

ORDINANCE NO. 2025-XX

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF NORTH MIAMI BEACH, FLORIDA, AMENDING THE CODE OF ORDINANCES TO CREATE A NEW SECTION ENTITLED “REDUCTION OF DEVELOPMENT COSTS FOR PREVIOUSLY APPROVED PROJECTS IMPACTED BY ECONOMIC CONDITIONS”; PROVIDING CRITERIA AND PROCEDURES FOR REASONABLE REDUCTION OF DEVELOPMENT FEES WHERE CONSTRUCTION COSTS HAVE INCREASED DRAMATICALLY; PROVIDING FOR ADMINISTRATIVE REVIEW, CONSISTENCY WITH IMPACT FEE AND PERMIT FEE STUDIES, AND DEVELOPER EDUCATION TO LEVERAGE FUNDING PROGRAMS; PROVIDING FOR SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS The City of North Miami Beach recognizes that certain projects previously approved by the City Commission or Planning and Zoning Board have become financially challenging due to significant increases in construction and material costs; and

WHEREAS The City Commission desires to encourage the completion of such projects, while balancing the need for fiscal responsibility and protection of the City’s infrastructure and service delivery obligations; and

WHEREAS The City has initiated studies including an **Impact Fee Study** (evaluating capital projects, costs, and growth-related capacity needs) and a **Building and Planning/Zoning Fee Study** (assessing compliance with Florida Statutes and aligning fees with actual service delivery costs); and

WHEREAS The City recognizes the importance of educating and assisting developers in leveraging external funding sources, including Internal Revenue Service tax code programs, State of Florida housing finance mechanisms, tax credit opportunities, and bond programs to subsidize housing and economic development projects; and

WHEREAS The City Commission finds that establishing a mechanism to reasonably reduce development costs for previously approved projects that propose scaled-down or modified designs, with reduced impacts on City infrastructure, is in the best interest of the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF NORTH MIAMI BEACH, FLORIDA:

Section 1: The foregoing whereas clauses are true and correct and adopted as the legislative and administrative findings of the City Commission and made a specific part of this Ordinance; all exhibits attached hereto are made a specific part of this Ordinance.

Section 2. Creation of New Section.

The Code of Ordinances is hereby amended to create a new Section ____, entitled “**Reduction of Development Costs for Previously Approved Projects**”, which shall read as follows:

(A) Purpose.

The purpose of this section is to provide a mechanism for the City to consider reasonable reductions in development-related fees for previously approved projects that are unable to proceed as originally planned due to dramatic increases in construction costs or changed economic conditions.

(B) Eligibility.

1. The applicant must demonstrate that:
 - (a) The project received City approval prior to the effective date of this ordinance; and
 - (b) The project cannot be developed as originally approved due to economic infeasibility directly related to documented increases in construction costs.
2. The applicant must propose a revised project with reduced intensity, density, or impact on City services and infrastructure.

(C) Review Criteria.

In determining whether to grant a reduction in development-related fees, the City shall consider:

1. The findings of the **Impact Fee Study** and the **Building and Planning/Zoning Fee Study**, ensuring that any reductions remain consistent with Florida law and do not impair the City’s ability to provide required services.
2. The extent to which the revised project reduces impacts on capital facilities, utilities, and municipal services compared to the original approval.
3. Whether the applicant has already paid fees associated with the original project approval.
4. The availability of alternative funding sources (federal, state, or private) to bridge financial feasibility gaps.

(D) Procedure.

1. Applications shall be submitted to the Community Development Department, which shall prepare a recommendation to the City Manager.
2. The City Manager may recommend a reduction in fees or provide an alternative mitigation structure.
3. Final approval of any fee reduction shall rest with the City Commission, by resolution, following a public hearing.

(E) Developer Education.

The City shall establish a **Developer Education Program** to provide information and technical assistance regarding:

1. Federal tax credit programs under the IRS code, including Low-Income Housing Tax Credits and New Markets Tax Credits.
2. State of Florida financing mechanisms, including bond programs and housing subsidies.
3. Other funding tools that may reduce financial burdens on development while supporting City goals for housing and economic development.

(F) Limitations.

1. No fee reduction shall be granted that compromises the City's ability to provide adequate infrastructure or services.
2. Reductions shall not apply to fees mandated by state or federal law, unless expressly authorized.
3. Any fee reduction granted under this section shall be applied equitably and shall not establish precedent for future unrelated projects.

(G) Implementation

The provisions of this ordinance shall be implemented by a resolution to be adopted by the City Commission.

Section 3. It is the intention of the City Commission of the City of North Miami Beach, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of North Miami Beach, Florida. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; and the word "ordinance" may be changed to "section," "article" or any other appropriate word.

Section 4. If the provisions of this Ordinance conflict with any other ordinance, rule or regulation, the provisions of this Ordinance shall prevail. All ordinances or parts of ordinances in conflict herewith are repealed.

Section 5. Any typographical errors that do not affect the intent of this Ordinance may be corrected with notice to and authorization of the City Attorney and City Manager without further process.

Section 6. 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 by a court of competent jurisdiction, 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 7. This Ordinance shall become effective immediately upon adoption.

APPROVED on this first reading this _____ day of _____ 2025

APPROVED AND ADOPTED on second reading this _____ day of _____, 2025

ATTEST:

ANDRISE BERNARD, MMC
CITY CLERK

(CITY SEAL)

MICHAEL JOSEPH
MAYOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE
AND RELIANCE OF THE CITY OF NORTH MIAMI BEACH ONLY:

JOSEPH S. GELLER
CITY ATTORNEY

SPONSORED BY: Mayor and City Commission