Why Provide Workforce/ Affordable Housing?

As part of a workforce/affordable housing study provided for the Public Advocate of the City of New York, James Stockard, curator of the Harvard University Loeb Fellowship, provided a 30-page report on the subject. The ideas in the following six paragraphs are excerpted from his report.[1]

WORKFORCE/AFFORDABLE HOUSING IS NEEDED

Efforts should be undertaken to ensure that every American has new housing at an affordable price and that this housing can be dependable. There must be a way of answering the housing need of those who pay too high a proportion of their income for housing or live in overcrowded or substandard housing, or those who live in workforce/affordable housing whose subsidies are likely to expire. The market delivery of housing has been successful, but one of the responsibilities that come with the benefits of a market system is the obligation to ensure that all benefit at some basic level from the wealth that the system creates.

WORKFORCE/AFFORDABLE HOUSING HAS BEEN SUCCESSFUL

The overwhelming majority of workforce/affordable housing initiatives that have been put in place by the federal, state, or local governments over *recent* years have been successful. Hundreds of thousands of households live successfully in rental properties alongside others of considerably greater means. Federal, state, and local housing programs are good for residents, good for landlords, and good for the local economy. Developments containing workforce/affordable housing rental units, such as HOPE VI developments and properties supported by the Low-Income Housing Tax Credit (LIHTC), are among the best properties in their respective neighborhoods. In addition, academic studies have found that mixed-income, multifamily rental housing developments either had no effect on the prices of surrounding single-family homes or contributed to their increase. Increasingly, homeownership, cooperative, and affordable assisted-living programs, supported largely by state and local housing finance agencies, are being developed and are providing an even wider array of successful workforce/affordable housing ownership opportunities.

WORKFORCE/AFFORDABLE HOUSING IS GOOD FOR THE ECONOMY

The National Housing Conference estimates that the construction of 100 units of multifamily housing generates $5.3 million in new income to local businesses and workers in the first year of construction and $2.2 million every year thereafter.[3] The development creates 112 jobs in the local community during the first year of construction and 47 jobs every year thereafter. It further generates $630,000 in additional local taxes and fees in the first year of construction and nearly $400,000

Existing workforce/housing in the McFarland neighborhood (Planning Department, City of Coral Gables).

[1] Steven L. Newman Real Estate Institute, *New York City Affordable Housing Study for the Public Advocate,* vol. 1 (New York: City University of New York, 2005).

every year thereafter. On the two coasts and in growing large cities, the business sector is indicating that local housing costs are thwarting their opportunities to grow and be competitive. In numerous cities, industries are finding that they can neither recruit new employees nor keep the best of their existing employees.

WORKFORCE/AFFORDABLE HOUSING CANNOT BE PRODUCED

The housing industry of the United States cannot produce a new house for a cost that most portions of the citizenry can afford. Housing costs consist of land, architects and engineers, money, fees and permits, labor, materials, insurance, taxes, marketing, brokerage fees, and other costs. Add to this the costs of government regulations. Regulations (zoning ordinances, subdivision regulations, minimum-lot size restrictions, conservation rules, historical preservation restrictions, and so on) are a part of the housing industry because they add to the quality of life or the quality of the building produced. There is little question that each of these also adds to the cost of construction and occupancy of new housing.

CITIZENS WANT WORKFORCE/ AFFORDABLE HOUSING

In a poll conducted among 1,000 residents in the Chicago metropolitan area, 83% of the respondents said that they strongly (59%) or somewhat (24%) agreed that more tax dollars should be put into providing workforce/affordable homes and apartments for moderate- and low-income people because good housing is a basic human right.[4] In the last several years, taxpayers in San Francisco and Seattle passed tax levies or tax increases specifically for the purpose of funding workforce/affordable housing. In Massachusetts, where the legislature allowed cities and towns to increase taxes for the purpose of funding workforce/affordable housing, open space acquisition, and historic preservation (with 10% of the money mandated for each of the three uses and 70% available to be divided at the community's discretion among the three), 40 communities passed the legislation immediately and 35 more have adopted it in the three years since passage.[5]

[3] National Housing Conference, "Coalition Urges Congress to Take Specific Actions to Alleviate the Nation's Worsening Housing Crisis" (Washington, D.C., February 10, 2003).

NO WORKFORCE/AFFORDABLE HOUSING CAUSES HOMELESSNESS

If workforce/affordable housing that secures decent homes for all citizens is not provided, the reality is that a share of the population will live in places where the rest would not consider living, or pay a proportion of their incomes for homes that jeopardize a healthy family life. It also means that some portion of the population will be homeless. Hubert Humphrey said, "The . . . test of Government is how that Government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped."[6] One of these tests is whether such populations are well housed within structures that serve a variety of income groups.

WHY ADDRESSS WORKFORCE/ AFFORDABLE HOUSING IN FLORIDA?

There are two state mandates requiring local governments to "address" affordable housing—the local comprehensive plan and it's required housing element and the Housing Assistance Plan (HAP) of the local State Housing Initiative Program (SHIP). Both of these requirements involve the day-to-day business of a municipality. Local land-use regulations derive their legitimacy from the local comprehensive plan and that plan must contain a housing element, a portion of which must deal with affordable housing. Also as a part of day-to-day activity, if a community is eligible to receive Community Development Block Grant (CDBG) funds, it can participate in the SHIP. Participation in the SHIP makes a community and housing providers within the community eligible for grant funding for a variety of purposes. In order to participate, a community must have a HAP. Within this plan must be put strategies for addressing affordable housing. From a regulatory standpoint, local governments cannot avoid developing a local comprehensive plan containing the required elements, and if CDBG eligible, they usually develop HAP.

[4] The Campaign for Affordable Housing, *What We Know about Public Attitudes and Affordable Housing: A Review of Existing Public Opinion Research* (San Francisco, 2004), 45.

[5] Ibid, 25.

[6] Millennial Housing Commission, *Meeting Our Nation's Housing Challenges* (Washington, D.C., 2002).

Selected Guidelines for Workforce/Affordable Housing from the South Florida Regional Planning Council

There is no question that workforce/affordable housing is a priority in the South Florida Region. The South Florida Regional Planning Council (SFRPC) has goals and policies as part of their Strategic Regional Policy Plan[7] that deal specifically with workforce/affordable housing. The goal is to ensure that workforce/affordable housing is provided to very low, low-, and moderate-income households in the region. The implementation policies encourage municipalities and counties to address the workforce/affordable housing needs of their growing populations by tapping residential and nonresidential development, as well as their own revenues, to provide such housing. These statements are shown below.

Main Goal	
Goal 6	***Ensure the availability and equitable distribution of adequate, affordable housing for very low-, low-, and moderate-income households within the region.***
Implementing Policies	
Policy 6-1	***Address the needs of the growing population requiring affordable housing, including those of moderate-income households, and the resulting impacts on economic development activities, transportation, public transportation networks, and the quality of life for South Florida residents by developing a Regional Housing Plan.***
Policy 6-5	***Encourage employers to offer assistance in meeting the housing needs of employees who are cost-burdened.***
Policy 6-14	***Promote linkage programs that condition approvals for, and incentivize the development of, high revenue and employment-generating uses, such as office and retail, upon development of very low-, low-, and moderate-income housing within reasonable proximity.***
Policy 6-15	***Promote regional incentives for the provision of affordable housing, including development of regional affordable housing production goals.***
Policy 6-16	***Explore the development of inclusionary housing programs throughout the region that encourage an affordable housing set-aside in all mixed-use and large-scale market-rate housing developments.***
Policy 6-23	***As part of a general strategy to increase the supply of adequate, affordable housing in the region, eliminate substandard housing through renovation and rehabilitation where economically feasible.***

[7] South Florida Regional Planning Council, *Strategic Regional Policy Plan for South Florida—Volume II* (Hollywood, FL, June, 2004).

Expensive, single-family housing on Alhambra Drive (Planning Department, City of Coral Gables).

Selected Guidelines for Workforce/Affordable Housing from the City of Coral Gables

The City of Coral Gables is also sensitive to the need for the provision of workforce/affordable housing. In its Comprehensive Plan, the city's objective is to provide workforce/affordable housing for both existing and future residents.[8] This housing provision should support regional and statewide efforts, utilize public subsidies where appropriate, be evaluated annually, and include inclusionary zoning and other subsidies to accomplish the mission. These statements are shown below.

Main Goal: Goal 3:1	***To assure the availability of a safe, sound, and attractive residential environment for all residents of Coral Gables***
OBJECTIVE 3-1.1	***Provisions for adequate and affordable housing for existing and future residents shall be made.***
Policy 3-1.1.1	***Coral Gables shall support the involvement of county, regional, state, and federal agencies in housing production, where appropriate.***
Policy 3-1.1.2	***The utilization of federal, state, and local housing subsidy programs is recognized as a means to provide housing opportunities for low-income persons and families, where appropriate.***
Policy 3-1.1.5	***The City Planning Director, or other city representative directed by the City Manager, shall meet with Dade County and the City of Miami and draft a program for annual evaluation of affordable housing needs within the incorporated and unincorporated areas. The program shall include annual assessments, including recommended actions for the ensuing year.***
Policy 3-1.1.6	***The city shall participate in South Florida Regional Planning Council's initiatives directed toward educating local governments of new techniques, especially programs applicable to the region and/or the county, for promoting affordable housing.***

[8] City of Coral Gables, *Comprehensive Plan: Goals, Objectives, and Policies, Section III* (Coral Gables, FL, July 2004).

Additional Guidelines for Workforce/Affordable Housing from the City of Coral Gables

GUIDELINE	
3	***To insure that the city's commitment to affordable housing continues even though Policy 3-1.7.1, "Affordable Housing Need," indicates "the City of Coral Gables is essentially built out and is characterized by extraordinary high land values, significant" addition to the affordable housing inventory is highly unlikely, the city provides the following assurances for future affordable housing:*** ***(3a) As required by Florida Statutes, the city will update the Housing Element of the CP as part of the EAR to include policy that promotes affordable housing, including a voluntary inclusionary zoning ordinance.*** ***(3b) The city will implement voluntary inclusionary land development regulations to provide incentives to satisfy Florida Statute affordable housing requirements. Inclusionary zoning methodologies include various types of opportunities including the following: requiring or encouraging new market-rate residential developments to set aside a certain percentage of affordable housing units; incentives for developing affordable housing units may include density bonuses, relaxed development standards, expedited permitting procedures, and fee waivers or financial assistance. It is the intent of the city to research all of the above incentives in areas that have direct access to public transportation and employment centers, in particular, the industrial area south of The Village of Merrick Park and require that affordable housing opportunities be provided in these areas.***

Reasonably-priced apartments on Edgewater Drive (Planning Department, City of Coral Gables).

Reasonably-priced condominiums on Edgewater Drive (Planning Department, City of Coral Gables).

The Multiple Components of Local Workforce/Affordable Housing Need

Local workforce/affordable housing need is organized into various components depending upon type of need. Workforce/affordable housing need is concerned with the future in terms of new households that will not be able to afford housing. Workforce/affordable housing need is concerned with the current situation of deteriorated housing and those without the means to repair this housing. Workforce/affordable housing need is concerned with efforts that have provided workforce/affordable housing but may be undone because mortgage or rent subsidies could expire. Workforce/affordable housing need is concerned with the backlog of unmet workforce/affordable housing, which forces numerous existing households to pay severe shares of their income for housing.

In addition to the above, certain definitional targets also pertain. Who is to receive this attention as it relates to the affordability, condition, or availability of their housing? For the most part, accepted practice is to isolate very low, low-, and moderate-income families (as defined by HUD Section 8 Income Eligibility and state and local standards) to receive such attention. Second, at what level is housing deemed to be unaffordable? Since on average households pay 20% (owner) to 30% (renter) of their income for housing, severe cost burden becomes the action standard. According to the U.S. Department of Housing and Urban Development (HUD), housing costs are deemed to be of critical concern when they exceed 50% of household income. Given the above, this report on workforce/affordable housing need for the City of Coral Gables focuses on the elements described in table 29. The workforce/affordable housing strategy to be implemented by the city attempts to embrace each component of need according to the indicated targets.

TABLE 29
Components of Local Workforce/Affordable Housing Need

I. Population served	
A. Targeted income group	Households below 120% of median household income
B. Level of severity of housing costs	Households that pay more than 50% of their income for housing
C. Income as the basis for housing costs	2000 median household income for the City of Coral Gables ($66,839). Updated to 2005 for implementation strategies ($77,583)
D. Time period of action	What can be delivered over the period 2005–2015
II. Workforce/affordable housing strategies	
A. Future cost-burdened workforce/affordable housing need	Share of the *future* local growth in households below 120% of median likely to pay more than 50% of their income for housing
B. Current rehabilitation workforce/affordable housing need	Share of current local households below 120% of median who live in crowded/deteriorated housing
C. Current preservation workforce/affordable housing need	Share of existing local inventory of workforce/affordable housing likely to be lost from the stock
D. Backlog cost-burdened workforce/affordable housing need	Share of *existing* local households below 120% of median that pay more than 50% of their income for housing

Collection Building in the CBD (Planning Department, City of Coral Gables).

Income Qualification of the Very Low, Low, and Moderate-Income Population

Data from the 2000 U.S. Census 5-Percent Public Use Microdata Sample (PUMS), released in August 2003, is used to qualify a household according to HUD Section 8 family-income requirements.[9] The PUMS files contain records for a sample of housing unit, with information on the characteristics of each unit as well as information on the people who reside in those units.

Households are income qualified by fitting PUMS Areas to the Florida planning regions. A specially selected group of cases from the PUMS Area containing Coral Gables is used to derive a special PUMS Area (PUMA) for the City of Coral Gables. This allows characteristics of Coral Gables's housing to be viewed in custom-prepared tabulations instead of prepared tables. The PUMS Areas, fit to the state of Florida, the Florida planning regions, Miami-Dade/Monroe counties, and then to Coral Gables itself, allow workforce/affordable housing–eligible households to be isolated from all households that currently exist or that will grow in the future in the state, the region, the county, and within the city itself.

Because the population of the City of Coral Gables (≈ 43,000) is less than the 100,000 cutoff necessary for an area to be identified in the Public Use Microdata Sample (PUMS), a procedure had to be devised to attempt to create a sample of cases from the PUMS Area that contained Coral Gables and that had a reasonable probability of representing the City of Coral Gables's demographic characteristics. The procedure assigned a probability of a household being in the City of Coral Gables, based on a series of basic tabulations available from Census 2000 tract-level data for the tracts contained in the PUMS Area that contained Coral Gables and the other non–Coral Gables areas. The tract tabulations are grouped into tracts representing Coral Gables and those that do not represent Coral Gables. Tract boundaries do not follow exactly municipal boundaries, so some error is introduced in constructing this special area. The tabulations included the following:

- household type (family–nonfamily) by age of head of household
- household type (family–nonfamily) by number of persons
- household income
- race of householder
- head Hispanic or not
- tenure and persons
- tenure and crowding
- tenure and type of unit
- tenure and bedrooms
- tenure and income and rent/value
- tenure and lack of kitchen
- plumbing and crowding and age of structure

The probabilities of a household residing in Coral Gables based on each of these variables is determined and the resulting probabilities are applied to the PUMS data for the larger area. Resulting probabilities are averaged, and the households with the highest average probabilities are selected to represent the household characteristics of the City of Coral Gables. This procedure creates a PUMS specifically for the City of Coral Gables.

[9] U.S. Department of Housing and Urban Development, *Section 8 Income Limitations* (Florida) (Washington, D.C.: HUD, 2000). This requirement is extended to 120% of median income to include households of moderate income.

Information from the PUMS file makes it possible initially to eliminate most individuals living in institutions and group quarters and boarders/lodgers from potential very low, low-, and moderate-income housing demand. This removes from direct count those people who compose prison/sanatorium, college, nursing home, boarder/boarding home, clergy, and other related populations. Sub-households and sub-families are not separately distinguished, as this would double-count existing housing deterioration for rehabilitation workforce/affordable housing need purposes, and no information is available on how or if sub-families/sub-households would choose to separate in the future. Thus, except for those in group homes who are not counted, one household per unit is counted. Also not counted are those households that live in a paid-off housing unit that they can afford; college students who may be living beyond their means locally for a period of time but will be able to afford housing in the future; and those who pay high proportions of their income for very large housing units relative to the size of the household (the number of rooms are two times, or more, the number of persons).

Once these selection procedures are undertaken, the PUMS data is employed to array all households by size and income status. HUD median family income for the state of Florida, the SFRPC, Miami-Dade/Monroe counties, and the City of Coral Gables is determined. For a household size of four persons, the upper limits of moderate income, low income, and very low income are 120%, 80%, and 50% of the median household income, respectively. Each household size of more or less than four is allowed a positive or negative adjustment of the 120%, 80% or 50% of median figure to qualify for moderate-, low- or very low income designation. (This is based on the philosophy that if you have more children/dependents or household members, you can have a larger share of median income and still qualify as very low, low, or moderate income; in reverse fashion, if you have fewer dependents or members, a lower share of median income is necessary to qualify.) Each increase of one person from a household size of four (at the top of the range) adds about 8% to the qualification requirement; each one-person decrease subtracts 10% from the qualification requirement.

The procedures spelled out above separate moderate-, low- and very low income households, adjusted for household size, from all other households in the region. These households represent about 60% (60.3%) of all households in the state. This relative selection of a population qualifying for housing need forms the gross basis of all need estimates. Future housing unit projections ensue, and workforce/affordable housing need is calculated for the state as a whole, for the South Florida Region, for Miami-Dade/Monroe counties, and for the City of Coral Gables. In each of the jurisdictions, projections of workforce/affordable housing need are reduced somewhat for the reasons specified above, and the share of this projection that will be cost-burdened is determined. This future cost-burdened workforce/affordable housing need is then related to both projected residential growth and to job growth for the decade to derive growth share ratios of workforce/affordable units to all housing units and/or all jobs created. Both of the latter bases are positive housing units and jobs created. If there is negative growth at the jurisdiction level, the growth share is zero. In a subsequent step, the housing units occupied by these households are initially checked for deterioration to determine rehabilitation workforce/affordable housing need. Two other categories of workforce/affordable housing need are then calculated: preservation workforce/affordable housing need and backlog cost-burdened workforce/affordable housing need.

More recent, expensive single-family residences in the Cocoplum neighborhood (Planning Department, City of Coral Gables).

The Components of and Responses to Workforce/ Affordable Housing Need

PART I.A—DETERMINING FUTURE COST-BURDENED WORKFORCE/ AFFORDABLE HOUSING NEED

Future cost-burdened workforce/affordable housing need is the number of very low, low-, and moderate-income households likely to emerge in the future and for which the market will not provide housing at less than 50% of income. As a result, they will be cost-burdened. The need figure is determined by projecting households below a certain threshold (120% of median income) into the future and determining the number that will be cost-burdened at 50 percent of their income.

The analysis begins with a projection of need below a certain median income. This analysis follows a procedure undertaken by the University of Florida, Shimberg Center for Affordable Housing. The Shimberg Center projects population for the state, counties, and municipalities. The population projection is done by age cohort for a 20-year future. Population is converted to households using headship rates specific to the aforementioned geographies. Shimberg also uses a median income unique to a particular geography. That geography encompasses metropolitan areas for which there exists HUD's Section 8 Income Eligibility, defining very low income(< 50% of median), low income (50% to 80% of median), and moderate income (80% to 120% of median) as future potential workforce/affordable housing need households. The share of these households that will grow into the future and, once established, pay more than 50 percent of their income for housing is shown in table 30. For the City of Coral Gables, the city's median household income is used to determine future and current workforce/affordable housing need.

The household projections for jurisdictions depend on the population projections for jurisdictions. The population projections are based on trends since 1990 and are controlled by the University of Florida's Bureau of Economic and Business Research (BEBR) county population projections. Six different projection methods are used for each jurisdiction; the highest and lowest are discarded and the rest are averaged. Since some of the values entering the average are not directly controlled by the BEBR projections, the averages are adjusted to be consistent with the BEBR projections. A mathematical procedure is used to develop an age distribution for the population projections. This method looks at the net migration/survival ratio of age cohorts from 1990 to 2000 and uses those ratios, along with adjustments for some of the younger and older groups, to assign an age distribution to the population projection. Headship rates, the percentage of the population in a given age group who are householders, are used to develop household projections from the population by age projections. The characteristics of households in a jurisdiction, as reported by the 2000 Census, are gathered together in a special process to simulate the desired detailed tabulation of household count by tenure, by age, by size, by income, and by cost-burden. The 2000 estimate of each level of local, detailed household characteristics is calculated as a share of the 2000 population by age, and this share is then applied to the distribution of the future population by age to project the detailed characteristics of future households (tenure by age, by size, by income, by cost-burden).

Rutgers University generally follows the Shimberg Center's method but creates a special PUMS for Coral Gables. This allows household projections based on historical growth to be completed for the City of Coral Gables. Those projections are broken out by income group to isolate very low, low-, and moderate-income households. This is presented for Florida, the South

TABLE 30
Components of Workforce/Affordable Housing Need by Jurisdiction

	Coral Gables City	Miami-Dade/ Monroe	South Florida Region	State of Florida
A. Future cost-burdened				
Household growth 2005-2015	1,132	158,687	276,938	1,555,120
Very low, low, and moderate (120%) growth	562	90,607	149,807	820,254
Future cost-burdened (including removed households)	186	32,708	50,690	196,879
Removed very low, low, and moderate	65	4,623	7,773	43,036
Not cost-burdened (very low, low, and moderate)	311	53,276	91,344	580,339
B. Rehabilitation				
Total deteriorated (>1 person per room)	127	14,784	17,379	39,738
Deteriorated very low and low and moderate	113	11,898	14,030	32,599
Deteriorated middle and upper	14	2,886	3,349	7,139
Not deteriorated	17,039	862,758	1,565,070	7,075,485
Total units	17,166	877,542	1,582,449	7,115,223
C. Preservation				
Mortgage expiration	0	2,329	3,733	24,861
Rent subsidy expiration	0	8,768	11,497	47,701
No longer covered by either program	50*	5,858	7,446	37,987
D. Backlog cost-burdened				
Total very low and low and moderate units*	6,761	537,375	910,493	4,188,313
Not cost-burdened	3,963	334,660	581,568	3,080,982
Existing cost-burdened (including removed households)	2,111	181,842	293,436	937,435
Removed for assets	262	9,644	15,864	50,354
Removed as "students"	230	5,778	8,524	47,751
Removed as "large unit"	195	5,451	11,101	71,791
Total middle- or upper-income units	10,291	328,269	657,929	2,894,311
Total units	17,052	865,644	1,568,422	7,082,624

Source: Center for Urban Policy Research, Rutgers University, 2005.
* Will be initiated.

Florida Region (South Florida Regional Planning Council), Miami-Dade/Monroe counties, and Coral Gables. Again, the City of Coral Gables's median household income is used for calculations specific to the city. Future household growth for these locations for the period 2005 to 2015 is shown in table 31.

TABLE 31
Total Household Growth, 2005–2015

Florida	1.56 Million
South Florida	277,000
Miami-Dade/Monroe Counties	158,700
City of Coral Gables	1,132

Source: See table 30.

The share of these households that will be very low income, low income, and moderate income is shown in table 32.

Table 33 shows the share of these income-eligible households that will be cost-burdened at 50% of their incomes and that will not have paid-off assets (a home) that they can already afford, or will be temporarily poor college students, or will be living in a dwelling unit that is significantly in excess of their space needs (rooms are two times the number of people).

Thus, the first category of workforce/affordable housing need for the City of Coral Gables is future cost-burdened workforce/affordable housing need.

TABLE 32
Very Low, Low-, and Moderate-Income Household Growth
2005–2015

Florida	820,254
South Florida	149,807
Miami-Dade/Monroe Counties	90,607
City of Coral Gables	562

Source: See table 30.

TABLE 33
Very Low, Low-, and Moderate-Income Cost-Burdened Households
2005–2015

Florida	196,879
South Florida	50,690
Miami-Dade/Monroe Counties	32,708
City of Coral Gables	186

Source: See table 30.

That need amounts to 186 households (occupied housing units) to be responded to during the period 2005 to 2015.

PART I.B—MEETING FUTURE COST-BURDENED WORKFORCE/AFFORDABLE HOUSING NEED

Future cost-burdened workforce/affordable housing need is related to the future growth of market households in Coral Gables. That number is 1,132 households (table 31). The number of very low, low-, and moderate-income households that will grow into the future in Coral Gables is 562. From the 562 households (table 32), 376 households are removed because they are not cost-burdened at 50% of their household income (311 households), or because they occupy a paid-off house that they can afford, or they are temporarily poor college students who reside locally, or they live in a house that has at least twice as much space as the residents require (65 households). This results in 186 future, cost-burdened, very low, low-, and moderate-income households (table 33). If about two-thirds of the future need numbers (actually 63.5% of 186 units [table 33], or approximately 118 units) is divided into 946 units (total units [1,132] minus workforce/affordable units [156] equals nonsubsidized units), the resulting ratio is about one workforce/affordable unit for every 8 nonaffordable units produced (see table 34(b)).

The remaining 68 units of the 186-unit obligation should be placed over this future projected employment growth. If future employment growth for Coral Gables is projected to be 1,630 jobs for the period 2005 to 2015, and if this number is divided by 68, the resulting ratio is one workforce/affordable unit for every 24 jobs. At a ratio of three jobs per 1,000 square feet, the ratio is one workforce/affordable unit for every 8,000 square feet of new nonresidential construction. (See table 37.) This is discussed in the paragraph below and shown in table 34(a).

Use of the U.S. Census *Transportation Planning Package* enables resident employment to be traced in reverse to the place of employment. The number reported for the City of Coral Gables for 2000 is 43,685 employees, a growth of 2,725 employees since 1990. Using this same rate of growth for the period 2000 to 2005, there are currently about 45,000 employees in the City of Coral Gables. This number is projected to move to a level of 48,367 from 2005 to 2015, a change of 3,260 over the period (table 34(a)). If one-half of the job growth requires new space as opposed to reducing vacancies, or space in the form of "at-home" employment, the employment change over the period 2005 to 2015 is 1,630.

The linkage of workforce/affordable housing to residential and nonresidential development is as follows, regardless of the income distribution of the residential demand projection for a particular locality. As either form of development takes place, virtually no workforce/affordable housing will be built by a market that is producing residential offerings that can be purchased by only middle-income or above-middle-income households. The average size of the households moving into Coral Gables is 2.3 persons, 1.0 of whom is working. Of those households moving in, only about 20% work locally; 0.8 workers are exported to the surrounding region. Households moving into the South Florida Region as a whole average 2.4 persons and contain 1.0 worker; about 80 percent of these workers (0.8) are employed in the region. Thus, Coral Gables potentially exports 0.8 workers to the region and potentially receives 0.8 workers from the

TABLE 34(a)
Employment Needs and Change—City of Coral Gables

U.S. Census Transportation Planning Package 1990	40,960	
U.S. Census Transportation Planning Package 2000	43,685	
Change 1990–2000	2,725	
Change 2000–2005	1,362	
Chamber of Commerce–2005	49,641	Average
ESRI Business Information Solutions (InfoUSA)—2004	35,510	42,575
U.S. Census (TPP)—2005	45,047	
Change 2005–2015	3,260	

Source: U.S. Bureau of the Census, *Census Transportation Planning Package*, 1990, 2000.

region—a balancing of workers destined for that community. Accordingly, with the addition of no workers to a household size that without workers is about 1.5, the ratio of one worker (0.8) in three residents (2.3) is the impact created by nonresidential versus residential development. Two-thirds of the burden is residential (0.15); one-third is nonresidential (0.8). This forms the basis for placing two-thirds of future cost-burdened workforce/ affordable housing need over future market residential growth and one-third over future employment growth (table 34(b)).

Workforce/affordable housing related to the need calculated above should be produced through a voluntary inclusionary housing program effectuated by an incentive-based inclusionary zoning ordinance pertaining primarily to mixed-use districts. (See table 36 for an example.) Inclusionary housing is a program in which developers (both residential and nonresidential) who build new structures create a portion of their developments (or pay an equivalent fee) as ownership or rental workforce/affordable housing. The developer is given (if he does not already enjoy) a density/FAR (Floor Area Ratio), height, and reduced parking bonus equivalent, at least, to the number of units or amount of space that is being developed as workforce/affordable. The numbers for inclusionary housing are as indicated previously: one workforce/ affordable unit for every eight market units; one workforce/affordable unit for every 24 employees or 8,000 square feet of nonresidential development. (See table 37.) Such an inclusionary housing program, if vigorously promoted, should keep abreast of the future need for workforce/affordable housing but would be able to do little for meeting backlog needs. Backlog is addressed in a subsequent component of Coral Gables's recommended workforce/affordable housing program. Created workforce/affordable units should be deed-restricted for a long period of time (99 years) or in perpetuity. Those households leaving workforce/affordable units should be entitled to a "buyout" at 1.5 times the CPI rate of inflation (calculated annually for the period of occupancy) plus the estimated value of improvements made to the unit (with the value of those improvements calculated [with receipts] in original purchase dollars) during the period of occupancy.

The value of new workforce/affordable units in the City of Coral Gables should be $63,825 for a very low income household; $111,700 for a low-income household; and $234,140 for a moderate-income household (table 35). Rental costs at an average of 1% of sales price per month would be $638 for a very low income household, $1,117 for a low-income household, and $2,341 for a moderate-income household. Future workforce/affordable units in the City of Coral Gables should average $136,555 in price or $1,365 in monthly rent.

TABLE 34(b)
Ratio of Assignment of Workforce/Affordable Housing Need to Residential and Nonresidential Sectors

Place	Household Size	Workers	Out	In	Net
Region	2.4	1.0	0.2	0.8	—
Coral Gables	2.3	1.0	0.8	0.2	0.0
	1.5 (people)				0.8 (workers)
	(2)		Ratio		(1)

Source: Center for Urban Policy Research, Rutgers University, 2005.

TABLE 35
Calculating the Value of Rents of Workforce/Affordable Housing Units

Housing Characteristic/Cost	Very Low Income	Low Income	Moderate Income
Square footage	900	900	900
Number of bedrooms	2	2	2
Type of housing	Condo	Condo	Condo
Mortgage rate (%)	6.5	6.5	6.5
Mortgage cost per $1,000 ($)	6.321	6.321	6.321
Common charges ($)	50	50	50
Insurance ($)	25	25	25
Real estate taxes ($)	145	210	340
Electricity ($)	50	50	50
Oil ($)	100	100	100
Sewer ($)	15	15	15
Water ($)	28	28	28
Total	413	478	608
1. City median household income	$77,583	$77,583	$77,583
2. 40%, 60%, or 100% of item 1 ($)	31,033	46,550	77,583
3. 30% of item 2 ($)	9,310	13,965	23,275
4. Divide item 3 by 12 ($)	776	1,164	1,940
5. Housing cost assumptions ($)	413	478	608
6. Mortgage payment (4 5) ($)	363	686	1,332
7. Maximum mortgage ($)	57,442	100,527	210,726
8. Maximum sales price			
(10% down)—Own	$63,825	$111,700	$234,140
Rent (month)	$638	$1,117	$2,341
Average—Own		$136,555	
Rent		$1,365	

Source: Center for Urban Policy Research, Rutgers University, 2005.

LANDMARKS OF CORAL GABLES

Alhambra Entrance (Planning Department, City of Coral Gables).

Hotel St. Michel (Planning Department, City of Coral Gables).

TABLE 36
Mixed-Use District Ordinance
City of Coral Gables

A. Purpose and Applicability. The purpose of this District is to:

1. Provide the method by which tracts of land may be developed as a planned unified project rather than on a lot-by-lot basis as provided for in the city's other regulations.
2. Provide for residential uses at higher densities in exchange for public realm improvements.
3. Provide maximum design freedom by permitting property owners an opportunity to more fully utilize the physical characteristics of the site through modified development regulations and the planned mixing of uses.
4. Require that property within the District will be developed through a unified design providing continuity among the various elements causing a better environment.
5. Create a diversity of uses within walking distance, including but not limited to: residential; offices, workplaces; neighborhood commercial; public open spaces including the following attributes:
   a. Provide a variety of uses in the area which can be traversed in a ten-minute walk which is an area roughly inscribed by a 1,320 foot (1/4 mile) radius from the center.
   b. Bring within walking distance most of the activities of daily living, residents of all ages may gain independence of movement, thereby reducing the number and length of vehicular trips.
   c. Designed and organized to promote an assortment of street level pedestrian amenities in exchange for increase in building height, residential density, and floor area ratio.
   d. Provide for the ability to reduce setbacks and encroachment into the public rights-of-way with public open space improvements.
   e. Designed to provide for architectural and design elements focused to a pedestrian scale.
   f. Strengthen the hierarchy of streets and maintain the existing "grid" network that is designed to serve the needs of pedestrians, bicyclists and vehicular circulation equitably.
   g. Encourage landmark opportunities, including physically defined squares; plazas; urban passageways; parks; public open spaces; and, places of public assembly for social, cultural and religious activities provide places for social activity.
   h. Encourage private and public buildings to form a clear edge, spatially delineating the public street space and block interiors.
6. By organizing appropriate building densities, public transit will be further strengthened as an alternative to the use of private vehicles.
7. Provide a strong emphasis on aesthetics and architectural design through the use of the regulations and the planned mixing of uses to establish identity, diversity and focus to promote a pedestrian friendly environment.

B. Applicability.

A MXD may be assigned as a zoning designation or overlay zoning designation that is supplemental to the underlying zoning designation and other applicable city regulations. However, overlay designations may only be assigned to areas of 10 acres or more.

1. Utilization of a variety of architectural attributes and street level amenities to create a sense of place, including the spatial relationship of buildings and the characteristics created to ensure attractive and functional areas.
2. Increase the choices available for transportation to encourage increased mobility and reduction in transportation expenses. Choices shall include public transit, bicycle and pedestrian circulation opportunities.
3. Integration of street level plazas, courtyards, open space and public gathering areas including the creation and preservation of corridors, vistas and landmark features.
4. Provide for an increased range of housing types and workplace opportunities, where age and economic class are integrated and the bonds of community are formed.

Source: Planning Department, City of Coral Gables, 2005.

TABLE 37
Inclusionary Housing
Preliminary Concept Regulations and
Example Calculations

Summary of Bonus/Incentives	Project Example	Project Example with Bonuses
25%–35% density bonus	Permitted 125 u/a	25% = Permitted 156 u/a 35% = Permitted 212 u/a
25%–50% height bonus .	100' habitable (125' with arch elements)	25% = 125' habitable (150' w/arch elements) 50 % = 150' habitable (175' w/arch elements)
FAR exemption	3.5	Bldg. 1—3.7 FAR (20% increase exempt) Bldg. 2—4.59 FAR (31% increase exempt)
1:8 unit mix	256 total units	32 workforce/affordable units
1:8,000 nonresidential	25,780 sf of nonresidential	3 workforce/affordable units
1:1 parking ratio for workforce/affordable units	1.5:1	32 [48 (-16)]
Residential Parking Reduction Potential % reduction in overall parking if 2,700 feet (10 minute walk) from Metrorail station and/or public transit	Bldg. 1: 450 spaces provided	
		Spaces Reduced
City of Miami allows up to a 25% reduction		25% = 112.5 reduction
City of Miami allows up to a 35% reduction		35% = 157.5 reduction
City of South Miami allows up to a 50% reduction		50% = 225.0 reduction
Would require developers to pay into a parking fund for the number of spaces that would be reduced		

Assumptions: Floor to ceiling height is 9'-8" for each residential floor
Size of units:
1-bedroom: 760 – 890 sf
2-bedroom: 930 – 1,100 sf
2-bedroom w/den: 1,400 – 2,000 sf

Source: Planning Department, City of Coral Gables.

PART II.A—DETERMINING CURRENT REHABILITATION WORKFORCE/ AFFORDABLE HOUSING NEED

Current rehabilitation workforce/affordable housing need is the number of Section 8 income-eligible households (moderate income [<120% of median] or below) that live in deteriorated housing. Deteriorated housing is measured differently depending on the age of the unit. A unit that was built before 1940 is considered to be deteriorated housing if it has one of the following three problems: (1) it is overcrowded; (2) it lacks complete plumbing or a bathroom within the unit; or (3) it lacks a complete kitchen or a kitchen within the unit. A unit constructed in 1940 or later is considered to be deteriorated housing if it has two of the aforementioned problems. An overcrowded unit is one that contains more than one occupant per room, for example, a three-room housing unit that contains four persons or more. A unit that lacks complete plumbing or that does not have a bathroom within the unit is one that is missing a flush toilet, hot and cold piped water, or a bathtub/shower. A unit that lacks a complete kitchen or does not have a kitchen within the unit is one that is missing a sink (with piped water), a range or cooktop and oven, or a refrigerator. A unit with multiple deficiencies is counted only once.

The 2000 U.S. Census Public Use Microdata Sample is used to calculate rehabilitation workforce/affordable housing need. This is a 5% sample of households, using approximately one in five of the U.S. Census long-form records. The long form represents about a 16% sample of households in the area being scrutinized. From this source, information on housing quality is obtained for the standing stock of structures in Florida as a whole, the South Florida Region (RPC), Miami-Dade/Monroe counties,[10] and the City of Coral Gables.[11] This information is presented in table 30 and summarized below in individual tables. Numbers of deteriorated units are calculated for 2005 by applying year 2000 incidence rates to estimates of the 2005 housing stock. As of the year 2005, Florida had 7.115 million occupied units; the South Florida Region had 1.582 million occupied units; Miami-Dade/Monroe counties had 877,542; and the City of Coral Gables had 17,166 (table 38).

TABLE 38
Occupied Housing Units (Households)
2005

Florida	7,115,225
South Florida	1,582,449
Miami-Dade/Monroe Counties*	877,542
City of Coral Gables	17,166

Source: See table 30.
*Monroe County is included in the PUMS Area with Miami-Dade County because Monroe County is too small to stand by itself. In the SF3 data used earlier, Miami-Dade County and Monroe County could each stand by itself. Now that a population of moderate-income or below-moderate-income households is being used, the PUMS Areas must be employed to delimit this population.

TABLE 39
Deteriorated and Nondeteriorated Units
2005

	Deteriorated	Nondeteriorated
Florida	39,738 (0.43%)	7,075,485
South Florida	17,379 (0.85%)	1,565,070
Miami-Dade/Monroe Counties	14,784 (1.32%)	862,758
City of Coral Gables	127 (0.74%)	17,039

Source: See table 30.

[10] Necessarily joined in the PUMS because Monroe County is so small.

[11] A special PUMS is constructed for Coral Gables because the population is less than 100,000.

TABLE 40
Very Low, Low-, and Moderate-Income Deteriorated Units
2005

	# of Very Low, Low-, and Moderate-Income Deteriorated Units	Primary Type
Florida	32,599	Crowded older unit (36%)
South Florida	14,030	Crowded older unit (42%)
Miami-Dade/Monroe Counties	11,898	Crowded older unit (43%)
City of Coral Gables	113	Crowded older unit (60%)

Source: See table 30.

Applying the aforementioned criteria, 39,738 units are deteriorated in the state of Florida (0.43%); 17,379 are deteriorated within the South Florida Region (0.85%); 14,784 are deteriorated in Miami-Dade/Monroe counties (1.32%); and 127 are deteriorated in the City of Coral Gables (0.74%) (table 39). Thus, housing deterioration exists at an extremely low level statewide (0.43%), at about double the state level in the City of Coral Gables (0.74%) and in the South Florida Region (0.85%); and at triple the state level in Miami-Dade/Monroe counties.

Following is the distribution of deteriorated units occupied by very low, low-, and moderate-income households: 32,599 units in Florida as a whole; 14,030 units in south Florida; 11,898 units in Miami-Dade/Monroe County; and 113 units in the City of Coral Gables (table 40). At the state level, the dominant type of housing deterioration is crowding in older units (36%), followed by incomplete kitchen/bath or kitchen/bath not in unit (28%), and crowding in a newer unit combined with an incomplete kitchen/bath or kitchen/bath not in unit (18%). The figure that the City of Coral Gables must be concerned with is the number of units (113) that are deteriorated and occupied by very low, low-, and moderate-income households.

Rehabilitation workforce/affordable housing need is basically consistent across the different jurisdictional levels (see table 41). There appears to be more crowding in older units in the South Florida Region (42%), in Miami-Dade/Monroe counties (43%), and, especially, in the City of Coral Gables (50%) than in the state of Florida as a whole (36%). This comes with a relative reduction in units without/or with incomplete kitchens/baths (table 41) in the first three jurisdictional entities.

PART II.B—MEETING CURRENT REHABILITATION WORKFORCE/ AFFORDABLE HOUSING NEED

Rehabilitation workforce/affordable housing need in the City of Coral Gables primarily involves units that are older and crowded. In these cases, as well as in all deteriorated units, rehabilitation is necessary to render the units sound. It may be as little as adding an appliance or a fixture to a kitchen or a bath. On the other hand, the unit may require shortening a living room or bedroom to include a bath or kitchen. Finally, the unit may require either the addition or division of a room to create an additional bedroom to reduce crowding. The *2003 American Housing Survey* (AHS) includes information on the costs to make the type of repairs specified above. The average individual cost to render a bathroom or kitchen in the South Florida Region complete and functional is $12,540 per unit. The costs to add a room to eliminate crowding are determined individually and amount to $15,882. Units having both crowding and kitchen/bath problems would incur the sum of these two costs ($28,422) for rehabilitation. This enables current rehabilitation costs to be determined for the City of Coral Gables.

What is evident from the above is that approximately $1.61 million is required to address current rehabilitation workforce/affordable housing need in the City of Coral Gables. This should take the form of a local grant; eligible property owners could petition the city for 75% of the rehabilitation amount if they should be willing to pay 25%. Individual owners would have to validate that those living in the units earned less than $93,100 (120% of $77,583) and that a major repair would be required to render the unit sound. Once accepting the grant and paying 25% of

TABLE 41
Rehabilitation Workforce/Affordable Housing Need by Type
2005

Problem	Frequency	% of Problems
State of Florida		
Plumbing and kitchen	9,262	28%
Crowding and plumbing or kitchen	5,718	18%
Plumbing, kitchen, and crowding	2,928	9%
Older unit and plumbing and/or kitchen	2,809	9%
Older unit and crowding	11,882	36%
Total	32,599	
No problems	4,188,315	
Middle and upper income	2,894,311	
Total units (occupied)	7,115,225	
South Florida Region		
Plumbing and kitchen	3,160	23%
Crowding and plumbing or kitchen	2,703	19%
Plumbing, kitchen, and crowding	1,497	11%
Older unit and plumbing and/or kitchen	819	6%
Older unit and crowding	5,850	42%
Total	14,030	
No problems	910,491	
Middle and upper income	657,929	
Total units (occupied)	1,582,449	
Miami-Dade/Monroe Counties		
Plumbing and kitchen	2,649	22%
Crowding and plumbing or kitchen	2,229	19%
Plumbing, kitchen, and crowding	1,213	10%
Older unit and plumbing and/or kitchen	744	6%
Older unit and crowding	5,063	43%
Total	11,898	
No problems	537,375	
Middle and upper income	328,269	
Total units (occupied)	877,542	
City of Coral Gables		
Plumbing and kitchen	20	18%
Older unit and plumbing and/or kitchen	36	32%
Older unit and crowding	57	50%
Total	113	
No problems	6,762	
Middle and upper income	10,291	
Total units (occupied)	17,166	

Source: Center for Urban Policy Research, Rutgers University, 2005.

TABLE 42
City of Coral Gables
Rehabilitation Workforce/Affordable Housing Need

Category of Problem	Number of Units	Cost per Unit	Total Cost
Plumbing/kitchen	20	$12,540	$250,800
Crowding and plumbing and/or kitchen	0	$15,882	$0
Kitchen, plumbing, and crowding	0	$28,422	$0
Old unit and kitchen/plumbing	36	$12,540	$225,720
Old unit and crowding	57	$15,882	$905,274
Total	113		$1,607,541

Source: Center for Urban Policy Research, Rutgers University, 2005.

the total amount, the unit would be deed-restricted for workforce/affordable housing occupancy for 10 years. As long as the unit did not move out of the workforce/affordable housing inventory during a 10-year period, the owner of the structure would be under no obligation to repay the grant.

The number of units that should have to be rehabilitated would amount to about 11 units per year for 10 years. This should require a rehabilitation fund availability of about $220,000 annually.

Where should the grant money come from? Both residential and nonresidential property owners improve their properties on a regular basis. The City of Coral Gables earns $2 million annually from non-new construction. This is from a fee schedule that collects $8.30 per $1,000 for repairs that are less than $1,000 in total costs and about one-half this amount ($4.30 per $1,000) for repairs that are more than $1,000 in total costs. If local, non-new construction building permit fees were raised by about 10% to $9.15 per $1,000 for repairs under $1,000 and to $4.75 per $1,000 for repairs over $1,000, rehabilitation workforce/affordable housing need could be met locally.

The linkage of workforce/affordable housing repair to market housing repair is direct and logical. There are residents who do not have the incomes needed to undertake the repairs that will render their units sound. Other residents are improving their units far beyond pure functional needs. The latter group is not paying for new workforce/affordable housing unit construction (they are not buying new homes with a portion of the costs included via inclusionary housing) that should be tapped to maintain the condition of existing workforce/affordable housing units. These households are sensitive to the need to repair units (they are repairing their own), and an increase in their building permit costs (for additions, alterations, or repairs) should help support regular workforce/affordable housing rehabilitation on units occupied by those local households of very low, low, and moderate income. As a result, all local housing is subject to regular rehabilitation. This raises the housing value of all residents because the conditions of the entire local housing stock is attended to regularly.

TABLE 43
Preservation Workforce/Affordable Housing Need
State of Florida, South Florida, Miami-Dade/Monroe
2005–2015

Jurisdiction	Assisted Mortgage Expiration 2005–2015	Rent Supplement Expiration 2005–2015	Units Currently under One or Both Programs Whose Coverage Will Expire by 2015
State of Florida	24,861	47,701	37,987
South Florida Region	3,733	11,497	7,446
Miami-Dade/Monroe Counties	2,329	8,768	5,858

Source: Shimberg Center for Affordable Housing, 2005.

TABLE 44
Preservation Workforce/Affordable Housing Need
Miami-Dade/Monroe Counties and Inclusive Places

Location	Assisted Mortgage Expiration 2005–2015	Rent Supplement Expiration 2005–2015	Units Currently under One or Both Programs Whose Coverage Will Expire by 2015
Coconut Grove	0	24	24
Florida City	0	301	0
Hialeah	0	471	293
Hialeah Gardens	0	123	0
Homestead	963	224	353
Miami	936	5,448	3,482
Miami Beach	430	1,245	965
North Miami	0	83	0
Opa-Locka	0	529	417
Perrine	0	64	64
Key West	0	126	130
Marathon	0	130	130
Total	2,329	8,768	5,858

Source: Shimberg Center for Affordable Housing, 2005.

PART III.A—DETERMINING CURRENT PRESERVATION WORKFORCE/ AFFORDABLE HOUSING NEED

Preservation workforce/affordable housing need involves maintaining as affordable the current stock of workforce/affordable housing. Preservation need assumes that workforce/affordable housing exists in a jurisdiction and is in jeopardy of being removed from the standing stock. This would mean that a HUD or a RHS (Rural Housing Service, U.S. Department of Agriculture), FHFC (Florida Housing Finance Corporation), or LHFA (Local Housing Finance Agency) workforce/affordable housing project's mortgage is maturing or that its rent supplement is expiring. The expiration dates for each are shown for various jurisdictions in table 43 below.

Table 43 shows three categories of potential impacts to existing workforce/affordable housing units: the first, where the mortgage is expiring; the second, where the rent supplement is expiring; and the third, which includes units that are currently under one or both programs and that will have their coverage expire by the end of 2015. The data are obtained from local housing agencies or HUD/RHS files, so there could be some incompleteness or inaccuracies in the tabulations. For instance, the preservation data for assisted units does not include Florida Housing or Local Housing Finance Agency units unless those funding sources are also paired with HUD or RHS developments.

Statewide, there are approximately 24,861 units whose mortgage is expiring and 47,701 units whose rent supplement is expiring. The rent-supplement units are almost all projects with existing assisted mortgages; however, there are some projects for which mortgages have expired but rent supplements still exist. It appears that extensions of rent supplements can be applied for, depending on the availability of funding. Statewide, there are 37,987 units that will not be under either program by the end of 2015, given current expiration dates. These units could be lost from the workforce/affordable stock. In the South Florida Region, there are 3,733 units whose mortgage is expiring; 11,497 units whose rent supplement is expiring, and 7,446 units that will no longer be covered by either program. In Miami-Dade/Monroe counties, 2,329 workforce/affordable units will have their mortgage expire, 8,768 will have their rent supplement expire, and 5,858 will no longer be covered by either program. These units are shown by government jurisdiction in table 44.

TABLE 45
Distribution of Preservation Workforce/Affordable Housing Need

Preservation Need		Units	Owner Costs	Renter Costs
50 Units:	Very low income	34	$63,825	$638
	Low income	33	$111,700	$1,117
	Moderate income	33	$234,140	$2,314

Source: Center for Urban Policy Research, Rutgers University, 2005.

For subjurisdictions in Miami-Dade/Monroe counties, preservation workforce/affordable housing need also encompasses the aforementioned three categories. The most severely impacted in terms of potential losses are the City of Miami, Miami Beach, Homestead, Opa-Locka, Hialeah, and Florida City. In the City of Miami, 936 workforce/affordable units will have their mortgage expire, 5,448 will have their rent supplement expire, and 3,482 units will no longer be covered by either program. Miami Beach follows with 430 mortgage expirations, 1,245 rent subsidy expirations, and 965 that will no longer be covered by either program.

PART III.B—MEETING CURRENT PRESERVATION WORKFORCE/ AFFORDABLE HOUSING NEED

The City of Coral Gables has no units whose affordability is in jeopardy. The city has little or no publicly provided workforce/affordable housing units. In order to move forward in this area, Coral Gables will attempt to create 50 additional workforce/affordable housing units (5 per year) from the existing stock and preserve them as workforce/affordable. The City of Coral Gables will do this by purchasing units that go into foreclosure or by converting/creating space from structures that are currently exclusively nonresidential. Thus, foreclosed residential properties will be accessed and permanently bought down (to affordability), and nonresidential structures will be converted or expanded (residential above nonresidential) and also retained as part of the workforce/affordable stock into the future.

A final component of this effort will involve taking a hard line on rental conversions to condominiums. Rental units affordable below 135 percent of median household income should not be allowed to convert unless adequate progress towards achieving affordable housing goals is demonstrated.

Funding for the above activities should be taken from the aforementioned rehabilitation workforce/affordable housing grant fund and from tax delinquency/city gifts funding. The City of Coral Gables should allocate $250,000 annually for this purpose. The funds should come largely from tax delinquency receipts. This amount would be able to secure five units annually from 2005 to 2015. The city should also advertise aggressively for property donations for workforce/affordable housing purposes and provide nonresidential redevelopment incentives (FAR, height and parking bonuses) to those property owners willing to create workforce/affordable housing in existing structures. The distribution of the units added should be one-third very low income; one-third low income; and one-third moderate income, as indicated in table 45.

PART IV.A—DETERMINING BACKLOG COST-BURDENED WORKFORCE/ AFFORDABLE HOUSING NEED

Backlog cost-burdened workforce/affordable housing need involves households that *currently* pay more than 50% of their income for housing. These are households that are cost-burdened now. This backlog is large and has accumulated over a long period of time. As such, it will take a long period

TABLE 46
Backlog Cost-Burdened Workforce/Affordable Housing Need

Jurisdiction	Backlog	Need to be Met in a 20-Year Period
Florida	937,435	46,871
South Florida	293,436	14,672
Miami-Dade/Monroe Counties	181,842	9,092
City of Coral Gables	2,111	106

Source: Center for Urban Policy Research, Rutgers University, 2005.

TABLE 47
Backlog Cost-Burdened Workforce/Affordable Housing Need Costs

	Very Low Income	Low Income	Moderate Income	Total
Median household income	$77,583	$77,583	$77,583	
Household income @ 40%, 60%, 100% of median	$31,033	$46,550	$77,583	
Amount spent for housing @ 65% of income	$20,171	$30,258	$50,429	
Amount that should be spent @ 50%	$15,517	$23,275	$38,792	
Difference	$4,655	$6,983	$11,637	
Number of units	36	35	35	
Annual amount	$167,578	$244,388	$407,311	$819,276
Real estate transfer tax portion	$0.10	$0.10	$0.10	$0.10
Property value transfer to generate funds	$167,578,200	$244,387,500	$407,310,750	$819,276,450
Coral Gables average transaction	$700,000	$700,000	$700,000	$700,000
Total units transferring	239	349	582	1,170
Percentage of stock (11,375 units—2005)				10.6%

Source: Center for Urban Policy Research, Rutgers University, 2005.

of time to address the need. Backlog cost-burdened workforce/affordable housing need should not be ignored but rather addressed in steady, incremental fashion. The best way to approach backlog cost-burdened workforce/affordable housing need is to set a goal of a percentage of the need to be met over a period of time. In Coral Gables, the goal could be 5% of the outstanding need over a 10-year period. The percentage and period of time selected reflect the size of the need and the fact that funding to address it is very difficult to secure. Further, in south Florida, the need is particularly large relative to the rest of the state.

Backlog cost-burdened workforce/affordable housing need at 120% of median income and below (very low, low-, and moderate-income households) amounts to (1) 937,435 households statewide[12] (22.3% of households below 120% of median); (2) 293,436 households in the South Florida Region (32.2% of households below 120% of median); (3) 181,842 households in Miami-Dade/Monroe counties (33.8% of households below 120% of median); and (4) 2,111 households in the City of Coral Gables (31.1% of households below 120% of median) (table 46). Thus, existing cost-burdened households are much more of a phenomenon of the South Florida Region than of the state as a whole (33.8% versus 22.3%) and almost equally relatively present in the South Florida Region, Miami-Dade/Monroe counties, and the City of Coral Gables (31% to 33%).

PART IV.B—MEETING BACKLOG COST-BURDENED WORKFORCE/AFFORDABLE HOUSING NEED

How should one provide for backlog cost-burdened workforce/affordable housing need? What is the linkage? The linkage is housing market activity that has a tendency to drive up prices. Hot markets, regardless of price or where they are in the real estate cycle are characterized by the number of real estate transactions. The best monitor of real estate transactions is the real estate transfer tax. The return from the real

[12] After removing households already occupying a house, those temporarily cost-burdened while in college, or those supporting housing space far in excess of need.

estate transfer tax documents housing turnovers in an area.

A strategy for reducing the backlog cost-burdened workforce/affordable housing need should be to buy down units from landlords to lower rents for rental tenants or to similarly buy down units (condominiums) to lower occupancy costs for those living in ownership units. On average, in the City of Coral Gables, those paying more than 50% of their income for housing pay 65% (table 47). For very low income households, that amount is $20,171; for low-income households, $30,258; and for moderate-income households, $50,429. The difference between these costs and those at 50% of income are, respectively, $4,655 (very low income); $6,983 (low income); and $11,637 (moderate income).

The met amount to achieve affordability above multiplied by the number of units required of each yields a buydown total of $819,276 annually. The buydown amount should be met by Coral Gables directly receiving from the state/Miami-Dade County only one-half of the funds that the city generates for workforce/affordable housing through the SHIP (State Housing Initiatives Partnership) Program. Currently, $.20 of $.70 (real estate transfer tax) per $100 of transferred valuation is dedicated in the SHIP Program for workforce/affordable housing purposes. If revenues generated by $0.10 from the current rate of $0.70 per $100 for the real estate transfer tax were returned directly to fund workforce/affordable housing in Coral Gables, $.82 billion in residential real property value transfers should have to take place in the city to fund the above objective. At $700,000 for the average residential real estate transaction, this would require 10.6% of the residential stock to be transferred annually. This would mean that families would transfer properties, on average, every 9.4 years in the city. That is somewhat less often than the current national average of every nine years for ownership housing. It is even more reasonable given the proportion of new households added to the community during the 1990s (≈65%), and the average age of the population (52 years) currently living within the city. The strategy should require political pressure to release SHIP funds for workforce/affordable housing purposes from the state to the county (Miami-Dade) and then to the City of Coral Gables.

At this time, there seems to be some reluctance at the state level to use all of the moneys generated by SHIP for workforce/affordable housing purposes. The funds should flow without political blockages directly to the local level and should be distributed (70% of funds raised at the state level) on the basis of population. Locations should additionally be prioritized according to those with a workforce/affordable housing program in place.

Because no moneys can be used directly for rent subsidies, there should be a necessity to use a small amount of local revenues (from the ad valorem tax). This "seed money" should form part of a proposal by the city to the county and state to begin to break-loose this funding for workforce/affordable housing purposes.

Newer nonresidential construction in the city (Planning Department, City of Coral Gables).

In addition, other factors affect affordable housing such as transportation, education, job training, and employment. An argument can be made that any efforts to decrease the costs of transportation, provide for educational and training opportunities, and attract high-paying jobs, will allow the beneficiaries of those efforts to afford more housing. Coral Gables' much improved transit system, for instance, offers an opportunity for significant savings on transportation, which could be redirected towards housing. Likewise, the city's efforts to recruit and attract higher-paying jobs also could result in greater housing affordability for its residents. These "other" factors affecting the affordability of local housing are being pursued on a daily basis by the City of Coral Gables. Finally, the City of Coral Gables can help Miami-Dade County identify opportunities for expanding their existing affordable housing programs within the City's boundaries, and additionally secure from the county funding that will assist in the operation of these programs.

Office/retail space along Ponce de Leon Boulevard (Planning Department, City of Coral Gables).