



Communities and Affordable Housing

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AFFORDABLE HOUSING TRENDS AND CONDITIONS

This section is aligned with the Elevate Northeast Florida, the 2019 Comprehensive Economic Development Strategy, and the 2019 NEFRC Affordable Housing Needs Plan. It must be noted that the Action Item in First Coast Vision that advocates the transition of the region to an “all voucher” system as the single means to provide affordable housing other than for special needs or senior populations is no longer supported and does not guide NEFRC policy.

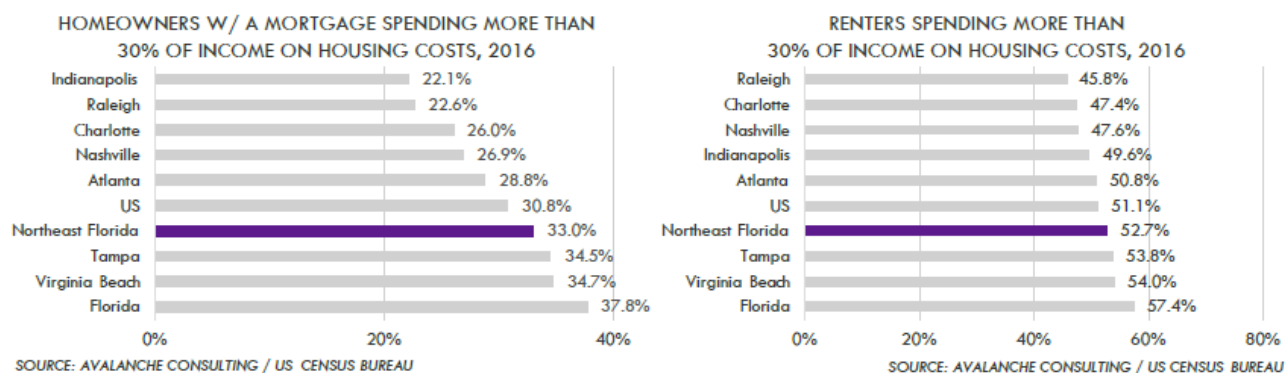
STRATEGIC ISSUE: HOUSING COSTS

Cost Burden of Housing: Households with Rent/Cost to Income Ratio of 30% or more

A household is considered to be “housing cost-burdened” if more than 30% of its gross household income is spent on housing, which is defined as rent or mortgage costs. A household is considered “severely cost-burdened” if more than 50% of gross household income is spent on housing. The number of cost-burdened and severely cost-burdened households is an indicator of affordable housing supply.

Although cost of living is a frequently cited regional advantage, some residents feel pressure on their pocketbooks, especially related to housing costs. While income levels have barely budged, home prices have increased by more than 75% since 2012. Over 30% of homeowners in the metro now spend more than 30% of their income on their mortgage payment each month. More than 50% of renters are cost-burdened, spending greater than 30% of their income on rent.

Figure 1: Homeowners / Renters Spending More than >30% of Income on Housing Costs

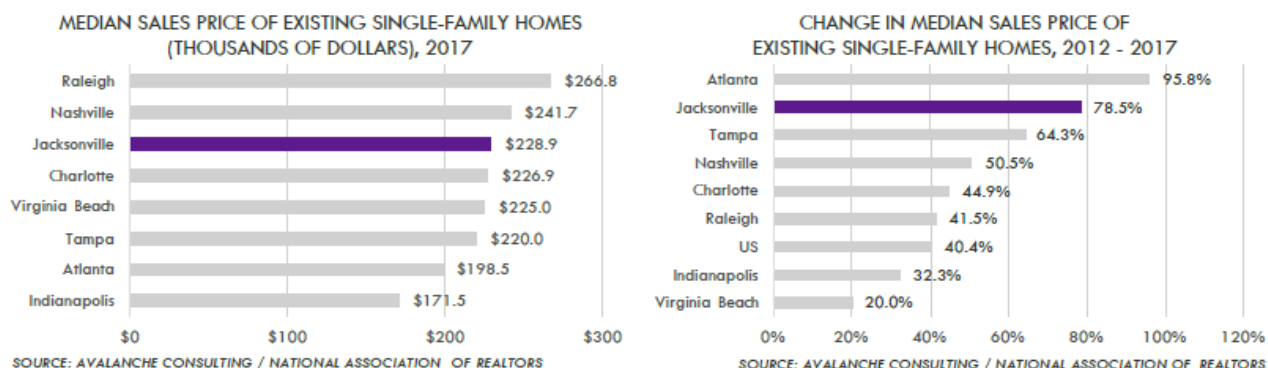


Median Home Sales Price Northeast Florida

Median home sales are an indicator of housing affordability as well as economic stability.

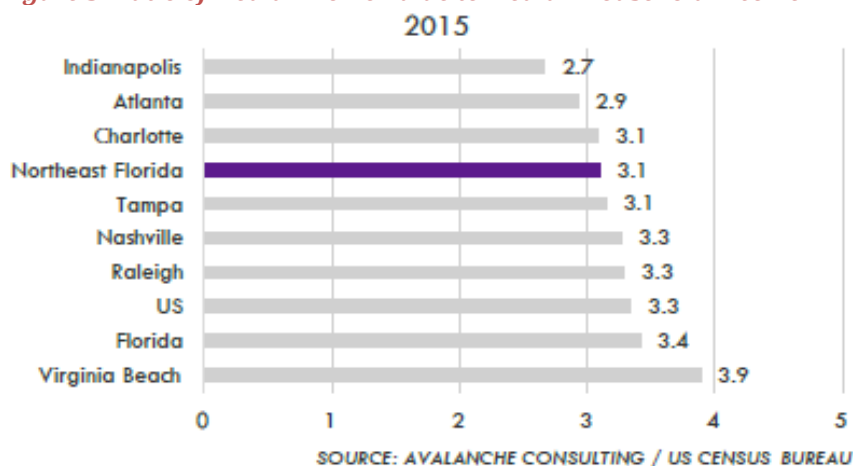
In recent years, housing costs in the five-county Jacksonville metro have become significantly more expensive. Between 2012 and 2017, the median sales price of existing single-family homes increased by nearly 80% on a non-adjusted basis. At \$228,900, the median sales price of an existing single-family home is now greater in the metro than in all other benchmark regions except Nashville and Raleigh. (Note, home price data is only included for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

Figure 2: Median/Change in Median Sales Price of Existing Single-Family Homes



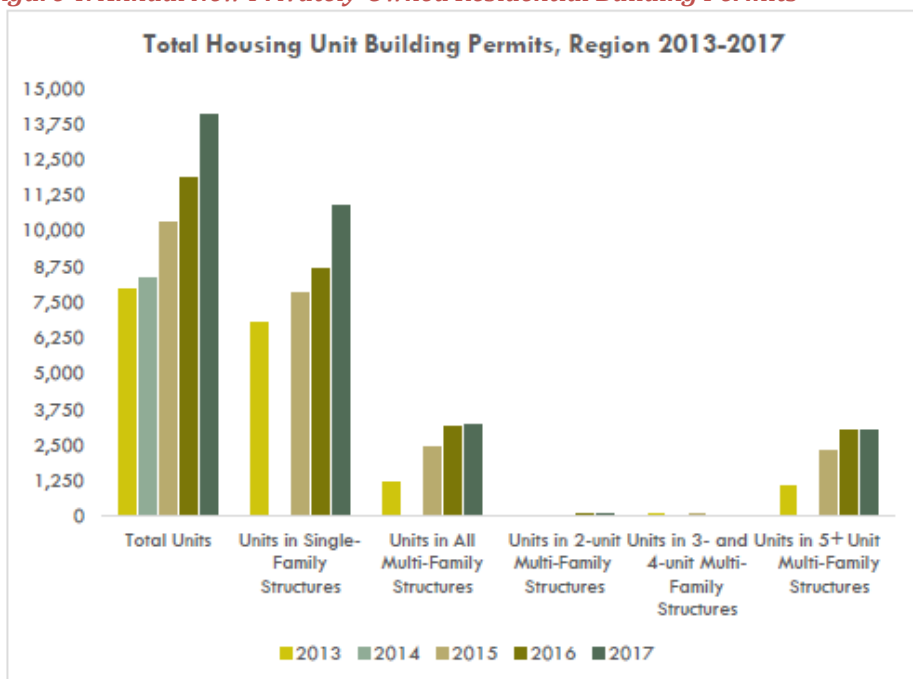
The ratio of Median Home Value to Median Household Income shows that Northeast Florida does an average job compared to benchmark cities in providing housing affordable to families earning the median area income.

Figure 3: Ratio of Median Home Value to Median Household Income



As the region’s population grows, housing production must keep pace or affordability issues will become worse. The following chart shows residential building permits issued from 2013 to 2017. Most housing production was in single-family structures, with a significant number of large multi-family structures as well. Very few two to four-unit multi-family buildings are being built. Since these units are often appropriate for older, mixed-use neighborhoods, this could indicate a missing element in housing production.

Figure 4: Annual New Privately-Owned Residential Building Permits



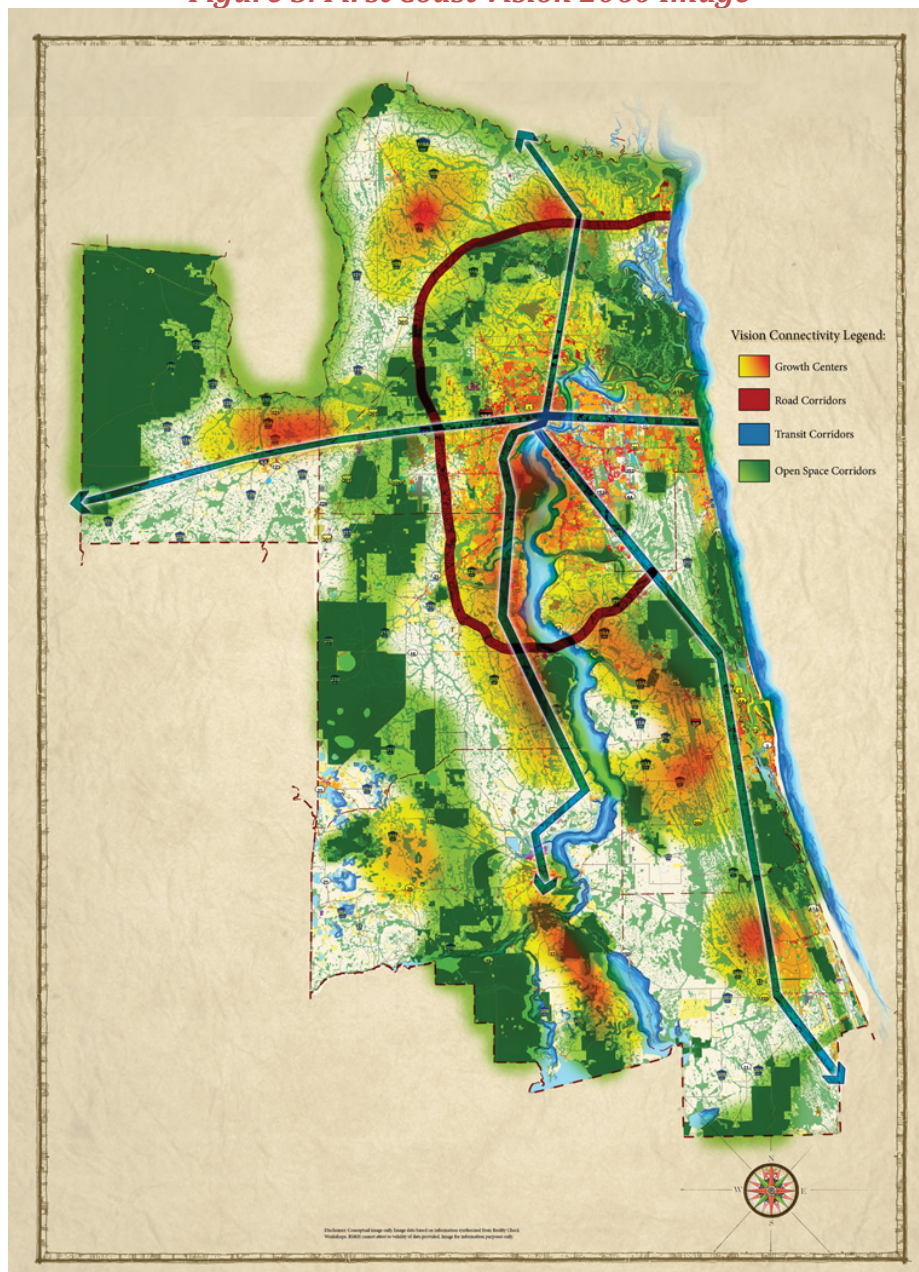
Sources: US Census Bureau, Annual New Privately-Owned Residential Building Permits, Total Units, for Counties in Florida <http://census.gov/hhes/housing/permits/>

Community Conditions

Good urban design can lead to attractive and prosperous communities which sustain natural resources, encourage pleasant human interaction, inspire beautiful buildings and landscapes, reduce premature development pressure on farmland, enhance the quality of life, encourage healthy people and neighborhoods, provide for an efficient transportation system and increase the amount of affordable housing. Through the community engagement of First Coast Vision, Northeast Florida considered the four growth patterns created at Reality Check First Coast and, based on extensive polling, chose multiple growth centers as the pattern that was preferred for growth in the Region in the next 50 years. This Strategic Regional Policy Plan encourages local governments to consider where they believe growth should go in their jurisdictions, also taking into account the Regional corridors map Figure 8 in the Transportation Chapter. By considering corridors, they increase the likelihood that growth centers will be accessible to other centers, thereby

providing access to jobs and housing choice for residents. First Coast Vision includes the image included below, which provides an example of where growth might be expected to locate in the Region by 2060. Ultimately, communities are encouraged to decide for themselves, and then keep focus on these centers so that development there increases in value to its owners and the community and infrastructure investments are directed towards support of the centers.

Figure 5: First Coast Vision 2060 Image



Source: The firm RS & H created this image in response to the First Coast Vision Design Challenge.

STRATEGIC ISSUE: AFFORDABLE HOUSING NEEDS PLAN

The NEFRC Affordable Housing Needs Plan includes what its Affordable Housing Committee believes is needed to achieve the affordable housing goal, what metrics will help us determine success, and how leadership will be provided to guide implementation. They began with a concern that affordable housing is a purely local issue, and ended with a focus on the regional gaps that may be filled to make it easier for localities to provide affordable housing. They address the range of affordable housing, as does the goal: “affordable options for all income, age and ability groups”, and so address the full spectrum of income levels, from extreme poverty to 120% of area median income. The affordable/available rental analysis included with the metrics at the end of this plan estimate that there is a deficit of more than 29,000 units regionally needed by households making up to 30% of average median income, more than 30,000 units needed for those making up to 50% of average median income and more than 17,000 units needed for those making up to 80% of average median income. Ultimately, the prosperity of the residents and businesses in Northeast Florida depends on overcoming challenges at both the local and regional level, and it is only in partnership that we will succeed.

STRATEGIC ISSUE: ECONOMIC AND FISCAL BENEFITS TO THE COMMUNITY

Affordable housing has short and long term benefits that are often overlooked or misunderstood. According to the Planning Commissioners Journal in 2011¹, not only are there short term benefits of building or rehabilitation affordable units as seen in the building construction field, but they estimate 100 affordable units will generate 120 jobs during the construction phase. The misunderstanding comes in with units once they are occupied. Those 100 units generate approximately 30 jobs, which is similar to the job generation of market rate units. According to a Chattanooga, Tennessee example cited in The Urban Land Institute’s “Ten Principles for Developing Affordable Housing,” affordable housing provides jobs, tax revenues and local business income well beyond a 1.65 multiplier to the affordable housing developer’s direct investment². Like market rate units, affordable units generate one-time revenue for local governments, in the form of permit, impact and utility fees. This factor provides an opportunity to support affordable housing without spending local government funds, as waiving of such fees can be an option in the

¹ Cohen, Rebecca and Wardrip, Keith, *The Economic and Fiscal Benefits of Affordable Housing*, Planning Commissioner Journal Number 83 Summer 2011

² Bach, Alexa, Prema Katari Gupta, Richard, Haughey, George Kelly, Michael Pawlukiewicz, and Michael Pitchford, *Ten Principles for Developing Affordable Housing*. Washington, D.C.: ULI—the Urban Land Institute, 2007

“toolbox’ of local governments. Another area of misunderstanding is the effect of affordable housing on nearby property values. Affordable housing that is well designed, built, managed and maintained is most likely to have a neutral or positive impact on nearby property values. Affordable development in areas that are “taking off” or “revitalizing” are positive factors that add to and speed up overall success. Another misunderstanding is that affordable housing costs communities more money than market rate housing because lower income families tend to have more children, and this costs money for schools. Overall, the average number of children per household has been falling for many years, and there is only a small difference in the number of children per household when comparing income levels. Affordable and moderate -income purchasers have a lower risk of delinquency and foreclosure than buyers with prime or sub-prime loans. In addition, taking advantage of homes in foreclosure for affordable housing programs saves communities costs in maintenance, and also reduces the risk that nearby homes will experience loss in property value, and local governments in tax revenue, that occur when vacancies exist near occupied homes.

STRATEGIC ISSUE: ECONOMIC AND FISCAL BENEFITS TO THE BUSINESS SECTOR

The cited Planning Commissioners Journal article further notes that in a national survey of 300 companies, 55% of the largest respondents cited an insufficient level of affordable housing in their proximity, and 2/3rds of the same respondents believed that the shortage negatively affected their ability to hold onto qualified employees. From this perspective, lack of affordable housing becomes a competitive disadvantage for Northeast Florida. Living in affordable housing also increases the residual income that those households have to spend, and this increased buying power allows businesses to gain additional business.

STRATEGIC ISSUE: VALUE COMMUNITY ASSETS

The Region’s local communities are the base and foundation upon which the entire Region stands. Every County in the Region has special attributes that make it special, from historic St. Augustine and Fernandina Beach to the agricultural areas of St. Johns and Putnam Counties to the urban downtown of Jacksonville.

The inventory and preservation of historic resources is essential to the historic heritage of the Region. Preservation and reuse of old buildings often makes economic and environmental sense.

Reuse of land as development and infill sites makes sense, as they make use of existing infrastructure. “Brownfield” sites are abandoned industrial and commercial facilities that are available for redevelopment, and are perceived to raise environmental issues. Local

governments in the Region are using existing federal and state programs to determine if there is cleanup required on these sites, to implement their clean-up if necessary and to put them back into constructive use. NEFRC may help local governments in these efforts in the future.

STRATEGIC ISSUE: HOUSING FOR THE LONG-TERM

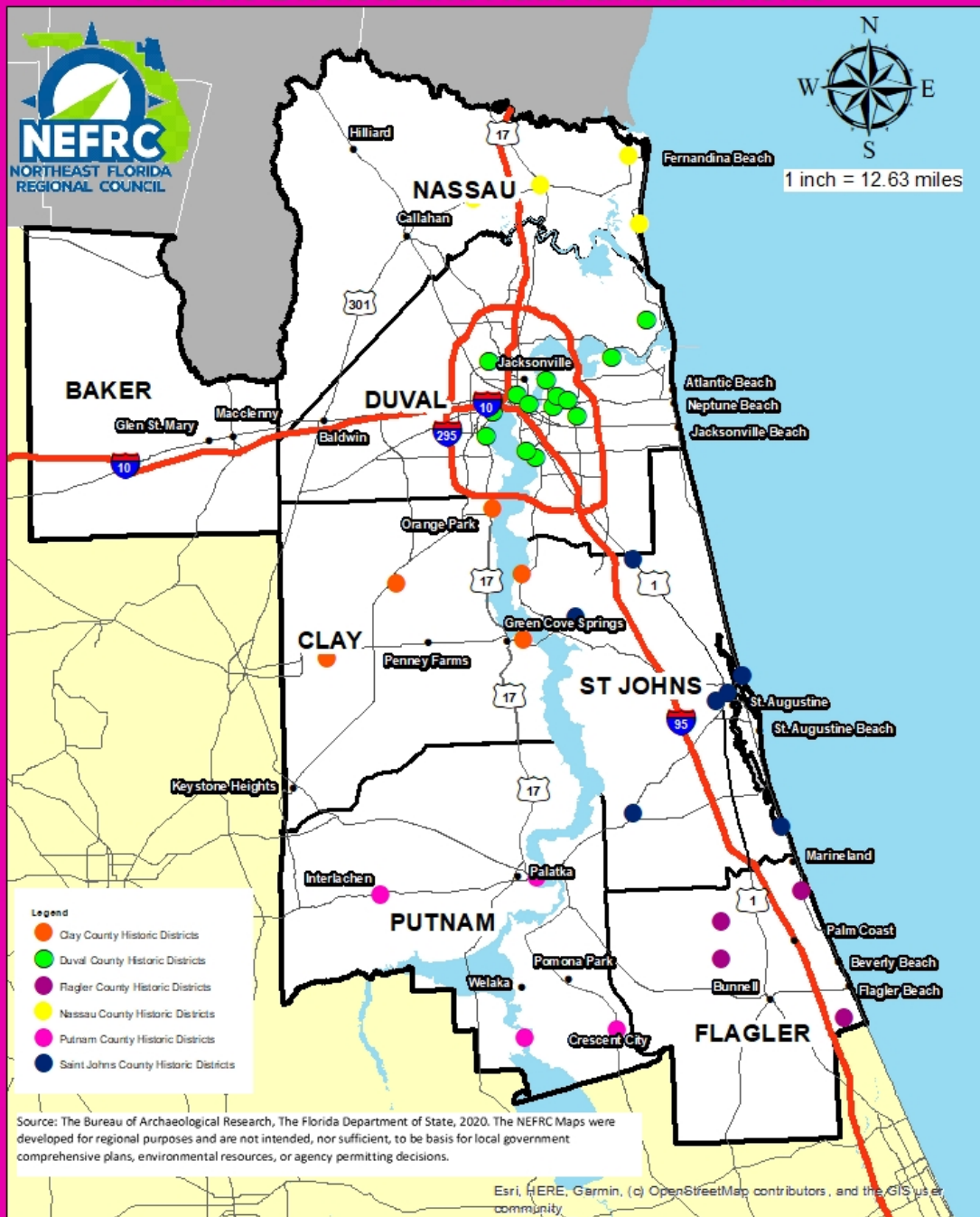
To create housing for the long-term, homes need to be designed with everyone in mind, young, old, and disabled. A term for this is universal design. Universal design is a design that allows accessibility to homes for the widest range of people (able-bodied and physically challenged) operating in the widest range of situations without special or separate design. Examples of universal design include wide interior doors and hallways, ground level entrances with no stairs, and handles for doors and drawers that require no gripping or twisting to operate. Resiliency is also a feature that should also be considered in construction and retrofit of homes.

REGIONALLY SIGNIFICANT RESOURCES AND FACILITIES

Northeast Florida's historic communities are significant resources for tourism, economic development and quality of life. The Figure below shows the Florida Department of State Division of Historic Resources-designated historic districts in the Region. The map is just an illustration and may not include all such resources or facilities.

Resources of Regional Significance: Communities And Affordable Housing

Communities and Affordable Housing
 Resources of Regional Significance
 Historic Districts and National Monuments



GOALS, OBJECTIVES AND POLICIES

Goal: Each local government is encouraged to take the lessons learned from visioning, the public preference for multiple growth centers, the opportunities and challenges raised by resources of regional significance and the desires of their residents and determine where new growth should go, ideally in locations allowing it to take advantage of existing infrastructure, be mixed use, compact and connected to other centers. These mixed use growth and redevelopment centers are supported in all seven Counties and have the potential to increase transit ridership, reduce car dependency, maintain water and air quality and conserve water. Once these locations are chosen, governments should do all they can to support quality development there that will appreciate in value and achieve multiple community and economic goals.

Goal: A safe, sanitary, efficient and resilient housing supply that provides lifestyle choice (agricultural, rural, suburban, and urban) and affordable options for all income, age and ability groups, equitably placed in vibrant, viable and accessible communities throughout the region.

Pillar: Quality of Life and Quality Places, Business Climate and Competitiveness

OBJECTIVE: IMPROVE QUALITY OF LIFE AND PROVIDE QUALITY PLACES IN NORTHEAST FLORIDA

Policy 1: NEFRC gathers best practices and connects communities with strategies and practitioners that can help address their issues within the context of the aspirational goals of First Coast Vision. Convening to share experiences and discuss solutions is an important part of this approach.

Pillar: Quality of Life and Quality Places, SCP: 187.201(4)(a)F.S.

OBJECTIVE: CONSISTENCY WITH THE STRATEGIC REGIONAL POLICY PLAN

Policy 2: NEFRC considers impacts to resources of regional significance and extra jurisdictional impacts as it reviews consistency with the SRPP. Local governments and proposers of projects should include best available data gathered using professionally acceptable methodology in support of their proposals, sufficient to determine impacts. Where mitigation is proposed, using strategies outlined in local government policies or plans, the SRPP, or a combination is encouraged.

Pillar: Infrastructure and Growth Leadership, SCP: 187.201(15)(a)

COMMUNITIES AND AFFORDABLE HOUSING MEASURES

ALICE is an acronym for Asset Limited, Income Constrained, Employed. It is the approach taken by United Way to address households that earn more than the Federal Poverty Level, but less than the basic cost of living. It has been embraced in Northeast Florida as a more useful measure than the traditional measures of poverty.

County	Households in Poverty	ALICE Households	Percent of Households Struggling
Baker	15%	27%	42%
Clay	9%	28%	37%
Duval	13%	27%	40%
Flagler	10%	32%	42%
Nassau	11%	17%	28%
Putnam	18%	31%	49%
St. Johns	7%	19%	26%

Source: ALICE: A Study of Financial Hardship in Florida, Live United/United Way, 2018