Pasco County
Housing Market Analysis

December 28, 2014

Prepared by:

Ernest Swiger Consulting, Inc.
Stroudsburg, Pennsylvania 18360

Pasco County, Florida

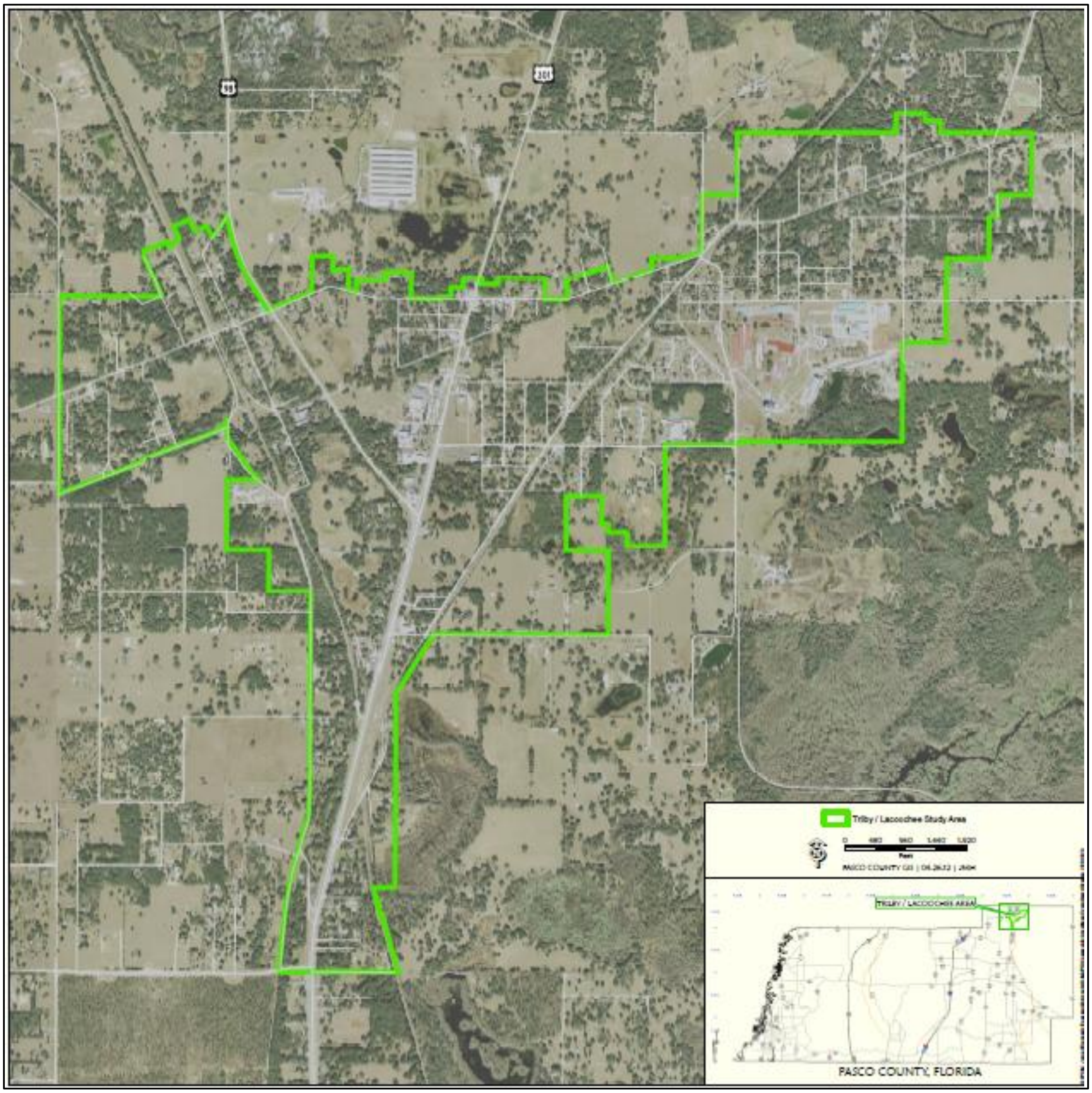
Housing Market Analysis

Introduction

A. Background and Setting

On November 17, 2009, the Board of County Commissioners adopted the Lacoochee-Trilby Strategic Master Plan, which included both short-term and long term capital improvements strategies, as well as strategies for plan implementation. The County's Community Development Division, in collaboration with the Pasco Country Housing Authority and other partners from both the public and private sectors received a Choice Neighborhood grant for the revitalization of the neighborhood on October 20, 2012. This Housing Market Analysis is part of the Neighborhood Assets and Needs Assessment which in turn is part of the larger process of developing a Transformation Plan for the neighborhood. That Transformation Plan will address not only housing, but increased job opportunities, better access to health care, increased public safety, and greater transportation access and alternatives.

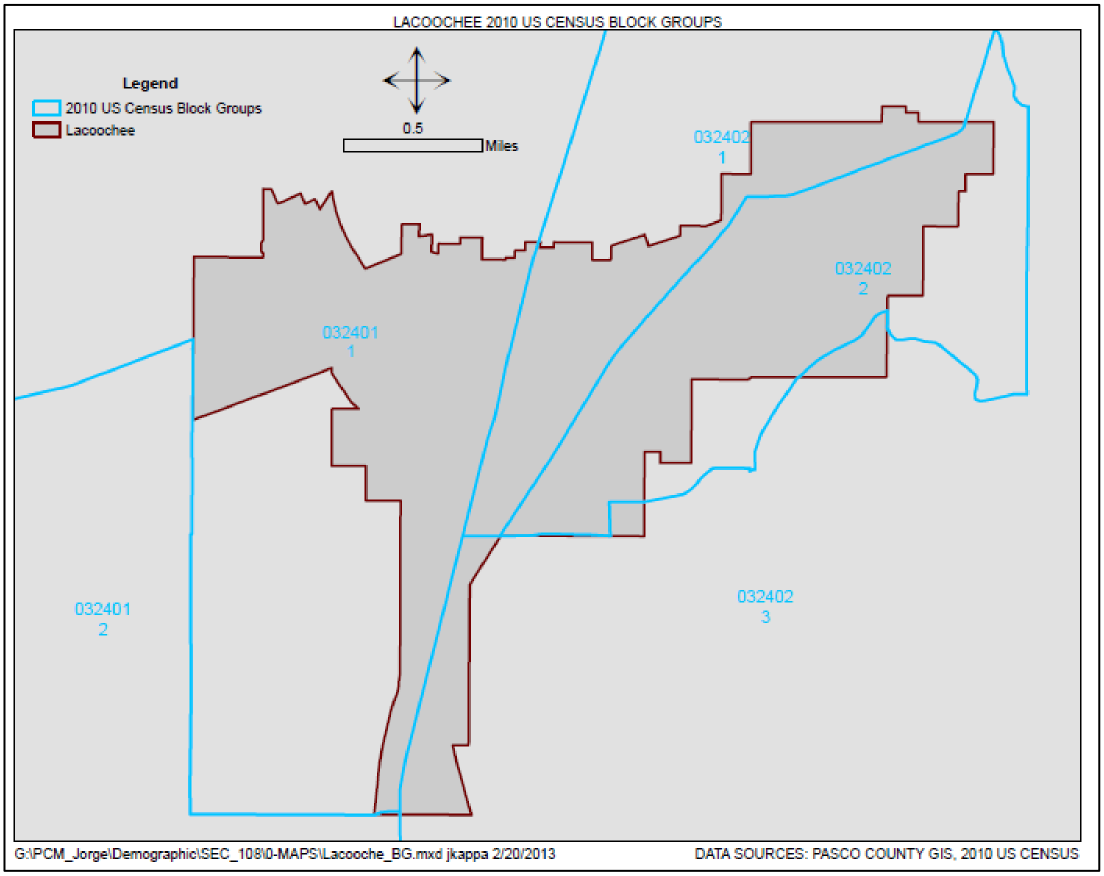
The Lacoochee-Trilby area is a two and one-half square mile area in northeastern Pasco County that includes three neighborhoods – Lacoochee, Trilby and Trilacoochee. The area is served by US highway 301, which runs north-south through the area, dividing the area. The subject area is connected to Interstate 75 (to the west) by State Route 52. The area is bounded by the Green Swamp conservation area on the east and by the Withlacoochee River to the north. The following map shows the area.



Source: Pasco County Community Development Division, Strategic Plan Presentation, July 27, 2009

The three neighborhoods are located within the Lacoochee Census County Division (CCD). A CCD is a subdivision of a county used by the United States Census Bureau for the purpose of presenting statistical data. A CCD is a relatively permanent statistical area delineated cooperatively by the Census Bureau and state and local government authorities. The scope of the study area includes three U.S. Census Block Groups (BGs) – 32401-1, 32402-1 and 32402-2.

The three Block Groups extend beyond the designated project area, though much of the extended area is uninhabited or sparsely inhabited. Also, the three Block Groups do not match exactly to the three neighborhoods, as can be seen by comparing the following map with the area map shown above. In general, Block Group 32402-2 includes Lacoochee, Block Group 32401-1 includes Trilby, and Block Group 32402-1 includes Trilacoochee.



As the grant applications note, the area was once thriving with industrial activity centered around a cypress saw mill and related activities. With the closure of the saw mill in the late 1950s, the neighborhood underwent a significant decline and became one of the most distressed areas in the Tampa Bay region. Over time, a wide range of factors have contributed to the area's distress including lack of jobs, lack of health care and other services, the absence of grocery stores, and poor schools. The grant applications have noted the sub-standard public housing, sub-standard private housing, high unemployment, high crime rates, and poor infrastructure, including poor streets and roads.

However, the area is not without its assets and significant improvements have been made based upon significant community interest and activity supported by the grant and private sector funding. These improvements include the development of new housing through work by Habitat for Humanity, increased public safety through the Officer Friendly program, significant improvement in the rating of the elementary school, planning for improved health care delivery in the area, and the creation of a new community center that will house the Boys and Girls Club as well as other community services.

A community survey conducted in July and August of 2013 revealed some anomalies with respect to housing conditions in the neighborhoods. The survey respondents were predominantly renters (68.4%) who resided in the area's public housing complex (described below), and who had resided in the area for over four years. It is interesting to note that 71.5 percent of respondents were Very Satisfied or Satisfied with their current housing and only seven percent were Dissatisfied or Very Dissatisfied with their housing. However, 17.9 percent of respondents considered their housing Very Poor or Poor and 40.6 percent considered it Fair. Thus, there is some disparity between the living conditions and the condition of that housing.

The community has completed a visioning process, including a housing vision that sees the transformation of the distressed private and public housing into a "mixed income, energy efficient, self-sufficient neighborhood characterized by access to transportation networks, neighborhood retail and surrounded by a diversity of housing types." according to Exhibit E of the Choice Neighborhoods Grant Application. The plan includes not only the renovation of private sector housing, but the revitalization of the public housing units.

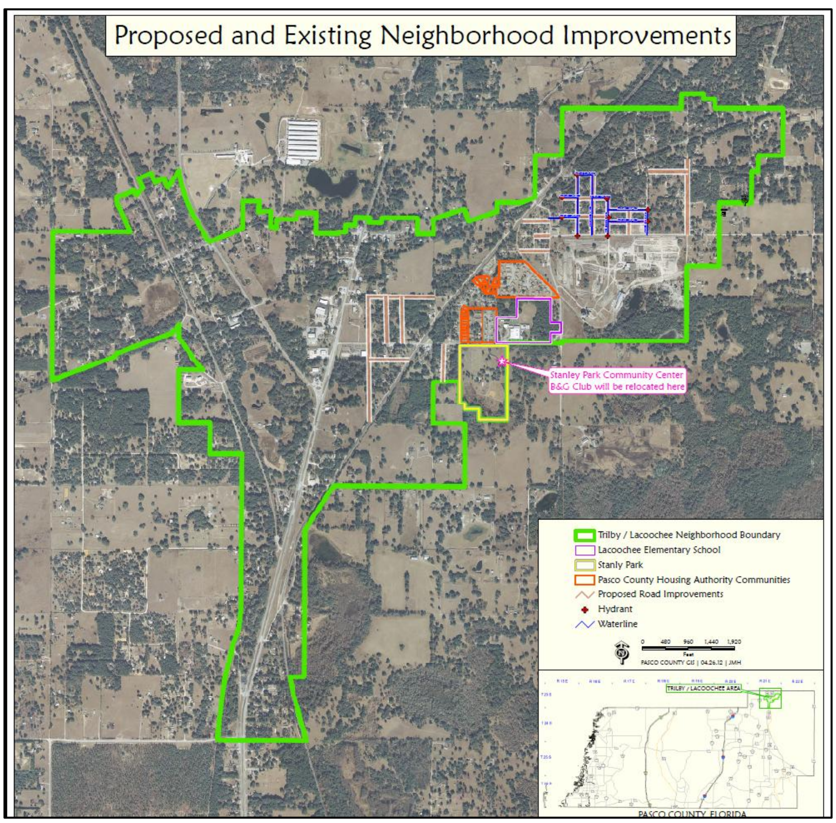
As noted in the detailed housing analysis, 58.5 percent of housing units are owner-occupied and 41.5 percent are renter occupied. This differs from the US norm in which 65.5 percent are ownership units and 34.5 percent are rental. The difference between the subject area and Pasco County is even more marked in which 77.5 percent of County housing units are owner-occupied and only 22.5 percent are rental units. Data from the application shows that of the 1,249 parcels in the neighborhoods, a substantial portion (42.51 percent) have never had a building on site, according to the County Property Appraiser (Property Appraiser); 50.7 percent of built parcels had buildings constructed between 1950 and 1979; and 16.85 percent of built parcels had buildings constructed between 1930 and 1949. Of the total parcels in the subject area, 355 have a tax exemption status (i.e. Homestead, Disabled, Widow, etc.), accounting for 28.6% of the total parcels in the neighborhood. The average home price by decade sold shows an overall increase in the average sales price over time from 1970-2013, significantly outstripping the rate of inflation over the period. For example, the average sales price between 1970 and 1979 was $8,063.16, but between 2000 and 2013 it was $47,884.88. In contrast, inflation of the $8,063 figure in 1979 would result in a 2013 sales figure of $22,795. Thus, housing prices have increased significantly in the neighborhoods over the years despite the recent downturn in the housing market.

It must be noted that the Lacoochee neighborhood contains four Public Housing developments, Cypress Farms, Cypress Manor, and Cypress Villas 1 and 2. The following table provides data on each.

Development	Year Built	Number of Units by Bedroom	Number of Households Residing	Number of HH on Waiting List
Cypress Manor	1978	6 – one bdrm 44 – 2 bdrm 33 – 3 bdrm 10 – 4 bdrm	36	42
Cypress Villas 1	1980	14 – one bdrm 9 – 2 bdrm 4 – 3 bdrm	26	189
Cypress Villas II	1980	2 – 2 bdrm 10 – 3 bdrm	10	153
Cypress Farms	1981	10 – one bdrm 44 – 2 bdrm 33 – 3 bdrm 10 – 4 bdrm	72	130

Source: Pasco County Housing Authority, Memorandum, 10/8/2014

These units represent a significant portion of the housing units in the Lacoochee neighborhood. The following map shows the location of the Housing Authority units, highlighted in red.



Source: Pasco County Community Development Department, Choice Neighborhoods Application, Attachment 17

B. Market Analysis Introduction

The Pasco County Housing Market Analysis focuses on three neighborhoods- Lacoochee, Trilby, and Trilacoochee located in Northeast Pasco County, Florida. The three neighborhoods are located within the Lacoochee Census County Division (CCD). A CCD is a subdivision of a county used by the United States Census Bureau for the purpose of presenting statistical data. A CCD is a relatively permanent statistical area delineated cooperatively by the Census Bureau and state and local government authorities. The scope of the study area includes three U.S. Census Block Groups (BGs) – 32401-1, 32402-1 and 32402-2. The housing market analysis provides a current market perspective on the key demand and supply factors impacting the production and availability of affordable housing in the study area.

A basic premise of all housing markets is the need to create and maintain a "spectrum" of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors including: household income, population age, proximity of employment and mere preference. A spectrum of owner and rental housing choice and opportunity is particularly important in supporting the range of income groups that reside in the county.

An understanding of the shifting demands for housing is critical for the creation of effective housing policies and strategies. The increasing demand for worker housing has magnified the importance of providing a wide spectrum of owner and renter choice and opportunity with respect to affordability, location and access to jobs.

C. Defining Affordable Housing and Measuring Affordability

Housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard most used by various units of government is that households should spend no more than 30 percent of their income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. This is also the standard definition for housing programs administered by the Department of Housing and Urban Development (HUD) and most state programs. However, this definition of housing affordability has its limitations because of the inability to determine whether households spend more than 30 percent of their income on housing by necessity or choice. Specifically, the definition does not consider that upper income and smaller households can afford to spend much more than 30 percent of their incomes on housing and still have enough income left over to satisfy other basic needs, whereas low income households that pay even 10 percent of their incomes on housing costs may be forced to forgo essential medical care and healthy food.

The term "affordable housing" has taken on different connotations and raises certain policy questions such as: Affordable to whom? Affordable for how long? Affordable for rental or ownership? There are many different answers to those questions, but there are also some ways to define the term and compare the different projects that fall under it. Public agencies often define affordability in terms of area median income (AMI). AMI is published by the U.S. Department of Housing and Urban Development (HUD) for every county and metropolitan area.

It is the most common benchmark to determine eligibility for federal housing programs. AMI is defined as the median family income (MFI) for metropolitan statistical areas (MSA). Households earning: between 120 and 80 percent AMI are considered "moderate-income: below 80 percent AMI, "low-income"; below 50 percent AMI, "very low-income" and below 30 percent AMI, "extremely low-income."

D. Affordability Indices

One measure of housing affordability is the cost of homeownership, commonly conveyed through housing affordability indices. These indices generally indicate that affordability increased substantially toward the end of the last decade, primarily as a result of lower interest rates during that period. A housing affordability index for an area brings together the price and the income elements that contribute to housing affordability. The following describes the most recognized affordability indices:

<u>National Association of Realtors (NAR) Index</u>

The most common index is that produced by the National Association of Realtors (NAR). The affordability index measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the national median-priced, existing single-family home as calculated by NAR. The typical family is defined as one earning the median family income as reported by the U.S. Bureau of the Census. These components are used to determine if the median income family can qualify for a mortgage on a typical home. To interpret the indices, a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. For example, a composite Housing Affordability Index (HAI) of 120.0 means a family earning the median family income has 120 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced existing single-family home. An increase in the HAI, then, shows that this family is more able to afford the median priced home. The calculation assumes a down payment of 20 percent of the home price and it assumes a qualifying ratio of 25 percent. That means the monthly principal and interest (P&I) payment cannot exceed 25 percent of the median family monthly income.

<u>Housing Opportunity Index</u>

The National Association of Home Builders (NAHB) has developed a Housing Opportunity Index, which is defined as the share of homes affordable for median household incomes for each metropolitan statistical area (MSA). The NAHB Index has certain intuitive limitations, however, as housing affordability scores are generally more favorable in metropolitan areas that are also rated as “least desirable places to live” according to Places Rated Almanac (Brookings Institution, 2002). The “median house price-income ratio” used by the National Association of Realtors and other housing analysts is a key economic indicator in assessing local market trends and vitality. During the height of the “housing bubble”, the median house price-to-income ratio more than tripled in many high priced metropolitan markets such as New York City, Boston, and Los Angeles.

Housing and Transportation Affordability Index

As noted above, housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard HUD definition that households should spend no more than 30 percent of their income on housing costs is most frequently used by various units of government. However, a number of housing studies in recent years have shown a clear correlation between workforce housing demand and transportation costs. The critical link between housing and transportation costs has significant implications with respect to housing choice and affordability. Housing and transportation costs can severely limit a working household's choice both in terms of housing and job location. Rising gas and overall transportation costs have significant impacts on both homeowners and renters. The location of affordable rental housing is particularly relevant as proximity to job centers and access to transit is vital to a renter dominated workforce principally comprised of low- and moderate income households.

The Housing and Transportation Affordability Index (H+T Index) developed by the Center for Neighborhood Technology (CNT) demonstrates the inadequacy of traditional measures of housing cost burden. While housing alone is traditionally considered affordable when consuming no more than 30 percent of income, the H+T Index limits the combined costs of transportation and housing consuming to no more than 45 percent of household income. Why does this matter? According to CNT, a typical household's transportation costs can range from 12 percent of household income in communities with compact development and access to transit options, to more than 32 percent in the far exurbs.

Unfortunately, new data show that workers have further distanced themselves from their jobs. According to the U.S. Census Bureau, the number of "extreme commuters," those who travel ninety minutes or more each way, has reached 3.5 million, almost double their number in 1990.

E. Methodology and Scope of Analysis

The Pasco County Housing Market Analysis provides an assessment of current housing market supply and demand conditions. The methodology provides several layers of affordability analysis based on current housing values and various household income categories. The study includes the following elements:

Housing Supply Analysis: This section provides a current assessment of the study area's housing inventory/supply based on housing type, tenure, development activity and values;

Housing Demand Analysis: This section provides a current assessment of the study area's housing demand (need) based on household income levels;

Housing Affordability Analysis: This section analyzes the affordability levels of the study area's owner and renter housing based on current housing values in relation to household incomes.

Housing Market Analysis

A. Housing Inventory and Tenure

As previously noted, the housing market study consists of three neighborhoods- Lacoochee, Trilby, and Trilacoochee. The scope of the study area includes three U.S. Census Block Groups (BGs) – 324.01-1, 324.02-1 and 324.02-2. As will be seen in the following analysis, the three Block Groups are very different and distinct. Any assessment averaging the data across the three Block Groups will not yield a meaningful result because of the significant differences.

According to the most recent 2008-2012 5-Year American Community Survey (ACS) estimates, there are 1,080 total housing units in the study area, of which, 846 (78 percent) are occupied (Table 1.1). The largest number of units are located in CT 324.01.2 (576 units/53.3 percent). Owner-occupied units comprise 58.5 percent of the occupied units in the study area.

Table 1.1: Housing Tenure, 2012

Occupancy Status	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
Occupied Housing Units	846	445	52.6%	151	17.8%	250	29.6%
Owner-Occupied	495	209	42.2%	144	29.1%	142	28.7%
Renter-Occupied	351	236	67.2%	7	2.0%	108	30.8%
Vacant Housing Units	234	131	56.0%	0	0.0%	103	44.0%

Source: U.S. Census, ACS, 2012

B. Housing Vacancies

According to 2008-2012 5-Year ACS estimates, there are 234 vacant housing units (23.6 percent) in the study area. Housing vacancies are largely in the "other vacant" (122 vacancies) and "rented or sold, not occupied" (87 vacancies) categories. Vacancies in the "other vacant" category are generally attributed to some combination of newly constructed, not occupied units and/or an inventory of distressed properties. Most of these vacancies (86) are located in CT 324.01-1.

Table 1.2: Housing Vacancy, 2012

Vacancy Status	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
Vacant Housing Units	234	131	56.0%	0	-	103	44.0%
For Rent	25	0	-	0	-	25	100.0%
For Sale Only	0	0	-	0	-	0	-
Rented or Sold, Not Occupied	87	45	51.7%	0	-	42	48.3%
For Seasonal, Recreational, or Occasional Use	0	0	-	0	-	0	-
For Migrant Workers	0	0	-	0	-	0	-
Other Vacant	122	86	70.5%	0	-	36	29.5%

Source: U.S. Census, ACS, 2012

C. Housing Inventory by Type

Inventory of Single-Family and Multi-Family Units

According to 2008-2012 5-Year ACS estimates, the housing inventory is primarily comprised of 1-unit, detached unit structures. Single-family, detached unit structures comprise 64.5 percent of the area's total housing inventory (Table 1.3). Mobile homes comprise the next largest share of units (170 units/16 percent followed by 2-unit structures (102 units/9.4 percent).

Table 1.3: Housing Inventory, 2012

Units in Structure	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
1-unit, detached	697	481	69.0%	88	12.6%	128	18.4%
1-unit, attached	0	0	-	0	-	0	-
2 units	102	0	-	0	-	102	100.0%
3 or 4 units	86	0	-	0	-	86	100.0%
5 to 9 units	0	0	-	0	-	0	-
10 to 19 units	0	0	-	0	-	0	-
20 to 49 units	13	0	-	0	-	13	100.0%
50 or more units	12	12	100.0%	0	-	0	-
Mobile Home	170	83	48.8%	63	37.1%	24	14.1%
Boat, RV, Van, etc.	0	0	-	0	-	0	-

Source: U.S. Census, ACS, 2012

According to 2008-2012 5-Year ACS estimates, the vast majority (95.5 percent) of housing units in the study area have 4 or more rooms (Table 1.4). The median number of rooms ranges from 4.6 rooms in CT 324.02-2 to 5.9 rooms in CT 324.02-1.

Table 1.4: Housing Units by Number of Rooms, 2012

Number of Rooms	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
1 room	0	0	-	0	-	0	-
2 rooms	25	0	-	0	-	25	100.0%
3 rooms	23	12	52.2%	0	-	11	47.8%
4 rooms	251	103	41.0%	14	5.6%	134	53.4%
5 rooms	330	223	67.6%	32	9.7%	75	22.7%
6 rooms	265	116	43.8%	74	27.9%	75	28.3%
7 rooms	102	52	51.0%	17	16.7%	33	32.4%
8 rooms	84	70	83.3%	14	16.7%	0	-
9 rooms or more	0	0	-	0	-	0	-
Median Number of Rooms	-	5.3	-	5.9	-	4.6	-

Source: U.S. Census, ACS, 2012

D. Age and Housing Conditions

Age

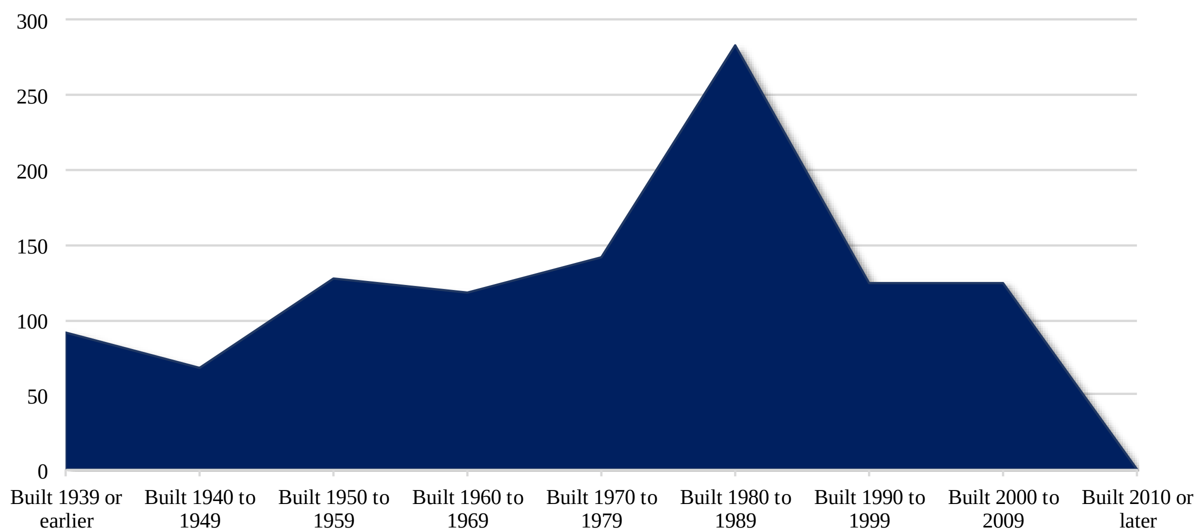
The age of the housing stock is an important variable in assessing the overall characteristics of a local housing market. The older housing stock, particularly older rental housing, often has code and deferred maintenance issues that can impact the longevity of the housing structure which, in turn, impacts the housing supply in terms of accessibility and affordability. The housing supply is relatively old with 50.6 percent of the housing built prior to 1980 (Table 1.5 and Figure 1.1). Only 125 units (11.5 percent) have been built since 2000. Significantly, 288 units (26.6 percent) in the area are now 50 years of age and older. The oldest housing supply is found in CT 324.01-1 where the median year of housing structures built is 1973.

Table 1.5: Age of Housing Stock, 2012

Year Structure Built	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
Built 1939 or earlier	92	32	34.8%	27	29.3%	33	35.9%
Built 1940 to 1949	68	28	41.2%	0	-	40	58.8%
Built 1950 to 1959	128	108	84.4%	20	15.6%	0	-
Built 1960 to 1969	118	96	81.4%	0	-	22	18.6%
Built 1970 to 1979	141	85	60.3%	14	9.9%	42	29.8%
Built 1980 to 1989	283	80	28.3%	83	29.3%	120	42.4%
Built 1990 to 1999	125	43	34.4%	7	5.6%	75	60.0%
Built 2000 to 2009	125	104	83.2%	0	-	21	16.8%
Built 2010 or later	0	0	-	0	-	0	-
Median Year Built	-	1973	-	1982	-	1983	-

Source: U.S. Census, ACS, 2012

Figure 1.1: Age of Housing Stock in Lacoochee, 2012



Age by Value

The value of the study area's housing inventory can only be determined at the Census Tract level because of the way data is available. The value of the housing inventory varies significantly by the age in which the housing structures were built. The value of more recently constructed (built since 2000) housing structures are significantly higher, particularly in CT 324.01 where the median home value is $511,000. Older (1939 or earlier) structures in CT 324.01 also have a higher median value ($325,000). The value of housing structures in CT 324.02 are generally lower with the higher values found in structures built 2000 to 2009 and 1960 to 1969. The gross rents of rental properties do not vary significantly by age of structure in CT 324.01, but show a marked increase in value in CT 324.02 for rental properties built 1990 to 1999.

Table 1.5a: Age of Structures by Value

Year Structure Built	CT 324.01		CT 324.02	
	Median Value	Gross Rent	Median Value	Gross Rent
Built 2010 or later	-	-	-	-
Built 2000 to 2009	$511,000	-	$115,900	-
Built 1990 to 1999	$51,200	$540	$48,200	$838
Built 1980 to 1989	$124,700	$429	$80,200	$602
Built 1970 to 1979	$83,300	$579	$47,200	-
Built 1960 to 1969	-	-	$98,200	$665
Built 1950 to 1959	$70,200	-	$65,000	-
Built 1940 to 1949	-	-	$27,500	-
Built 1939 or earlier	$325,000	-	$82,100	-

Souce: U.S. Census 2012 ACS

Condition

The U.S. Census estimates the total number of substandard units in a geographic area by calculating both owner- and renter-occupied units 1) lacking complete plumbing facilities, 2) lacking complete kitchen facilities, and 3) 1.01 or more persons per room (extent of housing overcrowding). The U.S. Census defines "complete plumbing facilities" to include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit.

According to 2008-2012 5-Year ACS estimates, none of the housing units in the study area are lacking complete plumbing or kitchen facilities. However, 36 units located in CT 324.01-1 have no available telephone service. An estimated 22 owner and 14 renter units are classified as overcrowded with an additional 22 owner units and 10 renter units classified as "severely overcrowded" (Table 1.6). Overcrowding is defined as more than 1.01 people per room, severe overcrowding as more than 1.51 people per room. The overcrowded and severely overcrowded owner and renter units are primarily found in CT 324.02-2

Table 1.6: Selected Housing Characteristics, 2012

Housing Characteristics	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Housing Units	1,080	576	53.3%	151	14.0%	353	32.7%
Lacking Complete Plumbing Facilities	0	0	-	0	-	0	-
Lacking Complete Kitchen Facilities	0	0	-	0	-	0	-
No Telephone Service Available	36	36	100.0%	0	-	0	-
Occupants Per Room							
Owner-Occupied	495	209	42.2%	144	29.1%	142	28.7%
0.50 or less	328	175	53.4%	109	33.2%	44	13.4%
0.51 to 1.00	134	34	25.4%	35	26.1%	65	48.5%
1.01 to 1.50	22	0	-	0	-	22	100.0%
1.51 to 2.00	0	0	-	0	-	0	-
2.01 or more	11	0	-	0	-	11	100.0%
Renter-Occupied	351	236	67.2%	7	2.0%	108	30.8%
0.50 or less	164	156	95.1%	0	-	8	4.9%
0.51 to 1.00	163	80	49.1%	0	-	83	50.9%
1.01 to 1.50	14	0	-	7	50.0%	7	50.0%
1.51 to 2.00	10	0	-	0	-	10	100.0%
2.01 or more	0	0	-	0	-	0	-

Souce: U.S. Census, ACS, 2012

E. Housing Need

A basic premise of all housing markets is there should exist a spectrum of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors, including: employment mix, household income, population age, proximity of employment and mere preference. Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers. The level of affordable housing demand is largely determined by job growth and retention. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to Pasco County. Essentially, populations follow job growth and the demand for housing will be influenced by the location, type and wage levels of the City and surrounds future employment growth. The affordability component of housing demand, however, is based on local wages and salaries that are then translated into household incomes. Therefore, the availability of an existing supply of various housing types and price levels must be maintained to address the housing demand of the variety of occupations that comprise the local industrial base.

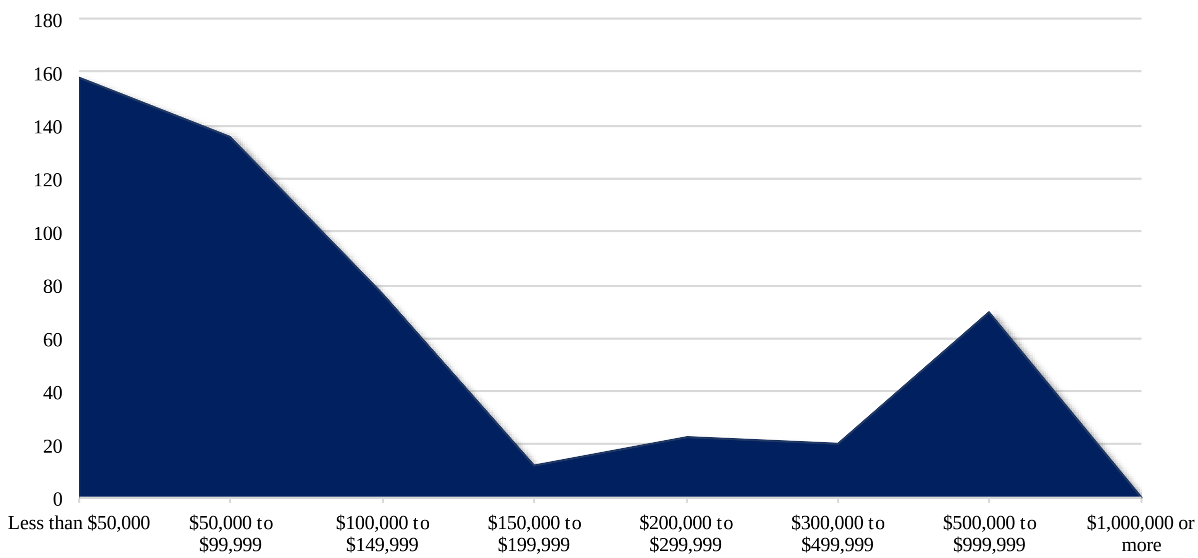
The "value" of owner-occupied housing units is an important determinant of housing accessibility and affordability. Housing values have fluctuated significantly in many housing markets during the past decade due initially to the 2004-2006 "housing bubble" and then followed by the subsequent collapse and economic recession. According to 2008-2012 5-Year ACS estimates, the median value owner-occupied housing units in the study area range from a low of $63,600 in CT 324.02-2 to $116,500 in CT 324.01-1 (Table 1.7 and Figure 1.2).

Table 1.7: Value of Owner-Occupied Housing Units, 2012

Value	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Total Owner-Occupied Units	495	209	42.2%	144	29.1%	142	28.7%
Less than $50,000	158	47	29.7%	44	27.8%	67	42.4%
$50,000 to $99,999	136	35	25.7%	68	50.0%	33	24.3%
$100,000 to $149,999	76	34	44.7%	0	-	42	55.3%
$150,000 to $199,999	12	12	100.0%	0	-	0	-
$200,000 to $299,999	23	15	65.2%	8	34.8%	0	-
$300,000 to $499,999	20	20	100.0%	0	-	0	-
$500,000 to $999,999	70	46	65.7%	24	34.3%	0	-
$1,000,000 or more	0	0	-	0	-	0	-
Median Value	-	$116,500	-	$85,200	-	$63,600	-

Souce: U.S. Census, ACS, 2012

Figure 1.2: Value of Owner-Occupied Housing Units in Lacoochee, 2012



Owner-occupied housing units with a mortgage comprise (291 owner units/58.7 percent) of the study area's total owner-occupied housing units (Table 1.8). Monthly owner household costs with a mortgage are significantly higher than owner households without a mortgage. Median monthly owner costs with a mortgage range from $892 in CT 324.02-2 to $1,170 in CT 324.02-1. The median monthly owner costs for units without a mortgage range from $236 in CT 324.02-1 to $358 in CT 324.01-1.

Table 1.8: Selected Monthly Owner Costs, 2012

Costs	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Housing Units with a Mortgage	291	113	38.8%	75	25.8%	103	35.4%
Less than $500	10	0	-	0	-	10	100.0%
$500 to $699	0	0	-	0	-	0	-
$700 to $899	101	56	55.4%	0	-	45	44.6%
$900 to $1,249	141	38	27.0%	55	39.0%	48	34.0%
$1,250 to $1,999	39	19	48.7%	20	51.3%	0	-
$2,000 or more	0	0	-	0	-	0	-
Median Monthly Costs	-	$902	-	$1,170	-	$892	-
Housing Units without a Mortgage	204	96	47.1%	69	33.8%	39	19.1%
Less than $100	21	7	33.3%	14	66.7%	0	-
$100 to $199	9	0	-	9	100.0%	0	-
$200 to $299	52	28	53.8%	16	30.8%	8	15.4%
$300 to $399	73	24	32.9%	18	24.7%	31	42.5%
$400 to $599	15	15	100.0%	0	-	0	-
$600 or more	34	22	64.7%	12	35.3%	0	-
Median Monthly Costs	-	$358	-	$236	-	$326	-

Souce: U.S. Census, ACS, 2012

The comparison of median monthly household income and median monthly owner costs is shown as a percentage that establishes overall affordability and level of cost burden. Housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard most frequently used by various units of government is that households should spend no more than 30 percent of their income on housing costs. This is the standard definition for housing programs administered by the Department of Housing and Urban Development (HUD) and most state housing agencies. Owner and renter households paying excess of 30 percent of their income on housing costs are considered “cost burdened.”

Owner and renter housing costs in the study area are impacted by relatively lower household and family incomes than Pasco County, as a whole. According to 2008-2012 5-Year ACS estimates, the median household and family incomes in Pasco County are $42,787 and $53,813, respectively. The median household incomes in the study area range from a low of $26,923 in CT 324.02-2 to $53,393 in CT 324.02-1. The median family incomes range from a low of $21,617 in CT 324.02-2 to $55,793 in CT 324.02-1. HUD’s 2014 median family income (MFI) estimate for Pasco County, Florida is $57,400.

According to 2008-2012 5-Year ACS estimates, 105 (36 percent) of the study area’s owner households with a mortgage pay in excess of 30 percent of their income on housing costs (Table 1.9). In addition, 22 (14.3 percent) of owner households without a mortgage pay in excess of 30 percent. The highest percentages of cost-burdened owner households with a mortgage are found in CT 324.02-2 (53.3 percent) and CT 324.02-1 (45.3 percent).

Table 1.9: Selected Monthly Owner Costs as a Percentage of Household Income, 2012

Cost Percentages	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Housing Units with a Mortgage	291	113	38.8%	75	25.8%	103	35.4%
Less than 20.0 percent	108	73	67.6%	0	-	35	32.4%
20.0 to 24.9 percent	41	0	-	41	100.0%	0	-
25.0 to 29.9 percent	37	26	70.3%	0	-	11	29.7%
30.0 to 34.9 percent	12	0	-	0	-	12	100.0%
35.0 percent or more	93	14	15.1%	34	36.6%	45	48.4%
Not Computed	0	0	-	0	-	0	-
Housing Units without a Mortgage	204	96	47.1%	69	33.8%	39	19.1%
Less than 20.0 percent	153	67	43.8%	69	45.1%	17	11.1%
20.0 to 24.9 percent	22	0	-	0	-	22	100.0%
25.0 to 29.9 percent	0	0	-	0	-	0	-
30.0 to 34.9 percent	0	0	-	0	-	0	-
35.0 percent or more	22	22	100.0%	0	-	0	-
Not Computed	7	7	100.0%	0	-	0	-

Souce: U.S. Census, ACS, 2012

According to 2008-2012 5-Year ACS estimates, there are 351 occupied housing units in the study area paying rent (41.5 percent of all occupied units). The median monthly gross rent of renter-occupied units ranges from $526 in CT 324.02-2 to $823 in CT 324.01-1. While median gross rent data is not available for CT 324.02-1, the seven renter-occupied units in the area pay $1,000-$1,499 monthly on rent (Table 1.10).

Table 1.10: Gross Rent, 2012

Gross Rent	Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Renter-Occupied Housing Units	351	236	67.2%	7	2.0%	108	30.8%
With Cash Rent	282	167	59.2%	7	2.5%	108	38.3%
Less than $200	0	0	-	0	-	0	-
$200 to $299	37	0	-	0	-	37	100.0%
$300 to $499	8	0	-	0	-	8	100.0%
$500 to $749	105	55	52.4%	0	-	50	47.6%
$750 to $999	82	69	84.1%	0	-	13	15.9%
$1,000 to $1,499	50	43	86.0%	7	14.0%	0	-
$1,500 or more	0	0	-	0	-	0	-
Median Gross Rent	-	$823	-	No Data	-	$526	-
No Cash Rent	69	69	100.0%	0	-	0	-

Souce: U.S. Census, ACS, 2012

According to 2008-2012 5-Year ACS estimates, 54.7 percent (192 households) of the study area's renter households are paying in excess of 30 percent of their incomes on housing costs (Table 1.11). The highest concentration (139 households/58.9 percent) of cost-burdened renter households is found in CT 324.01-1.

Table 1.11: Gross Rent as a Percentage of Household Income, 2012

Cost Percentages	Lacoochee Total	CT 324.01 BG 1	% of Total	CT 324.02 BG 1	% of Total	CT 324.02 BG 2	% of Total
Renter-Occupied Housing Units	351	236	67.2%	7	2.0%	108	30.8%
Less than 15.0 percent	37	0	-	0	-	37	100.0%
15.0 to 19.9 percent	28	28	100.0%	0	-	0	-
20.0 to 24.9 percent	17	0	-	7	41.2%	10	58.8%
25.0 to 29.9 percent	8	0	-	0	-	8	100.0%
30.0 to 34.9 percent	131	108	82.4%	0	-	23	17.6%
35.0 percent or more	61	31	50.8%	0	-	30	49.2%
Not Computed	69	69	100.0%	0	-	0	-

Source: U.S. Census, ACS, 2012

F. Housing Affordability

The following section provides a "housing affordability analysis" using the most current U.S Census household income and owner/renter housing median values for the study area. Housing affordability calculations were performed for each of the three U.S. Census Block Groups. HUD's 2014 Income Limits documentation establishes the rounded area median family income (MFI) estimate for Pasco County, Florida at $57,400. Income limits were set for the following household income categories:

- Extremely Low – 0-30% of MFI = $17,220
- Very Low – 31-50% of MFI = $28,700
- Low – 51-80% of MFI = $45,920
- Moderate – 81-100% of MFI = $57,400
- Middle 101-120% of MFI = $68,880
- Upper – 121%+ of MFI = $69,454

Using 2008-2012 5-Year ACS estimates, an owner and renter housing affordability analysis was performed for each of the six (6) household income categories. For owner units, affordability of home purchase was calculated using the standard 2.5:1 median home value-to-median household income ratio (Tables 1.12, 1.13 and 1.14). For renter units, affordability was calculated using the ≤ 30 percent of household income standard (Tables 1.15, 1.16 and 1.17). Values were set at the median owner value and gross rent according to 2008-2012 5-Year ACS estimates.

The affordability analysis for owner units in the study area shows some variations among the three U.S. Census Block Groups. Significant affordability gaps exist in the "extremely low" household income category in each of the three study areas. Affordability gaps are also found in the "very low" household income category in CT 324.01-1 and CT 324.02-1. A small affordability gap in also found in the "low" household income category in CT 324.01-1. The affordability gaps in CT 324.01-1 are attributed to the relatively higher median owner value ($116,500) in the area. Affordability gaps within the "extremely low" and "very low" household income categories in all three Block Groups are fairly normal as ownership opportunities within these lower income levels is generally cost prohibitive.

Table 1.12: Single-Family Home Affordability

	CT 324.01 BG 1		
Pasco County Median Family Income (MFI)	$57,400		
Median Owner-Occupied Value	$116,500		
Household Income Categories	Income	Affordable Home Purchase Price	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$43,050	$73,450
Very Low-Income (31-50% of MFI)	$28,700	$71,750	$44,750
Low-Income (51-80% of MFI)	$45,920	$114,800	$1,700
Moderate-Income (81-100% of MFI)	$57,400	$143,500	$27,000
Middle-Income (101-120% of MFI)	$68,880	$172,200	$55,700
Upper-Income (121% or greater of MFI)	$69,454	$173,635	$57,135

Souce: U.S. Census, ACS, 2012

Table 1.13: Single-Family Home Affordability

	CT 324.02 BG 1		
Pasco County Median Family Income (MFI)	$57,400		
Median Owner-Occupied Value	$85,200		
Household Income Categories	Income	Affordable Home Purchase Price	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$43,050	$42,150
Very Low-Income (31-50% of MFI)	$28,700	$71,750	$13,450
Low-Income (51-80% of MFI)	$45,920	$114,800	$29,600
Moderate-Income (81-100% of MFI)	$57,400	$143,500	$58,300
Middle-Income (101-120% of MFI)	$68,880	$172,200	$87,000
Upper-Income (121% or greater of MFI)	$69,454	$173,635	$88,435

Souce: U.S. Census, ACS, 2012

Table 1.14: Single-Family Home Affordability

	CT 324.02 BG 2		
Pasco County Median Family Income (MFI)	$57,400		
Median Owner-Occupied Value	$63,600		
Household Income Categories	Income	Affordable Home Purchase Price	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$43,050	$20,550
Very Low-Income (31-50% of MFI)	$28,700	$71,750	$8,150
Low-Income (51-80% of MFI)	$45,920	$114,800	$51,200
Moderate-Income (81-100% of MFI)	$57,400	$143,500	$79,900
Middle-Income (101-120% of MFI)	$68,880	$172,200	$108,600
Upper-Income (121% or greater of MFI)	$69,454	$173,635	$110,035

Souce: U.S. Census, ACS, 2012

As previously noted, housing affordability is defined as housing costs that do not exceed 30 percent of a household's monthly gross income. The study found a significant percentage (54.7) of the area's renter households pay in excess of 30 percent of their income on housing costs and are considered cost-burdened. A rent affordability analysis based on current U.S. Census median gross rents found significant affordability gaps at the "extremely low" and "very low" household income categories in CT 324.01-1. A rent affordability gap ($96) also exists for "extremely low" income renter households in CT 324.02-2. As previously noted, gross median rent data is not available for CT 324.02-1 where there are only seven rental units. However, the previous data analysis showed none of the renters being cost-burdened despite a relatively higher rent range of $1,000-$1,499 in this area.

Table 1.15: Rent Affordability

	CT 324.01 BG 1		
Pasco County Median Family Income (MFI)	$57,400		
Median Gross Rent	$823		
Household Income Categories	Income	Affordable Monthly Rent	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$431	$393
Very Low-Income (31-50% of MFI)	$28,700	$718	$106
Low-Income (51-80% of MFI)	$45,920	$1,148	$325
Moderate-Income (81-100% of MFI)	$57,400	$1,435	$612
Middle-Income (101-120% of MFI)	$68,880	$1,722	$899
Upper-Income (121% or greater of MFI)	$69,454	$1,736	$913

Souce: U.S. Census, ACS, 2012

Table 1.16: Rent Affordability

	CT 324.02 BG 1		
Pasco County Median Family Income (MFI)	$57,400		
Median Gross Rent	No Data		
Household Income Categories	Income	Affordable Monthly Rent	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$431	-
Very Low-Income (31-50% of MFI)	$28,700	$718	-
Low-Income (51-80% of MFI)	$45,920	$1,148	-
Moderate-Income (81-100% of MFI)	$57,400	$1,435	-
Middle-Income (101-120% of MFI)	$68,880	$1,722	-
Upper-Income (121% or greater of MFI)	$69,454	$1,736	-

Souce: U.S. Census, ACS, 2012

Table 1.17: Rent Affordability

	CT 324.02 BG 2		
Pasco County Median Family Income (MFI)	$57,400		
Median Gross Rent	$526		
Household Income Categories	Income	Affordable Monthly Rent	Gap/Surplus
Extremely Low-Income (0-30% of MFI)	$17,220	$431	$96
Very Low-Income (31-50% of MFI)	$28,700	$718	$192
Low-Income (51-80% of MFI)	$45,920	$1,148	$622
Moderate-Income (81-100% of MFI)	$57,400	$1,435	$909
Middle-Income (101-120% of MFI)	$68,880	$1,722	$1,196
Upper-Income (121% or greater of MFI)	$69,454	$1,736	$1,210

Souce: U.S. Census, ACS, 2012

G. Housing Demand and Supply Analysis

Using 2008-2012 5-Year ACS estimates, an owner and renter housing supply/demand analysis was performed for each of the six (6) household income categories. For the purposes of this analysis, a cap is set at the "upper" household income category at 150 percent of median family income (MFI). For owner units, affordability of home purchase was calculated at the standard 2.5:1 median home value-to-median household income ratio. For renter units, affordability was calculated using the $\leq$ 30 percent of household income standard. Values were set at the median owner value and gross rent according to 2008-2012 5-Year ACS estimates.

Table 1.18: Housing Supply and Demand: Owner Housing

	Income Category	Number of Households (Demand)	Home Purchase at Affordable Price Levels		Number of Owner Units Within Affordable Price Range (Supply)	Surplus/Gap within Affordable Price Range
Extremely Low Income	0-30% MFI			30% MFI	0-30% MFI	
	$0-$17,220	191		$43,050	136 (27%)	(55 units)
Very Low Income	31-50% MFI		31% MFI	50% MFI	31-50% MFI	
	$17,794-$28,700	158	$44,485	$71,750	87 (18%)	(71 units)
Low Income	51-80% MFI		51%MFI	80% MFI	51-80% MFI	
	$29,274-$45,920	166	$73,185	$114,800	85 (17%)	(81 units)
Moderate Income	81-100% MFI		81% MFI	100% MFI	81-120% MFI	
	$46,494-$57,400	102	$116,235	$143,500	42 (8%)	(60 units)
Middle Income	101-120% MFI		101% MFI	120% MFI	101-120% MFI	
	$57,974-$68,880	90	$144,935	$172,200	12 (2%)	(78 units)
Upper Income	121-150% MFI		121% MFI	150% MFI	121-150% MFI	
	$69,454-$86,100	61	$173,635+	$215,250	9 (2%)	(52 units)

Source: HUD USER, 2014; 2012 ACS.

Table 1.19: Housing Supply and Demand: Renter Housing

	HH Income Category	Number of Renter Households (Demand)	Affordable Rent Levels		Number of Renter Units Within Affordable Price Range (Supply)	Surplus/Gap within Affordable Price Range
Extremely Low Income	0-30% MFI			30% MFI	0-30% MFI	
	$0-$17,220	82		$431	42 (15%)	(40 units)
Very Low Income	31-50% MFI		31% MFI	50% MFI	31-50% MFI	
	$17,794-$28,700	76	$445	$718	93 (33%)	17 units
Low Income	51-80% MFI		51%MFI	80% MFI	51-80% MFI	
	$29,274-$45,920	37	$732	$1,148	105 (37%)	68 units
Moderate Income	81-100% MFI		81% MFI	100% MFI	81-120% MFI	
	$46,494-$57,400	20	$1,162	$1,435	34 (12%)	14 units
Middle Income	101-120% MFI		101% MFI	120% MFI	101-120% MFI	
	$57,974-$68,880	11	$1,449	$1,722	5 (2%)	(6 units)
Upper Income	121-150% MFI		121%-MFI	150% MFI	121-150% MFI	
	$69,454-$86,100	6	$1,736	$2,153	0 (0%)	(6 units)

Source: HUD USER, 2014; 2012 ACS.

The housing supply and demand analysis for owner units shows gaps in the supply of owner units within the price range of all household income categories. Affordability gaps within the “extremely” and “very low” household income categories are fairly normal as ownership opportunities within these lower income levels is cost prohibitive. However, the gaps in the supply of owner units within the “low” to “upper” household income price ranges is significant and points to the general unavailability of owner units in the study area to accommodate the price points of households with the greater financial wherewithal for home ownership.

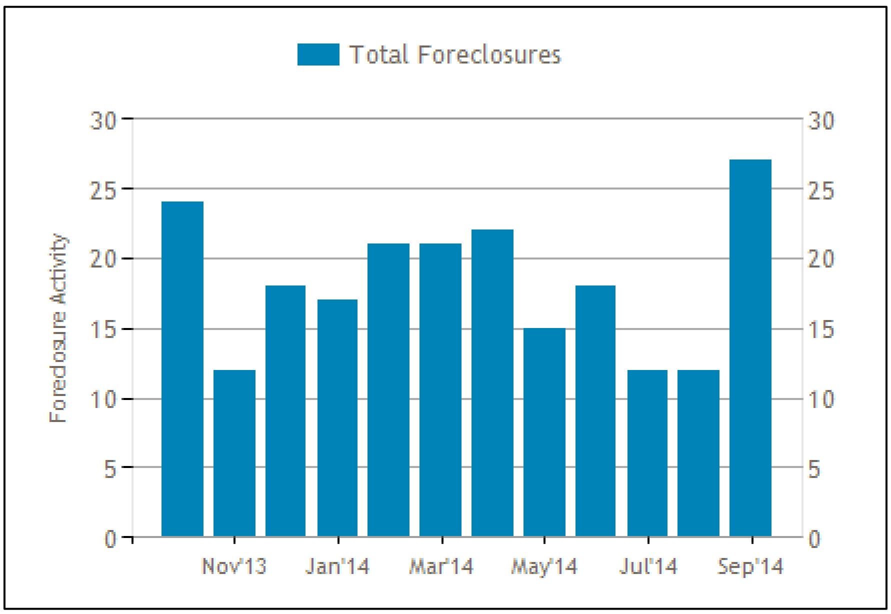
The housing supply and demand analysis for renter units in the study area shows the most significant gap in the supply of affordable renter units for “extremely” low income households, but small gaps also within the price ranges of “middle” and “upper” household income categories.

H. Home Foreclosure Activity

The national home foreclosure crisis and accompanying economic effects have impacted most states. The initial rise in home foreclosures was the result of several factors, including the proliferation of the subprime lending market during the height of the building boom, speculative investment and predatory lending practices. The “second wave” of foreclosure activity has been the result of continuing job loss due to larger economic conditions and the loss of home values resulting in “negative equity.” Foreclosure actions and the downward pressure they create as banks try to unload distressed properties have depressed sales prices in neighborhoods and municipalities. In addition, “short sales,” wherein lenders often forgive the remaining debt on a home to complete the sale and list properties with an asking price below the amount due on a mortgage, have further depressed surrounding home values.

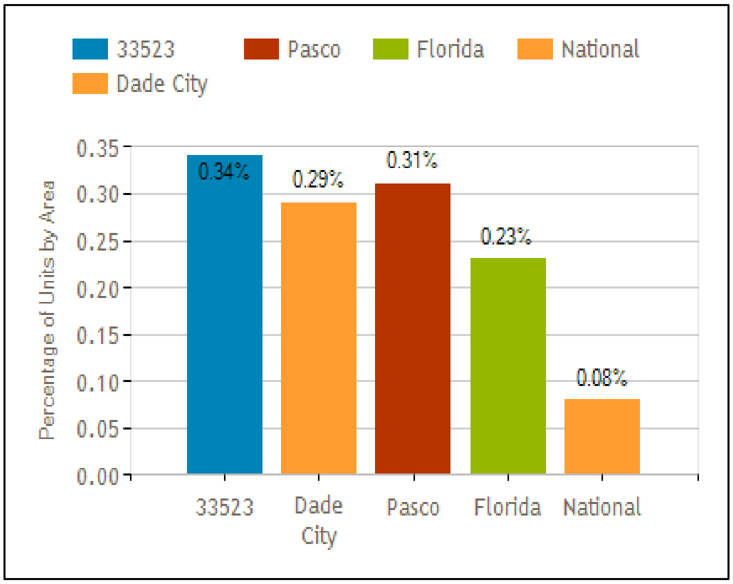
The study area including the three neighborhoods of Lacoochee, Trilby, and Trilacoochee in Northeast Pasco County, Florida are located within ZIP Code 33523. According to RealtyTrac, there are currently 161 properties in Zip Code 33523 that are in some stage of foreclosure (default, auction or bank owned), while the number of homes listed for sale with RealtyTrac is 103. In September, the number of properties that received a foreclosure filing in 33523 was 125 percent higher than the previous month and 12 percent higher than the same time last year. Home sales for August 2014 were up 0 percent compared with the previous month, and down 21 percent compared with a year ago. The median sales price of a non-distressed home was $60,100. The median sales price of a foreclosure home was $54,925, or 9 percent lower than non-distressed home sales.

Figure 1.3: Foreclosure Activity for Zip Code 33523



Source: RealtyTrac, 2014

Figure 1.4: Geographical Comparison for Zip Code 33523



Source: RealtyTrac, 2014

H. Market Assessment and Projections

The housing market in the Trilby-Lacoochee area differs from that of much of Pasco County. The neighborhoods are some distance from the County's major employment and shopping areas, and much of the housing stock is older and now suffering from deferred maintenance. Research about sales activity, using sources such as Realtor.com, Trulia.com or Zillow.com show no meaningful results with respect to recent sales, and the listing of "For Sale" homes show only two homes and what appear to be two lots for sale. A local realtor, who knows the area quite well, indicated that the Lacoochee area is "unique" and "different" in Pasco County, and is definitely a "slower market." This realtor noted that sale prices, when they occurred, were generally under $40,000 and that the houses were hard to sell because many are in many cases older, substandard, and suffering from deferred maintenance issues. For these reasons, there are a number of homes that had been purchased by absentee owners/investors who performed a "slapdash" fix-up and rented the property, often recouping their investment in a relatively short period. The realtor also noted that in many cases, persons interested in purchasing in the area had difficulty in qualifying for a loan. Thus, the outlook for the sales market for the foreseeable future is not promising because of the distance to employment centers, the lack of amenities and services, and the quality of the available housing stock.

The prospects for the development of new housing in the area similarly is not positive. According to the realtor, there has been no investor interest in constructing new market rate for sale units or even rental units, even on a small scale. Habitat for Humanity has been active in the area, having recently constructed six new homes and rehabilitated another. The organization has committed to two new homes in 2015, and four rehabilitations and four new homes over the next three years after the completion of infrastructure improvements. Other not-for-profit housing developers have shown minimal interest in the area, and require significant subsidy to undertake projects.

However, the Housing Authority has received funds to rehabilitate as many as thirty vacant housing units, and will begin this process in the near future. The units are expected to become available by mid-2015, and will do much to fill the gap for extremely low-income renter households as noted in the preceding analysis.

The gap analysis demonstrates there is the potential need for over two hundred ownership units for low- to upper-income households, and the potential for a dozen rental units for moderate- and upper-income households. While the housing for the low-income households may require the use of some assistance programs, much of this potential development could be market rate.

I. Key Findings

- The study area's housing inventory is primarily comprised (64.5 percent) of 1-unit, detached unit structures;

- There are 234 vacant housing units (21.6 percent) in the study area;

- Housing vacancies are largely in the "other vacant" (122 vacancies) and "rented or sold, not occupied" (87 vacancies) categories;

- The area's housing supply is relatively old with 50.6 percent of the housing built prior to 1980 with 288 units (26.6 percent) now 50 years of age and older;

- The median value of owner-occupied housing units in the area range from a low of $63,600 in CT 324.02-2 to $116,500 in CT 324.01-1;

- Median monthly owner costs with a mortgage range from $892 in CT 324.02-2 to $1,170 in CT 324.02-1;

- There are 105 (36 percent) owner households with a mortgage in the area who pay in excess of 30 percent of their income on housing costs. The highest percentages of cost-burdened owner households with a mortgage are found in CT 324.02-2 (53.3 percent) and CT 324.02-1 (45.3 percent);

- The median monthly gross rent of renter-occupied units in the area ranges from $526 in CT 324.02-2 to $823 in CT 324.01-1;

- There are 192 (54.7 percent) renter households in the area paying in excess of 30 percent of their incomes on housing costs. The highest concentration (139 households/58.9 percent) of cost-burdened renter households is found in CT 324.01-1;

- Significant owner affordability gaps exist in the "extremely low" household income category in each of the three Census Block Groups. Owner affordability gaps are also found in the "very low" household income category in CT 324.01-1 and CT 324.02-1;

- Significant renter affordability gaps exist at the "extremely low" and "very low" household income categories in CT 324.01-1. A rent affordability gap also exists for "extremely low" income renter households in CT 324.02-2.

Recommendations

This analysis points to a number of recommendations to achieve the goals set forth in the Transformation Plan. Each recommendation is described and information about that program is provided. The County and neighborhood residents are aware of and making use of many of these programs, including down payment assistance, owner-occupied rehabilitation, tax payment, foreclosure prevention programs, as well as weatherization programs. Code enforcement and crime prevention programs are also being actively employed in the neighborhoods. The point of this section is to both remind area residents and housing advocates of these programs and to stimulate discussion about those that are not in place. We also note that in the course of our research and discussions, it was learned that some of the available programs are not being used because of property owner reluctance or misunderstanding.

Development opportunities

The real estate market in the target areas remains slow for a variety of reasons and it is difficult to interest developers of market rate housing to invest in the Lacoochee area. Development will depend in some measure upon being able to provide improved amenities and shopping opportunities, while emphasizing the quality of life in the area. Housing for prospective owners, while modern in design and layout, should be modest in terms of size and expensive amenities. Smaller scale development might be facilitated by the assembly of a tract large enough to accommodate the development of small–scale development of perhaps six homes.

Reduce the number of vacant housing units.

This task is complicated by the presence of absentee owners, unclear title issues, lengthy legal procedures, and laws regarding occupancy. However, the County should continue to pursue the enforcement of code requirements and other measures to reduce the number of dilapidated vacant structures, while encouraging owners to rehabilitate (or demolish) vacant units. The condemnation of units is difficult under Florida law, but the techniques currently being used can yield some positive results.

We encourage the aggressive continuation of these efforts as the upgrading and use of vacant units will improve the appearance of the neighborhoods, stimulate investment, and provide housing, hopefully affordable, for area residents. As a September 2012 study by the Brookings Institute (*Laying the Groundwork for Change*) notes, the demolition of sub-standard units that are beyond rehabilitation provides benefits as well. Vacant lots are much easier and less expensive to maintain than vacant buildings, and pose far fewer dangers in terms of criminal activity and fire risk. A vacant lot can more readily be turned into an asset—or at least a neutral factor—for a neighborhood in circumstances where resources and market conditions do not permit a structure's reuse.

There are a number of policies and programs that may be employed to turn vacant housing units into assets, or as noted above, at least neutral factors. Acquisition by the County and conversion to open space, or the transfer of sites to not-for-profit housing development organizations represent one avenue toward reducing the number of vacant properties. However, land banking is considered one of the best practices. The majority of land banks operating today were established to promote neighborhood revitalization of properties, particularly for housing reuses. Most land banks rely upon tax foreclosure as the primary means of acquiring property, including the use of eminent domain. The County and area residents are considering the establishment of a land bank or community land trust (described below in more detail).

The following are best practices:

- Land banks should have a narrow focus in the goals and objectives for vacant land reutilization;
- County departments need to be closely coordinated and cooperative with external partners;
- An expedited judicial foreclosure process provides key maintenance for acquisition of marketable titles;
- Independently established land banks with a corporate structure allowing control and flexibility over property distribution;
- An integrated management information system containing parcel-specific information;
- Streamlined eminent domain process;
- Ability to determine the terms and conditions for sale of properties; and
- Funding streams that are diverse, innovative and flexible.

Additional information about land banking in Florida may be found at:
http://www.flhousing.org/wp-content/uploads/2013/11/Land-Bank-Option-Making-the-Best-Decision-for-your-Program.pdf

Use of rehabilitation programs and resources to renovate and upgrade housing units, both public and private and owner- or renter-occupied.

Housing rehabilitation programs are an essential element of most CDBG and HOME Entitlement Programs in the United States, and are being used in the transformation/revitalization process. These local housing rehabilitation and preservation programs include a range of homeowner assistance including grants and low interest loans. The design of housing rehabilitation programs is dependent on local household needs and the general condition of the housing supply. More recently, difficulty in securing financial support for affordable housing rehabilitation has become a fundamental hurdle than programmatic demands given the reductions in CDBG and HOME funding.

An analysis of housing rehabilitation best practice case studies finds the most effective programs include a wide range of homeowner assistance options and the use of alternative financing resources i.e. housing trust funds, tax increment financing (TIF) funds**.** A well-conceived housing rehabilitation program is an important element of an area's larger neighborhood stabilization efforts. The range of housing rehabilitation program options includes basic "fix-up" and minor repair assistance as well as a first time homebuyer purchase/rehabilitation program.

The following are best practices:

- Basic "fix-up" and minor repair programs involving outright grants or deferred payment loans (DPLs) are ideally suited for elderly and other low- to moderate-income existing homeowners struggling to restore and maintain a safe and decent place to live;

- Emergency Grants of typically $5,000-$10,000 for immediate or life-threatening home repairs. These grants are not generally repaid. Emergency grants are usually determined by the city engineer/inspector when they visit the repair site;

- Matching Funds Loans of up to $50,000 are ideally suited for moderate- to middle-income resident homeowners for basic and exterior improvements that make homes more livable, accessible and energy efficient;

- Low Interest Loans to resident homeowners for housing renovation. Monthly payment is based on income and ability to pay. Interest payments generally range from 3 percent for low-income homeowners to 5 percent for moderate-income homeowners;

- Home Access Modifications Grants (ADA) are provided for low- to moderate-income renters with special access livability issues, and need to make accessibility modifications to their unit. Tenants would need prior permission from their landlord before any unit modifications could be made;

- Soft Second Loan Programs are ideally suited for many first-time homebuyers who have difficulty qualifying for a mortgage large enough to purchase a market-rate home. A Soft Second Loan Program breaks a total mortgage amount in two smaller mortgages.

As noted earlier, anecdotal information indicates that many area residents, including those who own their homes outright, are reluctant to take out a loan, even if the terms and payments are favorable. This represents an important obstacle to the implementation of any rehabilitation loan program and will require community outreach and education if improvements are to be made.

An **enhanced neighborhood stabilization strategy** would address neighborhoods where an immediate infusion of resources and funding can make a difference.

Traditional rehabilitation programs focus resources on low- and moderate-income households and often have caps on the amount available through loans or grants. While these programs serve a valuable purpose, the enhanced programs offer more opportunities and can assist a wider range of neighborhoods and residents.

The following are best practices for an enhanced program:

Purchase Assistance Strategy - This strategy provides monies for home buyers to either purchase a new home, build a home, purchase land to build or purchase a pre-owned home;

Rehabilitation Strategy - This strategy is designed to provide funds to qualified applicants to rehabilitate their existing homes. All work is done by a qualified contractor;

Homeownership Education Strategy - This strategy is designed to inform qualified applicants of procedures in acquiring a home. Included are topics on debt management, terms used by owners and real estate persons, pitfalls in signing contracts, etc. All qualified applicants must attend a class.

Homeownership programs for low- and moderate-income households.

As noted, homeownership opportunities for extremely low- and very low-income households are generally cost prohibitive. However, the modest gap in the low-income households in CT 324.01-1 and the surplus among low-income households in CT 324.02-2 would indicate the possibility of providing homebuyer assistance programs to promote homeownership in those two areas.

Strategies to encourage homeownership among low- and middle-income households are based on the principals that a home is an investment asset that can grow in value and generate financial security. Homeownership enables people to have greater control and exercise more responsibility over their living environment. Homeownership helps stabilize neighborhoods and strengthen communities and helps generate jobs and stimulate economic growth. The rising cost of housing and general increases in the cost of living, i.e. travel, food, healthcare and education, coupled with stagnant income has made homeownership less viable and attractive for most low- and middle-income households. Therefore, communities throughout the country are developing new tools to address the demand for low-and middle-income housing in their communities.

One commonly used tool is the Community Land Trust (CLT) Model. In a community land trust, the land is owned and preserved by the community, and the homebuyer owns the home including the building and all of the improvements on the land. The separation reduces the purchase price, allowing more families to afford a home, while providing the permanence and security of traditional homeownership. Many local jurisdictions are developing housing strategies that include the CLT model as the preferred method for providing and maintaining affordable housing. This is because it meets immediate need while maintaining a future focus and is also the most fiscally conservative use of public subsidies.

The following are best practices:

- ➢Local home purchase combined with rehabilitation financing for first-time homebuyers;
- ➢Leverage CDBG and HOME funds with alternative funding sources such as housing trust funds and tax increment financing (TIF) funds;
- ➢Creation of community land trusts (CLTs);
- ➢Government-sponsored "Public Lease-to-Purchase" programs;
- ➢Comprehensive homeownership education and counseling programs.

Housing Affordability

The community and the County should support and implement policies and programs that lead to the development of both owner and renter affordable housing units. There are a number of policy and financial mechanisms that can be used to encourage the development of affordable units.

Policies that facilitate production on the supply side include favorable land use policies such as inclusionary zoning, density bonuses, relaxation of environmental regulations, and the enforcement of affordable housing quotas in new developments. Properties developed as affordable units should be deed restricted as <u>permanently</u> affordable. Less than permanent affordability status sets the stage for the loss of the unit or the need for what is likely to prove to be an expensive buy-back at the end of the period.

Funding mechanisms include:

- ➢The use of Community Land Trusts (noted earlier),
- ➢Housing Investment Trust Funds,
- ➢Pre-development funding for affordable housing organizations,
- ➢Homebuyer mortgage assistance,
- ➢Targeting affordable housing funds to neighborhood revitalization, and
- ➢Low-income Housing Tax Credits.