

Understanding Sustainable Workforce Housing: Creating a Local Needs Assessment¹

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This paper is part of a series of discussions on workforce housing, community planning, and research focusing on effective and sustainable land use strategies. This series includes specialized papers on planning, needs assessments, asset-based planning, civic engagement, and other topics important to effective local planning.

Introduction

The need for affordable or workforce housing is an increasing concern for all Florida communities. Damage from multiple hurricanes, increasing prices for existing residential properties, and the increased demand for higher-end residential units (often built using previously affordable land/properties) continue to seriously diminish the stock of available housing for low- to moderate-income working families. Such conditions result in an environment where long-time residents are forced out, lower-income residents find themselves unable to live in the areas where they work, and newcomers to Florida find themselves priced out of their selected localities.

Recent research on working families and critical housing needs conducted by the Center for Housing

Policy, the research affiliate of the National Housing Conference, concluded that the number of America's working families paying more than 50% of their income for housing has grown by 76% in just over half a decade (an increase from 2.4 million in 1997 to 4.2 million in 2003). Communities' ability or inability to meet the housing needs of these working families can seriously impact their stability and economic viability.

This document will assist local citizens and planners in better understanding what workforce housing is and how to create their own local workforce housing needs assessment.

Existing Legislation and Requirements

To provide adequate workforce housing sites for current and future population, the Florida 1985 Growth Management Act (Chapter 163, Part II, Florida Statutes) was enacted. It requires that each local government adopt a housing element as part of its comprehensive plan. A local government's housing element must include data and analysis showing housing need (Chapter 9J-5, Florida

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Administrative Code). It must ensure that adequate sites are available for workforce housing, including housing for those with special needs, such as farm workers. The housing element must also be consistent with the Strategic Regional Policy Plan (Chapter 186, Florida Statutes) and the State Comprehensive Plan (Chapter 187, Florida Statutes). The housing element establishes the city or county's goals and intended methods for providing housing that meets the existing and future needs of residents.

The Need for Workforce Housing

Attainable housing is defined as housing that is in safe and acceptable condition and does not financially burden a family. Federal government guidelines, primarily those developed by the U.S. Department of Housing and Urban Development (HUD), define attainable housing as housing that costs a homeowner or renter no more than 30% of the household's gross monthly income. This figure includes mortgage payments, home insurance, taxes, homeowner association and/or condominium fees, and utilities.

Evidence indicates that there is a substantial need for workforce/working family housing among households earning between 60% and 120% of the Area Median Income (AMI). The U.S. Department of Housing and Urban Development (HUD) defines AMI as the median income level for resident households in an area, based on a family of four and derived from all wages earned by people aged 15 and older in those households. If you earn the area median income, half of the households in the area earn more than you, and half earn less. According to HUD, the 2005 Area Median Income (AMI) for the state of Florida is \$54,600. This means that half of the state's residents have household incomes above \$54,600 and half of the state's residents have household incomes below \$54,600.

Needs Assessments, Asset-Based Planning, and Their Importance

To accurately determine the affordable housing need in a community, it is essential to create a needs assessment report. The report will have two purposes. The first purpose is to identify and quantify the actual

need (type and quantity) for affordable housing in an objective manner. The analysis of this data is essential to understanding the true needs of the community. Question you might ask include, "What income ranges are represented in my area? Which ranges are suffering the most? What is the extent of the issue?" Affordable housing is an emotional topic that may quickly attract media and political attention. Programs created in this atmosphere with little objective data may actually work against the long-range goals of the target population they are intending to assist.

The second purpose is to provide a logical and objective basis for any programs being proposed to produce affordable housing. The data presented in the report may very well be the argument for affordable housing programs in your city or county. The manner in which the information is presented is crucial to the acceptance of information. It is all too easy to produce a report that is overly technical and difficult for most people to understand. Remember that the purpose of the report is to provide useful data so that decision makers can make a sound decision and so that the public can better understand the local housing situation.

The needs assessment should rely on generally accepted data sources, such as the U.S. Census, the Florida State Data Center, or other statistical sources (the University of Florida's Shimberg Center for Affordable Housing at <http://www.shimberg.ufl.edu> has an outstanding database providing online access to this data). The report is the basis of your proposed solutions. It will be reviewed thoroughly by groups and individuals opposing affordable housing programs. They will be looking for inconsistencies, miscalculations, or invalid conclusions in order to discredit the general findings of the report.

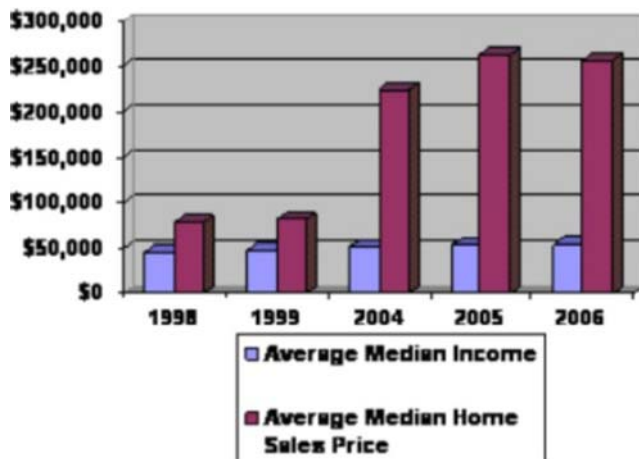
Finally, do an analysis of local assets (in the form of property, existing housing units, or other resources). This data might be used to identify future workforce housing. Many of the asset-based planning and asset-mapping activities available through Extension can also be very useful in this process; to see one example, visit http://srdc.msstate.edu/publications/227/227_asset_mapping.pdf.

How to Begin

A needs assessment is only one element of an affordable housing strategy. The process is usually brought about by economic forces upon a community, such as static or declining wages, layoffs, increased demand for housing, and rapidly rising and/or inflated housing prices. Due to a combination of rapid urbanization, home loan availability, and historically low interest rates, Florida has become one of the fastest-growing states in the nation. As the population has increased rapidly, property values have increased just as rapidly.

For example, in 2005, the city of Port St. Lucie was named one of the fastest-growing cities in the nation. As a result of this growth, home prices in the county ballooned. Between October 1998 and June 2006, the median price for a single-family home rose 228%. During the same time period, the area median income increased only 22.6% (from \$44,500 to \$54,600). This put homeownership out of reach for many workers.

The chart below illustrates the affordable housing crisis by contrasting the increase in the average median wage from 1998-2006 (from \$44,500 to \$54,600) with the increase in the median sale price for a single-family home in St. Lucie County from 1998-2006 (from \$78,400 to \$257,500).



This situation attracted enough attention in the community that local elected officials created an Affordable Housing Task Force to investigate possible affordable housing strategies.

Before beginning a needs assessment, an advisory council or task force should be assembled. This group authorizes the creation of the report and reviews the document for accuracy. The committee also comments on your conclusions, the clarity of your graphs and writing, and any area of the document that needs improvement. Ultimately, the committee will send recommendations to elected officials regarding affordable housing strategies and solutions.

Where to Begin

The creation of a needs assessment begins with the review of the comprehensive plan. Each city government is required to have a comprehensive plan, and each comprehensive plan is required to have a housing element. The comprehensive plan is publicly accessible and can be located by contacting your local planning department. Most planning departments will help you find the information you need. Similarly, the housing element can give you important information for your needs assessment, such as the average age of the housing stock, the percentage and number of rentals or owner-occupied units, and the percentage of owners paying over 30% of their income for housing (remember, under HUD guidelines, housing that consumes 30% or more of gross income is defined as unaffordable). Another advantage of incorporating pieces of this document into your needs assessment is that the comprehensive plan (comp plan) undergoes extensive professional and public review prior to its adoption. The comp plan is essentially the local government's long-range plan. It must be approved by the state Department of Community Affairs and is open to extensive public comment before its adoption. If you quote the comp plan directly, it may lend credibility to your findings.

Your research can also be used to verify the local comp plan statistics, as well as to identify land use patterns, demographics, and housing conditions that may have changed since the comp plan was written.

Internet research is a good second step to the creation of a needs assessment. A general search for "needs assessment" will provide a number of published documents that may assist in determining the type of format and layout that will best

complement your data. Many good needs assessment and asset-based planning guides are available through UF Extension and EDIS. The University of Florida Shimberg Center provides a wealth of statistical data for every county, many municipalities, and all metropolitan statistical areas (MSAs) in the state. This data will require careful review to understand how it can be most effectively utilized.

Audience

After you have spent a few weeks working on creating your own needs assessment, your knowledge of affordable housing issues will have grown immensely. Unfortunately, your audience will not have had the same opportunities; all they will have to go on is your report. If your report is overly technical, it will be difficult for the general public to read. If it is too informal, it will not be taken seriously. A delicate balance must be achieved between the report's readability and its effectiveness in conveying important information. It is generally accepted that any report should begin with general statements and end with very concise, specific conclusions. The report should also be broken into sections to offer the reader the ability to easily move to the section he/she finds most important.

Sections might include:

- Introduction
- Definition of affordable housing
- Assessment of the need for affordable housing in your area
- Assessment of the need for workforce housing in your area
- Area Median Income (AMI) and median housing costs for your area
- Review of the condition of existing housing stock
- Review of the status of rental housing stock
- Projections for future housing demand (all income levels)

- Projected impacts of any proposed remedies, solutions, or strategies
- Conclusion

Graphs and charts can help convey complex information quickly and easily. In many cases, a well-executed chart or graph can make your point for you.

Peer Review and the Public

After you have reviewed the data and other reports, researched all of the relevant information, and written your report, it is essential that you have the report reviewed by members of your organization and qualified persons in the private sector.

Because affordable housing is a political subject, it is important to make sure that a "Draft" stamp is always on your document until it is formally released to the public. This will ensure that any mistakes or inaccuracies in the document do not make the front page of the local newspaper!

Resources

Florida Association of Realtors home sale statistics

<http://media.living.net/statistics/statisticsfull.htm>

The Florida Housing Affordable Housing Needs Assessment

<http://flhousingdata.shimberg.ufl.edu/apps/azindex.pl?t=10>

The Florida Housing Coalition

<http://www.flhousing.org/>

The Florida Housing Data Clearinghouse

<http://flhousingdata.shimberg.ufl.edu/a/profiles>

"Mapping the Assets of Your Community," The Southern Rural Development Center

http://srdc.msstate.edu/publications/227/227_asset_mapping.pdf

The UF Shimberg Center for Affordable Housing

<http://www.shimberg.ufl.edu/>

Workforce Housing Overview and Statistics

<http://flhousingdata.shimberg.ufl.edu/>

WF_Infobrief_2006.html

Your local property appraiser's office

Your local Chamber of Commerce

References

The U.S. Census

<http://www.census.gov>

The UF Shimberg Center for Affordable Housing

<http://www.shimberg.ufl.edu/>

Florida Association of Realtors home sale statistics

<http://media.living.net/statistics/statisticsfull.htm>

The U.S. Department of Housing and Urban Development

<http://www.hud.gov/>

MyFlorida Department of Community Affairs

<http://www.dca.state.fl.us/divisions.cfm>