

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Shirley Taylor-Prakelt, H & CD Director (954) 797-1199

PREPARED BY: Shirley Taylor-Prakelt, Housing and Community Development Director

SUBJECT: A Resolution

AFFECTED DISTRICT: Townwide

TITLE OF AGENDA ITEM: A Resolution reaffirming the Town's policy regarding the redevelopment of mobile home parks for any use which would require the permanent and involuntary displacement of Davie residents and requiring submission of an Exit/Relocation Plan satisfactory to the Town, and reaffirming the lack of affordable housing available in South Florida and its detrimental impact on senior citizens on fixed-incomes and low/moderate families and individuals.

REPORT IN BRIEF: As a result of increasing land values, several mobile home parks in Davie are proposing to convert their land use and/or have been sold for the purpose of redevelopment. These actions will result in the permanent and involuntary displacement of thousands of Davie's lower-income and at-risk residents, including the elderly. Since the Town has more mobile home parks per capita than any other jurisdiction in South Florida, the pressures of redevelopment in Davie is far more acute.

24% of Davie's housing stock is comprised of mobile homes, representing 7,400+- units in 31 mobile home parks. There are varying ownership patterns within Davie's 31 mobile home parks which house approximately 21,000 Davie residents. There are situations where the mobile home owners also own the land, where residents rent both the mobile and the land, and finally where the resident owns their mobile home and rents the lot space from the Park.

The majority of these mobile homes are older non-windstorm rated structures; and they are not suitable for relocation. Even if these mobiles could structurally withstand the moving process, prospective mobile home parks will likely not take them due to liability issues, as most older mobiles are now uninsurable.

Davie's Lack of Affordable Housing:

The average purchase price of a newly constructed home in Davie in May of 2005 was \$424,980 as evidenced by the Florida New Business Report using the "Doc Stamps" recorded for each residential real-estate transaction in Davie. A 2006 rental survey undertaken by the Town's Housing and Community Development Department, revealed that Davie's median rent is now \$1,341. This represents a 34% increase in rents from the 2003 Survey when rents were stable at \$881. These prices are hardly affordable to the average working family or senior citizens on fixed-incomes, much less to those earning less than 80% of the median income in Broward County.

In stark contrast to these high housing costs, is the fact that the median mobile home lot rent in Davie in 2006 is only \$457 monthly, which is considered "affordable". The gap between the median rent for an apartment @ \$1,341 and the mobile home lot rent of \$457 is \$884 per month. This means that most mobile home owners could not afford to move into the rental market, and few are likely to qualify to purchase a site-built home. In addition, the mobile home owner enjoys a lifestyle with a separate lot in which children can play and pets can be accommodated; so, comparing rentals to mobile homes is apples and oranges.

Disproportionately High Rental Rates in Davie:

The disproportionately high rental rates in Davie in comparison to other Broward County cities, make it difficult to find affordable rental units (in good condition), and attract landlords that will participate in the Section 8 Housing Voucher Program, which assists low-income residents with their rental payment. Because of these factors, many lower-income families have a difficult time finding affordable rental housing, particularly those families that are "cost-burdened" i.e., who are paying 30% or more of their gross income for rent/utilities. Many of the mobile home residents that were displaced by Hurricane 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.

Housing of Last Resort:

While many residents, elderly individuals, and transient "snow-birds" choose to live in mobile homes, most families and individuals in Davie live there as "housing of last resort". This is due to the fact that the affordable housing crisis has driven prices so high for both rental apartments and homeownership, that the majority of the workforce is having trouble locating and sustaining their housing. The foreclosure rates are climbing; and, many people are now living on the edge of homelessness as housing costs, taxes, and insurance climb - but wages lag behind. Senior citizens living on a fixed Social Security income are also adversely affected, as any significant increase in housing costs could result in their becoming homeless.

Davie residents living in mobile home parks as "housing of last resort" are typically families and individuals whose incomes are very low; and, many have poor credit histories making it difficult to get rental housing since most landlords now require both a credit check and proof of a bank account. Given the income levels of the majority of these residents, it is also highly unlikely that they would be credit-worthy buyers.

Affordable Housing Study - Broward Housing Partnership:

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 two (2) years, most households have been priced out of the housing market. Major gaps exist between what a single-family home costs, and what most families can afford to pay throughout Broward County. A synopsis of the Affordability Gap follows:

Housing Type	Median Price	Income Required
Single Family Homes	\$361,100	\$90,720
Condominiums	\$193,000	\$50,500
Rental Apartments	\$ 1,341 mthly	\$54,000 (2-Bedroom)

Occupation	Median Wage	Price	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 has serious consequences. First, "Broward County's Economy is At-Risk" as out of control housing costs make it difficult to fill jobs. This discourages businesses from locating or expanding in South Florida. Further, many young college graduates from the Florida State College and University system will be forced to pursue jobs in other areas of the country, where the cost of living is lower.

Second, the "Social Fabric of Communities and Neighborhoods is Threatened" due to escalating housing costs, people cannot afford to maintain their existing community ties or live close to their jobs or extended families. Most people could not even afford to buy their own homes at today's prices.

According to the National Low-Income Housing Coalition's study entitled "Out of Reach: America's Housing Wage Climbs":

- a minimum wage earner in Florida (\$5.15 hour/\$10,712) can only afford a monthly rent of \$268;
- an SSI recipient (receiving \$552 monthly/\$6,624) can only afford a monthly rent of \$166, yet the 2006 FMR for a one-bedroom unit is \$752;
- an extremely low-income household (earning \$15,217) can only afford a monthly rent of \$380, yet the FMR for a 2-bedroom unit is \$911;

The Housing Wage in Broward is \$15.50 i.e. this is the amount a full-time worker (40 hours per week) must earn to afford a 2-bedroom unit at the current FMR. This represents an increase of 277% above the minimum wage.

Condo Conversions:

In FY 2005/06 seven (7) rental apartment complexes notified the Town of their intent to convert to condominiums, resulting in the loss of 968 rental apartments, many at the lower rent levels. Many Davie households and families were displaced as they could not qualify for, or afford to purchase, their current unit when it was converted from rental to condominium. Many of the 832 mobile home residents displaced by Hurricane Wilma in 2005, 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. Sadly, many of these Davie families displaced by Condo conversions were forced to leave our Town, as they were financially unable to purchase their own units, and they could not find comparable affordable housing in Davie.

Davie's Not-For-Profit Partners See Increase in Demand for Services:

The Housing and Community Development Department works closely with its not-for-profit partners, the Hope Outreach Center, the EASE Foundation, and the Family Success Center (FSC) who provide emergency financial assistance to prevent homelessness. These agencies have seen a significant increase in the demand for their services, especially following Hurricane Wilma. Also, many families are facing undue economic hardships which put them at-risk of becoming homeless, as they struggle to make ends meet. The eviction and foreclosure rates are climbing along with taxes and insurance costs; and, without the case-management and the financial assistance provided by

these three (3) agencies, many Davie families and individuals would lose their homes. Sadly, the demand for their services far outweighs the funding available to them; so, they cannot address all of the needs of Davie's fixed-income and at-risk populations.

Hurricane Wilma's Devastating Affect on Davie's Housing Stock:

In October 2005, Hurricane Wilma had a devastating affect on the Town's housing stock; and, no other municipality in Broward County suffered the level of devastation as the Town of Davie. This is due in part to the fact that Davie has the highest concentration of mobile homes. A synopsis of the destruction in Davie follows:

Red-Tagged Units

55	Single Family Homes
386	Multi-Family (Condo's Townhomes)
55	Units Rental Housing
832	Mobile Homes – Destroyed
14	Commercial Properties
1,342	Total

Roofs Damaged or Destroyed

3,442	Permits for Re-Roofs – Residential
79	Permits for Re-Roofs – Commercial
3,521	Total

Additional Compromised Mobile Homes

100+	Roofs Breached – Mold/Mildew Now Uninhabitable
1,400	Estimated Repairs Needed (Held Together With Blue Tarps/Duct Tape/Plywood)

Subsequent to the storm, many other structures e.g. 100+ mobile homes became unoccupiable due to mold and mildew infestations, sagging floors, collapsed roofs, etc. It is estimated that there are approximately 1,400 mobile homes held together with blue tarps, plywood, and duct tape. These families are living in very fragile conditions; but, if they were forced to vacate their mobile homes, there is no where else they can go on their limited incomes.

Cost-Burdening and Other Housing Factors in Davie:

- 19 % of Davie's Renter Households earn less than \$10,000 annually (\$4.81 hourly)
- 35 % of Davie's Renter Households earn less than \$20,000 annually (\$9.61 hourly)
- 45% of Davie Renter Households pay more than 30% of income for rent + utilities
- 29% of Davie Owner Households pay more than 30% of income for mortgage (PITI)
- Middle-income individuals and families are being priced-out of the housing market
- Rental Cost-Burdening is increasing - over-crowding is occurring as a way to offset (share) costs
- The Town of Davie, like other municipal jurisdictions, is having trouble attracting entry level Police Officers and Fire Fighters as they can not afford to live in Broward County
- Fewer Parcels remain that are suitable for development as Affordable Housing

State Statutes Governing Mobile Home Redevelopment

Florida Statute 723.083 “Governmental Action Affecting the Removal of Mobile Home Owners” stipulates that: “No agency of municipal, local, county, or state government shall approve any application for rezoning, or take any other official action, which would result in the removal or relocation of mobile home owners residing in a mobile home park, without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of the mobile home owners”.

Florida Statute 723.061 (d) stipulates that any change in use of the land comprising a mobile home park, requires the owner of the property to provide all tenants with at least six (6) months notice of the projected change of use; and, they may not increase lot rent within 90 days before giving such notice. FS 723.062 stipulates that if a mobile home owner is required to move due to a change in the use of the land comprising the mobile home park, the mobile home owner is entitled to payment from the Florida Mobile Home Relocation Corporation of the amount of actual moving expenses of relocating the mobile home to a new location within a 50-mile radius of the vacated park, or the amount of \$3,000 for a single-section mobile home, or \$6,000 for a multi-section mobile home, whichever is less.

Obviously, in this inflated housing market, the sums outlined above are clearly inadequate to compensate displaced individuals i.e., the \$3,000 to \$6,000 will not provide sufficient capital to secure a comparable dwelling unit. The purchase price for new mobile homes range from \$60,000 to \$125,000; and, the median purchase price for a pre-owned mobile home in Davie is \$38,143. Additionally, displaced residents with private mortgages on their mobile homes must satisfy the mortgage payments on a home they no longer own. Without proper compensation and financial resources to pay off the mortgage, these residents have the undue economic hardship of paying for both their prior dwelling and their replacement housing.

The option outlined in the Florida Statutes that speaks to “relocation of the mobile home” within a 50 mile radius, is disingenuous, since the majority of the mobile homes in Davie cannot structurally be relocated as they are older models. Even if these mobiles could be moved, few mobile home parks will accept non-windstorm rated mobiles due to liability and insurance issues.

Davie’s Exit/Relocation Plan Policy:

Given the extent of the affordable housing crisis in South Florida, in early 2005, the Town’s Housing and Community Development Department recognized the need for any owner/developer who is seeking to permanently and involuntarily displace mobile home residents, to provide the Town with an Exit/Relocation Plan which clearly delineates how each displaced person will receive comparable, affordable, replacement housing that is decent, safe and sanitary. This was based on the fact that there was clear and compelling evidence that the affordable housing crisis has made it nearly impossible for both mid-income and lower-income wage earners, or persons on fixed-incomes (such as the elderly) living in Davie’s mobile home parks, to find comparable replacement housing that is affordable to them.

Five (5) mobile home parks have attempted, or are attempting, to seek rezoning for redevelopment purposes.

- The Dell Mobile Home Park located at 4633 SW 73rd Avenue - In 2005, a proposed townhouse development was contemplated for this site. The Town’s Housing and Community Development Staff worked closely with the prospective buyer to prepare a satisfactory Exit/Relocation Plan. That project did not move forward as the developer was uncertain that they could obtain the density needed for the new townhome project. The Exit/Relocation Plan is on file in the Housing and Community Development Office. The property is currently listed for sale with a Real Estate Agent;

and, the property owner has been formally advised to submit a new Exit/Relocation Plan for the Town's approval.

- Lauderdale/Anchorage and the Ponderosa Mobile Home Parks - Goshen properties which owns both the Lauderdale/Anchorage and the Ponderosa Mobile Home Parks located at 4701 SW 73rd Avenue, has sought rezoning for redevelopment purposes. They have submitted a satisfactory Exit/Relocation Plan for the Lauderdale/Anchorage Park; and, a draft of the Exit/Plan for the Ponderosa Mobile Home Park. Goshen Properties request for rezoning these parcels is on the December 20, 2006 Town Council Agenda; and, approval is contingent upon submission of a final Exit/Relocation Plan that is satisfactory to the Town's Housing and Community Development Department.
- The Seminole Tribe of Florida (STOF) who purchased the Stirling Road Mobile Home Park (SRMHP) located at 5401 Stirling Road has caused the permanent and involuntary displacement of 65 low-income and/or elderly Davie families and individuals without submission of the required Exit/Relocation Plan. On June 21, 2006 by Resolution 2006-183, the Town Council formally opposed "any removal and displacement of residents living within the Stirling Road Mobile Home Park until such time that an adequate exit plan satisfactory to the Town is submitted by the Seminole Tribe of Florida".

The STOF has blatantly ignored the Town's directives and the resident's pleadings; and, it is our understanding that many residents have been coerced or intimidated to sign over their homes for \$1.00. Many residents have advised the Town that they did not receive the statutorily mandated payment of either \$3,000 or \$6,000 depending on the size of their mobile. The deleterious impact on these lower-income families and individuals has been enormous. They were torn from their neighborhood support systems, friends and neighbors, transit systems, schools, etc. Since there was no comparable replacement housing affordable to them, many have become homeless or are now living with relatives in over-crowded situations.

Those SRMHP residents who had private mortgages on their mobile homes, must pay their mortgage on the mobile home taken without proper compensation, while trying to find the resources for their new replacement housing. This economic hardship is unimaginable. One intact working family, who lived in the SRMHP for over 21 years, is now living in a "garage" with no plumbing, heating, or cooling, since they cannot locate affordable replacement housing.

- In November 2006, the Town learned that both Sunshine Village located at 13453 SW 5th Street and Kings Manor located at 12500 SR 84 in western Davie (under the same ownership) have given their residents notice that they may seek redevelopment of these mobile home parks in the future. This has caused a flood of phone calls to the Town's Housing and Community Development Office, from distraught residents who are fearful that they too will become homeless if these Parks are rezoned to another use. They are asking that the Town intercede to stop their involuntary displacement

In the cases outlined above, the affected residents have sought either administrative relief from the Town, or asked that the Town (or other agencies) seek Judicial relief on their behalf. Town Council minutes, community meetings, E-mail and written correspondence are on file evidencing the plight of these residents and their pleas for help. It must be noted that the majority of Davie's mobile home parks do not have a homeowners association to protect the residents, as they are small communities of primarily lower-income and/or elderly residents on fixed-incomes. As a result, these residents do not have the financial wherewithal or the organization skills to seek legal assistance on their own. Given this fact, the Town believes that FS 723.083 applies; and, applications for rezoning which would result in the removal of mobile home residents cannot be granted without first determining

that there are adequate mobile home parks or other suitable facilities for the relocation of displaced mobile home residents. In Davie's case, no such replacement housing exists.

Summary:

This Resolution is not intended to convey the message that the Town of Davie opposes redevelopment under the right circumstances; rather, it stipulates that any redevelopment plan for the disposition of mobile home parks which would cause the permanent and involuntary displacement of its residents, must include an Exit/Relocation Plan that clearly delineates the financial compensation to be paid in order to ensure that each resident secures comparable, replacement housing that is affordable to them. The owner/developer must provide sufficient funds to make the residents "whole"; so, simply put, they must add a line to their proforma entitled "Relocation Expenses".

While the Town has done an admirable job in creating new affordable housing opportunities for both renters and homeowners, the Town cannot provide sufficient affordable housing opportunities to rehouse thousands of displaced mobile home residents forced out by redevelopment. The Town's Housing and Community Development Department is working hard to transition mobile home occupants into site-built housing which is far safer during Hurricanes; so, redevelopment of mobile home parks which include newly built affordable housing, with a proper Exit/Relocation Plan for the residents, would be welcomed.

PREVIOUS ACTIONS: None

CONCURRENCES: N/A

FISCAL IMPACT: not applicable

Has request been budgeted? Yes

Account Name: Various accounts as outlined in Attachment A

What account will funds be appropriated from: See Attachment A

RECOMMENDATION(S): Adopt the Resolution

Attachment(s): Resolution and Attachment "A"

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, REAFFIRMING THE TOWN'S POLICY REGARDING THE REDEVELOPMENT OF MOBILE HOME PARKS FOR ANY USE WHICH WOULD REQUIRE THE PERMANENT AND INVOLUNTARY DISPLACEMENT OF DAVIE RESIDENTS; AND REQUIRING SUBMISSION OF AN EXIT/RELOCATION PLAN SATISFACTORY TO THE TOWN; AND, REAFFIRMING THE LACK OF AFFORDABLE HOUSING AVAILABLE IN SOUTH FLORIDA AND ITS DETRIMENTAL IMPACT ON SENIOR CITIZENS ON FIXED-INCOMES AND LOW AND MODERATE INCOME FAMILIES AND INDIVIDUALS.

WHEREAS, the affordable housing crisis in South Florida, exacerbated by Hurricane Wilma, has increased prices for both rental housing and homeownership to levels that are unattainable by elderly residents on fixed-incomes, lower-income wage earners, and the majority of Davie's workforce; and,

WHEREAS, the eviction and foreclosure rates are climbing and many people are now living on the edge of homelessness as housing costs, taxes, and insurance climb - but wages lag behind; and

WHEREAS, as a result of increasing land values, several mobile home parks in Davie are proposing to convert their land use and/or have been sold for the purpose of redevelopment. Since the Town has more mobile home parks per capita than any other jurisdiction in South Florida, the pressures of redevelopment in Davie are far greater than in other jurisdictions; and

WHEREAS, mobile homes represent 24% of Davie's housing stock @ 7,400+- units in 31 mobile home parks, and the majority of these units are older non-windstorm rated structures that are not suitable for relocation; and

WHEREAS, mobile home park redevelopment will result in the permanent and involuntary displacement of thousands of Davie's lower-income and at-risk residents, including elderly people on fixed incomes; and

WHEREAS, due to the growing affordable housing crisis, in 2005 the Town recognized the need for owners/developers seeking to permanently and involuntarily displace mobile home residents, to provide the Town with an Exit/Relocation Plan which clearly delineates how each displaced person will receive comparable, affordable, replacement housing; and, this became the Town's policy/practice; and

WHEREAS, the Town has done an admirable job of creating new affordable housing opportunities for both renters and homeowners, the Town cannot provide sufficient replacement housing for families and individuals forced out of mobile homes by redevelopment.

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

SECTION 1: Any redevelopment plan for the disposition of mobile home parks which would cause the permanent and involuntary displacement of its residents must be contingent upon an Exit/Relocation Plan approved by the Town Administrator or his Designee, which clearly

delineates the financial compensation to be paid in order to ensure that each displaced resident secures comparable, decent, safe and sanitary, replacement housing that is affordable to them.

SECTION 2: 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

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