City of Marco Island
City Council Staff Report

Meeting Date March 4, 2024

TO: Marco Island City Council

FROM: Mary P. Holden, Planning Manager

DATE: February 22, 2024

RE: Second reading, Workforce/affordable housing code amendments

This is the second reading of the proposed code amendments to allow for workforce housing on upper levels of existing multistory commercial structures. The first reading was on February 20, 2024 and discussion pertained to the density table outlined in the 2040 Comprehensive Plan and tracking the existing number of density units. After discussion, the City Council voted 6-1 to approve the first reading with the modifications identified.

Planning Board Summary and Recommendation:
The Planning Board held a public hearing and considered this request at their January 5, 2024 meeting. At the meeting there was much discussion about density and the process for approval of converting the upper levels. The Planning Board tabled the ordinance giving Staff direction to make the approval process a conditional use permit, add a required neighborhood information meeting for an application, and remove parking deviations. The revised ordinance was presented to the Planning Board at their February 2, 2024 meeting. At that meeting there was discussion on the revised ordinance, how this won't solve the problem but can help, and density. The Planning Board voted 6-1 to forward a recommendation of approval to the proposed amendments to allow for the adaptive reuse/conversion of the upper floors to workforce housing in multistory commercial structures.

Updated:
Please find attached the revised ordinance pursuant to the Planning Board's direction.

We have not yet compiled the number of residential units in the commercial areas within Marco Island. This task requires more time due to the nuances of where mixed use is allowed, determining what, if any, were approved in the past, and conducting site visits to determine if residential units are present, regardless of approval status. Staff is comfortable proceeding forward with the code changes without the number of residential units.

Previous Staff Report:
The Florida Legislature adopted Section 166.04151(7), Florida Statutes, also known as the "Live Local Act," pre-empting local control of zoning and land use regulations in certain situations. Please find

attached a memorandum provided to the City Council in July of 2023 that outlines what municipalities may and may not do. Marco Island does not have many properties that would accommodate a Live Local Act project, so City staff looked at what could be possible by code revisions. The Blue Zones made a presentation to the City Council regarding affordable housing and one suggestion was to allow the repurposing of upper levels of a commercial center into deed restricted affordable housing units (a sample copy of a deed restriction is attached for informational purposes only).

In reviewing the idea of repurposing commercial space to residential space, City staff looked at the City's Future Land Use and Housing Elements of the Comprehensive Plan, allowed density for commercial areas, parking requirements, intensity of residential units over what could be commercially allowed, how to encourage the repurposing, and impact this could have for employers and employees on Marco Island.

The City's Future Land Use map and density table (on the following pages) in the Future Land Use Element of the City's Comprehensive Plan indicates the commercial areas having density assigned, whether or not the commercial areas are located in the overlay districts that allow for mixed use. The density limitations are 8 units per acre for Village Commercial and 12 units per acre for Community Commercial, Heavy Commercial and Town Center/Mixed Use. As a result, there is no need for a Comprehensive Plan change to add density.

THIS WAS REMOVED FROM THE ORDINANCE BY THE PLANNING BOARD: In considering parking, please keep in mind the purpose of the use (workforce/affordable housing), and City staff believes that if the parking requirements cannot be met due to the addition of workforce/affordable housing then the lack of parking may be addressed through the use of bicycle racks and a charging station for electric bicycles.

It appears there will be no significant increase in intensity with the conversion of commercial space into workforce/affordable housing units. Based on the allowed and conditional uses in each district, the conversion to workforce/affordable housing would minimal primarily due to traffic in and out of the site.

City staff believes the ability to convert upper level commercial space, used typically in the past as office, into workforce/affordable housing would be a benefit for the employers, employees, residents and visitors to the City of Marco Island by providing affordable housing conveniently located to the jobs.

Table 1: Residential Density Limitations by Category

Density Limitations by Residential Future Land Use Category				
Land Use Category	Typical Uses	Residential Density	Acres	Total Density
Low Density	Single-Family Dwellings, Churches	Up to 4 du/acre	2,381	8,530
Medium Density	Single-Family, Duplex, Multi-Family Dwellings	Up to 6 du/acre	35	210
High Density	Multi-Family & Townhouse Dwellings	Up to 16 du/acre	385	6,210
Resort Residential	Multi-Family Dwellings &	Up to 16 du/acre	60	960
	Hotel/Motel/Timeshares	Up to 26 du/acre	37	962
Density Limitations by Commercial Future Land Use Category				
Land Use Category	Typical Uses	Residential Density	Acres	Total Density
Village Commercial	Retail, Office, Mixed Use	Up to 8 du/acre	30	255
	Hotel/Motel/Timeshares	Up to 26 du/acre	5	130
Community Commercial	Retail, Office, Mixed Use	Up to 12 du/acre (-48 units City Hall)	75	877
	Hotel/Motel/Timeshares	Up to 26 du/acre	5	130
Heavy Commercial	Heavy Commercial, Public/Private Utilities	Up to 12 du/acre	36	432
Town Center/ Mixed Use	Retail, Office, Mixed Use	Up to 12 du/acre	114	1,418
	Hotel/Motel/Timeshares	Up to 26 du/acre	6	0
Density Limitations by Planned Unit Development Future Land Use Category				
Land Use Category	Typical Uses	Residential Density	Acres	Total Density
Planned Unit Development	Single-Family & Multi-Family Dwellings, Hotel/Motel, Marina, Commercial	Per Underlying Zoning	441	2,608
Key Marco		Per Underlying Zoning	142	124
Density Limitations by Public Future Land Use Category				
Community Facilities	Parks, Schools, Government Uses, Nursing Homes	1 du/5 acres (net)	280	55
Preservation/Conservation	Public Owned	1 du/5 acres (net)	2,783	0
	Private Owned	1 du/5 acres (net)	68	14
		TOTAL	6,883	22,775

Affordable means that monthly rents or monthly mortgage payments INCLUDING taxes, insurance, and utilities do not exceed 30 percent of that amount which represents the percentage of median adjusted gross annual income for the households as indicated as extremely low, very low, low and moderate income.

Median income for Collier County	Extremely Low	Very Low	Low	Moderate
$80,815*	(Does not exceed 30% of median)	(Does not exceed 50% of median)	(Does not exceed 80% of median)	(Does not exceed 120% of median)
	$24,244.50	$40,407.50	$64,652.00	$96,978.00
Thirty (30%) percent of	$7,273.35/606.11 Annual/monthly	$12,122.25/1,010.18 Annual/monthly	$19,395.60/1,61.30 Annual/monthly	$29,093.40/2,424.45 Annual/monthly

*Census