

COUNCIL AGENDA STATEMENT



Meeting Date: November 12, 2024
To: Honorable Mayor and City Councilmembers
From: George Garrett, City Manager

Agenda Item: **Resolution 2024-123**, Approving A Request To Receive And To Utilize Surplus Tourist Development Council (TDC) Funds For Authorized Affordable Housing Project Types; Requesting That Any Funds Which May Not Be Used In Other DAC Districts Be Made Available To The City Of Marathon, Florida Upon Request By The City And Approval By The TDC And Monroe County Board Of Commissioners; And Providing For An Effective Date.

BACKGROUND & JUSTIFICATION:

Monroe County has successfully identified \$35M of surplus Tourist Development Council (TDC) funding that can be used to purchase or develop housing units to provide affordable housing for employees of private sector tourism related businesses. The County is pleased to have this unique opportunity and wish to have each municipalities input.

As such, the County is requesting that the City Council pass a resolution outlining any potential projects that could be developed within the City of Marathon that meet the statutory requirements of the funds' Pursuant to F.S. 125.0108, any housing financed with funds from the TDC surplus must remain affordable as defined in F.S. 420.0004 and be for employees of private sector tourism-related businesses in the County. The law that allows these funds to be used for this purpose require a maximum income of 120% of the area median income (AMI).

The TDC has recommended the surplus funds be used and distributed in a similar fashion as they are generated, which is by DAC. The geographic boundaries of the five (5) District Advisory Committees (DACs) are as follows:

- (1) District I shall encompass the city limits of Key West
- (2) District II shall be from the city limits of Key West to the west end of the Seven Mile Bridge;
- (3) District III shall be from the west end of the Seven Mile Bridge to the Long Key Bridge;
- (4) District IV shall be between the Long Key Bridge and Mile Marker 90.939; and
- (5) District V shall be from Mile Marker 90.940 to the Dade/Monroe County line and any mainland portions of Monroe County.

While there is an historic allocation of funds by DAC, it should be noted that the cost of land or potential development of affordable housing may make it impossible to build or fund housing projects in all DACs, so some flexibility should be built into the recommended funding scenarios. For example, the TDC could recommend the County try to achieve a similar distribution as the 5-year average, with an allowance to spend funding from one DAC to an adjacent DAC.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	<u>X</u>	_____
2. Other _____	<u>X</u>	_____
3. Not applicable _____		

FISCAL NOTE:

Approved by Finance Department

RECOMMENDATION:

Council approve Resolution

**CITY OF MARATHON, FLORIDA
RESOLUTION 2024-123**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA APPROVING A REQUEST TO RECEIVE AND TO UTILIZE SURPLUS TOURIST DEVELOPMENT COUNCIL (TDC) FUNDS FOR AUTHORIZED AFFORDABLE HOUSING PROJECT TYPES; REQUESTING THAT ANY FUNDS WHICH MAY NOT BE USED IN OTHER DAC DISTRICTS BE MADE AVAILABLE TO THE CITY OF MARATHON, FLORIDA UPON REQUEST BY THE CITY AND APPROVAL BY THE TDC AND MONROE COUNTY BOARD OF COMMISSIONERS; AND PROVIDING FOR AN EFFECTIVE DATE.

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WHEREAS, Monroe County has successfully identified \$35M of surplus Tourist Development Council (TDC) funding that can be used to purchase or develop housing units to provide affordable housing for employees of private sector tourism related businesses.

WHEREAS, The County is pleased to have this unique opportunity and wish to have each municipalities' input.

WHEREAS, the County is requesting that the City Council pass a resolution outlining any potential projects that could be developed within the City of Marathon that meet the statutory requirements of the funds' Pursuant to F.S. 125.0108, any housing financed with funds from the TDC surplus must remain affordable as defined in F.S. 420.0004 and be for employees of private sector tourism-related businesses in the County; and

WHEREAS, the law that allows these funds to be used for this purpose requires a maximum income of 120% of the area median income (AMI); and

WHEREAS, the TDC has recommended the surplus funds be used and distributed in a similar fashion as they are generated, which is by DAC; and

WHEREAS, the geographic boundaries of the five (5) District Advisory Committees (DACs) are as follows:

- (1) District I shall encompass the city limits of Key West
- (2) District II shall be from the city limits of Key West to the west end of the Seven Mile Bridge;
- (3) District III shall be from the west end of the Seven Mile Bridge to the Long Key Bridge;
- (4) District IV shall be between the Long Key Bridge and Mile Marker 90.939; and
- (5) District V shall be from Mile Marker 90.940 to the Dade/Monroe County line and any mainland

portions of Monroe County.

WHEREAS, while there is an historic allocation of funds by DAC, it should be noted that the cost of land or potential development of affordable housing may make it impossible to build or fund housing projects in all DACs, so some flexibility should be built into the recommended funding scenarios; and

WHEREAS, for example, the TDC could recommend the County try to achieve a similar distribution as the 5-year average, with an allowance to spend funding from one DAC to an adjacent DAC.

WHEREAS, the City recognizes at least three options for utilizing the surplus TDC funds as allowed under law:

1. Purchase existing residences, renovate them as workforce housing, and deed restrict them for the purposes prescribed and allowed under law; and/or
2. Purchase vacant property, develop workforce housing, and deed restrict them for the purposes prescribed and allowed under law; and/or
3. Partner with one of two projects currently approved and required (there may be others) to develop workforce housing responsive to the needs of the hospitality industry for work force housing,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The City of Marathon wishes to receive and to utilize surplus Tourist Development Council (TDC) funds for authorized affordable housing project types; requesting that any funds which may not be used in other DAC districts be made available to the City Of Marathon, Florida upon request by the City and approved by the TDC and the Monroe County Board Of Commissioners.

Section 3. The City would utilize the surplus TDC funds for at least three potential options as allowed under law:

- Purchase existing residences, renovate them as workforce housing, and deed restrict them for the purposes prescribed and allowed under law; and/or
- Purchase vacant property, develop workforce housing, and deed restrict them for the purposes prescribed and allowed under law; and/or
- Partner with one of two projects currently approved and required (there may be others) to develop workforce housing responsive to the needs of the hospitality industry for work force housing,

Section 4. This resolution shall take effect immediately upon approval and adoption by the City Council.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 12th DAY OF NOVEMBER 2024.

THE CITY OF MARATHON, FLORIDA

Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:

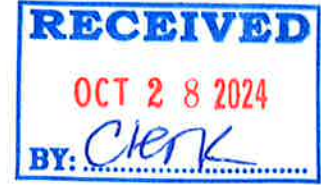
Steve Williams, City Attorney

County of Monroe
The Florida Keys



BOARD OF COUNTY COMMISSIONERS

Mayor Holly Merrill Raschein, District 5
 Mayor Pro Tem James K. Scholl, District 3
 Craig Cates, District 1
 Michelle Lincoln, District 2
 David Rice, District 4



Mayor Robyn Still
 City of Marathon
 9805 Overseas Highway
 Marathon, FL 33050

October 22, 2024

Mayor Still,

Monroe County has successfully identified \$35M of surplus Tourist Development Council (TDC) funding that can be used to purchase or develop housing units to provide affordable housing for employees of private sector tourism related businesses. We are pleased to have this unique opportunity and wish to have each municipalities' input.

As such, we are requesting the City Council pass a resolution outlining any potential projects that could be developed within the City of Marathon that meet the statutory requirements of the funds. Pursuant to F.S. 125.0108, any housing financed with funds from the TDC surplus must remain affordable as defined in F.S. 420.0004 and be for employees of private sector tourism-related businesses in the County.

The law that allows these funds to be used for this purpose require a maximum income of 120% of the area median income (AMI).

Rental Affordable Housing Units
Monroe County 2024 Qualifying Income Limits

Household Size	Income Limits for Single Persons				(MC Land Authority use only) 160%
	Very Low 50%	Low 80%	Median 100%	Moderate 120%	
1 Person	\$41,800	\$66,850	\$83,600	\$100,320	\$133,760
2 Persons	\$47,700	\$76,350	\$95,400	\$114,480	\$152,640
3 Persons	\$53,700	\$85,950	\$107,400	\$128,880	\$171,840
4 Persons	\$59,650	\$95,450	\$119,300	\$143,160	\$190,880
5 Persons	\$64,450	\$103,100	\$128,900	\$154,680	\$206,240
6 Persons	\$69,200	\$110,750	\$138,400	\$166,080	\$221,440
7 Persons	\$74,000	\$118,400	\$148,000	\$177,600	\$236,800
8 Persons	\$78,750	\$126,000	\$157,500	\$189,000	\$252,000

Per MCC §101-1. *Affordable Housing* Definitions

The TDC has recommended the surplus funds be used and distributed in a similar fashion as they are generated, which is by DAC. The geographic boundaries of the five (5) District Advisory Committees (DACs) are as follows:

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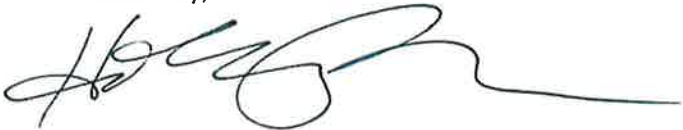
The following table demonstrates the revenue collections by DAC geographic area with a 5-year average:

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	5 Year Avg.	5 Year Avg.	35,000,000.00
District I Key West City Limits	21,608,004	15,531,397	26,297,561	32,874,464	28,560,353	24,974,355.81	48.19%	\$ 16,868,243
District II Stock Island thru West End 7 Mile Bridge	2,540,800	2,389,279	4,669,268	5,497,642	4,998,998	4,019,197.40	7.76%	\$ 2,714,657
District III West End 7 Mile Bridge thru Long Key Bridge	6,345,179	5,843,212	10,402,078	12,457,157	11,390,883	9,287,701.80	17.92%	\$ 6,273,123
District IV Long Key Bridge thru Mile Marker 90.939	3,914,763	3,551,095	6,381,177	7,364,248	6,890,068	5,620,270.49	10.85%	\$ 3,796,057
District V Mile Marker 90.939 to Dade County Line	5,548,793	4,847,758	8,872,905	10,723,599	9,596,380	7,917,887.06	15.28%	\$ 5,347,920
	39,957,538	32,162,741	56,622,990	68,917,111	61,436,683	51,819,412.56		\$ 35,000,000

While this table demonstrates the historic allocation of funds by DAC, it should be noted that the cost of land or potential development of affordable housing may make it impossible to build or fund housing projects in all DACs, so some flexibility should be built into the recommended funding scenarios. For example, the TDC could recommend the County try to achieve a similar distribution as the 5-year average, with an allowance to spend funding from one DAC to an adjacent DAC.

Monroe County is eager to receive the feedback of the City of Marathon as it relates to the surplus TDC funds. If there are any questions related to the County's request, please contact Cheryl Cioffari, Assistant Director of Planning at 305-407-0924.

Sincerely,



Mayor Holly Merrill Raschein

Cc: George Garrett, Marathon City Manager
Christine Hurley, AICP, Monroe County Administrator