



AFFORDABLE HOUSING

INTRODUCTION

Changing demographic and economic trends have significantly affected the affordability of housing. The growth of family income has not kept pace with the increase in housing costs, resulting in a drop in the rate of housing purchased by the very low- and low-income portion of the population.

While it is a prevalent misconception that affordable housing refers only to public or subsidized housing, in some cases it is difficult for even the moderate-income household to qualify for a home in today's housing market. The most common definition of affordable housing is housing that costs no more than 30 to 35 percent of a householder's income.

The Affordable Housing Element of the NEFRPC Strategic Regional Policy Plan reviews the issues of affordable housing, including need, demographics, available financing and the case of special housing needs for the elderly and disadvantaged. The principal questions that need to be answered are what resources are available and how can local governments work with the state,

federal government and the private sector to promote construction/rehabilitation of very low-, low- and moderate-income housing.

Housing is a universal concern that affects living conditions for populations in every county of the northeast Florida region. The most obvious factor relating to affordable housing is cost. Cost is usually associated with the size and the location of the house. It also may relate to the quality of the house construction, another factor affecting the quality of life that a home owner or renter may enjoy. These factors — size, location, and quality of construction — are three of the many factors that determine the cost of housing and in turn determine who lives where. What housing is



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affordable to one person may not be affordable to another. Therefore, affordable housing also can be thought of as “available” housing. If the cost of housing is beyond the financial means of workers in an area, then the housing is not available, no matter how many housing units in that particular area may be unoccupied or be listed for sale or rent.

Obviously, the availability of jobs and the ability to move through and around the area on the transportation network are two key components to the availability of housing, and in turn, affect the affordability of housing. Other issues of concern regarding traffic circulation in the planning area, as related to housing, include school busing, emergency services and travel time required to reach shopping and services.

Factors That Influence Affordable Housing

Housing Location

The concept of housing encompasses a greater scope than providing shelter for the family unit. Affordable housing also must address issues of providing safe, adequate living conditions for the elderly, impoverished and disabled. These concerns must not only include consideration for the cost of providing such living facilities, but also must address where and how to site such facilities so that the residents are not shunted off to the far corners or restricted to an isolated undesirable section of the community.

Infrastructure



Most of the unincorporated area in the northeast Florida region is

rural and under-developed. Not only does this condition affect the region’s ability to provide area-wide transportation, it also affects a county’s or municipality’s ability to provide central water and sewer. **It is a handicap in that the lack of central water and sewer increases the cost of residential construction.** Without a central waste/sewer system, builders must provide individual potable water and sanitary sewer systems for each newly constructed unit (house or group of houses). Where the numbers of homes being built as a development are too few to support the cost of constructing a central water/sewer system dedicated to the needs of the individual development, the lack of central water and sewer systems means that parcels of land available for construction must be developed at a density of no more than two units per acre, again raising the cost of development and “affordability.”

Demographic Trends and Conditions

The simple definition of affordable housing, as defined by the Florida Affordable Housing Study Commission Final Report, is that **no more than 30 to 35 percent of a family’s income should be spent on housing and housing-related expenses such as taxes, insurance, interest, and utilities.** For many in this region, this is not a problem; however, over 19 percent of all households in the northeast region spent more than 35 percent of their incomes on housing in 1990. The number of those households increased from 49,847 in 1980 to 62,432 in 1990 — a **25 percent increase.** This problem is particularly acute for those in lower income brackets. For example, almost 46 percent of the region’s

households earning \$20,000 or less spent 35 percent or more of their incomes on housing in that year; worse, over 58 percent of households earning less than \$10,000 spent 35 percent or more of their incomes on housing costs.

The northeast region's seven-county population reached one million in the late 1980s. During the period 1990 through 1995, 96,095 persons were added to the region's population. The University of Florida BEBR population projections indicate that the combined local governments should anticipate accommodating almost 99,000 new persons during the period 1995 to year 2000. As many as half of those new residents may require affordable housing not currently available.

Federal housing funds fell from 7.5 percent of the federal budget in the late 1970s to 1.8 percent in 1992. The 1986 Tax Reform Act extensively reduced incentives for developers and syndicates to generate the multi-family type housing required by many low- and moderate-income households. As a result, local governments are finding themselves limited with insufficient funding resources to provide for required infrastructure even to existing housing units, leaving them with no funding for affordable housing.

The demographics for the region reveal that **problems of affordability are most severe for very low-, low- and moderate-income, renter-occupied households, specifically elderly households and female-headed households with children; however, low- and moderate-income,**

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owner-occupied households are also experiencing high ratios of housing costs to ownership costs. As the 1990 Census of housing costs to income ratios reflect, 13.6 percent of all owners and 27.4 percent of all renters spent more on housing than the state-acceptable 30 to 35 percent of household income.

Population Socio-Economic Characteristics

Ratio of Regional Housing Costs to Income, 1990

Florida's Affordable Housing Study Commission established a standard definition of "affordable" as it applies to housing: no more than 30 to 35 percent of household income spent on housing. In 1990, 19 percent of all householders in the region spent 35 percent or more of their income on housing costs. Renter-occupied householders fared much worse than owners: over 27 percent of all renters spent 35 percent or more of their income on housing costs compared to 13.6 percent of all owner-occupied householders. Of the region's lower-income households (earning less than \$20,000 and accounting for 34 percent of all households), 45.6 percent spent 35 percent on housing; for very low-income households (earning less than \$10,000 and accounting for 15.3 percent of all regional households), 58.1 percent spent 35 percent of their income on housing costs.

While the ratio of income-to-housing-costs for all households



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dropped slightly during the 1980s (20.4 percent in 1980), lower- and very-low-income-household ratios increased during the decade.

Regional incomes are not keeping pace with the rise in housing costs. Even moderate-income householders are locked out of buying without a sizeable down payment. Without the down payment, monthly mortgage payments are unmanageable for lower-income householders. Incomes, cost of living, land and housing costs are generally lower in northeast Florida than those in south and central Florida. A large segment of the region's population still spends more than recommended "affordable" limits on housing costs, and indicate a definite need for development of different forms of affordable housing.

Average Household Size

The region's average household size has been shrinking over time. For the state, average household size was 2.45 persons in 1994, down from 2.55 in 1980 and 2.9 in 1970. Baker County continues to have the highest average household size in the state at 2.98, and Flagler County still has one of the smaller average

household sizes (2.39) similar to retiree counties in south Florida.

Age of Housing Units in the Region

Due of the long history of development within the northeast region, the region's housing stock is older than other areas of Florida. Over 6 percent of the region's housing units were more than 50 years old in 1990, compared to 3.9 percent for the state. Over 23 percent of the region's housing units were built during the 1970s when the region's population increased by over 20 percent.

Flagler County's housing units are newest in the region with 30 percent having been built during 1985-1988 and over 13 percent built in 1989 to March 1990. The majority of St. Johns County's housing units, 24.7 percent, were built

TABLE 1.1
Pct. of Households Spending 35%
of Income on Housing Costs

County	All Households	Households With Income <\$20,000	Households With Income < \$10,000
Baker	15.0	34.8	50.0
Clay	16.5	51.5	66.1
Duval	19.4	46.5	59.0
Flagler	20.5	53.2	67.6
Nassau	16.7	38.5	49.5
Putnam	18.2	33.4	47.7
St. Johns	19.7	46.2	57.9
Region	19.0	45.6	58.1



during the period 1980 to 1984. St. Johns County also has the highest ratio (7.6 percent) of housing units built before 1939. According to the 1990 Census, 26,760 of the region's housing units were built in 1939 or earlier.

Housing Tenure

On a national level, the home ownership rate has fallen since 1980 after increasing steadily for more than 40 years. In Florida, the ratio of homeowners to total occupied units dropped from 87 percent to 66 percent during the 1970s, then slightly rose to 67 percent in 1990.

Owner-occupied households account for approximately two thirds of the region's households. Region-wide, renter-occupied households accounted for approximately 33.7 percent of all households in 1990, up only slightly from 1980. Only in Clay, Duval and St. Johns counties did the ratio of renters increase during the 1980s; and Duval County continues to have the highest ratio of renters — over 38 percent.

Elderly Population

Northeast Florida is attracting a share of the elderly population moving to Florida, though not at the rate of south Florida; and the economic level of those senior citizens locating in northeast Florida is somewhat lower than of those moving to south and central Florida. Improved health care is increasing the life expectancy and therefore increasing the population of the elderly citizenry.

For many of these elderly citizens, retirement and pension programs of the 1980s are not keeping up with living costs of the 1990s.

The population aged 65 years and over in the region increased from 10.2 percent of all persons in 1980 to almost 13 percent in 1990. For the state, age 65 and over persons accounted for 18.8 percent of the population. The number of persons aged 65 and over increased by over 47 percent during the 1980s while the region's total population grew by 27.5 percent. **According to University of Florida (BEBR) projections, the 65 years and over population will grow by over 37,000 during the 1990s; a 37 percent increase compared to an 18.6 percent increase for total population.**

Table 1.2 presents 1990 Census counts of elderly households and the number of that group with incomes below \$10,000, below poverty level. Over 30 percent of the region's elderly households reported incomes below that level in 1990. These elderly households with below poverty incomes represent over 21 percent of all regional households with below poverty incomes.

Special Needs Persons

According to the 1990 Census, almost 12 percent of the region's population aged 16 years and over claimed a mobility or self care limitation. Of that mobility-challenged group of almost 75,000 persons, 66 percent were in Duval County. According to the

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1990 Census, Putnam and Baker counties had the highest ratios of persons with disabilities.

Female Heads of Household Families

In 1990, families in the region that were comprised of female-heads-of-households-with-children numbered 32,557, 12 percent of all families; (compared to 23,620 and 11 percent of all families in 1980).

Duval and Clay counties housed 80 percent of these households. The concentration of female-head-of-household-with-children households in Duval and Clay Counties is partly due to the availability of transportation and access to a wider variety of public assistance programs.

Census counts for 1990 of female-headed-household-families with children in the region are presented in Table 1.3 along with the numbers of those families considered to have been below poverty level (BPL in the table). Almost 82 percent of the BPL families in the female-headed families with children group were in Duval and Putnam counties.

TABLE 1.2

Regional Elderly Households with Income Below Poverty Level

County	Total Householder Aged 65 years & over	No. With Income < Poverty	Pct. With Income < Poverty
Baker	80	360	44.7
Clay	4,977	1,041	20.9
Duval	48,317	15,796	32.7
Flagler	4,450	642	14.4
Nassau	3,150	1,269	40.3
Putnam	7,782	2,839	36.5
St. Johns	8,605	1,903	22.1
Region	78,087	23,850	30.5

Housing Characteristics

Housing Values

While the overall cost of living is lower in the northeast region compared to areas in south and central Florida, housing values continue to rise in the region. Comparing 1980 and 1990 mean values of owner-occupied, non-condominium housing units indicates that housing values averaged an increase of over 100 percent during the 1980s. Household incomes in the region, however, increased by less than 90 percent.

Mobile Homes

During the 1970s the region experienced a 158 percent increase in the number of mobile homes while only a 44 percent increase in total year-round dwelling units, one early indication that householders were faced with a lack of other



housing options. During the 1980s, the region experienced an increase of almost 120,000 dwelling units, 32,760 of which were mobile homes. These figures amount to an increase in total units of 38 percent and over 107 percent in mobile homes. In 1980, mobile homes accounted for 9.6 percent of all units; by 1990 for 14.5 percent.

Manufacturers of new mobile and manufac-

permanency features, will continue to offer the economically attainable housing choice of many lower-income households in the region.

Substandard Housing

Substandard housing is identified by the Bureau of Census as structures which lack such facilities as full kitchens, heat and complete plumbing. In northeast Florida, lack of a heating

TABLE 1.3

Female-Headed-Household Families with Related Children

Total Families			Female-Headed Household Families with Related Children		
County	Number	Below Poverty	Total	Below Poverty	% of Total
Baker	4,483	591	535	285	53.3
Clay	29,839	1,601	2,126	726	34.2
Duval	178,052	17,391	24,078	9,549	39.7
Flagler	9,200	609	641	235	36.7
Nassau	12,247	1,012	1,067	404	37.9
Putnam	18,240	2,692	2,013	1,228	61.0
St. Johns	23,498	1,672	2,097	723	34.5
Region	275,559	25,570	32,557	13,150	40.4

tured homes claim increased safety, amenities, and aesthetic qualities in their products. Planned developments of quality mobile homes, such as those located in the Town of Beverly Beach, offer affordable and attractive housing options for at least moderate-income householders.

The traditional mobile home, often installed without a fully enclosed foundation and other

system can be a strong indicator of substandard housing. Conducting windshield-type surveys of housing conditions by community or neighborhood, during the comprehensive plan update process, would be valuable in identifying areas of substandard housing throughout the region. Data from the 1990 Census of housing is presented as an indication



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TABLE 1.4

Occupied Units with Substandard Characteristics

Total Occupied Units					
County	Total Occupied Units	Lacking Complete Facilities			More than One Person To a Room
		Kitchen	Plumbing	Heating	
Baker	5,554	16	53	23	366
Clay	36,663	111	95	203	1,012
Duval	257,245	1,227	1,139	1,547	11,137
Flagler	11,880	11	52	37	260
Nassau	16,192	85	79	70	598
Putnam	25,070	314	443	68	1,165
St. Johns	33,426	454	253	110	915
Region	386,030	2,218	2,114	2,058	15,453

of probable substandard housing. Table 1.4 presents that data reflecting that less than one percent of the region's occupied units are without the above amenities (a total of 21,843 units).

Impact of Crime on Housing Costs

Landlords hesitate to invest in properties whose values are diminishing and home owners find it difficult to acquire financing to accomplish needed repairs on homes in areas of high crime. Neighborhood crime is a major factor in the deterioration of a neighborhood and the subsequent loss of its homes, usually, to the very low- and low-income segment of our community.

Housing Authorities in cities such as St. Louis, New York and Chicago

have produced data that shows that as crime increases in an area, housing deteriorates and eventually drops from the housing inventory. This same trend is readily apparent in neighborhoods within the City of Jacksonville.

Various programs are in place and available to reduce the incidence of crime in local neighborhoods. The Springfield area of Jacksonville has instituted a program called "SCOP," which is a citizens' patrol of the community, conducted with the Jacksonville Sheriff Department's cooperation. "Neighborhood Watch" programs are in place further out of the central city and have proven to be effective in reducing neighborhood crime. The Jacksonville Sheriff's Department also is inaugurating innovative neighborhood programs such



as local stations on neighborhood school grounds and in larger food stores.

Local and State Initiatives

Local government commitment is a vital ingredient in creating and implementing workable methods to stimulate affordable housing through financial mechanisms. Communities throughout Florida and the rest of the country are assessing their needs and resources and are selecting the appropriate financial techniques to best address the lack of affordable housing in their areas. Some of these successful programs and techniques include:

Community Redevelopment Agencies (CRAs) — are local government created commissions that carry out community redevelopment and related activities. Pursuant to Florida Statutes, CRAs can be vested with the authority to (1) formulate community redevelopment plans which address downtown revitalization and development issues for slum and blighted areas; (2) issue revenue bonds which create tax increment financing districts; and (3) acquire, by condemnation, any interest in real property through the power of eminent domain. The Jacksonville Downtown Development Authority, acting in the capacity of a CRA, has adopted a five-year downtown housing strategy, identifying specific financing methods and incentives to accomplish its housing goals and objectives.

Community Development Corporations (CDCs) — The State of Florida allots funding for community based organizations formed to create and maintain a sound industrial base, to revitalize the health of established commercial areas, and to preserve and rehabilitate existing residential neighborhoods. These have been widely used in some areas in Florida to produce affordable housing.

Community Development Block Grants (CDBGs) — are a proven source of funding for infrastructure and rehabilitation and relocation programs in low-income areas. Awarding of CDBG grants is based on a competitive formula designed by HUD which weighs need factors of a given community such as population, income, unemployment level, and current housing conditions. Past and current CDBG programs within the region are targeted at improvements to deteriorating infrastructure; provision of basic services such as roads, water, sewer and drainage facilities; and rehabilitation of selected low-income housing units.

Historic Redevelopment/Preservation — The restoration and preservation of the region's historical resources should be an important part of community affordable housing activity. Historic preservation or redevelopment projects often imply gentrification of an area which can remove units from the affordable range. An historic preservation ordinance, however, could contain adequate

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controls to ensure that restored units remain affordable. Preservation goals should include the maintenance of a neighborhood's racial and economic mix. The State of Florida provides grants for historic preservation.

The State Housing Initiatives Partnership (SHIP) — The most recently inaugurated state program supporting affordable housing in Florida is the SHIP Program. The SHIP Program is part of the William E. Sadowski Affordable Housing Act that was signed into law on July 7, 1992. The act creates a comprehensive funding package for the purchase and rehabilitation of homes for the very low-, low- and moderate-income segment of home ownership.

Regulatory Opportunities To Support Affordable Housing

Local government building codes, subdivision regulations, zoning controls and development fees all contribute to the cost of developing and maintaining the housing inventory within a community. Most of these regulations serve important safety, environmental and budgetary goals; however, in the interest of increasing the affordable housing inventory, these regulations should be reviewed regularly to determine whether or not changes can be made to these rules in the light of new technology without diminishing the quality or safety of construction.

*A growing
segment is
single-mother
families with
children*

Linkages

Comprehensive Planning — The Northeast Florida Strategic Regional Policy Plan's Affordable Housing Element should reflect similar goals and objectives regarding the affordable housing issue as Chapter 9J-5, F.A.C. and the region's local government Comprehensive Plan Housing Elements. Development of affordable housing should be encouraged in urban

areas where public facilities and services that meet the needs of the very low- and low-income households already are in place. This is a case where local governments can provide incentives through greater density or development-fee considerations to direct development into preferred locations within its jurisdiction.

Developments of Regional Impact (DRIs) — Large developments with projects that generate job opportunities with incomes in the lower pay scales should be expected to contribute to the area's affordable housing supply. This could be manifested in several forms: the developer would provide on-site housing units in the range affordable to those low- and moderate-income employees, build equitable off-site units, or contribute to the community's affordable housing trust fund.

Partnerships

Partnerships link resources and expertise of business, government, and philanthropy in providing and renovating affordable housing. The formation of a non-profit public/private



partnership could address the need for affordable housing through many of the opportunities outlined in the preceding paragraphs.

In addition to the partnership between public and private entities, the advantages achieved through partnerships between two or more government jurisdictions can be significant. Joint government-to-government agreements and joint public/private partnerships could establish a better pool of resources and expertise in solving identified housing problems. A regional partnership formed in the region would function as a link between both the public and private sectors and as a coordinator between local jurisdictions. Among many general courses that could be pursued are the following:

Community Education — There exists a need to educate the community and public officials about the affordable housing need and the merits of a joint public/private partnership program. Within the region are diverse economies and housing needs differing from community to community. Public officials, industry, corporations, and community organizations all need to be brought into a common understanding of the region's efforts addressing the affordable housing issues.

State Lobbying for Affordable Housing — A well organized joint partnership could be effective in lobbying the state to award available funding first to those local governments striving to promote affordable housing and housing opportunities.

Inventory Vacant Land — A comprehensive inventory of select public land and buildings that could be considered potential direct public

donations for affordable housing or to land trusts should be conducted.

Interlocal Agreements — Government-to-government partnerships should be considered where two or more communities share similar housing need criteria. Multi-community and regional efforts will generate more resources and accomplish more goals.

Involvement of Non-profits — National and regional non-profit organizations have become increasingly prominent in virtually every aspect of low-income housing production. They are raising funds and funneling them to community-based revitalization projects; they help structure project financing, identify ways to cut construction costs, and encourage alliances between local nonprofit developers and state and local governments. Habitat for Humanity works to eliminate substandard housing worldwide and since 1976, its volunteers have built over 3,500 homes. The homes are sold at no profit and homeowners pay no interest on loans. Involvement of such successful organizations and implementing their proven strategies in the development of affordable housing should be part of a regional effort.

Housing Issues

Housing Value Mix — Any community and regional housing programs must encourage housing value mix, avoid discrimination in location of low- and moderate-income housing units and avoid discrimination in housing sales and rentals.

Restoration and Reversal of Housing Deterioration — All communities in the region contain neighborhoods of housing units that are in varying



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degrees of substandard condition and would benefit from a rehabilitation program. A joint public/private partnership program could be instrumental in engendering cooperation from banks to support rehabilitation programs in areas where tacit redlining has been and is still being practiced.

Restoration and Preservation of Historical Housing Resources — The seven counties within the northeast Florida region contain an abundance of historically significant structures. While some of these structures already have been preserved, others are in some state of decay. It is of great importance during northeast Florida's period of continued growth that the value of its historic heritage not be ignored. Historic structures can be adapted to valuable and important secondary uses as well as continue to serve in their original function as residences.

Ensuring That the Housing Needs of the Elderly Are Met — Many of the region's elderly have major problems regarding accessibility within their homes and the availability of resources for maintaining a home. Local governments, through the SHIP Program and other programs specifically oriented toward the elderly homeowner or renter, should target needy elderly homeowners for home repair and rehabilitation and elderly renters for rent support as an alternative to the cost of supporting many of these individuals in nursing home environments.



Affordable Housing Issues

STRATEGIC ISSUE: *How can the northeast Florida region encourage a balanced distribution of housing throughout the region's many jurisdictions?*

It is a generally accepted goal that the development of housing for very low- and low-income families not be concentrated in a single area or a specific set of areas. In order to enhance the quality of life and encourage the upward mobility of these income groups, housing programs must be established with the goal of dispersing these families throughout the region.

The recently established SHIP Program provides a means for participating jurisdictions to either develop new very low- and low-income housing in a widely dispersed manner throughout the county or to fund rehabilitation of existing homes that would provide improved very low- and low-income housing at selected site locations.

The U.S. HUD funded Section 8 Rental Assistance program has as a goal making rental properties available through a widely dispersed area for very low- and low-income rental residents. This program is directly opposite to the U.S. HUD rental programs of the 1960s and 70s which funded the construction of low-income "ghettos" where hundreds of very low- and low-income families were housed in isolated "projects."

STRATEGIC ISSUE: *What are the "root causes" of neighborhood deterioration and how can these causes be reversed?*

The deterioration of neighborhoods seems

to be a downward spiral of one incident leading to the next. The deterioration of inner city neighborhoods began in the late 1940s when the goal of every young family was to acquire a home of their own in the suburbs. As highway systems developed, access was improved to new buildable tracts of land outside of the city further fueling the movement to the suburbs. This rush of young wage earners to the suburbs left the previously desirable city centers to those individuals/families who wished to retain their ties to “old” neighborhoods and to those who could not afford to move elsewhere.

As inner city housing became less desirable, property values began to drop. With the concomitant loss of property taxes, governments no longer could provide the infrastructure and services needed to maintain safe and sanitary living conditions. The quality of housing within the city would continue to drop and property values would then drop even further until it would no longer pay for home owners and landlords to do even simple repair and maintenance. Houses are then abandoned and become havens for the homeless and criminal elements.

With the growth of population in the suburbs and outer city limits, road systems now are being taxed beyond their capacity to move traffic. The lengthy time-consuming commute from home to workplace is giving the suburbanite second thoughts regarding the desirability of living

outside the city. The local government faces the problem of how to make the inner city once again a desirable place to live when it has very little tax base from which to finance needed

infrastructure and service. It's a case of which comes first: the cart or the horse. If an area is redeveloped the tax base will increase, but until redevelopment occurs, the city does not have the tax base from which to finance the improvements that will bring redevelopment.

STRATEGIC ISSUE: *How can the northeast Florida region ensure that its historical heritage will survive, be restored and become one of the prominent features of the*

region's culture and housing?

The seven counties within the northeast Florida region contain an abundance of historically significant structures. While some of these structures already have been preserved, many are in a state of decay. It is of great importance during northeast Florida's period of continued growth that the value of its historic heritage not be ignored. Historic structures can be adapted to valuable and important secondary uses as well as continue to serve in their original function as residences. Careful long-range planning and a cooperative approach to preserving and protecting the region's historical heritage must be fostered so that these resources are not lost to future generations.

*The rate of
householders
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STRATEGIC ISSUE: *As the older and disadvantaged population of the northeast Florida region continues to increase in number, how can the region ensure that the special housing needs of this group will be met?*

Many of the region's elderly and disadvantaged persons have major problems regarding accessibility within their home and the cost of maintaining a home. As the individual grows older, or with the onset of a disability, the ability to reach high shelves, to lift heavy objects and to climb stairs is greatly diminished. The cost of modifying the basic home to compensate for these deficiencies oftentimes is beyond the financial resources of the elderly homeowner. Local governments, through the state SHIP Program and other programs specifically oriented to supporting the elderly homeowner, should target needy elderly homeowners for home repair and rehabilitation as an alternative to the cost of supporting many of these individuals in nursing home environments.

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Affordable Housing Resources and Facilities of Regional Significance

While the region does not have any affordable housing resources or facilities of regional significance, several of the

local governments are participating in several of the state's affordable housing programs such as SHIP, HOME, FloridaFix, and have improved structural conditions of several hundreds of owner-occupied units. Also, several hundred first-time home buyers, provided with low-interest loans for down payments and closing costs through those programs, have been added to their local governments' tax rolls. Federal HUD programs providing rental housing assistance help in meeting a small portion of the demand of very low-income households throughout the region.

A key resource to the provision of affordable housing is financing. For the most part, the financing of home purchases for families and individuals who may barely qualify for a mortgage cannot be handled at a local level but depends upon state and federal programs.

Community groups and low-income housing-advocacy coalitions are key in lobbying local, county and state governments to create housing trust funds and to target the funds to affordable housing. The strong interest and participation of public officials also are essential to the process. Depending on the prospective sources of capital, banks and other mortgage institutions play an essential role in financing housing development. Where linkage programs and developer fees are prospective capital sources in the development of affordable housing, the cooperation of large commercial developers is crucial.



Government-supported Programs

Developers of affordable housing generally need a variety of money sources to make a project feasible. These sources, while distributed on a local scale, in reality are region-wide and even statewide. In the State of Florida, all but the largest of communities receive federal affordable housing support under an “umbrella” of defined need that has been established by the state. Affordable housing programs which come down to local governments in the region from U.S. Housing and Urban Development (HUD) are distributed on the basis of a “Comprehensive Housing Affordability Strategy”(CHAS) which has been established by the state. Programs which come down to the region and local governments through the state CHAS and are distributed through the Department of Community Affairs, include:

- HOME Program — Supporting both rental and home ownership properties.
- Community Development Block Grants (CDBG) — Grants to cities with under 50,000 population and counties with under 200,000 population for housing and neighborhood revitalization.
- Florida Fix — A grant program used to conduct energy-related home repairs for low income persons.
- Weatherization Assistance Program — Grants to provide funds for weatherization of homes for low-income families.
- Emergency House Repair for the Elderly and Handicapped — An extension of the Weatherization Program.

Four home-ownership programs administered through the DCA’s Florida Housing Finance Agency are:

- First-Time Homebuyer Mortgage Revenue Bond Program — Funds are used to offer below-market rate mortgage loans to first-time low and moderate-income homebuyers.
- Homeownership Assistance Program (HAP) — Provides downpayment assistance to low-income home purchasers.
- Affordable Housing Loan Program (AHLP) — Provides below market construction and permanent financing to developers/homebuyers of rental and private ownership properties.
- State Housing Initiatives Partnership (SHIP) — The most recently inaugurated state program supporting affordable housing in Florida is the “State Housing Initiatives Partnership” (SHIP) Program administered through the State’s Florida Housing Finance Agency. The SHIP Program is the centerpiece of the William E. Sadowski Affordable Housing Act which was signed into law on July 7, 1992. The act creates a comprehensive funding package for state and local affordable housing programs. The SHIP Program channels a portion of new and existing documentary stamp taxes on deeds directly to local governments for the development and maintenance of affordable housing. The amount of SHIP funds that a local government receives is determined by a formula that is based upon population.

The Banking Community

Significant trends are reshaping and refocusing banking’s role in providing affordable housing. Banking deregulation and increased competition from non-bank financial service firms have challenged banks to become more creative in serving regional home buying markets. Changes in tax policies affecting real estate invest-



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ment and rules governing the use of tax-exempt bonds (for example the new federal low-income housing tax credit) will significantly increase the financial feasibility of funding low-income housing.

A major factor in banking's support of mortgages for low-income housing is the passage of the **Community Reinvestment Act**. This is a federal law which governs federally chartered banks and requires that such banks make loans in all parts of their market areas. A number of major banks in Florida, including those serving the northeast Florida region, have committed themselves to providing loans for inner-city and low-income groups, making both construction and permanent financing available for rental and private ownership properties.

Historic Resources

The seven counties in the northeast Florida region contain an abundance of historically and archaeologically significant sites. The region contains several areas of great importance to the early exploration and settlement of the state; most prominent of early established sites in the region is initially the City of St. Augustine and later the City of Fernandina Beach as well as various military forts and colonial-period plantations.

It is a measure of regional pride, during northeast Florida's continued growth over the next decade and beyond, that these historical treasures be preserved as part of the region's and the state's heritage.



*Affordability is
most severe for
very low-, low-
and moderate-
income renters*

Many of these homes continue to be used as private residences; others are "rehabilitated" as "bed and breakfast" establishments or as offices. In the very sense that these are old buildings, the original structures do not meet current building codes and so in some cases are occupied as substandard residences. Where rehabilitation has been accomplished to utilize the structure as a bed and breakfast establishment or as office space, the rehabilitation may have so altered the architecture of the structure that it is no longer of historical significance.

Historic structures within the northeast Florida region must be preserved and as much as possible continue to serve the community as private residences. Local governments have already addressed this need in their adopted Comprehensive Plans and have stated policies that, if implemented, should ensure the preservation of historic structures.

Local governments must keep in mind that, as growth and development occur, cultural and historical resources are vulnerable to damage or loss. Those valued sites, many of a fragile or nonrenewable nature, are therefore appropriate subjects for land use planning. Reusable dwelling units in deteriorated areas should be assessed for rehabilitation as housing for low- and moderate- income households or for special needs persons. Coordinating with local historical groups to target available funding for such activities should be an ongoing part of a local government's affordable housing strategy.

Affordable Housing Goals and Policies

Regional Goal 1.1

Increase the number of affordable housing units for very low-, low- and moderate-income households in the northeast Florida region.

REGIONAL INDICATORS

- 62,432 household spent more than 35 percent of their income on housing in 1990.
- Forty-five (45) percent of low-income households in region spent 35 percent of their income on housing.
- Fifty-eight (58) percent of very low-income households spent 35 percent of their income on housing.

REGIONAL POLICIES

- 1.1.1 DRI approval shall be conditioned on the inclusion of affordable housing sufficient to accommodate the income levels of the anticipated work force to be generated within or adjacent to the project.
- 1.1.2 Provide incentives to qualified builders for development of very low- and low-income housing.
- 1.1.3 Reduce unnecessary regulatory barriers that increase costs of building affordable housing.
- 1.1.4 Increase federal, state, county and/or private conventional funding specifically to provide affordable housing in the region.
- 1.1.5 Develop the expertise in the region for compiling applications for funding sources, and working with developers, investors, conventional lenders, and public agencies in the delivery of affordable housing units.
- 1.1.6 Provide education and other services to individuals and private housing developers that will promote the delivery of affordable housing units in northeast Florida.

HOUSING

Regional Goal 1.2

Improve the siting of very low-, low- and moderate-income housing throughout the northeast Florida region.

REGIONAL INDICATORS

- Fast track permitting for appropriate affordable housing.
- Percent of low-income households spending more than 50 percent of their incomes on housing.

REGIONAL POLICIES

- 1.2.1 As part of their upcoming Evaluation and Appraisal Reports (EARs), encourage local governments to review the Housing Element of their adopted Comprehensive Plans to ensure that the housing objectives required by Chapter 9J-5 F.A.C. for
- (a) siting very low-, low- and moderate-income homes (9J-5.010(3)(b) 3.); and
 - (b) siting group homes and foster care facilities (9J-5.010(3),(b) 4. and Chapter 419) Florida Statutes
- are being implemented through appropriate Land Development Regulations (LDRs).
- 1.2.2 Local governments shall provide incentives to qualified builders for development of very low and low-income housing on publicly-owned vacant parcels that would in-fill developing growth nodes.
- 1.2.3 Develop a regional data base of very low- and low-income rental units.
- 1.2.4 Generate the creation of inter-local agreements among northeast Florida local governments to promote a regional approach to housing the very low- and low-income households.
- 1.2.5 Broaden the opportunity for employment which, in turn, creates the opportunity and demand for improved housing.
- 1.2.6 Using SHIP and other funding resources, encourage high-profile developers of very low- and low-income housing (such as Habitat for Humanity) to selectively disperse the sites of their construction activities.
- 1.2.7 Contact and solicit the participation of bankers and others in the mortgage community to provide financing for construction and rehabilitation projects in specific areas targeted by the local government for improvement/upgrade.



- 1.2.8 Encourage local governments to improve the “job/housing” balance by prioritizing housing development on sites or along corridors that will encourage the development of transportation linkages.

Regional Goal 1.3

To reverse the trend of deterioration, develop and maintain infrastructure serving neighborhoods and target services to declining neighborhoods, as needed.

REGIONAL INDICATORS

- Addition or improvement of housing through rehabilitation efforts.
- Increase/decrease in unit and neighborhood deterioration.
- Demonstrated decrease in neighborhood crime.

REGIONAL POLICIES

- 1.3.1 During the Evaluation and Appraisal Report (EAR) process, local governments shall review the Housing Element policies of their adopted Comprehensive Plan relating to the provision of infrastructure and services to ensure that the requirements of Chapter 9J-5.010(3)(c)6. and Chapter 9J-5.012(1)(f)2. dealing with the siting and availability of infrastructure and services are being implemented through appropriate Land Development Regulations (LDRs).
- 1.3.2 Local governments shall increase efforts to acquire CDBG and other state and federal programs which provide funding for the design, installation and operation of central potable water and sanitary sewer systems in very low and low-income communities.
- 1.3.3 Local governments shall enlist the services of the First Coast Jobs and Education Regional Board and other job-oriented organizations to target declining neighborhoods as work training sites for persons in job programs who are training for skills in the construction and allied trades.
- 1.3.4 Enlist the participation of local law enforcement agencies to promote programs designed to improve the safety and security of neighborhoods.
- 1.3.5 Utilize environmental design strategies to redesign homes and the physical layout of structures, walkways, open areas, lighting, etc., in problem neighborhoods so as to reduce areas which are hidden from general view and therefore offer the potential for crime.

HOUSING

Regional Goal 1.4

The elimination of substandard housing conditions, and the structural and aesthetic improvement of existing housing.

REGIONAL INDICATORS

- 21,843 substandard units in northeast Florida in 1990.
- Increase in structures identified as being of historical significance.

REGIONAL POLICIES

- 1.4.1 Provide technical assistance to local governments in their efforts to acquire federal and state funding for (1) the development of new affordable housing units and (2) the renovation of existing properties that do not meet quality housing standards.
- 1.4.2 Local governments should adopt a building code that requires property owners, upon their rental properties becoming vacant, to make whatever repairs are necessary to bring the rental unit to a “standard housing condition” (as defined by the Bureau of the Census or as adopted by the local government) prior to again presenting the property for rent.
- 1.4.3 Historical districts are, by definition, the oldest neighborhoods within a community and in many cases the structures in these neighborhoods are below today’s building codes. Local historic preservation groups should be formed and the Regional Planning Council should provide the catalyst to bring into the area expertise from the State Division of Historical Resources and other sources to formulate a plan (with recommendations for funding) for preserving the structures and showcasing the areas as the center point for quality development within each county.



Regional Goal 1.5

Provide resources to assist local governments in their efforts to protect and preserve the historic heritage within the region.

REGIONAL INDICATORS

- Development of a comprehensive inventory of historic structures.

REGIONAL POLICIES

- 1.5.1 Local governments shall inventory known historic resources in their jurisdiction and apply for funding, through State Division of Historic Resources grants, for further survey and restoration projects.
- 1.5.2 Assist local governments in development of historic preservation ordinances which protect and preserve local historical assets through coordinating the sometimes diverse responsibilities of the planning/building/grant writing components of the local government.
- 1.5.3 Provide local historic preservation committees with model programs developed by the state and other communities for the preservation and reuse of historic resources with an emphasis on using these resources to improve the availability of affordable housing.