
Economic Development Plan

Trend Analysis
Issues & Constraints
Economic Development Strategies

Trend Analysis Population

- According to United States Census and Claritas, Inc., the study grew from 6,199 residents in 1990 to 7,778 residents in 2000. Analysis of housing data shows that a majority of the growth resulted of occupying units that were vacant in 1990 and to a lesser degree the construction of infill housing.
- As shown below, Claritas Inc. estimates that the study area should grow to 8,175 residents by 2006 or a 23.5% gain since 1990. SPG estimates that most of the 2001-6 growth is anticipated to result from an increase of infill housing.

Population: 2006 Total.....	8,175
1990 Total.....	6,199
1980 Total.....	5,522
% Change 90-01.....	23.5
% Change 80-90.....	12.3
Households: 2006 Total.....	2,319
1990 Total.....	1,772
1980 Total.....	1,453
% Change 90-01.....	22.5
% Change 80-90.....	22.0

- Claritas Inc. has estimated the income characteristics of the Study area. As shown below, Claritas estimates that the area's per capita income was \$11,763 in 2001, a 67% increase over 1989. Average household income is estimated to be \$41,375.

Per capita inc.: 2001.....	\$11,763
1989 (Census)..	\$7,044
% Change 89-01.	67.0
Avg. hhld inc.: 2001.....	\$41,375
1989 (Census)..	\$24,588
% Change 89-01	68.3
Med. hhld inc.: 2001.....	\$36,978
1989 (Census)..	\$22,114
% Change 89-01.	67.2
Med. Family HH inc.: 2001.....	\$40,067
1989 (Census)..	\$23,862
% Change 89-01.	67.9

Source: Claritas Inc., 2002

Trend Analysis

Population

The following shows the estimated distribution of household income for the Study area. Approximately 30% of households have household incomes of less than \$20,000.

2001 Households by Hhld Income:.	Number	%
■ Under \$10,000.....	264	12.2
■ \$ 10,000 to \$ 19,999.....	377	17.4
■ \$ 20,000 to \$ 24,999.....	118	5.4
■ \$ 25,000 to \$ 29,999.....	186	8.6
■ \$ 30,000 to \$ 34,999.....	75	3.5
■ \$ 35,000 to \$ 49,999.....	462	21.3
■ \$ 50,000 to \$ 74,999.....	388	17.9
■ \$ 75,000 to \$ 99,999.....	183	8.4
■ \$100,000 to \$149,999.....	91	4.2
■ \$150,000 and Over.....	21	1.0

Source: Claritas Inc., 2002

While 2000 Census income data was not available at the time of this report, a review of 1990 Census data provides some insight into household income. In 1990, 47.4% of the households had 2 or more workers per household. Thirty-eight percent (38%) had two wage earners and 19% had 3 or more workers.

The median household wealth of the area is limited. Claritas estimates that median^[1] wealth is only \$40,686, which demonstrates the weakness of the area's residents to buy market grade housing. Forty-four percent (44%) of the households have household wealth of less than \$25,000, which would not be sufficient for down payment and closing costs on a conventional mortgage.

2001 Households by Hhold Wealth:	Number	%
■ Less than \$25,000.....	956	44.0
■ \$25,000 to \$49,999.....	204	9.4
■ \$50,000 to \$74,999.....	143	6.6
■ \$75,000 to \$99,999.....	144	6.6
■ \$100,000 to \$149,999.....	182	8.4
■ \$150,000 and 249,000.....	220	10.1
■ \$250,000 and 499,000.....	225	10.4
■ \$500,000 and 749,000.....	63	2.9
■ \$750,000 and 999,000.....	17	0.8
■ \$1,000,000 and over.....	14	0.6

Source: Claritas Inc., 2002

[1] Median implies that 50% of the household's had lower income and 50% had higher income

Trend Analysis

Expenditures

SPG obtained an 2001 expenditure analysis from Claritas, which compares the area relative to the overall US economy. The Study area exhibited five (5) expenditure patterns that exceeded national expenditure patterns.

The area residents spent more for food at home, purchased more Girl, Boy and Infant Apparel, while matching the national average for lawn supplies.

The first four categories can be explained by the area's demographic characteristics, i.e. its larger household size (more children) and lower income (eating at home).

2001 Expenditures by Selected Product Categories(in thousands of dollars):(\$000s)	U.S. Index
Food at Home	\$10,084 102
Food Away From Home	\$6,298 71
Alcoholic Beverages at Home	\$1,127 72
Alcoholic Beverages Away From Home	\$1,063 69
Personal Care Products	\$1,050 94
Personal Care Services	\$623 98
Nonprescription Drugs	\$344 93
Women's Apparel	\$2,126 78
Men's Apparel	\$1,225 76
Girls' Apparel	\$636 105
Boys' Apparel	\$525 111
Infants' Apparel	\$321 115
Footwear (Excl. Infants)	\$885 93
Housekeeping Supplies	\$566 89
Lawn/Garden Supplies (Incl. Plants)	\$338 100
Domestic Services	\$250 72
Household Textiles	\$752 62
Furniture	\$905 61
Floor Coverings	\$490 65
Major Appliances	\$839 63
Small Appliances & Houseware	\$1,084 59
TV, Radio & Sound Equipment	\$2,540 74
Transportation	\$7,750 65

Source: Claritas Inc., 2002

Trend Analysis Expenditures

It should be noted that while Lawn and Garden supplies equaled the national index, it is below the average for the county and state as a whole. Expenditure by Store Type provides information as to how area stores are performing. As shown below all store types under performed the national average (index). Grocery and shoe store sales were the only categories approaching the national average.

2001 Expenditures by Selected Store Type (in thousands of dollars):	U.S. (\$000s)	Index
■ Building Materials & Garden Equip.	\$1,009	63
■ Hardware Stores	\$75	63
■ Lawn/Garden Equipment/Supply Store	\$360	67
■ Home Centers	\$231	62
■ Gasoline Stations w/Convenience Store	\$2,544	84
■ Gasoline Stations w/out Conven. Store	\$1,144	80
■ Grocery Stores	\$10,721	96
■ Health & Personal Care Stores	\$2,145	86
■ Eating Places	\$4,594	73
■ Drinking Places	\$386	69
■ Department Stores (Excl. Leased)	\$5,044	78
■ Clothing & Clothing Accessory Store	\$2,579	77
■ Shoe Stores	\$499	94
■ Furniture	\$827	62
■ Other Home Furnishing Stores	\$567	58
■ Household Appliance Stores	\$272	67
■ Radio/TV/Other Electronics Stores	\$641	69
■ Computer & Software Stores	\$242	70
■ Electronic Shopping & Mail Order	\$1,212	70

Source: Claritas Inc., 2002

Trend Analysis Labor Force

Labor Pool

- Detailed employment statistics from the 2000 Census were not available at the time of this reports preparation. However, in review Claritas 1990 CIn 1990, 38% of the residents 25 years of older had not graduated from high school and only 3% had a four year college degree or higher.

1990 Educational Attainment for Population 25+ Years:	3,456	%
Less than 9th Grade.....	1,086	31.4
9th to 12th Grade, No Diploma..	1,265	36.6
High School Graduate.....	644	18.6
Some College, No Degree.....	273	7.9
Associate Degree.....	83	2.4
Bachelor's Degree.....	83	2.4
Graduate or Prof. Degree.....	22	0.6

The occupational characteristics of the study area were fairly diverse in 1990 as shown below.

1990 Occupation.-Employed pop. 16+:	2,709	%
Managerial/Prof. Spec.....	187	6.9
Exec/Admin/Managerial.....	55	2.0
Professional Specialty.....	132	4.9
Tech./Sales/Admn. Support.....	564	20.8
Technician and Related.....	46	1.7
Sales.....	169	6.2
Administrative Support.....	349	12.9
Service Occupation.....	995	36.7
Private Household.....	108	4.0
Protective Service.....	29	1.1
Other Service.....	858	31.7
Farming/Forestry/Fishing.....	225	8.3
Precision/Craft/Repair.....	285	10.5
Operator/Fabricators/Laborer..	453	16.7
Machine Op/Assem./Inspect....	152	5.6
Trans. & Material Moving.....	156	5.8
Handlers/Helpers/Laborers....	145	5.4

Source: Claritas Inc., 2002nsus data for the study area one can gleam an understanding of the economic underpinning of the areas.

Trend Analysis

Employment Base

Industry Mix

The industry mix for which area residents are employed was fairly diverse in 1990 as shown below.

1990 Industry-Employed Pop. 16+:	2,713	%
■ Agriculture/Forestry/Fisheries	154	5.7
■ Mining.....	0	0.0
■ Construction.....	225	8.3
■ Manufacturing-Nondurable Goods	67	2.5
■		
■ Manufacturing-Durable Goods...	185	6.8
■ Transportation.....	126	4.6
■ Communications and Public Util	62	2.3
■ Wholesales Trade.....	44	1.6
■ Retail Trade.....	489	18.0
■ Finance/Insurance/Real Estate.	146	5.4
■ Business and Repair Services..	169	6.2
■ Personal Services.....	285	10.5
■ Entertainment/Recreation Serv.	61	2.2
■ Professional and Related Serv.	619	22.8
■ Public Administration.....	81	3.0

Source: Claritas Inc., 2002

Issues and Constraints Summary

The purpose of this section is to address issues and constraints that could impact the economic development of the area.

Housing

- The area's mixture of owner and renter housing is an issue for future redevelopment. With the exception of the area's two public housing developments (Carver Estates and Auburn Trace), which are the area's only two larger multi-family complexes, the area's rental market is mixed throughout single-family neighborhoods/blocks. Rental units take the form of single and duplex single family residence as well as small apartment complexes.
- As a general rule, a mix of this type of rental housing within an otherwise single-family ownership neighborhood tends to destabilize the land values of ownership housing. This is usually due to the fact that renters do not have the same investment level in the unit or neighborhood as a homeowner. A renter is less likely to maintain the presence of the home and lawn, which can in turn impact the overall appearance of the neighborhood. This appears to be the case in several of the neighborhoods comprising the study area especially in the areas from West Atlantic to 2nd Avenue.
- A major effort needs to be undertaken to stabilize those areas that currently remain 90% or greater in home ownership. These should be areas where programs are designed to return the blocks to 100% ownership. The next area of concern is the transitional areas where ownership has fallen to between 70%-89%.
- In an attempt to stabilize these "ownership" areas, care needs to be taken to ensure a range of housing product. More market grade housing should be promoted. Care needs to be taken to ensure that the area is not labeled a "lower income housing" area but rather a moderate-income housing area.

Codes and Enforcement

- Building and land use codes were repeatedly referenced as problems within the community. The area seems to have problems with stray animals, overcrowded dwelling units (which leads to a parking problem), excessive noise and garbage dumping/pickup.
- **Drainage and Water Quality**
- Based on field work and feedback from residents throughout the public involvement process of the study, there appears to be major drainage problems throughout the area especially historic Frog Alley and areas east of 8th Avenue.
- The public water supply appears to have a high sulfur content, which stains buildings (resulting from sprinklers) as well as an odor problem. These "public infrastructure" issues, along with pedestrian access (sidewalks and crosswalks) and street lighting, needs to be addressed if the area is to stabilize as an area of moderate-income owner occupied housing.

Issues and Constraints Summary

Market and Employment

- The City of Delray Beach had a Market Analysis (October 2001) prepared for the Downtown, which included part of the study area. The study delineated eight clusters, of which 2 clusters contain part of the northern part of the study area (north of 1st Avenue).
 - The study analyze future retail and housing growth potential for the Downtown area and concluded that the area could support a total of only 14,858 square feet of retail space through 2010 ^[1]based on projected resident population growth of a 12 mile radius of downtown. This finding is consistent with SPG's fieldwork. The study area falls within the immediate 3-mile market of Linton Avenue retailers, which include major community (retail) centers including major grocery stores and large box retailers.
 - Cluster 1- West Atlantic Community incorporates an area from 1-95 to the west to NW/SW6th Avenue to the east and between NW/SW 1st Street. The southern part of this area impacts the northern part of this study area. The Marketek, Inc. classified this area "aesthetically ... lacks appeal" sighting unkempt storefronts, vacant lots, and unrelated mix of businesses. Existing businesses include numerous beauty-related (barber, stylist etc.), auto-related, meat/convenience markets and a funeral home.
 - Cluster 2 – Transitional Cluster incorporates the area from NW/SW6th Avenue to Swinson. This area includes the existing and expanding Government Center. The Southern portion includes the Police Station and County House Annex and the to be built Library. North of Atlantic includes the Fire station, Tennis Center and City Hall. Marketek classified the area "transitional" as this area has begun to attract growth from the East Atlantic Retail Node. The construction of Atlantic Grove and
 - new mixed-use development on the north side of West Atlantic should hasten the western growth of downtown.
 - With the exception of the northern part of the study area, which is zoned mixed use/residential and a small area on 10th Street west of 14th Avenue (light industrial), the study area is zoned residential. Therefore, other than home based employment, employment generation can only be accommodated within the two areas defined above. The light industrial area on 10th Avenue contains vacant developable lands, which should be protected and vigorously marketed/developed. The area workforce is well suited for this type of skilled/semi skilled employment. The commercial and mixed-use properties north of SW 2nd Avenue offer future commercial and retail (mixed use) potential for development. West Atlantic, as the main east-west entry to Downtown, has the potential to draw from a regional market including tourism. The area also has a strong existing government node, which has the potential to be exploited. With the construction of the new Library, the natural expansion should be west of the Police Complex. The southern part of the West Atlantic currently includes three restaurants, a funeral home, several small offices (including government related), and beauty-related stores.
 - Construction, both commercial and residential, is a major source of employment within Palm Beach County. Residential construction and rehabilitation is an ongoing endeavor within the Southwest Atlantic Community which generates hundreds of jobs. In addition, supporting employment including landscaping and housekeeping are required both within this community as well as adjacent neighborhoods.
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- ^[1] It should be noted that the Marketek study did not analyze retail absorption or the amount of inventory available in 2001. The amount of 2010 retail growth projected within the Report falls within the normal "vacancy" ratio for retail, meaning that it is possible for the growth to be accommodated within existing stores.

Issues and Constraints Summary

✦ **Transportation**

- ✦ Because 2000 census data related to transportation was not available at the time of this report, SPG analyzed the 1990 Census for trends. In 1990, twenty percent (20%) of the households had no vehicle transportation. This ranged for 4% for white residents to 21.6% for African-American households. This is important given the fact that local based employment is limited. Special attention needs to be given to bus stops and bus stop facilities to allow those without cars to access jobs outside this small community. Given the frequent nature of showers in South Florida cover facilities are required.

✦ **Community Services**

- ✦ Two major types of community services are needed for the area given its demographic profile. The large number of children (and female headed households) necessitates day care facilities throughout the area. In addition, after school recreation facilities are required. It was noted in the workshops that while the area has parks they are by design passive not active.
- ✦ At the other spectrum, the elderly need adult recreational facilities within the area. The area's high 65+ age group has expressed the need for such facilities within the community, as transportation is an issue with this age cohort.

✦ **Safety**

- ✦ One of the biggest concerns in the area is that of personal safety. There appears to be a drug problem within the area as well as vandalism. The existing lighting appears to be inadequate or repair of lights lacking. Concern was expressed about child safety (going and coming from school and after school hours). Part of the child safety concern involves lack of or disrepair of sidewalks and limited crosswalks.

✦ **Land Availability**

- ✦ While individual vacant lots are spread throughout the neighborhoods few parcels of 1 or more acres are currently available for development. As shown in the following section, land availability is critical if larger scale development is to occur with the study area.

Issues and Constraints Summary

Most commercial (office) and retail developments require a minimum development size to be economically viable. In planning terms this is called “critical mass” or enough economic activity to create significant customer demand or “traffic”. The following charts demonstrate the minimum space requirements for different development types.

Minimum Population Support

• Supermarket (small)	6,500
• Dry Cleaner	5,700
• Video Rental	11,400
• Beauty Salon	3,700
• Book Store	22,400
• Laundromat	5,800
• Movie Theater	29,000

Strategic Planning Group, Inc.

Retail

- **Neighborhood Center** (provide goods for day to day living and personal services) include grocery, laundry, dry-cleaning, hair-styling, shoe repair - used to include pharmacy
 - Average Size -- 30,000 - 100,000 leaseable
 - Average Acreage -- 3 to 10 acres
 - Rule of thumb - 10,000 sq. ft per acre
 - Trade area 1 1/2 mile circle, 5-10 minutes drive
 - Population 6,000 – 40,000

Strategic Planning Group, Inc.

Retail

- **Community Center** usually anchored by discount store
 - Average Size -- 100,000 - 300,000 leaseable
 - Average Acreage -- 10 to 30 acres
 - Trade area 3-5 mile circle, 10-20 minutes drive
 - Population 40,000 – 150,000

Strategic Planning Group, Inc.

Issues and Constraints Summary

The study area currently does not have available (assembled) sufficient land parcels to accommodate the level of development required below. It is unlikely that a developer will assume the risk of trying to assemble parcels of sufficient size to develop multi-family housing (rental or ownership), mixed use developments or commercial (office) /retail. Therefore land assembly or land banking will need to be undertaken by the public sector (CRA).

OFFICE

- Small office users
 - 16,000 - 20,000 square feet
 - Bldg usually 100 ft wide, 200 ft long
 - Parking 4 spaces per 1,000 sq.ft.
 - Medical require 6-7 spaces per 1,000 sq.ft.
 - Typical parking space - 300-350 sq.ft.
 - **10,000 sq.ft office -- 1 acre**

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APARTMENTS

- Average size -- 150-200 units
- **Average acreage -- 8-12 acres**
- Townhouse, 1 story apartment -- 10-15 acre
- Two-story garden apartments -- 20-30 acre
- Three-story -- up to 40 units per acre

Strategic Planning Group, Inc.

Issues and Constraints Summary

✦ Infill Housing

- ✦ Affordable housing is a national issue but construction examples from other areas have demonstrated that different housing styles can be affordably built in Florida. [1] As shown earlier in this report, the community has several stable neighborhoods (census blocks) with vacant parcels available. In addition, with assistance, the transitional neighborhoods offer more opportunities if stabilized (conversion of rental to ownership).

✦ Safety

- ✦ One of the biggest development risks appears to be linked to the community's image as a crime area and issues concerning public safety. While redevelopment itself can assist in remedying some crime by demolishing vacant substandard housing and replacing less desirable duplex or rundown housing, the issue of overall safety and public perception needs to be addressed (which is discussed later in this report).

✦ Infrastructure

- ✦ According to the comments received in the public workshops, there appears to be some infrastructural issues that can impact larger scale redevelopment. The biggest issue is water pressure and drainage, while plans on both issues have been developed, the issue is the timing of improvements

✦ Financing/Incentives

- ✦ The redevelopment of the Southwest Atlantic Community will require public/private sector partnerships including assistance with land assembly, public safety/infrastructure improvements, possible code strengthening/enforcement and assistance in financing and/or financial incentives.
- ✦ The community has already received considerable public sector assistance and grants including Weed & Seed, Front Porch and Community Development Block Grant programs. The study area also falls within the City's Community Redevelopment Area and is subject to tax increment financing. While these resources will need to be continued additional resources/incentives should be explored. [1] A good example is the Paramore Community in Orlando, Florida that has several two story small lot single family home styles.

Economic Development Strategies

✦ **Employment Opportunities**

- ✦ The issue of employment generation and workforce development is complex. At a neighborhood or community level, it involves two distinct spatial views, locally generated jobs (within the community) and externally generated jobs.

✦ **Within Southwest Atlantic Community**

- ✦ Five areas of job creation/expansion are possible within the community itself. The first and immediate area of income generation is from home based enterprises and micro-enterprise businesses. Micro Enterprises are usually single entrepreneurial efforts that can be housed in existing residents. Examples of successful micro enterprises in distressed neighborhoods include: African or Caribbean clothing design, photography, leather crafts, catering, carpentry, landscaping, and pest control. One of the fastest growing and successful programs supported by grants was training of inner city minority residents to become Web page designers.
- ✦ While the county has several programs tailored to assist in the development of these types of enterprises the area needs, a single organization to “champion” these resources and become the point of contact between County/State Agencies and the local community.
- ✦ The second area of future employment activity is the Light Industrial/General Commercial zoned property along 10th Street. The area has undeveloped parcels which, if developed, could produce employment opportunities for local residents.
- ✦ The third area of future employment generation is the Frog Alley area extending to 7th or 8th Avenue. With land assemblage, this area appears to have the most immediate development potential due to its proximity to the public sector employment node (most significantly the Court House Annex) and its location with respect to Downtown and I-95.
- ✦ The fourth area of potential employment is the Northwest quadrant (I-95 to 12th avenue down to 2nd Street). The zoning allows for commercial and mixed-use residential developments. The area offers sufficient land (assuming assemblage), that small office and retail space could be developed (ground level with residential above) thereby generating local employment.
- ✦ The last employment area is the on-going , and future expansion of, construction throughout the community. Construction, especially residential, usually involves small companies. Most of the skilled (and semi-skilled) labor is subcontracted and in most areas of South Florida these types of skilled labor are in demand. A small incubator in the area to help train construction skills or a apprenticeship program sponsored by an existing or future local CDC (for their construction projects) should be explored.

✦ **External to the Community**

- ✦ Most of the job opportunities for local residents will be located away from this area. A major issue impacting the community is access (the ability to get to a job). Based on the 1990 Census, as much as 20% of labor force might require public transit. Therefore convenient, covered bus stops are needed in the area as well as servicing current and future employment nodes. Access is also critical for those seeking manpower training.

Economic Development Strategies

Economic Development

✚ **Employment Training**

- ✚ Employment training is a major issue throughout Florida. The study area needs to ensure that facilities, equipment and mentors are available locally. While some facilities currently exist in the area (Carver Estates), the new public library, proposed middle school and Strong Center, all afford the opportunity to develop areas where computers and tutorship can be made available to increase local skill levels.
- ✚ It is recommended that local institutions, faith or private based initiatives, be strengthened and expanded in the areas of adult literacy and workforce etiquette. While the County has workforce training programs through its Workforce Development Board, the area could benefit from a local “champion” to act as a coordinator between existing providers and local residents. The role could be expanded to act as a manpower placement organization supplying local or surrounding businesses with resident employees.

✚ **Ready 4 Work**

- ✚ A major employment issue in Florida is finding employment for ex-offenders. The Federal Government (U.S. Department of Labor’s Center for Faith-Based and Community Initiatives) has just announced a new national initiative “Ready 4 Work”. The goal of the initiative is to link businesses, clergy and corrections officials to help ex-offenders get rehabilitated and employed. An example of the initiative is Operation New Hope Community Development Corporation (CDC) in Jacksonville, Florida. The CDC renovates neighborhoods and provides jobs to ex-offenders, and in its first three years of operation has restored and sold 17 homes creating 40 jobs.

Economic Development Strategies

Residential Based Economic Development

Residential based economic development is a site-specific, self-sufficiency strategy designed to help nonprofit developers (including CDC's) create jobs and other income-generating opportunities for residents of their properties. Whether working as employees or contractors, residents find employment this way in such diverse areas as landscaping, vacant unit rehabilitation, and data processing. Activities such as the lease or sale of vacant units and land and profit sharing with commercial tenants can also create income-generating opportunities.

Unlike the neighborhood community revitalization efforts of some CDCs and similar organizations, the residential based economic development approach exclusively targets residents of individual housing developments. Nonprofit owners create these opportunities using resources they already control, such as the rent stream (or residents' monthly payments to help cover operating expenses), funds for rehab or construction, and physical space within properties. This economic development strategy is founded on four objectives:

Decrease Cash Outflows from Housing Developments. Whenever possible, nonprofit owners should purchase goods and services from sources within their housing developments, instead of "importing" them from other communities. This calls for nonprofits to hire residents of their properties as on-site employees; to sponsor activities that help create nonprofit- or resident-sponsored businesses that can contract with management and other residents to provide goods and services; and to utilize firms that agree to hire and train a certain number of property residents in return for the nonprofit owners' business.

Better Use of Space. Affordable housing developers should use available space to sponsor the delivery of much needed services or facilities, such as child care, GED classes, or a convenience store. This space can also be used to develop nonprofit- or resident-sponsored businesses.

Increase Cash Inflows. Nonprofit developers should also use available space to increase income to the property and residents by leasing space to paying commercial tenants, by entering into profit-sharing ventures with commercial tenants, or by providing services and products to outsiders. For example, if a developer uses an in-house painting crew, he can later "export" these services to other multifamily housing complexes. At Edgewood Terrace in Washington, D.C., an on-site computer learning center trained residents to use sophisticated mapping software - a skill residents have used to earn income from outside organizations.

Build Contracting Capacity. The ability to increase cash inflows is directly related to the ability of nonprofit- or resident-sponsored businesses to compete for work outside of the nonprofit-owned housing developments. By controlling the awarding of contracts, the nonprofit can "incubate businesses" by awarding work to residents over a period of time until they can develop the work and contract management experience to, among other things, secure bonding necessary to compete for larger contracts. The Rocky Mountain Mutual Housing Association, based in Denver, Colorado, is working to incubate painting, landscaping, and vacant unit rehabilitation business driven by its residents.

Economic Development Strategies

- ✦ A successful housing-led economic development strategy results in on-site job vacancies filled by property residents; contracts for goods and services awarded to nonprofit- or resident-sponsored businesses or outside firms that agree to hire property residents; and more social and retail services desired by residents of the targeted properties.
- ✦ The expanded opportunities that result from housing-led economic development not only help stabilize families by increasing their incomes, but also can stabilize the overall economic condition of housing developments. Providing more income for families results in more timely and complete payments to property owners. Timely payments allow nonprofit organizations to more adequately meet their financial obligations, fund much needed operating and replacement reserves, and spend less time and money collecting unpaid rents.
- ✦ Despite the great potential of residential based economic development, nonprofits seldom venture into this area. This may be the result of the perceived complexity of economic development work or simply the fact that nonprofits have their hands full with development and day-to-day operation of properties. Of course, housing-led economic development is not a cure-all for the complex problems facing nonprofit multifamily housing developers. But by understanding residents, their needs and skills, and through effective management of resources within the developers' control or reach, some people's lives will be changed for the better.
- ✦ **Creating A Residential Based Economic Development Plan**
- ✦ Gather, summarize, and analyze information about residents at targeted properties, through resident surveys, for example.
- ✦ Identify assets available for economic development; such as rents, rehab/construction funds, and physical space and the economic development opportunities created there from.
- ✦ Match resident skills, interests, and needs to available economic development opportunities.
- ✦ Evaluate the feasibility of sponsoring micro-enterprise and child care activities that help the economic development plan have its full impact.
- ✦ The CRA, working with local CDC, should explore creating a residential based economic development program in conjunction with developers of all three land assemblage areas each of which is either entirely residential or that that residential is a major component.

Economic Development Strategies

Resources

Economic Development Resources Currently Available Within Palm Beach County and the City of Delray Beach

- Most of the following Economic Development Resources are available to qualified companies locating or expanding in the City of Delray Beach:
- Qualified Target Industry (QTI) Tax Refund
- Urban Job Tax Credit
- Quick Response Training (QRT) Program
- Economic Development Transportation Fund

The Palm Beach County Black Business Investment Corporation (BBIC) is a non-profit organization formed in accordance with the Florida Small and Minority Business Act of 1985. The corporation was organized by the financial and business community of Palm Beach County for the purpose of providing business loans, bonding, equity capital and business services, and for developing job opportunities and other services to business enterprises owned by eligible black citizens. Ownership means 51 percent or more of any equity interests. Businesses applying for loan guarantees, bonding and/or equity investments are closely analyzed to assure viability and to ascertain that financing cannot be obtained through other sources.

The Business Loan Fund of the Palm Beaches, Inc. is a non-profit financial intermediary whose chartered purpose is to loan moneys to small businesses and community development agencies in Palm Beach County. The fund will receive and borrow capital from public and private investors to establish a countywide revolving loan fund that will provide below-market interest rate loans for small businesses, as well as community projects benefiting low- and moderate-income individuals and neighborhoods.

The Business Loan Fund of the Palm Beaches, Inc. will be able to offer loans to entrepreneurs and community agencies who have not been able to access necessary financial resources in the traditional lending market. The fund will work with applicants to prepare loan applications, polish business plans and ensure that prospective clients have adequate business training through such resources as local incubators. The fund will also offer smaller loan amounts, which cannot be secured in the banking system. The following loan amounts will be offered:

- Mini-micro - Youth Entrepreneurial (\$250 - 1,000)
- Micro - (\$500 - 5,000)
- Small - (\$5,001 - 50,000)
- Commercial Real Estate (\$50,000 - 500,000)

Economic Development Strategies

Resources

Other resources available include:

- Enterprise Development Corporation (EDC)
- Palm Beach County's Economic Development Department
- Palm Beach County Business Incubators
- Small Business Development Center at Florida Atlantic University
- Minority Business Development Center South Florida Manufacturing Technology Center

Federal Sources

- Though federal funding for redevelopment has been cut and though it still comes with complicated wage requirements, federal moneys do still exist. The cortisone of dilapidated downtowns, HUD's Urban Development Action Grant has been eliminated, but repayments of UDAGs can be used. Community Development Block Grants, as well as money from the Economic Development Administration (EDA), The Farmers Home Administration (FHMA) and the Small Business Administration (SBA) are still available, in some instances wide open for feasible projects.
- **EDA Grants and Loan Guarantees.** Most EDA grants are used in conjunction with other local, state or federal moneys for rehabilitating or constructing infrastructure and public works facilities as part of industrial or commercial development. EDA's two categories of grants include *public works grants* (for example, water, sewer and road improvements), which typically cover 50 percent of a project's costs, and *economic adjustment grants* for areas experiencing long-term or sudden, severe loss of jobs. Economic adjustment grants can cover up to 75 percent of a project's costs and can be used to fund, for example, incubator facilities or low-income housing projects. EDA funding is targeted to "highly distressed" locations and in about 65 to 75 percent of the cases, to rural areas.
- **Community Development Block Grants.** CDBG funds can be used for direct or secondary loans to developers; to fund loan guarantees; collateral; insurance costs on notes, bonds and loan fees; and for planning and administrative costs related to a city's development program.
- The objectives that must be met to receive CDBGs have become increasingly difficult to meet, however. CDBG-funded activities must meet one or more of three objectives: 1) benefit low and moderate-income people (60 percent of the people benefiting from the funded activities must be low or moderate income); 2) eliminate slums and blight; and 3) fill urgent community needs. Furthermore, union wage requirements imposed by federal legislation discourage use of the funds.
- Nevertheless, CDBG funds, administered by HUD, are still being used successfully in many redevelopment projects, including the City of Delray Beach.
- **CDBG Floats:** Under this concept, a Community Development (CD) entitlement grantee may take advantage of the unexpended moneys available in its CDBG line of credit for short-term financing needs for activities which are eligible for CDBG funding. Under this arrangement, the city would request the use of funds which have not been expended and will not be expended during the time-frame for which the CD float funds are needed. These funds are not dependent upon federal funding cycles and may be approved at any time during the year if sufficient unexpended moneys exist. This type of approach works well with construction financing for residential and commercial development projects. The CD moneys can be provided at below-market rates and thus making a project feasible. The construction period also represents the highest risk and thus most difficult portion of a project to finance.