



Council Communication

To: Mayor and Village Council
From: Jennifer DeBoisbriand, Planning Director
Date: November 13, 2025
SUBJECT: **Ordinance to Amend Policy 3.2.1.2: Specific Standards and Requirements for Workforce - Affordable Housing of the Islamorada Comprehensive Plan - Second Reading**

Background:

The Village has specific criteria for the construction of the "affordable early-evacuation" allocation pool. This criteria was established when the 300 early evacuation allocations were given to the Village. One of the criteria is that the units "shall not be placed in the V-zone or within the Coastal Barrier Resource System".

Analysis:

Given the standards of construction in Islamorada, it was asked that we consider the removal of this restriction. The Local Planning Agency reviewed this amendment at its meeting on April 14, 2025. It was recommended for adoption unanimously.

The Village Council approved this amendment on first reading on June 12, 2025.

This amendment was rendered to the Florida Department of Commerce after first reading. The Village received an Objections, Recommendations and Comments Report dated August 12, 2025. I have attached that for your review. I have also attached what will be staff's response when we render after second reading if the amendment is approved.

Budget Impact:

None

Staff Impact:

None

Recommendation:

Planning Staff recommends approval of this ordinance.

Attachments:

1. VIL ISLAMORADA 25-02ACSC (P)
2. Village Transmittal Response to ORC AH VZone
3. 2007 Workforce Housing Study Islamorada
4. CBRS map
5. V Zone Comp Plan Ord with 1st Vote

August 12, 2025

The Honorable Sharon Mahoney
Mayor, Village of Islamorada
86800 Overseas Highway
Islamorada, Florida 33070

Dear Mayor Mahoney,

FloridaCommerce has completed its review of the proposed comprehensive plan amendment for the Village of Islamorada (Amendment No. 25-02ACSC), which was received on June 13, 2025.

FloridaCommerce has reviewed the proposed amendment in accordance with the state coordinated review process set forth in sections 163.3184(2) and (4), Florida Statutes (F.S.), for compliance with Chapter 163, Part II, F.S.

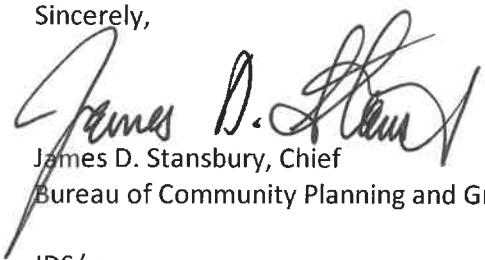
The attached Objections, Recommendations, and Comments Report outlines FloridaCommerce findings concerning the amendment. FloridaCommerce has identified an objection and has included recommendations regarding measures that can be taken to address the objection.

The Village should act by choosing to adopt, adopt with changes or not adopt the proposed amendment. For your assistance, the procedures for final adoption and transmittal of the comprehensive plan amendment are enclosed.

The second public hearing, which shall be a hearing on whether to adopt one or more comprehensive plan amendments, **must be held within 180 days** of your receipt of FloridaCommerce's attached report, or the amendment will be deemed withdrawn unless extended by agreement with notice to FloridaCommerce and any affected party that provided comment on the amendment pursuant to section 163.3184(4)(e)1., F.S. **The adopted amendment must be transmitted to FloridaCommerce within ten working days after the final adoption hearing or the amendment shall be deemed withdrawn pursuant to section 163.3184(4)(e)2., F.S.**

FloridaCommerce staff is available to assist the Village to address the objection. If you have any questions related to this review, please contact Adanis Suttle, Planning Analyst, by telephone at (850)-921-3269 or by email at Adanis.Suttle@Commerce.fl.gov.

Sincerely,



James D. Stansbury, Chief

Bureau of Community Planning and Growth

JDS/as

Enclosures: Objections, Recommendations, and Comments Report

Procedures for Adoption

Reviewing Agency Comments

cc: Jennifer DeBoisbriand, Planning Director, Village of Islamorada

Isabel Cosio Carballo, MPA, Executive Director, South Florida Regional Planning Council

Objections, Recommendations and Comments Report
Proposed Comprehensive Plan Amendment
The Village of Islamorada 25-02ACSC

The FloridaCommerce has identified an objection regarding the Village of Islamorada's proposed comprehensive plan amendment. The objection is provided below, along with recommended actions the Village could take to resolve issues of concern. If the Village adopts the plan amendment without adequately addressing the objection, FloridaCommerce may find the amendment not in compliance with Chapter 163, Part II, Florida Statutes (F.S.), pursuant to section 163.3184(4)(e)4., F.S.

FloridaCommerce staff has discussed the basis of the report with local government staff and is available to assist the Village to address the objection.

I. Objection:

Objection 1: Internal Inconsistency and Lack of Data and Analysis

The proposed amendment does not include relevant and necessary data and analysis as required by section 163.3177(1)(f), Florida Statutes (F.S.). The proposed amendment fails to support the policy change or to evaluate the impact on workforce-affordable housing development in high-risk flood areas. Additionally, the Village's proposed amendment is not consistent with several objectives and policies in the existing Comprehensive Plan, that aim to direct development away from velocity zones and the Coastal High Hazard Area (CHHA).

Section 163.3177(1)(f), F.S., requires that all elements and amendments to the comprehensive plan be based upon relevant and appropriate data and an analysis by the local government. Furthermore, no analysis has been provided to evaluate the proposed amendment's consistency with the Coastal Management Element, as required by sections 163.3177(2) and 163.3177(6)(g) F.S. Coordination among these elements is essential, particularly when modifying policies related to land use and affordable housing in hazard-prone areas.

Statutory Authority: Sections 163.3177(1)(f), 163.3177(2), 163.3177(6)(a)2., 163.3177(6), 163.3177(6)(f), 163.3177(6)(g), 163.3178, and 163.3184(4).

Recommendation The Village of Islamorada must revise the amendment to provide relevant and appropriate data and analysis to evaluate the impacts of allowing Workforce-Affordable Housing allocations in V-Zones and the Coastal Barrier Resource System (CBRS). The Village must also ensure the amendment is consistent with all elements of the Comprehensive Plan.

In responding to this objection, the Village of Islamorada should consider the provisions under Chapter 2025-190, Laws of Florida (L.O.F.), which was approved on June 26, 2025, and applies retroactively to August 1, 2024. The Village should ensure that adopted amendment is not more restrictive or burdensome.

SUBMITTAL OF ADOPTED COMPREHENSIVE PLAN AMENDMENTS

FOR STATE COORDINATED REVIEW

Section 163.3184(4), Florida Statutes

NUMBER OF COPIES TO BE SUBMITTED: Please submit electronically using FloridaCommerce's electronic amendment submittal portal "Comprehensive Plan and Amendment Upload" (<https://fledo.my.salesforce-sites.com/cp/>) or submit three complete copies of all comprehensive plan materials, of which one complete paper copy and two complete electronic copies on CD ROM in Portable Document Format (PDF) to the State Land Planning Agency and one copy to each entity below that provided timely comments to the local government: the appropriate Regional Planning Council, Water Management District, Department of Transportation, Department of Environmental Protection, Department of State, the appropriate county (municipal amendments only), the Florida Fish and Wildlife Conservation Commission and the Department of Agriculture and Consumer Services (county plan amendments only), and the Department of Education (amendments relating to public schools), and for certain local governments, the appropriate military installation and any other local government or governmental agency that has filed a written request.

SUBMITTAL LETTER: Please include the following information in the cover letter transmitting the adopted amendment:

- State Land Planning Agency identification number for adopted amendment package.
- Summary description of the adoption package, including any amendments proposed but not adopted.
- Ordinance number and adoption date.
- Certification that the adopted amendment(s) has been submitted to all parties that provided timely comments to the local government.
- Name, title, address, telephone, FAX number and e-mail address of local government contact.
- Letter signed by the chief elected official or the person designated by the local government.

ADOPTION AMENDMENT PACKAGE: Please include the following information in the amendment package:

- In the case of text amendments, changes should be shown in strike-through/underline format.
- In the case of future land use map amendment, an adopted future land use map, **in color format**, clearly depicting the parcel, its existing future land use designation, and its adopted designation.
- A copy of any data and analyses the local government deems appropriate.

Note: If the local government is relying on previously submitted data and analysis, no additional data and analysis is required.

- Copy of executed ordinance adopting the comprehensive plan amendment(s).

Suggested effective date language for the adoption ordinance for state coordinated review:

"The effective date of this plan amendment, if the amendment is not timely challenged, shall be the date the state land planning agency posts a notice of intent determining that this amendment is in compliance. If the amendment is timely challenged, or if the state land planning agency issues a notice of intent determining that this amendment is not in compliance, this amendment shall become effective on the date the state land planning agency or the Administration Commission enters a final order determining this adopted amendment to be in compliance."

- List of additional changes made in the adopted amendment that the FloridaCommerce did not previously review.
- List of findings of the local governing body, if any, that were not included in the ordinance and which provided the basis of the adoption or determination not to adopt the proposed amendment.
- Statement indicating the relationship of the additional changes not previously reviewed by the FloridaCommerce to the ORC report from the FloridaCommerce.

Harris, Donna

From: Plan_Review <Plan.Review@dep.state.fl.us>
Sent: Friday, July 11, 2025 2:18 PM
To: DCPexternalagencycomments
Cc: Plan_Review
Subject: [EXTERNAL] - Islamorada 25-02ACSC Proposed

CAUTION - "This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe."

To: Donna Harris, Senior Plan Processor, Florida Commerce Bureau of Community Planning and Growth

Re: Islamorada 25-02ACSC – State Coordinated Review of Proposed Comprehensive Plan Amendment

The Office of Intergovernmental Programs of the Florida Department of Environmental Protection (Department) has reviewed the above-referenced amendment package under the provisions of Chapter 163, Florida Statutes. The Department conducted a detailed review that focused on potential adverse impacts to important state resources and facilities, specifically: air and water pollution; wetlands and other surface waters of the state; federal and state-owned lands and interest in lands, including state parks, greenways and trails, conservation easements; solid waste; and water and wastewater treatment.

Based on our review of the submitted amendment package, the Department has found no provision that, if adopted, would result in adverse impacts to important state resources subject to the Department's jurisdiction.

Please submit all future amendments by email to Plan.Review@FloridaDEP.gov. If your submittal is too large to send via email or if you need other assistance, contact Lindsay Weaver at (850) 717-9037.





Florida Department of Transportation

RON DESANTIS
GOVERNOR

1000 N.W. 111 Avenue
Miami, Florida 33172

JARED W. PERDUE, P.E.
SECRETARY

June 30, 2025

Ms. Jennifer DeBoisbriand
Planning Director
Planning and Development Services Department
Islamorada, Village of Islands
86800 Overseas Highway
Islamorada, Florida 33036

Subject: Comments for the Islamorada, Village of Islands Comprehensive Plan - Amendment FDEO #25-02ACSC

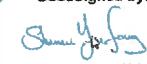
Dear Ms. DeBoisbriand:

Pursuant to Section 163.3184(3), Florida Statutes (F.S.), in its role as a reviewing agency as identified in Section 163.3184(1)(c), F.S., the Florida Department of Transportation, District Six, reviewed the proposed amendments to the Islamorada, Village of Islands, Comprehensive Plan. The proposed amendments modify/update the requirements for workforce-affordable housing units in the Comprehensive Plan.

The District reviewed the amendment package per Chapter 163 Florida Statutes and found the proposed text amendment would not adversely impact transportation resources and facilities of state importance.

Thank you for coordinating on the review of these proposed amendments with FDOT. If you have any questions, please do not hesitate to contact me by email at shereen.yefong@dot.state.fl.us or at 305-470-5393.

Sincerely,

DocuSigned by:

B06CD06755954DD...

Shereen Yee Fong, MS-CE
Community Planning Coordinator



**ISLAMORADA, VILLAGE OF ISLANDS
PLANNING AND DEVELOPMENT SERVICES DEPARTMENT**
86800 Overseas Highway • Islamorada, Florida 33036 • www.islamorada.fl.us

June 13, 2025

Plan Review and Processing Administrator
Florida Department of Commerce

Uploaded to Portal

**Subject: Compliance Review of Proposed Ordinance 25-XX Amending Policy 3-2.12:
Specific Standards and Requirements for Workforce Affordable Housing**

Pursuant to Chapter 163, Part II, Florida Statutes, the Islamorada, Village of Islands Planning and Development Services Department, acting with the Florida Keys Area of Critical State Concern, hereby transmit the attached submittal package and requests the Florida Department of Commerce review the proposed amendment. The amendment is subject to the State Coordinated Review process pursuant to Section 163.3184(4), Florida Statutes.

The proposed amendment has been sent to the following review agencies and governments for their review and response via email:

- South FL Regional Planning Council
- South FL Water Management District
- FL Department of Environmental Protection
- FL Department of Transportation
- FL Secretary of State
- Monroe County, Florida

Chapter 3: Housing Element

There is one (1) proposed ordinance, which is summarized in the table below, amending Policy 3-2.12

Ord No	Amendment Name	Amendment Title	LPA Hearing Date	1 st VC Hearing Date	2 nd VC Hearing Date
25-XX	Amending Policy 3-2.12: Specific Standards and Requirements for Workforce Affordable Housing.	AN ORDINANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AMENDING POLICY 3-2.1.2: SPECIFIC STANDARDS AND REQUIREMENTS FOR WORKFORCE-AFFORDABLE HOUSING; PROVIDING FOR THE TRANSMITTAL OF THIS ORDINANCE TO THE STATE DEPARTMENT OF COMMERCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE UPON APPROVAL OF THIS ORDINANCE BY THE STATE DEPARTMENT OF COMMERCE.	April 14, 2025	June 12, 2025	TBD

- The proposed amendment is applicable to the Florida Keys Area of Critical State Concern.
- The Plan amendment is not within Orange, Lake or Seminole Counties, and therefore, the plan amendment does not apply to the Wekiva River Protection Area pursuant to Chapter 369, Part III, F.S.
- The proposed amendment is not one of the exemptions to the twice per calendar year limitation on the adoption of comprehensive plan amendments.
- A copy of the proposed amendment with all supporting documentation, which includes data and analysis have been sent to all the review agencies.
- The amendment is not proposed to be adopted under a joint planning agreement pursuant to Section 163.3171, F.S.

- The proposed amendment does not update the five-year schedule of Capital Improvements.
- There were no requests for citizen courtesy information.

The contact person for this amendment is: Jennifer DeBoisbriand, Planning Director @ (305)664-6440 or email to Jennifer.deboisbriand@islamorada.fl.us.

Thank you in advance for your timely review of these materials. Should you have any questions about the proposed amendment, please contact us.

Sincerely,

Anita Muxo

Anita Muxo, Planning & Zoning Technician
anita.muxo@islamorada.fl.us
(305)664-6498

ORDINANCE NO. 25- ____

AN ORDINANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AMENDING POLICY 3-2.12: SPECIFIC STANDARDS AND REQUIREMENTS FOR WORKFORCE-AFFORDABLE HOUSING; PROVIDING FOR THE TRANSMITTAL OF THIS ORDINANCE TO THE STATE DEPARTMENT OF COMMERCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE UPON APPROVAL OF THIS ORDINANCE BY THE STATE DEPARTMENT OF COMMERCE.

WHEREAS, pursuant to Chapter 163, Part II, Florida Statutes, on December 6, 2001, Islamorada, Village of Islands, Florida (the "Village") adopted the Village Comprehensive Plan (the "Comprehensive Plan"); and

WHEREAS, Section 163.3191, Florida Statutes, directs local governments to periodically assess the status of the adopted comprehensive plan in adequately addressing changing conditions; and

WHEREAS, the Village desires to facilitate the development of Workforce-Affordable Housing; and

WHEREAS, the Village Council desires to amend the Comprehensive Plan in order to revise the standards and requirements for Workforce-Affordable Housing within the Village ("Amendment"); and

WHEREAS, the Village has conducted duly noticed public hearings for the Comprehensive Plan Amendment pursuant to Section 163.3184(11), Florida Statutes; and

WHEREAS, pursuant to Section 163.3174, Florida Statutes and Sections 30-101 of

the Village Code, the Local Planning Agency publicly considered this Ordinance during a duly noticed public hearing; and

WHEREAS, the provisions of this Ordinance are consistent with the Village Comprehensive Plan and the Principles for Guiding Development in the Florida Keys Area of Critical State Concern; and

WHEREAS this Ordinance is enacted to conduct the purpose and intent of, and exercise the authority set out in, the Community Planning Act; and

WHEREAS the Village Council finds that this Ordinance is in the best interest and welfare of the residents of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA AS FOLLOWS:¹

Section 1. Recitals. The above recitals are true, correct, and incorporated herein by this reference.

Section 2. Comprehensive Plan Amendments Adopted. The Village Council hereby adopts the amendments to the Comprehensive Plan attached hereto as Exhibit "A."

Section 3. Transmittal. Pursuant to Sections 163.3184, Florida Statutes, the Village Clerk is authorized to forward a copy of this Ordinance to the State Department of Commerce.

¹ Coding: ~~Strikethrough words~~ are deletions to the existing words. Underlined words are additions to the existing words. Changes between first and second reading are indicated with ~~highlighted double strikethrough~~ and double underline.

Section 4. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand withstand the invalidity of any part.

Section 5. Conflicts. All Sections or parts of Sections of the Code of Ordinances, all ordinances or parts of ordinances, and all Resolutions, or parts of Resolutions, in conflict with this Ordinance are repealed to the extent of such conflict.

Section 6. Effective Date. This Ordinance shall not become effective until a Notice of Intent has been issued by the State Department of Commerce finding the Comprehensive Plan Amendment to be "in compliance" as defined in Section 163.3184(1)(b), Florida Statutes. If timely challenged, the Comprehensive Plan Amendment shall not become effective until Department of Commerce or the Administration Commission enters a final order determining the adopted Comprehensive Plan Amendments to be "in compliance."

[Remainder of the page intentionally left blank.]

The foregoing Ordinance was offered by Councilwoman Richards, who moved its adoption on first reading. This motion was seconded by Vice Mayor Horton, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	YES
Vice Mayor Don Horton	YES
Councilwoman Deb Gillis	YES
Councilman Steve Friedman	YES
Councilwoman Anna Richards	YES

PASSED on first reading this 12th day of June, 2025.

The foregoing Ordinance was offered by _____, who moved its adoption on second reading. This motion was seconded by _____, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	____
Vice Mayor Don Horton	____
Councilwoman Deb Gillis	____
Councilman Steve Friedman	____
Councilwoman Anna Richards	____

PASSED AND ADOPTED on the second reading this _____ day of _____, 2025.

SHARON MAHONEY, MAYOR

ATTEST:

MARNE MCGRATH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE SOLE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY

JOHN J. QUICK, VILLAGE ATTORNEY

COMPREHENSIVE PLAN OF ISLAMORADA, FLORIDA

B E F O R E A M E N D M E N T

Policy 3-2.1.2: Specific Standards And Requirements For Workforce-Affordable Housing

Workforce-affordable housing units built under this program shall:

1. be duplex, triplex, or multifamily structures;
2. be rental units;
3. require, at a minimum, adherence to the latest edition of the Florida Building Code as published by the Florida Building Commission;
4. not be placed in the V-Zone or within the Coastal Barrier Resource Systems;
5. require on-site property management;
6. comply with applicable habitat and other locational criteria and densities for multifamily affordable housing units;
7. shall not be placed in any habitat defined as mangroves, saltmarsh & buttonwood, tropical hardwood hammock or freshwater wetlands (except for disturbed categories);
8. incorporate sustainable and resilient design principles into the overall site design;
9. ensure accessibility to employee centers and amenities;
10. requires a minimum of two dwelling unit allocations per site;
11. require deed-restrictions ensuring that:
 - a. the property remains workforce-affordable housing in perpetuity;
 - b. tenants evacuate during the period in which transient units are required to evacuate;
 - c. rental agreements contain a separate disclosure requiring renters to acknowledge that failure to adhere to the evacuation requirement could result in severe penalties, including eviction, to the resident;
 - d. onsite property managers are formally trained in evacuation procedures.

A F T E R A M E N D M E N T

Policy 3-2.1.2: Specific Standards And Requirements For Workforce-Affordable Housing

Workforce-affordable housing units built under this program shall:



**ISLAMORADA, VILLAGE OF ISLANDS
PLANNING AND DEVELOPMENT SERVICES DEPARTMENT**
86800 Overseas Highway • Islamorada, Florida 33036 • www.islamorada.fl.us

November __, 2025

Plan Review and Processing Administrator
Florida Department of Commerce

Uploaded to Portal

Subject: Response to Objection Raised in Compliance Review of Proposed Ordinance 25-XX Amending Policy 3-2.12: Specific Standards and Requirements for Workforce Affordable Housing

Pursuant to Chapter 163, Part II, Florida Statutes, the Islamorada, Village of Islands Planning and Development Services Department, acting with the Florida Keys Area of Critical State Concern, hereby responds to the August 12, 2025, Objection and requests the Florida Department of Commerce review the proposed revisions to the original amendment. The proposed revision is subject to the State Coordinated Review process pursuant to Section 163.3184(4), Florida Statutes.

Summary of proposed revisions. Provide data and analysis related to affordable housing need and eliminate the proposed revision to the Coastal Barrier Resource System ("CBRS") to ensure internal consistency within the Goals, Objectives, and Policies of the Islamorada Comprehensive Plan.

Objection 1: Internal Inconsistency and Lack of Data and Analysis.

The proposed amendment does not include relevant and necessary data and analysis as required by section 163.3177(1)(f), Florida Statutes (F.5). The proposed amendment fails to support the policy change or to evaluate the impact on workforce-affordable housing development in high-risk flood areas. Additionally, the Village's proposed amendment is not consistent with several objectives and policies in the existing Comprehensive Plan, that aim to direct development away from velocity zones and the Coastal High Hazard Area (CHHA).

Section 163.3177(1)(f), F.S., requires that all elements and amendments to the comprehensive plan be based upon relevant and appropriate data and an analysis by the local government. Furthermore, no analysis has been provided to evaluate the proposed amendment's consistency with the Coastal Management Element, as required by sections 163.3177(2) and 163.3177(6)(g) F.S. Coordination among these elements is essential, particularly when modifying policies related to land use and affordable housing in hazard-prone areas.

Statutory Authority: Sections 163.3177(1)(f), 163.3177(2), 163.3177(6)(a)2., 163.3177(6), 163.3177(6)(f), 163.3177(6)(g), 163.3178, and 163.3184(4).

Recommendation The Village of Islamorada must revise the amendment to provide relevant and appropriate data and analysis to evaluate the impacts of allowing Workforce-Affordable Housing allocations in V-Zones and the Coastal Barrier Resource System (CBRS). The Village must also ensure the amendment is consistent with all elements of the Comprehensive Plan.

In responding to this objection, the Village of Islamorada should consider the provisions under Chapter 2025-190, Laws of Florida (L.O.F.), which was approved on June 26, 2025, and applies retroactively to August 1, 2024. The Village should ensure that adopted amendment is not more restrictive or burdensome.

Background Information.

Section 380.0552, F.S., the Florida Keys Area protection and designation as area of critical state concern, establishes the intent to "ensure that the population of the Florida Keys can be safely evacuated," [380.0552(2)(j), F.S.] and requires that amendments to each local government's comprehensive plan to include "goals, objectives, and policies to protect public safety and welfare in the event of a natural disaster by maintaining a hurricane evacuation clearance time for permanent residents of no more than 24 hours. The hurricane evacuation clearance time shall be determined by a hurricane evacuation study conducted in accordance with a professionally accepted methodology and approved by the state land planning agency" [380.0552(9)(a)2, F.S.]. To accomplish the hurricane evacuation requirements by the State, the County adopted a Permit Allocation System known as the Rate of Growth Ordinance (ROGO). When Islamorada incorporated on December 31, 1997, the units allocated to the Village became the BPAS ordinance.

The BPAS ordinance was implemented to provide for the safety of residents in the event of a hurricane evacuation and to protect the significant natural resources of Islamorada, as required by the State of Florida. In 2012, pursuant to Rule 28-20.140, F.A.C., the Department of Economic Opportunity (DEO) completed the hurricane evacuation clearance time modeling task and found that with 10 years' worth of building permits, the Florida Keys would be at a 24-hour evacuation clearance. Based upon the resulting 24-hour evacuation clearance, DEO determined the remaining allocations for the Florida Keys (3,550 additional permits countywide). March 2013, the Governor and Cabinet, sitting as the State Administration Commission, approved the recommendation to allocate 10 years' worth of growth to the Florida Keys.

On May 2, 2018, Governor Rick Scott issued a press release outlining an initiative to the Florida Department of Economic Opportunity ("DEO") for a Keys Workforce Housing Initiative. The proposed initiative would allow 1,300 additional Rate of Growth Ordinance (ROGO) allocations throughout the Florida Keys (ROGOs or Building Permit Allocation Systems) for rental workforce housing, with a condition that the rental occupants evacuate in the early phase (48-hour window) of a hurricane evacuation. Any development receiving the units would be required to sign a rental

management agreement indicating they would be required to assure the evacuation of all occupants of the development. Under the initiative, each jurisdiction would be eligible to receive up to 300 of these units. The press release specifically stated, "To meet the increased demand for workforce housing, the innovative Keys Workforce Housing Initiative 1 will require new construction that participates to commit to evacuating renters in the 48-hour window of evacuation."

On June 13, 2018, the Florida Administration Commission approved the Workforce Housing Initiative. Florida Keys' local governments that choose to participate in the initiative are to work with DEO to amend their respective comprehensive plans to allow for additional building permits for rental workforce housing with the condition of early evacuation. DEO provided staff with preliminary draft language based on the minimum requirements established in the initiative to use as a starting point when drafting proposed language (Exhibit 2). The DEO issued the graphic below demonstrating the 2012 Hurricane Evacuation model results that indicated there were still 6.5 hours of additional road capacity in Phase 1 of the hurricane evacuation model.

In support of the Housing Initiative at the June 13, 2018 Cabinet meeting, DEO staff made a presentation stating that the Phase I evacuation (under the existing staged evacuation plan) can be accomplished in 17.5 hours, leaving additional capacity of 6.5 hours in Phase I. DEO concluded that the Housing Initiative "will not interfere with the 24-hour evacuation model and satisfies the statutory mandate to provide affordable housing."

On May 2, 2018, Governor Rick Scott issued a press release outlining an initiative to the Florida Department of Economic Opportunity ("DEO") for a Keys Workforce Housing Initiative. The proposed initiative would allow 1,300 additional Rate of Growth Ordinance (ROGO) allocations throughout the Florida Keys (ROGOs or Building Permit Allocation Systems).

On June 13, 2018, the Florida Administration Commission approved the Workforce Housing Initiative. Florida Keys' local governments that choose to participate in the initiative will work with DEO to amend their respective comprehensive plans to allow for additional building permits for rental workforce housing with the condition of early evacuation.

Response.

- 1. The need for affordable housing and supporting data and analysis.** The proposed amendment would provide new opportunities for the utilization of the Village's remaining early evacuation permit allocations by removing the prohibition of building affordable housing in velocity zones. This modification will result in the potential development of new workforce affordable units with various income limits which continues to be an identified need for the community. There is currently a limited number of suitable lots for affordable housing. See CHHA maps attached (Exhibit 3).

One of the most challenging issues that face Islamorada is the lack of affordable/workforce housing. This problem is due to the quadruple impact of high land values, land limited by geographic and environmental features, a tourism economy with a prevalence of lower-paying,

service-sector employment, and a housing supply limited by the controlled Rate of Growth Ordinance (ROGO) or Building Permit Allocation System (BPAS) in Islamorada. The proposed amendment is an attempt to strike a "balance" between discouraging population density in coastal high hazard areas while identifying scarified lot inventory suitable for affordable housing projects. Both goals are recognized within the Village Comprehensive Plan and neither goal is identified as greater than the other.

The Village of Islamorada Comprehensive Plan has consistently found a need for affordable housing and this need is acknowledged in [Policy 3-1.1.4: Recognize The Deficiency Of Workforce Housing Within The Village](#). Islamorada has conducted a comprehensive report on Workforce Housing needs, authored by Freilich, Leitner and Carlisle entitled "Workforce Housing Study" (June 23, 2004). The report's conclusions include an existing deficiency of three hundred fifty-six (356) units for the resident workforce, an existing deficiency of seven hundred ninety-four (794) units for non-resident workforce, and, by the year 2020, a projected total workforce housing need of 1,192 units. Islamorada shall continue to monitor changes to workforce housing needs and the availability of new data which might help to better refine these figures and analyze such data as it becomes available.

In September of 2007 a second affordable housing study, which is attached to this letter, was conducted which assessed the continuing need for affordable housing within the Village of Islamorada. The 2007 study constitutes data and analysis to support the requested amendment and supported the assessment of the first study. Exhibit 1. The Village has been unable to achieve the desired goal of 1,192 affordable housing units as described in Policy 3-1.1.4. Currently, there are less than 100 apartment style living units within the Village. There are some affordable deed restricted single-family homes but, in many cases, the original 20-year affordable deed restriction is running out and these will become market rate once the deed restriction falls off.

At present, there is one 42-unit affordable housing project under planning review ("Hooley Affordable Project"). This project underlines the issues related to trying to identify and build affordable housing while discouraging development of residential units within the Coastal High Hazard Area. This project is proposed for the vacant lot just south of Fisher Inn (Parcel #00094080-000000) Islamorada Windley Key. The affordable development is unable to move forward without this amendment as revised because it is in a "V" zone. The "V" zone building restriction only applies to the "300 early out" allocations within the Village. No other building classification is subject to the "V" zone restriction. The Hooley Affordable Project originally sought approval under the "Live Local Act" – which is not subject to the "V" zone building limitations; however, the Village determined that less than 20% of property within the Village is designated commercial and industrial, thus no property within the Village qualifies for affordable allocations through "Live Local". Accordingly, the only remaining affordable allocations within the Village are the 300 early out units. The property and the other potentially available properties are consistent with the legislative intent Section 380.0552 by providing affordable housing in close proximity to places of employment in the Florida Keys, (Sec. 380.0552(2)(d)) and using scarified property versus property with upland resources it implements the Principles for Guiding Development, specifically: Sec. 380.0552(7)(c) *Protecting upland resources, tropical biological communities, freshwater*

wetlands, native tropical vegetation (for example, hardwood hammocks and pinelands), dune ridges and beaches, wildlife, and their habitat.

2. Retain the prohibition against development within the CBRS. The Coastal Barrier Resources Act (CBRA) of 1982 designated moderately undeveloped coastal barriers along the Atlantic and Gulf coasts as part of the John H. Chafee Coastal Barrier Resources System (CBRS) and made these areas ineligible for most new Federal expenditures and financial assistance. The Coastal Barrier Improvement Act (CBI) of 1990 reauthorized the CBRA and expanded the CBRS to include undeveloped coastal barriers along the Florida Keys, Great Lakes, Puerto Rico, and U.S. Virgin Islands. There is a total of 592 system units, encompassing approximately 1.4 million acres of land and associated aquatic habitat. The system units are generally comprised of private lands that were relatively undeveloped at the time of their designation within the CBRS. The boundaries of these units are generally intended to follow geomorphic, development, or cultural features. The law encourages the conservation of hurricane-prone, biologically rich coastal barriers by restricting Federal expenditures that encourage development. HUD financial assistance may not be used for most activities in CBRS units.

Removing the proposed change to the CBRS is consistent with the comprehensive plan which permits development in the coastal high hazard areas but seeks to direct population concentrations away from the velocity zones. [Policy 5-1.9.1: Restrict Development In Coastal High Hazard Areas](#). Islamorada, Village of Islands shall continue to allow development within the CHHA. However, the Village shall direct population concentrations, including non-residential development away from the areas designated as high velocity storm surge area. Residential development and/or redevelopment in the CHHA shall not exceed the residential densities as adopted under Policy 1-2.1.4 for that property. [Policy 5-1.9.2: The CHHA Shall Include FEMA Velocity Zones](#). Coastal High Hazard Areas shall include those areas within the Federal Emergency Management Agency designated V (velocity) zones and those areas which are seaward of the coastal construction control line.

The 300 Early Out allocations require evacuation of the Florida Keys in conjunction with the evacuation of tourists. This mandatory evacuation element is consistent with balancing the need for affordable housing with the discouragement of population density within the velocity zone areas because the evacuation time has been increased from 24-hours to 48-hours. The proposed revised amendment only affects four properties. See Ex.2.

Thank you in advance for your timely review of these materials. Should you have any questions about the proposed amendment, please do not hesitate to contact me at (305)664-6440 or email to Jennifer.deboisbriand@islamorada.fl.us.

Sincerely,

Jennifer DeBoisbriand
Planning Director

ORDINANCE NO. 25-_____

AN ORDINANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AMENDING POLICY 3-2.12: SPECIFIC STANDARDS AND REQUIREMENTS FOR WORKFORCE-AFFORDABLE HOUSING; PROVIDING FOR THE TRANSMITTAL OF THIS ORDINANCE TO THE STATE DEPARTMENT OF COMMERCE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE UPON APPROVAL OF THIS ORDINANCE BY THE STATE DEPARTMENT OF COMMERCE.

WHEREAS, pursuant to Chapter 163, Part II, Florida Statutes, on December 6, 2001, Islamorada, Village of Islands, Florida (the "Village") adopted the Village Comprehensive Plan (the "Comprehensive Plan"); and

WHEREAS, Section 163.3191, Florida Statutes, directs local governments to periodically assess the status of the adopted comprehensive plan in adequately addressing changing conditions; and

WHEREAS, the Village desires to facilitate the development of Workforce-Affordable Housing; and

WHEREAS, the Village Council desires to amend the Comprehensive Plan in order to revise the standards and requirements for Workforce-Affordable Housing within the Village ("Amendment"); and

WHEREAS, the Village has conducted duly noticed public hearings for the Comprehensive Plan Amendment pursuant to Section 163.3184(11), Florida Statutes; and

WHEREAS, pursuant to Section 163.3174, Florida Statutes and Sections 30-101 of

the Village Code, the Local Planning Agency publicly considered this Ordinance during a duly noticed public hearing; and

WHEREAS, the provisions of this Ordinance are consistent with the Village Comprehensive Plan and the Principles for Guiding Development in the Florida Keys Area of Critical State Concern; and

WHEREAS this Ordinance is enacted to conduct the purpose and intent of, and exercise the authority set out in, the Community Planning Act; and

WHEREAS the Village Council finds that this Ordinance is in the best interest and welfare of the residents of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA AS FOLLOWS:¹

Section 1. Recitals. The above recitals are true, correct, and incorporated herein by this reference.

Section 2. Comprehensive Plan Amendments Adopted. The Village Council hereby adopts the amendments to the Comprehensive Plan attached hereto as Exhibit "A."

Section 3. Transmittal. Pursuant to Sections 163.3184, Florida Statutes, the Village Clerk is authorized to forward a copy of this Ordinance to the State Department of Commerce.

¹ Coding: ~~Strikethrough words~~ are deletions to the existing words. Underlined words are additions to the existing words. Changes between first and second reading are indicated with ~~highlighted double strikethrough~~ and double underline.

Section 4. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand withstand the invalidity of any part.

Section 5. Conflicts. All Sections or parts of Sections of the Code of Ordinances, all ordinances or parts of ordinances, and all Resolutions, or parts of Resolutions, in conflict with this Ordinance are repealed to the extent of such conflict.

Section 6. Effective Date. This Ordinance shall not become effective until a Notice of Intent has been issued by the State Department of Commerce finding the Comprehensive Plan Amendment to be "in compliance" as defined in Section 163.3184(1)(b), Florida Statutes. If timely challenged, the Comprehensive Plan Amendment shall not become effective until Department of Commerce or the Administration Commission enters a final order determining the adopted Comprehensive Plan Amendments to be "in compliance."

[Remainder of the page intentionally left blank.]

The foregoing Ordinance was offered by Councilwoman Richards, who moved its adoption on first reading. This motion was seconded by Vice Mayor Horton, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	YES
Vice Mayor Don Horton	YES
Councilwoman Deb Gillis	YES
Councilman Steve Friedman	YES
Councilwoman Anna Richards	YES

PASSED on first reading this 12th day of June, 2025.

The foregoing Ordinance was offered by _____, who moved its adoption on second reading. This motion was seconded by _____, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	____
Vice Mayor Don Horton	____
Councilwoman Deb Gillis	____
Councilman Steve Friedman	____
Councilwoman Anna Richards	____

PASSED AND ADOPTED on the second reading this _____ day of _____, 2025.

SHARON MAHONEY, MAYOR

ATTEST:

MARNE MCGRATH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE SOLE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY

JOHN J. QUICK, VILLAGE ATTORNEY

COMPREHENSIVE PLAN OF ISLAMORADA, FLORIDA

B E F O R E A M E N D M E N T

Policy 3-2.1.2: Specific Standards And Requirements For Workforce-Affordable Housing

Workforce-affordable housing units built under this program shall:

1. be duplex, triplex, or multifamily structures;
2. be rental units;
3. require, at a minimum, adherence to the latest edition of the Florida Building Code as published by the Florida Building Commission;
4. not be placed in the V-Zone or within the Coastal Barrier Resource Systems;
5. require on-site property management;
6. comply with applicable habitat and other locational criteria and densities for multifamily affordable housing units;
7. shall not be placed in any habitat defined as mangroves, saltmarsh & buttonwood, tropical hardwood hammock or freshwater wetlands (except for disturbed categories);
8. incorporate sustainable and resilient design principles into the overall site design;
9. ensure accessibility to employee centers and amenities;
10. requires a minimum of two dwelling unit allocations per site;
11. require deed-restrictions ensuring that:
 - a. the property remains workforce-affordable housing in perpetuity;
 - b. tenants evacuate during the period in which transient units are required to evacuate;
 - c. rental agreements contain a separate disclosure requiring renters to acknowledge that failure to adhere to the evacuation requirement could result in severe penalties, including eviction, to the resident;
 - d. onsite property managers are formally trained in evacuation procedures.

A F T E R A M E N D M E N T

Policy 3-2.1.2: Specific Standards And Requirements For Workforce-Affordable Housing

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2. be rental units;
3. require, at a minimum, adherence to the latest edition of the Florida Building Code as published by the Florida Building Commission;
4. **not be placed in the V-Zone or within the Coastal Barrier Resource Systems;**
5. require on-site property management;
6. comply with applicable habitat and other locational criteria and densities for multifamily affordable housing units;
7. shall not be placed in any habitat defined as mangroves, saltmarsh & buttonwood, tropical hardwood hammock or freshwater wetlands (except for disturbed categories);
8. incorporate sustainable and resilient design principles into the overall site design;
9. ensure accessibility to employee centers and amenities;
10. requires a minimum of two dwelling unit allocations per site;
11. require deed-restrictions ensuring that:
 - a. the property remains workforce-affordable housing in perpetuity;
 - b. tenants evacuate during the period in which transient units are required to evacuate;
 - c. rental agreements contain a separate disclosure requiring renters to acknowledge that failure to adhere to the evacuation requirement could result in severe penalties, including eviction, to the resident;
 - d. onsite property managers are formally trained in evacuation procedures



Council Communication

To: Mayor and Village Council
From: Jennifer DeBoisbriand, Planning Director
Date: June 12, 2025
SUBJECT: **Ordinance to Amend Policy 3.2.1.2: Specific Standards and Requirements for Workforce - Affordable Housing of the Islamorada Comprehensive Plan TAB C**

Background:

The Village has specific criteria for the construction of the "affordable early-evacuation" allocation pool. This criteria was established when the 300 early evacuation allocations were given to the Village. One of the criteria is that the units "shall not be placed in the V-zone or within the Coastal Barrier Resource System".

Analysis:

Given the standards of construction in Islamorada, it was asked that we consider the removal of this restriction. The Local Planning Agency reviewed this amendment at its meeting on April 14, 2025. It was recommended for adoption unanimously.

Budget Impact:

None

Staff Impact:

None

Recommendation:

Planning Staff recommends approval of this ordinance.

Attachments: 1. V Zone Comp Plan Ord



Islamorada, Village of Islands

WORKFORCE HOUSING SUPPORT STUDY

September 2007

Submitted by:

CLARION ASSOCIATES, LLC
1526 East Franklin Street, Suite 102
Chapel Hill, NC 27514
(919) 967-9188
www.clarionassociates.com

In association with:

Dr. James C. Nicholas
RRC Associates

TABLE OF CONTENTS

I.	INTRODUCTION AND EXECUTIVE SUMMARY	1
A.	Introduction	1
B.	Executive Summary.....	2
II.	PROBLEM DESCRIPTION	14
A.	Median Housing Prices and Median Household Incomes	15
B.	Housing Prices are Far Outpacing Increases in Wages/Income.	17
1.	Employment and Wages.....	18
C.	The Supply of Housing Affordable to the Workforce is Substantially Decreasing.....	19
III.	THE NEED FOR WORKFORCE HOUSING CREATED BY NEW DEVELOPMENT....	22
A.	Background.....	22
B.	Residential Development.....	23
1.	Demand for Workforce Housing Units	23
2.	Assistance to Address Workforce Housing Need	33
3.	Residential Mitigation.....	38
C.	Non-Residential Development	43
1.	Construction Impacts	43
2.	Post Construction Impacts.....	45
3.	Assistance to Address Workforce Housing Need	50
4.	Summary of Need for Workforce Housing by Housing Units ...	55
5.	Non-Residential Mitigation	56
APPENDIX A: RESIDENTIAL SALES, VILLAGE OF ISLAMORADA, 2000-2005		A-1
APPENDIX B: EMPLOYEES PER HOUSEHOLD, MONROE COUNTY.....		B-1
APPENDIX C: SHORTAGE (HOUSING ASSISTANCE) CALCULATIONS		C-1
APPENDIX D: EMPLOYMENT AND HOUSEHOLD EARNINGS BY INDUSTRY.....		D-1

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. INTRODUCTION

Real estate prices in Islamorada, Village of Islands, Florida (hereinafter "Village of Islamorada" or "Islamorada") have increased significantly in recent years, with housing prices in Islamorada rising since 2000 to the point that a household earning a moderate income today can no longer afford the large majority of housing that is available through the private market. Concern about this issue has grown to the point that business owners are concerned about the difficulties of recruiting and retaining employees because of the lack of local housing that is affordable for their workers.

In response to this problem, the Village of Islamorada initiated an effort to determine the need new residential and non-residential developments create for housing that is affordable to the Village's workforce as a basis for establishing a workforce housing mitigation program. As part of this effort, Islamorada is preparing this *Workforce Housing Support Study*. It provides background and technical documentation for the workforce housing need created by new development and remodels, develops a methodology for determining need, and provides statistical support for a workforce housing mitigation program. Initially it identifies the workforce housing problem in Islamorada. It then provides the technical documentation and analysis needed to establish whether new development (both residential and non-residential) creates a need for workforce housing. This is done by evaluating the linkage between (1) employment generated by the construction and then maintenance and operations (post-construction) of new residential units and (2) the employment generated by the construction and then employment that occurs at non-residential development (post-construction activities). Because the analysis demonstrates there is a need created by both residential and non-residential development for workforce housing, the Study also identifies the need both in workforce housing units (or a fraction thereof) that could be built to address the need, and funding shortages (workforce housing assistance) that could be addressed to meet the need.

After this Introduction, there is an Executive Summary that summarizes the findings of the Support Study.

The second section in this Support Study describes the housing affordability problem in Islamorada (See **Section II. Problem Description**). It shows that while employment in the Village has grown over the past decade, wages have tended to stagnate and housing offerings at prices that the large majority of the local employment base can afford have declined.

The third section (**Section III: The Need for Workforce Housing Created by New Development**) discusses the relationship between new residential and nonresidential development and the demand this new development creates for workforce housing. It outlines the methodology and calculations that determine the need created for workforce housing by new development (both residential and nonresidential). As is highlighted above, because the analysis demonstrates there is a need created by both residential and non-residential development for

workforce housing, the Study identifies the need created both in terms of workforce housing units (or a fraction thereof) that could be built to address the need, as well as the subsidy (workforce housing assistance) that could be paid to address the problem.

B. EXECUTIVE SUMMARY

A summary of the findings and conclusions of the *Workforce Housing Support Study* are outlined below.

1. Problem Description

Islamorada, like many communities in south Florida, has experienced a dramatic increase in housing sales prices over the last five years. Analysis of housing sales data show that sales prices in Islamorada, and in Marathon – another community in the Florida Keys, have increased at a much more rapid rate than housing prices for Florida and the United States between 2000-2005. Islamorada's housing prices increased at a rate of 35 percent per year, over the period, while housing prices in Florida increased at 14.9 percent and 9.6 percent nationally. See Table I.1: *Prices of Existing Home Sales, Islamorada and Comparative Areas, 2000-2005*.

TABLE I.1: PRICES OF EXISTING HOME SALES ISLAMORADA AND COMPARATIVE AREAS 2000 TO 2005 (in thousands)						
Year	Islamorada		Marathon		Florida	US
	Average	Median	Average	Median	Median	Median
2000	\$286.9	\$156.8	\$209.7	\$190.2	\$117.6	\$139.0
2001	\$310.5	\$251.9	\$224.5	\$183.9	\$127.7	\$147.8
2002	\$361.8	\$268.2	\$260.5	\$247.5	\$141.7	\$156.2
2003	\$484.3	\$328.6	\$333.7	\$282.9	\$158.4	\$178.8
2004	\$743.6	\$671.4	\$450.4	\$363.2	\$181.9	\$195.4
2005	\$776.2	\$712.5	\$576.4	\$529.2	\$235.1	\$219.6
Rate of Growth	22.0%	35.4%	22.4%	22.7%	14.9%	9.6%

SOURCES: Monroe County Property Appraiser, Florida Board of Realtors and National Association of Realtors.

NOTE: Data for the State of Florida and the United States are for single family homes only.

a) Median Housing Prices and Median Household Incomes

During this same period, the gap between median household incomes and median housing costs has increased to the point that housing is not affordable to workforce households in Islamorada earning the area median income and beyond.¹ A good way to evaluate this gap in affordability is to compare median priced housing sales prices to 300

¹ Because median income data is not available for the Village of Islamorada, this analysis uses Monroe County median income data as calculated by the U.S. Department of Housing and Urban Development.

percent of median household income.² Table I.2: *Monroe County Median Household Income and Median Single Family Housing Prices in Islamorada, 2000-2005*, outlines the affordability gap over the last five years. In 2000, the median income in Monroe County was \$49,300 and the median price of a home in Islamorada was \$156,757 – approximately 318 percent of median income levels. By 2003, the median income for a household in Monroe County was \$56,500 and the median price of a home in Islamorada was \$328,571 – approximately 582 percent of median income levels. In 2005, the median income for a Monroe County household was \$58,450 and the median price of a home in Islamorada was \$712,500 – approximately 1,219 percent of median income levels.

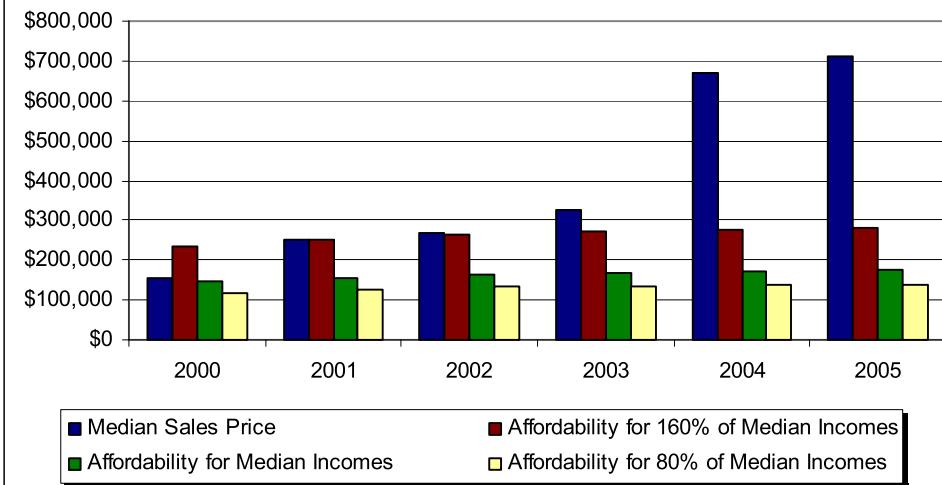
TABLE I.2:
MONROE COUNTY MEDIAN HOUSEHOLD INCOME AND
MEDIAN SINGLE FAMILY HOUSING PRICES IN ISLAMORADA, 2000-2005

Year	Median Price of Homes	Median Price of Homes as % of Median Income	Median Household Income for Monroe County
2000	\$156,757	318%	\$49,300
2001	\$251,887	483%	\$52,100
2002	\$268,182	487%	\$55,100
2003	\$328,571	582%	\$56,500
2004	\$671,429	1,174%	\$57,200
2005	\$712,500	1,219%	\$58,450

Over the past five years, the market not only priced out employees earning median incomes, but also priced out workers with much higher incomes. This housing affordability comparison (300%) can also be used to evaluate the affordability of housing prices to households earning higher than the area median income (160 percent of area median income) or lower than the area median income (80 percent of area median income). Figure I.1: *Comparison of Housing Affordability to Median Sales Prices in Islamorada*, illustrates that even households earning 160 percent of the area median income can not afford median priced housing in Islamorada, much less those earning 80 percent of area median income.

² A national benchmark for evaluating affordability is whether median household incomes in a community are at the level where the family could afford a median priced home; more specifically, affordability of owner-occupied housing is normally defined as 300 percent of median household income.

FIGURE I.1
COMPARISON OF HOUSING AFFORDABILITY TO
MEDIAN SALES PRICE IN ISLAMORADA, 2000-2005



Source: U.S. Department of Housing and Urban Development and the Monroe County Property Appraiser.

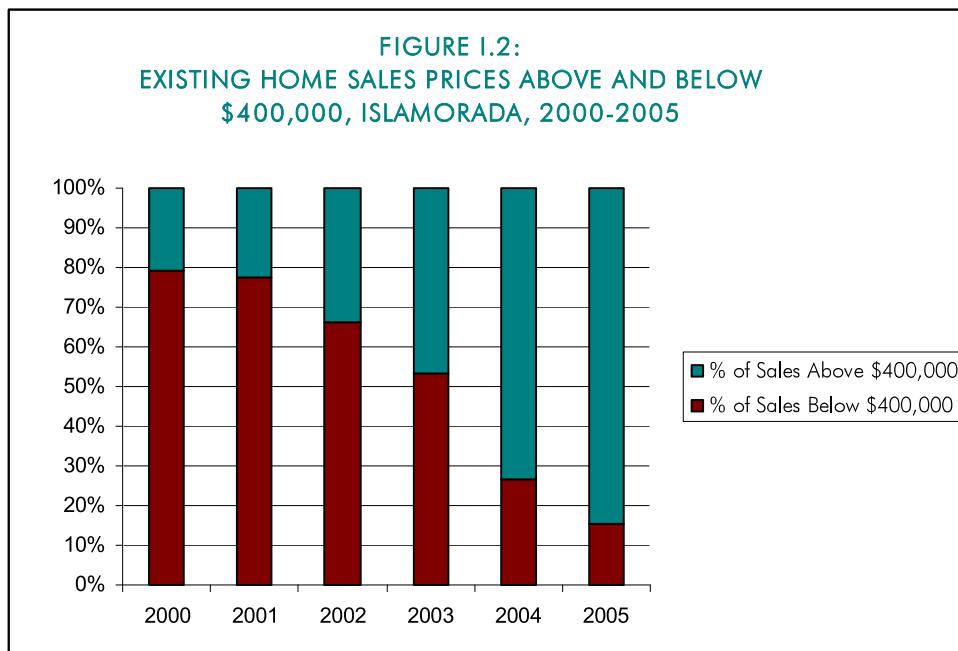
b) Housing Prices are Far Outpacing Increases in Wages/Income

Housing affordability, however, is a relative concept. When inquiring about affordability, it is necessary to ask the question "affordable with respect to what?" Some suggest that attempting to measure housing prices with some type of median or similar measure can be misleading. They suggest that the relevant question is whether housing is available in the market place within the price ranges that local employees can reasonably afford.

The income and housing cost data from the Monroe County Property Appraiser on the sales price of all residential units sold in Islamorada between January 1, 2000 and December 31, 2005, establish a base for comparison. The total sales are divided into those residential units sold below \$400,000 and those that sold for \$400,000 or higher. In 2000, 79.2 percent of all existing home sales in Islamorada were below \$400,000. The average price for all units that year was \$286,872. In 2003, 53.4 percent of residential sales were below \$400,000. By 2005 prices had increased dramatically and only 15.4 percent of sales were under \$400,000. Mobile homes and condominiums are increasing their roles as being the provider of lower price housing – to the extent that \$400,000 can be considered to be low price for a single-family home.

The dynamics of home prices in Islamorada are clearly seen in Figure I.2: Existing Home Sales Prices Above and Below \$400,000, Islamorada, 2000-2005. Average prices are sharply increasing while the supply of

dwellings at the lower end is greatly diminished. The phenomenon is not just a matter of rapid increases in prices of high end units. Rather, it is a general increase in unit prices.



Source: Monroe County Property Appraiser Database

Based on what the housing price, housing sales, and income data for Monroe County and Islamorada show, there is no doubt there is a housing affordability problem in Islamorada today.

2. The Need for Workforce Housing Created by New Development

The need to provide housing that is affordable to the Village of Islamorada's workforce is generated by new development that demands labor (employees). Because both residential and non-residential development create demand for labor (employees), both are evaluated to determine the workforce housing need created by each type of development.

a) Residential Development

Residential development in Islamorada has two employment needs: (1) the construction of the residence, and (2) the operation and maintenance of the residence, post-construction.

i) Demand for Workforce Housing Units for Construction Employees

The construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The wages of most of these workers are within a range such that they can not afford housing in Islamorada. The method used to assess the

demand for workforce housing created by construction activities involves the following. First, the amount of construction authorized and built in Monroe County over the past four years (measured in square feet) was determined from annual Monroe County Property Appraiser data. Second, the number of construction workers involved in the construction of these buildings was determined using monthly unemployment insurance reports for Monroe County that have data on the number of local construction workers. This data is expressed in person years for 2002-2005. Third, and based upon the amount of square footage built and the number of construction workers needed to construct these buildings, the actual amount of a building (in square feet) a construction employee builds in a year was determined.³ Table I.3: Residential and Non-Residential Construction (square feet) and Construction Employment, Monroe County, 2002-2005, summarizes this analysis. These data illustrate that, on average, one construction employee directly involved in construction builds 859 square feet of space in a year. Put another way, it takes an estimated 1.2 employee-years to construct 1,000 square feet of floor area.⁴

TABLE I.3
RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION
(square feet) AND CONSTRUCTION EMPLOYMENT,
MONROE COUNTY, 2002-2005

Residential Construction	4,242,870 FT ²
Non-Residential Construction	995,296 FT ²
Total Construction	5,238,166 FT ²
Employee Years	6,098
FT ² per Construction Employee	859 FT ²

SOURCE: Florida Agency for Workforce Innovation, Labor Market Statistics, ES-202 data for Monroe County, 2002 through 2005 and Monroe County Property Appraiser, tax rolls 2002 through 2005.

Table 1.4: Construction Employment and Need for Housing in Islamorada, sets out the number of employees needed to construct different size residential units and the number of workforce housing units needed for these employees, based on the fact that one construction employee builds 859 square feet of space annually. The table shows the number of employee years it takes to construct a building of a certain (see the column in Table I.5 labeled "Employee Years to Construct Units") the number of

³ For purposes of this calculation, the analysis includes all employees that work in the construction industry, not just those engaged in the physical construction of the structure. For example, an employee installing water or wastewater lines is considered to be engaged in constructing new development as much as those directly involved with the erection of a building.

⁴ This construction analysis aggregates residential and non-residential construction because the average wages and average number of employees needed to construct 1,000 square feet of a structure for both residential and non-residential development is not significantly different.

employees needed over the course of a 40-year construction career to construct a certain size unit (see the column labeled "Employees Needed (Over Career of Employee")**,** and the number of housing units needed for those employees (see the column labeled "Housing Units Needed for Employees").

Table I.4: CONSTRUCTION EMPLOYMENT AND NEED FOR WORKFORCE HOUSING IN ISLAMORADA			
Building Size	Employee Years to Construct Units	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees
500	0.601	0.015	0.009
750	0.901	0.023	0.014
1,000	1.201	0.030	0.019
1,500	1.802	0.045	0.028
2,000	2.403	0.060	0.038
2,500	3.004	0.075	0.047
3,000	3.604	0.090	0.057
3,500	4.205	0.105	0.066
4,000	4.806	0.120	0.076
4,500	5.406	0.135	0.085
5,000	6.007	0.150	0.095

ii) Demand for Workforce Housing Units for Operation and Maintenance Employees

Operations and maintenance services provided to residential dwelling units also create a demand for labor (employees). To assess the affect of this labor demand on the need for workforce housing, the Village of Islamorada contracted RRC Associates, Inc. to conduct a survey of homeowners in Islamorada in the spring of 2006, the results of which are summarized in a report titled *Village of Islamorada Residential Job Generation Study* (July 2006) (hereinafter referred to as "Residential Job Study"). One of the primary objectives of the Residential Job Study was to acquire data on the employment associated with the operations and maintenance of residential units in Islamorada. The Residential Job Study asked homeowners questions about the use, both directly and indirectly, of five primary categories of employees that are hired to assist in the operation and maintenance of residential units. They include:

- Direct hires by home owners;
- Hires by property management firms retained by home owners to operate and maintain residential properties;
- Hires by homeowners associations responsible for operating and maintaining residential properties;

- On-sight caretakers; and
- Other local service firms.

The operations and maintenance services asked about include exterior maintenance and upkeep (i.e., gardeners, mowers, and other exterior maintenance), housekeepers, kitchen help, child care/nannies, caretakers, butlers, personal trainers, and administrative assistants for the residential unit. The survey also gathered extensive data about selected operational characteristics of residential homes, firms that households contract with to finance and insure homes, as well as the use patterns and demographics of homeowners.

The results of this survey were analyzed using regression analysis to determine the relationships between the number of operations and maintenance employees used by households in Islamorada. The hypotheses tested are whether there is a relationship between the size of a residential unit and the number of operation and maintenance employees that service the unit. The analyses also tested whether there is a difference in this relationship between house size and operation and maintenance employees serving the unit, and whether the unit is occupied by a permanent resident or otherwise used as a secondary residence, vacation rental, business/corporate rental, long-term rental, or other.

The survey results indicate that there are different employment relationships between dwellings occupied by full-time residents and those occupied for all other purposes. The results also indicate there are different employment relationships between units based on the size of the unit. The formula that explains the best indicator for the number of FEEs (full-time “employee equivalents”) that provide operation and maintenance services to a unit is a linear formula, as shown below:

$$\text{Employees} = -0.01330 + (-0.03846 * \text{Full-time}) + (0.00006466 * \text{Area})$$

The result of applying this formula to units used as full-time resident units of varying sizes or all other units of varying sizes in Islamorada is shown below in Table I.5: *Operations and Maintenance Employment by Home Size and Residency of Unit, Islamorada*. To determine the needed number of residential units these operations and maintenance employees require, the employee equivalent is divided by the average number of employees per dwelling unit that exist today in Monroe County (1.586⁵) to estimate the fraction of a dwelling unit needed to

⁵ See Appendix B: *Employees Per Household, Monroe County*.

house the employees engaged in the operation and maintenance of homes of different sizes.

Table I.5:
OPERATIONS AND MAINTENANCE EMPLOYMENT
BY HOME SIZE AND RESIDENCY OF UNIT, ISLAMORADA

Unit Size	Full-Time Resident Units		All Other Units	
	Employees for Full-Time Resident Units	No. of Units Needed for Employees of Full-Time Resident Units	Employees for All Other Units	No. of Units Needed for Employees of All Other Units
500	0.000	0.000	0.019	0.012
750	0.000	0.000	0.035	0.022
1,000	0.013	0.008	0.051	0.032
1,500	0.045	0.029	0.084	0.053
2,000	0.078	0.049	0.116	0.073
2,500	0.110	0.069	0.148	0.094
3,000	0.142	0.090	0.181	0.114
3,500	0.175	0.110	0.213	0.134
4,000	0.207	0.130	0.245	0.155
4,500	0.239	0.151	0.278	0.175
5,000	0.272	0.171	0.310	0.196

iii) Assistance to Address Workforce Housing Need

In fully exploring the need for workforce housing created by residential development, there is one final step that needs to be taken -- determining the amount of assistance (housing subsidy) that is needed to make housing in the community affordable for the construction and operations/maintenance employee households that build and service residential units. To adequately address the different types of households that need workforce housing assistance, three Workforce Housing Categories are developed in this Study. The intent of the categories is to recognize that households of varying income levels live in units of varying size and price. For example, it is logical that a household earning \$60,000 lives in a different and more expensive house than a household earning \$30,000. These three categories address this issue.⁶ These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories in the community, and are based upon local prices to construct workforce units in Islamorada.

Using the household incomes earned by construction and operations and maintenance employees, the subsidy needed to afford a workforce housing unit within the appropriate workforce housing

⁶ The Workforce Housing Categories are not linked in any way to income or occupancy eligibility requirements related to the application for affordable housing units in Islamorada. These categories are intended for use as a tool to determine workforce housing mitigation both in terms of units and housing assistance, and do not serve as eligibility requirements.

category was determined by subtracting the amount of housing that is affordable to the household from the price of the appropriate workforce housing unit. The housing assistance needed per unit size for units occupied by full-time residents and all other units are outlined below in Table I.6: *Workforce Housing Need Created by Residential Development, Units Occupied by Full-Time Residents* and in Table I.7: *Workforce Housing Need Created by Residential Development, All Other Units*.

Table I.6:
WORKFORCE HOUSING NEED CREATED BY RESIDENTIAL DEVELOPMENT,
UNITS OCCUPIED BY FULL-TIME RESIDENTS, ISLAMORADA

Unit Size	Construction Employees		Operations & Maintenance Employees of Full-Time Resident Units		Total Housing Assistance Needed per Unit Size
	Housing Units Needed for Employees	Housing Assistance Needed per Unit	Housing Units Needed for Employees	Housing Assistance Needed per Unit	
500	0.009	\$405	0.000	\$0	\$405
750	0.014	\$607	0.000	\$0	\$607
1,000	0.019	\$809	0.008	\$154	\$963
1,500	0.028	\$1,214	0.029	\$539	\$1,752
2,000	0.038	\$1,618	0.049	\$924	\$2,542
2,500	0.047	\$2,023	0.069	\$1,309	\$3,332
3,000	0.057	\$2,427	0.090	\$1,694	\$4,121
3,500	0.066	\$2,832	0.110	\$2,079	\$4,911
4,000	0.076	\$3,236	0.130	\$2,464	\$5,700
4,500	0.085	\$3,641	0.151	\$2,849	\$6,490
5,000	0.095	\$4,045	0.171	\$3,234	\$7,279

Table I.7:
WORKFORCE HOUSING NEED CREATED BY RESIDENTIAL DEVELOPMENT,
ALL OTHER UNITS, ISLAMORADA

Unit Size	Construction Employees		Operations & Maintenance Employees of All Other Units		Total Housing Assistance Needed per Unit Size
	Housing Units Needed for Employees	Housing Assistance Needed per Unit	Housing Units Needed for Employees	Housing Assistance Needed per Unit	
500	0.009	\$405	0.012	\$227	\$631
750	0.014	\$607	0.022	\$419	\$1,026
1,000	0.019	\$809	0.032	\$612	\$1,421
1,500	0.028	\$1,214	0.053	\$997	\$2,210
2,000	0.038	\$1,618	0.073	\$1,382	\$3,000
2,500	0.047	\$2,023	0.094	\$1,767	\$3,790
3,000	0.057	\$2,427	0.114	\$2,152	\$4,579
3,500	0.066	\$2,832	0.134	\$2,537	\$5,369
4,000	0.076	\$3,236	0.155	\$2,922	\$6,158
4,500	0.085	\$3,641	0.175	\$3,307	\$6,948
5,000	0.095	\$4,045	0.196	\$3,692	\$7,738

b) Non-Residential Development

The other basic sector in Islamorada that employs workers is nonresidential development. This includes offices, retail establishments, industrial businesses, tourist/recreational services, institutional uses, and government facilities. Non-residential development places a demand on labor (the workforce) in two ways: (1) demand for workers to construct the building, and (2) demand for employees that will work at the new non-residential development. Construction employees construct the nonresidential buildings. All different types of employees work at the structure after the building is complete, depending on the type of business/land use. Both activities generate employment in Islamorada, and because of the wage levels and existing housing prices, a number of these activities result in a need for affordable workforce housing.

i) Construction Impacts

As discussed previously, the construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The need for workforce housing created by construction employees for non-residential development was determined to be the same as residential development.

Table 1.8: *Construction Employment and Need for Housing in Islamorada*, sets out the number of employees needed to construct different size non-residential buildings. Specifically, the table displays the number of employee years it takes to construct a building of a certain size, the number of employees needed over the course of a 40-year construction career to construct a certain size unit, and the number of housing units needed for these employees.

Table 1.8: CONSTRUCTION EMPLOYMENT AND NEED FOR WORKFORCE HOUSING IN ISLAMORADA			
Building Size	Employee Years to Construct Units	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees
500	0.601	0.015	0.009
750	0.901	0.023	0.014
1,000	1.201	0.030	0.019
1,500	1.802	0.045	0.028
2,000	2.403	0.060	0.038
2,500	3.004	0.075	0.047
3,000	3.604	0.090	0.057
3,500	4.205	0.105	0.066
4,000	4.806	0.120	0.076
4,500	5.406	0.135	0.085
5,000	6.007	0.150	0.095

ii) Post-Construction Impacts

The employment impacts on non-residential development, once the building is constructed, comes from the employees that work at the businesses/land uses that use the buildings. In determining the need for workforce housing created by non-residential development, the analysis includes 4 steps:

- Step 1.** Using Department of Revenue Codes for Industries, all non-residential development was categorized into seven land use categories (retail, office, industrial, tourist/recreational, institutional, governmental, and other).
- Step 2.** The employment and average household earnings in Monroe County for each industry were assigned to the seven land use categories to determine employment and household earnings by land use category.
- Step 3.** The amount of building space (in square feet) provided, on average, per employee, was determined for each land use category.
- Step 4.** The demand for affordable workforce housing units created by a specific amount (1,000 square feet) of net floor area of development was determined, by land use category.

The need created for workforce housing for post-construction employees is outlined in Table I.9: Non-Residential Post-Construction Workforce Housing Needed per 1,000 Square Feet. Here tourist is subdivided into new tourist development and expansion or redevelopment of existing tourist accommodations.

TABLE I.9:
NON-RESIDENTIAL POST-CONSTRUCTION
WORKFORCE HOUSING NEED, PER 1,000 SQUARE FEET

Land Use	Household Earnings	Employees / 1,000 Square Ft	Housing Units Needed for Employees/ 1,000 Square Ft
Governmental	\$73,518	0.953	0.601
Industrial	\$65,872	1.327	0.837
Institutional	\$64,258	1.301	0.821
Office	\$67,956	1.778	1.121
Retail	\$45,664	1.460	0.921
Tourist			
Accommodation Expansion	\$39,819	0.981	0.619
New Development	\$39,819	1.509	0.952

iii) Assistance to Address Workforce Housing Need

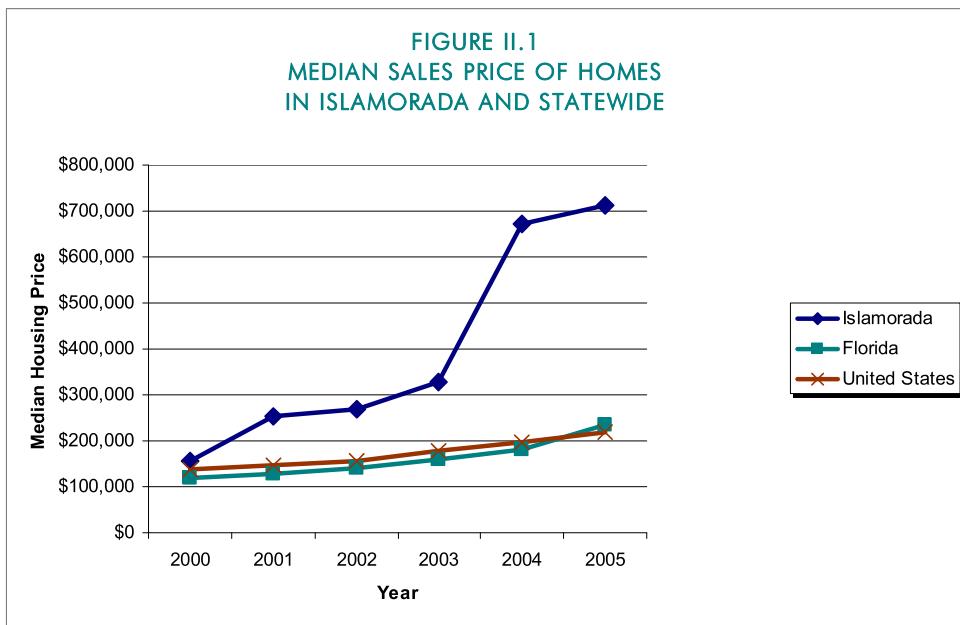
As mentioned previously, to fully explore the need for workforce housing created by non-residential development, there is one final step -- determining the amount of assistance (housing subsidy) that is needed to make housing in the community affordable for the workforce employees that build and service non-residential development. To adequately address the different types of households that need workforce housing assistance, three Workforce Housing Categories are developed in this Study. These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories in the community.

Using the household incomes earned by non-residential construction and post-construction employees, the subsidy needed to afford a workforce housing unit, based upon the appropriate Workforce Housing Category, was determined by subtracting the amount of housing that is affordable to the household based on income from the price of the appropriate workforce housing unit. The housing assistance needed per non-residential land use type (per 1,000 square feet) is outlined below in Table I.10: Need for Workforce Housing Created by Non-Residential Development.

Table I.10: NEED FOR WORKFORCE HOUSING CREATED BY NON-RESIDENTIAL DEVELOPMENT						
Non-Residential Land Use Type	Construction Employees		Post-Construction Employees		Total Need Demanded by Construction and Post-Construction Employees	
	Housing Units Needed for Employees	Housing Assistance Needed	Housing Units Needed for Employees	Housing Assistance Needed	Total Housing Units Needed	Total Housing Assistance Needed
Per 1,000 Square Feet						
Governmental	0.019	\$809	0.601	\$16,669	0.620	\$17,478
Industrial	0.019	\$809	0.837	\$45,046	0.856	\$45,855
Institutional	0.019	\$809	0.821	\$48,685	0.840	\$49,494
Office	0.019	\$809	1.121	\$52,370	1.140	\$53,179
Retail	0.019	\$809	0.921	\$15,418	0.940	\$16,227
Tourist						
Expansion	0.019	\$809	0.619	\$22,694	0.638	\$23,503
New Development	0.019	\$809	0.952	\$34,917	0.971	\$35,726

II. PROBLEM DESCRIPTION

Like many communities in south Florida, the price of housing in Islamorada over the past five years increased dramatically, while incomes and wages remained relatively static. Figure II.1: *Median Sales Price of Existing Homes in Islamorada, Florida and Nationally*, illustrates the trend of median housing sales prices in Islamorada in comparison to all of Florida and the United States. Since 2000, Islamorada's housing prices have been increasing at a faster rate than state and national median sales prices. This is a trend that is expected to continue.



Source: Monroe County Property Appraiser Database and Florida Association of Realtors

Homes in Florida are expensive, but homes in the Keys and in Islamorada are even more expensive. Table II.1: *Prices of Existing Home Sales, Village of Islamorada and Comparative Areas, 2000-2005*, shows data on sales of existing homes in Islamorada in comparison to the City of Marathon, Florida, and the United States. The average prices in Islamorada grew at about 22% per year, and the median prices grew at 35%. This is much faster than the median price increases in Marathon (22%), Florida (9.6%), and the nation (14.9%).

The data shows that in 2000, the median sales price of a home in Islamorada was \$156,800, and by 2005 the median sales price increased by over \$555,000 to \$712,500. The rate of housing price growth in the Keys has been increasing at a much greater rate than those of the state and substantially higher than for the national rate of growth.

TABLE II.1: PRICES OF EXISTING HOME SALES ISLAMORADA AND COMPARATIVE AREAS 2000 TO 2005 (in thousands)						
Year	Islamorada		Marathon		Florida	US
	Average	Median	Average	Median	Median	Median
2000	\$286.9	\$156.8	\$209.7	\$190.2	\$117.6	\$139.0
2001	\$310.5	\$251.9	\$224.5	\$183.9	\$127.7	\$147.8
2002	\$361.8	\$268.2	\$260.5	\$247.5	\$141.7	\$156.2
2003	\$484.3	\$328.6	\$333.7	\$282.9	\$158.4	\$178.8
2004	\$743.6	\$671.4	\$450.4	\$363.2	\$181.9	\$195.4
2005	\$776.2	\$712.5	\$576.4	\$529.2	\$235.1	\$219.6
Rate of Growth	22.0%	35.4%	22.4%	22.7%	14.9%	9.6%

SOURCES: Monroe County Property Appraiser, Florida Board of Realtors and National Association of Realtors.

NOTE: Data for the State of Florida and the United States are for single family homes only.

A. MEDIAN HOUSING PRICES AND MEDIAN HOUSEHOLD INCOMES

Normally, housing affordability is evaluated by comparing the price of housing for a local real estate market to prevailing wage and salary incomes. A national benchmark for evaluating affordability is whether median household incomes in a community are at the level where the household could afford a median priced home. Typically, affordability of owner-occupied housing is defined as 300 percent of median household income.

As Table II.2: Monroe County Median Household Income and Median Single Family Housing Prices in Islamorada, 2000-2005, demonstrates, over the past five years the gap between median household incomes and median housing costs resulted in median priced housing that is not affordable to households earning the area median income and beyond.⁷ In 2000, the median income in Monroe County was \$49,300 and the median price of a home in Islamorada was \$156,757 – approximately 318 percent of median income levels. By 2003, the median income for a household in Monroe County was \$56,500 and the median price of a home in Islamorada was \$328,571 – approximately 582 percent of median income levels. In 2005, the median income for a Monroe County household was \$58,450 and the median price of a home in Islamorada was \$712,500 – approximately 1,219 percent of median income levels. Over the past few five years, the market has priced out all wage earners, except for those at the very highest income levels. See Figure II.2: Comparison of Median Sales Prices and 300% of Median Household Incomes, 2000-2005.

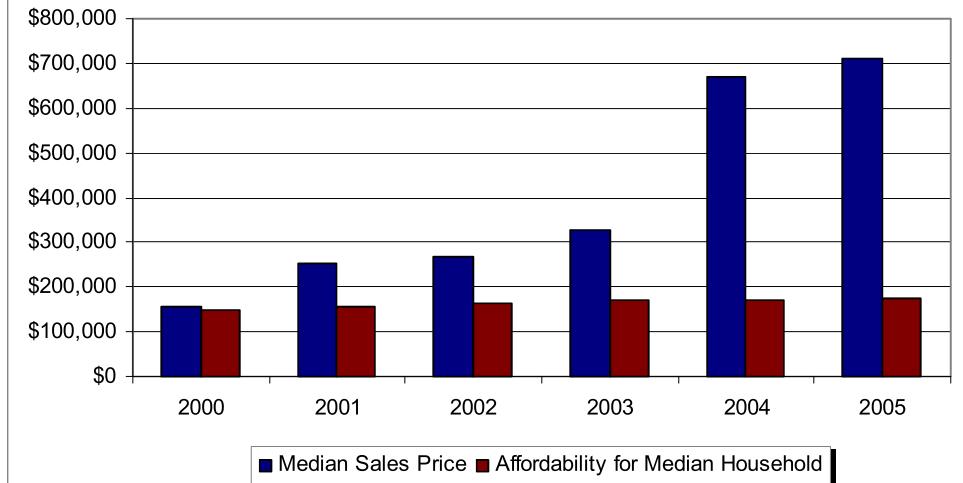
⁷ Because median income data is not available for the Village of Islamorada, this analysis uses Monroe County median income data as calculated by the U.S. Department of Housing and Urban Development.

TABLE II.2:
**MONROE COUNTY MEDIAN HOUSEHOLD INCOME AND
 MEDIAN SINGLE FAMILY HOUSING PRICES IN ISLAMORADA, 2000-2005**

Year	Median Price of Homes	Median Price of Homes as % of Median Income	Median Household Income for Monroe County
2000	\$156,757	318%	\$49,300
2001	\$251,887	483%	\$52,100
2002	\$268,182	487%	\$55,100
2003	\$328,571	582%	\$56,500
2004	\$671,429	1,174%	\$57,200
2005	\$712,500	1,219%	\$58,450

Source: Monroe County Property Appraiser and Florida Housing Finance Corporation.

FIGURE II.2
**COMPARISON OF MEDIAN SALES PRICES AND 300% OF
 MEDIAN HOUSEHOLD INCOMES, 2000-2005**



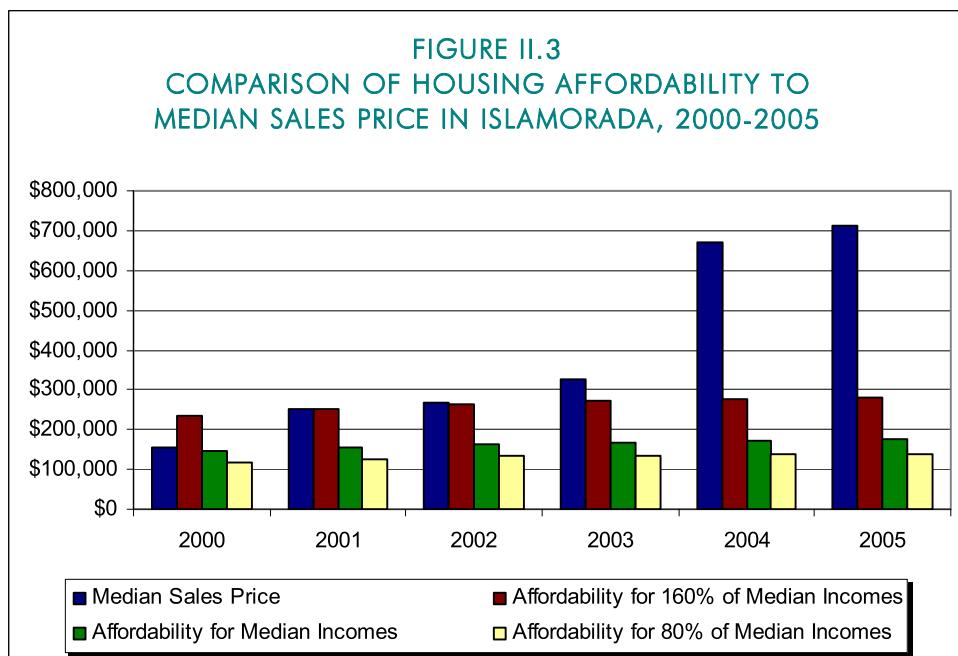
Source: Monroe County Property Appraiser and U.S. Department of Housing and Urban Development.

Figure II.3: Comparison of Housing Affordability to Median Sales Prices in Islamorada, 2000-2005, illustrates the comparison of median sales prices in the Village of Islamorada with housing prices that are affordable to Monroe County median income households, as well as households with incomes at 160 percent and 80 percent of median household incomes.⁸ In 2000 and in following years, the median sales prices exceeded the price that was affordable to the median income household and households earning 80 per

⁸ Typically, affordability of owner-occupied housing is defined as 300 percent of median household income. Using this 300 per cent affordability rule of thumb, the housing affordability for households earning area median income, 160 per cent of area median income, and those earning 80 per cent of area median incomes were calculated by multiplying these incomes by three (3) to result in the cost of housing that is affordable for that income. For example, the area median income in 2005 is \$58,450. Multiplying this income by three (3), this rule of thumb estimates that the median income household will be able to afford a home that costs \$175,350.

cent of median income. In 2005, the sales price exceeded the housing price affordable to a median household income by more than \$537,150. What this means is that the median priced unit in 2005 is affordable to a household earning \$237,500 - \$179,050 more than the area median income.

Moreover, since 2002, median priced homes have exceeded the price that was affordable to the households earning 160 percent of the area median income. In 2005, the median priced home cost \$431,940 more than a household earning 160 per cent of the area median income could afford. The housing affordability problem is affecting not only households earning the area median income, but also those earning well above the median income.



Source: U.S. Department of Housing and Urban Development and the Monroe County Property Appraiser.

B. HOUSING PRICES ARE FAR OUTPACING INCREASES IN WAGES/INCOME

Housing affordability, however, is a relative concept. When inquiring about affordability, it is necessary to ask the question "affordable with respect to what?" Some suggest that attempting to measure housing prices with some type of median or similar measure can be misleading. They suggest that the relevant question is whether housing is available in the market place within the price ranges that local employees can reasonably afford.

Review of Monroe County employment and wage data in 2005 and data trended to 2006, indicate that housing in the Village of Islamorada is no longer available at prices that much of the local work force can reasonably afford. The data show that even with employment and wage growth,

Islamorada's workforce is finding it very difficult to find housing in the marketplace they can afford. The data also indicate that a portion of the employment growth is occurring in sectors of the economy that increase the housing affordability problem because of the low wages earned by the new employees.

1. Employment and Wages

Table II.3: *Employment and Earnings in Monroe County, 2005-2006*, presents the 2005 and 2006 earnings of economically active households in Monroe County. The 2005 Monroe data are projected forward to December 2006 to show an estimate of current wages (2006). These wages are compared to wages earned for each industry statewide. The last column illustrates the percentage comparisons of estimated 2006 Monroe County earnings to statewide employee earnings. Generally Monroe County employee earnings are less than for the state. There are some notable exceptions to this trend: fishing, business and professional services, and leisure and hospitality (the tourist industry) are well above statewide average earnings. Retail trade, other services, and public administration are also above state averages. The two largest sectors, tourism and retail, have wages and earnings higher than average, while other categories tend to be less than average.

Table II.3 also shows that while some of the industries in Monroe County with the highest number of employees earn wages that are higher than the state average, they are still earning low wages, especially when compared to housing prices. In 2005, leisure and hospitality employees earned \$23,788 annually, on average; accommodation and food service employees earned \$23,297 annually, on average; and trade, transportation and utilities employees earned \$31,256 annually, on average. These wages are low in comparison to the median income for Monroe County (\$58,450 for 2005). This pattern of a large proportion of employees earning low average salaries further exacerbates the problem of housing affordability, especially in a market where housing prices continue to increase at a rapid rate and are very high to begin with.

TABLE II.3:
EMPLOYMENT AND EARNINGS BY INDUSTRY
MONROE COUNTY, 2005-2006

Industry Title	Average Employment	Annual Wage		Florida 2006	'06 Monroe Cty Wages as % of Statewide Earnings
		2005	2006		
Total, All Industries	35,895	\$32,788	\$34,214	\$38,376	89.16%
Goods-Producing	2,613	\$32,352	\$33,759	\$40,484	83.39%
Agriculture, Forestry, Fishing and Hunting	102	\$33,145	\$34,587	\$24,004	144.09%
Construction	2,226	\$32,391	\$33,800	\$39,994	84.51%
Manufacturing	285	\$31,764	\$33,146	\$45,301	73.17%
Service-Providing	33,282	\$32,823	\$34,251	\$38,033	90.05%

TABLE II.3:
EMPLOYMENT AND EARNINGS BY INDUSTRY
MONROE COUNTY, 2005-2006

Industry Title	Average Employment	Annual Wage		Florida 2006	'06 Monroe Cty Wages as % of Statewide Earnings
		2005	2006		
Trade, Transportation, and Utilities	7,636	\$31,256	\$32,616	\$36,053	90.47%
Wholesale Trade	520	\$45,167	\$47,132	\$55,030	85.65%
Retail Trade	5,553	\$27,209	\$28,393	\$26,929	105.44%
Information	457	\$47,952	\$50,038	\$55,045	90.90%
Financial Activities	2,364	\$42,750	\$44,610	\$54,909	81.24%
Finance and Insurance	1,220	\$50,038	\$52,215	\$61,889	84.37%
Real Estate and Rental and Leasing	1,144	\$34,976	\$36,497	\$40,672	89.73%
Professional and Business Services	2,603	\$43,410	\$45,298	\$40,927	110.68%
Education and Health Services	4,049	\$37,743	\$39,385	\$39,672	99.28%
Leisure and Hospitality	11,539	\$23,788	\$24,823	\$20,287	122.36%
Accommodation and Food Services	10,136	\$23,297	\$24,310	\$17,661	137.65%
Other Services	1,472	\$27,466	\$28,661	\$26,923	106.45%
Public Administration	3,132	\$47,605	\$49,676	\$46,542	106.73%

SOURCE: Florida Labor Market Statistics, September 2006. NOTE: 2006 earnings were projected using a 2.9% increase over 2005, which was the 2004-2005 increase.

C. THE SUPPLY OF HOUSING AFFORDABLE TO THE WORKFORCE IS SUBSTANTIALLY DECREASING

The breadth of the housing affordability problem in the Village of Islamorada is further demonstrated by considering the income and housing cost data from the Monroe County Property Appraiser on the sales price of all residential units sold in Islamorada between January 1, 2000 and December 31, 2005. The residential sales are categorized into three types of residential units: single-family detached; condominiums; and mobile homes. There have been a total of 1,373 residential sales recorded by the Monroe County Property Appraiser in Islamorada over this six year period. Of these units sold, the large majority are single-family detached units (59.1%) and condominium units (39%). The balance is mobile home units. See Table II.4: Types of Residential Units Sold, Islamorada, 2000-2005.

TABLE II.4:
TYPES OF RESIDENTIAL UNITS SOLD,
ISLAMORADA, 2000-2005

Year	Single-Family Detached	Condominiums	Mobile Homes	Total
2000	22	32	3	57
2001	75	63	2	140
2002	124	92	6	222
2003	183	83	5	271
2004	207	107	3	317
2005	200	159	7	366
TOTAL	811	536	26	1,373
Percent of Total	59.1%	39.0%	1.9%	100.0%

Source: Monroe County Property Appraiser Database

Table II.5: Existing Home Sales by Price Range, Village of Islamorada, 2000-2005, provides information about the availability of housing units over the past six years being sold in the local housing market that the workforce in Islamorada can afford (see Appendix A for an even more detailed breakdown of housing sales prices). To establish a base for comparison, the total sales are divided into those residential units sold below \$400,000 and those that sold for \$400,000 or higher. In 2000, 79.2 percent of all existing home sales in Islamorada were below \$400,000. The average price for all units that year was \$286,872. In 2003, 53.4 percent of residential sales were below \$400,000. By 2005 prices had increased dramatically and only 15.4 percent of sales were under \$400,000. Mobile homes and condominiums are increasing their roles as being the provider of lower price housing – to the extent that \$400,000 can be considered to be low price for a single-family home.

Probably of greatest relevance to median income members of the workforce, sales of homes under \$200,000 went from 246 in 2000 to twelve (12) in 2005 (see Table II.5: Existing Home Sales by Price Range, Village of Islamorada, 2000-2005). Of those twelve (12) homes under \$200,000, seven (7) were single family, none (0) of the homes were mobile homes and five (5) were condominiums.

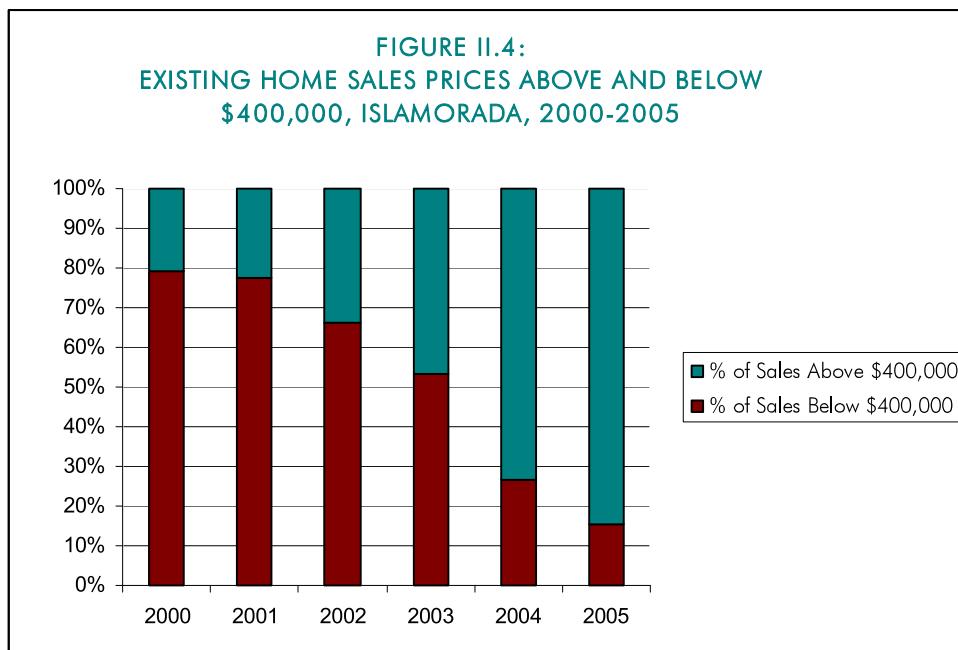
TABLE II.5:
EXISTING HOME SALES BY PRICE RANGE
VILLAGE OF ISLAMORADA, 2000 - 2005

Sales Price	2000	2001	2002	2003	2004	2005
Under \$50k	12	23	29	16	7	2
\$50-100k	42	31	22	17	9	8
\$100-150k	81	54	30	16	13	1
\$150-200k	111	57	52	18	17	1
\$200-250k	39	38	51	38	18	3
\$250-300k	34	53	33	48	15	8
\$300-350k	20	35	25	35	31	11
\$350-400k	27	26	29	34	30	23
\$400-450k	17	14	18	26	26	28
\$450-500k	15	12	17	12	32	27
\$500-550k	7	14	21	12	14	19
\$550-600k	9	6	10	17	9	13
\$600-650k	4	11	12	17	21	17
\$650-700k	12	8	11	17	14	21
\$700-750k	5	4	9	21	23	12
\$750-800k	7	2	8	8	20	15
\$800-850k	3	3	10	6	22	13
\$850-900k	3	4	4	5	11	15
\$900-950k	1	1	1	8	14	6
\$950-1,000k	2	2	5	3	6	14
Over \$1,000k	11	12	12	42	171	112
Average (1,000s)	\$287k	\$310k	\$362k	\$484k	\$744k	\$776k
Median (1,000s)	\$157k	\$252k	\$268k	\$329k	\$671k	\$713k
Total Sales	462	410	409	416	523	369

TABLE II.5: EXISTING HOME SALES BY PRICE RANGE VILLAGE OF ISLAMORADA, 2000 - 2005						
Sales Price	2000	2001	2002	2003	2004	2005
Below \$400k	366	317	271	222	140	57
% Below \$400k	79.20%	77.30%	66.30%	53.40%	26.80%	15.40%
% Above \$400k	20.80%	22.70%	33.70%	46.60%	73.20%	84.60%
Single Family	54.60%	65.30%	67.50%	55.90%	53.60%	38.60%
Mobile Home	2.10%	1.00%	2.10%	3.20%	1.80%	8.80%
Condo	46.90%	36.80%	34.30%	48.90%	57.30%	94.10%

Source: Monroe County Property Appraiser Database

The dynamics of home prices in Islamorada are clearly seen in Figure II.4: *Existing Home Sales Prices Above and Below \$400,000, Village of Islamorada, 2000-2005*. Average prices are sharply increasing while the supply of dwellings at the lower end are greatly diminished. The phenomenon is not just a matter of rapid increases in prices of high end units. Rather, it is a general increase in unit prices.



Source: Monroe County Property Appraiser Database

Based on what the housing price, housing sales, and income data for Monroe County and Islamorada show, there is no doubt there is a housing affordability problem in Islamorada today.

III. THE NEED FOR AFFORDABLE HOUSING CREATED BY NEW DEVELOPMENT

The need to provide housing that is affordable to Islamorada's workforce comes from all new development that demands labor (employees), including both residential and non-residential development. These employees earn different levels of wages that will require different types of workforce housing solutions.

A. BACKGROUND

The increase in housing prices in Islamorada, in and of itself creates an affordable workforce housing problem in Islamorada and the Florida Keys in general. However, the problem is accentuated in Islamorada. This is because some of the larger employers in the Village, such as the leisure and hospitality industry (i.e., tourism), accommodation and food services, retail service businesses and construction industry typically hire more lower wage employees than other industries. A significant percentage of new employees in these businesses earn very modest wages, making it increasingly difficult for them to afford a house for sale in the local real estate market, or rent housing.

For the purposes of evaluating where workforce housing demands originate, it is tempting to think that a community may be divided neatly into an economic sector and a residential sector. The economic sector provides the employment and incomes for the residents and the residential sector provides for the needs of the local employees and their families. In a place like Islamorada, however, this distinction between an economic sector and residential sector is misleading. Instead, it is more useful to conceive of an economy that is divided into two general sectors: the basic sector and the local sector.

The basic sector is that part of the economy that brings income into the Village and distributes that income as wages and salaries within the region – such as tourism, retail, and accommodation and food services. The local sector is that part of the economy that produces goods and services for sale to residents of the region. The basic sector is active while the local sector is reactive. The essential reason for using this model is that the economic health of the region is dependent upon the economic success of the basic sector.

Both residential and non-residential development in Islamorada is very much a part of the basic sector because of the strong tourist/second home component of Islamorada's economy, which helps fuel the tourism, retail, and accommodation and food services businesses. The incomes earned from this demand leads to spending in the local sector. As such, residential development shares many of the characteristics of other and more typical components of the economic base, including its demand for labor.

Residential and non-residential development in Islamorada places a demand on labor (the workforce) in three ways:

- The first is the construction of the building (i.e., construction employees for both residential and non-residential development);
- The second is the operation and maintenance of the building (i.e., employees for residential development); and
- The third is the use of the structure as designed by the builders (i.e., employees for non-residential development).

All three activities generate employment in Islamorada, and because of the wage levels and existing housing prices, these activities consequently result in a need for affordable workforce housing. The demand for labor (employees) that both residential and non-residential developments create, and the demand these employees place on the need for workforce housing is outlined below.

B. RESIDENTIAL DEVELOPMENT

As is discussed above, residential development in Islamorada has two employment needs:

- The first is for the construction of the residence (construction);
- The second is for the operation and maintenance of that residence, post-construction (post-construction).

As discussed below, both construction and post-construction activities generate employment in Islamorada, and many of these workers typically earn wages and salaries that put them in a position of economic stress in terms of their ability to purchase or rent housing.

1. Demand for Workforce Housing Units

a) Construction Impacts

The construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The wages of most of these workers are within a range such that they can not afford housing in Islamorada. The method used to assess the demand for workforce housing created by construction activities involves the following. First, the amount of construction authorized and built in Monroe County over the past four years (measured in square feet) was determined from annual Monroe County Property Appraiser data. Second, the number of construction workers involved in the construction of these buildings was determined using monthly unemployment insurance reports for Monroe County that have data on the number of

local construction workers. This data is expressed in person years for 2002-2005. Third, and based upon the amount of square footage built and the number of construction workers needed to construct these buildings, the actual amount of a building (in square feet) a construction employee builds in a year was determined.⁹ Table III.1: Residential and Non-Residential Construction (square feet) and Construction Employment, Monroe County, 2002-2005, summarize this analysis. These data illustrate that, on average, one construction employee directly involved in construction builds an average of 859 square feet of space in a year. Put another way, it takes an estimated 1.2 employee-years to construct 1,000 square feet of floor area.¹⁰ Larger construction projects require more construction time (either more people working over the same period of time, or the same number of people working for a longer time) to complete.

TABLE III.1
RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION
(square feet) AND CONSTRUCTION EMPLOYMENT,
MONROE COUNTY, 2002-2005

Residential Construction	4,242,870 FT ²
Non-Residential Construction	995,296 FT ²
Total Construction	5,238,166 FT ²
Employee Years	6,098
FT ² per Construction Employee	859 FT ²

SOURCE: Florida Agency for Workforce Innovation, Labor Market Statistics, ES-202 data for Monroe County, 2002 through 2005 and Monroe County Property Appraiser, tax rolls 2002 through 2005.

Annual variations in square feet of construction are due primarily to the differing time dimensions of the data series. Permitting must precede construction. It is very common for a residential unit or non-residential development to be permitted in one year and constructed, either in whole or in part, in another year. Because of this phenomenon, there is no reason to expect the amount of square feet constructed from year to year to be consistent. However, over the 4 year period, the problem of timing becomes irrelevant. Consequently, by estimating the amount of space a construction employee builds over a year based on 4 years of

⁹ For purposes of this calculation, the analysis includes all employees that work in the construction industry, not just those engaged in the physical construction of the structure. For example, an employee installing water or wastewater lines is considered to be engaged in constructing new development as much as those directly involved with the erection of a building.

¹⁰ This construction analysis aggregates residential and non-residential construction because the average wages and average number of employees needed to construct 1,000 square feet of a structure for both residential and non-residential development is not significantly different.

development activity, it is possible to derive a reasonable estimate of floor area built by the average construction worker.

Table III.2: *Construction Employment and Need for Housing in Islamorada*, sets out the number of employees needed to construct different size residential units based on the fact that one construction employee builds 859 square feet of space annually (See the column in Table III.2 labeled "Employee Years to Construct Units"). Specifically, the table displays the number of employee years it takes to construct a building of a certain size.

Construction employment is measured in employee years (employee years to construct units). Housing has no such time dimension. Employees will have a definable career and dwellings have an expected life. In estimating the demand construction employees place on a residential unit, it must be recognized that construction employees require housing only during the period of actual construction of the home (even though they live in the community over their career). This must be accounted for in the analysis. The average construction worker career is 40 years. To account for this circumstance, the calculation of construction employee years to construct the unit is therefore divided by 40 to convert to the needed housing over the work career of the employee (See column in Table III.2 labeled "Employees Needed (Over Career of Employee)).

Next, to determine the needed number of residential units these construction employees demand in Islamorada, the employee equivalent is then divided by the average number of employees per dwelling unit that exist today in Islamorada (1.586¹¹) to estimate the fraction of a dwelling unit needed to house the employees engaged in residential construction of homes (See column labeled "Housing Units Needed for Employees"). As shown in Table III.2: *Construction Employment and Need for Housing in Islamorada*, this calculation results in a little over .019 of a dwelling unit demanded for construction employees for every 1,000 square feet of construction.

¹¹ See Appendix B: *Employees Per Household, Monroe County.*

Table III.2:
CONSTRUCTION EMPLOYMENT AND NEED FOR HOUSING IN ISLAMORADA

Building Size	Employee Years to Construct Units	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees
500	0.601	0.015	0.009
750	0.901	0.023	0.014
1,000	1.201	0.030	0.019
1,500	1.802	0.045	0.028
2,000	2.403	0.060	0.038
2,500	3.004	0.075	0.047
3,000	3.604	0.090	0.057
3,500	4.205	0.105	0.066
4,000	4.806	0.120	0.076
4,500	5.406	0.135	0.085
5,000	6.007	0.150	0.095

b) Operations & Maintenance Impacts

In the Spring of 2006, RRC Associates, Inc., conducted a survey of homeowners in the Village of Islamorada, the results of which are summarized in a report titled *Village of Islamorada Residential Job Generation Study* (July 2006) (hereinafter referred to as "Residential Job Study"). One of the primary objectives of the Residential Job Study was to acquire data on the employment associated with the operations and maintenance of residential units in the Village of Islamorada. The Residential Job Study asked homeowners questions about the use, both directly and indirectly, of five primary categories of employees that are hired to assist in the operation and maintenance of residential units. They include:

- Direct hires by home owners;
- Hires by property management firms retained by home owners to operate and maintain residential properties;
- Hires by homeowners associations responsible for operating and maintaining residential properties;
- On-sight caretakers; and
- Other local service firms.

The operations and maintenance services asked about include exterior maintenance and upkeep (i.e., gardeners, mowers, and other exterior maintenance), housekeepers, kitchen help, child care/nannies,

caretakers, butlers, personal trainers, and administrative assistants for the residential unit. The survey also gathered extensive data about selected operational characteristics of residential homes, firms that households contract with to finance and insure homes, as well as the use patterns and demographics of homeowners, which is useful for other policy, planning and research purposes.

The survey was mailed to a sample of 3,000 homeowners in the Village of Islamorada. This includes the population of owners of units in excess of 2,000 square feet, as identified through the Monroe County Property Appraiser records (1,094 total households); a random sample¹² of 48 percent of owners of homes sized within the range of 500 to 2,000 square feet (1,051 total); and a random sample of 63 percent of condominium owners (853 total). Single-family homes below 500 square feet were not included given that many of these are boat pads and similar types of units. A total of 822 surveys were returned for a response rate of 27.5 percent. Of these 822 survey responses, 585 were responded to in full, whereas the remaining surveys lacked responses to some of the survey questions. In conducting analysis on the survey responses, only those surveys that have a response to the related questions in the analysis were used.

For each type of home service the owner uses (homeowners associations, property management companies, independent contractors, on-site caretakers and other directly hired employees), owners were asked to report how much they spend per year on each service and, if known, approximately how many hours employees spent serving their home each year. Annual spending amounts were converted into "full-time equivalents" (FTE) using a combination of wage data and assumptions regarding non-labor costs.¹³ Wage data was based on annualized wage rates for Monroe County for specified industry sectors, as extrapolated from 2004 Quarterly Census of Employment and Wages (QCEW) data.¹⁴ Specific assumptions for individual service providers are as follows:

- Homeowners associations (HOA): A conversion ratio of \$117,390 in homeowners' dues per direct job was assumed. This is based on an assumption of a \$27,475 average wage for HOA employees (Monroe County inflation adjusted 2004 QCEW data – NAICS code 813990) and an assumption that 23.4 percent of HOA costs

¹² The random sample was conducted using SPSS statistical software.

¹³ FTE employees represent the number of workers that would typically be employed to complete the service based on existing employment patterns in the respective industries, which presumably includes a blended hybrid of full-time and part-time employees.

¹⁴ The QCEW data is provided by the U.S. Census Bureau of Labor Statistics, and is available at <http://data.bls.gov/PDQ/outside.jsp?survey=en>

are used for wages (based on the ratio of wages paid to revenue received for HOA's from the 2002 Economic Census for the state of Florida).

- Property management firms (PMF): A conversion ratio of \$117,641 in property management fees per direct job was assumed. This is based on an assumption of a \$30,560 average wage for residential property management employees (Monroe County inflation adjusted 2004 QCEW data – NAICS code 531311) and an assumption that 25.97 percent of property management costs are used for wages (based on the ratio of wages paid to revenue received for PMF's from the 2002 Economic Census for Monroe County).
- Other contracted services: A conversion ratio of \$84,388 in contracted service fees per direct job was assumed for other contracted services. This is based on an assumption of a \$32,320 average wage for buildings and dwellings services employees (Monroe County inflation adjusted 2004 QCEW data – NAICS codes 5616 & 5617) and an assumption that 38.3 percent of service costs are used for wages (based on the ratio of wages paid to revenue received for contract services from the 2002 Economic Census for the State of Florida).
- Direct employees and caretakers: A conversion ratio of \$23,744 in employment costs per direct job was assumed. This is based on the average wage paid by these industries in the State of Florida as reported by the 2004 QCEW data (NAICS code 814110) and adjusted for inflation.

In addition to questions regarding home services employment, survey respondents that were not full-time residents of Islamorada were also asked to describe the tenancy of their Islamorada unit. Data about tenancy (how the unit is used or occupied) was broken into six (6) categories:

- Secondary residence: units owned by the respondent and used as a secondary residence by the owner;
- Vacation rental: units owned by the respondent and leased on a short-term basis, usually as a vacation or seasonal rental;
- Business/corporate rental: units owned by the respondent and leased on a short-term basis to business or corporate entities for retreats and conferences;

- Long-term rental residences: units owned by the respondent and leased on a long-term basis;
- Other (for the respondent to specify): uses other than those listed above for which the unit is occupied; and
- Vacant: amount of time in which the residence is not occupied.

These survey responses were compiled, and then several hypotheses were tested through regression analysis. The hypotheses tested are whether there is a relationship between the size of a residential unit and the number of operation and maintenance employees that service the unit. The analyses also tested whether there is a difference in this relationship between house size and operation and maintenance employees serving the unit, and whether the unit is occupied by a permanent resident or otherwise used as a secondary residence, vacation rental, business/corporate rental, long-term rental, or other. The hypothesis testing this relationship included 585 survey responses. See Table: III.3: *Number of Survey Responses Used in Analysis of Operations and Maintenance Employees*.

Table III.3: NUMBER OF SURVEY CASES USED IN ANALYSIS OF OPERATIONS AND MAINTENANCE EMPLOYEES	
Survey Cases	Number of Responses
All returned responses	822
Fully completed responses	585
Responses from full-time owner-occupied units	406
Responses from units otherwise occupied	416

The survey results indicate that there are different employment relationships between dwellings occupied by full-time residents and those occupied for all other purposes. The results also indicate there are different employment relationships between units based on the size of the unit. The relationship is expressed mathematically as follows:

$$\text{Employees} = -0.01330 + (-0.03846 * \text{Full-time}) + (0.00006466 * \text{Area})$$

Where:

Employees = Operations and Maintenance Employees¹⁵

Full-Time = Residential Unit Occupied by Full-time Resident

Area = Gross Square Feet of Unit

¹⁵ Measured by full-time equivalent employees (FTEs).

This formula results from a multiple regression analysis with the number of full time equivalent employees being the dependent variable and the size of the home, in square feet, and the full-time occupancy of the home being the independent variables. Collectively, the independent variables show that the number of employees increase with the size of the dwelling and that the number of employees is greater if the unit is occupied as a secondary residence, vacation rental, business/corporate rental, long-term rental, or other.

The linear relationships identified above effectively describe post construction (operations and maintenance) employment as a function of residency status and size of units in Islamorada. The result of applying this formula to homes of varying sizes is shown below in Table III.4: *Operations and Maintenance Employment by Home Size and Residency of Unit, Islamorada*. To determine the needed number of residential units these operations and maintenance employees demand in Islamorada, the employee equivalent is divided by the average number of employees per dwelling unit that exist today in Islamorada (1.586¹⁶) to estimate the fraction of a dwelling unit needed to house the employees engaged in residential operation and maintenance of residential units occupied by full-time residents versus others (secondary residences, vacation rentals, business/corporate rentals, long-term rentals, or others).

Table III.4:
OPERATIONS AND MAINTENANCE EMPLOYMENT
BY HOME SIZE AND RESIDENCY OF UNIT, ISLAMORADA

Unit Size	Employees for Full-Time Resident Units	No. of Units Needed for Employees of Full-Time Resident Units	Employees for All Other Units	No. of Units Needed for Employees of All Other Units
500	0.000	0.000	0.019	0.012
750	0.000	0.000	0.035	0.022
1,000	0.013	0.008	0.051	0.032
1,500	0.045	0.029	0.084	0.053
2,000	0.078	0.049	0.116	0.073
2,500	0.110	0.069	0.148	0.094
3,000	0.142	0.090	0.181	0.114
3,500	0.175	0.110	0.213	0.134
4,000	0.207	0.130	0.245	0.155
4,500	0.239	0.151	0.278	0.175
5,000	0.272	0.171	0.310	0.196

c) Summary of Need for Affordable Housing Units

Tables III.5 and III.6 summarize the total workforce housing unit need created by new residential development, for both construction and operation/maintenance employees.

¹⁶ See Appendix B: *Employees per Household, Monroe County*.

Table III.5:
WORKFORCE HOUSING NEED CREATED BY RESIDENTIAL UNITS OCCUPIED BY FULL-TIME RESIDENTS¹⁷

Unit Size (FT ²)	Employees			Total Workforce Housing Units Needed (Construction and O&M Employees of Full-Time Resident Units)
	Construction Employees	Workforce Housing Units Needed for Construction Employees	Operations & Maintenance for Full-Time Resident Units Employees	
500	0.015	0.009	0.000	0.009
750	0.023	0.014	0.000	0.014
1,000	0.030	0.019	0.013	0.027
1,500	0.045	0.028	0.045	0.057
2,000	0.060	0.038	0.078	0.087
2,500	0.075	0.047	0.110	0.117
3,000	0.090	0.057	0.142	0.147
3,500	0.105	0.066	0.175	0.176
4,000	0.120	0.076	0.207	0.206
4,500	0.135	0.085	0.239	0.236
5,000	0.150	0.095	0.272	0.266

¹⁷ Note that the data shown in Table III.5: Workforce Housing Need Created by Residential Units Occupied by Full-Time Residents, are illustrative only. The precise formulae should be used for individual dwellings.

Table III.6:
WORKFORCE HOUSING NEED CREATED BY ALL OTHER UNITS¹⁸

Unit Size (FT ²)	Employees		Operations & Maintenance for All Other Units		Total Workforce Housing Units Needed (Construction and O&M Employees of All Other Units)
	Employees	Construction Workforce Housing Units Needed for Construction Employees	Employees	Workforce Housing Units Needed for O&M Employees of All Other Units	
500	0.015	0.009	0.019	0.012	0.021
750	0.023	0.014	0.035	0.022	0.036
1,000	0.030	0.019	0.051	0.032	0.051
1,500	0.045	0.028	0.084	0.053	0.081
2,000	0.060	0.038	0.116	0.073	0.111
2,500	0.075	0.047	0.148	0.094	0.141
3,000	0.090	0.057	0.181	0.114	0.171
3,500	0.105	0.066	0.213	0.134	0.201
4,000	0.120	0.076	0.245	0.155	0.231
4,500	0.135	0.085	0.278	0.175	0.260
5,000	0.150	0.095	0.310	0.196	0.290

¹⁸ Note that the data shown in Table III.6: Workforce Housing Need Created by All Other Units, are illustrative only. The precise formulae should be used for individual dwellings.

2. Assistance to Address Workforce Housing Need

In fully exploring the need for workforce housing created by residential development, there is one final step. It involves determining the amount of assistance (workforce housing subsidy) that is needed to make housing in the community affordable for the construction and operations/maintenance employee households that build and service residential units.

As is discussed in Section II: *Problem Description*, housing in Islamorada has become unaffordable to not only low-wage earning households, but also to households earning the median household income and much higher. Consequently, the income range of households that need workforce housing assistance in Islamorada is fairly broad. To adequately address the different types of households that need workforce housing assistance, three Workforce Housing Categories are developed in this Study. The intent of the categories is to recognize that households of varying income levels live in units of varying size and price. For example, it is logical that a household earning \$60,000 lives in a different and more expensive house than a household earning \$30,000. These three categories address this issue. These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories in the community.¹⁹

The three Workforce Housing Categories were developed using local cost and square footage data on existing affordable units built in Islamorada and the Florida Keys, other communities in Florida, and other resort communities across the nation. These three Workforce Housing Categories identify the size of an appropriate workforce housing unit for each income category, the type of construction, and the cost per square foot to construct the unit based upon local construction costs. Table III.7: *Workforce Housing Categories, Islamorada*, shows the size, type, cost to construct these units, and household and employee income levels that are needed if these prototypical units are to be considered affordable. (See Appendix D: *Shortage (Housing Assistance) Calculations*, for more detail on the incomes that can afford the workforce units in each of these categories.)

¹⁹ The Workforce Housing Categories are not linked in any way to income or occupancy eligibility requirements related to the application for affordable housing units in Islamorada. These categories are intended for use as a tool to determine workforce housing mitigation both in terms of units and housing assistance, and do not serve as eligibility requirements.

TABLE III.7:
WORKFORCE HOUSING CATEGORIES, ISLAMORADA²⁰

	Category 1	Category 2	Category 3
Area (FT ²)	500	700	900
Construction Type	Modular	Modular	Modular
Number of Bedrooms	1	2	3
Housing Unit Type	Multi-Family Attached	Multi-Family Attached	Multi-Family Attached
Construction Cost per FT	\$175	\$175	\$175
Construction Cost	\$87,500	\$122,500	\$157,500
Site Prep	\$40,000	\$40,000	\$40,000
Land	\$45,000	\$63,000	\$81,000
Total	\$172,500	\$225,500	\$278,500
Income Required to Afford a Unit			
Income Ratio for Determining Housing Affordability	29.32%	29.32%	29.32%
Annual Household Income Needed to Purchase Unit	\$50,573	\$66,578	\$82,584
Income per Worker in Household	\$31,897	\$41,992	\$52,087

As Table III.7 shows, the type of construction and the cost per square foot to construct the units are the same for all three Workforce Housing Categories. The variation in unit costs is solely dependent upon the size of the unit. The cost shown is a turn-key cost of production under prevailing market conditions. Table III.7 also shows the differences in both household and employee income levels that are needed to make the prototypical units affordable (in Table III.7, see "Annual Household Income Needed to Purchase Unit").

Next, and for the purposes of measuring the assistance needed to make units affordable to members of the workforce at different income levels, the household income levels were evaluated for the different members of the workforce (see Appendix D: *Employment and Household Earnings by Industry, Monroe County, 2005-2006*), and then compared to the household income levels needed to make the prototypical units affordable in each of the Workforce Housing Categories.

Based on this comparison, the household income levels were matched with the Workforce Housing Categories that most closely aligned with the incomes levels.²¹

²⁰ Each of the three Workforce Housing Categories were developed under the assumption that workforce housing units created as a result of a mitigation program that utilizes this workforce housing methodology would develop multi-family attached, modular built residential housing units. Therefore, the cost to develop these units factors in the housing type and housing construction assumptions.

a) Affordable Housing Assistance for Construction Employee Households

Once the reasonable cost for a prototypical workforce housing unit is determined, the next step is to identify the amount of assistance that an employee household requires to afford a prototypical unit within their income category. For new residential units, this requires evaluating the subsidy needed for construction employees and operations and maintenance employees.

As is briefly discussed above, according to the employment and household earnings for the construction industry in Monroe County (see Appendix D: *Employment and Household Earnings by Industry*), individual annual construction employee earnings are \$33,800, and annual household earnings are \$53,590. Based on these earnings, a construction employee household could reasonably afford to spend \$182,792 for housing. As mentioned in the previous section and based upon their income, construction employee households qualify for Category 2 affordable housing that is estimated to cost \$225,500. Given the construction employee household earnings and the maximum housing cost that a construction employee household could afford (\$182,792), Category 2 level of housing requires \$42,708 of workforce housing assistance per worker household to afford a unit. In other words, the difference between the cost of a Category 2 house (\$225,500) and the maximum housing cost that a construction employee household can afford (\$182,792) is the affordable housing assistance needed for a construction employee household to afford a unit (\$42,708). See Table III.8: *Housing Affordability for Construction Employees* shown below.

²¹ For those incomes that are within a modest range above or below the maximum cut off of a Workforce Housing Category, professional judgment has been used to determine the appropriate Workforce Housing Category for the employee household.

TABLE III.8:
HOUSING AFFORDABILITY FOR
CONSTRUCTION EMPLOYEES

Construction Earnings	\$33,800
Employees per Household ²²	1.586
Construction Employee Household Earnings	\$53,590
Maximum Housing Cost for Construction Employee Household ²³	\$182,792
Available Housing Cost (Category 2)	\$225,500
Assistance Subsidy per Units Needed for Construction Employee Household	\$42,708

The housing assistance needed by unit size is shown in Table III.9: *Construction Employment and Need for Housing in Islamorada*.

Table III.9:
CONSTRUCTION EMPLOYMENT AND NEED FOR HOUSING, ISLAMORADA

Building Size	Employee Years to Construct Units	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees	Housing Assistance Needed per Unit
500	0.601	0.015	0.009	\$405
750	0.901	0.023	0.014	\$607
1,000	1.201	0.030	0.019	\$809
1,500	1.802	0.045	0.028	\$1,214
2,000	2.403	0.060	0.038	\$1,618
2,500	3.004	0.075	0.047	\$2,023
3,000	3.604	0.090	0.057	\$2,427
3,500	4.205	0.105	0.066	\$2,832
4,000	4.806	0.120	0.076	\$3,236
4,500	5.406	0.135	0.085	\$3,641
5,000	6.007	0.150	0.095	\$4,045

b) Workforce Housing Assistance for Operations and Maintenance Employee Households

Based on industry definitions, the earnings of operational and maintenance employees are identified as a weighted average of the individual components of residential operational and maintenance employment. This is shown in Table III.10: *Operational and Maintenance Employee Income, Monroe County*.

²² See Appendix B: *Employees per Household, Monroe County*, for an explanation of the calculation used to result in this figure.

²³ The maximum housing cost for a construction employee household is calculated by dividing the construction employee household earnings (\$53,590) by the income ratio (29.32%) to determine the cost of housing that is affordable to a construction employee household.

TABLE III.10:
OPERATIONAL AND MAINTENANCE
EMPLOYEE INCOME, MONROE COUNTY

	Weight	Individual	Household
Construction	17.5%	\$33,800	\$53,590
Financial Activities	5.0%	\$44,610	\$70,729
Prof & Business Services	37.5%	\$45,298	\$71,821
Education & Health Services	15.0%	\$39,385	\$62,445
Other Services	25.0%	\$28,661	\$45,442
Blended	100.0%	\$38,205	\$60,575

Based upon their income, operations and maintenance employee households qualify for Category 2 affordable housing that is estimated to cost \$225,500. Given that operations and maintenance employee households earn \$60,575 and the maximum housing cost that a construction employee household could afford is \$206,616, Category 2 level of housing would require \$18,884 of workforce housing assistance per operations and maintenance worker household to afford a unit. In other words, the difference between the cost of a Category 2 house (\$225,500) and the maximum housing cost that a construction employee household can afford (\$206,616) is the workforce housing assistance needed for an operations and maintenance employee household to afford a unit (\$18,884). See Table III.11: *Housing Affordability for Construction Employees* shown below.

TABLE III.11:
HOUSING AFFORDABILITY FOR
OPERATIONS AND MAINTENANCE EMPLOYEES

Operations and Maintenance Earnings	\$38,205
Employees per Household ²⁴	1.586
Operations and Maintenance Employee Household Earnings	\$60,575
Maximum Housing Cost for Operations and Maintenance Employee Household ²⁵	\$206,616
Available Housing Cost (Category 2)	\$225,500
Assistance Subsidy per Units Needed for Operations and Maintenance Employee Household	\$18,884

The housing assistance needed by unit size is shown in Table III.12: *Operations and Maintenance Employment and Need for Housing in Islamorada*.

²⁴ See Appendix B: *Employees per Household, Monroe County*, for an explanation of the calculation used to result in this figure.

²⁵ The maximum housing cost for an operations and maintenance employee household is calculated by dividing the operations and maintenance employee household earnings (\$60,575) by the income ratio (29.32%) to determine the cost of housing that is affordable to a construction employee household.

Table III.12:
OPERATIONS AND MAINTENANCE EMPLOYMENT
AND NEED BY RESIDENCY OF UNIT, ISLAMORADA

Square Footage in Residential Unit	Units Occupied by Full-Time Residents			All Other Units		
	Employees	No. of Units Needed	Housing Assistance Needed	Employees	No. of Units Needed	Housing Assistance Needed
500	0.000	0.000	\$0	0.019	0.012	\$227
750	0.000	0.000	\$0	0.035	0.022	\$419
1,000	0.013	0.008	\$154	0.051	0.032	\$612
1,500	0.045	0.029	\$539	0.084	0.053	\$997
2,000	0.078	0.049	\$924	0.116	0.073	\$1,382
2,500	0.110	0.069	\$1,309	0.148	0.094	\$1,767
3,000	0.142	0.090	\$1,694	0.181	0.114	\$2,152
3,500	0.175	0.110	\$2,079	0.213	0.134	\$2,537
4,000	0.207	0.130	\$2,464	0.245	0.155	\$2,922
4,500	0.239	0.151	\$2,849	0.278	0.175	\$3,307
5,000	0.272	0.171	\$3,234	0.310	0.196	\$3,692

3. Residential Mitigation

As is outlined above, the wages and salaries earned by a significant portion of Islamorada's workforce that provides services to residential development (construction and operation and maintenance employees) are insufficient to allow these employees to obtain market housing. After determining the number and type of employees that provide service to residential development (construction employees and operations and maintenance employees), the next step is to identify the degree of workforce housing need created by residential development, and then outline mitigation options.

a) Measuring Need

Based on the previous analysis outlined in this section, the degree of workforce housing need for residential development in Islamorada is determined using the following formula.

Residential Construction Employees' Affordable Housing Need

Construction Employees = 0.00003 * Square Feet of Residential Unit

Needed Units for Construction Employee Households = Construction Employees ÷ 1.586

Construction Assistance Needed = Construction Employee Households * \$42,708

Residential Operations and Maintenance (O&M) Employees' Affordable Housing Need

O&M Employees = -0.01330 + (-0.03846 * Full-time) + (0.00006466 * Area)

Where:

Full Time = Full Time Residents

Area = square Feet of Residential Unit

O&M Employee Households = O&M Employees ÷ 1.586

O&M Assistance Needed = O&M Employee Households Needing Assistance * \$18,884

Total Units Needed = Needed Units for Construction Employee Households + Needed Units for O&M Employee Households

Total Assistance Needed = Construction Assistance Needed + Operations and Maintenance Assistance Needed

What this formula shows is that the degree of need for workforce housing can be determined either by a workforce housing unit (or fraction thereof) that needs to be built for residential development, or workforce housing assistance amount that needs to be paid to provide a sufficient amount of funds for those employees (or fraction thereof) in need of workforce housing, so they can afford housing at a reasonable price.

Because workforce housing need is based on the size of the home and the residency status of the home, the formula will need to be applied to each residential unit, individually, based on its size (square footage) and residency status. Tables III.13: *Workforce Housing Need Created by Residential Development of Units Occupied by Full-Time Residents* and Tables III.14: *Workforce Housing Need Created by All Other Residential Units*, however, provides examples of workforce housing need for varying sized residential units, both in terms of actual workforce housing units (or a fraction thereof), and workforce housing assistance.

Table III.13:
WORKFORCE HOUSING NEED CREATED BY RESIDENTIAL DEVELOPMENT OF UNITS OCCUPIED BY FULL-TIME RESIDENTS²⁶

Unit Size (F ²)	Construction		Operations & Maintenance of Full-Time Resident Units			Total Workforce Housing Units Needed (Construction & O&M Employees)	Total Workforce Assistance for Employees (Construction & O&M Employees)
	Employees	Housing Units Needed	Housing Assistance for Construction Employees	Employees	Housing Units Needed	Housing Assistance for Operations and Maintenance Employees	
500	0.015	0.009	\$405	0.000	0.000	\$0	0.009
750	0.023	0.014	\$607	0.000	0.000	\$0	0.014
1,000	0.030	0.019	\$809	0.013	0.008	\$154	0.027
1,500	0.045	0.028	\$1,214	0.045	0.029	\$539	0.057
2,000	0.060	0.038	\$1,618	0.078	0.049	\$924	0.087
2,500	0.075	0.047	\$2,023	0.110	0.069	\$1,309	0.117
3,000	0.090	0.057	\$2,427	0.142	0.090	\$1,694	0.147
3,500	0.105	0.066	\$2,832	0.175	0.110	\$2,079	0.176
4,000	0.120	0.076	\$3,236	0.207	0.130	\$2,464	0.206
4,500	0.135	0.085	\$3,641	0.239	0.151	\$2,849	0.236
5,000	0.150	0.095	\$4,045	0.272	0.171	\$3,234	0.266
							\$7,279

²⁶ Note that the data shown in Table III.13: *Workforce Housing Need Created by Residential Development of Units Occupied by Full-Time Residents*, are illustrative only. The precise formula should be used for individual dwellings.

Table III.14:
WORKFORCE HOUSING NEED CREATED BY ALL OTHER RESIDENTIAL UNITS²⁷

Unit Size (FT ²)	Construction		Operations & Maintenance of All Other Residential Units			Total Workforce Housing Units Needed (Construction & O&M Employees)	Total Workforce Housing Assistance for Employees (Construction & O&M Employees)
	Employees	Housing Units Needed	Housing Assistance for Construction Employees	Employees	Housing Units Needed	Housing Assistance for Operations and Maintenance Employees	
500	0.015	0.009	\$405	0.019	0.012	\$227	0.021
750	0.023	0.014	\$607	0.035	0.022	\$419	0.036
1,000	0.030	0.019	\$809	0.051	0.032	\$612	0.051
1,500	0.045	0.028	\$1,214	0.084	0.053	\$997	0.081
2,000	0.060	0.038	\$1,618	0.116	0.073	\$1,382	0.111
2,500	0.075	0.047	\$2,023	0.148	0.094	\$1,767	0.141
3,000	0.090	0.057	\$2,427	0.181	0.114	\$2,152	0.171
3,500	0.105	0.066	\$2,832	0.213	0.134	\$2,537	0.201
4,000	0.120	0.076	\$3,236	0.245	0.155	\$2,922	0.231
4,500	0.135	0.085	\$3,641	0.278	0.175	\$3,307	0.260
5,000	0.150	0.095	\$4,045	0.310	0.196	\$3,692	0.290
							\$7,738

²⁷ Note that the data shown in Table III.14: Workforce Housing Need Created by All Other Units, are illustrative only. The precise formula should be used for individual dwellings.

b) Policy Options/Mitigation Options

A number of policy options are available to the Village of Islamorada to address this workforce housing need created by residential development, once the methodology for determining need is developed and applied. They involve local and state funding, incentive zoning practices, as well as inclusionary or mandatory workforce housing requirements in Islamorada's land development code. Beyond the broad policy options to address the workforce housing need, it should be emphasized in this Support Study that if the workforce housing need is going to be effectively addressed as development occurs, the policy options should address need in one of four ways. These mitigation options include:

- Payment of funds (or a workforce housing assistance fee) to make up the difference between the cost of housing in Islamorada for the employee(s) in need of workforce housing and what the employee(s) can reasonably afford;
- Construction of workforce housing units for the employee in need;
- Conversion of existing market units to workforce units for the employee in need; or
- Providing land for workforce housing that is of equal value to the funds (workforce housing assistance fee) needed.

C. NON-RESIDENTIAL DEVELOPMENT

The other basic sector in Islamorada that employs workers is nonresidential development. This includes offices, retail establishments, industrial businesses, tourist/recreational services, institutional uses, and government facilities. Non-residential development places a demand on labor (the workforce) in two ways:

- The first is the construction of the building (i.e., construction employees for both residential and non-residential development).
- The second is the employees who work at a structure constructed by the builders (i.e., employees of the non-residential activity in the building).

Construction employees construct the nonresidential buildings. All different types of employees work at the building after it is complete. Both activities generate employment in Islamorada, and because of the wage levels and existing housing prices, a number of these activities create a need for workforce housing. The demand for labor (employees) that non-residential development creates, and the demand these employees place on the need for workforce housing is outlined below.

1. Construction Impacts

As is discussed in Section III.B.1: *Construction Impacts*, the construction, expansion, or renovation of buildings requires the employment of contractors and construction workers to do the work. The method used to assess the demand for workforce housing created by construction activities involves the following. First, the amount of construction authorized and built in Monroe County over the past 4 years (measured in square feet) was determined from annual Monroe County Property Appraiser data. Second, the number of construction workers involved in the construction of these buildings was determined using monthly unemployment insurance reports for Monroe County that have data on the number of local construction workers. This data is expressed in person years for 2002-2005. Third, and based upon the amount of square footage built and the number of construction workers needed to construct these buildings, the actual amount of a building (in square feet) a construction employee builds in a year was determined.²⁸ Table III.15: *Residential and Non-Residential Construction (square feet) and Construction Employment, Monroe County*,

²⁸ For purposes of this calculation, the analysis includes all employees that work in the construction industry, not just those engaged in the physical construction of the structure. For example, an employee installing water or wastewater lines is considered to be engaged in constructing new development as much as those directly involved with the erection a building.

2002-2005, summarize this analysis. These data illustrate that, on average, one construction employee directly involved in construction builds an average of 859 square feet of space in a year. Put another way, it takes an estimated 1.2 employee-years to construct 1,000 square feet of floor area.²⁹ Larger construction projects require more construction time (either more people working over the same period of time, or the same number of people working for a longer time) to complete.

TABLE III.15	
RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION (square feet) AND CONSTRUCTION EMPLOYMENT, MONROE COUNTY, 2002-2005	
Residential Construction	4,242,870 FT ²
Non-Residential Construction	995,296 FT ²
Total Construction	5,238,166 FT ²
Employee Years	6,098
FT ² per Construction Employee	859 FT ²

SOURCE: Florida Agency for Workforce Innovation, Labor Market Statistics, ES-202 data for Monroe County, 2002 through 2005 and Monroe County Property Appraiser, tax rolls 2002 through 2005.

Based on this analysis of prior construction activities in Islamorada, the actual amount of building space built by a construction employee annually is what is used to determine the amount of construction employee need created by a construction worker, annually.

Table III.16: Construction Employment and Need for Housing, sets out the number of employees needed to construct different size non-residential development based on the fact that one construction employee builds 859 square feet of space annually (See the column in Table III.16 labeled "Employee Years to Construct Non-Residential Development"). Specifically, the table displays the number of employee years it takes to construct a building of a certain size.

Construction employment is measured in employee years (employee years to construct units). Non-residential development has no such time dimension. Employees will have a definable career and dwellings have an expected life. In estimating the demand construction employees place on non-residential development, it must be recognized that construction employees require housing only during the period of actual construction of the home (even though they live in the community over their career). This must be accounted for in the analysis. The average construction worker career is 40 years. To account for this circumstance, the calculation of

²⁹ This construction analysis aggregates residential and non-residential construction because the average wages and average number of employees needed to construct 1,000 square feet of a structure for both residential and non-residential development is not significantly different.

construction employee years to construct the non-residential development is therefore divided by 40 to convert to the needed housing over the work career of the employee (See column in Table III.16 labeled "Employees Needed (Over Career of Employee)").

Next, to determine the needed number of residential units these construction employees demand in Islamorada, the employee equivalent is then divided by the average number of employees per dwelling unit that exist today in Islamorada (1.586³⁰) to estimate the fraction of a dwelling unit needed to house the employees engaged in residential construction of homes (See column labeled "Housing Units Needed for Employees"). As shown in Table III.16: *Construction Employment and Need for Housing in Islamorada*, this calculation results in a little over .019 of a dwelling unit demanded for construction employees for every 1,000 square feet of construction.

Table III.16:
CONSTRUCTION EMPLOYMENT AND NEED FOR HOUSING IN ISLAMORADA

Building Size	Employee Years to Construct Non-Residential Development	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees
500	0.601	0.015	0.009
750	0.901	0.023	0.014
1,000	1.201	0.030	0.019
1,500	1.802	0.045	0.028
2,000	2.403	0.060	0.038
2,500	3.004	0.075	0.047
3,000	3.604	0.090	0.057
3,500	4.205	0.105	0.066
4,000	4.806	0.120	0.076
4,500	5.406	0.135	0.085
5,000	6.007	0.150	0.095

2. Post Construction Impacts

The employment impacts on non-residential development, once the building is constructed, comes from the employees that work at the businesses/land uses that use the buildings. In determining the need for affordable housing created by nonresidential development, post-construction, the analysis went through four steps.

First, all nonresidential development was categorized into 8 land use categories, as defined by the Florida Department of Revenue codes. Each

³⁰ See Appendix B: *Employees Per Household, Monroe County*.

of the 8 land use categories, and the general uses included in the definition of each category are set out below.

Retail uses includes stores, department stores, supermarkets, shopping centers, restaurants, financial institutions, repair service shops, service stations, auto sales and repair, parking lots, and wholesale outlets.

Office uses includes professional and non-professional office buildings, professional services buildings, and insurance company offices.

Industrial uses include light manufacturing; lumber yards; warehousing and distribution terminals; equipment and materials storage facilities; and other similar uses.

Tourist/Recreational uses include theatres, auditoriums, nightclubs, bowling alleys, tourist attractions, camps, race tracks, golf courses, hotels, motels and ancillary spaces within hotels or motels such as restaurants and shops. In this study, based upon the unique characteristics of Islamorada, tourist land uses are divided into two sub-categories. This first is relevant to the expansion or redevelopment of existing hotel, motel or similar accommodations, and the second is relevant to net new tourist development. This new tourist development includes all tourist/recreational uses outlined above.

Institutional uses include churches; private schools; colleges; daycares; privately owned hospitals; homes for the aged; orphanages; clubs; cultural organizations; and similar uses.

Governmental uses include military facilities; parks and recreational areas; governmental office buildings; and other publicly owned facilities.

Residence uses include household living type uses, including but not limited to single-family units, multi-family units, townhouses, and mobile homes.

Other uses include utility, gas, and electric uses, mining, sewage disposal facilities.

Second, the employment and average household earnings in the county was assigned to one of the eight land use categories. This had to be done because the employment and wage data is categorized into the following industrial sectors: Natural Resources and Construction; Manufacturing; Wholesale Trade; Retail Trade; Trade, Transportation and Utilities; Information (e.g., printing, publishing, TV, etc.); Financial Activities; Professional and Business Services; Education and Health Services; Leisure

and Hospitality; Other Services (which includes operation and maintenance employees); and Government.

The industrial sectors were assigned to the 8 land use categories, based on the description of employment activities related to land uses and related principles found in the *Standard Industrial Classification Manual* (published by the US Government Printing Office); the classic *Land Use Information Systems* (Clawson and Stewart, by Resources for the Future, 1965); *Planner's Estimating Guide: Projecting Land-Use and Facility Needs* (A. C. Nelson, Chicago: Planners Press, 2004); and *Standard Land Use Coding Manual*, (Urban Renewal Administration and Bureau of Public Roads, Government Printing Office, 1965). The percentage assignment of employment for each industry to the corresponding land use categories is set out in Table III.17: Assignment of Industries to Land Use Categories, Monroe County.³¹

Table III.17:
PERCENTAGE ASSIGNMENT OF INDUSTRIES TO LAND USE CATEGORIES, MONROE COUNTY

Land Use	Govern-mental	Industrial	Instituti-onal	Office	Other	Retail	Residence	Tourist/Recreational	No Location
Natural Resource & Construction*		15.0%		10.0%			24.0%		51.0%
Manufacturing		75.0%		15.0%	10.0%				
Wholesale Trade³²		70.0%		10.0%		20.0%			
Retail Trade³³						90.0%		10.0%	
Trade, Transport & Utilities	15.0%	50.0%		15.0%	10.0%	10.0%			
Information		35.0%		35.0%	10.0%	10.0%			10.0%
Financial Activities		10.0%	20.0%	58.5%		5.0%	6.5%		
Prof. & Bus Services		11.0%	10.0%	30.0%		5.0%	44.0%		
Education & Health Services	30.0%		30.0%	23.7%		5.0%	11.3%		
Leisure & Hospitality					10.0%	20.0%		70.0%	
Other Services		10.0%	10.0%	10.0%	10.0%		46.7%	10.0%	3.3%
Government	90.0%			10.0%					

* For historical data, The Florida Agency for Workforce Innovation reports natural resource industries with construction. For 2005, Monroe County reported 105 individuals employed in mining, indicating that 96% of employees in Natural Resources and Construction are construction employees.

Then, using the percentage assignments of industry employment to land use classifications, the number of employees for each industry was translated into employees per land use categories. See Table III.18: *Estimated Industry Employment by Land Use Categories, Monroe County*.

³¹ It should be noted that some employees, like construction workers, do not work at specific locations. These employees are assigned to the "No Location" category.

³² Wholesale trade is broken out from the broader category of Trade, Transport& Utilities. See Appendix D: *Employment and Household Earnings by Industry*.

³³ Retail trade is broken out from the broader category of Trade, Transport& Utilities. See Appendix D: *Employment and Household Earnings by Industry*.

Average household earnings were then calculated for each land use by multiplying the number of employees per land use times the 2006 estimated household earnings based upon the industry in which the employee is working³⁴, and then dividing the product by the number of workers estimated for that land use (See Table III.18).

Table III.18: ESTIMATED INDUSTRY EMPLOYMENT BY LAND USE CATEGORIES, MONROE COUNTY									
Land Use	Govern- mental	Industrial	Institu- tional	Office	Other	Retail	Tourist/ Recreati- onal	No Location	Totals
Natural Resource & Construction	0	349	0	233	0	0	0	1,187	2,328
Manufacturing	0	214	0	43	29	0	0	0	285
Wholesale Trade	0	364	0	52	0	104	0	0	520
Retail Trade	0	0	0	0	0	4,998	555	0	5,553
Trade, Transport & Utilities	234	782	0	234	156	156	0	0	1,563
Information	0	160	0	160	46	46	0	46	457
Financial Activities	0	236	473	1,383	0	118	0	0	2,363
Prof. & Bus Services	0	286	260	781	0	130	0	0	2,603
Ed & Health Services	1,215	0	1,215	960	0	202	0	0	4,050
Leisure & Hospitality	0	0	0	0	1,154	2,308	8,077	0	11,539
Other Services	0	150	150	150	150	0	150	50	1,502
Government	2,819	0	0	313	0	0	0	0	3,132
TOTAL	4,268	2,541	2,098	4,309	1,535	8,062	8,783	1,283	35,895
Average Household Earnings	\$46,369	\$41,546	\$40,528	\$42,861	\$27,934	\$28,801	\$25,114	\$34,908	\$34,261

Source: Standard Industrial Classification Manual by the U.S. Government Printing Office. Land Use Information Systems by Clawson and Stewart, published by Resources for the Future in 1964. Planner's Estimating Guide: Projecting Land-Use and Facility by A.C. Nelson.

Third, the amount of building space (in square feet) provided, on average, per employee, was determined for each land use category. Using data obtained from the Monroe County Property Appraiser on the amount of development built (in square feet) within each land use category, the aggregate square feet of space in the county for each land use category was determined, from 2001-2005. This data was then compared over time to the number of employees in each land use category (See Table III.18: *Estimated Industry Employment by Land Use Categories, Monroe County*) to determine the amount of floor area (in square feet) on average, provided for each employee by each land use category. This analysis is outlined in Table III.19: *Floor Area and Employment by Land Use Category; Floor Area per Employee by Land Use, Monroe County, 2001-2005*.

³⁴ See Appendix D: Employment and Household Earnings by Industry.

TABLE III.19
FLOOR AREA AND EMPLOYMENT BY LAND USE CATEGORY,
FLOOR AREA PER EMPLOYEE, MONROE COUNTY

	2001	2002	2003	2004	2005	Typical FT ² Over Period
Government						
Square Ft		4,303,124	3,698,871	4,475,274	4,907,524	
Employment	4,447	4,417	4,523	4,356	4,268	
Square Ft Per Employee		974	818	1,027	1,150	1,049
Industrial						
Square Ft		1,946,221	1,343,901	1,837,525	1,957,005	
Employment	2,625	2,576.64	2,558	2,501	2,541	
Square Ft Per Employee		755.33	525.27	734.72	770.07	753
Institutional						
Square Ft		1,530,746	1,343,901	1,677,183	1,675,718	
Employment	2,117	2,144.30	2,218	2,112	2,098	
Square Ft Per Employee		713.87	606.04	793.97	798.72	769
Office						
Square Ft		2,138,672	2,185,012	2,531,368	2,566,490	
Employment	4,814	4,2615	4,396	4,295	4,309	
Square Ft Per Employee		502	457	589	596	563
Retail						
Square Ft		5,356,420.85	5,163,367	5,817,640	5,730,691	
Employment	8,592	8,422.25	8,302	8,198	8,062	
Square Ft Per Employee		635.98	621.92	709.64	710.80	685
Tourist						
Accommodation Expansion or Re-Development						
Floor Area		4,765,792	3,834,821	4,761,362	4,761,362	4,553,171
Employees	4,976	4,592	4,728	4,855	4,570	
FT ² per Employee		1,037.96	811.09	980.81	1,041.87	1,019
New Tourist Development						
Square Ft		6,275,497.50	4,952,982.50	5,960,111.50	5,703,320.00	
Employment	9,285	9,095.80	9,125	9,196	8,783	
Square Ft Per Employee		689.93	542.80	648.15	649.37	663
Other						
Employment	1,615	1,566.40	1,570	1,580	1,535	1,615

SOURCE: Monroe County Property Appraiser and Table III.19: Percentage Assignment of Industries to Land Use Categories.

This analysis shows that the square feet per employee ratios have increased slightly over the time period for each land use category with some fluctuations. The typical square footage per employee for each land use

category is identified in the last column, and provides a good estimate in 2006 for the amount of square feet provided per employee, by land use category.

Finally, and based on the previous analyses, the demand for workforce housing units created by a specific amount (1,000 square feet) of net floor area of development was determined, by land use category. This was done in the following way, which is set out in Table III.20: *Non-Residential Post-Construction Housing Need per 1,000 Square Feet*. First, the number of employees employed per 1,000 square feet of space was determined, by land use category, based on the analysis conducted in Table III.19. Then, based on the fact that each household in the Village includes 1.586 employees, the actual number of affordable housing units needed per 1,000 square feet of development was determined ("Housing Units Needed for Employees" column in Table III.20).³⁵

TABLE III.20:
NON-RESIDENTIAL POST CONSTRUCTION AFFORDABLE
HOUSING NEED PER 1,000 SQUARE FEET

Land Use	Household Earnings	Employees / 1,000 Square Ft	Housing Units Needed for Employees/ 1,000 Square Ft
Governmental	\$73,518	0.953	0.601
Industrial	\$65,872	1.327	0.837
Institutional	\$64,258	1.301	0.821
Office	\$67,956	1.778	1.121
Retail	\$45,664	1.460	0.921
Tourist			
Accommodation Expansion	\$39,819	0.981	0.619
New Development	\$39,819	1.509	0.952

3. Assistance to Address Workforce Housing Need

As outlined in the residential mitigation fee section (III.B.3: Assistance to Address Workforce Housing Need), housing in Islamorada has become unaffordable to not only low-wage earning households, but also to households earning the median household income and higher. To adequately address the different types of households that will need workforce housing assistance in Islamorada, three Workforce Housing Categories are developed in this Study (see discussion in Section

³⁵ See Appendix B: *Employees per Household, Monroe County*, for the calculation of employees per household.

III.B.2, Assistance to Address Workforce Housing Need). The intent of the categories is to identify the type of unit that is appropriate for the level of income identified in each of the three categories. For example, it is logical to think that a household earning \$60,000 lives in a larger and more expensive house than a household earning \$30,000. These three categories address this issue. These categories are used to better assess workforce housing mitigation at a level that is reflective of the different income categories in the community.

Table III.21: Workforce Housing Categories, Islamorada outlines the specific costs and unit sizes for each of the three Workforce Housing Categories. (See Appendix C: Shortage (Housing Assistance) Calculations, for more detail on the incomes that can afford the workforce units in each of these categories.)

TABLE III.21 WORKFORCE HOUSING CATEGORIES, ISLAMORADA			
	Category 1	Category 2	Category 3
Area (FT ²)	500	700	900
Construction Type	Modular	Modular	Modular
Housing Unit Type	Multi-Family Attached	Multi-Family Attached	Multi-Family Attached
Number of Bedrooms	1	2	3
Construction Cost per FT	\$175	\$175	\$175
Construction Cost	\$87,500	\$122,500	\$157,500
Site Prep	\$40,000	\$40,000	\$40,000
Land	\$45,000	\$63,000	\$81,000
Total	\$172,500	\$225,500	\$278,500
Income Required to Afford a Unit			
Income Ratio for Determining Housing Affordability	29.32%	29.32%	29.32%
Annual Household Income Needed to Purchase Unit	\$50,573	\$66,578	\$82,584
Income per Worker in Household	\$31,897	\$41,992	\$52,087

As Table III.21 shows, the type of construction and the cost per square foot to construct the units are the same for all three Workforce Housing Categories. The variation in unit costs is solely dependent upon the size of the unit. The cost shown is a turn-key cost of production under prevailing market conditions. Table III.21 also shows the differences in both household and employee income levels that are needed to make the prototypical units affordable (in Table III.21, see “Annual Household Income Needed to Purchase the Unit”).

Next, and for the purposes of measuring the assistance needed to make units affordable to members of the workforce earning different income levels, the household income levels were evaluated for the different members of the workforce (see Appendix D: Employment and

Household Earnings by Industry, Monroe County, 2005-2006), and then compared to the household income levels needed to make the prototypical units affordable in each of the Workforce Housing Categories. Based on this comparison, the household income levels were matched with the Workforce Housing Categories that most closely aligned with the income levels. This alignment is shown in Table III.22 Workforce Housing Categories for Non-Residential land Uses

TABLE III.22: WORKFORCE HOUSING CATEGORIES FOR NON-RESIDENTIAL LAND USES		
	Household Earnings	Affordable Housing Category
Construction	\$53,590	Category 2
Governmental	\$73,518	Category 3
Industrial	\$65,872	Category 3
Institutional	\$64,258	Category 3
Office	\$67,956	Category 3
Retail	\$45,664	Category 1
Tourist	\$39,819	Category 1

a) Workforce Housing Assistance for Construction Employee Households

Once the cost for a prototypical workforce housing unit for workers in different income categories is determined, the next step is to identify the amount of assistance that an employee household requires to afford a prototypical unit within their income category. According to the employment and household earnings for the construction industry in Monroe County (see Appendix D: *Employment and Household Earnings by Industry*), individual annual employee earnings are \$33,800, and annual household earnings are \$53,590. Based on these earnings, a construction employee household could afford to spend \$182,792 for housing. As mentioned in the previous section and based upon their income, construction employee households qualify for Category 2 affordable housing that is estimated to cost \$225,500. Given the construction employee household earnings and the maximum housing cost that a construction employee household could afford (\$182,792), Category 2 level of housing requires \$42,708 of workforce housing assistance per worker household to afford a unit. In other words, the difference between the cost of a Category 2 house (\$225,500) and the maximum housing cost that a construction employee household can afford (\$182,792) is the workforce housing assistance needed for a construction employee household to afford a unit (\$42,708). See Table III.23: *Housing Affordability for Construction Employees* shown below.

TABLE III.23
HOUSING AFFORDABILITY FOR
CONSTRUCTION EMPLOYEES

Construction Earnings	\$33,800
Employees per Household ³⁶	1.586
Construction Employee Household Earnings	\$53,590
Maximum Housing Cost for Construction Employee Household ³⁷	\$182,792
Available Housing Cost (Category 2)	\$225,500
Assistance Subsidy per Units Needed for Construction Employee Household	\$42,708

The housing assistance for construction employees, by unit size, is shown in Table III.24: *Construction Employment and Need for Housing in Islamorada*.

Table III.24: CONSTRUCTION EMPLOYMENT AND NEED FOR HOUSING, ISLAMORADA				
Building Size	Employee Years to Construct Units	Employees Needed (Over Career of Employee)	Housing Units Needed for Employees	Housing Assistance Needed per Unit
500	0.601	0.015	0.009	\$405
750	0.901	0.023	0.014	\$607
1,000	1.201	0.030	0.019	\$809
1,500	1.802	0.045	0.028	\$1,214
2,000	2.403	0.060	0.038	\$1,618
2,500	3.004	0.075	0.047	\$2,023
3,000	3.604	0.090	0.057	\$2,427
3,500	4.205	0.105	0.066	\$2,832
4,000	4.806	0.120	0.076	\$3,236
4,500	5.406	0.135	0.085	\$3,641
5,000	6.007	0.150	0.095	\$4,045

b) Workforce Housing Assistance for Post-Construction Employee Households

As is outlined earlier, based on the household earnings identified in Table III.18: *Estimated Industry Employment by Land Use Categories, Monroe County*, the employees in the post-construction land use categories were aligned with the Workforce Housing Categories identified in Table III.25: *Workforce Housing Categories for Non-Residential Post-Construction Employment by Land Use Category*.

³⁶ See Appendix B: *Employees per Household, Monroe County*, for an explanation of the calculation used to result in this figure.

³⁷ The maximum housing cost for a construction employee household is calculated by dividing the construction employee household earnings (\$53,590) by the income ratio for determining housing affordability (29.32%).

TABLE III.25:
WORKFORCE HOUSING CATEGORIES FOR
NON-RESIDENTIAL POST-CONSTRUCTION EMPLOYMENT
BY LAND USE CATEGORY

	Household Earnings	Workforce Housing Category
Governmental	\$73,518	Category 3
Industrial	\$65,872	Category 3
Institutional	\$64,258	Category 3
Office	\$67,956	Category 3
Retail	\$45,664	Category 1
Tourist- Accommodation Expansion	\$39,819	Category 1
Tourist- New Development	\$39,819	Category 1

According to this data, the household earnings for each non-residential post-construction employment in Monroe County are \$73,518 for governmental land uses, \$65,872 for industrial land uses, \$64,258 for institutional land uses, \$67,956 for office land uses, \$45,664 for retail land uses, and \$39,819 for tourist land uses. Based on these earnings, Table III.26: *Post-Construction Housing Affordability Gap by Land Use, Monroe County*, outlines the amount each employee household could afford to spend for housing (see the row labeled "Affordability Limit"), by land use categories, and the shortage, or workforce housing assistance needed to address the shortage, based on the amount of non-residential square feet developed in each land use category.

The difference between the cost to develop the prototypical unit (based on the Workforce Housing Unit Category) and the amount a household could afford to pay for housing is the shortage, or assistance needed to acquire housing (see "Housing Assistance Needed" in Table III.26). For example, retail employees qualify for Category 1 housing, which costs \$172,500. Retail employee households earn on average \$45,664 and can afford to purchase a house priced at \$155,757. The difference between these categories is the shortage or assistance needed to afford a unit -- \$16,743. If this workforce housing assistance were to be put into terms of the housing assistance needed per square foot of new retail development built, it would result in \$15.42 per square foot of development (see "Assistance Needed Per FT² of Non-Residential Development" in Table III.26).

Table III.26:
POST-CONSTRUCTION HOUSING AFFORDABILITY GAP BY LAND USE, MONROE COUNTY

	Non-Residential FT ² per Employee	Income per Household	Affordability Limit ³⁸	Housing Cost for Prototypical Unit	Housing Assistance Needed	Assistance Needed per FT ² of Non-Residential Development
Government	1,049	\$73,518	\$250,764	\$278,500	\$27,736	\$16.67
Industrial	753	\$65,872	\$224,686	\$278,500	\$53,814	\$45.05
Institutional	769	\$64,258	\$219,179	\$278,500	\$59,321	\$48.68
Office	563	\$67,956	\$231,794	\$278,500	\$46,706	\$52.37
Retail	685	\$45,664	\$155,757	\$172,500	\$16,743	\$15.42
Tourist						
Accommodation Expansion	1,019	\$39,819	\$135,819	\$172,500	\$36,681	\$22.69
New Development	663	\$39,819	\$135,819	\$172,500	\$36,681	\$34.92

Table III.27: Post Construction Housing Affordability Gap by Land Use, Islamorada, shows the employees, employee households, and housing assistance needed based on 1,000 square feet of development for each land use.

Table III.27 POST CONSTRUCTION HOUSING AFFORDABILITY GAP BY LAND USE, ISLAMORADA			Gap per 1,000 FT ²
	per 1,000 FT ²	Employees	Households
Government	0.953	0.601	\$16,669
Industrial	1.327	0.837	\$45,046
Institutional	1.301	0.821	\$48,685
Office	1.778	1.121	\$52,370
Retail	1.460	0.921	\$15,418
Tourist			
Accommodation Expansion	0.981	0.619	\$22,694
New Development	1.509	0.952	\$34,917

4. Summary of Need for Workforce Housing by Housing Units

Table III.28: Need for Workforce Housing Created by Non-Residential Development, Monroe County, summarizes the total workforce housing unit need for non-residential development for both construction and post-construction employees by land use.

³⁸ The maximum housing cost for an employee household is calculated by dividing the employee household earnings by the income ratio for determining housing affordability (29.32%).

TABLE III.28:
NEED FOR WORKFORCE HOUSING CREATED BY NON-RESIDENTIAL DEVELOPMENT,
MONROE COUNTY

	Housing Units Needed for Construction Employed Households	Housing Units Needed for Post-Construction Employed Households	Total Housing Units Needed
Per 1,000 Square Feet			
Governmental	0.019	0.601	0.620
Industrial	0.019	0.837	0.856
Institutional	0.019	0.821	0.840
Office	0.019	1.121	1.140
Retail	0.019	0.921	0.940
Tourist			
Accommodation Expansion	0.019	0.619	0.638
New Development	0.019	0.952	0.971

5. Non-Residential Mitigation

As is outlined above, the wages and salaries earned by a significant portion of Islamorada's workforce that works in the businesses and related entities that make up non-residential development are insufficient to allow these employees to obtain market housing at a price they can reasonably afford. After determining the number and type of employees that serve non-residential development (construction and post-construction workers), and how many of these employees cannot reasonably afford housing in Islamorada, the next step is to identify the degree of workforce housing need created by non-residential development, and then outline mitigation options.

a) Measuring Need

Based on the previous analysis outlined in this section, the degree of workforce housing need for non-residential development in Islamorada is determined using the following formulae, by land use category.

Non-Residential Construction Employees' Workforce Housing Need

Construction Employees = $0.00003 * \text{Square feet of Non-Residential Development}$

Needed Units (Construction Employee Households) = Construction Employees $\div 1.568$

Construction Assistance Needed = Needed Units (Construction Employee Households) * \$42,708

Governmental Land Use Employees' Workforce Housing Need

Workforce Housing Units Needed for Governmental Employees =

$(0.601 * \text{Square Feet of Development}) \div 1,000$

Assistance Needed = Square Feet of Development * \$17.47

Industrial Land Use Employees' Workforce Housing Need

Workforce Housing Units Needed for Industrial Employees =

$(0.837 * \text{Square Feet of Development}) \div 1,000$

Assistance Needed = Square Feet of Development * \$45.85

Institutional Land Use Employees' Workforce Housing Need

Workforce Housing Units Needed for Institutional Employees =

$(0.821 * \text{Square Feet of Development}) \div 1,000$
Assistance Needed = Square Feet of Development * \$49.49

Office Land Use Employees' Workforce Housing Need
Workforce Housing Units Needed for Office Employees =
 $(1.121 * \text{Square Feet of Development}) \div 1,000$
Assistance Needed = Square Feet of Development * \$53.17

Retail Land Use Employees' Workforce Housing Need
Workforce Housing Units Needed for Retail Employees =
 $(0.921 * \text{Square Feet of Development}) \div 1,000$
Assistance Needed = Square Feet of Development * \$16.22

Tourist Land Use Employees' Workforce Housing Need:

Accommodation Expansion or Redevelopment Need
Workforce Housing Units Needed for Industrial Employees =
 $(0.619 * \text{Square Feet of Development}) \div 1,000$
Assistance Needed = Square Feet of Development * \$23.50

New Tourist Development Need
Workforce Housing Units Needed for Industrial Employees =
 $(0.952 * \text{Square Feet of Development}) \div 1,000$
Assistance Needed = Square Feet of Development * \$35.72

TOTAL UNITS NEEDED = Units Needed for Construction Employee Households + Units Needed for Employees (by Appropriate Land Use Category)

TOTAL ASSISTANCE NEEDED = Construction Assistance Needed + Assistance Needed for Units by Appropriate Land Use Category

What these formulae shows is that the degree of need for workforce housing from non-residential development can be determined either by workforce housing unit(s) (or a fraction thereof), or a workforce housing assistance amount that needs to be paid to provide funds for those employees (or fraction thereof) in need of workforce housing.

Because workforce housing need for non-residential development is based on the size and type of the non-residential development, the formula for the appropriate land use will need to be applied to each non-residential development, individually, based on its size (square footage). Table III.29: Need for Workforce Housing Created by Non-Residential Development, however, provides examples of workforce housing need for varying sized non-residential buildings, both in terms of the need for workforce housing units (or a fraction thereof), and workforce housing assistance.

TABLE III.29:
NEED FOR WORKFORCE HOUSING CREATED BY NON-RESIDENTIAL DEVELOPMENT

Land Use	Construction			Post-Construction			Total Workforce Housing Units Needed	Total Workforce Housing Assistance Needed
	Workforce Housing Units Needed	Workforce Housing Assistance Needed	Workforce Housing Units Needed	Workforce Housing Assistance Needed				
Per 1,000 Square Ft								
Governmental	0.019	\$809	0.601	\$16,669	0.620			\$17,478
Industrial	0.019	\$809	0.837	\$45,046	0.856			\$45,855
Institutional	0.019	\$809	0.821	\$48,685	0.840			\$49,494
Office	0.019	\$809	1.121	\$52,370	1.140			\$53,179
Retail	0.019	\$809	0.921	\$15,418	0.940			\$16,227
Tourist								
Expansion	0.019	\$809	0.619	\$22,694	0.638			\$23,503
New Development	0.019	\$809	0.952	\$34,917	0.971			\$35,726

APPENDIX A: RESIDENTIAL SALES, VILLAGE OF ISLAMORADA, 2000-2005

TABLE A.1:
RESIDENTIAL SALES, ISLAMORADA 2000-2005³⁹

Selling Price	Single Family		Condominium		Mobile Home		Total	
	Number	%	Number	%	Number	%	Number	%
<\$50,000								
2000	6	1%	6	1%	0	0%	12	3%
2001	13	3%	1	2%	0	0%	23	6%
2002	21	5%	8	2%	0	0%	29	7%
2003	6	1%	10	2%	0	0%	16	4%
2004	3	1%	4	1%	0	0%	7	1%
2005	2	1%	0	0%	0	0%	2	1%
\$50,001-\$100,000								
2000	13	3%	26	6%	3	1%	42	9%
2001	12	3%	19	5%	0	0%	31	8%
2002	14	3%	5	1%	3	1%	22	5%
2003	9	2%	8	2%	0	0%	17	4%
2004	7	1%	2	0%	0	0%	9	2%
2005	5	1%	3	1%	0	0%	8	2%
\$100,001-\$150,000								
2000	34	7%	45	10%	2	0%	81	18%
2001	15	4%	37	9%	2	0%	54	13%
2002	15	4%	15	4%	0	0%	30	7%
2003	5	1%	8	2%	3	1%	16	4%
2004	8	2%	5	1%	0	0%	13	2%
2005	0	0%	1	0%	0	0%	1	0%
\$150,001-\$200,000								
2000	48	10%	63	14%	0	0%	111	24%
2001	36	9%	20	5%	1	0%	57	14%
2002	29	7%	22	5%	1	0%	52	13%
2003	8	2%	9	2%	1	0%	18	4%
2004	4	1%	11	2%	2	0%	17	3%
2005	0	0%	1	0%	0	0%	1	0%
\$200,001-\$250,000								
2000	28	6%	10	2%	1	0%	39	8%
2001	35	9%	3	1%	0	0%	38	9%
2002	31	8%	19	5%	1	0%	51	12%
2003	14	3%	24	6%	0	0%	38	9%
2004	6	1%	12	2%	0	0%	18	3%
2005	1	0%	1	0%	1	0%	3	1%
\$250,001-\$300,000								
2000	29	6%	5	1%	0	0%	34	7%

³⁹ Due to rounding, the sum of the percentages for each housing type in each row may not equal the total percentage at the end of the row.

TABLE A.1:
RESIDENTIAL SALES, ISLAMORADA 2000-2005³⁹

Selling Price	Single Family		Condominium		Mobile Home		Total	
	Number	%	Number	%	Number	%	Number	%
2001	43	10%	10	2%	0	0%	53	13%
2002	29	7%	4	1%	0	0%	33	8%
2003	35	8%	12	3%	1	0%	48	12%
2004	4	1%	11	2%	0	0%	15	3%
2005	2	1%	5	1%	1	0%	8	2%
\$300,001-\$350,000								
2000	16	3%	3	1%	1	0%	20	4%
2001	28	7%	7	2%	0	0%	35	9%
2002	21	5%	4	1%	0	0%	25	6%
2003	23	6%	11	3%	1	0%	35	8%
2004	21	4%	10	2%	0	0%	31	6%
2005	4	1%	7	2%	0	0%	11	3%
\$350,001-\$400,000								
2000	26	6%	1	0%	0	0%	27	6%
2001	25	6%	1	0%	0	0%	26	6%
2002	23	6%	6	1%	0	0%	29	7%
2003	24	6%	10	2%	0	0%	34	8%
2004	22	4%	8	2%	0	0%	30	6%
2005	8	2%	14	4%	1	0%	23	6%
\$400,001-\$450,000								
2000	16	3%	1	0%	0	0%	17	4%
2001	13	3%	1	0%	0	0%	14	3%
2002	15	4%	3	1%	0	0%	18	4%
2003	19	5%	7	2%	0	0%	26	6%
2004	15	3%	11	2%	0	0%	26	5%
2005	9	2%	19	5%	0	0%	28	8%
\$450,001-\$500,000								
2000	12	3%	3	1%	0	0%	15	3%
2001	11	3%	1	0%	0	0%	12	3%
2002	17	4%	0	0%	0	0%	17	4%
2003	11	3%	1	0%	0	0%	12	3%
2004	15	3%	16	3%	1	0%	32	6%
2005	13	4%	14	4%	0	0%	27	7%
\$500,001-\$550,000								
2000	7	2%	0	0%	0	0%	7	2%
2001	14	3%	0	0%	0	0%	14	3%
2002	15	4%	6	1%	0	0%	21	5%
2003	6	1%	6	1%	0	0%	12	3%
2004	7	1%	7	1%	0	0%	14	3%
2005	13	4%	6	2%	0	0%	19	5%
\$550,001-\$600,000								
2000	9	2%	0	0%	0	0%	9	2%
2001	4	1%	2	0%	0	0%	6	1%
2002	5	1%	5	1%	0	0%	10	2%

TABLE A.1:
RESIDENTIAL SALES, ISLAMORADA 2000-2005³⁹

Selling Price	Single Family		Condominium		Mobile Home		Total	
	Number	%	Number	%	Number	%	Number	%
2003	12	3%	5	1%	0	0%	17	4%
2004	9	2%	0	0%	0	0%	9	2%
2005	9	2%	3	1%	1	0%	13	4%
\$600,001-\$650,000								
2000	1	0%	3	1%	0	0%	4	1%
2001	7	2%	4	1%	0	0%	11	3%
2002	11	3%	1	0%	0	0%	12	3%
2003	15	4%	2	0%	0	0%	17	4%
2004	20	4%	1	0%	0	0%	21	4%
2005	13	4%	4	1%	0	0%	17	5%
\$650,001-\$700,000								
2000	9	2%	3	1%	0	0%	12	3%
2001	5	1%	3	1%	0	0%	8	2%
2002	11	3%	0	0%	0	0%	11	3%
2003	13	3%	4	1%	0	0%	17	4%
2004	14	3%	0	0%	0	0%	14	3%
2005	6	2%	15	4%	0	0%	21	6%
>\$700,000								
2000	31	7%	1	0%	0	0%	32	7%
2001	24	6%	4	1%	0	0%	28	7%
2002	46	11%	3	1%	0	0%	49	12%
2003	82	20%	11	3%	0	0%	93	22%
2004	231	44%	36	7%	0	0%	267	51%
2005	147	40%	40	11%	0	0%	187	51%
All Units								
2000	285	62%	170	37%	7	2%	462	100%
2001	285	70%	122	30%	3	1%	410	100%
2002	303	74%	101	25%	5	1%	409	100%
2003	282	68%	128	31%	6	1%	416	100%
2004	386	74%	134	26%	3	1%	523	100%
2005	232	63%	133	36%	4	1%	369	100%
Grand Total	1,773	68%	788	30%	28	1%	2,589	100%

Source: Monroe County Property Appraiser

APPENDIX B: EMPLOYEES PER HOUSEHOLD, MONROE COUNTY

Table B.1: EMPLOYED PERSONS PER HOUSEHOLD	
	Monroe County
Total Households	35,106
Households with Earnings (may have multiple workers)	27,689
Households without Earnings	7,417
Labor Force (some not employed, such as retirees)	45,192
Number Employed	43,901
Workers per Household	1.632
Employed Workers per Household	1.586
<i>Islamorada, Village of Islands</i>	
Persons per Household (all households)	2.100
Persons per Household Where One or More Person(s) is Employed	2.560
Persons per Household Where No Persons are Employed	1.890

SOURCE: US Bureau of the Census' American Factfinder <http://factfinder.census.gov>,

US Bureau of the Census Public Use Micro-Sample, and Florida Agency for
Workforce Innovation, Labor Market Statistics.

The focus of the Support Study is to determine the need created for workforce housing for the workforce by residential and non-residential development. In order to determine employed workers per household, recent census data was reviewed related to the number of households and employees in Monroe County. (See Table B.1: Employed Persons per Household.) To determine the average number of employed workers per household from this data, the number of persons employed was divided by households with earnings. The calculation is as follows:

$$\text{Number Employed} \div \text{Households with Earnings} = \text{Employed Workers per Household}$$

or

$$43,901 \div 27,689 = 1.586$$

Additional data is provided here that illustrates the average number of persons per household in Islamorada for all households, for households with one or more employed persons, and for households with no employed persons.

APPENDIX C: SHORTAGE (HOUSING ASSISTANCE) CALCULATIONS

Employee Income Needed to Afford Each of the Prototypical Residential Units in the Workforce Affordability Categories.

To determine the annual employee income needed to afford a residential unit in each of the four categories of workforce housing in Islamorada, an analysis was conducted determining what expenses the employee household incurs to purchase and finance a prototypical residential unit. In the analysis, it is assumed the employee makes a down payment of 3% on the purchase of the home, and takes out a 30 year mortgage at an interest rate of 5.93 percent a year. It is also assumed that the maximum monthly expenses on housing incurred by the employee do not exceed 30 percent of income. Table C.1: *Income Needed to Afford Housing*, outlines the expenses incurred (and assumed) for each category of workforce housing. It shows an annual employee income of \$39,468 is needed to be able to reasonably afford a residential unit priced at \$212,250 (Category 1); an annual employee income of \$43,607 is needed to afford a residential unit priced at \$233,980 (Category 2); an annual employee income of \$47,039 is needed to afford a residential unit priced at \$252,000 (Category 3); and an annual employee income of \$62,182 is needed to afford a residential unit priced at \$331,500 (Category 4).

TABLE C.1:
INCOME NEEDED TO AFFORD WORKFORCE HOUSING
CALCULATION OF AFFORDABILITY

	Category 1	Category 2	Category 3
Purchase Price	\$172,500	\$225,500	\$278,500
Down Payment	3.00%	3.00%	3.00%
Loan Term	30	30	30
Interest Rate	5.93%	5.93%	5.93%
Points	2.00%	2.00%	2.00%
Mortgage Insurance	0.60%	0.60%	0.60%
Taxes & Insurance	1.83%	1.83%	1.83%
Other Closing Costs	3.00%	3.00%	3.00%
Cash to Close	\$13,697	\$17,905	\$22,113
Mortgage	\$167,325	\$218,735	\$270,145
Mortgage Payment	\$996	\$1,302	\$1,608
Mortgage Insurance	\$84	\$109	\$135
Taxes & Insurance	\$185	\$253	\$322
Total Monthly	\$1,264	\$1,664	\$2,065
Income Ratio for Determining Housing Affordability	30.00%	30.00%	30.00%
Minimum Monthly Income	\$4,214	\$5,548	\$6,882
Annual Household Income Needed to Purchase Unit	\$50,573	\$66,578	\$82,584
Workers per Household	1.586	1.586	1.586
Income per Worker in Household	\$31,897	\$41,992	\$52,087

APPENDIX D: EMPLOYMENT AND HOUSEHOLD EARNINGS BY INDUSTRY

Earnings of Monroe County economically active households are shown below in Table D.1: *Employment and Household Earnings by Industry, Monroe County, 2006*. These wages are used to estimate the wages of employees that construct and operate and maintain residential units, and that construct and work within non-residential developments. The average annual wages for 2005 were used to project 2006 wages using a 2.9% increase over 2005, which was the 2004-2005 increase. The household earnings shown in the last column of the table are the individual employee earnings multiplied by the number of employed persons per household with earnings (1.586⁴⁰). This calculation excludes households that do not have at least one person employed. Not having anyone employed could be due to retirement, disability or unemployment. Regardless of reason, all employed without a person employed are excluded from the definition of economically active households used herein. This method of estimating economically active household income basically assumes that the earnings of the secondary worker in a household will be similar to those of the primary worker.

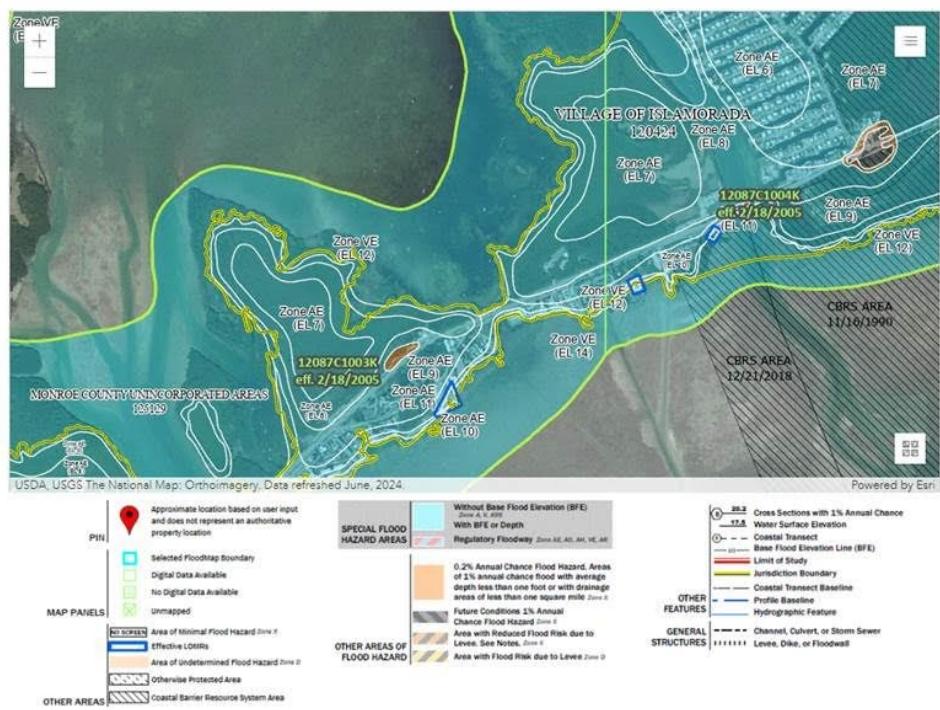
TABLE D.1
EMPLOYMENT AND HOUSEHOLD EARNINGS BY INDUSTRY
MONROE COUNTY, 2005-2006

Industry Title	Average Employment	Annual Wage		Household Earnings
		2005	2006	
Total, All Industries	35,895	\$32,788	\$34,214	\$54,412
Goods-Producing	2,613	\$32,352	\$33,759	\$53,689
Agriculture, Forestry, Fishing and Hunting	102	\$33,145	\$34,587	\$54,837
Construction	2,226	\$32,391	\$33,800	\$53,590
Manufacturing	285	\$31,764	\$33,146	\$52,553
Service-Providing	33,282	\$32,823	\$34,251	\$54,305
Trade, Transportation, and Utilities	7,636	\$31,256	\$32,616	\$51,712
Wholesale Trade	520	\$45,167	\$47,132	\$74,728
Retail Trade	5,553	\$27,209	\$28,393	\$45,017
Information	457	\$47,952	\$50,038	\$79,335
Financial Activities	2,364	\$42,750	\$44,610	\$70,729
Finance and Insurance	1,220	\$50,038	\$52,215	\$82,787
Real Estate and Rental and Leasing	1,144	\$34,976	\$36,497	\$57,867
Professional and Business Services	2,603	\$43,410	\$45,298	\$71,821
Education and Health Services	4,049	\$37,743	\$39,385	\$62,445
Leisure and Hospitality	11,539	\$23,788	\$24,823	\$39,357
Accommodation and Food Services	10,136	\$23,297	\$24,310	\$38,544
Other Services	1,472	\$27,466	\$28,661	\$45,442
Public Administration-Government	3,132	\$47,605	\$49,676	\$79,002

SOURCE: Florida Labor Market Statistics, September 2006.

⁴⁰ See Appendix B: Employees per Household, Monroe County.

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette.



ORDINANCE NO. 25-__

**AN ORDINANCE OF ISLAMORADA, VILLAGE OF ISLANDS,
FLORIDA, AMENDING POLICY 3-2.12: SPECIFIC
STANDARDS AND REQUIREMENTS FOR WORKFORCE-
AFFORDABLE HOUSING; PROVIDING FOR THE
TRANSMITTAL OF THIS ORDINANCE TO THE STATE
DEPARTMENT OF COMMERCE; PROVIDING FOR
SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE
UPON APPROVAL OF THIS ORDINANCE BY THE STATE
DEPARTMENT OF COMMERCE.**

WHEREAS, pursuant to Chapter 163, Part II, Florida Statutes, on December 6, 2001, Islamorada, Village of Islands, Florida (the "Village") adopted the Village Comprehensive Plan (the "Comprehensive Plan"); and

WHEREAS, Section 163.3191, Florida Statutes, directs local governments to periodically assess the status of the adopted comprehensive plan in adequately addressing changing conditions; and

WHEREAS, the Village desires to facilitate the development of Workforce-Affordable Housing; and

WHEREAS, the Village Council desires to amend the Comprehensive Plan in order to revise the standards and requirements for Workforce-Affordable Housing within the Village ("Amendment"); and

WHEREAS, the Village has conducted duly noticed public hearings for the Comprehensive Plan Amendment pursuant to Section 163.3184(11), Florida Statutes; and

WHEREAS, pursuant to Section 163.3174, Florida Statutes and Sections 30-101 of

the Village Code, the Local Planning Agency publicly considered this Ordinance during a duly noticed public hearing; and

WHEREAS, the provisions of this Ordinance are consistent with the Village Comprehensive Plan and the Principles for Guiding Development in the Florida Keys Area of Critical State Concern; and

WHEREAS this Ordinance is enacted to conduct the purpose and intent of, and exercise the authority set out in, the Community Planning Act; and

WHEREAS the Village Council finds that this Ordinance is in the best interest and welfare of the residents of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA AS FOLLOWS:¹

Section 1. Recitals. The above recitals are true, correct, and incorporated herein by this reference.

Section 2. Comprehensive Plan Amendments Adopted. The Village Council hereby adopts the amendments to the Comprehensive Plan attached hereto as Exhibit "A."

Section 3. Transmittal. Pursuant to Sections 163.3184, Florida Statutes, the Village Clerk is authorized to forward a copy of this Ordinance to the State Department of Commerce.

¹ Coding: ~~Strikethrough words~~ are deletions to the existing words. Underlined words are additions to the existing words. Changes between first and second reading are indicated with ~~highlighted double strikethrough~~ and double underline.

Section 4. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand withstand the invalidity of any part.

Section 5. Conflicts. All Sections or parts of Sections of the Code of Ordinances, all ordinances or parts of ordinances, and all Resolutions, or parts of Resolutions, in conflict with this Ordinance are repealed to the extent of such conflict.

Section 6. Effective Date. This Ordinance shall not become effective until a Notice of Intent has been issued by the State Department of Commerce finding the Comprehensive Plan Amendment to be "in compliance" as defined in Section 163.3184(1)(b), Florida Statutes. If timely challenged, the Comprehensive Plan Amendment shall not become effective until Department of Commerce or the Administration Commission enters a final order determining the adopted Comprehensive Plan Amendments to be "in compliance."

[Remainder of the page intentionally left blank.]

The foregoing Ordinance was offered by Councilwoman Richards, who moved its adoption on first reading. This motion was seconded by Vice Mayor Horton, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	YES
Vice Mayor Don Horton	YES
Councilwoman Deb Gillis	YES
Councilman Steve Friedman	YES
Councilwoman Anna Richards	YES

PASSED on first reading this 12th day of June, 2025.

The foregoing Ordinance was offered by _____, who moved its adoption on second reading. This motion was seconded by _____, and upon being put to a vote, the vote was as follows:

Mayor Sharon Mahoney	____
Vice Mayor Don Horton	____
Councilwoman Deb Gillis	____
Councilman Steve Friedman	____
Councilwoman Anna Richards	____

PASSED AND ADOPTED on the second reading this _____ day of _____, 2025.

SHARON MAHONEY, MAYOR

ATTEST:

MARNE MCGRATH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE SOLE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY

JOHN J. QUICK, VILLAGE ATTORNEY

COMPREHENSIVE PLAN OF ISLAMORADA, FLORIDA

B E F O R E A M E N D M E N T

Policy 3-2.1.2: Specific Standards And Requirements For Workforce-Affordable Housing

Workforce-affordable housing units built under this program shall:

1. be duplex, triplex, or multifamily structures;
2. be rental units;
3. require, at a minimum, adherence to the latest edition of the Florida Building Code as published by the Florida Building Commission;
4. not be placed in the V-Zone or within the Coastal Barrier Resource Systems;
5. require on-site property management;
6. comply with applicable habitat and other locational criteria and densities for multifamily affordable housing units;
7. shall not be placed in any habitat defined as mangroves, saltmarsh & buttonwood, tropical hardwood hammock or freshwater wetlands (except for disturbed categories);
8. incorporate sustainable and resilient design principles into the overall site design;
9. ensure accessibility to employee centers and amenities;
10. requires a minimum of two dwelling unit allocations per site;
11. require deed-restrictions ensuring that:
 - a. the property remains workforce-affordable housing in perpetuity;
 - b. tenants evacuate during the period in which transient units are required to evacuate;
 - c. rental agreements contain a separate disclosure requiring renters to acknowledge that failure to adhere to the evacuation requirement could result in severe penalties, including eviction, to the resident;
 - d. onsite property managers are formally trained in evacuation procedures.

A F T E R A M E N D M E N T

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2. be rental units;
3. require, at a minimum, adherence to the latest edition of the Florida Building Code as published by the Florida Building Commission;
4. ~~not be placed in the V-Zone or within the Coastal Barrier Resource Systems;~~
5. **within the Coastal Barrier Resource Systems**
6. require on-site property management;
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