



**City of Coral Gables
CITY COMMISSION MEETING
January 24, 2006**

ITEM TITLE:

Presentation of Workforce Housing Study – Time Certain 2:00 p.m.

RECOMMENDATION OF THE CITY MANAGER:

The Planning Department is not seeking a recommendation at this time. The purpose is to present the Workforce/Affordable Housing Study. Staff and City’s consultant are requesting input and any preliminary policy direction the City Commission may have. Development regulations would then be drafted based upon input and will be scheduled for future consideration by the Planning and Zoning Board. After Planning and Zoning Board review, these regulations will then be provided to the City Commission as a part of the comprehensive Zoning Code rewrite package.

A copy of the study has been previously distributed to the City Commission.

BACKGROUND:

History

In 2004, the City adopted an amendment to its Comprehensive Land Use Plan (CLUP) creating the “Mixed Use District 3 (MXD3)” zoning district, and assigning the designation to the “Industrial Design Center” area. Pursuant to State Statutes, the CLUP amendment was then transmitted to the South Florida Regional Planning Council (SFRPC) and the State’s Department of Community Affairs (DCA) for their review and approval. During its review, the SFRPC conditioned their recommended approval of the amendment, and any future CLUP approvals, with a requirement that the City work to assess and address its workforce housing needs. In response, the City Commission adopted two resolutions, Nos. 2004-37 and 2004-158 (see Exhibits A and B), that committed the City to the following:

1. Completion of a Housing Needs Study for the entire City to determine what the current needs are for the City as a whole;
2. Assurances that workforce housing needs will be addressed in accordance with the SFRPC’s Strategic Regional Policy Plan (SRPP);
3. An update of the Housing Element of the CLUP as part of the Evaluation and Appraisal Report (EAR) to include policy that promotes workforce housing, including voluntary inclusionary zoning provisions; and
4. Implementation of voluntary inclusionary land development regulations to provide incentives to satisfy Florida Statute workforce housing requirements.

Pursuant to those Resolutions, the City secured Dr. Robert Burchell, Ph.D., Co-Director of the Center for Urban Policy Research at Rutgers University, and a noted national authority on workforce housing, to develop a workforce housing study for the City (see Exhibit C). The ensuing “Workforce/Affordable Housing Study for the City of Coral Gables (January 2006),” is the subject of this agenda item.

A copy of the Study was previously provided to the City Commission. Additional copies can be provided upon request.

Summary of Study

The Study is a comprehensive analysis of the City of Coral Gables' workforce housing situation. Utilizing a host of demographic and socio-economic data, the Study establishes an analytical framework for assessing the City's workforce housing needs. These needs are divided into 4 subgroups of workforce housing types that need to be addressed: (1) Future cost-burdened need; (2) Current rehabilitation need; (3) Preservation need; and (4) Backlogged cost-burdened need. An analysis is conducted to determine qualifying populations and thresholds, and these are applied to the aforementioned subgroups. Additionally, the Study provides an overview of statutes, regulations, programs, and resources that address workforce housing. Finally, the Study proposes a program that, if generally followed, would effectively meet the identified needs. The following table from the Study outlines the general findings and recommendations.

**TABLE A
Coral Gables Workforce/Affordable Housing Need/Remedies, by Type, 2005-2015**

Type of Affordable Housing Need (Households >120% of Median)	Units	How Need Should Be Addressed	What is Impacted
I. Future Cost-Burdened Workforce/Affordable Housing Need (>50% of income for 2300 Southeast Palm Drive housing costs)	186 units	Inclusionary Housing 1 per 8 units market residential 1 per 8000 ft ² market nonresidential (Costs could be paid into local fund)	New residential & nonresidential development
II. Current Rehabilitation Workforce/Affordable Housing Need (Three indices of deteriorated need – require two for deterioration or one plus old unit)	113 units	Provide 75% of rehab costs as a grant by raising local non-new construction building permit fees by 10%	Existing residential & nonresidential space improvers
III. Preservation Workforce/Affordable Housing Need (Existing units likely to be lost, or if none, 50 units added)	50 units	Buy down residential units or convert nonresidential space that comes available through the tax foreclosure process or through city gifts/purchase	Exceptional property donations to the city or general taxpayers (minimally)
IV. Backlog Cost-Burdened Workforce/Affordable Housing Need (Goal – 5% of existing need)(>50% of income for housing costs)	106 units	Provide buy-down moneys to landlords to lower rent for existing units through more efficient use of the real estate transfer tax (SHIP Program)	Existing residential and nonresidential real estate transfers
V. Total (10 years)	455 units	45 units per year for 10 years	Burden spread across all sectors

Reasons for Addressing Workforce Housing

The City of Coral Gables is working to address workforce housing for two principal reasons:

1. The issue needs to be addressed because it is an important one facing our City and the region. As real estate prices have escalated throughout our region, housing has become less affordable to ever greater segments of our population. Recognizing that workforce housing is first and foremost a regional issue, and most effectively and efficiently addressed at the regional or county level, each municipality must still support those larger efforts by addressing their fair-share of housing need. The affordability of housing has in fact become an issue for the City's moderate income residents and workforce, who must spend greater percentages of their income on housing costs, and commute from ever greater distances, in order to afford a place to live. The likely results of this affordability gap include the loss of a diverse and mixed-income population, and the loss of businesses to areas within easier

commuting distances of the workforce.

2. The issue needs to be addressed because it is a requirement of several laws, regulations and directives, including the following:
 - a. City of Coral Gables, Resolution Nos. 2004-37 and 2004-158 (see Exhibits A and B)
 - b. City of Coral Gables, Comprehensive Plan – Chapter 3 (see Exhibit D)
 - c. Florida Statutes – Chapter 163(6)(f) (see Exhibit E)
 - d. SFRPC, Strategic Regional Policy Plan – Chapter 6 (see Exhibit F)

Next Steps

Dr. Burchell is scheduled to make an identical presentation of the Study to the Planning and Zoning Board (PZB) on January 25, 2006, 6:00 p.m.

Pursuant to the Commission’s directives (Resolution Nos. 2004-37 and 2004-158), the Planning Department is working to develop policies and regulations that address the City’s workforce housing needs. Based on an analysis of the City’s needs and a comparison of other local government workforce housing programs (see Exhibit G), a preliminary concept has been developed that would employ a two-pronged approach to satisfying the City’s needs:

1. The City would address its future cost-burdened workforce housing need via an inclusionary zoning program that would apply to new developments in the MXD3 district; and
2. It would address its other workforce housing needs via a fee/assessment that would apply to new developments in the Multi-Family, Mixed-Use, Commercial, Office, and Industrial districts (see Exhibit H).

The City would then “partner” via an inter-local agreement with Miami-Dade County’s Housing Agency to meet the regional needs which would include, administration, management and allocation of workforce housing.

These concepts will be presented to the Planning and Zoning Board and City Commission for consideration as part of the Comprehensive Plan and Zoning Code Rewrites, as those documents move forward.

LEGISLATIVE ACTION:

Date:	Resolution/Ordinance No.	Comments
N/A		

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date	Board/Committee	Comments (if any)
01.25.06	Planning and Zoning Board	(same presentation)

FINANCIAL INFORMATION: (If Applicable) N/A

No.	Amount	Account No.	Source of Funds
1.	N/A		
Total:		APPROVED BY:	

PUBLIC NOTIFICATION(S):

Forms of Notification
Published the Planning and Zoning Board agenda in the newspaper and City Hall.
Posted special notice at City Hall.
Posted the study, Staff report and agenda on City web page.
Invited all interested City Boards and Committees to participate and attend the Board and City Commission presentations.

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
Eric Riel, Jr. Planning Director		

EXHIBIT(S):

- A. City of Coral Gables Resolution No. 2004-37
- B. City of Coral Gables Resolution No. 2004-158
- C. Bio: Robert Burchell, Ph.D.
- D. City of Coral Gables Comprehensive Plan – Chapter 3
- E. Florida Statutes – Chapter 163(6)(f)
- F. South Florida Regional Planning Council, Strategic Regional Policy Plan – Chapter 6
- G. Local Government Workforce Housing Programs
- H. Preliminary Workforce Housing Program Concepts

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