Affordable Workforce Housing for the Florida Keys

Presented by
IWPR Group | Cypress Community Development Corp | Cusato & Co

On behalf of
The Florida Keys Community Land Trust

Contact: Irina Woelfle (772) 231-7532
What is Workforce Housing?

Housing affordable to households earning 60 to 120% of the area median income (AMI). Also defined as affordable if the housing costs are no more than 30-40% of income.
Wage you need to rent a two-bedroom home

The displayed wage represents what a full-time hourly worker must earn to rent a two-bedroom home in their state without paying more than 30% of their income.

Source: National Low Income Coalition

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## Rental Affordable Housing Units

Monroe County 2018 Qualifying Income Limits

**Average Median Income = $84,400**

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Very Low 50%</th>
<th>Low 80%</th>
<th>Median 100%</th>
<th>Moderate 120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>$773</td>
<td>$1,235</td>
<td>$1,545</td>
<td>$1,854</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$883</td>
<td>$1,411</td>
<td>$1,765</td>
<td>$2,118</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>$993</td>
<td>$1,588</td>
<td>$1,985</td>
<td>$2,382</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>$1,103</td>
<td>$1,764</td>
<td>$2,205</td>
<td>$2,646</td>
</tr>
<tr>
<td>4+ Bedrooms</td>
<td>$1,191</td>
<td>$1,905</td>
<td>$2,383</td>
<td>$2,859</td>
</tr>
</tbody>
</table>

**Available Housing Rental Rates = +/- $3,000-3,500+**

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Results & Impacts of Housing Crisis

Problem
- Misery: Workers Bussed 4+ Hours a Day
- Driven Out: 20% of Workforce Lost Post-Irma
- Vacancy: Thousands of Jobs Left Unfilled

Result
- Tourism Economy At Risk: Draw of Keys will be lost
- Economic Risk: $200 Million in Tax $ to Tallahassee at Risk

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Barriers to Workforce Housing

Problem
- **Regulations:** Restrictive ordinances & Key Deer habitat
- **NIMBYs:** Not In My Backyard resistance
- **ROGOS:** Evacuation planning limiting growth

Result
- **High End Only:** Process discourages affordable construction
- **Workers Flee:** 20% of workforce move away

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Irma: Housing Crisis Compounded

**Problem**
- **Destruction:** 1200 buildings destroyed; 1000 damaged 50%+
- **Shadow Inventory:** At-grade trailers lost, not in totals above
- **Mold:** Slum lords paint over mold, then rent toxic homes

**Result**
- **Housing Lost:** 7% of Keys housing stock destroyed
- **Homeless:** Residents remain in tents and cars 8 months later

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Barriers to Affordable Construction

Problem
• Labor Shortage: Nationwide shortage compounded in Keys
• Hurricane Codes: Resilient features prohibitively expensive
• Price of Materials: Steepest y-o-y increase since 2011, 6.4%

Result
• Slow Construction: Takes years to build
• Expensive Homes: Cost per sq. ft. $300-400

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Urgent Need: Block For-Profit Developers

- **Window of opportunity** to purchase land on Big Pine Key while property values continue to fall.

- Face **threat from For-Profit developers** driving up land costs

Contact: Irina Woelfle (772) 231-7532
Proposed Solution:
The Florida Keys Community Land Trust
The Florida Keys Community Land Trust is non-profit 501(c)(3) corporation established in the immediate aftermath of Hurricane Irma to preserve and enhance the way of life for the workforce of Monroe County, Florida.

Contact: Irina Woelfle (772) 231-7532
Our Team

Cypress Community Development Corp.
- Not for profit housing development division of the DC based strategic advisory and advocacy firm
- Built 450 Katrina Cottages in Louisiana through FEMA funding and affordable housing sources.
- www.CypressGroupDC.com

Cusato & Co
- Founded by Katrina Cottage designer Marianne Cusato to provide innovative housing solutions for disaster rebuilding and workforce housing.
- All homes are resilient, built to meet or exceed local codes and fit within the local vernacular architecture.
- www.MarianneCusato.com

IWPR Group
- A media relations firm specializing in solutions to challenging real estate and housing issues facing our society
- Launched the acclaimed nationwide PR campaign for the Katrina Cottages by leveraging the key messages of the project stakeholders.
- www.IWPRGroup.com

The Florida Housing Coalition
- Commonly acknowledged as the foremost affordable housing advocate in Florida.
- Provides training and technical assistance, as well as advocating at the state and national levels for people in need of affordable housing.
- www.flhousing.org

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Our Homes

ABOUT OUR HOMES

• **Permanent homes** meet or exceed all required building codes.

• Designed to **200 mph wind** loads & **raised above FEMA height** req.

• **Materials:** Impact Windows; 5 V Metal Roof; LP Smartside

• **Panelized SIPs** construction is **energy efficient** & streamlines installation

• **Unit Sizes:** 2 bed (760 sq. ft.) and 3 bed (1092 sq. ft.) units

• **Cost Per Sq Ft:** $185-243** depending on number of units, average residential construction $300-$400.
## Land & Construction Costs

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>8</th>
<th>30</th>
<th>44</th>
<th>100-120</th>
<th>350-400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Cost</td>
<td>$960,000</td>
<td>$3,600,000</td>
<td>$5,280,000</td>
<td>$12,000,000</td>
<td>$42,000,000</td>
</tr>
<tr>
<td>Construction*</td>
<td>$1,790,000</td>
<td>$6,400,000</td>
<td>$9,320,000</td>
<td>$21,200,000</td>
<td>$71,000,000</td>
</tr>
<tr>
<td>Unit cost per sq. ft.**</td>
<td>$243/sq. ft.</td>
<td>$235/sq. ft.</td>
<td>$225/sq. ft.</td>
<td>$190-225/sq. ft.</td>
<td>$185-215/sq. ft.</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$2,750,000</td>
<td>$10,000,000</td>
<td>$14,600,000</td>
<td>$33,200,000</td>
<td>$113,000,000</td>
</tr>
</tbody>
</table>

*Construction costs include:
- Architecture & Engineering Fees
- Development Management Fee
- Built to 200 mph winds; raised above FEMA heights; impact windows
- Energy efficient design, which results in low energy bills
- Turn-key units

**Average cost of residential construction in the Florida Keys ranges from $300-$400/sq. ft.
Project Budget & Needs

- **8 Units, 1 Year**: $2.75M
- **30 Units, 2.5 Years**: $10M
- **44 Units, 3 Years**: $14.6M
- **100-120 Units, 4 Years**: $33.2M

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Project Budget & Needs

- **8 Units, 1 Year**: $2.75M Total Project Budget
  - Land = $0.96M
  - Construction = $1.79M

- **30 Units, 2.5 Years**: $10M Total Project Budget
  - Land = $3.36M
  - Construction = $6.64M

- **44 Units, 3 Years**: $14.6M Total Project Budget
  - Land = $5.28M
  - Construction = $9.32M

- **100-120 Units, 4 Years**: $21.2M Total Project Budget
  - Land = $12M
  - Construction = $33.2M

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Assumptions:
- Debt service depends on 50/50 split of rents between 80% AMI and 120% AMI
- Debt Service Ratio for all models 1.1

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Project Budget & Needs

100-120 Units
4 Years

$33.2M

350-400 Units
5 Years

$113M

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Urgent Help Needed
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Damage from Irma remains, first named storm of 2018 already formed.

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Urgent Support for the Keys Needed

For more information contact
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(772) 231-7532

AffordableKeys.org