination of the methods identified below. The City Manager shall approve, approve with conditions, or disapprove the method of mitigation in accordance with the standards of this section.

a. ***Construction of Attainable Workforce Housing On Site.***

Attainable workforce housing units shall be constructed on the site of the Employee Generating Development unless the City Manager finds the provision of attainable workforce housing on-site is impracticable pursuant to Section 9.B.1: *Construction of Attainable Workforce Housing On-Site Impractical.*

b. ***Impractical to Construct On-Site.***

If it is determined it is impracticable to provide attainable workforce housing on-site in accordance with Section 9.B.1: *Construction of Attainable Workforce Housing On-Site Impractical*, the housing shall be

provided either off-site, through the conversion of free-market to attainable workforce housing units, the dedication of land for attainable workforce housing, through payment of an in-lieu fee, or through assignment of responsibility to a non-profit provider. This shall be done through the applicant making an offer of mitigation, and the City Manager reviewing and accepting the most appropriate mitigation option, based on the standards of this section and the attainable workforce housing goals of the City and the goals, objectives, and policies of the *Comprehensive Plan*.

c. ***Less Than One Attainable Unit***

If the attainable workforce housing requirement results in less than one (1) housing unit, or a fraction of a required attainable workforce housing unit, the City Manager shall accept a fee in-lieu, pursuant to Section 9.F, *Payment of Fee In-Lieu*.

2. **Amount of Attainable Workforce Housing Required.**

a. ***Residential Development.***

All Employee Generating Residential Development not exempted by Section 7: *Exemptions*, shall provide attainable workforce housing for percent of the number of employee households generated by the Employee Generating Residential Development. All residential units, except units which the applicant/developer can ensure will be occupied full-time by residents (hereinafter “All Other Units”) shall provide attainable workforce housing at the following ratios:

Unit Size FT²	Residential Units for Non-Full Time Residents	
500 or Less	0.01	attainable units for each market unit
501 - 750	0.03	attainable units for each market unit
751 - 1,000	0.07	attainable units for each market unit
1,001 - 1,500	0.12	attainable units for each market unit
1,501 - 2,000	0.16	attainable units for each market unit
2,001 - 2,500	0.19	attainable units for each market unit
2,501 - 3,000	0.22	attainable units for each market unit
3,001 - 3,500	0.24	attainable units for each market unit
3,501 - 4,000	0.26	attainable units for each market unit
4,001 or more	0.28	attainable units for each market unit

Residential units which the applicant/developer can ensure will be occupied full-time by a resident (hereinafter “Units Occupied by Full-Time Residents”) shall provide attainable workforce housing at the following ratios:

Unit Size FT²	Residential Units for Full-Time Residents	
500 or Less	0	attainable units for each market unit
501 - 750	0	attainable units for each market unit
751 – 1,000	0.01	attainable units for each market unit
1,001 - 1,500	0.04	attainable units for each market unit
1,501 - 2,000	0.08	attainable units for each market unit
2,001 - 2,500	0.11	attainable units for each market unit
2,501 - 3,000	0.14	attainable units for each market unit
3,001 - 3,500	0.16	attainable units for each market unit
3,501 - 4,000	0.18	attainable units for each market unit
4,001 or more	0.20	attainable units for each market unit

For applications that do not include plans identifying the size of the residential units proposed to be built, the size of the residential units shall be estimated based on the average size of residential units in existing subdivisions of comparably sized and valued lots within the City.

b. ***Non-Residential Development***

All Employee Generating Non-Residential Development not exempted by Section 7: *Exemptions*, shall provide attainable workforce housing for percent of the number of employee households generated by the Employee Generating Non-Residential Development at the following ratios:

Land Use	Attainable Units per Square Feet of Floor Area		
Government	1 attainable unit for each	909	square feet of floor area
Industrial	1 attainable unit for each	1,286	square feet of floor area
Institutional	1 attainable unit for each	1,027	square feet of floor area
Office	1 attainable unit for each	585	square feet of floor area
Retail	1 attainable unit for each	990	square feet of floor area
Tourist	1 attainable unit for each	1,023	square feet of floor area

c. ***Unspecified Uses.***

If proposed Employee Generating Development for nonresidential development is not specified in the formula, the City Manager shall use the employee generation rate of the most comparable category in the formula, or require the developer to conduct an independent calculation for alternative mitigation as provided for in Section 10: *Independent Calculation for Alternative Mitigation*, to determine the appropriate attainable workforce housing requirement.

d. ***Change of Use.***

The attainable workforce housing required for nonresidential development when a new use replaces an existing use shall be calculated based on the incremental increase, if any, in the number of employees.

3. Remodels, Redevelopment and Expansion of Existing Uses.

The attainable workforce housing requirement for a remodel, re-development or expansion of an existing use, not exempted by Section 7: *Exemptions*, shall be calculated based on the incremental increase in the size (in gross area) of the residential unit, the increase in the number of residential units (and their size in gross area), or gross leasable floor area of a nonresidential use, whichever is applicable.

4. Income Categories, Sales Price and Rental Rate.

In determining the mitigation requirement, attainable workforce housing units shall be distributed and priced for workforce families whose incomes are less than one hundred and forty (140) percent of the median income for a City family of four (4).

5. Construction and Occupancy.

The construction and occupancy of all attainable housing units shall comply with the following.

a. *Sales and Rental Terms, Size, Type, and Occupancy.*

All attainable workforce housing units constructed shall comply with the sales and/or rental terms, appreciation rates, and size, type, and occupancy requirements as established by the City Council by resolution, which may be changed from time to time.

b. *Other Restrictions.*

All attainable workforce units shall comply with all other requirements of as established by the City Council by resolution, which may be changed from time to time, to ensure they are maintained, occupied and owned/rented as attainable workforce housing units.

6. Timing of Occupancy.

All attainable workforce housing units shall be ready for occupancy no later than the date of the initial occupancy of the Employee Generating Development for which the housing is constructed. If the development is approved for phases, then the attainable workforce housing units may be constructed in proportion to the phases of the development for which the attainable workforce units are constructed.

7. Prior Agreement.

Any agreement by a developer to provide attainable workforce housing as a condition of development approval prior to the effective date of this Ordinance shall be implemented under the terms of such agreement, and the provision of the prior agreed upon attainable workforce housing by the developer shall be offset against any additional attainable workforce housing required pursuant to the terms of this section.

B. Construction of Attainable Workforce Housing On-Site Impractical.

Attainable workforce housing shall be constructed on the site of the Employee Generating Development unless the City Manager determines it impractical by making one (1) or more of the following findings:

1. Inconsistent with Comprehensive Plan.

It is inconsistent with the *Comprehensive Plan* goals, objectives, or policies.

2. Proximity to Employment, Schools, and Commercial Services.

It is not proximate to existing or planned employment, schools, and commercial services.

3. It Complies with Development Code.

The applicant has attempted, to the maximum extent practicable, to design the attainable workforce housing on-site, and it does not comply with this development code.

4. Federal or State Requirements.

The attainable workforce housing units cannot be designed and located so as to comply with federal or state law.

5. Opportunity to Combine with Other Attainable Units.

An opportunity exists to construct the units in conjunction with another attainable workforce housing project at an off-site location that would result in more efficient production of attainable workforce housing or the location of the units at a place that is better suited for attainable workforce housing, based on the goals, objectives, and policies of the *Comprehensive Plan*.

6. Incompatible with Surrounding Land Uses.

The attainable workforce housing units located on-site would be incompatible with the surrounding lands because of conflicting uses, architectural style, or bulk.

7. Less Than One Unit.

The number of persons required to be housed in attainable workforce housing results in less than one (1) housing unit.

C. Construction of Workforce Housing at Off-site Location.

If the City Manager finds it is impracticable to construct attainable units on the site of the Employee Generating Development, the applicant may offer the units be provided off-site, if the location is suitable. A proposed off-site location shall be considered suitable for attainable workforce housing units if it complies with the following:

1. Complies with Comprehensive Plan Goals.

Development of attainable workforce housing on the site is consistent with the goals, objectives, and policies of the *Comprehensive Plan*.

2. Proximity to Employment, Schools, and Commercial Services.

The site is proximate to existing or planned employment, schools, and commercial services.

3. Federal or State Requirements.

The attainable workforce housing units can be designed and located so as to comply with federal or state law.

4. Compatible with Surrounding Uses.

The attainable workforce units can be designed and built in a way that is compatible with surrounding land uses.

D. Conversion of Free Market to Attainable Workforce Housing Units

The City Manager may accept an offer by the applicant to convert existing free market units to restricted attainable workforce housing units if those comply with the following:

1. **Complies with Comprehensive Plan Goals.**

The converted units are consistent with the goals, objectives, and policies of the *Comprehensive Plan*.

2. **Proximity to Employment, Schools, and Commercial Services.**

The converted units are proximate to existing or planned employment, schools, and commercial services.

3. **Federal or State Requirements.**

The converted units are in compliance with federal or state law.

4. **Compatible with Surrounding Uses.**

The converted units are designed and built in a way that are compatible with surrounding land uses.

E. Conveyance of Land.

1. **General**

The City Manager may accept the offer by the applicant to convey land for attainable workforce housing, in an amount that is comparable to the attainable workforce housing need created by the development.

a. *Appropriateness of Land for Conveyance.*

The land offered for attainable workforce housing shall comply with the following:

1. *Consistent with Comprehensive Plan.*

It shall accommodate attainable workforce housing in a way that is consistent with the goals, objectives, and policies of the *Comprehensive Plan*.

2. *Locate Near Services.*

It shall be proximate to existing or planned employment, schools, and commercial services.

3. *Allowed by Land Development Code.*

It shall be located on the site in a way that complies with the City of Destin, Land Development Code.

b. *Establishment of Fair Market Value.*

The fair market value of the land to be conveyed shall be established, and shall be comparable to the cost to mitigate the need for attainable workforce housing attributable to the development.

1. *Preliminary Market Value.*

Fair market value shall be established on a preliminary basis at the time the Attainable Workforce Housing Mitigation Plan is reviewed.

2. *Final Fair Market Value.*

Fair market value shall be confirmed at the time of review and approval of the Site Plan or plat for the free market portion of the development.

3. *Value Net of Commission.*

Fair market value shall be net of any customary real estate commissions for the sale of the land.

c. *Time of Conveyance.*

Land conveyance shall occur concurrent with approval of the Site Plan or plat, unless the City Manager approves other arrangements with financial assurances in the Attainable Workforce Housing Agreement.

d. *Use of Land.*

Land conveyed shall be used for the development of attainable workforce housing units, except conveyed land may be sold by the City in accordance with Section 9.E.3, *Sale of Land*.

2. **Sale of Land.**

The Council is permitted to sell land conveyed for attainable workforce housing if it better assists the City in meeting its attainable workforce housing goals and if:

a. *Proceeds Placed in Attainable Workforce Housing Trust Account.*

All proceeds from the sale of the land are placed in the Attainable Workforce Housing Trust Account (Section 11.A: *Attainable Workforce Housing Trust Account*).

b. ***Use of Proceeds.***

The proceeds from the sale of the land and any interest accrued thereon are used only for subsidizing or constructing attainable workforce housing.

F. Payment of a Fee In-Lieu.

If the City Manager finds it is impracticable to construct attainable units on the site and the applicant elects not to propose off-site provision or conveyance of land for attainable workforce housing, the applicant may offer to mitigate for attainable workforce housing through payment of an in-lieu fee pursuant to this section.

1. **Fee Amount**

The in-lieu fees for residential development vary based on the size of the residential unit. The fees for nonresidential development vary, based on the size (gross leasable floor area) and type of nonresidential development. The in-lieu fee formula schedule for residential development is attached hereto as Exhibit “B,” and incorporated herein by reference. The in-lieu fee formula shall be used to calculate the in-lieu fee for nonresidential development. The in-lieu fee schedule for nonresidential development is attached hereto as Exhibit “C,” and incorporated herein by reference. The in-lieu fee formula shall be used to calculate the in-lieu fee that will be paid at the time of the issuance of building permits. The in-lieu fee schedules shall be updated annually following the procedures setout in 2, below.

2. Annual Update of Subsidy and Fee Schedule.

Prior to September 1, 2008, and on September 1 of each following year, the subsidy amount used in the in-lieu fee formulas for residential (Exhibit B) and nonresidential (Exhibit C) development shall be modified in order to reflect any appropriate adjustments of current land and construction costs. For each annual adjustment, the in-lieu fees shall be multiplied by a fraction, the numerator of which is the Average Just Value per parcel for Vacant Residential land as shown in the most recent tax roll of the City of Destin as prepared by the Okaloosa County Property Appraiser in the current year and the denominator of which is the Average Just Value per parcel of Vacant Residential land for the period of one year prior to the period reflected in the numerator. The new in-lieu fee shall be applicable beginning December 1, 2008, and on December 1 of each following year.

3. Payment of In-Lieu Fee.

The fee in-lieu required by this ordinance shall be paid prior to issuance of a Building Permit.

G. Assignment of Responsibility to a Non-Profit Provider.

The City of Destin will allow the transfer of responsibility for all or part the obligation to provide attainable workforce housing to a non-profit provider if:

1. The non-profit attainable housing provider has been approved by the City of Destin as a provider of attainable workforce housing, pursuant to a service provider agreement approved by the City Council;

2. The City is made a party to the agreement between the applicant and the non-profit provider and the agreement has been approved by the City Council; and
3. The non-profit provider will accept all responsibilities and obligations originally borne by the applicant for the provision of attainable workforce housing.

SECTION 10: INDEPENDENT CALCULATION FOR ALTERNATIVE MITIGATION.

A. Applicability.

1. An applicant may elect to prepare an independent calculation for alternative mitigation if the applicant believes the nature, timing, or location of the proposed Employee Generating Development is likely to generate less need for attainable workforce housing than otherwise required in this section.
2. If the City Manager determines a proposed use is not a use included in Exhibits B and C, the number of employees generated by the proposed use and the required amount of attainable workforce housing shall be computed by an independent calculation for alternative mitigation pursuant to this subsection.

B. Applicant to Prepare.

The applicant shall prepare the independent calculation for alternative mitigation.

C. Portion Subject to Study and Method of Study.

1. **Portion Subject to Study**

The independent calculation for alternative mitigation may provide alternative data in one or both of two areas:

a. ***Employees.***

The number of employees generated by the proposed use, and/or;

b. ***Timing or Rate of Occupancy.***

The timing or rate of occupancy for employees in attainable workforce housing units.

2. **Method.**

The applicant shall use generally accepted principles and methods and verifiable local information and data, and other appropriate materials to support the employee generation data or the occupancy rates.

D. Procedure.

1. **Submission of Application.**

An independent calculation for alternative mitigation shall be submitted concurrent with an application for a Attainable Workforce Housing Mitigation Plan in a form established by the City Manager and made available to the public.

a. ***Review.***

Within thirty (30) calendar days of receipt of the application, the City Manager shall determine if the application is complete and includes data in sufficient detail to evaluate the independent calculation for alternative mitigation.

b. ***Determination.***

If the City Manager determines the application is not sufficient, a written notice shall be mailed to the applicant specifying the deficiencies. No further action shall be taken on the application until the deficiencies are remedied. When the application is determined sufficient, it shall be reviewed pursuant to the procedures and standards of this section. If the applicant fails to correct the deficiencies within sixty (60) calendar days, the application shall be considered withdrawn.

c. ***Review of Application.***

Within thirty (30) calendar days of the submission of a sufficient application, the City Manager shall review the independent calculation for alternative mitigation and render a decision on the required amount of attainable workforce housing pursuant to Section 10.E, *Independent Calculation for Alternative Mitigation Standards*.

E. Independent Calculation for Alternative Mitigation Standards.

The City Manager shall approve, approve with modifications, or deny the independent calculation for alternative mitigation based on generally recognized principles and methodologies of impact analysis and the accuracy of the data, information, and assumptions used to prepare the independent calculation. If the independent calculation is approved or approved with modifications, the amount of attainable workforce housing required for the Employee Generating Development will be adjusted, consistent with the City Manager's decision and any such

adjustment shall be set forth in the Attainable Workforce Housing Agreement which shall be made a part of the Attainable Workforce Housing Mitigation Plan.

**SECTION 11: COLLECTION AND ACCOUNTING FOR ATTAINABLE
WORKFORCE HOUSING FEES IN-LIEU.**

A. Attainable Workforce Housing Trust Account.

1. Trust Account Established.

For the purpose of ensuring that any fees in-lieu collected are spent for attainable workforce housing that will mitigate the demand for attainable workforce housing created by the applicant, an interest-bearing Attainable Workforce Housing Trust Account is established.

2. Fees Deposited into Account.

All fees collected by the City pursuant to this ordinance shall be immediately deposited into the Attainable Workforce Housing Trust Account.

3. Interest Bearing

All proceeds in the Attainable Workforce Housing Trust Account not immediately necessary for expenditure shall be invested in an interest-bearing account. All income derived from these investments shall be retained in the trust account until spent or refunded.

4. Limitations on Expenditures.

All funds deposited into the Attainable Workforce Housing Trust Account and accrued interest shall be expended only for the purposes of planning, subsidizing or developing attainable workforce housing units within the City.

B. Refund of Fee In-Lieu.

1. Seven Year Limit.

A fee in-lieu collected pursuant to ordinance shall be returned upon written request to the then present owner of the development for which a fee was paid if the fee has not been spent within seven (7) years from the date the fee was paid, along with interest of four (4) percent per annum. Notwithstanding, if the Council has earmarked the funds for expenditure on a specific attainable workforce housing project, the Council may extend the time period by up to three (3) more years.

2. Written Request.

To obtain the refund, the present owner must submit a written request to the City Manager within one (1) year from the end of the seventh (7th) year from the date payment was received, or within one (1) year from the end of the time this refund requirement is extended by the Council pursuant to Section 11.B.1: *Seven Year Limit*.

C. Payments Determined.

For the purpose of this section, fee payments shall be deemed spent on the basis that the first (1st) payment in shall be the first (1st) payment out.

D. Refunds for Expired Permits.

Any fee in-lieu for an Employee Generating Development for which approval has expired due to non-commencement of construction, may be refunded upon a written request from the then owner of the property for which the fee was paid. Said request shall be submitted to the City Manager within three (3) months of the date of the expiration of approval and be accompanied by proof of ownership of the property and a copy of the receipt verifying payment of the fee.

SECTION 12: SEVERABILITY.

The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

SECTION 13: REPEAL OF CONFLICTING PROVISIONS.

The provisions of the City Code and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 14: INCLUSION IN THE CODE.

It is the intention of the City Council, and it is hereby ordained that the provisions of this Ordinance shall become a part of the Destin, , Florida Code of Ordinances; that the sections of this Ordinance may be renumbered or re-lettered to accomplish such

intentions; and that the word "Ordinance" shall be changed to "Section" or other appropriate word.

EFFECTIVE DATE.

This Ordinance shall be effective ninety (90) days after passage by the Destin City Council.

The foregoing Ordinance was offered by _____ who moved for its adoption on first reading. This motion was seconded by _____ and upon being put to a vote, the vote was as follows:

PASSED on the first reading this _____ day of _____, 2007.

The foregoing Ordinance was offered by _____, who moved its adoption on second reading. The motion was seconded by _____, and upon being put to a vote, the vote was as follows:

PASSED AND ADOPTED on the second reading this _____ day of _____, 2007.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY

**EXHIBIT A:
THE DESTIN
ATTAINABLE WORKFORCE HOUSING STUDY**

[Study to be inserted]

EXHIBIT B:
RESIDENTIAL IN-LIEU FEE SCHEDULE

Schedule B1: Residential Payment In-Lieu Fee at 25%

Residential	Unit	At 25%	
		Full Time	Part Time
<500 sq ft	Dwelling	\$0.00	\$13.56
500 - 749 sq ft	Dwelling	\$0.00	\$25.34
750 - 999 sq ft	Dwelling	\$0.00	\$42.85
1,000 - 1,499 sq ft	Dwelling	\$42.64	\$66.13
1,500 - 1,999 sq ft	Dwelling	\$67.26	\$91.93
2,000 - 2,999 sq ft	Dwelling	\$60.01	\$76.92
3,000 - 3,999 sq ft	Dwelling	\$141.78	\$174.68
4,000 sq ft or more	Dwelling	\$162.20	\$194.43

Schedule B2: Residential Payment In-Lieu Fee at 50%

Residential	Unit	At 50%	
		Full Time	Part Time
<500 sq ft	Dwelling	\$0.00	\$27.12
500 - 749 sq ft	Dwelling	\$0.00	\$50.68
750 - 999 sq ft	Dwelling	\$0.00	\$85.71
1,000 - 1,499 sq ft	Dwelling	\$85.27	\$132.27
1,500 - 1,999 sq ft	Dwelling	\$134.52	\$183.87
2,000 - 2,999 sq ft	Dwelling	\$120.01	\$153.85
3,000 - 3,999 sq ft	Dwelling	\$283.56	\$349.36
4,000 sq ft or more	Dwelling	\$324.40	\$388.86

EXHIBIT C:
NONRESIDENTIAL IN-LIEU FEE SCHEDULE

Schedule C1: Non-Residential Payment In-Lieu Fees 25%

Retail/Commercial	Unit	At 25%
Shopping Center	sq ft	\$6.80
Discount Superstore	sq ft	\$6.80
Bank, Walk-in	sq ft	\$2.86
Bank, Drive-in	sq ft	\$2.86
Supermarket	sq ft	\$6.80
Convenience Market	sq ft	\$6.80
Golf Course (public)	acre	study
Marina	berth	study
Racquet/Health Club	sq ft	study
Restaurant, Fast Food	sq ft	\$6.80
Restaurant, High Turnover	sq ft	\$6.80
Restaurant, Sit Down	sq ft	\$6.80
Service Station	sq ft	\$6.80
Office Institutional		
Office, General	sq ft	\$2.86
Hospital	sq ft	\$0.00
Nursing Home	sq ft	\$0.00
Place of Worship	sq ft	\$0.00
School/College (private)	sq ft	\$0.00
Industrial		
General Light Industrial	sq ft	\$0.00
Warehouse/Storage	sq ft	\$0.00
Mini-Warehouse	sq ft	\$0.00
Tourist		
Hotels and Motels	sq ft	\$6.38
RV Parks	acre	\$46,080

Schedule C2: Non-Residential Payment In-Lieu Fees 50%

Retail/Commercial	Unit	At 50%
Shopping Center	sq ft	\$13.60
Discount Superstore	sq ft	\$13.60
Bank, Walk-in	sq ft	\$5.71
Bank, Drive-in	sq ft	\$5.71
Supermarket	sq ft	\$13.60
Convenience Market	sq ft	\$13.60
Golf Course (public)	acre	
Marina	berth	
Racquet/Health Club	sq ft	
Restaurant, Fast Food	sq ft	\$13.60
Restaurant, High Turnover	sq ft	\$13.60
Restaurant, Sit Down	sq ft	\$13.60
Service Station	sq ft	\$13.60
Office Institutional		
Office, General	sq ft	\$5.71
Hospital	sq ft	\$0.00
Nursing Home	sq ft	\$0.00
Place of Worship	sq ft	\$0.00
School/College (private)	sq ft	\$0.00
Industrial		
General Light Industrial	sq ft	\$0.00
Warehouse/Storage	sq ft	\$0.00
Mini-Warehouse	sq ft	\$0.00
Tourist		
Hotels and Motels	sq ft	\$13.17
RV Parks	acre	\$92,159