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RESOLUTION 66, 2020

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA, APPROVING THE WORKFORCE HOUSING PROGRAM AND STUDY PREPARED BY STRATEGIC PLANNING GROUP AND CITY OF PALM BEACH GARDENS PLANNING AND ZONING DEPARTMENT; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City of Palm Beach Gardens has a strong and thriving economy that offers employment opportunities in a variety of industries and professions; and

WHEREAS, middle-income workers and families are finding it increasingly difficult to purchase or rent a home in or close to the communities where they work; and

WHEREAS, City staff has engaged Strategic Planning Group to study the needs for workforce housing in the City of Palm Beach Gardens and provide recommendations; and

WHEREAS, City staff has analyzed these recommendations and provided an analysis of the recommendations for consideration by the City Council; and

WHEREAS, the City Council deems approval of this Resolution to be in the best interests of the health, safety, and welfare of the residents and citizens of the City of Palm Beach Gardens and the public at large.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA, that:

SECTION 1. The foregoing recitals are hereby affirmed and ratified.

SECTION 2. The City of Palm Beach Gardens Workforce Housing Program is hereby approved.

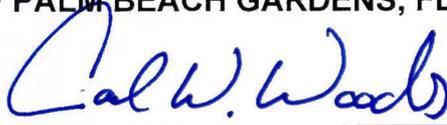
SECTION 3. This Resolution is approved subject to strict compliance with the Exhibits listed below, attached hereto and made a part hereof as Exhibit "A":

1. Workforce Housing Report, City of Palm Beach Gardens, prepared by *City of Palm Beach Gardens Planning and Zoning Department*, dated October 2020.
2. Workforce Housing Program, City of Palm Beach Gardens, prepared by *Strategic Planning Group*, dated February 2020.

SECTION 4. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED this 5TH day of NOVEMBER, 2020.

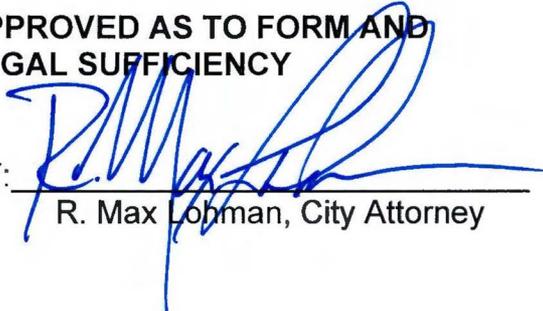
CITY OF PALM BEACH GARDENS, FLORIDA

BY: 
Carl W. Woods, Mayor

ATTEST:

BY: 
Patricia Snider, CMC, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY: 
R. Max Lohman, City Attorney

VOTE:

AYE NAY ABSENT

MAYOR WOODS	<u>✓</u>	___	___
VICE MAYOR PRO TEM LITT	<u>✓</u>	___	___
COUNCILMEMBER MARCIANO	<u>✓</u>	___	___
COUNCILMEMBER REED	<u>✓</u>	___	___



EXHIBIT "A"



Workforce Housing Report

October 2020

Prepared by:

City of Palm Beach Gardens
Planning and Zoning Department
10500 North Military Trail
Palm Beach Gardens, Florida 33410

In consultation with:

Strategic Planning Group
830-13 A1A North
Suite 402
Ponte Vedra Beach, FL 32082

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I. Introduction

Workforce housing aims to provide housing opportunities for middle-income workers. More specifically, workforce housing is defined as families and households with incomes typically ranging from 60 percent to 140 percent of a specific area's median income, but can be defined more stringently at 60 percent to 120 percent. This includes occupations such as entry-level professionals, teachers, healthcare workers, utility workers, contractors/construction workers, restaurant workers, and retail workers. Individuals that have these types of careers do not qualify for many federal housing programs that target households that have income below the 80 percent of the area median income (AMI). Middle-income workers are often limited in housing options available in the cities where they work as the cost of living increases.

The City has several existing policies to further workforce housing goals. Primarily, in the Future Land Use element of the City's Comprehensive Plan, Policy 1.1.3.4. (c) provides a potential density bonus of three dwelling units per acre for Planned Unit Developments with Residential High and Mixed Use land use designations. These land use designations also encourage affordable housing opportunities in the descriptions of the land uses. Policy 1.1.2.2. provides for workforce residential housing as a component of Bioscience projects. Policy 1.2.4.11 also encourages affordable and workforce housing as a component of redevelopment projects. Finally, in the Housing element, workforce housing is supported in Goal 3.2 and there are numerous policies encouraging the development and provision of workforce housing in a variety of ways, such as Policy 3.2.1.8. which encourages the development of auxiliary (or accessory) dwelling units in new residential areas and redevelopment areas.

In accordance with these policies, the City has also proactively worked with the development community to ensure a workforce housing component is incorporated in many recent projects. For example, both the Alton PCD and the Solera at City Centre multifamily project (which are both currently under construction) provided workforce units that were integrated into the design of the projects. Alton provided casita units, also known as accessory dwelling units or ADUs, that were integrated with single family homes, and Solera provided 14 out of 136 multifamily units, or 10 percent, as workforce housing units, and received a density bonus of 3 dwelling units per acre for MXD PUDs in order to provide additional market rate units as well. For other projects, financial contributions were committed in lieu of the provision of workforce housing on-site. More specifically, the Avenir PCD development, located in the western portion of the City, entered into an agreement with the City to provide a one-time payment of \$5 million toward the City's workforce housing efforts. This funding will allow the City to incorporate workforce housing in the City's urban core, rather than in the western portion of the City, where housing supportive uses and services are not as abundant. Finally, the Arcadia Gardens independent living project located within the City's urban core, committed to a one-time contribution of \$550,000.

In 2015, the City also entered into an agreement with US HUD to receive Community Development Block Grant (CDBG) funds, which were earmarked for a single-family home

rehabilitation program for low to moderate income households. Staff has completed construction on approximately 18 homes, through this program and has applications and funds to complete approximately 15 more houses, hardening the existing single-family housing stock, primarily located in the originally platted developments in the City. Finally and most recently, the City implemented an amendment to the City's Comprehensive Plan to incorporate a new Transit Oriented Development (TOD) Overlay District. As part of the new TOD objective and policies, a workforce housing density bonus of 6 dwelling units per acre was included as one of the potential density bonuses.

City staff has been assessing the need for workforce housing policies and solutions in addition to reviewing the existing provisions and accomplishments for several years. For reference, the City's median household income is \$81,508.00 (which equates to a workforce range \$48,905.00 to \$97,810.00). In 2019, staff engaged Strategic Planning Group to provide support to staff in creation of a Comprehensive Workforce Housing Plan.

The United States Department of Housing and Urban Development (US HUD) defines cost-burdened families or households as those who pay more than 30 percent of their gross income for housing costs, and therefore may have difficulty affording necessities such as food, clothing, transportation, and medical care. Based on 2017 American Community Survey data, 27 percent of the City's homeowners, with or without a mortgage, paid 30 percent or more of their income towards housing and 50 percent of the City's renters paid over 30 percent or more of their income for housing. Further, the report highlights the gap between available housing (for purchase and for rent) and median incomes. This data demonstrates the need for workforce housing in the City. Providing workforce housing in the City will reduce the amount of cost-burdened households who are spending 30 percent or more of their income towards housing costs.

Through the course of this work, various Workforce Housing strategies, methods, or "tools" have been explored and researched by staff in order to assess local needs and provide solutions. The report by Strategic Planning Group includes a variety of solutions, and staff explored some additional solutions as well, including:

Workforce Housing Solutions

1. Non-Residential Square Footage Intensity Bonus
2. Residential Density Bonus
3. Housing Trust Fund
4. Impact Fee Credits
5. Waiver of Building Permit Application Review Fee
6. Expedited Permitting
7. Accessory Dwelling Units (ADUs)
8. Community Contribution Tax Credit Program (CCTCP)
9. Down Payment Assistance & Rental Move-In Assistance
10. Single Family Rehabilitation
11. Multi Family Rehabilitation
12. Public-Private Partnerships & Corporate Grants
13. Linkage Fees

14. Inclusionary Zoning
15. Manufactured Housing
16. State Housing Initiative Program (SHIP)
17. Community Land Trusts

The solutions listed above are summarized in the next section of the report with a brief explanation on why the solution works or does not work for the City of Palm Beach Gardens. A red-outlined recommendation indicates the proposed solution is not ideal for the City; a yellow-outlined recommendation indicates that the proposed solution should be included, but is not a top priority, and a green-outlined recommendation indicates that the solution is recommended as a top priority.

II. Summary of Workforce Housing Solutions

1. Non-Residential Square Footage Intensity Bonus

- Non-Residential Intensity Bonuses allow for additional building height and/or square footage where appropriate in commercial, office, or other types of projects, in exchange for a voluntary monetary contribution toward a City housing fund.
- A dual rational nexus study, such the study completed by Strategic Planning Group for the City, must be used as the basis for calculating the specific fee and appropriate compatible bonus intensity.
- The City’s recent Transit-Oriented Development (TOD) Amendment in the Future Land Use element of the Comprehensive Plan provides opportunity to increase building height within the City’s new TOD District, which is a half-mile radius from the City’s proposed future train station location. The new TOD intensity bonus policy provides for additional height up to a maximum of nine-stories or 135 feet, whichever is greater.

- A Non-Residential Intensity Bonus is recommended to be included in the City’s Workforce Housing Program as it is a voluntary, incentive-based program, and provides a funding mechanism for the workforce housing solutions.

2. Residential Density Bonus

- For new residential development projects and residential redevelopment projects, density bonuses could provide additional residential units where appropriate, with the requirement of incorporating and constructing integrated workforce housing units. (see Figure 1)

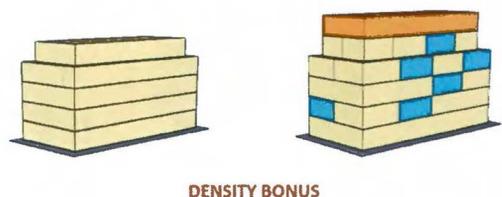


Figure 1. Illustrative Example of Density Bonus and Integration of Workforce Housing Units
 (Source: https://inclusionaryhousing.org/home/inclusionary/magenborder_0/)



Photo 2. Construction progress photo of Solera at City Centre dated October 14, 2020.

- The 136-unit Solera multifamily infill development project that is currently under construction in the City Centre PUD is a significant achievement and a local example of this practice. The project was approved utilizing the current Workforce Housing density bonus provided in the City’s LDRs for Residential High zoning districts; with the

guidance and support of staff, the Applicant requested a modification to the existing bonus to apply the bonus to Mixed Use PUDs throughout the City. The project received a bonus density of 3 units per acre, and provided 10 percent of integrated workforce housing units, which equated to 14 units. A condition of approval was included in the development order requiring annual third-party monitoring for a timeframe of 20 years.

- The City’s recent Transit-Oriented Development Amendment in the Future Land Use element of the Comprehensive Plan provides opportunity to increase residential density within the City’s Transit Oriented Development (TOD) Area, as recommended in the City’s TOD Master Plan, which was prepared by Treasure Coast Regional Planning Council. Transit-oriented development patterns are known to support workforce housing units and residents. The new TOD density bonus policy provides for a potential bonus of 6 dwelling-units per acre for the provision of ten percent of integrated workforce housing units for a minimum timeframe of 20 years.
- A policy can potentially be included for a residential project to receive a density bonus for a monetary contribution by the developer (aka “payment in lieu”) toward a workforce housing fund.

- Residential density bonuses are recommended by staff to be included in the City’s Workforce Housing Program. This incentive option exists currently in specific land use areas (Residential High, Mixed Use, and TOD Overlay District) and is now recommended to be included City-wide in all residential land use areas to provide additional opportunity areas for workforce housing units to be provided. Additional analysis will be required to ensure those density bonuses are still in harmony and compatible with the surrounding densities and neighborhoods.

3. Housing Trust Fund

- A Housing Trust Fund is an accounting principle/tool that is a best practice for earmarking monies collected for specific purposes. Impact fee funds and the Art in Public Places fund are examples of such accounts which are already existing for the City. A comparable fund at the State-level would be the Sadowski fund.
- The City Council should authorize the creation of a separate fund, or possibly a portfolio of funds in the future to deposit revenue from unique sources. For example, funds collected through Conditions of Approval of approved projects, or through potential future Intensity Bonus fees should be placed in the City's Housing Trust Fund(s). This could be accomplished by adopting an ordinance with broad guidelines and minimum restrictions on how funds can and should be used.
- For example, the Town of Jupiter has a Workforce Housing Program and has established a Housing Trust Fund. Funds are collected through a linkage fee that is levied on certain new commercial and industrial construction. The fee is collected at the time of issuance of a building permit and deposited into the Town's Housing Trust Fund.

- Establishment of a Housing Trust Fund is recommended by staff to deposit and protect funds that have been collected for the purposes of furthering the goals of workforce housing. As referenced, the City is set to receive a \$5 million contribution from the Avenir developers and \$550,000 from the Arcadia Gardens developers. The City will need a designated account for these future revenue sources when the payment is made.

4. Impact Fee Waivers or Credits

- Impact fees must be paid by developers to offset the impacts of new development on various City services, and these fees typically cannot be waived; however pursuant to recent State Statutes, impact fees may be waived for the provision of workforce housing.
- As an example, Impact Fees for a hypothetical 100-unit rental project that has two-bedroom units that are approximately 1,000 square feet can equal the following in various impact fees:

Type of Impact Fee	Amount*
City - Police	\$25,200.00
City - Fire Rescue	\$38,400.00
City - Mobility	\$383,500.00
City - Public Facilities	\$17,100.00
City - Parks and Recreation	\$304,100.00
City Total -	\$768,300.00
County – Parks	\$50,793.00
County - Libraries	\$18,576.00
County – Public Facilities	\$17,054.00
County - Schools	\$433,000.00
County Total	\$518,423.00

TOTAL	\$1,287,723.00
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*Impact fee amounts are based on actual City and County impact fee rates as of October 2020

- The City can develop a program in which some or all impact fees can be waived or funded through payment the of impact fees from the City’s Workforce Housing Trust Fund as an incentive for the provision of a certain percentage of integrated workforce housing units.
- Waiving or crediting impact fees is recommended in order to provide additional incentives for the provision of workforce housing. This should be done with full consultation with the Development Review Committee members to evaluate and ensure all impacts to levels of service (LOS) are appropriately addressed, and LOS standards are maintained. The City may consider incorporating a cap to the total amount of impact fees that can be waived.

5. Waiver of Building Permit Application Review Fee

- One incentive for developers who provide workforce housing units in a project is to waive building permit application review fees, or waive expedited review fees, in part or in whole.
- For example, a 100-unit rental project with each unit at approximately 1,000 square feet would equate to a 100,000 square foot building. A 100,000 square foot building would equal the following in terms of building permit fees:

Building Permit Fee Types	Cost of Development	Fee Amount*
Infrastructure	\$500,000.00	\$11,895.00
Site Lighting	\$40,000.00	\$819.00
Construction Site Phasing and Fencing,	\$40,000.00	\$819.00
Construction Trailer	\$25,000.00	\$511.88
Multi-Family Building	\$15,000,000.00	\$167,563.75
Commercial Swimming Pool	\$100,000.00	\$2,047.50
Fire Sprinkler System	\$60,000.00	\$1,228.50
Fire Alarm System	\$300,000.00	\$4,961.00
Total		\$189,845.13

*Permit fee amounts are based on actual City permit fee rates as of October 2020

- Establishment of the building permit fee waiver may not interfere with expected revenues from permit fees as the fees could be paid out of the Housing Trust Fund.
 - Waiving fees is a minor administrative task that would not require significant resources for implementation. Standard Operating Procedures and policies would be required to be developed to establish criteria for eligibility.
- Waiving building permit application review fees is recommended in order to provide additional incentives for the provision of workforce housing.

6. Expedited Permitting

- Expedited permitting assists developer by accelerating project construction timelines and delivery of units by giving workforce housing projects priority in the permit review process.

- Section 78-57 of the City Land Development Regulations which current exists for TEPP provides criteria for development that can utilize expedited permitting. This section can be expanded upon to include projects providing Workforce Housing units.
- Policy 3.2.1.9. of the City Comprehensive Plan encourages expedited permitting as an incentive for providing Workforce Housing.

• Staff recommends expedited permitting as an incentive to encourage developers to include Workforce Housing in projects. This process is already existing in the Code which allows for and enables a smooth implementation.

7. Accessory Dwelling Units

- Accessory Dwelling Units (ADUs) is an ancillary or secondary unit that has a separate entrance, kitchen, bathroom, and sleeping area and may be provided within the principal structure, or as a separate structure on the same lot as the principle structure residential dwelling unit.
- ADUs are a tool for providing workforce housing by allowing the owner of the primary home to rent out one of the two units on the parcel for additional income, and also provides an additional unit that is available in the City's housing stock.
- ADUs are encouraged by the City's existing Comprehensive Plan Policy 3.2.1.8.
- Through collaboration between staff and the Developer, the Alton Planned Community Development (PCD) provides Accessory Dwelling Units within Neighborhood One, and Parcels D, E, and F.
- To allow ADUs by right would require amending the City's Land Development Regulations to permit two dwelling units on a single-family residential lot.
- ADUs could potentially be successful on large-lot developments, such as Horseshoe Acres and Steeplechase.
- Minimum design standards can be developed for landscaping, architecture, etc. so building permit review can be streamlined.

• Staff recommends ADUs with design regulations to be permitted in certain communities with larger lots to promote the provision of affordable housing, with the coordination of individual neighborhoods.

8. Community Contribution Tax Credit Program (CCTCP)

- This is a program that is administered by the State of Florida's Department of Economic Opportunity. Businesses or companies located within the City of Palm Beach Gardens can receive up to a 50 percent tax credit or sales tax refund from the State of Florida for providing contributions (monetary or in-kind) toward housing programs for low-income persons (Ex. – housing project development, down payment and closing costs for eligible applicants, etc.).
- Various types of contributions can be accepted from businesses: cash, property, goods/inventory, and other physical resources approved by DEO.
- The City would have to apply to the State as a "sponsor", but this program can be administered through a local non-profit partner, such as Neighborhood

Renaissance who can work with staff to allocate funds toward various housing projects.

- Staff recommends participating with the CCTCP program. This workforce housing tool only requires a simple application with a Resolution of support to the State, and provides an opportunity for local businesses to contribute toward Workforce Housing without significant financial burdens. A potential community partner to administer the program has already been identified with Neighborhood Renaissance, a local organization.

9. Down Payment Assistance & Rental Move-In Assistance

- Home purchase down payments, and rental home move-in costs are often very high. Where a household may be able to afford monthly costs, saving adequate funds for a down payment on a home, or for upfront moving costs of moving into a rental (which typically include first month and last month's rent, as well as a security deposit) can take a significant amount of time for a workforce household, causing a significant burden on the household.
- The City can use the funds in the Housing Trust Fund provide one-time low- or zero-percent interest loans and/or grants to workforce households to assist with a down payment for a home or initial move-in costs for an apartment.
- Down Payment Assistance and Rental Move-In Assistance is recommended by staff as a possibility, but a lower priority solution to explore establishing in the future. Program set-up and beneficiary review process would need to be developed for implementation. Resident income eligibility review would require significant time and resources. It is recommended Housing Trust Fund monies are deposited and accrue for the first phase of implementation.

10. Single-Family Rehabilitation

- One strategy to strengthen the existing housing stock in the City is to provide an assistance program to replace roofs, windows and exterior doors to provide home hardening, energy efficiency, and insurance benefits, therefore increasing affordability.
- Currently, Community Development Block Grant (CDBG) funds received by the City from US HUD are utilized to rehabilitate houses for households that have a gross annual income of less than 80 percent AMI, which is deemed low- or moderate-income per US HUD standards.
- The City could allocate funds from a Workforce Housing Trust Fund to assist households at the workforce level (80 – 120 percent AMI), and additional could be rehabilitated, increasing opportunities for strengthening the City's existing housing stock. Federal reporting requirements and administrative requirements would not be applicable to City-allocated funds.

- Single-family rehabilitation is recommended to continue through the CDBG program while funds are available from US HUD, and as potential option for expending Housing Trust Fund monies the future. This option is not recommended as a top priority as the income eligibility review and construction project management process require significant time and resources, but should be considered in the future. It is recommended Housing Trust Fund monies are deposited and accrue for the first phase of implementation.

11. Multifamily Rehabilitation

- Communities along the main corridors in the core of the City, such as Military Trail and Burns Road, could benefit from rehabilitation of multifamily buildings, such as reroofing, replacement of windows and/or doors, and other improvements to bring units and structures to compliance with current Florida Building Codes. Trails End Villas Condominiums, Gardens Villas, Sandalwood, and Sabal Ridge are examples of older communities in the City that could benefit from this type of solution.
- Fees collected in the City's Housing Trust Fund could be utilized in rehabilitating, renovating, or otherwise improving existing older and aging multifamily buildings and/or units within the City.
- Rehabilitation of existing multifamily is recommended by staff as it serves to enhance and extend the useful life of the City's existing housing stock, however, administration and implementation of this type of program requires significant resources in terms of income verification of multiple tenants/owners, coordination with residents, and construction project management, and therefore is not recommended at this time to be a top-priority solution but should be reviewed in the future. It is recommended Housing Trust Fund monies are deposited and accrue for the first phase of implementation.

12. Public-Private Partnerships (P3) & Corporate Grants

- A public private partnership is when a public entity, such as the City, partners with a private entity or corporation to develop housing projects. Other community partners may also provide assistance.
- For example, in Pinellas County, Florida, the Pinellas County Housing Authority, Pinellas County, the Housing Finance Authority of Pinellas County, and Pinellas County's Land Assembly Program partnered with US AmeriBank to construct the Palms of Pinellas project. A 92-unit mixed income community, this development provides housing that is affordable to households that earn between 50-percent and 150-percent of area median income (AMI). Nineteen of the apartments will have income restrictions of 50 percent AMI and another ten percent will be restricted to 80 percent AMI. The remaining units will be market rate for individuals and families earning up to 150 percent of AMI.
- Another example of a project using a corporate grant is Partnerships for Raising Opportunity in Neighborhoods, known as PRO Neighborhoods. This is a program of JPMorgan Chase & Co. to provide funds to community

development financial institutions (CDFIs) that collaborate to help revitalize low- and moderate-income communities. In 2014, JPMorgan Chase started the pilot program that became PRO Neighborhoods. In January of that year, JPMorgan Chase announced awards of \$33 million over a three-year period to seven groups made up of 26 CDFIs with less than \$75 million in net assets. The initial success of this effort led JPMorgan Chase to issue subsequent rounds of awards to collaborating CDFIs in each of the following two years.

- Public-Private Partnerships (P3) & Corporate Grants are recommended by staff; however availability and opportunity for participation is dependent on private sector program offerings. It is recommended that this solution be available, potentially utilizing funds in the Housing Trust Fund.

13. Linkage Fees

- Linkage fees are mandatory fees collected from developers by the City, similar to an impact fee, to support the construction or provision of workforce housing.
- Linkage fees are collected from market-rate residential and non-residential development and stored in a completely separate fund. The money in the fund can be used provide for the construction, acquisition, and/or maintenance of workforce housing units.
- Assessment of Linkage Fees requires the completion of a dual rational-nexus study to provide the statistical support for fee calculation, and is typically calculated on a square-footage basis. This study has been completed by Strategic Planning Group as part of the City's Workforce Housing Program Study and is attached.
- Strategic Planning Group's Workforce Housing Program Study provides recommended residential and non-residential linkage fees on a square footage basis for consideration; for the purposes of this study and analysis, workforce housing was defined as households that fall between 60 and 120 percent of the local AMI.

- A mandatory linkage fee is not recommended by staff, as placing additional mandatory fees on all residential and non-residential development and redevelopment will only increase the rising costs of development. This may detract the provision of non-residential development in the City which is critical to maintaining a low and stable tax rate and high levels of service. It is overall not consistent with the business-friendly development climate that the City strives to maintain.

14. Inclusionary Zoning

- Inclusionary Zoning is a common housing policy that requires developers to provide a set minimum percentage of units in new residential development projects as affordable or workforce housing units.
- Florida legislation (HB 7103), adopted July 1, 2019, and recent House Bill 1339, allow local municipalities to require developers to provide or set aside a percentage of the of new construction residential projects as Workforce

Housing, as long as incentives are granted to the developer to fully offset costs of the workforce housing units. Incentives can be waiving of fees, providing density bonuses, and lower parking requirements, etc.

- Inclusionary zoning ordinances nationwide have been criticized for disincentivizing developers from pursuing housing projects, limiting the overall supply of housing, and not adequately addressing the needs of low- or workforce-income level people.
- Further, maintenance costs, Property Owner's Association dues, and other associated costs of homeownership can be counter-productive based on this mandatory market integration for certain projects, and can be challenging for residents to meet.
- A required inclusionary zoning ordinance would require staff to calculate and understand all development costs of the project to fully offset the cost of providing the unit as required by recent State Statutes.
- Staff does not recommend Inclusionary Zoning as a solution. An Ordinance requiring a percentage of units to be set aside for workforce housing can potentially discourage future new construction of residential projects which ultimately does not further the goal of providing housing units in the City.

15. Manufactured Housing

- A manufactured house or home is a dwelling that is built offsite, in an indoor factory setting. Modular homes start as sections, or modules, that have been built in a factory environment and are then transported to the building site and assembled.
- Manufactured housing, also known as modular or prefabricated homes, can provide a lower-cost residential unit option for middle-income families.
- Design Criteria for these types of units could be created to ensure a higher quality aesthetic design.
- Manufactured housing is not recommended by staff. This housing choice poses challenges in the South Florida environment and climate due to the possibility of damage, high risk lack of safety from wind events, such as hurricanes, and potential overall lack of quality and long-term durability.



16. State Housing Initiative Program (SHIP)

- The SHIP program, also known as the Sadowski Trust Fund, was established in 1992 to help ease the burden of housing costs using money collected from a document stamp tax on all state real-estate transactions.
- Through this program, the State of Florida provides assistance toward housing programs. Examples of eligible activities include: emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact

fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs.

- Participation in the program requires submittal of an application to the State, creation of a 12-member board, creating and maintaining certain planning documents, as well as routine reporting.
- There are many specific “set-aside” requirements:
 - a minimum of 65 percent of the funds must be spent on eligible homeownership activities
 - a minimum of 75 percent of funds must be spent on eligible construction activities
 - at least 30 percent of the funds must be reserved for very-low income households (up to 50 percent of the area median income or AMI)
 - an additional 30 percent must be reserved for low income households (up to 80 percent of AMI)
 - the remaining funds may be reserved for households up to 140 percent of AMI
 - no more than 10 percent of SHIP funds may be used for administrative expenses.

- Participation in SHIP is not recommended by staff, as the program has several specific requirements that require **significant** administration resources and coordination which are unavailable to be provided by the City at this time. Based on the City’s current demographic data, it is unlikely that the City would be able to meet the program standards.

17. Community Land Trusts

- A Community Land Trust (CLT) is a non-profit organization that acquires lands and develops housing which is sold below typical market rates. The CLT owns the land in perpetuity, and the CLT resident owns the home structure with use of the land granted through a 99-year ground lease.
- Removing the cost of the land from the transaction makes the home more affordable for the initial buyer. Resale restrictions in the ground lease ensures the home structure will remain affordable for future buyers.
- Policy 3.2.1.3 of the City Comprehensive Plan encourages the City to coordinate with public-private partnerships like Community Land Trusts to provide affordable and workforce housing.
- The City’s role would include financial administrative support during the planning and startup phase, future contributions for development, and possibly to finance projects. Available resources would need to be evaluated to determine the full extent of the City’s role.

- Establishment of a City-specific Community Land Trust is not recommended at this time as it is a housing tool that is typically utilized in larger cities or on a County-level. There is an existing organization called Community Land Trust of Palm Beach County, and at this time a City CLT would be an unnecessary duplication of efforts. It is an option that could be explored in the future in consideration with future City growth.

III. Coronavirus and the CARES Act

As the final report and proposed housing solutions were being finalized by staff in early spring of 2020, the COVID-19 global pandemic occurred causing staff to analyze the proposed solutions to evaluate housing-needs related to the pandemic. The State of Florida, along with the United States and many countries across the world, experienced significant economic and societal impacts from the pandemic, spanning alternative education, lack of childcare resources/assistance, unemployment or reduced opportunities for employment, and housing/food insecurity. Staff recognizes that workforce housing cannot be addressed in current global climate without addressing the impacts of the 2020 coronavirus pandemic.

The City Council of the City of Palm Beach Gardens acted swiftly to approve Resolution 37, 2020, dedicating \$1.3 million to the Economic Recovery Act, which included two City programs: one aimed at small business relief, one aimed at direct food-assistance to residents. The small business relief fund was executed as a partnership with the PGA Corridor Association and provided \$988,895 in relief to 69 businesses within the community. Through the Resident Relief program, 1,244 grocery gift cards of \$250.00 were distributed directly to residents, totaling \$311,000 worth of much needed assistance. Both programs were well-received and very successful.

The City was also notified that it is the recipient of \$482,975 of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding as a result of participation of the Community Development Block Grant (CDBG) program, from US HUD. The City conducted a needs assessment survey in September of 2020 to receive community input and assess community needs with regard to the coronavirus pandemic. A significant number (281) of responses were received, and indicated that 63 percent of survey respondents indicated that their employment had been significantly impacted by the coronavirus pandemic, and only 25 percent of respondents indicated they felt extremely confident that they would be able to pay next month's mortgage on time, and 60 percent with various responses such as somewhat confident, not at all confident, or not current for their next month's rent or mortgage payment. From these survey results, staff identified a critical need for direct housing payment assistance, which is an eligible cost under the CDBG-CV CARES act funding. Based on the responses received from the survey, and staff's assessment of the previous types of assistance previously provided by the City, City staff recommends developing a mortgage and rent assistance program, to address housing needs as a result of the coronavirus pandemic.

Palm Beach County announced and is currently operating both a mortgage assistance grant program and a rental assistance grant program. Both programs suspended acceptance of applications on September 1, 2020 to allow sufficient time to process a backlog of applications currently in the queue, but since that time have reopened. As of September 1, 2020, 1,289 Mortgage Assistance Applications had been received by Palm Beach County, and the average award per mortgage holder was \$6,338. This program reopened on October 9, 2020. As of Friday, October 9, 2020, 7,677 rental assistance applications were received by the County, and 2,700 rent/utility assistance checks were issued totaling \$4,605,682.83, further demonstrating that there is still significant need County-wide, and that need is expected to continue to grow as people are out of work for a longer period of time and depleting any financial savings.

Due to the significant time and resources required to verify income eligibility, City staff plans to hire a consultant utilizing the administrative fees allowance that is provided for with use of CDBG funds (up to 20 percent of the total allocation). Some basic parameters for eligibility in the assistance program would include such as proof of loss of income, reduction in hours, or unemployment, and proof of most recent mortgage statement or rental documentation indicating delinquency, as well as other requirements and documentation. All payments would be made directly to the landlord or mortgage holder. Staff is exploring both an online application portal similar to the County, as well as a paper application system, and anticipates being able to assist 40 households with either rent or mortgage assistance. The City anticipates receiving the funds approximately 15 days after submission of the application to the US HUD Miami Field Office. A maximum assistance/award amount of \$10,000 is anticipated. Utility assistance could also be incorporated into the program.

As the Workforce Housing report and proposed solutions are finalized and presented to the City Council, the City's CARES Act funds will also simultaneously be addressed, in order to address all current housing needs in the City.

IV. Conclusion

As demonstrated in the final report produced by Strategic Planning Group, there is clearly a need in our community to provide workforce housing solutions based on the housing need identified in the report. The preceding summary of solutions or tools are broad concepts and ideas, in addition to the City's efforts with CDBG CARES Act funding work in harmony to address a variety of pressing needs in the area of workforce housing. A summary of the solutions explored, and staff's proposed recommendations follows:

Workforce Housing Solutions

- 1. Non-Residential Square Footage Intensity Bonus – Recommended**
- 2. Residential Density Bonus – Recommended**
- 3. Housing Trust Fund – Recommended**
- 4. Impact Fee Credits – Recommended**
- 5. Waiver of Building Permit Application Review Fee – Recommended**
- 6. Expedited Permitting – Recommended**

7. Accessory Dwelling Units (ADUs) – **Recommended**
8. Community Contribution Tax Credit Program (CCTCP) – **Recommended**
9. Down Payment Assistance & Rental Move-In Assistance – **Recommended but not as immediate priority**
10. Single Family Rehabilitation – **Recommended but not as immediate priority**
11. Multi Family Rehabilitation – **Recommended but not as immediate priority**
12. Public-Private Partnerships & Corporate Grants – **Recommended but not as immediate priority**
13. Linkage Fees – **Not Recommended**
14. Inclusionary Zoning - **Not Recommended**
15. Manufactured Housing - **Not Recommended**
16. State Housing Initiative Program (SHIP) - **Not Recommended**
17. Community Land Trusts - **Not Recommended**

Staff recommends that upon adoption of this report, the City Council direct staff to proceed with the necessary recommended solutions, Comprehensive Plan Text Amendments, Land Development Regulations Text Amendments, and/or Standard Operating Procedures, depending on the unique solution, outlining specific parameters and processes in order to move forward with the implementation.

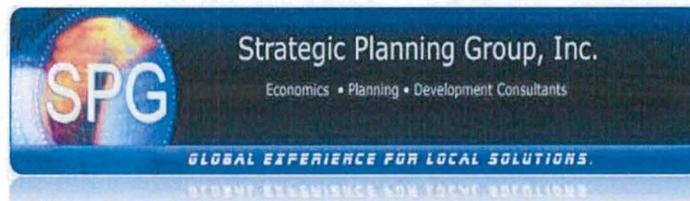


CITY OF PALM BEACH GARDENS

WORKFORCE HOUSING PROGRAM

FINAL

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February 2020

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GENERAL LIMITING CONDITIONS

Strategic Planning Group, Inc. (SPG) does not warrant this report for use other than by the City of Palm Beach Gardens, Florida, and assumes no responsibility for secondary use of this study or information contained herein by third parties. Although data and other information used in this study and analysis is believed to be factual, evaluations and projections are subject to a number of variables and unforeseen factors such as major economic changes or shifts in the local, regional, national or global economies. Accordingly, while the forecasts and projections have been prepared in accordance with acceptable techniques and consistent with available information, SPG cannot guarantee their attainment. We wish to note, however, that the analysis and conclusions represent the best judgment of the consultant, based on information compiled and evaluated within the scope of the Agreement with the Client for this project.

The use of the words “forecast” or “projection” within the report relates to broad expectations of future **events or** market conditions and the quantification of estimates or assumptions and is not considered a “forecast” or “projection” as defined by the American Institute of Certified Public Accountants.

EXECUTIVE SUMMARY

The City of Palm Beach Gardens retained Strategic Planning Group, Inc. to prepare a Workforce Housing Program based on the City's specific socio-economic metrics (demographics, household income, etc.). This report utilizes a number of data sources including; US Census Bureau, American Community Survey 2013-2017, University of Florida Bureau of Business Research, Palm Beach County Appraiser Office, Palm Beach County Realtor Multiple Listing Service (MLS) and special proprietary computer program runs from REIS, Inc.¹ and from Esri².

DEMOGRAPHICS

The University of Florida, Bureau of Business Research (BEBR) estimated that the City had a population of 53,800 as of April 2018, an increase of 5,360 since 2010 (or 670 persons per year). Data from the US Census (American Community Survey) estimated the City's July 1, 2018 resident population at 56,284³. According to the 2017 ACS⁴, the City had a median age of 50.5 with 32.8 percent of the population aged 62 or more.

HOUSEHOLD INCOME

Palm Beach Gardens is one of Palm Beach County's 39 cities. Palm Beach Gardens' median household income was estimated at \$80,426 in 2018 based on the latest Bureau of Census, American Community Survey (ACS) data. It should be noted that the City's Planning and Zoning Department is required to use the HUD 2019 Palm Beach County median family income (MFI) limits adjusted by the number of persons in the family during the administration of the City's Entitlement Grant Programs (which for a 4 person family is \$75,390). This Study relies on the use of the 2017 ACS median household data⁵ for the City of Palm Beach Gardens. The 2017 median household data for the City was inflated to 2019, using the same methods as used by HUD, which is estimated to be \$81,508 as of 2019.

LABOR DYNAMICS

Based on Census data, the City of Palm Beach Gardens had 32,669⁶ jobs within its boundaries. Of that number, 3,585 jobs (11%) were held by City residents. The other 29,084 workers resided outside of the city (88.7 percent).

HOUSING CHARACTERISTICS

The number of housing units in Palm Beach Gardens, as reported by the American Community Survey 2013-2017⁷, was estimated to be 29,089 units in 2017. Approximately 19 percent of the City's housing inventory is vacant of which most are held for seasonal use. It is estimated that 49.6 percent of the total housing units in the City were single-family detached units. Multi-family housing of five or more units accounted for 21 percent of the total units of which multi-family housing of 20 units or more accounted for 9 percent of the housing stock.

¹ A Moody's Analytics firm

² An international GIS and data firm

³ UF BEBR estimated the City's 2019 at 56,621

⁴ American Community Survey 5 year 2013-2017

⁵ Median household income includes both family and nonfamily households and therefore is lower than family income

⁶ Onthemap (Census) for 2017, latest data available

⁷ The 2013-2017 ACS data was released in December 2018 and is the latest data available at the writing of this report

HOUSEHOLD BY TENURE

Approximately 71 percent of the City's occupied housing is owner occupied (16,560 units) and 29 percent is renter occupied (6,891).

HOUSEHOLD SIZE

According to the ACS 2017, housing tenure within the City by household size indicates approximately 74 percent of the occupied housing units are made up of one and two person households. Conversely, the number of owner occupied units with four or more person household's account for 12 percent of the occupied units.

HOUSING VALUES

The ACS 2017 reports that the City's median value of owner occupied units was \$334,800. It should be noted that this is what homeowners assumed their homes were valued at as opposed to what actual sales were in 2017. The median monthly housing cost for households was \$1,457. There was only a slight difference in median monthly housing costs between owner occupied households (\$1,457) and renter occupied households (\$1,547).

Local Multiple Listing Service (MLS) data for the City of Palm Beach Gardens indicates, that for the first seven months of 2019, the median combined sales price for a single family and townhouse/condominium homes was \$368,000, an increase of 22 percent over 2014 median sales prices. The median price for a single family home was \$504,500, an increase of 20 percent over 2014's median sales price while townhouse/condominium median sales price was \$245,000, an increase of 34 percent since 2014. It should be noted that the 2014 sale prices reflect the low end of Florida's housing crash (recession).

HOUSING SUPPLY

Palm Beach Gardens had 852 residential sales based on MLS data as of mid-2019, averaging 122 residential sales monthly. Median sales price of all residential properties as reported by MLS was \$368,000 through July, 2019.

January/July 2019 MLS data for the City shows that there were 483 single family homes sales, with 23 sales of less than \$250,000 or 5 percent of all sales. There were 369 townhomes and condominiums sold during the same time period of which 53 percent sold for under \$250,000.

HOUSING COSTS

The U.S. Department of Housing and Urban Development (HUD) suggests that housing costs should not exceed 30 percent of total monthly household income. Based on the 2017 ACS estimates, 27 percent⁸ of homeowners paid 30 percent or more of their household income for housing while 50 percent of renters in the City paid over 30 percent or more for housing.

WORKFORCE HOUSING NEED

As shown in this report there is a definite need for workforce housing within Palm Beach Gardens. Based on 2017 Census data, 33.5 percent of owner occupied housing with a mortgage are considered to be cost burdened (i.e. paying 30 percent or more for housing including utilities). It is interesting to note that 20 percent of households with no mortgage are also cost burdened.

⁸ With and without a mortgage

The workforce housing need is greatest for rental housing. Again based on Census data (2017), 50 percent of all rental housing is cost burdened.

This report defines workforce housing as those households with household incomes ranging from 60 percent of the City’s “median household income” to 120 percent of the City’s “median household income” which is estimated at \$81,508 for 2019⁹. It should be noted that HUD metrics for workforce housing are based on the County’s median family income of \$75,400 to set income limits which is significantly lower than the City’s median family household income of \$103,700 for 2019.

As shown below in Table ES 1, a household with a median household income (family and non-family households)¹⁰ can afford \$1,732¹¹ rent or afford to purchase a home, assuming a down payment of 10 percent, priced at \$294,555. A household earning only 60% of the City’s median household income can afford \$1,039 rent or a \$176,733 home assuming good credit and little debt which is significantly lower than the current real estate market.

The analysis shows a Single Family GAP of \$209,945 while most income groups could afford a Townhouse/Condominium based on Multiple Listing Service (MLS) data for 2019. Using 2019 rental asking rates for a 2 bedroom apartment of \$1,844 per month, a median household renter would have a \$112 GAP.

Table ES 1: Palm Beach Gardens Median Household Income Affordability Calculator

Affordability Calculator: Palm Beach Gardens							
Palm Beach Gardens Median Household Income 2019:				\$81,508			
Downpayment	10%	Utilities	15%				
Cost Burden	30%	Tax & Ins	20%				
Interest Rate	4.25%	Other Debt	12%				
Income Category	Median Income (%)	Household Income	Monthly Rent	Monthly Payment	Payment - Tax & Ins	Amt of Mortgage	Home Price
Very Low	60%	\$48,905	\$1,039	\$978	\$782	\$159,059	\$176,733
Low	80%	\$65,206	\$1,386	\$1,304	\$1,043	\$212,079	\$235,644
Median	100%	\$81,508	\$1,732	\$1,630	\$1,304	\$265,099	\$294,555
Moderate	120%	\$97,810	\$2,078	\$1,956	\$1,565	\$318,119	\$353,465

Source: Strategic Planning Group, Inc.

Table ES 2: Palm Beach Gardens Workforce Housing Affordability GAP

Residential GAP Analysis	Current Market	60%	80%	Median	120%
		\$48,905	\$65,206	\$81,508	\$97,810
Median SF Listing Price	\$504,500	(\$327,767)	(\$268,856)	(\$209,945)	(\$151,035)
Median TH/Condo Rent	\$245,000	(\$68,267)	(\$9,356)	\$49,555	\$108,465
Asking 2 BR Apartment	\$1,844	(\$845)	(\$498)	(\$112)	\$194

⁹ In 2019 dollars; based on a 4.68% inflation rate from 2017 (\$71,519) to 2019

¹⁰ In 2019 dollars

¹¹ Assuming utilities of 15%

BARRIERS TO WORKFORCE HOUSING

Increasing land prices and construction costs have collectively impacted the residential development community's ability to provide workforce housing in both the City and County.

TOOLS TO ASSISTANCE IN PROVIDING WORKFORCE HOUSING

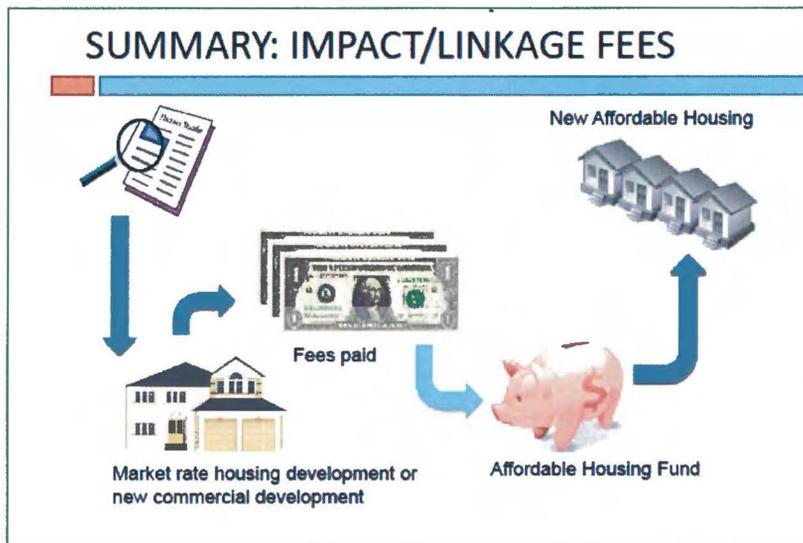
In the body of this report are discussions for various tools that could assist in the development of workforce housing, including Inclusionary Housing Policies and a newer tool "Linkage Fees".

LINKAGE FEES

Linkage fees are one tool to assist local government to collect monies to help support workforce housing. These fees, collected from market rate residential development and non-residential development, are placed in a trust fund to provide for the construction and maintenance of workforce residential units.

Under Florida law, there must be a rational relationship between the linkage/mitigation fee imposed and the impact of new construction on the need for workforce housing.

At both the national and local level, governments are being forced to determine the impacts that new market rate residential and non-residential developments create and the need for housing that is affordable to the workforce, as a legal basis for establishing a workforce housing mitigation program.



A Nexus study provides the required information for the workforce housing need created by new development and provides statistical support for the fee calculation. The fee is typically calculated on a square foot basis or a per unit basis for residential.

RESIDENTIAL LINKAGE FEE



The proposed maximum residential impact fee is based on the construction of a new two bedroom apartment as explained further in the report. The combined affordability GAP 0-120% AMI is -\$280 per square foot. If the impact fee was based only on moderate household income (60-120% AMI) the impact fee would be -\$111.57 per square foot while the 80%-120% bracket is a positive \$81.94.

Table ES 3: Summary of the Proposed Maximum Residential Impact Fee

Residential	Median Household Income PSF
GAP (0-120%)	(\$279.80)
GAP (60-120%)	(\$111.57)
GAP (80-120%)	\$81.94

Note: see Table 46 in the report

NONRESIDENT

The following table summarizes the potential linkage fees to various types of development. Table ES 4 shows the maximum possible fees based on new residential construction required to house additional employees.

The linkage fees shown Table ES 4 below as well as in Table 72, presented later in this report, are a realistic assessment of Palm Beach Gardens’ workforce housing market and can be an option in a Workforce Housing Program. They should be seen as a beginning point rather than the final fee structure. Most, if not all governmental entities have adjusted the final fees to reflect local economic conditions. Should the City adopt linkage/impact fees, those fees should be subject to Consumer Price Index (CPI) increases.

Table ES 4: Maximum Recommended Non Residential Linkage Fee

	Industrial	Commercial	Office	Hotel	Extended Stay Hotel
MLS Average					
Very low income	-\$11.30	-\$11.76	-\$3.17	-\$12.80	-\$0.54
Low income	-\$0.79	-\$3.42	-\$1.50	-\$0.07	-\$0.46
Moderate income	-\$0.28	-\$2.87	-\$2.35	-\$0.07	-\$0.01
Total	-\$12.37	-\$18.05	-\$7.02	-\$12.94	-\$1.01
Construction					
Very low income	-\$8.81	-\$20.60	-\$11.91	-\$9.98	-\$0.42
Low income	-\$0.52	-\$0.04	-\$1.29	-\$0.04	-\$0.30
Moderate income	\$1.09	\$0.58	\$8.22	\$0.29	\$0.03
Total	-\$8.24	-\$20.07	-\$4.98	-\$9.74	-\$0.70
Average Combined					
Very low income	-\$10.06	-\$16.18	-\$7.54	-\$11.39	-\$0.48
Low income	-\$0.66	-\$1.73	-\$1.40	-\$0.05	-\$0.38
Moderate income	\$0.41	-\$1.14	\$2.93	\$0.11	\$0.01
Total	-\$10.30	-\$19.06	-\$6.00	-\$11.34	-\$0.86

The maximum workforce housing linkage fee option is based on averaging the new construction and MLS data are:

- Industrial land use fee would be \$10.30 per square foot of building area;
- Commercial land use fee would be \$19.06 square foot of building area;
- Office land use fee would be \$6.00 per square foot of building area;
- Hotel fee would be \$11.34 per square foot of building area
- Limited or extended stay hotel fee would be \$0.86 per square foot of building area

Typically, communities do not impose maximum linkage fees because there are other tools communities can use to increase the supply of workforce housing, and the linkage fee becomes one source of funding among several to subsidize workforce development. For example, the City of St. Petersburg uses the following funding sources to assist developers with the construction and preservation of workforce units: State Housing Initiative Partnership (SHIP), HOME Investment Partnership (HOME), City owned land Floor Area Ratio (FAR) bonus revenue and other revenue sources.

INCLUSIONARY ZONING

Inclusionary Zoning Codes are local policies that tap the economic gains from rising real estate values to create workforce housing for working income families. An example of Inclusionary Zoning could require developers to sell or rent 10 to 30 percent of new residential units to lower middle income residents meeting the workforce criteria.

Many, but not all, programs partially offset the cost of providing workforce units by offering developers one or more incentives such as tax abatements, parking reductions, or the right to build at higher densities. Florida recently changed its inclusionary zoning policies to ensure that any developer cost in implementing inclusionary zoning policies at the local level be fully mitigated or “made whole”. Most programs recognize that it’s not always feasible to include workforce on-site units within market-rate projects. In some cases, developers can choose among alternatives, such as payment of an in-lieu fee or provision of workforce off-site units in another project.

Palm Beach Gardens already has several land use incentives in place to encourage the construction of workforce housing in the City's Comprehensive Plan.

CHAPTER 1: WORKFORCE HOUSING

OVERVIEW

Like other areas of the United States that have experienced rapid growth and rising home prices, Palm Beach County and the City of Palm Beach Gardens have reached the point where “affordability” of housing has become a critical “regional” issue. Many residents and organizations indicated workforce housing as a possible “critical concern” and a future detriment to economic development in Palm Beach County. Thus, the following study was commissioned to dimension supply and demand of workforce housing.

THE NEED FOR 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 Palm Beach County, 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 many factors including changes in demographic trends, income growth and housing construction costs, the need for workforce housing has reached what some feel is crisis proportion in Palm Beach County and the Palm Beach Gardens region. The steepest decline in home ownership nationwide has been the 25-34 year old age group. Recent census data shows that for the first time there are more young adults living in their parents’ home than in other types of housing. The members of this group are the most likely to be first time homebuyers. Illustrating 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 Palm Beach County and the City of Palm Beach Gardens.

Nationwide major demographic changes continue to result in more households, smaller households¹², an increased elderly population, and other changes to household composition. The new, dominant configurations of household growth are divided in the following way: a) 48 percent married couple families, and b) 52 percent single parent families and non-family households based on the 2010 US Census and the American Community Survey, 2013-2017 (latest data available). The housing needs of these different groups, many of whom account for a large share of low and moderate income households, are currently not being met by the private sector. The normal filtration process, in which existing housing filters down to households at a lower economic level, has been greatly constrained by the increasing number of smaller households that have formed as well as competition from the baby-boom generation who are aging in place.

WHAT IS WORKFORCE HOUSING

What is workforce housing? The term often appears in the media without definition. 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 workforce housing.

¹² Under the U.S. Census Bureau definition, family households consist of two or more individuals who are related by birth, marriage, or adoption, although they also may include other unrelated people. Nonfamily households consist of people who live alone or who share their residence with unrelated individuals.

"Workforce housing" is important not only to those who cannot afford market rate housing, but also to those communities that do not have a sufficient supply of workforce 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 includes a new national trend that has recently impacted many communities nationally, namely communities that cannot house their own municipal employees for lack of workforce housing.

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, developer or 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 workforce housing is needed in Palm Beach Gardens, it is imperative to study the relationship between these variables, individual/household income and product prices. These are key components in examining the demand supply equation for any given market area.

DEFINITION OF WORKFORCE HOUSING

Federal government guidelines, primarily those developed by the U.S. Department of Housing and Urban Development (HUD), workforce housing cost to an owner or renter should not exceed any more than 30 percent of the household's gross monthly income for housing costs, including utilities. HUD determined the median family income for Palm Beach County at \$75,400 for 2019. Based on American Community Survey (ACS) data, the City of Palm Beach Gardens had a median family income of \$99,068 and a median household income of \$77,864 in 2017. SPG estimates that for 2019 median family income is \$103,700 and median household income is \$81,508.

There are state and federal income guidelines that serve as thresholds for various housing programs. Income limits are set in accordance with federal statutes that use four person income limits as a starting point.

Federal guidelines generally define very low income as less than 30 percent of the local Area Median Income (AMI), low income as greater than 30 percent but no more than 50 percent AMI, and moderate income as greater than 50 percent but no more than 80 percent AMI. When used by the federal government, "low and moderate income" refers to all households with income at or below 80 percent AMI.

The State of Florida uses a different definition that includes very low income as a household that does not exceed 50 percent AMI, low income as a household income that does not exceed 80 percent, AMI and moderate income as a household income that does not exceed 120 percent AMI.

Most federal and state housing assistance programs are oriented to households earning less than 80 percent AMI.

Some communities define workforce housing as households earning between 80 percent AMI and 120 percent AMI. The definition of workforce housing has been modified by communities throughout the United States to include an upper 140 percent median family income bracket, as well as, a cost burden as high as 40 percent. For the purposes of this study, Workforce Housing is defined as households earning from 60 to 120 percent of the City's AMI.

To determine whether and to what extent workforce housing is needed, the relationship between these variables - individual incomes and product prices needs analysis.

AFFORDABILITY – A BAD NAME

There seems to be a national trend for communities to look at workforce housing developments as “Public Housing” which it is not. Increasingly, the communities have attempted to rename the concept and redirect or re-educate the public as to its nature. A number of communities now refer to it as “contemporary workforce 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, teachers, public safety personnel and employees of small and large businesses in the city. Most communities that define “workforce housing” use HUD’s moderate income level of 80 percent-120 percent of the Area’s Median Income (AMI).

Workforce housing helps businesses remain in the city and county by permitting their employees to have safe and affordable housing and helps public employees live closer to their jobs. Workforce housing can be ownership or rental, a two-family house, accessory apartment, townhouse or market-rate apartment unit.

The Florida Housing Coalition in its 2019 Housing Matters Report notes that with passage of Florida’s Sadowski Act¹³ state and local housing trust funds are projected to have the following economic impact on the State of Florida:

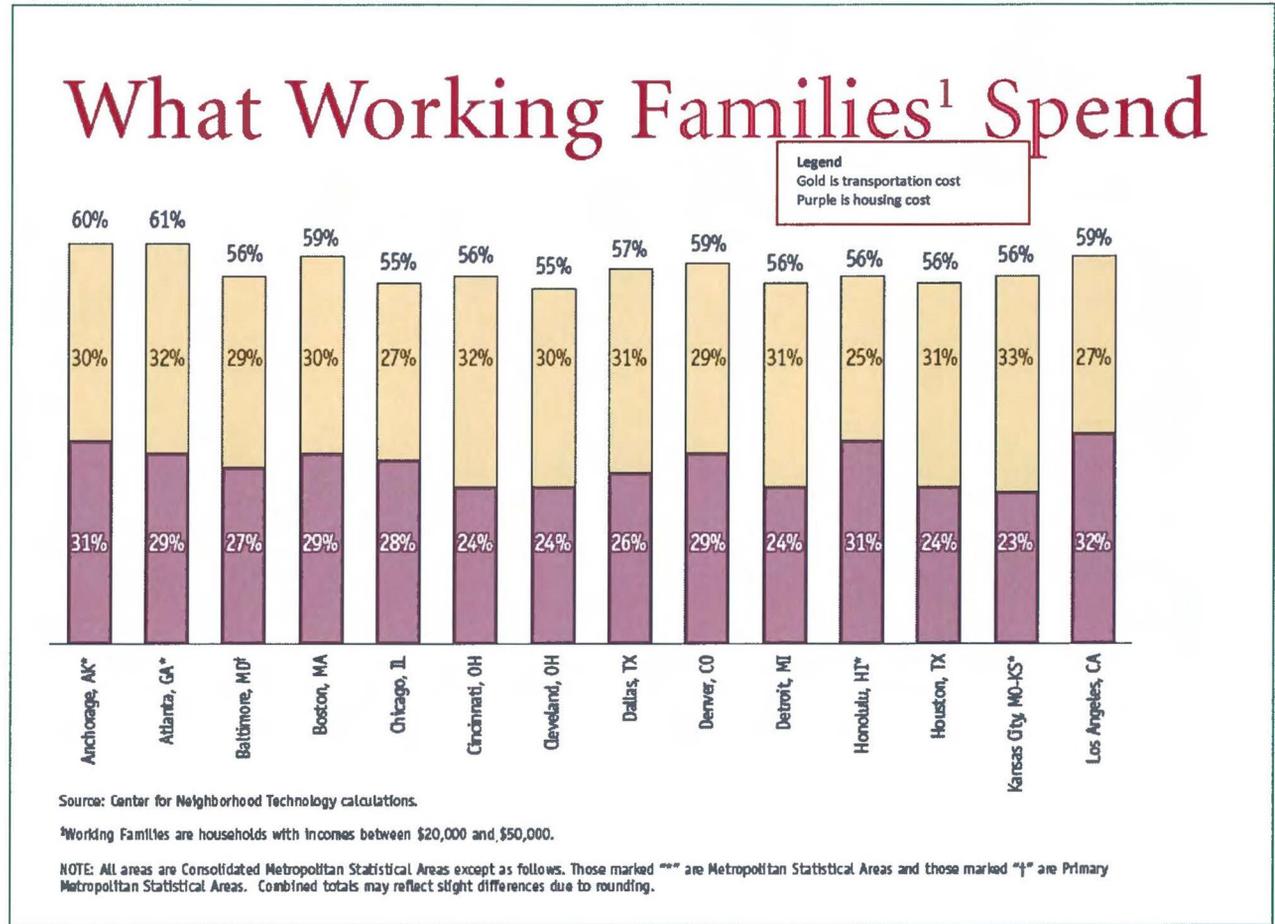
- 30,871 jobs
- \$4.4 billion in total economic output
- \$1.1 billion in labor income

TRANSPORTATION COST

Although not typically associated with housing, transportation costs play an important role in the housing demand equation. Nationally, for every dollar a working family saves on housing cost, it spends 77 cents more on transportation costs. Studies have found that on average, working families in metropolitan areas spend about 57 percent of their incomes on the combined costs of housing and transportation, with roughly 28 percent of income going for housing and 29 percent going for transportation.

¹³ The Sadowski Act passed in 1992, creating a dedicated revenue source to fund Florida’s affordable housing programs

Figure 1: Housing and Transportation Cost Burden

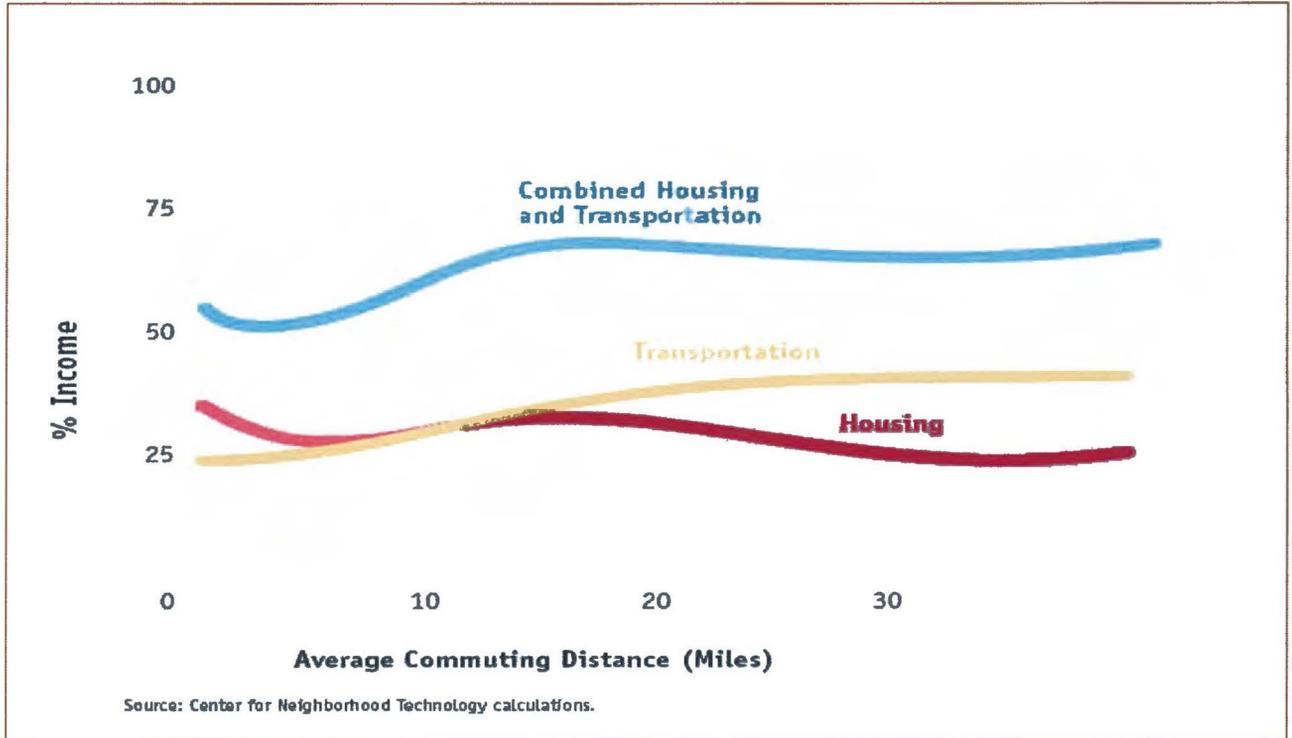


Many working households that move far from work to find workforce housing end up spending their savings on increased transportation costs. Within metropolitan areas, housing costs tend to fall as one moves further away from employment centers, although some housing in neighborhoods close to suburban job centers can command a premium housing price.

Transportation costs, on the other hand, tend to increase along with commuting distance. At some distance, generally 12 to 15 miles, the increase in transportation costs outweighs the savings on housing and the share of household income required to meet these combined expenditures rises.

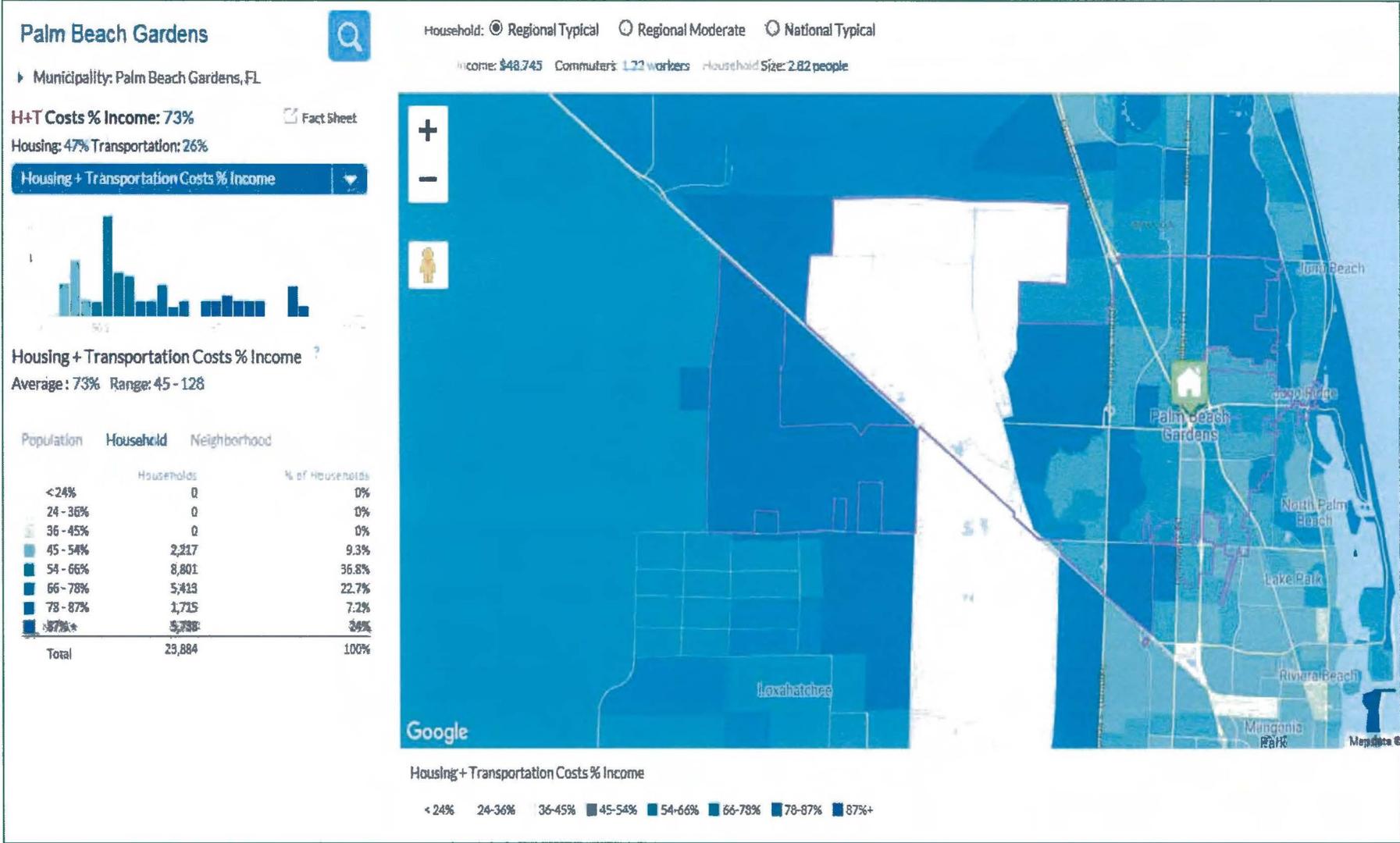
As shown in Figure 2, while the cost of housing tends to decrease the further away from city centers (jobs), the cost of transportation increases thereby negating any overall housing costs.

Figure 2: Housing and Transportation Costs



Based on a Center of Neighborhood Technology (CNT) model run, as shown in Figure 3 on the following page, Palm Beach Gardens has a Housing/Transportation cost factor of 73 percent; meaning that the average household will spend 47 percent of its household income on housing and 26 percent on transportation, based on the County’s median income.

Figure 3: Palm Beach Gardens Housing and Transportation Household Cost



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 already mentioned 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.

In addition to helping residents, 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
- ◆ Social impacts including improved community health and education

The following discussion is an examination of numerous other factors that influence the City’s overall demand for housing and its current and projected inventory or supply.

CHAPTER 2: HOUSING MARKET DEMAND

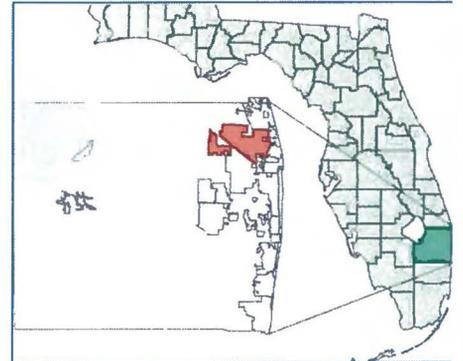
In order to analyze the City’s workforce housing demand and supply, SPG conducted an extensive study of the current and historic demographic and other socio economic factors that impact housing demand.

The City of Palm Beach Gardens lies within Palm Beach County and the three Counties (Miami-Ft. Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA). The Palm Beach Gardens Study Area is shown in Figure 4.

The City of Palm Beach Gardens is the seventh largest of the County’s 39 cities.

Table 1 shows population trends for City of Palm Beach Gardens. As shown, the majority of the City’s growth occurred between 1990 and 2010. For the most part the City is built-out, with the exception of its western portion, which is mostly entitled and currently under construction, and growth will be the result of redevelopment and an increase in density. In 2017 the City annexed various residential developments gaining an additional 786 homes for an additional population of 1,168¹⁴.

Figure 4: Palm Beach Gardens/ Study Area



Source: By Arkyan
<https://commons.wikimedia.org/w/in>

Table 1: Population Trends, 1890- 2018

Historical population			
Census	Pop.	%±	Annual Gain
1960	1		
1970	6,102		610
1980	14,407	136.10%	831
1990	22,965	59.40%	856
2000	35,058	52.70%	1,209
2010	48,452	0.382	1,339
Est. 2018	56,284	16.20%	783
2018 (1)			

Source: Wikipedia, University of Florida (BEER); US Census; Strategic Planning Group, Inc., 2019.

The primary source of demographic, housing and income data is derived from the U.S. Census Bureau’s American Community Survey (ACS). The U.S. Census recommends that a five-year time series be used for analysis purposes due to small scale surveys used to collect data (especially in smaller areas); therefore the bulk of the census data used in this report relies on the five year 2013-2017 data¹⁵. SPG also used Esri Business data for 2019.

¹⁴ Assuming a 2.25

¹⁵ 5-year ACS 2013-17

ACS 2017 DEMOGRAPHICS

The US Census estimated that the City had a 2017 population 53,119¹⁶ as shown in Table 3. Approximately 29.2 percent of the City’s population were 65 years or older as shown in Table 2.

Table 2: Palm Beach Gardens Demographics

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of
Under 5 years	2,122	+/-327	4.00%	+/-0.6
5 to 9 years	2,336	+/-313	4.40%	+/-0.6
10 to 14 years	2,087	+/-308	3.90%	+/-0.6
15 to 19 years	2,053	+/-306	3.90%	+/-0.6
20 to 24 years	1,827	+/-368	3.40%	+/-0.7
25 to 34 years	6,040	+/-569	11.40%	+/-1.1
35 to 44 years	6,510	+/-558	12.30%	+/-1.0
45 to 54 years	7,014	+/-550	13.20%	+/-1.0
55 to 59 years	4,150	+/-430	7.80%	+/-0.8
60 to 64 years	3,481	+/-331	6.60%	+/-0.6
65 to 74 years	7,759	+/-478	14.60%	+/-0.9
75 to 84 years	5,102	+/-467	9.60%	+/-0.9
85 years and over	2,638	+/-373	5.00%	+/-0.7
Median age (years)	50.5	+/-1.3	(X)	(X)

Source: U.S. Census American Community Survey (2013-2017), 2019

RACE/ETHNICITY

As shown in Table 3, the City comprises a less diverse racial composition than Palm Beach County. The City’s White population comprised 88 percent of the City’s population, followed by African American at 6.8 percent and Asian at 5.5 percent.

Table 3: Palm Beach Gardens Racial Composition, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of
Race alone or in combination with one				
Total population	53,119	+/-122	53,119	(X)
White	46,740	+/-1,000	88.00%	+/-1.9
Black or African American	3,589	+/-704	6.80%	+/-1.3
American Indian and Alaska Native	355	+/-317	0.70%	+/-0.6
Asian	2,935	+/-587	5.50%	+/-1.1
Native Hawaiian and Other Pacific	278	+/-225	0.50%	+/-0.4
Some other race	993	+/-414	1.90%	+/-0.8

Source: U.S. Census American Community Survey (2013-2017), 2019

As shown in Table 4, the City had a small but growing Latino population which was estimated to account for ten percent of the City’s population in 2017.

¹⁶ Census data released on May 29, 2019, estimate the City’s population at 56,284

Table 4: Palm Beach Gardens Ethnicity, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of
HISPANIC OR LATINO AND RACE				
Total population	53,119	+/-122	53,119	(X)
Hispanic or Latino (of any race)	5,325	+/-737	10.00%	+/-1.4
Mexican	472	+/-231	0.90%	+/-0.4
Puerto Rican	809	+/-258	1.50%	+/-0.5
Cuban	900	+/-376	1.70%	+/-0.7
Other Hispanic or Latino	3,144	+/-642	5.90%	+/-1.2
Not Hispanic or Latino	47,794	+/-734	90.00%	+/-1.4

Source: U.S. Census American Community Survey (2013-2017), 2019

HOUSEHOLDS

The City of Palm Beach Gardens had 23,451 households (occupied housing units) in 2017 (as shown in Table 5) according to Census data, of which 71 percent are owner occupied and 29 percent renters. The average size per owner or renter households are similar, 2.24 person per owner occupied household compared to 2.27 persons per renter household.

Table 5: Palm Beach Gardens Households, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING TENURE				
Occupied housing units	23,451	+/-525	23,451	(X)
Owner-occupied	16,560	+/-578	70.60%	+/-1.7
Renter-occupied	6,891	+/-412	29.40%	+/-1.7
Average household size of owner-occupied unit	2.24	+/-0.06	(X)	(X)
Average household size of renter-occupied unit	2.27	+/-0.13	(X)	(X)

Source: U.S. Census American Community Survey (2013-2017), 2019

INCOME

Based on Census data as shown in Table 6 on the following page, the City’s median household income was \$77,864¹⁷ in 2017. Median income ranged from \$109,789 for married families to \$50,359 for nonfamily households.

¹⁷ These figures are based on 1 year ACS estimates. SPG used the one year estimate for income due to the impacts that the recession had on the 2013-2017 trends.

Table 6: Palm Beach Gardens Household Income by Type of Household, 2017

Subject	Palm Beach Gardens							
	Households		Families		Married-couple families		Nonfamily households	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total	23,451	+/-525	14,068	+/-434	11,518	+/-425	9,383	+/-555
Less than \$10,000	4.40%	+/-0.8	1.70%	+/-0.7	0.80%	+/-0.4	8.70%	+/-1.8
\$10,000 to \$14,999	2.60%	+/-0.8	1.50%	+/-0.7	1.40%	+/-0.7	4.30%	+/-1.7
\$15,000 to \$24,999	6.20%	+/-1.0	2.60%	+/-0.8	1.80%	+/-0.8	11.80%	+/-1.8
\$25,000 to \$34,999	7.40%	+/-1.0	4.90%	+/-1.3	3.10%	+/-0.9	12.30%	+/-2.2
\$35,000 to \$49,999	10.30%	+/-1.3	8.90%	+/-1.6	6.90%	+/-1.6	12.20%	+/-1.7
\$50,000 to \$74,999	17.50%	+/-1.6	15.80%	+/-2.0	14.90%	+/-2.2	20.90%	+/-2.9
\$75,000 to \$99,999	13.30%	+/-1.5	15.20%	+/-2.0	13.90%	+/-2.1	11.00%	+/-2.5
\$100,000 to \$149,999	16.20%	+/-1.5	19.90%	+/-2.2	22.60%	+/-2.4	9.00%	+/-1.7
\$150,000 to \$199,999	7.70%	+/-1.2	9.60%	+/-1.6	10.80%	+/-1.8	4.70%	+/-1.6
\$200,000 or more	14.40%	+/-1.3	20.00%	+/-2.0	23.80%	+/-2.4	5.10%	+/-1.3
Median income (dollars)	\$77,864	+/-3,045	\$99,068	+/-4,009	\$109,789	+/-4,009	\$50,359	+/-2,259
Mean income (dollars)	\$124,579	+/-6,821	\$154,932	+/-9,877	N	N	\$75,629	+/-7,236

Source: U.S. Census American Community Survey (2017), 2019

As shown in Table 7, the City's households earn significantly more income (36%) than the County as a whole.

Table 7: City vs County Household Income Comparison, 2017

Subject	Palm Beach Gardens							
	Households		Families		Married-couple families		Nonfamily households	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total	23,451	+/-525	14,068	+/-434	11,518	+/-425	9,383	+/-555
Less than \$10,000	4.40%	+/-0.8	1.70%	+/-0.7	0.80%	+/-0.4	8.70%	+/-1.8
\$10,000 to \$14,999	2.60%	+/-0.8	1.50%	+/-0.7	1.40%	+/-0.7	4.30%	+/-1.7
\$15,000 to \$24,999	6.20%	+/-1.0	2.60%	+/-0.8	1.80%	+/-0.8	11.80%	+/-1.8
\$25,000 to \$34,999	7.40%	+/-1.0	4.90%	+/-1.3	3.10%	+/-0.9	12.30%	+/-2.2
\$35,000 to \$49,999	10.30%	+/-1.3	8.90%	+/-1.6	6.90%	+/-1.6	12.20%	+/-1.7
\$50,000 to \$74,999	17.50%	+/-1.6	15.80%	+/-2.0	14.90%	+/-2.2	20.90%	+/-2.9
\$75,000 to \$99,999	13.30%	+/-1.5	15.20%	+/-2.0	13.90%	+/-2.1	11.00%	+/-2.5
\$100,000 to \$149,999	16.20%	+/-1.5	19.90%	+/-2.2	22.60%	+/-2.4	9.00%	+/-1.7
\$150,000 to \$199,999	7.70%	+/-1.2	9.60%	+/-1.6	10.80%	+/-1.8	4.70%	+/-1.6
\$200,000 or more	14.40%	+/-1.3	20.00%	+/-2.0	23.80%	+/-2.4	5.10%	+/-1.3
Median income (dollars)	\$77,864	+/-3,045	\$99,068	+/-4,009	\$109,789	+/-4,009	\$50,359	+/-2,259
County	\$57,256		\$71,519		\$85,918		\$37,506	
Mean income (dollars)	\$124,579	+/-6,821	\$154,932	+/-9,877	N	N	\$75,629	+/-7,236
County	\$89,827		\$106,377		\$124,404		\$59,306	

Source: U.S. Census American Community Survey (2017), 2019

As shown in Table 8 on the following page, 34 percent of the City's households had no age or salary income, demonstrating the City's high percentage of affluent retirees. Family income is directly related to the number of wage earners in the household. It ranges from \$89,000 for one earner households to \$117,145 for three or more wage earners. Forty percent of the City's working households have one wage earner and 60 percent have over two wage earners. The median income for a two wage earner household was \$104,888 in 2017.

Table 8: Median Family Income by Number of Wage Earners, 2017

Median Family Income by Wage Earner	Palm Beach Gardens	
	Estimate	Margin of Error
Total:	\$99,068	+/-4,009
No earners (dollars)	\$77,669	+/-6,818
1 earner (dollars)	\$89,000	+/-13,679
2 earners (dollars)	\$104,888	+/-4,274
3 or more earners (dollars)	\$117,145	+/-24,305

Source: U.S. Census American Community Survey (2017), B19122, 2019

LABOR FORCE

As Table 9 shows that the City had 46,097 residents aged 16 years and older of which 58.5 percent were in the labor force as of 2017.

Table 9: Employment Status, 2017

Subject	Palm Beach Gardens city, Florida							
	Total		Labor Force		Employment/Population		Unemployment rate	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population 16 years and over	46,097	+/-465	58.50%	+/-1.4	56.40%	+/-1.5	3.60%	+/-0.8
AGE								
16 to 19 years	1,576	+/-297	34.60%	+/-7.6	28.10%	+/-7.6	18.90%	+/-13.3
20 to 24 years	1,827	+/-368	85.40%	+/-5.4	80.50%	+/-6.0	5.80%	+/-4.2
25 to 29 years	3,143	+/-445	88.30%	+/-4.4	84.70%	+/-5.5	4.10%	+/-3.8
30 to 34 years	2,897	+/-391	86.40%	+/-5.8	83.40%	+/-5.8	3.50%	+/-2.0
35 to 44 years	6,510	+/-558	84.00%	+/-3.9	81.00%	+/-4.3	3.40%	+/-1.6
45 to 54 years	7,014	+/-550	85.00%	+/-3.0	81.60%	+/-3.4	4.00%	+/-1.6
55 to 59 years	4,150	+/-430	76.00%	+/-4.6	74.60%	+/-4.5	1.90%	+/-1.6
60 to 64 years	3,481	+/-331	63.20%	+/-5.6	62.30%	+/-5.6	1.40%	+/-1.2
65 to 74 years	7,759	+/-478	26.80%	+/-2.7	26.00%	+/-2.7	3.10%	+/-1.8
75 years and over	7,740	+/-586	9.40%	+/-2.1	9.40%	+/-2.1	0.00%	+/-5.4

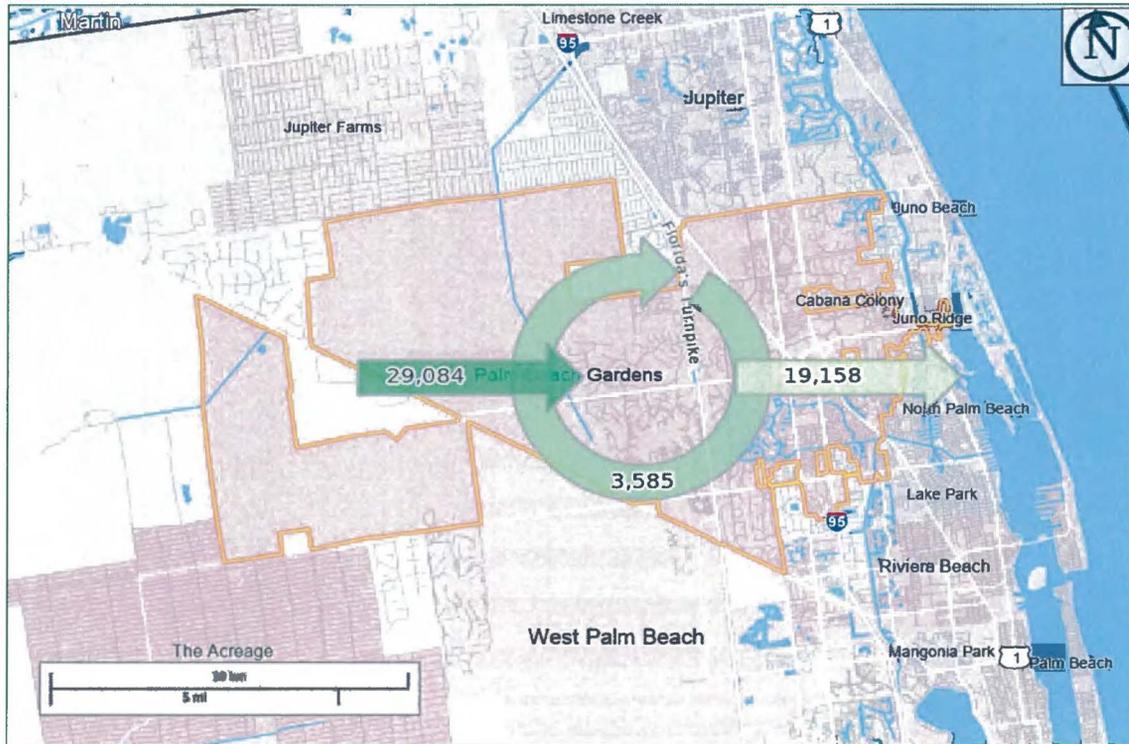
Source: U.S. Census American Community Survey (2013-2017), 2019

LABOR DYNAMICS¹⁸

Based on Census data and shown on Figure 5 on the following page, the City of Palm Beach Gardens had 32,669 jobs located within its boundaries. Of that number, 3,585 jobs (11%) were held by City residents. The other 29,084 workers resided outside of the city (89%). Slightly more than 84 percent of City residents leave the City every day to work.

¹⁸ This is the latest Labor Dynamics available from the US Census

Figure 5: Labor Inflow/Outflow, 2017¹⁹



As shown in Table 10 slightly over 19 percent of the City’s housing is vacant which is approximately 50 percent seasonal housing reflecting the seasonality of the overall housing market.

Table 10: Housing Occupancy

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING OCCUPANCY				
Total housing units	29,089	+/-621	29,089	(X)
Occupied housing units	23,451	+/-525	80.60%	+/-1.6
Vacant housing units	5,638	+/-541	19.40%	+/-1.6
Homeowner vacancy rate	2.4	+/-1.0	(X)	(X)
Rental vacancy rate	7.5	+/-2.7	(X)	(X)

Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

As shown in Table 11 on the following page, approximately 47 percent of the total housing units in the City were single family detached units and 17.5 percent were single family attached. Multi-family housing of two to four units accounted for 12 percent of the total units and multi-family housing of 20 units or more accounted for 9 percent of the housing stock. The City is estimated to contain 1 percent mobile homes.

¹⁹ Onthemap estimates that in 2017, 11% of workers live within the City based largely on actual employer metrics. It should be noted that 2013-17 ACS reports that 32.6% of surveyed residents live and work in Palm Beach Gardens.

Table 11: Housing Occupancy, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
UNITS IN STRUCTURE				
Total housing units	29,089	+/-621	29,089	(X)
1-unit, detached	13,648	+/-558	46.90%	+/-1.6
1-unit, attached	5,086	+/-421	17.50%	+/-1.4
2 units	634	+/-214	2.20%	+/-0.7
3 or 4 units	2,964	+/-374	10.20%	+/-1.2
5 to 9 units	1,731	+/-263	6.00%	+/-0.9
10 to 19 units	1,945	+/-308	6.70%	+/-1.1
20 or more units	2,626	+/-326	9.00%	+/-1.1
Mobile home	441	+/-125	1.50%	+/-0.4
Boat, RV, van, etc.	14	+/-21	0.00%	+/-0.1

Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

AGE OF HOUSING STOCK

The City of Palm Beach Gardens is relatively new as are its housing inventory. Over 56 percent of the City housing is less than 30 years old as shown in Table 12.

Table 12: Housing by Age

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
YEAR STRUCTURE BUILT				
Total housing units	29,089	+/-621	29,089	(X)
Built 2014 or later	179	+/-74	0.60%	+/-0.3
Built 2010 to 2013	426	+/-145	1.50%	+/-0.5
Built 2000 to 2009	9,047	+/-436	31.10%	+/-1.4
Built 1990 to 1999	6,822	+/-390	23.50%	+/-1.3
Built 1980 to 1989	7,202	+/-437	24.80%	+/-1.4
Built 1970 to 1979	3,113	+/-344	10.70%	+/-1.2
Built 1960 to 1969	2,083	+/-209	7.20%	+/-0.7
Built 1950 to 1959	121	+/-58	0.40%	+/-0.2
Built 1940 to 1949	59	+/-46	0.20%	+/-0.2
Built 1939 or earlier	37	+/-37	0.10%	+/-0.1

Source: U.S. Census American Community Survey (2013-2017), 2019

NUMBER OF BEDROOMS

Approximately 42 percent of residential units within the City have three bedrooms. Two or less bedroom configurations account for approximately 40 percent of the City’s housing stock, four or more bedrooms account for 18 percent.

Table 13: Number of Bedrooms

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
BEDROOMS				
Total housing units	29,089	+/-621	29,089	(X)
No bedroom	130	+/-81	0.40%	+/-0.3
1 bedroom	1,719	+/-290	5.90%	+/-1.0
2 bedrooms	9,757	+/-547	33.50%	+/-1.7
3 bedrooms	12,160	+/-526	41.80%	+/-1.7
4 bedrooms	3,873	+/-367	13.30%	+/-1.2
5 or more bedrooms	1,450	+/-224	5.00%	+/-0.8

Source: U.S. Census American Community Survey (2013-2017), 2019

HOUSEHOLD BY TENURE

Approximately 71 percent of the City’s occupied housing is owner occupied (16,600 units) and 29 percent is renter occupied (6,891) as shown in Table 14. The average household size for owner occupied homes was 2.24 and was 2.27 for renters.

Table 14: Household Tenure, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING TENURE				
Occupied housing units	23,451	+/-525	23,451	(X)
Owner-occupied	16,560	+/-578	70.60%	+/-1.7
Renter-occupied	6,891	+/-412	29.40%	+/-1.7
Average household size of owner-occupied unit	2.24	+/-0.06	(X)	(X)
Average household size of renter-occupied unit	2.27	+/-0.13	(X)	(X)

Source: U.S. Census American Community Survey (5-year 2013-2017), 2019

HOUSING VALUES

The ACS 2017 reports that the City’s median value of owner occupied units was \$334,800. It should be noted that these values are what homeowners assumed their homes were valued at, as opposed to what actual sales were in 2017 as shown in Table 15.

Table 15: Owner Occupied Housing Values, 2017

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
VALUE				
Owner-occupied units	16,560	+/-578	16,560	(X)
Less than \$50,000	491	+/-127	3.00%	+/-0.7
\$50,000 to \$99,999	392	+/-113	2.40%	+/-0.7
\$100,000 to \$149,999	1,124	+/-196	6.80%	+/-1.1
\$150,000 to \$199,999	1,661	+/-224	10.00%	+/-1.3
\$200,000 to \$299,999	3,665	+/-367	22.10%	+/-2.0
\$300,000 to \$499,999	4,685	+/-370	28.30%	+/-2.2
\$500,000 to \$999,999	3,391	+/-262	20.50%	+/-1.5
\$1,000,000 or more	1,151	+/-162	7.00%	+/-0.9
Median (dollars)	\$334,800	+/-11,359	(X)	(X)

Source: U.S. Census American Community Survey (2013-2017), 2019

HUD FAIR MARKET RENTS

HUD calculates Fair Market Rents (FMR) for all MSAs and Counties in the United States and uses these figures as guidelines for federal grants. As shown in Table 16, the Fair Market Rents for Palm Beach County range from \$953 for an efficiency unit to \$2,291 for four bedroom units.

Table 16: HUD Fair Market Rents, 2019

Locality Name	Metropolitan Area Name	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	FMR Percentile
<u>Palm Beach County</u>	West Palm Beach-Boca Raton, FL HUD Metro FMR Area	\$953	\$1,145	\$1,434	\$1,953	\$2,291	40

Source: US Department of Housing and Urban Development, 2019

HUD also calculates the Fair Market Rent (FMR) at the Zip Code level. Table 17 shows the FMR

Table 17: HUD Fair Market Rents, 2019

West Palm Beach-Boca Raton, FL HUD Metro FMR Area Small Area FMRs By Unit Bedrooms					
ZIP Code	Efficiency	One- Bedroom	Two- Bedroom	Three- Bedroom	Four- Bedroom
33403	\$820	\$990	\$1,240	\$1,690	\$1,980
33408	\$1,010	\$1,210	\$1,520	\$2,070	\$2,430
33410	\$1,120	\$1,350	\$1,690	\$2,300	\$2,700
33412	\$1,350	\$1,620	\$2,030	\$2,770	\$3,240
33418	\$1,200	\$1,440	\$1,800	\$2,450	\$2,880
33420	\$950	\$1,140	\$1,430	\$1,950	\$2,280

Source: US Department of Housing and Urban Development, 2019

HOUSEHOLD INCOME

Palm Beach Gardens' median occupied household income was estimated at **\$77,864 in 2017²⁰**. Family median household income was \$99,068 compared to Non Family median household income of \$50,350.

As shown on Table 18, the City's household incomes are significantly higher than the overall County metrics.

Table 18: Median Household Income, 2017

Subject	Palm Beach Gardens							
	Households		Families		Married-couple families		Nonfamily households	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total	23,451	+/-525	14,068	+/-434	11,518	+/-425	9,383	+/-555
Less than \$10,000	4.40%	+/-0.8	1.70%	+/-0.7	0.80%	+/-0.4	8.70%	+/-1.8
\$10,000 to \$14,999	2.60%	+/-0.8	1.50%	+/-0.7	1.40%	+/-0.7	4.30%	+/-1.7
\$15,000 to \$24,999	6.20%	+/-1.0	2.60%	+/-0.8	1.80%	+/-0.8	11.80%	+/-1.8
\$25,000 to \$34,999	7.40%	+/-1.0	4.90%	+/-1.3	3.10%	+/-0.9	12.30%	+/-2.2
\$35,000 to \$49,999	10.30%	+/-1.3	8.90%	+/-1.6	6.90%	+/-1.6	12.20%	+/-1.7
\$50,000 to \$74,999	17.50%	+/-1.6	15.80%	+/-2.0	14.90%	+/-2.2	20.90%	+/-2.9
\$75,000 to \$99,999	13.30%	+/-1.5	15.20%	+/-2.0	13.90%	+/-2.1	11.00%	+/-2.5
\$100,000 to \$149,999	16.20%	+/-1.5	19.90%	+/-2.2	22.60%	+/-2.4	9.00%	+/-1.7
\$150,000 to \$199,999	7.70%	+/-1.2	9.60%	+/-1.6	10.80%	+/-1.8	4.70%	+/-1.6
\$200,000 or more	14.40%	+/-1.3	20.00%	+/-2.0	23.80%	+/-2.4	5.10%	+/-1.3
Median income (dollars)	\$77,864	+/-3,045	\$99,068	+/-4,009	\$109,789	+/-4,009	\$50,359	+/-2,259
County	\$57,256		\$71,519		\$85,918		\$37,506	
Mean income (dollars)	\$124,579	+/-6,821	\$154,932	+/-9,877	N	N	\$75,629	+/-7,236
County	\$89,827		\$106,377		\$124,404		\$59,306	

Source: U.S. Census American Community Survey (2013-2017), 2019

Owner occupied household median income was \$85,226 and renter occupied median household income was \$59,003 as shown in Table 19.

²⁰ 2017 American Community Survey

Table 19: Median Household Income, 2017

Subject	Palm Beach Gardens									
	Occupied housing units		Owner-occupied housing		Percent owner-occupied		Renter-occupied housing		Percent renter-occupied	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Occupied housing units	23,451	+/-525	16,560	+/-578	16,560	+/-578	6,891	+/-412	6,891	+/-412
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2017 INFLATION-ADJUSTED DOLLARS)										
Less than \$5,000	549	+/-140	388	+/-108	2.30%	+/-0.7	161	+/-80	2.30%	+/-1.1
\$5,000 to \$9,999	476	+/-147	283	+/-119	1.70%	+/-0.7	193	+/-92	2.80%	+/-1.3
\$10,000 to \$14,999	612	+/-195	313	+/-131	1.90%	+/-0.8	299	+/-127	4.30%	+/-1.8
\$15,000 to \$19,999	744	+/-177	472	+/-135	2.90%	+/-0.8	272	+/-109	3.90%	+/-1.6
\$20,000 to \$24,999	709	+/-147	479	+/-118	2.90%	+/-0.7	230	+/-105	3.30%	+/-1.5
\$25,000 to \$34,999	1,747	+/-252	1,167	+/-193	7.00%	+/-1.1	580	+/-154	8.40%	+/-2.2
\$35,000 to \$49,999	2,413	+/-307	1,533	+/-231	9.30%	+/-1.3	880	+/-194	12.80%	+/-2.7
\$50,000 to \$74,999	4,104	+/-379	2,519	+/-279	15.20%	+/-1.6	1,585	+/-285	23.00%	+/-3.8
\$75,000 to \$99,999	3,121	+/-353	2,146	+/-281	13.00%	+/-1.6	975	+/-212	14.10%	+/-3.1
\$100,000 to \$149,999	3,792	+/-357	2,800	+/-325	16.90%	+/-1.9	992	+/-199	14.40%	+/-2.7
\$150,000 or more	5,184	+/-416	4,460	+/-352	26.90%	+/-2.1	724	+/-197	10.50%	+/-2.7
Median household income (dollars)	\$77,864	+/-3,045	\$85,266	+/-4,245	\$85,266	+/-4,245	\$59,003	+/-3,666	\$59,003	+/-3,666

Source: U.S. Census American Community Survey (2013-2017), 2019

The median monthly household housing cost was \$1,457. There was a significantly difference between owner occupied median housing costs and renter occupied housing costs (\$1,547) as shown in Table 20.

Table 20: Monthly Housing Costs, 2017

Subject	Palm Beach Gardens											
	Occupied housing units		Percent occupied		Owner-occupied housing		Percent owner-occupied		Renter-occupied housing		Percent renter-occupied	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
MONTHLY HOUSING COSTS												
Less than \$300	\$501	+/-160	2.1%	+/-0.7	\$501	+/-160	3.0%	+/-0.9	\$0	+/-31	0.0%	+/-0.6
\$300 to \$499	\$1,206	+/-220	5.1%	+/-0.9	\$1,206	+/-220	7.3%	+/-1.3	\$0	+/-31	0.0%	+/-0.6
\$500 to \$799	\$2,494	+/-293	10.6%	+/-1.2	\$2,324	+/-296	14.0%	+/-1.6	\$170	+/-103	2.5%	+/-1.5
\$800 to \$999	\$1,684	+/-222	7.2%	+/-0.9	\$1,481	+/-224	8.9%	+/-1.3	\$203	+/-84	2.9%	+/-1.2
\$1,000 to \$1,499	\$6,408	+/-524	27.3%	+/-2.1	\$3,642	+/-346	22.0%	+/-2.0	\$2,766	+/-344	40.1%	+/-4.1
\$1,500 to \$1,999	\$4,898	+/-413	20.9%	+/-1.7	\$2,625	+/-293	15.9%	+/-1.8	\$2,273	+/-289	33.0%	+/-3.9
\$2,000 to \$2,499	\$2,267	+/-271	9.7%	+/-1.1	\$1,644	+/-213	9.9%	+/-1.2	\$623	+/-177	9.0%	+/-2.6
\$2,500 to \$2,999	\$1,433	+/-224	6.1%	+/-0.9	\$1,175	+/-206	7.1%	+/-1.2	\$258	+/-104	3.7%	+/-1.5
\$3,000 or more	\$2,370	+/-255	10.1%	+/-1.1	\$1,962	+/-240	11.8%	+/-1.3	\$408	+/-151	5.9%	+/-2.1
No cash rent	\$190	+/-63	0.8%	+/-0.3	(X)	(X)	(X)	(X)	\$190	+/-63	2.8%	+/-0.9
Median (dollars)	\$1,457	+/-31	\$1,457	+/-31	\$1,387	+/-48	\$1,387	+/-48	\$1,547	+/-63	\$1,547	+/-63

Source: U.S. Census American Community Survey (5-year 2013-2017), 2019

HOUSING AFFORDABILITY

The U.S. Department of Housing and Urban Development (HUD) defines affordability as housing costs of 30 percent or less of total monthly household income including utilities. As shown in Table 21, 33.5 percent of homeowners in the City “with a mortgage” paid 30 percent or more of their income on housing of which 25 percent paid over 35 percent or more.

Table 21: Owner Affordability

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Housing units with a mortgage	8,798	+/-479	8,798	(X)
Less than 20.0 percent	3,617	+/-320	41.10%	+/-3.2
20.0 to 24.9 percent	1,312	+/-206	14.90%	+/-2.0
25.0 to 29.9 percent	924	+/-170	10.50%	+/-2.0
30.0 to 34.9 percent	749	+/-152	8.50%	+/-1.7
35.0 percent or more	2,196	+/-321	25.00%	+/-3.1
Housing unit without a mortgage	7,539	+/-478	7,539	(X)
Less than 10.0 percent	2,925	+/-277	38.80%	+/-3.3
10.0 to 14.9 percent	1,185	+/-227	15.70%	+/-2.9
15.0 to 19.9 percent	755	+/-156	10.00%	+/-2.0
20.0 to 24.9 percent	689	+/-149	9.10%	+/-1.8
25.0 to 29.9 percent	482	+/-117	6.40%	+/-1.5
30.0 to 34.9 percent	238	+/-84	3.20%	+/-1.1
35.0 percent or more	1,265	+/-234	16.80%	+/-2.7
Not computed	117	+/-63	(X)	(X)

Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

For renters, the median monthly housing rent was reported to be \$1,457 as shown in Table 22.

Table 22: Gross Rents

Subject	Palm Beach Gardens							
	Occupied housing units		Percent occupied		Renter-occupied housing		Percent renter-occupied	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
MONTHLY HOUSING COSTS								
Less than \$300	\$501	+/-160	2.1%	+/-0.7	\$0	+/-31	0.0%	+/-0.6
\$300 to \$499	\$1,206	+/-220	5.1%	+/-0.9	\$0	+/-31	0.0%	+/-0.6
\$500 to \$799	\$2,494	+/-293	10.6%	+/-1.2	\$170	+/-103	2.5%	+/-1.5
\$800 to \$999	\$1,684	+/-222	7.2%	+/-0.9	\$203	+/-84	2.9%	+/-1.2
\$1,000 to \$1,499	\$6,408	+/-524	27.3%	+/-2.1	\$2,766	+/-344	40.1%	+/-4.1
\$1,500 to \$1,999	\$4,898	+/-413	20.9%	+/-1.7	\$2,273	+/-289	33.0%	+/-3.9
\$2,000 to \$2,499	\$2,267	+/-271	9.7%	+/-1.1	\$623	+/-177	9.0%	+/-2.6
\$2,500 to \$2,999	\$1,433	+/-224	6.1%	+/-0.9	\$258	+/-104	3.7%	+/-1.5
\$3,000 or more	\$2,370	+/-255	10.1%	+/-1.1	\$408	+/-151	5.9%	+/-2.1
No cash rent	\$190	+/-63	0.8%	+/-0.3	\$190	+/-63	2.8%	+/-0.9
Median (dollars)	\$1,457	+/-31	\$1,457	+/-31	\$1,547	+/-63	\$1,547	+/-63

Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

Approximately 50 percent of renters in the City paid 30 percent or more of their income on housing while 41 percent paid 35 percent or more for rent, clearly indicating an affordability problem as shown in Table 23 on the following page.

Table 23: Gross Rents/Cost Burden

Subject	Palm Beach Gardens			
	Estimate	Margin of Error	Percent	Percent Margin of Error
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD				
Occupied units paying rent	6,607	+/-412	6.607	(X)
Less than 15.0 percent	712	+/-191	10.80%	+/-2.8
15.0 to 19.9 percent	809	+/-213	12.20%	+/-3.1
20.0 to 24.9 percent	971	+/-222	14.70%	+/-3.3
25.0 to 29.9 percent	816	+/-211	12.40%	+/-3.2
30.0 to 34.9 percent	583	+/-180	8.80%	+/-2.6
35.0 percent or more	2,716	+/-309	41.10%	+/-4.1

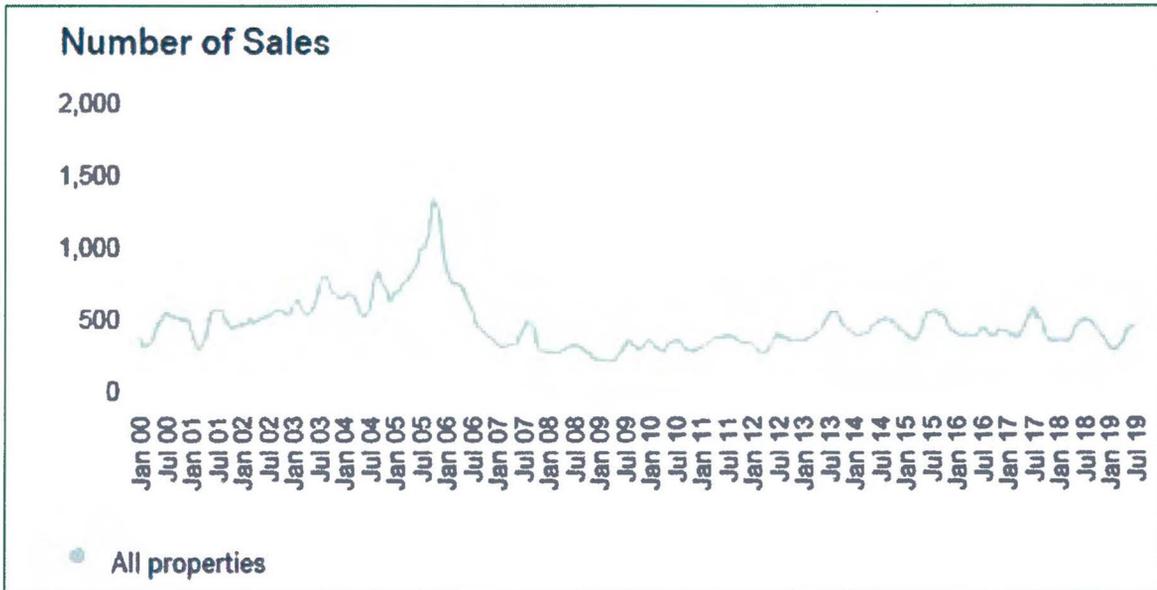
Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

CHAPTER 3: HOUSING SUPPLY

PALM BEACH GARDENS HOUSING METRICS

Palm Beach Gardens real estate market has not fully recovered from the “great recession” with housing prices exceeding the peak 2007 housing boom, and the number of sales is still less than 40 percent of the City’s high during 2006 as shown in Figure 6.

Figure 6: Historic Real Estate Sale Prices



Source: Trulia.com, 2019

Based on an analysis of Realtor.com data, Palm Beach Gardens has a very active and balanced residential market. As of the end of July 2019, there are 1,097 homes for sale in Palm Beach Gardens. Additionally, there are 420 rentals.

2019 MLS HOUSING DATA

SPG also analyzed Multiple Listing Service (MLS) data as reported by the Palm Beach Realtor Organization (part of Florida Realtors) to determine local market conditions.

Based on MLS data²¹, median single family sales price as of July 2019 was \$504,500, a 3.2 percent increase over 2018 year to year (YoY). Townhouse and condominium sales price was \$245,000, a 1.2 percent increase YoY as shown in Table 24.

Table 24: MLS Annual Sales Metrics, 2014-2019

	Median Sales Price					
	All (Single Family, Townhouse/Condo, Mobile/Manufactured)		Single Family		Townhouse/Condo	
2014	\$301,000		\$420,000		\$182,250	
2015	\$309,000	2.7%	\$440,000	4.8%	\$198,000	8.6%
2016	\$325,000	5.2%	\$445,000	1.1%	\$216,000	9.1%
2017	\$345,000	6.2%	\$470,000	5.6%	\$233,000	7.9%
2018	\$370,000	7.2%	\$489,000	4.0%	\$242,000	3.9%
2019 (Jan-Jul)	\$368,000	-0.5%	\$504,500	3.2%	\$245,000	1.2%

Source: Palm Beach Board of Realtors, 2019

The City has averaged approximately 800 single family sales per year for the last five years, with the largest number of sales in the \$300,000 - \$999,999 range as shown on Table 25 on the following page.

²¹MLS of the Palm Beach County Board of Realtors, 2019

Table 25: MLS Single Family Sales Metrics, 2014-2019

Close Sales Price - Single Family Homes										
	2014	2015		2016		2017		2018		2019 (Jan - Jul)
		% Change		% Change		% Change		% Change		
Less than \$50,000	1	-	-100.0%	2	-	1	-50.0%	2	100.0%	-
\$50,000 - \$99,999	1	1	0.0%	1	0.0%	-	-100.0%	-	-	-
\$100,000 - \$149,999	16	7	-56.3%	3	-57.1%	2	-33.3%	-	-100.0%	1
\$150,000 - \$199,999	37	25	-32.4%	20	-20.0%	10	-50.0%	3	-70.0%	5
\$200,000 - \$249,999	57	48	-15.8%	45	-6.3%	34	-24.4%	27	-20.6%	17
\$250,000 - \$299,999	84	72	-14.3%	54	-25.0%	55	1.9%	48	-12.7%	27
\$300,000 - \$399,999	182	197	8.2%	207	5.1%	202	-2.4%	178	-11.9%	89
\$400,000 - \$599,999	220	219	-0.5%	248	13.2%	233	-6.0%	254	9.0%	170
\$600,000 - \$999,999	138	152	10.1%	148	-2.6%	160	8.1%	176	10.0%	101
\$1,000,000 or more	90	106	17.8%	102	-3.8%	120	17.6%	117	-2.5%	73
Total	826	827	0.1%	830	0.4%	817	-1.6%	805	-1.5%	483

Source: Palm Beach Board of Realtors, 2019

Palm Beach Gardens has had an active single family and townhouse/condominium market over the last several years, averaging over 600 sales per year as shown in Tables 26 and 27.

Table 26: MLS Sales Metrics Closing Sales Single Family, 2017-2018

Closing Sales SF Homes										
	2014	2015		2016		2017		2018		2019 (Jan - Jul)
		% Change		% Change		% Change		% Change		
Less than \$50,000	1	-	-100.0%	2	-	1	-50.0%	2	100.0%	-
\$50,000 - \$99,999	1	1	0.0%	1	0.0%	-	-100.0%	-	-	-
\$100,000 - \$149,999	16	7	-56.3%	3	-57.1%	2	-33.3%	-	-100.0%	1
\$150,000 - \$199,999	37	25	-32.4%	20	-20.0%	10	-50.0%	3	-70.0%	5
\$200,000 - \$249,999	57	48	-15.8%	45	-6.3%	34	-24.4%	27	-20.6%	17
\$250,000 - \$299,999	84	72	-14.3%	54	-25.0%	55	1.9%	48	-12.7%	27
\$300,000 - \$399,999	182	197	8.2%	207	5.1%	202	-2.4%	178	-11.9%	89
\$400,000 - \$599,999	220	219	-0.5%	248	13.2%	233	-6.0%	254	9.0%	170
\$600,000 - \$999,999	138	152	10.1%	148	-2.6%	160	8.1%	176	10.0%	101
\$1,000,000 or more	90	106	17.8%	102	-3.8%	120	17.6%	117	-2.5%	73
Total	826	827	0.1%	830	0.4%	817	-1.6%	805	-1.5%	483

Source: Palm Beach County Board of Realtors, 2019

Table 27: MLS Sales Metrics Townhouse/Condos, 2017-18

Close Sales Price - Townhouse/Condos										
	2014	2015		2016		2017		2018		2019 (Jan - Jul)
		% Change		% Change		% Change		% Change		
Less than \$50,000	3	2	-33.3%	-	-100.0%	4	-	1	-75.0%	-
\$50,000 - \$99,999	30	27	-10.0%	17	-37.0%	9	-47.1%	4	-55.6%	4
\$100,000 - \$149,999	111	100	-9.9%	74	-26.0%	43	-41.9%	31	-27.9%	25
\$150,000 - \$199,999	232	248	6.9%	171	-31.0%	121	-29.2%	106	-12.4%	57
\$200,000 - \$249,999	80	145	81.3%	216	49.0%	240	11.1%	227	-5.4%	108
\$250,000 - \$299,999	53	71	34.0%	64	-9.9%	94	46.9%	99	5.3%	67
\$300,000 - \$399,999	84	104	23.8%	87	-16.3%	100	14.9%	103	3.0%	71
\$400,000 - \$599,999	23	26	13.0%	57	119.2%	42	-26.3%	63	50.0%	28
\$600,000 - \$999,999	15	14	-6.7%	9	-35.7%	13	44.4%	16	23.1%	5
\$1,000,000 or more	1	1	0.0%	4	300.0%	10	150.0%	16	60.0%	4
Total	632	738	0.1677215	699	-0.052846	676	-0.032904	666	-0.014793	369

Source: ibid

RENTAL MARKET

As shown in Table 28, renters of all types of housing in Palm Beach Gardens have significantly lower household incomes than overall occupied households. In 2017 the median renter household income was \$59,003 and inflated to 2019 is \$61,800. According to HUD standards the median rental household can only afford to spend \$1,732 a month for rent and utilities.

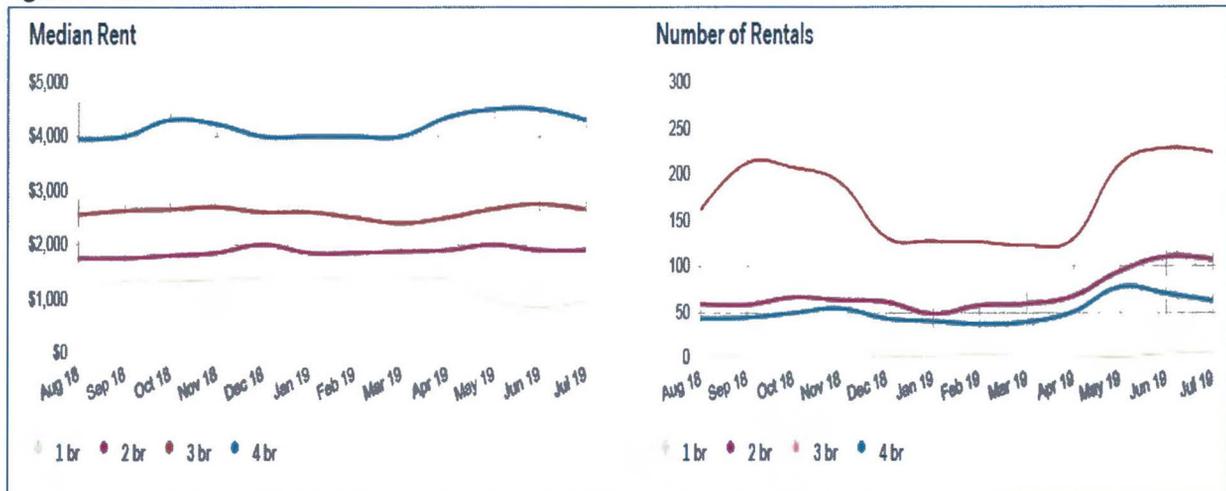
Table 28: Palm Beach Gardens Rental Household Income

Subject	Palm Beach Gardens					
	Occupied housing units		Renter-occupied housing		Percent renter-occupied	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Occupied housing units	23,451	+/-525	6,891	+/-412	6,891	+/-412
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2017 INFLATION-						
Less than \$5,000	549	+/-140	161	+/-80	2.30%	+/-1.1
\$5,000 to \$9,999	476	+/-147	193	+/-92	2.80%	+/-1.3
\$10,000 to \$14,999	612	+/-195	299	+/-127	4.30%	+/-1.8
\$15,000 to \$19,999	744	+/-177	272	+/-109	3.90%	+/-1.6
\$20,000 to \$24,999	709	+/-147	230	+/-105	3.30%	+/-1.5
\$25,000 to \$34,999	1,747	+/-252	580	+/-154	8.40%	+/-2.2
\$35,000 to \$49,999	2,413	+/-307	880	+/-194	12.80%	+/-2.7
\$50,000 to \$74,999	4,104	+/-379	1,585	+/-285	23.00%	+/-3.8
\$75,000 to \$99,999	3,121	+/-353	975	+/-212	14.10%	+/-3.1
\$100,000 to \$149,999	3,792	+/-357	992	+/-199	14.40%	+/-2.7
\$150,000 or more	5,184	+/-416	724	+/-197	10.50%	+/-2.7

Source: U.S. Census American Community Survey (5 year 2013-2017), 2019

Based on data shown in Figure 7, Palm Beach Gardens' median rent as of July 2019 was \$2,453 based on 436 rentals (single family and apartments).

Figure 7: Median Rent

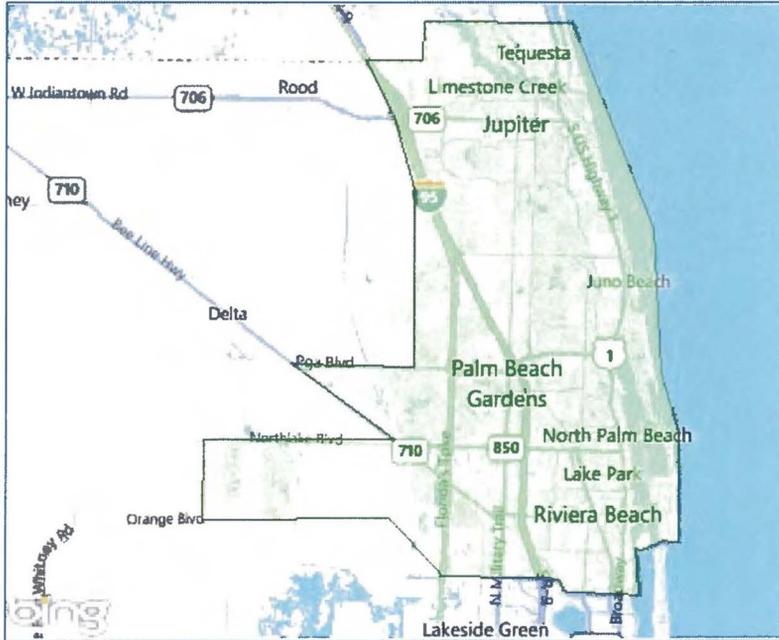


Source: Trulia.com

Apartment Market

Strategic Planning Group, Inc. commissioned REIS for a competitive apartment analysis of the Palm Beach Gardens/Northern Palm Beach County submarket.

Figure 8: Northern Palm Beach County Submarket



Source: REIS, 2019

Based on REIS 4th Quarter 2018 apartment data, the asking rent range from \$1,355 to \$2,373. Vacancy rates are directly related to rents and range from 1.1 to 72.6 percent as shown in Table 29. The City’s median apartment rent was \$1,874. In analyzing the City’s apartment market by bedroom count, asking rents ranged from \$1,557 for a 1 Bedroom to \$2,249 for 3 Bedrooms. This report uses the asking rent for a 2 Bedroom apartment in its calculations.

Table 29: REIS Comparable Apartment Metrics, 2019

	LOW	MEAN	MEDIAN	HIGH
Current Asking Rent/Unit	\$1,355	\$1,848	\$1,874	\$2,373
Current Effective Rent/Unit	\$1,270	\$1,731	\$1,756	\$2,223
Current Vacancy Rate	1.1%	5.5%	2.5%	72.6%
Property Size (units)	124	394	419	538
Year Built	1973	1997	2001	2018
	STUDIO	1BR	2BR	3BR
Current Asking Rent/Unit	–	\$1,557	\$1,844	\$2,249
Current Effective Rent/Unit	–	\$1,460	\$1,729	\$2,109
Unit Size (SF)	–	823	1,191	1,414
Units	0	113	209	67
Current Asking Rent/SF	–	\$1.90	\$1.55	\$1.59

Source: REIS, Inc. 2019

Table 30 below compares recent comparative rent metrics for the Palm Beach Gardens submarket. Data, for the final two quarters of 2018, show that the immediate area comparables have low vacancy rates and effective rent growth rates, which are higher than the overall region.

Table 30: Comparative Rent Growth, 2018

	ASKING RENT GROWTH RATES					
	QUARTERLY			ANNUALIZED		
	1Q 2019	4Q 2018	YTD	1 YEAR	3 YEAR	5 YEAR
Comp Group	0.7%	1.0%	0.7%	7.9%	4.8%	5.9%
North Palm Beach	1.0%	0.7%	1.0%	6.6%	4.7%	5.9%
Palm Beach	0.5%	1.6%	0.5%	4.9%	4.8%	5.0%

Source: REIS, Inc. 2019

Table 31: Apartment Performance Metrics (Asking and Effective Rent Growth Rates)

	EFFECTIVE RENT GROWTH RATES					
	QUARTERLY			ANNUALIZED		
	1Q 2019	4Q 2018	YTD	1 YEAR	3 YEAR	5 YEAR
Comp Group	0.7%	4.7%	0.7%	12.0%	6.0%	9.1%
North Palm Beach	1.0%	0.6%	1.0%	6.8%	4.7%	6.1%
Palm Beach	0.5%	1.3%	0.5%	4.4%	4.4%	4.9%

*Historical trends include only properties in the Comp Group that have at least five full years of history; aggregated data on rents and vacancies displayed in other tables may therefore not match precisely.

Source: REIS, Inc. 2019

The overall rental market has been stable, with an asking rent of approximately \$1,820 per unit and a declining vacancy rate of 5.6 percent at the end of March 2019 as shown in Table 32.

Table 32: Apartment Performance Metrics (Asking and Effective Rent Growth Rates)

Year	Qtr	Asking Rent (per Unit)	Asking Rent Pct Change	Vacancy Rate	Vacancy Change (BPS)
2018	1	\$1,713	2.2%	4.8%	-10
2018	2	\$1,736	1.3%	5.6%	80
2018	3	\$1,790	3.1%	4.9%	-70
2018	4	\$1,808	1.0%	6.9%	200
2019	1	\$1,820	0.7%	5.6%	-130

Historical trends include only properties in the Comp Group that have at least five full years of history; aggregated data on rents and vacancies displayed in other tables may therefore not match precisely.

Source: REIS, Inc. 2019

The City shares the Northern Palm Beach County apartment market which has several apartments/condominiums planned, based on REIS, Inc. data, as shown in Table 33 on the following page:

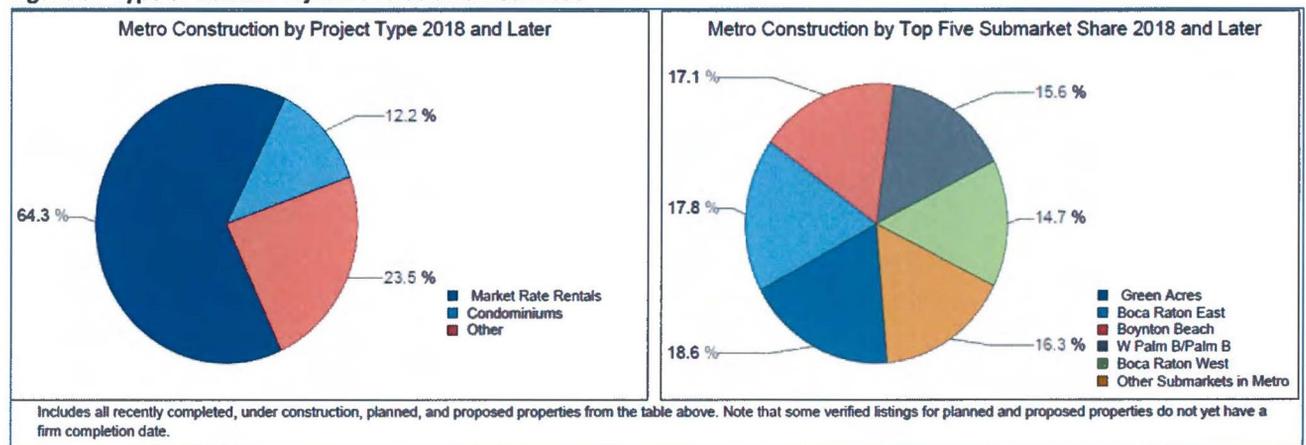
Table 33: Completed and Planned Apartments within Northern Palm Beach County

	Completed Units		Units Under Construction		Totals	Planned	Proposed	Totals
	2018	YTD 2019	2019	2020 and Later	2018 and Later			
Market Rate Rentals	2,459	0	822	476	3,757	6,560	7,391	13,951
Condominiums	137	30	350	245	762	1,675	929	2,604
Other	324	188	499	667	1,678	2,611	2,201	4,812
Totals	2,920	218	1,671	1,388	6,197	10,846	10,521	21,367

Source: REIS, Inc. 2019

As shown in Figure 9, slightly over 64 percent of the rental housing was market rate rentals which were equally distributed throughout the County.

Figure 9: Type of Rental Projects and Submarket Areas



Source: REIS, Inc. 2019

Based on Table 34, the City of Palm Beach Gardens falls within the North Palm Beach submarket. As shown below most of the apartment activity is found in Boynton Beach, Boca Raton and Green Acres submarkets.

Table 34: Palm Beach County Apartment Market

Submarket	1. Completed			2. Under Construction			3. Planned/Proposed			Grand Total
	Apartment	Condo	Other	Apartment	Condo	Other	Apartment	Condo	Other	
North Palm Beach	429	113	10	0	78	0	334	556	450	1,970
W Palm B/Palm B	605	0	125	727	79	0	1,600	932	218	4,286
Century Village	218	0	110	179	0	0	1,224	0	428	2,159
Green Acres	250	30	29	392	0	430	1,948	327	1,712	5,118
Boynton Beach	687	0	49	0	105	69	3,470	130	199	4,709
Boca Raton East	270	24	75	0	220	0	2,111	659	1,555	4,914
Boca Raton West	0	0	0	0	113	667	3,264	0	0	4,044
Non-Submarketed Areas	0	0	114	0	0	0	0	0	250	364

Source: REIS, Inc. 2019

RENT SUMMARY

The median asking rent for all rentals including single family homes as reported by Trulia (\$1,820) would require a household income of \$90,000; the latter of which is significantly higher than Palm Beach Gardens’ median household income of \$81,508²².

Using SPG’s Affordability Mode shown on Table 35, a Palm Beach Gardens “median household” could afford a monthly rent of \$1,732 or a \$294,555 home, assuming a 10 percent down payment and other debt of 12 percent as shown below.

Table 35: Median Household Rent/Owner Affordability, 2019

Affordability Calculator: Palm Beach Gardens							
Palm Beach Gardens Median Household Income 2019:		\$81,508					
Downpayment	10%	Utilities	15%				
Cost Burden	30%	Tax & Ins	20%				
Interest Rate	4.25%	Other Debt	12%				
Income Category	Median Income (%)	Family Household Income	Monthly Rent	Monthly Payment	Payment - Tax & Ins	Amt of Mortgage	Home Price
Very Low	60%	\$48,905	\$1,039	\$978	\$782	\$159,059	\$176,733
Low	80%	\$65,206	\$1,386	\$1,304	\$1,043	\$212,079	\$235,644
Median	100%	\$81,508	\$1,732	\$1,630	\$1,304	\$265,099	\$294,555
Moderate	120%	\$97,810	\$2,078	\$1,956	\$1,565	\$318,119	\$353,465

²² Estimated by SPG using HUD methodology (2017 inflated by 4.68 percent based on BLS data)

CHAPTER 4: PALM BEACH GARDENS'S WORKFORCE HOUSING NEEDS

WORKFORCE HOUSING NEEDS

One of the major issues in defining workforce housing is determining what income group or cohort to use within the analysis. As previously discussed workforce housing in this report is defined as 60 to 120 percent of the City's median household income (AMI). The problem encountered is that HUD defines AMI in terms of "family income" which no longer represents the majority of households and which is usually considerably higher than the overall median household income for an area. Furthermore, most federal and state programs limit assistance to households at or below 80 percent median family income. By using HUD's AMI figure, which most, if not all communities do as required by HUD, the affordability issue is understated.

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

OWNERSHIP

HUD defines workforce as households paying 30 percent or less of their income on housing although in recent years many lending institutions had increased this level to 40 percent as an acceptable 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. Mortgage originators tend to use the 28/36 rule when qualifying for a loan. Housing expenses should not exceed 28 percent (includes HOA, home insurance and property taxes) as well as not exceeding 36 percent of total gross income which includes housing expenses as well as credit cards and other debt.

Older households, especially those that have recently moved to the area, may perceive the local housing market as a bargain compared to other parts of the county. If they have sold their previous residence for a large profit, they tend to over invest by building or purchasing a larger home with more amenities than their previous residence. Some may even have the money to pay cash, but choose to take out a mortgage.

The last major problem with ownership affordability is the definition of "income" verses wealth, which is partially addressed above. One major group, senior citizens (65 years 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 with part of this issue.

Finally, those that currently own housing have for the most part reached the "American Dream". A number of issues; demographics, ethnicity, tighter credit controls, future job changes, student debt, changing beliefs about housing being a good investment, etc. have a significant percentage of households seeking rental housing (both single family and apartments).

RENTER HOUSEHOLDS

Renter households are a good indicator of affordability. Historically, for most Americans, the ultimate "dream" was homeownership; 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 were recent migration to the area, new household formation usually caused by separation or divorce, and new younger aged

households (couples or unrelated individuals). However, due to a host of financial reasons including high priced housing, many households cannot afford nor desire ownership. These factors include: lack of income, lack of credit, and/or insufficient down payment, or no longer see homeownership as a means of wealth creation.

DEFINING THE WORKFORCE HOUSING GAP

This section describes the methodology used to define the workforce housing needs within Palm Beach Gardens. 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 Palm Beach Gardens as well as the County is driven by both new employment in and adjacent to the county and city as well as retirement. New job growth is based on the foundation of existing residents. Most non-retirement people coming to the area 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 will be out migration to regions where job growth is occurring. While employment generation is important to the growth the City and County the region is attractive to retirees and foreigners who buy and rent residential units.

DEMAND

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

A housing affordability calculation, based upon HUD, defined income categories ranging from low to moderate income was utilized to determine rent and mortgage/home prices supportable for each income category. Major assumptions in this calculation are a down payment of 10 to 20 percent, cost burden of 30 percent, taxes and insurance (including flood) of 20 percent, utilities costs at 15 percent, and a mortgage interest rate of 4.25 percent. For the most part it assumes 12 percent of other debt (car, credit card, etc. payments).

HOUSING AFFORDABILITY

Housing is primarily a function of the private market and is influenced by economic factors such as financial feasibility and profitability. Government has played an increasing role in housing in response to the failure of the private market to provide housing that is affordable to certain households. Workforce housing is housing that does not financially cost burden a family and that is safe and in decent condition. Federal government guidelines, primarily those developed by the U.S. Department of Housing and Urban Development (HUD), define workforce housing as costing an owner or renter no more than 30% of the household's gross monthly income for housing costs, including utilities. The relationship between housing cost and income determines how affordable a community is to live in. If the housing prices are high and incomes are low, it is more likely that people will experience difficulty in affording housing and they are more likely to spend greater than 30% of their incomes on housing.

Palm Beach Gardens is one of Palm Beach County's more expensive cities. As shown earlier, the City's median family income was estimated to be \$99,068 in 2017, with median household income of \$77,864 and non-family median income of \$50,359.

Table 36: Median Income by Type of Household, 2017

Subject	Palm Beach Gardens							
	Households		Families		Married-couple		Nonfamily	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total	23,451	+/-525	14,068	+/-434	11,518	+/-425	9,383	+/-555
Median income	\$77,864	+/-3,045	\$99,068	+/-4,009	\$109,789	+/-4,009	\$50,359	+/-2,259
County	\$57,256		\$71,519		\$85,918		\$37,506	
Mean income	\$124,579	+/-6,821	\$154,932	+/-9,877	N	N	\$75,629	+/-7,236
County	\$89,827		\$106,377		\$124,404		\$59,306	

Source: US Census American Community Survey 2013-2017, 2019

Using the City’s median household income of \$81,508²³, a Palm Beach Gardens median income household can afford \$1,732 for rent or a maximum of \$294,555²⁴ for a home. The median MLS single family sale price was \$504,500 in 2019 and \$245,000²⁵ for a townhome/condominium. Therefore, a single family home is not affordable to a median income household, while a median priced townhome/condominium would be affordable. The asking apartment rent for a two bedroom apartment, \$1,844 would not be affordable.

Table 37: Housing Affordability, 2019 (Median Household Income)

Affordability Calculator: Palm Beach Gardens							
Palm Beach Gardens Median Household Income 2019:		\$81,508					
Downpayment	10%	Utilities	15%				
Cost Burden	30%	Tax & Ins	20%				
Interest Rate	4.25%	Other Debt	12%				
Income Category	Median Income (%)	Family Household Income	Monthly Rent	Monthly Payment	Payment - Tax & Ins	Amt of Mortgage	Home Price
Very Low	60%	\$48,905	\$1,039	\$978	\$782	\$159,059	\$176,733
Low	80%	\$65,206	\$1,386	\$1,304	\$1,043	\$212,079	\$235,644
Median	100%	\$81,508	\$1,732	\$1,630	\$1,304	\$265,099	\$294,555
Moderate	120%	\$97,810	\$2,078	\$1,956	\$1,565	\$318,119	\$353,465

Source: Strategic Planning Group, Inc., 2019

In analyzing affordability, it must be remembered that household income is not typically the same thing as a single wage income. Today, most households represent two or more wage earners.

IDENTIFYING EXISTING OCCUPATIONS AND WAGES

During this step SPG collected data from the Florida Department of Labor, U.S. Department of Labor, as well as the City on occupational employment and wages for Palm Beach Gardens/Palm Beach 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 the City. Table 38 shows some of the jobs whose annual income is less than \$40,000. Approximately 48 percent of the County’s occupations have an entry wage

²³ 2013-2017 ACS inflated by 1.0468 to obtain 2019 estimate

²⁴ MLS data for July 2019

²⁵ ibid

of less than \$12 per hour. Slightly over 25 percent have an entry salary of less than \$10 per hour or an annual wage of less than \$20,000.

Table 38: County Wage Levels for Selected Occupations less than \$40,000, 2018

Title	2018			
	Employment	Median	Entry ^{**}	Exp ^{***}
Total all occupations	613,760	17.56	10.66	29.94
Childcare Workers	2,500	10.60	9.27	12.66
Retail Salespersons	23,710	11.28	9.27	15.82
Home Health Aides	3,390	11.36	10.41	12.80
Hairdressers, Hairstylists, and Cosmetologists	2,830	11.59	9.28	16.46
Library Assistants, Clerical	420	11.65	9.79	13.87
Nursing Assistants	8,010	11.77	9.86	13.42
Bus Drivers, School or Special Client	1,080	11.90	11.13	12.94
Manicurists and Pedicurists	710	12.48	10.12	13.60
Substitute Teachers	350	12.66	10.11	14.92
Physical Therapist Aides	210	12.72	10.91	13.63
Recreation Workers	1,320	12.76	10.36	15.88
Order Clerks	300	12.94	10.79	16.22
Veterinary Assistants and Laboratory Animal Caretakers	350	12.98	10.13	15.47
Production Workers, All Other	210	13.00	10.22	16.63
Preschool Teachers, Except Special Education	1,470	13.02	10.73	16.88
Helpers--Installation, Maintenance, and Repair Workers	860	13.68	11.10	15.89
Residential Advisors	570	14.01	11.45	16.55
Sales and Related Workers, All Other	210	14.07	10.78	19.61
Psychiatric Technicians	1,130	14.10	12.38	15.58
Receptionists and Information Clerks	8,010	14.55	10.77	16.84
Reservation and Transportation Ticket Agents and Travel Clerks	610	14.63	11.11	17.80
Bus Drivers, Transit and Intercity	810	14.65	10.78	16.71
Ophthalmic Laboratory Technicians	110	14.74	12.83	19.58
Computer, Automated Teller, and Office Machine Repairers	250	14.81	11.48	18.53
Mental Health and Substance Abuse Social Workers	470	15.05	11.97	19.73
Customer Service Representatives	14,180	15.33	11.55	19.23
Tellers	2,140	15.35	12.79	16.82
Word Processors and Typists	110	15.35	13.16	17.52
Medical Equipment Preparers	210	15.40	12.60	17.30
Office Clerks, General	13,340	15.66	10.94	19.92
Meter Readers, Utilities	120	15.70	13.40	19.15
Dental Laboratory Technicians	210	15.76	11.99	19.97
Opticians, Dispensing	380	16.03	10.77	21.82
File Clerks	960	16.13	11.83	19.71
Tax Examiners and Collectors, and Revenue Agents	160	16.27	13.59	33.63
Pharmacy Technicians	2,020	16.33	12.63	18.86
Emergency Medical Technicians and Paramedics	490	16.52	12.57	20.14
Protective Service Workers, All Other	400	16.65	12.84	20.75
Tax Preparers	430	16.72	9.56	26.24
Eligibility Interviewers, Government Programs	120	16.90	12.19	19.90
Elevator Installers and Repairers	110	17.01	14.35	25.16
Medical Assistants	4,390	17.08	14.15	18.62
Medical Secretaries	2,340	17.09	13.48	19.68
Medical Transcriptionists	320	17.17	13.41	19.72
Ophthalmic Medical Technicians	310	17.42	14.49	19.30
Real Estate Sales Agents	1,500	17.51	10.42	27.31
Community Health Workers	240	17.55	12.58	21.51
Library Technicians	380	17.65	13.71	20.16
Billing and Posting Clerks and Machine Operators	2,140	17.68	13.77	21.04
Medical Equipment Repairers	150	17.72	12.68	22.77
Secretaries and Administrative Assistants, Except Legal, Medical,	11,430	17.84	12.29	21.35
Insurance Claims and Policy Processing Clerks	620	18.06	14.91	20.79
Audio and Video Equipment Technicians	210	18.06	14.80	22.68
Social and Human Service Assistants	510	18.11	13.54	21.99
Substance abuse, behavioral disorder, and mental health counsel	1,160	18.12	13.45	23.42
Health Educators	180	18.51	16.79	25.95
Environmental Science and Protection Technicians, Including He	130	18.59	14.28	24.12
Court, Municipal, and License Clerks	600	18.71	16.77	20.92
Operating Engineers and Other Construction Equipment Operator	1,310	18.75	15.06	24.33
Highway Maintenance Workers	200	18.84	14.61	21.65
Cement Masons and Concrete Finishers	900	18.87	16.30	21.50
Information and Record Clerks, All Other	630	18.88	14.47	21.97
Office and Administrative Support Workers, All Other	550	18.99	13.29	22.52
Community and Social Service Specialists, All Other	730	19.04	14.69	23.58
Self-Enrichment Education Teachers	910	19.07	10.30	25.16
Bookkeeping, Accounting, and Auditing Clerks	7,460	19.12	12.19	23.78
Computer Network Support Specialists	750	19.18	15.08	30.00

Source: Florida Department of Economic Development, 2019

ADJUSTMENT FROM EMPLOYEES TO EMPLOYEE HOUSEHOLDS

This step recognizes that there is, on average, more than one worker per household. As mentioned, a single wage earner does not represent the typical household. Therefore, SPG for purposes of comparison combined several job categories into two wage earner families to show the impact that more than one wage earner has on affordability. Selected household wage configurations are shown in Table 39. The table illustrates the impact of two wage earners on overall household income. Based on census data, slightly over 41 percent of households have two or more wage earners, or 60 percent per working household. Furthermore, women’s median income is only 63-80 percent of male median income.

Table 39: Selected Employees Palm Beach County Household Wage Configurations

1 Worker Households		2-Worker Households	
Occupation	Avg. Wage/Yr.	Occupation	Avg. Wage/Yr.
Cashier	\$19,600	Retail/Retail	\$39,200
Retail Sales	\$21,600	Electrician/Retail Sales	\$53,400
Office Clerks	\$29,800	Community Health Worker/Laborer	\$60,100
Secretary	\$33,800	Office Clerk/Retail Sales	\$63,600
Electrician	\$41,600	Firefighter/Secretary	\$100,400
Teacher	\$49,500	Civil Engineer/Teacher	\$122,500
Fire Fighter	\$66,600		
Registered Nurse	\$68,000		
Police Officer	\$70,000		
Civil Engineer	\$72,966		

Source: Florida Department of Economic Opportunity, 2019

OWNERSHIP HOUSING SUPPLY

In evaluating the supply of ownership housing within Palm Beach Gardens, SPG used MLS property sales and listings data. MLS data in general does not include all residential home sales for a given period. Some properties may be listed by an alternative service, never listed, and sold by owner/developer and not listed. In general, total MLS listings represent between 60 to 80 percent of the total real estate transactions in any given market.

MLS residential sales for 2019 showed that 10 percent of single family sales and 71 percent of its condo/townhouse sales were less than \$300,000²⁶.

Table 40: MLS Sales by Price, 2019

Close Sales Price - Single Family Homes							2019 (Jan - Jul)			
	2014	2015	2016	2017	2018					
		% Change	% Change	% Change	% Change					
Less than \$50,000	1	-	-100.0%	2	1	-50.0%	2	100.0%	-	
\$50,000 - \$99,999	1	1	0.0%	1	0.0%	-	-	-100.0%	-	
\$100,000 - \$149,999	16	7	-56.3%	3	-57.1%	2	-33.3%	-	-100.0%	1
\$150,000 - \$199,999	37	25	-32.4%	20	-20.0%	10	-50.0%	3	-70.0%	5
\$200,000 - \$249,999	57	48	-15.8%	45	-6.3%	34	-24.4%	27	-20.6%	17
\$250,000 - \$299,999	84	72	-14.3%	54	-25.0%	55	1.9%	48	-12.7%	27
\$300,000 - \$399,999	182	197	8.2%	207	5.1%	202	-2.4%	178	-11.9%	89
\$400,000 - \$599,999	220	219	-0.5%	248	13.2%	233	-6.0%	254	9.0%	170
\$600,000 - \$999,999	138	152	10.1%	148	-2.6%	160	8.1%	176	10.0%	101
\$1,000,000 or more	90	106	17.8%	102	-3.8%	120	17.6%	117	-2.5%	73
Total	826	827	0.1%	830	0.4%	817	-1.6%	805	-1.5%	483

Source: Palm Beach Board of Realtors, 2019

²⁶ See Table 25.

Table 41: Townhouse/Condo Sales

Close Sales Price - Townhouse/Condos										
	2014	2015		2016		2017		2018		2019 (Jan - Jul)
		% Change		% Change		% Change		% Change		
Less than \$50,000	3	2	-33.3%	-	-100.0%	4	-	1	-75.0%	-
\$50,000 - \$99,999	30	27	-10.0%	17	-37.0%	9	-47.1%	4	-55.6%	4
\$100,000 - \$149,999	111	100	-9.9%	74	-26.0%	43	-41.9%	31	-27.9%	25
\$150,000 - \$199,999	232	248	6.9%	171	-31.0%	121	-29.2%	106	-12.4%	57
\$200,000 - \$249,999	80	145	81.3%	216	49.0%	240	11.1%	227	-5.4%	108
\$250,000 - \$299,999	53	71	34.0%	64	-9.9%	94	46.9%	99	5.3%	67
\$300,000 - \$399,999	84	104	23.8%	87	-16.3%	100	14.9%	103	3.0%	71
\$400,000 - \$599,999	23	26	13.0%	57	119.2%	42	-26.3%	63	50.0%	28
\$600,000 - \$999,999	15	14	-6.7%	9	-35.7%	13	44.4%	16	23.1%	5
\$1,000,000 or more	1	1	0.0%	4	300.0%	10	150.0%	16	60.0%	4
Total	632	738	16.8%	699	-5.3%	676	-3.3%	666	-1.5%	369

Source: Palm Beach Board of Realtors, 2019

GAP ANALYSIS

Based on ACS data, 33.5 percent of owner occupied households (with a mortgage) spend over 30 percent of their income on housing (25 percent spend 35 percent or more). Approximately 50 percent of renter households spend over 30 percent for housing and 41 percent spend over 35 percent or more.

The ACS reported that the median ownership monthly cost was \$1,987 in 2017, while gross monthly median rent was \$1,547. REIS reports a median asking apartment rent of \$1,844 in 2018. Households earning 80 percent of the City’s median income can afford to pay \$1,386²⁷ monthly for rent or afford a \$220,000 townhouse/condominium. A 2019 median income household (\$81,508²⁸) can afford a monthly rental of approximately \$1,732²⁹ or can afford a \$275,000 priced home. As reported by the Census, MLS and REIS rental data, there is currently a significant workforce housing GAP especially for a 2 bedroom apartment.

²⁷ Does not include utilities

²⁸ ACS median of \$77,864 inflated by 1.0468%

²⁹ As reported by REIS the asking rent for a 2 bedroom apartment is \$1,844

CHAPTER 5: INCLUSIONARY ZONING

Inclusionary housing policies (often referred to as inclusionary zoning policies) link market-rate development to the production of housing affordable to working households. These policies either requires that a certain percentage of new units be set aside as workforce or offer development incentives that are only available when workforce units are included as part of the project. The primary goals of inclusionary housing programs are to increase the overall supply of workforce housing and to promote economic and social integration.³⁰

Over 1,000 communities have Inclusionary Zoning including Palm Beach County. Palm Beach County requires all development with over 10 units to provide 10% workforce housing. Miami Dade just passed its mandatory housing ordinance requiring rental developments provide 14% workforce or 7% affordable units and condominium developments provide 10% workforce or 5% affordable units.

A report by ULI³¹ noted that impact and program characteristics were not available for the majority of programs within the United States. The study did find that 373 jurisdictions reported a total of \$1.7 billion in impact or in-lieu fees for the creation of affordable housing. Jurisdictions also reported creating a total of 173,707 units of affordable housing, which predominantly excludes additional units created with the \$1.7 billion in fees:

- 443 jurisdictions reported creating 49,287 affordable homeownership units;
- 581 jurisdictions reported creating 122,320 affordable rental units; and
- 164 jurisdictions reported an additional 2,100 affordable homes.

The report noted that due to missing data, the data above substantially underestimate the total fees and units created by the entire inclusionary housing field.

The study also noted “that of the 273 inclusionary housing programs for which information on program characteristics was gathered, over 70 percent were developed after 2000, and 71 percent of programs applied to the entire jurisdiction. The most common program type was mandatory, and policies applied to both rental and for-sale development in 61 percent of programs. Approximately 90 percent of all programs reported affordability terms of at least 30 years. The most common ways that developers could provide affordable housing was through on-site development in 90 percent of programs or through paying in-lieu fees or providing off-site affordable housing in roughly half of all programs. The most common incentives offered to developers were density bonuses (78 percent), other zoning variances (44 percent), or fee reductions or waivers (37 percent)”.

This study supports that inclusionary housing programs are an increasingly prevalent tool for producing affordable housing. Additionally, local inclusionary housing programs are: (1) prioritizing on-site affordable housing development, which may be an effective strategy to place affordable housing in neighborhoods of opportunity; and (2) ensuring long-term affordability, which is an effective way to maintain community assets and the affordable housing stock.

³⁰ Center for Housing Policy, Inclusionary Housing, a Series of Research and Policy Briefs, May 2016

³¹ Inclusionary Housing in the United States: Prevalence, Impact, and Practices Working Paper WP17ET1

CHANGE TO FLORIDA’S INCLUSIONARY HOUSING POLICY

Current law authorizes counties and municipalities to impose certain land use mechanisms, such as inclusionary housing ordinances to increase the supply of affordable housing³² in the state. The newly signed HB 7103 statute provides that a local inclusionary housing ordinance requiring a developer to provide a specified number of affordable housing units or requiring a developer to contribute to a housing fund must provide incentives to fully offset all costs to the developer of its affordable housing contribution. The developer offset provision does not apply in areas of critical state concern in Monroe County and the City of Key West.

The bill also provides legislative findings about the need to develop affordable workforce housing opportunities for “essential services personnel” in areas of critical state concern. The bill defines essential services personnel as persons or families whose total annual household income is at or below 120 percent of the area median income and at least one of whom is employed as police or fire personnel, a child care worker, a teacher or other education personnel, health care personnel, a public employee, or a service worker. This change will allow the Florida Housing Finance Corporation to maintain compliance with federal workforce housing program requirements.

CONSIDERATIONS IN INCLUSIONARY ZONING

Table 42 illustrates some of the incentives that can be offered through Inclusionary zoning.

Table 42: Inclusionary Zoning Incentives

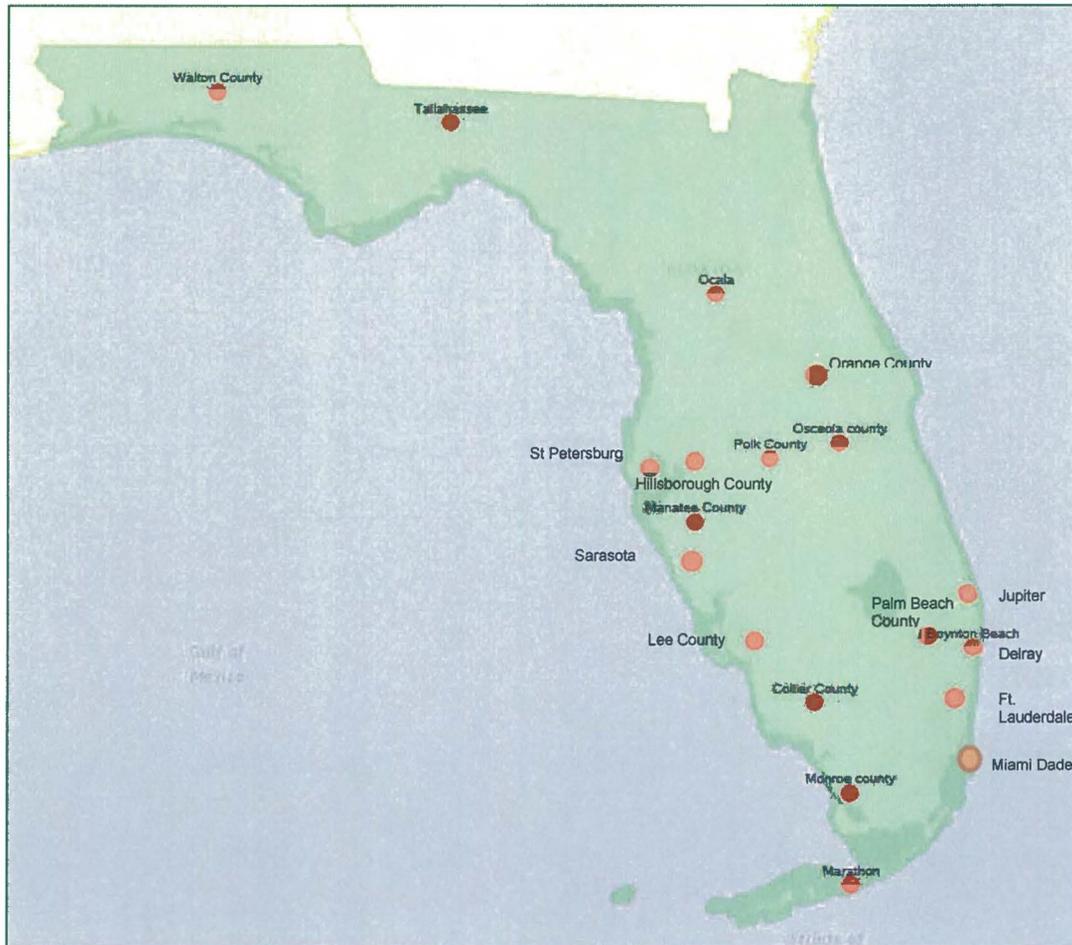
<i>Offering Incentives</i>	
Density Bonus	<i>Build additional market rate units without acquiring additional land</i>
Fee Waiver	Waive impact or permit fees
Fast Track Permitting	<i>Streamline and expedite permitting process</i>
Design Flexibility	Reduce number of parking spaces Reduce setbacks, minimum lot size
Direct Subsidies	Award grants or payment per affordable unit built Publicly fund infrastructure needs
Tax Abatement	Waive property tax

³² Including workforce housing

Allowing Alternatives	
Fee In-Lieu	Developer pays a fee for units not built Collected into a fund to build affordable units elsewhere Varying calculation to determine amount (per unit, per square foot, etc.) Some require larger fee than cost to build units
Off-Site Construction	Developer agrees to build affordable units in a site elsewhere Some require a greater percentage of affordable units
Land Dedication	Developer donates land to accommodate future affordable units. Often developed by profit/non-profit partnership Best in areas where land is limited
Credit Transfer	Developer credits required units to another project Similar to off-site construction

The map below shows the majority of areas within Florida that offer Inclusionary Zoning policies as of 2017.

Figure 10: Location of Inclusionary Zoning



CHAPTER 6: LINKAGE FEE ANALYSIS

LINKAGE FEE NEXUS

Linkage fees are a means for local government to collect monies to help support workforce housing. These fees, collected from market rate residential development and non-residential development, are placed in a trust fund to provide for the construction and maintenance of affordable residential units.

Under Florida law, there must be a rational relationship between the linkage/mitigation fee imposed and the impact of new construction on the need for workforce housing. The State of Florida has acknowledged that the need for affordable housing is a basic public need. The 1985 Growth Management Act (Chapter 163) requires every local government in the state adopt a housing element that addresses adequate and affordable housing for all of its current and anticipated populations; therefore establishing a nexus. Other Florida statues defining affordable housing needs include Chapter 187.201 and Chapter 125.01055. In addition to housing as a public need, studies show that households require the need for an entire range of public and private sector services that account for most of the job creation in any community including teachers, fire and crime prevention, grocers, hair salons, healthcare, restaurant workers, etc.³³ Lastly, especially in a built out city like Palm Beach Gardens, new housing can result in the demolition or redevelopment of existing affordable housing into market grade housing thereby eliminating existing affordable housing stock.

Local governments must determine the need new market rate residential and non-residential developments create for housing that is affordable to the workforce, as a legal basis for establishing a workforce housing mitigation program.

RESIDENTIAL LINKAGE/IMPACT FEES

A key component of the analysis is the size of the affordability gap between what households can afford and the cost of producing additional housing. The analysis is conducted for 60 to 120 percent of median income. The analysis is also conducted for rental housing, as well as ownership housing from each of the three income categories.

INCOME AND HOUSEHOLD SIZE ASSUMPTIONS

This study uses Palm Beach Gardens' median household income to establish housing affordability gaps. The top income of the qualifying range in each category has been used to determine maximum housing costs in this analysis. The upper limit of households in the 80-120 percent of median category will use the 120 percent of median income, or the top end of the range.

CURRENT HOUSING COSTS

Current housing costs include the costs of existing homes in the market, either for rent or for-sale housing, as well as the costs associated with the development of new housing stock, either condominiums or townhomes. For purposes of this analysis, actual market information was developed for both rental housing units available in the area and recent home sales prices were obtained from MLS data.

SPG purchased an apartment survey for Palm Beach Gardens, which comprised mostly mid-rise apartments, to identify current monthly rents. Asking rents a 1-bedroom unit was \$1,557 a month. The

³³ Households spend a portion of their wages at the local grocery store, or shopping mall, which illustrates induced effects.

average asking rent for a 2-bedroom unit was \$1,844 per month and the three bedrooms averaged \$2,249 a month (Table 43).

Table 43: Market Rents

Comparable Group Summary Stats*				
	Low	Mean	Median	High
Current Asking Rent/Unit (\$)	\$1,355	\$1,848	\$1,874	\$2,373
Current Vacancy Rate (%)	1.1	5.5	2.5	72.6
Property Size (units)	124	394	419	538
Year Built	1973	1997	2001	2018
	Studio	1BR	2BR	3BR
Current Asking Rent/Unit (\$)	na	\$1,557	\$1,844	\$2,249
Unit Size (SF)	na	1,460	1,191	1,414
Units	na	823	209	67
Current Asking Rent/SF	na	\$1.90	\$1.55	\$1.59

Source: REIS, Inc., 2019

HOUSING AFFORDABILITY GAP

Affordability gaps, or the needed subsidy amount, are calculated for each of the income tiers. Then the affordability gaps (which is the difference between total development cost and unit value based on the affordable rent or sales price) are multiplied by the number of households in each income tier to produce the total nexus cost (i.e. mitigation costs).

OWNERSHIP HOUSING AFFORDABILITY GAP/LINKAGE FEE

This analysis determines the maximum purchase price for single family and townhouse/condominiums units for each of the income categories. SPG analyzed the affordability of townhomes/condominiums and single family homes based on household income categories based on Palm Beach Gardens’ household income distribution metrics, as well as income metrics. It should be noted that the MLS data used in this part of the analysis appears to be largely resales rather than new construction.

SPG’s affordability analysis using the City income metrics shows that households earning median or more of the City’s household income can afford the sales price of existing condominium/townhomes, while none of the households earning 120 percent or less can afford a single family MLS listed homes.³⁴

Table 44, utilizes MLS 2019 single family data for January through July. It should be noted that MLS represents all home sales regardless of age. Because of the City’s aging housing stock, the median MLS sale price is significantly lower than the cost of new housing.

³⁴ Assuming good credit and low debt

Table 44: Employee Household Affordability based on Palm Beach Gardens Household Income Metrics

Palm Beach Gardens Household Income	Income Target % AMI	Annual HH Income	Maximum Sales Price	Median Value (2019)	Affordability Gap per Unit
Affordable Units					
Condominium/Townhomes (Based on Current MLS Data)				\$245,000	
Very Low Income (60% of AMI)	60%	\$48,905	\$176,733		(\$68,267)
Low Income (80% of AMI)	80%	\$65,206	\$235,644		(\$9,356)
Moderate Income (120% of AMI)	120%	\$97,810	\$294,555		\$49,555
Median Income		\$81,508	\$253,465		\$8,465
Single Family Units (Based on Current MLS Data)				\$504,500	
Very Low Income (60% of AMI)	60%	\$48,905	\$176,733		(\$327,767)
Low Income (80% of AMI)	80%	\$65,206	\$235,644		(\$268,856)
Moderate Income (120% of AMI)	120%	\$97,810	\$294,555		(\$209,945)
Median Income		\$81,508	\$253,465		(\$251,035)

AMI - Area Median Income (Median Family) inflated to 2019

Notes: Ongoing Expenses are based on estimates of utilities, homeowner association dues, property taxes, etc. based on unit value.

Annual debt service assumes a 30 year mortgage at 4.25%, 12% other debt, with a 10% down payment.

Source: Palm Beach Realtors, 2018/19 data

RENTAL/OWNER HOUSING AFFORDABILITY GAP

As mentioned, the above referenced prices are mainly derived from existing housing stock. In order to gauge the affordability SPG analyzed apartments as a prototype for residential.

Using existing rent for a two bedroom apartment³⁵ of \$1,844 would result in average market value of \$255,325 per unit. As shown in Table 45, none of the households earning 120 percent of the City’s median household income could afford existing two bedroom rents. This simple analysis is based strictly on annual rent and does not cover development costs.

Table 45: Current Apartment Rent Feasibility (2 Bedroom) based on Palm Beach Gardens Household Income Ranges

(St. Petersburg Median Household Income)	Monthly Rent *	Annual Rent	Less Operating Expenses	NOI	Average Market Value	Affordable Gap per Unit	Average Unit Size	Commute Factor Linkage Fee
Market Rental Rates	\$1,844	\$22,128	\$8,000	\$14,128	\$217,354		900	11%
Affordable Gap - Apartment Units								
Very Low Income (50% of AMI)	\$721	\$8,657	\$8,000	\$657	\$10,110	(\$207,244)	(230.27)	(75.99)
Very Low Income (60% of AMI)	\$866	\$10,389	\$8,000	\$2,389	\$36,747	(\$180,607)	(200.67)	(66.22)
Low Income (80% of AMI)	\$1,154	\$13,851	\$8,000	\$5,851	\$90,022	(\$127,332)	(141.48)	(46.69)
Moderate Income (120% of AMI)	\$1,731	\$20,777	\$8,000	\$12,777	\$196,571	(\$20,782)	(23.09)	(7.62)
Median Income (100%)	\$962	\$11,543	\$8,000	\$3,543	\$54,505	(\$162,848)	(595.52)	(196.52)
GAP based on 60%-120%							(365.25)	(120.53)
GAP based on 80 - 120%							(164.57)	(54.31)
Based on ACS MHI inflated to 2019	\$81,508							

Monthly rent does not include utilities. Operating Expenses are based on average operating expenses from similar size apartment projects.

25%

Net Operating Income (NOI) is capitalized at 6.5% to derive Average Market Value.

Affordability Gap is the difference between value supported market rents and value supported at affordable income rent levels.

SPG also developed a pro form analysis to determine the rental affordability of constructing a moderate two bedroom apartment as shown in Table 46. The affordability gap based on the following pro forma analysis for new moderate priced two bedroom apartments. Based on the analysis a household earning

³⁵ Table 29

120 percent of the City’s median household income (\$81,508) can almost afford an existing two bedroom apartment. However, families earning 120 percent, or less, of the City’s median family income cannot afford to buy a newly constructed two bedroom apartment. Table 40 also indicates that there is a \$280 per square foot (PSF) GAP in funding apartments for new employees earning 120 percent or less of the City’s median household income. If one was only seeking funding for supplying moderate income workforce housing³⁶ the GAP is \$111.57. However, if using only workforce housing metrics of 80%-120% of median household income, there is a positive GAP of \$81.94 per month.

Table 46: Residential GAP/Linkage Median Household Income Analysis (based on the cost to construct a 2 Bedroom Apartment)

Affordability GAP Analysis						
Townhouse/Condominium	Market Grade	VLI (50%) Income	VLI (60%)	Low Income (60%-80)	Moderate Income (80%-120%)	
Land	10	10	10	10	10	
Density/Acres	38	38	38	38	38	
Units	380	380	380	380	380	
Gross Unit Size	1,000	1,000	1,000	1,000	1,000	
Unit Size	900	900	900	900	900	
Average Bedroom	2	2	2	2	2	
Person Per Per Bedroom	2	2	2	2	2	
Cost Assumptions						
Land	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	
Land/Acre	\$700,000	\$700,000	\$600,000	\$600,000	\$600,000	
Land Per Unit	\$18,421	\$18,421	\$18,421	\$18,421	\$18,421	
Direct Costs	\$61,560,000	\$61,560,000	\$61,560,000	\$61,560,000	\$61,560,000	
Direct Construction Cost/Net SF	\$180	\$180	\$180	\$180	\$180	
Direct Construction Costs/Unit	\$162,000	\$162,000	\$162,000	\$162,000	\$162,000	
Indirect Costs as % of Direct costs	25%	25%	25%	25%	25%	
Indirect Costs/Unit	\$19,440	\$19,440	\$19,440	\$19,440	\$19,440	
Profit Margin	12%	12%	12%	12%	12%	
Profit	\$23,983	\$23,983	\$23,983	\$23,983	\$23,983	
Total Cost	\$223,844	\$223,844	\$223,844	\$223,844	\$223,844	
Maximum Supported Home/Price						
Income/yr with 5% vacancy	\$22,800	\$11,615	\$13,938	\$18,584	\$27,876	
Less Operating Expenses	30%	30%	30%	30%	30%	
Less Operating Expense per Unit	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	
Net Operating Income (NOI)	\$14,800	\$3,615	\$5,938	\$10,584	\$19,876	
Capitalization Rate	6.5%	6.5%	6.5%	6.5%	6.5%	
Total Supportable Unit Value	\$227,692	\$55,614	\$91,352	\$162,828	\$305,781	
GAP	\$3,848	(\$168,231)	(\$132,493)	(\$61,016)	\$81,936	
GAP PSF	\$3.85	(\$168.23)	(\$132.49)	(\$61.02)	\$81.94	
GAP (60-120%)						(\$111.57)
60-80%						\$20.92
80-120%						\$81.94

NONRESIDENTIAL LINKAGE FEE

In cities like Palm Beach Gardens that are experiencing growth, commercial development (usually office or retail space) often outpaces workforce housing production. This can create a jobs-housing imbalance, meaning there are not enough places for workers to live in the vicinity of their jobs. A jobs-housing imbalance drives up prices in the local housing market, and also leads to long commutes and traffic congestion as workers live farther from jobs, which affects the entire region. Linkage programs seek to

³⁶ Household income of 80-120% AMI

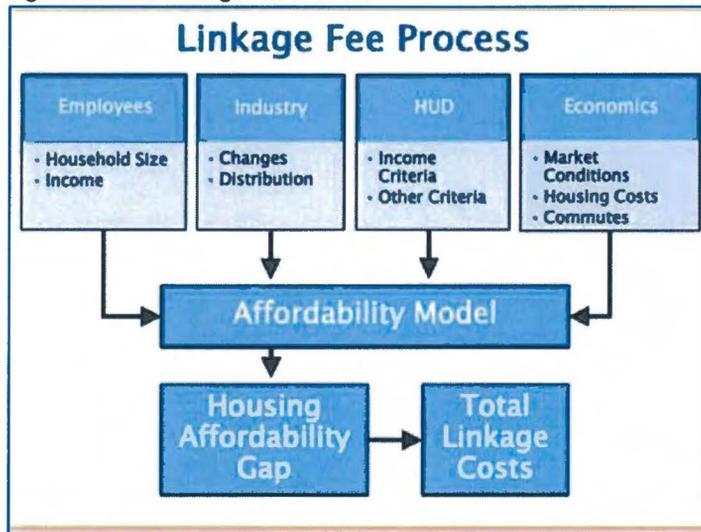
correct this imbalance by tying the construction and maintenance of the affordable housing stock to commercial growth.

NONRESIDENT NEXUS STUDY

A Nexus study provides the required information for the workforce housing need created by new developments and provides statistical support for the fee calculation. The fee is typically calculated on a square foot basis or a per unit basis for residential.

The following diagram illustrates SPG Linkage Fee methodology.

Figure 11: SPG Linkage Fee Process



As discussed earlier, 11 percent of Palm Beach Gardens’ resident workers actually worked within the City in 2017. Based on 2017 Census data³⁷, 29,084 employees worked within the City but resided elsewhere. This labor dynamic is not only based on housing costs and availability but is also influenced by other household earners work locations, quality schools, amenities, community services, etc.

To analyze the linkage between salaries and housing, SPG conducted a Nexus study using Palm Beach County 2018 wage data and translated wage to household income.

NONRESIDENTIAL AFFORDABILITY/LINKAGE ANALYSIS

This section presents a summary of the analysis of the linkage between four types of workplace uses and the estimated number of worker households in the income categories that will, on average, be employed.

ANALYSIS APPROACH AND FRAMEWORK

The microanalysis is used to examine the employment associated with the development of 100,000 square foot building modules. Through a series of linkage steps, the number of employees is converted to households and housing units by affordability level. The findings are expressed in terms of numbers of households related to building area. In the final step, the numbers of households are converted back to the per-square-foot level.

³⁷ ibid

The building types or land-use activities addressed in the analysis include industrial, commercial (including retail and other services), office and hotel. The income category addressed in the analysis, as defined by HUD, is Moderate Income (60 to 120 percent of median income).

Analysis Steps

The linkage analysis is comprised of several steps used to convert new employment into household and income categories to determine gaps in housing affordability at different income levels. The following is a description of each step of the analysis.

Step 1 – Estimate of Total Employees

Table 41 identifies the total number of direct employees who will work at or in the building type being analyzed. Employment density factors are used to make the conversion. The density factors used in this analysis are as follows:

- Office - 300 square feet per employee. Average office density has been decreasing from 350 square feet lower per employee to 200-300 square feet and depending on the character of the office activity (i.e., corporate headquarters versus back office).
 - ✓ Office includes the following NAICS industries: 51-55 and 62

- Commercial - 450 square feet per employee. This designation covers a wide range of land uses from restaurants and banks to other forms of retail outlets. The average number of employees per type of use also ranges broadly from a low employee count for discount stores to a high number of employees for a sit-down restaurant.
 - ✓ Commercial includes the following NAICS industries: 44-45 and 81

- Industrial – 800-1,450 square feet per employee. Industrial land uses include manufacturing, warehouses and industrial parks. Typically, industrial uses have the lowest employee count per square foot of building area.
 - ✓ Industrial includes the following NAICS industries: 31-33, 42,56, and 48-49

- Hotel – 900 square feet per employee or slightly over a third of an employee per room in a 500 square foot hotel room. This rate covers a cross section of hotel types from lower service hotels where rooms may be smaller than 500 square feet to higher-service convention hotels where average room size (inclusive of the meeting space, etc.) is larger, but the number of employees per room is higher.
 - ✓ Hotel includes NAICS 721/722

- Extended/Limited Service Hotel 8,000 square feet per employee. Extended stay lodging is a subsector of hotels, but operates more as an apartment complex offering lodging services. Typically, this type of operation has only four to five full time equivalent employees. The extended stay facility does not offer any food or beverage services. The typical studio unit size ranges from 300 to 350 square feet.
 - ✓ Hotel includes NAICS 721 and 722

All density factors are averages and individual uses can be expected to be fairly divergent from the average occasionally. As mentioned, for ease of analysis and comparison purposes, this analysis is based on prototype buildings of 100,000 square feet in size. This size of building has been used in order to count jobs and housing units in whole numbers that can be readily understood. At the conclusion of the

analysis, the findings are divided by building size to express the linkages per square foot, which are very small fractions of housing units.

Table 47: Estimate of Total New Employees in Prototype Building, 100,000 Sq. Ft.

	Industrial	Commercial	Office	Hotel	Limited Service /Extended Stay Lodging
Employees/1,000 SF	1.25	2.2	3.3	1.1	0.1
Space per Employee	800	450	300	950	8,000
Employees per Prototype	125	220	333	105	12.5

Note: All density factors are averages and individual uses can be expected to be fairly divergent

Source: ITE and Strategic Planning Group, Inc., 2019

Based on the density factors outlined above, the number of employees in the prototype 100,000 square foot building is as follows: office will house 330 employees, commercial 220 employees, industrial 125 employees, hotel 77 employees and limited service hotel 12.5 employees.

Step 2 – Adjustment for Changing Industries

This step is an adjustment to take into account any declines, changes and shifts within all sectors of the economy and to recognize that new space is not 100 percent equivalent to net new employees. For this analysis, a 5 percent adjustment is utilized to recognize the possibility of future declines and other adjustments (Table 48).

Table 48: Estimate of Employees after Adjustment

	Industrial	Commercial	Office	Hotel	Extended Stay Lodging
Number of Employees	125	220	333	105	13
Adjustment Factor	6	11	17	5	1
Employees after Adjustment	119	209	317	100	12

Note: This adjustment is to take into account any declines, changes and shifts within all sectors of the economy and to recognize that new space is not 100% equivalent to net new employees.

Source: Strategic Planning Group, Inc., 2019

Step 3 – Industry Distribution of Employees

The distribution of employees is the first step in arriving at household income levels. The industry groupings were developed from the Quarterly Census of Employment and Wages (QCEW), also known as the ES-202 (Table 49).

- Industrial land uses were adjusted to reflect the types of industry classifications associated with this type of land use. These industries represent the workers associated with all types of manufacturing activities, the wholesale trade sector, the administration and support of waste management and remediation services, as well as the transportation and warehousing of products. Manufacturing represents 41 percent of this sector and Administration and Waste Services represents 35 percent of this sector, a major user of industrial space.
- Commercial land uses represent a very broad group of categories, primarily led by the retail trade comprising 80.6 percent of all uses. Also included in this land use category are other services which represent 19.4 percent.

- Office building industrial mix was adjusted to reflect the types of activities attracted to office space workers in the City. These industries represent a broad mix of professional service activities, including architecture and engineering, computer and mathematical, legal, management, business and financial operations, healthcare, and sales. The category also includes finance, insurance, and real estate type activities. Healthcare related activities represent 46.1 percent of this sector, while finance, insurance and real estate represent 13.6 percent and professional, scientific and technical services represent 19.6 percent.
- Hotel land use includes full service and limited service hotel accommodations with and without food services. Limited service or extended stay hotels have a minimum of employees.

Table 49: Industrial Distribution of Employees in Palm Beach County by Land Use Category

Industry Title	NAICS Code	Reporting Units	Employment			Total Wages	Monthly Employment	Quarterly Wage	Annual Wage
			Apr-19	May-19	Jun-19				
Total, All Industries	10	23,398	271,311	268,451	259,428	\$3,079,094,987	266,397	\$11,558	\$46,232
Construction	23	3,695	31,505	31,757	31,973	\$387,194,340	31,745	\$12,197	\$48,788
Manufacturing	31-33	560	6,388	6,356	6,371	\$81,318,508	6,372	\$12,763	\$51,052
Wholesale Trade	42	896	6,792	6,813	6,838	\$107,127,246	6,814	\$15,721	\$62,884
Retail Trade	44-45	2,814	40,492	40,073	39,721	\$319,565,721	40,095	\$7,970	\$31,880
Transportation and Warehousing	48-49	489	6,322	6,370	6,386	\$77,734,647	6,359	\$12,224	\$48,896
Utilities	22	43	842	833	831	\$17,140,718	835	\$20,520	\$82,080
Information	51	276	2,640	2,638	2,630	\$53,830,536	2,636	\$20,421	\$81,684
Finance and Insurance	52	1,152	5,760	5,784	5,809	\$102,398,971	5,784	\$17,703	\$70,812
Real Estate and Rental and Leasing	53	1,696	7,499	7,354	7,444	\$102,441,870	7,432	\$13,783	\$55,132
Professional and Technical Services	54	2,770	14,727	14,552	14,662	\$242,413,500	14,647	\$16,550	\$66,200
Management of Companies and Enterprises	55	139	2,666	2,643	2,680	\$59,025,854	2,663	\$22,165	\$88,660
Administrative and Waste Services	56	2,185	17,084	17,178	17,271	\$154,771,703	17,178	\$9,010	\$36,040
Educational Services	61	211	18,519	18,534	11,555	\$227,487,655	16,203	\$14,040	\$56,160
Health Care and Social Assistance	62	1,928	40,816	40,855	40,676	\$611,507,377	40,782	\$14,994	\$59,976
Arts, Entertainment, and Recreation	71	406	9,037	8,169	7,695	\$62,433,275	8,300	\$7,522	\$30,088
Accommodation and Food Services	72	1,713	36,483	35,094	33,727	\$206,760,112	35,101	\$5,890	\$23,560
Other Services, Except Public Administration	81	1,842	9,220	9,164	9,065	\$82,276,562	9,150	\$8,992	\$35,968
Public Administration	92	133	12,194	12,195	12,294	\$165,981,992	12,228	\$13,574	\$54,296
Unclassified	99	341	207	202	187	\$1,660,436	199	\$8,358	\$33,432

Source: Strategic Planning Group, Inc., 2019

In this step, employment is translated to income based on Palm Beach County wage and salary information for each building type. The wage and salary information provide the income inputs to the Workforce Housing Model. Workers identified in the earlier steps as being wholesale/retail warehouse workers versus workers in a retail establishment or office workers are analyzed separately.

Step 4 – Adjustment from Employees to Employee Households

This step (Table 50) converts the number of employees to the number of employee households by land-use type that will work in the building type being analyzed. 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 workers/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 of household based on the number of employed.

Table 50: Convert New Employees to Land Uses

Industry Title	NAICS Code	Average Employment	Percent Land Use
Office		317	42.6%
Information	51	13	4.1%
Finance and Insurance	52	43	13.6%
Real Estate and Rental and Leasing	53	21	6.7%
Professional and Technical Services	54	62	19.6%
Management of Companies and Enterprises	55	31	9.9%
Health Care and Social Assistance	62	146	46.1%
		317	100%
Hotel			0.0%
Accommodation	72	100	100%
Industrial		119	15.9%
Manufacturing	31-33	49	41.0%
Wholesale Trade	42	20	16.9%
Administrative and Waste Services	56	42	35.1%
Transportation and Warehousing	48-49	8	6.9%
		119	100%
Commercial		209	28.1%
Retail Trade	44-45	168	80.6%
Other Services, Except Public Administration	81	41	19.4%
		209	100.0%

Step 5 – Estimates of Employee Households Meeting the Lower Income Definitions

In this step, the analysis calculates the number of employee households that fall into each income category for each size household. Individual employee by industry sector was used to calculate the number of households that fall into these income categories by assuming that multiple earner households are, on average, formed of individuals falling within the same income categories.

Table 51: Adjustment from Employee to Employee Households – Industrial (Manufacturing NAICS 31-33)

Occupation title	Employment	Percent of total employment	Median hourly wage	Median Annual	Household Income Factor	Estimate Household Income
All Occupations	49	100.00%	\$19.36	\$30,976	1.6	\$49,562
Food Preparation and Serving Related Occupations	0	0.51%	\$11.12	\$17,792	1.6	\$28,467
Personal Care and Service Occupations	0	0.02%	\$11.74	\$18,784	1.6	\$30,054
Building and Grounds Cleaning and Maintenance Occupations	0	0.52%	\$13.16	\$21,056	1.6	\$33,690
Farming, Fishing, and Forestry Occupations	0	0.26%	\$13.26	\$21,216	1.6	\$33,946
Transportation and Material Moving Occupations	4	7.87%	\$15.31	\$24,496	1.6	\$39,194
Production Occupations	25	51.33%	\$16.92	\$27,072	1.6	\$43,315
Protective Service Occupations	0	0.11%	\$17.74	\$28,384	1.6	\$45,414
Office and Administrative Support Occupations	4	9.02%	\$18.12	\$28,992	1.6	\$46,387
Healthcare Support Occupations	0	0.01%	\$19.37	\$30,992	1.6	\$49,587
Construction and Extraction Occupations	1	1.55%	\$22.75	\$36,400	1.6	\$58,240
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.70%	\$23.45	\$37,520	1.6	\$60,032
Installation, Maintenance, and Repair Occupations	2	5.07%	\$23.91	\$38,256	1.6	\$61,210
Education, Training, and Library Occupations	0	0.01%	\$25.79	\$41,264	1.6	\$66,022
Community and Social Service Occupations	0	0	\$26.12	\$41,792	1.6	\$66,867
Sales and Related Occupations	2	3.28%	\$26.96	\$43,136	1.6	\$69,018
Life, Physical, and Social Science Occupations	0	0.98%	\$29.55	\$47,280	1.6	\$75,648
Healthcare Practitioners and Technical Occupations	0	0.21%	\$32.08	\$51,328	1.6	\$82,125
Business and Financial Operations Occupations	2	3.94%	\$33.07	\$52,912	1.6	\$84,659
Architecture and Engineering Occupations	3	6.53%	\$38.10	\$60,960	1.6	\$97,536
Computer and Mathematical Occupations	1	2.38%	\$45.36	\$72,576	1.6	\$116,122
Management Occupations	3	5.64%	\$56.13	\$89,808	1.6	\$143,693
Legal Occupations	0	0.06%	\$65.59	\$104,944	1.6	\$167,910

Table 52: Wholesale Trade (NAICS 42)

Occupation title	Employment	Percent of total employment	Median hourly wage	Median Annual Wage	Household Income Factor	Estimate Household Income
All Occupations	20	100.00%	\$20.63	\$33,008	1.6	\$52,813
Food Preparation and Serving Related Occupations	0	0.14%	\$11.07	\$17,712	1.6	\$28,339
Farming, Fishing, and Forestry Occupations	0	0.76%	\$12.11	\$19,376	1.6	\$31,002
Personal Care and Service Occupations	0	0.03%	\$12.32	\$19,712	1.6	\$31,539
Building and Grounds Cleaning and Maintenance Occupations	0	0.46%	\$13.09	\$20,944	1.6	\$33,510
Protective Service Occupations	0	0.07%	\$13.86	\$22,176	1.6	\$35,482
Healthcare Support Occupations	0	0.03%	\$15.51	\$24,816	1.6	\$39,706
Transportation and Material Moving Occupations	4	20.25%	\$15.62	\$24,992	1.6	\$39,987
Production Occupations	1	5.47%	\$15.75	\$25,200	1.6	\$40,320
Office and Administrative Support Occupations	4	22.36%	\$17.06	\$27,296	1.6	\$43,674
Arts, Design, Entertainment, Sports, and Media Occupations	0	1.26%	\$19.05	\$30,480	1.6	\$48,768
Construction and Extraction Occupations	0	0.45%	\$21.03	\$33,648	1.6	\$53,837
Installation, Maintenance, and Repair Occupations	1	6.57%	\$21.94	\$35,104	1.6	\$56,166
Healthcare Practitioners and Technical Occupations	0	0.47%	\$24.51	\$39,216	1.6	\$62,746
Education, Training, and Library Occupations	0	0.01%	\$25.91	\$41,456	1.6	\$66,330
Sales and Related Occupations	5	24.80%	\$27.05	\$43,280	1.6	\$69,248
Community and Social Service Occupations	0	0.01%	\$28.58	\$45,728	1.6	\$73,165
Life, Physical, and Social Science Occupations	0	0.25%	\$30.31	\$48,496	1.6	\$77,594
Business and Financial Operations Occupations	1	5.07%	\$30.51	\$48,816	1.6	\$78,106
Computer and Mathematical Occupations	1	3.00%	\$37.85	\$60,560	1.6	\$96,896
Architecture and Engineering Occupations	0	1.09%	\$38.09	\$60,944	1.6	\$97,510
Legal Occupations	0	0.07%	\$46.32	\$74,112	1.6	\$118,579
Management Occupations	1	7.36%	\$54.60	\$87,360	1.6	\$139,776

Table 53: Administration and Waste Services (NAICS 56)

Occupation title	Employment	Percent of total employment	Median hourly wage	Average Annual Household	Household Income Factor	Estimate Household Income
All Occupations	42	100.00%	\$14.28	\$22,848	1.6	\$36,557
Personal Care and Service Occupations	0	0.95%	\$11.22	\$17,952	1.6	\$28,723
Food Preparation and Serving Related Occupations	0	1.11%	\$11.44	\$18,304	1.6	\$29,286
Production Occupations	4	8.93%	\$12.14	\$19,424	1.6	\$31,078
Farming, Fishing, and Forestry Occupations	0	0.17%	\$12.19	\$19,504	1.6	\$31,206
Transportation and Material Moving Occupations	5	12.60%	\$12.23	\$19,568	1.6	\$31,309
Building and Grounds Cleaning and Maintenance Occupations	9	20.97%	\$12.25	\$19,600	1.6	\$31,360
Protective Service Occupations	4	8.85%	\$12.55	\$20,080	1.6	\$32,128
Education, Training, and Library Occupations	0	0.84%	\$12.90	\$20,640	1.6	\$33,024
Healthcare Support Occupations	0	1.12%	\$13.70	\$21,920	1.6	\$35,072
Office and Administrative Support Occupations	8	20.31%	\$15.06	\$24,096	1.6	\$38,554
Sales and Related Occupations	2	5.45%	\$15.27	\$24,432	1.6	\$39,091
Construction and Extraction Occupations	1	2.61%	\$17.99	\$28,784	1.6	\$46,054
Installation, Maintenance, and Repair Occupations	1	2.67%	\$20.07	\$32,112	1.6	\$51,379
Community and Social Service Occupations	0	0.20%	\$20.18	\$32,288	1.6	\$51,661
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.59%	\$24.23	\$38,768	1.6	\$62,029
Life, Physical, and Social Science Occupations	0	0.33%	\$27.61	\$44,176	1.6	\$70,682
Healthcare Practitioners and Technical Occupations	1	1.66%	\$28.06	\$44,896	1.6	\$71,834
Business and Financial Operations Occupations	2	4.07%	\$28.98	\$46,368	1.6	\$74,189
Legal Occupations	0	0.25%	\$31.67	\$50,672	1.6	\$81,075
Architecture and Engineering Occupations	0	0.83%	\$35.75	\$57,200	1.6	\$91,520
Computer and Mathematical Occupations	1	2.38%	\$36.77	\$58,832	1.6	\$94,131
Management Occupations	1	3.12%	\$47.58	\$76,128	1.6	\$121,805

Table 54: Transportation and Warehousing (NAICS 48-49)

Occupation title	Employment	Percent of total employment	Median hourly wage	Average Median Wage	Household Income Factor	Estimate Household Income
All Occupations	8	100.00%	\$19.69	\$31,504	1.6	\$50,406
Community and Social Service Occupations	0	0	0	0	1.6	\$0
Personal Care and Service Occupations	0	0.30%	\$11.53	18,448	1.6	\$29,517
Food Preparation and Serving Related Occupations	0	0.15%	\$12.56	20,096	1.6	\$32,154
Protective Service Occupations	0	0.73%	\$13.54	21,664	1.6	\$34,662
Farming, Fishing, and Forestry Occupations	0	0.05%	\$14.17	22,672	1.6	\$36,275
Building and Grounds Cleaning and Maintenance Occupations	0	0.61%	\$16.89	27,024	1.6	\$43,238
Transportation and Material Moving Occupations	5	58.56%	\$18.44	29,504	1.6	\$47,206
Office and Administrative Support Occupations	2	24.91%	\$19.79	31,664	1.6	\$50,662
Production Occupations	0	1.31%	\$20.43	32,688	1.6	\$52,301
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.08%	\$23.71	37,936	1.6	\$60,698
Sales and Related Occupations	0	1.19%	\$25.34	40,544	1.6	\$64,870
Installation, Maintenance, and Repair Occupations	0	5.59%	\$25.95	41,520	1.6	\$66,432
Construction and Extraction Occupations	0	0.60%	\$27.59	44,144	1.6	\$70,630
Education, Training, and Library Occupations	0	0.01%	\$28.64	45,824	1.6	\$73,318
Healthcare Practitioners and Technical Occupations	0	0.12%	\$28.75	46,000	1.6	\$73,600
Business and Financial Operations Occupations	0	1.79%	\$30.89	49,424	1.6	\$79,078
Life, Physical, and Social Science Occupations	0	0.03%	\$36.25	58,000	1.6	\$92,800
Architecture and Engineering Occupations	0	0.47%	\$36.42	58,272	1.6	\$93,235
Computer and Mathematical Occupations	0	0.50%	\$36.83	58,928	1.6	\$94,285
Management Occupations	0	2.92%	\$44.65	71,440	1.6	\$114,304
Legal Occupations	0	0.03%	\$60.77	97,232	1.6	\$155,571

Table 55: Retail Trade (NAICS 44-45)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual median wage	Household Multiplier	Estimate Household Income
All Occupations	168	100.00%	\$11.96	\$19,136	1.6	\$30,618
Personal Care and Service Occupations	1	0.47%	\$10.53	\$16,848	1.6	\$26,957
Food Preparation and Serving Related Occupations	6	3.51%	\$11.08	\$17,728	1.6	\$28,365
Sales and Related Occupations	92	54.48%	\$11.20	\$17,920	1.6	\$28,672
Building and Grounds Cleaning and Maintenance Occupations	1	0.76%	\$11.51	\$18,416	1.6	\$29,466
Transportation and Material Moving Occupations	11	6.75%	\$11.82	\$18,912	1.6	\$30,259
Office and Administrative Support Occupations	30	17.69%	\$12.42	\$19,872	1.6	\$31,795
Production Occupations	4	2.38%	\$13.97	\$22,352	1.6	\$35,763
Arts, Design, Entertainment, Sports, and Media Occupations	1	0.78%	\$14.25	\$22,800	1.6	\$36,480
Protective Service Occupations	1	0.38%	\$14.53	\$23,248	1.6	\$37,197
Installation, Maintenance, and Repair Occupations	8	4.80%	\$17.71	\$28,336	1.6	\$45,338
Construction and Extraction Occupations	0	0.23%	\$18.36	\$29,376	1.6	\$47,002
Healthcare Practitioners and Technical Occupations	6	3.46%	\$18.42	\$29,472	1.6	\$47,155
Business and Financial Operations Occupations	2	1.01%	\$27.68	\$44,288	1.6	\$70,861
Computer and Mathematical Occupations	1	0.31%	\$30.74	\$49,184	1.6	\$78,694
Management Occupations	4	2.55%	\$37.75	\$60,400	1.6	\$96,640

Table 56: Other Services, Except Public Administration (NAICS 81)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median	Household Income Factor	Estimate Household Income
All Occupations	41	100.00%	\$15.03	\$24,048	1.6	\$38,477
Protective Service Occupations	0	1.03%	\$11.33	\$18,128	1.6	\$29,005
Transportation and Material Moving Occupations	4	9.88%	\$11.36	\$18,176	1.6	\$29,082
Personal Care and Service Occupations	9	22.62%	\$11.85	\$18,960	1.6	\$30,336
Production Occupations	3	6.76%	\$12.14	\$19,424	1.6	\$31,078
Sales and Related Occupations	2	4.98%	\$12.45	\$19,920	1.6	\$31,872
Farming, Fishing, and Forestry Occupations	0	0.07%	\$14.66	\$23,456	1.6	\$37,530
Office and Administrative Support Occupations	6	14.52%	\$15.12	\$24,192	1.6	\$38,707
Education, Training, and Library Occupations	1	1.69%	\$15.57	\$24,912	1.6	\$39,859
Healthcare Support Occupations	1	1.44%	\$17.81	\$28,496	1.6	\$45,594
Community and Social Service Occupations	1	2.79%	\$18.05	\$28,880	1.6	\$46,208
Installation, Maintenance, and Repair Occupations	7	18.25%	\$18.89	\$30,224	1.6	\$48,358
Construction and Extraction Occupations	0	0.31%	\$23.65	\$37,840	1.6	\$60,544
Arts, Design, Entertainment, Sports, and Media Occupations	1	2.19%	\$24.89	\$39,824	1.6	\$63,718
Healthcare Practitioners and Technical Occupations	0	0.33%	\$26.20	\$41,920	1.6	\$67,072
Business and Financial Operations Occupations	3	6.23%	\$28.43	\$45,488	1.6	\$72,781
Life, Physical, and Social Science Occupations	0	0.34%	\$29.35	\$46,960	1.6	\$75,136
Computer and Mathematical Occupations	0	0.88%	\$33.52	\$53,632	1.6	\$85,811
Architecture and Engineering Occupations	0	0.21%	\$36.53	\$58,448	1.6	\$93,517
Management Occupations	2	5.27%	\$42.90	\$68,640	1.6	\$109,824
Legal Occupations	0	0.21%	\$44.30	\$70,880	1.6	\$113,408

Table 57: Information (NAICS 51)

Occupation title	Employment	Percent of total employment	Median hourly wage	Median Annual Wage	Household Income Factor	Estimate Household Income
All Occupations	13	100.00%	\$29.51	\$47,216	1.6	\$75,546
Food Preparation and Serving Related Occupations	0	1.85%	\$9.92	\$15,872	1.6	\$25,395
Personal Care and Service Occupations	0	2.54%	\$10.11	\$16,176	1.6	\$25,882
Building and Grounds Cleaning and Maintenance Occupations	0	0.25%	\$12.89	\$20,624	1.6	\$32,998
Transportation and Material Moving Occupations	0	1.51%	\$13.95	\$22,320	1.6	\$35,712
Healthcare Support Occupations	0	0.02%	\$14.94	\$23,904	1.6	\$38,246
Production Occupations	0	1.08%	\$17.56	\$28,096	1.6	\$44,954
Office and Administrative Support Occupations	2	15.99%	\$18.28	\$29,248	1.6	\$46,797
Protective Service Occupations	0	0.19%	\$18.51	\$29,616	1.6	\$47,386
Education, Training, and Library Occupations	0	0.71%	\$22.36	\$35,776	1.6	\$57,242
Community and Social Service Occupations	0	0.01%	\$23.24	\$37,184	1.6	\$59,494
Sales and Related Occupations	1	11.53%	\$25.38	\$40,608	1.6	\$64,973
Arts, Design, Entertainment, Sports, and Media Occupations	2	16.25%	\$26.68	\$42,688	1.6	\$68,301
Installation, Maintenance, and Repair Occupations	1	9.36%	\$28.30	\$45,280	1.6	\$72,448
Healthcare Practitioners and Technical Occupations	0	0.09%	\$30.96	\$49,536	1.6	\$79,258
Construction and Extraction Occupations	0	0.39%	\$31.37	\$50,192	1.6	\$80,307
Business and Financial Operations Occupations	1	8.31%	\$37.35	\$59,760	1.6	\$95,616
Life, Physical, and Social Science Occupations	0	0.08%	\$37.91	\$60,656	1.6	\$97,050
Architecture and Engineering Occupations	0	1.47%	\$44.07	\$70,512	1.6	\$112,819
Computer and Mathematical Occupations	3	20.46%	\$44.09	\$70,544	1.6	\$112,870
Legal Occupations	0	0.34%	\$65.15	\$104,240	1.6	\$166,784

Table 58: Finance and Insurance (NAICS 52)

Occupation title	Employment	Percent of total employment	Median hourly wage	Median Annual Wage	Household Income Factor	Estimate Household Income
All Occupations	43	100.00%	\$25.10	\$40,160	1.6	\$64,256
Building and Grounds Cleaning and Maintenance Occupations	0	0.16%	\$11.94	\$19,104	1.6	\$30,566
Food Preparation and Serving Related Occupations	0	0.01%	\$13.75	\$22,000	1.6	\$35,200
Personal Care and Service Occupations	0	0.02%	\$15.76	\$25,216	1.6	\$40,346
Transportation and Material Moving Occupations	0	0.04%	\$16.46	\$26,336	1.6	\$42,138
Office and Administrative Support Occupations	18	42.11%	\$17.43	\$27,888	1.6	\$44,621
Farming, Fishing, and Forestry Occupations	0	-7	\$17.72	\$28,352	1.6	\$45,363
Healthcare Support Occupations	0	0.02%	\$18.26	\$29,216	1.6	\$46,746
Installation, Maintenance, and Repair Occupations	0	0.19%	\$20.87	\$33,392	1.6	\$53,427
Production Occupations	0	0.03%	\$20.94	\$33,504	1.6	\$53,606
Protective Service Occupations	0	0.16%	\$22.46	\$35,936	1.6	\$57,498
Community and Social Service Occupations	0	0.14%	\$25.81	\$41,296	1.6	\$66,074
Sales and Related Occupations	6	15.02%	\$26.03	\$41,648	1.6	\$66,637
Construction and Extraction Occupations	0	0.01%	\$29.51	\$47,216	1.6	\$75,546
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.31%	\$31.39	\$50,224	1.6	\$80,358
Education, Training, and Library Occupations	0	0.01%	\$32.89	\$52,624	1.6	\$84,198
Healthcare Practitioners and Technical Occupations	0	0.77%	\$33.68	\$53,888	1.6	\$86,221
Business and Financial Operations Occupations	11	24.84%	\$34.51	\$55,216	1.6	\$88,346
Legal Occupations	0	0.87%	\$38.24	\$61,184	1.6	\$97,894
Life, Physical, and Social Science Occupations	0	0.05%	\$39.51	\$63,216	1.6	\$101,146
Computer and Mathematical Occupations	3	6.81%	\$43.76	\$70,016	1.6	\$112,026
Architecture and Engineering Occupations	0	0.07%	\$46.43	\$74,288	1.6	\$118,861
Management Occupations	4	8.37%	\$62.38	\$99,808	1.6	\$159,693

Table 59: Real Estate, Rental and Leasing (NAICS 53)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median Wage	Household Income Factor	Estimate Household Income
All Occupations	21	100.00%	\$17.71	\$28,336	1.6	\$45,338
Food Preparation and Serving Related Occupations	0	0.81%	\$11.24	\$17,984	1.6	\$28,774
Building and Grounds Cleaning and Maintenance Occupations	1	6.48%	\$13.13	\$21,008	1.6	\$33,613
Transportation and Material Moving Occupations	1	6.88%	\$13.28	\$21,248	1.6	\$33,997
Personal Care and Service Occupations	0	1.04%	\$13.31	\$21,296	1.6	\$34,074
Farming, Fishing, and Forestry Occupations	0	0.03%	\$14.37	\$22,992	1.6	\$36,787
Healthcare Support Occupations	0	0.04%	\$15.35	\$24,560	1.6	\$39,296
Sales and Related Occupations	5	21.98%	\$15.70	\$25,120	1.6	\$40,192
Production Occupations	0	0.53%	\$16.06	\$25,696	1.6	\$41,114
Office and Administrative Support Occupations	4	20.86%	\$16.41	\$26,256	1.6	\$42,010
Protective Service Occupations	0	1.36%	\$16.53	\$26,448	1.6	\$42,317
Installation, Maintenance, and Repair Occupations	4	18.33%	\$17.75	\$28,400	1.6	\$45,440
Education, Training, and Library Occupations	0	0.02%	\$20.20	\$32,320	1.6	\$51,712
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.99%	\$20.93	\$33,488	1.6	\$53,581
Community and Social Service Occupations	0	0.09%	\$21.02	\$33,632	1.6	\$53,811
Construction and Extraction Occupations	0	1.25%	\$21.14	\$33,824	1.6	\$54,118
Healthcare Practitioners and Technical Occupations	0	0.26%	\$24.50	\$39,200	1.6	\$62,720
Business and Financial Operations Occupations	1	5.76%	\$29.86	\$47,776	1.6	\$76,442
Life, Physical, and Social Science Occupations	0	0	\$30.41	\$48,656	1.6	\$77,850
Legal Occupations	0	0.36%	\$33.58	\$53,728	1.6	\$85,965
Management Occupations	3	11.91%	\$34.03	\$54,448	1.6	\$87,117
Computer and Mathematical Occupations	0	0.81%	\$34.19	\$54,704	1.6	\$87,526
Architecture and Engineering Occupations	0	0.16%	\$34.76	\$55,616	1.6	\$88,986

Table 60: Professional and Technical Services (NAICS 54)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median Wage	Household Income Factor	Estimate Household Income
All Occupations	62	100.00%	\$31.43	\$50,288	1.6	\$80,461
Personal Care and Service Occupations	0	0.41%	\$10.87	\$17,392	1.6	\$27,827
Food Preparation and Serving Related Occupations	0	0.10%	\$11.17	\$17,872	1.6	\$28,595
Healthcare Support Occupations	1	0.94%	\$12.55	\$20,080	1.6	\$32,128
Building and Grounds Cleaning and Maintenance Occupations	0	0.33%	\$13.25	\$21,200	1.6	\$33,920
Transportation and Material Moving Occupations	1	0.81%	\$14.73	\$23,568	1.6	\$37,709
Farming, Fishing, and Forestry Occupations	0	0.06%	\$15.22	\$24,352	1.6	\$38,963
Office and Administrative Support Occupations	12	19.13%	\$18.24	\$29,184	1.6	\$46,694
Production Occupations	1	1.50%	\$18.85	\$30,160	1.6	\$48,256
Protective Service Occupations	0	0.17%	\$18.99	\$30,384	1.6	\$48,614
Healthcare Practitioners and Technical Occupations	2	2.44%	\$22.86	\$36,576	1.6	\$58,522
Installation, Maintenance, and Repair Occupations	1	0.86%	\$23.75	\$38,000	1.6	\$60,800
Community and Social Service Occupations	0	0.12%	\$25.65	\$41,040	1.6	\$65,664
Construction and Extraction Occupations	1	0.87%	\$25.84	\$41,344	1.6	\$66,150
Arts, Design, Entertainment, Sports, and Media Occupations	3	4.08%	\$26.59	\$42,544	1.6	\$68,070
Sales and Related Occupations	3	4.77%	\$28.42	\$45,472	1.6	\$72,755
Education, Training, and Library Occupations	0	0.17%	\$29.43	\$47,088	1.6	\$75,341
Life, Physical, and Social Science Occupations	2	3.61%	\$32.18	\$51,488	1.6	\$82,381
Business and Financial Operations Occupations	9	15.23%	\$34.29	\$54,864	1.6	\$87,782
Architecture and Engineering Occupations	6	10.44%	\$36.82	\$58,912	1.6	\$94,259
Legal Occupations	5	7.53%	\$37.00	\$59,200	1.6	\$94,720
Computer and Mathematical Occupations	11	17.30%	\$42.34	\$67,744	1.6	\$108,390
Management Occupations	6	9.12%	\$66.00	\$105,600	1.6	\$168,960

Table 61: Management of Companies and Enterprises (NAICS 55)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median Wage	Household Income Factor	Estimate Household Income
All Occupations	31	100.00%	\$32.06	\$51,296	1.6	\$82,074
Building and Grounds Cleaning and Maintenance Occupations	0	0.46%	\$12.74	\$20,384	1.6	\$32,614
Personal Care and Service Occupations	0	0.46%	\$13.32	\$21,312	1.6	\$34,099
Food Preparation and Serving Related Occupations	0	0.51%	\$14.45	\$23,120	1.6	\$36,992
Farming, Fishing, and Forestry Occupations	0	0.03%	\$15.60	\$24,960	1.6	\$39,936
Healthcare Support Occupations	0	0.38%	\$15.76	\$25,216	1.6	\$40,346
Transportation and Material Moving Occupations	1	2.25%	\$16.63	\$26,608	1.6	\$42,573
Protective Service Occupations	0	0.44%	\$17.99	\$28,784	1.6	\$46,054
Office and Administrative Support Occupations	8	24.90%	\$19.37	\$30,992	1.6	\$49,587
Education, Training, and Library Occupations	0	0.25%	\$20.07	\$32,112	1.6	\$51,379
Community and Social Service Occupations	0	0.93%	\$20.31	\$32,496	1.6	\$51,994
Production Occupations	0	1.03%	\$21.20	\$33,920	1.6	\$54,272
Installation, Maintenance, and Repair Occupations	1	1.86%	\$23.45	\$37,520	1.6	\$60,032
Construction and Extraction Occupations	0	0.48%	\$25.40	\$40,640	1.6	\$65,024
Sales and Related Occupations	1	4.48%	\$28.91	\$46,256	1.6	\$74,010
Arts, Design, Entertainment, Sports, and Media Occupations	1	1.82%	\$29.46	\$47,136	1.6	\$75,418
Healthcare Practitioners and Technical Occupations	1	1.64%	\$32.11	\$51,376	1.6	\$82,202
Business and Financial Operations Occupations	7	22.55%	\$34.94	\$55,904	1.6	\$89,446
Life, Physical, and Social Science Occupations	0	0.75%	\$40.29	\$64,464	1.6	\$103,142
Computer and Mathematical Occupations	4	11.48%	\$41.62	\$66,592	1.6	\$106,547
Architecture and Engineering Occupations	1	3.00%	\$45.01	\$72,016	1.6	\$115,226
Legal Occupations	0	1.11%	\$58.80	\$94,080	1.6	\$150,528
Management Occupations	6	19.17%	\$62.89	\$100,624	1.6	\$160,998

Table 62: Health Care and Social Assistance (NAICS 62)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median Wage	Household Income Factor	Estimate Household Income
All Occupations	146	100.00%	\$18.16	\$29,056	1.6	\$46,490
Personal Care and Service Occupations	19	12.87%	\$11.18	\$17,888	1.6	\$28,621
Farming, Fishing, and Forestry Occupations	0	0.01%	\$11.34	\$18,144	1.6	\$29,030
Food Preparation and Serving Related Occupations	4	2.62%	\$11.58	\$18,528	1.6	\$29,645
Building and Grounds Cleaning and Maintenance Occupations	3	2.13%	\$11.95	\$19,120	1.6	\$30,592
Production Occupations	1	0.42%	\$12.22	\$19,552	1.6	\$31,283
Transportation and Material Moving Occupations	1	0.67%	\$12.31	\$19,696	1.6	\$31,514
Education, Training, and Library Occupations	4	2.74%	\$12.96	\$20,736	1.6	\$33,178
Healthcare Support Occupations	26	18.01%	\$13.73	\$21,968	1.6	\$35,149
Protective Service Occupations	1	0.38%	\$15.69	\$25,104	1.6	\$40,166
Sales and Related Occupations	1	0.38%	\$16.46	\$26,336	1.6	\$42,138
Office and Administrative Support Occupations	20	13.92%	\$16.63	\$26,608	1.6	\$42,573
Community and Social Service Occupations	8	5.47%	\$18.76	\$30,016	1.6	\$48,026
Installation, Maintenance, and Repair Occupations	1	0.74%	\$19.21	\$30,736	1.6	\$49,178
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.18%	\$23.49	\$37,584	1.6	\$60,134
Construction and Extraction Occupations	0	0.09%	\$25.22	\$40,352	1.6	\$64,563
Business and Financial Operations Occupations	2	1.69%	\$27.74	\$44,384	1.6	\$71,014
Healthcare Practitioners and Technical Occupations	48	32.98%	\$32.00	\$51,200	1.6	\$81,920
Legal Occupations	0	0.03%	\$33.12	\$52,992	1.6	\$84,787
Computer and Mathematical Occupations	1	0.67%	\$33.47	\$53,552	1.6	\$85,683
Life, Physical, and Social Science Occupations	1	0.55%	\$34.35	\$54,960	1.6	\$87,936
Architecture and Engineering Occupations	0	0.03%	\$34.78	\$55,648	1.6	\$89,037
Management Occupations	5	3.43%	\$41.87	\$66,992	1.6	\$107,187

Table 63: Accommodations (NAICS 72)

Occupation title	Employment	Percent of total employment	Median hourly wage	Annual Median Wage	Household Income Factor	Estimate Household Income
All Occupations	100	100.00%	\$10.57	\$16,912	1.6	\$27,059
Transportation and Material Moving Occupations	2	2.06%	\$9.78	\$15,648	1.6	\$25,037
Sales and Related Occupations	3	3.27%	\$10.06	\$16,096	1.6	\$25,754
Food Preparation and Serving Related Occupations	80	80.05%	\$10.35	\$16,560	1.6	\$26,496
Building and Grounds Cleaning and Maintenance Occupations	5	4.50%	\$11.10	\$17,760	1.6	\$28,416
Personal Care and Service Occupations	1	1.20%	\$11.16	\$17,856	1.6	\$29,570
Farming, Fishing, and Forestry Occupations	0	0.01%	\$11.48	\$18,368	1.6	\$29,389
Production Occupations	1	0.73%	\$11.81	\$18,896	1.6	\$30,234
Life, Physical, and Social Science Occupations	0	0	\$12.09	\$19,344	1.6	\$30,950
Office and Administrative Support Occupations	3	3.42%	\$12.30	\$19,680	1.6	\$31,488
Healthcare Support Occupations	0	0.07%	\$13.08	\$20,928	1.6	\$33,485
Protective Service Occupations	1	0.60%	\$13.26	\$21,216	1.6	\$33,946
Education, Training, and Library Occupations	0	0.01%	\$14.85	\$23,760	1.6	\$38,016
Installation, Maintenance, and Repair Occupations	1	0.92%	\$15.27	\$24,432	1.6	\$39,091
Arts, Design, Entertainment, Sports, and Media Occupations	0	0.13%	\$17.81	\$28,496	1.6	\$45,594
Community and Social Service Occupations	0	0	\$22.17	\$35,472	1.6	\$56,755
Construction and Extraction Occupations	0	0.04%	\$23.04	\$36,864	1.6	\$58,982
Business and Financial Operations Occupations	0	0.40%	\$23.83	\$38,128	1.6	\$61,005
Computer and Mathematical Occupations	0	0.03%	\$25.76	\$41,216	1.6	\$65,946
Healthcare Practitioners and Technical Occupations	0	0.04%	\$26.19	\$41,904	1.6	\$67,046
Management Occupations	3	2.52%	\$26.67	\$42,672	1.6	\$68,275
Architecture and Engineering Occupations	0	0	\$33.87	\$54,192	1.6	\$86,707
Legal Occupations	0	0	\$51.95	\$83,120	1.6	\$132,992

Step 6 – Estimates of Households that meet HUD Income Criteria (Affordability Model)

For this step, an affordability model was developed to determine the affordability of households by HUD’s income and levels. This step has been performed for each industry/land-use category and multiplied by the number of households demand by and type of land-use.

Table 64: Distribution of Employees by Income Group

Employment Category	VLI	VLI	VLI	Work
	<50%	50-60%	60-80%	120%
Office	83	43	30	142
Hotel/Food and Accommodation	94	0	1	5
Limited Service Hotel	4	0	7	1
Industrial	43	40	12	19
Commercial	172	22	1	10

The analysis adjusted employee and their wages into households by using a worker to household factor as shown below.

Table 65: Conversation of Jobs to Households

Employment Category	VLI	VLI	VLI	Work
	<50%	50-60%	60-80%	120%
Office	52	27	19	89
Hotel/Food and Accommodation	59	0	1	3
Limited Service	3	0	4	0
Industrial	27	25	8	12
Commercial	108	14	1	6
Workers Per Household	1.6	1.6	1.6	1.6

Table 66 shows the maximum household income for each income category.

Table 66: Summary of Household Income by Land Use

Households by Land Use	VLI	VLI	VLI	Work
	<50%	50-60%	60-80%	120%
Household Income (max)	\$40,754	\$48,905	\$65,206	\$97,810
Office	52	27	19	89
Hotel/Food and Accommodation	59	0	1	3
Limited Service Hotel	3	0	4	0
Industrial	27	25	8	12
Commercial (retail)	108	14	1	6
Total	247	66	32	110

ADJUSTMENT FOR COMMUTE RELATIONSHIP

Table 67 depicts the results of the analysis both before and after an adjustment for commute relationship. The American Community Survey (US Census) 2013-17 indicated that residents of Palm Beach Gardens hold only 11 percent of the jobs in the City. Therefore the commute factor used in this analysis is 11 percent. The estimates of households for each income category in a 100,000 square foot prototype building are adjusted downwards by this commute factor.

Table 67: Worker Households Adjusted for Commute Factor

Before Commute Adjustment	Industrial	Commercial	Office	Hotel	Limited Service Hotel
	Very Low (Under 60% of Median Income)	52	205	110	115
Low (60% to 80% of Median Income)	8	1	19	1	4
Moderate (80% to 120% of Median Income)	12	6	89	3	0
Total	72	212	218	119	7
After Commute Adjustment	11.0%				
Very Low (Under 60% of Median Income)	17	68	36	38	1
Low (60% to 80% of Median Income)	3	0	6	0	1
Moderate (80% to 120% of Median Income)	4	2	29	1	0
Total	24	70	72	39	2

Note: Residents of St. Petersburg hold 11% of the jobs in Palm Beach Gardens. The estimates of households for each income category in a prototypical 100,000 SF building are adjusted downwards by this commute factor.

TOTAL LINKAGE COSTS

Nonresidential Linkage Fees

The last step in the linkage fee analysis marries the findings on the numbers of households at each of the income ranges associated with the four types of buildings to the affordability gaps, or the costs of delivering housing in Palm Beach Gardens. The number of households associated with each building type, by income category, and is indicated on the left side of the table, are drawn from the end of the previous

section’s analysis, still assuming 100,000 sq. ft. buildings. The affordability gaps are from the prior discussion. The commercial development linkage fee per square foot shows the results of the calculation which is the number of units times the affordability gap, divided by 100,000 sq. ft. to bring the conclusion back to the per square foot level.

The total linkage costs are calculated for the total impacts, as indicated in the upper portion of the table, and after an adjustment for the fact that only a share of the worker households will seek housing in Palm Beach Gardens. The Census indicates that 11 percent of those who work in Palm Beach Gardens also live in the City. Therefore, the commute factor used in this analysis is 11 percent.

Tables 68 and 69 summarizes what SPG calculates as the maximum linkage fees for the new development by development sector based on new construction.

Table 68: Linkage Fee Based on New Construction Data

Before Commute Adjustment	Limited Servi					Gap	Affordability				Limited Service Hotel
	Industrial	Commercial	Office	Hotel	Hotel		Industrial	Commercial	Office	Hotel	
Very Low (Under 60% of Median Income)	52	121	70	59	3	-150,362	-\$78.00	-\$182.31	-\$105.36	-\$88.34	-\$3.76
Low (60% to 80% of Median Income)	8	1	19	1	4	-61,016	-\$4.58	-\$0.38	-\$11.44	-\$0.38	-\$2.67
Moderate (80% to 120% of Median Income)	12	6	89	3	0	81,936	\$9.66	\$5.12	\$72.72	\$2.56	\$0.26
Total	71	128	178	63	7		-\$72.92	-\$177.57	-\$44.09	-\$86.16	-\$6.17
After Commute Adjustment	11%						11%				
Very Low (Under 60% of Median Income)	6	14	8	7	0	-\$150,362	-\$8.81	-\$20.60	-\$11.91	-\$9.98	-\$0.42
Low (60% to 80% of Median Income)	1	0	0	0	0	-\$61,016	-\$0.52	-\$0.04	-\$1.29	-\$0.04	-\$0.30
Moderate (80% to 120% of Median Income)	1	1	10	0	0	\$81,936	\$1.09	\$0.58	\$8.22	\$0.29	\$0.03
Total	8	14	18	7	0		-8.24	-20.07	-4.98	-9.74	-0.70

The following Table summarizes the maximum linkage fee based on new construction costs.

Table 69: Summary Nonresidential Linkage Fee Based on New Construction Data

	Industrial	Commercial	Office	Hotel	Extended Stay
Rental					
Very low income	-\$8.81	-\$20.60	-\$11.91	-\$9.98	-\$0.42
Low income	-\$0.52	-\$0.04	-\$1.29	-\$0.04	-\$0.30
Moderate income	\$1.09	\$0.58	\$8.22	\$0.29	\$0.03
Rental	-\$8.24	-\$20.07	-\$4.98	-\$9.74	-\$0.70

Based on the methodology used in the analysis (Table 70), the maximum workforce housing linkage fee based on new housing costs are:

- an industrial land use the fee would be \$8.24 per square foot of building area;
- a commercial land use the fee would be \$20.07 per square foot of building area;
- an office land use the fee would be \$4.94 per square foot of building area;
- a hotel the fee would be \$9.74 per square foot of building area
- a limited or extended stay hotel fee would be \$0.70 per square foot of building area

The numbers in Table 70 present the total jobs housing linkage costs per square foot of building area for each of the building types. These total commercial development linkage costs represent the ceiling for

any requirements placed on new construction for workforce housing. The GAP analysis used 2019 MLS data. As shown in Table 70, only households earning over 80-120% percent of Palm Beach Gardens' median household income can afford Townhomes/condominiums (other income groups have deficits (red)). None of the household income groups should be able to afford single family housing.

The totals are not the recommended linkage fees. They should be considered as the maximums established by this analysis, which impact fees may be set.

Table 70: Linkage Fee Based on MLS Data

Before Commute Adjustment	Limited Ser					Gap	Affordability				Limited Service Hotel	
	Industrial	Commercial	Office	Hotel	Hotel		Industrial	Commercial	Office	Hotel		
Townhome												
Very Low (under 60% of Median Income)	52	121	79	59	3	-\$68,267	-\$35.41	-\$82.77	-\$53.73	-\$40.11	-\$1.71	
Low (60% to 80% of Median Income)	8	1	19	1	4	-\$9,356	-\$0.70	-\$0.06	-\$1.75	-\$0.06	-\$0.41	
Moderate (80% to 120% of Median Income)	12	6	89	3	0	\$108,465	\$12.79	\$6.78	\$96.26	\$3.39	\$0.34	
Total	71	128	186	63	7		-\$23.33	-\$76.05	\$40.77	-\$36.78	-\$1.78	
Single Family												
Very Low (Under 60% of Median Income)	52	40	3	59	3	-\$327,767	-\$170.03	-\$131.11	-\$9.83	-\$192.56	-\$8.19	
Low (60% to 80% of Median Income)	8	34	14	1	4	-\$182,894	-\$13.72	-\$62.18	-\$25.61	-\$1.14	-\$8.00	
Moderate (80% to 120% of Median Income)	12	39	92	3	0	-\$151,035	-\$17.81	-\$58.90	-\$138.95	-\$4.72	-\$0.47	
Total	71	113	109	63	7		-\$201.55	-\$252.19	-\$174.39	-\$198.43	-\$16.67	
After Commute Adjustment	11%						11%					
Townhome												
Very Low (Under 60% of Median Income)	6	13	9	6	0	-\$68,267	-\$3.90	-\$9.11	-\$5.91	-\$4.41	-\$0.19	
Low (60% to 80% of Median Income)	1	0	2	0	0	-\$9,356	-\$0.08	-\$0.01	-\$0.19	-\$0.01	-\$0.05	
Moderate (80% to 120% of Median Income)	1	1	10	0	0	\$108,465	\$1.41	\$0.75	\$10.59	\$0.37	\$0.04	
Total	8	14	20	7	1		-\$2.57	-\$8.37	\$4.49	-\$4.05	-\$0.20	
Single Family												
Very Low (Under 60% of Median Income)	6	4	0	6	0	-\$327,767	-\$18.70	-\$14.42	-\$1.08	-\$21.18	-\$0.90	
Low (60% to 80% of Median Income)	1	4	2	0	0	-\$268,856	-\$1.51	-\$6.84	-\$2.82	-\$0.13	-\$0.88	
Moderate (80% to 120% of Median Income)	1	4	10	0	0	-\$151,035	-\$1.96	-\$6.48	-\$15.28	-\$0.52	-\$0.05	
Total	8	12	12	7	1		-\$22.17	-\$27.74	-\$19.18	-\$21.83	-\$1.83	

Table 71: Summary Nonresidential Linkage Fee Based on MLS Data

	Industrial	Commercial	Office	Hotel	Extended Stay Hotel
Townhome					
Very low income	-\$3.90	-\$9.11	-\$5.91	-\$4.41	-\$0.19
Low income	-\$0.08	-\$0.01	-\$0.19	-\$0.01	-\$0.05
Moderate income	\$1.41	\$0.75	\$10.59	\$0.37	\$0.04
Total	-\$2.57	-\$8.37	\$4.49	-\$4.05	-\$0.20
Single Family					
Very low income	-\$18.70	-\$14.42	-\$1.08	-\$21.18	-\$0.90
Low income	-\$1.51	-\$6.84	-\$2.82	-\$0.13	-\$0.88
Moderate income	-\$1.96	-\$6.48	-\$15.28	-\$0.52	-\$0.05
Total	-\$22.17	-\$27.74	-\$19.18	-\$21.83	-\$1.83
Combined Average					
Very low income	-\$11.30	-\$11.76	-\$3.50	-\$12.80	-\$0.54
Low income	-\$0.79	-\$3.42	-\$1.50	-\$0.07	-\$0.46
Moderate income	-\$0.28	-\$2.87	-\$2.35	-\$0.07	-\$0.01
Total	-\$12.37	-\$18.05	-\$7.35	-\$12.94	-\$1.01

The maximum workforce housing linkage fee based on MLS housing sales are:

- an industrial land use the fee would be \$12.37 per square foot of building area;
- a commercial land use the fee would be \$18.05 per square foot of building area;
- an office land use the fee would be \$7.35 per square foot of building area;
- a hotel the fee would be \$12.94 per square foot of building area
- a limited or extended stay hotel fee would be \$1.01 per square foot of building area

Based on the analysis on nonresidential impacts using 2019 MLS data to define demand, only households having less than the median household income show a deficit. In averaging Townhome and Single Family linkages results in all land uses producing deficits.

The linkage fees shown in Table 72 are a realistic assessment of Palm Beach Gardens’ workforce housing market. They should be seen as a beginning point rather than the final fee structure. Most, if not all, governmental entities adjusted the final fees to reflect local economic and political conditions. Should the City adopt linkage/impact fees, those fees should be subject to CPI increases.

Table 72: Recommended Maximum Nonresidential Linkage Fee

	Industrial	Commercial	Office	Hotel	Extended Stay Hotel
MLS Average					
Very low income	-\$11.30	-\$11.76	-\$3.17	-\$12.80	-\$0.54
Low income	-\$0.79	-\$3.42	-\$1.50	-\$0.07	-\$0.46
Moderate income	-\$0.28	-\$2.87	-\$2.35	-\$0.07	-\$0.01
Total	-\$12.37	-\$18.05	-\$7.02	-\$12.94	-\$1.01
Construction					
Very low income	-\$8.81	-\$20.60	-\$11.91	-\$9.98	-\$0.42
Low income	-\$0.52	-\$0.04	-\$1.29	-\$0.04	-\$0.30
Moderate income	\$1.09	\$0.58	\$8.22	\$0.29	\$0.03
Total	-\$8.24	-\$20.07	-\$4.98	-\$9.74	-\$0.70
Average Combined					
Very low income	-\$10.06	-\$16.18	-\$7.54	-\$11.39	-\$0.48
Low income	-\$0.66	-\$1.73	-\$1.40	-\$0.05	-\$0.38
Moderate income	\$0.41	-\$1.14	\$2.93	\$0.11	\$0.01
Total	-\$10.30	-\$19.06	-\$6.00	-\$11.34	-\$0.86

The maximum workforce housing linkage fee based on averaging the new construction and MLS data are:

- **Industrial land use fee would be \$10.30 per square foot of building area;**
- **Commercial land use fee would be \$19.06 square foot of building area;**
- **Office land use fee would be \$6.00 per square foot of building area;**
- **Hotel fee would be \$11.34 per square foot of building area**
- **Limited or extended stay hotel fee would be \$0.86 per square foot of building area**

As discussed in this report, additional funds may be available from other funding sources like Community Development Block Grants (CDBG), Low Income Tax Credits (LIHTC), HOME, State Housing Initiative Program (SHIP), Community Contribution Tax Credit (CCTC), etc., to offset the cost of providing workforce housing.

In addition to fees generated with a commercial development linkage fees, there are a number of programs focused on establishing a workforce housing program including providing Accessory Dwelling Units, exemption or reduction of parking regulations, expedited development for permits, reduction in permit fees and impact fee credits, etc.

STRAIGHT WORKFORCE HOUSING PERMIT FEE

Winter Park was the first City in Florida to establish a workforce housing linkage fee that applied to all new construction (or major reconstruction) residential or commercial. The single fee (\$1 per square foot) was treated like all other “permit fees” and the revenues placed in the City’s Housing Trust Fund. The City of Jupiter recently enacted a linkage fee program using a single fee for residential and non-residential developments. SPG used this approach for the City of Palm Beach Gardens, in its development financial pro forma analysis on new construction (or major redevelopment/rehabs).

The City of Denver uses both a straight Workforce Housing Fee as well as Workforce Housing Residential Incentives. It uses a mandatory workforce housing incentive program as well as a “workforce housing permit type of fee” approach.

The City of Boulder uses a host of workforce housing revenue sources including a Housing Excise Fee. The fee is \$.23 per square foot for residential and \$.51 for non-residential.

COMBINED INCLUSIONARY ZONING AND LINKAGE FEE POLICY

Numerous communities combine Inclusionary Zoning (IZ) and Linkage Fees. As shown below, Seattle utilizes both approaches, an example of the policy is shown below.

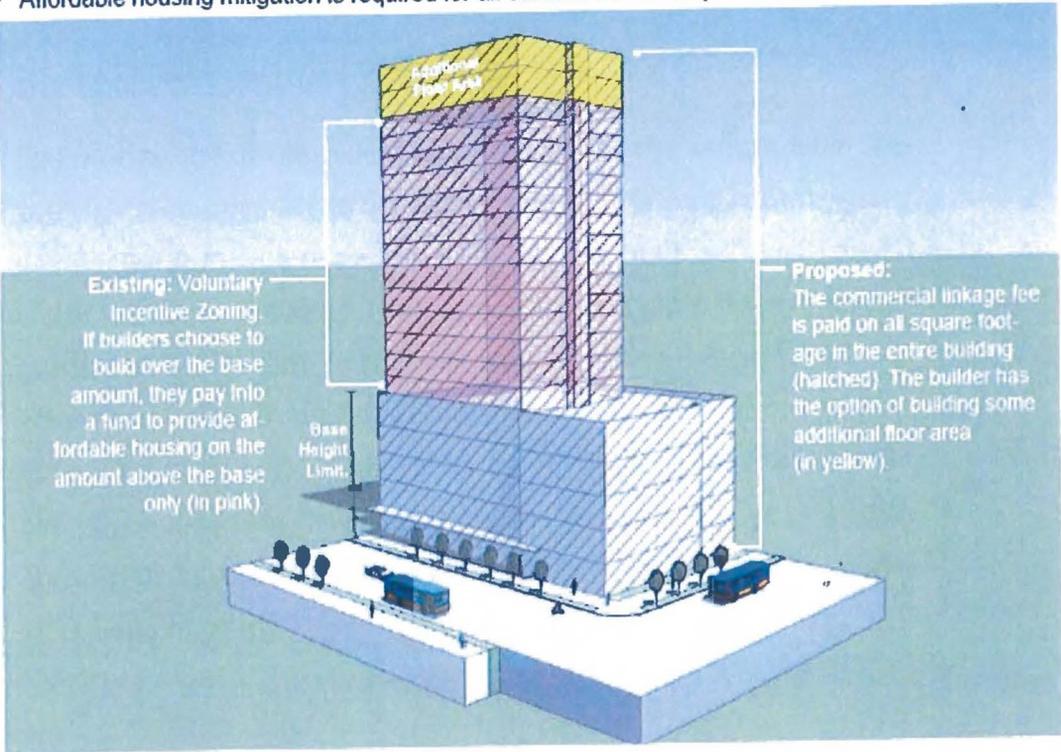
Figure 12: Seattle Combined IZ and Linkage Fee Program

Housing Seattle

Commercial Linkage Fee (housing impact mitigation)

- New commercial development pays a mitigation fee by the square foot (\$5 - \$17), or provides an equivalent amount of affordable housing on or off site.
- The amount of allowed commercial development is increased by about 1 Floor Area Ratio (FAR).
- Affordable housing mitigation is required for all commercial development on the site.





Existing: Voluntary Incentive Zoning. If builders choose to build over the base amount, they pay into a fund to provide affordable housing on the amount above the base only (in pink).

Proposed: The commercial linkage fee is paid on all square footage in the entire building (hatched). The builder has the option of building some additional floor area (in yellow).

Photo from the City of Seattle, 2015 <http://murray.seattle.gov/mayor-murray-councilmember-obrien-introduce-legislation-to-build-new-affordable-housing/#sthash.MqvlBjEw.dpbs>

CHAPTER 7: ACTION PLAN

The following section provides information on workforce housing strategies that could assist in the development of a more coherent workforce housing approach should there be a continued increase in transportation costs, interest rates, and the desire to provide for a higher density residential product within Palm Beach Gardens in the future. Workforce housing is defined in this report as households earning between 60 percent and 120 percent of the City’s median household income as defined by latest census data (ACS) inflated to 2019 dollars. This translates to monthly housing rental rates ranging from \$1,039 to \$2,078 and ownership housing from \$176,700 to \$353,500.

WORKFORCE HOUSING STRATEGIES

In addition to demographics, 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.

SPG recommends six (6) strategies to promote and retain workforce housing as it is required in the future:

- 1) Promote the development of accessory units as appropriate
- 2) Increase Densities and Adopt Appropriate Parking Requirements as appropriate
- 3) Create or Increase Local Funding for Workforce Housing, including linkage fees where appropriate
- 4) Waiver or delay Impact and related fees
- 5) Stabilize and Preserve Existing Workforce Housing
- 6) Utilize Where Appropriate White House Housing Toolkit

STRATEGY #1: PROMOTE THE DEVELOPMENT OF ACCESSORY UNITS

Where possible the City should allow for the creation of “accessory units/apartments” or “granny flats” on either a Citywide basis or on a project by project basis with new or redevelopment projects. Accessory apartments are a relatively easy to obtain source of 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.

National studies show that accessory units could increase the supply of rental housing by about 10 percent. Other positive effects are:

1. 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.
2. Young, first-time home buyers can use the extra income to help pay their mortgage payment.
3. Accessory units/apartments use surplus space in large older homes, thus making the most efficient use of the existing housing stock.
4. Accessory units/apartments encourage the upkeep of existing housing stocks since owners have extra income that can be applied to maintenance expenditures.

Accessory units/apartments offer renters workforce housing located in more desirable single-family neighborhoods. Studies have shown that parking and transportation impacts are minor when there is a requirement that the owner live in the primary residence. Accessory units are usually configured as studio apartments housing only one adult. If 10 percent of the City’s single family detached homes utilized accessory units, the City would have approximately 140 workforce priced studio/one bedroom units.

STRATEGY #2: INCREASE DENSITIES & ADOPT APPROPRIATE PARKING REQUIREMENTS

Increasing land use and zoning densities to allow for higher density residential development is the most basic technique for increasing the potential supply of housing and providing housing choices.

It is recommended that the City require mandatory inclusionary zoning where 10 percent of all residential construction (rental or ownership) over 10 units would be designated as workforce housing. To incentivize construction of workforce housing, the City would offer a density “bonus” of 20 percent. For example, a development would receive two (2) bonus “market rate” units for every one (1) “workforce” unit. This bonus provides a positive incentive (profit) for developing workforce housing. This approach is most suited for the TOD overlay.

Inclusionary housing ordinances work best when there is a ceiling on density (therefore making the bonus a real “bonus”). In some areas adjusting or eliminated Floor Area Ratio (FAR) requirements might be needed as an incentive to increase density.

The City should also ensure parking requirements are not excessive for the workforce housing portion of the development. Parking standards can have a significant effect on affordability because the cost of developing structured parking is between \$25,000 and \$35,000 or more per space. Excessive parking requirements reduce the number of units that can be provided, add to the per-unit costs, encourage auto use, and reduce the potential for other amenities.

STRATEGY #3: CREATE OR INCREASE LOCAL FUNDING FOR WORKFORCE HOUSING

Increasingly, communities are funding sources to help fill the gap between market grade and workforce housing. The City should consider the use of the following funding sources:

- A) **Workforce Housing Fee** is a very effective way to provide more support for workforce housing. Several communities (including the City of Winter Park, Florida) charge a straight housing fee on all construction. Winter Park, Florida adopted a mandatory housing impact fee in 1990 for all new residential and non-residential construction and substantial renovation projects, exempting non-profit organizations. The fees go into a housing trust fund. The advantage to this approach is its simplicity and ability to collect fees when building uses change or updated upon issuance of a building permit.

- B) **Jobs/Housing Linkage Fees:** The City can establish a job/housing linkage program that requires new industrial, commercial, hotel and office development (i.e. any nonresidential development) to aid in the development of new housing affordable to moderate income households. In a linkage program, the city establishes in-lieu fees, or allows the developer to provide (or cause to be provided) a certain number of workforce housing units. The amount of housing or in-lieu fees provided is usually related to the size of the new non-residential development project. The fees are deposited into a housing trust fund. The Cities of Coconut Creek, Jupiter and Miami-Dade Florida have adopted linkage fees. Before considering this approach, the City needs to ascertain the cost of the linkage fee on non-residential development and what impact the increased cost may have on attracting nonresidential development to the City.

C) Inclusionary Housing (Density Bonuses)³⁸:

The City should consider mandatory inclusionary zoning or density bonuses. 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 available to moderate-income home buyers. This technique should be applied to both rental and owned units, and single- or multi-family housing projects. Today, inclusionary zoning 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, west coast and now in Florida). Studies have shown that voluntary inclusionary zoning has not been effective. The most effective communities have use mandatory inclusionary zoning with density bonuses (15-20 percent).

The City of Tallahassee has inclusionary zoning and in South Florida, Broward and Miami-Dade Counties are exploring the feasibility of inclusionary ordinances (both voluntary and non-voluntary). The City of Tallahassee's Inclusionary Ordinance includes an In-Lieu Fees option that allows developers to pay a fee instead of directly producing workforce housing units. The money is paid to a government entity or workforce housing trust fund to be used for the production of workforce units elsewhere.

Tallahassee revised its Inclusionary Ordinance to improve aspects that had limited the effectiveness of the original ordinance. The Revised Inclusionary Housing Strategy expands its boundaries to include unincorporated Leon County. It also decreased the threshold for applicable developments from 50 units to 25; bases the fee-in-lieu on a progressive scale as an incentive to produce workforce housing stock; and does not allow large developments of more than 100 residential units to pay the fee-in-lieu of providing workforce units.

Tallahassee found that its original density bonus, a 10 percent increase in maximum density, was insufficient to make workforce housing development attractive to developers. A well-crafted inclusionary zoning ordinance must have data and an argument that establishes a rational nexus between the construction of higher-priced housing and the lack of workforce housing and negative social and economic consequences. The inclusionary zoning ordinance, should be mandatory, requiring developers to build a specified number of workforce units, 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 workforce housing units.

The inclusionary zoning ordinance should contain provisions defining income eligibility requirements, criteria used for determining the pricing of workforce units, restrictions on the resale of workforce 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.

It should be noted that Florida through HB 7103 has mandated Cities that have enacted Inclusionary Zoning to ensure that the developer cost for implementing IZ policies be mitigated (developer shall be made whole) by using numerous policies defined in this report.

D) Other Sources: Other local sources the City could utilize include municipal bonds, local taxes, and revenues. Many jurisdictions have established Housing Trust Funds with a dedicated source of on-going public revenue such as the real estate transfer tax or jobs-housing linkage fees. This can be

³⁸ See Appendix A and B for model Inclusionary Ordinances

done by raising special taxes or redirecting the revenues of existing taxes. It is also common to receive additional funds such as appropriations or contributions from a community's general fund. Communities can also use General Obligation (GO) Bonds, Mortgage Revenue Bonds (MRBs) and/or Tax-Exempt Revenue Bonds.

STRATEGY #4: WAIVER OF IMPACT AND RELATED FEES

Fee reductions or waivers reduce developer's upfront costs and can help to support the construction of higher density workforce housing units (apartments). To use impact fee reductions and/or waivers, the City will need to review all its current impact fees and exaction requirements to determine where reductions and/or waivers for workforce housing projects may be appropriate.

Palm Beach Gardens and Palm Beach County have relatively high impact fees. Recognizing that assessments/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. Examples include the City of Pasadena, CA; and Denver, CO. Polk County provides for a 50 percent reduction in county impact fees for qualifying workforce housing with a seven-year commitment of maintaining the units as workforce housing.

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.

STRATEGY #5: STABILIZE AND PRESERVE EXISTING WORKFORCE HOUSING STOCK

With housing costs rising rapidly, stabilizing the existing supply of workforce housing is often the first priority. Acquisition by building tenants or a non-profit organization is often needed to preserve this housing as affordable.

Housing Trust Fund

The City could consider creating a housing trust fund dedicated to developing workforce housing. Uses for housing trust funds include housing construction and rehabilitation, land acquisition and site development, mortgage loan financing, reduction of interest rates for construction loans, and residential conversion of commercial structures. Revenues from linkage fees, "in lieu of" funds, straight workforce housing fees would be placed in a Housing Trust Fund. Municipalities are increasingly looking for innovative ways to monetize local housing trust funds. The City of Key West has increased their hourly parking fees by three dollars an hour and earmarked the funds for workforce housing. Similarly, in Tennessee, a municipality is using taxes on short-term rental units (such as Airbnb and VRBO) to fund their local housing trust fund.

Community Land Trusts

A Community Land Trust, a nonprofit organization, buys land and existing houses or builds new houses and then sells or leases (often with an option to buy) the housing to residents at workforce prices. This technique could be useful in Palm Beach Gardens given the relatively high land values.

A community land trust (CLT) is a democratically controlled nonprofit organization that owns real estate to provide benefits to its local community - and to make land and housing available to residents who cannot otherwise afford them.

Sometimes community land trusts acquire vacant land and arrange for the development of housing or other structures on it. At other times, community land trusts acquire land and buildings together. In both cases, community land trusts treat land and buildings differently. The land is held permanently by the land trust so that it will always benefit the community. Buildings can be owned by those who use them.

Buildings on community land trust land may serve different needs, but, when possible, community land trusts help people to own their own homes on this land. When a community land trust sells homes, it leases the underlying land to the homeowners through a long-term (usually 99-year) renewable lease, which gives the residents and their descendants the right to use the land for as long as they wish to live there.

When community land trust homeowners decide to move out of their homes, they can sell them. However, the land lease requires that the home be sold either back to the community land trust or to another qualified income household, and for an affordable price. The lease lays out a "resale formula" that determines the maximum allowable price. There are several types, but the majority of community land trusts use what are called "appraisal-based" formulas. These formulas set the maximum price as the sum of what the seller paid for the home in the first place plus a certain percentage of any increase in market value (as measured by appraisals). Variations on these and other types of formulas are possible. Community land trusts have been established by a variety of local groups, including neighborhood associations, religious coalitions, community development corporations, local governments, and groups of concerned citizens. It is common for community land trusts to work in cooperation with local governments in meeting present and future community needs.

Although community land trusts are usually created "from scratch", as newly formed, autonomous corporations, some have been established as successors, affiliates, or programs of an older nonprofit organization. Many community land trusts are initiated through the sponsorship of other organizations, or emerge out of other organizations. Most community land trusts, regardless of how they were created, cooperate with the efforts of other organizations in their community. Burlington, Vermont's community land trust, for instance, works closely with a network of organizations that address the area's housing and community development needs. In a number of communities, it is common for community land trusts to acquire housing (or the land beneath housing) that has been built or rehabilitated by other not-for-profit (or sometimes for-profit) organizations.

Most community land trusts have the following features:

- Nonprofit, tax exempt corporation
- Dual ownership
- Leased Land
- Perpetual Affordability
- Perpetual Responsibility
- Community Base
- Resident Control
- Tripartite Governance
- Flexible Development

Shared Equity

A short term solution to preserving existing workforce housing units would be to implement shared equity into the City's existing housing programs. The concept of shared equity, restricting the home value appreciation that flows to the homeowner on resale, can be controversial. Some economists object to any

limitation on appreciation as an infringement of private property rights, while others see it as hindering the ability of qualified income households to build wealth, a goal that is certainly a legitimate one. These are not frivolous concerns. It is important to remember, however, that these homeownership opportunities were created as a result of public subsidy or other public intervention, as in the case of an inclusionary unit. Sharing the equity is a reasonable quid pro quo, in light of the considerable shelter value that the homebuyer has gained as a result of the public subsidy or intervention, and the public policy value of preserving workforce housing for future generations. An example of “shared equity” would be if the City contributed 10 percent of the purchase a unit (down payment assistance or other contribution of equal value) then on the sale of said unit, the City (Workforce Housing Trust Fund would receive 10 percent of any equity earned.

STRATEGY #6: UTILIZE WHERE APPROPRIATE WHITE HOUSE HOUSING TOOLKIT

The White House Housing Development Toolkit was published in September, 2016 and lists 10 tools to promote more workforce housing by removing local barriers to housing development. Several of these tools/strategies have already been adopted by the City:

- 1) **Establish by Right Development.** “As-of-right” or “by-right” development allows projects to be approved administratively when proposals meet local zoning requirements. Such streamlining allows for greater certainty and more efficient development and, depending on a locality’s regulatory approach, supports lessening of barriers from density limits and other zoning requirements. The Toolkit references a 2014 report by the Urban Land Institute that concludes that “municipalities can facilitate more efficient development time frames and reduce costs by enabling more by-right development. This can be accomplished by relaxing restrictions related to density, building height, unit size, and parking minimums, thereby freeing developers from the need to seek waivers, variances, or rezoning.” This should be considered when and if the City rewrites it’s Land Development Regulations³⁹.
- 2) **Tax Vacant Land or Donate It to Non-profit Developers.** The City does charge ad valorem taxes on vacant land. Many localities increase the fees the longer a property remains vacant, which encourages lot owners to put their properties to more productive use, such as redevelopment. Once vacant property has been identified, jurisdictions are able to take action to combat the lost revenue and blight that come with vacant property by taxing vacant land or donating to non-profit developers.
- 3) **Streamline or Shorten Permitting Processes and Timelines.** The City is already utilizing this strategy as it has expedited permitting. See earlier comments.
- 4) **Eliminate Off-Street Parking Requirements.** The City does allow for developers to deviate from existing requirements. The biggest impact of this strategy will be for multi-family housing. See earlier comments.
- 5) **Enact high density and multifamily zoning.** The City is currently addressing this.
- 6) **Allow Accessory Dwelling Units.** SPG recommends that it should be pursued as it has been highly successfully throughout the country. See earlier comments.
- 7) **Establish Density Bonuses.** The major concern is that this does not work if there is unlimited density or density has an established ceiling and bonus could not increase the ceiling. See earlier comments.
- 8) **Employ Inclusionary Zoning.** See earlier comments.
- 9) **Establish Development Tax or Value Capture Incentives.** The City could provide tax incentives for developers who construct workforce housing as another avenue to incentivize development; such

incentives have been demonstrated to spur development, and have recently been adopted in Seattle. The Seattle Multi-family Tax Exemption Program, which was modified and renewed in 2015, provides property owners and developers a tax exemption on new multi-family buildings that set aside 20-25 percent of the homes as income- and rent-restricted for 12 years; currently approximately 130 properties in Seattle are participating in the program and an additional 90 are expected to begin leasing MFTE units between 2016 and 2018.

- 10) **Use Property Tax Abatements.** Like tax incentives, the City might consider property tax abatements or exemptions to encourage the construction of workforce housing and spur development more generally, by including abatements to workforce housing production during the development phase. In 1985, Oregon adopted an approach to provide property tax abatements to properties in which units will be exclusively available to eligible low-income individuals or to vacant land intended to be developed as low-income housing. Philadelphia offers tax abatement from real estate tax for up to 30 months during the construction of residential housing.

CHAPTER 8: PROPOSED PALM BEACH GARDENS WORKFORCE HOUSING TOOLKIT

Strategic Planning Group, Inc. recommends the following workforce housing toolkit be used by the City of Palm Beach Gardens. The need for workforce housing within both the County and City is well documented. This report defines the need for workforce housing based on City of Palm Beach Gardens metrics⁴⁰.

The City of Palm Beach Gardens is affluent both in terms of its residents as well as employers. The City's 2019 median family income was estimated at \$103,704 and its median household income was \$81,508⁴¹. As reported by the ACS, the median value of owner occupied homes in Palm Beach Gardens was \$350,500 (as of July 2019). As reported by the Palm Beach Realtor Association, the median sales price for a single family home was \$504,500 as of July 2019 and an average two-bedroom apartment rented for \$1,844.

Eastern Palm Beach Gardens is built-out and new development will be urban infill or redevelopment, which will result in high development costs due to rising land and development cost including demolitions. The cost of single family detached housing is among the highest in the County and even with the City's high median household income it is not and will not be affordable as workforce housing. Current median sales prices of townhouses/condominiums (\$245,500) are affordable to households earning 80 percent of the City's median household income (\$81,508). SPG recommends that the City consider defining workforce housing as 60 to 120 percent of median household income.

INCLUSIONARY HOUSING PROGRAM (ZONING)

The City could pursue the development of Inclusionary zoning (IZ) policies. IZ policies typically give market-rate developers density bonuses or other incentives in exchange for building or funding workforce housing. Implementing an IZ program has become more complicated given the State of Florida's mandate that all developer costs in implementing such programs be fully mitigated by local governments. That said, this report recommends that the program be mandatory where possible (TOD Overlay). Bonus densities, expedited permitting, permit and parking cost reductions are some of the tools that can be used to mitigate developer costs.

RESIDENTIAL LINKAGE FEE

This report suggests that a mandatory (10%) workforce housing linkage fee be assessed to all new residential developments over 10 units. For example, an apartment development of 150 units must provide 15 workforce units. The developer, working with the City could receive FAR, parking, impact and permit fee waiver or reductions, etc., and workforce units could be smaller than market grade units but not less than 600 sq. ft. for one-bedroom units, and 750 sq. ft. for two bedroom units or as decided by the City.

City workers, teachers and heads of households that work within Palm Beach Gardens would be given first right of refusal for workforce housing units⁴².

Condominiums currently present problems in implementing residential linkage programs because: 1) current credit criteria make it difficult for buyers to obtain condominium mortgages; 2) higher priced

⁴⁰ American Community Survey (ACS) 2011-2017;; REIS, Inc. Apartment Data, 1rd Qtr. 2019; Palm Beach County Board of Realtor Data.

⁴¹ ACS 2011-12

⁴² Subject to credit approval

condominium developments (over \$750,000 per unit) present socio economic issues as well as difficulties with allocating the cost of amenities and common area fee assessments. It is recommended that an “in lieu of” fee of \$100,000 per workforce condominium housing unit be charged and deposited in the new (proposed) City Housing Trust Fund. Condominium and townhouse developments could receive FAR, parking, impact and permit fee waiver or reductions, etc., if units are part of the development (does not apply to “in lieu of fee”) and workforce units could be smaller than market grade units but not less than 600 sq. ft. for one-bedroom units, and 750 sq. ft. for two bedroom units or as decided by the City. City workers, teachers and heads of households that work within Palm Beach Gardens would be given “first right of refusal” for workforce housing units.

BONUS DENSITY

Where feasible (TOD Overlay), the City would allow for a 20 percent density for the mandatory workforce housing units. For example, if current zoning allows for a maximum 80 units per acre, the Workforce Housing Bonus would allow the developer to construct up to 96 units (20% bonus) of which 10 percent or 8 units would be available to households earning 60 percent to 120 percent of the City’s median household income. The developer, working with the City could receive FAR, parking, impact and permit fee waiver or reductions, etc., and workforce units could be smaller than market grade units but not less than 600 sq. ft. for one-bedroom units, and 750 sq. ft. for two bedroom units or as decided by the City.

City workers, teachers and heads of households that work within Palm Beach Gardens would be given “first right of refusal” for workforce housing units.

NON RESIDENTIAL LINKAGE FEE

As described earlier in this report numerous communities throughout the nation and in Florida (Winter Park, Tallahassee, Delray Beach, Coconut Creek, etc.) have enacted nonresidential workforce housing linkage fees. This report recommends the findings discussed earlier and shown below. The City would charge a linkage fee for each type of land use summarized below on all new construction. An alternative would be to charge a singular average linkage fee (\$1 to \$5 per square feet as shown below) to all nonresidential developments. The fee would be subject to an escalator (for example CPI inflator).

ACCESSORY UNITS (GRANNY FLATS)

As described earlier in this report, it is highly recommended that the City allow for the development of Accessory Units or “Granny Flats” where appropriate⁴³. In conversations with staff and stakeholders this type of housing was provided at one time in the City. The City does allow for accessory units but those units are limited in use (for example there can be no kitchen and the unit must be used by a family member). These conditions would need to be modified to truly be defined as true “Granny Flat” type of accessory units. This type of workforce housing has been shown to be one of, if not the most successful provider of workforce housing where utilized. Not only does it provide workforce housing but it also helps older households with granny flats earn extra income and therefore stay in place. This assists with provision of senior housing.

STRAIGHT WORKFORCE HOUSING PERMIT FEE

As also discussed earlier in this report, the City of Winter Park was the first City in Florida to establish an workforce housing linkage fee that applied to all new construction (or major reconstruction) residential or commercial. The single fee (\$1 per square foot) was treated like all other “permit fees” and the revenues

⁴³ Most Homeowner Associations do not allow ADUs.

placed in the City's proposed Housing Trust Fund. One approach, for the City of Palm Beach Gardens, would be to and apply it to all new construction (or major redevelopment/rehabs).

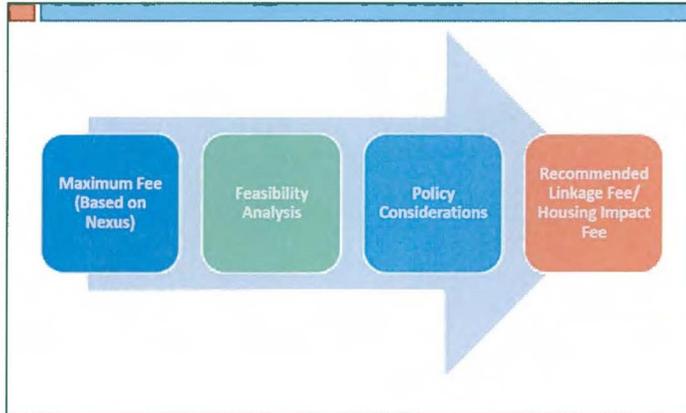
The City of Denver uses both a straight Workforce Housing Fee as well as Workforce Housing Residential Incentives. It uses a mandatory workforce housing incentive program as well as a "workforce housing permit type of fee" approach.

The City of Boulder uses a host of workforce housing revenue sources including a Housing Excise Fee. The fee is \$.23 per square foot for residential and \$.51 for non-residential

OTHER WORKFORCE HOUSING TRUST FUND REVENUE

The report discussed other sources of workforce housing funds or alternatives. This includes working with some of the major City employers to assist in supporting workforce housing, utilizing housing trust funds so that the City would receive an equity position in housing developed with workforce housing funds so that the fund could become a revolving account as well as other fee sources like increased parking revenues, etc.

CHAPTER 9: LINKAGE FEE IMPACT ON DEVELOPMENT



PRO FORMA ANALYSIS

SPG prepared a financial feasibility analysis of the various development prototypes using a pro forma model that measures the return on cost (ROC) and return on equity (ROE). Discussions of the various metrics used are described below:

CAP Rate: The capitalization rate, often referred to as the "cap rate", is a fundamental concept used in the world of commercial real estate. It is the rate of return on a real estate investment property based on the income that the property is expected to generate. This metric is used to estimate the investor's potential return on an investment⁴⁴. This analysis uses cap rates to estimate the fair market value of the various development prototypes. The analysis uses cap rates obtained from nationalcaprate.com for the Tampa Bay area.

Return on Cost (ROC): A cash-on-cash return is a rate of return often used in real estate transactions that calculates the cash income earned on the cash invested in a property. Put simply, cash-on-cash return measures the annual return the investor made on the property in relation to the amount of mortgage paid during the same year⁴⁵. This study uses the stabilized net operating income for each prototype divided by the total estimated development cost. The study assumes the ROC should be at least 1.5% above the local cap rate.

Return of Equity (ROE): This ratio is a fundamental financial measurement used in calculating the annual rate of return on the "net" equity (or "trapped equity") in a property. Return on Equity helps an investor understand if a property should continue to be held. It is defined as the capitalized net operating income less total development costs divided by the amount of equity invested and then divided by the estimated term of the investment.

DESCRIPTION OF PROTOTYPES USED IN THE ANALYSIS

Table 67 on the next page describes the various development profiles used in the financial analysis. It should be noted that for both the hotel and office analysis, SPG used two separate types of developments: regular development and Downtown Development (DC).

The following tables provide operation information that forms the basis of the pro forma financial analysis of each development prototype. The two most important factors that could impact the analysis are land costs and revenue generation.

⁴⁴ <https://www.investopedia.com/terms/c/capitalizationrate.asp>

⁴⁵ www.investopedia.com/terms/c/cashoncashreturn.asp

Table 73: Prototype Description

	Hotel	Hotel DC	Retail/ Restaurant/ Services	Office	Office DC	Industrial	Apartment
Prototype Description							
Gross Building Area (GBA)	100,000	100,000	25,000	50,000	50,000	150,000	150,000
Podium Parking Area	0	11,250	0	0	30,000	0	0
Gross Building Area including Parking	100,000	111,250	25,000	50,000	80,000	150,000	225,000
Net Leasable Sq. Ft. (%)	na		100%	90%	90%	100%	90%
Net Leasable Sq. Ft. (NSF)	100,000	100,000	25,000	45,000	45,000	150,000	135,000
Hotel Rooms	150	150					
Room Size	380						
Number of Apartments							150
Site Coverage	75%	75%	60%	75%	75%	45%	40%
Building SF	100,000	145,000	25,000	50,000	50,000	150,000	150,000
Parking Spaces							
Podium Spaces	0	38	0	0	100	0	0
Surface Spaces	150		1,125	167	0	50	225
Floor Area Ratio	2.00	2.00	0.20	2.00	2.00	0.4	1.00
Land Area (acres)	1.1	1.3	1.0	1.5	1.5	7.7	8.6
Land Area (SF)	50,000	55,625	41,667	66,667	66,667	333,333	375,000
Land Cost @ acre							
SF	\$700,000	\$1,100,000	\$700,000	\$700,000	\$1,100,000	\$450,000	\$600,000
	\$16.07	\$25.25	\$16.07	\$16.07	\$25.25	\$10.33	\$13.77
Equity	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Loan	0.7	0.7	0.7	0.7	0.7	0.7	0.7

As shown below, both the downtown developments, hotel and office, assume podium parking rather than on surface parking.

Table 74: Development Assumptions

Development Assumptions	Metric	Hotel	Hotel DC	Retail/ Restaurant/ Services	Office	Office DC	Industrial	Apartment
Direct Costs								
Building & On-Site Improvements	per sq. ft. of GBA	\$180	\$200	\$120	\$150	\$180	\$50	\$125
Parking Costs - Podium (1)	per space	\$24,000	\$24,000			\$24,000	na	
Parking Costs - Surface	per space	\$2,500		\$2,500	\$2,500		\$0	\$2,500
Indirect Costs								
Tenant Improvements	per NSF	\$0	\$0	\$25	\$40	\$50	\$0	\$0
Cap Rate	5.0% - 7.5%							
Return on Cost	7% to 8%							

(1) carlwalker.com, 2017 Miami costs inflated

Table75: Revenue Assumptions

Prototype	Metric	Input	Steady State
Hotel			
Gross Annual Room Income	RevPAR (1)	\$54,750	\$8,212,500
Gross Annual Other Income (10%)	Per Room	\$5,475	\$821,250
Less: Vacancy	25%	\$15,056	-\$2,258,438
Less: Operation Expenses	70%	\$48,043	-\$4,742,719
Annual Net Income			\$2,032,594
(1) revenue per available room			
Hotel Downtown			
Gross Annual Room Income	RevPAR	\$73,000	\$10,950,000
Gross Annual Other Income (20%)	Per Room	\$14,600	\$2,190,000
Less: Vacancy	25%	\$21,900	-\$3,285,000
Less: Operation Expenses	70%	\$67,890	-\$6,898,500
Annual Net Income			\$2,956,500
Retail/Restaurant/Services			
Revenues and Expenses			
Monthly Rent-Triple Net	per NSF	\$30	\$750,000
Operating Expenses	% of Gross	40%	-\$300,000
Vacancy Rate	% of Gross	5%	-\$37,500
Estimates			
Net Square Footage		25,000	25,000
Annual Gross Revenues		\$750,000	750,000
Operating Expenses		(\$300,000)	-300,000
Vacancy Rate		(\$37,500)	-37,500
Annual Net Operating Income		\$412,500	\$412,500
Office			
Revenues and Expenses			
Monthly Rent-Triple Net	per NSF	\$25	\$1,125,000
Operating Expenses	% of Gross	25%	-\$281,250
Vacancy Rate	% of Gross	5%	-\$56,250
Estimates			
Net Square Footage		45,000	45,000
Annual Gross Revenues		\$1,125,000	\$1,125,000
Operating Expenses		(\$281,250)	-\$281,250
Vacancy Rate		(\$56,250)	-\$56,250
Annual Net Operating Income		\$787,500	\$787,500
Office Downtown			
Revenues and Expenses			
Monthly Rent-Triple Net	per NSF	\$35	\$1,575,000
Operating Expenses	% of Gross	20%	-\$315,000
Vacancy Rate	% of Gross	5%	-\$78,750
Estimates			
Net Square Footage		45,000	45,000
Annual Gross Revenues		\$1,575,000	\$1,575,000
Operating Expenses		(\$315,000)	-\$315,000
Vacancy Rate		(\$78,750)	-\$78,750
Annual Net Operating Income		\$1,181,250	\$1,181,250
Industrial			
Revenues and Expenses			
Monthly Rent-Triple Net	per NSF	\$7	\$1,080,000
Operating Expenses	% of Gross	0%	\$0
Vacancy Rate	% of Gross	0%	\$0
Estimates			
Net Square Footage		150,000	\$150,000
Annual Gross Revenues		\$1,080,000	\$1,080,000
Operating Expenses		\$0	\$0
Vacancy Rate		\$0	\$0
Annual Net Operating Income		\$1,080,000	\$1,080,000
Residential Rental (2 Bedroom)			
Revenue and Expenses			
Monthly Rent	per NSF	\$1.97	\$3,186,000
Operating Expenses	% of Gross	0.45	-\$1,433,700
Vacancy Rate	% of Gross	5%	-\$159,300
Annual Net Operating Income		\$2.47	\$1,593,000

FINANCIAL ANALYSIS

As shown in Table 76, none of the development prototypes are financially feasible using maximum linkage/impact fees.

The analysis also analyzed the financial effects of implementing a range of impacts fees from \$1 per square gross foot of development to \$5 per square gross foot. Based the assumptions given, this level of impact fee has minor effects on the financial performance of each prototype.

Table 76: Development Feasibility

Metric	Hotel		Hotel-DC		Retail/Restaurant/ Services		Office		Office-DC		Industrial		Apartment (2 Bedroom)	
	per SF of GBA	Total	per SF of GBA	Total	per SF of GBA	Total	per SF of GBA	Total	per SF of GBA	Total	per SF of GBA	Total	per SF of GBA	Total
Development Costs														
Land (1)	\$16.07	\$803,489	\$25.25	\$1,404,672	\$30.00	\$669,575	\$21.43	\$1,071,319	\$33.67	\$1,683,502	\$22.96	\$3,443,526	\$16.44	\$3,698,000
Direct Costs														
Building & On-Site Improvements	\$180	\$18,000,000	\$220	\$29,000,000	\$120	\$3,000,000	\$150	\$7,500,000	\$175	\$9,000,000	\$50	\$7,500,000	\$144	\$44,444,800
Parking (Surface)	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Podium/Structured	\$24,000	\$0	\$0	\$900,000						\$2,400,000				
Total Direct Costs	\$180	\$18,000,000	\$220	\$29,900,000	\$120	\$3,000,000	\$150	\$7,500,000	\$175	\$11,400,000	\$50	\$7,500,000	\$144.00	\$44,444,800
Indirect Costs (2)														
Hotel Indirect Costs @ 25%	\$45.00	\$4,500,000	\$50.00	\$7,250,000										
Retail Indirect Costs @ 25%					\$30.00	\$750,000								
Office Indirect Costs @ 20%							\$30.00	\$1,500,000	\$45.60	\$2,280,000				
Industrial Indirect Costs @ 25%										\$12.50	\$1,875,000			
Apartment Indirect Costs @ 25%												\$13.31	\$8,888,960	
Total Indirect Costs	\$45.00	\$4,500,000	\$50.00	\$7,250,000	\$30.00	\$750,000	\$30.00	\$1,500,000	\$45.60	\$2,280,000	\$12.50	\$1,875,000	\$13.31	\$8,888,960
Total Development Costs (TDC) without Nexus Fees														
No Fee	\$233	\$23,303,489	\$386	\$38,554,672	\$177	\$4,419,575	\$201	\$10,071,319	\$307.27	\$15,363,502	\$85	\$12,818,526	\$205	\$57,031,760
Maximum Linkage Fees	\$46.74	\$4,674,000	\$46.74	\$4,674,000	\$78.81	\$1,970,250	\$62.79	\$3,139,500	\$62.79	\$3,139,500	\$41.30	\$6,195,000	\$33.94	\$9,427,853
Total Development Costs (TDC)	\$280	\$27,977,489	\$432	\$43,228,672	\$256	\$6,389,825	\$264	\$13,210,819	\$264	\$10,503,002	\$127	\$19,013,526	\$239	\$66,459,613
Linkage Fee (\$1 per GBA)	\$1.00	0.429% \$100,000	0.259% \$100,000	0.566% \$25,000	0.496% \$50,000	0.325% \$50,000	1.170% \$150,000	0.487% \$308,644						
		\$234 \$23,403,489	\$387 \$38,654,672	\$178 \$4,444,575	\$202 \$10,121,319	\$308 \$15,413,502	\$86 \$12,968,526	\$206 \$57,340,404						
Linkage Fee (\$5 per GBA)	\$5.00	2.146% \$500,000	1.297% \$500,000	2.828% \$125,000	2.482% \$250,000	1.627% \$250,000	5.851% \$750,000	2.090% \$1,543,222						
		\$238 \$23,803,489	\$391 \$39,054,672	\$182 \$4,544,575	\$206 \$10,321,319	\$312 \$15,613,502	\$90 \$13,568,526	\$210 \$58,574,982						
Equity Loan (mortgage)	30% 70%	\$70 \$6,991,047 \$163 \$16,312,443	\$116 \$11,566,402 \$270 \$26,988,270	\$53.03 \$1,325,872 \$123.75 \$3,093,702	\$60.43 \$3,021,396 \$141.00 \$7,049,923	\$92.18 \$4,609,051 \$215.09 \$10,754,451	\$25.64 \$3,845,558 \$59.82 \$8,972,968	\$61.59 \$17,109,528 \$798.44 \$39,922,232						
Revenue														
Gross Income						\$750,000								
Annual Net Operating Income Per Room or NSF	\$20.33	\$2,032,594 \$13,551	\$29.57	\$2,956,500	\$8.25	\$750,000 \$16.50	\$15.75	\$787,500	\$23.63	\$1,181,250	\$7.20	\$1,080,000	\$17.55	\$4,875,774
CAP (3)		5.50%	5.50%	5.43%	5.44%	5.44%	4.74%	5.37%						
Maximum Value	\$369.56	\$36,956,250	\$537.55	\$53,754,545	\$303.87	\$7,596,685	\$96.51	\$14,476,103	\$144.76	\$21,714,154	\$151.90	\$22,784,810	\$90	\$90,796,542
Less Development Cost	-\$233.03	-\$23,303,489	-\$385.55	-\$38,554,672	-\$176.78	-\$4,419,575	-\$67.14	-\$10,071,319	-\$102.42	-\$15,363,502	-\$85.46	-\$12,818,526	-\$57.03	-\$57,031,760
Profit Before Fees (NSF)	\$136.53	\$13,652,761	\$152.00	\$15,199,874	\$127.08	\$3,177,111	\$29.37	\$4,404,784	\$42.34	\$6,350,653	\$66.44	\$9,966,284	\$33.76	\$33,764,782
Fees as % of TDC														
No Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
Maximum Linkage Fees	20.06%	\$4,674,000	12.12%	\$4,674,000	44.58%	\$1,970,250	31.17%	\$3,139,500	20.43%	\$3,139,500	48.33%	\$6,195,000	16.53%	\$9,427,853
\$1.00	0.43%	\$100,000	0.26%	\$100,000	0.57%	\$25,000	0.50%	\$50,000	0.33%	\$50,000	1.17%	\$150,000	0.49%	\$277,780
\$5.00	2.15%	\$500,000	1.30%	\$500,000	2.83%	\$125,000	2.48%	\$250,000	1.63%	\$250,000	5.85%	\$750,000	2.44%	\$1,388,900
Equity Investment Analysis														
Equity as % TDC		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Return on Equity (ROE)		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
No Linkage Fee (Investment period in months)	20	9.76%	6.57%	11.98%	7.29%	6.89%	12.96%	9.87%						
Maximum Linkage Fees (pg 61)	\$1.00	9.69%	6.53%	11.89%	7.21%	6.84%	12.76%	9.79%						
	\$5.00	9.41%	6.35%	11.51%	6.88%	6.62%	11.98%	9.46%						
Return on Cost (ROC) (4)	0.015	7.00%	7.00%	6.93%	6.94%	6.94%	6.24%	6.87%						
No Fee		8.72%	7.67%	9.33%	7.82%	7.69%	8.43%	8.55%						
Maximum Linkage Fees (pg 61)	\$1.00	7.27%	6.84%	6.46%	5.96%	6.38%	5.68%	7.34%						
	\$5.00	8.69%	7.65%	9.28%	7.78%	7.66%	8.33%	8.50%						
		8.54%	7.57%	9.08%	7.63%	7.57%	7.96%	8.32%						

(1) Loopnet.com
 (2) include A&E, construction financing, permits and fees, legal, accounting, insurance and developer overhead
 (3) nationalcaprate/Tampa.com; second quarter 2019
 (4) cap rate plus 0.015%

EXEMPTIONS

The following are potential exemptions to the payment of linkage fees:⁴⁶

1. Construction upon any property which is the subject of a preexisting contractual agreement
2. Workforce housing projects that are constructed with the support of any combination of federal, state or local financial resources, including private activity bonds, tax credits, grants, loans or other subsidies to incentivize the development of workforce housing.
3. Any housing project financed or constructed by or on behalf of the Pinellas or Palm Beach Gardens Housing Authorities
4. Residential units built by any charitable, religious, or other non-profit entity and deed restricted to ensure the affordability of the dwelling unit to low and moderate income households.
5. Nonresidential projects that are built by any charitable, religious or other nonprofit entity and that are primarily used to provide shelter, housing assistance or related services to low income households.
6. Construction by or on behalf to the Federal, State or Local government to the extent any or all of the gross floor area in the structure will be used solely for a government or educational purpose
7. Any structure that is being reconstructed due to involuntary demolition or destruction including involuntary man made forces
8. An addition of four hundred (400) gross square feet or less to an existing structure containing a single unit dwelling or a two unit dwelling
9. Accessory dwelling units
10. City granted waiver or fee reduction for a nonresidential project due to proof of lack of employment impact.

POTENTIAL WORKFORCE HOUSING IMPACT FEE REVENUE

SPG projected possible linkage fees based on a hypothetical development scenario shown below. SPG projected the potential revenue stream of a \$1 and a \$5 linkage (impact) fee. Annually, the revenue which should be placed in a Housing Trust Fund could annually generate \$500,000 using a \$1 impact fee or \$2.5 million using a \$5 impact fee. Over a 10 year period the funds could generate between \$5 million and \$25 million in workforce housing revenues.

Table 77: Impact Fee Revenue

	10 Year		Linkage Fee (Annual)	
	Projection	Annual	\$1	\$5
Proposed Impact Fee			\$1	\$5
Residential	1,000,000	100,000	\$100,000	\$500,000
Office	1,000,000	100,000	\$100,000	\$500,000
Industrial	500,000	50,000	\$50,000	\$250,000
Hotel	500,000	50,000	\$50,000	\$250,000
Retail	1,000,000	100,000	\$100,000	\$500,000
Mixed Use	500,000	50,000	\$50,000	\$250,000
Non Residential other	500,000	50,000	\$50,000	\$250,000
Total Annual	5,000,000	500,000	\$500,000	\$2,500,000
Total 10 Year			\$5,000,000	\$25,000,000

⁴⁶ Based on Denver's recent updates to its Affordable Impact Fee Program

It should be noted that the City of Coconut Creek has collected \$2.7 million in nonresidential linkage fees.

ALTERNATIVE TO FEE PAYMENT

The City should provide a developer an alternative to paying a housing impact fee, such as onsite (or in close proximity) construction of affordable rental units.

As an alternative to the linkage fee requirement defined earlier in this report, the City may wish to allow a developer to build or provide workforce housing units on site or within a mile radius of the development site based on the following formula. The formula is based on the assumption that 59 percent of the City's households earn less than 120 percent of the City of Palm Beach Gardens' medium household income. It utilizes the GAPs quantified earlier in the report divided by the market value of a new two bedroom apartment. For example, a 150,000 sf multifamily development divided by 1,000 (average two bedroom apartment) times the GAP divided by the market value of an apartment equals the number of apartment required to be built.

Residential GAP of \$19.27⁴⁷ x 1,000 = \$19,270 divided by \$227,692⁴⁸ (market value of a 2 bedroom apartment) = .0846. Using 150 units times 1,000 sf (average size) = 150,000 sf/1,000 sf = 150 * .0846 = 13.7 or 14 apartment units (round to whole number).

⁴⁷ From Table 40 using 60%-120% ,median household income GAP

⁴⁸ ibid

APPENDIX

WORKFORCE HOUSING EXAMPLES

Based on reports by studies on workforce housing policies there are now over 2,000 governmental jurisdictions that have policies to promote the development of workforce housing. According to Lincoln Institute of Land Policy (ULI) 80 percent of the jurisdictions are in five states: New Jersey, California, Colorado, Massachusetts and New Jersey due in large part to state laws and judicial decisions.

Housing policy is divided into two sectors: residential and nonresidential policies. Residential policies include a host of tools ranging from inclusionary zoning to impact fees while nonresidential policies are primarily impact or linkage fees.

The use of workforce housing policies to promote workforce housing began in 1969 when both the State of California and the State of Massachusetts enacted legislation to promote workforce housing. Most of the early programs focused on the residential development sector. More recently jurisdictions began to focus on nonresidential linkage fees as nonresidential development users generated jobs that could not obtain market rate housing.

Since 2009 a number of state courts have curbed the use of inclusionary zoning to promote workforce housing. In Florida, the State Legislature made changes to workforce housing policies, dictating that when implementing inclusionary housing, it is mandated that the local government ensure that the developer is able to totally mitigate all associated costs (in other words “be made whole”). In California the courts ruled that inclusionary housing violated the state ban on rent control. San Francisco, in 2010, modified its inclusionary ordinance requiring payment of a fee rather than on site construction. As noted by Inclusionary Housing Organization, the programs are almost identical but are designed around different legal rational. This new approach has been labeled “fee first programs”.

Since that time numerous jurisdictions have begun to study this approach. The City of Denver has enacted this approach. On September 21, 2016, Mayor Michael B. Hancock signed Council Bill 16-0625 into city law. The bill creates a dedicated affordable housing fund to help create or preserve thousands of affordable homes for low- to moderate-income families in Denver. The bill is funded in part by a linkage fee on commercial and residential development that started January 1, 2017.

The City of Winter Park in 1990 was the first City in Florida to enact an workforce housing linkage fee. The fee was set at \$0.50 per square foot on all commercial and residential developments. Coconut Creek, in 2006, was the second city in Florida to enact a workforce housing linkage fee. Unlike Winter Park the linkage fee was collected only on nonresidential developments. The program is designed to collect over \$26 million in revenues at buildout.

In 2015 the City of Jupiter enacted a nonresidential linkage fee of \$1.00 SF and an in lieu of fee for residential developments.

Examples: Other Municipalities/Counties

The following tables show some of over 200+ communities that have enacted workforce housing linkage fees

Entity	Population	Year	Type of Fee	Amount	Fee Collection and Administration	Fee Alternatives	Added Incentive	Exemptions
Winter Park, FL	30,203	1990	Commercial and Residential	\$0.50 per sq. ft.	Funds have gone to a number of not-for-profit groups in the community including Habitat for Humanity, the Hannibal Square Land Trust and the Winter Park Housing Authority to help fund homes in Winter Park			Affordable housing; nursing homes; ALF; civic institutions
Jupiter, FL	63,813	2015	Commercial and Industrial Development exceeding 10,000 sq. ft.	\$1.00 per sq. ft. after the first 10,000 sq. ft.; Residential fee of \$200,000 for each workforce housing dwelling unit offered for sale or \$150,000 for each rental workforce housing dwelling unit	Collected at time of issuance of new building permit and deposited into housing trust fund. The fees in the Trust Fund may be used to: 1) second mortgage assistance; 2) Down payment assistance; 3) Acquisition and construction Workforce Housing dwelling units; 4) Resale gap for Workforce Housing dwelling units; 5) Enhancement of county, state and federal affordable housing programs; 6) Rehabilitation of existing Workforce Housing dwelling units; and 7) Administration functions necessary for this program.			Education, religious, charitable or government uses
Coral Springs	128,757		Residential	\$1.00 per sq. ft. for 100 units or more				
Riviera Beach	35,431		Industrial, commercial and residential	\$5.00 sq. ft. industrial; \$10.00 sq. ft. commercial. Residential \$30,000. For high rise residential 3.5% of sale price/value (minimum of \$30,000)				

8. City of Palm Beach Gardens Winter Park, FL Housing; <http://cityofwinterpark.org/departments/planning-community-development/housing/>. Accessed on June 14, 2018

9. Town of Jupiter. Memo (2015); <http://www.jupiter.fl.s/DocumentCenter/View/7347/Tab4>. Accessed on June 14, 2018

Palm Beach Gardens Workforce Housing Program

Entity	Pop.	Year	Type of Fee	Amount	Fee Collection and Administration	Fee Alternatives	Added Incentive	Exemptions
Coconut Creek, FL ¹⁰	59,405	2006	All Non-Residential	Industrial \$0.37 per sq. ft. Commercial \$1.36 per sq. ft. Office \$0.15 per sq. ft. Hotel \$2.42 per sq. ft. Limited service hotel \$0.70 per sq. ft.	Collected at the time of issuance of new building permit.	A developer of non-residential project or mixed-use project may construct affordable housing units, upon approval of developer's agreement by city commission.		

¹⁰ Municode, Coconut Creek, Florida. Ord. No. 2006-005, § 2, 3-9-06.
https://library.municode.com/fl/coconut_creek/codes/code_of_ordinances?nodeId=CD_ORD_CH13|ADECO_ARTIADREPR_DIVSIMFE_S13-112AFHOLIFE. Accessed on June 14, 2018.

Entity	Pop.	Year	Type of Fee	Amount	Fee Collection and Administration	Fee Alternatives	Added Incentive	Exemptions
Arlington County, VA ¹¹	229,164	2006	Commercial only	\$1.77 per sq. ft. indexed to Consumer Price Index (CPI) and adjusted annually		May build units if preferred.		
Boston, MA ¹²	673,184	1987	Large scale Commercial, Retail, Hotel or Institutional seeking zoning relief	\$10.01 per square foot after the first 100,000 square feet, with \$8.34 per square foot designated for housing and \$1.67 for job training; indexed to CPI and increased every three years.	Linkage payments are split into two trust funds. Fees are paid on either a 7-year (downtown) or 12-year (neighborhood) schedule, usually beginning at issuance of a building permit. To address concerns over concentrations of poverty, Boston requires at least half of its fee revenues to be invested in neighborhoods that have less than the citywide average of affordable housing or have a demonstrated need for producing or preserving affordable housing.	May build units if preferred.		

¹¹ ArlingtonVA.us. *Housing*. <https://housing.arlingtonva.us/development/land-use-zoning-tools/>. Accessed on June 14, 2018.

¹² Boston Municipal Research Bureau (2015). *City's Linkage Program under Review*. <http://bmr.org/citys-linkage-program-under-review/>. Accessed June 14, 2018.

Palm Beach Gardens Workforce Housing Program

Entity	Pop.	Year	Type of Fee	Amount	Fee Collection and Administration	Fee Alternatives	Added Incentive	Exemptions
Denver, CO ¹³	693,060	2017	All new development and new additions	Multi-unit dwellings, \$1.55 Single-unit, two-unit or any primary residential use other than multi-unit Dwellings, \$0.62 Commercial sales, services and repair, \$1.76 Civic, public or institutional, \$1.76 Industrial, manufacturing and wholesale, \$0.41 Agricultural, \$0.41 Indexed to CPI and adjusted annually.	Due in full before building permits will be issued. The fund will support permanent housing and supportive services for at-risk residents, low- and moderate-income workforce rental housing, and moderate-income for-sale housing.	An applicant for a building permit has the option of including affordable housing units either on, or within a quarter-mile radius of, the subject property, according to a set formula.		*ADUs *Charitable or religious organization with deed restriction or commercial project that provides social services *Lack of employment impact *Reconstruction of building destroyed by disaster *Affordable housing project *Government building

¹³ City and County of Denver. *Affordable Housing Fee*. http://www.denvergov.org/content/denvergov/en/denver-development-services/help-me-find-/Development-Services-updates/affordable_housing_fee.html. Accessed on June 14, 2018.

Palm Beach Gardens Workforce Housing Program

Entity	Pop.	Year	Type of Fee	Amount	Fee Collection and Administration	Fee Alternatives	Added Incentive	Exemptions
Boulder, CO ¹⁴	108,090	2018 (2021)	All Non-Residential	Retail/restaurant: \$20 Office: \$30 Hospital: \$20 Institutional: \$10 Warehousing: \$10 Light Industrial: \$17.50 (Phased in over three years)				Non-profit/government uses provided relief.
Seattle, WA ^{15,16}	704,352	2015	Commercial only	\$8.00 to \$17.50 per square foot in the Downtown and South Lake Union urban centers, depending on the zone their project is in. Elsewhere, they will pay \$5 to \$10. Linked to upzones. Paid on all sq. footage in the building, included added FAR.	The fees will go into a fund managed the Seattle Office of Housing for both preserving and building affordable housing. Some money will be competitively awarded to developers who build units with rent restrictions based on the tenants' income. Developments favorable for funding will be located in urban villages, near frequent transit service, and in communities threatened by economic displacement.	Commercial developers could choose to include affordable units in their commercial building as a mixed-use project or commit to building affordable units elsewhere within	Amount of commercial development allowed increased by one Floor Area Ratio (FAR)	Exemptions for the first 4,000 square feet of required commercial space where buildings front designated pedestrian streets.

¹⁴ City of Boulder. *Council Agenda Item: meeting date on April 17, 2018.* https://www-static.bouldercolorado.gov/docs/Commercial Linkage Fee 4172018-1-201804151102.pdf?_ga=2.73024403.1243729710.1528900838-1583373531.1528900838. Accessed on June 14, 2018.

¹⁵ The Urbanist (2015). *How Seattle's Mandatory Affordable Housing Program Will Work.* <https://www.theurbanist.org/2015/10/01/how-seattles-mandatory-affordable-housing-program-will-work>. Accessed on June 14, 2018.

¹⁶ Seattle.gov. *Housing Affordability and Livability.* [http://www.seattle.gov/hala/about/mandatory-housing-affordability-\(mha\)](http://www.seattle.gov/hala/about/mandatory-housing-affordability-(mha)). Accessed on June 14, 2018.

TOWN OF JUPITER WORKFORCE HOUSING PROGRAM LAND DEVELOPMENT REGULATIONS

ARTICLE X. SUPPLEMENTARY DISTRICT REGULATIONS

DIVISION 43. WORKFORCE HOUSING PROGRAM

Sec. 27-1675.37. Purpose and Intent

The purpose and intent of the workforce housing program is to:

- (1) Ensure an adequate inventory of owner occupied housing or rental housing throughout the town that is affordable to low, low-moderate, moderate-high and middle income households.
- (2) Provide for the creation of a variety of housing options throughout the Town for the existing and anticipated workforce in necessary occupational fields including, but not limited to, education, government, health care and retail service.
- (3) Create opportunities for lower income residents, such as those who are no longer in the workforce and living on fixed incomes, to remain in the town with the assistance of the Housing Trust Fund monies or other housing funds.

Sec. 27-1675.38. Commercial and industrial development linkage fee.

- (1) *Fee Requirement.* A linkage fee shall be levied on new commercial and industrial construction which exceeds 2,000 square feet of gross floor area, and expansion of existing commercial and industrial construction which exceeds 2,000 square feet of new gross floor area of \$1.00 per square foot.
- (2) *Collection of the fee.* The linkage fee shall be collected at the time of issuance of a building permit and deposited into the Town's Housing Trust Fund.
- (3) *Exemptions.* A linkage fee shall not be levied on:
 - a) Public and private non-profit educational institutions;
 - b) Government buildings; or
 - c) Places of worship.

Sec. 27-1675.39. Workforce housing requirements.

- (1) *Inclusionary Housing Requirement.* A residential development of 10 dwelling units or more shall provide six (6) percent of the dwelling units as Workforce Housing dwelling units. A developer may meet the requirements of this section by constructing Workforce Housing dwelling units as part of the development, through the payment of a fee, which shall be deposited into the Town's Housing Trust Fund, or donation of land that is suitable for development.
- (2) *Land Use Amendment or Rezoning.* A proposed residential development, which is applying for a land use amendment or rezoning which increases the density on a property shall construct 14 percent of the additional dwelling units (for a total of 20 percent) associated with the increased density as Workforce Housing dwelling units.
- (3) *Calculations.* In determining the number of Workforce Housing dwelling units required under this section, any decimal fraction less than 0.5 shall be rounded down to the nearest whole number, and any decimal fraction of 0.5 or more shall be rounded up to the nearest whole number. The required number of for-sale Workforce Housing dwelling units for a residential development shall be provided equally from the four eligible income household categories (low income, moderate-low income, moderate-high income, and middle income) in sequential order starting with the low income household category. The required number of rental Workforce Housing units for a residential development shall be provided equally from the low income and moderate low income household categories.
- (4) *Applicability.* Developers applying for a site plan, planned unit development, or amendments to either that meet the thresholds established herein shall meet the workforce housing requirements of this division.
- (5) *Exemptions.* This division shall not apply to the following:

a) Applications which were approved for a planned unit development or site plan prior to effective date of Ordinance No. 7-15;

b) Site plans or planned unit developments proposed pursuant to state or federally subsidized housing programs;

c) Proposed mobile home parks;

d) Dormitories proposed to be constructed within public or private educational institutions;

e) Site plans or planned unit development proposed to construct nursing homes.

(6) *Tenure of Workforce Housing Dwelling Units.* The tenure (for-sale or rental) of the Workforce Housing dwelling units shall match the tenure of the market rate dwelling units in the residential development, that is, in a rental residential development, the Workforce Housing dwelling units shall be developed for rent, and in a for-sale residential development the Workforce Housing dwelling units shall be developed as for sale dwelling units. In a larger residential development that markets both rental and for-sale dwelling units, the Workforce Housing dwelling units offered shall be proportional to the mix of the rental and for sale dwelling units in the residential development.

(7) *Density Bonus Dwelling Units.* Any additional dwelling units authorized and approved as a density bonus under this division shall not be counted in determining the required number of Workforce Housing Dwelling units.

(8) *Workforce Housing Plan.* A Developer submitting an application for a site plan, planned unit development, or amendments thereto shall submit a Workforce Housing Plan as part of its application to the town.

(9) *Community Land Trust.* The Town Council may authorize the Town Manager to enter into an agreement with a Community Land Trust organization registered in Palm Beach County to administer the Workforce Housing Program created in this division.

(10) *Fee, or donation of land, in Lieu.* Developers may choose to pay a fee, or donate land, in lieu of providing Workforce Housing dwelling units in accordance with section 27-1675.43.

(11) *Recordation.* Upon the approval of a site plan for a residential development which includes workforce housing dwelling units, a covenant in the form approved by the Town Attorney shall be recorded in the Public Records of Palm Beach County, Florida indicating that those units designated Workforce Housing dwelling units pursuant to the development order are subject to the requirements of this division.

(12) *Listing.* The Department of Planning and Zoning shall maintain a list of all developments that have been required to provide Workforce Housing dwelling units.

Sec. 27-1675.40. Density bonuses and other incentives.

(1) Density bonus incentives:

a) A developer may be awarded a density bonus of 30 percent of the base density of a property's residential land use designation, provided 40 percent of the bonus dwelling units are restricted to and designated as Workforce Housing units.

b) A developer may be awarded a density bonus of between 31 to 100 percent of the base density, provided at least 50 percent of the bonus dwelling units are restricted to and designated as Workforce Housing dwelling units; and one or more of the following occurs:

1. The property's future land use designation is High Density Residential, Inlet Village Residential, Mixed Use, Riverwalk Flex or Inlet Village Flex;

2. The property is within ½ mile of a funded (contained within a 5-year capital improvement plan) or developed Tri-Rail station;

3. The property is within either the Toney Penna or Inlet Village Redevelopment Overlay Areas; The percentage of the density bonus shall be based on the number of above criteria that are met.

(2) Density bonuses for the voluntary development of low-income dwelling units:

a) The Council may award a density bonus for a developer's voluntary construction of low income

housing up to 65 percent of the maximum density of the property's land use designation.

b) At least 25 percent of the total density bonus units in a residential development shall be restricted as units meeting the low income guidelines of Policy 1.2.1, of the Housing Element of the Town's Comprehensive Plan in each phase of development.

(3) The Workforce Housing density bonus dwelling units are additional dwelling units and represent an increase over a current land use plan designation, only when the bonus density units meet the criteria in subsection (1) or (2).

(4) Workforce Housing for-sale density bonus dwelling units, which have been allocated pursuant to the provisions of this section, are conditioned upon the recordation of a restrictive covenant that maintains the units as permanent Workforce Housing units.

(5) Other incentives:

a) When determining Town Traffic Performance Standards on Town-maintained roads, the level of service standard permitted for all Workforce Housing units on affected roadway segments and intersections shall be up to 30 percent above the adopted LOS volumes on those segments and intersections. Any project seeking to utilize this Workforce Housing traffic concurrency exception, which significantly impacts any State Strategic Intermodal System (SIS), shall be required to address its impacts on the SIS facilities as may be required by applicable State law in effect at the time of the development order application.

b) An applicant for a residential development providing Workforce Housing shall be entitled to the expedited review.

Sec. 27-1675.41. Workforce housing plan.

(1) A Workforce Housing Plan shall include:

(a) The type, size and cost (final price) of for-sale or maximum rent level of the proposed market-rate units and any Workforce Housing dwelling units to be developed on the property;

(b) For proposed developments with for sale homes, provide a site plan specifically identifying the location of the proposed Workforce Housing dwelling units;

(c) The Workforce Housing Plan shall include a site plan which demonstrates that the Workforce Housing dwelling units within a development are integrated;

(d) An inventory of the Workforce Housing units by income level consistent with the requirements of subsection 27-1675.39(2);

(e) In the case of a phased residential development, a phasing schedule indicating the delivery by phase of a proportionate number of Workforce Housing dwelling units;

(f) The anticipated timing of the completion and delivery of the Workforce Housing dwelling units; and

(g) Any additional information reasonably requested by the Town or, if designated, a Community Land Trust which has been delegated by the Town Council with the responsibility of implementing the Town's Workforce Housing program.

(2) The Workforce Housing Plan shall be part of any development order associated with the approval of a site plan.

Sec. 27-1675.42. Construction standards for workforce housing.

Workforce Housing dwelling units which are constructed pursuant to this division shall meet the following standards:

(1) *Construction quality.* The Workforce Housing dwelling units shall be comparable in construction quality and exterior design to the market rate dwelling units which are constructed within the development.

Workforce Housing dwelling units may have different interior finishes and features than market rate dwelling units, so long as the interior features are of good quality and consistent with energy efficient standards for new housing contained in the Florida Building Code.

(2) *Size of Units.* The number of bedrooms contained in a Workforce Housing dwelling unit shall be proportional to the number of bedrooms of the market rate dwelling units.

(3) Minimum unit sizes for Workforce Housing dwelling units must be at least 80 percent of the average size for market rate dwelling units up to 2,000 square feet.

(4) *Timing of Construction.* A Certificate of Occupancy for Workforce Housing dwelling units must be issued concurrently with or prior to the Certificate of Occupancy of market rate dwelling units of the residential development. In phased residential developments, Workforce Housing dwelling units may be constructed and occupied in proportion to the number of market rate dwelling units in each phase of the residential development.

Sec. 27-1675.43. Payment of fee or donation of land in lieu of constructing workforce dwelling units.

(1) The requirements of this division, except as otherwise restricted in subsections (3) through (5) below, may be satisfied by paying a fee of \$200,000 per for each Workforce Housing dwelling unit offered for sale, or \$150,000 each rental Workforce Housing dwelling unit.

(a) The fees collected from these payments shall be deposited into the Town's Housing Trust Fund.

(b) The fee shall be paid prior to the issuance of the first building permit for the residential development.

(c) The fee shall be reviewed as part of the Evaluation and Appraisal Report process for the Comprehensive Plan and shall be adjusted as necessary to meet the purposes and intent of this division.

(2) The requirements of this division, except as otherwise restricted in subsections (3) through (5) below, may also be satisfied by a developer donating land within the Town's boundaries or in future annexation areas. The land shall be suitable for development, and shall meet the following requirements:

a) The land shall be at least equivalent in value to the applicable fee in lieu and of sufficient size to provide the required number of workforce housing units;

b) The value of the land shall be determined by requiring two appraisals prepared by two separate MAI appraisers. One appraiser shall be appointed by the Town and the other one by the developer, the cost of which shall be borne by the developer. The value shall be determined by calculating the average of the two appraisals;

c) The satisfaction of the requirements of this division by donating land shall be subject to the Town Council's approval;

d) The value of the land to be donated may alternatively be determined by relying on the purchase price of the land provided it has been the subject of a purchase by a bona fide purchaser for value within the past year;

e) The conveyance of the land to the Town shall occur prior to the initiation of development.

(3) Properties within the Toney Penna Redevelopment Overlay Area may only pay a fee, or donate land, in lieu to meet 25 percent of the applicable workforce housing requirement.

(4) Residential developments requiring a land use amendment or rezoning shall not have the in lieu option for the additional 14 percent of Workforce Housing dwelling units.

(5) Residential developments granted density bonus units in Sec. 27-1675.40, shall not be allowed to pay a fee, or donate land, for those bonus dwelling units that are required to be Workforce Housing dwelling units.

Sec. 27-1675.44. Sales and rental prices for workforce housing dwelling units.

(1) *Initial Sales Price.* The initial sales price of a Workforce Housing dwelling unit shall meet the standards established herein, which include the expected monthly mortgage payment, insurance, utilities and property taxes.

(2) The maximum Workforce Housing dwelling unit purchase prices for each of the four income ranges and household sizes (one to four persons) will be evaluated by the Planning and Zoning Department annually.

(3) *Resale Restriction.* The maximum sales price for the resale of a Workforce Housing dwelling unit shall be in accordance with the Town's Workforce Housing Policies and Procedures. A covenant that identifies the resale price restriction shall be recorded with the deed for each Workforce Housing dwelling unit.

(4) *Rental Prices.*

(a) Rental prices are established per household income level type and size, in accordance with the Florida Median Rent (FMR) published by the U.S. Department of Housing and Urban Development (HUD) and used by the Florida Housing Finance Corporation (FHFC) to establish maximum rents. The rental units shall only be leased to income-eligible households. The established maximum rents shall comply with the Town's Workforce Housing Policies and Procedures. Two tiers of income eligible households shall be served by the Workforce Housing Program's rental developments: low income (61 percent to 80 percent of Area Median Income), and moderate Income (81 percent to 100 percent of Area Median Income). Rents shall be as defined for those income levels utilized by the FHFC.

(b) After the first lease with an eligible household, any renewal leases may be granted in the following circumstances per household income type:

1. Low Income household's annual anticipated gross income may increase to an amount not to exceed 140 percent of the maximum allowable median income adjusted for family size;
2. Moderate Income household's annual anticipated gross income may increase to an amount not to exceed 140 percent of the maximum allowable median income adjusted for family size;
3. Upon the request of the Town, an eligible household shall submit documentation as outlined in the Town's Workforce Housing Policies and Procedures that the household is eligible to continue occupying a Workforce Housing dwelling unit.

Sec. 27-1675.45. Qualifications for eligible households and prioritization criteria under the workforce homebuyer program.

(1) The household income of an eligible household shall meet the income criteria for low income, moderate low income, moderate-high income, or middle income as defined in section 27-1.

(2) For the Town's Homeowner and Homebuyer Assistance Program as designated in section 27-1675.47, an eligible household must be able to qualify for a fixed-rate first mortgage through an institutional lender and meet the requirements of the Town's Homeowner and Homebuyer Assistance Program.

(3) Priority for available Workforce Housing dwelling units shall be given to eligible households that meet one the following criteria:

(a) Qualify as first time homebuyers;

(b) At least one adult member is employed in the Town to be given priority for rental programs. For the purchase of a Workforce Housing dwelling unit, at least one adult member must be employed in the Town at least twelve months prior to submittal of an application.

Sec. 27-1675.46. Homeowner and homebuyer assistance program.

The purpose of the Homeowner and Homebuyer Assistance Program is to provide assistance to households who meet the criteria for low, moderate-low income, moderate-high income, and middle income. The Town's Neighborhood Services Division or its designee shall administer the Homeowner and Homebuyer Assistance Program.

(1) The Town's workforce housing homeowner and homebuyer assistance program includes, but is not limited, to the following:

(a) Homeowner grants or loans to assist low to moderate-high income owners to improve the exterior of their homes (roofs, windows, doors, driveways, fences);

(b) Rebuilding Together grants for minor exterior improvements for low to moderate-high income and typically used to assist seniors and/or disabled;

(c) Paint Your Heart Out for free exterior paint;

- (d) Grant to Community Land Trust to write down the purchase price of a home to an eligible household.
- (2) The criteria for eligibility for the Homeowner and Homebuyer Assistance Program include the following:
- (a) An eligible household shall not exceed the income criteria for middle income as established herein;
 - (b) A second mortgage to evidence a loan provided by the Homeowner and Homebuyer Assistance Program shall be due in full upon transfer, lease or sale of property;
 - (c) All dwelling units acquired through the assistance of the Homeowner and Homebuyer Assistance Program shall be owner occupied and homestead property for the owner;
 - (d) An eligible household shall provide a minimum of three percent of the purchase as a down payment for the residential unit from their own resources. Eligible Households may utilize any other source of funds including grants from the State Housing Initiative Partnership, Community Development Block Grant Program or other similar sources to assist with the down payment.
 - (e) The Homeowner and Homebuyer Assistance Program loans shall not be assumable.

Sec. 27-1675.47. Resale of workforce housing dwelling units.

For sale properties shall be subject to a recorded covenant or land lease to ensure they remain Workforce Housing units in perpetuity. The resale of a Workforce Housing unit shall be in accordance with the Town's Workforce Housing Policies and Procedures or the resale formula of a designated Community Land Trust.

Sec. 27-1675.48. Housing trust fund.

- (1) The Town shall establish a Housing Trust Fund for the purpose of collecting funds related to the Town's Workforce Housing Program. Such funds shall include but not be limited to payment of fees in lieu of providing Workforce Housing dwelling units, and loan repayments from the Homeowner and Homebuyer Assistance Program.
- (2) The fees in the Housing Trust Fund may be used for the following housing programs which promote the development and preservation of Workforce Housing in the Town:
- (a) Second mortgage assistance;
 - (b) Down payment assistance to eligible households;
 - (c) Acquisition and construction of Workforce Housing dwelling units;
 - (d) Resale gap for Workforce Housing dwelling units;
 - (e) Enhancement of county, state and federal affordable housing programs;
 - (f) Rehabilitation of existing Workforce Housing dwelling units; and
 - (g) Administrative functions necessary for this program.
- (3) The Town may from time to time, by the adoption of a Resolution, authorize additional U.S. Housing and Urban Development programs which may be funded through the Housing Trust Fund.
- (4) The Town Manager, or his/her designee, shall provide the required supervision for the Housing Trust Account. A financial status report on the Housing Trust Account shall be provided to the Town Council annually on or before October 1.

ARTICLE I. IN GENERAL

Sec. 27-1. Definitions

Affordable Housing unit shall mean a dwelling unit for which the mortgage payment (including principal, interest, taxes and insurance) does not exceed 30 percent of the gross income of the very low income household buying the Affordable Housing dwelling unit.

Area median income shall mean a division of income distribution into two equal parts: one-half above the median and one-half below, as utilized by the U.S. Census Bureau. The U.S. Department of Housing and Urban Development (HUD) uses the median incomes for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median

family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80 percent of the area median income, a common maximum income level for participation in HUD programs. *Assets* shall mean all real estate property, stocks, bonds, and cash, or other liquid assets, that are not part of a retirement investment plan or pension plan.

Community Land Trust shall mean a nonprofit 501 (c) (3) organization with a mission that includes developing, preserving, and managing a permanent supply of affordable housing in Palm Beach County.

Community Land Trust Agreement shall mean the agreement between the Town and a Community Land Trust that has within its mission a geography that includes the Town of Jupiter to provide administrative and regulatory services in accordance with the Workforce Housing Program

Dwelling Unit, Appreciation of shall mean the difference between the original purchase price for a dwelling unit and the subsequent price for the sale of the dwelling unit by the owner of the Workforce housing dwelling unit minus real estate closing costs.

Dwelling Unit, Density Bonus shall mean a dwelling unit as a result of an increase in density permitted above the per acre density established by the Town.

Dwelling Unit, Market Rate shall mean a unit in a residential development other than those designated a Workforce Housing dwelling unit.

Dwelling unit, Workforce Housing Owner-occupied shall mean an owner-occupied dwelling unit for which the mortgage payment (including principal, interest, taxes and insurance) does not exceed 30 percent of the gross income of the middle income, moderate-high income, moderate-low income, and low income households buying the Workforce Housing dwelling unit, offered to eligible households and restricted by deed restriction for resale.

Dwelling Unit, Workforce Housing Renter-Occupied shall mean a dwelling unit for which the rental payment and utility costs does not exceed 30 percent of the gross income of the moderate-low income and low income households renting the Workforce Housing dwelling unit, offered to eligible households and restricted by deed restriction for rental.

Dwelling Unit, Resale Gap of shall mean the difference between the required resale price of a Workforce Housing dwelling unit and the original purchase price plus closing costs.

Dwelling Unit, Sales Price of shall mean the contracted price as designated at closing as the sale price of a Workforce Housing dwelling unit.

Equity Recapture Provision shall mean the division of any funds realized by the owner of a property as a result of the sale of the property in which the sales price exceeds the original purchase price as stated in the original Contract for Sale.

First Time Home Buyer shall mean a household that meets the criteria of a first time home buyer as defined by the U.S. Department of Housing and Urban Development, as amended.

Household shall mean one person living alone or two or more persons sharing residency whose income is considered for the Workforce housing program.

Household, Eligible shall mean a household that qualifies for participation in the Workforce Housing Program described in Division 43 of this Chapter. Priority will be given to persons who work in the Town limits prior to the date of application for a Workforce Housing dwelling unit.

Housing Trust Fund shall mean the Trust Fund established by the Town for the purpose of collecting and disbursing funds for Workforce Housing dwelling units in accordance with the Workforce Housing Program. Funds from the Housing Trust Fund shall also be disbursed to enhance county, state and federal affordable housing programs.

Income, Very Low shall mean household income thirty (30) percent up to sixty (60) percent of the median income of the West Palm Beach/Boca Raton MSA adjusted for household size.

Income, Low shall mean household income sixty-one (61) percent up to eighty (80) percent of the median

household income of the West Palm Beach/Boca Raton MSA adjusted for household size.

Income, Moderate-Low shall mean household income eighty-one (81) percent to one hundred (100)

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