

ORDINANCE NO. 19-006

AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, **AMENDING CHAPTER 5**, OF THE CODE OF ORDINANCES ENTITLED "**BUILDINGS AND BUILDING REGULATIONS**" AMENDING ARTICLE V TO BE ENTITLED "**WORKFORCE HOUSING PROGRAM**", AMENDING SECTION 5-111 TO PROVIDE FOR A SHORT TITLE; AMENDING SECTION 5-112 SETTING FORTH THE PURPOSE AND INTENT OF THE WORKFORCE HOUSING PROGRAM; AMENDING SECTION 5-113 TO PROVIDE FOR APPLICABILITY; AMENDING SECTION 5-114 TO ESTABLISH DEFINITIONS; AMENDING SECTION 5-115 TO RESERVE LINKAGE FEES FOR FUTURE ADOPTION; AMENDING SECTION 5-116 TO RESERVE FOR PROVISIONS FOR FUTURE ADOPTION; AMENDING SECTION 5-117 TO ESTABLISH CONSTRUCTION STANDARDS FOR WORKFORCE HOUSING; AMENDING SECTION 5-118 PERTAINING TO RESTRICTIONS ON THE SALES AND RENTAL PRICES FOR WORKFORCE HOUSING DWELLING UNITS; AMENDING SECTION 5-119 ESTABLISHING QUALIFICATIONS FOR INDIVIDUALS TO BE ELIGIBLE FOR THE WORKFORCE HOMEBUYER PROGRAM; AMENDING SECTION 5-120 TO ESTABLISH A TIME PERIOD WHEREIN RENTAL AND FOR-SALE WORKFORCE HOUSING UNITS ARE REQUIRED TO REMAIN AFFORDABLE; AMENDING SECTION 5-121 TO CREATE A WORKFORCE HOUSING TRUST FUND; PROVIDING FOR A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fort Pierce, Florida ("City") recognizes that there is a housing shortage in the City of Fort Pierce that is affordable to the everyday workforce of the City; and

WHEREAS, the City has a legitimate public interest in preserving the character and quality of neighborhoods which requires assuring the availability of workforce housing for moderate and lower income persons in the City to maintain a diversified and sustainable City having the character and sense of a community where people can live, work and play in the same area; and

WHEREAS, pursuant to section 166.04151, Florida Statutes, municipalities may adopt and maintain any ordinance that is adopted for the purpose of increasing the supply of affordable housing units notwithstanding any other provision of law; and

NOW, THEREFORE, BE IT ORDAINED by City Commission of the City of Fort Pierce, Florida:

SECTION 1. Chapter 5, Article V, of the Code of Ordinances, is hereby amended to read as follows:

~~**ARTICLE V. - RESERVED**~~

~~Secs. 5-111 - 5-175. - Reserved.~~

ARTICLE V. - WORKFORCE HOUSING PROGRAM

SECTION 2. Chapter 5, Article V, Sec. 5-111, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-111 - Short Title.

This article shall be known as and referred to as the “City of Fort Pierce Workforce Housing Program” and may also be known as the “Residential Infill Program”.

SECTION 3. Chapter 5, Article V, Sec. 5-112, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-112 - Purpose and intent.

The purpose and intent of the workforce housing program is to:

- (a) Ensure an adequate inventory of owner occupied or rental housing throughout the city is available to low, moderate-low, moderate-high and middle income households.
- (b) Provide for the creation of a variety of housing options throughout the city for the existing and anticipated workforce in necessary occupational fields, such as, but not limited to, education, government, health care, transportation, tourism and retail services.
- (c) Create an assistance program which provides access to funds from a workforce housing trust fund, so that lower income residents, those residents who are no longer in the workforce, or living on fixed incomes, can remain in the city.

SECTION 4. Chapter 5, Article V, Sec. 5-113, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-113 - Applicability.

- (a) City of Fort Pierce Community Land Trust. The City Commission may authorize the city manager to enter into an agreement with a community land trust organization registered in the city to administer the city's workforce housing program.
- (b) This article shall apply to development of workforce housing units constructed in conjunction with the City of Fort Pierce Community Land Trust and/or with the intent of obtaining funding from the City of Fort Pierce Workforce Housing Trust fund. Redevelopment that removes and replaces existing residential dwelling units shall meet the workforce housing requirements the same as is applicable for new development.

SECTION 5. Chapter 5, Article V, Sec. 5-114, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-114 - Definitions.

Affordable housing unit means a dwelling unit for which the mortgage payment (including principal, interest, taxes and insurance) does not exceed 30 percent of the gross income of the very low income household buying the affordable housing dwelling unit.

Area median income means a division of income distribution into two equal parts: one-half above the median and one-half below, as utilized by the United States Census Bureau. The United States Department of Housing and Urban Development (HUD) uses the median incomes for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal eighty (80) percent of the area median income; a common maximum income level for participation in HUD programs.

Assets means all real estate property, stocks, bonds, and cash, or other liquid assets that are not part of a retirement investment plan or pension plan.

City of Fort Pierce Community Land Trust means a nonprofit 501(c)(3) organization with a mission that includes developing, preserving, and managing a permanent supply of affordable housing in Fort Pierce that has entered into an agreement with the city and has within its mission a geography that includes the city to provide administrative and regulatory services in accordance with the workforce housing program.

Dwelling unit, appreciation of, means the difference between the original purchase price for a dwelling unit and the subsequent price for the sale of the dwelling unit by the owner of the workforce housing dwelling unit minus real estate closing costs.

Dwelling unit, market rate, means a unit in a residential development other than those designated a workforce housing dwelling unit.

Dwelling unit, resale gap of, means the difference between the required resale price of a workforce housing dwelling unit and the original purchase price plus closing costs.

Dwelling unit, sales price of, means the contracted price as designated at closing as the sale price of a workforce housing dwelling unit.

Dwelling unit, workforce housing owner-occupied, means an owner-occupied dwelling unit for which the mortgage payment (including principal, interest, taxes and insurance) does not exceed 30 percent of the gross income of the middle income, moderate-high income, moderate-low income, and low income household buying the workforce housing dwelling unit, offered to eligible households and restricted by deed restriction for resale.

Dwelling unit, workforce housing renter-occupied, means a dwelling unit for which the rental payment and utility costs do not exceed 30 percent of the gross income of the moderate-high, moderate-low income and low income households renting the workforce housing dwelling unit, offered to eligible households and restricted by deed restriction for rental.

Equity recapture provision means the division of any funds realized by the owner of a property as a result of the sale of the property in which the sales price exceeds the original purchase price as stated in the original contract for sale.

First time home buyer means a household that meets the criteria of a first time home buyer as defined by the United States Department of Housing and Urban Development, as amended.

Floor, rental, means the lower limit beyond which the maximum rent amount for a workforce housing dwelling unit will not be required to fall below.

Floor, sales price, means the lower limit beyond which the maximum sales price for a for-sale workforce housing dwelling unit will not be required to fall below.

Household means one person living alone or two or more persons sharing residency whose income is considered for the workforce housing program.

Household, eligible, means a household that qualifies for participation in the workforce housing program described in section 5-119 of this chapter. Priority will be given to persons who work in the city limits prior to the date of application for a workforce housing dwelling unit.

Workforce Housing trust fund means the trust fund established by the city for the purpose of collecting and disbursing funds for workforce housing dwelling units in accordance with the workforce housing program as established in section 5-121 of this article.

Income, low, means household income sixty one (61) percent up to eighty (80) percent of the median household income of the Saint Lucie Metropolitan Statistical Area (MSA) adjusted for household size.

Income, middle, means household income one hundred twenty one (121) percent to one hundred forty (140) percent of the median income of the Saint Lucie Metropolitan Statistical Area (MSA) adjusted for household size.

Income, moderate-high, means household income one hundred one (101) percent to one hundred twenty (120) percent of the median income of the Saint Lucie Metropolitan Statistical Area (MSA) adjusted for household size.

Income, moderate-low, means household income eighty one (81) percent to one hundred (100) percent of the median income of the Saint Lucie Metropolitan Statistical Area (MSA) adjusted for household size.

Income, very low, means household income thirty (30) percent up to sixty (60) percent of the median income of the Saint Lucie Metropolitan Statistical Area (MSA) adjusted for household size.

Primary residence means the legal residence of the household and qualifies for homestead exemption, if an owner-occupied unit.

Shared appreciation means the percentage of the amount of the appreciation in the value of the workforce housing dwelling unit to be shared by the city and owner at the time of resale of the workforce housing dwelling unit.

Workforce housing programs, policies and procedures means the administrative policies and procedures approved by the City Commission for the implementation of the workforce housing program.

SECTION 6. Chapter 5, Article V, Sec. 5-115, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-115 - Commercial and industrial development linkage fee. – Reserved.

SECTION 7. Chapter 5, Article V, Sec. 5-116, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-116 - Reserved.

SECTION 8. Chapter 5, Article V, Sec. 5-117, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-117 - Construction standards for workforce housing.

Workforce housing dwelling units which are constructed pursuant to this article shall meet these standards:

(a) Construction quality. The workforce housing dwelling units which are to be constructed shall be of substantially the same construction quality and exterior design to average market rate dwelling units. Provided, however, that workforce housing dwelling units may have different interior finishes and features than average market rate dwelling units, so long as the interior features are of good quality and meet the requirements of the Florida Building Code.

(b) Size of units. The ratio of the number of bedrooms contained in workforce housing dwelling units shall be proportional to the number of bedrooms in average market rate dwelling units.

(c) Workforce housing dwelling units shall be no less than 80 percent of the average size of market rate dwelling units up to 2,000 square feet.

SECTION 9. Chapter 5, Article V, Sec. 5-118, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-118 - Sales and rental prices for workforce housing dwelling units.

(a) Initial sales price. The initial sales price of a workforce housing dwelling unit shall meet the standards established herein, which include the expected monthly mortgage payment and insurance. The maximum workforce housing unit prices established at the time of approval for each for-sale unit within each of the four income ranges shall be the sales price floor. This sales price floor shall serve as the minimum sales price point required in perpetuity.

(b) The maximum workforce housing dwelling unit purchase prices for each of the four income ranges and household sizes shall be subject to an annual review by the Fort Pierce Community Land Trust.

(c) Resale restriction. The maximum sales price for the resale of a workforce housing dwelling unit shall be in accordance with the either city's workforce housing policies and procedures to be adopted by reference, or the resale formula of a designated community land trust.

(d) Rental prices.

(1) Rental prices shall be established for the various household income levels for one-, two- and three-bedroom size units and shall be in accordance with the Florida Median Rent published by the United States Department of Housing and Urban Development (HUD) and used by the Florida Housing Finance Corporation (FHFC) to establish maximum rents. The rental units shall only be leased to income-eligible households. The established maximum rents shall comply with the city's workforce housing policies and procedures. Three tiers of income-eligible households shall be served by the workforce housing program's rental developments: low income (sixty one (61) percent to eighty (80) percent of area median income), moderate-low income (eighty one (81) percent to one hundred (100) percent of area median income), and moderate-high income (one hundred one (101) percent to one hundred twenty (120) percent of area median income). Rents shall be as defined for those income levels utilized by the FHFC.

(2) Utilities allowances to be deducted from applicable Florida Median Rents shall be the one-, two- and three-bedroom allowances utilized by the Fort Pierce Housing Authority, as updated annually. The utilities allowances may be modified based on the application of the following:

a. HUD discounts for the utilization of energy efficiency heating, cooling and hot water tank systems and the use of Energy Star appliances;

b. One year of actual project averages of water usage costs for one-, two- and three-bedroom size units;

c. Actual sewer usage costs, as updated by the Fort Pierce Utilities Authority.

(3) The minimum workforce housing rents initially established at the time of approval for each rental unit within each of the four income ranges shall be the rental floor. These workforce housing rental floors shall serve as the minimum rental price point required throughout a minimum thirty (30) year term of the rental development covenant, as required in section 5-120(b).

(4) After the first lease with an eligible household, any renewal leases may be granted in the following circumstances per household income level:

a. Low income level household's annual anticipated gross income may increase to an amount not to exceed one hundred forty (140) percent of the maximum allowable median income adjusted for family size;

b. Moderate-low income level household's annual anticipated gross income may increase to an amount not to exceed one hundred forty (140) percent of the maximum allowable median income adjusted for family size;

c. Moderate-high income level household's annual anticipated gross income may increase to an amount not to exceed one hundred forty (140) percent of the maximum allowable median income adjusted for family size;

d. Upon the request of the Community Land Trust, an eligible household shall submit documentation as outlined in the city's workforce housing policies and procedures that the household is eligible to continue occupying a workforce housing dwelling unit.

SECTION 10. Chapter 5, Article V, Sec. 5-119, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-119 - Qualifications for eligible households and criteria under the workforce homebuyer program.

(a) The household income of an eligible household shall meet the income criteria for low income, moderate-low income, moderate-high income, or middle income as defined in section 5-114.

(b) In order to qualify for the homeowner and homebuyer assistance program, an eligible household must qualify for a fixed-rate first mortgage through an institutional lender and meet the requirements of the homeowner and homebuyer assistance program.

(c) Priority for available workforce housing dwelling units shall be given to eligible households meeting one of the following criteria:

(1) Qualify as first time homebuyers;

(2) In order to be given priority for a rental unit, at least one adult member of the household shall be employed by a business located within the city. In order to be given priority for the purchase of a workforce housing dwelling unit, at least one adult member of the household shall be employed by a business in the city for at least 12 months prior to submission of an application.

SECTION 11. Chapter 5, Article V, Sec. 5-120, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-120 - Affordability time period durations for rental and for-sale workforce housing dwelling units.

(a) A covenant shall be recorded in the public records of St. Lucie County for any real property which has been developed as for-sale workforce housing to ensure it remains a workforce housing dwelling unit to be owned by the applicable low, moderate-low, moderate-high or middle income eligible households in perpetuity (ninety nine (99) years) from the date of first occupancy as a workforce housing dwelling unit. In the event the unit is sold before the minimum ninety nine (99) year period concludes, the new owner shall assume the requirement for the number of years remaining.

(b) A covenant shall be recorded in the public records of St. Lucie County for any real property which has been developed as rental workforce housing to ensure it remains rented to low, moderate-low and moderate-high income eligible households in perpetuity (ninety nine (99) years) from the date of occupancy of the first workforce housing dwelling unit. In the event a rental development is sold before the minimum ninety nine (99) year period concludes, the new owner shall assume the requirement for the number of years remaining.

SECTION 12. Chapter 5, Article V, Sec. 5-121, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-121 - Workforce housing trust fund.

(a) Created. There is hereby created a "City of Fort Pierce Workforce Housing Trust Fund" consisting of all funds appropriated and deposited to the trust fund in connection with the workforce housing program pursuant to this article. The trust fund is also authorized to accept gifts, grants and donations made to the City of Fort Pierce for workforce housing. All appropriations, gifts, grants and awards of monies hereunder shall be deposited in an interest-bearing account entitled the "City of Fort Pierce Workforce Housing Trust Fund Account", which shall be a separate account established and maintained apart from the general revenue funds and accounts of the city. All interest in said account shall accrue to the use and benefit of the trust fund account.

(b) Term of existence. The City of Fort Pierce Workforce Housing Trust Fund Account shall be self-perpetuating from year to year unless specifically terminated by the City Commission.

(c) Trust assets. All appropriations, gifts, grants and awards of money or property received hereunder from either public or private donors shall be placed in trust for and inure to the use and benefit of the City of Fort Pierce for workforce housing; and said property and funds shall be expended, utilized and disbursed pursuant to the provisions of this section. The fees in the workforce housing trust fund may be used for:

- (1) Second mortgage assistance;
- (2) Down payment assistance;
- (3) Acquisition and construction of workforce housing dwelling units;
- (4) Resale gap;
- (5) Enhancement of county, state and federal affordable housing programs;
- (6) Rehabilitation of existing workforce housing dwelling units; and
- (7) Administrative functions necessary for this program.

(d) Appropriations and donations.

(1) Eligible monies appropriated pursuant to this article shall be transferred to the trust fund. This transfer shall take place within thirty (30) days of the original project appropriation by the City Commission.

(2) Funds deposited or credited to the City of Fort Pierce Workforce Housing Trust Fund Account, not expended or obligated by the close of any fiscal year shall be carried over automatically for a period of three (3) years. Any funds carried over for three (3) years, or upon request five (5) years, and still unexpended at the expiration of such period, shall be transferred to the general fund for general affordable housing purposes, as appropriate, only; provided that funds derived from other restricted sources shall revert to the funds from which originally appropriated at the expiration of said three (3) or five (5) year period, or if project is cancelled, as applicable.

(3) Any gifts, grants and awards received, subject to a condition shall be expended strictly in accordance with such condition.

(e) Unpermitted Appropriations. Nothing in this article shall be deemed or construed to require the city to appropriate or expend funds if (i) the appropriation, or expenditure of such funds for the purposes herein described would not be permitted under any state or federal law, rule or regulation, or (ii) the compliance with this article would in any way affect the treatment of interest on any bonds or other indebtedness or the city for federal income tax purposes, or (iii) the compliance with this article would in any way prevent or inhibit the city's compliance with state or federal laws, rules or regulations relating to debt obligations of the city.

SECTION 13. Chapter 5, Article V, Secs. 5-122 - 5-175, of the Code of Ordinances, is hereby amended to read as follows:

Sec. 5-122 - 5-175 - Reserved.

SECTION 14. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause, or phrase of this Ordinance shall, for any reason, be 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 shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

SECTION 15. All ordinances or parts of ordinances in conflict herewith are and the same shall be repealed and shall be of no further course or effect whatsoever.

SECTION 16. This ordinance is and the same shall become effective immediately upon final passage hereof.

APPROVED AS TO FORM
AND CORRECTNESS:

Peter J. Sweeney
City Attorney

**STATE OF FLORIDA
COUNTY OF ST. LUCIE**

WE, THE UNDERSIGNED, Mayor Commissioner and the City Clerk of the City of Fort Pierce, Florida, do hereby certify that the foregoing and above Ordinance No. 19-006 was duly advertised by title only in the St. Lucie News Tribune on February 20, 2019; copy of said Ordinance was made available at the office of the City Clerk to the public upon request; said Ordinance was duly introduced, read by title only, and passed on first reading by the City Commission of the City of Fort Pierce, Florida, on March 4, 2019; and was duly introduced, read by title only, and passed on second and final reading on Monday, March 18, 2019, by the City Commission of the City of Fort Pierce, Florida.

IN WITNESS HEREWITH, we hereunto set our hands and affix the Official Seal of the City of Fort Pierce, Florida, this 18th day of March, 2019.

Linda Hudson
MAYOR COMMISSIONER

ATTEST

Linda W. Cox
CITY CLERK

(CITY SEAL)