

## HOUSING ELEMENT

### 3.0 INTRODUCTION

The purpose of this housing element is to analyze supply, demand, and internal and external factors in the Vero Beach housing market. The analysis will identify any existing or projected deficits in the supply of housing or other problems in the housing delivery process. Finally, this element will identify a set of housing goals toward which housing activities will be directed. A set of objectives and policies related to each goal will also be presented.

Vero Beach is a coastal community located on Florida's East Coast. The area is popular among retirees which accounts for the low average number of persons per household. It is also a popular resort and second home community. The economy is primarily service-based with little in the way of industry and manufacturing. Population growth in Vero Beach has been relatively slow and the City is nearly built out. Therefore, population growth potential, and therefore housing demand is extremely limited.

### 3.1 INVENTORY

This section of the housing element presents an inventory of all housing-related data as required by Chapter 9J-5 of the Florida Administrative Code.

#### 3.1.0 Characteristics of the Housing Stock

##### 3.1.0.0 Age of Housing Stock

Age of year-round housing units in Vero Beach is shown in Table 3.1. Nearly half of the existing year-round housing units have been built since 1970. Overall, the housing stock in Vero Beach is relatively new. Only about 13 percent of the housing was built prior to 1950. Most of the housing stock has been well maintained and has many years of useful economic life left.

##### 3.1.0.1 Occupancy and Tenure

As summarized in Table 3.2, Vero Beach contained 8,776 year-round housing units in 1980, of which 7,294 were classified as occupied. Sixty-six percent of the units were owner occupied while 34 percent were renter occupied. In contrast, the County has 23,365 occupied units with a renter ratio of 23 percent and an owner ratio of 77 percent. These renter ratios reveal a higher relative demand for rental housing units in the City as compared to the County.

The citywide vacancy rate on residential units was 15.6 percent, including units held for occasional use. In fact, the 769 units held for occasional use comprise the majority of the vacant units and demonstrate the impact of seasonal use. The number of overcrowded units within the City was negligible in 1980, with 97 percent of the units having no more than one person per room.

The housing-type makeup of the City for 1980 contained 60 percent single-family units, 35 percent duplexes and multifamily units, and three percent mobile homes. The rental housing in 1980 was predominantly two-bedroom units, approximately 50 percent. One-bedroom units comprised 34 percent of the rental housing.

Two-person households make up the vast majority of households in Vero Beach, representing 43.89 percent of the total. This is followed by one-person households at 29.38 percent. This is a further indication of the popularity of Vero Beach with retirees and "empty-nesters."

Table 3.1. Age of Year-Round Housing Units, Vero Beach, 1980

Year Built	Vero Beach	Percent	Indian River County	Percent
1939 or Earlier	642	7.32%	1,516	5.35%
1940 to 1949	525	5.98%	1,138	4.01%
1950 to 1959	1,601	18.24%	4,301	15.17%
1960 to 1969	1,910	21.76%	6,152	21.70%
1970 to 1974	2,401	27.36%	6,737	23.76%
1975 to 1978	1,289	14.69%	5,453	19.23%
1979 to 1980	<u>408</u>	4.65%	<u>3,054</u>	10.77%
Total	8,776		28,351	

Sources: U.S. Bureau of the Census, 1980.  
 Hunter/RS&H, Inc., 1988.

Table 3.2. Occupancy and Tenure of Vero Beach and Indian River County Housing Stock, 1980

	Vero Beach		Indian River County	
	Number	Percent	Number	Percent
Year Round Housing Units	8,776		28,351	
Housing Units at Address				
1	5,273	60.08%	16,951	59.79%
2 to 9	1,260	14.36%	2,755	9.72%
10 or more	1,889	21.52%	4,947	17.45%
Mobile Homes	336	3.83%	3,698	13.04%
		99.79%		100.00%
Total Occupied	7,294		23,365	
Owner Occupied	4,792	65.70%	18,028	77.16%
Renter Occupied	2,502	34.40%	5,337	22.84%
Vacant Housing Units				
For Sale Only	99	1.13%	377	1.33%
For Rent	404	4.60%	710	2.50%
Held for Occasional Use	769	8.76%	2,723	9.60%
Other Vacant	97	1.11%	512	1.81%
Total		15.60%		15.24%
Tenure By Persons in Occupied Units				
1 Person	2,143	29.38%	5,162	22.09%
2 Persons	3,201	43.89%	9,995	42.78%
3 Persons	927	12.71%	3,354	14.35%
4 Persons	604	8.28%	2,648	11.33%
5 Persons	260	3.56%	1,314	5.62%
6 Persons	91	1.25%	502	2.15%
7 Persons	37	0.51%	228	0.98%
8 Persons or more	18	0.25%	128	0.55%
Persons Per Room				
0 to 1.0	7,093		22,438	
1.01 to 1.5	115		578	
1.5 plus	73		315	

Sources: U.S. Department of Commerce, Bureau of the Census, General Housing Characteristics, Florida, 1980.  
Hunter/RS&H, Inc., 1988.

### 3.1.0.2 Housing Costs

Table 3.3 lists the home values and contract rents for Vero Beach. In 1980, approximately 53 percent of the homes were valued less than \$60,000. Over 20 percent of the homes were valued over \$100,000 and nearly four percent were valued over \$200,000. Homes within the City were distributed in higher value ranges than homes within the County. The median price for a home was \$56,600 in the City and \$46,000 in the County. The median contract rent was \$240 in the City compared to \$212 in the County.

Table 3.3 also presents the percentage or proportion of income that residents of Vero Beach pay for housing. In 1980, renters spent roughly 24.9 percent of their annual salary on rent payments. For homeowners, this percentage was slightly less with 21.1 percent of median owners' income spent on housing.

Monthly ownership costs are given in Table 3.4. For a mortgage within Vero Beach in 1980, the median monthly ownership cost was \$354. For renter households, the median monthly rental cost was \$291. The median monthly rental cost includes contract rent and the cost of utilities. Within the County, the median monthly ownership cost was \$331 and the median rental cost was \$263. Therefore, housing costs were higher in Vero Beach than in the County.

### 3.1.1 Conditions of the Housing Stock

Housing conditions in Vero Beach are generally quite good. A small area of deterioration, however, is evident in the northern part of the City to the east of US 1. This deterioration is limited to an area of approximately three blocks and involves approximately 18 to 25 housing units. This deterioration is evident from the exterior condition of the houses.

The housing stock of the City of Vero Beach is relatively new, with less than seven percent having been built prior to 1940. The age of the housing structures in Vero Beach, coupled with other factors, such as average value, indicates very little need for a housing rehabilitation program outside of the one area already mentioned.

There are four selected housing conditions which can generally be assumed to be indicative of the overall condition of housing in a City:

- o Lacking complete plumbing for exclusive use;
- o Lacking kitchen facilities for exclusive use;
- o Lacking central heating; and
- o Overcrowded (more than 1.01 persons per room).

Analysis of these conditions relative to the overall housing stock in Vero Beach is as follows:

1980 Census	
Year-Round Housing Units	8,776
Lacking Complete Plumbing	52
Lacking Kitchen	64
Lacking Central Heating	1,404
Overcrowded	188

The lack of central heating, due to the temperate climate in Vero Beach, is not considered to be an indicator of substandard housing.

Table 3.3. Home Values and Average Contract Rents for Vero Beach and Indian River County, 1980

Value	Vero Beach	Percent	Indian River County	Percent
\$0 to \$19,999	128	3.97%	1,116	9.27%
\$20,000 to \$29,999	307	9.52%	1,649	13.69%
\$30,000 to \$39,999	489	15.16%	2,076	17.24%
\$40,000 to \$49,999	429	13.30%	1,836	15.25%
\$50,000 to \$59,999	342	10.60%	1,331	11.05%
\$60,000 to \$79,999	571	17.70%	1,691	14.04%
\$80,000 to \$99,999	313	9.70%	758	6.30%
\$100,000 to \$149,999	402	12.46%	862	7.16%
\$150,000 to \$199,999	131	4.06%	321	2.67%
\$200,000 and more	114	3.53%	401	3.33%
Median	\$56,600		\$46,000	
Median Contract Rent	\$240		\$212	
Vero Beach 1980 Percent of Median Renters Income Spent on Rent		24.91%		
Vero Beach 1980 Percent of Median Owners Income Spent on Housing		21.12%		

Sources: U.S. Department of Commerce, Bureau of the Census, 1980.  
Hunter/RS&H, Inc., 1988.

Table 3.4. Monthly Ownership Costs, Vero Beach and Indian River County, 1980

Monthly Costs	Vero Beach	Indian River County
<b>With Mortgage</b>		
less than \$100	--	87
\$100 to \$149	66	320
\$150 to \$199	155	721
\$200 to \$249	226	991
\$250 to \$299	189	824
\$300 to \$349	190	778
\$350 to \$399	170	683
\$400 to \$449	195	616
\$450 to \$499	101	477
\$500 to \$599	181	588
\$600 to \$749	81	380
\$750 or more	127	385
Median	\$354	\$331
<b>Gross Rent</b>		
less than \$100	13	163
\$100 to \$119	28	120
\$120 to \$149	72	318
\$150 to \$169	93	229
\$170 to \$199	201	484
\$200 to \$249	444	1,026
\$250 to \$299	484	885
\$300 to \$349	478	737
\$350 to \$399	355	506
\$400 to \$499	202	412
\$500 or more	120	287
Median	\$291	\$263
Year-Round Units Lacking Complete Kitchen Facilities	64	344
Year-Round Units Lacking Central Heating	1,404	6,520
Year-Round Units Lacking Complete Plumbing	52	368

Sources: U.S. Bureau of the Census, 1980.  
Hunter/RS&H, Inc., 1988.

There were 52 units lacking complete plumbing and 64 units lacking complete kitchen facilities. Combined, these units comprise less than 1.5 percent of the year-round housing units in the City. This small percentage of units should be identified and targeted for rehabilitation. Less than three percent of the year-round housing units were overcrowded.

For purposes of this housing element, substandard housing is defined as housing that does not meet the minimum standards of the housing code and various other ordinances as adopted by the City of Vero Beach. Standard housing, conversely, is defined as housing that meets all of these minimum standards.

### **3.1.2 Subsidized Housing Developments**

The Indian River County Housing Authority operates a variety of housing subsidy and assistance programs throughout the County. However, within the City limits of Vero Beach, the Housing Authority's only activity is in the Section 8 Existing Program. According to Housing Authority records, they have approximately 120 Section 8 participants within the City. Thirty of these are at St. Francis Manor, a senior citizen's housing facility located at 1750 20th Avenue. The remaining 90 Section 8 certificates are at scattered locations throughout the City.

The Section 8 Existing Program is a rent subsidy program which enables qualified participants to seek housing in the private market, by government subsidizing their rent payment. In order to qualify, families must earn no more than 50 percent of the median income for the area. In Indian River County this would be \$13,250 annually for a family of four. Once the family has met the income standards, they are issued a certificate which allows them to seek housing in the private rental market. The landlord must agree to a property inspection to ensure that the housing unit meets Section 8 Housing Quality Standards (HQS). If the property is deficient, the landlord must make the necessary improvements before a lease can be executed. When a lease has been executed, the Section 8 participant must pay 30 percent of his or her income directly to the landlord each month. The difference between that amount and the Fair Market Rent (FMR) as determined by Federal HUD, is paid by the Section 8 Program.

The Section 202 Program is an insurance program designed to assist elderly and handicapped persons. The program insures mortgages on behalf of the sponsor, which must be a nonprofit organization, such as a church. By providing this mortgage insurance, the program decreases the costs associated with the project, thereby allowing the sponsor to charge a lower rental rate.

There is no conventional public housing or other subsidized housing or rehabilitation activity inside the City by the County Housing Authority.

The Florida Housing Finance Agency, which issues tax-exempt bonds for the purpose of constructing affordable housing and making low interest mortgages available to first-time home buyers, has no projects in operation or induced in Vero Beach.

The U.S. Department of Housing and Urban Development was contacted relative to any other subsidized housing programs that may exist in Vero Beach. The Section 202 program, which subsidizes housing for the elderly and handicapped, has selected a 40-unit project in Vero Beach. The applicant is a non-profit corporation called Christian Senior Housing. An acceptable site within Vero Beach has not yet been located, but HUD indicated that the project would receive approval once an acceptable site had been submitted.

### 3.1.3 Group Homes

There are seven residential facilities in operation in Vero Beach that are licensed by the Department of Health and Rehabilitative Services as group homes. These are listed by location and licensed capacity in Table 3.5.

### 3.1.4 Mobile Home Parks

Licensed mobile home parks by location and capacity are listed in Table 3.6. The only location in which mobile homes are an allowable use is at the Vero Beach Airport (Citrus Park Mobile Home Village). At the remaining locations, mobile home parks are allowed to exist as non-conforming uses. Under the current land-use plan and zoning ordinances, these mobile home parks cannot be expanded, and if destroyed, cannot be redeveloped as mobile home parks. Their redevelopment would be governed by the appropriate category in the land-use element of the comprehensive plan.

### 3.1.5 Historically Significant Housing

There is no housing in Vero Beach that is currently listed on the National Register of Historic Places, the Florida Master Site File or that has any other formal historical designation, according to the Division of Historical Resources of the Florida Department of State. The only structure that has been designated as historically significant is the Vero Railroad Station located at 2336 14th Avenue. Furthermore, there does not appear to be any concentrations of residential structures that are of historically significant architectural styles as to qualify for designation as an historic district.

Table 3.5. Group Homes by Type, Location and Capacity

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Residential Facilities - Developmental Services
Indian River Men's Residence
1520 14th Street
Capacity: 8
Foster Homes - Dependents
1520 14th Street
Capacity: 4
910 20th Avenue
Capacity: 3
1965 25th Avenue
Capacity: 5
700 Cypress Road
Capacity: 1
1030 27th Street
Capacity: 2
Adult Congregate Living Facilities
1914 21st Street
Capacity: 24

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Source: Hunter/RS&H, Inc., 1988.

Table 3.6. Licensed Mobile Home Parks by Location and Capacity

Mobile Home Park Name and Street Address	Mobile Home Spaces	R/V Spaces	Total
Vero Mobile Home Village 1228 24th Street	47	7	54
Citrus Park Mobile Home Village Vero Beach Airport	91	0	91
Indian River Palm Villa MHP 1225 26th Street	23	5	28
Fairlane Harbor Mobile Home Estates 1500 S. Indian River Blvd.	232	0	232
Total	393	12	405

Sources: Florida Department of Health and Rehabilitative Services, Environmental Health Unit, 1987.  
Hunter/RS&H, Inc., 1988.

### 3.1.6 Building Permit Activity

There were 1,298 residential building permits issued within Vero Beach from 1980 to 1988. The City of Vero Beach does not track the permits issued for mobile homes and therefore, this information is unavailable. However, local planning officials are unaware of any permits issued for mobile homes between 1980 and 1987.

During this period, 605 of the permits were issued for single-family units and 693 were issued for multifamily units, as shown in Table 3.7. This results in an annual average of 144 residential building permits issued over the nine-year period.

From 1980 to 1982, the number of multifamily units issued permits greatly outnumbered the number of single-family units. From 1983 to 1986, the trend reversed and slightly more single-family units were issued building permits. The number of multifamily permits issued have dropped off dramatically from early 1980 levels. This trend is illustrated in the chart in Figure 3.1.

## 3.2 ANALYSIS

### 3.2.0 Population and Household Growth

Population and household growth characteristics are summarized in Table 3.8. According to the Bureau of the Census, 11,908 persons were permanent residents of Vero Beach in 1970. By 1980, that figure had grown to 16,176 and by 1985 it had grown to 17,075 persons. This yields an annual compound growth rate of 3.1 percent between 1970 and 1980, and 1.09 percent between 1980 and 1985. It is estimated that the population will grow to approximately 17,418 persons by the end of 1987. In contrast, the population of Indian River County was 35,992 in 1970 and grew at an annual compound growth rate of five percent to yield 59,896 persons in 1980. By 1985 the County had grown to 76,442 persons and reached 84,277 persons in 1987. Growth in the County outpaced growth in Vero Beach.

There were 4,651 households (permanently occupied dwelling units) in Vero Beach in 1970. By 1980, the number of households increased by 2,630 additional units to 7,281 households. By 1985, the number of households had grown to 8,025 and is expected to reach 8,349 households in 1987. The average number of persons per household has declined steadily in Vero Beach from 2.22 in 1980 to 2.09 in 1987. This follows a national and statewide trend of smaller household formation. This trend is accentuated in Vero Beach, as in many South Florida communities, where retirees make up a significant portion of the population. Thus, the growth rate for households has outpaced the growth rate of the population as a whole.

Table 3.9 shows projected population and household figures for Vero Beach through the year 2010. Vero Beach is nearly built out and can only support a limited amount of population growth. Based on available vacant land and redevelopment potential, the City can only support an additional 674 housing units at current densities. This equals a projected population increase of 1,250. It is anticipated that this population will be reached by 2000 at which time the population will stabilize. Due to a lack of available land, no growth in population beyond this point is possible.

The number of persons per household in Vero Beach is projected to continue to decline in the future. Forecasts call for 2.07 persons per household by the year 2000 at which time the City will be completely built out. Thus, while the population growth of the City of Vero Beach will continue to be rather slow, demand for housing will slightly outpace it due to smaller household formation.

### 3.2.0.0 Seasonal Population Estimates and Projections

The definition of seasonal population in Chapter 9J-5 refers to: "Tourists, migrant farmworkers, and other short-term and long-term visitors."

According to this definition, anyone who is not a permanent, full-time resident is considered to be a seasonal resident. The U.S. Census Bureau considers anyone living in a locality for more than half a year to be a full-time resident. So, the inverse is that anyone living in a locality for less than six months is a seasonal inhabitant.

Vero Beach's coastal location renders it a desirable place for winter homes and tourism. Thus, it is assumed that the City has a seasonal population that is significant. Although it may not be a statistically significant proportion of the total population, it is a significant planning consideration, and is important in calculating peak season populations.

The difficulty in estimating seasonal populations lies in the lack of consistent and accurate statistical data. Projecting seasonal population is even more difficult in that the assumptions that must be made are risky. Forecasting seasonal population over a 20-year planning horizon can be rendered meaningless by the construction of a resort hotel or rental condominium development that had not been anticipated.

The current seasonal population has been estimated and the future seasonal population has been forecast using methods that are recommended and accepted by the Department of Community Affairs. This methodology uses certain assumptions regarding visitor characteristics that have been established by statewide studies and locally generated information. The data used to estimate the seasonal population as of April 1, 1987 is as follows:

Hotel/Motel Units	956
Seasonal Housing Units	1,105
Rooming House/Transient Apartments	<u>60</u>
TOTAL	2,121

# Vero Beach Permit Activity

Figure 3.1

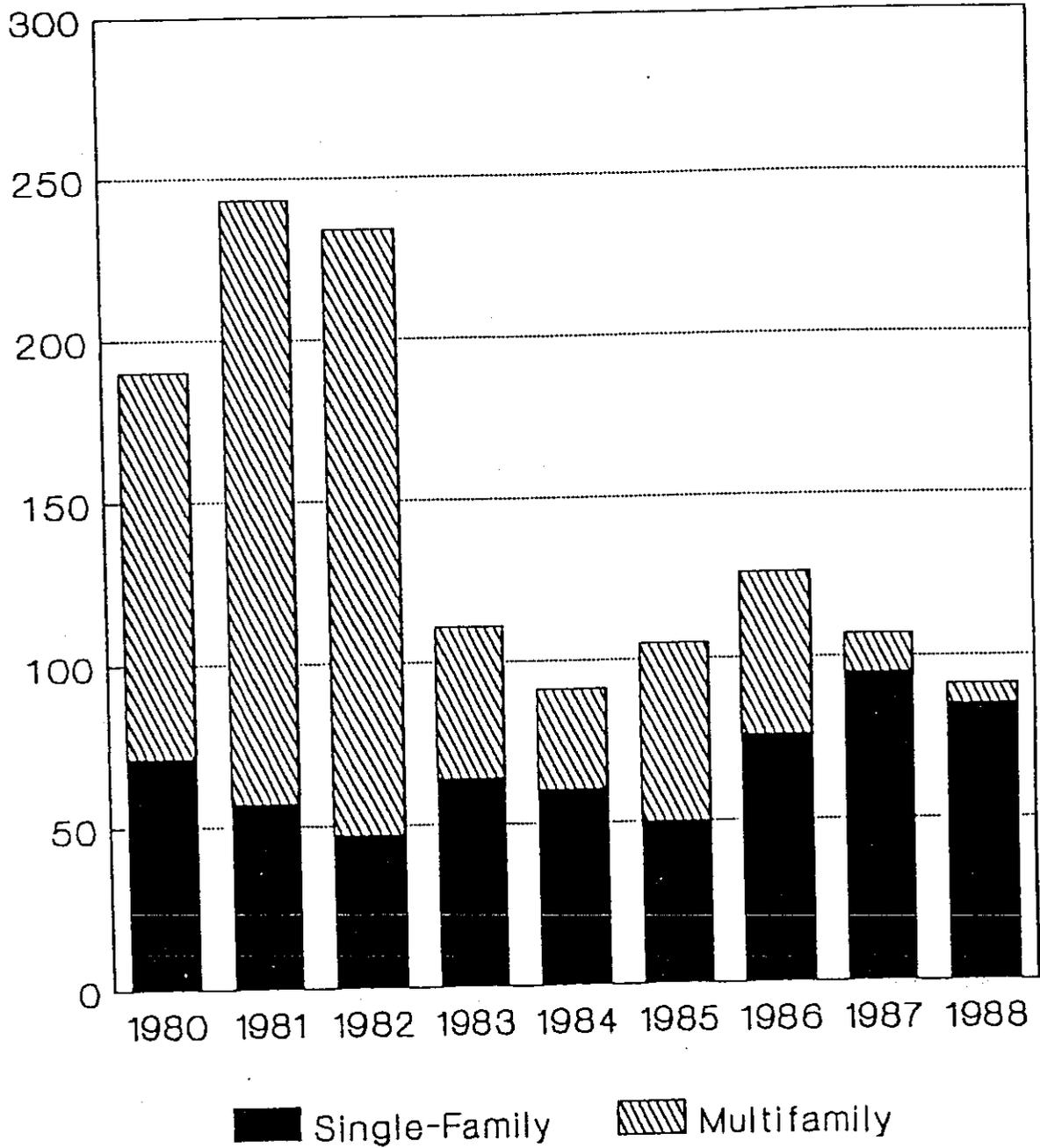


Table 3.7. Dwelling Units Issued Building Permits, Vero Beach and Indian River County, 1980-1988

Year	Vero Beach					Indian River County				
	SF	MF	MH (1)	Total	Demo.	SF	MF	MH (1)	Total	Demo. (2)
1980	71	119	0	190	13	668	205	0	873	29
1981	57	186	0	243	20	883	294	0	1,177	13
1982	47	187	0	234	15	551	191	0	742	18
1983	64	47	0	111	10	665	298	0	963	12
1984	60	31	0	91	16	554	478	0	1,032	16
1985	50	55	0	105	21	616	687	0	1,303	8
1986	76	50	0	126	30	667	377	0	1,044	16
1987	95	12	0	107	11	680	1,026	0	1,706	14
1988	85	6	0	91	29	737	657	0	1,394	23
Annual Average	67	77		144	18	669	468		1,137	17

Notes: (1) Although the Building Department does not keep records showing the number of permits issued for mobile homes, local planning officials are unaware of any new mobile homes permitted since 1980.

(2) Demolitions shown for Indian River County are for the unincorporated areas only.

Sources: Indian River County Building Department, Annual Summaries, 1980-1988.  
Hunter/RS&H, Inc., 1990.

Table 3.8. Population and Household Growth Trends, 1970-1985

Area	1970	(Estimated) 1980	(Projected) 1985	1987	1970-1980 Change		1980-1985 Change		1985-1987 Change	
					Number	Growth Rate	Number	Growth Rate	Number	Growth Rate
<u>City of Vero Beach</u>										
Population	11,908	16,176	17,075	17,418	4,268	3.11%	899	1.09%	343	1.00%
Households	4,651	7,281	8,025	8,349	2,630	4.58%	744	1.96%	324	2.00%
PPH	2.56	2.22	2.13	2.09	-0.34	-1.41%	-0.09	-0.86%	-0.04	-0.89%
<u>Indian River County</u>										
Population	35,992	59,896	76,442	84,277	23,904	5.15%	16,546	5.00%	7,835	5.00%
Households	12,325	23,331	30,493	33,618	11,006	6.63%	7,162	5.50%	3,125	5.00%
PPH	2.90	2.57	2.51	2.48	-0.33	-1.21%	-0.06	-0.47%	-0.03	-0.54%
<u>Florida</u>										
Population	6,791,418	9,746,324	11,278,547	11,960,764	2,954,906	3.67%	1,532,223	2.98	682,217	2.98%
Households	2,284,786	3,744,254	4,861,737	1,459,468	5.60%	767,164	350,319	3.81%	3.81%	
PPH	2.98	2.60	2.50	2.45	-0.38	-1.34%	-0.10	-0.80%	-0.05	-1.01%

PPH = Persons per household.

- = Data suppressed.

Note: = Households denote occupied dwelling units.

Sources: University of Florida, Bureau of Economic and Business Research, 1986.  
 U.S. Department of Commerce, Bureau of the Census, 1970, 1980.  
 Hunter/RS&H, Inc., 1988.

1. 3.7. Projected Population and Households, Vero Beach and Vicinity, 1990-2010

Area	1987-1990 Change		1990-1995 Change		1995-2000 Change		2000-2005 Change		2005-2010 Change	
	Number	Growth Rate								
Vero Beach										
Population	17,418		18,284		18,668		18,668		18,668	
Households	8,349		8,794		9,023		9,023		9,023	
PPH	2.09		2.08		2.07		2.07		2.07	
Indian River County										
Population	84,277		108,400		122,500		133,700		141,800	
Households	33,618		44,000		51,200		58,384		63,304	
PPH	2.48		2.46		2.59		2.29		2.24	
Florida										
Population	11,960,764		12,528,500		14,670,500		15,595,205		16,578,900	
Households	4,861,737		5,134,631		6,323,922		6,900,533		7,535,863	
PPH	2.45		2.44		2.32		2.26		2.20	

PPH = Persons per household.  
 Note: Households denote occupied dwelling units.  
 Projections are medium range projections from the University of Florida, Bureau of Economic and Business Research, 1986.  
 Sources: University of Florida, Bureau of Economic and Business Research, 1986.  
 Hunter/RS&H, Inc., 1988.

The total number of hotel/motel units was ascertained from the Florida Department of Business Regulation. Seasonal housing units are estimated to be 11 percent of the total housing stock. This is based on the 1980 census, and applied to the estimated housing stock as of April 1, 1987. Recently, there have been several conversions of seasonal units to permanent units and vice versa. These conversions are assumed to be in equal amounts based on conversations with local officials and is expected to continue in the future. Therefore, the 1987 estimate of seasonal housing units is held constant for projection purposes. Seasonal housing includes rental condominiums, seasonal rental properties and second homes held for occasional use. Transient apartments are those apartments that typically lease their accommodations for less than six months. It was determined that there is no migratory farmworker population impacting Vero Beach.

This gives a total of 2,121 units that may be inhabited at any one time by seasonal inhabitants. Occupancy assumptions must be made regarding these units in order to gauge the seasonal population. A transient apartment unit may be occupied by a retired couple for three months, while a hotel unit may be occupied by a family of three for a weekend. The assumptions made to deal with these natural inconsistencies are as follows:

- o Average size of the visiting party is 2.1 persons.
- o Average annual occupancy rate is 61 percent.

These assumptions are based on estimates made by the Indian River Chamber of Commerce in calculating potential bed-tax revenues. These are realistic assumptions and are consistent with those found in other areas of the state exhibiting similarities to Vero Beach. Thus, peak seasonal population for 1987 is calculated by the following formula:

$$\begin{aligned} &\text{Number of seasonal units} \times 2.1 \times .61 \\ &\text{or} \\ &2,121 \times 2.1 \times .61 = 2,717 \end{aligned}$$

Projecting the future seasonal population is extremely difficult. Since there are only three factors that make up the estimated seasonal population (number of seasonal units, size of party and occupancy rate), one of these must change in order to influence the total seasonal population. There is no data to justify changing the size of party or the occupancy rate. However, it is safe to assume that in a market area like Vero Beach, tourist accommodations will continue to increase although the increase in seasonal housing will be offset by an assumed equal conversion of seasonal units to permanent units. The rate at which they will increase is difficult to project.

To project this slight increase, it is assumed the 1987 estimate of seasonal housing units will remain constant while hotel/motel units are projected to grow at a very slow pace to approximately 1,030 by 1990. Using the same assumptions, we arrive at the following:

Hotel/Motel Units	1,030
Seasonal Housing	1,105
Transient Apartments	<u>60</u>
TOTAL	2,195

The number of transient apartments is held constant, as there is no known basis for increasing these. The trend toward rental condominiums will likely render the transient apartment obsolete. Using the same formula as before, we can project the 1990 seasonal population as follows:

$$2,195 \times 2.1 \times .61 = 2,812$$

This same methodology for projecting seasonal population can be applied for 1995, 2000, 2005 and 2010. The factors used in this projection methodology are as follows:

- o Seasonal Housing Units--held constant at 1,105 units.
- o Hotel/Motel Units--based on projected growth rate of 1.5 percent annually through 1995, increasing to three percent after 1995.
- o Transient Apartment Units--held constant at 60 units.

Thus, seasonal population projections are as follows:

**1995**

Hotel/Motel Units	1,100
Seasonal Housing Units	1,105
Transient Apartments	<u>60</u>
TOTAL	2,265
$2,265 \times 2.1 \times .61 = 2,901$	

**2000**

Hotel/Motel Units	1,275
Seasonal Housing Units	1,105
Transient Apartments	<u>60</u>
TOTAL	2,440
$2,440 \times 2.1 \times .61 = 3,126$	

**2005**

Hotel/Motel Units	1,475
Seasonal Housing Units	1,105
Transient Apartments	<u>60</u>
TOTAL	2,640
$2,640 \times 2.1 \times .61 = 3,382$	

**2010**

Hotel/Motel Units	1,700
Seasonal Housing Units	1,105
Transient Apartments	<u>60</u>
TOTAL	2,865
$2,865 \times 2.1 \times .61 = 3,670$	

### **3.2.1 Age Distribution**

The age distribution of the population in Vero Beach is summarized in Table 3.10. The table is based on 1980 census data and shows distributions for the City of Vero Beach based on various age groupings. The age distribution in Vero Beach is exactly opposite of typical age distributions which would represent a large young population, tapering off somewhat in the middle-age groups, and swelling again at age 65. In Vero Beach, however, as the age of the population increases, so does their number. This is a result of the large percentage of middle-age and older persons residing in the City. Approximately 51 percent of the population is over 45 years of age. The largest concentration of the population occurs in the 65 and over age group, representing nearly 27 percent of the population. This is followed by the 45 through 64 year age group containing approximately 24 percent of the population.

Indian River County, in contrast, contains a more typical age distribution. The largest concentration of the County population in 1980 occurred in the 45 through 64 year age group. This group was followed by the 25 through 44 year age group containing approximately 22 percent of the population.

The age distribution of the City of Vero Beach has a significant impact on the housing market and on housing policy. It is obvious that the elderly will continue to be a dominant factor in the housing market. Typically, this portion of the population has relocated to Vero Beach for retirement purposes, and have the financial capacity to choose a comfortable level of housing and lifestyle. However, there is also a significant number of individuals with less financial capability, who will be seeking affordable housing alternatives. Nevertheless, it is not anticipated that the elderly population will cause any future housing deficiency.

Another age group that will have an impact on housing is the 25 to 44 group. This represents slightly over 20 percent of the population, and comprises two important housing market components--the first-time home buyer, and the trade-up home buyer. First-time home buyers will typically spend several years renting a home or apartment while they build up the cash required for a down payment. Those in the trade-up sector of the market have typically been in ownership for several years and have equity built into an existing home. Upon the sale of the home, the equity can be transferred into a home of higher quality.

### **3.2.2 Income**

In 1980, the median household income for Vero Beach was \$16,296. This was slightly higher than the median income of \$15,101 reported for the county as a whole. Between 1970 and 1980, median income in Vero Beach grew by over six percent annually.

Four important income categories to consider when analyzing income distributions are 50 percent of median income, 80 percent of median, 120 percent of median and 150 percent of median income and above. Incomes at or below 50 percent of the median are considered very low incomes, incomes at or below 80 percent but above 50 percent of the median are considered low incomes, incomes between 80 and 120 percent of median are considered moderate incomes. Incomes at 120 percent to 150 percent of the median are considered middle incomes, while those incomes above 150 percent of median are considered high incomes.

Table 3.10. Age Distribution of Vero Beach and Indian River County, 1980

	Vero Beach		Indian River County	
	Number	Percent	Number	Percent
0-14	2,198	13.59%	10,804	18.04%
15-24	2,427	10.00%	9,038	15.09%
25-44	3,295	20.37%	13,209	22.05%
45-64	3,913	24.19%	14,621	24.41%
65+	4,343	26.85%	11,924	19.91%
Total	16,176	100.00%	59,896	100.00%

Sources: U.S. Department of Commerce, Bureau of the Census, General Population Characteristics, Florida, 1980.  
Hunter/RS&H, Inc., 1988.

Based on 1980 census data, and the historical growth in median household income, it is possible to estimate and project future income categories and figures. These estimates and projections are presented below and are based on a six-percent annual increase over 1980 levels.

	<u>1980</u>	<u>1987</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
50% of Median	\$ 8,148	\$12,252	\$14,592	\$19,527	\$26,132	\$34,970	\$46,798
80% of Median	13,036	19,602	23,347	31,243	41,810	55,952	74,877
120% of Median	19,555	29,404	35,021	46,865	62,716	83,928	112,315
150% of Median	24,444	36,755	43,776	58,581	78,395	104,910	140,394
Median \$16,296	\$24,503	\$29,184	\$39,054	\$52,263	\$69,940	\$93,596	

Table 3.11 presents the 1980 distribution of households by the various income categories. In addition to showing the number of households in each group, the table also presents an indication of the income available for housing based on 30 percent or less of gross household income.

An analysis of the proportional distribution of households among the various income groupings revealed a slight change between 1970 and 1980. The percentage of households within the middle and high categories increased from 39.98 percent in 1970 to 41.92 percent in 1980. This same shift in the distribution is projected to continue and is used in projecting future households by income categories. Further evidence of this upward shifting is the fact that in 1970, almost eight percent of all families were below the poverty level compared to only 4.5 percent in 1980.

Between 1970 and 1980, the middle and high categories increased by .194 percentage points per year while the very low-, low- and moderate income categories decreased by a corresponding .194 percentage points. These percentage shifts were divided equally among the respective income categories. Therefore,

the percentage of households for the middle and high categories were each increased by .097 percentage points (.097 + .097 = .194), annually. Likewise, the very low, low and moderate categories were each decreased by .0647 percentage points annually (.0647 x 3 = .194). Table 3.12 presents projections of household in income range for the years 1987 through the year 2010. These projections were made by applying the percent distributions within each category to the total number of projected households.

Although it would be beneficial to show the corresponding household size within each income range, this information is not readily available. However, it can be noted that household size is decreasing as household income is increasing. Also, total household projections are made with consideration given to decrease in household size.

### **3.2.3 Housing Demand**

One effective method of estimating an areas overall housing demand is to evaluate household growth, or the number of occupied housing units added in an area.

Using 1980 census benchmark figures, this can be segmented by housing type and tenure and further analyzed by price changes. From 1980 to 1987, the City of Vero Beach added 1,068 households. Between 1987 and 1990, it is estimated that Vero Beach will increase by 216 new households. Another 458 households will be added by 1995, at which time the City will reach complete build out. Because the City is so close to build out, historical and projected population growth trends are irrelevant. Housing demand in this situation is more appropriately gauged by examining land capacity and ability to provide services.

Based on our land use analysis and projections, there are 62 acres of buildable residential land available for development. This has the capacity of supporting 248 dwelling units. In addition, the potential for redevelopment in some areas of the City represents an additional 426 housing units, for a total of 674. It is anticipated that all of this demand will be absorbed by the year 2000.

Table 3.13 presents historic and projected households by housing type and tenure for the years 1980 through 2010. These projections are based on the assumption that future housing will have the same characteristics as those present in 1987. Therefore, housing type distributions found in 1980 were updated based on construction activity between 1980 and 1987 as reflected in building permit information. Owner-renter ratios from the 1980 census were employed and applied to these housing type distributions. The 1987 housing type estimates are: single-family--57 percent, multifamily--40 percent, and mobile home--three percent. These housing type distributions were held constant and applied to the total household projections for the year 1987 through 2010. As can be seen, between 1987 and 2010, only 674 new households will be added in Vero Beach. New household formations are capped at the year 2000 as the City reaches buildout. Of the 674 households added over the planning period, almost 64 percent or 430 households will be owner-occupied dwellings. It is also projected that the majority of the new households formed between 1987 and 2010 will be single-family residences.

Table 3.11 Income Groups and Numbers of Households in Each Group -- 1980, City of Vero Beach

Income Group	Annual Income Limitations	Maximum Annual Housing Expenditure to Remain within 30 Percent	Household within Income Group	Percent of Households in Group
Vero Low (50% or less of median)	\$0 to \$8,148	\$0 to \$2,444	1,571	21.5
Low (50% - 80%)	\$8,148 to \$13,036	\$2,444 to \$3,911	1,300	17.8
Moderate (80% - 120%)	\$13,036 to \$19,555	\$3,911 to \$5,867	1,365	18.7
Middle (120% - 150%)	\$19,555 to \$24,444	\$5,867 to \$7,333	895	12.3
High (150% or more)	\$24,444 and above	\$7,333 or more	2,163	29.7
Totals			7,294	100.0

Notes: (1) Median incomes from U.S. Census Bureau, 1980.

(2) Number of households within income groups interpolated from median income data in 1980 census.

Sources: U.S. Census, 1980.  
Hunter/RS&H, Inc., 1990.

Table 3.12. Projected Household Distribution Among Income Groups, 1987-2010, City of Vero Beach

Income Group	1987		1990		1995		2000 - 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Very Low	1,757	21.05	1,786	20.85	1,805	20.53	1,824	20.21
Low	1,449	17.35	1,469	17.15	1,480	16.83	1,490	16.51
Moderate	1,524	18.25	1,546	18.05	1,559	17.73	1,571	17.41
Middle	1,084	12.98	1,137	13.28	1,211	13.76	1,285	14.24
High	2,535	30.37	2,627	30.67	2,739	31.15	2,854	31.63
Total	8,349	100.00	8,565	100.00	8,794	100.00	9,023	100.00

Source: Hunter/RS&H, Inc., 1990.

Table 3.13. Projected Households by Type and Tenure

Category	Owner Occupied	Renter Occupied	Total
1980			
Single-Family	3,638	1,111	4,749
Multi-Family	794	1,494	2,288
Mobile Home	216	28	244
Total	4,648	2,633	7,281
1987			
Single-Family	3,646	1,113	4,759
Multi-Family	1,159	2,181	3,340
Mobile Home	221	29	250
Total	5,330	3,019	8,349
1990			
Single-Family	3,740	1,142	4,882
Multi-Family	1,189	2,237	3,426
Mobile Home	228	29	257
Total	5,468	3,097	8,565
1995			
Single-Family	3,840	1,173	5,013
Multi-Family	1,221	2,297	3,518
Mobile Home	234	30	264
Total	5,614	3,180	8,794
2000-2010			
Single-Family	3,940	1,203	5,143
Multi-Family	1,252	2,357	3,609
Mobile Home	240	31	271
Total	5,760	3,263	9,023

Sources: U.S. Department of Commerce, Bureau of the Census, 1980.  
Hunter/RS&H, Inc., 1990.

Table 3.14 presents the demand for housing by cost or rent for the years 1980 through 2000. Since buildout is reached in the year 2000, this analysis was not extended to the year 2010. The price range and rent levels of units demanded are shown in amounts that inflate each year by a factor that is consistent with the projected growth of the CPI, based on inflation from 1980 to 1987. The distribution of units demanded within each price and rent range was based on the benchmark distribution reported in the 1980 census.

As shown in the table, approximately 284 new owner-occupied units will be demanded from 1987 to 1995. For this same period, 161 new rental units will be demanded. The number of households added stabilizes as buildout within the City is approached in the year 2000.

This demand table shows that the demand for housing in Vero Beach is dispersed although there appears to be a heavier demand towards the middle to upper price ranges. Segmenting demand by price range beyond a five-year projection period is seldom accurate. However, the projection of total demand created by new household formation is fairly accurate. The relative distribution of the total demand is more meaningful than the actual dollar amounts. The table shows that demand in future years (1987 through 2000) will be concentrated in owner-occupied dwellings priced in the middle to upper price ranges.

These major factors make up the overall housing needs in Vero Beach.

- o New household formation;
- o Replacement of housing units removed;
- o Allowance for vacancies

The previous section on housing demand discussed new household formation and the demand that will be created.

As discussed earlier, the housing stock of the City of Vero Beach is relatively new and there is very little need for a housing rehabilitation program outside of one small area. This three-block area located in the northern part of the City to the east of US 1 involves approximately 18 to 25 housing units showing visible signs of deterioration and may need to be demolished and replaced. It is assumed that these units will be demolished and replaced by 1995. An additional 25 units are estimated to be demolished and replaced between 1995 and 2010, as current dwellings begin to deteriorate further.

The vacancy rate in Vero Beach in 1980 was almost five percent, which is indicative of a very healthy market and should be maintained.

Using these three factors, housing needs for the short term (1987-1995) and long term (1995-2010) are as follows:

New Household Formation	
Short Term (1987-1995)	445
Long Term (1995-2010)	229
Replacement of Housing Units Removed	
Short Term (1987-1995)	25
Long Term (1995-2010)	25
Vacancy Rate Maintenance	
Short Term (1987-1995)	23
Long Term (1995-2010)	12

New Table 3-14. Projected Annual Housing Demand by Cost or Rent Range

	1980	1987	1990	1995	2000
Households	7,281	8,349	8,565	8,794	9,023
Number of Households Added		1,068	216	229	229
Renter to Owner Ratio	36.16%	36.16%	36.16%	36.16%	36.16%
Contract Rents for Rental Units	1980 Proportion	Rent Range of New Units			
From \$0.00		\$0	\$0	\$0	\$0
To \$99.99 =	2.1%	\$139 = 8	\$160 = 2	\$202 = 2	\$255 = 2
From \$100.00		\$139 =	\$160 =	\$202 =	\$255 =
To \$199.99 =	29.3%	\$278 = 113	\$320 = 23	\$404 = 24	\$511 = 24
From \$200.00		\$278 =	\$320 =	\$404 =	\$511 =
To \$299.99 =	48.7%	\$417 = 188	\$479 = 38	\$606 = 40	\$766 = 40
From \$300.00		\$417 =	\$479 =	\$606 =	\$766 =
To \$399.99 =	13.8%	\$555 = 53	\$639 = 11	\$808 = 11	\$1,022 = 11
From \$400.00 =	6.1%	\$555 = 24	\$639 = 5	\$808 = 5	\$1,022 = 5
	100.00%	386	78	83	83
Value of Owner Occupied Housing Units	1980 Proportion	Value Range of New Units			
From \$0.00		\$0	\$0	\$0	\$0
To \$39,999.99 =	28.64%	\$55,168 = 195	\$63,318 = 39	\$87,328 = 42	\$100,229 = 42
From \$40,000.00		\$55,168 =	\$63,318 =	\$87,328 =	\$100,229 =
To \$59,999.99 =	23.90%	\$82,752 = 163	\$94,977 = 33	\$130,992 = 35	\$150,344 = 35
From \$60,000.00		\$82,752 =	\$94,977 =	\$130,992 =	\$150,344 =
To \$99,999.99 =	27.40%	\$137,920 = 187	\$158,295 = 12	\$218,320 = 40	\$250,573 = 40
From \$100,000.00		\$137,920 =	\$158,295 =	\$218,320 =	\$250,573 =
To \$149,999.99 =	12.46%	\$206,880 = 85	\$237,442 = 17	\$327,480 = 18	\$375,859 = 18
From \$150,000.00		\$206,880 =	\$237,442 =	\$327,480 =	\$375,859 =
To \$199,999.99 =	4.07%	\$275,840 = 28	\$316,590 = 6	\$436,640 = 6	\$501,145 = 6
From \$200,000.00 =	3.53%	\$275,840 = 24	\$316,590 = 5	\$436,640 = 5	\$501,145 = 5
	100.00%	682	138	146	146

NOTES: (1) Home values contract rents were increased at a compound rate of 4.7 percent based on the historic growth of the CPI from 1980 - 1987.  
 (2) Projections made using 1980 proportions.

Sources: U.S. Department of Commerce, Bureau of the Census 1980.  
 Bureau of Economic And Business Research, University of Florida, Hunter/RS&H, 1990.

Compiling these components, Vero Beach has a short-term housing need for 493 units, and a long-term housing need, inclusive of short-term, of 759 units.

### 3.2.4 Special Needs and Assisted Housing

Unlike housing demand, which is driven by new household formations, housing need is associated with that portion of the population that lacks the ability to enter the private market. While the majority of these people are of low income, this group also includes persons who are physically or emotionally handicapped, elderly or for some other reason require specialized housing arrangements not generally available in the private market. Another component of housing need consists of those persons living in substandard units without the financial ability to rehabilitate their homes to safe, decent, sanitary housing standards. Such special housing needs are generally addressed through the intervention of government, charitable and non-profit organizations.

Vero Beach is generally a community with a sound and relatively new housing stock. Thus, there is very little demand for assisted housing or housing rehabilitation programs. However, the age distribution of the population indicates that elderly persons could begin to play a significant role in the housing demand/supply equation. Regardless of an individual's financial capacity, the prospect of an increasing life span and the health problems typically associated with the aging process, may cause special housing needs to become a concern.

#### 3.2.4.1 Low Income

A projection of households by income range was presented earlier in this section. One area of concern is the availability of housing for the low- and moderate-income households. A breakdown of projected very low-, low- and moderate-income households are presented below.

	<u>Households Added</u>		<u>Total</u>
	<u>1987-1995</u>	<u>1995-2010</u>	
Very Low	48	19	67
Low	31	10	41
Moderate	35	12	47

Some of the 67 households in the very low-income category will most likely need some type of public assistance, such as Section 8 certificates and vouchers currently obtained through the Indian River County Housing Authority.

The needs of the low-income group are best met through the use of tax-exempt bond programs and a re-evaluation of the regulatory measures affecting the provision of housing. The streamlining of regulatory measures may also serve to reduce housing costs. The needs of the moderate-income group are taken care of exclusively by the private sector.

#### 3.2.4.2 Future Housing Demand for the Elderly

In Vero Beach, according to the 1980 census, there were 4,343 persons, or almost 27 percent of the population, aged 65 and over. This translated into 2,827 households. Of the total persons aged 65 and over, 1,125 (26 percent of the total) lived alone. Another 27 percent lived with a spouse (1,184), while four percent (194) lived with other relatives. Only two percent (66) lived in households with nonrelatives, while another two percent (72) lived in group homes or institutions.

There are no readily available population projections by age segment at the municipal level. However, an examination of the growth in certain age brackets at the county level can be examined and

applied to the 1980 distribution to produce estimates sufficient for general planning purposes. Examination of University of Florida, Bureau of Economic and Business Research projections by age for Indian River were used to project increases in the 65 and over age bracket for Vero Beach. The resultant City projections are presented below.

	<u>1980</u>	<u>1987</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
Total Population	16,176	17,418	17,900	18,284	18,668
Persons 65 +	4,343	5,657	5,801	6,279	6,603
Percent of Total	26.85	32.48	32.41	34.34	35.37

### 3.2.4.3 Future Housing Demand for Group Homes and Foster Care Facilities

In 1987 and as presented earlier in this housing element, the State of Florida Department of Health and Rehabilitative Services had a total of 23 licensed beds in foster care facilities and group homes in Vero Beach, excluding the 24 licensed ACLF beds. These ACLF beds are excluded since we have already analyzed the need for these facilities. Based on these figures, the number of persons in group homes and foster care facilities, exclusive of ACLFs, is 23. The estimated population of the City in 1987 was 17,418. This results in a ratio of .13 percent of the total population. Using this ratio as our guideline, the following projections are presented for the future number of beds needed in foster homes and group homes.

	<u>1987</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
Population	17,418	17,900	18,284	18,668
User Rate	.0013	.0013	.0013	.0013
Number of Beds Needed in Foster Homes and Group Homes	23	23	24	24

### 3.2.4.4 Future Demand for Farmworker Housing

Housing for migrant and seasonal farmworkers is an important issue for Indian River County given the significance of agricultural production and processing to the local economy. However, it has been determined from discussions with local officials that the migrant and seasonal farmworker population has no impact on housing within the City of Vero Beach.

### 3.2.5 Housing Affordability

Many factors affect the affordability of housing to local residents. Interest rates, mortgage terms, underwriting criteria, and area incomes are among those factors that impact housing costs. Most conventional mortgage lenders require that the total amount of principal, interest, taxes, and insurance necessary to satisfy a mortgage should not exceed 28 percent of the mortgagor's gross income. Therefore, the impact of interest rates and loan-to-value ratios on the affordability of a home are significant. Table 3.15 illustrates this concept. For example, with a typical 90-percent loan-to-value ratio and an interest rate of ten percent, the home buyer could purchase a home 2.53 times the annual household income. However, if the loan-to-value ratio was increased to 95 percent, the home buyer could only afford to buy a home at 2.41 times the annual household income. This decrease in the buying power of the consumer is due to the increase in risk assumed by the mortgage lender for the larger loan.

Table 3.16 shows the home prices affordable to households in Indian River County for 1987. For example, a household with an income of \$22,168 can afford to buy a \$56,085 home at ten percent interest rate and a 90 percent loan. Likewise, a home buyer with a household income of \$37,610 can afford a \$95,153 home at a ten percent interest rate and a 90 percent loan.

Table 3.15 Impact of Interest Rates on Housing Affordability at Selected Loan-to-Value Ratios

Interest Rate (30-Year Mortgage)	Home Price/Income Multiplier		
	80% Mortgage	90% Mortgage	95% Mortgage
8.5%	3.19	2.83	2.70
9.0	3.07	2.72	2.60
9.5	2.96	2.62	2.50
10.0	2.85	2.53	2.41
10.5	2.75	2.44	2.32
11.0	2.66	2.35	2.24
11.5	2.57	2.28	2.17
12.0	2.48	2.20	2.10
12.5	2.40	2.13	2.03
13.0	2.33	2.05	1.97
13.5	2.26	2.00	1.91
14.0	2.19	1.94	1.85
14.5	2.13	1.89	1.80
15.0	2.07	1.83	1.74
15.5	2.01	1.78	1.70
16.0	1.96	1.73	1.65

Note: Calculations based on 30-year mortgage, PITI @ 28 percent of mortgagor's gross income; PMI included in 90-percent and 95-percent financing.

Source: Hunter/RS&H, Inc., 1988.

Table 3.16 Home Buying Power of Household Incomes at Alternative Interest Rates, 90 Percent Loan

Decile	Home Buying Power of Income at Alternative Interest Rates				
	Income	9.00	9.50	10.00	10.50
10	\$9,197	\$25,016	\$24,096	\$23,268	\$22,441
20	\$13,774	\$37,465	\$36,088	\$34,848	\$33,609
30	\$17,994	\$48,944	\$47,144	\$45,525	\$43,905
40	\$22,168	\$60,297	\$58,080	\$56,085	\$54,090
50 (Median)	\$26,500	\$72,080	\$69,430	\$67,045	\$64,660
60	\$31,800	\$86,496	\$83,316	\$80,454	\$77,592
70	\$37,610	\$102,299	\$98,538	\$95,153	\$91,768
80	\$45,522	\$123,820	\$119,268	\$115,171	\$111,074
90	\$63,251	\$172,043	\$165,718	\$160,025	\$154,332
95	\$94,963	\$258,299	\$248,803	\$240,256	\$231,710

Sources: Department of Housing and Urban Development.  
Hunter/RS&H, Inc., 1988.

A very low-income family (below \$13,250 annual household income) can afford a \$34,715 home at a 9.5 percent interest rate and a 90 percent loan. A low-income family (household income at \$21,200) can afford a \$55,544 home applying the same assumptions, and a moderate-income family (household income at \$31,800) can afford an \$83,316 home, also with a 9.5 percent interest rate and a 90 percent loan. Therefore, there does not appear to be a significant affordability problem within the City.

### 3.2.6 Supply and Demand for Residential Land

This section addresses the demand for residential land necessary to accommodate future growth within the City of Vero Beach. These land requirements must then be compared to the supply of land suitable to meet these needs. Projected household growth will generate demand for an estimated 759 additional dwelling units by the year 2010, including a five percent vacancy margin and a factor for the replacement of housing units removed. It is assumed for purposes of determining residential land requirements that land needed for replacement units and the land made available from units removed will balance each other and therefore should be excluded from the analysis. It was estimated that 50 replacement units would be needed between 1987 through 2010. Subtracting these 50 units yields 709 dwelling units which will be factored into the demand for residential lands.

The City of Vero Beach is rapidly approaching buildout or saturation. This buildout point is projected to be reached by the year 2000. Based on the land use analysis contained in the Land Use Element, there are 120 acres of vacant/agricultural parcels suitable for development. Additionally, there is potential for redevelopment and infill in other areas of the City.

As mentioned above, there are an additional 709 permanent units projected between 1987 and 2010 which will need to be accommodated within the City (759 permanent housing units minus 50 replacement units). Additionally, the City will have to accommodate additional land demand resulting from the seasonal population as well. Projections of units for the seasonal population were presented earlier in the Housing Element and included hotel/motel units, seasonal housing units and rooming house/transient apartments. The demand for additional seasonal housing units is projected to remain constant as the conversion of permanent housing to seasonal and vice versa balance each other. In addition, there is no anticipated increase in the number of rooming house/ transient apartments. The only increase in units necessary to accommodate the future seasonal population will be in the form of hotel/motel units. The demand for these units will be accommodated with vacant commercial acreage and not residential. Therefore, there is no impact on residential land requirements resulting from the seasonal population.

The total amount of land needed in Vero Beach to accommodate residential development from 1987 to 2010 was developed by taking projected households by type, including a five percent vacancy factor, and applying this dwelling unit count to projected gross densities of residential development established in the Land Use Element of this Comprehensive Plan. This analysis is summarized below.

#### Housing Units Demanded (1987-2010)

	Households	Vacancy Allowance	Total Housing Units	Units/ Acre	Residential Acreage Needed
Single-Family	384	20	404	4.0	101.0
Multi-Family	269	14	283	12.0	23.6
Mobile Home	<u>21</u>	<u>1</u>	<u>22</u>	5.0	<u>4.4</u>
Total	674	35	709		129.0

The existing 120 acres of vacant/agricultural parcels will accommodate 330± new single-family units at a gross overall density of 2.75 units per acre. These parcels are primarily located west of the airport. The remaining 74± single-family units will be accommodated on scattered infill lots in various areas of the City.

The projected 283 multifamily units will be accommodated on parcels near the beachfront and downtown which can support higher density development. The projected 22 mobile home units can be accommodated in mobile home park additions and scattered lots otherwise suitable to mobile homes in the western part of the City.

### 3.2.7 Means of Accomplishment

The state requires that each municipality in the process of developing their comprehensive plans, analyze the means for accomplishing a variety of items related to ensuring a healthy and useful housing market that will serve all of the citizens. A discussion of each of these items is presented below.

1. Housing and Support Infrastructure. The City of Vero Beach will designate lands for residential development in such a manner that supporting infrastructure will be available to support the new housing demand. Internal consistency among the various elements of this plan, and coordination among various City departments will ensure that this takes place.

2. Elimination of Substandard Housing Conditions. The City of Vero Beach does not have a severe problem with substandard housing. Only a small number of substandard houses were observed in the Vero Beach housing market. The housing stock is relatively new and in good condition. It is important for the City to maintain the structural integrity and aesthetic nature of its fine housing through a system of housing code enforcement. One means of accomplishing this is through the use of a property standards ordinance. By setting and enforcing standards for exterior property maintenance (yard conditions, paint, etc.), the City can maintain the appearance thus the aesthetics of the community. Such standards will also encourage homeowners to keep up with other less visible maintenance needs, thereby maintaining a sound housing stock for many years.

3. Adequate Sites for Low- and Moderate-Income Families and Mobile Homes. The City of Vero Beach is a relatively affluent community. The median family income in 1987 was \$26,500. The analysis of housing demand in Vero Beach indicates a very moderate demand for housing below the median cost. The demand that exists will be accommodated by creating higher density zoning classifications as recommended in the Land Use Element of this plan. There are approximately 62 acres of vacant/undeveloped land in Vero Beach. A mixed-use district allowing 17 units/acre, will be established to make it financially feasible to address low- and moderate-income housing. A limited area of existing residential areas and selected vacant lands will be incorporated into the mixed-use district so the demand for low- and moderate-income housing can be accommodated.

Mobile homes offer an attractive option to families and individuals who cannot afford conventional housing. Though there are four mobile home parks in Vero Beach, only one is consistent with the Land Use Plan; the other three continue to exist as nonconforming uses. There are special problems associated with locating mobile homes in coastal areas due to flood zone regulations. In addition, there is a strong feeling in Vero Beach that a proliferation of mobile homes would be consistent with the desired character of the community. Furthermore, there does not appear to be strong demand for mobile homes lots within Vero Beach. There is ample land in surrounding rural and unincorporated areas where mobile homes are permitted. Thus, very few additional sites for mobile homes are anticipated in Vero Beach within the horizon of this Comprehensive Plan.

4. Group Homes in Residential Areas. The state's policy on deinstitutionalization is to place individuals needing a minimum of supervision and treatment into residential settings. The demand for such housing is extremely difficult to gauge. However, the City of Vero Beach should be prepared to provide adequate land for such sites as they become necessary. One way to do this is to include group homes and foster care facilities as allowable residential uses in the Zoning Code. Another approach is to enact a Group-Homes Ordinance which should be patterned after the group home guidelines of the Florida Department of Health and Rehabilitative Services. Adult Congregate Living Facilities (ACLFs) are considered group homes. With the elderly population of Vero Beach, the demand for ACLFs could possibly increase in the future.

5. Conservation, Demolition and Historically Significant Housing. There is little need for demolition of housing in Vero Beach. The housing stock is in generally good condition. Conservation of the existing housing stock through means previously outlined will preserve the housing stock for many years, making rehabilitation programs unnecessary.

There is no housing in Vero Beach that is of such historical significance that a special effort of preservation is required.

### **3.2.8 Housing Needs Met by the Private Sector**

The private sector has responded well to the effective demand for housing in Vero Beach. The analysis of building permit activity that is presented in Table 3.7 shows that an average of 144 dwelling units per year were permitted from 1980 to 1988. During this eight-year period, the number of multifamily permits exceeded the number of single-family permits, although this trend has curtailed from early 1980 levels.

Residential construction is invariably related to interest rates. As interest rates fall, construction activity increases. Other external factors also influence construction activity. For example, recent changes in the Federal Tax Code have caused a substantial slow down in the construction of rental apartments.

The private sector will probably continue to provide an adequate supply of single-family homes, attached and detached, targeted at the middle and upper income markets. Condominium developments by the private sector will also continue unimpaired, providing interest rates remain stable. The private sector will probably be somewhat encumbered in providing affordable rental housing to all low- and moderate-income households. The ineffective demand of the very low income are typically not met by the private sector, except through innovative programs involving public/private partnerships and leveraging of private funds. The demand of some of the very low income can be met through subsidy programs such as Section 8 certificates and vouchers obtained through the Indian River Housing Authority.

### **3.2.9 The Housing Delivery System**

The Housing Delivery System is a complex function involving the interaction of several participants. Lenders, developers, local governments, consultants, insurance companies, material manufacturers, and a variety of other professionals must all work together for the system to function properly. If any one part of the system fails, the entire process is affected. All of these actors are influenced by local, state, national and international conditions and policies. Because of the complexity and interdependence of each actor upon the other, any change by one causes a reaction by another and the housing delivery process changes. For example, if interest rates rise or the price of land increases, then the effective cost of ownership increases and housing production diminishes. It is important for the City to have a role with the private sector in keeping the housing delivery system robust and functioning to ensure adequate and sound housing for citizens in its jurisdiction.

The role of the City of Vero Beach in the housing delivery process lies primarily in the following four areas:

- o Land Use and Zoning;
- o Subdivision Regulations;
- o Permitting Systems; and
- o Infrastructure

Through these components, the City can have an affect on the delivery of housing. The City is fast approaching buildout as the supply of vacant land continues to decline. However, there is adequate land available to meet the housing needs of Vero Beach. There does not appear to be a problem with permitting systems in Vero Beach. The planning, zoning and building operations all appear to operate at a very effective level, and their operations are well coordinated. Infrastructure does not represent a major concern in terms of housing delivery. The City has provided infrastructure where needed in the past and has encouraged development to occur where infrastructure is available. Therefore, the City of Vero Beach is fulfilling its role in the housing delivery system.

A more detailed examination of effective and ineffective demand, as related to the housing delivery process, is necessary. The market-driven private sector can provide housing units to households demonstrating effective demand. As mentioned in the previous section, effective demand is a function of the ability of households to purchase (or rent) a home and the developers profit and return requirements. The developer is a businessperson and cannot afford to provide housing units at a cost less than his required rate of return. Usually, as the price and status of the home decreases, so does the profit margin. Therefore, at a specific low selling price of a home, it is no longer profitable for the developer to build the home and the product is not supplied. Thus, ineffective demand occurs when lower income families demand housing units but developers cannot provide the units at a satisfactory return and profit margin. The only means that some ineffective demand households have of affording units is by way of subsidies or incentives offered to developers.

The Housing Delivery System in Vero Beach appears to be working sufficiently to meet the effective demand for housing. This conclusion is based on past performance of the system as determined by the issuance of building permits, although trends indicate a slowing of activity as the City approaches buildout or saturation.

The Housing Delivery System, however, is unable to meet all of the ineffective demand. The use of tax-exempt bonds has been used in many communities to assist the private sector in addressing ineffective demand. Other incentives which could be employed in aiding the private sector in meeting ineffective demand are addressed below.

### **3.2.9.1 Elements of Housing Supply and Demand**

The basic elements of housing supply and demand are:

#### **Demand**

- o Population and household growth
- o Employment
- o Income
- o Seasonal housing
- o Cost of land, construction, and financing
- o Housing prices

## Supply

- o Type and condition of existing housing
- o Vacancy rates
- o Land availability
- o Land regulations

A brief analysis of each of these elements as they impact the Vero Beach housing market follows.

## **Demand**

- o Population and household growth. Population growth in Vero Beach is expected to slow as the City approaches buildout. Population is projected to increase by only .3 percent per year through the year 2010. Household growth will also continue very slowly. See Tables 3.8 and 3.9.
- o Employment. There are no projections of a downturn in the employment opportunities available to Vero Beach residents.
- o Income. Median household income in Vero Beach rose from \$8,816 in 1970 to \$16,296 in 1980.
- o Seasonal housing. Seasonal housing represented approximately 11 percent of the total housing stock in 1980. While this is an important factor for projecting housing need, it is not significant enough to cause any serious displacement in the housing market.
- o Cost of land, construction, and financing. These costs are influenced by a variety of external factors from local real estate speculation to international financial markets. Little can be done to control these costs. Additionally, as Vero Beach approached buildout, land costs will rise due to limited supply.
- o Housing prices. In Vero Beach, median home values were \$56,000 and median contract rent was \$240. These costs were higher than for the County as a whole.

## **Supply**

- o Type and condition of existing housing. Vero Beach has a housing stock which is generally in good condition, with the exception of a small area of deterioration in the northern part of the City. See pages 3-5 through 3-9 for a discussion of housing conditions.
- o Vacancy rate. Vero Beach had a vacancy rate of 5.73 percent in 1980. This is a healthy vacancy rate.
- o Land availability. As mentioned throughout this element, land is in short supply. However, there is enough vacant land to meet the residential needs of the projected population.
- o Land regulations. Land regulations in Vero Beach are being updated to reflect the needs identified in the Comprehensive Plan.

Some of these components are entirely beyond the control of the City. However, those that can be controlled must be kept in balance in order to maintain a housing market that provides affordable housing. Typically, a local government has more control over the factors affecting supply than those affecting demand. The City can take action regarding the condition of existing housing through a Code Enforcement Program. It can ensure land availability to an extent, through land-use planning and infrastructure improvements, and it can influence the housing market through land regulations such as density. To a lesser extent, local governments can implement an array of growth management controls.

### **3.3 GOALS, OBJECTIVES, AND POLICIES**

**3.3.0 Goal 1:** A housing supply which permits most households to enjoy safe and healthful living accommodations which meet accepted standards of affordability and which are located in pleasant environments where a sense of civic pride and personal well-being can be achieved.

#### **Objective 1:**

The City shall encourage the creation and/or preservation of affordable housing for existing and future residents.

#### **Policies:**

- 1.1 In adopting any amendments to the City's Land Development Regulations, the City shall ensure that any proposed revisions in development standards and review procedures do not create unnecessary delays in project approval or other barriers to affordable housing.
- 1.2 The City shall thoroughly examine during the preparation of the Evaluation and Appraisal Report due by September 1, 2010, appropriate regulatory, policy, and administrative measures to further streamline the permitting process for affordable housing projects, modify any standards or regulations that unnecessarily increase the cost of housing, and strategies for encouraging and promoting new affordable housing and preservation of the existing affordable housing stock.
- 1.3 The City shall encourage infill development, removal of blighting influences and stabilization of neighborhoods through educational means such as meetings, research, and information exchanges, as well as coordinated and joint programs and activities by public and private sectors.
- 1.4 The City shall make a formal request to be included as a member of an advisory committee appointed by the Board of County Commissioners to provide additional guidance on County and City housing policies. Comprised of representatives of the housing industry, financial institutions, Housing Authority and citizens, the committee shall be advisory and terminated upon acceptance of its final report. This committee shall submit a final report to the Board of County Commissioners and City Council by 1993 containing the following:
  - o Recommend strategies for housing and neighborhood conservation alternatives and feasibility;
  - o Public/private joint sponsorship of activities and funding programs;
  - o Approaches to reduce housing costs and upgrade neighborhoods;

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- o Policies concerning the formation of non-profit housing sponsors; and
  - o Principles and criteria to guide residential density planning, special housing facility locations, and effective means of integrating housing planning with general community planning.
- 1.5 The City Planning staff shall, by 1992, present to the City Council an update of the housing needs of the City based on new data from the 1990 U.S. Census (particularly with regard to very low and low income households). The update shall include a review of the effectiveness of coordination activities, and resulting impacts of City initiatives described in this Element for implementation following adoption of the Comprehensive Plan.
- 1.6 The City of Vero Beach shall identify Federal, State and other sources of funding earmarked for low and moderate income housing and actively pursue these funds for local use.
- 1.7 The City shall encourage the stabilization and redevelopment of older neighborhoods by creating special zoning districts which recognize the limitations of older subdivisions.
- 1.8 The City shall assess the percentage of affordable housing available to City households in the very low, low, and moderate income groups as part of the 2010 Evaluation and Appraisal Report (EAR) and establish specific objectives and measures for increasing this percentage in EAR amendments to the Comprehensive Plan.
- 1.9 The City shall update the data and analysis of the Housing Element by July 2009, as part of the 2010 Evaluation and Appraisal Report (EAR).

**Objective 2:**

The City shall have adequate sites to accommodate current and anticipated housing demand for all income groups and groups with special housing needs. The sites shall have an appropriate land use and zoning designation which allow for a balanced housing market with a mixture of housing types, including mobile and manufactured homes.

**Policies:**

- 2.1 The City of Vero Beach shall continue to enforce and monitor compliance with its Fair Housing Ordinance to ensure equal housing opportunities consistent with Title VIII of the Civil Rights Act of 1968 and the Florida Fair Housing Act.
- 2.2 The City of Vero Beach, through its future land use plan map, hereby designates land for residential land uses and support services for a wide variety of housing types (including mobile homes), densities, and physical environments to facilitate an equally-wide variety of housing costs for present and future residents with special consideration given to the following:
- o Lot sizes, setbacks and land use mixes;
  - o Proximity to public transportation, recreational facilities, and community services, such as shopping, personal services, and health care; and

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- o Compatibility of land use relationships and neighborhood character.
  - o Reduction of automobile travel to meet normal daily needs for access to employment, services, recreation and other local activities.
- 2.3 The City shall provide technical assistance to existing and future community development corporations.
- 2.4 The City shall inventory all surplus City-owned land and foreclosed properties that could be used for affordable housing and will coordinate the identification of such lands with the County, the School Board, the SJRWMD and other public land owners in the City. The City will cooperate with the State Department of Community Affairs in its annual inventory of State-owned land available for affordable housing development.
- The City shall make these lands available for affordable housing development using a competitive Request for Proposal process, seeking proposals from the private sector. To ensure that these units will meet affordable housing needs, the RFP process shall require units produced average less than 85% of City median home price and 90% of all units be less than median price.
- 2.5 By 1992, the City will identify private sector participants agreeable to participate in a low cost housing demonstration program. The City's role will involve technical assistance and permitting.

**Objective 3:**

The City of Vero Beach shall reduce the number of dwelling units with housing code violations through increased code enforcement programs. By 1995, the number of code violations shall be reduced from approximately 1.5% of total housing to 0.5%.

**Policies:**

- 3.1 The Standard Housing Code shall continue to be the City's standard for public health, safety, and welfare with regard to occupancy limits based on unit size, provision of adequate plumbing facilities and prevention of exterior physical deterioration. This code will be enforced by the Building Department and Code Enforcement Officer.
- 3.2 An inventory of housing conditions shall be undertaken prior to 1993 on a neighborhood-by-neighborhood basis to determine units suitable for concentrated code enforcement, rehabilitation, demolition, and, if appropriate, relocation or other actions to achieve a suitable residential environment.
- 3.3 The City shall encourage improved housing maintenance by property owners by providing consumer information and technical assistance.
- 3.4 The City shall encourage improved neighborhood appearance by establishing neighborhood awareness programs and providing annual merit recognition awards for neighborhood improvement programs.
- 3.5 The City shall support neighborhood conservation and stabilization efforts, where feasible, by investments in infrastructure, public facilities and public service improvements.

**Objective 4:**

The City shall provide affordable housing assistance to qualified applicants by assisting them in securing help from private and non-profit organizations in lieu of public assistance for at least 20 previously unassisted households annually beginning in 1992.

**Policies:**

- 4.1 The City Council shall request the Housing Authority to identify by July 1, 1992, its agency objectives regarding the number and types of recipients the Authority is able to serve annually, based on data in its possession and presented in this Element, and its staff capabilities as well as additional assistance required for each program administered by it and the extent to which such efforts will meet the demonstrated need by the year 1995.
- 4.2 The City Council will evaluate the report of the Housing Authority and take appropriate initiatives to support, augment, and facilitate assistance to families and individuals who are unable to provide housing within acceptable cost limits of 30% of gross household income, or who require rehabilitation, financial, and/or technical assistance to assure safe, healthful, and affordable housing.
- 4.3 The City shall sign interlocal agreements with the County to participate in the Housing Trust Fund which will be created pursuant to the County's housing policies established in the Comprehensive Land Use Plan.

**Objective 5:**

The City of Vero Beach will reduce the estimated 304 substandard housing units by 50% by 1995.

- 5.1 Spot removal of blighted structures and blighting influences, as well as groups of structures, shall be achieved.
- 5.2 Residents displaced by housing rehabilitation and redevelopment or other publicly-initiated activities, shall be provided technical assistance to expedite their relocation.
- 5.3 The City and the Housing Authority shall jointly develop appropriate principles to guide activities and priorities in housing conservation, rehabilitation and redevelopment.
- 5.4 The City of Vero Beach will continue to utilize the adopted Standard Housing Code for housing and neighborhood quality standards.

**Objective 6:**

The City of Vero Beach will continue to ensure that sites are available for group homes and care facilities in residential areas to accommodate an additional 100 residents by 1995.

**Policies:**

- 6.1 The City of Vero Beach shall coordinate its efforts in meeting the needs for special housing with efforts of the State Department of Health and Rehabilitative Services to ensure the provision of these homes and other special housing types in residential neighborhoods of compatible density.

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- 6.2 The City of Vero Beach shall encourage private and non-profit sponsors to initiate projects and assist in obtaining financial assistance for those sponsors from all available sources to ensure that an adequate supply of group and foster care facilities is provided for City residents.
- 6.3 The City of Vero Beach shall enact regulations requiring that all foster and group home developments include barrier-free design features.
- 6.4 The City land development regulations shall contain provisions to permit the development of group homes and foster care facilities in residential districts in densities, which correspond with the prevailing development pattern, consistent with Chapter 419, Florida Statutes.

**Objective 7:**

The City of Vero Beach will inventory significant older housing and enforce regulations which require the housing be maintained in good condition.

**Policies:**

- 7.1 Technical assistance shall be provided by the City staff to individuals and organizations having individual or collective interests in conserving historic or architecturally-significant structures, neighborhoods and areas. Assistance will, as a minimum, include preparation of applications for the Historic Preservation Grants-in-Aid program administered by the Division of Archives, History and Records Management Bureau of the Florida Department of State.
- 7.2 The City shall adopt a Historic Preservation Ordinance not later than July 2008.

**Objective 8:**

By 1992 the City of Vero Beach will have interlocal agreements with Indian River county to establish housing assistance and housing programs for affordable housing for the local percentage of the population which is in need of housing assistance.

**Policies:**

- 8.1 The City of Vero Beach will, through the Housing Authority and other means, coordinate with Indian River County to develop housing assistance programs.

**Objective 9:**

To allow the continuance of existing mobile home sites pursuant to the needs and desires of the mobile home residents, as well as the City as a whole.

**Policies:**

- 9.1 Amend the Land Development Regulations, to be adopted by September 1, 1990, and zoning map to allow for the continuance of existing mobile homes and for the replacement of existing mobile homes when removal occurs for any reason.

**Objective 10:**

Establish a land use classification which provides for a mixture of housing types. This designation shall provide adequate sites for mobile homes and the criteria guiding the location of sites for mobile homes.

**Policies:**

- 10.1 The City will permit the placement of mobile homes in a variety of residential zoning districts in the City in conformity with Section 320.8285(5), FL Stat., as well as all other state and federal laws; provided that such placement is in conformity with all City architectural, aesthetic, landscaping and similar regulations. While it is the intent of this policy to ensure locational choices in a variety of residential areas of the City for the siting of mobile homes, nothing in the applicable laws requires the City to allow mobile homes in all residential districts.

### 3.4 REFERENCES CITED

- Florida Department of Community Affairs, Division of Resource Planning and Management, Bureau of Local Resource Planning, Population Estimation and Projection Techniques, December 1, 1986
- Florida Department of Health and Rehabilitative Services, Environmental Health Unit, Mobile Home Park and Recreational Vehicle Park Registration, May 1986
- Indian River County Building Department, Annual Summaries, 1980-1986
- Indian River County Housing Authority, Indian River County Housing Assistance Plan, July 1981 - September 30, 1984
- United States Department of Commerce, Bureau of the Census, Detailed Housing Characteristic, Florida, 1980
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- University of Florida, Bureau of Economic and Business Research, Florida Statistical Abstract, 1986