

CHAPTER 4 HOUSING ELEMENT

INTRODUCTION

This chapter presents the inventory and analysis of the housing element. The purpose of the housing element is to analyze supply, demand, and internal and external factors in the Vero Beach housing market. The chapter reviews existing conditions and identifies projected demand in the supply of housing.

This analysis recognizes that *“Housing is most Americans’ largest expense. Decent and affordable housing has a demonstrable impact on family stability and the life outcomes of children. Decent housing is an indispensable building block of healthy neighborhoods, and this shapes the quality of life...better housing can lead to better outcomes for individuals, communities, and American society as a whole. In short, housing matters.”* Bart Harvey, 2006, Joint Center of Housing Studies of Harvard University.

Pursuant to Chapter 163, Florida Statutes, all land development regulations and development permitting actions are required to be consistent with the Housing Element and other elements of the Comprehensive Plan.



BACKGROUND

The 2003-2005 nationwide “housing bubble” caused a meteoric rise in home prices that resulted in a severe imbalance between housing supply and demand in South Florida. Indian River County’s affordable housing shortage was largely due to several key factors:

- inflationary housing values that exceed the income of most County residents;
- substantial loss of multi-family rental housing through condominium conversions;
- rising interest rates, construction costs and materials; and
- increasing costs associated with homeownership (taxes, insurance, etc.).

After the “bust,” the housing market was impacted by the foreclosure crisis, more stringent requirements from lenders to qualify for mortgages because of sub-prime mortgage meltdown,

slowing of the economy, increased rate of unemployment, and high gas prices. Generally, a high number of foreclosures creates several problems. First, foreclosures create housing affordability problems for those whose homes are foreclosed on. Second, foreclosed properties often are not maintained, turning into eyesores, and adversely affecting the value of properties in the surrounding neighborhood. Third, foreclosed properties usually sell at lower-than-actual-value which also devalues properties in the surrounding neighborhood. Finally, foreclosures impact banks and lending institutions which often reduce the credit available to individuals and businesses. Overall, foreclosed properties negatively impact the entire community as well as the owners of those properties.

With the recent decrease in housing costs, the focus has shifted to very low- and low-income households, with less emphasis on moderate income households and workforce housing.¹ This allows resources to be concentrated on a smaller segment of the population, resulting in a higher percentage of that smaller segment receiving assistance.

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 housing demand is limited. According to the 2000 and 2010 US Census data, Vero Beach had an inventory of 10,232 and 10,258 housing units respectively. The number of housing units increased by 26 units in 10 years. This minor growth is consistent with the negative population change in the same years. Per the US Census data, the Vero Beach population figures decreased from 17,705 in the year 2000 to 15,220 in 2010 (-2,485).

The City of Vero Beach is almost entirely built out. Many of its older, historic neighborhoods located on the mainland surrounding the historic downtown have been under pressure for change resulting from expansion of nonresidential uses into neighborhoods, increased traffic, softening of property values, infill development inconsistent with the character of these neighborhoods, and deteriorating maintenance of yards and structures. *The major issue is how residential, principally older historic neighborhoods should be preserved and stabilized using as a starting point for this investigation the recommendations of the adopted Vision Plan and two neighborhood plans.*

The City has undertaken capital programs to improve its older, established neighborhoods through provision of new sidewalks, lighting, street resurfacing, and stormwater and sewer improvements. An increased level of law and code enforcement activities has also been assigned to neighborhoods. However, no substantive comprehensive strategies or policies for directing such capital improvements and programs are in place.

The goal for neighborhoods in the Vision Plan includes the reinforcement of a “community of neighborhoods” by developing pro-active rather than reactive, city-wide and local neighborhood strategies, some of which are not identified in the current Comprehensive Plan or conflict with existing land development regulations. Where infill/redevelopment opportunities may exist, no

¹ It should be noted that the price of housing has recently started to increase along with the economic recovery.

comprehensive set of policies or programs exist to encourage such activities or provide guidance on their application citywide or to specific neighborhoods. The Vision Plan identified the following strategies for achieving the goal for the City's neighborhoods:

- Preserve native tree canopy by increasing plantings by the City on public lands and stronger tree protection regulations.
- Limit all housing in residential areas to a 35-foot maximum height limit.
- Require a site plan review for single family development.
- Institute aggressive code and public safety enforcement in neighborhoods.
- Develop design standards and zoning regulations to preserve and retain the character of neighborhoods, including the creation of overlay districts if supported by a supermajority of property owners.
- Provide buffering between residential areas and incompatible uses.
- Identify individual neighborhoods with gateway and entrance features.
- Prepare plans for stabilization/revitalization of neighborhoods that encourage renovation of existing structures, as well as infill development and redevelopment as appropriate.
- Create zoning regulations that encourage and allow mixed use development, including residential uses, in appropriate commercial areas.

Since adoption of the Vision Plan, the City has moved forward to partially or fully implement some of the above strategies. In 2009, the City adopted more stringent tree protection provisions both in terms of protection and mitigation. A tree replacement fund has been established where mitigation funds are made available for planting of trees on public lands.

In 2007, after much debate, new height limitations were enacted. The maximum height of all new single family and duplex housing was set at 35 feet. With the comprehensive revisions to the City's development review and approval procedures, site plan approval was required for all single family development. A Historic Preservation Ordinance was enacted in 2008 that established the Historic Preservation Commission and regulations and procedures for designating and protecting historic sites. The first application for voluntary historic designation under the ordinance was approved by the City Council for a single family residence in the Original Town neighborhood in early 2010.

The City adopted enhancement strategies for the historic Original Town (*Original Town Neighborhood Enhancement Strategies*) and Osceola Park (*Osceola Park Neighborhood Enhancement Strategies*) neighborhoods in October 2009. These strategies were built upon the Vision Plan to address preservation and stabilization of these neighborhoods. These strategies

focus on issues of neighborhood identity, public safety, community appearance and property maintenance, and the intrusion of institutional and commercial development. The City has also been working on a continuing basis with the Royal Park neighborhood in addressing traffic calming, public safety, and code enforcement issues. *Ordinance 15-10 was adopted on January 6, 2015, amending the land use element “Original Town Neighborhood.”*

This document includes an analysis of relevant objectives and policies related to neighborhood stabilization and revitalization along with recommendations for amendments to be considered in the EAR-based amendment package.

EXISTING CONDITIONS

To effectively guide and direct future land uses within the City of Vero Beach, it is necessary to have a clear understanding of existing housing conditions. This section examines the *characteristics of existing housing in Vero Beach, and presents an inventory of all housing*



related data.

The following analysis is based on the American Community Survey (ACS) of the U.S. Census Bureau which includes estimates based on a sample of households over a 5-year period. The data provided by the ACS allows an in-depth analysis of housing variables and trends. The following tables are organized in columns, each representing a 5-year period from 2009-2013: the first column provides data for the State of Florida, the second focuses on Vero Beach, and the third on Indian River County.

Occupancy and Tenure

As summarized in Table 4-1, in 2013 there were an estimated 10,286 housing units in Vero Beach. Of that number, 7,312 (71.1 percent) were classified as occupied, compared to 75.9 percent in Indian River County and 79.5 percent statewide. The percentage of vacant housing units was slightly higher in Vero Beach (28.9 percent) compared to 24.1 percent in the County, and 25 percent statewide.

Table 4-1. Housing Occupancy

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	9,003,933	100%	10,286	100%	76,500	100%
Occupied housing units	7,158,980	79.5%	7,312	71.1%	58,038	75.9%
Vacant housing units	1,844,953	20.5%	2,974	28.9%	18,462	24.1%
Vacancy rate for sale	3.3	(X)	3.3	(X)	4.6	(X)
Vacancy rate for rent	10.7	(X)	19.9	(X)	15.3	(X)

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.



Table 4-2 shows that 62.8 percent of all occupied housing units in Vero Beach are owner-occupied, in contrast with 37.2 percent occupied by renters. This figure is consistent with County and Statewide trends where there are more owner-occupied units than renter-occupied units. The average number of persons per household, both owner- and renter-occupied, is slightly over two in Vero Beach, lower than in Indian River County and in Florida as a whole. This is consistent with the larger concentration of retirees and “empty nesters” in Vero Beach.

Table 4-2. Housing Tenure

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied housing units	7,158,980	100%	7,312	100%	58,038	100%
Owner-occupied	4,806,997	67.1%	4,593	62.8%	43,482	74.9%
Renter-occupied	2,351,983	32.9%	2,719	37.2%	14,556	25.1%
Average household size of owner-occupied unit	2.60	(X)	2.06	(X)	2.33	(X)
Average household size of renter-occupied unit	2.63	(X)	2.14	(X)	2.48	(X)

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Type of Housing

Table 4-3 shows that 49.1 percent of Vero Beach’s housing supply is single home units, 45.4 percent are duplexes and multifamily units, and 5.4 percent are mobile homes, RVs and others. The larger proportion of single home units in Vero Beach is consistent with county- and statewide trends: single-family homes comprise 67.2 percent of housing in Indian River County, and 60.5 in the State of Florida.

Table 4-3. Number of Units in a Structure

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	9,003,933	100%	10,286	100%	76,500	100%
1-unit, detached	4,877,611	54.2%	4,678	45.5%	48,075	62.8%
1-unit, attached	567,262	6.3%	371	3.6%	3,365	4.4%
2 units	196,349	2.2%	656	6.4%	2,113	2.8%
3 or 4 units	344,333	3.8%	529	5.1%	2,429	3.2%
5 to 9 units	447,133	5.0%	990	9.6%	4,642	6.1%
10 to 19 units	530,620	5.9%	1,390	13.5%	5,673	7.4%
20 or more units	1,194,747	13.3%	1,111	10.8%	4,275	5.6%
Mobile homes	833,695	9.3%	509	4.9%	5,850	7.6%
Boat, RV, van, etc.	12,183	0.1%	52	0.5%	78	0.1%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Number of Bedrooms and Overcrowding

As shown in Table 4-4, two-bedroom units make up the largest supply of housing in Vero Beach (49.1 percent), in contrast with the County’s 36.6 percent, and the State’s 33.8 percent. Citywide, only 35.2 percent of the housing units have more than two bedrooms, while 56.80 percent of the County’s and 53.80 percent of the State’s total housing units have more than two bedrooms.

These percentages are consistent with the character of Vero Beach as a retiree and empty nesters' community.

Overcrowding is indicated by the presence of more than one person per room. Table 4-5 shows that the number of overcrowded units within the City is negligible, with 97.7 percent of the units having no more than one person per room. This is consistent with figures for the County (98.2 percent) and State (97.3 percent). Vero Beach has 168 units or 2.3 percent overcrowding.

Table 4-4. Number of Bedrooms

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	9,003,933	100%	10,286	100%	76,500	100%
No bedroom	158,481	1.8%	648	6.3%	1,221	1.6%
1 bedroom	959,667	10.7%	963	9.4%	3,785	4.9%
2 bedrooms	3,038,874	33.8%	5,049	49.1%	28,020	36.6%
3 bedrooms	3,466,631	38.5%	2,791	27.1%	34,426	45.0%
4 bedrooms	1,161,956	12.9%	755	7.3%	8,026	10.5%
5 or more bedrooms	218,324	2.4%	80	0.8%	1,022	1.3%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Table 4-5. Occupants per Room and Overcrowding

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied housing units	7,158,980	100%	7,312	100%	58,038	100%
1.00 or fewer	6,967,729	97.3%	7,144	97.7%	57,020	98.2%
1.01 to 1.50	140,990	2.0%	32	0.4%	676	1.2%
1.51 or more	50,261	0.7%	136	1.9%	342	0.6%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Age and Condition of Housing Stock

As summarized in Table 4-6, the majority of Vero Beach's housing supply (48.5 percent) was built between the 1970s and 1980s. During the 1990s, the housing supply increased by 12.3 percent, and from 2000 to 2009, there was an 8.1 percent increase. In contrast, during the same period, the County's housing supply increased by 28.0 percent, and statewide by 20.5 percent. Twenty percent of Vero Beach's housing stock was built prior to 1960, which means that those structures have been in the housing market for more than 55 years. In contrast, 11.9 percent of the County's, and 12 percent State's housing stock were built prior to 1960.

Table 4-6. Year Structure Built

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total housing units	9,003,933	100%	10,286	100%	76,500	100%
Built 2010 or later	43,654	0.5%	10	0.1%	120	0.2%
Built 2000 to 2009	1,841,941	20.5%	835	8.1%	21,427	28.0%
Built 1990 to 1999	1,562,885	17.4%	1,261	12.3%	16,292	21.3%
Built 1980 to 1989	1,936,813	21.5%	2,298	22.3%	17,773	23.2%
Built 1970 to 1979	1,661,132	18.4%	2,695	26.2%	11,852	15.5%
Built 1960 to 1969	879,534	9.8%	1,130	11.0%	4,180	5.5%
Built 1950 to 1959	674,729	7.5%	1,203	11.7%	3,292	4.3%
Built 1940 to 1949	205,205	2.3%	319	3.1%	511	0.7%
Built 1939 or earlier	198,040	2.2%	535	5.2%	1,053	1.4%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Table 4-7 shows that while a larger portion of the City's housing stock is older than the County's or the State's, the percentage of the City's housing units that include plumbing and kitchen facilities (99.5%) is comparable in the County (99.3 percent) and slightly higher than in the State (88 percent).

Table 4-7. Plumbing and Other Services

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied housing units	7,158,980	100%	7,312	100%	58,038	100%
Lacking complete plumbing facilities	27,800	0.4%	28	0.4%	141	0.2%
Lacking complete kitchen facilities	54,810	0.8%	9	0.1%	275	0.5%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Housing conditions in Vero Beach are generally quite good. The City's housing stock is relatively new, with 5.2 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 that good housing conditions prevail in Vero Beach.

Housing conditions which can generally be assumed to be indicative of the overall condition of housing in a City include a lack of complete plumbing facilities, a lack of complete kitchen facilities, and overcrowding. (Due to the temperate climate in Vero Beach, the lack of central heating is not considered to be an indicator of substandard housing.)

Since only 0.4 percent of the City’s housing stock lacks complete plumbing facilities, and only 0.1 percent lacks complete kitchen facilities, and, furthermore, only 2.3 percent of the housing stock is occupied by more than 1 person per room (the standard by which overcrowding is measured), housing conditions in Vero Beach are largely good.

The correction of substandard housing conditions that do exist is vigorously pursued by the City’s Code Enforcement division. From July 1, 2011 to July 1, 2016 the Code Enforcement division processed 12 citations for unsafe structures (Standard Unsafe Building Abatement Code) and 76 citations for violations of Minimum Standard Housing Code.

Housing Cost and Affordability

Table 4-8 indicates the value of owner-occupied housing. In 2013, approximately 51.1 percent of the homes in Vero Beach were valued at less than \$200,000, comparable to 63 percent at the County level and 62.5 percent at the State level. However, over 15 percent of the City’s homes were valued at over \$500,000, compared to approximately 10 percent in the County, and seven percent statewide. In 2013, median home values in the City were higher (\$191,800) than homes within the County (\$157,400) and the State (\$160,000).

Table 4-8. Housing Value

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Owner-occupied units	4,806,997	100%	4,593	100%	43,482	43,482
Less than \$50,000	464,733	9.7%	353	7.7%	3,942	9.1%
\$50,000 to \$99,999	890,305	18.5%	906	19.7%	9,213	21.2%
\$100,000 to \$149,999	848,114	17.6%	577	12.6%	7,297	16.8%
\$150,000 to \$199,999	803,613	16.7%	509	11.1%	6,916	15.9%
\$200,000 to \$299,999	882,518	18.4%	590	12.8%	6,653	15.3%
\$300,000 to \$499,999	586,986	12.2%	930	20.2%	4,948	11.4%
\$500,000 to \$999,999	244,205	5.1%	514	11.2%	2,790	6.4%
\$1,000,000 or more	86,523	1.8%	214	4.7%	1,723	4.0%
Median (dollars)	160,200	(X)	191,800	(X)	157,400	(X)

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

The majority of Vero Beach householders own their homes with no mortgage payments. Table 4-9 indicates that 57.1 percent of owner-occupied housing units in the City are without a mortgage, and 42.9 percent of housing units are with a mortgage. These figures contrast with the County’s housing mortgage status where 51.5 percent of the housing units have a mortgage, and the State’s, where 62.4 percent of the housing units have a mortgage, and only 37.6 percent are without a mortgage. The City’s housing mortgage status is consistent with the demographic and socio-economic characteristics presented in Chapter 1. Twenty-four percent of the population was over retirement age (60-85 years and over) in 2013. Age structure and higher income levels impact the City’s ownership status.

Table 4-9. Mortgage Status

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Owner-occupied units	4,806,997	100%	4,593	100%	43,482	100%
Housing units with a mortgage	3,001,494	62.4%	1,970	42.9%	22,402	51.5%
Housing units without a mortgage	1,805,503	37.6%	2,623	57.1%	21,080	48.5%

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Table 4-10 indicates a median contract rent of \$812 for the City, compared with \$854 for the County, and \$990 for the State. In Vero Beach, 75.8 percent of occupied rental units cost less than \$1,000 compared to 66.10 percent in the County and 51.2 percent statewide. Approximately, 24 percent of the rental housing units have rental values higher than \$1,000 in the City compared to 34 percent in the County, and 48.8 percent at the State level. These figures are consistent with the aging housing stock in Vero Beach.

Table 4-10. Gross Rent

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied units paying rent	2,232,579	100%	2,587	100%	13,745	13,745
Less than \$200	24,856	1.1%	0	0.0%	71	0.5%
\$200 to \$299	41,763	1.9%	9	0.3%	136	1.0%
\$300 to \$499	92,244	4.1%	297	11.5%	794	5.8%
\$500 to \$749	359,284	16.1%	659	25.5%	3,478	25.3%
\$750 to \$999	624,883	28.0%	995	38.5%	4,598	33.5%
\$1,000 to \$1,499	759,544	34.0%	456	17.6%	3,445	25.1%
\$1,500 or more	330,005	14.8%	171	6.6%	1,223	8.9%
Median (dollars)	990	(X)	812	(X)	854	(X)
No rent paid	119,404	(X)	132	(X)	811	(X)

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

Table 4-11 shows the percentage or proportion of income that households pay for housing in Vero Beach. *Based on the definition of affordable housing, a housing unit is affordable if a household's monthly housing expenses do not exceed 30% of the household's gross income. For owner-occupied households, housing cost includes principal, interest, taxes, and insurance.*

Table 4-11. Selected Monthly Owner Costs as a Percentage of Household Income (SMOCAPI)

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Housing units with a mortgage	2,975,962	100%	1,970	100%	22,229	100%
Less than 20.0 percent	849,661	28.6%	471	23.9%	6,622	29.8%
20.0 to 24.9 percent	426,742	14.3%	227	11.5%	3,538	15.9%
25.0 to 29.9 percent	348,769	11.7%	197	10.0%	2,449	11.0%
30.0 to 34.9 percent	269,053	9.0%	385	19.5%	2,135	9.6%
35.0 percent or more	1,081,737	36.3%	690	35.0%	7,485	33.7%
Not computed	25,532	(X)	0	(X)	173	(X)

Source: U.S. Census Bureau; 2009-2013 5-Year American Community Survey.

An estimated 54.5 percent of Vero Beach homeowners spend more than 30 percent of their income on housing cost, in comparison with 53.3 percent in the County, and 45.3 percent at the State level. These figures are consistent with the City’s higher housing median value (\$191,000) compared to the County’s (\$157,400) and the State’s (\$160,000).

Table 4-12 indicates that 71 percent of Vero Beach renters spend more than 30 percent of their income toward rent in comparison with 72.2 percent at the County and 70.8 percent at the State levels.



Table 4-12. Gross Rent as a Percentage of Household Income (GRAPI)

	2013 (2009-2013)					
	Florida		Vero Beach		Indian River County	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied units paying rent (excluding units where GRAPI cannot be computed)	2,172,123	100%	2,491	100%	13,456	100%
Less than 15.0 percent	167,691	7.7%	128	5.1%	1,008	7.5%
15.0 to 19.9 percent	212,984	9.8%	111	4.5%	922	6.9%
20.0 to 24.9 percent	256,215	11.8%	345	13.8%	1,752	13.0%
25.0 to 29.9 percent	244,671	11.3%	140	5.6%	1,406	10.4%
30.0 to 34.9 percent	207,750	9.6%	306	12.3%	1,466	10.9%
35.0 percent or more	1,082,812	49.9%	1,461	58.7%	6,902	51.3%
Not computed	179,860	(X)	228	(X)	1,100	(X)

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey.

AFFORDABLE HOUSING NEEDS SUMMARY

According to the U. S. Department of Housing and Urban Development (HUD), households spending more than 30 percent of their income for these housing costs are considered to be "cost-burdened." Households spending more than 50 percent are considered to be "severely cost-burdened." Housing is generally considered to be affordable if the household pays less than 30 percent of income for housing costs.

As a summary indicator of local affordable housing need, the Florida Housing Data Clearinghouse, Shimberg Center for Housing Studies, provides the number of households that are low-income (incomes below 80% of area median) and severely cost-burdened (paying 50% or more for mortgage costs or rent) for each county and jurisdiction. The Clearinghouse provides estimates and projections of the number of these households by tenure for the years 2013-2035.

This indicator encompasses a broad range of households likely experiencing distress because of their housing costs. With their low incomes, the large portion of income taken up by housing costs is likely to limit these households' ability to afford other necessities. Moreover, the 80% of median income figure is a traditional measure of eligibility for programmatic housing assistance. For example, all beneficiaries of the federal public housing program and federal HOME program must have incomes below this amount.

The need indicator serves as an approximation of the total number of households that would benefit from some type of housing assistance, particularly if homeless and migrant households are added. Such assistance could include the construction of new affordable housing units, but it could also include the provision of subsidies to make current units more affordable.

In addition to this summary level of information, a more detailed understanding of the presence

of low-income and cost-burdened households can help local governments plan for and target assistance. The following supplemental tables provide this additional level of detail for Vero Beach. Note, however, that the number does not include homeless individuals and families, as they are not included in household enumerations. It also does not include many migrant farmworker households, missed by Census counts.

As Table 4-13 indicates, the number of severely cost-burdened households with income less than 80% of the Area Median Income (AMI) is greater for renter-, than for owner- households at present and for each five-year projection. As a whole, the number is projected to decrease slightly over the next 20 years for both owner- and renter-households in Vero Beach.

Table 4-13. Affordable Housing Need Summary 2010-2035

Number of Severely Cost-Burdened (50%+) Households with Income Less than 80% AMI by Tenure								
	Tenure	2010	2014	2015	2020	2025	2030	2035
Vero Beach	Owner	823	853	851	848	827	815	798
	Renter	951	958	952	912	871	828	805

Source: Florida Housing Data Clearinghouse. Shimberg Center for Housing Studies.

While the summary indicator provides a measure of overall housing need, targeting housing assistance appropriately requires more detail about income variation within the total number of low-income, severely cost-burdened households, for two reasons:

- 1) If needs are to be addressed through construction of new units, income variation within low-income households means that not all new rent- or price-restricted units will be affordable to all households. For example, a household at 30% Annual Median Income (AMI) would still pay more than half of its income for rent in an apartment with rent set for households with incomes of 60% AMI.
- 2) A number of housing programs, such as the Low Income Housing Tax Credit and, in most cases, Section 8 Housing Vouchers, set income limits below 80% of area median.

The following tables provide more detail on the income categories that make up the summary need indicator.

Table 4-14 indicates that the largest number of renter-households is projected to be at or below incomes of 30% AMI at each five-year interval. There are significantly fewer (roughly half) cost-burdened households with projected incomes between 30.1% and 50% AMI, and fewer still between 50.1% and 80% AMI. This data suggests that any Vero Beach affordable housing initiative should be best targeted at the cost-burdened and the severely cost-burdened households, even though they represent a relatively smaller number of total renter-households.

Table 4-14. Affordable Housing Need Detail 2010-2035 (Renter)

Vero Beach	Household Income as % of AMI	2010	2014	2015	2020	2025	2030	2035
	30% AMI or less	591	594	590	561	533	501	487
30.1-50% AMI	309	312	310	299	288	276	269	
50.1-80% AMI	51	52	52	52	50	51	49	
Total	951	958	952	912	871	828	805	

Source: Florida Housing Data Clearinghouse. Shimberg Center for Housing Studies.



Table 4-15 indicates that, similar to renter-households, the greatest number of owner-households is projected to be at or below the 30% AMI, and roughly half at the 30.1 to 50% AMI. However, severely cost-burdened owner-households with incomes of 50.1% to 80% AMI, are a much larger portion of total owner-households than in renter-households. These numbers reflect the larger concentration of elderly households in Vero Beach.

Table 4-15. Affordable Housing Need Detail 2010-2035 (Owner)

Number of Owner-Households by Cost Burden								
Tenure: Owner								
Vero Beach	Household Income as % of AMI	2010	2014	2015	2020	2025	2030	2035
	30% AMI or less	458	475	474	472	458	449	439
30.1-50% AMI	174	181	181	182	180	180	177	
50.1-80% AMI	191	197	196	194	189	186	182	
Total	823	853	851	848	827	815	798	

Source: Florida Housing Data Clearinghouse. Shimberg Center for Housing Studies.

Table 4-16 shows that in Vero Beach, 29.2% of households headed by the elderly are cost-burdened, somewhat higher than 17.8 percent Countywide. These figures are comparable to those for all households (27 percent in Vero Beach and 17.9 in the County). This may be attributed to the higher proportion of homes owned, as opposed to rented, by the elderly.

Table 4-16. Households with Cost Burden Above 30% and Income Below 50% AMI – Elderly-Headed Only, 2013

Place	Households	Percent of All Elderly Households (%)
Indian River	3947	17.8
Vero Beach	821	29.2

Source: Florida Housing Data Clearinghouse. Shimberg Center for Housing Studies.

As Table 4-17 indicates, 3288 households in Vero Beach (42.6%) were headed by a person age 65 or older in 2014; of those elderly households, 1233 (38%) paid more than 30% of income for rent or mortgage costs. By comparison, 29.4% of households statewide were headed by elderly persons during the same year. In Vero Beach, 2645 of elderly householders (80.4%) owned their homes in 2014.

Table 4-17. Elderly Households by Age and Cost Burden, 2014

Age of Householder	Amount of Income Paid for Housing		
	0-30%	30-49.9%	50+ %
65 or more	2055	565	668

HOUSING PROGRAMS AND STRATEGIES

In Vero Beach, the future housing needs of the middle and upper income population categories can be readily met by the normal functioning of the building/financing/regulatory markets. On the other hand, the housing needs of persons and families in the very low and low income groups cannot be met without a concerted effort by the private residential development industry, lending institutions, municipal and county governments, and special interest organizations devoted to improving the quality and affordability of housing.

While providing housing is primarily a function of the private sector, there is much that the City can do to set the framework and create the environment for the private sector to meet housing needs at lower costs, without sacrificing community character and acceptable standards of housing quality.

Housing Programs and Mechanisms

Generally, existing housing is more affordable than newer housing, but existing housing may require additional expenditures for upgrading and rehabilitation. For that reason, financial assistance or incentives from publicly-financed programs or regulatory programs geared to existing housing offer the most feasible means of achieving affordable housing.

Existing Housing Programs. To encourage the creation and/or preservation of affordable and workforce housing, the City of Vero Beach is represented on the Indian River County “Affordable Housing Advisory Committee” (AHAC), and participates in the following Federal and State programs that assist in the provision of affordable and workforce housing:

Community Development Block Grant (CDBG): The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to

create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people and their communities across the nation.

The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas (MSAs); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

The U.S. Housing and Urban Development Department (HUD) determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

The City of Vero Beach is eligible to be classified as an "entitlement" community. However, the City has annually declined the invitation to be an "entitlement" community due to the requirements to be an entitlement community and the low level of funding (~\$125,000), which would be totally consumed to pay for maintenance of this program. Instead the City continues to be eligible to participate in the Florida Small Cities CBDG Program which has significantly fewer requirements and conditions, but does require that the City must compete with other communities in obtaining a grant.

Home Investment Partnerships Program (HIPP): The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

State Housing Initiative Partnership (SHIP): SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida. The minimum allocation is \$350,000. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender.

SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. SHIP funds may be used to assist units that meet the standards of chapter 553.

A minimum of 65 percent of the funds must be spent on eligible homeownership activities; a minimum of 75 percent of funds must be spent on eligible construction activities; at least 30 percent of the funds must be reserved for very-low income households (up to 50 percent of the area median income or AMI); an additional 30 percent may be reserved for low income households (up to 80 percent of AMI); and the remaining funds may be reserved for households up to 140 percent of AMI. No more than 10 percent of SHIP funds may be used for administrative expenses. Funding for this program was established by the passage of the 1992 William E. Sadowski Affordable Housing Act. Funds are allocated to local governments on a population-based formula.

In Indian River County, the SHIP program is administered by the Indian River Community Development Department which works with local municipalities and non-governmental affordable housing organizations in distributing funds for needed projects. In FY 2014-2015, the SHIP program provided assistance to 40 housing units in Indian River County including one unit within the City of Vero Beach. Approximately \$836,000 was expended for rehabilitation of 24 units, purchase assistance for 15 units, and impact fee assistance to one unit.

Potential Housing Assistance Programs. Although not utilized to any extent in Indian River County the following housing assistance programs or mechanisms may have some potential for providing housing assistance to meet affordable housing needs:

Employer Assisted Housing: Employer Assisted Housing is an initiative where employers assist their employees in purchasing a house, paying the rent, or providing a residence in exchange for the employee working with the company. It has been primarily used by both private companies and government organizations in high cost areas of Florida, such as the Florida Keys or areas with very low unemployment; however, this type of housing program has also been used in the Indian River County by companies to house their low-paid service employees.

Community Development Corporation: Community Development Corporation (CDC) is a broad term referring to a not-for-profit organization to provide services and programs to support community with housing assistance being one service or program. Generally CDC serves a specific geographic location. Although the City may provide assistance to the any not-for-profit organization proposing to form a CDC; however, generally such programs are more viable in much larger and higher density urban areas.

Private/Public Housing Trust Fund: Housing Trust Funds generally are established by an ordinance enacted by a county, city, or the state legislature. To establish such a trust fund requires identification of a revenue source and a separate and distinct that can receive and

disburse funds to use in housing assistance programs. Other than donations from private and governmental sources, the major issue is the indentifying and implementation a revenue source. Some localities have employed impact fees on new market rate housing or nonresidential commercial development, both of which are politically unpopular sources. Therefore, other than private sources, the staff doesn't believe this option is very viable for this area.

Community Land Trust: A Community Land Trust (CLT) is a not-for-profit organization that seeks to preserve housing affordability over the long term. A CLT preserves housing affordability by selling homes to low or moderate income families, but retaining ownership of the land under these homes. The land is leased to the homeowner for 99 years, while the homeowner retains ownership of the structure. The resale of the house must be to a qualified household and resale prices are limited to keep CLT units affordable for next homebuyer.

This program is a viable option, particularly in areas where the land costs significantly affect the price of housing such as the Florida Keys. As with most housing options, the real issue has to do with the funding of this type of trust. Unless a sufficient initial revenue source is secured, the program will have little success.

Housing Strategies

In preparing the Goal, Objectives, and Policies for the Housing Element, the staff focused on the following strategies:

Affordable Housing Creation and Preservation. While providing housing is primarily a function of the private sector, there is much that the City can do to set the framework and create the environment for the private sector to meet housing needs at lower costs, without sacrificing community character and acceptable standards of housing quality. The Goals, Objectives and Policies of this Housing Element include measures to assure neighborhood preservation and rehabilitation, flexible zoning regulations, density bonuses, adequate sites and appropriate land use designations. The City coordinates with the Indian River Affordable Housing Advisory Committee, and participates in State and Federal programs that assist in the provision of affordable and workforce housing. The City also encourages housing and supportive services for the elderly and special needs population to ensure a diverse and affordable housing stock for all of its residents.

Elimination of Substandard Housing Conditions. The City of Vero Beach does not have a significant problem with substandard housing. The housing stock is relatively new and in good condition; however, it is important for the City to maintain the structural integrity and aesthetic nature of its housing. Vero Beach accomplishes this is through the use of property standards and housing code enforcement. The current property maintenance provisions of the Code will be replaced by the International Property Maintenance Code in accordance with the schedule in the Plan Implementation chapter of this plan. Codes and standards are rigorously enforced by the City's Code Enforcement section of the Police Department. While the property owner is ultimately responsible for the safety and maintenance of their property, the City also encourages tenants and neighborhood associations to become active participants in the City's effort to maintain a safe and aesthetically pleasing housing environment.

Adequate Housing Sites. Within the City of Vero Beach, a wide range of sites, from infill sites in moderate-cost older subdivisions to high-value waterfront locations, are available for new housing development. The inventory of sites ranges from lots in low-density single-family neighborhoods to sites zoned for medium density multi-family and condominium development. Infrastructure is also available in the City, and system capacities are expanded as necessary to meet the demands of new urban development.

Diversity of Housing Choices. To ensure housing diversity, the City supports infill development, redevelopment, flexible zoning regulations, and adequate sites and appropriate land use designations, including adequate sites for continuation of mobile and manufactured homes on existing sites to meet the housing needs for lower-income residents without sacrificing community character and acceptable standards of housing quality. Additionally, the City proposes to review its Land Development Regulations to address “sober houses” and housing for other “protected” classes of individuals to ensure their housing needs are appropriately met without undue delays in the permitting and development approval process.

Participation with Indian River County. To encourage the creation and/or preservation of affordable and workforce housing, the City of Vero Beach is represented on the Indian River County “Affordable Housing Advisory Committee” (AHAC), and participates State and Federal programs that support and promote affordability in housing.

Housing Construction Costs. Housing construction permitting services for the City of Vero Beach are centralized within the County administration building. Under normal circumstances, application and plan review procedures do not cause delays, and are conducive to efficient processing. New construction technologies such as modular homes and new energy efficient (“green”) building programs may be used for housing. The Indian River County Building Division which serves as the building permitting office for the City of Vero Beach, supports new construction technologies and expedites building permits for affordable housing projects.

Quality of housing and the stabilization of neighborhoods: Neighborhood Preservation and Stabilization” was identified as a priority in the City’s 2010 Evaluation and Appraisal Report. Toward this objective, the City will continue to support neighborhood enhancement projects, and historic preservation and conservation efforts. Special zoning districts that recognize the limitations of older neighborhoods, and mixed-use zoning will be promoted to provide the flexibility necessary to stabilize and revitalize older neighborhoods while protecting those neighborhoods from incompatible uses and encouraging compatibility through context-sensitive building and site design.

Conservation of historically significant housing. The City’s Historic Preservation commission administers a comprehensive historic preservation program to identify and maintain the City’s historic resources for the benefit of both present and future residents. The Goals, Objectives, and Policies of this Housing Element call for an update to the City’s current survey of historic buildings. Additionally, special zoning districts that recognize the limitations of older neighborhoods, and mixed-use zoning will be promoted to provide the flexibility necessary to stabilize and revitalize older neighborhoods while protecting those neighborhoods from

incompatible uses and encouraging compatibility through context-sensitive building and site design.

Energy Efficiency. While striving to fulfill its housing needs, the City also recognizes the importance of promoting sustainable and energy efficient standards. The City supports building and development practices that reduce housing operation costs for energy, sewer and water usage inside the structure and for landscaping outside. The City encourages the construction of structures that meet or exceed the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) system.

