

MONROE COUNTY LAND AUTHORITY LOFTS 3.2 KEY WEST REQUEST FOR LAND AUTHORITY FUNDING

Presentation to Key West Commission Meeting 7/26/23

Existing:

Land Authority Statute: 380.0666 Powers of land authority.—The land authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers, which are in addition to all other powers granted by other provisions of this act:...(3)(a) ...To provide affordable housing to families whose income does not exceed 160 percent of the median family income for the area.

Key West Lofts 3.2 Acre site:

Key West approved Ground Lease and Declaration of Affordable Housing Restrictions with Development Team. They passed Resolution # 22-290, requesting Land Authority funds in the amount of \$4,028,250, to offset the cost of the 14 Middle income units by approximately \$287,732 per unit.

Ownership Example: Family of 3, Ownership Units using Key West Income guidelines using \$97,688 as Area Median Income

Affordable Housing Income Level	Income Limits	Family of 3 Maximum Income	Maximum Mortgage based on income with 7% interest rate	Maximum Sales Price based on lease with Developer	
				2 Bedroom	3 Bedroom
3 Units Very Low	≤ 60% AMI	\$58,613	\$108,428	\$146,550	\$162,750
11 Units Low	≤ 80% AMI	\$78,150	\$177,788	\$244,250	\$271,250
14 Units Middle	≤ 140% AMI	\$136,763	\$358,876	\$635,050	\$705,250
14 Units Middle	≤ 140% AMI	\$136,763	\$456,589	\$347,318	\$417,518
Land Authority Maximum Income					
14 Units Middle	≤ 160% AMI	\$156,301	N/A – Land Authority statute indicates income maximum as time goes on, not for qualifying. Based on the Florida Statute above, the maximum income for a family of 3 is approximately \$156,301.		

How Much House Can I Afford?

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House Affordability Calculator

There are two House Affordability Calculators that can be used to estimate an affordable purchase amount for a house based on either household income-to-debt estimates or fixed monthly budgets. They are mainly intended for use by U.S. residents.

Results

You can afford a house up to **\$108,428** according to the 28/36 rule, within which \$86,743 is the loan and \$21,686 is the down payment. Most conventional loan lenders use the 28/36 rule.

You can borrow	\$86,743
Total price of the house	\$108,428
Down payment	\$21,686
Estimated closing cost (one time, assume 3%)	\$3,253
Front-end debt-to-income (DTI) ratio	28%
Back-end debt-to-income (DTI) ratio	28%
Total one-time payment at closing	\$24,939
Monthly mortgage payment	\$577
Annual property tax	\$1,084
Annual HOA or co-op fee	\$7,860
Annual insurance cost	\$542
Estimated annual maintenance cost (repair, utility etc., assume 1.5%)	\$1,626
Total monthly cost on the house	\$1,503

Annual household income salary + other incomes (before tax)

Mortgage loan term years

Interest rate %

Monthly debt payback long-term debts, car, student loan, etc

Down payment %

Property tax % per year

HOA or co-op fee \$ per year

Insurance % per year

Debt-to-income (DTI) ratio

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Results

You can afford a house up to **\$177,788** according to the 28/36 rule, within which \$142,231 is the loan and \$35,558 is the down payment. Most conventional loan lenders use the 28/36 rule.

You can borrow	\$142,231
Total price of the house	\$177,788
Down payment	\$35,558
Estimated closing cost (one time, assume 3%)	\$5,334
Front-end debt-to-income (DTI) ratio	28%
Back-end debt-to-income (DTI) ratio	28%
Total one-time payment at closing	\$40,891
Monthly mortgage payment	\$946
Annual property tax	\$1,778
Annual HOA or co-op fee	\$7,860
Annual insurance cost	\$889
Estimated annual maintenance cost (repair, utility etc., assume 1.5%)	\$2,667
Total monthly cost on the house	\$2,046

Annual household income salary + other incomes (before tax)

Mortgage loan term years

Interest rate %

Monthly debt payback long-term debts, car, student loan, etc

Down payment %

Property tax % per year

HOA or co-op fee \$ per year

Insurance % per year

Debt-to-income (DTI) ratio

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Results

You can afford a house up to **\$385,876** according to the 28/36 rule, within which \$308,701 is the loan and \$77,175 is the down payment. Most conventional loan lenders use the 28/36 rule.

You can borrow	\$308,701
Total price of the house	\$385,876
Down payment	\$77,175
Estimated closing cost (one time, assume 3%)	\$11,576
Front-end debt-to-income (DTI) ratio	28%
Back-end debt-to-income (DTI) ratio	28%
Total one-time payment at closing	\$88,751
Monthly mortgage payment	\$2,054
Annual property tax	\$3,859
Annual HOA or co-op fee	\$7,860
Annual insurance cost	\$1,929
Estimated annual maintenance cost (repair, utility etc., assume 1.5%)	\$5,788
Total monthly cost on the house	\$3,673

Annual household income salary + other incomes (before tax)

Mortgage loan term years

Interest rate %

Monthly debt payback long-term debts, car, student loan, etc

Down payment %

Property tax % per year

HOA or co-op fee \$ per year

Insurance % per year

Debt-to-income (DTI) ratio

Source: Calculator.Net

Assumptions:

\$655.16 x 12 = Condo Association Dues for first year which includes insurance, CAM fees, and maintenance and is a maximum assessment and is based on Developer provided Bahama Village Prospectus

CITY OF KEY WEST
Work Force Housing
Income, Rent and Sales Limits
2023

Maximum Income Limits					
Household Size	Very Low 60%	Low 80%	Median 100%	Moderate 120%	Middle 140%
1 Person	\$ 45,600	\$ 60,800	\$ 76,000	\$ 91,200	\$ 106,400
2 Persons	\$ 52,088	\$ 69,450	\$ 86,813	\$ 104,175	\$ 121,538
3 Persons	\$ 58,613	\$ 78,150	\$ 97,688	\$ 117,225	\$ 136,763
4 Persons	\$ 65,100	\$ 86,800	\$ 108,500	\$ 130,200	\$ 151,900
5 Persons	\$ 70,313	\$ 93,750	\$ 117,188	\$ 140,625	\$ 164,063
6 Persons	\$ 75,525	\$ 100,700	\$ 125,875	\$ 151,050	\$ 176,225
7 Persons	\$ 80,738	\$ 107,650	\$ 134,563	\$ 161,475	\$ 188,388
8 Persons	\$ 85,950	\$ 114,600	\$ 143,250	\$ 171,900	\$ 200,550

Maximum Monthly Rental Rates					
Unit Size	Very Low 60%	Low 80%	Median 100%	Moderate 120%	Middle 140%
Efficiency	\$ 950	\$ 1,267	\$ 1,583	\$ 1,900	\$ 2,217
1 Bedroom	\$ 1085	\$ 1,447	\$ 1,809	\$ 2,170	\$ 2,532
2 Bedrooms	\$ 1221	\$ 1,628	\$ 2,035	\$ 2,442	\$ 2,849
3 Bedrooms	\$ 1356	\$ 1,808	\$ 2,260	\$ 2,713	\$ 3,165
4 Bedrooms	\$ 1465	\$ 1,953	\$ 2,441	\$ 2,930	\$ 3,418

Maximum Sales Price					
Unit Size	Very Low 60%	Low 80%	Median 100%	Moderate 120%	Middle 140%
Efficiency	\$ 114,000	\$ 190,000	\$ 266,000	\$ 380,000	\$ 494,000
1 bedroom	\$ 130,219	\$ 217,031	\$ 303,844	\$ 434,063	\$ 564,281
2 bedrooms	\$ 146,531	\$ 244,219	\$ 341,906	\$ 488,438	\$ 634,969
3 bedrooms	\$ 162,750	\$ 271,250	\$ 379,750	\$ 542,500	\$ 705,250
4 bedrooms	\$ 175,781	\$ 292,969	\$ 410,156	\$ 585,938	\$ 761,719

Per City Ord. Sec.122-1466 to Sec.122-1472