



CITY OF KEY WEST

Building Permit Allocation System Audit

Between September 2008 and February 2009, the City of Key West Planning Department performed an analysis of the City's Building Permit Allocation System (BPAS), the growth management mechanism developed and implemented in 1993 to ensure adequate evacuation time for the City's residents and visitors in the event of a hurricane. The BPAS is also known as the Rate of Growth Ordinance, or "ROGO", although that name is not used in this analysis.

The purpose of the audit was to determine the number of equivalent single family units¹ (ESFU) input into the system as well as the number allocated from the system, with an emphasis on the number of affordable housing ESFU allocated and the number of transient ESFU allocated. Further, an assessment of any remaining un-allocated ESFU within the system was conducted.

A total of 1,649.00 ESFU were input into the BPAS. BPAS inputs included the original 1,093 units originating in the Comprehensive Plan, 370 additional units resulting from legal documents, including development agreements, a settlement agreement, and a consent final judgment. An additional 186 ESFU were input into the system based on a Memorandum of Agreement between the Department of Community Affairs (DCA) and the City of Key West rectifying an accounting error for fractional units, *Table 1, Total ESFU Inputs* summarizes sources of inputs into the BPAS. In addition to the inputs summarized in Table 1, the City received inputs from various changes in use through the years. These units, known as "recovered units" are not included in the input total in this audit and are the subject of further analysis.

¹ ESFU (Equivalent Single Family Unit): One Single family or multifamily (non-transient) home is rated as one "ESFU" as a measure for residential growth regulation. The ESFU factor was fractionalized on a relative basis to apply an evacuation value of 0.58 to a transient residential unit and 0.55 to an accessory apartment (both 600 s.f. or less).

Table 1 - Total ESFU Inputs	
Comprehensive Plan ESFU	1,093.00
Legal Mechanisms ESFU	370.00
DCA Agreement ESFU	186.00
Total ESFU Inputs	1,649.00

Source: City of Key West Planning Department, 2009

A total of 1,555.57 ESFU were allocated. This represents an under-allocation of 93.43 ESFU as demonstrated below in *Table 2, Total ESFU Allocated*.

Table 2 - Total ESFU Allocated	
Total ESFU Input	1,649.00
Total ESFU Allocated	1,555.57
Difference	93.43

Source: City of Key West Planning Department, 2009

The Comprehensive Plan stipulates that a minimum of 30% of permanent residential units be allocated as affordable. A total of 398.45 ESFU out of 1,555.57 ESFU were allocated as affordable units, which represents 26% of all ESFU as affordable (see *Table 3, Total Affordable ESFU Allocated*). The City of Key West has not met its obligation of allocating 30% of all ESFU allocations as affordable. In order to meet this obligation, the City needs to allocate 68.22 ESFU of remaining ESFU for affordable housing.

Table 3 - Total Affordable ESFU Allocated	
Total ESFU Allocated	1,555.57
Affordable ESFU Allocation	398.45
Percent Allocated	26%

Source: City of Key West Planning Department, 2009

The Comprehensive Plan also stipulates that transient unit allocations not exceed a maximum of 25% of total ESFU. A total of 506.92 transient ESFU were allocated, equaling 33% of all ESFU allocated. See *Table 4, Total Transient ESFU Allocated*. The City of Key West has exceeded allowable transient allocations.

<i>Table 4--Total Transient ESFU Allocated</i>	
Total ESFU Allocated	1,555.57
Transient ESFU Allocated	506.92
Percent Allocated	33%

Source: City of Key West Planning Department, 2009

Conclusion: Based on the data gathered and analyzed during this analysis, the Planning Department estimates that a total of 93.43 ESFU remain unallocated. However, 68.22 ESFU must be allocated towards affordable housing to ensure Comprehensive Plan compliance of 30% affordable allocation. Further, due to the documented over-allocation of transient units, no additional allocations for transient units are expected to occur. The Department recommends that the 25.21 ESFU market rate allocations remaining be reserved for beneficial use allocations.

This analysis was particularly challenging due to the condition of allocation records. Unit tracking has been inconsistent and kept primarily in hand-written logs. In order to provide a cohesive accounting of allocations that avoids multiple records, duplications and math errors, the Department prepared an electronic master spreadsheet of all available allocation data from 1990 through 2009. However, this is a best faith effort and the Department acknowledges that any audit based on such poor records may be imprecise. The results of this analysis are considered adequate for the purpose of ascertaining Comprehensive Plan compliance and moving forward with a new accounting system.

An appendix to this audit contains methodology, source documentation and analysis relating to the audit.