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Final planning report for the Farm Workers Housing Demonstration Program: Appendix D. Early action project planning guidelines (Option C)

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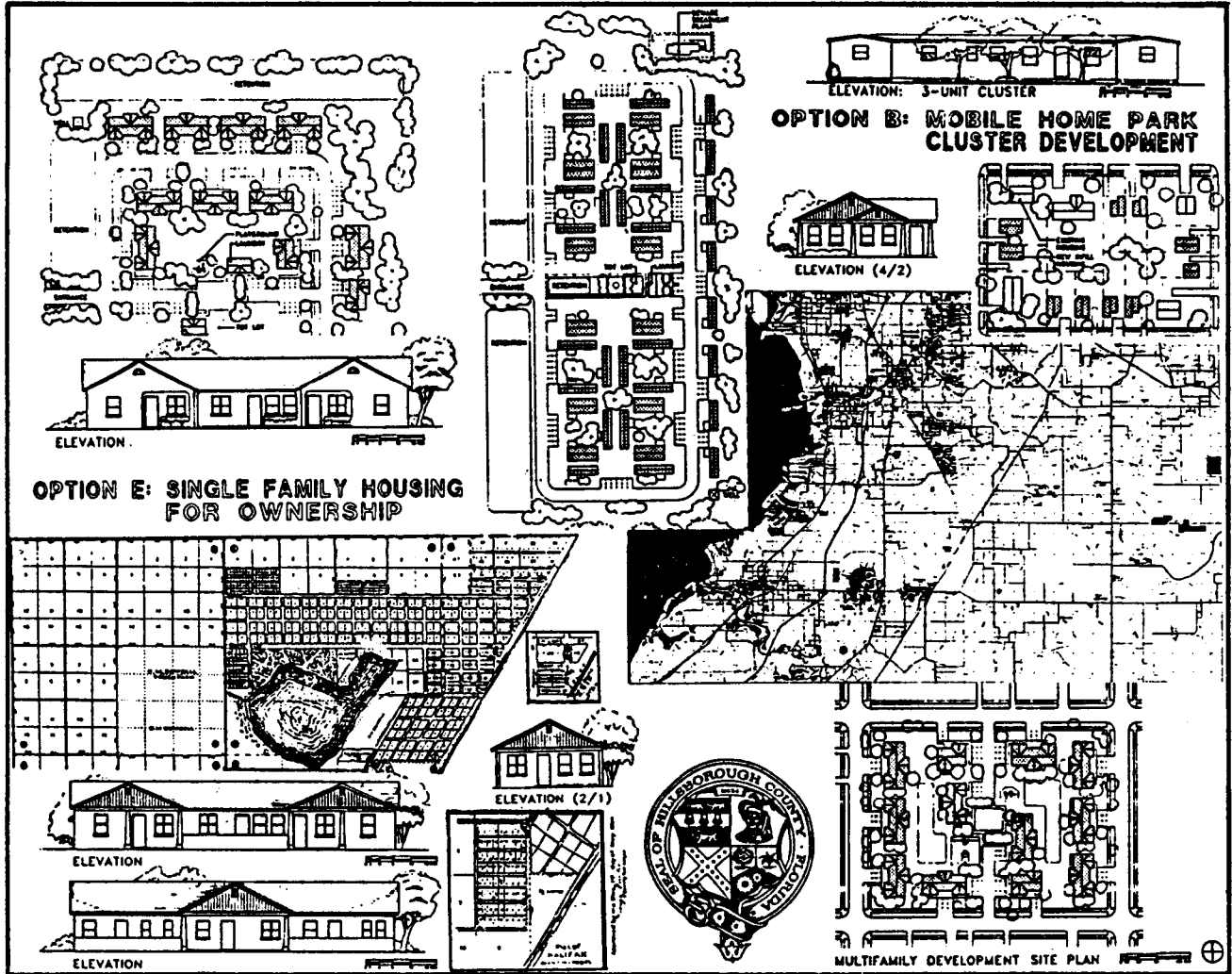
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Final Planning Report: APPENDIX D

THE FARM WORKERS HOUSING DEMONSTRATION PROGRAM

HILLSBOROUGH COUNTY, FLORIDA

September 30, 1989

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HILLSBOROUGH COUNTY, FLORIDA

September 30, 1989

Prepared Under a CDBG Program Grant from the U.S. Department of Housing & Urban Development and Approved by Hillsborough County Board of County Commissioners.

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**APPENDIX D: EARLY ACTION PROJECT PLANNING
GUIDELINES (OPTION C)**

APPENDIX D: EARLY ACTION PROJECT PLANNING GUIDELINES
(OPTION C)

CURRENT DEMAND. A need for additional farm workers housing to be in place in the first year of operations by the non-profit farm worker housing organization has been established at the approximate level of 160 to 200 household units. This is based on the following:

- 1) Evident shortages of farm worker housing units during the peak seasons of 1988-89, as observed by many community leaders in terms of homelessness, over-crowding of units, and price gouging in the private housing market. This evidence is more than confirmed by FLORIDA CENTER's recent survey of current farm worker households accommodations.
- 2) The probability that at least 160 household units in grower-owned labor camps during the past season will be taken out of service by next October 1 as a result of HRS citations of health code violations which the growers are unlikely to be able to correct on a timely/economic basis.
- 3) Current planning of the Farm Worker Housing Demonstration Program has illustrated the need for at least 3-4 years of organization capacity-building and pilot project work in Hillsborough County before affordable new housing for farm workers can be legally permitted, financed and built in significant amounts.

GENERAL PROGRAM CONCEPT. A short-term, temporary housing program will be undertaken on an emergency basis. This will have the two related purposes of: (1) partially alleviating the general current shortage of units for migrant farm worker families, thus preventing a worsening of current homelessness and/or overcrowding of existing units; and (2) providing transitional living quarters for farm worker households who are seeking to apply and qualify for permanent homesteads in planned new construction projects within south Hillsborough County. The total program of 160 to 200 units will be carried out under community-wide auspices with good central control. The program will depend on cooperative contributions of land, financing, facilities management and social services--i.e., from such varied sources as State of Florida agencies, Hillsborough County, major growers, private lenders, churches and other service providing organizations. A high degree of urgent decision-making and cooperative organization will be required for the success of this effort.

It is assumed that the housing will be of a temporary but well planned character, remaining in service for approximately 5 to 7 years. As permanent farm worker housing production rates increase, priority will be given to elimination of existing substandard units, as well as control of over-crowding and/or price gouging in existing units. As soon as a general trend of increased/better quality farm worker housing stock can be established, the temporary housing sites would be closed out and converted to other uses as determined by the land owners.

TYPICAL SITES/FACILITIES DEVELOPMENTS. The following general development concepts are offered as a starting point for further investigations of the Temporary Mobile Home Parks Housing Project:

- o Individual clusters of 25-40 mobile homes will be distributed among as many as 8 separate sites. All sites will be selected for transportation convenience to agricultural jobs, community facilities/services locations, etc. Mobile home parks will be attractively landscaped with simple economical materials. Common facilities will be offered, such as young children's play facilities, outdoor seating, laundry facilities, trash collection etc. Facilities planning will emphasize effective police surveillance.
- o Whenever possible, park sites will be selected where there is access to a permanent sewer system and existing well water supplies. However, most sites will require temporary sewer plant packages and new wells. Minimum site acreage for 25-unit parks served by permanent sewerage will be 3 acres, or 8.3 units/acre. Maximum site acreage for parks of 40 units served by packaged sewer plants will be 7, or 5.7 units/acre.
- o Economics and location criteria will dictate that land be provided by a combination of public owners, major growers, churches, and other private owners at very nominal costs. The program should obtain such properties on short-term leases at very nominal rates, e.g., \$1/acre. Owners should be held harmless from liabilities for third-party uses of the properties during the term of the lease.
- o Mobile home facilities will be sized for two and three bedroom units. Units will be centrally purchased for the program at discounted prices justifying short-term use and amortization of investment. Used/re-conditioned mobile homes are currently available in the west-central Florida area at typical volume purchase prices of \$5,000 - \$7,500 per unit, depending on size of unit.

OPERATING CONCEPTS. The temporary mobile home parks will be centrally managed with a small paid staff. Farm worker households will contribute in-kind labor to supplement the paid staff efforts as a condition of their occupancy. Mobile home units will be leased on a sound business basis with careful regard to farm worker household incomes and their ability to pay all housing related charges without great hardship. The following operating principles will be followed in defining specific rent and utility payment standards:

- o All farm worker households will be responsible for full cost of utilities expenses during occupancy.
- o Rent charges to farm worker households will fully cover attributed shares of management and maintenance expense, as well as a major portion of initial development cost amortization and interest. Standard rental rates will be defined for different household sizes, based on available wage earners and imputed amounts of annual and average monthly income. Based on national norms for all housing-related expenses carried by low-income families, a ceiling of 37% of monthly income will be set for combinations of rent and utilities. FLORIDA CENTER's recent survey of South County farm worker households indicated that the average household has 4.74 persons and 1.9 wage earners, with a median monthly income of \$561.67. It can be inferred that this typical household could afford to pay up to \$208.00 /month for rent plus utilities on a year around basis.
- o Under conditions of units allocation yet to be considered, major growers who provide land and/or financing for the temporary mobile home parks will have the option of advance bulk leasing of units for their own workers on a year-to-year basis. Leasing rates to be established will reflect attributed shares of current management and maintenance expense plus full amortization of initial development costs.

POTENTIAL DEVELOPMENT COSTS. On the basis of preliminary/incomplete investigation, the initial cash development costs of the Temporary Mobile Home Parks Project are estimated to be in the range of \$1,128,000 to \$1,910,000. Assuming a total of 160 to 200 mobile homes will be put in place, the average total development cost is \$7,100 to \$9,600 per household unit. The minimum-maximum cost difference is primarily based on the following unknown variables: sizes of available sites and their conditions of sewer and water service; specific mix of sizes and prices for mobile homes to be ordered; and availability of in-kind development services (i.e., as against cash-support required for such services as project management, site planning and engineering, purchasing agents, legal, etc.). Land costs are

assumed to be \$1/acre. It is further assumed that Hillsborough County residential development impact fees will be waived i.e., on the grounds that this is a publicly sponsored, temporary development.

FUNDING SOURCES/OPTIONS. FLORIDA CENTER has made a preliminary and very conceptual analysis of a financing scenario for the Temporary Mobile Home Housing Park Project, with a high and low development cost estimate. A brief summary follows:

- o Balanced Governmental & Private Financing Option. This option assumes that governmental and private grants and gifts would be spread over 5 to 7 years, fully covering the requirements for permanent subsidies and interest payments on borrowed funds. A front-end development loan for 90% of cash requirements would be provided to Hillsborough County i.e., at tax-exempt loan interest rates of 8.5%) by a consortium of private lenders; the loan repayment would be guaranteed by Hillsborough County from authorized sources. This scenario provides better opportunity for a planned private contributions campaign, as well as potentially enabling Hillsborough County to meet its share of loan repayments out of current revenues without resort to general obligation bonds debt. It also buys time to seek grant support from the State of Florida. The following is a summary of the financing implications.

	5 Yr Term (160 Units) Low Cost <u>Estimate</u>	7 Yr Term (200 Units) High Cost <u>Estimate</u>
Total front-end cost & support including mobile homes, & sewer & water plant:	\$1,127,628	\$1,909,536
Of which:		
- 10% is governmental & private grants	\$ 112,763	\$ 190,954
- 90% is a private sector loan	1,014,865	\$1,718,582

Repayment of the loan is as follows:

	5 Yr Term (160 Units) Low Cost <u>Estimate</u>	7 Yr Term (200 Units) High Cost <u>Estimate</u>
90% private sector loan	\$1,014,865	\$1,718,582
Less 36-month net operating surplus exclusive of amortization & interest requirements	-539,208	-616,486
Less ending asset values after depreciation	-551,200	-613,800
Plus interest expenses based on 8.5% annual interest & 5-7 annual installment payments on the note	<u>+272,825</u>	<u>+631,724</u>
Additional governmental & private grants required in years 2 to 5 or 2 to 7	\$197,282	\$1,120,020
Plus original grants for 10% of development costs	<u>+112,763</u>	<u>+190,954</u>
<u>Required permanent project subsidy:</u>	\$310,045	\$1,310,973

PRELIMINARY ACTIONS AND TIMETABLE NECESSARY TO CONSTRUCT OPTION BY OCTOBER 1, 1990

Option C requires a quick setup and construction time frame. The project needs to be complete by the beginning of next year's harvest season estimated to start on October 1, 1990. To meet this deadline will require great cooperation from both public and private sources. Time consuming review processes are proposed to be waived by the County. To save time, it is proposed to have one public hearing, which includes an administrative development review covering multiple sites in south Hillsborough County. Because of time constraints and the need to access utilities in the service area, potential sites for the temporary camps may be selected in areas with varied agricultural and urban zoning district designations.

Following are among the key provisions that need to be implemented prior to selecting potential sites and commencing construction.

- o Declare a "mandate to help" or "a state of emergency" and initiate the rezone and special exception actions at one time.
- o Allow temporary farm worker mobile home parks in both agricultural and suburban/urban zoning districts.
- o Waive or speed up both the rezoning and special permit approval process in this particular instance due to the emergency nature of this program. This may not be a problem because of the temporary nature of the project.
- o Impact fees should not be required because of the temporary nature of the program.
- o Waive required trees and other regulatory permits from the separate reviewing staffs.
- o Each camp would be subject to a zoning adequacy and a general site plan review process culminating in a single, consolidated public hearing and approval.

In order to meet the October 1, 1990 deadline, all of the above suggested regulatory changes need to be accomplished by February 1, 1990. Two months should be the maximum time necessary to select sites. Once appropriate sites are selected, construction can begin. It is estimated to take from five to six months to acquire the 160 to 200 mobile home units, construct the package sewer plant and water well, install all paving, and hook up each unit to the utilities system. Thus, in order to meet the October 1, 1990 deadline, both regulatory changes and site selection must be done by May 1, 1990 at the latest.