



Reedy Creek Improvement District  
Comprehensive Plan  
(Printed 6/5/00)

**HOUSING  
ELEMENT**

**Part A:  
Policies**

# INTRODUCTION

The RCID Housing Element addresses the need for suitable housing both within the District and beyond District boundaries. Because the RCID is a major regional employment center, the element's focus is on the housing needs of persons employed within District boundaries rather than its small population of permanent residents. The element analyzes existing and future employee housing needs, evaluates housing market conditions around the District, and identifies any potential gaps between supply and demand. Specific programs to close the gaps, including quantifiable targets for housing production and assistance in the District vicinity, are presented. The element has two major components: the "Policies" component contains the goals, objectives, and policies which will guide the District's housing program during the coming years; and the "Supporting Data and Analysis" component includes an assessment of housing needs for residents and employees.

## GOALS, OBJECTIVES, AND POLICIES

### GOAL A

***It is the goal of the Reedy Creek Improvement District to facilitate the provision of an adequate and affordable supply of housing that accommodates all current and future permanent residents of the District.***

#### Objective 1

*To maintain the structural integrity and aesthetic quality of existing residential areas, conserve existing affordable housing within its boundaries, and facilitate the development of new affordable housing (including manufactured and mobile homes) as needed to accommodate the District's existing and projected permanent resident population.*

Policy 1.1: The District shall ensure that the permanent residential areas in the cities of Bay Lake and Lake Buena Vista are maintained in excellent condition. The District will promptly respond to any problems associated with structural deficiencies or visual blight in these areas.

Policy 1.2: In the event that future development would result in the displacement of either of the existing permanent residential areas, the District shall adopt a resident relocation plan prior to project approval.

Policy 1.3: The RCID shall ensure that vacant land is made available on the Future Land Use Map to accommodate the development of affordable housing for the projected permanent resident population.

## Objective 2

*To ensure that RCID planning, development, and building regulations allow the private sector to construct housing, including group homes, foster care facilities, manufactured homes, and mobile homes, within District boundaries.*

Policy 2.1: Housing, including group homes, foster care facilities, manufactured homes, and mobile homes, shall be permitted land uses in all areas designated for mixed use development.

Policy 2.2: In the event that new permanent residential development is proposed within designated Mixed Use areas, the District shall adopt performance standards which ensure that such development is buffered or appropriately separated from potentially incompatible adjoining uses also permitted in these areas. These standards shall be adopted prior to the approval of such development.

Policy 2.3: Any new housing in the RCID shall continue to be available to all persons, regardless of race, religion, sex, marital status, ancestry, national origin, physical disability, or color.

Policy 2.4: Any new housing within the RCID shall be located close to employment centers and shall have infrastructure existing or committed at the time of development.

## GOAL B

***Recognizing the District's historic and projected role as a major regional employment center, it is the goal of the Reedy Creek Improvement District, to the extent required by Chapter 163 Part II, F.S., to facilitate the provision of an adequate supply of affordable housing for any unmet affordable housing need generated by employment growth within the District.***

## Objective 3

*To identify a specific geographic area extending beyond District boundaries within which the District will facilitate the creation of affordable housing opportunities.*

Policy 3.1: Because no increase in the District's permanent resident population is projected through 2008 and because substantial increases in employment within the District are projected, the focus of the District's housing programs shall be on facilitating affordable housing production for persons employed within District boundaries.

Policy 3.2: The District's affordable housing programs will be directed within the previously identified geographic area known the Housing Target Zone (HTZ). The HTZ has been defined with the objective of:

- (1) including all land within a 30-minute commute radius of District employment centers;
- and

- (2) following census tract boundaries to facilitate the collection and updating of demographic and housing supply data.

Current HTZ boundaries are shown in Figures 4-1 and 4-2. Within the HTZ, the District shall place particular emphasis on projects that are close to District employment centers.

Policy 3.3: The District shall update the boundaries of the HTZ as needed but not less than every ten years to reflect changes in travel time, changes in census tract boundaries, and other relevant factors, such as accessibility and the incremental cost of transportation relative to distance.

Policy 3.4: The RCID's activities with regard to housing in the HTZ shall be particularly targeted to "low" and "very low" income households as defined in Chapter 420 F.S., for the Orlando MSA.

#### **Objective 4**

*To implement an affordable housing program within the HTZ that facilitates access to affordable housing for persons employed within the District.*

Policy 4.1: The District shall ensure that information regarding available affordable housing supply within the Housing Target Zone is made available to those working within the RCID. By January 1, 2001, the District shall produce a portfolio or brochure with information on specific affordable rental housing projects within the HTZ. This material will be distributed at major employment centers within the District.

Policy 4.2: The District shall initiate a comprehensive update of its 1996 Affordable Housing Study upon the release of Year 2000 Census tract-level data for Metropolitan Orlando. The comprehensive update may depart from the methodology used in the 1996 Study, but at minimum shall include the following components:

- (1) An updated survey of persons employed within the District indicating their demographic and housing characteristics, and a comparison of these characteristics to the region as a whole;
- (2) An updated five-year projection of future employment within the District, a projection of five-year housing needs by income category, and a comparison of these needs to total housing needs in the HTZ;
- (3) An updated assessment of housing supply in the HTZ during the five-year period and an estimate of unmet needs attributable to employment growth within the District;
- (4) An updated determination of any "credits" for past housing production by the District or its major landowners; and
- (5) Updated mitigation measures for closing the gap between demand and supply, if such a gap is determined to exist.

- Policy 4.3: Following the update of the Affordable Housing Study, the District shall update the housing supply data base at least once every two years.
- Policy 4.4: If future updates of the Affordable Housing Study or housing supply data base determine that new or additional implementation activities and measures are needed, then the RCID Comprehensive Plan shall be amended within 180 days. If two plan amendments have already been adopted in the current year, the amendment will be adopted within 90 days after the beginning of the new year. The amendment will incorporate additional activities and measures which the RCID determines to be appropriate.
- Policy 4.5: The RCID will proceed with the allocation of 100,000 GPD of wastewater capacity to facilitate the development of affordable housing in the unincorporated Horizons West area north of the Magic Kingdom. Following this initial allocation and on an ongoing basis, the RCID will review its water and sewer capacity to determine if additional reserve capacity can be made available to prospective affordable housing developers. Reserve allocations should only be utilized for projects in which at least 50 percent of the units are affordable to “low” or “very low” income households and the remainder of the units are affordable to moderate income households, as defined by HUD for the Orlando Metropolitan Area. Projects seeking use of the reserve capacity must be certified by the local government in which the project is located as an “affordable housing project” and the local government must request provision of the service. Making such capacity available outside the RCID will be subject to RCID’s sole discretion and will be governed by interlocal agreements.
- Policy 4.6: Any units created through Policy 4.5 will be credited 100 percent towards meeting affordable housing needs within the HTZ, even if the credits are generated before an unmet need is determined to exist.
- Policy 4.7: Projects outside RCID boundaries which do not meet the affordability criteria described above may receive water or sewer capacity from the RCID through interlocal agreements. In such instances, the developers of such projects shall be required to pass along savings resulting from the District’s provision of these services in the form of more affordable sale and rental prices or other public or community amenities.
- Policy 4.8: The District shall work with public transit providers to increase the availability of public transportation between the District and affordable housing projects or areas. As appropriate, the District shall also work with the major landowners and private transportation companies to consider the feasibility of private transit services (including shuttle buses, vans, etc.) between affordable housing and District employment centers.
- Policy 4.9: By January 2000, the District shall conduct a rental records search at the Country Gardens, Reef Club, and Mystic Pointe apartment complexes (three projects funded through low income housing tax credits by the major landowners) to determine the number of occupant households earning less than 50 percent of the HUD median household income for the Orlando MSA. For any such household paying less than 30 percent of household income on rent, the District shall receive credit toward the production of a “very low” income rental housing unit for the 1998-2003 period.

- Policy 4.10: The District shall continue to maintain a program through which used furnishings, fixtures, and building supplies from hotels, resorts, and other facilities in the District are donated to nonprofit agencies (“*Recycle Plus*”). The District will use this program to assist the Orange County Community Center, the Osceola Council on Aging, and other agencies established for the purpose of providing new affordable housing units, conserving the existing affordable housing stock, and reducing shelter and other expenses that benefit “very low” and “low” income households within the HTZ.
- Policy 4.11: Beginning in Year 2000, the District will calculate the annual dollar value of its contributions of recycled building materials and furnishings to local nonprofits and community organizations (through Recycle Plus and any similar programs). This data will be used to determine the equivalent number of units benefitting from the program. Adjustments to the housing assistance targets of the District’s major landowners (see Policies 5.3, 5.4, and 5.5) may be considered based on this data.
- Policy 4.12: The RCID will consider modifications to its stormwater permit fees (for example, allowing such fees to be paid in interest-free installments over five years) as a means of reducing front-end developer costs for affordable housing projects in the Reedy Creek drainage basin.
- Policy 4.13: To the extent feasible, the District will ensure that rental units created through affordable housing programs sponsored by the District or its major landowners meet the Housing Finance Agency requirements to remain affordable for a specified period of time.
- Policy 4.14: All hearings or public meetings conducted by the RCID regarding housing shall continue to be publicly noticed.

## **Objective 5**

*To work collaboratively with the primary employers within its boundaries to ensure that affordable housing opportunities are provided to local employees.*

- Policy 5.1: The RCID will work with the District’s primary employer to establish a Housing Information component in their recruitment and/ or employment processes.
- Policy 5.2: The RCID will encourage the District’s primary employer to continue to develop housing for its employees, similar to its current Vista Way program (currently housing some 2,600 employees in multi-family apartments developed, owned, and operated by the employer).
- Policy 5.3: The RCID will encourage the District’s primary employer to pursue a range of strategies to facilitate the production of rental and for-sale housing within the HTZ. These strategies should be structured around a production target of 351 rental units and 148 for-sale units affordable to “low” and/or “very low” income employee households between January 1, 1998 and January 1, 2003, as determined by the 1999 update of the District’s Affordable Housing Study. Among the strategies to be considered are:

- (1) Investments in federal low income housing tax credit (LIHTC) programs, particularly where such investments enable new rental housing units to meet HUD affordability criteria for “very low” income employee households. The designated units should be selected so that they match the housing needs identified by household size to accommodate any potential market mismatches.
- (2) Silent second mortgages for “low” and “very low” income employee households. Through this program, the primary employer would make second mortgage loans and defer repayment until the units are resold. Implementation of this program will require setting an upper limit on the purchase price of the unit, and could be implemented at particular projects selected to encourage short commutes (such as the Southlake project) or could be made available for use throughout the HTZ.
- (3) Mortgage interest rate subsidies for “low” and “very low” income employee households. This would also require setting an upper limit on the purchase price of the unit and could be targeted to specific units or made available for use throughout the HTZ.

Policy 5.4: The targets in Policy 5.3 shall be updated, and the Comprehensive Plan amended as appropriate and necessary, following each future update of the District’s Affordable Housing Study.

Policy 5.5: The District and/ or primary employer within the District will be granted credit for providing affordable housing units in the HTZ even if the units are built before an unmet need for affordable housing is determined to exist. Credit for 100 percent of the units will be awarded, provided that 50 percent or more of the units are targeted to “low” and “very low” income households in the Orlando MSA and the remainder of the units are targeted to moderate income households.

Policy 5.6: The following additional activities may be employed by the RCID and primary employer to achieve the objective of providing additional affordable housing units, provided that the activity or combination of activities has the benefit of reducing the costs of the unit by at least 5 percent:

- (1) Acquisition and donation of land for affordable housing development within the HTZ.
- (2) Affordable housing construction outside of the District but within the HTZ, which is provided with assistance by RCID or an employer within RCID.
- (3) Direct rental assistance provided by RCID, or employers within RCID, to “low” and “very low” income households.
- (4) Participation in community service projects such as Habitat for Humanity.

- (5) Technical assistance to nonprofit organizations involved in the provision of affordable housing or housing services within the HTZ.
- (6) Downpayment assistance to persons employed within the RCID.
- (7) Transportation assistance between affordable housing projects and employment locations within the RCID.
- (8) Donations of building materials and furnishings to nonprofit builders, developers, and community organizations through “Recycle Plus” or similar programs.
- (9) Any other activities identified in this element or developed in the future relating to the provision of affordable housing units within the HTZ.

Policy 5.7: The RCID will encourage employers within its boundaries to provide job training and other programs creating economic opportunities for “low” and “very low” income persons. By providing a stable and reliable income source, such programs can assist “low” and “very low” income households in obtaining adequate housing.

Policy 5.8: The RCID will encourage the continued participation of the primary employer in the Second Harvest Food Bank program, providing food for “very low” income households and thereby providing greater disposable income for shelter and other needs.

Policy 5.9: The District shall encourage lessees, tenants, and third party employers not directly affiliated with the primary employer to participate in RCID housing programs.

**Objective 6**

*To maximize the effectiveness of District housing programs by coordinating and collaborating with adjacent jurisdictions and other public agencies.*

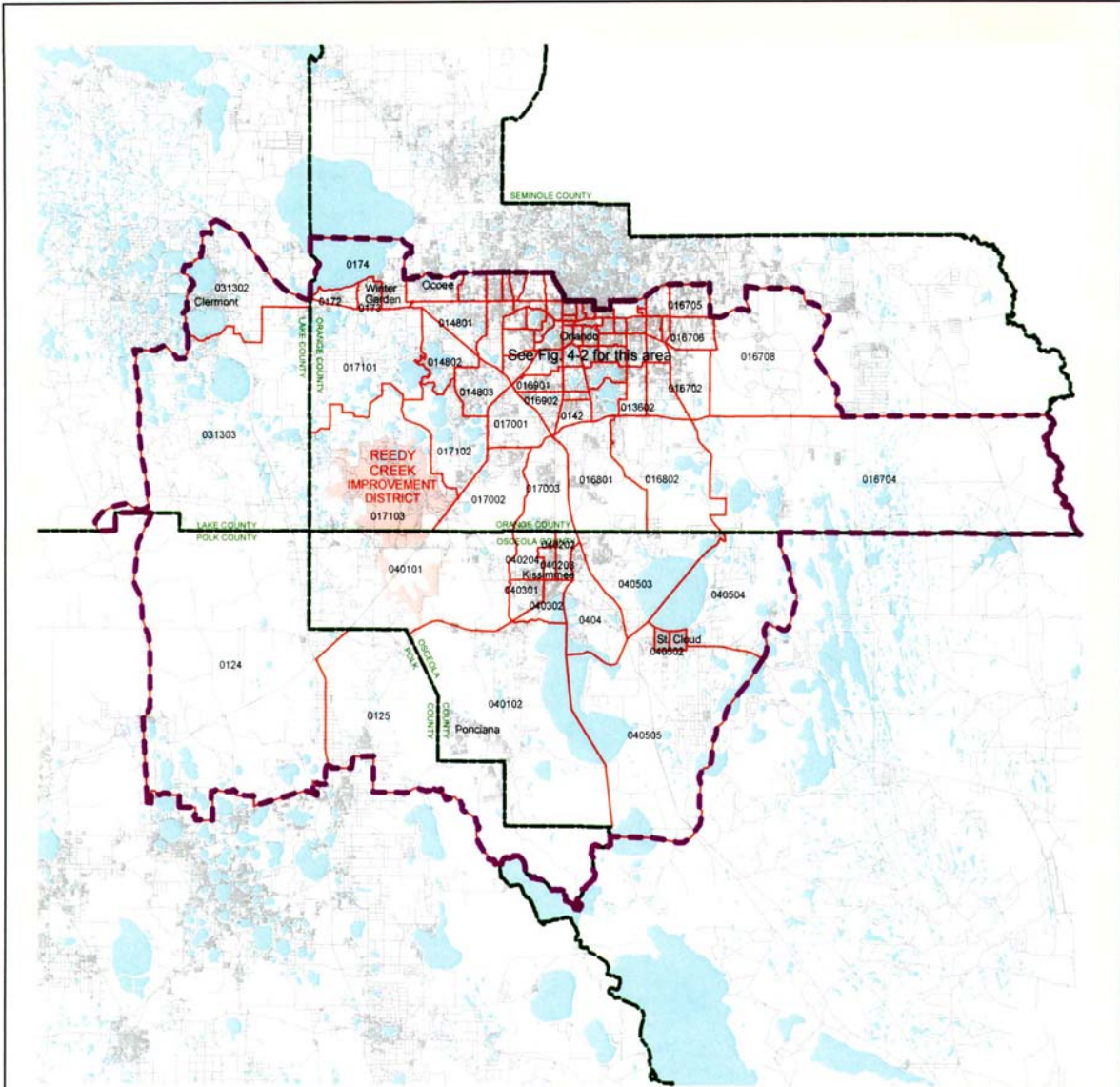
Policy 6.1: The District shall continue to work with the East Central Florida Regional Planning Council (ECFRPC) in its ongoing efforts to assess affordable housing needs and develop solutions to meeting unmet needs. The District shall actively seek representation on any ECFRPC task force created to address the issue of affordable housing.

Policy 6.2: The District shall work cooperatively with adjacent local governments to facilitate the production of affordable housing and assure that a sufficient supply of land to meet affordable housing needs is retained within the HTZ. Interlocal agreements with Orange County shall be developed as necessary and appropriate to create affordable housing opportunities within the Horizons West area to the north and northeast of District boundaries.

Policy 6.3: Interlocal agreements governing any future deannexation of land from the District into the adjacent counties shall address the issue of affordable housing. The receiving county will be encouraged to explore affordable housing opportunities within the area being deannexed.

Policy 6.4: The District shall support efforts to partner with Orange, Osceola, Lake, and Polk counties, and other jurisdictions as appropriate, to develop performance standards, policies, and developer incentives to encourage/facilitate development of innovative communities and affordable housing. The District shall also support public/private partnerships between developers and local governments, including the District's major landowners and nearby local governments, to produce affordable housing.

Policy 6.5: To the extent feasible and appropriate, future affordable housing activities of the District and its primary employer shall be integrated with State and County programs, such as the SAIL (State Apartment Incentive Loan) program, SHIP (State Housing Initiative Partnership) program, and HOME (Home Investment Partnership) program. Although the District is ineligible to receive such funds directly, they may assist nonprofit developers who receive these funds, thereby further improving the affordability of housing.



Legend

- Target Zone Boundary
- County Boundary
- Census Tract

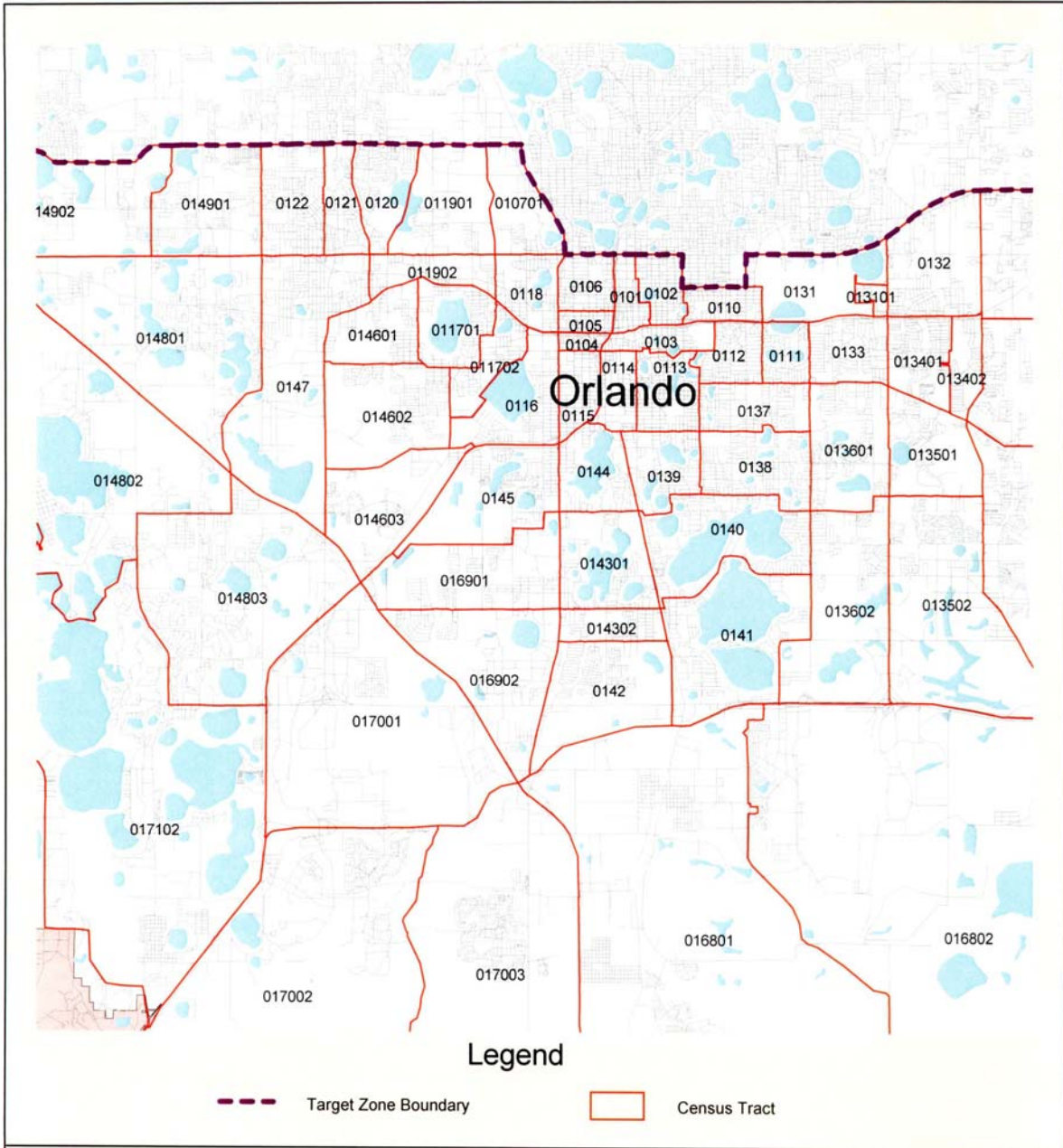


**Figure 4-1  
Housing Target Zone**



Prepared by: RCID Planning and Engineering

Reedy Creek Improvement District Comprehensive Plan - 2008  
Policies  
HOUSING ELEMENT



**Figure 4-2  
Housing Target Zone  
in the Orlando Area**

0 5 10 Miles



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**HOUSING  
ELEMENT**

**Part B:  
Supporting Data and Analysis**

# PURPOSE

The purpose of a Housing Element is to set forth the goals, objectives, and policies a community will follow to ensure that its current and future residents are provided with adequate housing. This does not present a significant challenge within the Reedy Creek Improvement District because the existing population is very small and no growth is anticipated. However, since the District includes a major employment center, this element goes beyond state requirements and contains goals, objectives, and policies related to the affordable housing needs of persons *employed* within District boundaries. The District's activities with regard to affordable housing are particularly targeted to "low" and "very low" income households, as defined in Chapter 420 F.S., for the Orlando Metropolitan Statistical Area (MSA).

The Housing Element includes a discussion of existing housing and projected housing needs for the residents of Bay Lake and Lake Buena Vista. It continues with a discussion of employee-generated housing needs, presenting the findings of a 1996 Affordable Housing Study which assessed projected employment growth, affordable housing supply, and any unmet needs for affordable renter- and owner-occupied housing. This assessment has been updated based on current (1998) employment projections and housing market data. The findings of the update are included herein. The element includes a discussion of the RCID's housing program, which has been structured to close the gap between affordable housing demand and supply.

Goals, objectives, and policies are included in the preceding part of the Housing Element. The objectives provide quantifiable targets for housing production and other types of assistance during the planning horizon of the Comprehensive Plan.

# HOUSING PROFILE OF THE DISTRICT

## PERMANENT HOUSING

In 1998, the RCID had a permanent population of 47 residents living in 17 manufactured homes. The supply of housing in the District is sufficient to meet the needs of these residents, and in fact has been specifically planned and designed for these residents. The homes are in two licensed mobile home parks, one in Lake Buena Vista off of Buena Vista Drive, and the other on the north shore of Bay Lake. The Lake Buena Vista complex has 9 units and a permitted capacity of 9 units. The Bay Lake complex has 8 units and a permitted capacity of 12 units. Housing costs for these residents fall within state guidelines for affordability -- expenses for housing are no greater than 30 percent of gross monthly income for residents.

Table 4-1 and Figure 4-3 show the location of all permanent housing units in the District in 1998. There are no other housing types within District boundaries. Although group homes and foster care facilities are permitted in all Mixed Use areas, these housing types do not currently exist. All housing within the District has complete plumbing, central heating, complete kitchens, and air conditioning. There are no publicly subsidized units, nor are there any homes listed on the Florida Master Site File, the National Register of Historic Places, or local historic inventories.

## TOURIST HOUSING

There are three types of lodging for visitors to the District: hotel rooms; interval ownership (timeshare) units; and campsites. Table 4-1 has a breakdown of these units and the average daily population by unit type. Tourist housing types are described below.

### Hotel Rooms

As of January 1998, there were 24 operating hotels with 23,095 rooms. Another 1,920-rooms at the All Star Movies Resort were under construction and expected to be occupied by early 1999. The Magic Kingdom area has five hotels (Shades of Green, Contemporary, Polynesian, Grand Floridian, and Wilderness Lodge). The EPCOT/ Studios area has six hotels (Dolphin, Swan, Yacht Club, Beach Club, Boardwalk, and Caribbean Beach). The Lake Buena Vista Area has ten hotels (Hilton, Grosvenor, Doubletree Guest Suites, Royal Plaza, Wyndham Garden Palace, Travelodge, Marriott Courtyard, Dixie Landings, Port Orleans, and Disney Institute). The West of World Drive Area has three hotels (Coronado Springs, All Star Music, and All Star Sports) and a fourth (All Star Movies) under construction.

Most of the hotel rooms have one bedroom-one bathroom floor plans. Multiple room suites are available in all of the hotels. The units at the Disney Institute include kitchenettes, and many have multiple bedrooms.

### Interval Ownership Units

There are 873 interval ownership units within the District. These are typically “apartment” type units with bedrooms, living areas, full kitchens, and bathrooms. The units are located at the Boardwalk and Old Key West Resorts.

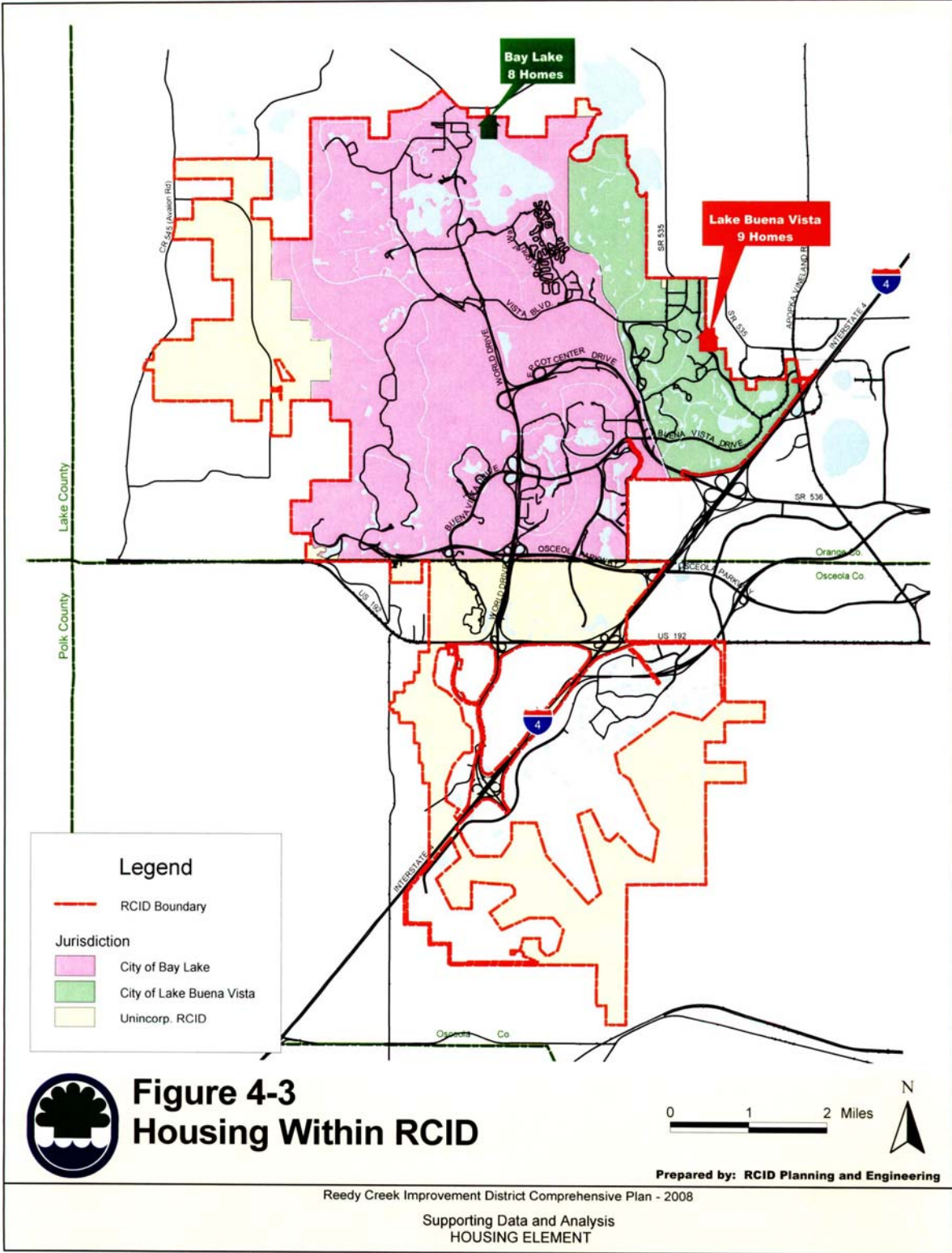
### Campgrounds

There are 1,200 campsites or hookups for RV campers at Fort Wilderness. A number of the sites have been developed with “Wilderness Cabins.” The campground population averages 4,200 on any given day. The area’s visitor amenities include showers and bathrooms, a convenience store, and an entertainment hall with dining and recreational facilities.

**Table 4-1: Permanent and Transient Housing Within the RCID - 1998**

Type	Units	Average Population
Permanent Housing	17	47
Transient Housing		
<i>Hotel Rooms</i>	25,015	66,040
<i>Interval Ownership</i>	873	2,750
<i>Campsites</i>	1,200	4,176
<i>TOTAL Transient</i>	27,088	72,966

SOURCE: Sedway Consulting and RCID, 1998. Includes All Star Movies Resort.



# EMPLOYMENT-GENERATED HOUSING NEEDS

Since the adoption of the 1991 Comprehensive Plan, the District's Housing Element has focused on the housing needs of persons employed within RCID boundaries. Although the District has only 47 residents, it has an employment base of about 50,000 workers. These employees represent a broad range of incomes and household types. The District has adopted policies and programs which strive to increase the supply of affordable housing for employees and their households. Historically, this has included measures to assist employees in finding suitable housing, and measures to provide financial support which assist in the development and conservation of affordable housing in the District vicinity.

The District's affordable housing efforts have been focused on a "Housing Target Zone" (HTZ) that encompasses most of the southwest quadrant of greater Orlando. The purpose of the HTZ is to recognize the distribution pattern of employee residences and concentrate affordable housing programs within that area. In essence, the HTZ is the "commutershed" for the District. Although some employees live beyond this zone, the HTZ has been mapped to provide all employees with an opportunity for affordable housing within a reasonable commute (less than 45 minutes) of District employment centers.

In 1997, the District amended its Housing Element to incorporate the findings of a 1996 study which assessed the need for affordable housing attributable to RCID employment. The methodology and findings of the study are presented below. The updated objectives and policies set forth in the 1997 amendment are included in this element, along with additional policies which address affordable housing issues.

## **SUMMARY OF THE 1996 AFFORDABLE HOUSING STUDY**

### **Purpose and Approach**

The District completed an Affordable Housing Study in 1996 to fulfill the requirements of a 1992 Compliance Agreement between the District and the Florida Department of Community Affairs. The purposes of the Study were:

- To refine the boundaries of the "Housing Target Zone" in a manner which permitted easy monitoring.
- To assess unmet affordable housing needs arising from employment growth during the 1990-1995 and 1995-2000 periods.
- To suggest appropriate mitigation measures to serve any unmet needs for "low" and "very low" income workers for the 1995-2000 period.

The first phase in the Affordable Housing Study was to estimate gross housing demand in the Orlando MSA for the 1995-2000 period. The portion of this demand to be met within the HTZ was determined. The gross

housing demand resulting from employment growth within the RCID between 1995 and 2000 was estimated and broken down by tenure, household type, and income levels. RCID's demand was then compared to the total MSA demand to be met within the HTZ.

The second phase assessed the supply of housing in the HTZ. An inventory of apartment complexes was conducted to assess the market's ability to meet renter housing demand. Recent trends in new home construction by price and number of bedrooms were analyzed to assess the market's ability to meet near term demand for ownership housing. Major pending development projects were tallied to estimate future increases in the supply of renter and ownership housing.

The demand for affordable rental and ownership housing by future RCID employees was compared to the available inventory and planned supply. The gap, or unmet need for affordable housing was estimated. Concurrently, housing demand over the period 1990-1995 was estimated based on employment growth within the District during that period and housing conditions in the HTZ. This step enabled the District to identify any credit (or additional deficit) in units that were produced through District housing programs during that period.

The final phase in the Study identified possible mitigation measures to close the gap between housing supply and demand. Approaches used in other jurisdictions were studied, and those that were transferable to the RCID were more closely assessed. Existing housing programs within the HTZ were researched to frame a range of complementary programs which could be used as mitigation for employment-driven increases in affordable housing needs. The programs that would be most appropriate were selected and incorporated into the District's Housing Element.

### **Demographic Characteristics of Employees**

The Affordable Housing Study drew its conclusions from a 1994 survey mailed to a sample of 13,000 Disney workers.<sup>1</sup> The response rate was 26 percent and represented about 3,500 employees. The following general conclusions were made based on the study:

- 64 percent of all persons employed in the RCID have a one-way commute of less than 30 minutes, compared to 67 percent in the Orlando MSA.
- 36.7 percent of all RCID employee households have two persons, compared to 36.3 percent in the MSA. 12.5 percent had one person, compared to 23 percent in the MSA.
- 4.6 percent of the RCID employee households earned less than \$15,000 a year, compared to 18.4 percent in the MSA.
- Tenure characteristics among RCID employees mirrored the region very closely, but the percentage of RCID households living in single family homes was higher than the regional average.

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<sup>1</sup> In 1993, the Florida Legislature determined that a uniform methodology and data source should be used to calculate need in local government Housing Elements. The Shimberg Center for Affordable Housing at the University of Florida developed this methodology between 1995 and 1997. Ch. 163.3177(6)(f)(2), F.S. gives local governments the option of using their own methodologies in lieu of the Schomberg methodology if justified by unique local conditions, or if local data is superior. This option has been selected by the RCID due to the unique nature of housing needs within the District and the availability of employee survey data.

- About 8 percent of RCID employees are “very low” income and about 18 percent are “low” income.
- The average number of employed persons in each employee household was 1.93, which is substantially higher than the regional average.
- 45 percent of the “other” employed members of RCID households worked in the RCID vicinity; the figures were higher for persons in the “very low” (62 %) and “low” (49%) income groups.

Based on the types of uses added between 1994 and 1998, the data collected during the 1994 survey is believed to still be representative of employees in 1999. A similar statistical profile is also projected in the future (through 2008), since the composition of allowable future land uses is similar to what exists in 1998.

### **Projected Housing Needs of Employees As Determined by the 1996 Study**

The 1996 Housing Study analyzed maximum affordable rent levels and sales prices for “very low” and “low” income households of different sizes. It then projected affordable housing demand for 1995-2000 in the HTZ based on forecasts from the State Data Center. A need of 33,600 units was projected, 37 percent of which was for “low” and “very low” income households. RCID’s share of this total need (based on projected addition of about 9,700 jobs) was estimated at 5,010 units. This included 390 units for “very low” and 1,000 units for “low” income households. The “very low” demand included 270 rental units and 120 ownership units. The “low” demand included 510 rental units and 490 ownership units.

It was estimated that most of this demand would be met by the existing supply of vacant units or by projects that were planned or under construction. In 1995, there was an “excess supply” of approximately 190 units for “very low” income renters and 2,272 units for low income renters within the HTZ.<sup>2</sup> Another 6,230 units of rental housing and 6,030 units of for-sale housing affordable to “low” and/or “very low” income households were planned within the HTZ by the year 2000.

### **Unmet Needs As Determined by the 1996 Study**

Affordable housing supply and demand were compared to determine the net balance for RCID employee households between 1995 and 2000. Total *unmet need* for affordable units attributable to the RCID was estimated to be 580 units, including 260 rental units and 320 ownership units. Of these units, 240 of the rental units and 100 of the ownership units needed were for “very low” income households. The other 20 rental units and 220 ownership units were associated with “low” income households.

The Housing Study indicated that the 240-unit shortfall for “very low” income renters could be eliminated if some of the units planned in future Low Income Housing Tax Credit projects were geared towards persons earning 50 percent of the median income rather than 60 percent. Other programs to close the gap for affordable ownership housing were recommended and subsequently adopted.

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<sup>2</sup> *The actual excess supply of rental units was greater, since the Housing Study only considered large and medium apartment “complexes.” Rental units in smaller buildings and rental single family homes were not included.*

In 1997, the RCID Housing Element was amended to establish targets for housing assistance through the year 2000 based on the unmet needs identified in the Affordable Housing Study. The EAR-based amendments have updated those targets through 2003 based on more current (September 1998) data on market conditions.

## **PROFILE OF THE HOUSING TARGET ZONE - 1995 and 1998**

Figures 4-1 and 4-2 depict the Housing Target Zone around the RCID. The HTZ boundary extends 20 to 25 miles out from the District. Although the average commute time from the outer edge of the HTZ may be as high as 45 minutes in certain directions, a majority of the affordable housing within the HTZ is within a 30-minute commute distance based on the peak commute hours.

### **Affordable Housing in the HTZ at the Time of the 1996 Housing Study (1995)**

Between 1990 and 1995, more than 18,000 housing units affordable to “low” and “very low” income households were constructed within the HTZ. About one-quarter of these units were rental apartments. New affordable rental projects developed in close proximity to the RCID include Mystic Pointe, a 373-unit complex adjacent to RCID boundaries and sponsored by the District’s major landowners; Buena Vista Pointe, a 324-unit complex about 1/4 mile from District boundaries; and Aurora Apartments in Southlake, a 434-unit complex located three miles west of District boundaries (half of the units are affordable). In addition, the 468-unit Vista Way complex at the southwest corner of I-4 and SR 535 was specifically developed by the major landowners for employee housing. Vista Way was designed to accommodate roommate living situations in configurations of four to six occupants per unit. The units are occupied by more than 2,000 employees of Walt Disney World and include amenities such as paid utilities and free transportation to employment areas within the District.

In 1995, the vacancy rate for rental apartments in the HTZ was 10.7 percent. The housing industry usually considers a rate of 5 percent to be indicative of equilibrium between supply and demand. Thus, the 10.7 percent vacancy rate suggested an “excess capacity” of 5.7 percent was available to absorb anticipated household growth. As mentioned earlier, the “excess capacity” included 2,272 vacant apartment units affordable to “low” income households and 190 vacant units affordable to “very low” income households in the HTZ in 1995. Table 4-2 indicates the vacant rental supply in the HTZ as of 1995.

The supply of vacant for-sale housing was not estimated, since it was difficult to obtain data on vacancy rates for for-sale units and because new for-sale units were typically built as they are sold. The vacancy rates were typically much lower than for rental units, and continue to be lower in the late 1990s.

### **Affordable Housing Supply - 1998**

As part of the EAR-based amendments to the Comprehensive Plan, the District updated the Housing Supply data to reflect conditions as of September 1998. The same methodology used in the 1996 study was used to develop estimates of the total supply of affordable rental and for-sale units within the HTZ. The 1998 inventory includes privately owned rental projects in projects of 50 units or more. Consequently, it underestimates total rental supply, since rental units in smaller projects, mobile home parks, and single family subdivisions are not counted. This more conservative approach ensures that the District’s housing programs will address the maximum possible gap between affordable housing supply and demand.

**Table 4-2: Excess Vacant Rental Supply in the HTZ - 1995 and 1998 (\*)**

<b>“Very Low” Income</b>												
HH Size	0 BR		1 BR		2 BR		3 BR		4 BR		Total	
	1995	1998	1995	1998	1995	1998	1995	1998	1995	1998	1995	1998
1	12	1	8	3	--	--	--	--	--	--		
2	--		99	6	4	2	--	--	--	--		
3	--		--		16	2	--	--	--	--		
4	--		--		51	11	--	--	--	--		
5	--		--		--	--	--	--	--	--		
<b>TOTAL</b>	12	1	107	3-6	71	2-11	0	0	0	0	190	6-18

<b>“Low” Income</b>												
HH Size	0 BR		1 BR		2 BR		3 BR		4 BR		Total	
	1995	1998	1995	1998	1995	1998	1995	1998	1995	1998	1995	1998
1	91	22	473	--	--	--	--	--	--	--		
2	--	--	473	180	275	90	--	--	--	--		
3	--	--	--	276	540	315	--	--	--	--		
4	--	--	--		265	379	75	61	--	--		
5	--	--	--	--	--	--	75	61	5	--		
6	--	--	--	--	--	--	--	--	--	40		
<b>TOTAL</b>	91	22	946	180-276	1,080	90-379	150	61	5	40	2,272	392-778

SUMMARY	1995	1998
Stabilized Vacancy Rate (industry standard)	5.0	5.0
Rental Vacancy Rate in the HTZ	10.7	6.2
Vacant “Excess” Supply	5.7	1.2
# of Units in “Excess” Supply	2,699	866
# of these Units meeting HUD “Very Low” Income Affordability Criteria	2,272	392-778
# of these Units meeting HUD “Low” Income Affordability Criteria	190	6-18

(\*) For 1998 figures, ranges of affordable units were estimated to reflect HUD’s variation in affordable rents based on household sizes.

Note: (Table assumes vacancy rate is the same across unit types)

Source: 1995 Data: Affordable Housing Study for the RCID, Bay Area Economics, February 1996.

1998 Data: Affordable Housing Study Update. Sedway Group, 1999

**Table 4-3: HUD Income Limits for January 1999**

Income Group	Household Size	Income Limit	Affordable Gross Monthly Rent	Utility Allowance	Affordable Contract Rent
Very Low Income	1	\$16,850	\$421	\$96	\$325
	2	\$19,250	\$481	\$111-\$131	\$350-\$370
	3	\$21,650	\$541	\$131	\$410
	4	\$24,050	\$601	\$131-\$157	\$444-\$470
	5	\$25,950	\$649	\$157	\$492
	6	\$27,900	\$698	\$188	\$510
Low Income	1	\$26,950	\$674	\$96	\$578
	2	\$30,800	\$770	\$111-\$131	\$639-\$659
	3	\$34,650	\$866	\$131	\$735
	4	\$38,500	\$963	\$131-\$157	\$806-\$832
	5	\$41,550	\$1,039	\$157	\$882
	6	\$44,650	\$1,116	\$188	\$928
Median Family Income		\$48,100	\$1,045		

Source: Sedway Group, 1999

In late 1998, there were 288 apartment complexes with a total of 72,127 leasable units within the HTZ. Of these units, some 6.2 percent or 4,444 units, were vacant and for lease. The vacancy rate has fallen from the 10.7 percent reported in 1995. Using 5 percent as an “equilibrium” vacancy factor that allows for normal turnover of apartments, there was an “excess vacant supply” of 1.2 percent in 1998, compared to the 1995 excess vacant supply of 5.7 percent.

The rental housing supply was further analyzed to determine how many of the units were affordable to “low” and “very low” income households. The Orlando Housing Authority defines affordable rents (including utilities) as equal to 30 percent of household income. Using U.S. Department of Housing and Urban Development (HUD)’s data on income levels in the Orlando area (see Table 4-3), affordable rental rates for “very low” income households would range from \$325 to \$510 a month, depending on household size. Affordable rent for “low” income households would range from \$578 to \$928 a month, depending on household size. Using these guidelines, there are between 400 and 1,500 apartments in the HTZ affordable to very low income households and 29,700 to 61,800 apartments in the HTZ affordable to low income households.<sup>3</sup>

<sup>3</sup> In each case, the range reflects the varying thresholds of affordability for households of different sizes. The larger numbers would assume that all demand is associated with six-person households; the smaller numbers would assume that all demand is associated with one-person households.

The number of these units that are vacant and considered part of the “excess” supply is much smaller. The excess “very low” income supply is only 11 to 18 units, and the excess “low” income supply is between 392 and 778 units, depending on household size.

In the for-sale market, ownership housing production in the Orlando area has continued at a rapid pace through the mid and late 1990s, with about 8,000 units added each year. Assuming a 10 percent downpayment and a 7 percent 30-year mortgage, “very low” income households can afford to purchase homes valued at \$53,900 to \$89,200, and “low” income households can afford to purchase homes valued at \$86,100 to \$142,700. The average sales price in the third quarter of 1998 was \$149,000. Although a substantial number of units are affordable to “low” income households, the number affordable to “very low” income households is very small. Even if monthly income is sufficient to cover mortgage payments, the downpayment may be an obstacle to “low” and/or “very low” income homeowners entering the housing market.

**Prospects for Future Affordable Housing Production in the HTZ**

Table 4-4 summarizes planned affordable housing supply data from the 1996 Affordable Housing Study. The table also updates this data based on conditions in September 1998. In 1995, more than 12,200 units meeting affordability criteria for “low” income households were planned but not yet constructed within the Housing Target Zone. Most of these units were to be in market rate projects; about half (6,320 units) were to be rentals and about half (6,030 units) were to be for-sale units.

**Table 4-4: Estimated Planned Supply of Housing in the HTZ:  
1995 (for the period 1995-2000 ) and 1998 (for the period 1998-2003)**

	Units for Rent	Units for Sale		Total Units
<b>1995-2000 PERIOD</b>				
Planned Units to be Affordable to “Very Low” Income Households	0	70		70
Planned Units to be Affordable to “Low” Income Households	6,230	6,030		12,260
<b>1998-2003 PERIOD</b>		<i>Multi-family</i>	<i>Single family</i>	
Planned Units to be Affordable to “Very Low” Income Households	53	23	0	76
Planned Units to be Affordable to “Low” Income Households	3,360	690	11,280	15,330

*Note: 1995-2000 Figures include market-rate units in planned DRIs. Figures exclude low income housing tax credit units and Southlake project. A Total= Figures have been rounded to the nearest A10."*

*Source for 1995-2000 Data: Affordable Housing Study for the RCID, Bay Area Economics. February 1996*

*Source for 1998-2003 Data: Affordable Housing Study Update, Sedway Group (See Appendix C), April 1999*

Based on the 1996 data and the high rental vacancy rate existing at the time, the amount of affordable rental housing in approved Developments of Regional Impact (DRIs) appeared to exceed the number of units needed to meet demand during the 1995-2000 period in the HTZ. Many of the market-rate DRI units were to be affordable to “low” income households (households earning 80 % of MSA median income). However, the units would generally not meet affordability criteria for “very low” income households without further adjustments to planned Low Income Housing Tax Credit projects. Similarly, the for-sale units meeting affordability criteria were generally within the means of “low” income households but beyond the means of “very low” income households.

By late 1998, the number of units in proposed residential development continued to be high. There were more than 10,000 multi-family and 37,300 single family units planned in the HTZ, with about 75 percent of these units projected to be completed during 1998-2003. Based on current ratios and known data about these projects, some one to two percent of the planned rental units will be affordable to “very low” income households while about two thirds of the planned rental units will be affordable to “low” income households. In the for-sale market, about 30 percent of the condominiums and townhomes and about 20 percent of the planned single family detached homes are projected to be affordable to “low” income households. Less than one percent of the planned ownership housing is projected to be affordable to “very low” income households. Appendix C of the Comprehensive Plan includes further detail on housing supply.

In addition to the affordable units cited above, a substantial amount of market rate housing has been constructed on sites deannexed from the District since the early 1990s. The District’s major landowners are developing multi-family housing on land deannexed from the District around Little Lake Bryan. Thus far, 320 market rate units have been completed at Plantation Park; as many as 2,800 additional units are planned. The landowners are also developing Celebration on 5,000 acres deannexed from the District. The current DRI (Development of Regional Impact) Order allows 3,456 single family units and 4,609 multiple family units. More than 1,000 market rate units have been completed to date. The major landowners have contributed \$300,000 toward Osceola County’s Downpayment Assistance Program to mitigate affordable housing needs generated by the project.

In addition to these projects, the land to the north and west of the RCID boundaries is now planned for residential development, providing other affordable housing opportunities. The Orange County Comprehensive Plan was amended in 1995 to change several thousand acres from rural designations (allowing one unit per acre), to a “Village” designation allowing a range of urban densities. The Village classification is the result of a public-private planning partnership that was initiated to address land use issues in the southwest part of Orange County between the Butler Chain of Lakes and the Lake County line.

The Village classification provides for planning and development within separate, distinct master planned “villages,” each consisting of two to four neighborhoods surrounding a village center. A Specific Area Plan for Lakeside Village, the first of the villages in this area, was adopted by the Orange County Commission in December 1996. Densities in Lakeside Village will range from 3 to 12 units per acre. Because only a few specific projects within this area have been proposed, this development is generally not included in the unit counts in Table 4-4. Among the projects proposed is Buena Vista Place, a 256-unit affordable housing development adjacent to District boundaries which will receive water and wastewater services from RCID. The project, which was under construction in early 1999, includes 90 units reserved for households earning \$16,800 or less and 166 units for households earning \$28,800 or less. Another 84 affordable units are planned in a future phase of this development.

## PROJECTED HOUSING NEEDS FOR PERSONS EMPLOYED WITHIN THE DISTRICT, 1998-2003

During the coming years, the demand for housing in the Orlando region will continue to be driven by a number of factors. New residents will be attracted to the region by economic and employment opportunities or by lifestyle amenities such as mild weather and abundant recreation. Demand will also be driven by the natural increase in population that results when birth rates exceed mortality rates. Finally, housing demand will be created by the need for replacement housing as the existing stock deteriorates. Demand driven by economic growth historically has been the most significant factor in Metropolitan Orlando and will continue to be so during the next decade.

The 1996 Affordable Housing Study estimated the five-year (1995-2000) affordable housing need for “very low” and “low” income units. The Study concluded that there would be an unmet need of 260 rental units (240 “very low” income and 20 “low” income units) and 320 for-sale units (100 “very low” income units and 220 “low” income units) attributable to District employment growth. The figures were based on the projected addition of approximately 9,700 jobs during the five-year time period (5,010 households, at 1.93 jobs per household) and certain assumptions about the demographic characteristics of the households filling those jobs.

The 1995-2000 interval has been updated to 1998-2003 for the purposes of the updated Comprehensive Plan. Between 1998 and 2003, employment is projected to rise by 14,000 jobs within the District. Another 3,900 jobs are forecast for the 2003 to 2008 period. Based on the type of development anticipated, employee demographics are projected to be similar to current conditions.

As indicated in Table 4-5, the 14,000 new employees at the RCID are expected to generate demand for approximately 7,300 housing units.<sup>4</sup> Based on projected employee demographics, about 600 of these units would serve “very low” income households and about 1,300 units would serve “low” income households. The remaining units -- about 5,400 -- would serve “moderate” and “above moderate” income households.

Based on existing vacancy rates and the planned supply of housing in the Housing Target Zone, there will be a more than adequate supply of units for the “moderate” and “above moderate” income households. New “low” income households will also have access to an adequate supply of housing, although competition for this supply may be tight depending on job growth elsewhere in the HTZ. While smaller “low” income households will generally find adequate choices in the rental market, larger households or those seeking home ownership may find the choices more restricted. Downpayment assistance and other ownership assistance programs are particularly useful for “low” income households entering the for-sale market. Such programs could be an effective vehicle for the District’s overall housing strategy.

Based on current forecasts, the supply of units for “very low” income households will not be adequate to meet projected demand. The District’s housing strategy emphasizes programs for this income group, with a focus on renters. Based on projected supply and demand data, employment within the District will generate an unmet need for 351 “very low” income rental units and 148 “very low” income ownership units. The projections are summarized in Tables 4-6 and 4-7.

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<sup>4</sup> This presumes a continuation of the current ratio of 1.93 jobs per household.

**Table 4-5: Total Housing Needs Attributable to Employment Growth at RCID, 1998-2003**

Distribution of Job / Housing Demand by Income Level (*)	Jobs	Jobs per Household	Gross Housing Demand Attributable to RCID Job Growth
“Very Low”	1,134	1.93	589
“Low”	2,494	1.93	1,292
“Moderate/Above Moderate”	10,372	1.93	5,374
<b>TOTAL</b>	<b>14,000</b>	<b>1.93</b>	<b>7,253</b>

(\*) See Appendix “A” for derivation of job projections. Stratification of jobs into income categories and data on number of jobs per household based on 1994 Survey data for Walt Disney World employees, as compiled for the 1996 Affordable Housing Study. Source: Sedway Consulting, 1999

**Table 4-6: Distribution of Housing Demand by Tenure and Income Level, 1998-2003 (\*)**

Income Category	Total Housing Demand	Renter Demand	Owner Demand
“Very Low”	587	416	171
“Low”	1,292	632	660
“Moderate/Above Moderate”	5,374	1,522	3,852
<b>TOTAL</b>	<b>7,253</b>	<b>2,570</b>	<b>4,683</b>

(\*) Projections of owner/renter split based on 1994 Survey data, as compiled for the 1996 Affordable Housing Study. Source: Sedway Consulting, 1999

**Table 4-7: Unmet Housing Need by Income Type, 1998-2003**

Unmet Need by Income Type (Based on Projected Supply and Excess Vacancy)	Unmet Renter Need	Unmet For-Sale Need	Total Unmet Need
“Very Low”	351	148	499
“Low”	0	0	0
“Moderate/Above Moderate”	0	0	0
<b>TOTAL</b>	<b>351</b>	<b>148</b>	<b>499</b>

(\*) Projections of owner/renter split based on 1994 Survey data, as compiled for the 1996 Affordable Housing Study. Source: Sedway Consulting/ Sedway Group, 1999

Growth at other employment centers in the HTZ will also generate housing demand during this period. Detailed study of the affordable housing needs generated by such growth is beyond the scope of the RCID's Comprehensive Plan. However, the District supports and encourages efforts by the East Central Florida Regional Planning Council to assess these needs further. The District encourages other large employers in the Orlando area to assist in mitigating increases in affordable housing demand.

## RCID HOUSING PROGRAMS

As required by Chapter 163, Part II, F.S., the District has facilitated the provision of affordable housing in the past and will continue to do so in the future. The overarching goal of the District's housing programs is to reduce the share of unmet affordable housing needs within the Housing Target Zone that is attributable to employment growth within the District. Policies in the Element provide specific direction on how this goal may be achieved. The RCID's activities are specifically targeted to "low" and "very low" income households as defined in Chapter 420 F.S., for the Orlando Metropolitan Statistical Area (MSA). In addition, efforts have been directed toward increasing the availability of public transportation between the RCID and affordable housing projects elsewhere.

### EXISTING ACTIVITIES

#### District-Sponsored Activities

**Participation in Regional Housing Forums and Research Efforts.** The District is an active participant in regional programs to increase opportunities for affordable housing within the Orlando MSA. The District assisted the East Central Florida Regional Planning Council in its effort to create a regional housing data base. In 1990, the District worked cooperatively with the Orange County Housing Finance Agency on a bulk mortgage refinancing program which created a funding source for up to 1,200 affordable home mortgages.

**Reservation of Water and Sewer Capacity.** Since the early 1990s, the District has reserved 100,000 gallons per day of capacity at its wastewater treatment plant for affordable housing either within or adjacent to its boundaries. The reserved capacity may only be used for projects which have at least half of their units reserved for "low" income households and the remaining units for "moderate" income households.<sup>5</sup>

In 1997, the RCID received a request by Trammel Crow Residential Corporation to use the reserved wastewater capacity (and to receive RCID water service) for a proposed affordable housing project north of the Magic Kingdom Service area. The project is presently under construction and will provide more than 250 affordable apartments. RCID has also negotiated a request by Trammel Crow to defer the interest payments on the water and wastewater connection fees for five years to help lower the front-end development costs.

**RCID Stormwater Fee Modification.** RCID has the authority to assess drainage fees for certain property within Reedy Creek's drainage basin but outside District boundaries. These fees are normally paid prior to construction. The District has offered to allow the fee to be paid over a five-year period with no interest

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<sup>5</sup> Additional provisions for the use of the reserved wastewater capacity apply. See Policy 4.5 for details.

charges for qualifying affordable housing projects. This reduces front-end developer costs and enables more affordable rental and for-sale prices. This incentive may be offered in the future for projects, contingent on their location within the fee assessment area and site-specific considerations and interlocal agreements.

**Recycle Plus.** The Recycle Plus program provides leftover building materials and other valuable items from Walt Disney World development projects to nonprofit affordable housing producers and agencies. Remaining building materials, furnishings, plumbing fixtures, electric panels, transformers, carpeting, and appliances from Disney projects are currently donated to:

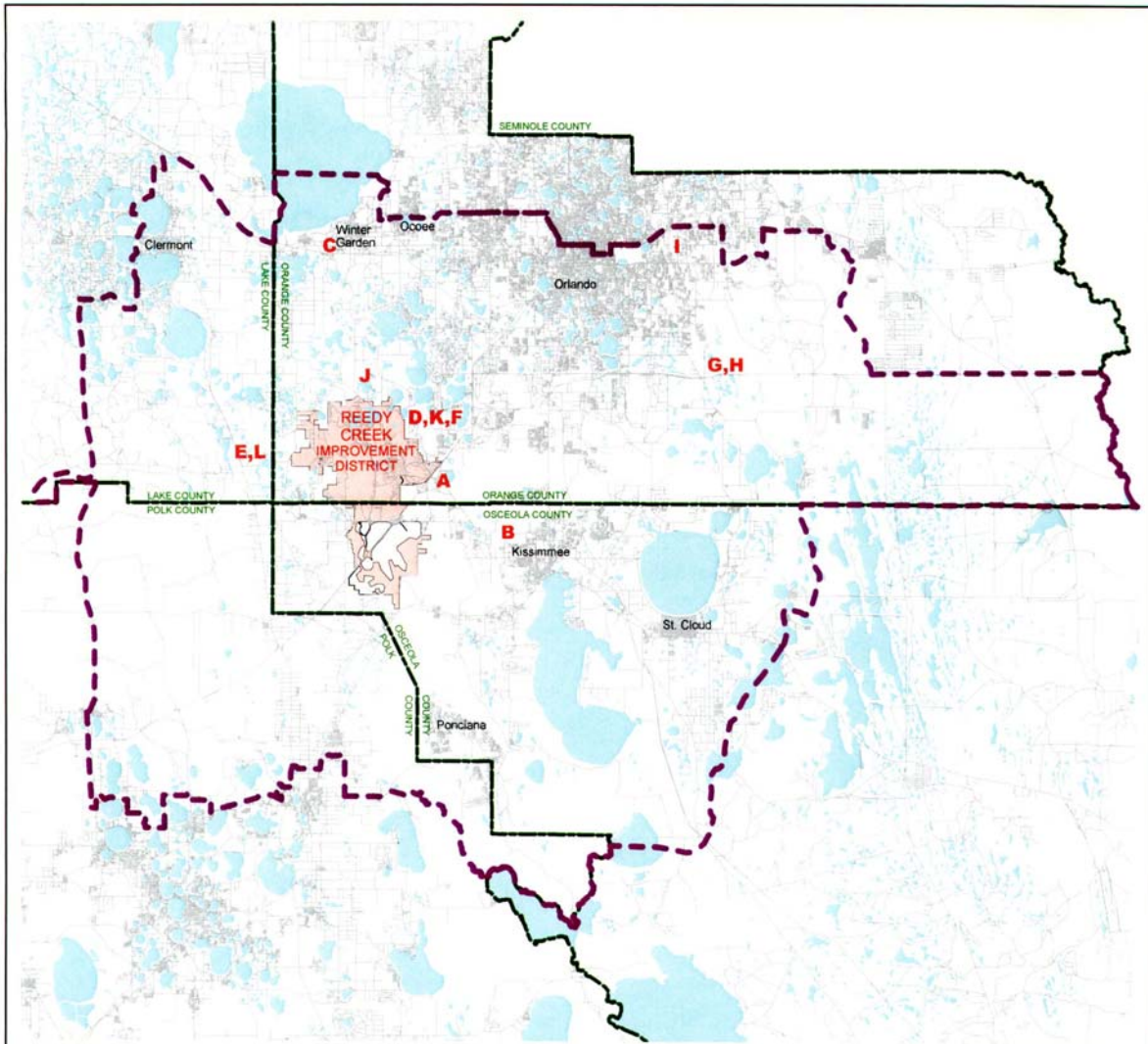
- *Orange County Community Distribution Center*, an organization that receives, warehouses, and distributes donated materials to “low” and “very low” income households and nonprofit homebuilders for use in affordable housing projects. The program provides substantial savings in remodeling older homes and is particularly beneficial to “very low” and “low” income homeowners in Orange County.
- *Osceola Council on Aging*, an agency that provides remodeling and repair assistance to elderly homeowners in Osceola County.



Approximately 23,000 tons of construction material were donated in 1996. In addition to assisting in the production of new affordable units, Recycle Plus substantially assists in maintaining and extending the life of the existing affordable housing stock for “low” and “very low” income households.

#### **Activities by the Primary Employer**

**Vista Way.** Vista Way is a 408-unit apartment complex that was developed by the District’s primary employer on land formerly within RCID boundaries at the southwest corner of I-4 and SR 535 (see Figure 4-4). The parcel was deannexed from the District in 1990. The primary employer continues to own and operate the apartments for Disney employees and students of the Disney College Program. The RCID will encourage the primary employer to develop similar housing for employees in the future.

**Low Income Housing Tax Credit Purchases.** Since adoption of the 1991 RCID Comprehensive Plan, the District’s primary employer has supported the production of 1,117 affordable housing units through its purchase of Low Income Housing Tax Credits (see discussion on “Development Cost Subsidies”). Between 1990 and 1995, the primary employer served as the equity purchaser of LIHTCs to support the development of the Country Gardens (184 units) and Reef Club (560 units) Apartments, both within the Housing Target Zone. Tax credits for a third complex -- Mystic Pointe -- added another 373 units to this total after 1995. Mystic Pointe is located just outside of District boundaries on SR 535. All of the units are offered at affordable rates and many of the tenants are employed within the District. The location of these projects is shown in Figure 4-4.



<b>Legend</b>  Target Zone Boundary  County Boundary	<b>Affordable Apartments Sponsored by the Walt Disney Co.</b> A. Vista Way, 408 Units B. The Reef Club, 560 Units C. Country Gardens, 184 Units D. Mystic Pointe, 372 Units	<b>Other Affordable Apartments</b> E. Aurora at Southlake, 434 Units F. Buena Vista Point, 324 Units G. Commander Place, 216 Units H. Lee Vista, 285 Units I. Club Goldenrod II, 220 Units J. Buena Vista Place, 265 Units	<b>Proposed Affordable Apartments</b> K. Mystic Pointe, 265 Units L. Southlake, 3,566 Units
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**Figure 4-4**  
**Existing and Proposed Affordable Apartments**  
**Within the Housing Target Zone**



Prepared by: RCID Planning and Engineering

Reedy Creek Improvement District Comprehensive Plan - 2008  
 Supporting Data and Analysis  
 HOUSING ELEMENT

The District's primary employer is encouraged to continue investments in federal tax credits and to take similar actions which facilitate affordable housing development. Credit for housing produced through such programs should be granted to the primary employer even if the units are produced before the need actually exists. Further direction on "banking" of affordable housing credits is contained in Policy 5.7 of this element.

**Osceola County Downpayment Assistance Program.** The District's primary employer contributed \$300,000 towards Osceola County's downpayment assistance program in the early 1990s in conjunction with development of the Celebration New Town on land formerly within the RCID. Provision of additional downpayment assistance is encouraged in the future.

**Second Harvest Food Bank.** This program was initiated in the early 1990s by the primary employer. It provides 25,000 to 40,000 pounds of food per month to emergency shelters and households in need. Surplus food and meals prepared at the theme parks and resorts are donated to the food bank for distribution. Second Harvest provides a means of defraying food costs and providing more disposable income for shelter. It provides direct benefits to "very low" income households.

## FUTURE ACTIVITIES

### Rental Housing Production

The findings of the Affordable Housing Study Update (April, 1999) found that both the rental vacancy rate and the supply of planned rental units have declined since 1995. Consequently, new "low" and "very low" income employees may have a more difficult time obtaining suitable rental housing in the future than they have had in the past. Although a relatively large number of units are planned, new employees at RCID will be competing for this housing with other new employees elsewhere in the Orlando region.

The original RCID Affordable Housing Study (1996) identified three potential methods through which the District and its major landowners could create affordable rental housing: development cost subsidies, direct rent subsidies, and contribution of operating funds to nonprofit developers. The first of these methods was determined to be most appropriate for future housing activities. The 1999 Affordable Housing Study update (Appendix C of the Comprehensive Plan) should be used as a guide for determining the quantity of units to be produced.

**Development Cost Subsidies.** This approach involves creating affordable housing units using federal Low Income Housing Tax Credits (LIHTCs). Through the purchase of such credits by the major landowners, new units can be built at a much lower cost than market rate units. The reduced capitalization costs are passed on to the renter in the form of more affordable rents. Due to economic conditions in the Orlando market, LIHTC units appear to make sound economic sense. The tax credit enables a subsidy which potentially can even make the units affordable to "very low" income households. This situation is not replicated in high-cost housing markets, where the tax credit alone is not sufficient to create lower rent units or an economic break-even status.

To mitigate the effects of increased employment, the RCID will encourage the major landowners to arrange for the purchase of LIHTCs for one or more planned but unbuilt projects within the Housing Target Zone. This approach has the advantage of enabling production to be directly tracked and credited to the mitigation

activities of the primary employer in the RCID, and provides the flexibility to invest in projects sponsored by both for-profit and nonprofit entities. To the extent feasible, the equity contribution by the landowners should enable the units to be made available to households earning 50 percent of the median income (as opposed to 60 percent).<sup>6</sup>

**Other Strategies Considered.** The Affordable Housing Study considered three other mitigation measures for rental housing that were deemed not appropriate for the RCID. A housing trust fund was considered but determined infeasible due to its high administrative costs relative to potential revenues. Direct rent subsidies were considered but were found to create an ongoing expense for the subsidizer and inefficiencies over the long term. The other approach deemed not appropriate was the contribution of operating funds to one or more local nonprofit housing developers. The disadvantage of this approach is that it would be difficult to monitor and track the results of the contributions in terms of number of units produced. It would also be difficult to ensure that benefits accrued within the HTZ.

### **For-Sale Housing Production**

The 1996 Affordable Housing Study analyzed three approaches for for-sale housing that have been successful in Florida and other parts of the country as described below. Two of the approaches were considered viable and are discussed below. A third -- direct development subsidies -- was considered less viable because it required subsidizing particular housing developments, thereby limiting the buyer's choice of unit. Although the District's housing program emphasis is on rental housing, the following strategies were determined to be viable and will be considered during future years (using the 1999 Affordable Housing Study Update as a guide for production targets). These programs are in addition to the existing programs benefitting homeowners, such as Recycle Plus.

**Silent Second Mortgages.** A silent second mortgage finances the gap between what the household can afford for the unit and the actual sales price. This approach can be applied to both newly constructed and existing housing units. Under this approach, an organization makes a silent second mortgage loan and repayment is deferred until the unit is resold. The second loan is repaid upon resale using sale proceeds, thereby recycling the money for another "very low" or "low" income homebuyer.

The advantages of this approach are that it can achieve significant leverage and can enable the subsidy to be recycled (i.e., a revolving loan fund). A disadvantage is that it presumes that house price appreciation will be sufficient to cover the silent second principal balance upon resale. If the market turns down and the resale price is low, sufficient funds for repayment may not be generated.

**Downpayment Assistance/ Credit Enhancements/ Interest Rate Subsidies.** Organizations can also assist "very low" and "low" income homebuyers by arranging for zero downpayment loans and/ or creating various forms of credit enhancements or interest rate subsidies to benefit the buyer. *Downpayment assistance* is most effective in cases where the eligible household is able to qualify for a mortgage but is unable to save the money for a downpayment. *Credit enhancements* and loan guarantees can reduce the mortgage interest rate,

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<sup>6</sup> The number of LIHTC units may be reduced based on pending tax credit purchases at Buena Vista Place (under construction), or based on rental records from tax credit projects built between 1990 and 1998 which indicate that "very low" income households are already occupying such units at affordable rents.

enabling “borderline” households to qualify based on their income. *Interest rate buydowns* or subsidies have a similar effect, enabling otherwise borderline buyers to afford moderately priced housing units.

If implemented on a stand-alone basis, these programs work best when the targeted households earn just below the level needed to afford the unit without assistance. “Low” income households are a more viable target than “very low” income households. The downpayment assistance can be helpful to “very low” income households if coupled with other approaches, such as development subsidies.

### **Other Activities**

In addition to activities targeted to housing production, the District will take the following measures to address affordable housing needs:

**Improved Data Collection on “Very Low” Income Households at LIHTC projects.** In an effort to better estimate unmet housing needs for “very low” income households, the District will conduct a records rental search at several LIHTC projects in the RCID vicinity, including Country Gardens, Reef Club, and Mystic Pointe Apartments. The purpose of this search is to determine the number of “very low” income households (50 % of MSA median) residing in these projects and paying affordable rents. RCID should credit the number of units occupied by such households towards its target for the next five year period.

**Updates of the Affordable Housing Study.** The District will update the Affordable Housing Study data using the methodology outlined in the study on a biennial basis. When Year 2000 Census data becomes available, the District should review and revise as necessary the entire methodology, particularly with respect to the HTZ boundaries.

**Integration of RCID Activities with State and County Programs.** The District will integrate its affordable housing activities with State and County programs such as the State Apartment Incentive Loan (SAIL), State Housing Initiative Partnership (SHIP), and Home Investment Partnership (HOME) Programs. Additional coordination with nonprofit developers benefitting from these programs will be pursued. Although RCID is not eligible to receive these funds directly, the District could provide water and sewer service to nonprofit developers producing housing through these programs. This could further improve affordability and provide benefits that would be difficult to accomplish through one program alone. The District's involvement in such activities is supported by Policy 6.5 of this element.

**Interlocal Agreements.** In addition to the programs listed above, policies in this element support interlocal agreements with Orange, Osceola, Lake, and Polk Counties addressing:

- Development of GIS inventory data on existing, planned, and potential affordable housing units; and
- Annexation and deannexation policies, relative to the transportation of employees working within the District to and from affordable housing areas.

In addition, the District should consider partnering with the counties to develop performance standards, policies, and developer incentives which encourage and facilitate the development of innovative and affordable housing.

## Credit for “Oversupply” of Affordable Units Produced After 1991

As previously noted, the RCID’s major landowners financed 1,117 units of affordable housing through Low Income Housing Tax Credit programs between 1991 and 1997. Some 744 units were produced prior to 1995 and 373 units were produced after 1995. According to the District’s 1996 Affordable Housing Study, the quantity of units produced between 1991 and 1995 actually exceeded the “unmet need” attributable to employment growth within the District during that period. Excluding these projects, the estimate showed an unmet need of 160 units for “low” and/or “very low” income households attributable to employment growth in the District between 1990 and 1995.<sup>7</sup> Thus, the District’s major landowners may have “overproduced” 584 units of assisted rental housing for “low” income households during this period.

Some of the units in the Tax Credit projects built during the 1990s may actually be serving “very low” income households. If a rental records search indicates that occupants of these complexes are “very low” income and are paying less than 30 percent of their income in rent (i.e., meeting the HUD definition of affordability), the District should be credited for producing “very low” income units as well as “low” income units. The credit may be used to reduce the number of Low Income Housing Tax Credit units required to cover unmet “very low” income housing needs during the 1998-2003 period.

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<sup>7</sup> Includes 130 units for “very low” income households and 30 units for “low” income households.