



Housing & Economic Development Strategic Plan

Report III

Priority Development Strategies

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Study Team

Edward Murray, Ph.D., AICP, Principal Investigator
Associate Director, FIU Metropolitan Center

Kevin T. Greiner, MUP, JD, Lead Author
Senior Fellow, FIU Metropolitan Center

Maria Ilcheva, Ph.D, Economic Analyst
Assistant Director of Planning and Operations, FIU Metropolitan Center

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Acknowledgements

This report is the final of three documents comprising the ***Village of Wellington's 2018 Housing and Economic Development Strategic Plan***. The Village embarked on a comprehensive planning process looking forward over the next decade to develop strategies to keep the Village competitive and maintain its unique quality of life.

This report recites a summary of the key findings from the previous housing and economic competitive analyses, and concludes with strategic policy and program recommendations aimed at continuing the Village of Wellington's growth as a successful and sustainable 21st Century community with broad housing, employment and quality of life choices. These recommendations are based on the analysis completed in the ***Housing Impact Study: Analysis and Findings***, the ***Economic Competitive Analysis***, interviews and workshops with Village professional staff, Village Commissioners, business owners and the Village Equestrian Preserve Committee. The study team from the FIU Metropolitan Center completed its research using publicly available sources including the American Community Survey, the Federal Bureau of Labor Statistics (BLS) Quarterly Census of Employment & Wages (QCEW), the BLS Occupational Survey, State of Florida QCEW data, the Palm Beach County Assessor's, as well as Village of Wellington property records and private third-party business databases.

Given the nuances of Village of Wellington's unique economic structure, this study would not have been possible without the guidance and assistance of the Village Manager's Office, Planning Staff, and the insights provided by members of the Village Equestrian Preserve Committee. We are grateful for the generous participation of everyone who contributed to the study and the depth of understanding they provided to the research team.

Introduction

The Elements of Community Competitiveness

By nearly every measure the Village of Wellington is a highly successful community and economy. Its median household income is among the highest in the state, its business and employment growth rate has far exceeded the County, state and the nation, its economy is highly productive, generating revenues per employee far beyond the rest of the County and the US, its local business compete nationally in key traded, high-tech, and advanced industries, has a highly educated and well-paid labor force, and is home to a world-leading equestrian community. In short, the Village's economy and unique quality of life rank it as one of Florida's most desirable places to live and work.

So why then, you may ask, is a strategic plan needed at all? Surely, Wellington's continued success will continue, given how successfully it's grown over the last two decades. The answer is that in fact, smart and successful communities engage in continuous strategic planning to **remain** competitive, and maintain its quality of life, employment, business, and housing choices.

All communities, large and small, compete for jobs, residents, and development in an environment that never stands still. Constantly changing demographics, family structure, technology, and economic conditions means that no community has the luxury of standing still, or standing on its laurels, no matter how glossy. In our experience, the policy elements of building and maintaining successful, competitive and sustainable communities include the following:

- **Planning for Stable, Sustainable Long-Term Growth:** Increasingly large swings in business and housing market cycles can be especially damaging at the local level. Competitive communities support diversified employment, industry, and occupational growth that is less susceptible to business cycle fluctuations, thereby protecting worker incomes and household wealth during national economic downturns;
- **Supporting Local Innovation and Growing Global Competitiveness:** All economies grow through the expansion of local businesses and a steady supply of new businesses to maintain employment and competitive advantages as older firms retire or change hands. All businesses, even small ones, engage in competitive markets that never stand still. All successful businesses need to continuously innovate, invest, and update to remain competitive. Successful communities support local business capacity to innovate and adopt new technology to improve performance and **global** competitiveness;
- **Expanding Economic Opportunity and Upward Mobility:** Competitive communities support an expanding supply of jobs and occupations paying competitive wages and skills that provide a platform for upward economic mobility and building household wealth. In addition, they implement strategies to prepare residents to compete for these;
- **Building Local Human Capital:** High performing local economies build and improve the collective knowledge and skills of its labor force, building a **local** labor force with the skills, education and brainpower to support globally competitive businesses, and obtain higher-wage, high-skilled employment opportunities, rather than seeking to import high-skilled labor. They then leverage the quality of their labor force to improve productivity, competitiveness, and drive new business creation;
- **Targeted and Strategic Allocation of Resources to Stimulate Economic Growth:** In an era of shrinking federal and state funding, leaders in high performing local economies a) focus and target investments in their local strengths, b) take a disciplined and targeted

approach to investments in physical assets, real estate, and infrastructure, and c) focus on high-wage job creation in leading local industries before attempting to create jobs in entirely new industries;

- **Addressing Housing Market Imbalances:** High performing communities provide equitable solutions to address housing market imbalances that erode incomes, dampen wealth building, and hamper the retention of younger workers; and
- **Strategic Quality of Life Investments:** Competitive communities make intelligent investments in quality public spaces, multi-generational recreation, and activities that further enhance the work-life balance.

Wellington's Growth Challenge

So what is Wellington's growth future, and how much is possible or desirable? Given its competitive characteristics, its fundamental challenge will not be to kick-start dramatic new growth, but manage growing employment in harmony with its established quality of life. Structuring the right balance of new economic growth is crucial, so that Wellington does not become a "victim" of its own success.

Given the new geography of employment, land use patterns, and the Village's strengths in sophisticated business services, sustaining the growth of a high-quality economy probably won't require a radical re-thinking of its physical development, zoning, or land use strategies, nor will it require traditional big investments in infrastructure or incentives. ***The continued development of Wellington as a 21st Century Live-Work Community will be based on:***

- The expansion of existing small businesses employing 20 people or less, growth through the acquisition of existing businesses, and the growth of existing companies through innovation and improving competitiveness by making investments in new technology and productivity (***including those in the Equestrian sector***);
- The development of pools of local entrepreneurial talent who create new businesses;
- Creating ***low-impact*** employment generating development that takes cars off the road utilizing incremental redevelopment and re-purposing of existing commercial properties to new mixes of uses, and increasing the percentage of workers and employment accommodated in non-traditional office and work spaces, including co-working spaces, home-based and sole proprietor (non-employer) businesses, and workers making use of regular telecommuting.
- Focusing growth in traded, high income industries and occupations. Given Wellington's competitive strengths, its highest performing industry sectors have not only strong growth potential, but have stronger wage performance, wage growth, and innovation rates. Wellington is a compact economy, and its growth potential isn't unlimited. Promoting industries with higher-skilled, higher paying jobs provides greater spin-off and economic multipliers is important to sustain its growth and overall quality;
- Market education: informing the region and local major property owners of Wellington's advantages and strengths;
- Improving the skills, education, and wages of the Village's resident labor force, providing skilled employees to support the Village's leading industries, ***and*** expanding opportunity for workers at the bottom of the income ladder. The village's high poverty rate indicates that there is significant slippage in local job opportunity and vertical income growth. Growing opportunity for those at the bottom creates income across the economy and income spectrum; and

- Implementing policy and programs in ways that are both affordable and implementable using its existing organizational resources.

Key Findings

The Village Wellington has many characteristics that make it unique among the state's smaller communities. Although small in size, Wellington's economy has many characteristics of a much larger city including great dynamism, industry diversity, job and employment quality and firms with significant market reach. The following distills the results of the FIU Metropolitan Center's housing market and economic research by identifying the key opportunities, strengths, issues and challenges facing the Village of Wellington. The following key housing and economic findings provide the platform for the report's strategy recommendations.

A High Performing, Competitive Regional Economy

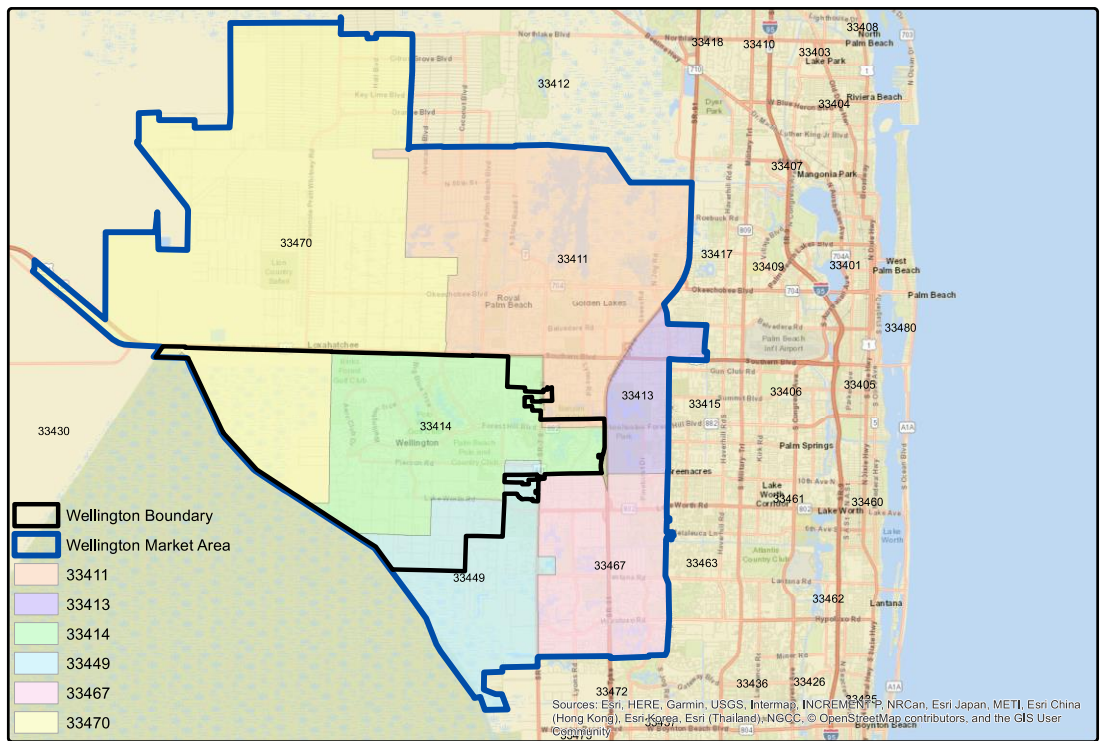
The Village of Wellington's economic future will be tied to the performance of the County's economy, leveraging its own strengths against opportunities created by Palm Beach's high performing economy. The crucial aspects of the County's' economy supporting future growth in Wellington include:

- Despite significant employment losses during the last recession, total private employment within the County has grown over 23 percent since 2010;
- The County's annual *average* wage for employees of private companies, at \$52,724 (2017) is the highest in Florida. Average private employer wages have increased 4.2 percent since 2010, adjusted for inflation;
- A diversified industry structure with top sectors including a wide range of high-end professional services, medical care including hospitals and physicians' offices, construction services and support, and manufacturing, especially aerospace components;
- An economy that trades with the world: Palm Beach County has significant traded sector activity. Nationally, traded industries represent 36 percent of employment, 50 percent of income, and 95 percent of patent activity. The County's traded industries represent 34 percent of all employment;
- Eight of the County's top ten traded industries are concentrated in industries requiring advanced education and/or professional skills, including management of companies and enterprises, legal services, management and technical consulting services, architectural and engineering services, and computer systems design and related services;
- Palm Beach County has the highest number of annual patents filed of all Florida counties, and has the 55th highest patent rate of all U.S. counties; and
- Businesses in the County's **Advanced Industries Sector** account for 8 percent of all the County's workers. Nationally, the Advanced Industries Sector employs 9 percent of all workers.

A High Performing & Competitive Small Economy

The Village of Wellington has one of Florida's highest performing small economies, successfully building an industry and employment base that serves as a model for the rest of the state. Its important characteristics include the following:

- By share of the Wellington Market area, which includes the Village of Wellington and adjacent zip codes, the Village represents 31 percent of all businesses, only 16 percent of all employees, but 29 percent of all business sales;
- Since 2010, business establishments in Zip codes 33414 and 33449 increased by 20 percent, while the jobs base grew by 26 percent, far ahead of the rest of the County;
- Wellington's economy is marked by the size diversity of its businesses. An estimated 86 percent of businesses in Wellington employ less than 20 employees, not including non-employer establishments. The Village's businesses are also predominately locally-owned and controlled. However, 38 percent of its businesses earn more than \$1 million per year;
- A local economy that interacts with the world: Traded industries in Wellington represent 12 percent of employment and 24 percent of total sales, but the addition of Wellington's equestrian sector pushes traded sector employment to 18 percent, and sales to 28 percent of all the Village totals, respectively;
- 42 percent of the establishments in Wellington are in industries that pay an average salary above the County annual average salary, representing 36 percent of all employment;
- Wellington's labor productivity outpaces the County — Annual sales in Wellington is equal to \$169,442 per worker, while the current labor productivity of the Miami-Fort Lauderdale-West Palm Beach Metro area is \$109,528 per worker; and
- Advanced Industry Sector businesses employ 5 percent of the Village's workers and generate over \$183 million in sales. The Village has a growing potential as a leading, high-concentration Florida location for the Advanced Industry Sector, particularly Advanced Industry Services.



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Wellington Market Area
Village of Wellington
Palm Beach County, FL

Wellington Market Area



A High Performing Labor Force

The success of a local economy is also tied to the quality of its labor force. Wellington's employed residents represent one of the State's best overall labor forces.

- **Wellington's residents are extremely well educated.** 29.6 percent of Village residents have a bachelor's degree, and 17.6 percent have graduate or professional degrees, far ahead of the County and U.S.;
- The Village's percentage of self-employed workers, at 15.7 percent, is both higher than the rest of the County (14.1 percent), and significantly greater than the U.S. average (9.7 percent);
- Wellington's residents are overwhelmingly employed in managerial positions across all major industry groups. An estimated 46 percent of all resident workers are employed in managerial occupations, compared to 35.9 percent for the rest of the County;
- Employed residents in Wellington earn far more than workers across the County. Median earnings for **full-time** employed workers over 16 years old living in the Village, at \$52,908, are 27 percent higher than for the County median full-time worker, earning \$41,585. The residents of Wellington, on average, earn more than their counterparts across the County in every industry except Information and Accommodation and Food Services;
- An estimated 33 percent of Wellington's employed residents earn more than \$75,000 per year. The number of resident workers earning \$75,000-plus grew by 28 percent in Wellington since 2010. By comparison, Wellington's 50/75 ratio would rank it 21st among all US Counties;
- Driven by high earnings, median household income for Village residents is one of the highest in Florida. At \$83,270, median household income is 50 percent more than the rest of the County; and
- Despite Wellington's high median earnings and incomes, the relative inequality between households at the top and those at the bottom is far less than the County and nation. Wellington's 95/20 ratio (the ratio between the average income of households in the top 5 percent compared to those in the bottom 20 percent), at 21.8, is far less than the U.S. and the County.

Wellington's Equestrian Sector

Wellington's Equestrian Preserve, and the growth of the Winter Equestrian Festival (WEF) makes Wellington a truly unique place to work and live. WEF is the largest Equestrian event of its kind in the world, and the businesses in Wellington's equine sector anchor the regional equestrian economy. Wellington's equestrian community generates significant economic benefits to the Village, and is unique for its size, scale, and breadth of businesses, activities and services. Because the industries comprising the equine sector in Wellington drive economic activity across a wide number of dimensions, the sector is one of the key foundations for the Village's unique and diverse economy.

- 140 businesses in the Village of Wellington are directly involved in the equine industry, employing 1,145 full-time employees with total direct sales over \$130 million. Due to reporting limitations, and conflicting business definitions, these figures are probably understated;
- The equine sector represents 10 percent of the total full-time employment and over 6 percent of total sales revenue of businesses in the Village. It is the second largest industry

sector and cluster in the Village economy, just behind offices of physicians and medical care. On average, every ten jobs in the equine sector generate seven additional jobs in Wellington. For every ten dollars of sales, another five dollars of output are generated by the equine industry in Wellington;

- Wellington's equestrian sector also trades with the world, serving a national and international market of clientele and businesses. Since the vast percentage of income generated by businesses in Wellington's equine sector is from sales to businesses, individuals, visitors, and spectators from outside Wellington, the equine sector is actually Wellington's largest traded industry sector/cluster. In this sense, the equine sector and cluster of industries plays an outsized role in growing and sustaining the Village economy;
- Each year WEF draws between 200,000 and 250,000 visitors, spectators, competitors and their support teams. The median household income of visitors to the event is \$180,000. The festival alone places Wellington in front of at least 200,000 of the nation's highest income households, including many owners of major businesses from around the country. The value of the positive marketing across multiple media that Wellington receives from the exposure of the festival to such a high-end market cannot be overstated;
- For 40 years, the equestrian preserve, the equestrian community, and the equine industries have defined Wellington's brand as a unique, high-quality community in which to live, work, and play. The distinctive aspects of the equine industry complex provide Wellington with a brand identity and competitive platform which very few, if any, communities can claim.

A Unique but Underestimated Brand

The combination of its economic performance, labor force, and its Equestrian Preserve make Wellington a truly unique community, with a unique lifestyle. However, while Wellington is perceived widely as an Equestrian community, there is limited understanding of the depth and quality of its entire economy.

In addition, the potential marketing value of the Equestrian Preserve, WEF, and Wellington's Equestrian sector businesses is also underutilized. Wellington's world-leading position as an equestrian center could be used much more effectively to market all of Wellington's strengths and opportunities to a wide audience of potential investors and business owners.

Changing Real Estate Market Trends

The rapid disruption of traditional real estate development markets represents a challenge and opportunity for Wellington. The rapid loss and closing of traditional brick & mortar retail locations will harm retail employment over time, but the loss of retail space in the Village's existing commercial properties represents an opportunity to re-purpose these properties — as has been accomplished elsewhere — for new, higher value-added uses, including alternative office and mixed-use development.

Despite the region's rapid expansion of industrial and warehouse facilities, Wellington is not well suited to capture a large expansion of industrial and/or distribution properties. The Village doesn't have the land inventory, and development of these uses may create unwanted land use conflicts.

Wellington's economy and labor force have significant strengths and concentration in high-end professional, technical, and business services, with industries and occupations with high proportions of office-based work. However, traditional office development in relation to employment growth is slowing significantly in Palm Beach County. ***Despite significant expansion of the***

County labor force, the total inventory of office space in the County has been almost flat since 2009.

Employers and employees are seeking alternative, more flexible and affordable workplace solutions that are closer to home, including shared offices, co-working space, and telecommuting options. Wellington also lacks the immediately available land inventory to support large-scale office development. The Village's challenge will be to sustain and grow employment in high-skill, high-wage industries and occupations by supporting the growth of office space, home-based business locations, and telecommuting.

Wellington's 21st Century Spatial Economy

One of the biggest surprises to the FIU Metropolitan Center research team is that Wellington may be an emerging model of the new geography of work. Wellington has a local economy where many employees spend a greater portion of their workweek working from home, are based in alternative workspaces, or operate small businesses from home. The Center's analysis of the exact locations of Wellington's business establishments shows that a large percentage are located in single-family homes in residential neighborhoods throughout the Village. Looking at the distribution of business throughout the Village by industry indicates that a significant number of sophisticated business services, consulting, and merchant sales businesses are home-based.

The growing use of distributed co-working and shared office spaces located near residential neighborhoods, rather than a regional central downtown, may be a significant opportunity for Wellington. Traditional office park development requires large tracts of land, and can be inefficient, with employment densities ranging from 143 to 167 jobs per acre. Alternative working spaces, on the other hand, can be developed in much smaller footprints and converted from other existing commercial uses. A typical co-working space can accommodate 750 members in 40,000 square feet of space, representing an employment density of 816 workers per acre.

Given the Village's land inventory conditions and these new trends, strategies to support new employment should promote traditional office development to support larger firm locations in Wellington, but should increasingly apply workshifting strategies — development of alternative working spaces and telecommuting — to grow new employment. Small alternative workspace development strategically placed throughout the Village could have a large employment impact, while simultaneously reducing traffic and keeping workers within the Village during the work day.

Primary Economic Threats & Challenges

Despite its considerable strengths and opportunities, Wellington faces crucial challenges.

- Wellington's central location fueled its development. However, the Village is surrounded by newer communities with large developable land inventories. The same locational factors that helped grow Wellington are helping to fuel a rapid increase in population and traffic from surrounding communities, which poses a threat to the Village's quality of life;
- Too many working residents (88 percent) are employed at locations outside the Village, exacerbating traffic congestion, and representing lost local spending that could otherwise be captured during the day by local retailers and service providers;
- Solving Wellington's growing transportation congestion issues can't be accomplished by adding more road lane-miles. Instead, the Village's transportation congestion problems will require alternative land use, business and housing development strategies;

- Although measures of income disparity in the Village are lower than the US, the Village's poverty rate, 20.8 percent, is high. Additionally, although **average** wages have increased, the Village's median wage has declined by almost 7 percent since 2010, indicating that similar to the national pattern, earnings for workers in the middle and lower end of the pay scale have stagnated;
- Also, despite high current wages relative to the county, wage growth across industries for Village residents has been a mixed-bag. From 2012 to 2016, median earnings for residents have increased in 15 of 27 industries but declined in the remaining 12. Increasing job access and opportunities for workers and families at or below the middle remains a challenge, but is a considerable opportunity. Previous research by the Metropolitan Center has shown the extensive economy-wide benefits of increasing household incomes for families in the middle- and lower-income strata;
- Wellington's Equestrian sector is facing growing national and international competition. Venues designed to compete directly with the WEF are currently being developed in Europe and Argentina. There are also new venues in Florida – Ocala, Tampa and Jacksonville; and
- Wellington, as all communities, needs to continue to evolve and strengthen its economy. However, the Village is largely built-out, with a limited inventory of vacant commercially zoned land. The lack of immediately developable vacant land area to support traditional office, retail, and housing development means that ground-up vacant land development will be limited to a handful of properties. To sustain economic growth and diversification the Village can't rely on traditional office and commercial development, but will need to shift to other strategies, specifically redeveloping and re-purposing existing commercial sites.

Changes in Housing Preference

The competitiveness of a community's housing market is an important economic development objective. To build and maintain competitiveness, a community must offer a range of housing options in keeping with current and future demand. A competitive housing market will yield a quantifiable economic output including job creation, increased tax revenues and secondary (or ripple) benefits to related businesses. In addition, a clear relationship can be demonstrated between the production of housing and stimulating the workforce, attracting new businesses and employees, revitalizing neighborhoods and support for smart growth. The following is a brief summary of the issues concerning changing housing preference.

Housing Choice and Opportunity

The two largest components of the nation's age demographic — millennials (22 to 37 age group), and baby boomers (ages 54 to 72) — are significantly driving changes in demand for different housing types and locations. The market has trended towards rentals, rather than owner housing, even for single family homes. However, with millennials now aging and starting families of their own, there is a growing trend back to homeownership as well. Whether the choice be rental or homeownership, market demand includes the following basic criteria:

- Smaller size housing units;
- A shift to multi-family housing;
- Neighborhoods in close proximity to shopping, conveniences, recreation and entertainment;
- Locations requiring less drive time to work and in proximity (less than ½ mile) to mass transit, and a mix of alternative transportation modes, including bicycles and walking.

The analysis found that changes in housing preference by different age groups according to such factors as location, type and amenities has real implications for the Village of Wellington. Overall demand for housing in Wellington remains strong. However, relative to the demographics of the County, changing housing preferences, and the Village's own changing age structure, the housing stock represents a limited spectrum of choice and opportunity.

Significantly, an estimated 79.7 percent of Wellington's housing inventory are 1-unit detached and attached structures, while only 6.7 percent of Wellington's housing units are in structures of 10 units or more. Further, only 19 percent of Wellington's housing units are 1-2 bedrooms compared to 50 percent in Palm Beach County.

Shift to Rental Housing

National and regional markets have been undergoing a significant shift from owner occupancy to rental housing. According to the US Census, last year's 62.9 percent homeownership rate represented the [lowest rate](#) for homeownership since 1965. Since then, the homeownership rate has hovered [close](#) to this 50-year low. Meanwhile, from 2009 to 2016, the total number of rental units across the U.S. grew by 15 percent., The shift across Palm Beach County has been decidedly larger in scope. From 2009 to 2016 the share of rental housing jumped from 26 to 31 percent of total housing, a 20 percent increase. While Wellington's share of rental housing is well below the County and the U.S., at 23.5 percent, the growth rate of rental housing has been faster in Wellington than in the County and the United States.

Aging in Place

America is growing older at an unprecedented rate and these older adults are overwhelmingly choosing to stay in their own homes and communities as they age. An AARP survey of Americans over 50 years of age found that 89 percent want to stay in their own homes as long as possible. The "graying" of Wellington's population will create significant impacts on both the demand and supply of the Village's housing. Developing a mix of housing units to address the housing choices and needs of aging baby boomers will need to be a critical element of the Village's housing policy strategies. "The ability of senior households to downsize depends on the availability of homes to downsize into," according to a recent Trulia report. The acute shortage in Wellington's starter home inventory can make it difficult for retirees to move to smaller homes.

Income Shifts and the Distribution of Household Income

Another important housing market variable is the extent to which a community's housing supply provides adequate choice and affordability for its resident workers. Affordable housing is essential to a healthy, vibrant and competitive community. Retail and service industries, schools, and hospitals are impacted by the existence of worker housing in a community as worker housing is crucial to maintaining and recruiting an adequate labor force. It also helps to attract new businesses by providing a range of housing options for existing and future employees.

A basic premise of all housing markets is the need to create and maintain a "spectrum" of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors including: household income, population age, proximity of employment and owner/renter preferences. Since the housing bubble of the last decade and subsequent economic recession, there has been a growing recognition of the important link between housing supply and economic growth.

The Village of Wellington is fortunate to have one of the highest median household incomes in the state. At \$83,270, the Village's median household income is 150 percent that of Palm Beach County. However, since 2012 Wellington has seen the number of its households in the middle of the income spectrum (\$50,000 to \$75,000 annual income) decline by over 12 percent, while households at the bottom (\$50,000 per year or less), increase by 2 percent. Households at the top of the income spectrum in Wellington — those earning more than \$75,000 per year has grown by 3 percent. This continued shift in income distribution will impact housing demand in Wellington, as well as employment, economic development needs and services into the future.

Regarding affordability, the analysis found an expected gap in the supply of owner units within the "low" household income category (51-80 percent of median), but a supply surplus of owner units within the "moderate" (81-120 percent of median) and "workforce" (121-150 percent of median) household income categories. However, the analysis found a significant gap in the supply of affordable renter units in the "workforce" (121-150 percent of median) household income category. This is typically an important household income segment of a community. Retail and service industries, schools, and hospitals are all impacted by the adequacy of worker housing. An adequate supply of worker housing is crucial to maintaining and recruiting employees. It also helps to attract new businesses by providing a range of housing options for existing and future employees. A wage analysis of occupation groups found that most essential workers earn annual wages below Wellington's median household income and most, including elementary and secondary teachers, librarians, nursing assistants, emergency medical technicians and paramedics and police, fire and ambulance dispatchers earn below 80 percent of Wellington's median household income. A further wage analysis of workers in Palm Beach County's growing "Creative Design" sector found that most annual mean wages fall within Wellington's "low," "moderate" and "workforce" household income categories. Computer user support specialists, graphic and interior designers earn less than 80 percent (\$66,616) of Wellington's median household income.

A Boom in Surrounding Development

New development has boomed in Wellington's surrounding communities. New and proposed residential projects in Western and Central Palm Beach County will add more than 19,000 new dwelling units and 50,000 new residents in the next 20 years. After a surge in housing construction in Wellington from 2000 to 2009, the rate of housing development within Wellington has slowed significantly since 2010. The Village of Wellington must have a competitive housing market to maintain the quality of life it has known for decades and to be economically sustainable well into the future.

Increasing Transportation Congestion

The analysis pointed out that the costs of traffic congestion are reaching crisis proportions in many metro areas in the United States. Palm Beach County, which is part of the Miami Metro area, ranks as the 6th most congested metro in the US in terms of total annual travel delay and 6th in terms of its annual cost of congestion, estimated at over \$4.4 billion.

Traffic congestion has multiple costs, including wasted work hours, lower worker productivity, increased infrastructure repair costs, and increased air pollutants. Congestion is an issue across Palm Beach County. The volume of development growing in and around Wellington, in addition to existing land use patterns reinforcing east-west commutes to the County's major employment centers, have driven increases in mean travel time. As the pace of development surrounding

Wellington continues, increased commute times and travel delays could have significant negative impacts on Wellington, including home values.

Seasonal Vacancies, Short-Term Rentals and Neighborhood Stability

Seasonal vacancies, or units kept off the market for use by private owners, represents 54.4 percent of the Village's housing stock, and growing. While somewhat lower than the County (61.4 percent) this represents a significant portion of the Village's housing stock. Given Wellington's high proportion of single-family homes, a significant portion of its seasonal and regular rentals are a key part of the Village's single-family home inventory.

While Wellington may be a desirable place to vacation, especially during equestrian season, short-term rentals in traditional, especially single-family, neighborhoods can be problematic and disruptive. While there is little that the Village can do to control short-term rental locations, the purchase and conversion of single-family homes to vacation rentals needs to be actively inventoried and monitored so as not to damage surrounding property values.

Housing Price Growth and Housing Age

Wellington experienced a robust housing construction boom from 2000 through 2009, adding considerable new stock to its housing supply. Housing prices in the Village have generally moved upward in synch with the rest of the County, yet Wellington's market has both strong and weak price segments.

Wellington's \$327,700 median owner-occupied homes price places the Village in the top third of the County's housing sub- markets. However, the analysis found home values are largely based on the age of units in Wellington. Owner-units built after 2000 have a median value of \$387,300, and a median value of \$596,100 for units built after 2010. As is the case with the County, there is a significant drop-off in median values for owner units constructed prior to 1990. The median value of owner-occupied units in Wellington built between 1980-1989 is 86 percent of the value of units built from 1990-1999. The lower median value of owner-occupied units built prior to 1990 is significant as these units comprise 39 percent of Wellington's owner-occupied housing.

The age and condition of a significant share of Wellington's owner-occupied housing presents both a challenge and an opportunity. The challenge is to ensure these properties are properly maintained so they do not lose additional value and impact neighborhood housing values. The opportunity is that older, well-maintained single-family housing can provide value from a price point standpoint to prospective homebuyers, including first-time homebuyers.

The Sources of Wellington's Future Economic Growth

Wellington has enjoyed significantly above-average rates of population, job, and housing unit growth over the last seven years. The Village's 8.8 percent population growth since 2012, 26 percent job growth rate since 2010, and its 8.1 percent housing unit growth since 2012 all significantly exceeded Palm Beach County, as a whole. Even though its employment growth is exaggerated due to a loss of jobs from its peak in 2008 to the bottom of the recession in 2010, this number is nonetheless impressive. Similarly, the Village experienced a housing unit boom from 2010 to 2014 (over 200 units per year), but annual production rates have slowed dramatically from 2014 to the present, averaging just over 50 units per year.

Future population, job and housing growth in Wellington will be constrained by available land, competition from nearby communities developing new housing, and a broader jobs market that is continuing to produce new jobs, but at a slowing pace.

Wellington is approaching full build-out - 10 acre or larger commercial or mixed-use zoned vacant properties outside the Equestrian Preserve are growing scarce across Palm Beach County, and more so within Wellington. Land development opportunities in Wellington to support new housing and/or jobs creation will not rely for the most part on ground-up development of very large vacant parcels, but a mixture of the development of smaller vacant lots, combined with the redevelopment and/or re-purposing of existing commercial properties. The remaining largest land development opportunities include:

- The **K-Park** property, a 115-acre vacant agricultural plot located at S.R. 441 and Stribling Way. The Village has had a difficult history reaching consensus on the future use of the site, but it must be considered as a future development opportunity that could accommodate a variety of uses, including office and office support;
- The redevelopment of the four corners properties has been reconsidered for new retail and/or medical services development. Zoned as **Community Commercial** on the Village's Future Land Use Map (FLUM), these properties, such as the original Wellington Mall, Wellington Plaza, and Wellington Marketplace could be considered as opportunities for mixed-use redevelopment to support future employment growth;
- Other smaller commercial properties along S.R. 441 with large parking lots could be considered redevelopment and repurposing opportunities, but would require re-zoning;
- Small development opportunities stitched together in a broader strategy could provide considerable space to support office workers, though nontraditional office space. The Village has already explored this concept with the proposed long-term development of **Midtown** — a string of commercial properties anchored on one end by the Village City Center and municipal complex, and at the other by the Mall at Wellington Green; and
- The Village's single largest redevelopment and re-purposing opportunities may become available as the structure of retail at the Mall at Wellington Green continues to change. The property has over 1.5 million square feet of land with close to 1 million square feet of buildings and a vast expanse of surface parking. The properties are also attached to the Wellington Green MUPD/PUD NO 2, approximately 35 acres of vacant property zoned Community Commercial.

With changing land availability, large jobs-producing projects, or large-scale corporate re-locations will occur with much less frequency. The lack of immediately developable vacant land area to support traditional office, retail, and housing development means that ground-up vacant land development will be limited to a handful of properties. In addition, the Village community has indicated its preference for balanced development of large properties consisting of mixed-use with heavy complements of public and recreation space, rather than solely dedicated to employment generating uses (e.g. office parks).

This means that new employment growth will be less dependent on large land, building and infrastructure. Sustaining the Village's economic growth and diversification can't rely on traditional office and commercial development, and will need to shift to other strategies. Combining this pattern of land availability, the Village's employment geography, industry, occupational, income and labor force strengths, employment and real estate trends, Wellington's future growth will be driven by:

- The growth of existing companies through innovation and improving competitiveness by making investments in new technology and productivity (including those in the Equestrian sector);
- The expansion of existing small businesses employing 20 people or less;
- Improving the skills, education, and wages of the Village's resident labor force, providing skilled employees to support the Village's leading industries, and increasing local spending power,
- Growth through the acquisition of existing businesses;
- Support the development of pools of local entrepreneurial talent and new small business creation and entrepreneurship;
- Incremental redevelopment and re-purposing of existing commercial properties to new mixes of uses; and
- An increasing percentage of workers and employment accommodated in non-traditional office and work spaces, including co-working spaces, home-based and sole proprietor (non-employer) businesses, and workers making use of regular telecommuting.

Priority Economic Development Strategies

1. Adopt Sustainable Economic Growth Metrics

Sustaining high rates of growth over time is not only difficult but can overheat and exacerbate other problems within the community. The Village of Wellington's high rate of growth since 2010 has been beneficial but possibly unsustainable, and more importantly, has created negative impacts including increasing traffic congestion and housing prices rising significantly faster than local wages and incomes, while placing added pressure on local schools and infrastructure capacity. High growth rates can benefit local tax revenues and sales, but care must be given to avoid becoming a "victim" of overheated long-term growth rates. Lastly, simple traditional measures of the **quantity** of jobs created is not enough to maintain competitiveness and the Village's economic vibrancy.

As such, it is recommended the Village of Wellington adopt a new set of growth and economic metrics to guide and inform future policy and program development. The Village's **Adopted Policy Metrics** would measure local economic conditions across three overarching dimensions:

- **Lower overall growth rates:** looking forward, the Village's strategic development policy would be well advised to be based on annual population and employment growth rates of 1 and 2 percent — half the growth rates sustained over the last 4 to 5 years. This translates to growth of 22 businesses, 381 jobs, and 245 housing units per year;
- **A focus on the "quality" of jobs created:** implementing policy that supports the growth of high-wage, high-skill, high-income jobs; and
- **Growing local incomes:** improving the incomes of resident workers and households by providing a steady growing supply of quality jobs, and opportunities to grow training, education and skills to compete for those jobs.

The Adopted Policy Metrics Dashboard would collect at a minimum the following economic statistics, updated according to the indicated time frequency:

- Population growth, by age group and household income (annual);
- A complete, current database of all businesses located in the Village, with contact information and updated bi-annually;
- New business establishment and firm creation and employment growth by establishment size across the Village's economy, and by industry sector and occupation, including target clusters, industries and niche sectors (bi-annual);
- Median wages by industry and occupation compared to the County and U.S. (annual);
- Median household income by distribution and year-over year performance (annual);
- Employment, labor participation and unemployment rate (quarterly);
- Educational attainment and age group population trends, especially in the young and mid-worker age segments (20-44, and 45-55 years old, annually);
- Village poverty rate (annual);
- Village 95-20 and 75/50 ratios (annual);
- Increase in tax revenue (quarterly);
- Measuring return on investment from public expenditures in the Village (monetary and non-monetary, including job creation, bi-annual);

- Land values, specifically identifying underperforming properties, high crime and distressed properties (bi-annual).

The advantages of adopting, maintaining and **applying** these metrics are as follows:

- Adopting and maintaining a different set of metrics as the basis for and measurement of success of Village policy would ensure that its programs keep pace with changes in the economy, meet local challenges and build on local strengths cited throughout this study;
- Focusing on the quality of jobs ensures greater upward economic mobility for those at the bottom as higher paying jobs generate greater economic multipliers (local spending and supporting secondary jobs) than low-wage jobs, and an employment base built on higher-skilled jobs is much more resistant to economic downturns;
- Lower growth rates not only reflect changing economic reality, but also relieves pressure to immediately redevelop large vacant properties, provide more breathing room to carefully decide their future and cultivate the growth model that most benefits Wellington residents; and
- Clearly setting policy expectations and guidelines that manage growing employment in harmony with the Village's unique and well-established quality of life. The Village's current Comprehensive Plan (2014) adopted a policy of **managed growth**, but the growth rates in the Village raced past the rest of the County. The reason that development did not result in more significant challenges to the Village's quality of life is that much of its employment growth has been in low impact knowledge based, small business, and home-based jobs). Expecting this to be the case into the future would not be wise.

2. Adopt a Clear Target Industry Focus

Identifying and focusing policy on the growth of target industries and occupations is crucial. The Village Wellington is a compact economy, and its growth potential isn't unlimited. Promoting industries with higher-skilled, higher paying jobs is important to sustain the quality of the Village's economy and its quality of life. The growth of jobs in its most competitive, higher-skilled industries provides 1) greater spin-off with economic multipliers, 2) more opportunities for upward mobility, 3) support for the growth of other service jobs, 4) a higher return on investment of public and private dollars, 5) a more efficient allocation of public resources, and 6) better resistance from cyclical economic swings. Additionally, local economies with higher percentages of skilled labor generally have higher rates of new business formation and innovation. The presence of larger numbers of high-skilled workers grows the pool of local entrepreneurs with the skill sets needed to launch new businesses, and provide the support network (technical and financial) to launch and grow new businesses.

Wellington's target industries are those that are 1) **traded** (operate and sell to a national market), 2) have higher overall wages, 3) with higher overall skill requirements, 4) have a proven competitive advantage in Wellington, as evidenced by a high concentration of firms and local employment, and 5) where possible, align with regional industry strengths. Based on these criteria, Wellington's recommended target industries are listed in the table below. Note that the Equestrian cluster is treated as a target cluster of industries.

Wellington: Recommended Target Industries (Non-Equestrian Sectors)				
Industry Sub-Sector	Establishments	Employees	Sales	County Industry Average Wage
5419 Other Professional, Scientific, and Technical Services	32	192	18,763,000	53,768
5413 Architectural, Engineering, and Related Services	21	172	27,764,000	72,644
5112 Software Publishers	9	102	32,580,000	100,256
3364 Aerospace Product and Parts Manufacturing	1	100	20,927,000	94,016
5239 Other Financial Investment Activities	27	98	35,396,000	-
5418 Advertising, Public Relations, and Related Services	20	78	15,221,000	65,988
5121 Motion Picture and Video Industries	8	75	6,978,000	66,092
4234 Professional and Commercial Equipment and Supplies Merchant Wholesalers	8	69	80,129,000	95,524
5417 Scientific Research and Development Services	9	67	-	85,072
5416 Management, Scientific, and Technical Consulting Services	27	61	7,916,000	72,072
5415 Computer Systems Design and Related Services	14	60	14,793,000	80,496
5222 Nondepository Credit Intermediation	8	43	21,890,000	97,032
3345 Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	1	42	11,811,000	68,952
6117 Educational Support Services	7	42	644,000	55,120
4249 Miscellaneous Nondurable Goods Merchant Wholesalers	7	40	58,779,000	53,560
2362 Nonresidential Building Construction	15	39	13,053,000	67,132
4239 Miscellaneous Durable Goods Merchant Wholesalers	7	38	38,336,000	62,504
5191 Other Information Services	2	37	937,000	78,520
7112 Spectator Sports	2	32	6,420,000	49,660
5179 Other Telecommunications	5	31	12,469,000	76,804
5231 Securities and Commodity Contracts Intermediation and Brokerage	2	25	14,527,000	199,368
3344 Semiconductor and Other Electronic Component Manufacturing	1	27	7,693,000	69,732
Equestrian Cluster (All Sub-Sectors)	140	1,145	\$196,436,273	-

Source: InfoUSA, US Bureau of Labor Statistics; Analysis by FIU Metropolitan Center

Most of Wellington's high performing industries in the target list align with regional industry strengths, and many are also part of the advanced industry sector — both are competitive significant advantages.

The purpose of identifying target industries is to 1) focus Village resources on the growth and needs of its high-performing industries, 2) develop policy to strengthen their competitive positions, 3) build marketing and information program specific to these industries to communicate Wellington's competitive advantages to outside markets, business owners and investors across the County and the U.S., and 4) develop specific industry support and/or incentive programs.

Developing specific development strategies for each of the target industries was beyond the scope of this study, although many of the priority strategies below have been specifically conceived to address growth needs across a broad range of the Target industries. The FIU Metropolitan Center recommends that the development of industry and cluster-specific policy immediately follow this work by conducting a detailed interview process with representatives from each sector to identify their particular special, infrastructure, technology, labor, and investment needs. Many will in fact overlap.

3. Focus on Small-Firm Growth

Local development policy can be distracted in a search for large employers from outside the area. For Wellington, this strategy is counterproductive for three reasons: 1) It is a low-probability venture, as the relocation of businesses historically accounts for less than three percent of all new job creation, 2) It requires large resources including land, incentives, funding and infrastructure, and 3) most importantly, the backbone of Wellington's economy (and the County) is built on small businesses employing less than 50 persons, and in the case of Wellington, less than 20 persons, including sole proprietorships.

To supporting the competitive needs and growth of Wellington’s dynamic community, small businesses should be a clear strategic priority. Small businesses are the Village’s most important source of employment, one of its clear competitive advantages and draws on a clear regional strength. Policies to support small businesses focus on helping them compete in large markets and against large firms. In most cases this takes the form of supporting the economies of scale (business services, technical expertise, financing, labor, and access to supply chains) that large firms have internally. Recommended strategies, which can be funded through local, state, federal, and institutional sources include:

- Technology and equipment grants and loans, available in increments from \$10,000 up to \$50,000;
- Grants, low-interest loans, and/or one-time property tax rebates for new investment in office plant or physical space, up to \$250,000;
- Pooled loan programs customized for the needs of small businesses, including different credit requirements, lower guarantee thresholds, use of collateral and business value, as opposed to personal guarantees. Banks such as BankUnited have developed loan products specific to the needs of small businesses, expanding credit access usually reserved for larger businesses;
- Access to pooled insurance programs through a single broker that combines purchasing power to deliver lower-cost medical insurance usually available to large firms. Chambers of commerce traditionally have performed this function, but it can be run by any number of intermediary institutions or businesses;
- Focusing on the different real estate needs of small businesses, which includes making use of alternative, smaller, or shared spaces, and the needs of home-based businesses. This means a renewed focus on the re-purposing and re-zoning of traditional commercial space in the Village including its necklace of smaller retail plazas, for mixed-use, office, and co-working space;
- Access to a low-cost ultra-high-speed internet backbone, again, developed by pooling customers into a single purchasing package to get better pricing and service;
- Better local information and networking with other small businesses in Wellington, lenders, investors, service providers, and technical expertise through a central business information portal, a regular local business “census,” and networking events; and
- Enhanced marketing, informing both local businesses and outside business owners and investors of the high quality, sophistication, and diversity of Wellington’s local business mix.

4. Drive New Business Creation

Small business growth and new business creation are the keys to the Village of Wellington’s economic future, as it needs new businesses that innovate to compete, and replace older firms as they retire. Supporting the growth of new business in the Village takes a combination of four strategies:

Business Accelerator Program

The Village of Wellington is extremely well-positioned to host new business accelerator development given its high proportion of sophisticated small business, highly educated resident labor force, and high new business growth rate. The development of effective, sustainable and profitable business accelerators is difficult and increasingly competitive. The business accelerator industry has become extremely sophisticated and populated by firms and investors with extensive

business development and investment expertise. Business accelerators function most effectively when they 1) focus on a limited set of industry specializations, 2) focus on industries with quantifiable **local** strengths, and 3) are developed and run by experienced operators.

Wellington's target industries are a useful tool to develop the focus of an accelerator system. Focusing on new businesses either entering or **servicing** the target industries will increase the growth and survival rate of companies "graduating" from these incubator/accelerators, and provide small businesses that grow local competitiveness, and/or provide valuable services, technology, or innovation for the Village's key businesses.

The Village should encourage the creation of 50,000 square feet of new accelerator space focusing on target industry clusters by:

- Partnering with local universities, institutions, venture capital and experienced accelerator and incubator operators to develop and run **private** business accelerator(s);
- Revise local land use and zoning to facilitate the re-purposing of existing commercial properties to support more general office and accelerator development through conversion of older spaces, and provide density bonuses or parking relief to incentivize accelerator development; and/or
- Develop loans, grants, or donate space for the development of new accelerator(s).

Implement a Legacy Business Acquisition Program

Start-ups and new small businesses are an important component of job growth and innovation, but traditionally the fastest and lowest risk route to small business growth is to acquire an existing business. Increasingly, acquiring **legacy** businesses — businesses whose owner wants to retire, but has no plan for succession — is seen as a valuable way to 1) expand access to small business ownership, 2) retain and grow local employment, and 3) expand opportunity to families in the middle and lower ends of the income ladder.

New local owners are significantly more likely to keep a business in place. The U.S. Small Business Administration (SBA) has targeted legacy small business acquisition as an important program, supported through its local Small Business Development Centers (SBDCs). SBDC-based **legacy small business programs** match qualified business buyers with small business acquisition opportunities, providing funding, training, technical support and customers. Expanding access to small business acquisitions can be an important way to grow family wealth, expand and grow a business that otherwise may close, protecting Wellington's employment base.

The recommended strategy is to partner with an expert provider(s) of legacy business acquisition services to fund and run an aggressive business legacy acquisition program which might also look to acquire businesses from outside the Village and relocate into Wellington.

Grow Local Innovation and Business Development Networks

Converting local human capital and brainpower into new jobs, opportunity and entrepreneurship is significantly strengthened through the growth of effective business development, information and innovation-sharing networks. The report recommends the development of an improved **central business information portal**, and improving local information sharing and networking between small businesses in Wellington, lenders, investors, service providers and technical expertise. (See 3, above)

Leveraging Housing to Drive Economic Development

Separate housing strategy recommendations are listed below. It is important to note, however, that given Wellington's industry and small business structure, the Village's housing policies and strategies can be mutually reinforcing – by both supporting business development, and in turn, improving investments in its existing and new housing stock.

Given the concentration and success of businesses located within its residential neighborhoods, especially its single-family neighborhoods, it's clear that the broader market sees value in the Village of Wellington's existing housing stock, and that small incentives and support programs could go a long way in continuing the Village's economic development. The Village might consider the following low-cost strategies to further support its established small and home-based competitive advantages, and improve investment in its housing stock:

- Providing zoning-based incentives and flexibility to homeowners running a certified, registered home-based business are easy ways to support a local competitive advantage. More flexible zoning could include parking flexibility during working hours, and flexible, but limited and tight rules allowing customer visits to homes during working hours;
- Incentivizing investment in existing housing by providing a grant or rebate against certified physical investments to create or support a home-based business. Even small cost offsets (\$10,000 or less) go a long way to supporting growth of small and micro-businesses;
- Treating property valuations differently for homes with an active sole address housing a certified small business. Even if temporary, the value of the property tax offset can be significant, and also be made up through other means; and
- Expanding the Village's supply of housing units attractive to both Millennials and 55+ age households. Both age groups represent the majority of small business owners, and the majority of start-up businesses (See below).

5. Equestrian Sector Strategies

Wellington's Equestrian Preserve, and the growth of the Winter Equestrian Festival (WEF) makes Wellington a truly unique place to work and live. The WEF is the largest Equestrian event of its kind in the world, and the businesses in Wellington's equine sector anchor the regional equestrian economy. Wellington's equestrian community generates significant economic benefits to the Village, and the sector is one of the key foundations for the Village's unique and diverse economy. Its central role in supporting and growing Wellington's economy is detailed in the Economic Competitive Analysis, including:

- 10 percent of the total full-time employment and over 6 percent of total sales revenue of businesses in the Village, which is probably understated due to reporting limitations;
- The second largest industry sector and cluster in the Village economy. On average, every ten jobs in the equine sector generate seven additional jobs in Wellington;
- Wellington's equestrian sector also trades with the world, serving a national and international market of clientele and businesses. The equine sector is actually Wellington's largest traded industry sector/cluster and plays an outsized role in growing and sustaining the Village economy;
- The Equine sector drives local and County-wide visitation, drawing between 200,000 and 250,000 visitors, spectators, competitors, their support teams, and households with a median income of \$180,000, and driving the sales of 130,193 hotel room-nights;

- The equestrian preserve, the equestrian community, and the equine industries have for 40 years defined Wellington's brand as a unique, high-quality community in which to live, work, and play.

However, like all other industries, Wellington's equestrian sector needs to innovate and invest to maintain its competitive position and/or grow. The Winter Equestrian Festival is facing growing national and international competition from venues designed to compete directly with WEF in the U.S., Europe and Argentina. Given the size and importance of the equestrian sector, it too needs continued special focus and a re-consideration of policy to sustain its global competitive position. Strategies to sustain and grow the sector include the following:

- Carefully consider the value of needed new investment in infrastructure to support facilities within the Equestrian Preserve. As noted in the previous Economic Impact Analysis, typical measures of cost-benefit don't accurately measure the value of the Preserve and the venues. Infrastructure investments to support property, facility, and human and equine health within the Preserve need the highest priority;
- Reconsider the value of specialized residences and/or hospitality development within the Preserve. Although the venues drive a regionally significant number of hotel room-nights, most of this income is lost to Wellington, as visitors stay at hotels throughout the rest of the County. Carefully planned development could be a benefit to the Village, as a whole;
- Support the development of new off-season sources of revenue for the permanent equestrian farms and training facilities in Wellington. Although the venues drive local equine incomes, insight from equine businesses and the Preserve Committee indicate that developing new equine related, or equine supporting industry could improve the business position of many of the smaller facilities that suffer a revenue slump outside WEF. Potential new supporting business concepts include 1) expanding access to the non-equestrian population to training, riding, events and animal care during WEF offseason for Wellington equine businesses, 2) the development of environmentally low-impact infrastructure, or private business including low energy wastewater treatment, waste-to-energy facilities and organic large-scale composting; and
- Developing and enhancing marketing programs that both market the Equestrian Preserve and WEF to broader markets, as well as leveraging the value of the Equestrian brand, and the business owner visitors, to market the sophistication, size and competitive advantages of Wellington to the region and the Country. (See marketing strategies, below)

6. Improve Income Mobility

Preparing Residents to Compete

A skilled, educated workforce is critical to developing innovative and expanding local economies, by providing a local labor pool capable of competing in global markets. Enhancing the ability of residents, particularly workers at the bottom of the income ladder also has considerable economic benefits, including supporting investments in housing, increasing local retail and service spending, and lowering local public social service costs, ***and grows jobs across the economy.***

The Village's poverty rate indicates that there is significant slippage in local job opportunity and vertical income growth. Growing opportunity and preparing residents at the bottom of the lower ends of the spectrum to compete more effectively for high-skill, high wage jobs creates income across the economy. Low income mobility and wage stagnation are national and local structural problems. ***However, given Wellington's economic structure, it is well positioned to implement policy that leverages its own economic and employment strengths to grow***

opportunity, and therefore, its own broader economy. Recommended; strategies include the following:

- Begin with an aggressive local business needs assessment to gauge the needs of local businesses for labor and skill positions, both existing and in the future;
- Establish a **local** worker job connection program that matches residents with local job opportunities;
- Develop, locate or partner with specific training programs and educational enhancement programs to match the skills of local residents with the needs of its local business network;
- Incentivize a strong local preference for hiring Wellington residents and businesses as part of all public expenditures in the Village, referred to as a **Community Benefits Agreement Program**;
- Develop, partner or incentivize an aggressive job and occupational internship and job shadowing program for Wellington residents;
- Work with local institutions to build and grow long-term individual educational savings and financing for college-level education, including Children’s Education Savings Accounts matching programs; and
- As described above, a Legacy Business Acquisition program can be targeted and/or developed for qualified low-income households with dramatic results that increase earnings, savings, and family wealth.

7. Support Active Workshifting Strategies

The patterns of retail, office and industrial development have been undergoing rapid and fundamental change across the US, and Wellington is no exception to these trends. On the demand side, the expansion and development of new commercial space is no longer tied to traditional growth of population and employment. On the supply side, the inventory of available commercial space to accommodate economic expansion is considerably less than it has been in modern industrial history.

Detailed analysis of where its residents work and where businesses are located indicate that Wellington is exemplary of the deep changes occurring in how we work, where we work and who we work for. Based on the previous economic analysis, despite Wellington’s high proportion of small businesses, too many of its residents still commute to work outside the Village, exacerbating traffic congestion, degrading quality of life and the environment.

The practice of employers moving workers out of a central office on a daily basis and either structuring telecommuting or moving satellite offices closer to where their employees actually live is known as **workshifting**. Workshifting and telecommuting are a hybrid of workplace and office cost reduction, land use and transportation strategies to not just move workers into mass transit, but quantifiably reduce the number of commuter trips workers need to make for work each week.

Co-working, shared, home office, and off-site office space are playing a rapidly growing role in the future of the workplace. Workshifting is gaining ground across many U.S. cities, particularly in South Florida, as a way to reduce commute times, take commuters off the road, reduce traffic volume and increase worker productivity by reducing or eliminating travel times. Telecommuting has the potential to save employers \$10,000 per employee per year due to increased productivity, reduced real estate and facility costs, and reduced turnover. Other benefits include reduced driving cost and time savings for employees, energy savings, reduced congestion and environmental

benefits to the society. Flexible work arrangements are also essential to attract and retain the new generation of labor force.

Given the high percentage of residents who commute in and out of the Village of Wellington, supporting workshifting or adopting formal workshifting incentive programs could have high appeal. A workshifting program is a combination of strategies, some already listed above, but would include the following:

- Develop targeted marketing program to large downtown West Palm Beach employers about the benefits of workshifting to Wellington, focusing on occupations and industries making the most use of telecommuting, home work, and home business formation;
- Incentive programs that encourage employers to develop and implement telecommuting programs that allow employees to work remotely instead of commute to the central office daily;
- Revise local zoning through density bonuses or parking relief to incentivize small office and co-working spaces, especially the Village's existing malls and small retail plazas;
- Develop financial grants or incentives for the development of co-working space;
- Revise zoning - parking and density bonuses - to incentivize live-work housing units and live-work communities in the Village; and
- Develop, and provide grants to access affordable ultra-high-speed internet connectivity, especially for small businesses. (see below)

8. Invest in an Ultra-High-Speed Internet Backbone

The development of ultra-high-speed Internet connectivity overlaps across a number of the strategy areas, but is important enough to receive special attention as a central development strategy.

Investing in an “ultra-high-speed Internet backbone” would be an important, critical and effective business infrastructure investment in the Village of Wellington. Affordable, widely used Gigabit and higher speed internet service has been slow to emerge in South Florida. Supporting, subsidizing, investing in, or partnering to provide this backbone would provide an immediate small business development and growth incentive allowing high-speed service at costs businesses can afford. It would also support the growth of numerous tech sector industries, most notably, strong local clusters of telecommunications, live data services, software development, medical services and diagnostics and financial services. It would also help take vehicles off the road daily.

The report recommends actively soliciting service providers to develop high-speed backbone in the Village of Wellington, and that the program, once established, should be marketed aggressively.

9. Develop Enhanced Alternative Local Mobility Solutions

Growing traffic congestion has been identified in this study as a threat to the Village's continued prosperity and quality of life. Many of the strategic priorities detailed herein (workshifting, telecommuting, and co-working) are aimed at reducing daily traffic. However, the Village can implement an alternative local mobility program that takes additional vehicles off the road each day, reduces congestion, further supports small business development and growth, improves the quality of life, and reduces the Village's carbon footprint. A series of simple and low-cost programs could include:

- Developing a shared electric vehicle program: a growing number of private businesses are developing shared vehicle networks across the U.S. and Europe, in which members share

the use of small electric vehicles for short trips during the day. Users pick-up and drop-off the vehicles at designated parking/charging stations;

- Develop an electric vehicle shuttle program: a high percentage of daily household trips stay within and near the Village for shopping, errands, and business trips. Most of the trips do not require an individually owned car, but could be completed using a simple shuttle service that cycles through the Village's major commercial locations throughout the day. In most programs, the system is paid for through advertising and a small trip fare;
- Develop a shared bicycle, moped, and electric scooter program: similarly, many local trips using automobiles can be replaced with bicycles, moped, and scooters. Numerous private businesses have grown and are competing to develop shared programs in large and small cities. Costs are low, yet door-to-door convenience is high; and
- Consider revising the Village Parking policy: alternative small-scale mobility can be incentivized with public funding. However, an effective low-cost "incentive" is to significantly reduce maximum parking allowances at large commercial properties in order to push the market to using either shared, public, or non-vehicular local traffic.

The programs could not only improve traffic daily flow, but support small businesses, and build Wellington's brand as a forward-looking economy and community. Most importantly, they can all be funded privately.

10. Patient and Careful Land-Use Decision Making

Wellington has enjoyed significantly above-average rates of population, job, and housing unit growth over the last seven years. The Village's 8.8 percent population growth since 2012, 26 percent job growth rate since 2010, and its 8.1 percent housing unit growth since 2012 all significantly exceeded Palm Beach County, as a whole.

However, Wellington is approaching full build-out, and given current real estate trends in office development, new employment growth will be less dependent on large land, building and infrastructure, and sustaining the Village's economic growth and diversification can't rely on traditional office and commercial development, but will need to shift to other strategies. Great care should be taken regarding the future of the Village's largest vacant and/or available properties, as Wellington can still grow employment using a mixture of the development of smaller vacant acreages, combined with the redevelopment and/or re-purposing of existing commercial properties. Strategic land-use considerations for the Village's most prominent properties include the following:

- The **K-Park** property, a 66-acre vacant agricultural plot located at S.R. 441 and Stribling Way needs to be considered as a future development opportunity that could accommodate a variety of uses, providing greater housing choice, new types of medium and high density residential, recreational, small-scale commercial and retail, entertainment and small-scale office and office support;
- The redevelopment of the four corners properties has been reconsidered for new retail and/or medical services development. Zoned as **Community Commercial** in the Village future land use map, these properties, such as the original Wellington Mall, Wellington Plaza, and Wellington Marketplace could be considered as opportunities for mixed-use redevelopment to support future employment growth, including co-working spaces;
- Small development opportunities stitched together in a broader strategy could provide considerable space to support office workers, though by not using traditional office space. The Village has already explored this concept with the proposed long-term development of

Town Center which serves as the hub of **Midtown**. Town Center includes Village Hall, the Community Center, Wellington Lakes, the Amphitheater and Scotts Place.;

- Other smaller commercial properties along S.R. 441 with large parking lots could be redevelopment and repurposing opportunities that also need to be considered for re-zoning as mixed-use properties that provide opportunities for different housing and the ability to work closer to home; and
- The Village's single largest redevelopment and re-purposing opportunities may become available as retail space at the Mall at Wellington Green continues to change. The property has over 1.5 million square feet of land with close to 1 million square feet of buildings and a vast expanse of surface parking. The properties are also attached to the Wellington Green MUPD/PUD NO 2, approximately 35 acres of vacant property zoned Community Commercial. These properties should also be considered for re-zoning as broadly flexible mixed-use development that support residences, alternative work locations, and relieve transportation congestion by taking workers off the road each day.

11. Adopt a Multi-Point Marketing Strategy

The Village of Wellington needs to broadcast its qualities to regional and national markets. It is most likely that many Wellington residents as well as Village outsiders, are unaware of Wellington's economic dynamism and size. The study team recommends developing a multi-point, multi-product marketing program designed to achieve three goals:

- Driving new investment and innovation by Wellington's existing residents and businesses;
- Driving new investment from outside business owners and investors; and
- Better connecting and networking Wellington's businesses with one another and businesses outside the Village to drive innovation, grow sales, and improve supply chains.

In order to serve these goals, as well as take advantage of Wellington's unique industry and community structure, a complete marketing program should actually be composed of four separate marketing campaigns. They are:

- **Local market education program:** a multi-media (web and social media) program informing local businesses, leaders, and major property owners of Wellington's advantages and strengths, as detailed in this report. This marketing program could be driven through the **business information portal**, recommended above, and include the business census, or directory, of local businesses to facilitate local business networking;
- **National business climate marketing program:** A multi-media program including web-based, social media, and potentially broadcast media purchases to market Wellington's strengths, dynamism, and advanced industry mix to the national market. Specific Village strengths to highlight could include the Village's advanced industry mix, labor force, composition of small and sole proprietor businesses, and its housing stock, specifically how many businesses utilize the Village's housing as a liked location to work in national and global markets. Entrepreneurs looking for a highly connected, highly livable, and successful community in which to launch a business should, be a priority target for this campaign;
- **Wellington's global equestrian marketing program:** An indispensable part of Wellington's economy, brand and unique quality of life, businesses in the equestrian sector as well as WEF need support to stay globally competitive. A specialized marketing campaign targeted at the national and international equestrian market would inform WEF participants, teams, riders, and owners of the local and regional benefits of establishing facilities in Wellington, competing in the local venues, and the value of the Wellington

equestrian brand. In general, this campaign would continue to establish Wellington as the center of the equestrian world; and

- **Aggressively expand the Business Development Board “Behind the Gates” program:** The value of the Wellington Equestrian brand is incalculable, yet clearly underutilized. The Equestrian sector could be extremely valuable in driving the growth of Wellington's non-equestrian industry sectors. The Equestrian Preserve and WEF draws the nation's highest income families, individuals, and captains of industry (including Bill Gates). The Palm Beach County Business Development Board operates the Behind the Gates Program, targeting high-net worth individuals as potential investors in the region's life science industry. Expanding the Behind the Gates program to focus on the competitive advantages and businesses in Wellington, targeting attendees to the WEF, delivering a highly informed package detailing Wellington's local business strength may be a potent vehicle for attracting and networking new investment in Wellington's businesses.

12. Establish a Business & Community Innovation Officer

The report recommends a comprehensive, but achievable set of development and competitiveness strategies. Implementing the program suggested here will take considerable organizational focus. The FIU Metropolitan Center recommends creating a specialized position within the Office of Strategic Planning to 1) develop the resources to implement the priority strategies, 2) coordinate implementation efforts across Village Departments, and 3) measure continuous progress toward the completion of each of the plan elements.

The **Business and Community Innovation Officer** position need not be a new position, but does require a person or office singularly focused on building, coordinating, and implementing the strategic plan detailed herein. The position also requires considerable community outreach, and extensive outreach and communication with the Village's business owners. It also requires an ability to facilitate and support the efforts of business owners in Wellington to innovate and grow.

Strategies for Building and Sustaining a Competitive Housing Market

The following strategies address each of the key findings from the Village of Wellington Housing Impact Study. Each of the following strategies address the Village of Wellington's housing supply and demand issues from the perspective of sustainable economic development and maintaining the quality of life for current and future Village residents and families.

1. Expand Housing Choice for Current and Future Village Residents

Expanding on the "Sustainable Wellington" theme, the objective for creating a balanced and competitive housing market would be the development and/or redevelopment of a network of livable neighborhoods and districts. Livable neighborhood strategies can be transformative by providing resident access to life, work and play. What makes a neighborhood truly livable are the two important qualities of access and convenience.

The Village of Wellington, as a livable community and potential employment hub, is well-positioned to provide a mix of more desirable housing options than surrounding areas in Central Palm Beach County. However, in order to be competitive in the housing market, Wellington will need to expand its mix of multi-family housing to offer generational groups, i.e. millennials, baby boomers, and occupation groups, i.e. essential and creative design workers, a more balanced choice of housing. Clearly, Wellington's competitive position in the housing market would be greatly enhanced with more 1-2-bedroom apartment units located in areas of the Village ideally suited for higher densities and mixed-use.

Specific strategies to expand housing choice include the following:

Mixed-use Development

Mixed-use development is generally defined as a blend of two or more residential, commercial, cultural, institutional, and/or industrial uses situated in a pedestrian-friendly development. Mixed use is one of the ten principles of Smart Growth, a planning strategy that seeks to foster community design and development that serves the economy, community, public health, and the environment.

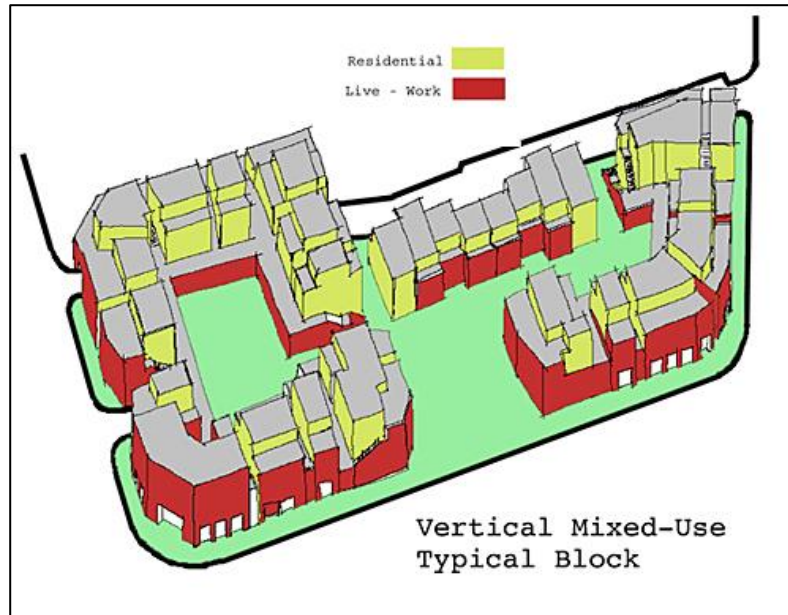
The Urban Land Institute's Mixed-Use Development Handbook characterizes mixed-use development as one that 1) provides three or more significant revenue-producing uses (such as retail/entertainment, office, residential, hotel, and/or civic/cultural/recreation), 2) fosters integration, density, and compatibility of land uses, and 3) creates a walkable community with uninterrupted pedestrian connections.

PlaceMakers clarifies that mixed use includes three-dimensional, pedestrian-oriented places that layer compatible land uses, public amenities, and utilities together at various scales and intensities. This variety of uses allows for people to live, work, play and shop in one place, which then becomes a destination for people from other neighborhoods.

Mixed-use zoning allows for the horizontal and vertical combination of land uses in a given area. Commercial, residential, and even in some instances, light industrial areas fit together to help create built environments where residents can live, work, shop and play. While there are many forms of mixed-use development, it can be categorized in three ways:

Vertical Mixed-Use Development

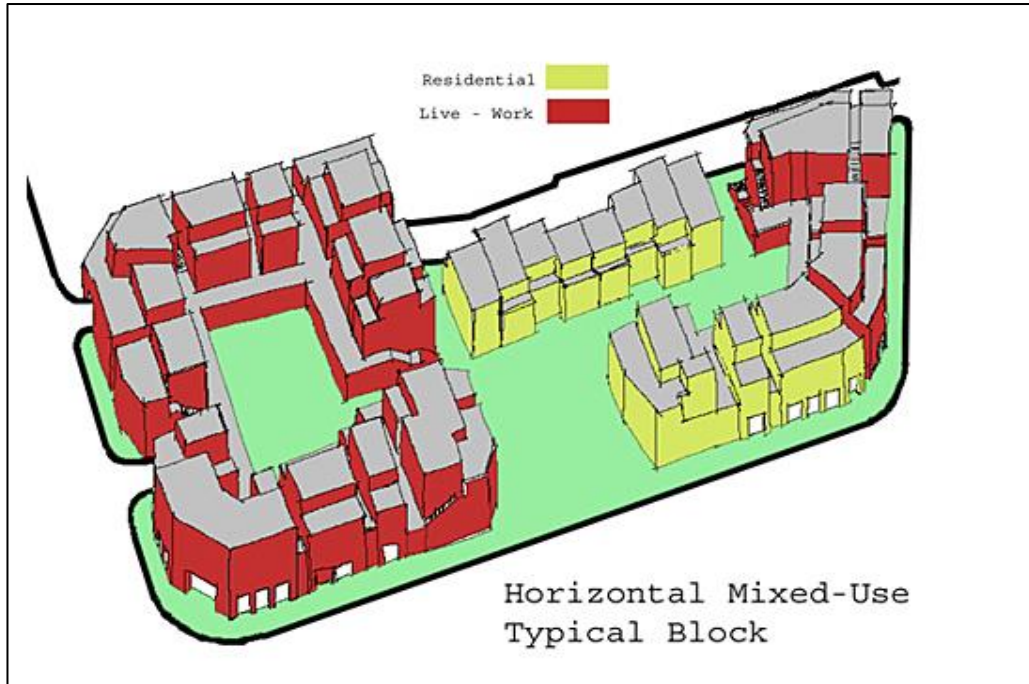
- Combines different uses within the same building;
- Provides for more public uses on the lower floor such as retail shops, restaurants, of commercial businesses;
- Provides for more private uses on the upper floors such as residential units, hotel rooms, or office space.



Source: *Placemakers.com*

Horizontal Mixed-Use Development

- Consists of single-use buildings within a mixed-use zoning district parcel, which allows for a range of land uses in a single development project;
- Provides for a variety of complementary and integrated uses that are walkable and within a given neighborhood, tract or land, or development project;



Source: *Placemakers.com*

Mixed-Use Walkable Areas

- Combines both vertical and horizontal mix of uses in an area, within an approximate 10-minute walking distance to core activities



*Schematic rendering of Governor's Square, Dover
Dover Transit Center Neighborhood Plan, Renaissance Planning Group*

One or some blend of the above mixed-use design concepts would be viable development or redevelopment options for key locations within the Village of Wellington, including the K-Park site, Wellington Green Mall and the Four Corners, including MidTown.

2. Mixed-Income, Mixed-Use Multi-Family Development Strategies for Targeted Areas

The Village of Wellington market needs help in supplying accessible and affordable housing, especially for working families and households. Mixed-income developments can alleviate that need, providing housing that is safe, livable, and close to employment centers. Emphasis is placed on making the units attractive and the community safe, with an amenity package sufficient to attract market-rate tenants. Innovative designs of residential units seamlessly integrate assisted housing units with market rate and above townhome units. Mixed-income housing combined with mixed-use development is designed to encourage a variety of community activities, locales and services to co-exist in close proximity, thereby reducing the need for extensive automobile travel by the residents.

Best Practices include:

- Develop different types of compatible land uses close together in appropriate locations to shorten trips and facilitate alternative modes of transportation, such as walking, bicycling and public transportation;
- Mixed-income housing developments help raise standards for good design in affordable housing, providing appealing residences that blend in with surrounding communities;
- Mixed-income housing can be an appealing option that lends itself to community acceptance without negatively impacting land values;
- Healthy neighborhoods include a blend of incomes and new mixed-income, mixed-use developments can achieve the same compatibility.

Mixed-income/mixed-use development is an appropriate planning and design option for Wellington's proposed redevelopment areas, including the French Quarter, Woodwind, Sturbridge, White Pine, 12th Fairway, Yarmouth, Periwinkle and portions of Westhampton where there are 1,099 existing housing units. Mixed-income/mixed use planning and design concept could also be a viable option for K-Park site, Wellington Green Mall, the Four Corners and MidTown.

The K-Park site offers Wellington a unique opportunity to design and develop a signature mixed-use development. It is strategically positioned at the intersection of Stribling Way and 441 (SR 7). The SR 7 Corridor has undergone significant growth and development in the past ten years. K Park is approximately one-half mile south of the Mall at Wellington Green and is surrounded by several residential communities. K Park's central location on a highly desirable parcel of land along 441 creates development opportunity for the Village of Wellington.

The Village of Wellington has solicited development proposals for the K-Park site in the past. The Village should consider a new developer solicitation with specific mixed-use design criteria, including but not limited to co-working space, mixed-income housing and open space development.

3. Targeted Density Increases

As people and talent are attracted to the economic opportunities, accessibility to work and entertainment, and other lifestyle factors offered by many urban areas, smaller communities like the Village of Wellington may benefit by incorporating some of these factors into their community and economic development strategies. Even some suburbs are starting to incorporate higher densities and more urban principles into their designs. As Steve Yoder wrote in *The Fiscal Times* regarding the growth of Bellevue, Washington, "Not long ago, density, walkability and access to public transit were more associated with cities than suburbs. But as more people flock to the cities, and many outer suburbs struggle, some suburbs have found a formula that's helped them grow as fast as their urban siblings—create a downtown core that lets them combine the city's culture, street life and walkability with their own lower crime rates and good public services." Creating a higher population density in a smaller community like Wellington can help create a stronger and more competitive downtown core.

Increased density has also been linked to increased productivity. The Federal Reserve Bank of New York's 2010 report, "Productivity and the Density of Human Capital," (PDF) reviewed 363 metropolitan areas in the U.S. from 2001 to 2005 to better understand how density affects an area's productivity. Although this report reviewed metropolitan areas, many of the findings may be applicable to smaller communities, especially those with higher-than-average densities. The New York Fed found that if a metropolitan area doubled its population density, its human capital increased, leading to an average 2 to 4 percent increase in productivity. The sectors most

dramatically affected by increases in density were more knowledge-based, relying on an educated workforce where sharing ideas is important to productivity. Sectors with the highest productivity gains were professional services, arts and entertainment, information, and finance. Although the study used metropolitan areas as the sample, it demonstrates that increasing density can lead to positive economic gains.

Strategies smaller communities like Wellington can implement in locations such as Midtown, Town Center, K-Park, the Four Corners and Wellington Mall to improve density include:

- Create planning and zoning that specifically targets particular areas for population, housing and/or business growth (and/or change ordinances to allow higher-density structures);
- Locate new or existing community services or institutions in a certain geographic area (schools, libraries, health care clinics, post offices, utility companies, other governmental institutions or services that people need access to);
- Offer housing options of different sizes and prices, a mix between ownership and rentals, and variances in styles that will appeal to a large cross-section of people (singles, young families, retirees, etc.);
- Types of housing to consider could include condominiums, cottages, town homes, single-family houses, cooperative housing, senior living facilities and other types that appeal to multiple generations and incomes;
- Utilize tax incentives to develop, redevelop or improve a specific geographic area of a community to entice more people to live there;
- Create shared amenities and public spaces for common use. These spaces should:
 - promote human contact and social activities;
 - be safe, welcoming and accommodating for all users;
 - have design and architectural features that are visually interesting;
 - promote community involvement;
 - reflect the local culture or history;
 - relate well to bordering uses;
 - be well maintained and have a unique or special character, and
 - Ensure connectivity and accessibility to population center (walking, biking, driving). (Federal Reserve Bank of St. Louis, 2018)

4. Affordable Housing Development Programs Linked to Economic Development and Business Creation

The availability of a range of affordable housing options is one of the most important economic development issues facing communities. The high rate of resident turnover, the loss of professionals, skilled workers, and key wage earners at or below the median income will have damaging local economic effects. Providing housing for a mix of income groups that retains and attracts workers across the income and skill spectrum is a key to building a self-sustaining economy that is less susceptible to regional and national cyclical market swings. A spectrum of housing choice and opportunity also helps maintain a steady stream of new small businesses, entrepreneurs and jobs required to sustain a healthy local economy.

Creating new opportunities for better paying jobs and higher household incomes is also the key to solving a community's long-term affordable housing issues. Implementing an affordable housing program should, therefore, be an opportunity to accomplish the multiple goals of affordable housing delivery and new job creation. Affordable housing, when paired with traditional economic

development and business development incentives, becomes an especially potent new business creation incentive package.

Most communities are reliant on the growth and development of small businesses for new job creation. Examples of blended housing and economic development programs could include:

- A skilled trade contractor on-site job training, mentorship and licensing and certification assistance program to expand the pool of local skilled trades contractors;
- Offering housing incentives to entrepreneurs and business owners who create a minimum of three new full-time jobs that pay salaries above the median income. Assistance could be in the form of home purchase assistance (grants, low interest loans, down payment assistance, etc.), or rental assistance through a community's affordable housing agency or through a separate rental assistance program. A unique program such as this would be a powerful incentive to both local entrepreneurs and those from outside the region. Incentives could also be provided to business owners and entrepreneurs in select, targeted, preferred industries and occupations;
- Develop new business incubators and accelerators offering short-term rental program assistance to entrepreneurs entering the incubator/accelerator program. Upon graduation, entrepreneurs who successfully obtain venture capital funding and provide employment for three full-time new jobs above the Village's median income would be eligible for the long-term business and entrepreneur rental and homeownership programs detailed above.

Pairing housing support with new business formation can be especially important to new small ventures, as the founder typically must choose between reinvesting revenues from a new company instead of paying him/herself an income. Providing lower-cost housing alternatives would be an interesting way to launch a small entrepreneurial hub for a wide range of new ventures.

5. Create New Sources of Housing Financing

Linkage Fees

Hundreds of housing linkage fee programs exist across the country, though they are most prevalent in California, Massachusetts and Washington. The linkage in this context is between the number of units built and the projected cost to the community in increased school and other services to families occupying those units. The developer pays a fee per unit to help offset these costs. Another type of linkage regulation charges a fee to industrial, commercial, and office developments to help pay for the costs of new housing that these developments will require because of the workers they attract or bring with them. In some cases, these developers are directly required to supply a certain amount of housing, often at affordable rates. These linkage requirements may come with incentives as well in order to make it easier for a developer to comply.

There are several successful linkage fee programs in the country. The City of Boston has one of the oldest linkage programs, having been established in 1987. The City's fee is mandatory, gaining approval in a non-binding public referendum in 1983, and codified in a city ordinance later the same year. The City began with an original fee of \$5.00 per square foot for housing and \$1.00 per square foot for job training, payable over a seven-year period for downtown developments and a twelve-year period for the neighborhoods. The fee is now \$7.18 per square foot for housing and \$1.44 per square foot for job training. Boston is instructive for several reasons: (1) demonstrating the value created by a broad-based coalition, including both state and local groups that worked for four years to get the program established. This coalition continues today to ensure that program funding keeps pace with growth; and (2) permission from the state was needed for Boston to enact its policy and to approve increases in the future.

The City of Sacramento, CA established a linkage fee program 1989. Like Boston, the Sacramento supporters established a broad coalition of advocates that included realtors, builders, faith and business leaders, political groups, legal services and housing advocates along with the City's Housing and Redevelopment Authority. This group formed the City's Housing Finance Task Force and recommended a policy that was approved by the City Council.

Sacramento is instructive because: (1) the City used the equivalent of a nexus study to quantify the relationship between commercial development growth, jobs and the increase in need for housing. This relationship was crucial to their defense once the policy was challenged; and (2) Sacramento pursued a linkage fee to fund a housing trust fund that would support housing development across the City.

The Fairfax County, Virginia Linkage Fee Plan addresses the redevelopment of the Tysons Corner area, an edge city that was set to undergo major growth with the addition of several new transit stops and thousands of new jobs and residents. The plan included a recommendation that developers of new nonresidential projects contribute \$3.00 per square foot towards a housing trust fund. Fee revenue is dedicated to creating low-and moderate-income housing opportunities in Tysons Corner helping to meet the need for workforce housing projected to result from the new development and ensure that families of all incomes can afford to live in Tysons.

Community Land Trusts

A community land trust (CLT) is a proven mechanism for ensuring long-term affordable housing while also ensuring public investments in affordable housing will last a lifetime. A CLT is a private non-profit corporation created to acquire and hold land to meet the housing needs of residents least served by the prevailing market. CLTs essentially serve as the "steward" for a community's long-term affordable housing supply. CLTs can be an effective tool for making housing affordable in the face of the increasingly widening gap between income and housing costs.

The CLT model works by purchasing land and holding it in trust in perpetuity. The CLT can purchase vacant land and develop it, or purchase existing properties for rental or owner-occupied housing and mixed-use projects. For development of owner-occupied housing, the CLT sells the housing unit to a purchaser, but retains ownership of the land, entering into a ground lease with the new owner. The CLT thereby takes the cost of the land out of the purchase price, and/or applies other subsidies to bring the purchase price in line with local affordability guidelines.

The homeowner retains the rights to privacy, exclusive use of the property, and the right to bequeath the property and the lease. The CLT has the right to purchase the house when and if the owner wants to sell. If the buyer chooses to sell, the CLT retains the right to re-purchase the structures for an agreed-upon formula giving the buyer partial equity. The remaining equity stays with the CLT, and the structure is re-sold to a new buyer at a below-market affordable rate. The cost of the land is forever retained within the trust.

CLTs began operating in the early 1970s. According to community-wealth.org, there were 242 community land trusts in the United States in 2011 with about 10,000 housing units serving over 12,000 residents. A majority (82 percent) of those residents had incomes below 50 percent of the area median.

Case Studies

The National Community Land Trust Network

The National Community Land Trust Network, an extensive network of member practitioners from local communities, provide organizational capacity and best practice research for the CLT sector. The Network's goal is to inspire action and reform policies that help create more equitable housing opportunities and inclusive communities across the nation.

<http://cltnetwork.org/>

Champlain Housing Trust, Burlington, Vermont

Property values and development costs skyrocketed in Burlington, VT in the late 1980s and 1990s, driving housing out of reach of much of its workforce. In 1990, Burlington adopted a mandatory citywide inclusionary zoning policy, requiring new residential projects that are 5 or more units to set aside a small portion of the new units for households earning 65 percent of the area median income (AMI) or less. Owners occupied units should be affordable to households earning 80 percent AMI or less.

The policy further requires all these units to remain affordable for at least 99 years. While the City's inclusionary zoning ordinance creates new affordable homeownership units, it is the innovative partnership with the Champlain Housing Trust (CHT), a local community land trust that ensures their ongoing affordability.

CHT offers a wide array of post-purchase education, financial support and resale management education programs. As of 2014, Burlington's inclusionary zoning program had produced 125 permanently affordable homeownership units, the majority of which have been transferred to CHT for ongoing management and stewardship. By partnering with a community land trust, the City has been able to ensure more robust and consistent affordable home ownership program. The CHT also produces its own permanently affordable homes apart from the inclusionary zoning program.

<http://community-wealth.org/content/champlain-housing-trust>

South Florida Community Land Trust, Broward County, Florida

The South Florida Community Land Trust, a 501(c)3 nonprofit, was formed in 2006 out of a regional planning effort led by the Broward Housing Partnership to provide a permanent source of affordable housing in South Florida. It is the only organization in Broward or Miami-Dade County focused on long-term affordability. As part of their mission "to provide and preserve quality, sustainable, affordable housing for underserved populations," the SFCLT offers affordable rental, lease-purchase, and CLT homeownership housing opportunities to address the full spectrum of housing needs in South Florida.

All housing provided through SFCLT is reserved for very low-to middle-income households, with set-asides for homeless populations including youth aging out of foster care and veterans. By the end of 2013, SFCLT expects to house 60 families and 100 individuals, including homeless veterans and youth aging out of foster care. The SFCLT also offers expanded empowerment and engagement services to link its residents to opportunities that go beyond housing and pave the way for upward mobility.

<http://southfloridaclt.org/>