

# TOWN OF DAVIE

## TOWN COUNCIL AGENDA REPORT

**TO:** Mayor and Councilmembers

**FROM/PHONE:** Shirley Taylor-Prakelt, Director  
Housing & Community Development, 797-1199

**SUBJECT:** Resolution

**TITLE OF AGENDA ITEM:** A Resolution of the Town of Davie, amending Davie's State Housing Initiatives Partnership (SHIP) Program Housing Delivery Goals/Budget Strategies to distribute the FY 2006/07 SHIP Funds and add Hurricane Wilma Disaster Relief Funds; augmenting the Town's Affordable Housing Incentive Strategy (Plan); making other revisions to address increased housing costs and promote the development of urgently needed affordable workforce housing; and providing for an effective date.

**REPORT IN BRIEF:** The Town has been notified that it will receive \$773,003 in FY 2006/07 SHIP Funds effective July 1, 2006 and the Housing Delivery Goals/Budget Strategies for those funds must be allocated. Additionally, Davie has been awarded \$93,903 in Hurricane Wilma Disaster Relief Funds to be used for home repairs, and this needs to be incorporated into the budget.

Finally, given the growing need for affordable workforce housing in the face of ever increasing land and housing costs, it is imperative that the Town augment its Affordable Housing Incentive Strategy (Plan) in order to effectuate additional rental and homeownership opportunities for Davie's Workforce and other low/moderate income residents.

A recent study commissioned by the Broward Housing Partnership found that 75% of all Broward households earn less than \$77,000 per year; but, they would need to earn \$91,000 to afford the current median price of \$361,100 for a single-family home. Only 50% of all Broward households earn \$50,000, which is needed to purchase a median-priced Condo @ \$193,000. Over the past year, most households have been priced out of the housing market, because of the unprecedented growth in real estate prices. Major gaps exist between what a single-family home costs, and what most families can afford to pay throughout Broward County.

### Affordability Gap – Broward Housing Partnership Study

Housing Type	Median Price	Income Required		
Single Family Homes	\$361,100	\$90,720		
Condominiums	\$193,000	\$50,500		
Rental Apartments	\$ 1,222 mthly	\$45,000 (2-Bedroom)		
Occupation	Median Wage	Median Home	Affordable	Gap
Nurse (RN)	\$50,362	\$361,100	\$192,764	-\$168,336
Police Officer	\$49,188	\$361,100	\$179,440	-\$181,660
School Teacher	\$39,876	\$361,100	\$149,983	-\$211,117

The Broward Housing Partnership's Report stresses that the growing housing affordability crisis will have the following serious consequences:

- First – Broward County's Economy is At-Risk - Out of control housing costs make it difficult to fill jobs, and it discourages businesses from locating or expanding here. Meanwhile many young college graduates from our State College and University system will be forced to pursue jobs in other areas of the Country that have a lower cost of living.
- Second – The Social Fabric of Communities and Neighborhoods is Threatened – Due to escalating housing costs, people can not afford to maintain their existing community ties or live close to their jobs or extended families. Many of us could not even afford to buy our own homes at today's prices.

The recent phenomena of rental apartments converting to condominiums, and mobile home parks starting to convert to townhomes, is reducing the number and type of housing units available to low/moderate income families and the majority of the Town's workforce. Hurricane Wilma also had a devastating affect on the Town of Davie's housing stock. The Town lost over 985 structures: 832 Mobile Homes, 51 Single-Family Homes, 33 Townhomes/Condos, and 55 Apartment Units. It has been extremely difficult to rehouse these displaced Davie residents, as there is little to no comparable affordable replacement housing available to them. Many of the 832 mobile home residents that were displaced by Wilma, were subsequently rehoused in lower-cost rental units. Thus, the rental vacancy rate is now extremely low; and, many landlords are capitalizing on the demand for units by raising their rents.

Additionally, the Town has been notified by five (5) rental apartment complexes of their intent to convert to condominiums. If they all move forward with this process, 789 affordable market rate rental apartments will be lost, and these Davie households/families will be displaced, as it is highly unlikely that they will be able to qualify for, or afford to purchase, their current unit when it is converted to a condo.

Although the Town of Davie has made great strides in promoting the development of new affordable rental and ownership units, greater incentives are needed to attract qualified housing developers during a time of rapidly escalating construction and land costs.

**PREVIOUS ACTIONS:** SHIP Budget Strategies are adopted annually.

**CONCURRENCES:** Approval of this Resolution is required to establish Davie's SHIP Program Budget/ Strategies and encourage the development of urgently needed Workforce Housing.

**FISCAL IMPACT:** FY 2006/07 Funds @ \$773,003 and Disaster Funds @ \$93,903

**Account Name:** Funds are deposited in the Broward County LHAP Trust Fund

**RECOMMENDATION:** That the Town Council adopt the attached Resolution

**Attachment(s):** Resolution and SHIP Budget Spreadsheet

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AMENDING DAVIE'S STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAMS HOUSING DELIVERY GOALS/BUDGET STRATEGIES TO DISTRIBUTE THE FY 2006/07 SHIP FUNDS AND ADD HURRICANE WILMA DISASTER RELIEF FUNDS; AUGMENTING THE TOWN'S AFFORDABLE HOUSING INCENTIVE STRATEGY (PLAN); MAKING OTHER REVISIONS TO ADDRESS INCREASED HOUSING COSTS AND PROMOTE THE DEVELOPMENT OF URGENTLY NEEDED AFFORDABLE WORKFORCE HOUSING; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 1997 the Town of Davie became an "entitlement" recipient under the State Housing Initiatives Partnership (SHIP) Program; and

WHEREAS, Davie falls under the County's Local Housing Assistance Plan (LHAP), but the Town determines how it's proportionate share of SHIP grant funds are allocated, and retains oversight of the Town's housing programs and initiatives; and

WHEREAS, The Town anticipates receipt of \$773,003 in FY 2006/07 SHIP Funds, effective July 1, 2006, and Housing Delivery Goals/Budget Strategies for those funds must be allocated; and

WHEREAS, as a result of Hurricane Wilma, the State has allocated additional funds for disaster recovery; and, the Town of Davie received \$93,903 which will be used for home repairs; and,

WHEREAS, given the growing need for affordable workforce housing in the face of ever increasing land and housing costs, the Town's Affordable Housing Incentive Strategy (Plan) needs to be augmented in order to effectuate both rental and homeownership opportunities for Davie's Workforce and other low/moderate income residents; and,

WHEREAS, the maximum and average costs allowed under Davie's various Housing Strategies need to be updated to keep pace with the current market; and,

WHEREAS, the maximum purchase price and market values also need to be updated to keep pace with increased housing costs.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1: Establishment of Average and Maximum Costs. Pursuant to the SHIP Act, the Town hereby establishes the following "maximum awards" and "average costs" under the 2004/05-2006/07 LHAP:

<u>SHIP Program Strategy</u>	<u>Average</u>	<u>Maximum</u>
Purchase Assistance	\$30,000	\$60,000
New Construction - Single-Family	\$40,000	\$80,000
New Construction - Multi-Family	\$35,000	\$60,000
Home Repair (Rehab) Program	\$30,000	\$40,000
Barrier Free (Rehab) Program	\$35,000	\$40,000
Disaster Relief – Home/Roof Repairs	\$35,000	\$40,000

SECTION 2. The attached Budgets/Strategies are hereby adopted for the Town's SHIP Program.

SECTION 3. The SHIP allocations are subject to change based on actual Documentary Surtax Dollars collected; therefore, changes to these budget line-items may be made administratively by the Town's Housing and Community Development Director, as long as the overall budget categories are not changed.

SECTION 4. In order to attract qualified developers of affordable workforce housing, Davie's Affordable Housing Incentive Strategy (Plan) is hereby amended and restated in Section #3-Fee Waivers, as follows: "The Director of Housing and Community Development will carefully review all prospective affordable housing projects, to verify their level of benefit and period of affordability. The waiver of all fees e.g., Park and Recreation Impact fees, Design Review and Site Plan Processing Fees, Engineering Review Fees, Building Permit Fees, etc., will be based on this review. It is acknowledged that the only fee that may not be waived for Affordable Workforce Housing is Water and Sewer Impact Fees; however, nothing prohibits the use of the Town's SHIP or HOME funds to pay these impact fees in order to reduce the cost of the housing. Deed restrictions or other covenants may be required of all developers to ensure that the level and period (length) of affordability is maintained."

SECTION 5. Davie's Affordable Housing Incentive Strategy (Plan) is also hereby amended and restated to reflect that "An Affordable Housing Certification will be issued by the Housing and Community Development Director, if appropriate; and, Affordable Housing Flex Units (AFU's) and/or Flex in Reserve Units will be allocated based on this Certification Process."

SECTION 6. The maximum purchase price/market value allowed under Davie's SHIP Program is hereby amended to be \$280,462 for either an existing or newly constructed home.

SECTION 7. Findings as to Administrative Costs. The Town of Davie hereby finds that the costs of administering the Program shall exceed five percent (5%) of Program funds; and, pursuant to the Act, the Town hereby authorizes expenditures of no more than ten percent (10%) of Program funds for implementation of the Program.

SECTION 8. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2006.

\_\_\_\_\_  
MAYOR/COUNCILMEMBER

ATTEST:

\_\_\_\_\_  
TOWN CLERK

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2006.

**Town of Davie  
SHIP Program Budget Spreadsheet**

**Revised April 5, 2006**

<b><u>Program</u></b>	<b><u>FY 04/05</u></b>	<b><u>FY 05/06</u></b>	<b><u>FY 06/07</u></b>
	<b>(7/1/04)</b>	<b>(7/1/05)</b>	<b>(7/1/06)</b>
New Construction CRA Homes	\$ 0	\$ 0	\$142,215
New Const. Townhomes/Condos <sup>1</sup>	\$124,967	\$ 0	\$183,488
Development Assistance	\$ 0	\$210,000	\$ 50,000
Harmony Village (Fence)	\$ 0	\$ 0	\$ 0
Harmony Village/ Buyer Subsidy	\$ 0	\$ 0	\$ 0
Purchase Assistance-Townwide	\$150,000	\$139,087	\$180,000
Home Repair (Rehab) Pgm	\$198,679	\$125,000	\$100,000
Barrier-Free Rehab	\$ 60,000	\$ 60,000	\$ 40,000
Disaster Relief Funds (Wilma)	\$ 0	\$ 93,903	\$ 0
County Admin	\$ 29,647	\$ 29,672	\$ 38,650
Town Admin	\$ 29,647	\$ 29,672	\$ 38,650
Entitlement	\$592,940 <sup>2</sup>	\$687,334	\$773,003 <sup>3</sup>

*Submitted By:*  
*Shirley Taylor-Prakelt, Director*  
*Housing and Community Development*

<sup>1</sup> Given the prevailing market and relevant needs, the H & CD Director will determine if single-family or multi-family is developed.

<sup>2</sup> Additional funds @ \$77,755 added 8/12/03. FY 2003/04 Budget @ \$777,214. 7/3/03 Budget allocation reduced to \$ 598,532.

<sup>3</sup> The SHIP allocations are subject to change based on actual Documentary Surtax collections; therefore, changes to these budgets may be made administratively by the Town's Housing & Community Development Director as long as the overall budget categories are not changed

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