

AFFORDABLE HOUSING



2. Affordable Housing

A. Trends and Conditions

1. Introduction

Housing is obviously one of the most basic of human concerns. In the United States, the cost of housing is normally the largest item in the household budget. Persons of low-income and those just entering the work force have always had some difficulty with the affordability of housing. However, until about the last 20 years, the market price of housing and the purchase power of most people were such that most families could enter the housing market successfully (Keen, 1992).

During the last two decades, a combination of events and trends has resulted in a rift between market price of housing and purchase power. This rift has been caused by periods of rapid inflation and high interest rates, spiraling land costs, a preponderance of low density development patterns, shrinking real wages and other non-economic factors such as extensive building regulations and the demolition of many affordable apartments.

These trends have been particularly troublesome for those of lower incomes. Many lower income citizens are renters, and rents have risen faster than incomes. There is a large and growing gap between the cost of decent housing and household income, especially for those renter households. In fact, a 1989 national survey found that half of all poor rental households spend more than 50 percent of their annual income on housing costs, leaving little money for other essential needs (Dolbearne, 1991). For the very poor, this has resulted in overcrowded and substandard shelter conditions, or in homelessness.

- a. **The definition of affordable housing** - In its most simple terms, affordable housing is that housing which the household could pay for and still have enough income remaining for the other basic necessities of life (i.e., food, clothing, transportation, etc.). "Textbook" definitions normally go one step further by defining a maximum proportion of income to be devoted to housing to meet the standard of affordability. The Florida Statutes define affordable as monthly rents or mortgage payments including taxes, insurance, and utilities, which do not exceed 30 percent of the amount which represents the percentage of median adjusted gross annual income for households classified as very low, low and moderate income.
- b. **Implications of the lack of affordable housing for neighborhoods and communities** - Traditionally, people of all income ranges have lived throughout our communities. Although some neighborhoods had concentrations of families with similar incomes, very low, low and moderate income residents were often scattered throughout the community in a variety of apartments and older homes or homes of modest dimensions. (Jackson 1985).

The rift between housing price and earning power has complicated matters. Modern housing "developments" and subdivisions have resulted in large areas of housing of common style and price. In many cases, codes are passed which prevent alternatives such as accessory apartments, above garage apartments, or small detached units often known as cottage homes. Residents become segregated by income type.

As a result, young adults just entering the work force, young families, and the working poor are forced into units they cannot afford, or into substandard units. There becomes more competition for decent quality rental units, increasing the price, and forcing low-income families to pay too much of their income for shelter. Rental units and regulations which permit accessory apartments in the neighborhoods are often opposed by homeowners. Special needs households such as the elderly, the disabled, or farmworkers are most seriously affected.

To further complicate matters, a great deal of housing which was affordable to the low-income has been demolished as a result of various redevelopment and revitalization efforts in cities throughout the Region. A good deal of the housing removed was deteriorated or dilapidated. Efforts to revitalize downtown areas, by necessity, included the removal of many structures which had fallen below code standards. However, many redevelopment efforts consisted of the removal of existing housing units and the replacement with commercial structures or parking lots. These sometimes overzealous efforts left abandoned structures, vacant lots, and parking lots which are utilized only during the day. The results are well-known. Where downtowns were once busy, vibrant places during both day and night, they have become literally abandoned after 5:00 p.m. Deteriorated housing has been removed, but not replaced. The removal of such housing may, in fact, have simply been the final chapter in the abandonment of our downtowns...preceded by the loss of business and commercial establishments. More importantly, the construction and development of new housing units in the downtowns should be a foremost component of revitalization efforts if they are to be successful.

In summary, the apparent rift between the cost of housing and incomes has been further widened by development decisions (to build large expanses of single-type, similar price housing) and resistance to housing alternatives which might help alleviate the critical housing shortage for those of low and moderate-income.

- c. **Affordable Housing/State of Florida** - In Florida, the issue of affordable housing is critical, despite the relative young age of the housing stock. In fact, some of the housing stock in Florida has aged to the point of needing substantial renovation or demolition. Statistically, Florida appears to produce enough housing units for its rapidly growing population, but not enough ownership and rental housing which is affordable to the very low, low and moderate-income.

In 1989-90, the annual median household income in Florida was \$27,483, but the median value of an owner-occupied home was \$77,100. The State has estimated that 60 percent of its very low-income households, 35 percent of its low-income households and 25

percent of its moderate-income households pay more than 30 percent of their income for housing (FDCA, 1995). A recent survey indicates that Floridians as a whole spend 38 percent of their income on housing. Looking at traditional data sources such as vacancy rates is of limited value in assessing the housing situation in Florida, because of the tremendous temporary or seasonal population, and the significant number of housing units which are used only occasionally or seasonally.

In response to the increasing concern over the lack of affordable housing, the Florida Legislature created an Affordable Housing Study Commission in 1986. Among the results of the study prepared by the Commission were that more than 2 million Floridians spend over 35 percent of their incomes on housing or live in substandard conditions. An estimated 600,000 housing units were in need of rehabilitation or demolition.

In 1985, the newly adopted State Comprehensive Plan decreed that "the public and private sectors shall increase the affordability and availability of housing for low and moderate income persons." Rules adopted by the State (Chapter 9J-5, FAC) which guided the preparation of local government comprehensive plans indicate that local governments must make provisions for affordable housing for their current and future populations. Under these rules, local governments are to consider using public/private partnerships, improving regulatory and permitting processes, using federal, State and local subsidy programs, and establishing principles and criteria guiding the location of housing for needy groups in order to better address affordable housing needs.

In 1990, the State Legislature pledged that decent and affordable housing would be available for all of its residents by the year 2010. Yet, safe and affordable housing remained out-of-reach of many Florida families. Finally, in July of 1992, the Florida Legislature passed the William E. Sadowski Affordable Housing Act, in a landmark effort to stimulate the production of affordable housing. A primary component of the Act was the State Housing Initiative Partnership (SHIP) Program. This program provides funds, from a dedicated funding source, to local governments as an incentive to create public/private partnerships to produce and preserve affordable housing. Implemented through a Local Housing Assistance Program, SHIP requires the creation of an affordable housing trust fund and an affordable housing advisory committee which prepares a local housing incentive plan. Funds can be utilized to implement the local housing assistance program, to enhance funding of other State housing programs, to provide the local match for federal housing programs, and to fund emergency repairs under weatherization assistance provisions. Funds cannot be used for rent subsidies or debt service.

- d. **Conclusion** - Affordable housing is an issue throughout the nation. The 1990 U.S. Census results indicate that 50 percent of American families and 91 percent of renters cannot afford a median priced home in their community (Keen, 1992). Families are overburdened with the cost of housing, especially those households with incomes below the median.

2. **Past and Existing Conditions**

Population increase has been dramatic. The ability to adequately house the population of the State and the Region has been affected by Florida's tremendous growth. Between 1970 and 1990, the State's population nearly doubled from 6.8 million to 12.9 million. The Treasure Coast Region's population grew at an even faster rate during the same period; nearly tripling in size from 464,000 to 1.2 million. Such explosive growth has made the timely provision of housing very difficult.

Consistent with a 20-year trend, the average household size continues to decline (see Table 2.1). Thus, the increase in the number of households has been even more rapid than would be expected based on population growth.

TABLE 2.1

Household Size and the Elderly
Treasure Coast Region

	Average Size of Household		% of Population 65 and Over	
	1980	1990	1980	1990
Indian River	2.49	2.33	20.3	27.3
Martin	2.40	2.28	24.5	27.4
Palm Beach	2.42	2.32	23.3	24.3
St. Lucie	2.65	2.54	17.0	21.0
Florida	2.55	2.46	17.3	18.5
U.S.A.	2.76	2.63	11.3	12.6

Source: U.S. Census Bureau

Part of the reason for the declining household size in the Treasure Coast Region is as a result of the large influx of retirees to the Region. Many of these retirees comprise one or two person households. As Table 2.1 indicates, all Treasure Coast Counties significantly exceed the State in the proportion of citizens over the age of 65. The proportion has increased substantially in each County between 1980 and 1990.

- a. **Characteristics of the housing stock** - As the population has increased, the number of housing units has grown rapidly. The State increased its housing stock from 4.4 million units in 1980 to 6.1 million in 1990, an increase of 39 percent. The Region's housing stock increased 59 percent, from 400,000 units in 1980 to 637,000 in 1990.

Table 2.2 summarizes some of the general characteristics of housing units in the Treasure Coast Region.

TABLE 2.2

Selected Housing and Household Characteristics

	Indian River	Martin	Palm Beach	St. Lucie
Median Value of Housing Units	78,700	112,700	98,400	73,400
% Valued Under \$50,000	17.4	7.5	7.4	15.8
% Valued Over \$100,000	35.2	55.2	48.6	23.2
% Owner Occupied	60.6	61.0	56.9	56.6
% Renter Occupied	20.1	18.3	22.2	22.2
% Seasonal	10.1	12.7	11.2	8.9
% 1 Unit Detached	55.6	47.2	39.5	59.1
% Mobile Home, Trailer	15.2	15.1	5.7	16.3
% Increase in Value 1980 - 90	69.8	102.7	71.1	65.7
Median Monthly Rent	422	442	499	410

Source: 1990 U.S. Census

The Counties in the Region share a number of similarities relative to their housing stock. All Counties in the Region have a much higher proportion of owner-occupied units than does the State as a whole, although Martin and Indian River Counties are particularly high in that respect. Consequently, all counties are significantly lower than the State average in the proportion of units which are renter-occupied. Again, Indian River and Martin Counties are particularly low in terms of renter-occupied units.

The Counties are also different in many respects. Palm Beach County has a much lower proportion of their housing stock in single-family detached units than the other counties. Palm Beach also has a significantly smaller percentage of mobile homes (5.7 percent of its housing stock) than do the other three counties, which all have a larger proportion of mobile homes to all dwelling units than does the State as a whole (Table 2.3).

TABLE 2.3

Occupancy Status of Occupied Housing Units

	Owner-Occupied	Renter-Occupied	Mobile Home or Trailer
Indian River	75.1	25.0	15.2
Martin	76.9	23.1	15.1
Palm Beach	71.9	28.1	5.7
St. Lucie	71.9	28.1	16.3
State	67.2	32.8	12.5

Source: 1990 U.S. Census

The age of the housing stock is also significantly different in the Treasure Coast Region. In the State as a whole, 35 percent of the housing stock was built between 1980 and 1990. Treasure Coast counties vary between 41.6 percent in Palm Beach County to 49.7 percent in St. Lucie County (see Table 2.4).

TABLE 2.4

Age of Housing Stock

	% of All Housing Units Constructed 1980-1990	Constructed Before 1939	Median Age of Housing Units (yrs)
Indian River	44.3	2.7	17-
Martin	43.1	2.2	17
Palm Beach	41.6	2.5	18
St. Lucie	49.7	2.3	15
State	35.0	3.7	36

Source: 1990 U.S. Census

- b. **Income characteristics** - General statistics suggest that the residents of the Treasure Coast Region have among the highest average incomes in the entire State. In 1989, Treasure Coast Counties ranked 4th (Palm Beach), 5th (Martin), 13th (Indian River) and 19th (St. Lucie) of the 67 Florida counties in median household income. The counties ranked 1st (Palm Beach), 2nd (Martin), 5th (Indian River), and 32nd (St. Lucie) in per capita personal income in 1992. As would be expected, Treasure Coast counties are well below the State average (9%) in the percentage of families below the property level.

Table 2.5 presents a series of selected housing and income characteristics which show how variable the income and housing value figures can be within a geographical area.

What the Table does not show is the great variability within a single municipality. For Census Tracts in unincorporated Palm Beach County for instance, median value of owner-occupied housing units varies from a low of \$36,400 to a high of over \$500,000; and in the City of Boca Raton, median housing value by Census Tract varies from \$107,300 to \$462,900.

TABLE 2.5

Selected Housing and Income Characteristics, 1990

	Population 1990	% of Units Owner Occupied	Median Value of Owner Occupied Units	Mean Contract Rent	Median Family Income	% Families Below Poverty Level
Fort Pierce MSA	251,071	74.0	82,400	432	33,541	7.1
Martin County	100,900	76.9	112,700	470	37,732	5.0
Stuart	11,936	64.5	76,100	453	33,500	6.3
St. Lucie Co.	150,171	71.9	73,300	409	31,226	8.5
Fort Pierce	36,830	51.8	55,100	316	22,601	20.1
Port St. Lucie	55,761	76.4	78,900	527	34,634	4.2
West Palm/Boca/ Delray MSA	863,503	71.9	98,100	530	38,539	6.2
Belle Glade	17,249	37.1	59,700	253	24,692	25.5
Boca Raton	64,818	74.5	165,300	626	53,544	3.6
Boynton Beach	48,428	76.5	78,400	527	34,186	6.2
Delray Beach	48,644	70.3	92,100	530	36,191	7.5
Greenacres	22,385	64.8	68,800	528	32,634	4.6
Jupiter	27,291	71.8	111,500	672	42,244	3.9
Lake Worth	28,327	55.6	66,500	393	25,010	13.6
Palm Beach Gardens	28,635	74.0	137,700	698	51,654	3.5
Riviera Beach	27,308	58.6	61,300	414	26,990	17.9
Royal Palm Beach	16,546	85.4	90,900	632	42,787	1.7
West Palm Beach	68,008	50.3	71,600	453	30,981	12.7
Indian River Co.	90,208	75.0	77,800	462	33,569	5.9
Sebastian	12,154	82.2	68,200	449	29,464	4.6
Vero Beach	17,404	62.1	104,300	331	35,268	6.2

Source: U.S Census Bureau

Despite the high per capita and median family income figures for the Region, perhaps the most revealing statistic is the number of very low-income residents. Very low-income residents are generally characterized as those who earn less than 50 percent of the median

household income for the area. Between 20 and 25 percent of the households of each Treasure Coast county fall into this low-income category. These are the residents who cannot enter the housing market without a significant amount of assistance.

3. Recent Trends

Income and housing costs in the Region have been steadily increasing. Table 2.6 documents the tremendous increase in both income and the cost of housing in the Region in the last 10 years. This increase is most pronounced in Martin County where both median family income and the median value of an owner-occupied housing unit more than doubled in the ten-year period. What the Table does not show, but it does suggest, is the difficulty for the lowest income people to secure affordable housing. The difficulty is suggested by the increase in median contract rent which has sky-rocketed in the last ten years.

TABLE 2.6
Income, Housing Value, Rent

	Indian River	Martin	Palm Beach	St. Lucie	Florida
Median Family Income (1979)	17,607	18,311	19,917	15,884	17,280
Median Family Income (1989)	33,569	37,732	38,537	31,226	32,212
% Change	90.7	106.1	93.5	96.6	86.4
Median Value Owner-Occupied Unit (1980)	46,000	53,200	55,300	44,100	45,100
Median Value Owner-Occupied Unit (1990)	77,800	112,700	98,100	73,300	76,000
% Change	69.1	111.8	77.4	66.2	68.5
Median Contract Rent (1980)	212	233	234	188	208
Median Contract (1990)	419	441	499	409	402
% Change	97.6	89.3	113.2	117.6	93.3

Source: U. S. Census Bureau

Not only do the very low- and low-income residents of the Region have a great deal of difficulty entering the housing market; but moderate-income residents do as well. According to information recently received from the National Builder's Association, a median-income (\$38,700) family in the Fort Pierce Metropolitan area (MSA) could afford to purchase only 77 percent of all homes sold in the last quarter of 1994 (average home sold - \$78,000). In the West Palm Beach-Boca Raton-Delray MSA, a median income family (\$44,500) could purchase only 67 percent of the homes sold in the quarter (average home sold - \$108,000).

a. **Perspective from local officials** - As part of the effort to prepare this regional plan, local elected officials from throughout the Region were interviewed during 1994 to gather information on the key issues in the Region and how they should be addressed. Comments and concerns from those interviews were consolidated into a draft summary document in February of 1995. Within the general subject area of Housing/Community Development, the following issues were identified or opinions rendered:

1) **Urban development/design** - There are a number of older communities in the Region which contain a wide variety of building types and land uses, but recent development has been dominated by large areas which contain single uses. Developers should be required to provide a variety of housing types. A good ratio of rental/home ownership is needed for a well-balanced community. We should provide incentives for the infill and redevelopment of coastal cities. Although the development of "walled" communities has not produced healthy, balanced communities, they remain in great demand because of the real or perceived security they provide. The security of a neighborhood is very important to its residents.

2) **Affordable housing** - There must be a cooperative effort between counties and cities to address affordable housing issues. The definition of affordable housing is a matter of interpretation. The Region has enough affordable housing, but there are shortages in certain areas. Housing assistance programs are available for homeowners, but not for renters. There is a severe shortage of rental units in many areas, especially for young professionals. Not everyone can or should own their own home. There is generally little variety to the housing stock in many areas. Codes need to be more flexible to allow alternative and affordable housing units such as "granny flats." There is a need for special housing for migrant agricultural workers, but Federal regulations make it too expensive for the agricultural industry to supply such housing. Some communities ignore their responsibility to address the need for a variety of affordable housing because housing for the low- and moderate-income is available in a nearby community. However, there are areas of the Region where it is difficult for the private sector to profitably provide housing in certain price ranges due to a surplus of such housing in a nearby community.

b. **Existing housing programs** - The passage of the William E. Sadowski Affordable Housing Act, which was summarized previously, has provided the opportunity for every county and many cities in the State to create or expand an Affordable Housing Program. The State Housing Initiative Partnership (SHIP) Program is the centerpiece of the 1992 Housing Act, and provides funding to all counties and Community Development Block Grant entitlement cities. The State has, however, a number of additional funding programs to assist in the provision of affordable housing. Examples of these programs include:

- State Apartment Incentive Loan (SAIL)

- Home Investment Partnerships
- Low-Income Rental Housing Tax Credit (LIHTC)
- Single-Family Mortgage Revenue Bond Program
- Florida Home Ownership Assistance Program (HAP)
- First Time Homebuyers Bond Program
- Rental Housing Bond Program
- State Guarantee Fund Program

The SHIP Program has also enabled communities in Florida to be more active in pursuing federal funds from programs such as HOPE (Home Ownership for People Everywhere) and HOME (Home Investment Partnership Program).

There are numerous examples in Florida and in the nation of communities which have been very creative in approaching the issue of affordable housing. Prior to SHIP, Dade County used a special legislative act to create a special housing trust fund utilized as a revolving loan fund and to counsel participating families. In Columbus, Ohio, a partnership was established between local lending institutions and churches which encourages low-income residents to become home owners.

In the Treasure Coast Region, each County has now implemented an Affordable Housing Program utilizing SHIP funding. The Cities of Boca Raton, Delray Beach, Fort Pierce, Port St. Lucie and West Palm Beach also receive SHIP funding as entitlement cities. Although several cities in the Region have been involved in federal housing programs (public housing and rent subsidies) via local housing authorities for some time, counties (with the exception of Palm Beach) in the Treasure Coast Region have not previously had affordable housing programs.

- c. **Local affordable housing programs** - As part of the research into affordable housing issues, county officials/personnel were interviewed to determine the history and present status of housing programs. Palm Beach was the only county with a comprehensive affordable housing program prior to the passage of the Sadowski Act. Several city housing authorities and the Palm Beach County Housing Authority had, however, been in existence for some time in response to federal housing initiatives for public housing and rental assistance programs. Of the four counties, only Palm Beach County has been an active Community Development Block Grant (CDBG) participant for a number of years. St. Lucie County has been a participant for the past two years. Many of the local governments in Palm Beach County signed an interlocal agreement which allows the County to address affordable housing on an areawide basis.

No local funding was provided to affordable housing programs prior to the Sadowski Act in the northern three counties, except for the utilization of discretionary "district funds" by a Martin County Commissioner for housing in the Indiantown area. Palm Beach County's Comprehensive Plan requires a minimum contribution of \$1 million per year to the County Housing Trust Fund. The County has contributed a significant amount of local funds to affordable housing including an initial \$12 million in 1986 for a Glades Housing Program.

All counties currently receive SHIP funding and have either created a program as a result of the funding or utilized it to supplement an existing program (Palm Beach). SHIP funds can be utilized for a number of purposes including new construction, down payment assistance, rehabilitation, land acquisition, impact fee loans, closing cost loans, and funding for community based organizations to provide housing. Each County offers a wide range of assistance, but based on interviews during early 1995, some counties have decided to focus their funds on certain activities such as downpayment assistance (St. Lucie County) or rehabilitation (Martin County). CDBG entitlement cities in the Region (Boca Raton, Delray Beach, Fort Pierce, Port St. Lucie, West Palm Beach) also receive SHIP funding and may create their own program or enter into an interlocal agreement with their County. All cities in the Region have at this time elected to operate an independent program.

Each of the counties has decided to focus on home ownership. Indian River County also has \$3.7 million available from a Revenue Bond Program originally established by Escambia County. Martin County focuses almost exclusively on home ownership, and indicated that rental projects are difficult to administer because of income verification requirements. Palm Beach also emphasizes home ownership and is very active in the Federal HOME Program. St. Lucie utilizes 100 percent of its SHIP funds for home ownership.

Although SHIP guidelines permit the utilization of some program funds for housing for the moderate-income (defined as those with incomes between 80 percent and 120 percent of the median family income for the area), both Martin and Palm Beach Counties will utilize 100 percent of their program funds for the very low-income (up to 50 percent of the median family income for the area) and low-income (50-80 percent of the median family-income for the area). Both Palm Beach and Indian River Counties have established a maximum home price for their program. Indian River indicates that they will provide a very limited eligibility for the moderate-income. St. Lucie County will stay within the program guidelines which provide eligibility for very low, low and moderate-income families.

The subject of streamlining of development regulations is frequently raised as a method of reducing the cost of housing. Indian River and Palm Beach Counties have instituted a regulatory efficiency program intended to reduce front-end costs of housing development. The need to allow accessory residential units (accessory apartments, above garage apartments, cottage homes, etc.) in residential areas has been identified as another effective means of providing affordable housing. None of the counties have moved aggressively to permit such units in residential areas. Martin County is presently considering code revisions to permit accessory units. Accessory units are generally not permitted in Palm Beach and St. Lucie Counties. Indian River County now allows accessory units in all residential and agricultural areas via an administrative permit process. None of the counties has any special incentive or incentive program to promote the development of rental housing, nor do they have any program to combat NIMBYISM ("not in my back yard" syndrome), although each acknowledges that it is a problem in the

siting of rental housing. Palm Beach County has a comprehensive plan policy which acknowledges the problem of NIMBYISM.

Relative to incentives for the development of low-income housing, Indian River, Martin and Palm Beach County have voluntary density bonus provisions. In Martin County, impact fees can be deferred for units that are designated for very low or low income households for one year or until the issuance of the certificate of occupancy. Indian River County has loan funds available for impact fees. Martin County sets a reduced rate for utility connection fees. Palm Beach County has special traffic concurrency standards for affordable housing projects.

Key affordable housing problems as identified by local officials/staff are:

- difficulty that low-income residents have in paying the downpayment, closing costs and impact fees;
- high market costs/conditions prevent the development of housing affordable to the low-income;
- the difficulty of providing affordable housing in areas where land values are extremely high. It is acknowledged that land costs for housing are extremely high in many areas of the Region, even for the provision of housing for the moderate income. Costs have become almost prohibitive in certain areas; such as barrier islands;
- the scarcity of non-profit sponsor organizations and for profit entities interested in developing affordable housing;
- the shortage of program funds;
- lack of economic development, jobs;
- public perception of lack of need for affordable housing.

Problems which are not being adequately addressed according to these same people include the lack of good paying jobs, the lack of rental housing, negative public perception of housing programs, and the lack of public understanding of the need for affordable housing. Only two issues were mentioned in response to the question of what housing issues the regional plan should address: farmworker housing, and the need to emphasize the differences in communities (demographics, level of urbanization, etc.) when discussing the problem of affordable housing.

None of the counties indicated that the issue of housing in proximity to employment and services was a significant local issue. However, Indian River County may encourage affordable housing development in the vicinity of its I-95 interchanges since the County has installed public facilities (sewer and water) in each area and anticipates that the

majority of new jobs will be generated at these locations. Martin County indicates that housing for very low, low and moderate income residents is difficult to provide, because of high land costs, lack of available sites, lack of experience or willingness to develop affordable housing by all sectors, nimbyism and the location of a large amount of such housing in the adjacent City of Port St. Lucie.

Finally, local officials/staff provided some common perceptions/feelings of their residents. These were:

- that community-based organizations, not the local government, should take care of people in need;
- that public sector involvement in the development of affordable housing has a negative perception because it is considered synonymous with public housing projects for welfare recipients;
- that there is a significant taxpayer residence/backlash against supplying every need (including housing) for those who will not help themselves; and
- that the private sector should take the primary responsibility for the provision of housing, and that the County government should not own land or build housing.

d. **Conclusion** - Relative to the issue of affordable housing, the following problems face the Treasure Coast Region at this time:

- 1) rapid population growth has stressed the ability of the private sector to provide a range of affordable housing concurrent with need. A great number of the migrants to the Region are the elderly, and Caribbean migrants, both of which have different needs/desires for housing type and location (South Florida Regional Planning Council, 1995, Office of Rural Health, 1994);
- 2) the cost of housing in much of the Region is much higher than the ability of persons employed in the Region to pay. Speculation and regulations have driven the price of land up and much of the new housing supply caters to wealthy retirees moving from other areas of the U.S. and other nations;
- 3) an increasing proportion of the population earns low wages. The most dynamic portion of the economy is the service sector, which generates a large number of low-paying jobs (U. S. Census Bureau, 1993, Florida Department of Labor and Employment Security, 1995);
- 4) there is a lack of rental housing of alternative types for low-income residents. This has led to overcrowding and even to homelessness although the shortage is not well documented statistically, the shortage appears to be more serious in some

areas than others. There is little interest from the private sector in building rental housing for the low and moderate income market, apparently due to the lack of profitability and nimbyism;

- 5) there is a lack of housing in proximity to employment opportunities. As a result, transportation costs increase and residents have less income available to pay for housing;
- 6) special needs groups (i.e., agricultural workers, low-income migrants, the elderly) have great difficulty finding adequate housing;
- 7) the private sector, considered the appropriate vehicle for the provision of housing, is not providing enough housing for low-income residents. Part of the reason for this is the high cost of land and construction, but part is also due to unnecessary regulatory barriers and the lack of incentives to produce such housing from the public sector; and
- 8) there is a great deal of public opposition to the siting of subsidized housing and to rental housing, in general.

B. Important Regional Issues

1. Increasing the Number of Affordable Housing Units

As the earlier sections of this element suggest, there is an inadequate match between income levels and housing price in this Region. Many very low, low and moderate income residents cannot afford safe and decent housing and still have sufficient money to meet other basic needs.

There is a great and growing public reluctance to address the affordability housing need by providing traditional “public housing”. There is also a strong preference for housing to be provided exclusively by the private sector. It is well documented, however, that without significant incentives, the private sector cannot build housing which is affordable to the Region’s lower income groups. Therefore, there must be a strong commitment by local government to work with the private sector, in a partnership, utilizing a variety of strategies, if affordable housing is to become available to working citizens of our communities.

2. Providing Housing in Proximity to Employment and Essential Services

An important factor which makes the existing housing stock less affordable to the general public is the money a family must budget to cover transportation costs. Income which might have been available to spend on housing must instead be spent to maintain and operate automobiles. Today's sprawling development patterns not only increase the cost of housing, but make multiple car ownership a prerequisite to survival, thus reducing the money available to pay for housing.

In 1935, transportation costs accounted for only 5.9 percent of the family budget and ranked well behind a family's expenditures for food, clothing, and shelter. Today, household expenditures for transportation are nearly 25 percent of the family budget, with many households allocating more for private transportation than they do for food or shelter (Jacobs, 1990). Expenditures for transportation have increased as a result of sprawl. The average family now has less money to spend on housing, in part, because of unnecessarily excessive transportation costs. This prevents access to a wider range of housing that would otherwise be affordable.

In 1993, there were nearly 11.2 million registered vehicles in the State (BEBR, 1994). With a population of 13.6 million, this suggests that there is nearly one vehicle for every person. If a family could eliminate the need for one vehicle, this would increase its buying power to the point where they could afford a much more expensive home. For example, it is estimated that owning and operating an automobile an average of 10,000 miles per year costs the owner an average of \$5,062 per year (nationwide tests included Ford Escort, Chevrolet Caprice, and Ford Taurus) (AAA 1995). At 8 percent, a 30-year mortgage of \$55,000 can be retired for \$5,000 per year. A family that could only afford a \$50,000 mortgage would be able to afford a \$105,000 mortgage, if only they could eliminate the need for one automobile. Because of the patterns of development that have occurred, most families are precluded from this option and have little choice in the matter.

The development patterns which have prevailed over the last few decades have created places to live that require the maintenance of multiple cars per family and that almost everything requires a car to reach. This trend has: 1) set the family's transportation budget; 2) limited choices and opportunities to purchase high quality housing, and 3) failed to produce an adequate supply of affordable housing. It also has required a disproportionate amount of taxpayer money to be spent on road building that could be used elsewhere (e.g., housing, education, etc.) and has interfered with developing any sort of mass transit system that could relieve families and individuals of some of the drain on their budgets.

The development patterns of today are not the products of laissez-faire. They are the direct result of public land use, fiscal and transportation policy which has encouraged and subsidized low density, sprawling development patterns. At the federal policy level, federal tax code encourages businesses to abandon old structures often well before the end of their useful life by permitting greater tax benefits for new construction than for rehabilitation of existing buildings. In this way, government subsidizes an acceleration in the rate at which economic activity is dispersed to new peripheral locations.

The Federal Highway Act of 1916 and the Interstate Highway Act of 1956 moved the government towards a transportation policy emphasizing and benefiting the road, the truck, and private automobile. In conjunction with cheap fuel and affordable automobiles, the interstates and expressways led to low marginal transportation costs and greatly stimulated decentralization of the population. Discriminatory lending and

appraisal practices and policies of the Federal Housing Administration between 1933 until the late 1960s clearly favored homogeneous subdivisions over urban, aging or heterogeneous neighborhoods. Thus, “the main beneficiary of the 119 billion in FHA mortgage insurance issued in the first four decades of FHA operation was suburbia, where almost half of all housing could claim FHA or VA financing in the 1950s and 1960s.” (Jackson, 1985). This, along with federal income tax incentives to detached home living provided by the deduction of mortgage interest and real estate taxes have had a large impact on the sprawling spatial patterns of metropolitan areas.

On the State and local level the potential for influence is also significant. Since the early 1900s local zoning and building regulations have increasingly imposed requirements which encouraged decentralization and new subdivisions disconnected from established towns and cities. For example, zoning codes which encouraged and required excessive separation of residential and non residential land uses, wide streets and curb radii, large lots, building setbacks, and parking requirements, large minimum square foot requirements for housing units, as well as restrictions against on street parking, residential units above commercial use and residential outbuildings have all played an important role in accelerating suburban development. Land use planning at the local level for the last 30-40 years has also provided direction in favor of low-density suburban development patterns by designating and organizing land on the periphery not for new towns or cities, but as large expanses of homogenous areas. Finally, the concept of growth management by “concurrency” has had the unintended effect of dispersing new development to less urbanized locations in search of remaining roadway capacity.

Changes in family spending, especially for transportation, arguably has had a significant affect on the quantity of housing units that are affordable to the general public. Public policy has played an important role in affecting the family budget in the area of transportation through its treatment of land use issues. Fortunately, transportation and land use are areas where public policy can make a real difference in reducing the amount of money we must spend on vehicle expenses, simply by giving people viable choices for reducing their dependency on the automobile.

Efforts need to be made to encourage development patterns which do not require an automobile to accomplish every day activities and provide families and individuals with lifestyle choices that will increase their access to housing in the Region. Coincidentally, it is these development patterns which will also naturally increase opportunities for a diversity of affordable housing types.

3. Stabilizing and Revitalizing Existing Neighborhoods and the Creation of New Neighborhoods

Traditional towns and neighborhoods have always provided housing opportunities for all of their citizens. Lower income citizens were housed in smaller units and apartments which were accessory to more expensive units, or found in above store and above garage apartments.

Traditional towns and neighborhoods in the Treasure Coast Region provided such housing opportunities. In recent years, however, several trends have occurred which have resulted in a loss of the housing stock and a failure to replace it. As some of the vitality of traditional communities was lost to suburban areas, some neighborhoods began to deteriorate. When this deterioration became serious, revitalization proponents were able to have countless affordable housing units removed but not replaced. In new developments, affordable units and certain building types were strictly forbidden in an attempt to meet a real or perceived market of similar income classes.

As a result of the loss of units in traditional neighborhoods and the failure to permit or provide them in new development, the number of affordable units has declined, at least in relative terms. At the same time, the Region was experiencing an explosion of new residents in the lower income groups, employed in service, retail, landscaping, and agricultural pursuits.

It seems clear that these two trends must be changed. New communities must include a range of housing types, and affordabilities so that we have diverse, non income-segregated neighborhoods and communities will develop which have neighborhood schools and parks and the other amenities which characterize desirable places to live.

Second, a great deal of effort must be put into revitalizing existing neighborhoods before they reach some critical level of deterioration. In order to do so, the problem of housing conditions must be addressed, as well as, the conditions which impact upon the neighborhood. An excellent example of such a strategy is presently occurring in Palm Beach County under the LISC program. This is a multi-faceted cooperative program which includes Community Development Corporations, Social Services Agencies, neighborhood organizations, churches, and local governments in a comprehensive program of neighborhood improvement.

4. The provision of adequate housing for agricultural workers

As the Economic Development Element of this Plan documents, agriculture is of great significance in the Region. Because of the nature of the primary crops in the region (sugar cane, citrus, vegetables), much of the harvest has been by hand. Therefore, there has always been a large number of farmworkers in the Region, at least on a seasonal basis. Although mechanized harvesting is increasing, a significant increase in the amount of acreage devoted to crops has resulted in a continued high number of farmworkers. The large number of seasonal and migrant farmworkers in the Region is shown in Table 2.7.

TABLE 2.7

Farmworkers and HRS Housing Facilities

	Palm Beach	St. Lucie	Martin	Indian River
Total Migrant Residents	65,437	8,460	7,890	5,985
Resident Seasonal Farmworkers	45,263	1,971	5,396	4,094
Resident Migrant Farmworkers	20,174	6,489	2,494	1,891
#HRS Permitted Housing Facilities	69	32	5	2
% Migrant Residents in HRS Permitted Facilities	24.3%	6.7%	5.4%	9.7%

Source: Office of Rural Health, 1994

Traditionally, farmworkers were housed in migrant labor camps, located in or on the edges of the agricultural areas. Conditions at these labor camps were often less than desirable for the health of the workers. As a result of the deterioration of the camps and increasing standards governing their construction and condition, far fewer workers are housed in these camps today, despite an actual increase in the number of farmworkers.

Farmworkers in southeast Florida today are generally Hispanic. Mexicans constitute a large majority of the labor force. Traditionally the workers have low educational levels, live in substandard housing, are in poverty, and are subject to occupational hazards and arduous physical work. The majority speak little or no English. The workers have an unpredictable income, and their mobility is limited because of their inability to afford means of transportation (Office of Rural Health, 1994).

As referenced above, many of the old migrant camps have closed, forcing migrants to seek housing in urban areas. Many are now housed in “rooming homes”, with large concentrations in Fort Pierce and Belle Glade. The migrants often end up in urban slum

areas, in conditions actually worse than some of the migrant labor camps. Migrant workers are more inclined today to bring their families with them . Families must double up to meet the high rental rates charged by unscrupulous landlords for marginal or substandard units. Families end up in dormitory-type rooming houses, which are more suitable for single workers. There are often inadequate or inoperative sanitation facilities. Health problems result due to the lack of running water, sanitary facilities, and overcrowding. The migrants lack the financial credit needed to secure better housing, or credit is unavailable. Many are not aware of existing government subsidy programs or assume they do not qualify (Office of Rural Health, 1994).

Recently, there has been a renewed concern over the plight of migrant farmworkers, especially the conditions under which they are housed. However, there are significant constraints to the provision of better housing. There is little private developer interest in building for the low cost housing market due to the high land and construction costs and slim profit margins. There is uncertainty over the long range housing demand, concerns about building units to be utilized only during the 6 month peak season, and a great deal of government regulation/ red tape for publicly financed units. Comprehensive plans and zoning ordinances generally do not allow housing development in areas designated for agricultural purposes. In some areas, land for housing is in short supply. In others, local residents oppose the development of housing for farmworkers.

To address the plight of the farmworker, Regional Farmworker Housing Coalitions have been organized. Membership on these coalitions include staff of the State Department of Human Resources (HRS), city and county code enforcement, fire inspectors, migrant housing owners and operators, organizations representing farmworkers, public health professionals, Indian River and Gulf Citrus Leagues, U.S. Department of Labor and the Occupational Safety and Health Authority (OSHA). Two different coalitions serve this area: Indian River (Martin, Okeechobee, St. Lucie, Indian River Counties), and Glades (Palm Beach, Broward, Dade, Monroe, Collier, Glades, Hendry and Lee Counties). Their purpose is to solve problems related to migrant farmworker housing and health. The coalitions meet monthly (Glades)or quarterly (Indian River). According to the Office of Rural Health, Migrant Farmworker Program, the following need to be carried out to address farmworker needs:

- 1) Determine whether there is an actual need for additional migrant housing. Are statistics accurate? Should surveys be done?
- 2) Investigate sources of government funding or guarantees. (Farm Credit Service, etc.);
- 3) Organize non-profit corporations (Indiantown Non-Profit Housing, Inc. has had success);
- 4) Address local politics, zoning, building statutes;
- 5) Determine appropriate and preferred locations for housing;

- 6) Solicit support and cooperation of agencies and agricultural industry leaders;
- 7) Utilize agricultural ad valorem taxes to support farmworker housing; and
- 8) Planning
 - Local housing elements should address farmworker housing
 - Designate areas for farmworker communities
 - Utilize appropriate criteria for the design of such communities
 - Require minimum levels of housing per agricultural land
 - Housing Incentive Plans should address farmworkers housing separately.
 - Consider financial incentives and streamlining of permit process for agricultural housing.

5. A Change in Development Patterns and Trends

Correction of the Region's affordable housing shortage will only occur if there are sufficient sites and opportunities available for constructing a diversity of affordable housing types. With the changes in development patterns and trends experienced over the last 40 years, the supply of such sites and opportunities has diminished and is not being replenished by new development.

Before affordable housing shortages can be addressed in any meaningful or permanent way, development patterns need to be encouraged which will address the fundamental cause of the shortage problem. There must be sites and opportunities for affordable housing types which can occur naturally within a neighborhood or community free from subsidies and stigma.

Traditionally, sites and opportunities for a diversity of affordable housing types widely occurred in the older neighborhoods and plats. Smaller lot sizes and several building types and land uses were encouraged rather than prohibited. Over the last 40 years, the Region has experienced a shift away from this development pattern to one of large lot, single-use housing developments and resorts. This pattern of development is unreceptive to a variety of building types that have historically provided an assortment of more affordable housing options. Consequently, this has placed an excessive and unfair demand and responsibility on the Region's existing neighborhoods to provide more than their fair share of the affordable housing stock.

The shift in development pattern has meant that families and persons of moderate means have few choices for housing in the Region, and has arguably caused imbalances in previously healthy, long-standing neighborhoods. Some would also argue that this shift has further isolated age and economic classes and led to an over-reliance on "affordable housing projects" to address shortage problems.

The shift in development patterns and trends in the Region has greatly contributed to the inability to adequately address affordable housing shortages. Efforts need to be made to encourage a better balance of development patterns that will provide alternatives to "affordable housing projects", naturally increase the number of sites and opportunities for affordable housing at the neighborhood and community level, and promote a permanent and voluntary solution to affordable housing shortages.

An important factor impacting housing costs is the pattern of development within which housing is provided. If homes are constructed at low density in isolated locations they will cost more to service than they would if provided in a more traditional context. If land uses are rigorously separated, such that jobs and services are remote from where people live, the price of houses may not increase, but they may still be unaffordable for other reasons, such as the costs that are required to meet transportation needs.

It is not just the actual cost of a home that influences its affordability. Rather, it is how much money is available for housing once all other required expenditures have been made. Patterns of development influence these expenditures dramatically. They impact the need for roads, miles of water and sewer lines, the number of police and fire units needed, whether a family will need one, two, or three cars, etc. Pattern of development effects out of pocket costs for cars, and also ongoing expenses such as taxes.

6. Conclusion

Housing cannot be looked at as a separate, independent problem, unrelated to other issues. In order to truly address the problem, and do it cost-effectively, we need to look at the patterns of development, and the structure and function of communities.

A few observations provide ample evidence for the need for immediate attention to this approach.

1. If patterns of development which require automobile ownership for survival are approved, housing becomes less affordable because a large amount of income must be spent for transportation. (Jacobs 1990). This will hurt the poor more than the wealthy.
2. If people of limited financial means are precluded from living within the very communities that they work, they are required to pay larger than necessary commuting costs, and spend an excessive amount of time commuting which could be better spent on other activities such as time with children.
3. If excessive minimum size and material requirements are set for houses within developments, it will preclude the construction of small, well-built, more affordable homes.
4. If walled and privately guarded communities are built, the cost of housing will be increased for all that live there.

5. If low-density, sprawling developments and the rigorous isolation of land uses such as housing, work place, and shopping are encouraged the per unit cost of infrastructure, taxes or user fees, and the level of income needed to obtain housing are all increased.

All of these issues need to be addressed before a comprehensive and meaningful solution to the affordable housing problem can be accomplished.

C. Significant Regional Resources and Facilities

1. All housing units which meet current municipal code and are affordable to very low- and low-income residents.
2. All public housing authorities and local government housing programs.
3. All historic housing structures on the National Register of Historic Sites, the State of Florida Register, and on lists developed by bona-fide local historic districts and commissions.

D. Goals, Strategies and Policies

Regional Goal 2.1

An adequate supply of safe and affordable housing to meet the needs of the very low, low and moderate income residents of the Region.

Indicator:

Change in percentage of very low and low income households spending more than 30 percent of their income for housing.

Increase in the number of housing units which are affordable to the very low, low, and moderate income households (rental or owner units).

Increase in the amount of funds allocated to affordable housing from the local level.

Strategy 2.1.1: Create a planning/regulatory climate which is conducive to the production of affordable housing.

Policy 2.1.1.1: Local governments should reduce unnecessary regulatory barriers which make it more difficult to build affordable housing. Examples of such barriers are large lot sizes, minimum unit size and floor space, and set backs.

Policy 2.1.1.2: Local governments should allow zero lot line development, cluster development, accessory apartments, high-density zoning, mixed-use buildings, modified site improvement standards, alternate construction techniques, etc.

Policy 2.1.1.3: Encourage projects that address the unique problems of first-time home buyers.

Policy 2.1.1.4: Local governments should consider the enactment of incentives such as density bonuses, linkage programs, and inclusionary housing policies.

Policy 2.1.1.5: Local governments should designate adequate sites where affordable housing can be developed.

Policy 2.1.1.6: Local governments should create and maintain an adequate housing/housing conditions data base.

Policy 2.1.1.7: Local governments should provide adequate funding for housing agencies or housing staff so that a program can be carried out which adequately addresses local affordable housing problems.

Strategy 2.1.2: Create and expand public/private partnerships among all entities involved in the provision of affordable housing including financial institutions, developers, contractors, government agencies, social service and other non-profit organizations, churches and realtors.

Policy 2.1.2.1: Work closely with non-profit organizations who are interested in sponsoring housing projects which serve very low, low and moderate-income residents.

Policy 2.1.2.2: Encourage partnerships between affordable housing developers and organizations interested in water and energy conservation to create sustainable homes that are less costly to maintain.

Strategy 2.1.3: Utilize existing funding mechanisms and create new ones.

Policy 2.1.3.1: Local governments should utilize the opportunities available under the Sadowski Housing Act and all other available funding mechanisms to address their needs for affordable housing.

Policy 2.1.3.2: Financial incentives should be provided for the private sector by local governments which will promote the production of affordable housing.

Regional Goal 2.2

A range of housing types and affordabilities in proximity to employment and services.

Indicator:

The percentage of new housing units built in proximity to employment and services.

The ratio of rental units to units intended to be owner occupied in new developments.

Strategy 2.2.1: Ensure that all areas have a reasonable mix of housing, employment opportunities, and services.

Policy 2.2.1.1: Improve/expand the public transit system and encourage the development of affordable housing in locations best served by transit.

Policy 2.2.1.2: Consider utilizing excess public lands for affordable housing.

Policy 2.2.1.3: Encourage the development of a mix of residential land uses which provide for a range of housing types and affordabilities.

Strategy 2.2.2: Ensure that all areas have a reasonable mix of housing types and affordabilities, for both owner and renter households.

Policy 2.2.2.1: Local governments should carefully assess their existing housing stock and their existing needs during the preparation of Evaluation and Appraisal Reports. Particular attention should be paid to the housing needs of the elderly, young adults, single-parent households and others who may find the traditional single-family home to be unaffordable and/or inappropriate for their needs.

Regional Goal 2.3

The stabilization and revitalization of existing neighborhoods.

Indicator:

Increase in the number of communities which undertake neighborhood revitalization/stabilization programs.

Strategy 2.3.1: Preserve affordable housing and rehabilitate substandard housing.

Policy 2.3.1.1: Wherever economically feasible, substandard housing should be rehabilitated and renovated rather than removed. When housing must be removed it should be replaced with alternative housing in proximity to employment and necessary public services.

Policy 2.3.1.2: Historic structures should be preserved as important components of the neighborhood to encourage infill and revitalization efforts.

Strategy 2.3.2: Acknowledgment that the health of neighborhoods depends on many factors, including structural soundness, crime prevention, adequate infrastructure, social services, and others.

Policy 2.3.2.1: Pursue a multi-faceted cooperative program between local government, non-profit organizations, and neighborhood organizations in order to improve and maintain neighborhoods.

Strategy 2.3.3: Identify neighborhoods in need of assistance and determine appropriate methods to improve them.

Policy 2.3.3.1: Local governments should focus the use of affordable housing assistance funds to identified neighborhoods as part of a comprehensive program of neighborhood improvement.

Regional Goal 2.4

An adequate supply of safe and affordable housing to meet the needs of agricultural workers, and others with special needs.

Indicator:

Number of farmworkers seeking housing assistance; number of farmworkers provided with housing assistance.

Number of programs targeted to producing private sector farmworker housing.

Increase in the number of housing units accessible to disabled and others with special needs.

Percentage change in the number of identified homeless citizens.

Percentage change in the number of homeless shelter spaces.

Increase in the supportive services available to homeless persons.

Increase the number of housing units for the elderly population, including adult congregate living facilities, continuing life care, nursing, etc.

Strategy 2.4.1: Work with non-profit and for profit organizations representing citizens with special needs to prepare an assessment of need and a recommended plan to meet that need.

Policy 2.4.1.1: Provide adequate housing opportunities for agricultural workers.

Policy 2.4.1.2: Work with Regional Farmworker Housing Coalitions to develop a program for meeting the housing needs of farmworkers.

Policy 2.4.1.3: Recognize the cultural differences and financial and mobility constraints of farmworkers when locating and designing farmworker housing and neighborhoods.

Policy 2.4.1.4: Support the efforts of coalitions for the homeless in order to address the sheltering, food, and medical needs of these citizens.

Policy 2.4.1.5: Care facilities, group homes and retirement communities which house citizens who are handicapped, abused or elderly should be integrated into residential areas.

Strategy 2.4.2: See that the special housing needs of the elderly are adequately addressed in the Evaluation and Appraisal Reports of local government comprehensive plans.

Policy 2.4.2.1: The need for adult congregate living facilities, continuing life care and nursing homes should be identified and addressed.

Policy 2.4.2.2: Barriers to alternative housing concepts for the elderly should be eliminated.

Policy 2.4.2.3: The existing and projected population of the advanced elderly should be determined and the need for special housing determined.

Regional Goal 2.5

Future growth which results in the creation of neighborhoods and communities, and not in isolated patterns of development.

Indicator:

The number of plans which are prepared or amended to allow for diverse and well connected neighborhoods and communities.

The number of new neighborhoods and communities which are developed consistent with such plans.

Strategy 2.5.1: Encourage the development of neighborhoods and communities, and discourage new development which will not contribute to the creation of new neighborhoods and communities consistent with local government plans.

Policy 2.5.1.1: Assist local governments in preparing area plans which establish diverse and well connected neighborhoods and communities.