

## CHAPTER 5: HOUSING ELEMENT

### A. GOALS, OBJECTIVES, AND POLICIES

**GOAL 1:** TO ENSURE THE PROVISION OF AN ADEQUATE QUANTITY OF SAFE AND AFFORDABLE HOUSING FOR THE CURRENT AND FUTURE RESIDENTS OF THE CITY OF MILTON.

**OBJECTIVE 1.1:** THE CITY OF MILTON WILL PROVIDE GUIDANCE AND DIRECTION TO THE PUBLIC AND PRIVATE SECTORS FOR THE PROVISION OF ADEQUATE AND AFFORDABLE HOUSING FOR EXISTING AND FUTURE POPULATIONS INCLUDING HOUSEHOLDS WITH SPECIAL NEEDS BY IMPLEMENTING Policies 1.1.1 through 1.1.3.

**POLICY 1.1.1:** The City will perform a housing specific review every five years or concurrent with each Evaluation and Appraisal Review, and will implement its regulatory and permitting processes to identify and make changes to improve the public and private housing delivery processes.

**POLICY 1.1.2:** The city will utilize available Federal, State, and local subsidy programs to provide adequate housing.

**POLICY 1.1.3:** The City of Milton will continue to enforce its adopted Fair Housing Ordinance (#725) to eliminate discriminatory housing practices.

**OBJECTIVE 1.2:** THE CITY OF MILTON WILL CONTINUE TO REDUCE THE NUMBER OF SUBSTANDARD HOUSING UNITS AND ENCOURAGE THE STRUCTURAL AND AESTHETIC IMPROVEMENT OF EXISTING HOUSING BY STRICTLY ENFORCING ADOPTED BUILDING PRESERVATION AND MAINTENANCE ORDINANCES AND BY IMPLEMENTING POLICY 1.2.1.

**POLICY 1.2.1:** The City will enforce its adopted building preservation and maintenance ordinances to ensure that quality of housing and stabilization of neighborhoods is maintained by reducing the number of substandard units by approximately one percent annually.

**OBJECTIVE 1.3:** THE CITY OF MILTON WILL GUIDE THE PROVISION OF ADEQUATE SITES AND DISTRIBUTION OF LOW AND MODERATE INCOME HOUSING, AND MOBILE HOMES WITHIN VARIOUS RESIDENTIAL LAND USES. THIS WILL BE ACCOMPLISHED THROUGH ENFORCEMENT OF THE CITY'S LAND DEVELOPMENT REGULATIONS.

**POLICY 1.3.1:** Mobile homes, mobile home parks, and mobile home subdivisions shall be permitted in the Rural Urban future land use category, except that no mobile homes shall be permitted to locate in FEMA A or V zones. The adequate siting and distribution of mobile homes is further accomplished through the zoning provisions of the Land Development Regulations.

When approved as a planned development project (PDP), mobile home parks and subdivisions shall be permitted to locate in the R-2 (One and Two Family Dwelling), R-3 (Multiple Family Dwelling), and R-U (Rural Urban) zoning districts. Manufactured housing approved by the Florida Department of Economic Opportunity shall be permitted to locate in all residential zoning districts.

**POLICY 1.3.2:** Accessory housing, defined as guest cottages in the City's land development regulations, shall be permitted to locate on the same lot with a single family unit in all single family residential districts.

**OBJECTIVE 1.4:** HOUSEHOLDS WITH SPECIAL NEEDS, SUCH AS GROUP HOMES AND FOSTER CARE FACILITIES WILL BE LOCATED CONSISTENT WITH THE REQUIREMENTS OF CHAPTER 419, F.S. BY IMPLEMENTING POLICY 1.4.1

**POLICY 1.4.1:** Group homes (community residential facilities) which house six (6) or fewer residents shall be permitted in any residential land use category in accordance with the provisions of F.S. 419. Group homes (community residential facilities) which house seven (7) or more residents shall be permitted in multi-family residential land use districts in accordance with the provisions of F.S. 419.

**OBJECTIVE 1.5:** THE CITY WILL PROVIDE FOR THE CONSERVATION AND REHABILITATION OF HOUSING BY ENFORCING EXISTING BUILDING PRESERVATION AND MAINTENANCE ORDINANCES WHICH ESTABLISH STRUCTURAL STANDARDS AND BY SUPPORTING APPROPRIATE STATE AND FEDERAL HOUSING REPAIR AND RECONSTRUCTION PROGRAMS.

**POLICY 1.5.1:** The City's Code Enforcement program for the conservation, rehabilitation, or demolition of housing will be designed to extend the useful life of the existing housing stock and stabilize or improve existing neighborhoods.

**OBJECTIVE 1.6:** THE CITY OF MILTON WILL ENFORCE ITS HISTORIC PRESERVATION ORDINANCE TO ENSURE THE PROTECTION OF HISTORICALLY SIGNIFICANT HOUSING.

**POLICY 1.6.1:** When permits are requested to demolish or renovate homes, the site must first be evaluated to determine if it is of historic significance.

**POLICY 1.6.2:** The Historic Preservation Ordinance will specify procedures to be used in issuing development permits to give preference to the adaptive reuse of historic resources over activities that would significantly alter or destroy them.

**OBJECTIVE 1.7:** THE CITY WILL CONTINUE TO PROVIDE RELOCATION HOUSING ASSISTANCE IN ACCORDANCE WITH THE CITY'S DEMOLITION/DISPLACEMENT STRATEGY RELOCATION POLICY WHICH PROVIDES FOR FINANCIAL ASSISTANCE TO DISPLACED HOUSEHOLDS WHEN FEDERAL AND/OR STATE ASSISTANCE IS INVOLVED.

**POLICY 1.7.1:** All plans for public programs and projects which would involve the displacement of residents must include a housing relocation plan which contains provisions for interim and/or permanent housing for persons being displaced.

**POLICY 1.7.2:** The City will make referrals and requests priority placement by the Milton Housing Authority for displaced households.

**OBJECTIVE 1.8:** THROUGH COORDINATION WITH PUBLIC AND PRIVATE ENTITIES, THE CITY OF MILTON WILL PARTICIPATE IN THE IMPLEMENTATION OF ANY HOUSING PROGRAMS IDENTIFIED AS NECESSARY BY THE ADOPTED COMPREHENSIVE PLAN OR AS REQUIRED BY THE COMPREHENSIVE PLAN MONITORING AND EVALUATION PLAN AND EVALUATION AND APPRAISAL REVIEW.

**POLICY 1.8.1:** The City will encourage the coordination of local government and private or non-profit groups involved in the provision of housing through the establishment of advisory groups as housing related issues arise.

## **B. HOUSING NEEDS**

### **Statement of Major Issue**

Housing needs have been identified by the City of Milton as an important community issue. The recent trends in the housing market have increased the City's desire to ensure that its Comprehensive Plan addresses its housing issues adequately. The major issue identified by the EAR is the determination of which affordable housing practices and methodologies are appropriate to address the housing needs for the City's workforce, elderly and disabled populations. The City has also identified related areas to address the City's housing conditions including:

- (1) Examining the City's housing stock and identifying existing affordable housing opportunities;
- (2) Examining the regional jobs/housing balance; and examining existing affordable housing initiatives.

### **Issue Background and Analysis**

Historically, housing prices have been generally lower in Santa Rosa County compared to the surrounding counties and other areas in Florida. Due to the decreasing land costs and housing costs statewide, the median home prices in Milton have not risen in the last few years. This trend has affected the supply of affordable housing for many of the City's residents. In recent years, home prices throughout Florida have dramatically decreased; however, during the first quarter of 2010, the median home prices in many communities have either leveled off or have begun to increase. However, the City's affordable housing stock and related practices remain a major issue.

The availability of housing data within the City is limited in many cases to data collected prior to 2009, and in some cases earlier. Data has been collected from a variety of sources including the US Census, Shimberg Center and the Florida Housing Data Clearinghouse, the National Association of Home Builders, and the Florida Association of Realtors. The following data summary is based on the assumption that trends seen at the metropolitan statistical area level apply to the City. The dynamic conditions associated with the real estate market present challenges regarding the applicability of data from, and prior to, 2009. However, the data is presented to illustrate the changing housing trends in the region.

Table 6 illustrates the assessed value and the median sales price of various housing types within Milton, Santa Rosa County and Florida State. Historically, Santa Rosa County has had lower housing prices than the statewide average, including the surrounding counties in the Florida Panhandle. According to the Florida Department of Revenue’s 2011 household data, the assessed value and median sales price of a single family home in Milton is much lower than Santa Rosa County.

**Table 5.1:  
Assessed Value and Median Sales Price by Housing Type, 2011**

	<b>City of Milton</b>	<b>Santa Rosa County</b>	<b>State of Florida</b>
<b>Average Just Value</b>			
Single Family Residence	\$79,921.00	\$129,273.00	\$164,644.00
Mobile Home	\$45,941.00	\$44,659.00	N/A
Condominium	N/A	\$182,549.00	N/A
<b>Median Sales Price</b>			
Single Family Residence	\$119,500.00	\$168,000.00	\$150,000.00

Shimberg Center for Housing Studies, 2011

Affordable housing is defined as “housing which costs 30 percent or less of the purchaser’s gross income”. Approximately 65 percent of the City’s households are owner-occupied. Table 7 shows the number of households in Milton in 2008 by the amount of annual income paid for housing by ownership type. Approximately 26 percent of the owner occupied households and 32 percent of the renter-occupied households are “cost-burdened”, meaning they are spending more than 30 percent of their income on housing. Additionally, 9 percent of the owner-occupied units and 15 percent of the renter-occupied units are “severely cost-burdened”, meaning they are spending more than 50 percent of their income on housing.

**Table 5.2:  
Amount of Annual Income Paid for Housing, 2011**

	Amount of Income Paid for Housing		
	0-30%	30-50%	50% or more
Owner	1426	241	156
Renter	866	219	190

Shimberg Center for housing Studies, 2011

According to the National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI), a negative change has occurred in the Pensacola Metro Area's affordability ranking. The HOI is a measure of the percentage of homes sold in a given area that are affordable to families earning the area's median income during a specific quarter. The HOI is calculated based on two major components -- income and housing cost. The income component is derived from the annual median family income estimates for metropolitan areas published by the Department of Housing and Urban Development. Affordability is calculated based on housing expenditure as 28 percent of a family's gross income. Table 8 illustrates the HOI and ranking for the Pensacola Metro Area for approximately the last ten years.

**Table 5.3:  
Housing Opportunity Index for Pensacola Metro Area Criteria,  
Pensacola-Ferry Pass-Brent, Florida**

Quarter	Q4_03	Q1_04	Q2_04	Q3_04	Q4_04	Q1_05	Q2_05
Median Price	110	117	125	132	132	137	147
Housing Opportunity Index	77.9	82.9	76.6	75.5	74.8	69.7	64.8
Median Income	47.4	50.7	50.7	50.7	50.7	49.8	49.8
National Bank	50	33	47	44	42	55	59
Regional Bank	15	8	14	12	11	15	18
Count	2199	1941	3931	4222	3694	3222	4167

Quarter	Q3_05	Q4_05	Q1_06	Q2_06	Q3_06	Q4_06	Q1_07
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Median Price	157	160	159	150	160	150	148
Housing Opportunity Index	60.2	57	59	60.8	55.3	61.7	64.5
Median Income	49.8	49.8	51.9	51.9	51.9	51.9	52.5
National Bank	68	67	70	69	78	68	76
Regional Bank	21	18	20	26	27	20	25
Count	3902	3739	3206	3428	2602	2410	2187

Quarter	Q2_07	Q3_07	Q4_07	Q1_08	Q2_08	Q3_08	Q4_08
Median Price	158	158	149	141	150	149	138
Housing Opportunity Index	61.2	58.3	67.6	74	71.8	68.5	76.7
Median Income	52.5	52.5	52.5	55.9	55.9	55.9	55.9
National Bank	75	71	66	63	65	74	55
Regional Bank	26	25	19	17	17	24	11
Count	2393	2296	1951	1413	1772	1771	1357

Quarter	Q1_09	Q2_09	Q3_09	Q4_09	Q1_10	Q2_10	Q3_10
Median Price	125	145	145	138	143	140	142
Housing Opportunity Index	81.6	78.5	77.1	80.4	75.9	79.8	79.4
Median Income	57.1	57.1	57.1	57.1	57.5	57.5	57.5
National Bank	73	102	104	93	142	117	106
Regional Bank	20	32	34	29	56	42	34
Count	990	1644	1648	1722	1341	1837	1621

Quarter	Q4_10	Q1_11	Q2_11	Q3_11	Q4_11	Q1_12	Q2_12
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Median Price	142	150	135	137	130	126	135
Housing Opportunity Index	79.9	68.1	77.2	78.6	82.5	84.4	82.5
Median Income	57.5	57.5	58.4	58.4	58.4	59.2	59.2
National Bank	116	190	134	129	108	106	108
Regional Bank	39	67	40	39	28	27	28
Count	1591	1462	1683	1746	1617	1391	1968

NAHB/Wells Fargo HOI, 2013

Currently, the Pensacola Metro Area (which includes Milton) is ranked 107<sup>th</sup> nationally and 31<sup>st</sup> regionally on the HOI for the 2nd Quarter of 2013. Even with the recent slowdown of the housing market and the drop in housing prices, the region still continues to decline in its ranking.

The 2011 HUD-estimated median income for a family of four in the Milton area was \$ 58,400. As shown in Table 6, the median sales price in 2011 was \$119,500. Of note is the fact that home purchase affordability is generally 2.5 to 3 times household income, depending on the household's debt levels. This is also called the price to income ratio. The following are the home price to income ratios, and are generally called the Housing Affordability Rating.

**Table 5.4:  
Housing Affordability Rating**

<b>Rating Home Price</b>	<b>Income Ratio</b>
Severely unaffordable:	5.1 and more
Seriously unaffordable:	4.1 to 5.1
Moderately unaffordable:	3.1 to 4.0
Affordable:	3.0 or less

Markets Demographia International Housing Affordability Survey,  
\*The Income Ratio or Median Multiple is widely used to evaluate Urban

Based on the affordability index of 3.0, a family had to make an annual income of \$ 39,833 to afford a median priced home of \$ 119,500 in 2011. This is 68 percent of the HUD estimated 2011 median income of \$ 58,400. Based on the median income and home price in Milton, residents are generally likely to spend greater than 30 percent of their annual income on housing. This means that there are and will continue to be households in the City that are cost burdened.

## **Regional Jobs to Housing Balance**

Jobs- to-housing balance is a measure of the equilibrium between employment and housing in an area or a region. It is measured as a ratio of the number of jobs to the number of housing units in a region. A balanced jobs-housing ratio at a regional level ensures that adequate employment opportunities are available to support the local populations as well as the regional and local economy. A low jobs-housing ratio is more representative of a bedroom community and high jobs-housing ratio is more representative of an employment zone. There are varying degrees of acceptable job-housing ratios; the American Planning Association however recommends a 1.5:1 ratio. When there is a favorable jobs to housing balance in a community, it is assumed that a significant amount of residents work closer to their homes. It is also assumed there will be an overall reduction in commuting distances. A better balance will also contribute to minimizing transportation impacts. The City is a predominantly residential community with few non-residential uses. The Comprehensive Plan does not specifically address the issue of the jobs to housing balance. However, certain objectives and policies that indirectly relate to promoting the concept of a jobs-to-housing balance of residential and commercial uses, and minimizing of travel distances are included. Data regarding the jobs-to-housing-units-ratio was not available at the City level. According to the best available data, the jobs-to-resident workers (actual labor force) ratio within the County in 2004 was 0.67. This is not a particularly healthy job/housing balance. The City of Milton likely has the same, or a lower, jobs-to-resident workers ratio than Santa Rosa County. A significant portion of the County's workers commute to work outside of the County. Similarly, a significant portion of the City's residents work outside the City, due to the shortage of non-residential areas and limited employment opportunities within the City.

## **Future of Mobile Home Parks**

Milton has historically had a relatively modest percentage of mobile home developments. Even though the share of mobile homes has reduced over time with the increase in the number of single family homes and condominiums, it still remains an available housing type. During the housing market boom from 2004 through 2006 the costs of land and housing increased at unprecedented rates. For many people with lower incomes, who may otherwise have not been able to pay for a home, the availability of mobile and manufactured homes provided opportunities for affordable housing.

According to the Florida Department of Revenue, the assessed value of a mobile home in 2011 in Milton was \$ 45,941. This is nearly 79 percent of the household median income of Milton in 2011. The loss of mobile home developments could result in a decrease in affordable housing options available to residents. The City of Milton will continue to insure that housing options will be available to all of its residents regardless of income level.

## **Existing Affordable Housing Initiatives**

Santa Rosa County recognizes the need to provide residents with a variety of quality affordable housing choices. The County's Housing Programs' primary purpose is to improve housing opportunities for the benefit of low and moderate income families. The goal of the Housing Program is to create partnerships, maximize resources and identify new strategies to develop and preserve affordable housing. The program operates within the City and provides the services described below to our citizens. The County attempts to ensure that the people are represented



in the process and to that end has established a housing coalition that is tasked with identifying barriers to quality workforce housing and identifying ways to reduce or eliminate those barriers. The Coalition is made up of housing supporters, including among others, employers, non-profit and for-profit housing developers, credit counselors, utility providers, mortgage lenders, realtors and community service providers. The Coalition serves as a resource for potential homebuyers and renters to help individuals and families reach their housing goal. Additionally the County has established an **Affordable Housing Advisory Committee (AHAC)** Members of the AHAC are appointed by the Board of County Commissioners (BOCC) to serve as a citizen's advisory representative for state funding under the State Housing Initiatives Partnership (SHIP) Program. All meetings of the advisory committee are public meetings. The AHAC reviews local housing incentive strategies and makes recommendations to the BOCC for the creation of best practices for the programs to both develop affordable housing and to maintain the current housing stock.

The programs used most commonly to achieve the desired outcomes include the State Housing Initiatives Partnership (SHIP) Program and the Federal HOME Program. The SHIP First Time Homebuyers program is designed to assist with down payment and closing cost assistance for the purchase of their first home. Applicants qualified for first mortgage financing may apply for participation through lenders located in Escambia or Santa Rosa County. The assistance provided is in the form of a deferred payment loan that becomes forgivable after fifteen (15) years of residence. The Santa Rosa County HOME Homebuyer Assistance Program also provides down payment and closing cost assistance to low income families for the purchase of a home to be used as the applicant's primary residence. Unlike the SHIP First Time Homebuyer Program, the HOME Program does not require that the applicant be a first time homebuyer. A list of registered first mortgage financing lenders can be obtained through the County's Housing Department. Funds are never forgiven. As program funding is limited it is available on a first-come, first qualified basis. Also utilized is the **First Time Homebuyer Program (SHIP)** Santa Rosa County participates in the State Housing Initiatives Partnership (SHIP) Program. The program is designed to assist families with down payment and closing cost assistance for the purchase of their first home. Applicants qualified for first mortgage financing may apply for participation through lenders located in Escambia or Santa Rosa County. The assistance is in the form of a deferred payment loan that becomes forgivable after fifteen (15) years.

Other programs include the following: **Low-Income Owner Occupied Home Rehabilitation Program (SHIP/HOME)** eligible repairs or improvements include work needed for safe or sanitary habitation and/or correction of building code violations. A waiting list exists for this program. The **Neighborhood Stabilization Program (NSP)** a part of the Florida State Administered Community Development Block Grant Program for eligible uses specified in the 2008 Housing and Economic Recovery Act. NSP funds must be used to address abandoned and foreclosed properties in areas of greatest need. Homeownership and rental activities must meet the national objective of providing benefit to low, moderate and middle income persons (maximum of 120% of area median income). The City continues to partner with private and public agencies to provide for more affordable housing opportunities within the City. The LDR allows for modular housing within residentially zoned areas to increase the variety of available housing types. In addition, zoning districts include all housing types in declining densities which allow for a variety of housing types for low income housing.

## **Affordable Housing Supply**

The City has historically had a reasonably adequate supply of affordable housing to meet the needs of its residents due to the comparatively lower housing prices within Milton, and due to the variety of housing available within the City including single family homes, multi-family homes, mobile homes, condominiums and rentals apartments. The LDR provided for a variety of zoning categories allowing houses of varying densities and sizes for affordable housing projects.

The housing market fluctuation boom of recent years, and the volatile land and housing costs, has challenged the City to provide adequate affordable housing units. The change in costs combined with the conversion of rental units to condominiums and a reduction in the number of mobile homes have exacerbated the affordable housing challenge. These costs combined with increasing transportation costs resulted in a low job to housing balance that burdens low income households. In addition to trying to maintain the existing stock of older homes and continuing to provide sites for a variety of housing types and densities, additional provisions and incentives could be adopted to ensure adequate supply of affordable housing to moderate, low, very low, and extremely low income households.

With the passage of recent legislation creating additional incentives for the development of affordable and workforce housing, there may be more opportunities to encourage the development of such housing in the City. These additional incentives should be noted and incorporated into both the City's Comprehensive Plan and LDR updates.

### **Objective Achievement Related to Major Issue**

Objectives in the Comprehensive Plan that have an impact on the Major Issue were found in the following elements:

- Future Land Use
- Housing

The successes and shortcomings of the identified objectives and associated policies, where appropriate, are presented in the following information.

**OBJECTIVE 1.2:** FUTURE LAND-USE: THE CITY OF MILTON WILL PROMOTE THE REDEVELOPMENT AND RENEWAL OF BLIGHTED AREAS WITHIN THE CITY AND WILL SEEK FUNDING FROM A VARIETY OF AVAILABLE SOURCES FOR HOUSING REHABILITATION AND RELATED PROGRAMS IN BLIGHTED NEIGHBORHOODS AND OTHER BLIGHTED SECTORS OF THE CITY.

The City's LDR protected the quality of older neighborhoods through allowing more mixed residential densities, aggressive code enforcement and building inspection program. The City encourages partnerships between the City and the neighborhood organizations/associations. The program provides funding for eligible neighborhood organizations to implement physical improvements that enhance the quality of life of the neighborhoods.

**OBJECTIVE 1.3:** FUTURE LAND-USE: THE CITY OF MILTON THROUGH ITS LAND DEVELOPMENT REGULATIONS ENCOURAGES AND PROVIDES FOR THE USE OF INNOVATIVE LAND DEVELOPMENT TECHNIQUES SUCH AS PLANNED DEVELOPMENT PROJECTS.

Future growth and development is managed through the use of the Land Development Regulation, in a manner consistent with the Future Land Use Map and Comprehensive Plan. This Objective is achieved by the following practices (as related to the Housing Major Issue):

The City shall continue to encourage the use of Planned Developments Projects (PDP) and the application of overlays and other innovative regulatory techniques. Ensure adequate lands are provided for housing of all types through application of these techniques. The Comprehensive Plan and the Land Development Regulations provides for a variety of land use and zoning categories that allow for the development of affordable homes. The City continues to implement these mechanisms to promote more housing choices for all income levels. No additional policies or programs have been adopted. The intent of the objective has been largely achieved. Additional policies will be considered, along with mechanisms in the LDR, to increase the supply of affordable housing.