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County threatens building moratorium

Hardball tactic meant to bring builders to table on affordable housing

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SEARCH:

Main Headline

Stop building homes in Palm Beach County? Angered by what it sees as unreasonable delays, County Commissioners are considering just that: holding builder's feet to the fire by imposing a 6-month moratorium on large-scale building projects. Commissioners said this would "bring them to the table" and create momentum toward an affordable housing plan and formula for Palm Beach County, according to Chairman Tony Masilotti. Ironically, the moratorium threat came on the same day that the Commission turned down building 202 luxury homes on holes No. 3-8 at the southern Mizner Trail Golf Course in west Boca Raton. The Problem Most public officials agree that an affordable housing plan is becoming more pressing by the day, i.e., * In Florida itself, a full-time wager earner in Florida must work 102 hours a week in order to afford a modest two-bedroom apartment, according to the National Low Income Housing Coalition. * In Palm Beach County, the problem is made worse in two ways: a net gain of about 75 persons a day, according to the Municipal Planning Organization, and with many of those persons arriving having income levels that have driven the price of real estate through the roof. With large numbers of Baby Boomer retirements just around the corner, that's not likely to change in the foreseeable future. To the point, a Palm Beach County salaried employee must earn \$112,000 annually to afford the average priced (\$400,000) house, according to the Department of Health and Human Services. Of course, and what might be considered to be "affordable" here would be labeled high-end in other parts of the country. At a workshop last month between builders and county officials, the county proposed requiring 15 percent of all new developments to be affordable - defined as prices ranging from \$115,000 to \$275,000. March 23 For the last year County Commissioners have been searching for way to "keep the middle class from leaving," according to District 5 Commissioner Burt Aaronson. Commissioners have made several major overtures to the construction industry to work out a plan - and "negotiations" are underway confirms the industry's largest trade organization, the Gold Coast Builder's Association (GCBA). But impatience at "eight months of negotiations and nothing's been brought to us," according to Commissioner Tony Masilotti found the Commission last week threatening the 6-month construction moratorium. The moratorium ordinance could be discussed as early as March 23, and would temporarily put any development applications of at least 50 units - including single-family homes, townhomes and condominiums - in unincorporated Palm Beach County to a halt. Commissioners are then scheduled to meet the following week on March 28 to consider establishing workforce-housing programs. "Buy Out" "Bringing the Scripps project to Palm Beach County won't amount to much if there's no middle class here," to provide essential services, Commissioner Burt Aaronson has told the Boca News. Two primary methods have been discussed to deal with the affordable housing issue: inclusionary zoning and/or buyouts. Inclusionary zoning hasn't received much support. Both Commissioners Mary McCarty and Aaronson say such a plan is impractical because it would require developers to include price-controlled housing "next to \$2 million homes," Aaronson said. The Gold Coast Builders Association (GCBA) also "doesn't support inclusionary zoning," Governmental Affairs Director Christopher Roog told The Boca Raton News. McCarty agrees with Aaronson that whatever formula eventually makes it into county policy would have to contain a buyout provision. A "buyout" would find developers being about to buy out of any affordable housing quota. The county could then use that money to fund the Community Land Trust approved by Commissioners in November 2005. Such a trust would fund the building of reduced priced homes, McCarty said. Any buyout formula should be on a scale, McCarty said, and requiring developers building higher-priced homes to pay more than others. Aaronson agreed, saying there should be a "no buyout, a partial buy out, or a full buyout." McCarty also said that builders should be given some "density incentives." "I think buy-out will be the most doable approach as well as density incentives to do affordable housing," she said. Builders Wary The problem for the Palm Beach County building industry is that the potential costs of a buyout are not yet known - and without density incentives - would also likely to be too high. (Density incentives would find the county permitting builders to build more units per acre, increasing revenue, some of which would then go toward funding a buy-out program). Aaronson also thinks that any sort of formula to have builders help fund an affordable housing trust fund through a buy-out program will be resisted without some additional help. Aaronson wants that help to be in the form of a \$100 -\$200 million-bond issue backed by taxpayers to "jump start" an affordable housing building plan. The GCBA is not so sure about any of this. "We don't see a moratorium as effectively helping the matter at all. If people stop building, that doesn't produce more housing," GCBA's Roog said. "We've been in negotiations with country staff to come up with effective programs, and a buyout is effectively an additional impact fee and that will only exacerbate the high cost of housing." Dale Scott, senior vice-president of Boca contracting firm SIKON Construction Corporation, agrees: "It wouldn't make any sense to me if they went ahead and imposed a moratorium," Scott told the Boca Raton News. "Doing that would cut the tax base and put less money into affordable housing," he said. More and More In

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the meantime, the boom goes on. A number of local developers are currently pushing to make East Boca Raton an area for luxury single-family home living. Approximately 40 single-family estates, ranging from 4,000 to 6,000 square feet, are planned for construction within older neighborhoods located directly behind Boca's Mizner Park. Homes dating as far back as the 1960's and 70's are being torn down to make room for the new homes, which will be priced between \$1.9 million and \$3.5 million. And just last week, plans were filed for 10,000 homes in western Palm Beach County. Centex Homes plans to build Exploration Pointe -- a mix of neighborhoods, shops and business parks -- on the 4,763-acre Vavrus Ranch, north of Northlake Boulevard at the western edge of Palm Beach Gardens - and next to the Mecca Farms site. The Economic Council of Palm Beach County, a 30-year-old private organization of local business panded to study housing needs, followed by proposals to make housing more affordable. County officials did not respond to the overture. John Johnston can be reached at 561-549-0833, or at jjohnston@bocanews.com

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