

2007 Palm Beach County Workforce Housing Market Update and Municipal Scorecards

Prepared by:

**Florida International University
Metropolitan Center**

For:

**The Housing Leadership
Council of Palm Beach County**

Approach and Methodology

- ***Analyze the current market data and conditions to determine changes in existing and future housing demand with an emphasis on working households in each income category***
- ***Examines the existing and future housing needs***
- ***Geographical emphasis in the largest cities on Palm Beach County, where there exists the largest concentrations of the resident workforce***

Purpose of the Study

- *To provide a market update on the key supply and demand factors impacting the production and availability of affordable housing in Palm Beach County*
- *To assess the progress of Palm Beach County and its municipalities in addressing the existing and future demand of workforce/affordable housing based on the 2006 Palm Beach County Workforce Housing Needs Assessment.*

2006 Key Findings

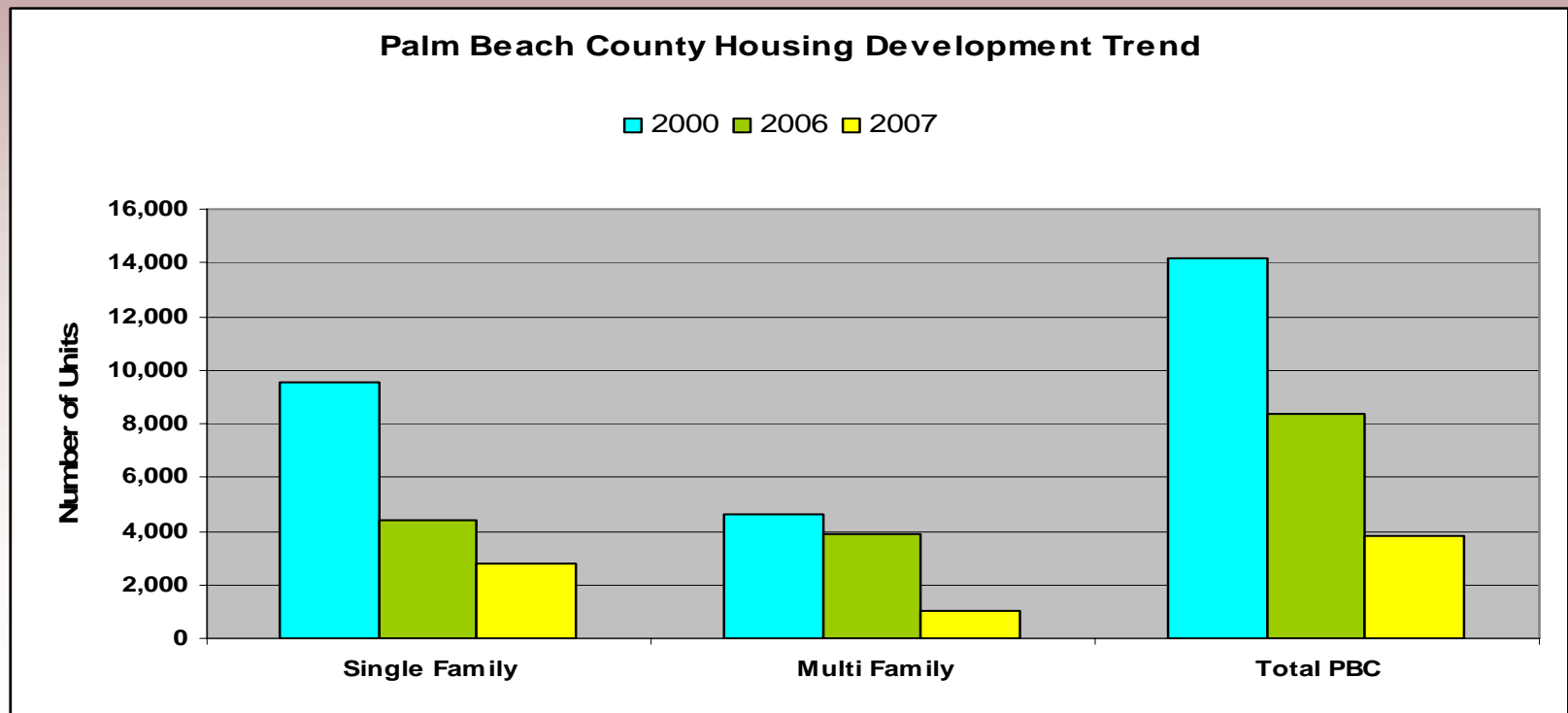
- ***The 2006 study documented the supply and demand imbalance for workforce housing in Palm Beach County and its municipalities.***
- ***It highlighted the extent and ramifications of South Florida's explosive three-year housing boom during the period 2003-2005 that resulted in a severe shortage of workforce housing and extreme affordability gaps for all housing types.***
- ***The study showed that Palm Beach County's workforce housing supply and affordability mismatch was exacerbated by speculative investment that resulted in multiple conversions of rental units to condominiums and an overall development trend in recent years toward a more upscale housing demand external to the local market***

Housing Supply



Housing Supply Analysis

New housing permits in Palm Beach County plummeted from 14,188 total permits in 2005 to 8,337 total permits in 2006; the 2007 estimates show a 37.5 percent decline in new single-family permits and a 73.6 percent decline in multi-family



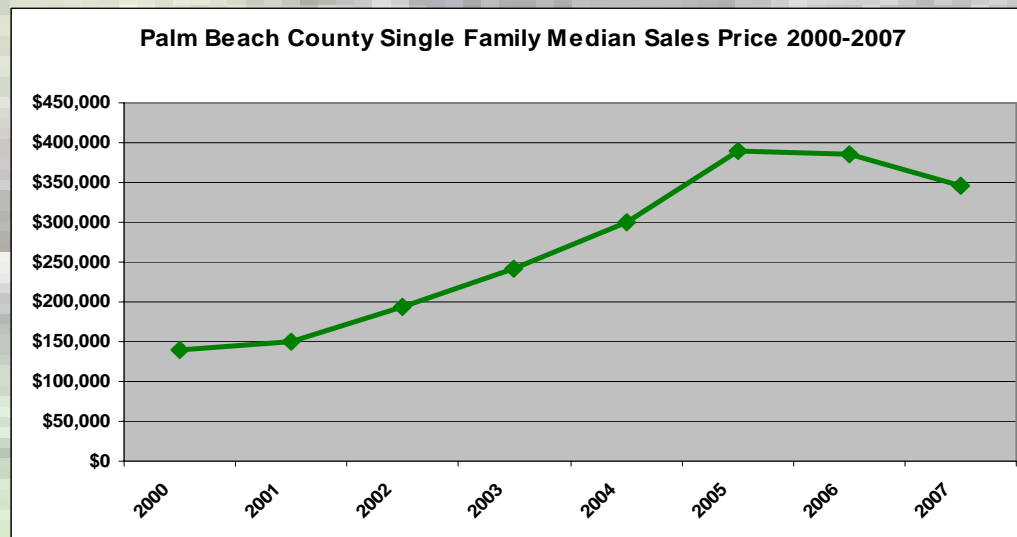
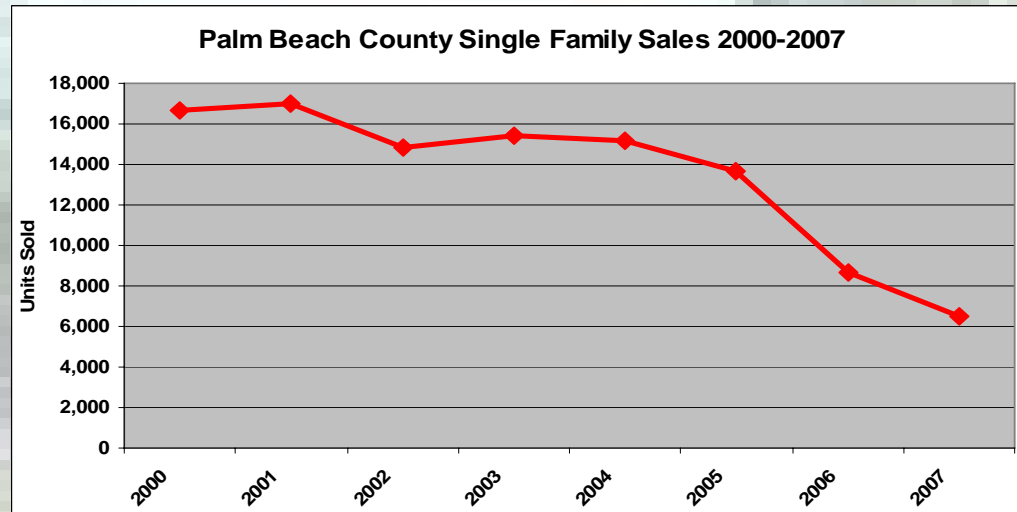
Vacant Housing

Vacant housing units held for seasonal use increased from 82,253 total units in 2000 to 126,628 units in 2006, an increase of 54 percent

Palm Beach County Housing Growth 2000-2006			
	2000	2006	% Growth
Occupied housing units	474,175	504,518	6.4%
Owner-occupied	354,026	380,000	7.3%
Renter-occupied	120,149	124,518	3.6%
Vacant housing units	82,253	126,628	53.9%
Total Housing	556,428	631,146	13.4%

Single Family Homes

- **Single family homes sold in Palm Beach County declined from 13,679 units to 8,640 units sold (37 percent decrease) from 2005-2006 and from 8,640 units to 6,504 units sold (25 percent decrease through November) from 2006-2007**
- **The reduced \$345,000 median sale price of a single-family home in Palm Beach County remains unaffordable to 86 percent of Palm Beach County's households**



Single Family Market

The market downturn has created a large inventory of unsold single-family homes which has nearly tripled in the past year

Palm Beach Single Family Median Market Sales Price						
Municipality	Units Available		%	Median Market Price		%
	2006	2007	Change	2006	2007	Change
Boca Raton	233	795	241.2%	\$695,000	\$539,000	22.4%
Boynton Beach	214	991	363.1%	\$362,450	\$349,900	3.5%
Delray Beach	129	411	218.6%	\$795,000	\$549,000	30.9%
Greenacres	32	152	375.0%	\$314,500	\$309,500	1.6%
Jupiter	168	511	204.2%	\$599,000	\$499,000	16.7%
Lake Worth	161	619	284.5%	\$349,900	\$329,900	5.7%
Palm Beach Gardens	145	323	122.8%	\$789,000	\$595,000	24.6%
Riviera Beach	32	109	240.6%	\$314,750	\$220,000	30.1%
Royal Plam Beach	45	193	328.9%	\$418,500	\$397,000	5.1%
Wellington	162	572	253.1%	\$572,450	\$510,000	10.9%
West Palm Beach	221	711	221.7%	\$429,900	\$369,000	14.2%
Total	1542	5387	249.4%	\$489,000	\$420,000	14.1%

Single Family Homes

- ***Despite lowering single-family home values, substantial affordability gaps continue to exist in all major cities in Palm Beach County ranging from \$78,577 in Riviera Beach to \$343,138 in Palm Beach Gardens***

Condominium Homes

- ***Condominium sales decreased from 8,558 units to 6,139 units sold (28 percent decrease) from 2005-2006 and from 6,139 units to 5,255 units sold (14 percent decrease through November) from 2006-2007***
- ***Palm Beach County's inventory of unsold condominium units has grown significantly since 2006 nearly tripling in most cities***

Condominium Market

Palm Beach Condominium Median Market Sales Price

Municipality	Units Available		%	Median Market Price		%
	2006	2007	Change	2006	2007	Change
Boca Raton	366	1218	232.8%	\$289,000	\$250,000	13.5%
Boynton Beach	348	918	163.8%	\$239,900	\$215,000	10.4%
Delray Beach	328	964	193.9%	\$195,575	\$180,000	8.0%
Greenacres	66	307	365.2%	\$179,000	\$119,000	33.5%
Jupiter	163	544	233.7%	\$355,000	\$314,725	11.3%
Lake Worth	164	411	150.6%	\$147,000	\$149,000	1.4%
Palm Beach Gardens	112	272	142.9%	\$317,000	\$277,000	12.6%
Riviera Beach	44	185	320.5%	\$294,950	\$320,900	8.8%
Royal Plam Beach	36	97	169.4%	\$189,900	\$214,900	13.2%
Wellington	84	256	204.8%	\$290,400	\$269,900	7.1%
West Palm Beach	441	1316	198.4%	\$199,900	\$194,900	2.5%
Total	2152	6488	201.5%	\$239,250	\$224,900	6.0%

Condominium Homes

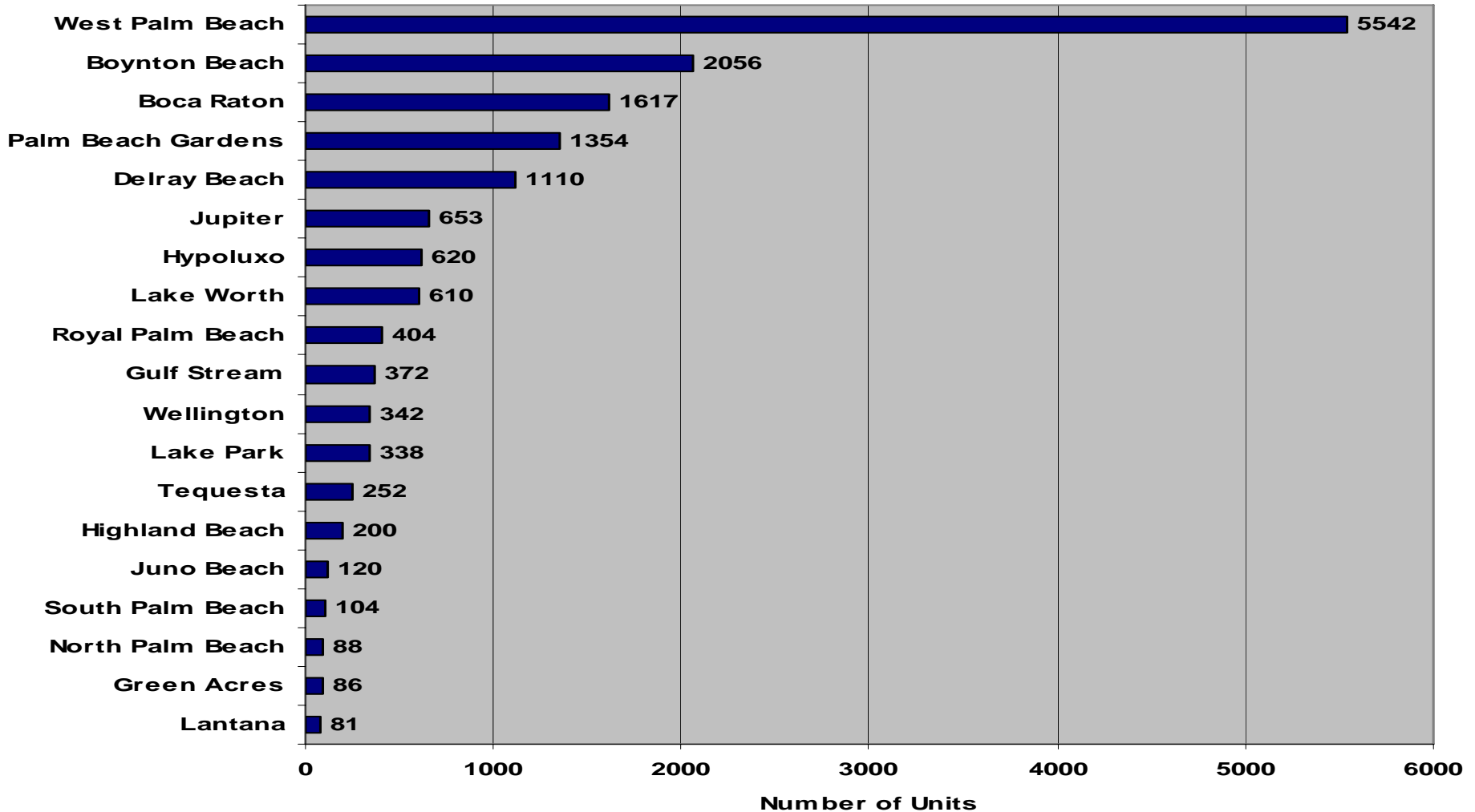
- *The median sales price of a condominium declined from a high of \$220,400 in 2006 to \$177,400 (20 percent decrease through November) in 2007*
- *The decline in condominium prices has expanded housing affordability in some cities, but affordability gaps for condominiums remain in Boynton Beach, Jupiter and Riviera Beach.*

Cost Burden and Rental Housing

- ***Cost-burdened households in Palm Beach County (households paying in excess of 30 percent of income toward housing costs) grew from 114,000 households in 2000 to 223,000 households in 2007***
- ***Since 2000, the supply of affordable rental housing has diminished in Palm Beach County, due primarily to the loss of nearly 16,000 rental units to condominium conversions***

Condo Conversion

Condo Conversion by Municipality 2000-2007



Rental Housing and Expiring Uses

- *The current average rent for Palm Beach County and most municipalities exceeds the affordability level of all households earning 80 percent or less of the area median income (AMI)*
- *Expiring uses by 2010 will impact 1,016 affordable rental units in Palm Beach County in fourteen (14) rental development complexes*

Rental Affordability Gap

Affordability Gap for 2 Bedroom Rental Apartment by Municipality: 2007

Municipality	2007 Median HH Income	Monthly Household Income	Affordable Rent @ 30% of Income	Mean Rent	Affordability Gap @ Median
Boca Raton	\$76,007	\$6,334	\$1,900	\$1,526	\$374
Boynton Beach	\$50,267	\$4,189	\$1,257	\$1,126	\$131
Delray Beach	\$54,715	\$4,560	\$1,368	\$1,385	\$17
Greenacres City	\$46,604	\$3,884	\$1,165	\$1,061	\$104
Jupiter	\$69,317	\$5,776	\$1,733	\$1,237	\$496
Lake Worth	\$37,890	\$3,158	\$947	\$948	\$1
Palm Beach Garden	\$75,411	\$6,284	\$1,885	\$1,372	\$513
Riviera Beach	\$40,510	\$3,376	\$1,013	\$1,277	\$264
Royal Palm Beach	\$69,091	\$5,758	\$1,727	\$1,243	\$484
Wellington	\$88,652	\$7,388	\$2,216	\$1,416	\$800
West Palm Beach	\$46,393	\$3,866	\$1,160	\$1,126	\$34
Palm Beach County	\$61,200	\$5,100	\$1,530	\$1,202	\$328

Housing Demand Analysis

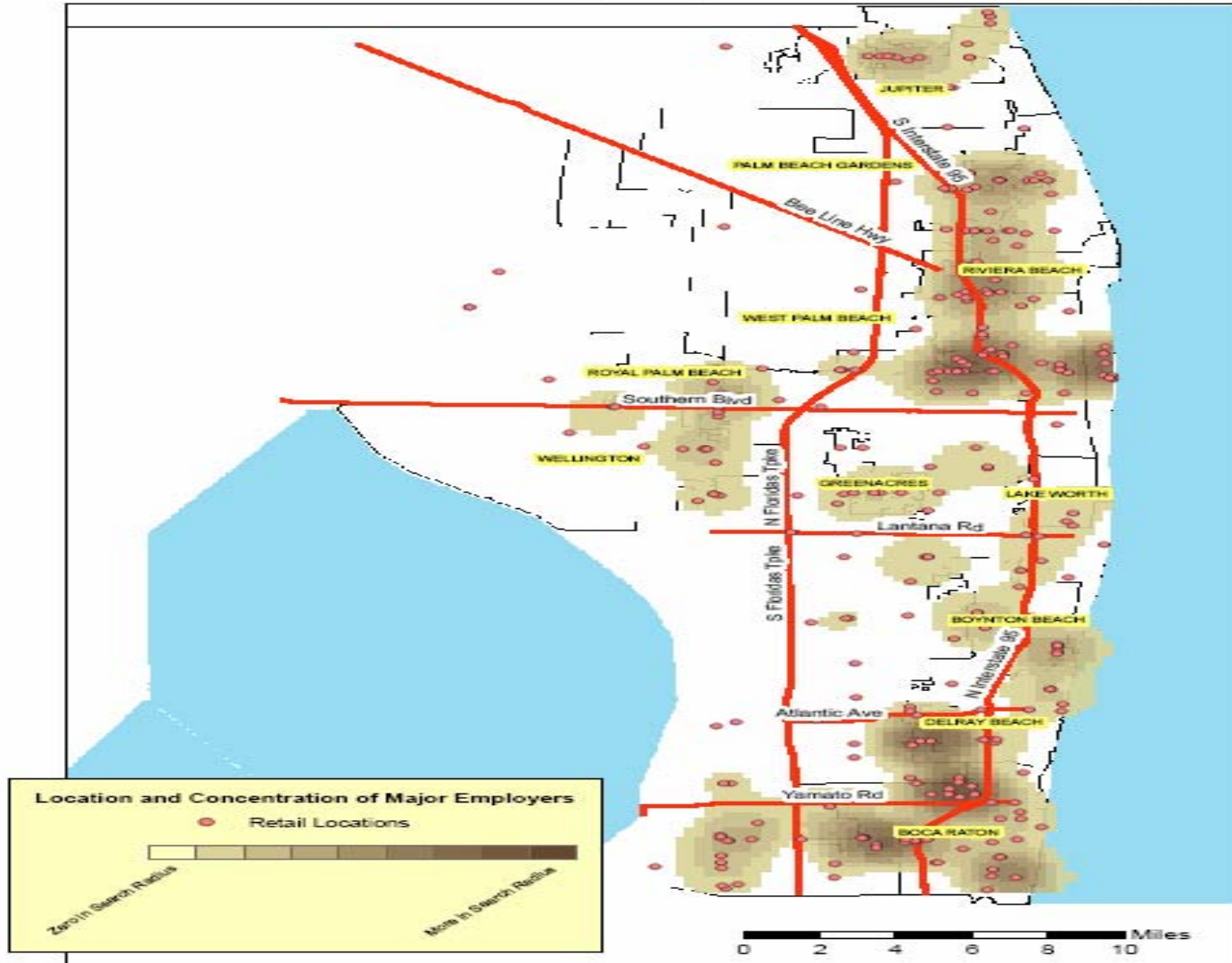


Industry and Employment

- ***The Florida Agency for Workforce Innovation (AWI) projects that Palm Beach County's employment base will grow by 120,515 jobs from 2006 to 2014 or approximately 15,000 new jobs annually***
- ***The most recent (2006-2007) annual employment growth in Palm Beach County has occurred in Leisure and Hospitality (2,200 jobs), Professional and Business Services (1,900 jobs); and Retail Trade (1,700 jobs)***

Location of Retail Employers

Palm Beach County Major Retail Employers

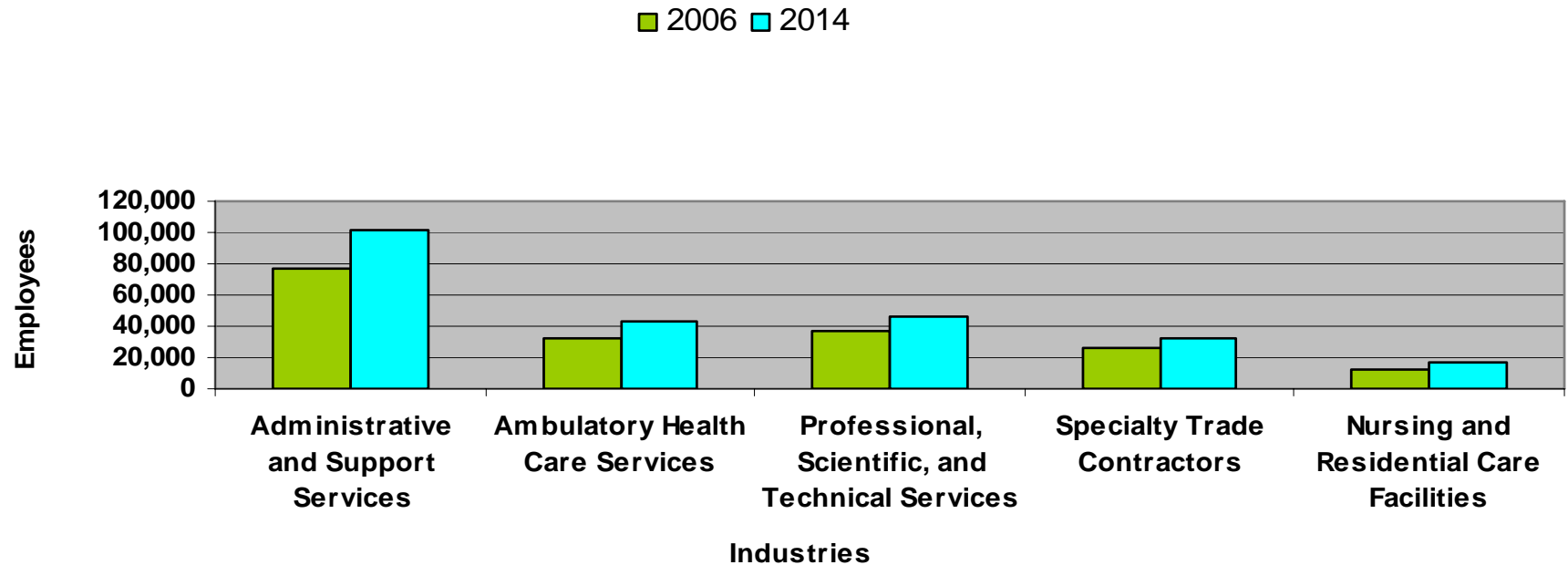


Industry and Employment

- ***The 2006-2007 employment period saw job loss in several key sectors of the local economy, including Construction (1,330 job loss), Hospitals (700 job loss) and Employment Services (600 job loss).***
- ***The fastest growing industries are Administrative and Support Services, Ambulatory Health Care Services, and Professional, Scientific and Technical Services.***

Industry Growth 2006-2014

Palm Beach County Projected Employment Growth by Industry 2006-2014



Occupations

- ***As was reported last year, Palm Beach County's occupational employment and wage statistics indicate that the labor market structure is largely skewed toward the secondary labor market (low wage retail and service sector occupations).***
- ***Currently all leading and selected essential occupations in Palm Beach County are either low or moderate income thresholds***
- ***Despite low wages, these occupations represent the industries that comprise the major share of Palm Beach County's economic base and, as such, have require a proportional housing demand based on affordable price levels***

Income by Occupation

Leading and Selected Occupations in Palm Beach County (AMI in 2007= \$61,200)
Palm Beach County Selected Occupations

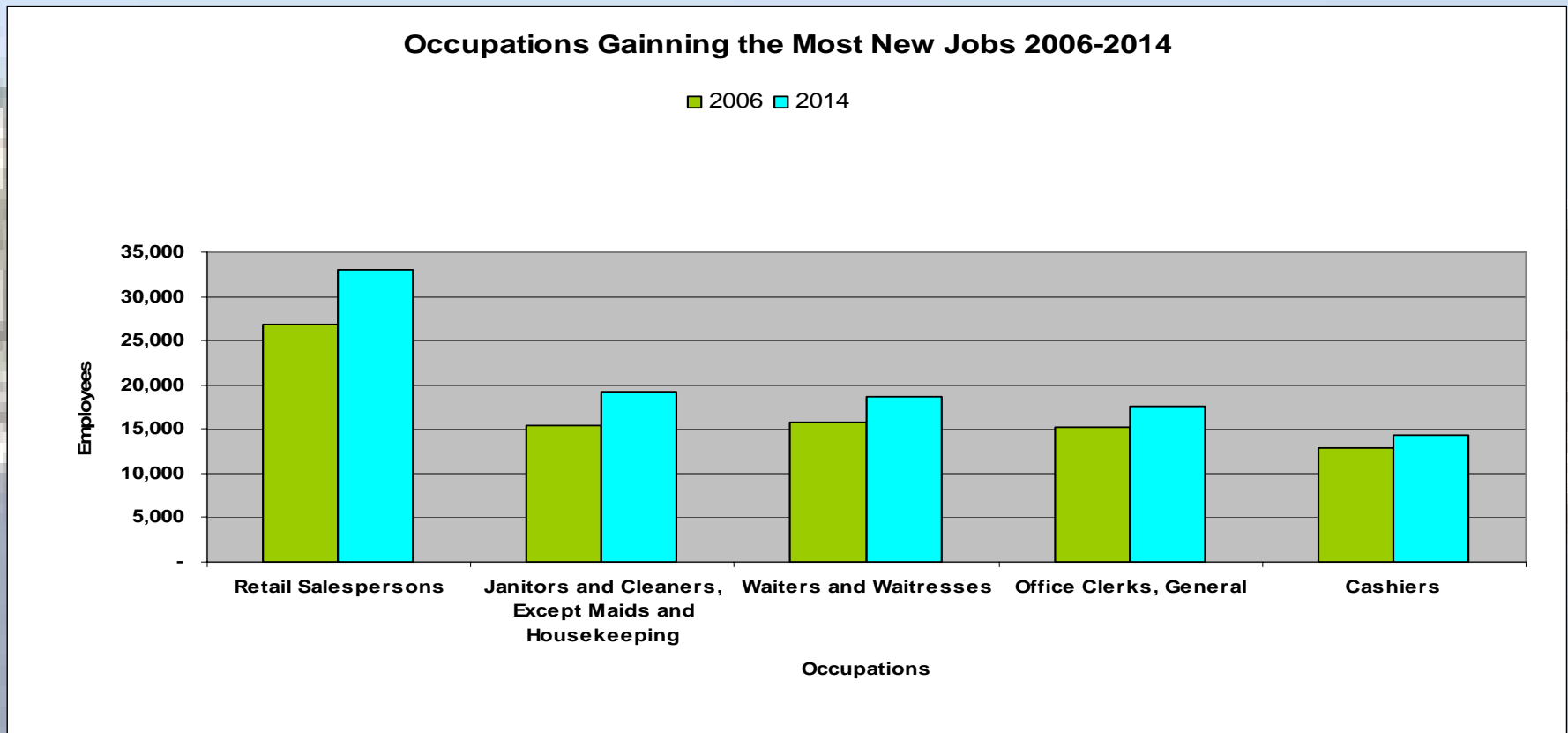
Occupations	Median hourly wage	Median Annual Wage	Low income: <50% AMI \$30,600	Moderate Income: 50%-<80% \$48,960	Middle Income: 80% to <120% \$73,440	High Income: 120% to <150% \$91,800
Cashiers	8.46	\$17,597	X			
Customer Service Representatives	13.83	\$28,766	X			
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	8.93	\$18,574	X			
Landscaping and Groundskeeping Workers	9.37	\$19,490	X			
Office Clerks, General	11.40	\$23,712	X			
Registered Nurses	30.28	\$62,982		X		
Retail Salespersons	11.17	\$23,234	X			
Secretaries, Except Legal, Medical, and Executive	13.03	\$27,102	X			
Stock Clerks and Order Fillers	10.03	\$20,862	X			
Waiters and Waitresses	7.52	\$15,642	X			
Carpenters	16.81	\$33,620	X			
Bookkeeping, Accounting, and Auditing Clerks	15.86	\$31,720	X			
Laborers and Freight, Stock, and Material Movers, Hand	8.73	\$17,460	X			
Police and Sheriff's Patrol Officers	26.06	\$52,120		X		
Police, Fire, and Ambulance Dispatchers	20.14	\$40,280	X			
Postal Service Clerks	22.54	\$45,080	X			
Education Teachers, Postsecondary	25.23	\$50,461		X		

Source: Florida Agency Workforce Innovation/ Florida International University, Metropolitan Center

* Top Occupational Employment 2007 and Occupations Gaining the Most New Jobs 2006-2014 and Selected Essential Service Occupations

Occupations Gaining the Most New Jobs

Occupations gaining the most new jobs in the 2006-2014 period are in the secondary service sector, retail sales, janitors and cleaners, waiters and waitresses, office clerks, cashiers



HH Composition and Income

Household Income	All Occupied Units	Percentage	Owner - Occupied	Percentage Owner Occupied	Renter-Occupied	Percentage Renter Occupied
Total:	504,518		380,000		124,518	
Less than \$20,000:	79,973	15.9%	53,378	14.0%	26,595	21.4%
Less than 20 percent	3,291	4.1%	3,125	5.9%	166	0.6%
20 to 29 percent	6,197	7.7%	5,115	9.6%	1,082	4.1%
30 percent or more	70,486	88.1%	45,138	84.6%	25,347	95.3%
\$20,000 to \$34,999:	82,043	16.3%	55,459	14.6%	26,584	21.3%
Less than 20 percent	13,077	15.9%	11,977	21.6%	1,100	4.1%
20 to 29 percent	14,133	17.2%	10,823	19.5%	3,310	12.5%
30 percent or more	54,834	66.8%	32,659	58.9%	22,174	83.4%
\$35,000 to \$49,999:	71,823	14.2%	50,470	13.3%	21,353	17.1%
Less than 20 percent	17,114	23.8%	14,535	28.8%	2,579	12.1%
20 to 29 percent	18,337	25.5%	10,943	21.7%	7,394	34.6%
30 percent or more	36,372	50.6%	24,992	49.5%	11,380	53.3%
\$50,000 to \$74,999:	90,637	18.0%	68,849	18.1%	21,788	17.5%
Less than 20 percent	29,169	32.2%	24,751	35.9%	4,418	20.3%
20 to 29 percent	27,188	30.0%	16,124	23.4%	11,064	50.8%
30 percent or more	34,280	37.8%	27,974	40.6%	6,306	28.9%
\$75,000 or more:	168,569	33.4%	147,754	38.9%	20,815	16.7%
Less than 20 percent	97,069	57.6%	84,130	56.9%	12,938	62.2%
20 to 29 percent	44,410	26.3%	37,956	25.7%	6,454	31.0%
30 percent or more	27,091	16.1%	25,668	17.4%	1,423	6.8%
Zero or negative income	5,273	1.0%	4,090	1.1%	1,183	1.0%
No cash rent	6,200		0		6,200	

Source: U.S. Census Bureau, 2006 American Community Survey

Future Housing Demand



Future Housing Demand

- *Palm Beach County's future housing demand will total approximately 11,386 units annually, of which 65 percent will need to meet the income levels of low, moderate and workforce income households*
- *The AWI projections indicate that Palm Beach County's employment base will continue to expand with substantially the same employment mix through 2014*
- *Population projections indicate that the County will grow to 1,775,481 residents by 2025 (increase of 196,402 persons within the workforce age).*

Future Housing Demand

- *From 2015 to 2025 it is projected that there will be a slow down in job gain and population growth as the County approaches build out.*
- *70.0% of the County's growth in its workforce age will occur in the next nine years*
- *Projections indicate that housing demand will peak in 2010-2015 with about 11,400 units a year*



***The Municipal Scorecard
for
Affordable Housing Delivery©***

***An Affordable Housing Planning
and Evaluation Tool for
Local Governments***

The Municipal Scorecard

- ***Functions:***

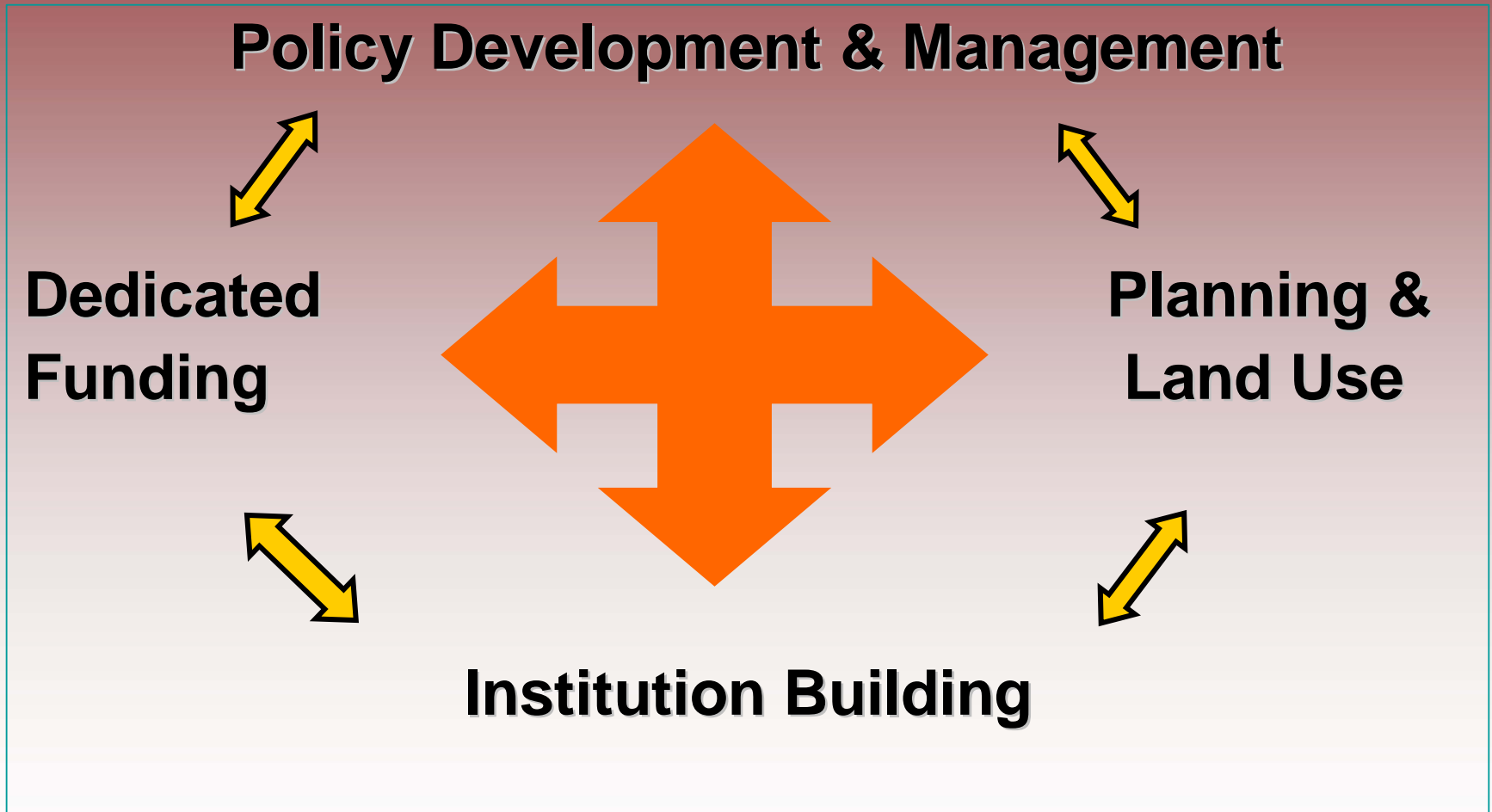
- ***Planning Tool***

- ***Accountability Tool***

- ***Measurement Tool***

- ***Communication Tool***

The Municipal Scorecard



Scorecard Summary

Criteria	Score	Highest Possible Score
Policy & Management Process		34
Planning & Land Use Process		27
Dedicated Funding Process		23
Institutional Capacity Building Process		16
Total		100

I. Policy and Management

Criteria	Scoring Guide	Score	Highest Possible Score
I. Policy & Management			
1. Has the city/county adopted and implemented a comprehensive and integrated workforce/affordable housing policy?	Yes, adopted and implemented a comprehensive and integrated workforce/affordable housing policy (10); Yes, adopted but not fully implemented (3-5); No comprehensive policy adopted (0)		10
2. Has the city/county updated and implemented sub-policies to provide workforce/affordable housing?	Yes, updated and implemented workforce/affordable housing sub-policies, e.g. Land Development Regulations, Comprehensive Plan Housing Element, CRA and HUD Consolidated Plans (5); Yes, in part, by updating but not fully implementing certain housing sub-policies (2-3); No updating of housing sub-policies (0)		5
3. Does the city/county have a coordinated and integrated organizational structure in place to address workforce/affordable housing needs?	Yes, can demonstrate clear management authority and a coordinated and integrated organizational structure is in place (10); No, lack the organizational structure, but demonstrate some level of coordination and integration within key departments and agencies (3-5); No documented or observable level of coordination and integration in place (0)		10
4. Has the city/county created management positions responsible for the administration and implementation of workforce/affordable housing policies?	Yes, created high-level housing manager position responsible for the coordination, integration and delivery of workforce/affordable housing planning, programs and services (3); No, have not created new management capacity (0)		3
5. Has the city/county created a positive and transparent regulatory environment that encourages the development of workforce/affordable housing?	Yes, have pro-actively removed regulatory barriers and implemented a streamlined permitting process to assist private and non-profit developers proposing workforce/affordable housing projects (3); Have made progress toward the removal of barriers and streamlined permitting (1); Have not addressed regulatory barriers and issues with respect to workforce/affordable housing (0)		3
6. Are city/county elected and appointed officials active in county and state-wide efforts to address the workforce/affordable housing needs of Palm Beach County?	Yes, local officials have been actively engaged in efforts to address local workforce/affordable housing needs (3); No, local officials have not been engaged (0)		3

II. Planning and Land Use

Criteria	Scoring Guide	Score	Highest Possible Score
II. Planning & Land Use			
1. Has the city/county created and implemented strategic workforce/affordable housing plans to address its workforce housing needs?	Yes, have created and implemented strategic plans to develop and/or preserve workforce/affordable housing (10); Yes, have created plans and have shown some level of implementation (3-5 based on level of implementation); No, have not created strategic housing plans to address its workforce housing needs (0)		10
2. Has the city/county adopted and implemented land use and zoning incentives for workforce/affordable housing preservation or production?	Yes, land use and zoning change have been adopted and implemented to provide incentives for workforce/affordable housing production, e.g. density increases/bonuses (5); Yes, have adopted but not implemented (1-3); No, land use and zoning changes have not been adopted (0)		5
3. Has the city/county adopted and implemented other land use and zoning changes that would encourage workforce/affordable housing production or preservation?	Yes, have adopted other land use and zoning changes that would encourage workforce/affordable housing, e.g. mixed-use, transit-oriented development (TOD) (3); No other land and zoning changes have been adopted to encourage workforce/affordable housing (0)		3
4. Has the city/county expanded its grant writing efforts to obtain funds for workforce/affordable housing?	Yes, federal, state and other grant applications have been submitted to obtain funding for workforce/affordable housing (3); No, grant writing limited to on-going federal and state housing programs (0)		3
5. Has the city/county expanded its economic development planning efforts to include workforce housing and strategies to attract and retain higher paying jobs for the local workforce?	Yes, economic development planning addresses workforce housing need and includes strategies to diversify and strengthen the economic base (5); No economic planning and development activities (0)		5
6. Has the city/county inventoried and identified land and buildings suitable for workforce/affordable housing development	Yes, have conducted comprehensive inventory and identified land and building for acquisition (1); Have not inventoried and identified land and buildings for workforce/affordable housing development (0)		1

III. Dedicated Funding

Criteria	Scoring Guide	Score	Highest Possible Score
III. Dedicated Funding			
1. Has the city/county created and implemented a dedicated, long-term, local funding source(s) for workforce/affordable housing development activity, e.g. land acquisition, construction, rehabilitation?	Yes, a dedicated, long-term, local funding source(s) has been created and implemented for workforce/affordable housing, e.g. bond issue, housing linkage fee trust fund (10); No dedicated, long-term local funding sources(s) created (0)		10
2. Has the city/county committed other local funding resources for workforce/affordable housing preservation and production?	Yes, other local funding resources, e.g. TIF funds, general revenues, have been allocated (5); No other local resources have been allocated (0)		5
3. Has city/county effectively and efficiently produced workforce/affordable housing with existing federal and state entitlement grants?	Yes, have shown measurable results in producing workforce/affordable housing units using federal and state grants. e.g. CDBG, HOME, SHIP (5); Have not produced new units but have subsidized homeownership and rehabilitation to advance workforce/affordable housing opportunities (1-3); Have shown minimal or no results (0)		5
4. Has the city/county allocated funds to outside housing non-profit organizations for workforce/affordable land acquisition, housing production and preservation?	Yes, funds have been allocated to local housing agencies and nonprofits, e.g. community development corporations, community land trusts (3); No funding support for outside housing non-profit organizations (0)		3

IV. Institutional Capacity Building

Criteria	Scoring Guide	Score	Highest Possible Score
IV. Institutional Capacity Building			
1. Has the city/county effectively leveraged local private financing resources with federal and state housing funds e.g. CDBG, HOME, SHIP, for affordable housing preservation and production?	Yes, have substantially leveraged local private financing resources with federal and state housing programs (7); Yes, have shown some results in public/private leveraging (3-5); No significant leveraging of local private financing resources(0)		7
2. Has the city/county created working partnerships with a broad base of community-based organizations (CBOs) for the production and/or preservation of workforce/affordable housing?	Yes, have created a broad base of working partnerships with CBOs donated surplus land or buildings (3); Yes, have made progress in developing working partnerships (1-2); No significant efforts to create working partnerships with CBOs (0)		3
3. Has the city/county created public/private partnerships with business and industry to expand its workforce/affordable housing production capacity, e.g. employer assisted housing, lending consortia?	Yes, have created and operationalized local workforce/affordable housing public/private partnerships (3); No public/private partnerships have been created (0)		3
4. Has the city/county partnered with community and economic development organizations (CBO/EDOs) in public education awareness or other promotional efforts that advocate the importance of an adequate supply of workforce/affordable housing?	Yes, have partnered with CBO/EDOs in public education or other promotional efforts to advocate the importance of workforce/affordable housing (3); No, have not partnered with CBO/EDOs in educational or other public advocacy programs (0)		3

Key Findings



Key Findings

- ***Majority of Municipalities, including the County, have adopted Workforce/Affordable Housing Policies***
- ***Several Good Examples of Effective Housing Planning***
- ***Several Good Examples of Coordination and Integration in the Delivery of Housing Programs and Services***
- ***Institutional Capacity Building Involving Partnering with Community-based Organizations Evident in Several Municipalities***

Key Findings

- ***Policy and Management Disconnect***
- ***Regulatory Barriers Still Exist: No Evidence of***
- ***Self-Assessments***
- ***Missed Planning Opportunities***

Key Findings

- ***Inadequate Funding and Financing Mechanisms***
- ***Limited Leveraging of Local Financing Resources***
- ***Limited Community-wide Institutional Capacity Building***



Thank You



THE METROPOLITAN CENTER
AN URBAN THOUGHT COLLECTIVE