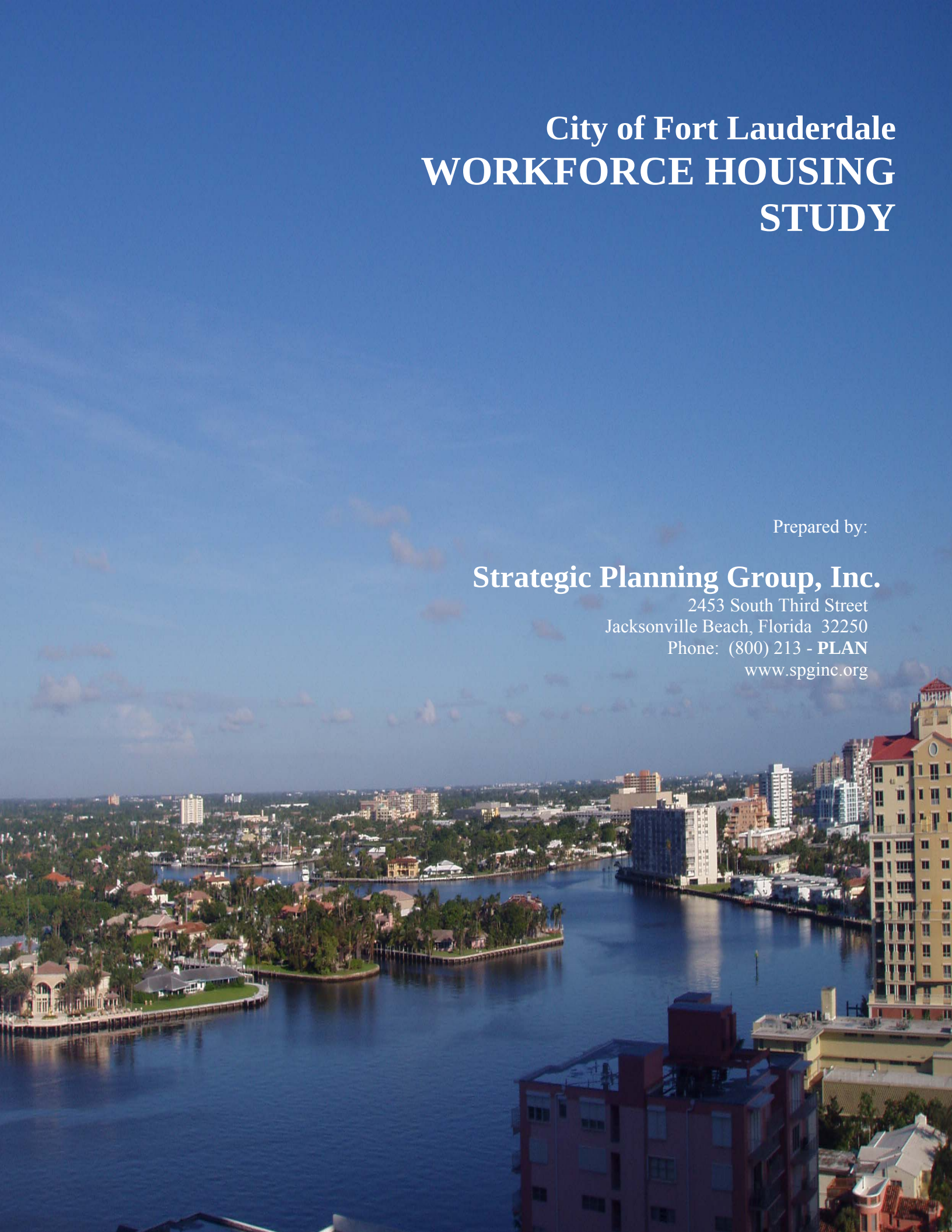
City of Fort Lauderdale
WORKFORCE HOUSING STUDY



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City of Fort Lauderdale, Florida
"Venice of America"

DRAFT
WORKFORCE HOUSING STUDY

December 14, 2005

Submitted to:

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AFFORDABLE/WORKFORCE HOUSING

OVERVIEW

Like other areas of the United States that have experience rapid growth, limited development land and rising home prices, South Florida including Ft. Lauderdale have recently reached the point where "affordability" of housing has become a regional issue, despite record low interest rates. The South Florida and Treasure Coast Regional Planning Councils have listed Workforce housing as a "critical concern" and Miami-Dade, Broward and Palm Beach counties have all begun major study efforts to search for ways to address this rising concern.

THE NEED FOR AFFORDABLE/WORKFORCE HOUSING

The "American Dream" for every family is to have a comfortable home to rent or buy in a safe neighborhood that is available within the family budget and that is reasonably close to the wage earner's place of employment. Unfortunately, for many families throughout the South Florida, it is not currently possible to fulfill that dream, because they are unable to find adequate housing that they can afford even given the historically low-mortgage interest rates.

Influenced by a number of factors including changes in demographic trends, income growth, availability of developable land and housing construction costs, the need for housing has reached what some feel is a crisis proportion in South Florida. The steepest decline in home ownership nationwide has been in the 25-34 year old age cohort. The members of this group are the most likely to be first time homebuyers. The fact that home ownership is not only tenure; it is a way of life. Community stability and a sense of neighborhood are corollaries of home ownership that are important both for individuals and for the City of Ft. Lauderdale.

Nationwide major demographic changes continue to result in more households, smaller households, an increased elderly population, and other changes to household composition. The new, dominant configurations of household growth are divided in the following way: 1) 25 percent married couple families, and 2) 75 percent single parent families and non-family households. The housing needs of these different groups, many of who account for a large share of low and moderate-income households, are currently not being met by the private sector. And the normal filtration process, in which existing housing filters down to households at a lower economic level or to the poor, has been greatly constrained by the increasing number of smaller households that have formed as well as competition from the baby-boom generation[1]

WHAT IS AFFORDABLE/WORKFORCE HOUSING?

What is affordable housing? The term often appears in the media without definition - affordable to whom? Obviously there are persons for whom virtually any housing is affordable, and still others for whom almost nothing is affordable. Thus, "affordable" describes a relationship between two variables - the income of consumers (buyers and renters) and the cost (price) of the product (houses and apartments). Significant changes in either of these two variables can "produce" or "lose" affordable housing.

[1] George Sternlieb and James W. Hughes, "Private Market Provision of Low Income Housing: Historical Perspective and Future Prospects," Housing Policy Debate 2:2 (1991):123-156.

"Affordable housing" is important not only to those who cannot afford market housing, but also to those *communities* that do not have a sufficient supply of affordable housing to support a vibrant and growing economy. New employees, for example, cannot be attracted to growing businesses where available housing is beyond their reach. This does not include a new national trend that has recently impacted the City of Ft. Lauderdale and Broward County namely communities who cannot even house their own municipal employees for lack of affordable housing[2].

The term is also used to mean housing that the private market does not produce on its own; i.e., housing that requires some form of subsidy - in the case of rental housing, to the tenant and/or developer/owner, and in the case of homeownership, to the buyer and/or developer. Whether, and to what extent a subsidy is required is a function of the disparity between the two variables mentioned above, and this varies by markets in which the housing is to be provided.

Thus, to determine the extent to which affordable housing is needed in the City of Ft. Lauderdale, we have to study the relationship between these variables - individual incomes and product prices. These are key components in examining the demand-supply equation for any given market area.

DEFINITION

When HUD uses "affordable housing," it means housing affordable to those with incomes at or below 80%, (low income), 50%, (very low income), and 30% of the median income of the metropolitan area who pay no more than 30% of their income for housing. HUD estimates the median family income for Broward County at $58,100 for 2005.

To apply for federal or state assistance income is adjusted by family size as shown below:

Table 1. Affordability By Household Size (HUD 2005)

Household or Family Size								
Max. $ for	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Extremely-Low:	**$12,650**	**$14,450**	**$16,250**	**$18,050**	**$19,500**	**$20,950**	**$22,400**	**$23,850**
Very Low:	**$21,050**	**$24,100**	**$27,100**	**$30,100**	**$32,500**	**$34,900**	**$37,300**	**$39,750**
Low:	**$33,700**	**$38,550**	**$43,350**	**$48,150**	**$52,000**	**$55,850**	**$59,700**	**$63,550**

Source: FHUD and Strategic Planning Group, Inc. 2005

To determine whether and to what extent affordable housing is needed we have to study the relationship between these variables - individual incomes and product prices.

AFFORDABILITY – A BAD NAME?

There seems to be a national trend for communities to look at affordable housing developments as "Public Housing" which it is not! Increasingly, the communities have attempted to rename

[2] As witnessed by the current efforts of the Broward County School Board to participate in the construction of affordable housing for new teachers.

the concept and redirect or re-educate the public as to its "nature." A number of communities now refer to it as "contemporary affordable housing" or "moderate priced dwelling units" or even "workforce housing" to more adequately reflect those who need this type of housing. The following narrative is an attempt to redefine the concept and its need.

WORKFORCE HOUSING

Today's Workforce housing provides a stepping-stone for young families, a smaller, more manageable home for seniors, or creates housing for the City's workforce. Workforce housing focuses on providing homes for public employees, public safety volunteers and employees of small and large business in the City. Most communities that define "workforce housing" use HUD's moderate income level of 80%-120% of the Areas Median Income (AMI), although increasingly areas like Miami-Dade have extended the definition to include 140% AMI. workforce housing helps businesses remain in the City and helps public employees live closer to their jobs. Workforce housing can be ownership or rental, a two family house, accessory apartment, townhouses or typical market-rate apartment units. Contemporary Workforce housing developments are well designed with open space and full amenities. In fact throughout Florida and nationally, many developments have won design awards.

Contemporary Workforce housing is designed to fit with the character of the neighborhood uses high-quality construction and professional management[3]. Workforce housing developments meet local building standards and design requirements. Professional management includes stringent tenant selection and quick responses to maintenance requests.

"For every 100 new units of Workforce housing construction, eighty jobs are created and more than $10 million is generated in construction wages, sales taxes on building materials, development fees and property taxes."
Westchester City, NY Housing Trust Fund Project, Economic Benefits of Housing Trust Funds

CONTEMPORARY WORKFORCE HOUSING - AN EFFECTIVE PRIVATE/PUBLIC PARTNERSHIP WITH LOCAL GOVERNMENT

Workforce housing is developed by private developers, often non-profits, many of which are local community or faith based organizations, using a combination of rental income, private financing, income from sales and government subsidies. Other Workforce housing is developed by the private sector through inclusionary zoning. Funding and technical assistance are also available from private lenders and the sale of ownership units. Other communities have created numerous other tools to assist in the production of Workforce housing including: "New Homes Construction Funds", "New Homes Land Acquisition Funds" and inclusionary zoning to assist with the development of Workforce housing. Over the past decade, many communities in Florida and throughout the nation have shown that partnerships among local government, non-profit housing developers, community leaders and private financial institutions can create attractive, successful Workforce housing developments that not only serve residents, but are an asset to the broader community.

[3] If rental.

In addition to helping residents, contemporary Workforce housing benefits the wider community in significant ways:

- Providing housing for the local workforce
- Revitalizing distressed areas
- Directing economic benefits to the local community, such as increased jobs and sales taxes
- Reducing long distance commuter traffic and improving air quality
- Promoting economic integration while building community

WHO NEEDS WORKFORCE HOUSING?

There is a misconception that when discussing "Workforce housing", that it is a type of public housing i.e. households that need Workforce housing are dependent on a type of welfare. This is hardly the case. As is shown below, a significant part of the workforce needs Workforce. According to the National Low Income Housing Coalition, in 2004:

- In Florida, an extremely low income household (earning $15,696, 30% of the Area Median Income of $52,319) can afford monthly rent of no more than $392, while the Fair Market Rent for a two bedroom unit is $799 compared to $998 in Broward.
- A minimum wage earner (earning $6.15 per hour) can afford monthly rent of no more than $320.
- An SSI recipient (receiving $564 monthly) can afford monthly rent of no more than $169, while the Fair Market Rent for a one-bedroom unit is $674.
- In Florida, a worker earning the Minimum Wage ($6.15 per hour) must work 100 hours per week (and decrease of 9 hours per week over 2003) in order to afford a two-bedroom unit at the area's Fair Market rent.

The Housing Wage in Florida is $15.37**.** This is the amount a worker would have to earn per hour in order to be able to work 40 hours per week and afford a two-bedroom unit at the area's Fair Market rent. The Housing Wage for Broward County is $19.90. Within Broward County it takes:

- $39,920 to afford a 2 Bedroom Apartment at HUD's Fair Market Rent (FMR)
- $55,200 to afford a 3 Bedroom Apartment; and
- $70,080 to afford a 4 Bedroom Apartment

DEFINING WORKFORCE HOUSING

The costs of rental and owner-occupied housing in the City of Ft. Lauderdale, has increased significantly in recent years, but to determine the relative affordability of housing first requires a definition of Workforce housing. The concept of what is Workforce is relative. A family or individual earning $100,000 a year might find that at $700,000 their "dream" home is

unaffordable; nevertheless, safe, adequate hosing is available at their current income level. Affordability becomes a problem when a family at any income level, but especially those earning at the median household income or less, does not have the opportunity to purchase or rent decent, safe housing. For this study, we define two basic levels of workforce affordability:

1) The housing costs (rental or ownership) that can be handled by a household earning between 80% percent and 120% of the City median household income (estimated at $58,100 for 2005)[4] assuming that housing expenses should not exceed 30% household income. For example, a household earning 80% of the Broward MSA median household income or $46,480[5] can purchase a home valued at $155,049[6]. A renter household making 80% of the City median household income can theoretically afford to gross rents of $1,069[7].

2) The housing costs (rental or ownership) that can be absorbed by a household making the average earnings per worker paid by local employers assuming housing expenses do not exceed 40%. For example, a household making the average yearly earnings of $46,480 could afford to by a $206,733[8] home or pay gross rent of $1,425 per month including utilities.

The following section is an examination of both the City's overall demand for housing and its current and projected inventory or supply.

HOUSING GENERAL

THE HISTORY OF THE GOVERNMENT'S ROLE IN HOUSING

The nation's housing delivery system is essentially a local mechanism. However, the availability of decent housing for all citizens is clearly a shared concern and responsibility of state and federal as well as local governments. The relationship of these governments to each other and to the private enterprise system that builds, insures, finances, markets and manages the nations housing is one of partnership.

Programs and activities of the Federal Government constitute a major determinant of the housing delivery process, a brief description of these programs is appropriate at this point. With few exceptions, the Federal Government itself does not build housing; rather, it seeks to have others do so. The Federal Government's position has been to facilitate, regulate or supplement the private market. Over the years, Congress has established a variety of policies, programs and activities in support of the housing industry and in support of the goal stated in the Housing Act of 1949, "a decent home and suitable living environment for every American family". These programs relate to six types of activities: housing finance, direct housing subsidies, housing maintenance, community development, equal housing opportunity, and research and demonstrations.

[4] HUD user, 2005 for Broward County
[5] Used by HUD to establish need for the MSA and The City of Ft. Lauderdale
[6] Assuming a 6%, 30 year mortgage
[7] Using HUD standards of gross rental payments not exceed 30% income (defined as rent plus utilities)
[8] See #6

Involvement in housing by the public sector can be traced back to hearings on slums and urban housing conditions in the 1890's. However, it wasn't until the 1930's that a major attempt to revitalize the central cities and provide for public housing was undertaken with the passage of the Housing Act.

The National Housing Act has undergone constant revision in an attempt to meet the changing needs for housing within the United States. The approval of the National Affordable Housing Act was provided too much needed financial assistance by way of grants, programs and insurance programs for the provisions of affordable housing. In 1992, the Federal HOME Investment Partnership Act was established to again add funding to supply affordable housing. Most of the Federal grants are designated by size of community with larger communities being entitlement (CDBG) or participating (HOME).

Finally, the Low Income Housing Tax Credit (LIHTC) program was established as a way to attract private sector funding by allocating Federal tax credits for the construction or rehabilitation of affordable rental housing.

Starting in the 1980s, the federal emphasis began to focus at directing funds to the state and local level. Within Florida, the state during the late 1980's and early 1990's, created a number of initiatives aimed at addressing the affordable needs of Florida residents including:

- State Housing Initiatives Partnership (SHIP) Program
- Housing Pre-Development Loan Program
- Homeownership Assistance Program (HAP)
- The Single Family Mortgage Revenue Bond Program, and
- The State Apartment Incentive Loan (SAIL) Program.

In 1992, the state passed the William E. Sadowski Affordable Housing Act, which provides a dedicated affordable housing fund derived through revenues from state documentary stamps on real estate transactions. It was this Act that authorized the above-mentioned SHIP program, which has now become the primary source of affordable housing revenues to smaller local communities.

Government (Federal, State and Local) plays an ever increasing role in the Housing market ranging from financial support (some of which was described above) to the vary act of constructing housing as will be shown later in this report.

Before fully understanding government's broad role within the Housing sector, one first needs to understand the Housing Sector itself. The following section provides an overview of the components that make up the overall housing market.

COMPONENTS OF HOUSING

Housing is a complex and dynamic process. How and where people live is influenced by many inter-related factors. While housing is basically a shelter, it also plays an important role in our physical, social and economic environment. In order to examine housing within the City of Ft.

Lauderdale, the principal components of supply, demand or market, finance and government's role will be addressed.

HOUSING SUPPLY

The basic unit of measurement for housing is the dwelling unit, whether it is a single-family house, an apartment, or a unit in a duplex, townhouse or condominium. Details of the City's inventory are found in the next chapter.

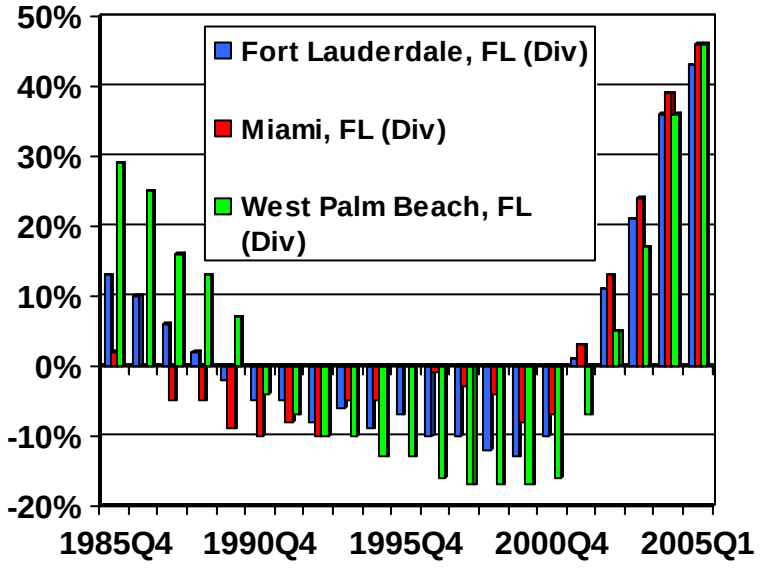
Type of Units

Unlike most of Florida, there is no dominating building form in the City of Ft. Lauderdale. There is roughly an equal mixed of multi-family and single family detached structures, followed a small amount of manufactured housing.

New housing usually makes up only a small portion of the housing stock at any one time. Unlike the remainder of Broward County, the City's housing stock is relatively old reflecting the fact the most of the City is or has achieved relative built out status. Only a few places with the City have expansion capabilities and new developments are built on previously built sites.

HOUSING DEMAND

Demand for housing is determined by: what households are willing and able to pay, the location, physical amenities, access to employment, educational facilities, recreation and social characteristics of the neighborhood (***to a large degree, the City's historic demand has been dominated by retirees settling into the area***). However, choice depends largely on household income, since the private sector provides most housing. Both at the National and State levels, the lower middle income and poor households have increasingly fewer selections to choose from. With the rapidly rising housing costs of the late 1990s to present, fewer of these families are able to afford housing and more of the population must pay a greater amount of their income for housing, thereby increasing the overall number of households that cannot afford housing and reducing their choices.



Another factor that indirectly affects housing demand is that housing is no longer viewed solely as shelter; rather, it is a form of investment, a way to keep pace with inflation. The demand for housing can be generally divided between renters and owners. The federal government encourages ownership believing that owners are better managers of housing, contribute more in taxes, make more of a contribution and have a greater interest in the future. The federal policies supporting this belief are well established, including income tax deductions not available to renters.

VACANCY

Vacancy is an inverse indication of housing demand. A decreasing vacancy rate indicates an increasing demand and vice versa. There are many categories of vacancy; however, The City of Ft. Lauderdale must be concerned with seasonal vacancy as well as typical housing vacancy. There are several factors that impact vacancy rates. These factors include shifts in the size, age and income of the population; new construction and demolition of housing; population; housing costs; and changes in the physical characteristics of an area including blighted structures.

The availability of municipal services and various modes of transportation may also affect vacancy rates.

Filtering is a process created by a chain of moves as housing passes through different households. Presumably, as better housing becomes available, households will move from less desirable units. Therefore, new housing construction should help improve the total housing choice, because it sets up a chain of moves which will eventually allow the most deteriorated housing to be vacated and removed from the supply. In Florida, the “Save Our Home” legislation which limits the increase in ad valorem or property taxes as had an unintentional negative impact on household that wish to downsize but can not afford to buy less expansive homes because the property taxes on the new home could be several times higher than they now pay.

COMMUNITY FACILITIES

The importance of community facilities in relation to the housing demand is that they are likely to influence where households will live, where new construction will occur and what quality of life residents can expect to enjoy

In order to promote efficient growth, an adequate water, sewer, energy, communications and transportation system must be provided. The City has primary responsibility for coordinating and/or providing for these services. Residential growth is dependent upon more than just the basic public utilities; however, housing needs to be supported with local services, which make a neighborhood or community an attractive place to live.

Many of the problems associated with current low-income areas and deteriorating housing are typified by lack of community services and utilities. Consideration of the two aspects of public utilities and community services will give an indication of a City's overall appeal to households. The existence of a water, sewer, communications and energy system is considered essential of a

significant housing development. In terms of community services, the following items are generally recognized as necessary for residents, regardless of income levels: Police Department, Fire Department, hospital, primary and secondary schools, accessible centers of employment, public transportation, and/or highway system, shopping areas, recreation areas and communications

The actual costs for providing community facilities vary with the type of development undertaken. Thus, as the development costs decline, an area's ability to absorb additional growth would increase. Past studies prepared for various federal agencies have demonstrated the costs involved in residential development. Five types of development have been analyzed to densities. These costs included the amount of capital, which would be needed for construction of support facilities, and the continued provision of municipal services. Any environmental or personal costs, which could result, were also measured (usually in qualitative terms). The types of development ranged from low-density sprawl to high density.

High intensity development requiring greater planning effort. A density of 20-30 units per acre might evidence this type of housing. However, under this type of residential growth, less total land is used for economical due to lower land costs per unit and utilization of cannon resources. According to the previously mentioned studies, opting for high density versus low-density development can save 44% of the economic costs associated with housing and necessary services**.** Energy costs are obviously reduced with a higher density; having cannon walls, efficient site orientation and building design can result in savings of 44% per household over the typical subdivision. Even in a development pattern, which combines different density levels, a savings of 14% in energy costs may still be achieved. The negative costs associated with higher density developments are in the form of: an unwillingness to accept higher intensity developments; the provision of common open space; social problems that result from a lack of spatial separation; etc.

HOUSING COSTS AND FINANCING

Few people will, or even can, buy a residential unit without a mortgage. The cost and availability of mortgage money is a major determinant of whether households can purchase a home, whether investors will produce new housing units and whether families will move. Housing, regardless if it's purchased by an investor or resident is a leveraged commodity. The ratio of this mortgage loan to total value of the property is usually high (frequently 80-90%). This means that the owner’s equity is relatively low; hence, the owner "leverages" his or her money with a high ratio of borrowed money.

When housing costs are compared against disposable family incomes, it can be determined whether households will be faced with prices beyond their ability to pay. Disposable incomes are viewed as the total amount of money, which a household can spend on goods and service. Standard measures of housing affordability used by financial and government officials traditionally have been 25% -30% of a household's gross income for rent and 2 – 21/2 times the annual family income for mortgage loans. However, the average American actually spends over 30% of his/her after tax income for housing. For the first time buyer of a new home that average goes up to 40% of disposable income. If housing costs take a larger portion of the family income

it might be expected that the demand of lower cost housing will increase. Conversely, if housing becomes relatively cheaper as it did in the 1960's, the reverse could be expected. Housing costs have rapidly increased over the last 36 months, and faster than disposable incomes. Major influences causing the higher costs are land development and construction costs, energy, materials and higher land costs which in Ft. Lauderdale include demolition costs. Historically, interest rates have been "the" major component of overall cost. For the last several years we have had abnormally low interest rates, which have helped fuel the strong housing market of the last four years. However, as these rates begin to increase to "normal" ranges (20 year average) housing costs can be expected to increase significantly.

Housing is very sensitive to the current financial market. Housing is financed from savings and loan associations, commercial banks, insurance companies, mutual savings banks and other financial institutions.

Housing is considered to be "counter-cyclical" by experts. When the economy is booming the demand for money increases, interest rates rise, and money flows from savings and loans into more profitable investments. Therefore, less money is available for housing construction. When the economy is in a decline there is less demand for money, interest rates fall, other investment opportunities decline and more money flows into savings. Therefore, more money is available for mortgages. The interest rate and availability of money for housing is determined by factors outside the market. Also, because of large existing supply of housing in relation to new housing, the costs of existing housing often does not rise fast enough to make new housing competitive.

Besides the roll the general economy plays in the provision of money for housing, the specific practices of local financial institutions are also significant. Each institution determines its own lending practices. They can determine who will get residential loans and establish policies regarding site design and location. In addition to the general economy and local institutions, the federal government regulates financial institutions and through these regulations, affects housing costs. The government determines which kinds of institutions may make what loans and frequently sets the interest rates. The federal government has also been involved in financing housing through various programs (as previously addressed). It is apparent that the factors influencing home financing are numerous and quite inter-related.

The financing of housing includes two basic types: 1) short term loans for construction of new housing; and 2) long term mortgage loans, which usually replaces the construction loan. The mortgage loan is usually the key loan approval to receive because this financing will be used to pay off the construction loan when the structure is completed.

CONSTRUCTION FINANCING

Construction financing is the short term financing used by developers or builders to begin construction of housing units. Normally, construction loans run approximately two percentage points above the prime interest rate. The term of the loan is relatively short, hence its higher rate. Once an interested party agrees to purchase a housing unit, the necessary closing costs are passed onto the potential owner and a long-term mortgage loan is arranged. There are several different but typical sequences in the process:

A contractor building on speculation will usually try to have his house pre-approved for financing, assuming that the eventual buyer will be credit-worthy enough to be granted the mortgage loan. This type loan approval will not only make the house easier to market quickly, but will also help the builder obtain the construction loan. If a house is being built for a particular client, the owner will need to seek permanent financing and the builder will arrange his own construction financing. In the case of an owner/builder, or where the owner acts as his own general contractor, both types of financing have to be arranged by the owner.

MORTGAGE FINANCING

The mortgage is the long-term financing mechanism by which a household is able to "leverage" its income to purchase a dwelling unit. However, before considering the detailed terms of long-term mortgages, it is necessary to consider the many variables of the financing mechanism.

Source of Loans

There are many possibilities for obtaining money for housing, but the vast majority (over 90%) of residential mortgage loans are provided by four types of institutions: savings and loan associations or mutual savings bank (commonly grouped as thrift institutions), commercial banks, life insurance companies, mortgage companies or mortgage banks.

Savings and loan associations and mutual savings banks are the major recipients of personal and long-term savings. This stability and relatively slow turnover of their money has made long-term mortgage investments attractive to them. Although they also serve as the major source of construction funds for single-family units, they do this primarily as an attraction for a permanent mortgage.

Commercial banks, on the other hand, have much greater variability in their deposits. They must maintain a relatively higher degree of liquidity in order to meet withdrawal requests in their demand accounts, which constitute a sizeable portion of their activities. These constraints make the short-term construction funding most attractive for banks, although commercial banks are still a major source of residential mortgages.

Life insurance companies have been active in providing single-family residential mortgages. These were attractive because of the need for a reliable return on investments and the long-term nature of their commitments. Most life insurance companies now concentrate on multifamily and commercial properties.

Mortgage companies originally acted as a broker between individual borrowers and remote lending institutions with money to invest. With life insurance phasing out of the single-family home lending market and with the growth of the federally supported secondary market, most mortgage companies have reoriented their activities to deal with the secondary market.

Secondary Mortgage Market

As with the mortgage companies which act as brokers for the large insurance companies, other large investors have sought to purchase mortgages as investments. Instead of making loans directly, they purchase mortgages from the lending institutions and pay them a fee for handling

the mortgage. This results in two advantages for the primary lender: new capital is generated which can be used to make more loans, and a handling fee is received for the mortgages that have been sold. These purchase arrangements for existing mortgages constitute what is called the secondary mortgage market. Primary lenders can also buy mortgages from other lending institutions in this market, if they have surplus funds.

The secondary mortgage market is strongly influenced by the Federal government through three Federal government supported agencies: The Government National Mortgage Association (GNMA), commonly referred to as "Ginny Mae." GNMA is a part of the Department of Housing and Urban Development. GNMA was organized to provide a secondary mortgage market for the government subsidized interest rate program (e.g., FHA, VA and FmHA loans).

The Federal National Mortgage Association (FNMA), is commonly referred to as "Fannie Mae." This is a privately owned but federally regulated stock corporation. Its principal purpose is to assist the flow of money to the primary lenders by purchasing mortgages when local capital is in short supply.

The Federal Home Loan Mortgage Corporation (FHLMC) commonly referred to as "Freddy Mac." This is also privately owned but federally regulated and was organized to assist savings institutions in the Federal Home Loan Bank system.

The significance of the secondary mortgage market is that since primary lending institutions may wish to sell their mortgages to secondary market, they must be careful to ensure that these institutions will readily purchase their mortgages. These secondary mortgage market entities perceive their function - i.e., contributing to liquidity in the mortgage market and stabilizing the flow of capital into housing production - as necessitating a conservative position towards underwriting the mortgages. Hence, the primary institutions that want to deal with the secondary market also feel compelled to be conservative and selective in providing mortgage monies.

Mortgage Insurance/Financing

Mortgage insurance programs operated by the federal government make insurance available for mortgage loans made by lending institutions. The primary purpose of the government insurance program is to shift the risk of a loss on a loan default from the lending institution to the federal government. This results not only pooling the risk among a much larger number of loans but, more importantly, enables the loan to the granted with a much lower down payment than if the risk was all on the lending institution.

There are three principal federal credit agencies:

The HUD Minimum Property Standards, which are the guidelines used by FHA in their mortgage underwriting process for evaluating the property, are the industry standard and are used by the other government agencies as well as by private insurers.

The Veterans Administration (VA) administers a special insurance program established for ex-servicemen.

The Farmer's Home Administration (FmHA) also administers a special insurance program designed for rural and farm housing needs.

In addition, there are also private mortgage insurance companies (PMI's) that fulfill much the same function as the Federal agencies. They pool the risk of mortgage default and hence allow a lower down payment to be made. Typically, however, they do not insure the entire mortgage but only a portion, which is usually sufficient for the lender to recoup its money even after sale of the property at a reduced cost. Such mortgage insurance may only, in fact, cover the top 10-15% of the loan. Loans made without recourse to such insurance programs are termed "conventional" loans. As would be expected, they usually require higher down payments but are simpler to obtain because there is less additional paperwork and administration.

Loan Eligibility

The detailed parameters for granting loans are as follows:

1. **Credit worthiness of buyer** - the potential borrower must have sufficient means and certainty of income for the bank to be confident of his or her ability to repay the loan.

2. **Personal standing with the bank** - closely related to credit worthiness, is the lending institution's trust in the individual concerned.

3. **Alternative collateral** - Even if the project is of questionable risk to the lending institutions when considered on its own merits, the loan may be granted if other acceptable collateral is used to secure.

4. **Soundness of the home** - a lending institution will usually be concerned that the house for which the loan is being requested will fulfill its intended function and not develop major structural flaws.

5. **Suitability of the site** - Lending institutions is becoming increasingly conscious of the physical site upon which a house is to be constructed. This includes not only natural features, which could ultimately cause damage to the structure and thus the value, but also surrounding land uses and zoning.

6. **Cost of home** - In new home construction, the cost of the home will affect the size of the mortgage being requested and hence will interact with the credit worthiness of the buyer and the maximum amount that he or she can afford to spend for a home. The difference between the actual cost of a home and its appraised value will be a factor in determining the required down payment.

7. **Appraised value of a house** - the appraised value of the house is the value the house would be expected to sell for on the open market conditions. A professional appraiser who uses recent sales of similar houses in the area comparables to determine the resale value determines this.

These are the major determinants of the long-term mortgage financing mechanism. However, a particular mortgage is specifically determined by the local financial institution policies. In order

to more fully understand what is involved in the long-term mortgage, the following information is broken down for ease of understanding:

1. **Term of loan** - the number of years for which a loan is secured will greatly affect the overall costs of home ownership. A twenty year loan will be less expensive in the long run than a similar loan for 30 years, as can be noted by comparing interest payments. Most financial institutions have a general policy as to the maximum term of the loan. In The City of Ft. Lauderdale, this range is from 20 to 30 years.

2. **Down Payments** - Currently, some institutions require large percentages for down payments (as much as 30%) while relatively few are made at less than 10% down. However, the advantages of paying a large down payment are offset by the lost opportunities to invest the funds in another activity. Cash investments of 10-30 of the assessed value or purchase price of a home (which ever is less) are typically required when a mortgage loan is obtained.

3. **Rate of Interest** - the most common indicator of related loan expenses is the prevailing rate of interest. Loans can be financed through conventional, VA or FHA. The latter two methods are normally a fraction of or percentage point less than conventional loans because of federal government backing. In the past few years, interest rates have changed significantly according to the money supply and other overriding economic conditions.

Since 1990, interest rates have not fluctuated nearly as much as the late 1970s and early 1980s when rates reached as high as 18%. Today, interest rates can be found in the low 6% range which is just below the historic lows of earlier this year. However, any long term housing study needs to acknowledge that overtime interest do experience wide swings in interest rates. When interest begin to rise the escalation is using first expressed in adding points to the deal rather that advertise percentage increases.

For example, a loan for the amount of $150,000 may also have two points. This means that the lender is charging $3,000 (1 point 1% of the initial loan) an additional one-time charge over the annual interest rate.

4. **Collateral and credit** - While no uniform criteria are followed by lending institutions, a check on the borrower's employment, income, previous credit standing and savings or checking accounts is made.

Federal laws, which went into effect in 1975, make it illegal to deny credit on the basis of race, sex or color. The practice of not counting a wife's income in determining the borrowing potential for a loan was also prohibited. Consumers were also guaranteed the right to have access to any credit rating files on them and to correct erroneous information. The practice of "red-lining" districts has been determined invalid by the Courts. Lending institutions may have previously avoided geographic portions of a City, labeling them high-risk areas, and generally refusing to issue any mortgage money for those areas. Traditionally, those people affected were the poor, the elderly and racial minorities.

5. **Closing costs** - this term is used to cover the additional costs, which are involved in securing a loan. Closing costs vary from one institution to another and professional services from one locality to another. Included in closing costs are the following items:

a. Loan origination fee - this is sometimes used to cover the administration expenses incurred on the lending institution by the mortgage application. The amount varies from one institution to another but usually is a set scale such as $100 for the first $30,000 of the loan and then an additional $3 per $1,000 over the $30,000. Therefore, according to this example, a $150,000 mortgage loan could have an origination fee of $460. $100 for the first $30,000 plus $360 (150,000 - 30,000 =120,000 x $3 = $360).

A second method of determining the origination fee could be a mall percentage of the mortgage amount.

b. Abstract fee or title research - this requires having an attorney research the official property records for any liens or other circumstances which would present a problem in purchasing the property. This cost also varies with location. It may range from $50-150.

c. Appraisal fee - this is a fee that is usually charged to the mortgage applicant for appraising the actual value of the unit. Although, due to variations in the market, the actual purchase price may be above or below the appraised value.

d. Settlement costs or attorney's opinion - Frequently an attorney's opinion is requested as to the proper steps being taken before final settlement of the mortgage loan. Some lending institutions have a policy of charging a set percentage such as 5-6% of the mortgage to cover all closing costs.

6. **Prepayment penalties** - a majority of financial institutions do not have prepayment penalties assessed against borrowers. Since most mortgage loans are of a substantial dollar amount, most households would not be able to afford quick payment merely to avoid interest costs. In addition, most lending institutions can reinvest these funds at a higher rate of return. Some institutions may charge a small percentage of the remaining balance of a mortgage if it is paid off in the first five years of the contract.

7. **Mortgage insurance** - Normally for mortgages of 80% or less, there is no mortgage insurance required. Loans that have less than 20% down frequently require a small percentage charge on the total loan until the principle is paid down to an equivalent of a 20% down payment.

8. **Escrow accounts** - These were at one time a common feature in loans, however, they are being used less and less by lending institutions. Included in the regular monthly payments of the mortgage is a small amount that is set aside to pay the annual property taxes and insurance. Dissatisfaction of the customers, administrative costs in maintaining an escrow account, and the possibility of legislation that would require the lending institution to pay interest on the funds, have all contributed to the disuse of this practice. Situations in which the lending institutions still utilize escrow accounts are when the credit standing of the borrower is in question, the loan is insured or trouble arises in meeting the payments on time. Some institutions will also set up an escrow account if the borrower so chooses, but this is not a common occurrence.

9. **Property insurance** - this item is required as a condition in securing a loan. Property Insurance is the responsibility of the borrower.

10. **Property tax** - Taxes are also the responsibility of the borrower and at the time of mortgage closing be paid to date.

It should be understood that these costs vary with market conditions, location and lending institutions. Also, some variations depend upon whether the housing being purchased is newly constructed or exists.

This subsection, at this point, has been addressing the financing of housing. It is necessary to address other costs associated with housing: development and occupancy costs.

Development costs can be classified into two components. The first component considers lot development costs and the second are related to the actual construction of a unit lot.

DEVELOPMENT COSTS

Land acquisition and development are typically 15-40% of the total cost of housing. The higher the cost of the land the higher the percentage. Not only has the cost of land risen, the cost of developing such land has increased. Environmental restrictions have reduced the amount of land available development and increased the improvement costs land that is developed. Providing for water, sewer utilities and pavement has increased rapidly.

The second component of development costs is the construction costs. The construction costs include on-site labor and materials and equipment shipped to the site. The costs of materials are the largest single expense in the cost of housing.

Operating Costs and Payroll Burden

Operating costs have been increasing as with the many other aspects of the building industry. Out of every dollar paid, 20% goes toward these operating costs. Of this 20%, eleven percent is paid toward workman's compensation and the remaining 9% is for social security and insurance.

A review of Deed data for single family sales in the City of Ft. Lauderdale reveals that the price of an average home sold during the July – September 2005 time period was $340,000 for 1,358 square feet of living area or $250.37 per square feet...

Cost per square of housing has been increasing significantly over the last few years. The significance of these costs is that the prices have far outpaced the personal income gains in the past few years. Both land development and building costs are increasing rapidly and will continue to pose a serious barrier to households wanting to purchase a home even given the historic low interest rates. The following Table illustrates the percentages of the total cost for the various housing components.

Table 2. Housing Development Costs

Cost Component	Typical Range (% of Total Cost)
Land Acquisition & Improvement	20-40
Construction: Labor (on-site) and Materials	40-60
Financing	10-15
Profit	15-20

A report by CBS News indicated that 35 years ago, over 50% of American families could afford to own housing, while today, those who can afford to own housing is less than 30%.

OCCUPANCY COSTS

Beyond the costs of financing a home or paying security deposits for a rental unit, the on-going costs of occupying housing is a substantial part of a household's expenses. Both renting and owning a unit requires some form of monthly mortgage payment. This payment usually represents approximately one-half of the total occupancy costs. Maintenance and repairs usually require 10 to 15% of the occupancy costs. This is the most vulnerable area in that it will probably be neglected when other housing costs rise beyond the occupant's ability to pay. It is this neglect that leads to deterioration of housing stock.

Utilities are becoming a major expense. Energy rates have experienced a considerable fluctuation over that last 10 years. While lower now, it is only reasonable to assume that this particular cost will continue to rise.

Property taxes are another item that must be considered in occupancy costs. While the renter does not pay property taxes directly, the owner considers the taxes in determining his or her rent payment.

Following is an assessment of these various occupancy costs that a typical household incurs depending upon size and age of the structure. Several points should be understood before going into detail about occupancy cost components.

- Much of the cost variation for rental units is directly related to the size of the space leased.
- Not all components will directly apply to owners or renters.
- The figures and/or percentages are average

Components of occupancy costs:

1. Financing: monthly mortgage or rent payment (previously addressed)
2. Utilities:
   a. Electricity
   b. Natural Gas
   c. Sewer and Water

d. Telephone
3. Property Tax
4. General Maintenance
5. Insurance

FINANCING

The mortgage loan costs include the principal and interest payment based on combinations of the total dollar amount loaned, the percentage of down payment, the length of the term of the mortgage and the annual percentage rate. Due to recent decreases in mortgage rates, this component can vary extremely from a house purchased in 2005 with a mortgage rate of 6% annually to a house purchased in December 1987 at a 12% annual rate (note that interest rates were in the high 4% last year).

UTILITIES

The costs of utilities are probably the most variable and difficult to determine of the occupancy costs because of its dependence upon: energy costs, technological advancement, local climatic and geographic feature and personal use.

The most significant of the utility costs is electricity because of its widespread acceptance and historically inexpensiveness. An average monthly amount expended by a household for electricity is extremely difficult to determine. Many variables, in addition to those just mentioned, affect a household's use of electricity. Following are some of these variables: number in the family and their type of lifestyle; size of the housing unit, type of construction material used externally and internally; insulation - where used and "R" factor, whether the heating and cooling unit is gas or electric; the efficiency of the heating and cooling unit; whether the cooling unit is an air to air or water to air cooling unit, type of appliances used, the use of any solar heating or cooling units, landscaping adjacent to the housing unit; house orientation (relative to prevailing winds or solar access); use of the adjacent topography; the amount of glass in the unit and where it is located relative to the sun and, even the color of the unit.

Water, Sewer and Refuse Collection

Water and sewer service is provided by the City of Ft. Lauderdale

Property Taxes

The process of levying and collecting property taxes is described in detail in the Florida Statutes. The state law provides for a tax assessor and tax collector in each County**.** The assessor is charged with the responsibility of periodically surveying all property to determine its market value and place a valuation on the appraised parcel. The tax collector is charged with the collection of ad valorem taxes levied by the City, school board, County and any special taxing districts within the City.

The valuation levels are the basis from which real and personal property taxes are determined. Depending upon the local jurisdiction's budgetary needs, it will vary tax rates to meet such requirements. The City Commission, School Board, County Council and designated special districts, determines mileage rates. For the purpose of calculating the certified mileage, the assessor is permitted by state law to use 100% of the taxable value appearing on the role. Except

as otherwise provided, no aggregate ad valorem tax millage shall be levied against real and tangible personal property in excess of 10 mills of the assessed value. However, the millage rates can be raised over the maximum for a period of not more than two years when approval has been given by a majority of voters through a referendum.

Every person who has legal title to real property in the state and who has resided thereon for a period of five consecutive years is entitled to an exemption from property taxes up to the assessed valuation of $25,000 homestead exemption.

MAINTENANCE AND REPAIR

The costs in maintaining a unit will depend on the individual household's income, personal desires to preserve the dwelling and the cost of materials. Therefore, the costs involved are very difficult to estimate. A realistic range would probably be between 5 and 10% of the assessed value of the unit annually. This would vary depending upon the age of the unit with a newer unit requiring less maintenance expense. The following Table 2 illustrates the percentage of various components of housing occupancy costs.

Table 3. Housing Occupancy Costs

	Typical % of total cost	
Cost Component	Renter	Owner
Mortgage payment (Interest & principal)	45	55
Maintenance and repairs	15	10
Utilities	10	15
Taxes	15	20
Management	5	
Profit	10	
	100%	100%

PROPERTY INSURANCE

Rates for property insurance are determined in large part by a Fire rating given to the community by various insurance companies. The presence of a full time fire fighting department with service capabilities meeting national standings; and the type of building materials used in the house construction are major determinants in the insurance rates. An average new house of 1500 square feet of cement block construction will cost approximately $250 annually for insurance coverage. The annual premium increases in direct proportion to the age of the house. Also, insurance will vary according to the type of material used in construction.

IMPACT OF RISING COSTS

Land development costs, building material and labor costs as well as profit margins comprise the total selling price for a dwelling unit. As a result of the dramatic increase in these costs, all indications are that a family or household's ability to purchase housing is diminishing. Should the trend continue the housing market might be impacted in a variety of ways as well as influencing the appearance, production and distribution of housing within the City of Ft. Lauderdale.

Possible effects may include:

1. Increased land costs may encourage the development of smaller lots thus increasing the perceived status of "large lot" development."

2. Restrictions in the provision of service and/or utilities will tend to increase the volume of serviceable land.

3. The high costs of securing and developing vacant land may result in an increase in the demand for existing units and provide an incentive to rehabilitate structures in less than standard condition.

4. Rising energy costs may require additional considerations in site planning and building design. This consideration may include orientation of the structure, windows, and landscaping with respect to the local topography and climate.

5. Overall construction cost increases may lead to a greater proportion of "smaller" units. Additionally, many features normally considered as standard may become luxury items (e.g., garage, screened porch, recreation room).

6. The reasons for vacating a unit may change from structural or neighborhood considerations to an inability to afford the unit. Vacancy rates in new structures may be higher than in older buildings.

7. Reduced profit margins will require greater volume and a more efficient means of construction thus builders may be expected to be larger organizations and more specialized.

8. As housing becomes more expensive, proportionately fewer people will be able to meet the required down payment to purchase a unit.

9. Higher home ownership costs will require larger mortgage loan amounts and/or a larger term of loan. This would tend to discourage banks from issuing loans since funds would be committed for a longer period of time.

10. The combination of pressures to reduce costs through land and materials expenditures way force developers to use alternative building methods. Included may be a continued move toward factory-built housing, utilization of energy saving techniques, site planning, and the design of compact units.

11. Demands for restructuring of taxes will continue. With the price of new housing escalating and since the assessments are based on market value of units, the existing housing stock will also increase in assessment value. This increase in property taxes will add to the financial burdens of housing.

GOVERNMENTAL POLICIES THAT EFFECT HOUSING

Although municipal governments in the United States provide little housing directly, their actions can, and do, have significant input. The pattern of actual building activity and development are influenced by the local Comprehensive Plan, the Land Development

Regulations (Code of ordinances) and state and federal legislation. The intent of these tools is to encourage a compatible, safe and orderly manner of growth for the City of Ft. Lauderdale. National housing goals recognize that adequate services, employment and recreational opportunities and a diversity of living patterns are considered to be a desirable complement to better housing. Under the Federal Housing Act of 1954, local governments using federal funds were required to demonstrate their capabilities through the development of a "workable program". This meant that local governments had to develop a comprehensive land use plan stating desired community goals before any federal funds for housing could be obtained. The Federal Government has since provided funding for specific housing programs. Affected communities benefited in numerous ways:

1. Efforts have been made to alleviate immediate deficiencies in housing either through rent supplements, loans or grants.
2. Assisted housing is encouraged in a way so that services and facilities are conveniently located. The effect is to provide for increased and improved housing opportunities for those households in greatest need.
3. The review and possible revision of local ordinances and plans in order to allow for a permanent diversity of development styles and housing types.

In Florida, the Local Government Comprehensive Planning Act of 1985 reflects the State Legislature's concern that every local government should plan to manage future development.

The local government can have direct impact on housing in several ways. The local government provides for some housing rental assistance**.** Much of this is through federal subsidy programs. However, these programs are aimed at only a small portion of the total population. The major role of local government in housing is that it controls what is built within its jurisdiction. The great proliferation of commercial strips, urban sprawl, slum, housing and differences in living patterns has caused many local governments to rely heavily on development controls. These controls in turn determine the quality of living for a community. However, developers are contending that such land development regulations and processing add substantially to the costs of new housing, thereby denying additional households affordable shelter. Building standards have been raised; fees and taxes have increased; reviews and processing time have been extended and development controls have been added. Little doubt remains about the increased costs of housing and associated development.

ZONING ORDINANCES AND SUBDIVISION REGULATIONS

As a means to implement a land use plan, zoning ordinances are used to enforce the development of property in an orderly fashion Zoning districts are established which indicate the existing and desire land uses for the City.

Administration of the zoning is performed by the City Planning Staff. The local planning agency, the Planning and Zoning Commission reviews planning and development issues. The City Commission makes the final policy decision. These boards review proposals made by developers and private individuals. If a change in the zoning classification is requested, these

public bodies must approve the new classification. The zoning classification determines the type and size of housing units permitted. Through the zoning process, the City has the prerogative to determine the trend of development. Rezoning land to a more restrictive use classification tends to promote one type of housing type and restrict others, while rezoning to a less restrictive classification promotes the opposite effect.

Subdivision regulations specify how actual development will be carried out. Standards as to site design, provision of parking and open space, streets and drainage, public utilities and/or the allocation of development costs between the City and developer are included in the Subdivision Regulations. The use of building codes is intended to assure that development, which occurs, is structurally sound, safe and sanitary. The City's Building Code is based on the Southern Building Code, which is widely accepted in Florida with some local variation. The new code which takes into account Florida's high probability

EFFECTS OF LOCAL GOVERNMENT REGULATIONS

What are the effects of these practices? How do they influence the housing market, related costs and the supply of low-cost units to those in need? This is not a new area of concern. In 1968, the National Commission on Urban Problems (Douglas Commission) conducted studies on zoning practices in the United States. Their findings noted that after World War II, suburban development occurred at a rapid pace at the expense of the urban centers and rural areas. The suburban patterns reflected a general affluence and a desire to provide an open perspective and pleasing environment. One way to accomplish this setting was by the use of large lot sizes. Today, 75 feet of frontage is typically required for new housing. The Douglas Commission also pointed out that builders have a tendency to build larger units on larger lots. The impact of large lots and units is to price lower and even middle-income families out of the market while consuming a large portion of the more desirable land available. The reasons for large lot zoning are a mixture of fiscal and non-fiscal factors. In some instances, a community may not want to bear the costs of amending new sewer and water lines and therefore, limits new development to large lots so that individual units can be served by private wells and septic systems. In other instances, large lot zoning has been used as an exclusionary technique for keeping out lower income groups. However, this has been declared unconstitutional when practiced safely as a means to exclude lower income households.

Further restrictions tend to limit the type of housing unit that is allowed in a community. Manufactured housing and mobile homes are proving to be a lower cost alternative for many households, yet there are difficulties in finding a suitable site. Due to the fact that mobile homes are not taxed as real property, but rather as personal property (much like an automobile), they seem less attractive to some communities. Other factors related to the physical appearance and density of mobile home park development emphasizes the difference between them and the conventionally housed community.

Limitation on multi-family housing is probably the next most restrictive zoning practice. Since rental units are more easily affordable to lower income households, restrictions on their construction can force such households to seek housing elsewhere.

Another effect of regulation restrictions on housing is by placing a high minimum floor space area requirement for a particular subdivision. The resulting construction costs tend to exclude certain income level families. There is adequate evidence that these controls and regulations on housing do add to the construction costs. However, one must consider the alternatives before reaching any conclusion. Unregulated development would encourage unplanned growth or sprawl and the associated costs, the long term effects on governmental services and the impact on the environment.

DEVELOPMENT PROCESS FOR HOUSING

The previous review of the costs of housing serves to stress the importance of the development process for housing.

In order for a housing unit(s) to be started, a developer or individual must acquire land, secure the zoning, prepare site plans and specifications and acquire a permit.

As has often been, the acquisition of property for housing is a "see and buy" situation at most, where the buyer acts either by lack of knowledge or unconcern about the related issues involved in developing a parcel of "raw" land. Only after the purchase of the property does the potential builder find the various issues that have to be resolve before a dwelling unit can be constructed. Most of these problems, if not all, can be avoided if the potential developer or individual examines several factors relating to local housing: 1) current land use designation of the City's long-range plans, 2) current zoning classification, 3) accessibility, 4) availability of utilities (electric, gas, phone, sewer, water, etc.) and any proposed cost to extend existing service to the site, 5) physical capacity of the existing land concerning soils, ground water level, slope, elevation in relation to local flood levels, etc., 6) adjacent land use both present and future, 7) any existing easements or rights-of-way, 8) lot size in relation to proposed structure in order to avoid the need for a variance.

Building or site plan review and approval are necessary before the City issues any building permit. An individual or developer shall be required to meet the local building code. The authority of these standards is granted through state enabling legislation. Frequently, an individual or developer submitting an incomplete or incorrect plan for review causes the delays in approval or denial of site plans.

SOCIO ECONOMICS

BROWARD COUNTY AND FT. LAUDERDALE DEMOGRAPHICS

During the1980-2000 twenty year period, Broward County's growth rate increased from 23% during 1980 – 1990 to 29% during 1990 – 2000; adding a total of 604.761 new residents compared to a net loss of 882 people during the same twenty year period. It should be noted that the City while losing population between 1980 and 1990, it experienced a modest growth of 2% during the 1990 -2000 time period.

Table 4: 1980 – 2000 Historic Growth Patterns

Growth 1980 - 2000				
	Broward County		Fort Lauderdale	
2000	1,623,018	29.27%	152,397	2.02%
1990	1,255,488	23.30%	149,377	-2.55%
1980	1,018,257	-	153,279	-

Source: US Census and Strategic Planning Group, Inc. 2005

Ft. Lauderdale demonstrated a slightly more diverse ethnicity (Race) in 2000 than the County as a whole, yet the City had less Latino's than the County, as shown in the following tables.

Table 5: 2000 Demographics

Population - 2000				
	Broward County		Fort Lauderdale	
Total:	1,623,018		152,397	
White alone	1,145,287	70.57%	97,941	64.27%
Black or African American alone	333,304	20.54%	44,010	28.88%
American Indian and Alaska Native alone	3,867	0.24%	344	0.23%
Asian alone	36,581	2.25%	1,565	1.03%
Native Hawaiian and Other Pacific Islander alone	916	0.06%	74	0.05%
Some other race alone	48,642	3.00%	2,684	1.76%
Two or more races	54,421	3.35%	5,779	3.79%

Source: US Census and Strategic Planning Group, Inc. 2005

Table 6: Hispanic Population - 2000

Hispanic Population				
	Broward County		Fort Lauderdale	
Total:	1,623,018		152,397	
Hispanic or Latino:	271,652	16.74%	14,406	9.45%
White alone	203,613	74.95%	10,364	71.94%
Black or African American alone	7,999	2.94%	569	3.95%
American Indian and Alaska Native alone	933	0.34%	110	0.76%
Asian alone	532	0.20%	27	0.19%
Native Hawaiian and Other Pacific Islander alone	149	0.05%	14	0.10%
Some other race alone	42,170	15.52%	2,379	16.51%
Two or more races	16,256	5.98%	943	6.55%

Source: US Census and Strategic Planning Group, Inc. 2005

HOUSING CHARACTERISTICS 1990 - 2000

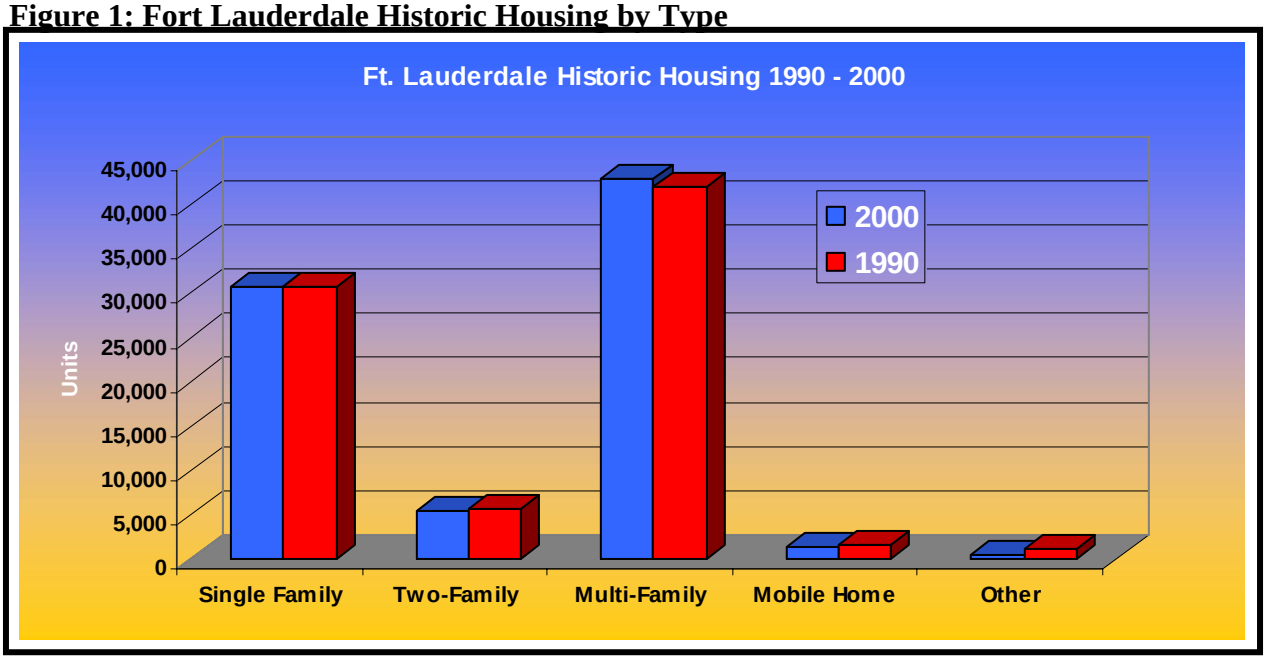
Ft. Lauderdale had more multi-family residential units than single family in both 1990 and 2000 which is unique in Florida and more characteristic of larger cities in the Northeast. While population increased between 1990 – 2000, the number of housing units actually declined by 488 units. During this same time period, multi-family units increased by nearly a 1,000 units.

Table 7: Housing Characteristics - 2000

Fort Lauderdale				
	2000		1990	
Type of Unit	Number	Percent	Number	Percent
Single Family	30,682	38.0%	30,766	37.8%
Two-Family	5,336	6.6%	5,647	6.9%
Multi-Family	43,058	53.3%	42,003	51.8%
Mobile Home	1,313	1.6%	1,646	2.0%
Other	391	0.5%	1,206	1.5%
Total	80,780	100.0%	81,268	100.0%

Source: US Census and Strategic Planning Group, Inc. 2005

Figure 1: Fort Lauderdale Historic Housing by Type



Source: US Census and Strategic Planning Group, Inc. 2005

Compared to the County, the City had significantly more vacant housing accounting for 15.27% of the City's Housing stock in 2000.

Table 8: Occupancy Status – 2000

OCCUPANCY STATUS - 2000	Broward County		Fort Lauderdale	
Total:	741,043		80,780	10.90%
Occupied	654,445	88.31%	68,448	84.73%
Vacant	86,598	11.69%	12,332	15.27%

Source: US Census and Strategic Planning Group, Inc. 2005

According to the 2000 US Census, 59% of the City's vacant units were seasonal.

Table 9: 2000 Demographics

VACANCY STATUS - 2000	Broward County		Fort Lauderdale	
Total:	86,598		12,332	
For rent	13,843	15.99%	2,530	20.52%
For sale only	12,858	14.85%	1,052	8.53%
Rented or sold, not occupied	5,174	5.97%	659	5.34%
For seasonal, recreational, or occasional use	49,873	57.59%	7,302	59.21%
For migrant workers	3	0.00%	0	0.00%
Other vacant	4,847	5.60%	789	6.40%

Source: US Census and Strategic Planning Group, Inc. 2005

In 2000, slightly over 50% of the City's occupied housing was owner occupied compared to 69% for the County as a whole. This percentage rental correlates with the high number of multi-family units (although the City has a large number of condominiums).

Table 10: Housing Tenure – 2000

TENURE - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Owner occupied	454,625	69.47%	37,927	55.41%
Renter occupied	199,820	30.53%	30,521	44.59%

Source: US Census and Strategic Planning Group, Inc. 2005

The ethnicity of householders is relatively similar between the City and County with between 76% – 77% of the heads of households being white.

Table 11: Household Race – 2000

TENURE - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Owner occupied	454,625	69.47%	37,927	55.41%
Renter occupied	199,820	30.53%	30,521	44.59%

Source: US Census and Strategic Planning Group, Inc. 2005

Like population, the City had significantly less Hispanic/Latino households in 2000.

Table 12: Hispanic Households – 2000

HISPANIC OR LATINO HOUSEHOLDER BY RACE OF HOUSEHOLDER - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Hispanic or Latino householder:	86,014	13.14%	5,028	7.35%
Householder who is White alone	67,018	77.92%	3,995	79.46%
Householder who is Black or African American alone	2,296	2.67%	97	1.93%
Householder who is American Indian and Alaska Native alone	231	0.27%	37	0.74%
Householder who is Asian alone	58	0.07%	0	0.00%
Householder who is Native Hawaiian and Other Pacific Islander alone	8	0.01%	0	0.00%
Householder who is Some other race alone	11,414	13.27%	744	14.80%
Householder who is Two or more races	4,989	5.80%	155	3.08%

Source: US Census and Strategic Planning Group, Inc. 2005

There are significant differences in ethnicity between the City and County when analyzing Owner versus Rental Households. The City has significantly more rental households which are predominately white renters but the City as a slightly larger percentage of Black renters.

Table 13: Tenure By Race – 2000

TENURE BY RACE OF HOUSEHOLDER - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Owner occupied:	**454,625**	69.47%	**37,927**	55.41%
Householder who is White alone	374,615	82.40%	32,361	85.32%
Householder who is Black or African American alone	54,657	12.02%	4,344	11.45%
Householder who is American Indian and Alaska Native alone	840	0.18%	49	0.13%
Householder who is Asian alone	7,555	1.66%	358	0.94%
Householder who is Native Hawaiian and Other Pacific Islander alone	106	0.02%	0	0.00%
Householder who is Some other race alone	6,930	1.52%	209	0.55%
Householder who is Two or more races	9,922	2.18%	606	1.60%
Renter occupied:	**199,820**	30.53%	**30,521**	44.59%
Householder who is White alone	130,884	65.50%	19,486	63.84%
Householder who is Black or African American alone	49,062	24.55%	8,577	28.10%
Householder who is American Indian and Alaska Native alone	579	0.29%	100	0.33%
Householder who is Asian alone	3,706	1.85%	277	0.91%
Householder who is Native Hawaiian and Other Pacific Islander alone	100	0.05%	8	0.03%
Householder who is Some other race alone	6,360	3.18%	617	2.02%
Householder who is Two or more races	9,129	4.57%	1,456	4.77%

Source: US Census and Strategic Planning Group, Inc. 2005

Hispanic households within the City are predominately renters (51%) as opposed to the County were Latino households are predominately owner occupied.

Table 14: Latino Tenure – 2000

TENURE (HISPANIC OR LATINO HOUSEHOLDER) - 2000	Broward County		Fort Lauderdale	
Total:	86,014		5,028	
Owner occupied	53,705	62.44%	1,972	39.22%
Renter occupied	32,309	37.56%	3,056	60.78%

Source: US Census and Strategic Planning Group, Inc. 2005

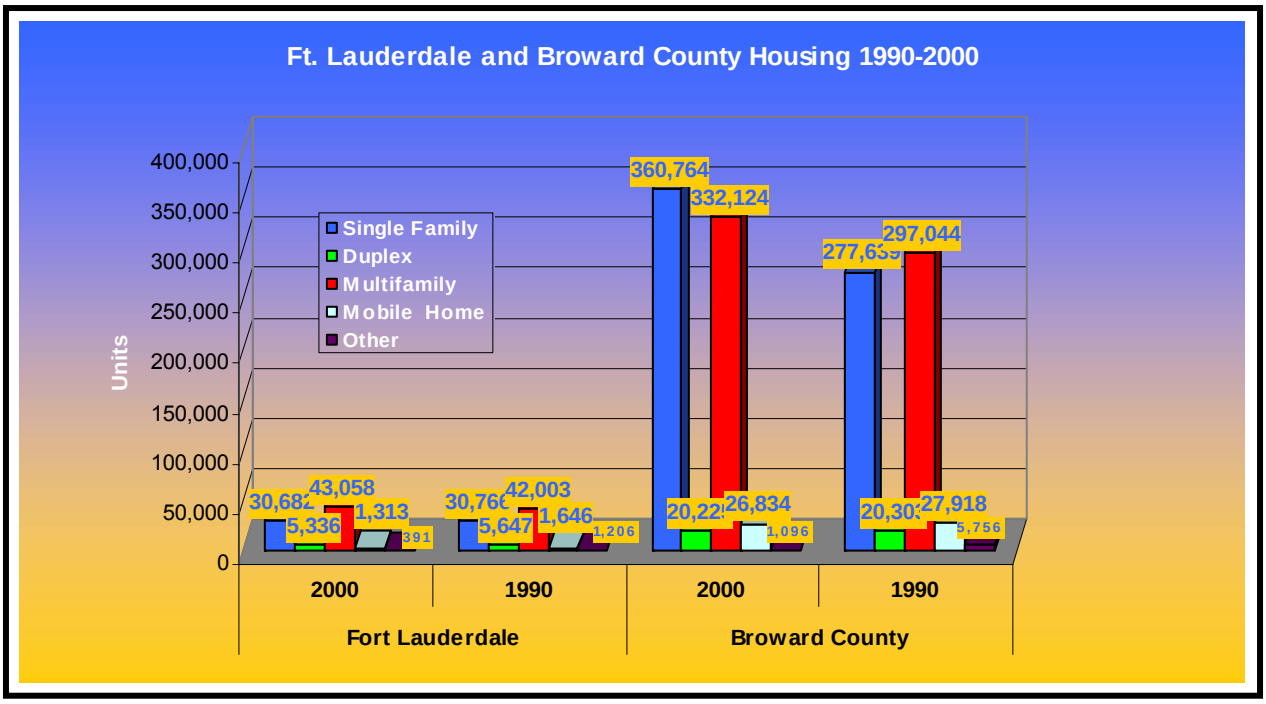
As already discussed, the City has more multi-family housing than single family detached units. In 2000, the City had more than 16,000 units (20%) in complexes of 50 or more units.

Table 15: Type of Units – 2000

UNITS IN STRUCTURE - 2000	Broward County		Fort Lauderdale	
Total:	741,043		80,780	
1, detached	303,357	40.94%	27,669	34.25%
1, attached	57,407	7.75%	3,013	3.73%
2	20,225	2.73%	5,336	6.61%
3 or 4	33,347	4.50%	7,401	9.16%
5 to 9	41,120	5.55%	5,836	7.22%
10 to 19	53,717	7.25%	5,702	7.06%
20 to 49	89,061	12.02%	8,089	10.01%
50 or more	114,879	15.50%	16,030	19.84%
Mobile home	26,834	3.62%	1,313	1.63%
Boat, RV, van, etc.	1,096	0.15%	391	0.48%

Source: US Census and Strategic Planning Group, Inc. 2005

Figure 2: Historic Composition of Housing by Type.



Source: US Census and Strategic Planning Group, Inc. 2005

The City's housing stock is significantly older than the County's. Most of the City's housing was constructed between 1950-79, while only 12% was constructed during 1980-2000.

Table 16: Year Housings Built

YEAR STRUCTURE BUILT - 2000	Broward County		Fort Lauderdale	
Total:	741,043		80,780	
Built 1999 to March 2000	19,130	2.58%	528	0.65%
Built 1995 to 1998	60,852	8.21%	1,627	2.01%
Built 1990 to 1994	64,154	8.66%	1,589	1.97%
Built 1980 to 1989	157,319	21.23%	5,613	6.95%
Built 1970 to 1979	220,745	29.79%	20,119	24.91%
Built 1960 to 1969	127,699	17.23%	23,452	29.03%
Built 1950 to 1959	70,767	9.55%	20,263	25.08%
Built 1940 to 1949	12,615	1.70%	4,985	6.17%
Built 1939 or earlier	7,762	1.05%	2,604	3.22%

Source: US Census and Strategic Planning Group, Inc. 2005

As shown below, rental housing in the City is older than owner occupied housing.

Table 17: Year Housings Built

TENURE BY YEAR STRUCTURE BUILT - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Owner occupied:	454,625	69.47%	37,927	55.41%
Built 1999 to March 2000	10,461	2.30%	198	0.52%
Built 1995 to 1998	40,023	8.80%	629	1.66%
Built 1990 to 1994	41,142	9.05%	536	1.41%
Built 1980 to 1989	96,708	21.27%	2,097	5.53%
Built 1970 to 1979	135,224	29.74%	8,490	22.39%
Built 1960 to 1969	74,929	16.48%	10,917	28.78%
Built 1950 to 1959	45,755	10.06%	11,320	29.85%
Built 1940 to 1949	6,455	1.42%	2,396	6.32%
Built 1939 or earlier	3,928	0.86%	1,344	3.54%
Renter occupied:	199,820	30.53%	30,521	44.59%
Built 1999 to March 2000	3,017	1.51%	194	0.64%
Built 1995 to 1998	17,021	8.52%	650	2.13%
Built 1990 to 1994	19,508	9.76%	873	2.86%
Built 1980 to 1989	45,032	22.54%	2,670	8.75%
Built 1970 to 1979	52,422	26.23%	7,297	23.91%
Built 1960 to 1969	35,082	17.56%	8,671	28.41%
Built 1950 to 1959	19,277	9.65%	6,779	22.21%
Built 1940 to 1949	5,317	2.66%	2,262	7.41%

Source: US Census and Strategic Planning Group, Inc. 2005

According to the US Census, most of the owner occupied units were 2 and 3 bedrooms (74%) with slightly more 2 bedroom units than 3 bedroom units. Rental units show a different pattern with the majority being 1 and 2 bedroom units (80%) with slightly more 1 bedroom units than 2 bedroom units.

Table 18: Bedroom Size of Housing

TENURE BY BEDROOMS - 2000	Broward County		Fort Lauderdale	
Total:	654,445		68,448	
Owner occupied:	454,625	69.47%	37,927	55.41%
No bedroom	6,919	1.52%	599	1.58%
1 bedroom	47,286	10.40%	5,261	13.87%
2 bedrooms	168,802	37.13%	15,832	41.74%
3 bedrooms	149,600	32.91%	12,106	31.92%
4 bedrooms	67,238	14.79%	3,277	8.64%
5 or more bedrooms	14,780	3.25%	852	2.25%
Renter occupied:	199,820	30.53%	30,521	44.59%
No bedroom	17,027	8.52%	3,552	11.64%
1 bedroom	73,797	36.93%	13,462	44.11%
2 bedrooms	82,120	41.10%	11,030	36.14%
3 bedrooms	22,668	11.34%	2,105	6.90%
4 bedrooms	3,709	1.86%	317	1.04%
5 or more bedrooms	499	0.25%	55	0.18%

Source: US Census and Strategic Planning Group, Inc. 2005

While most of the owner occupied housing carried a mortgage, over 25% of the City's units had no mortgage compared to 18% for the County.

Table 19: Mortgage Status

MORTGAGE STATUS - 2000	Broward County		Fort Lauderdale	
Total:	298,725		22,871	
Housing units with a mortgage, contract to purchase, or similar debt:	243,814	81.62%	17,084	74.70%
With either a second mortgage or home equity loan, but not both:	51,529	21.13%	3,566	20.87%
Second mortgage only	28,412	11.65%	1,857	10.87%
Home equity loan only	23,117	9.48%	1,709	10.00%
Both second mortgage and home equity loan	795	0.33%	58	0.34%
No second mortgage and no home equity loan	191,490	78.54%	13,460	78.79%
Housing units without a mortgage	54,911	18.38%	5,787	25.30%

Source: US Census and Strategic Planning Group, Inc. 2005

DISTRIBUTION OF HOUSING WITHIN FT. LAUDERDALE

The following figures show the City's demographic distribution as well as housing characteristics by census tract for 2000. The first graphic shows the City's boundaries.

Figure 3: Ft. Lauderdale City Boundaries

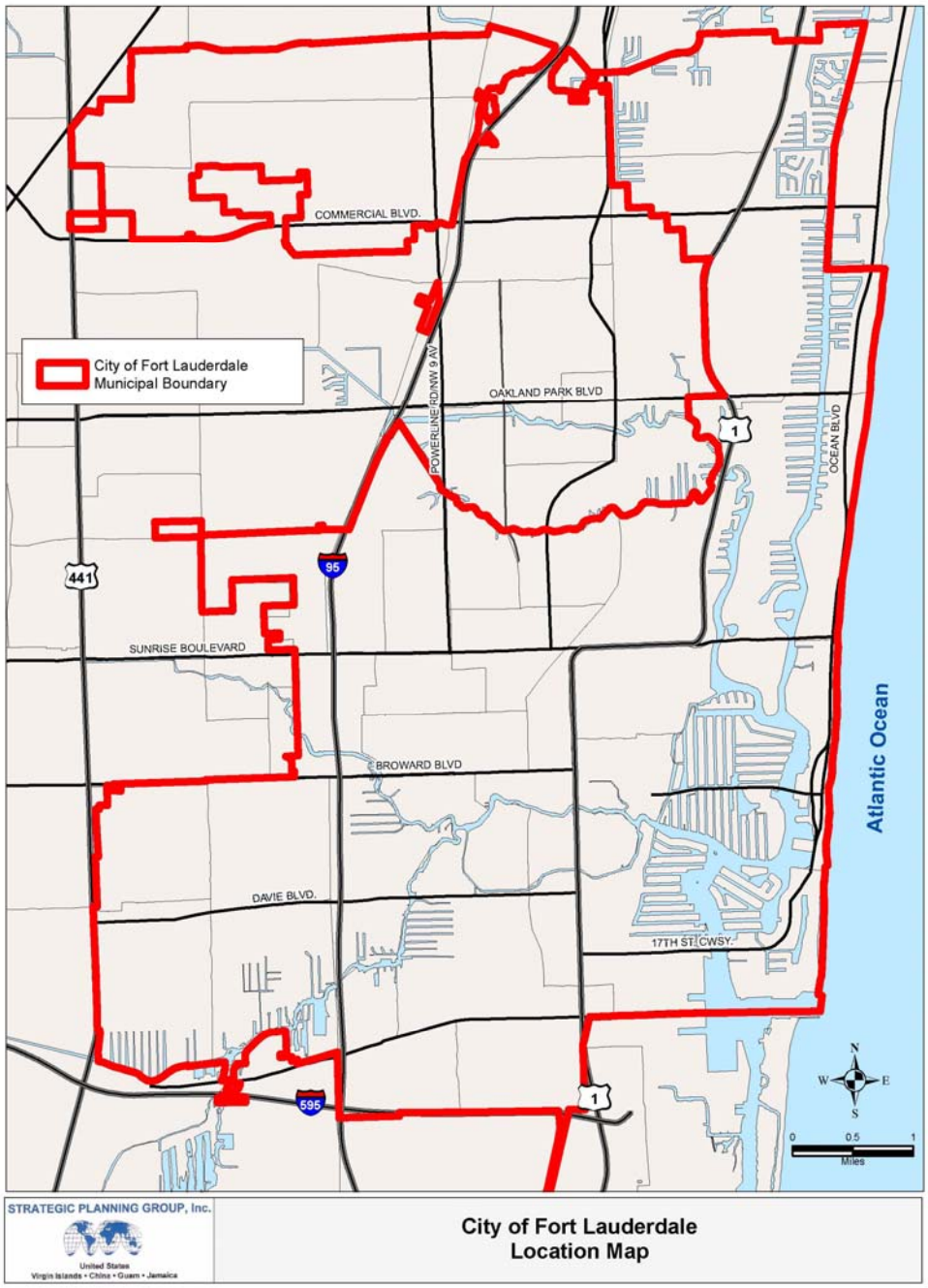


Figure 4: Percentage White Population by Census Tract - 2000

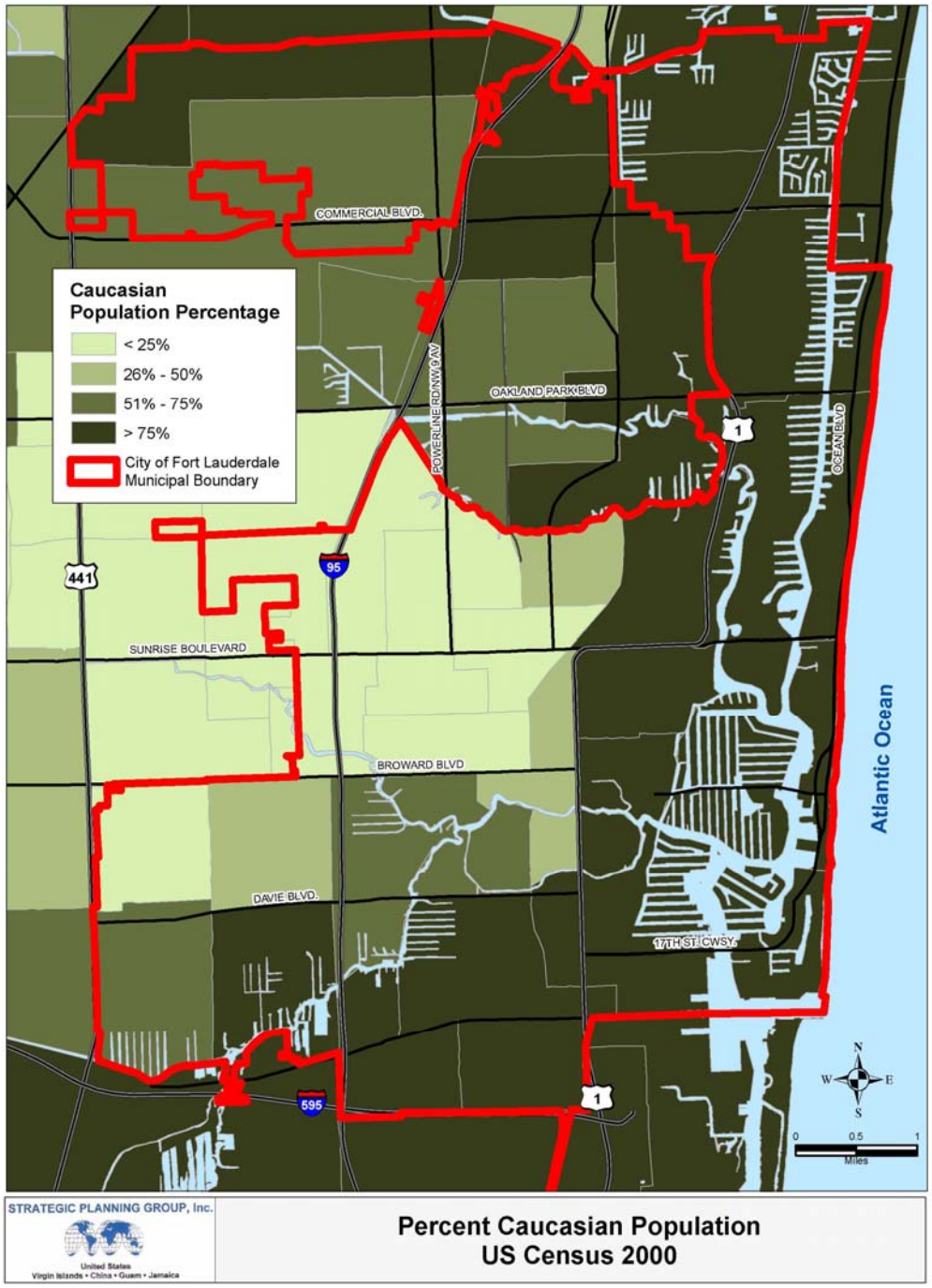


Figure 5: Percent Black Population by Census Tract - 2000

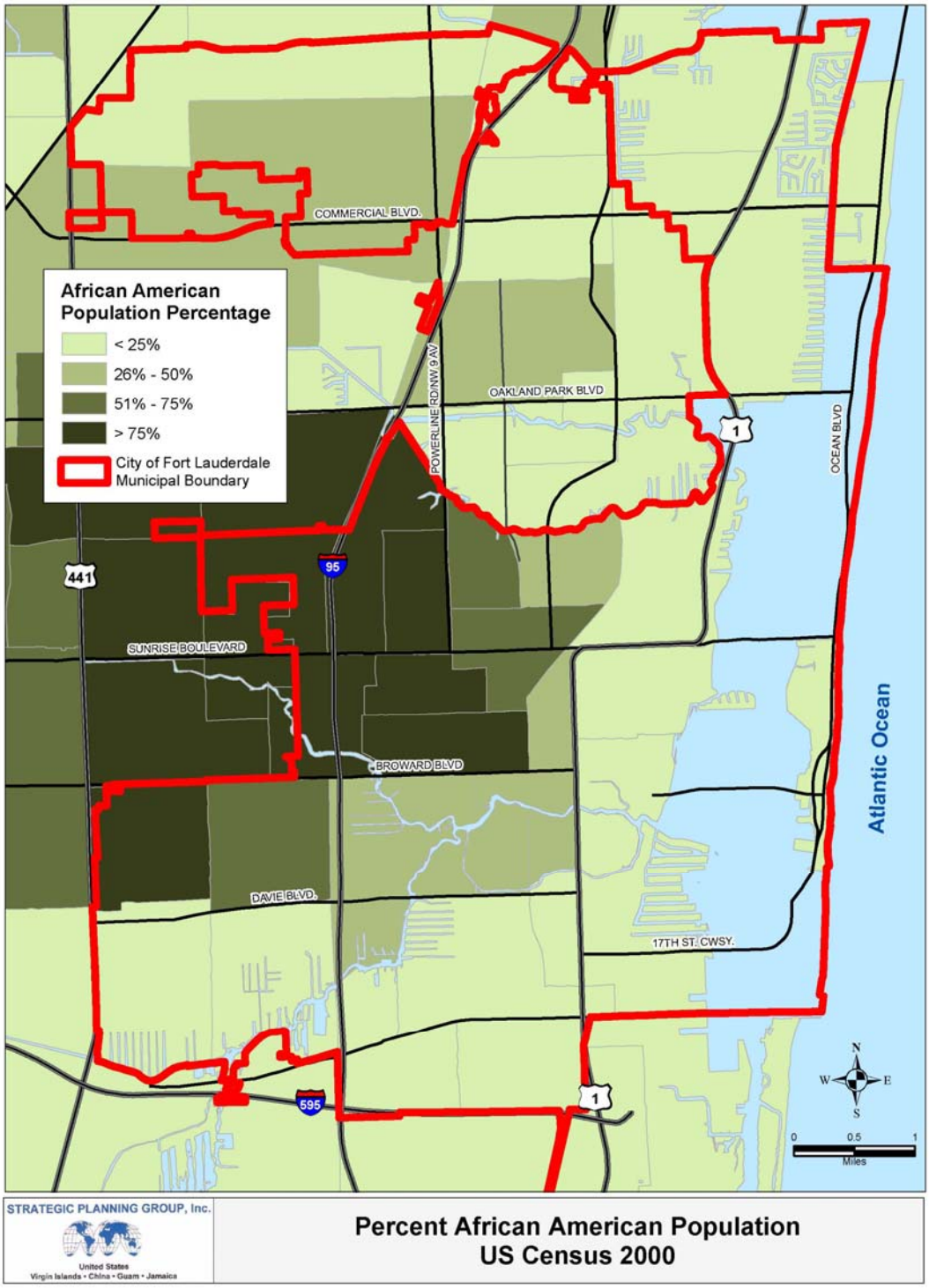


Figure 6: Percent Hispanic by Census Tract – 2000

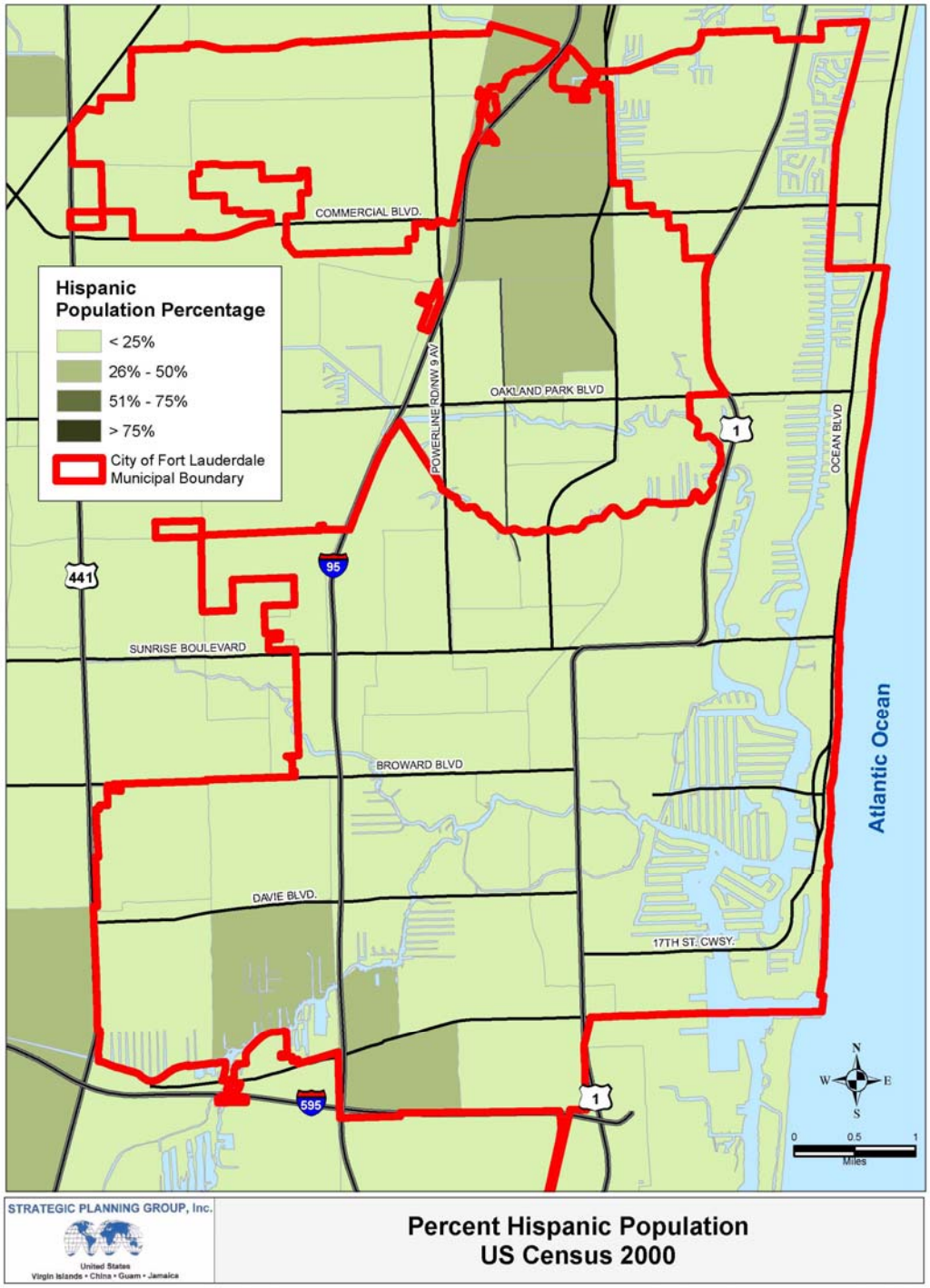


Figure 7: Population Density by Census Tract – 2000

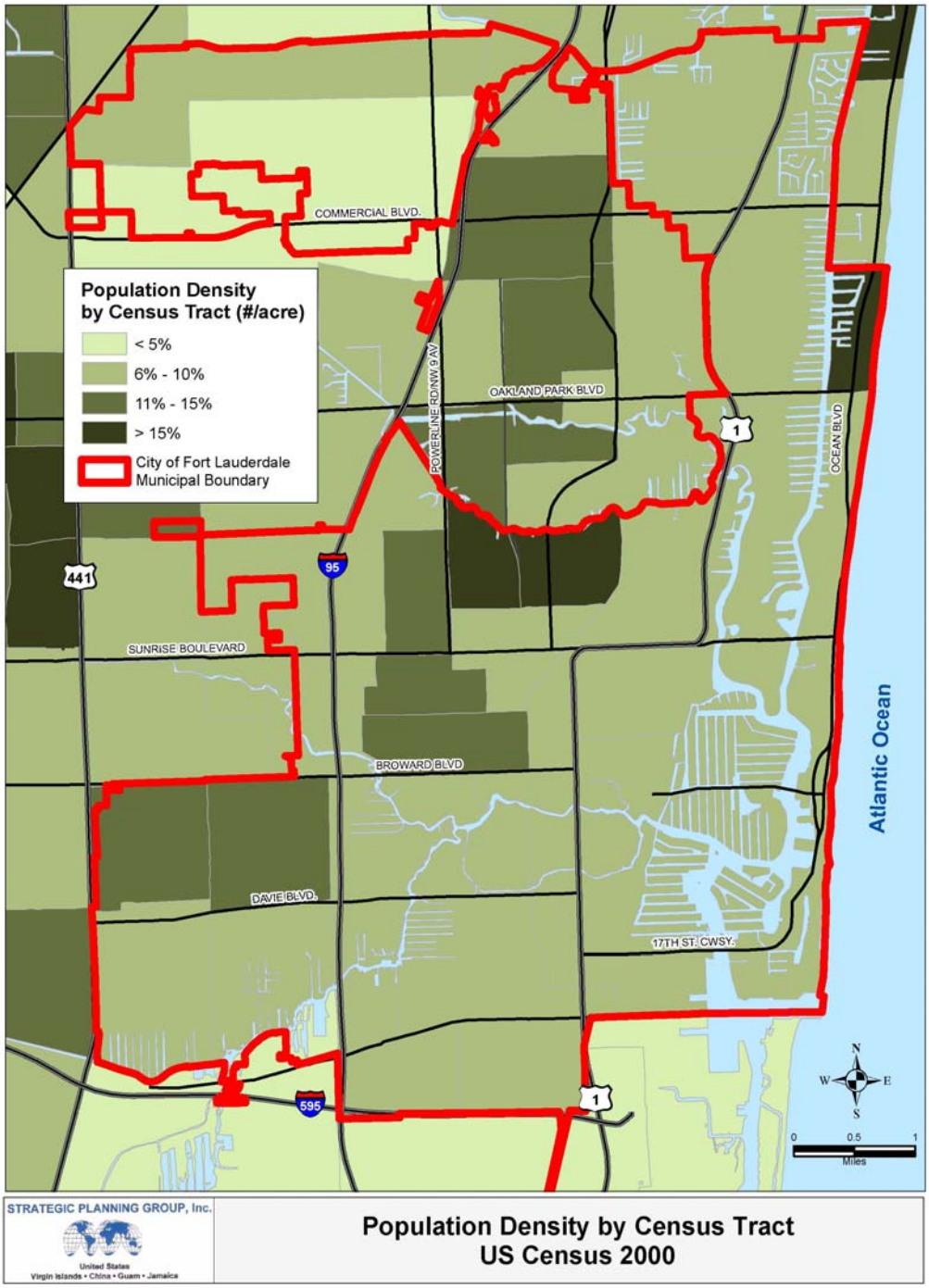


Figure 8: Median Household Income – 2000

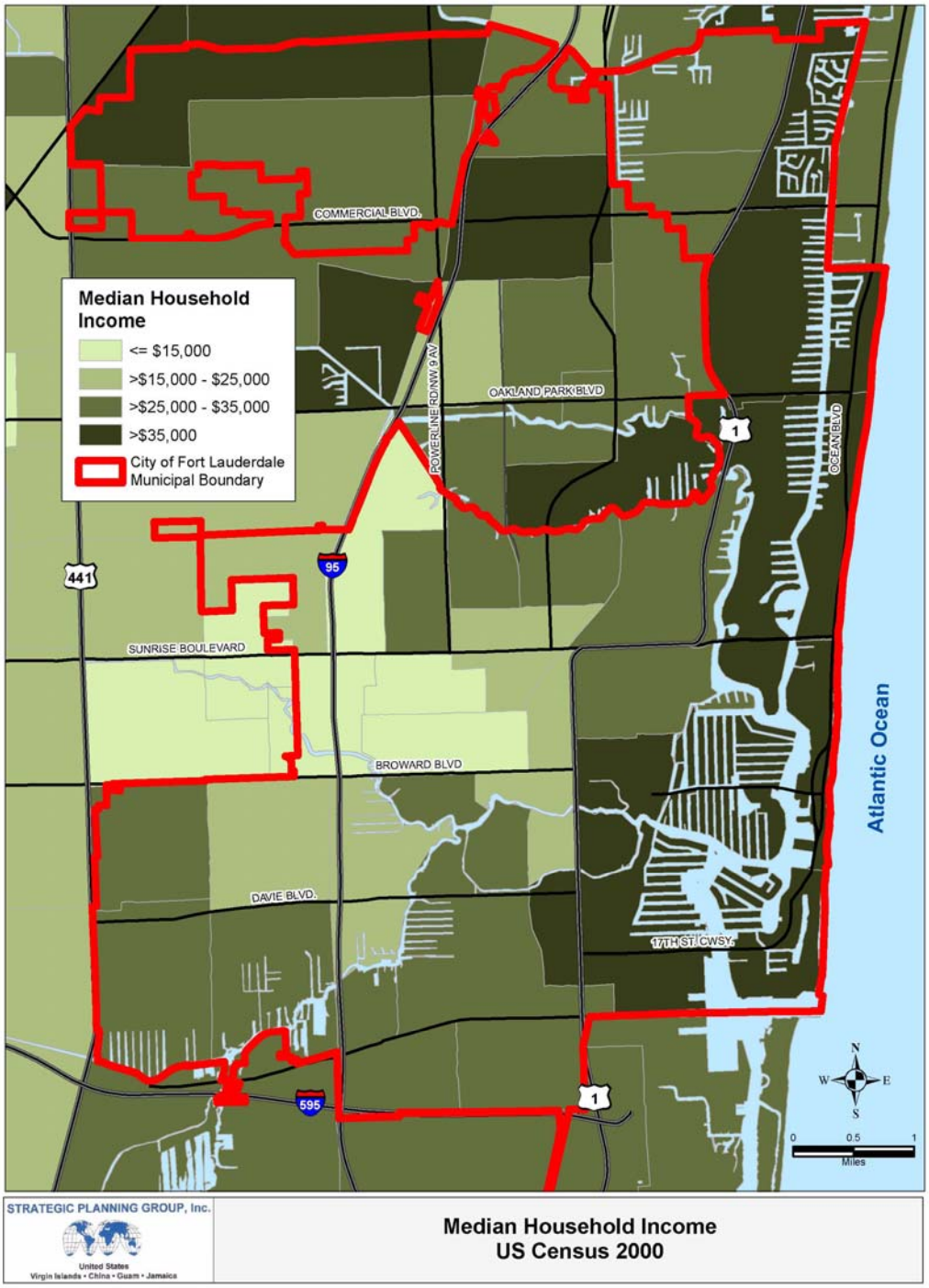


Figure 9: Median Family Income by Census Tract - 2000

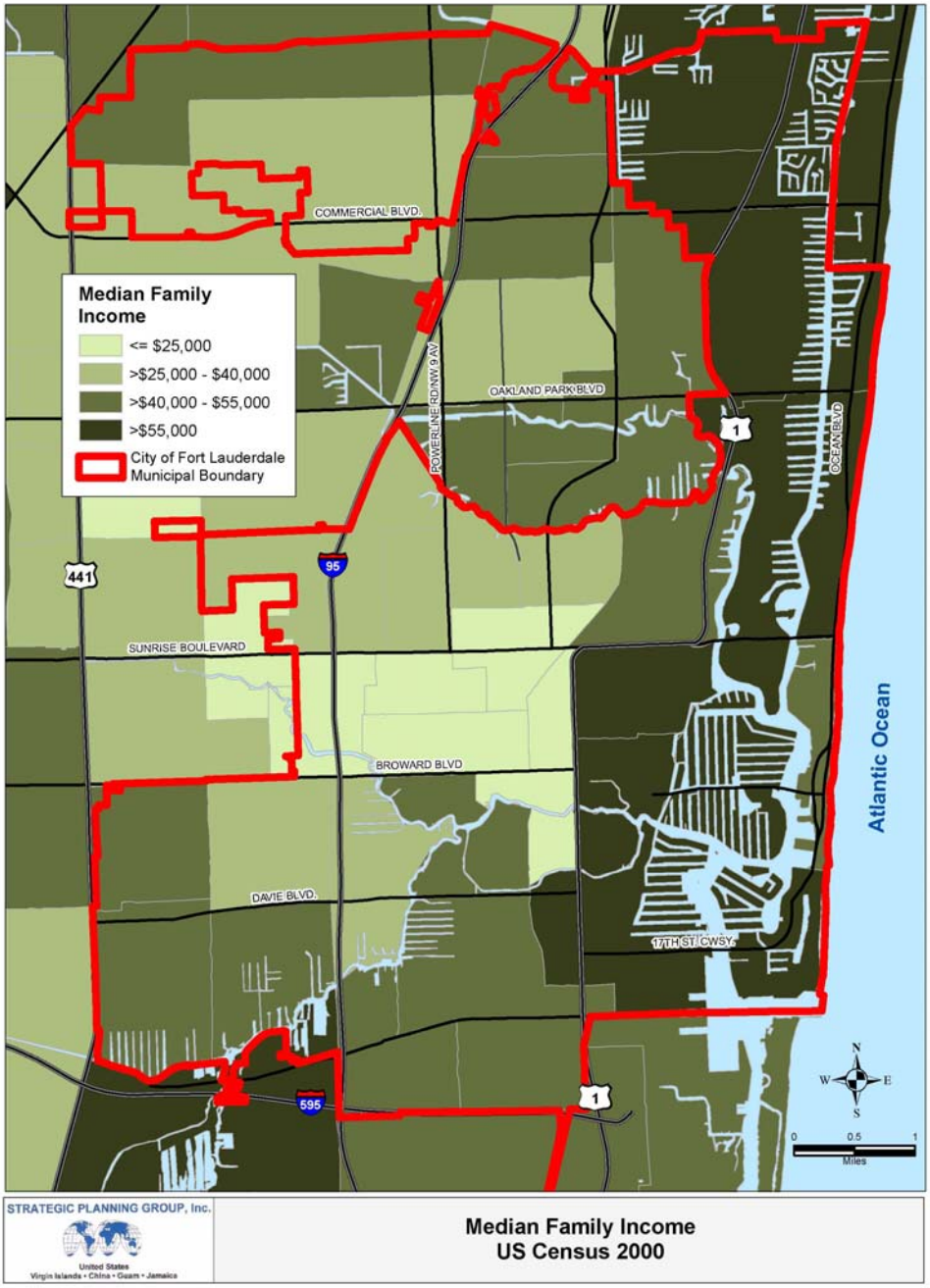


Figure 10: Per Capita Income by Census Tract - 2000

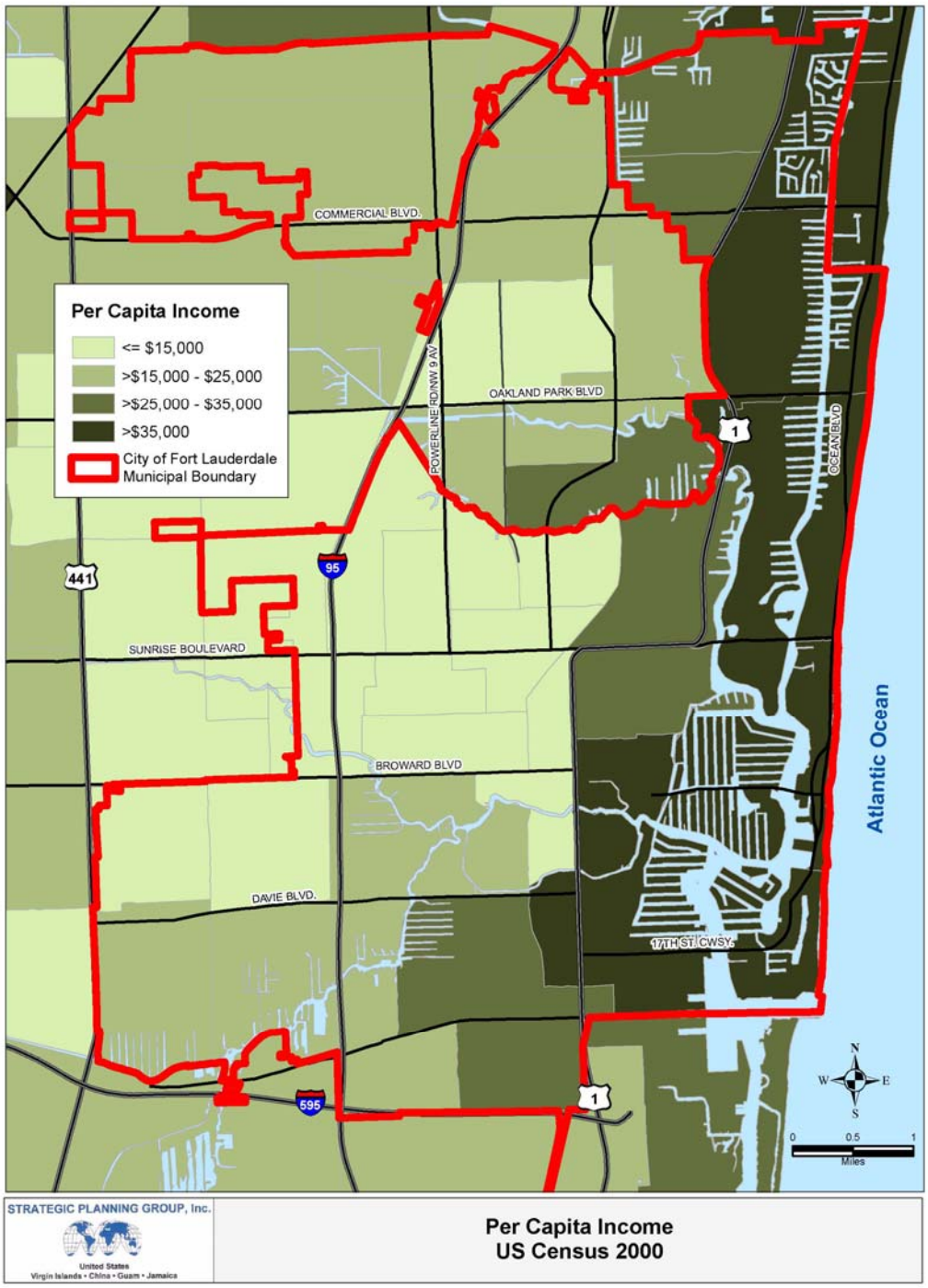


Figure 11: Percent Mobile Homes by Census Tract - 2000

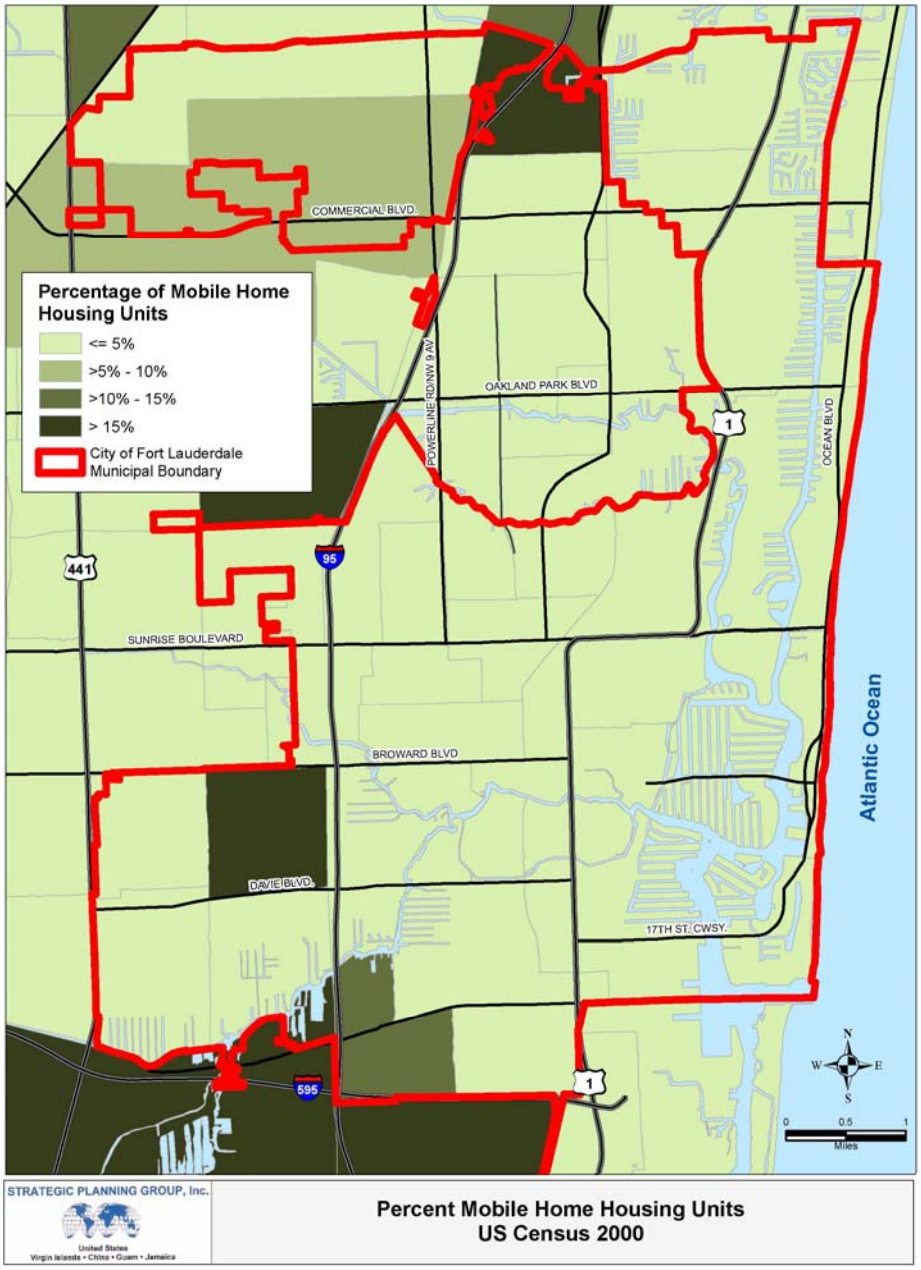


Figure 12: Percent Vacant Housing by Census Tract - 2000

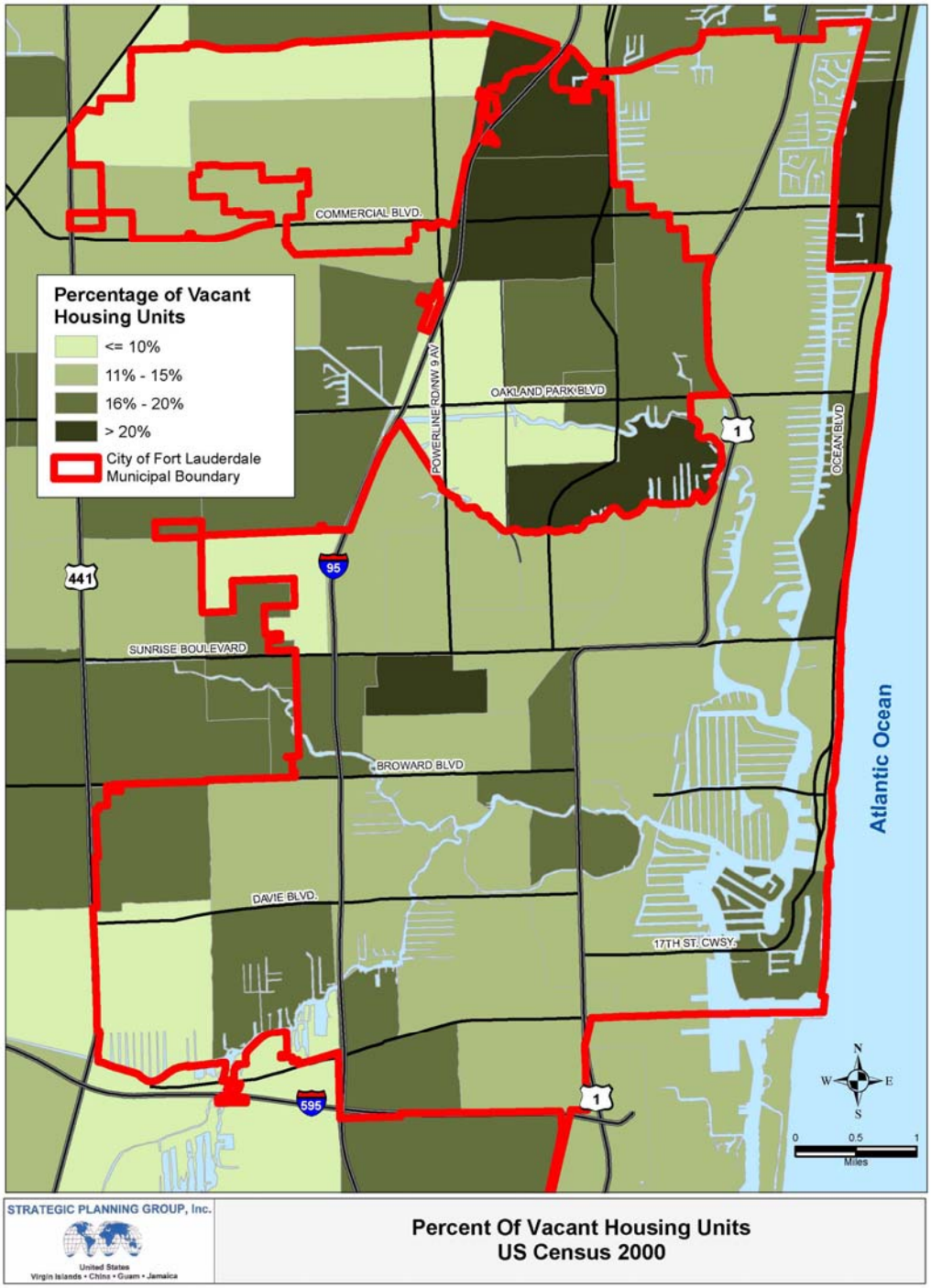


Figure 13: Percent Renter Occupied Housing by Census Tract

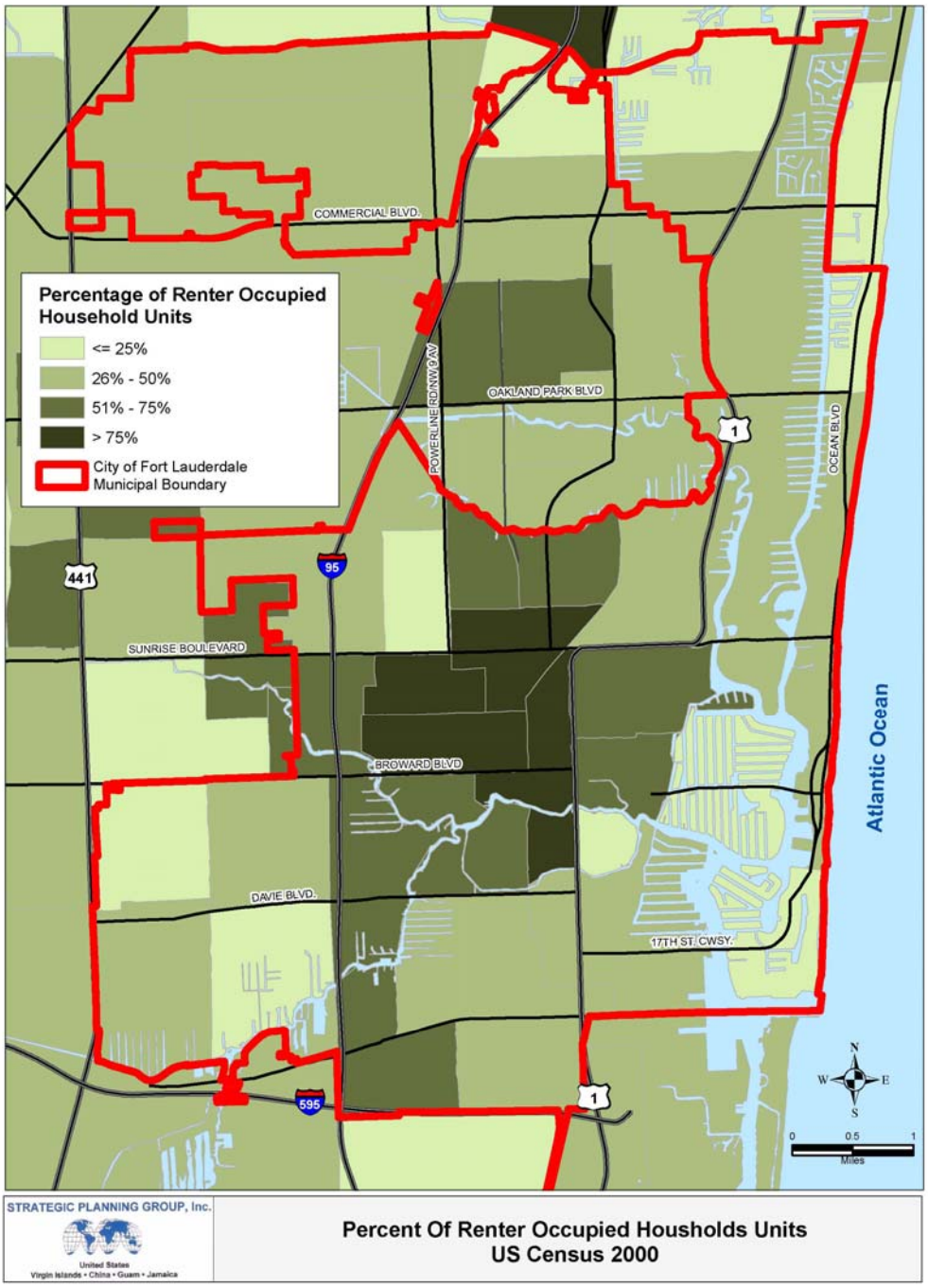


Figure 14: Size of Renter Households by Census Tract - 2000

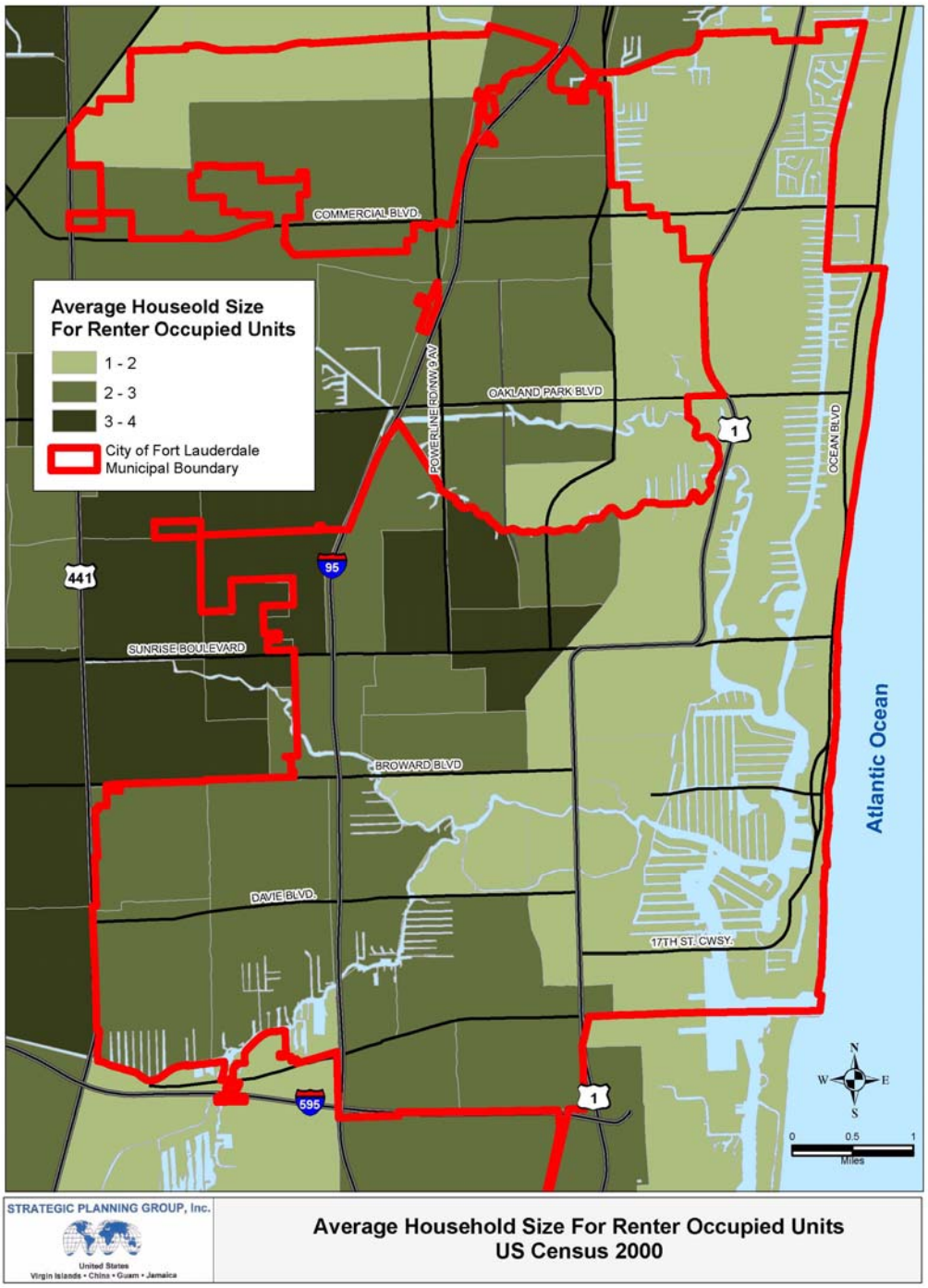


Figure 15: Median Rent Asked by Census Tract – 2000

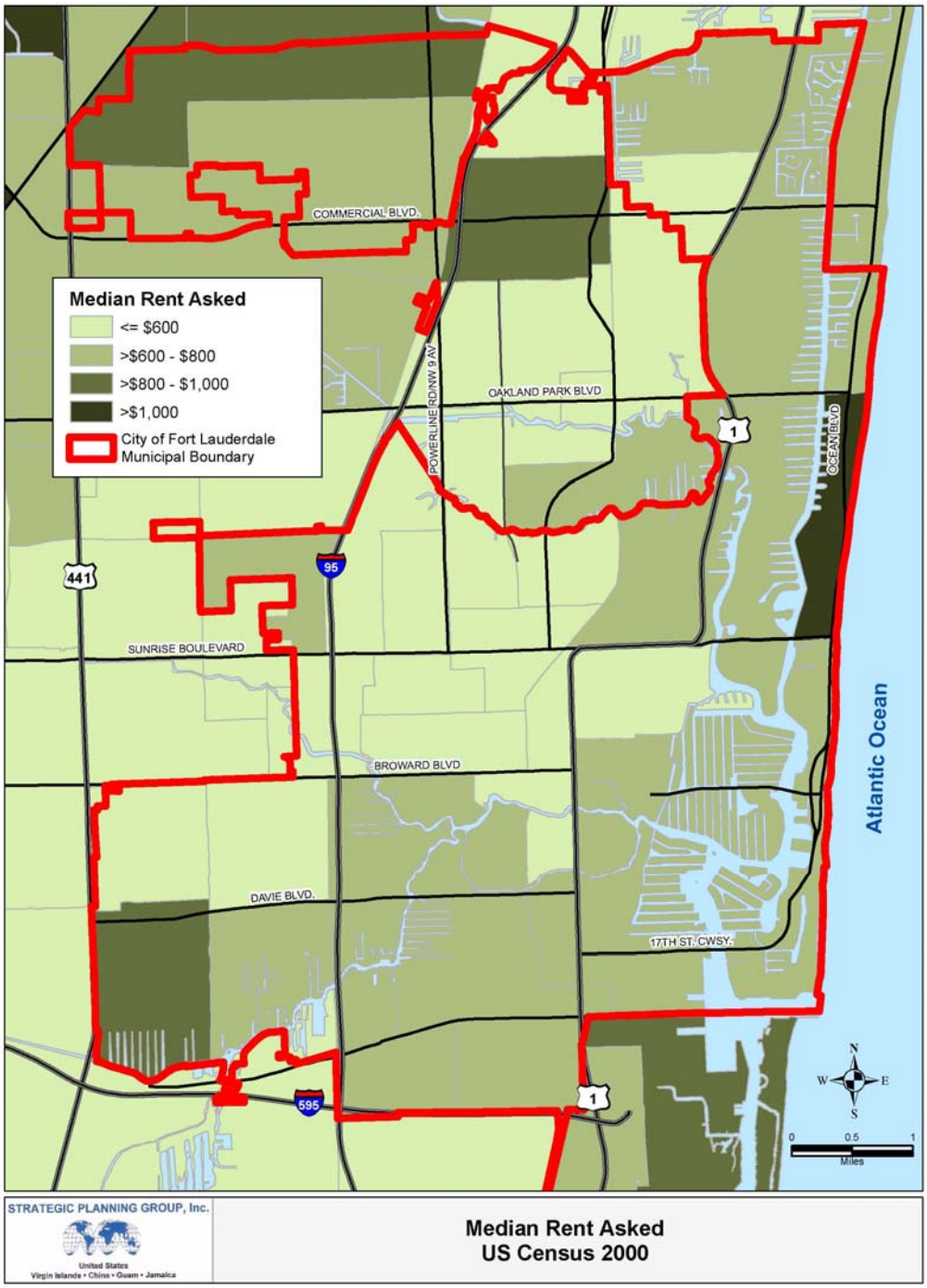


Figure 16: Percent Renter Households 65+ by Census Tract

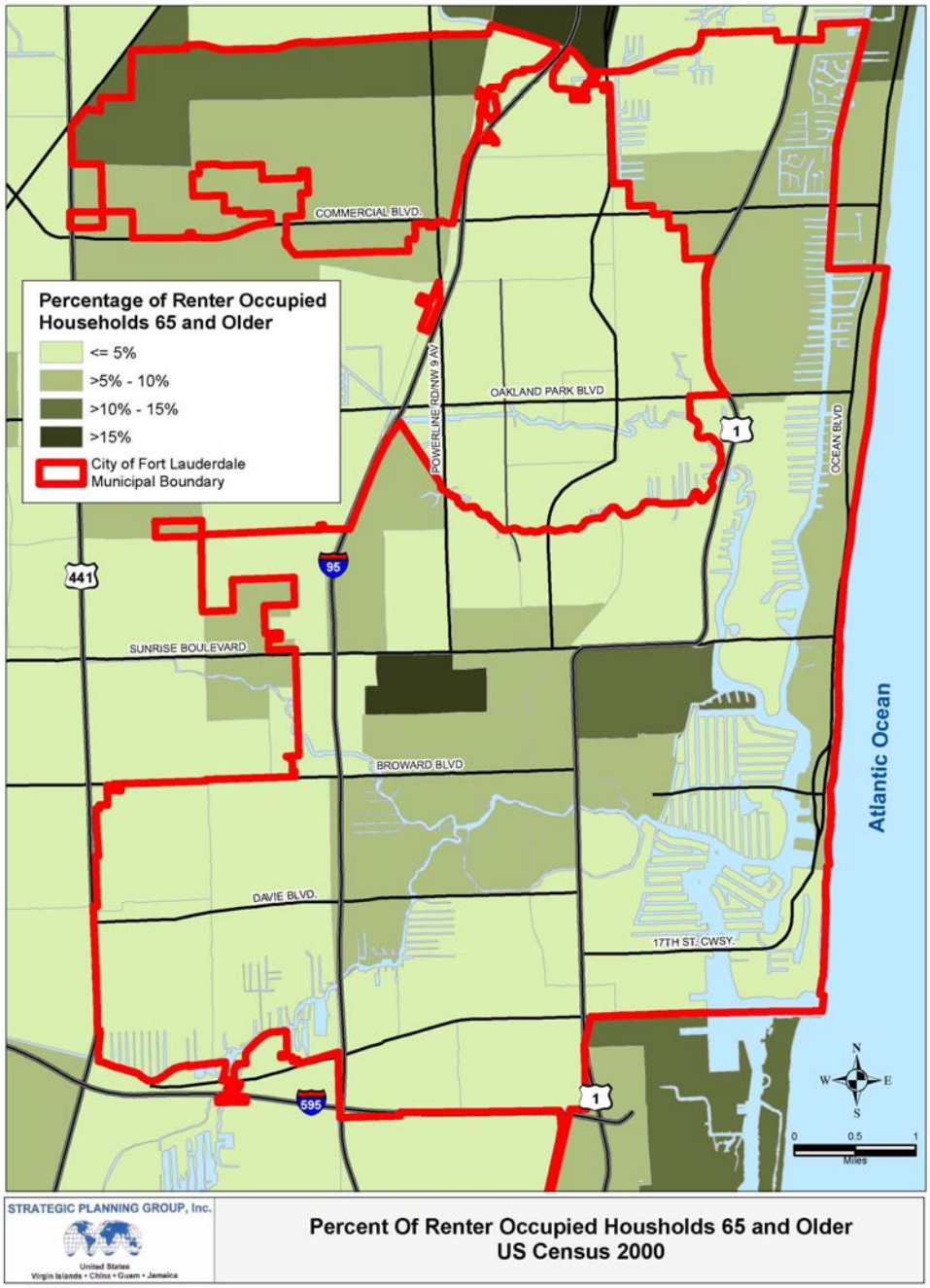


Figure 17: Percent Owner Housing by Census Tract - 2000

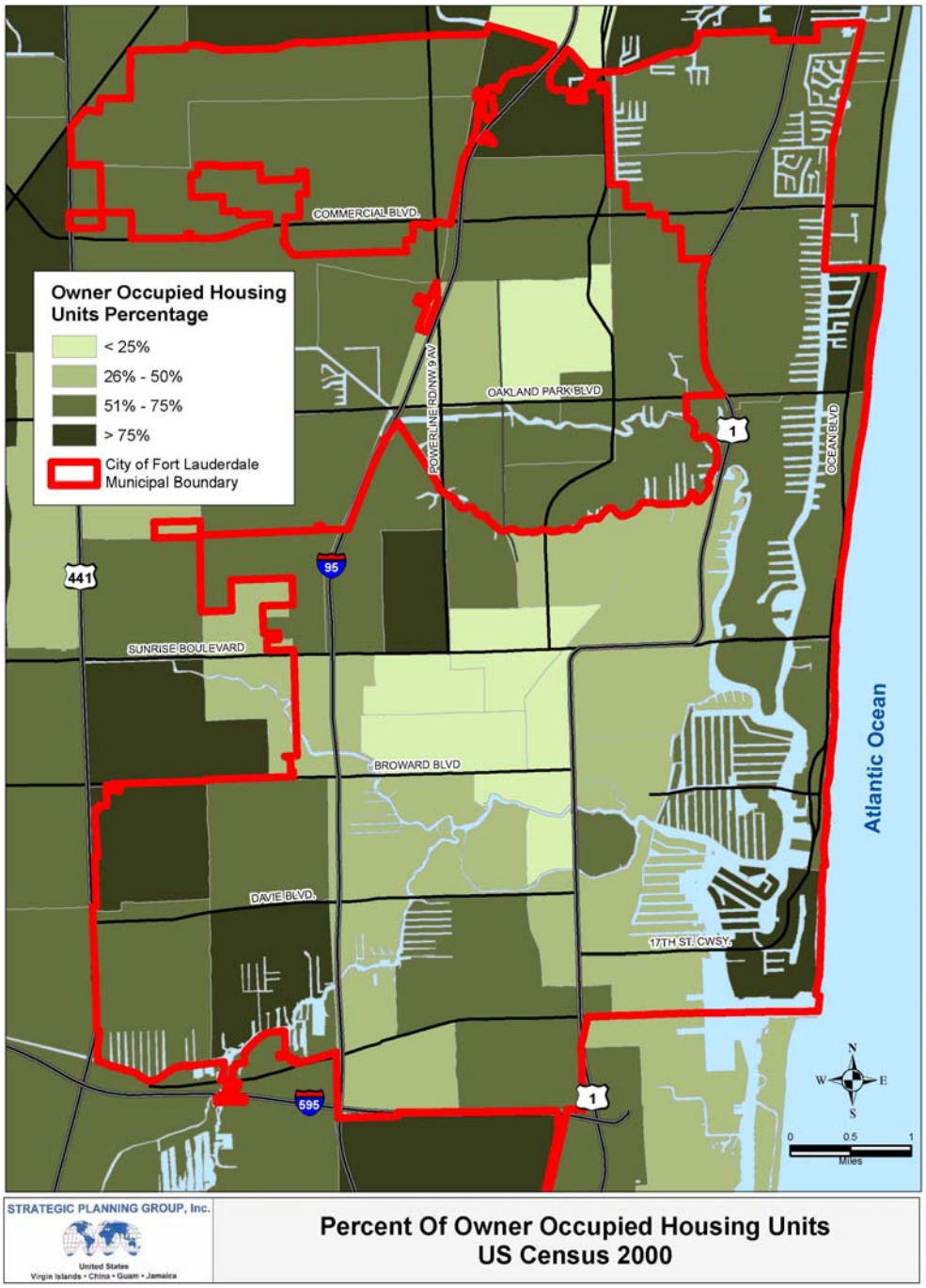


Figure 18: Average Owner Household Size by Census Tract - 2000

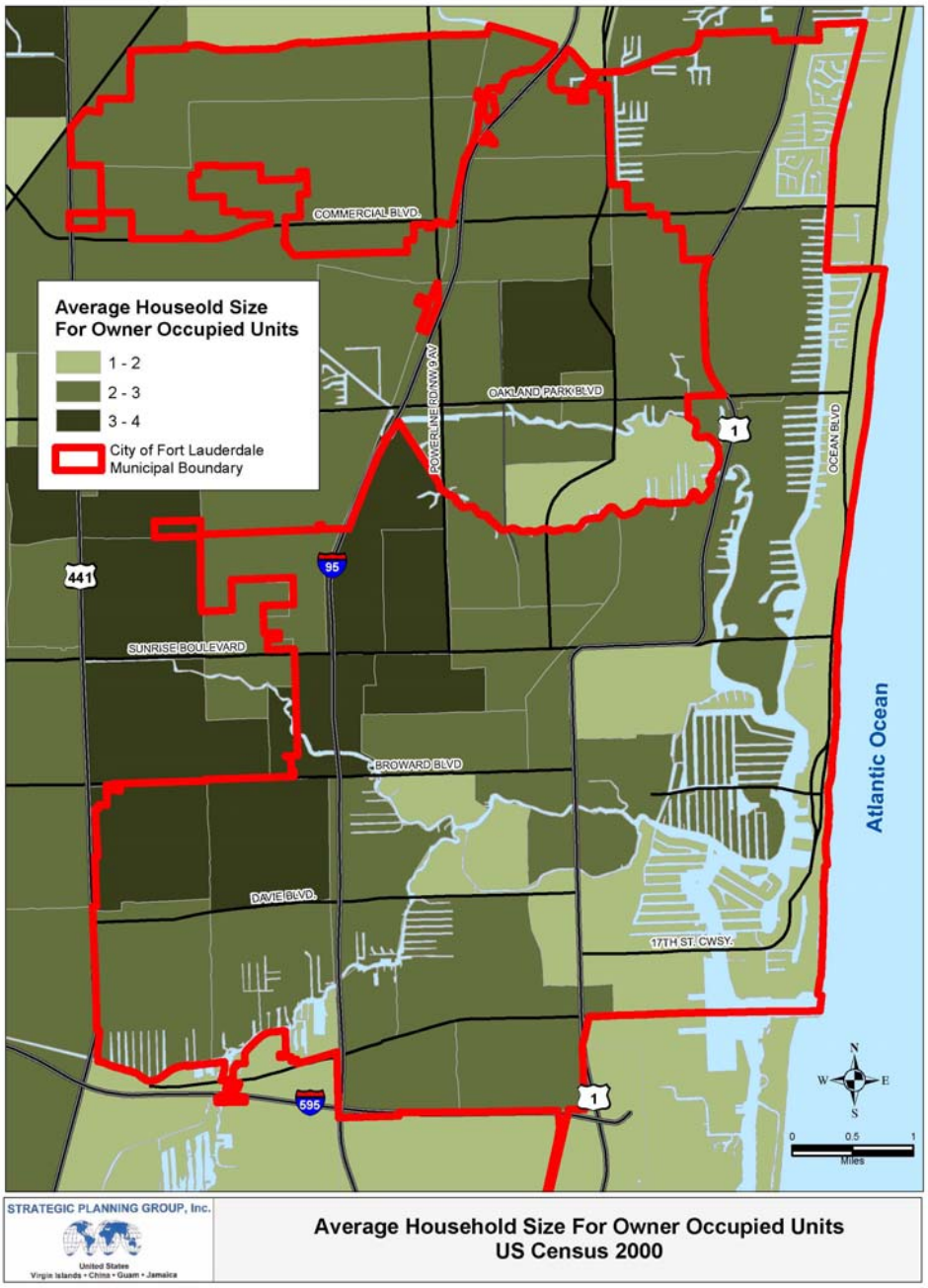


Figure 19: Median Value of Owner Housing by Census Tract - 2000

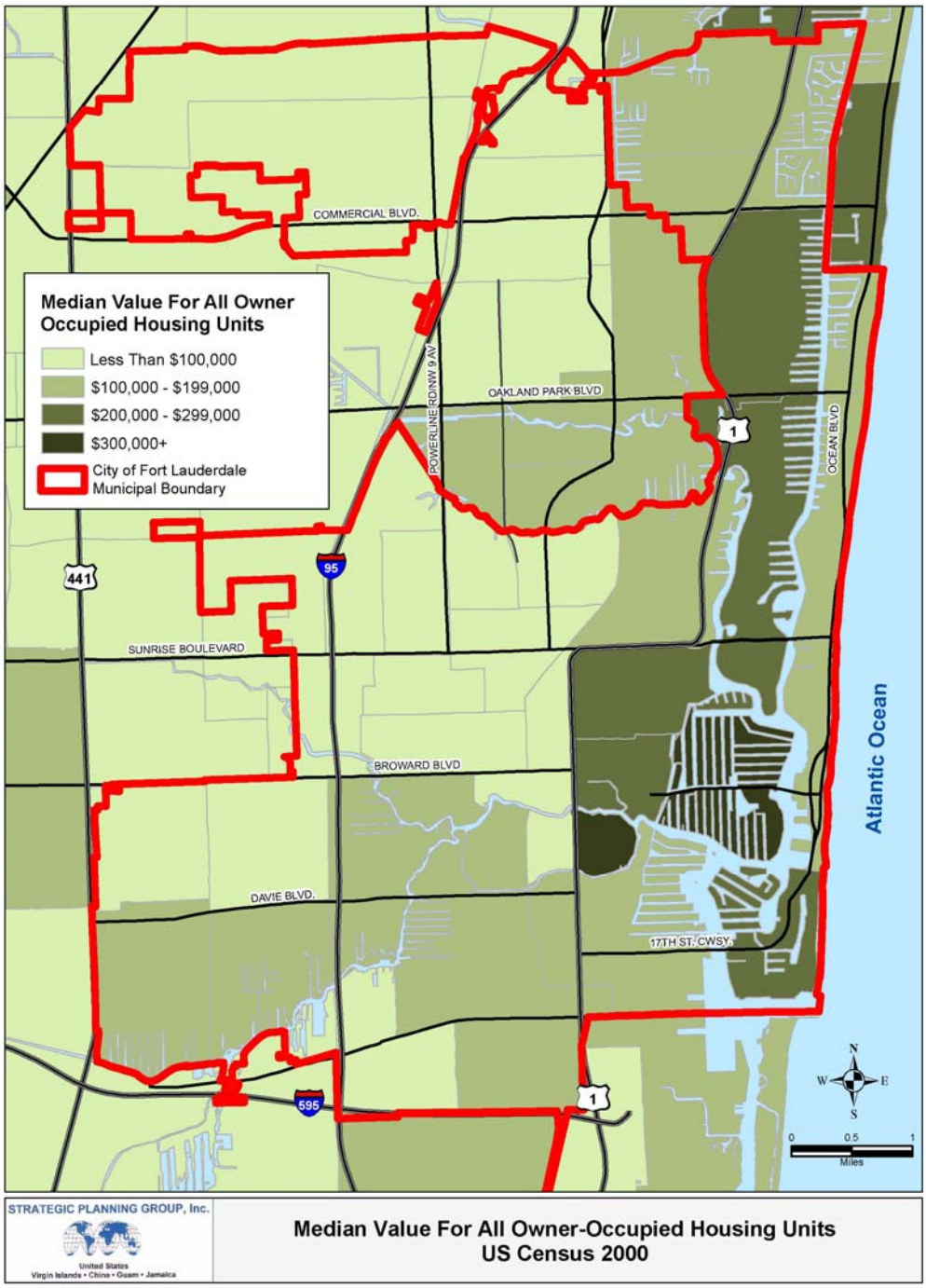


Figure 20: Median Asking Sales Price by Census Tract – 2000

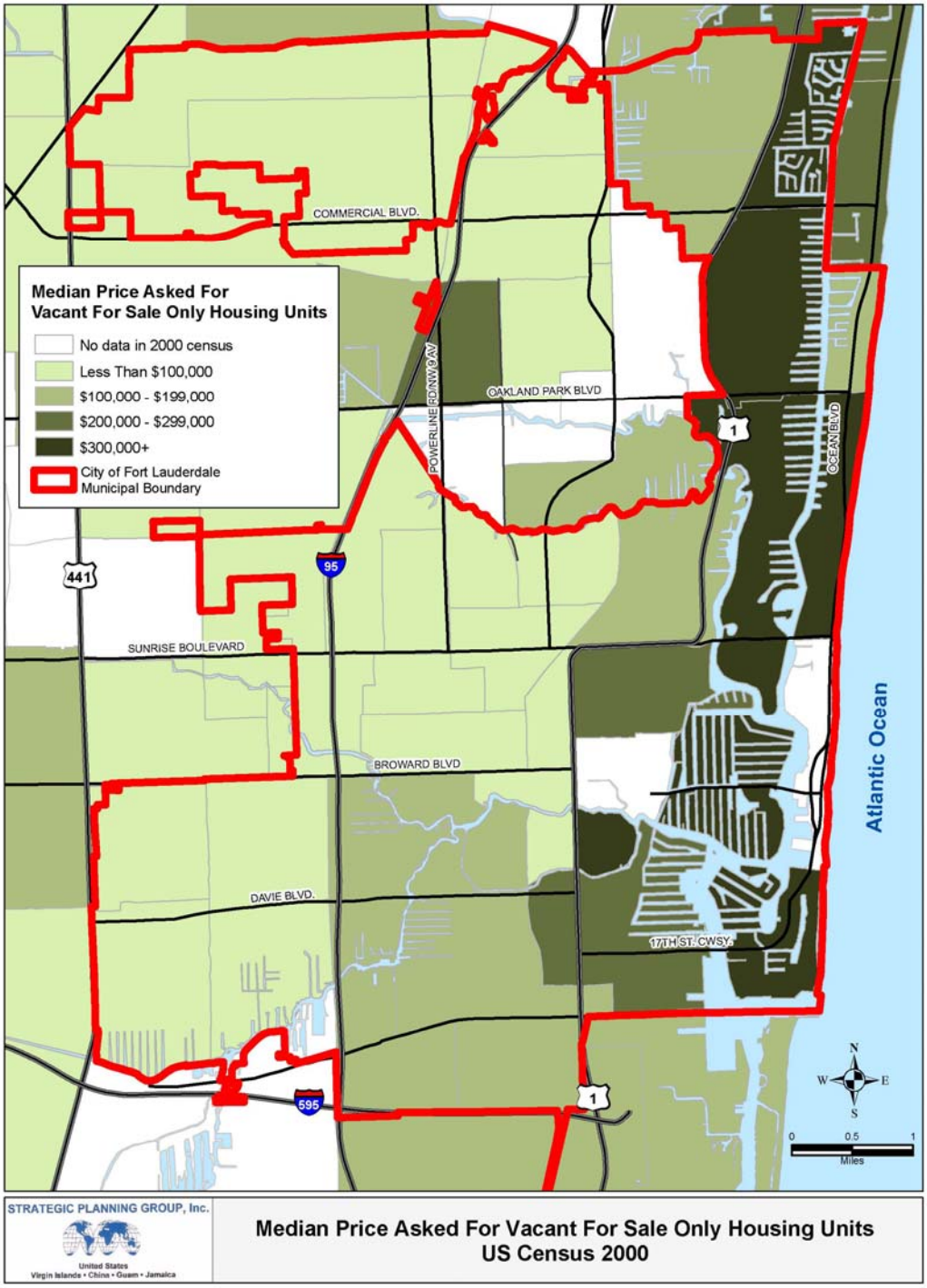


Figure 21: Percent Owner Households 65+ by Census Tract - 2000

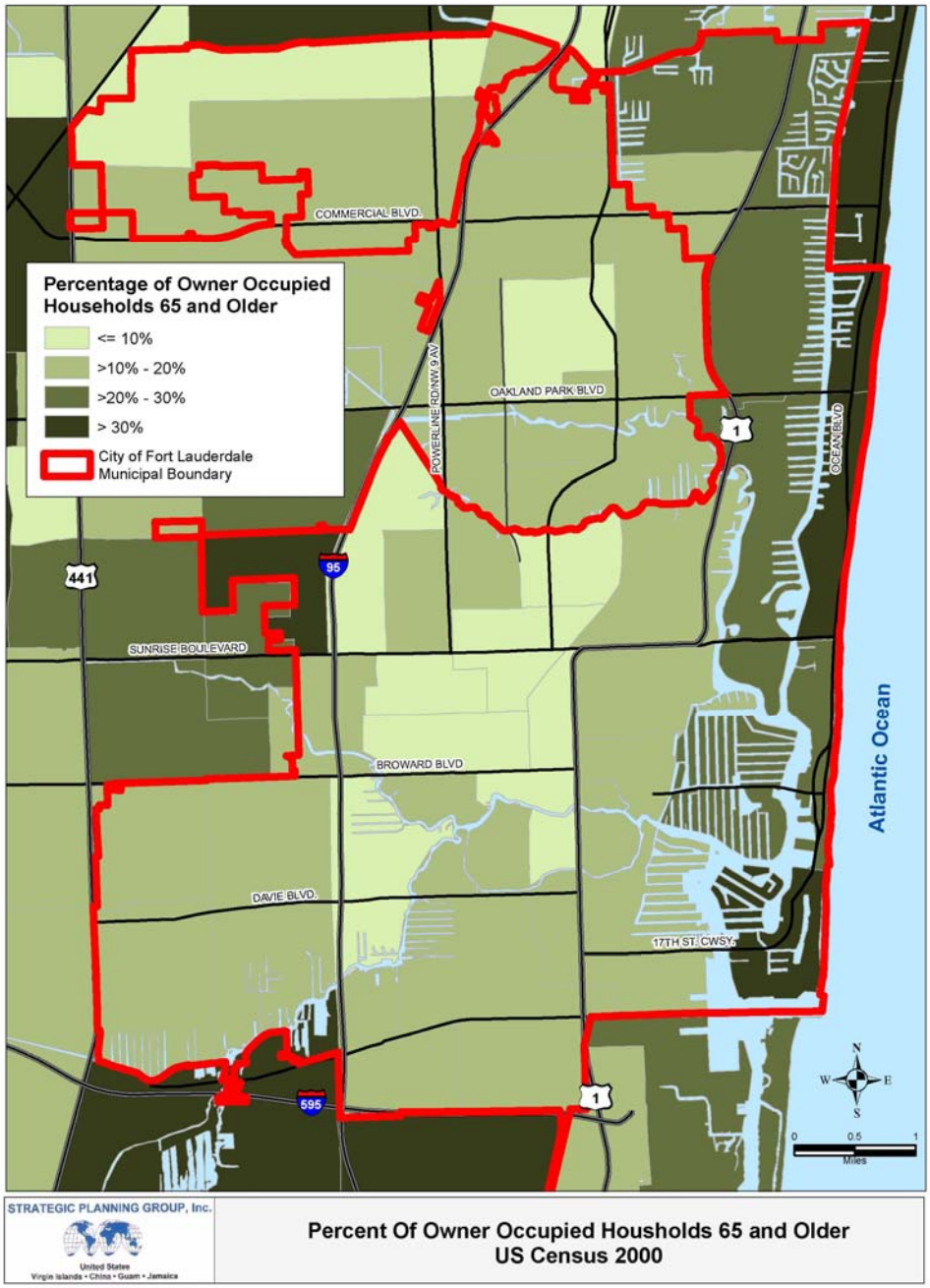


Figure 22: Median Household Income of Head 75+ by Census Tract - 2000

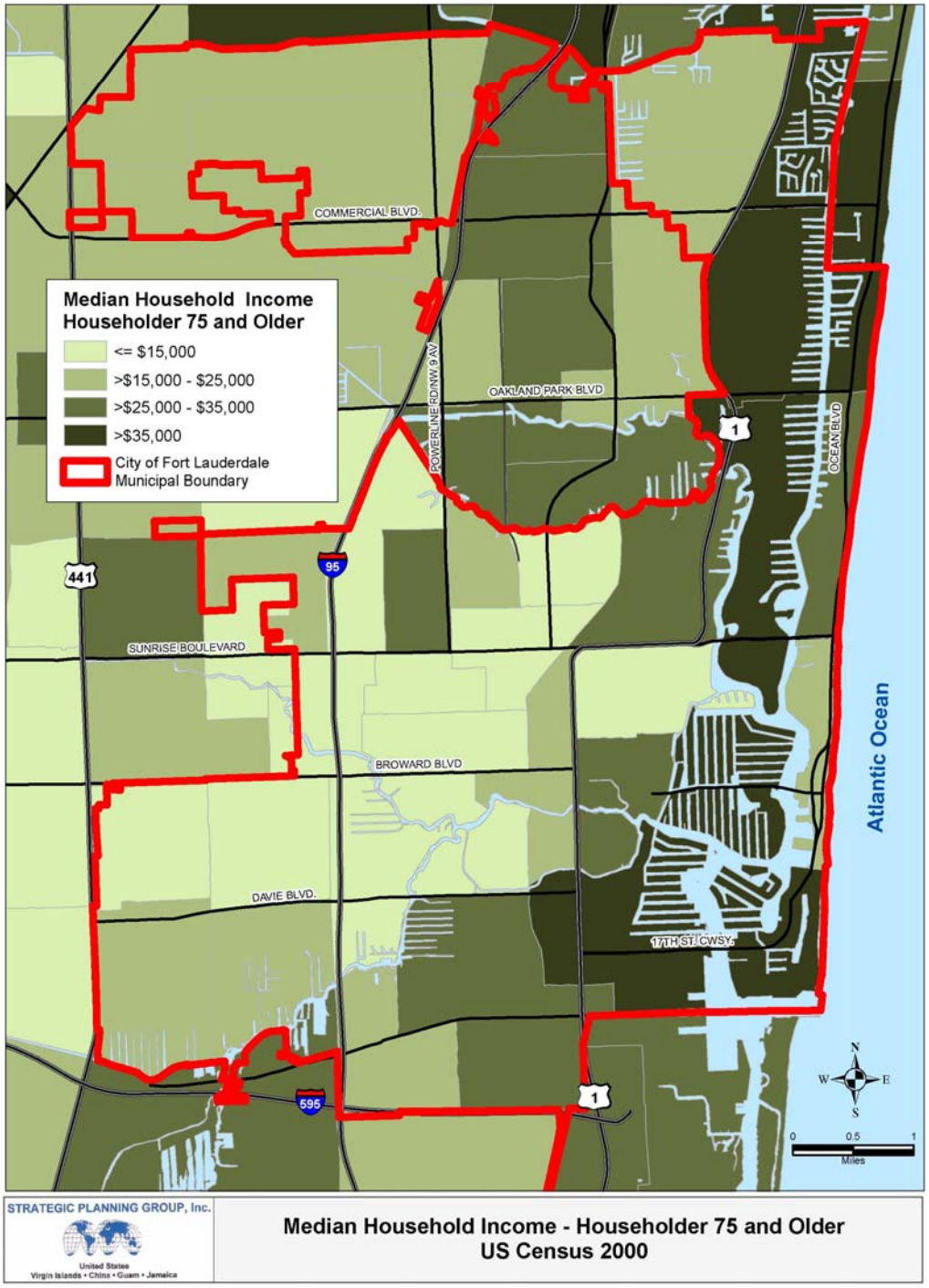


Figure 23: Households with Retirement Income by Census Tract - 2000

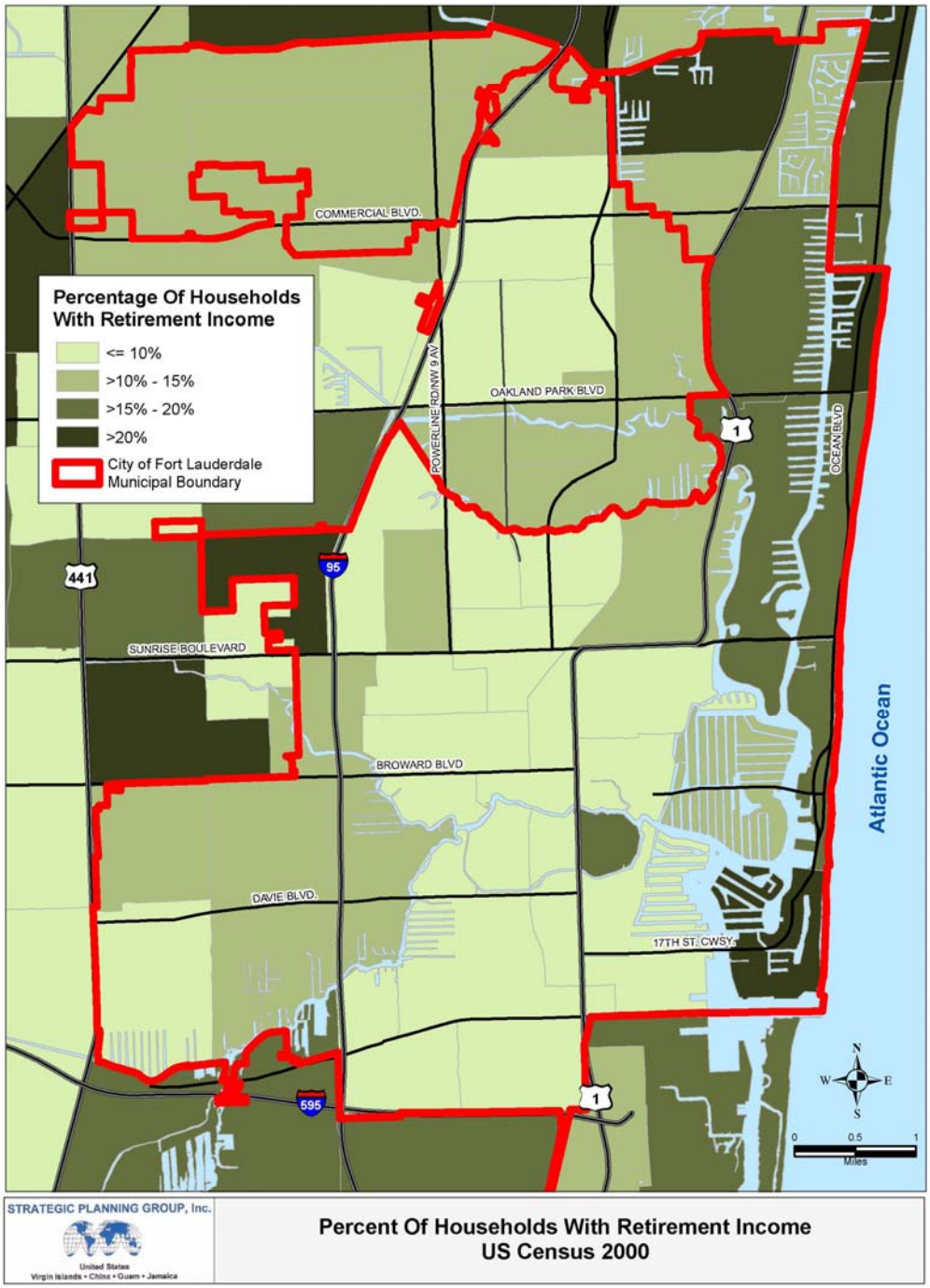


Figure 24: Percent Population below Poverty by Census Tract - 2000

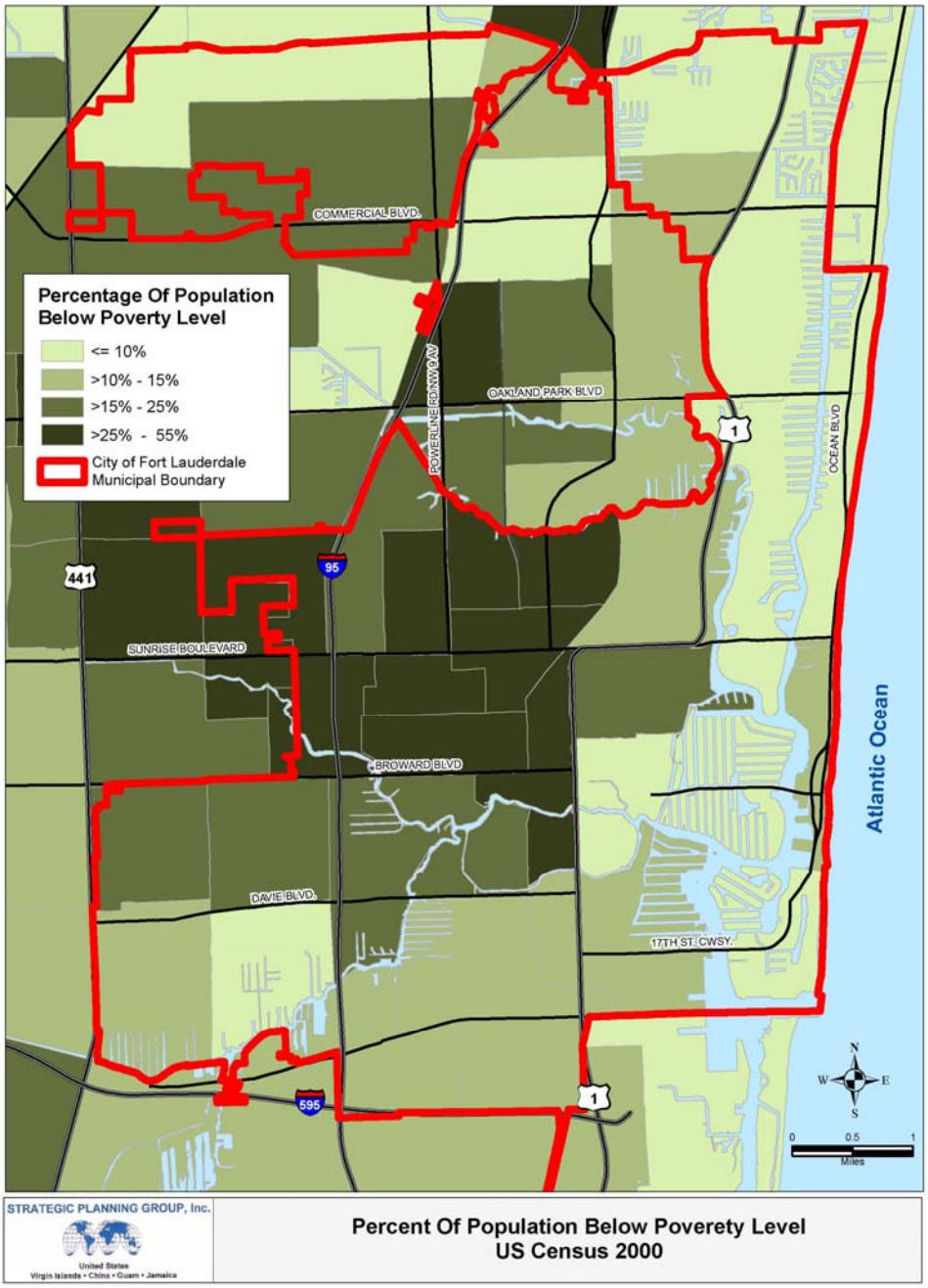


Figure 25: Female Household no Husband Present by Census Tract - 2000

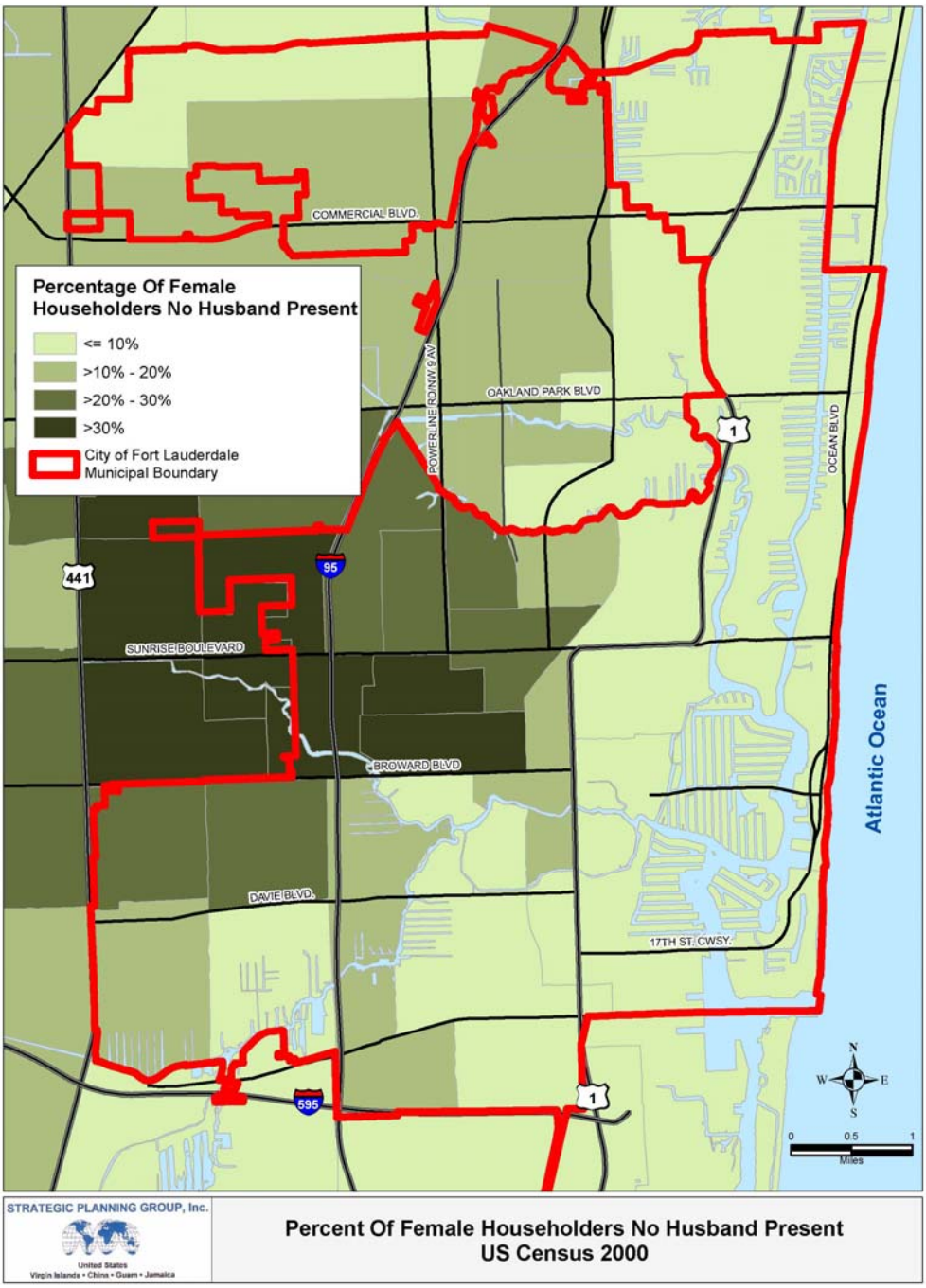
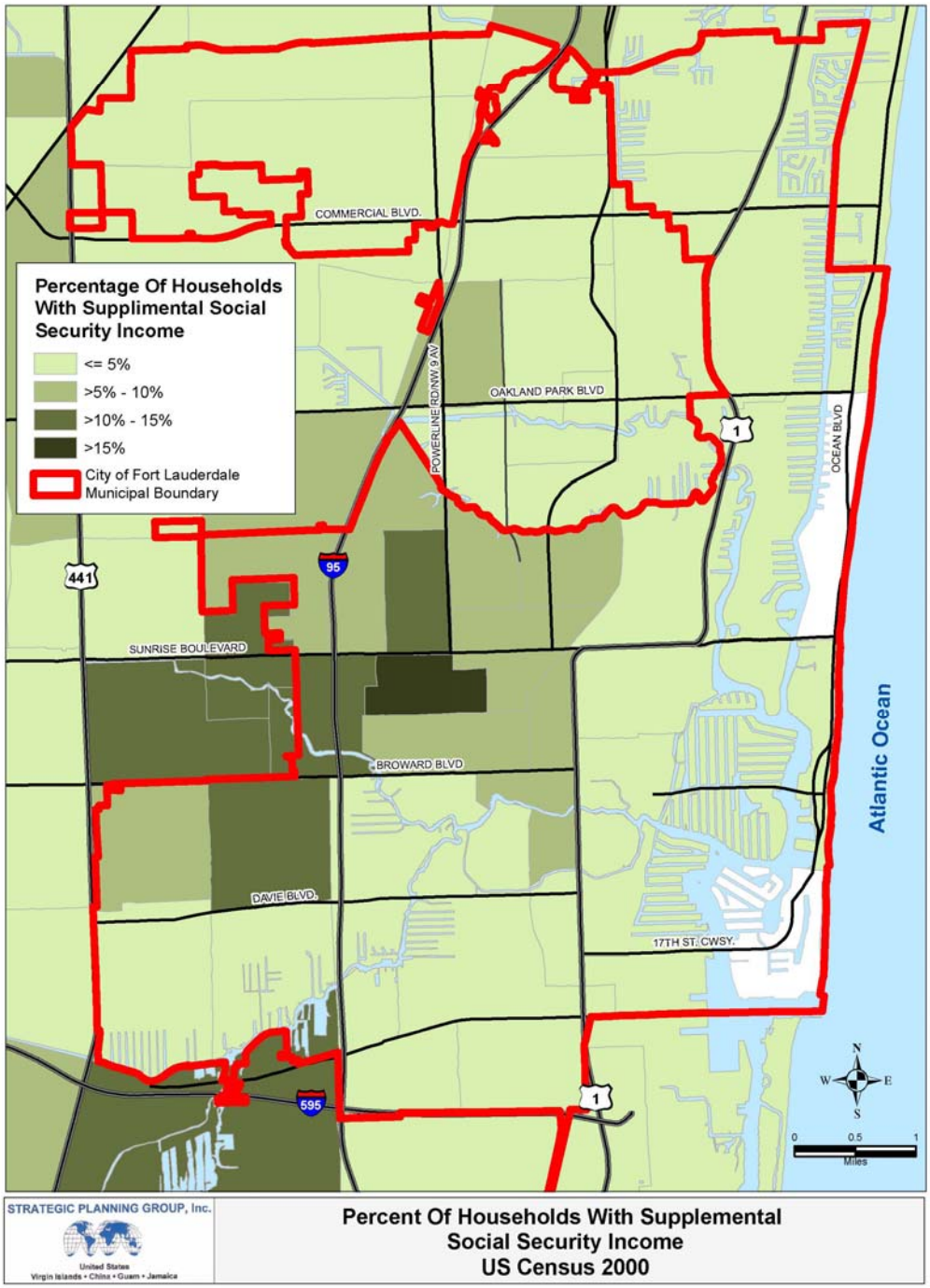
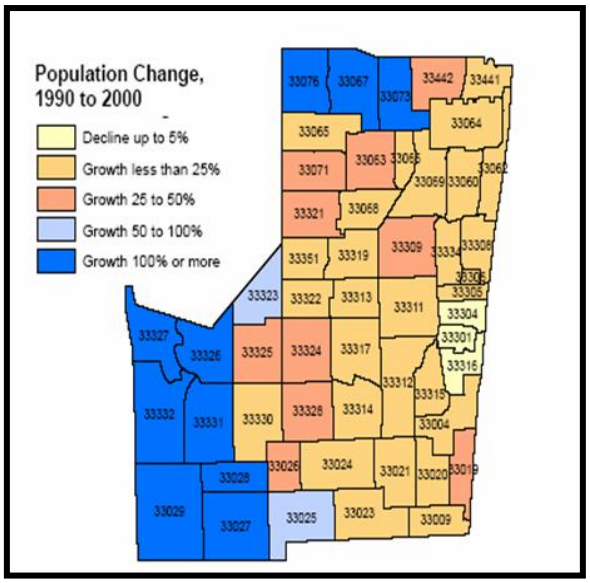


Figure 26: Households with Supplemental Social Security - 2000

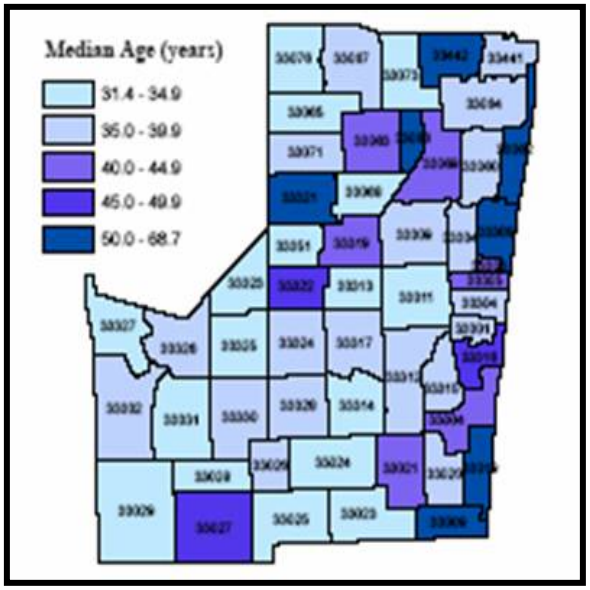


DISTRIBUTION OF POPULATION AND HOUSING IN BROWARD COUNTY

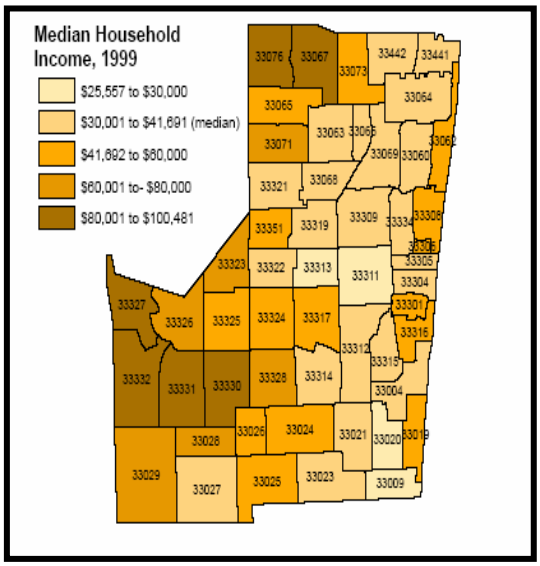
As shown in the following graphic (by zip codes), most of Broward County's growth during the 1990 -2000 period was to the west and northwest, areas that had vacant lands available for development.



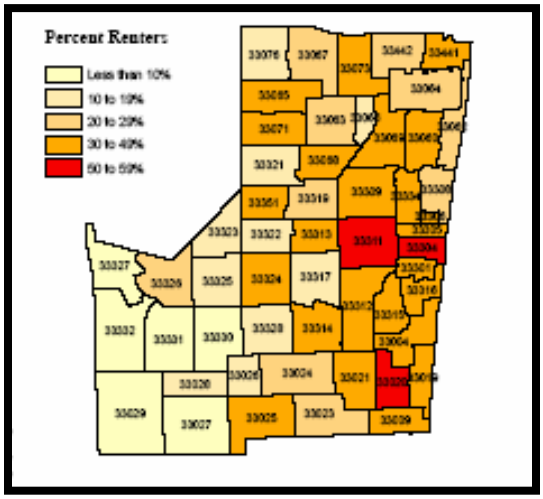
To a large degree, the County's older population is concentrated along the coast.



The western and northwest portions of County which experienced the most growth during the 1990-2000 time period also account for the highest median income.



As shown below the downtown Ft. Lauderdale zip code is one of three areas with a high concentration of renters.



THE CITY OF FT. LAUDERDALE WORKFORCE HOUSING MARKET

WORKFORCE HOUSING NEEDS

One of the major issues in defining affordable and/or workforce housing is determining what income group or cohort to use. As previously discussed, the definition most used to define the "affordable group" are those household earning less than 80% of the area's Average Median Income (AMI) while Workforce Housing extends that definition to 120% or 140% AMI. The problem encountered is that HUD defines AMI in terms of "family income" which no longer represents the majority of households in most communities and which is usually considerable higher than the overall median household income. As shown below, according to the 2000 Census, in 1999 the average household income for Broward County was $37,887 yet HUD's AMI for that year calculated the median family income at $50,531 which was 133% higher than the household income. By using HUD's AMI figure, which most if not all communities do, the affordability issue is understated e.g. in 2005 Broward County's (Ft. Lauderdale) AMI is $58,200 while SPG estimates that the median household income should be around $43,500.

Table 20: South Florida's HUD defined AMI

County	*1999*	*2005*	*Percent Growth*
Broward County	*$50,531* *($37,887) or 75%*	*$58,100* *($43,560)*	*14.9%*
Miami Dade	*$40,260*	*$46,350*	*15.3%*
Palm Beach	*$53,701*	*$62,100*	*15.6%*

Source: Strategic Planning Group, Inc. 2005

The other main issue in defining affordable and workforce housing is the difference between ownership and rental households

OWNERSHIP

HUD defines affordable as households paying 30% or less of their income on housing although lending institutions have begun to increase this level and Florida Housing Finance Corporation now uses 40% as its cost burden. It is difficult to accurately define affordability for homeowners using this definition for a host of reasons. First, most homeowners tend to maximize their monthly payments (subject to financing) in order to buy the "most" they can afford. This is due to the fact that housing is perceived as a long-term investment as well as a potential tax deduction. Older households, especially those that have recently moved into the area, may perceive the local housing market a bargain compared to other parts of the County. If they have sold their previous residents for a large profit, they tend to "over invest" by building or

purchasing a larger home with more amenities then their previous residents. Some may even have the money to pay cash but choose to take a mortgage.

The last major problem with ownership affordability is the definition of "income" verse wealth, which is partially addressed above. One major group, senior citizens (65 years old and older) fall into this cohort. In many cases, the elderly have limited income (defined as living at or below the poverty line – see discussion below) yet have sizeable wealth. The relatively new use of reverse mortgages is an attempt to deal part of this issue.

Poverty is another measure of affordability (especially using HUD guidelines of 80% AMI or less) of home ownership given the direct relationship of income to affordability. According to the 2000 Census, the City had 3,008 owner household living below the poverty level. Householders aged 65 and older accounted for 1,054 or 35% of owner households living below poverty.

Finally, those that currently own housing have for the most part reached the "American Dream". The only true question of affordability are those that can not support the ownership and are subject to having to sell or could lose ownership due to financial or other hardships – a number that can not currently be estimated.

RENTER HOUSEHOLDS

Renter households are a good indicator of affordability. For most Americans, the ultimate "dream" is homeowner; therefore if all could "afford" and qualify for ownership, the rental market would be expected to be limited. Traditionally, the main reasons for rental housing are recent migrants to the area, new household formation usually caused by separation or divorce, and new younger aged households (couples or unrelated individuals). However, do to a host of financial reasons including high priced housing, many households cannot "afford" ownership. These factors include: lack of credit, insufficient down payment, or lack of income. Unlike owner housing, the 2000 Census does provide some measures of affordability.

According to the 2000 Census, 8.430 renter households 28% of all rental housing) spent 40% or more of their household income on gross rent. It is significant to note that 6,129 households spent 50% or more of their income on rent.

Table 21: Rental Cost Burden - 2000

	Broward County		Fort Lauderdale	
Total:	199,565		30,503	
Less than 10 percent	8,142	4.08%	1,477	4.84%
10 to 14 percent	17,396	8.72%	2,875	9.43%
15 to 19 percent	25,648	12.85%	3,766	12.35%
20 to 24 percent	26,370	13.21%	3,842	12.60%
25 to 29 percent	21,821	10.93%	3,423	11.22%
30 to 34 percent	16,105	8.07%	2,498	8.19%
35 to 39 percent	12,584	6.31%	2,002	6.56%
40 to 49 percent	16,649	8.34%	2,291	7.51%
50 percent or more	41,629	20.86%	6,129	20.09%
Not computed	13,221	6.62%	2,200	7.21%

Source: Strategic Planning Group, Inc. 2005

As shown below, income is the major indicator of affordability especially those household that experience a cost burden of 35% or greater as shown on the next page. Approximately 74% of households with incomes between $10,000 - $19,999 in 1999 spent more than 35% of their household incomes on housing compared to only 4% of households with incomes between $35,000 - $49,999.

Table 22: Household Race - 2000

	Broward County		Fort Lauderdale	
Total:	199,565		30,503	
Less than $10,000:	28,786		5,632	
Less than 20 percent	305	1.06%	75	1.33%
20 to 24 percent	409	1.42%	104	1.85%
25 to 29 percent	806	2.80%	226	4.01%
30 to 34 percent	571	1.98%	186	3.30%
35 percent or more	18,570	64.51%	3,567	63.33%
Not computed	8,125	28.23%	1,474	26.17%
$10,000 to $19,999:	34,887		5,914	
Less than 20 percent	1,131	3.24%	259	4.38%
20 to 24 percent	701	2.01%	161	2.72%
25 to 29 percent	1,212	3.47%	299	5.06%
30 to 34 percent	1,942	5.57%	577	9.76%
35 percent or more	28,189	80.80%	4,404	74.47%
Not computed	1,712	4.91%	214	3.62%
$20,000 to $34,999:	50,492		7,708	
Less than 20 percent	3,214	6.37%	704	9.13%
20 to 24 percent	6,406	12.69%	1,553	20.15%
25 to 29 percent	9,386	18.59%	1,734	22.50%
30 to 34 percent	9,349	18.52%	1,427	18.51%
35 percent or more	20,710	41.02%	2,151	27.91%
Not computed	1,427	2.83%	139	1.80%
$35,000 to $49,999:	35,135		5,069	
Less than 20 percent	9,777	27.83%	2,223	43.85%
20 to 24 percent	10,685	30.41%	1,280	25.25%
25 to 29 percent	8,051	22.91%	885	17.46%
30 to 34 percent	3,203	9.12%	270	5.33%
35 percent or more	2,581	7.35%	209	4.12%
Not computed	838	2.39%	202	3.99%
$50,000 to $74,999:	29,707		3,484	
Less than 20 percent	18,397	61.93%	2,448	70.26%
20 to 24 percent	6,872	23.13%	561	16.10%
25 to 29 percent	2,063	6.94%	243	6.97%
30 to 34 percent	913	3.07%	38	1.09%
35 percent or more	739	2.49%	78	2.24%
Not computed	723	2.43%	116	3.33%
$75,000 to $99,999:	10,894		1,366	
Less than 20 percent	9,249	84.90%	1,191	87.19%
20 to 24 percent	1,009	9.26%	124	9.08%
25 to 29 percent	249	2.29%	18	1.32%
30 to 34 percent	94	0.86%	0	0.00%
35 percent or more	64	0.59%	13	0.95%
Not computed	229	2.10%	20	1.46%
$100,000 or more:	9,664		1,330	
Less than 20 percent	9,113	94.30%	1,218	91.58%
20 to 24 percent	288	2.98%	59	4.44%
25 to 29 percent	54	0.56%	18	1.35%
30 to 34 percent	33	0.34%	0	0.00%
35 percent or more	9	0.09%	0	0.00%
Not computed	167	1.73%	35	2.63%

SUMMARY

According to the 2000 Census, 34% of the rental households in Ft. Lauderdale (10,620 households) had a rental cost burden of 35% or greater and 27.6% households had a cost burden of 40% or greater.

Owner occupied housing with mortgages that had a cost burden of 35% in 1999 (2000 Census) numbered 6,114 or 26.7% of the City's owned housing.

STUDY METHODOLOGY

This section describes the methodology used to define the workforce housing needs within the City of Ft. Lauderdale.

This first component of SPG workforce housing methodology is the relationship between job growth and population growth in order to calculate household income by income range.

RELATIONSHIP BETWEEN JOB GROWTH AND POPULATION GROWTH

The social issue driving this analysis has been the growth in moderate-income households. Growth in Fort Lauderdale, Broward County and the entire South Florida region is now predominantly new-employment driven. While the region had initially grown as a haven for retirement, thee retirees required goods and services. New job growth is based on the foundation of existing residents. Most people coming would not come if they could not expect to find employment. Those born in the local area would not stay without jobs. Simply stated, if a region of the country does not maintain job growth, there is an out-migration to regions where job growth is occurring.

The methodology developed by Strategic Planning Group, Inc. comprises several analytical steps:

ANALYSIS STEPS - DEMAND

The analysis is comprised of several steps used to convert new employment into households and income categories in order to determine gaps in housing affordability at different income levels.

The following a brief description of each step of the analysis.

Step 1 – Identifying Existing Occupations and Wages

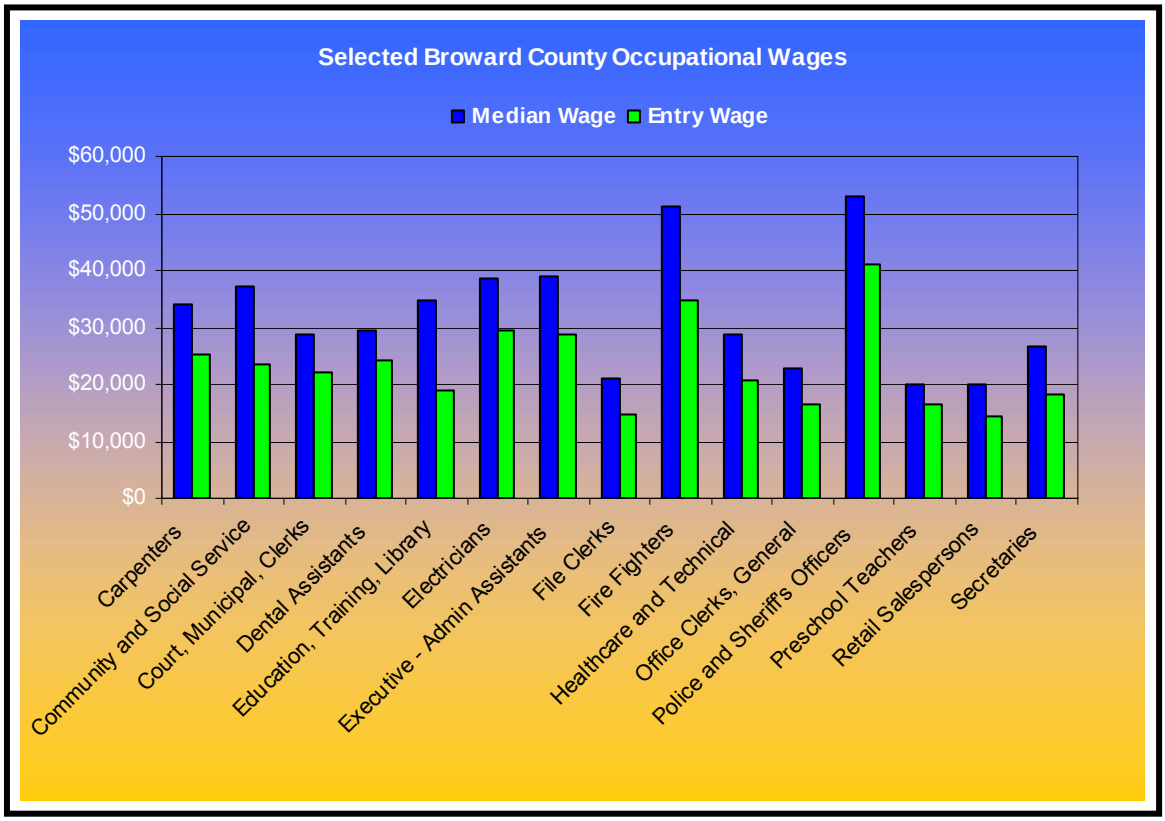
During this step SPG collected data from the Agency on Workforce Innovation (formally the Department of Labor) on occupational employment and wages for Broward County. These jobs were then identified on a per capita basis in order to translate the type of occupations created by an increase in future population growth in Fort Lauderdale during the 2005-2020 time-period. While detail employment wages are contained within the appendix to this report the following graphic shows wages for selected occupations.

Table 23: Wage Levels of Selected Occupations - 2005

Title	Median	Entry**	Exp***
Total all occupations	$27,955	$16,578	$46,072
Carpenters	$34,008	$25,293	$37,981
Community and Social Service	$37,086	$23,462	$45,594
Court, Municipal, Clerks	$28,808	$22,027	$32,053
Dental Assistants	$29,494	$24,253	$31,179
Education, Training, Library	$34,632	$19,074	$48,901
Electricians	$38,459	$29,515	$42,411
Executive - Admin Assistants	$38,896	$28,912	$46,862
File Clerks	$20,946	$14,851	$24,378
Fire Fighters	$51,189	$34,902	$58,136
Healthcare and Technical	$28,600	$20,800	$39,333
Office Clerks, General	$22,651	$16,432	$26,978
Police and Sheriff's Officers	$52,894	$41,059	$58,448
Preschool Teachers	$19,843	$16,411	$25,272
Retail Salespersons	$19,947	$14,310	$30,014
Secretaries	$26,749	$18,387	$31,075

Source: Strategic Planning Group, Inc. 2005

The following graphic displays the data shown above.



Step 2 – Adjustment from Employees to Employee Households
This step converts the number of employees to the number of employee households. The SPG model utilizes a conversion sub-model developed by the Florida Department of Community Affairs and the East Central Florida Regional Planning Council. This step recognizes that there is, on average, more than one worker per household; thus, the number of housing units in demand for new workers must be reduced. The worker/worker-household ratio has eliminated from the equation all non-working households, such as retired persons, students, and those on public assistance. This step in the analysis calculates the number of employee households for each size household based on the number of employed members of the household (single worker households, two-worker households, and three-worker households).

Step 3 – Estimates of Employee Households meeting the Income Level Definitions
In this step, the analysis calculates the number of employee households that fall into each income category for each household size. Based on this analysis, SPG used three population estimates to determine the number of new household creation by 2020 (30,000, 66,000 and a high of 102,000 which is the current MPO projection for the City). Based on 30,000 new residents, the model predicts that the City would gain approximately 9,200 households with earning incomes e.g. working households. These households were then categorized into the various income levels: Very Low Income (below 50% of the AMI); Low Income (50% to 80% of AMI); and Moderate Income (80% to 120% of AMI).

Step 4 – Rental Housing Affordability
The Fair Market Rents established by the Department of HUD were used for the Fort Lauderdale MSA to determine the number of worker households that could afford a typical two- or three-bedroom rental unit. The analysis also shows the impact in terms of households of either using a 30% or 40% cost burden criteria to determine the maximum rental rates affordable to a particular household.

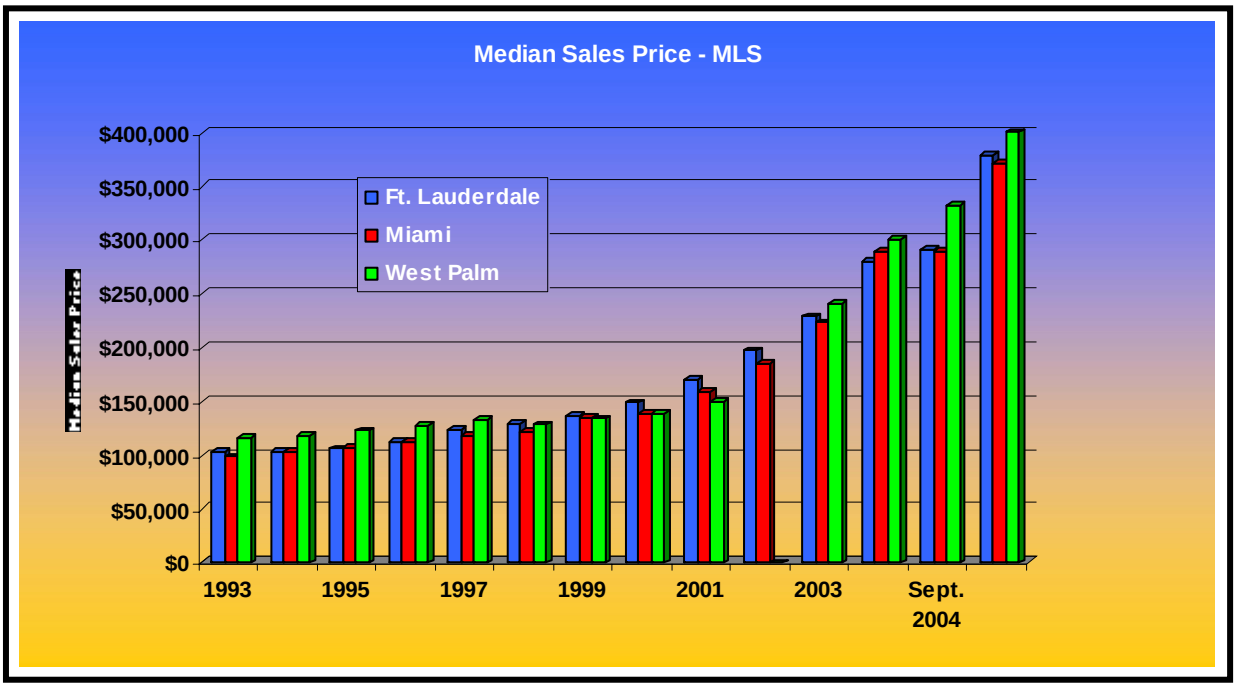
Step 5 – Ownership Housing Affordability
In this step, the analysis determines the number of households that can either afford, or not, the median price home of $340,000 (supply methodology is shown below). This analysis includes variables such as interest rates, required income criteria and housing costs for taxes and insurance. The maximum affordable home prices are then established by income category to determine the number of affordable households.

ANALYSIS STEPS – SUPPLY

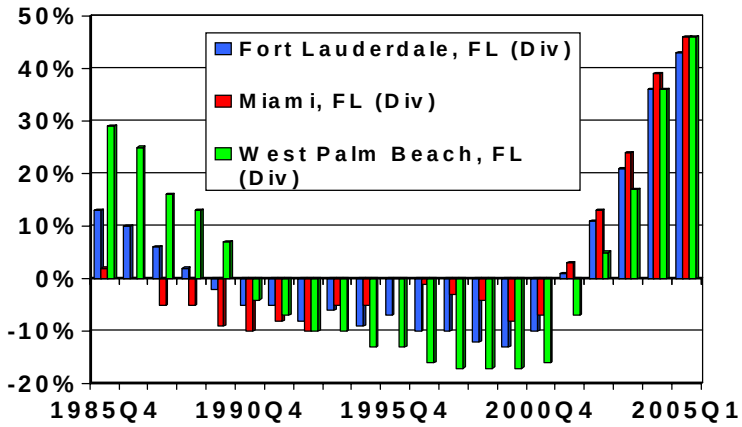
Ownership

Most affordability studies utilize National Board of Realtor data or MLS median sales price to determine the market's price of housing. This data usually reported at the County level (as is AMI).

The following graphic shows the historic trends (1993 – 2005) for Broward, Dade and West Palm Beach counties.



The Federal government monitors sale prices for all major metropolitan areas of the country and measures the change of sales on a month basis. As shown below, housing prices have fluctuated significantly over the last twenty years with the current expansion in sales prices starting in 2002.



The City of Ft. Lauderdale was able to collect the MLS data by sales for all sales within both the City and County for January through September 2005. SPG analyzed that data which included over 28,000 sales (see appendix).

Single Family MLS sales for the January – September 2005 time-period are shown below. The average MLS was $557,542 reflecting the number of sales over $1million. The median (half) MLS sale for the period was $310,000. Note that this is the average over the 9 month period and therefore sales in September are higher than those earlier in the year.

Table 24: Single Family MLS - 2005

Single Family		%
Under $100,000	36	2.0%
$100,000 - $149,999	113	6.2%
$150,000 - $199,999	216	11.9%
$200,000 - $249,999	279	15.4%
$250,000 0 $299,999	226	12.5%
$300,000 - $399,999	236	13.0%
$400,000 - $499,999	174	9.6%
$500,000 - $599,999	103	5.7%
$600,000 - $699,999	83	4.6%
$700,000 - $799,999	48	2.7%
$800,000 - $899,999	33	1.8%
$900,000 - $999,999	28	1.5%
$1,000,000 - $1,999,999	153	8.5%
$2,000,000 - and above	82	4.5%
Total Units	1,810	
Average Price	**$557,542**	
Median Price	**$310,000**	

Source: Strategic Planning Group, Inc. 2005

The City has historically had a large number of condominiums and the last two years has seen an escalation in those numbers due to the conversion of apartments into condominiums. As shown below the median condominium price was $320,000 while the average price was $410,000.

Table 25: Condominium MLS - 2005

Condominiums		%
Under $100,000	50	2.4%
$100,000 - $149,999	143	6.8%
$150,000 - $199,999	310	14.8%
$200,000 - $249,999	252	12.1%
$250,000 0 $299,999	196	9.4%
$300,000 - $399,999	300	14.4%
$400,000 - $499,999	265	12.7%
$500,000 - $599,999	183	8.8%
$600,000 - $699,999	121	5.8%
$700,000 - $799,999	69	3.3%
$800,000 - $899,999	42	2.0%
$900,000 - $999,999	28	1.3%
$1,000,000 - $1,999,999	76	3.6%
$2,000,000 - and above	8	0.4%
Total Units	2,089	
Average Price	**$410,000**	
Median Price	**$320,000**	

Source: Strategic Planning Group, Inc. 2005

MLS data, while an excellent comparative tool (comparing sales prices across the country), they do not represent all housing sales as there are a significant number of sales that do not utilize the services of a "Realtor". In order to determine this "larger" market, SPG procured proprietary computerize data on recent deed sales for a 3 month period (July – September) within the City and a 10% sample of deed sales for Broward, Palm Beach and Miami-Dade counties. There were 1,198 recorded deed transaction within Ft. Lauderdale during July – September 2005. As shown below, the median single family deed was $340,000 and the average price was $519,808.

Table 26: Single Family Deeds - 2005

Single Family Sales		%
Under $100,000	10	1.4%
$100,000 - $149,999	33	4.5%
$150,000 - $199,999	80	10.9%
$200,000 - $249,999	92	12.6%
$250,000 - $299,999	77	10.5%
$300,000 - $399,999	127	17.3%
$400,000 - $499,999	89	12.1%
$500,000 - $599,999	54	7.4%
$600,000 - $699,999	45	6.1%
$700,000 - $799,999	25	3.4%
$800,000 - $899,999	9	1.2%
$900,000 - $999,999	13	1.8%
$1,000,000 - $1,999,999	61	8.3%
$2,000,000 - and above	18	2.5%
Total	733	
Average	**$519,808**	**1,575**
Median	**$340,000**	**1,358**

Source: Strategic Planning Group, Inc. 2005

Condominium deeds for the 3 month period indicate that the median sales price for condominiums was $320,000 while the average price was $420,000.

Table 27: Condominium Deeds - 2005

Condos Sales		%
Under $100,000	1	0.2%
$100,000 - $149,999	24	5.2%
$150,000 - $199,999	71	15.3%
$200,000 - $249,999	43	9.2%
$250,000 - $299,999	47	10.1%
$300,000 - $399,999	86	18.5%
$400,000 - $499,999	51	11.0%
$500,000 - $599,999	38	8.2%
$600,000 - $699,999	27	5.8%
$700,000 - $799,999	19	4.1%
$800,000 - $899,999	8	1.7%
$900,000 - $999,999	4	0.9%
$1,000,000 - $1,999,999	13	2.8%
$2,000,000 - and above	33	7.1%
Total	465	
Average	**$410,000**	
Median	**$320,000**	

Source: Strategic Planning Group, Inc. 2005

As a third step, SPG analyzed County Appraiser data for all residential parcels within the City (42,186 parcels) of which single family homes (33,083 parcels) had an average assessed value (before homestead exemptions, etc.) of $124,710 and an average value of $241,683. There are a number of reasons why the appraisal data is significantly lower than either deed or MLS data. The first reason is that recent home sales are over represented by newly constructed buildings, or have been built or renovated over the last few years and therefore are larger and the fixtures are more costly. The second reason is that land prices on newly constructed homes have tended to drive up the price of previously owned homes and tend to be geographic specific meaning they represent desirable market areas.

The following table shows a comparative analysis of the different data sets. Based on the data presented, SPG used the deed information to calculate the median home values for the workforce analysis.

Table 28: Comparative Home Sales Data - 2005

TYPE	AVERAGE	MEDIAN	SOURCE
FT. LAUDERDALE			
SF	$557,542	**$310,000**	MLS
SF	$519,808	**$340,000**	DEEDS
Size in Square Feet	1,575	**1,358**	DEEDS
SF	$262,421	**$142,710**	APRRAISER OFFICE
CONDO	$410,000	**$320,000**	MLS
CONDO	$653,945	**$350,000**	DEEDS
DUPLEX+	$364,000	**$314,000**	MLS
	$154,407	**$133,198**	Per Unit
LAND VALUE	$233,324	**$151,098**	APRRAISER OFFICE
BUILDING VALUE	$150,731	**$76,280**	APRRAISER OFFICE
BUILDING SIZE	1,823	**1,574**	APRRAISER OFFICE
BROWARD COUNTY			
SF	$436,491	**$411,500**	MLS

Source: Strategic Planning Group, Inc. 2005

Rental Costs

The Federal Department of Housing and Urban Development (HUD) conducts detail rental cost surveys of all major metropolitan areas in the United States and publishes the data for local government compliance is using HUD grants.

Broward County's fair market rent (FMR) in 2005 is shown below.

Table 29: Fair Historic Market Rentals

Fair Market Rents by Unit Bedrooms from 2000 to 2005 Broward County, Florida					
FMR Year	*Efficiency*	*One-Bedroom*	*Two-Bedroom*	*Three-Bedroom*	*Four-Bedroom*
FY 2005	$743	$830	$998	$1,380	$1,752

Source: Strategic Planning Group, Inc. 2005

SPG obtained a complete listing of all apartment within the City by number of apartments. The vast majority of apartments have less than 100 units. SPG conducted a survey of the larger apartment complexes to gauge the current rental market. As shown below, a significant number of the larger apartment complexes had either just converted to condominiums or were in the process of conversion.

Table 30: Apartment Survey

APARTMENT PROFILES SUMMARY						
Community	**Rental/Condo Conversions**	**Unit Type**	**# of Units**	**Square Footage**	**Rents**	**Vacancy Rates**
Aspen Willowood LLC[1]	Rental-Retirement Assisted Living	Studio	55	406	$2,895-$2,995	2%
		1/1	148	700, 800, 900	$2,495-$2,995	
		2/1	75	1,100-1,200	$2,495-$3,495	
		Total	278			
The Tides at Bridgestone Square	Conversion	Studio	N/A[2]	640	Rough estimate	Not relevant[3]
	Opening Oct. 2004	1/1	N/A	755	of rents	
	100% sold out	2/1	N/A	1,196	$1,000-$2,500	
		3/1	N/A	1,510-1,600		
		Total	246			
Falls at Marina Bay Apartments	Rental[4]	Studio	N/A	634	$885-$1,015	Not Available
		1/1/1/5	N/A	850-1,114	$1,040-$1,635	
		2/2/2.5	N/A	1,181-1,330	$1,400-$1,980	
		3/2	N/A	1,431	$1,795-$2,275	
		Total	376			
Greentree Apartments	Rental	1/1	148	750	$865	2%
		2/2	148	850 & 950	$990 & $1,040	
		Total	296			
Mediterranean Village	Condo conversion in progress	2/2	N/A[5]	866-1,415	$1,140-$1,435	Not relevant[6]
	Grand Opening - 10/05	3/2		1,086-1,466	$1,370-$1,585	
		Total	265			
New River Village I	Condo conversion in progress	1/1	55	795-897	$1,198	Not relevant[7]
	Grand Opening - 8/05	2/2	85	1,084-1,330	$1,400	
	25% sold (60 units)	3/2	38	1,447 & 1,462	$1,679	
		Total	240			
Port Royale I, II & III[8]	Rental	1/1	N/A[9]	533-853	$893-$1,390	4%
		(8 1/1 types)				
		2/2		540-957	$1,571-$1,849	
		(3 2/2 types)				
		Total	737			
Regal Trace	Rental[10]	1/1	N/A[11]	648	$640-$672	2%
		2/2		860	$764-$870	
		3/2		1,010	$897-$1,000	
		Total	408			

Source: Strategic Planning Group, Inc. 2005

APARTMENT PROFILES SUMMARY - Continued

Community	Rental/Condo Conversions	Unit Type	# of Units	Square Footage	Rents	Vacancy Rates
Sailboat Point Apartments	Condo conversion in progress	1/1	128	834	$900-$960[12]	Not relevant[13]
	Grand opening-2/05	2/2	248	1,241 & 1,256	$1,200-$1,350	
	100% sold by 9/05	Total	376			
Sol'E at Fort Lauderdale	Condo conversion likely, but could not contact anyone on property at listed phone no; no data available					
Summit at Las Olas	Rental	Studio	N/A[14]	668-685	$1,415	1%
		1/1		800	$1,444	
		2/2		1,090-1,295	$1,890	
		3/2		1,520	$2,290	
		Total	420			
Sunrise Harbor Apartments	Rental	1/1	140	838-1,121	$1,435-$2,250	6%
		2/2	169	1,198-1,493	$1,785-$3,800	
		3/2	27	1,563-1,886	$3,210-$6,000	
		Pent. 2/2	8	1,298	$2,690-?	
		Pent. 3/2	8	1,805-2,292	?-$6,000	
		Total	356			
Village Park at Oakland Apts.	Condo conversion	1/1	96	450	$700[15]	Not relevant[16]
		2/1	136	670	$900	

[1]Aspen Willowood charges higher rent for assisted living units which provide some services beyond normal rental community

[2]The Tides management would not provide data unit mix.

[3]The Tides management does not track vacancies as community is a condo, nor do they track renting by individual owners.

[4]Falls at Marina Bay management could not be contacted; information above is from websites; assume rental community from data on websites.

[5]Mediterranean Village management would not provide information on unit mix or rents; that info obtained from websites.

[6]Mediterranean Village management does not rent out units as community is converting, nor do they track vacancies by individual owners leasing their units.

[7]New River management does not rent out units as community is converting, nor track vacancies by individual owners leasing their units.

[8]On State list of apartment communities, Port Royale I and III are listed separately, but operate as one community; and are combined for this report.

[9]Port Royale management would not provide information on unit mix or rents. That information is from websites.

[10]Regal Trace is an income-restricted community, resulting from owners having received subsidies under the Federal Government Low-Income Housing Tax Credit Program

[11]Regal Trace management would not provide information on unit mix or rents. That information is from websites.

[12]Sailboat Point management estimate of individual condo owner rents being charged on leased units.

[13]Sailboat Point management does not rent out units as community is converting. They do not track vacancies by individual owners leasing their units.

[14]Summit at Las Olas management would not provide information on unit mix or rents, but did provide vacancy rate. That information is obtained from websites.

[15]Village Park management estimate of average rent charged by individual owners leasing units.

[16]Village Park management does not rent out units as community is condo. They do not track vacancies by individual owners leasing their units.

Source: Strategic Planning Group, Inc. 2005

AFFORDABILITY ESTIMATES – 2005

OWNERSHIP

Affordability of housing is defined by cost burden and interest rates. As discussed earlier, the federal government uses a cost burden of 30% to define affordability. As shown, a significant number of households within Broward County and the City of Ft. Lauderdale expended more than 30% of their incomes for housing in 1999 when housing costs were substantially lower than today's rates. Lending institutions have started to increase their lending limits above the 30% market, and state and local governmental agencies have begun to raise the cost burden to 40% (including the Florida Housing Finance Authority). The following table shows the demand side of the affordable/workforce housing issue using a 30% cost burden and various interest rates. As shown those households at 80% AMI (the lower limit for workforce housing) can afford a $163,000 home at 6% but only $111,500 at 10% assuming a 5% down payment. At the high end of workforce housing (120%), a household could afford a home selling for $244,800 at 6% and $167,250 at 10%. Needless to say, the current sales price for new housing exceeds these limits.

Table 31: Affordability using 30% Cost Burden

Ownership - 30% Burden				
	6% Interest	6.5% Interest	8% Interest	10% Interest
50%	$102,006	$96,758	$83,348	$69,690
80%	$163,210	$154,813	$133,357	$111,504
90%	$183,611	$174,165	$150,027	$125,442
100%	$204,012	$193,517	$166,696	$139,380
110%	$224,414	$212,868	$183,366	$153,318
120%	$244,815	$232,220	$200,035	$167,256

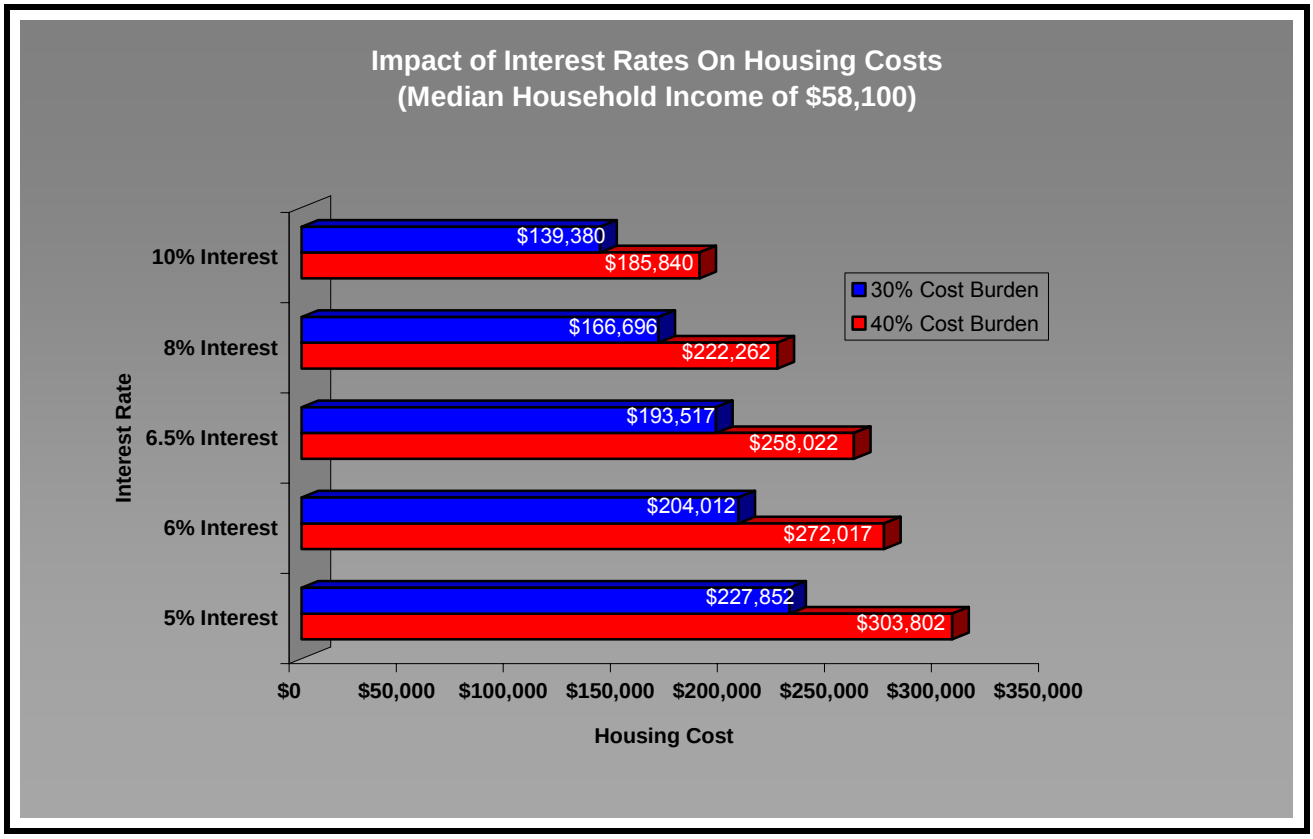
Source: Strategic Planning Group, Inc. 2005

However, by change the cost burden definition to 40%, a household at the lower limit of workforce housing could afford $217,600 at 6% while a household at the upper limit could afford a home selling for $326,400 which approaches the median sales price for Ft. Lauderdale. However, at 10% interest rates even the higher limit workforce household would have limited availability of homes to purchase.

Table 32: Affordability using 40% Cost Burden

Ownership - 40% Burden				
AMI	6% Interest	6.5% Interest	8% Interest	10% Interest
50%	$136,008	$129,011	$111,131	$92,920
80%	$217,613	$206,418	$177,809	$148,672
90%	$244,815	$232,220	$200,035	$167,256
100%	$272,017	$258,022	$222,262	$185,840
110%	$299,218	$283,825	$244,488	$204,424
120%	$326,420	$309,627	$266,714	$223,008

Source: Strategic Planning Group, Inc. 2005



Workforce Supply of Ownership Housing

The common use of MLS median sales price is somewhat misleading when analyzing workforce housing needs. To some, it means that the median housing price is the only price which as its designation "median" is not the case. In Ft. Lauderdale, the supply and cost of housing below the "median" MLS is significant.

As shown in the following table, there were numerous condominium sales from throughout the price range including the $100,000 -$149,999 and $150,000 - $199,999 intervals. Some of this activity involves sales of older "retiree condos" but those in the $200,000 + range also include the recent surge in apartment to condominium conversions.

Depending on interest rates, households with in the low $30,000 could afford to buy condominiums (assuming a 40% cost burden).

Table 33: MLS Condominium Sales and Income Ranges - 2005

Required Income Ranges-MLS DATA					
MLS Summary		Required Income 5% Interest Rate		Required Income 10% Interest Rate	
Condominium Sales	Units				
	50		< $19,120		< $31260
$100,000-$149,999	143	$19,130	$28,680	$31,270	$46,890
$150,000-$199,999	310	$28,690	$38,240	$46,900	$62,520
$200,000-$249,000	252	$38,250	$47,820	$62,530	$78,150
$250,000-$299,999	196	$47,830	$57,370	$78,160	$93,790
$300,000-$399,999	300	$57,380	$76,490	$93,800	$125,050
$400,000-$499,000	265	$76,500	$95,620	$125,060	$156,310
$500,000-$599,999	183	$95,630	$114,740	$156,320	$187,580
$600,000-$699,999	121	$114,750	$133,860	$187,590	$218,840
$700,000-$799,999	69	$133,870	$152,990	$218,850	$250,100
$800,000-$899,999	42	$153,000	$172,110	$250,110	$281,370
$900,000-$999,999	28	$172,120	$191,240	$281,380	$312,630
$1,000,000-$1,999,999	76	$191,250	$382,480	$312,640	$625,260
$2,000,000 >	8	$382,490 >		$625,270 >	
	2,089				

Source: Strategic Planning Group, Inc. 2005

Deed sales information for 2005 shows a similar pattern, as shown below.

Table34 : Condominium Deed Sales and Income Ranges - 2005

Required Income Ranges-Deed Data					
Deed Summary		Required Income 5% Interest Rate		Required Income 10% Interest Rate	
Condominium Sales	Units				
<$100,000	1		< $19,120		< $31260
$100,000-$149,999	24	$19,130	$28,680	$31,270	$46,890
$150,000-$199,999	71	$28,690	$38,240	$46,900	$62,520
$200,000-$249,000	43	$38,250	$47,820	$62,530	$78,150
$250,000-$299,999	47	$47,830	$57,370	$78,160	$93,790
$300,000-$399,999	86	$57,380	$76,490	$93,800	$125,050
$400,000-$499,000	51	$76,500	$95,620	$125,060	$156,310
$500,000-$599,999	38	$95,630	$114,740	$156,320	$187,580
$600,000-$699,999	27	$114,750	$133,860	$187,590	$218,840
$700,000-$799,999	19	$133,870	$152,990	$218,850	$250,100
$800,000-$899,999	8	$153,000	$172,110	$250,110	$281,370
$900,000-$999,999	4	$172,120	$191,240	$281,380	$312,630
$1,000,000-$1,999,999	13	$191,250	$382,480	$312,640	$625,260
$2,000,000 >	33	$382,490 >		$625,270 >	
	465				

Source: Strategic Planning Group, Inc. 2005

Single Family sales patterns using both MLS and Deed sales again show the availability of a significant range of housing below median MLS figures and affordable to households in the $30,000 range depending on interest rates.

Table 35: Single Family MLS Sales and Income Ranges - 2005

MLS Summary		Required Income 5% Interest Rate		Required Income 10% Interest Rate	
Single Family Sales	Units				
<$100,000	36		< $19,120		< $31260
$100,000-$149,999	113	$19,130	$28,680	$31,270	$46,890
$150,000-$199,999	216	$28,690	$38,240	$46,900	$62,520
$200,000-$249,000	279	$38,250	$47,820	$62,530	$78,150
$250,000-$299,999	226	$47,830	$57,370	$78,160	$93,790
$300,000-$399,999	236	$57,380	$76,490	$93,800	$125,050
$400,000-$499,000	174	$76,500	$95,620	$125,060	$156,310
$500,000-$599,999	103	$95,630	$114,740	$156,320	$187,580
$600,000-$699,999	83	$114,750	$133,860	$187,590	$218,840
$700,000-$799,999	48	$133,870	$152,990	$218,850	$250,100
$800,000-$899,999	33	$153,000	$172,110	$250,110	$281,370
$900,000-$999,999	28	$172,120	$191,240	$281,380	$312,630
$1,000,000-$1,999,999	153	$191,250	$382,480	$312,640	$625,260
$2,000,000 >	82	$382,490 >		$625,270 >	
	1,810				

Source: Strategic Planning Group, Inc. 2005

Table 36: Single Family Deed Sales and Income Ranges - 2005

Deed Summary		Required Income 5% Interest Rate		Required Income 10% Interest Rate	
Single Family Sales	Units				
<$100,000	10		< $19,120		< $31260
$100,000-$149,999	33	$19,130	$28,680	$31,270	$46,890
$150,000-$199,999	80	$28,690	$38,240	$46,900	$62,520
$200,000-$249,000	92	$38,250	$47,820	$62,530	$78,150
$250,000-$299,999	77	$47,830	$57,370	$78,160	$93,790
$300,000-$399,999	127	$57,380	$76,490	$93,800	$125,050
$400,000-$499,000	89	$76,500	$95,620	$125,060	$156,310
$500,000-$599,999	54	$95,630	$114,740	$156,320	$187,580
$600,000-$699,999	45	$114,750	$133,860	$187,590	$218,840
$700,000-$799,999	25	$133,870	$152,990	$218,850	$250,100
$800,000-$899,999	9	$153,000	$172,110	$250,110	$281,370
$900,000-$999,999	13	$172,120	$191,240	$281,380	$312,630
$1,000,000-$1,999,999	61	$191,250	$382,480	$312,640	$625,260
$2,000,000 >	18	$382,490 >		$625,270 >	
	733				

Source: Strategic Planning Group, Inc. 2005

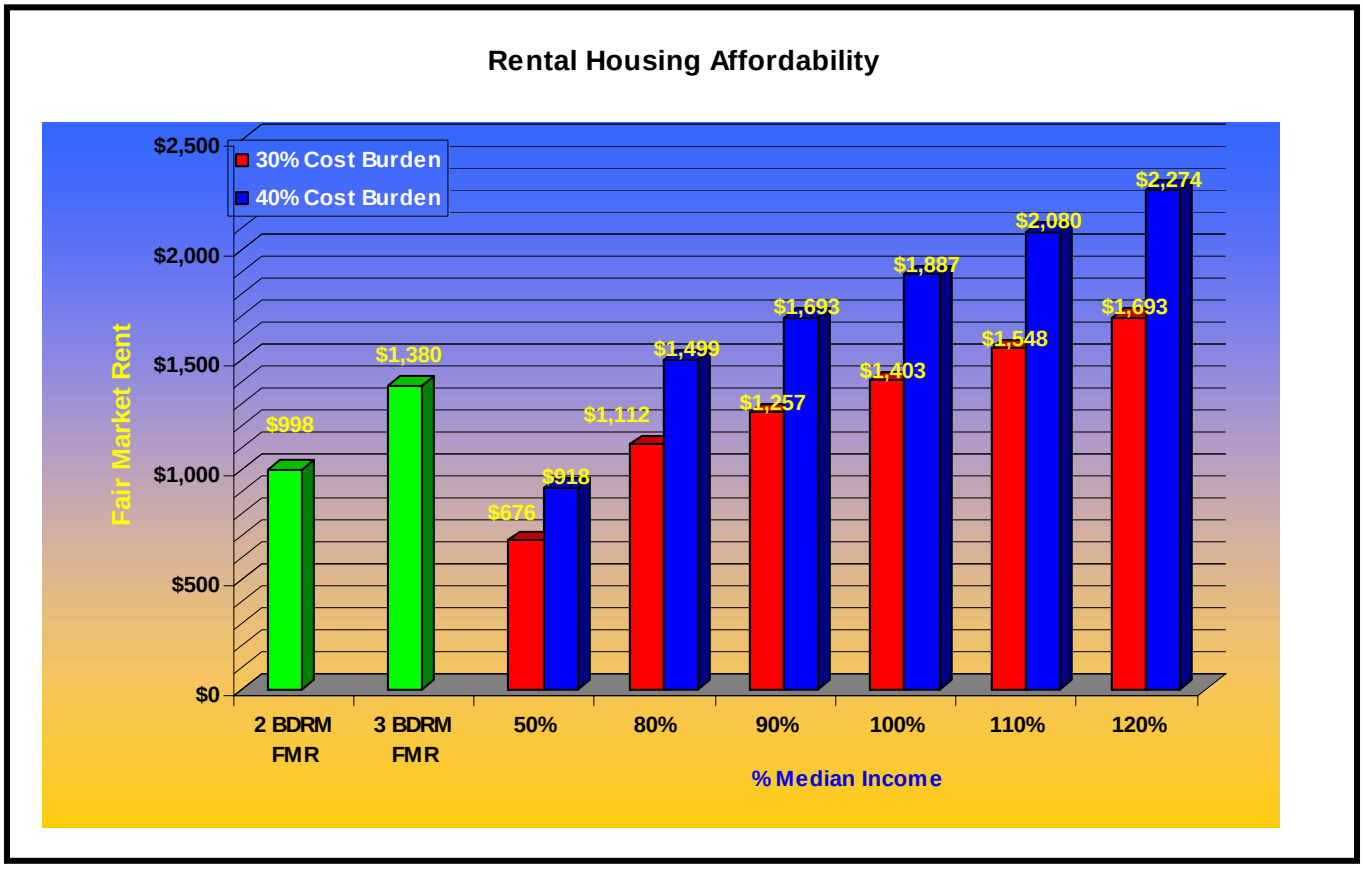
RENTAL HOUSEHOLDS

As shown in the table below, workforce household can rent most 2 Bedroom units within the City at 30% and other than high end units should not have a problem renting 2 or 3 Bedroom units using HUD fair market rents.

Table 37: Rental Affordability - 2005

Rental Affordability Using 30% and 40% Cost Burden	30% Burden	40% Burden	2 BDRM FMR	3 BDRM FMR
50%	$676	$918	$998	$1,380
80%	$1,112	$1,499	$998	$1,380
90%	$1,257	$1,693	$998	$1,380
100%	$1,403	$1,887	$998	$1,380
110%	$1,548	$2,080	$998	$1,380
120%	$1,693	$2,274	$998	$1,380

Source: Strategic Planning Group, Inc. 2005



WORKFORCE HOUSING NEEDS – 2020

The question of workforce housing need over the next fifteen (15) year period (2005-2020) is dependent on a number of issues. First, will the housing trends of the last 4 years continue or will the area's future housing market mirror the past 15 year trend which saw increasing and decreasing markets. Second, how much population growth will Ft. Lauderdale experience? Will interest rates continue to rise and if so, to what levels over the next 15 years? Will developers produce more workforce housing as a reaction to market demand? Will State, County and/or City governments enact policies and measures that might increase either the demand (income) or supply of workforce housing? By addressing these questions, it is apparent that too many factors are present to attempt to accurately predict the future; however, certain workforce housing scenarios are possible, and are presented in this section.

POPULATION GROWTH

As noted earlier in this report, the City of Ft. Lauderdale's growth between 1990-2000 was flat and to a large degree recent growth has been through annexation. Population forecasts for the city vary depending on the source of the projections. The regional planning council shows modest growth while the MPO shows a growth forecast of 102,000 persons. SPG feels the latter figure to be overaggressive; however, working with City staff SPG has produced three alternative scenarios for 2020. The three alternatives are: 1). the addition of 30,000 new residents; 2), adding 66,000 people; and 3), using the MPO estimate of 102,000.

In calculating "affordability" SPG has used 2005 income figures (2005 held constant) and assumes a constant 2005 relationship between housing prices and income levels. Based on these assumptions, the following need for affordable and workforce housing is presented below.

Table 38: Affordable and Workforce Housing Projections - 2020

Income Category AMI - $58,100	Population Growth Alternatives 30,000	66,000	102,000	Maximum Home Price Affordable at 30%	Maximum Home Price Affordable at 40%	Maximum Home Price Affordable at 30%	Maximum Home Price Affordable at 40%
Interest Rate	Number of Households			5.00%	5.00%	10.00%	10.00%
50% of AMI	1,932	4,250	6,568	$113,926	$151,901	$69,690	$92,920
50% to 80% of AMI	1,674	3,682	5,691	$182,281	$243,042	$111,504	$148,672
80% to 100% of AMI	995	2,188	3,382	$227,852	$303,802	$139,380	$185,840
100% to 110% of AMI	92	202	313	$250,637	$334,183	$153,318	$204,424
110% to 120% of AMI	802	1,764	2,727	$273,422	$364,563	$167,256	$223,008
120% to 140% of AMI	755	1,661	2,567	$318,993	$425,323	$195,132	$260,176
Total (80% - 120% AMI)	1,889	4,155	6,422				

Source: Strategic Planning Group, Inc. 2005

SPG estimates that the City could need 1,889 additional workforce housing units to accommodate a growth of 30,000 new people or as many as 6,422 workforce housing units should the City add an additional 102,000 people by 2020.

SUMMARY OVERVIEW – WORKFORCE/AFFORDABLE HOUSING PROGRAMS

Changes in demographic trends and continuously rising housing production costs are all factors that influence the provision of Workforce housing. Strong population and employment growth that is expected to continue throughout the decade indicate an increasing demand for Workforce housing if the City of Ft. Lauderdale is to support quality economic development.

The median household income for the City has not kept pace with the increasing costs of "new" housing. As housing costs escalate, an examination of current affordability of housing within the City indicates that, while its older housing stock and older householders, should provide considerable Workforce housing, the provision of new Workforce housing could become a problem given limited vacant lands and rising construction, land and financing costs.

The City could have two different visions of the future depending on how its aged housing inventory is used. A significant portion of its housing stock is older (20 year +) smaller concrete block single-family housing and condominium housing both of which are strongly retiree oriented. Should this housing stock continue to convert to rental housing, the neighborhoods within the older sections of the City will continued to decline. Younger households with children could replace older householders and thereby increasing population.

Another vision could be well maintained mixed age neighborhoods, predominately owner occupied, which will continue to increase in price albeit at a slower rate than new housing. The key difference between the two "visions" is whether the City's older housing stock will remain owner occupied or revert of rental housing. Maintaining the quality of the neighborhood is critical to the City's future.

In addition to demographic, income, and cost factors, there are other factors such as the zoning and subdivision regulations and community pressure that are factors to Workforce housing production as well. The next section of this study is a review and analysis of local zoning and subdivision regulations to identify any regulatory barriers that exist to Workforce housing and to estimate the scale of economic impacts that these barriers may have.

CHAPTER THREE – GOVERNMENT'S ROLE IN THE CITY OF FT. LAUDERDALE WORKFORCE HOUSING MARKET

Workforce housing needs address both demand and supply considerations. Demand issues have previously been discussed. The private sector is the primary provider of housing in the United States. Several factors determine the final sale or rental of residential units. The housing delivery system is impacted by land prices, construction costs, interest rates, infrastructure requirements, permitting costs /timing, and other governmental regulations. Only local government directly impacts a few of these items.

One of the major reasons for the commission of this study, was to provide the City with an assessment of need as well as a range of policies that might be used to remediate affordability issues.

Following this brief discussion of some of the major policies that the City might utilize in addressing workforce housing is a detailed table listing all major policies and tools that are used by other communities in addressing affordable and workforce housing.

POLICY ISSUES - LAND USE TECHNIQUES

Accessory Dwelling Units

Allowing the development of accessory units is a technique for providing Workforce housing which uses surplus space in existing single-family homes. An accessory dwelling unit is an additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot.

Attached units, contained within a single-family home, known variously as "mother-in-law apartments," "accessory apartments," or "second units," are the most commonly encountered type of accessory dwelling unit. Accessory apartments typically involve the renovation of a garage, basement family room, attached shed, or a similar space in a single-family home.

Less common are detached "accessory cottages" or "echo homes," which are structurally independent from the primary residence. These units, typically placed in the rear yard area, are usually constructed or installed for the purpose of providing housing for an elderly parent being cared for by their adult children living in the primary unit. Accessory cottages or echo homes are less frequently allowed in zoning codes and are generally more expensive to build than accessory apartments.

Benefits

Accessory apartments are a relatively easy to obtain source of Workforce housing. Allowing accessory units is a way to provide Workforce rental housing without the necessity of local government expenditures or subsidies.

Rents for accessory apartments are generally lower than rents for comparably sized non-accessory apartments, both because the owner lives in one of the units and because they are cheaper to build.

Older residents who are living on fixed incomes can use the added income to offset the costs of rising property taxes and utility bills, thus allowing them to stay in their homes. Elderly home owners may also offer lower rents to tenants in exchange for help in performing routine maintenance chores.

Young, first-time home buyers can use the extra income to help pay their mortgage payment.
Accessory apartments use surplus space in large older homes, thus making the most efficient use of the existing housing stock.

Accessory apartments encourage the upkeep of existing housing stocks since owners have extra income that can be applied to maintenance expenditures.

Accessory apartments offer renters Workforce housing located in more desirable single-family neighborhoods.

Key Policy Issues:

Opposition to accessory units usually arises from neighborhood concerns about over crowding, exterior appearance of accessory units, and impacts on parking and traffic from increased density.

In response to community concerns, regulations are usually devised to deal with such issues as the size of units, exterior appearance, off-street parking, and concentration of units. The challenge to policy-makers is to address the concerns of opponents without making conversions too difficult or expensive for homeowners. National studies show that accessory units could increase the supply of rental housing by about 10%.

Many communities that allow accessory units do so through a special permit or conditional use procedure which may require a public hearing. An alternative, which may make conversions less burdensome for applicants, would be to require a public hearing only when requested by a certain number of neighboring property owners. Although opposition groups often express concern that single-family neighborhoods will be overrun by accessory apartment conversions, studies done in cities which have allowed accessory units show that the actual number of conversions has been relatively small.

Adaptive Reuse

This technique involves the conversion of surplus and/or outmoded buildings including old school buildings, hospitals, train stations, warehouses, factories, etc., to economically viable new uses. In its broadest application adaptive reuse projects are aimed at conserving, preserving, and recycling surplus property by adapting older buildings to current market needs. Many such projects have involved the conversion of old structures into new office and retail space, markets,

restaurants, and other similar commercial applications. Adaptive reuse projects can also be used for the production of new housing through conversion of old buildings to new apartments or studio units.

Benefits

Adaptive reuse is one method to introduce housing into non-residential areas. Many older buildings which may be adapted to housing uses are located in proximity to the downtown and other employment centers or have good transportation access and may therefore offer new residents convenient access to transportation, shopping and employment centers.

Renovation and reuse of previously vacated or deteriorated buildings can be less expensive than new construction since infrastructure and other site improvements are already in place. In addition, the basic structure, although it may need renovation, is already there. With the lower construction costs associated with renovation, developers can produce affordable living units.

Projects which involve historically or architecturally significant buildings may qualify for preservation tax credits for private investors if used for low-income housings. Adaptive reuse projects can assist in revitalizing declining areas by giving new life to deteriorating buildings and by bringing in new residents.

Key Policy Issues:

Ft. Lauderdale can facilitate adaptive reuse projects by adopting flexible zoning policies, such as mixed-use zoning, or by allowing residences as a permitted or conditional use in appropriate commercial and industrial zones. Utilizing this technique may involve various steps, including making inventories of potential adaptive reuse sites, amending local zoning regulations, arranging for possible property transfers of publicly-owned buildings, and providing assistance in obtaining sources of funding such as loans, grants and rent subsidies.
Some contractors are unwilling to renovate old buildings, particularly wooden structures, for which commercial financing may be difficult to find. In addition, lengthy or difficult renovations may decrease profit margins.

Commercial linkage

Commercial linkage refers to a variety of programs that either require or induce developers of commercial or industrial buildings, or other non-residential building projects, to directly construct or make financial contributions toward the construction of market-rate or Workforce housing.

Linkage programs make developer compliance or participation a condition for permit approval or a prerequisite for receiving some type of development incentive (usually an increase in allowable density). Linkage provisions may apply either to new construction or expansion of existing space.

Housing linkage programs are based on the theory that new commercial office development results in increased demand for housing and that developers should make some contribution toward meeting the increased housing needs which they help to create. In essence, housing

linkage programs are designed to mitigate the effects of new employment on housing within the community.

Linkage programs generally are either voluntary/incentive-based or mandatory. Mandatory programs work in a way that is similar to impact fees by requiring a developer to mitigate the impact of new office development on the provision of Workforce housing by paying into a housing construction fund or building the required housing. Developers are usually given the opportunity to choose between a cash payment, construction, or some other type of mitigation, such as participation in a joint public-private housing project. Voluntary linkage programs offer developers various development incentives, such as density bonuses, reduced setbacks and reduced parking requirements, which add value to the developer's project or reduce development costs, in exchange for the provision of Workforce housing units.

The City of Coconut Creek is currently developing Florida's first "true" linkage program and hope to have it approved by the end of 2005.

Benefits

Incentive-based linkage programs benefit both the developer and the city. Developers benefit by acquiring development bonuses which increase the value of the project or reduce construction costs. Cities benefit from more Workforce housing. Developers are often free to select the most advantageous option for the provision of housing: constructing housing off-site; contributing to a housing trust fund; purchase of development rights and rehabilitation of a building; or some other method provided by the city. By providing or preserving housing close to office centers, more employees are provided with the opportunity to live near where they work.

Linkage programs do not generally require the expenditure of local tax dollars to fund the construction of Workforce housing units. Office/housing linkage may be particularly useful in cities that are experiencing high growth rates with accompanying tight, high-priced housing markets to reduce some of the pressure on available housing.

A successful linkage program first must work economically; that is, it must benefit both the developer and the municipality without imposing unacceptable burdens on either.

Key Policy Issues:

The legal basis for mandatory office/housing linkage programs has not yet been clearly established in Florida although the City of Winter Park has used this approach since 1992 and Coconut Creek is currently working on establishing a program.

Mandatory linkage requirements in other states have been challenged on various legal grounds, including whether linkage regulations constitute an illegal tax, or whether there is a "rational nexus" or relationship between new commercial development and an increased need for housing. Mandatory linkage programs should be carefully designed to provide a defensible legal foundation. Cities should be prepared to demonstrate an actual link between the need for housing and commercial development. Voluntary/incentive-based linkage programs which provide

benefits to developers in exchange for housing are more likely to avoid or withstand legal challenges.

Office/housing linkage programs will be more successful in a strong commercial office market where developments are more numerous and developers more willing to take advantage of development incentives. Some programs allow the substantial rehabilitation of residential buildings to count as new construction, so that developers may have the option to build new residential facilities or rehabilitate existing facilities.

Linkage programs may be pre-set in an adopted zoning ordinance or negotiated on a case-by-case basis.

Density Bonuses

Many communities have developed programs that offer developers "density bonuses" in exchange for the inclusion of Workforce units within a proposed residential project. A density bonus allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.

Benefits

See "Inclusionary Zoning,"

By increasing the overall value of a project, density bonuses make the provision of Workforce housing units more economical.

Density bonus programs allow for the provision of Workforce housing that in many cases would not be economically feasible for either the developer or the municipality.

Key Policy Issues:

Density bonuses alone may not be sufficient, depending on market conditions, as an incentive to developers. Cities may want to consider additional incentives such as reduced setbacks, street frontages, and other cost reducing inducements. Density bonuses may be problematic with respect to community acceptance and land use.

City officials need to consider what level of additional density will be allowed in exchange for a specified number of Workforce units. Density bonuses are usually expressed as a percentage of the density allowed under normal zoning regulations.

Density bonus programs must be designed on the basis of a thorough understanding of the real estate market to determine feasibility and to develop appropriate regulations. If current zoning allows enough density to satisfy current market demand, developers may have no interest in using a density bonus.

Attention should be given to the location and design of Workforce housing units within proposed projects to ensure project quality.

If most new houses in the community are built individually or two and three at a time, density bonuses may not be appropriate. This approach generally works best in larger scale developments.

Waiver/Reduction From Impact Fees

Over the last ten to fifteen years, many cities in Florida have enacted measures to impose impact fees to help pay for infrastructure improvements necessitated by new developments. Fees have been collected for traffic mitigation, water and sewer utilities, parks and open space, school sites, and other purposes.

Recognizing that impact fees can have a negative effect on the construction of Workforce housing, some jurisdictions have enacted measures to reduce or waive such fees for projects that include Workforce housing units.

Benefits

Fee reductions or waivers reduce developer's upfront costs and can help to support the construction of Workforce housing units.

Key Policy Issues:

Many communities that impose impact fees have determined that new home buyers should bear the financial responsibility for the infrastructure costs necessitated by new developments. These policies are based on the notion that the person who benefits should pay. In the case of Workforce housing construction, a good argument can be made that such developments benefit the entire community, and, therefore, reductions or waivers of impact fees are appropriate.

In order to use impact fee reductions and/or waivers, communities need to review all current impact fees and exaction requirements to determine where reductions and/or waivers for Workforce housing projects may be appropriate.

Impact fee reductions and/or waivers can be used in conjunction with other Workforce housing techniques such as density bonuses or inclusionary requirements to promote the construction of Workforce housing.

Inclusionary Zoning (Wordforce Set-Aside)

Inclusionary zoning is a technique applied to new housing developments in which a certain portion of the units being constructed are set aside to be affordable to low- and moderate-income home buyers. This technique may be applied to both rental and owned units, and single- or multi-family housing projects. Inclusionary zoning is not new and is used throughout the United States in areas where lack of land availability has made vacant land extremely expensive (primarily in the urbanized areas of the northeast, the west coast and now in Florida). To a degree, the City already has the beginnings of the process in the Downtown Regional Activity Area, where agreements have been made between developers and the City to provide a percentage of Workforce housing either on site or pay a fee “in lieu of”.

Inclusionary zoning ordinances can be either mandatory, requiring developers to build a specified number of affordable units, or voluntary, based on development incentives, such as density bonuses which allow a developer to build more units (at a higher density) on the same site in exchange for the inclusion of a number of affordable units.

Inclusionary zoning ordinances generally contain provisions defining income eligibility requirements, criteria used for determining the pricing of affordable units, restrictions on the resale of affordable units (to ensure that new owners do not turn around and resell the units at market rates), and provisions for the payment of fees in-lieu of construction.

How Inclusionary Zoning Works

As shown below, without inclusionary zoning, a developer of 100 units priced at $400,000 per unit could expected a profit of $million. With inclusionary zoning, the developer could expect an additional profit of $1.6 million on the gain of 10 market grade "bonus" units as a result of no new land costs and general developer profit. On the required 30 workforce housing units, the developer could potential earn another $1.56 million due again to no additional land costs and profits on the smaller workforce units.

Table 39. How Mandatory Inclusionary Zoning Works

Normal Density		100
Size	2,000	
Sales per sq.ft.	$200	
Sales Price		**$400,000**
Land Cost	20%	$80,000
Developer Profit	20%	$80,000
Cost minus profit/land		$240,000
Cost per sq.ft.		$120
Bonus	0.4	40
WHU	0.3	30
Net Gain Market grade		10
Profit on Net Market grad	10	**$1,600,000**
WHU		
Size	1800	
Construction	80%	$96
Construction Cost		$172,800
Sales Price	$125	$225,000
Developer Profit		$52,200
Total WHU profit		**$1,566,000**
Total Profit Bonus	40	**$3,166,000**
Profit Non Bonus	100	**$8,000,000**

Inclusionary zoning programs do not generally require the expenditure of local tax dollars to fund the construction of Workforce housing units. Ordinances based on developer incentives, such as density bonus programs, offer a positive alternative to mandatory programs that may be resisted by local developers.

Voluntary programs allow developers to determine for themselves whether participation will be cost effective. It should be noted that the most national studies have found voluntary programs to be fairly ineffective compared the successes of mandatory programs.

Inclusionary programs that do not provide for density bonuses can preserve zoning restrictions on higher density development and may be more acceptable in communities opposed to general upzoning as a solution to Workforce housing shortages.

Inclusionary programs avoid the problems of over concentration, isolation, and stigmatization of Workforce housing units, by integrating them into housing developments located throughout the community.

Inclusionary zoning can be flexible, since the provision for Workforce housing can either be regulated or encouraged by developer incentives.

Key Policy Issues:

Mandatory requirements are typically in the range of 10 -15 percent of the total units in the project, if there are no compensating developer incentives.

Inclusionary programs will require some ongoing administrative oversight to provide for the collection and management of fees paid by developers who opt to pay into a housing fund and to ensure that units that are constructed will be maintained as Workforce housing.

The legal authority for inclusionary programs based on mandatory requirements remains unclear in Florida as only a couple of cities/counties have enacted such programs. The City of Tallahassee has recently enacted legislation and Miami-Dade has developed legislation, which pasted on first reading and is expected to be approved December 13, 2005 (second reading).

The table on the following pages summarize some Inclusionary Programs from around the Country and copies of ordinances can be found in the appendix.

Table 40. Examples of Affordable and Workforce Housing Programs

Mandatory Inclusionary Zoning Programs								
Location/ Population	**Trigger**	**Set-Aside**	**Income**	**Length**	**Alternatives**	**Incentives**	**Other**	**Results**
Boston, MA -2000 589,141	10 units	10%	<80% AMI *(1/2 units)* <80-120% *AMI* *(1/2 units)*	Maximum legally allowed	• Fee In-Lieu • Off-Site Units: *15%*	▪ None except - Increased height and FAR only in financial district		246 affordable units created $1.8 million funds generated -2004
Boulder, CO (1980; 1999) 99,093	1 unit	20%	<80% AMI	Permanent	• Fee In-Lieu • Land Dedication • Dedicate Existing Units • Off-Site Units • *Must construct 1/2 of required units*	None		56 affordable units created (2003)
Cambridge, MA (1998) 101,355	10 units	15%	<65% AMI *(10-30% AMI using additional resources)*	Permanent	None	• 30% Density Bonus *(1/2 market, 1/2 affordable)*	• Incentive Zoning (1988) *If non-residential developers needed special permit contribute to affordable housing trust* • *Half of units go to housing choice vouchers recipients*	141 affordable units created (2004)
Chapel Hill, NC 49,368	5 units	15% (rental) 15% (owner)	<80% AMI		• Fee in lieu			
Davis, CA -1990 60,308	5 units	10%	<50% AMI *(2/7 units)* 50-80% AMI *(5/7 units)*	Permanent	• *If developer proves hardship* • Land Dedication	▪ 25% Density Bonus	• Through land dedication, an alternative to developing on-site, nonprofit developers have made 1,500 affordable units since 1987	
Denver, CO -2002 554,636	30 units	10% *(for-sale)* 10% *(rental voluntary)*	<80% AMI *(<3 stories)* <95% AMI (4+ stories) *<65% AMI (rentals)*	15 yrs	• Fee In-Lieu: *50% price per unbuilt unit* • Off-Site Units	• 20% Density Bonus *(single family)* • 10% Density Bonus *(multi-family)* • $5,000/for-sale unit *(up to 1/2 of all units)* • $10,000/rental unit *(to <50% AMI)* • Expedited review • Reduced parking requirements	• Zoning applies to both new developments and renovations	3,395 affordable units created (2004)

Table 40.Con't.

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
Fairfax County, VA -1990 969,749	50 units	6.25-12.5%	<50% AMI *(1/3 rentals)* <70% AMI *(2/3 rentals)* <70% AMI *(Own)* *(25-40% AMI using additional resources*	15 yrs (own) 20 yrs (rent) 50 yrs (prior to 1998)	▪ *Under certain circumstances*	● 20% Density Bonus	● Recertify applicable renters annually ● First-time homebuyer mortgage assistance ● 1/2 of units offered to Housing Authority	1/3 of the units go to <40% AMI
Highland Park, IL-2003 31,365		20%	<65% AMI *(50% own)* <50% AMI *(33% rental)* <45% AMI *(33% rental)* <51%-80% AMI 33% rental	25 yrs	● Off-site units ● Fee in Lieu ● Dedication of land	● Development cost off-sets ● Density Bonus ● PUD Discretionary Bonus	● Fixed rate 30 yr mortgage ● Down payment 5% purchase price	
Irvine, CA		15%	45% AMI (33% rental	30 yrs	● Fee in lieu ● Off-site units		● Annual gap study	
Lexington, MS 30,355		5% low-income or 15% low-income or 25% moderate income or 40% middle income	Low-income below %50 of Boston SMSA median income Moderate 50-80% Boston SMSA MI Upper Moderate 80-120% Boston SMSA MI					
Loudon County, VA (1993; 2000) 169,599	50 units	6.50%	30-70% AMI (own) 30-50% AMI (rent)	15 yrs (own) 20 yrs (rent)	▪*Under certain circumstances*	▪ 10% Density Bonus		203 affordable units (1999)
Madison, WI 208,054		15% rental 15% owner	<80% AMI (10% own) 60% AMI (10% rent)	50 yrs	● Off-site units ● Cash in lieu	● 10% Density Bonus (up to 20% based on size and parking) ● Reduction in Park Dedication Requirements ● 25% Reduction in Parking Requirements ● Cash subsidies	▪ Housing Authority has the right to purchase up to 1/3 of affordable units	

Table 40.Con't.

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
Montgomery County, MD-1974 83,629	50 units	12.5-15%	<65% AMI *(30% using additional resources)*	10 yr (own) 20 yr (rent)	▪*Under certain circumstances*	● 22% Density Bonus ● Fee Waivers/Deferrals ● Lower min. lot requirements ● Reduce property tax	▪ Housing Authority has the right to purchase up to 1/3 of affordable units	11,000 affordable units created (2004)
Miami-Dade Co.								
Morgan Hill, CA		20% for low-income or 10% for very low income or 50% for senior citizens		30 yrs		● 25% Density Bonus		
Pleasanton, CA 67,724		15-20%			● Off-site units ● Land Dedication ● Credit Transfers ● Alternate Methods of Compliance ● Lower Income Housing Fee Option	● Fee Waiver or Deferral ● Design Modifications ● Second Mortgages ● Priority Processing		
Sacramento, CA (2000) 407,018	9 units	15%	<50% AMI *(2/3 units)* 50-80% AMI *(1/3 units)*	30 yrs	● Off-site: *If insufficient land on-site and new units are in "new growth" areas*	● 25% Density Bonus ● Expedited review ● Reduced water/sewer fees ● Relaxed design guidelines ● Priority for subsidies		649 affordable units created (2004)
San Diego, CA (1992; 2003) 1,266,641	10 units	10%	<65% AMI *(rentals)* *<100% AMI* (own)	55 yrs	● Fee In-Lieu	None		1,200 affordable units created $300,000 funds generated -2004
San Francisco, CA (1992; 2002) 776,733	10 units	10%	< 80% AMI *(rentals)* <120% AMI *(own)*	50 yrs	● Fee In-Lieu: *Citywide Affordable Housing Fund* ● Off-site: *15%*	● Fee waivers		578 affordable units created (2004)
Santa Fe, NM -1998 620203	1 unit	11-16%	Av.65%AMI	Resale restrictions	● *If developer proves hardship*	● 11-16% Density Bonus ● Simplified paperwork ● Fee waivers		

Table 40.Con't.

Location/ Population	Trigger	Set-Aside	Income	Length	Alternatives	Incentives	Other	Results
South San Francisco, CA -2001 60,552	5 units	20%	50-80% AMI *(2/5 units)* <80-120% AMI *(3/5 units)*		• Fee In-Lieu • Off-Site: *20%*	None		
Southold, NY 20,599	5 units	25%						
Tallahassee, FL -2004 255,500	15 units	>10%-100%			• Fee in Lieu • Multi-family rental housing in Lieu • Residential lots in Lieu • Off-site units	• Density Bonuses up to 25% • Additional Development Density • Design Flexibility • Expedited Review • Deviations to Development Standards • Transportation Concurrency Exemption		
Source: Carras Community Investment, Inc., 2005, and Business and Professional People for the Public Interest, 2003, Strategic Planning Group, Inc., 2005								

Infill Development

Infill refers to development that takes place on land within built-up urban areas that has been passed over for various reasons during previous development phases and has remained vacant or under-utilized. Interest in infill development stems from a desire to channel development into areas that are already served by public facilities, including police, fire, utilities, schools, and transit, to make more efficient use of existing land and public facilities.

Many communities also encourage infill development as part of a strategy to revitalize and bring new activity to older neighborhoods. This type of development can also provide opportunities for the construction of Workforce housing.

Infill development can range from construction of single-family housing on one or two adjacent lots, to an entire city block containing mixed residential and commercial uses.
According to county appraisal records the City has hundred vacant sites. These sites represent a major opportunity for development at relatively low cost.

Benefits

Infill sites are often already served by utilities and other public services can reduce a developer's up-front costs, and in turn, may help in reducing the costs of completed housing units. Infill sites in urban areas that are well served by public transit can help to reduce traffic congestion by offering housing options that are closer to employment centers. New housing, or mixed-use projects resulting from infill development, can have a revitalizing effect on surrounding neighborhoods.

Encouragement of infill development, which seeks to make the best use of existing urban land and infrastructure, can also help to reduce development pressures on suburban locations, slowing the tendency toward urban sprawl and preserving open space and agricultural lands.

Key Policy Issues:

Where infill sites are located on higher cost land, multi-family housing and/or mixed-use projects, with lower per-unit development costs, may be the most appropriate type of development.

Where land costs are particularly high, incentives such as density bonuses or allowance of mixed uses, may add to a project's feasibility. Careful design, with particular attention to enhancing compatibility with surrounding buildings, parking, and traffic problems, will help to increase neighborhood acceptance.

Ft. Lauderdale can encourage infill development by:

- preparing an inventory of potential infill sites and making it available to developers.
- sponsoring a work-shop for developers to demonstrate infill development opportunities and tour potential sites. The type of development required on small infill parcels may be unfamiliar to some developers.

- adopting flexible zoning and building regulations which allow development of irregular or substandard infill lots.
- allowing mixed uses for infill developments which may enhance the economic feasibility of projects.
- assisting in the consolidation of infill lots into larger, more easily developed sites. Assembling large parcels can be difficult if there are different owners who may be holding out for higher prices.
- allowing sufficient density to induce housing development.

Mixed-use development

Mixed-use development is an example of flexible zoning which allows various types of land uses, including office, commercial, residential, and in some cases, light industrial or manufacturing, to be combined within a single development or district. A major purpose of mixed-use zoning is to allow a balanced mix of office, commercial, and residential uses in close proximity to increase convenience to residents and reduce the number of shopping and/or commuting trips needed. Mixed-use developments can range in size from single buildings with apartments located over retail uses, to large-scale projects that include office and commercial space along with hotels, convention centers, theaters, and housing.

Mixed-use developments can be regulated in various ways. A number of communities allow residential uses by-right in certain identified commercial zones, or, in other cases, as conditional uses. Other communities allow mixed uses within a planned unit development or in special mixed-use districts which would allow this type of development by-right in designated areas.

Benefits

Mixed-use projects can offer cost savings to developers in the form of shared parking arrangements and shared costs for building operation, maintenance, and security. Commercial uses can help subsidize Workforce or low-income housing, which may be necessary because of high urban land prices and development costs.

Mixed-use zoning can create new housing opportunities in areas that may have previously allowed only commercial, office, or light industrial uses.

Mixed-use zoning offers one way to accommodate the higher housing densities called for under the state's Growth Management Act. Higher density housing in commercial zones may be more politically acceptable than increasing densities in established single-family zones.

Mixed-use zoning can be utilized to better integrate land uses by locating residential developments near downtown commercial (shopping) areas. With residents working or shopping close to home, traffic congestion is reduced.

Allowing mixed uses can help to revitalize distressed neighborhoods by creating a sense of community and safety.

If Ft. Lauderdale wishes to encourage a mixture of land uses, it must do more than permit residential uses. It must actively promote them. The zoning ordinance should reflect this need by providing incentives or requirements for residential development and by encouraging the continuance of existing residential use.

Key Policy Issues:

Mixing of uses often requires changes in the zoning ordinance, PUD regulations, or site plan requirements.

Mixed-use developments require attention to development standards and site planning to assure that different uses are compatible (or buffered).

Mixed-use projects may be particularly useful as a type of infill development in underdeveloped commercial areas. A common example would be small retail shops with apartments located on upper floors.

Density bonuses, or other types of incentives, may be useful to encourage developers to include residential development in mixed-use areas.

Performance Zoning

Performance/impact zoning is a type of flexible zoning which determines land use locations and characteristics through the application of a system of performance criteria, which establish basic development standards and limitations, and specify the conditions under which developments will be allowed.

Unlike traditional, "Euclidean" zoning, which separates land uses into discreet districts based on their presumed compatibility or incompatibility with predetermined lists of permitted and prohibited uses, performance-based zoning systems evaluate proposed land uses on a case-by-case basis according to the merits of each proposal. Projects are evaluated on the basis of their particular "size, shape, location, natural features, and site development concept, rather than according to a predetermined zoning district classification."

Performance zoning is based in part on the model of environmental impact analysis, which focuses on identification of a project's physical impacts. Under this model, identified negative impacts must be mitigated before a project can be approved. Under a performance-based zoning system, a proposed land use must be able to show that it can meet the specified performance standards without negatively impacting the community in order to obtain a development permit.

Many communities implement performance zoning through a point system that ties development approval to the ability of a proposed project to qualify for a sufficient number of points. Points are awarded for meeting basic performance criteria.

A typical list of performance criteria may include such items as:

- compliance with density standards

- traffic generation - capacity of existing streets
- neighborhood compatibility
- impact on and capacity of existing utilities
- proximity to existing infrastructure (water and sewer lines, schools, police and fire stations, transportation facilities)
- parking
- noise levels
- proportion of open space
- protection of natural features

In theory, under this system, any use could locate next to any other use provided it could satisfy the performance standards in place. For example, a commercial use may be allowed to locate next to a residential area if the proposed use can meet certain conditions, such as landscape buffering and arterial street access rather than access via neighborhood streets. While performance based zoning systems allow considerable flexibility in determining the potential uses of a particular site, proposals must still meet the performance standards which govern actual development.

Benefits

Performance zoning permits all types of housing units, and provides more flexibility for developers to respond to a broader spectrum of the housing market. This added flexibility encourages developers to build a broader range of housing types including Workforce units.
By substituting performance criteria for designation of zoning districts as a means for determining land uses, performance systems have the effect of increasing the supply of developable land. The increased land supply can translate into lower land prices and lower cost development, which can contribute to the development of Workforce housing.
Performance-based standards typically allow greater flexibility in site design and project density, which encourages use of cost-saving techniques such as building clustering, mixed-use, and small-lot developments.

Key Policy Issues:

This technique involves the establishment of detailed performance criteria to be used for impact measurement and mitigation.

A key challenge is to develop performance criteria that will mitigate the negative impacts of developments without unnecessarily restricting developers from applying creative design and use solutions.

Few communities have developed performance-based systems which have replaced all traditional zoning districts. Most have incorporated performance zoning within a traditional framework, but with fewer zoning districts and more flexible use and density regulations.

Performance zoning allows the marketplace to decide how to meet the specified standards that the community sets. It is a conscious legislative attempt to protect the interest of all parties involved while providing the basis for compromise and flexible criteria for development.

Planned Unit Development

Planned unit development (PUD) regulations give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality of development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing various housing types and densities (single- and multi-family), and land uses (including some neighborhood commercial uses), and in some cases grant density increases over those normally allowed in the zoning ordinance.

PUD ordinances may be adopted as a part of a community's zoning or subdivision code, or may be adopted as a stand-alone ordinance. PUDs may be regulated as a separate zoning district, or as a conditional or special use permitted in selected districts. Some cities also designate PUDs as "floating zones" which do not apply to a particular location until an application is received and approved.

PUDs are generally characterized by:

- flexible zoning standards (lot size, setbacks, street frontage, etc.)
- focus on overall project design rather than traditional lot-by-lot zoning
- encouragement of innovative site design and housing types
- provision for on-site amenities (e.g., open space and recreational facilities)
- negotiation between developers and the community for improved design and amenities

Benefits

The most effective features of PUDs for encouraging Workforce housing are the economies that can be achieved through clustering of buildings and the related savings in site development costs such as for streets and utilities. Design flexibility allows for the concentration of buildings on that portion of the site that is most suitable for building, resulting in a more environmentally sensitive development that preserves open space and other natural features.

PUD ordinances often allow developers the opportunity to build at higher densities, spreading development costs over a larger number of units. They often allow a mixture of land uses in addition to residential. Commercial revenues from mixed-use areas can be used to help subsidize Workforce housing in the development. PUDs which allow clustering of homes on small lots and a mixture of uses, including some commercial uses, reflect not only a desire for more Workforce housing developments, but also a response to new lifestyle preferences for efficient low maintenance homes, with easy access to recreation and services.

PUDs give communities greater control over design during the permit review process allowing officials to negotiate for public benefits in return for concessions on density, mixed uses, and other development standards.

Key Policy Issues:

PUDs require greater attention to a development's planning and design including detailed reviews by the city's planning staff, planning commission, and the city council. Some cities may limit PUDs to residential developments (sometimes called Planned Residential Developments or

PRDs) with no allowance for the inclusion of commercial uses. Flexibility is a major key to successful PUD projects.

Reducing minimum land area requirements for PUDs can encourage greater use of this development technique.

Rezoning Vacant Land for Residential Use

This technique involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses as well as underutilized agricultural land and surplus land owned by public entities.

Benefits

The advantages to rezoning for residential use include close proximity to job centers, shopping and transit.
Land for Workforce housing development can be created without disturbing current residential areas.
Residential use generates less traffic than industrial, office or commercial uses.

Key Policy Issues:

A land use inventory, together with an analysis of projected need for commercial and industrial land, will assist in determining the availability of surplus commercial and industrial land supply. Special attention must be paid to site development in terms of proximity to factories and plants which produce emissions or may be unattractive in appearance. Special attention must also be paid to the possible presence of toxic materials in the soils of industrial lands developed for housing. Allowable densities should be sufficient to ensure economical development. Higher densities will generally result in lower per unit development costs.

Consider allowing density bonuses, or other types of developer incentives, in return for construction of Workforce housing.

Small Lots and Small Lot Districts

Allowing a reduction in minimum lot sizes for single-family detached or attached housing is a basic technique for reducing residential development costs. Small lot developments, whether in a cluster or traditional "grid pattern" subdivision, increase density and thus the opportunity for Workforce housing.

Small lots (which may range from 2,500 to 6,000 sq. ft.) and small lot districts can be utilized more fully by: (1) reducing minimum lot size requirements to allow building on lots that are currently below the specified minimum size for their locales; and (2) dividing large lots that currently have excess space. Many communities have designated special small lot zoning districts, which permit development on small lots within an entire district and encourage the use of innovative site design techniques.

Benefits

The lower land and development costs associated with higher densities in small lot developments can result in significant savings, and therefore, lower cost housing. With a higher density, land and infrastructure costs of multiple unit developments can be spread over a large number of units, resulting in reduced per-unit costs.

As in cluster development and PUDs, the reduced frontage and front-yard setbacks characteristic of small lots, allow for less pavement, sidewalk, and gutters per unit, shorter utility runs, and reduced material costs. Reduced lot size requirements allow the development of smaller houses, which may be more desirable and affordable for many of today's smaller households.

Key Policy Issues:

Small lot developments require greater attention to site design -- the layout of streets, lots, mixing of lot and house sizes, variation in building setbacks and elevations, variation in exterior designs, and landscaping -- to enhance aesthetic appeal and to blend well with surrounding developments.

Some cities include a site plan review process for small lot developments to ensure quality design. Requirements for two side-yard setbacks are often relaxed in small lot developments, allowing for "zero lot line" development and other similar design innovations which can enhance the appearance and livability of higher density developments. Special consideration should be given to parking in small lot developments to avoid the problem of cars dominating the streetscape (the visual quality of the development as seen from the street). Consideration may be given to staggering front-yard setbacks or allowing parking access through alleys running along rear yards.

The maintenance of privacy will also require some attention in small lot developments. Use of landscaping, fences, walls, staggered setbacks, and windowless side walls, are common techniques used to enhance privacy in small lot and other high-density single-family developments.

Some small lot development ordinances require the use of buffers at the perimeter of small lot projects to lessen the visual impact from near-by larger-lot developments and to help in achieving neighborhood acceptance.

Subdivision/Development Standards

Communities throughout the United States have found that they can lower the costs of creating Workforce housing by reevaluating their subdivision ordinances and updating or modifying regulations where possible. Minimum requirements can often be lowered to reflect actual projected usage and needs.
Most subdivision requirements involve site-improvement standards which are designed to hold down future maintenance and minimize both public and private repair and replacement costs. These standards are also used to prevent flooding, minimize accidents, protect air and water quality, and to preserve or enhance the residential setting.

In subdivisions, the frontage, or width, of the lot determines the linear distance of streets, sidewalks and utility lines that must be put in place for each house. Communities requiring lot widths of, say, 100 feet when 50 feet would suffice may be almost doubling the cost of the major site improvements per housing unit. Reducing the minimum lot frontage is an important way to reduce housing costs in many communities.

Site improvement standards include drainage requirements, dimensions and spacing of storm drains or other storm catchments, street construction standards, minimum street pavement widths and cul-de-sac turning radii, parking standards, sidewalk standards, sewer pipe sizes and spacing of manholes.

Cost savings in site improvements allow direct reductions in the cost of new housing. Site improvement costs (including labor and materials) have been found to account for roughly 10 percent or more of development costs for a new single-family home. Such savings passed on to the consumer, may make the difference between affordable and non-affordable housing.

Workforce housing demonstration projects in Florida and elsewhere have utilized various types of cost reduction methods, including:

- Modification of street requirements. For example, minimum pavement width (and depth in some cases) of low-volume subdivision streets have been reduced, as well as minimum turning radii of cul-de-sacs.
- Curbs and gutters have been made optional, or less expensive rolled curbs were used.
- Reduction of sidewalk requirements to allow narrower widths, sidewalks on one side of the street, replacement with pathways, or elimination altogether.

Costs have been decreased by using methods which reduce water and sewer utility requirements including: running the main lines close to the setback line to reduce house connection distance; common trenching for multiple utilities; shared sewer laterals and water service lines serving two or more dwellings; reduced water and sewer line sizes; and curvilinear sewers.

Parking space size and quantity can be reduced based on the size of current compact cars, the actual number of residents in the development, and the availability of transit. Off-street parking on driveways, in carports, or in common areas may be less costly.

Benefits

The money savings in development costs can significantly reduce the cost of housing, particularly when they can be spread over a large number of housing units.

The revision of subdivision standards can promote more efficient use of labor, materials and time, thus expediting the construction process and saving on total development costs. These savings can also be passed along to the consumer.

Key Policy Issues:

The City's subdivision requirements and ordinances should be carefully reviewed before implementing cost saving techniques. Care must be taken to avoid site development shortcuts which may prove to be more costly in the long run.

Transfer Of Development Rights

Transfer of development rights (TDR) programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas. TDR programs have also been used as a means for preserving historic landmark structures, open space, and agricultural land.

TDR programs are based on the idea that ownership of real property is comprised of a "bundle of rights," including, among other things, a property's "development rights," which can be separated, sold, and transferred to another piece of property. "Development rights" are defined as the "difference between the existing use of the parcel and its potential use as permitted by existing law." A TDR program allows for the sale and transfer of unused development rights from one building or parcel of land (the "sending site") to another (the "receiving site"). For example, if a four-story building were located in a zoning district that actually allowed the construction of buildings up to six stories, the unused development potential of the building would be equal to two stories (the difference between the existing use of the property and its potential use permitted under the zoning law). Under a TDR system, the development potential represented by these two stories could be separated from the property, sold, and transferred to another property. The purchased development rights can then be used to increase the development potential of the receiving site.

Benefits

Use of this technique benefits both developers, who can increase the density of their projects, and the community, which benefits from the preservation of low- and moderate-income housing especially in the downtown.

Increased housing opportunities in the downtown and neighboring areas can help to reduce traffic congestion and provide workers with housing close to employment centers. When development rights are transferred between nearby properties, there is no net increase in allowable density in the area.

TDR programs can also be used to preserve historically significant sites throughout the City.

Key Policy Issues:

TDR programs can be complex to administer. They have been used most successfully for the preservation of environmental, rural and open space lands or in healthy downtown real estate markets where developers have sufficient incentives to purchase and use development rights.

Communities should determine whether they are willing to accept increased density in receiving areas in order to preserve low- and moderate-income housing. Property owners in receiving areas may find TDRs to be acceptable in theory, but not in their back yards.

Once development rights have been transferred, most communities place legal restrictions on the sending site, prohibiting future use of the transferred development potential.

TDR programs often provide only limited funds which may need to be supplemented, depending upon needs, through other fund sources including private financing and public subsidies.

TDR programs must be designed on the basis of a thorough understanding of the real estate market both to determine feasibility and to develop appropriate regulations. If existing zoning allows enough density to satisfy current market demand, developers will have no interest in purchasing additional development rights.

The City may want to consider a requirement that construction or rehabilitation of housing units be completed within some fixed period of time.

Upzoning (Higher Density)

Upzoning is one of the most basic and potentially effective techniques for promoting housing affordability. It involves the selective rezoning of residential land to allow greater density (measured by the number of housing units that can be placed on a parcel of land). Higher density can include both multi-family and single-family housing. Ft. Lauderdale already has high density districts however; it might be advantages to enact special design requirements, especially if to ensure that new higher density developments are compatible with existing housing in the community.

An example of the impact of increased density can be seen when realizing that a single-family home on a half-acre lot uses 12.5 times as much land per household as a garden apartment of 25 units per acre. At the extremes, a steel and concrete high-rise of 80 units per acre holds 400 times as many households per acre as a five-acre lot development of single-family homes.

Benefits

Increasing allowable density generally has the effect of reducing land and site development costs for developers, letting them spread these costs over a larger number of units, and therefore, reducing purchase prices for homes and rents for apartments. Site development costs include the labor, material and equipment expenses for the construction of roads, sidewalks, water and sewer lines, drainage, landscaping, and other on-site work. Higher density urban development may help to preserve open space and environmentally sensitive areas by reducing the overall amount of land needed for residential development.

Density increases near employment centers and transit stops can help reduce traffic congestion by providing more opportunities for residents to live near their jobs.

Higher densities can result in more efficient use of existing infrastructure capacity (assuming it is adequate to serve growth).

Key Policy Issues:

Higher density development requires greater attention to design (architectural style, landscaping, lot coverage, open space, parking, etc.) to enhance aesthetic appeal and to blend in with surrounding developments. High density developments also require convenient access to recreation and transit to make it marketable.

Opposition in community may be based on concern over out-of-scale buildings, increased traffic congestion, longer lines, and impact on property values.

The following tables provide a broad list of policies and tools that communities use throughout the United States in promoting affordable and workforce housing. Not all policies and tools are suited for municipal types of governments and some policies are more philosophical in nature e.g. encouraging family stability (high income) and providing a "living wage".

Table 41. Policies/Mechanisms for Increasing the Supply of Workforce Housing

Name of Program	Description
Accessory Dwelling Units (ADU)	An additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, on a single-family lot. These housing units are small, self-contained secondary apartments on the same lot as
Adaptive Reuse	This technique involves the conversion of surplus and/or outmoded buildings including old school buildings, hospitals, train stations, warehouses, factories, etc., to economically viable new uses. In its broadest application, adaptive reuse projects are
Bonus Densities	Incentive for developers
Bridge Loans	Provide capital.
Cluster Subdivisions	This technique provides for the clustering of housing units within a residential development (usually single-family detached- or attached-housing) on lots smaller than those normally allowed under existing zoning, usually with the provision that the land
Community Redevelopment Agency	Captures available CRA monies and requires workforce housing as a part of redevelopment efforts. The elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of afford
Comprehensive and on-going training/information program for builders/housing professionals	Creation and/or enhancement of county and/or municipal sponsored programs.
County-wide and/or municipal efforts to identify and promote infill sites appropriate for mixed uses, including workforce housing	Municipal and/or County sponsored planning study and analysis to identify suitable sites or areas, in conjunction with evaluation and adoption of appropriate land use planning policies and land development regulations.
Create and regularly update data base and projections regarding supply and need for workforce housing	Ft. Lauderdale, County or other entity create and update data base. Funding support from City, County and/or other local sources.
Deed Restrictions	Preserve the existing supply of workforcee housing.
Density Bonuses	Allows a developer to build more units within a project than would otherwise be permitted under normal density limits. Both zoning and subdivision regulations can be modified to allow density bonuses.
Escheatment	Provide additional resource for workfoce housing.
Expand "fast-tract" permitting for workforce housing	Municipal re-evaluation and revision to current or enactment of new fee waivers.
Create City program of providing vacant lots for workforce housing similar to Broward County's program	Develop a vacant lot program for Ft. Lauderdale similar to but expanded to Broward County's Program.

Table 41. Con't.

Name of Program	Description
Expedited Permitting	Expedite building process. Lower development costs.
Fair Share Allocations	To quantify each local governments responsibility for providing workforce housing to meet local needs.
Flat Fee for Workforce Housing	Charge fee for workforce housing similar to other "permit" fees. Similar to Winter Park
Housing Trust Funds	Dedicate public funds for the production of workforce housing and help leverage private capita for housing development. Moneys can be used to assist with a host of income enhancements including downpayment assistance, subsidies for mortgages etc.
Inclusionary Zoning	"Inclusionary" programs involve defined requirements or encouraged targets for workforce housing within described areas or specific residential development projects. Mandatory requirements would involve revision to State and/or county and/or municipal l
Infill Development	Infill refers to development that takes place on land within built-up urban areas that has been passed over for various reasons during previous development phases and has remained vacant or underutilized.
Information Providing/Public Relations	Better information sharing for greater efficiency. Combat NIMBYism
Land Development Regulations	Provide flexibility without protecting the integrity of workforce housing.
Land Use	Maximize opportunities to create workforce housing
In-Lieu Payments	Provide additional resource for construction of workforce housing from programs such as Inclusionary and Linkage Zoning
Mixed-Use Development	This is an example of flexible zoning which allows various types of land uses, including office, commercial, residential, and in some cases, light industrial or manufacturing, to be combined within a single development or district. A major purpose is to
Mortgage Revenue Bond Program, Rental - MRB	The Multifamily Bond Program utilizes funds generated from the sale of both taxable and tax-exempt bonds to make below-market interest rate loans to nonprofit and for-profit developers of rental housing. Developers that receive tax exempt financing also
Partnerships for Housing	Coherent housing policies, Increased subsidy $ and sources, Reduce red tape, centralize & expand housing info/awareness, Increase stock of workforce housing.
Partnership with School Board and/or other appropriate agencies to provide housing	The Broward County School Board has recently indicated an interest in participating in and allocating funding to programs designed to offer workforce housing to eligible public school personnel. There has also been discussion of using portions of public
Payment in Lieu of Taxes	Provide a dedicated source of funding.
Performance/Impact Zoning	A type of flexible zoning that determines land-use locations and characteristics through the application of a system of performance criteria, which establish basic development standards and limitations, and specify the conditions under which developments
Planned Unit Development	Give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality of development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing
Public/Private Partnerships	Creates coherent housing policies; increases subsidy money and sources, reduces red tape, centralizes and expands housing information/awareness, increases stock of workforce housing.

Table 41. Con't.

Name of Program	Description
Real estate resale transfer tax	Taxes that are assessed on real property when ownership of the property is transferred between parties. Require adoption of state legislation, with follow-up implementation by the county.
Reduce time/complexity of land use plan revisions	State, county and City re-evaluation and revision of review and approval process. It is noted that state law currently limits revisions to twice a year for regular county and municipal land use plan amendments.
Rehabilitation Programs	Preserve and upgrade ownership of housing in lower income neighborhoods.
Revise policy requirements and comment and analysis regarding workforce housing during land-use amendment/rezoning reviews.	Currently, the consideration of workforce housing is minimal. Revise BCLUP and municipal comprehensive plans to strengthen policy requirements regarding the availability and provision of workforce housing as part of land-use plan amendment/rezoning rev
Rewrite existing municipal codes to reduce the need for variance requests and more easily allow mixed uses	Revision of municipal land development codes would be required.
Rezoning Vacant Land for Residential Use	This technique involves amending the comprehensive plan and rezoning surplus industrial and/or commercial land for residential uses. It can include land zoned for office, commercial, and industrial uses, as well as underutilized agricultural land and sur
Small Lots and Small Lot Districts	Allowing a reduction in minimum lot sizes for single-family detached or attached housing is a basic technique for reducing residential development costs. Small lot developments, whether in a cluster or traditional "grid pattern" subdivision, increase den
Subdivision/Development Standards	The City could lower the costs of creating workforce housing by re-evaluating their subdivision ordinances and updating or modifying regulations where possible. Minimum requirements can often be lowered to reflect actual projected usage and needs.
Tax Exempt Bond Financing	Low interest rate loans and the "automatic" availability of 4% tax credits.
Tax Increment Financing	Mandatory set-aside of revenue for workforce housing.
Transfer of Development Rights - TDR	These programs have been implemented in a number of cities across the country as a means of generating funds for the preservation and/or rehabilitation of low- and moderate-income housing primarily in downtown areas. TDR programs have also been used as a
Transit-oriented Design	Create workforce housing in geographic areas that will lead to lower cost of living in other areas. Establish creative loan products in conjunction with housing near transit.
Upzoning (Higher Density)	Upzoning involves the selective rezoning of residential land to allow greater density (measured by the number of housing units that can be placed on a parcel of land).
Urban Infill and Redevelopment Areas	Legislative intent: Fiscally strong urban centers are beneficial to regional and state economies and resources, are a method for reduction of future urban sprawl, and should be promoted by state, regional, and local governments.
Urban Infill and Redevelopment Assistance Program	A local government may allocate grant money to special districts, including community redevelopment agencies, and nonprofit community development organizations to implement projects consistent with an adopted urban infill and redevelopment plan or plan em
Variances	Increase the accessibility of variances to developers of workforce housing; require localities to offer a specified amount of incentives in exchange for development of a percentage workforce housing.
Waive Fees	Waive impact and other development and review fees to lower cost of producing workforce housing
Zero Lot Line Development (ZLL)	This is a technique used in small lot housing developments (including planned units developments and development in small lot districts) to preserve some of the privacy and yard usefulness that is characteristic of single-family dwellings and to enhance t
Source: Strategic Planning Group, Inc., 2005	

Table 42: Policies/Procedures for Implementing Workforce Housing – Increase Income Demand

Name of Program	Description
Coordinate with social service providers and support "supportive," "transitional" and "elderly housing"	It has been indicated that correlation exists between those persons who need workforce housing and social services. Municipal and County review, revision and enhancement, as necessary, of coordination between and support of social service and workforce
County/municipal "subordinated second mortgage program" (i.e. "Coral Springs" proposal)	This program type would provide a second mortgage funding opportunity to close the gap between the purchase price of a home and household income buying power. Municipal and/or County funding source approval and implementation required.
Downpayment Assistance	Local governments are increasingly providing downpayment assistance to first time homebuyers, a concept that received a considerable boost with the enactment of the American Dream Downpayment Assistance Act of 2003
Economic Development	Target higher paying jobs to increase household incomes.
Exemption from Impact Fees	Recognizing that impact fees can have a negative effect on the construction of workforce housing, some jurisdictions in Florida have enacted measures to reduce or waive such fees for projects that include workforce housing units.
First-time homebuyer programs	Generally, such programs provide below market interest rate mortgage loans through a network of participating lenders to eligible families and individuals who are purchasing their first home or who have not owned a home over a defined period.
General public out-reach/education regarding the need for, ways to achieve, and benefits of workforce housing	Creation and/or enhancement of county/municipal/developer/non-profit/etc.-sponsored programs. Primarily educating public about need and solutions/programs
Government partnerships with non-profits/development community	Generally involves creation of programs to maximize resources, funding and options to support or provide workforce housing. Clty and/or County agency approval and implementation of agreements with appropriate non-profits/developers required.
Homeowner Education Classes	Prepare buyers for homeownership and foreclosure prevention.
Housing Authorities	Provide workforce housing; increase homeownership through rent-to-own programs.
Housing Opportunities for People with Aids - HOPWA	Provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families.
Housing Trust Funds	Dedicate public funds for the production of workforce housing and help leverage private capita for housing development. Moneys can be used to assist with a host of income enhancements including downpayment assistance, subsidies for mortgages etc.
In-Lieu Payments	Provide additional resource for construction of workforce housing from programs such as Inclusionary and Linkage Zoning
Lease/Purchase	Provides method of saving down payment money for renters wanting to own.
Linkage Fee for large retail/commercial employers	A mitigation or impact-type fee imposed on large, generally lower-wage paying employers based on a finding or correlation that such employers generate an area need for workforce housing. Requires revision to county and/or municipal land development regu
Living Wage	Pay wages that keep up with inflation and increasing costs of living.
Location Efficient Mortgages	Qualify low-income buyers for higher than normal mortgages
Matching Funds for Downpayment Assistance	Help low-income people accumulate money for down payment.
Portable "Save Our Home" property tax program.	Concept would permit homesteaders to transfer all or a portion of the tax savings resulting from the difference between the "Save Our Home" value and the property assessment value to a subsequent home purchase in Ft. Lauderdale or Broward County. Require
Rent Controls	Keeps rents at workforce levels. Prevent gentrification of low-income renters.

Table 42: Con't.

Name of Program	Description
Save Our Homes	Slows rate of increase in real estate taxes for homeowners. Limits the increase in assessed value for properties receiving the Homestead Exemption to no more than 3% or the increase in the consumer price index. See Portable Save Our Homes discussion.
Seek additional permitted dwelling units as part of Broward County Land Use Plan specifically to facilitate the construction of workforce housing.	Creation of an additional "pool" of available units, beyond that which is currently available, would require revision of the BCLUP.
Soft Second Mortgages	Provide buyers money for down payment and closing costs and reduce monthly mortgage payments.
Support density increases in appropriate redevelopment, transit-oriented, mixed-use and currently designated nonresidential areas	Development of housing in higher-density and transit-oriented areas may facilitate a reduction of the per-unit costs of housing and also reduce household transportation costs. Municipal, county and state approval of proposals for the BCLUP land-use class
Tax Abatements	Lessen the cost of homeownership for moderate-income persons. Make housing more workforce in a specific area or for a specific population.
Tax increment financing (TIF) areas and mechanisms	Could involve allocation of TIF funds to support specific workforce housing programs. Requires inclusion of additional or new workforce housing funding programs for existing or proposed TIF areas.
Source: Strategic Planning Group, Inc., 2005	