



**CITY OF KEY WEST
2012 UPDATES TO THE DATA AND ANALYSIS
FOR EAR-BASED COMPREHENSIVE PLAN AMENDMENTS APPENDIX A**

Introduction

The City completed its first Evaluation and Appraisal Report (EAR) in 2005, and due to the State mandated schedule was required to update the 2005 EAR the following year. There is very little difference between the two reports or the resulting recommendations. It is now the City's desire to implement the recommendations from the two EAR documents, however due to the years that have passed, the supporting data and analysis needs to be updated in order to be meaningful and to provide the most accurate amendments to the Comprehensive Plan.

The Planning Department identified several areas that needed updating, and these are as follows:

- **Affordable Housing Needs Analysis**
- **Population Estimates**
- **Hurricane Evacuation Analysis**
- **Land Use Analysis**
- **Level of Service Analysis**

The following provides some background from the 2005 and 2007 EARs and the updated analysis in the areas identified above.

Chapter 1. Affordable Housing Needs Analysis

The 2005 EAR listed "Affordable Housing" as one of the issues to be addressed during the updates to the Comprehensive Plan. Some of the contributing factors to the need for affordable housing included lower wage tourism based jobs; loss of military families that lived in housing subsidized by the government; increased demand for second homes; government limitations on growth; the loss of housing due to conversion to guesthouses; and the lack of available vacant land. In the 1990s the construction of transient units was permitted pursuant to the City's Building Permit Allocation System (BPAS), and as a result, approximately 874 transient units were built. However, due to Comprehensive Plan policy 1.3.12.3, which limits the percent of new units that may be allocated for transient use, no new transient allocations can be granted under the City's existing BPAS.

Policy 3-1.1.3 of the City's Comprehensive Plan requires that 30 percent of units constructed each year be affordable. At the time of the 2005 EAR, it was noted that this policy has been successful, however at that time there was still a recognized shortage of affordable units. In 2005, the City adopted a workforce housing ordinance which requires that 30 percent of new market rate housing units be affordable to members of the workforce who earn at or less than 80 percent of the median household income. The affordability of units permitted under these policies is maintained through deed restrictions. It is estimated that 504 units have been allocated affordably since the implementation of the BPAS; however, not all of these units were subject to the requirements in the 2005 workforce housing ordinance. The current policy is that the affordability periods for these units remain in place for perpetuity; however some of the earlier units have affordability periods that have or will expire. It is estimated that approximately 233 affordable deed restrictions have expired. However, it is important to

note that not all of these units have been allocated as part of the BPAS.

In addition to requiring private developers to provide a percentage of affordable units, the City has historically taken a proactive approach in providing affordable units. The City has worked within the limits of the BPAS policies and, while being mindful of evacuation planning, has signed agreements with the State and with private developers to allow more affordable units. On the legislative side, the City has implemented policies to allow accessory apartments to single family homes, to facilitate infill of affordable units, and to facilitate apartments above commercial developments.

The 2005 EAR identifies methods in which the City has sought community involvement to address the affordable housing issue. On March 30, 2001 the City held a special summit meeting of residents to gain insight on ways to address housing. From that meeting, there were approximately 40 suggested actions that would address the problem from many different angles. Many creative suggestions were made, including ideas on how to preserve the housing stock, ways to seek out additional funding sources and suggestions to build new units or subsidize rents. In 2009, Florida International University’s Metropolitan Center conducted a Housing Needs Assessment for Monroe County that included information specific to the City of Key West. In order to update the City’s housing needs assessment, the information contained in the 2005 EAR and 2009 Housing Needs Assessment was revised in 2012 using the most recently available information from the 2010 Census, the University of Florida’s Shimberg Center for Affordable Housing, and other relevant data sources.

The provision of decent, safe, sanitary and affordable housing to all residents continues to be one of the most daunting challenges that the City of Key West faces. The City’s scarcity of land for new development, growth in the second home market, high quality of life and desirability, and unique and historic housing stock all contribute to property and housing values that are among the highest in the State. The City’s economy is largely based on tourism and service industries, which generally pay lower wages than many other industries. These dynamics result in a pronounced affordability gap that continues to challenge the City even in the current economic downturn.

A summary of the estimates of the City’s existing housing stock is provided on Table A1-1 below. As can be seen, there is a small discrepancy between the figures from the Affordable Housing Needs Assessment (AHNA), the Census, and a May 2010 estimate prepared by City staff. For the purpose of this report, the 2010 Census figure will be used since it is the most recent, and because it is closer to the City estimate than the AHNA or the U.S. Census 2009 American Fact Finder data. Use of the City’s estimate is constrained by the lack of information about occupancy or tenure.

Table A1-1. City of Key West’s 2010 Housing Stock by Type and Tenure

	Total Units	Occupied Units	Owner Units	Renter Units
09 AHNA	13,307	11,017	5,024	5,993
2010 Census	14,107	10,929	4,520	6,409
2009 US Census Bureau American FactFinder	13,274	8,925	4,175	4,757
May 2010 Estimate	14,452 permanent plus 440 mobile homes			

The median single family home sales price in the City of Key West in 2010 was \$382,450. This value is higher than the 2001 median value of \$305,000, but significantly lower than the median value of

\$776,000 in 2005. The median condominium sales price in 2010 was \$318,000, higher than the 2001 sales price of \$222,000 but lower than the peak of \$575,000 in 2005. The decrease in sales prices between 2005 and 2010 is reflective of the economic downturn. The 2010 median gross rent for a rental unit in the City was \$1,359.¹

“Housing cost burden”, defined as the percent of a household’s income that is used to pay for housing costs, is frequently used as a measure for determining whether or not housing is affordable. According to federal housing program guidelines and the Shimberg Center, housing costs should not exceed 30 percent of a household’s income in order to be considered affordable. Federal guidelines define an extremely low income household as a household whose income is at or below 30 percent of the median household income for the area, a very low income household as a household whose income is at or below 50 percent of the median household income for the area, a low income household as a household whose income is between 50 and 80 percent of the median for the area, and a moderate income household as a household whose income is between 80 and 120 percent of the median for the area.

The median household income in the City in 2010 was \$52,004², while the average annual wages earned by a worker in the City are approximately \$37,844³. In order to be affordable, an owner-occupied home should not cost more than three times a household’s annual income. In order to be affordable to a household at the median level, a home should therefore cost no more than \$156,012. In order to be affordable to the average wage-earner in the City, a home should cost no more than \$113,532 (Note that this does not account for combined household incomes). In order to be affordable to a household earning at or less than 80% of the median for the area, a home should cost no more than \$124,891. The 2010 median sales price of \$382,450 for a single family home indicates an affordability gap of \$226,438 for households earning at or below the median household income, while the median sales price of \$318,000 for a condominium unit indicates a lower but still significant affordability gap of \$161,988.

The 2010 median gross monthly rent in the City was \$1,359. In order to be affordable to a household at the median income level, monthly rent should be no more than \$1,300.10. In order to be affordable to the average wage-earner in the City, monthly rent should be no more than \$946. In order to be affordable to a household earning at or below 80% of the median, monthly rent should be less than \$1,040. Approximately 50% of the City’s rental units are affordable to residents at the median income level, while approximately 37% are affordable to average wage-earners and households at 80% of the median⁴.

Table A1-2 below identifies and projects the number of households in the City by income level for the period between 2000 and 2030.⁵ The projections contained in this Table, provided by the Shimberg Center, are not consistent with the noted trend toward a slight population decrease in the City. Generally, however, they do provide a proximate count of households by income type for 2010. This Table indicates that 12% of the City’s housing stock should be affordable to households earning less than 30% of the median, 11% should be affordable to households earning between 30% and 50% of the median, 18% should be affordable to households earning between 50% and 80% of the median, 24% should be affordable to households earning between 80% and 120% of the median, and 34% should be affordable to households earning over 120% of the median.

1 University of Florida Shimberg Center for Affordable Housing, Housing Needs Summary, Florida Housing Data Clearinghouse, 2012

2 2005-2009 American Community Survey, US Census Bureau

3 Quarterly Census of Employment and Wages, Quarter 2 Year 2011, Florida DEO Labor Market Statistics Center

4 2005-2009 American Community Survey, US Census Bureau

5 University of Florida Shimberg Center for Affordable Housing, Housing Needs Summary, Florida Housing Data Clearinghouse, 2011

Table A1-2. Projected Households by Income 2000 – 2030

	2000	2010	2015	2020	2025	2030
0-30%	1,295	1,295 (12%)	1,378	1,469	1,543	1,605
30 – 50%	1,200	1,203 (11%)	1,297	1,399	1,487	1,559
50 - 80%	1,995	1,857 (18%)	1,873	1,892	1,906	1,913
80 – 120%	2,724	2,518 (24%)	2,516	2,515	2,507	2,497
120%+	3,744	3,620 (34%)	3,665	3,715	3,735	3,750
Total	10,958	10,493	10,729	10,990	11,178	11,324

Table A1-3 below documents the number of cost burdened households in the City by tenure for 2010.⁵ As can be seen, 35 percent of homeowner households and 42 percent of renter households in the City are paying more than 30 percent of their income for housing. Table A1-4 documents cost burdened households by income type. As expected, the level and severity of cost burden increases as income levels decrease.

Table A1-3. Cost Burdened Households by Tenure, 2009

% of income paid for housing	0-30%	30-50%	50% plus	Total
Owners	3,325 (65%)	909 (18%)	844 (17%)	5,078
Renters	3,065 (58%)	1,159 (22%)	1,050 (20%)	5,274

Table A1-4. Cost Burdened Households by Income Group, 2009

% of income paid for housing	0-30%	30-50%	50% plus	Total
0-30% median income	357 (28%)	160 (13%)	754 (59%)	1,271
30 – 50% median income	357 (30%)	355 (30%)	464 (39%)	1,176
50 – 80% median income	855 (46%)	611 (33%)	373 (20%)	1,839
80% + median income	4,821 (79%)	942 (15%)	303 (4%)	6,066

⁵ University of Florida Shimberg Center for Affordable Housing, Housing Needs Summary, Florida Housing Data Clearinghouse, 2011

Table A1-5 below indicates the deficit or surplus of affordable housing units by income category in the City for 2010.⁶ This information provides perhaps the best indication of unmet affordable housing need. As can be seen, there is a deficit of housing units affordable for all income types, with the exception of rental units for households at 120 percent of the median.

Table A1-5. Affordable Housing Deficit/Surplus by Income Group, 2009

	30% of median	50% of median	80% of median	120% of median	200% of median
Owners	-500	-851	-1,571	-2,225	-2,101
Renters	-349	-796	-214	+270	-288

The City of Key West has taken a proactive approach to addressing the affordable housing needs of its residents. There are currently a total of 508 federally, State and locally assisted units and 581 public housing units in the City. In order to encourage the provision of private sector affordable and workforce housing, single family units are allowed and encouraged to have accessory units that provide a more affordable housing option for the City’s workforce and residents. In 2005 the City adopted a workforce housing ordinance which requires that 30 percent of new market rate housing units be affordable to members of the workforce who earn at or less than 80 percent of the median. In addition, Peary Court, a military housing complex, is transitioning from military ownership to civilian ownership, providing an additional 160 market rate housing units. Application of the workforce housing requirement would provide an additional 48 affordable or workforce housing units.

Gauging the need for special needs housing and homeless assistance is another important consideration for the City. There are currently approximately 136 beds for special needs housing, 122 beds for transitional housing, and 175 homeless shelter beds in the City. Based on a count conducted in 2011, 246 homeless persons were identified in the City. A partial listing of special needs and transitional housing facilities is provided below:

1. AIDS Help – 96 Units
2. Kathy’s Hope – 16 rooms with communal facilities
3. Samuels House – 13 rooms with communal facilities
4. Casa de Meredith – 9 units
5. Florida Keys Outreach Coalition – One s.f house (2 bedroom)
6. Neece Center – 20 beds for men
7. Poinciana – 102 beds for men and women

Chapter 2. Population Estimates

Population projections are an important component of local comprehensive plans. They provide the statistical framework for future development and redevelopment, and for projecting the ability to provide key infrastructure and services at adopted levels of service. The population of Key West, a built-out community with natural and policy constraints that limit future development potential, is projected to decrease slightly during the short, mid and long range planning periods, as documented in the following analysis.

⁶ University of Florida Shimberg Center for Affordable Housing, Affordable Housing Needs Assessment, 2011