

EXCLUSIVE REPORT
**ESCAMBIA COUNTY,
THE CITY OF
PENSACOLA
AND TOWN OF
CENTURY**



HOME MATTERS

REPORT FROM THE FLORIDA HOUSING COALITION





HOME IS WHERE WE
FIND RESPITE;
where we feel safe where we
CONNECT with our **FAMILY**
keep our belongings and establish
ourselves within **OUR COMMUNITY.**

QUICK FACTS:

- Over 14,600 very low-income households in Escambia County—including hardworking families, seniors, and people with disabilities—pay more than 50% of their incomes for housing.
- On a single day in January 2014, homeless service agencies counted 862 people on the streets or in shelters in Escambia County.
- In many occupations, both blue-collar and white-collar, Escambia County workers do not earn enough to rent a modest apartment or buy their first home.

WHY DOES HOME MATTER?

The health, safety, and welfare of Escambia County and the strength of its economy hinges on an adequate supply of affordable housing for working families, elders, and people with disabilities living on fixed incomes.

AFFORDABLE HOUSING REDUCES TAXPAYER EXPENSES

- Affordable, community-based housing for seniors and people with disabilities is about one-third of the cost of institutional care.
- Chronically homeless persons often cycle through jails, hospitals, and other crisis services. Permanent supportive housing for this high-need population can reduce taxpayer costs by about \$20,000 per person per year.
- Affordable housing can improve the health and educational outcomes of low-income families and children, reducing the public costs associated with illness and poor school performance.

AFFORDABLE HOUSING BOOSTS THE ECONOMY

- Money spent on affordable housing construction and rehabilitation has a ripple effect on local economies. Contractors and suppliers spend money on materials and labor, and workers spend their earnings locally.
- If the Sadowski Housing Trust Fund money is fully appropriated for housing, Escambia County and the City of Pensacola will receive nearly \$2.3 million in total SHIP funds. This allocation will leverage a further \$10 million from public-private partnerships, creating nearly 240 jobs and generating nearly \$30 million in positive economic impact.



The Florida Housing Coalition has produced this report in support of Home Matters® (www.HomeMattersAmerica.com), a national movement to make Home a reality for everyone by elevating the importance of Home's impact on people's health, education, personal success, public safety, and the economy. Participating in Home Matters is a coast-to-coast coalition composed of members of the general public, leaders of housing and community development organizations, as well as other organizations concerned about increasing the positive impact of Home in their communities.

CHAPTER ONE:

Introduction: Why Does Home Matter?

Home is the foundation of a distinctive and charming community like Escambia County. Home is our foothold in the neighborhoods where our children play and go to school. It is where we rest after a hard day's work, where we store our belongings, where our children do their homework. And for those of us who own homes, they are often our single greatest source of wealth.

For many low-income residents in Escambia County, however, their housing is a source of stress rather than respite. Thousands of working families are paying more than they can afford for housing, and cutting back on necessities like nutritious food and health care as a result. Other low-income families respond to high housing costs by living in substandard housing, doubling up with family and friends, or moving frequently—all of which have negative impacts on their health, their children's education, and the wider community. By contrast, an adequate supply of affordable housing helps families put down roots, stay healthy and get ahead.

What is Affordable Housing?

In addition to being a basic human need, housing is a market commodity. However, the cost of constructing and maintaining a decent house or apartment exceeds what many low-income families can afford to pay in rent or mortgages. Additionally, more affluent homebuyers and renters may bid up the price of relatively modest housing, even in communities with soft housing markets. As a result, many low- to moderate-wage workers, and people living on fixed incomes due to age or disability, are priced out. Simply put, the inability of the housing market to supply these families with adequate housing is a market failure.

**Every partner and every funding source in this community effort —
public, private, and nonprofit
— is an essential piece of the puzzle.**

Nonprofit Partners

Nonprofit Developers, Service Providers,
and Foundations

Private Sector Partners

Lenders, For Profit Developers, Builders,
and Real Estate Professionals

Public Sector Partners

Federal, State, and Local Governments



The way to correct this market failure is to provide incentives that make it profitable for private developers to invest in affordable housing. These incentives come from public-private partnerships among lenders, real estate professionals, community-based nonprofit organizations, and local, state, and federal government agencies. Affordable housing funders typically impose high standards for building quality and property management. Every partner and every funding source in this community effort—public, private, and nonprofit—is an essential piece of the puzzle.

This report makes the case for affordable housing needs in Escambia County and its two municipalities, Pensacola and Century. The document is organized as follows:

- The remainder of **Chapter 1** sets the stage for understanding the importance of affordable housing, and provides a demographic overview of Escambia County, Pensacola, and Century.
- **Chapter 2** provides a broad overview of the “how and why” of housing-related hardships in Escambia County and its municipalities, including housing cost burden, homelessness, and other factors.
- **Chapters 3 and 4** explore drivers of housing cost burden for low-income renters and owners, respectively, in more detail.
- **Chapter 5** presents a case study of a potential site for mixed-use, mixed-income housing development at 625 East Olive Road, in the urbanized area northwest of Pensacola.
- **Chapter 6** provides a largely qualitative overview of housing and community development needs in the Town of Century.
- Finally, **Chapter 7** describes the role of the Sadowski Housing Trust Funds and other funding sources in crafting solutions to the affordable housing challenges in Escambia County and its two municipalities.

The Benefits of Affordable Housing

Economic Benefits

Affordable housing—like any other housing development—is an economic powerhouse. Construction and rehabilitation creates local

jobs directly, as well as creating business for local suppliers, who in turn hire new workers to meet the increased demand. The workers provide a further boost to the economy by spending their wages at local restaurants, grocery stores, and other businesses. Once the development is finished and occupied, the residents create demand for ongoing jobs to meet their needs.

In addition, affordable housing programs are less costly to taxpayers than providing social services to persons who are elderly, have disabilities, or are homeless or precariously housed. According to an AARP report¹, Medicaid-funded nursing home care in Florida for seniors and people with disabilities cost over \$30,000 annually per person served, compared to less than \$10,400 for Medicaid Home and Community-Based Services (HCBS). For an individual with developmental disabilities, HCBS costs \$30,323 annually, compared to over \$109,000 for an intermediate care facility. Homeless persons with severe mental illness, meanwhile, are often heavy users of public crisis services such as jails and emergency rooms. A study in Central Florida estimates that permanent supportive housing for chronically homeless individuals saves taxpayers an estimated \$20,000 per person².

Health and Education Benefits

Housing plays a major role in our physical and mental health. For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:

- Families in unaffordable housing are likely to cut back on nutritious food and health care³.
- Substandard housing poses a variety of health hazards. Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury^{4,5}.
- Many low-income families move frequently or double up with friends and relatives if they cannot find affordable housing. Frequent

WHAT IS AFFORDABLE HOUSING?

Misconceptions about affordable housing are widespread, with many citizens associating it with large, distressed public housing projects in central cities. However, plenty of public housing authorities in communities around the nation, large and small, are well-managed and have decent units. Furthermore, public housing is only one type of affordable housing. In this report, “affordable housing” refers to privately owned housing that receives a subsidy to bring its rent or purchase price down to a level affordable to a low-or moderate-income family. Except for the subsidy, affordable housing is indistinguishable from market-rate housing—it has the same architectural and landscaping styles, and often has basic amenities like energy efficient appliances and community gathering spaces. Substandard housing is, by definition, not affordable housing.

HOUSING PLAYS A MAJOR ROLE

IN OUR PHYSICAL AND MENTAL HEALTH.

For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:

Food & Health Care

Families in unaffordable housing are likely to cut back on nutritious food and health care.



Health Hazards

Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury.



Stress & Depression

Frequent moves are associated with stress and depression, and overcrowding has been linked to poor health in children.



Exacerbated Health Problems

Living on the streets or in shelters poses unique health risks. Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry.



moves are associated with stress and depression, and overcrowding has been linked to poor health in children^{6,7}.

- Homelessness exacerbates a person's pre-existing health problems, and living on the streets or in shelters poses unique health risks (including tuberculosis, violence, and exposure to weather). Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry⁸.

Many of the health problems associated with a lack of affordable housing are closely connected to children's educational performance. For example, exposure to lead paint is known to cause developmental delays in children, while asthma from exposure to dust and mold can cause children to miss school and fall behind. Frequent moves, overcrowding, and homelessness have also been linked to lower educational attainment in children⁹.

If a lack of affordable housing can contribute to ill health and educational problems among low-income families and children, then affordable housing is the foundation for good health and achievement in school. For example, a study in Boston found that children in subsidized housing were 19% less likely to be food insecure and 35% more likely to be in good health than children whose families were on the waiting list for subsidized housing¹⁰. Additionally, both subsidized rental housing and homeownership have been linked to better educational outcomes for children^{11,12}.

Demographic Overview

Escambia County is a medium-sized county with only two municipalities: the City of Pensacola and the Town of Century. Pensacola had a population of 52,268 in 2013, slightly above the threshold for a U.S. Department of Housing and Urban Development (HUD) entitlement community. Century is a very small community with a population of only 1,648 in 2013 (Table 1).

Unlike the state as a whole, the populations of Escambia County and its municipalities have been relatively stagnant (Table 2). Between 2000 and 2013, Florida's population

increased by 19%, while Escambia County's increased by only 2%. Pensacola, despite its modest population growth between 2010 and 2013, has lost 7% of its population since 2000. Century lost more population between 2010 and 2013 than it did during the entire preceding decade. On the whole, Pensacola's modest population growth occurs disproportionately in the unincorporated suburban areas—a trend observed by the City of Pensacola's plan for the Urban Core Community Redevelopment Area.

Escambia County's racial and ethnic profile is different from the state as a whole, with a higher share of African-Americans and a much lower share of Hispanics and Latinos (Table 1). Pensacola has a similar racial and ethnic composition to the County as a whole, while the majority of Century's population is African-American.

The County's homeownership rate is slightly lower than the state's (64% compared to 67%), with even lower homeownership rates in Pensacola and Century (59% and 60%, respectively; see Table

1). It appears that the County's unincorporated suburban areas, in addition to having a more stable population (Table 2), also contain a disproportionate share of the County's owner-occupied housing.

Incomes and housing costs are generally lower in Escambia County than in the state as a whole (Table 1). Incomes and housing costs in Pensacola are comparable to the County as a whole, except that median owner income and median monthly owner costs are notably higher (\$61,993 compared to \$54,914 and \$932 compared to \$882, respectively). Century households have distinctly lower incomes and housing costs than both the County and the State. As Chapter 6 will explain, substandard housing is also widespread in Century.

Both Escambia County and Pensacola have comparable rates of labor force participation, unemployment, and poverty to the state as a whole, and similar shares of elderly residents (Table 1). Century, by contrast, has a much lower rate of labor force participation and

Table 1. Comparison of Escambia County and its Municipalities to the State of Florida.

Source: 2013 5-year American Community Survey¹³.

| Variable | State of Florida | Escambia County | Pensacola | Century |
|--|------------------|-----------------|-----------|----------|
| Population | 19,091,156 | 300,795 | 52,268 | 1,648 |
| White/Caucasian % of Population | 76% | 69% | 68% | 37% |
| Black/African-American % of Population | 16% | 22% | 26% | 60% |
| Hispanic/Latino % of Population | 23% | 5% | 5% | 0.4% |
| Homeownership Rate | 67% | 64% | 59% | 60% |
| Median Household Income | \$46,956 | \$43,918 | \$44,144 | \$21,932 |
| Median Owner Income | \$56,505 | \$54,914 | \$61,933 | \$27,760 |
| Median Renter Income | \$32,052 | \$29,691 | \$28,371 | \$14,622 |
| Median Monthly Owner Costs | \$1,079 | \$882 | \$932 | \$547 |
| Median Gross Rent | \$990 | \$869 | \$826 | \$492 |
| % of Population 16 and Older in Civilian Labor Force | 60% | 58% | 64% | 42% |
| Unemployed % of Civilian Labor Force | 12% | 12% | 10% | 21% |
| % of Population in Poverty | 16% | 18% | 17% | 41% |
| Elderly (65 and older) % of Population | 18% | 15% | 17% | 17% |

Table 2. Population Change in Escambia County, Its Municipalities, and the State of Florida.

Source: 2000 and 2010 Census^{14,15} 2013 5-year ACS.

| Geography | 2000 | 2010 | 2013 | % Change 2000 to 2013 | % Change 2010 to 2013 |
|-----------------|------------|------------|------------|-----------------------|-----------------------|
| Florida | 15,982,378 | 18,801,310 | 19,091,156 | 19% | 2% |
| Escambia County | 294,410 | 297,619 | 300,795 | 2% | 1% |
| Pensacola | 56,255 | 51,923 | 52,268 | -7% | 1% |
| Century | 1,714 | 1,698 | 1,648 | -4% | -3% |

A Note on Terminology Income and Housing Cost Burden

According to the federal government and the State of Florida, housing is affordable if it costs no more than 30% of a household's gross income. This includes rent or mortgage payments, utilities, and property taxes and insurance, if applicable. If housing costs 30% or more of a household's income, but less than 50%, the household is considered "moderately cost burdened", and a household paying 50% or more of its income for housing is "severely cost burdened".

Florida Statutes and certain federal housing programs define "low-income" (or "LI") households as those that earn no more than 80% of the median income for households of their size within their geographic area. Federal housing assistance programs usually calculate "Area Median Income" (AMI) for metropolitan areas and nonmetropolitan counties within a state. "Very low-income" (VLI) households are those that earn no more than 50% AMI, and "Extremely low-income" (ELI) households earn no more than 30% AMI. In this report, the term "low-income" includes all households at or below 80% AMI, and "very low-income" includes all households at or below 50% AMI. Thus, all ELI households are also classified as VLI and LI, but the reverse is not true.

Florida Statutes defines a "moderate-income" household as having an income up to 120% AMI. In this report, "moderate-income" refers to households with incomes between 80% and 120% AMI.



higher rates of unemployment and poverty. In some communities, this pattern is explained by a higher percentage of elderly residents. However, Century and Pensacola had similar percentages of elderly residents in 2013. Chapter 6 will explore contributing factors to Century's labor force participation, unemployment, and poverty rates.

In many ways, Escambia County is a microcosm of the state of Florida, despite having very different population trends and housing markets than the state's more populous areas to the south. The following chapter compares the incidence of housing cost burden and other hardships among low-income Escambia County households to those among low-income households statewide.

CHAPTER TWO:

Overview of Housing Problems in Escambia County

This chapter provides an overview of the housing-related hardships faced by low-income households in Escambia County, as well as some key factors that shape the local housing market. Housing cost burden, or paying more than one can afford for housing, is the most widespread hardship. This chapter also explores substandard housing and high transportation costs, two tradeoffs that low-income households may make when they cannot find affordable homes near their workplaces. The implications of vacant units for the County's housing market are considered. Finally, this chapter examines homelessness—the most extreme form of housing deprivation—and the role that low wages play in housing-related hardships.

The Town of Century is excluded from some analyses in this and subsequent chapters. Century is so small that its most recent data on cost burden and related factors has extremely high margins of error. To provide a basic overview of Century's housing problems, this chapter provides the most recent Comprehensive Housing Affordability Strategy (CHAS) data collected on behalf of the U.S. Housing and Urban Development (HUD), when available. However, readers should be aware of the CHAS data's limitations for Century. In this report, most analyses of American Community Survey (ACS) data exclude Century. Chapter 6 will consider Century's housing needs in more detail, using the best available quantitative and qualitative data.

Housing Cost Burden

Escambia County is a much smaller community than Florida's major metropolitan areas, such as Miami-Dade and Broward Counties, and was not at the epicenter of the housing market crash that sparked the

Great Recession. In many of these larger communities, both rental and home sale prices have surged upward in recent years, due to foreclosure victims entering the rental market, millennials delaying their first home purchases, and institutional investors buying up numerous homes in cash. Escambia County has not experienced the same degree of upward pressure on its housing prices, but it is remarkably similar to the state as a whole in terms of low-income households struggling with high housing costs.

Figure 1 shows CHAS data on the share of households in Escambia County, its municipalities, and the State of Florida that are low-income and housing cost burdened. (For a definition of terms

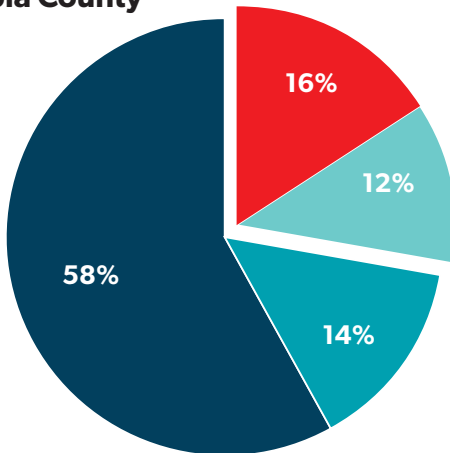
relating to household income and cost burden, see the sidebar on p. 6.) In Escambia County, 12% of households are low-income and moderately cost burdened, and another 16% are low-income and severely cost burdened. The County, the City of Pensacola, and the State of Florida have nearly identical shares of low-income, cost burdened households (note that numbers may not add up to 100% due to rounding).

The Town of Century has a much higher share of cost burdened households (41%), but also has a higher share of low-income households that are not cost burdened (35%, compared to 11%-14% in the other three jurisdictions). As Chapter 6 explains, many

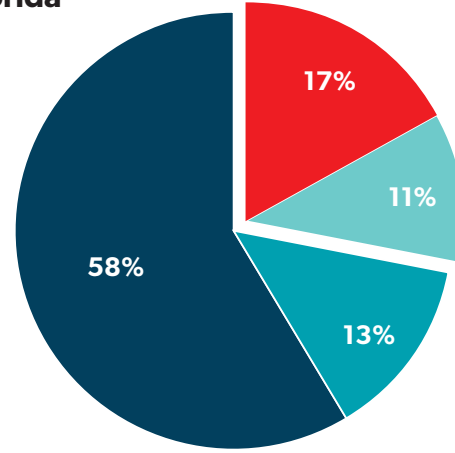
Figure 1. Prevalence of Low-Income, Cost Burdened Households in Escambia County and its Municipalities.

Source: HUD 2007-2011 Comprehensive Housing Affordability Strategy [CHAS] data¹⁶.

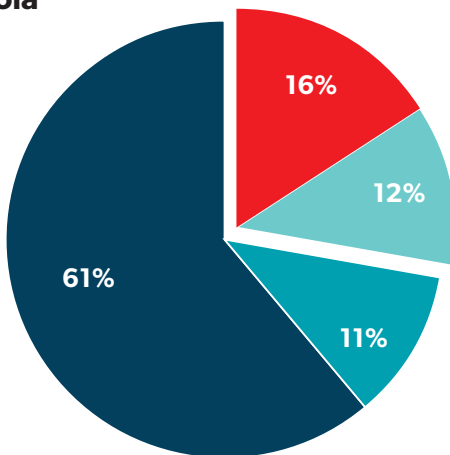
Escambia County



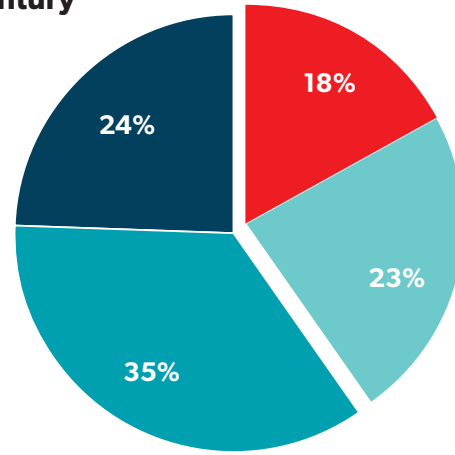
Florida



Pensacola



Century



■ Low-Income, Severely Cost Burdened

■ Low-Income, Not Cost Burdened

■ Low-Income, Moderately Cost Burdened

■ Non-Low-Income Households

Table 3. Number of Low-Income, Cost Burdened Households in Escambia County and its Municipalities.Source: HUD 2007-2011 CHAS, 2009-2011 CHAS (data on people with disabilities)¹⁷.

| Variable | | Florida | Escambia County | Pensacola | Century |
|--|---|-----------|-----------------|-----------|---------|
| Total Households | | 7,140,095 | 111,930 | 23,600 | 705 |
| Low-Income, Cost Burdened Households | | 2,057,215 | 30,455 | 6,565 | 290 |
| Low-Income, Severely Cost Burdened Households | | 1,247,455 | 17,365 | 3,710 | 125 |
| Very Low-Income, Severely Cost Burdened Households | | 985,030 | 14,620 | 3,175 | 115 |
| Low-Income Households that are Not Cost Burdened but have Other Housing Problems** | | 47,445 | 880 | 230 | 25 |
| % of Low-Income Households with Housing Problems** | | 2% | 3% | 3% | 8% |
| Low-Income, Severely Cost Burdened, Elderly-Headed* Households | | 360,915 | 4,330 | 1,045 | 61 |
| % of All Households | | 5% | 4% | 4% | 9% |
| % of Low-Income, Severely Cost Burdened Households | | 29% | 25% | 28% | 49% |
| Low-Income Households with 1+ Housing Problems** by Disability Status | Household member has a hearing/vision disability | 253,790 | 4,330 | 820 | |
| | Household member has an ambulatory disability | 401,045 | 7,985 | 1,645 | |
| | Household member has a cognitive disability | 263,295 | 4,720 | 730 | |
| | Household member has a self-care/independent living disability | 297,400 | 5,580 | 1,060 | |
| | No household members have disabilities | 1,551,070 | 21,360 | 4,460 | |
| | Ratio: Household member has ambulatory disability/ No household members have disabilities | 0.26 | 0.37 | 0.37 | |

*Household head is 62 or older.

**Housing problems include cost burden, overcrowding, and/or lack of complete kitchen and/or plumbing facilities.

low-income Century households are not cost burdened because they own their homes mortgage-free, and/or because their homes are substandard.

Table 3 provides CHAS estimates of the absolute numbers of low-income households with cost burden and other housing problems. For example, of Escambia County's 111,930 households, 30,455 are low-income and cost burdened. Of these households, 17,365 households are severely cost burdened. A subset of households often prioritized by policymakers and affordable housing advocates consists of very low-income, severely cost-burdened households. Escambia County has 14,620 households in this

category, including over 3,000 households in Pensacola and over 100 households in Century.

In addition to housing cost burden, CHAS data includes information on three other housing problems: overcrowding, lack of complete kitchen facilities, and lack of complete plumbing facilities. Nearly 900 low-income households in Escambia County are not cost burdened, but have one or more of these other housing problems. However, these households comprise only 3% of all low-income households with housing problems, a similar share to the state as a whole. Pensacola has a similar share of low-income households with problems other than cost burden,

while Century's share is a full 8%. Note that some cost-burdened households may have one or more of the other housing problems documented by CHAS. Additionally, as Chapter 1 described, the housing problems of low-income households can extend far beyond the CHAS dataset's limited definition.

Local affordable housing policy often focuses heavily on the needs of low-income elders and people with disabilities. Escambia County has 4,330 low-income, elderly-headed households with severe cost burden. This number is only 4% of all households in the County, but comprises 25% of all low-income, severely cost-burdened households—similar to Pensacola and the state as a whole. In Century, elderly-headed households account for nearly one in ten households overall, and nearly half of the Town's low-income, severely cost burdened households.

The CHAS dataset does not provide a community's total share of low-income, cost burdened households with members that have disabilities¹⁸. However, the data gives some indication of the human scale of housing problems among these households.

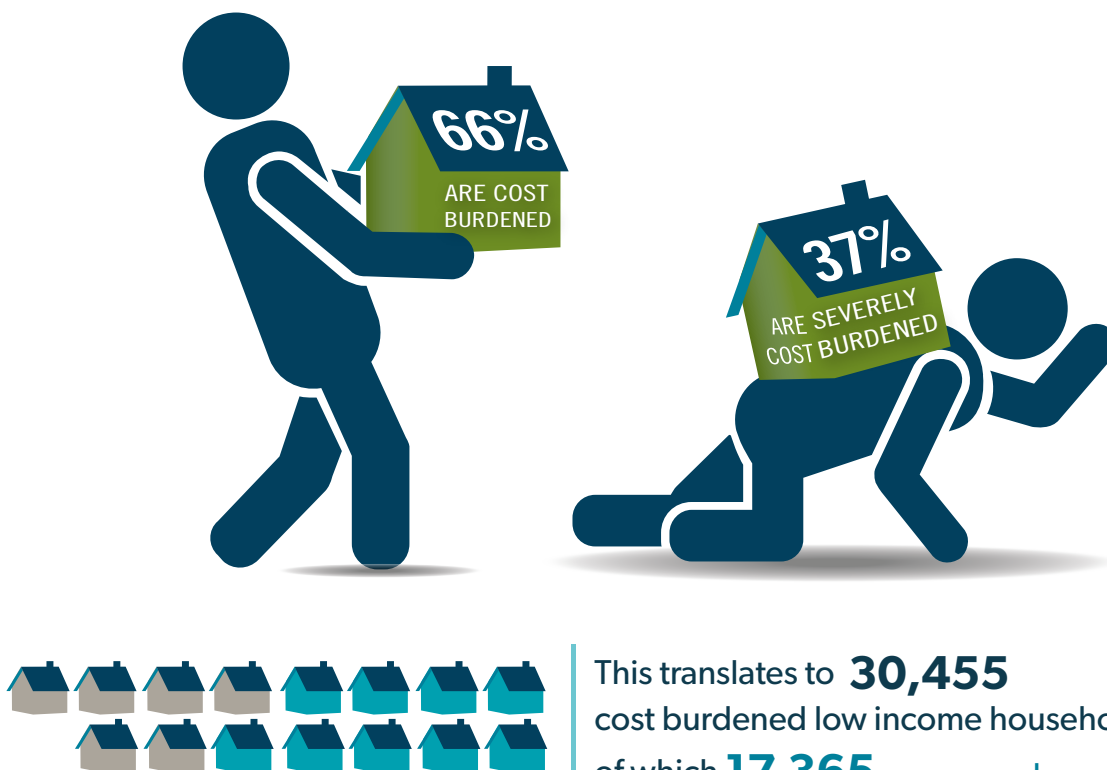
In Escambia County, for example, nearly 8,000 low-income households have a member with an ambulatory disability and one or more housing problems.

The ratios in the final row of Table 3 suggests the prevalence of people with ambulatory disabilities—the most common type of disability—among low-income households with housing problems. For example, among low-income households with housing problems in Escambia County, the ratio of households with members who have ambulatory disabilities (7,985) to households without any members with disabilities (21,360) is 0.37. In other words, more than one in five low-income households with housing problems may have members with ambulatory disabilities. Escambia County has the same ratio as Pensacola, and a higher ratio than the state as a whole (0.25)¹⁹.

Cost Burden by Tenure

When housing cost burden data for Escambia County is disaggregated by tenure and income category, the County's

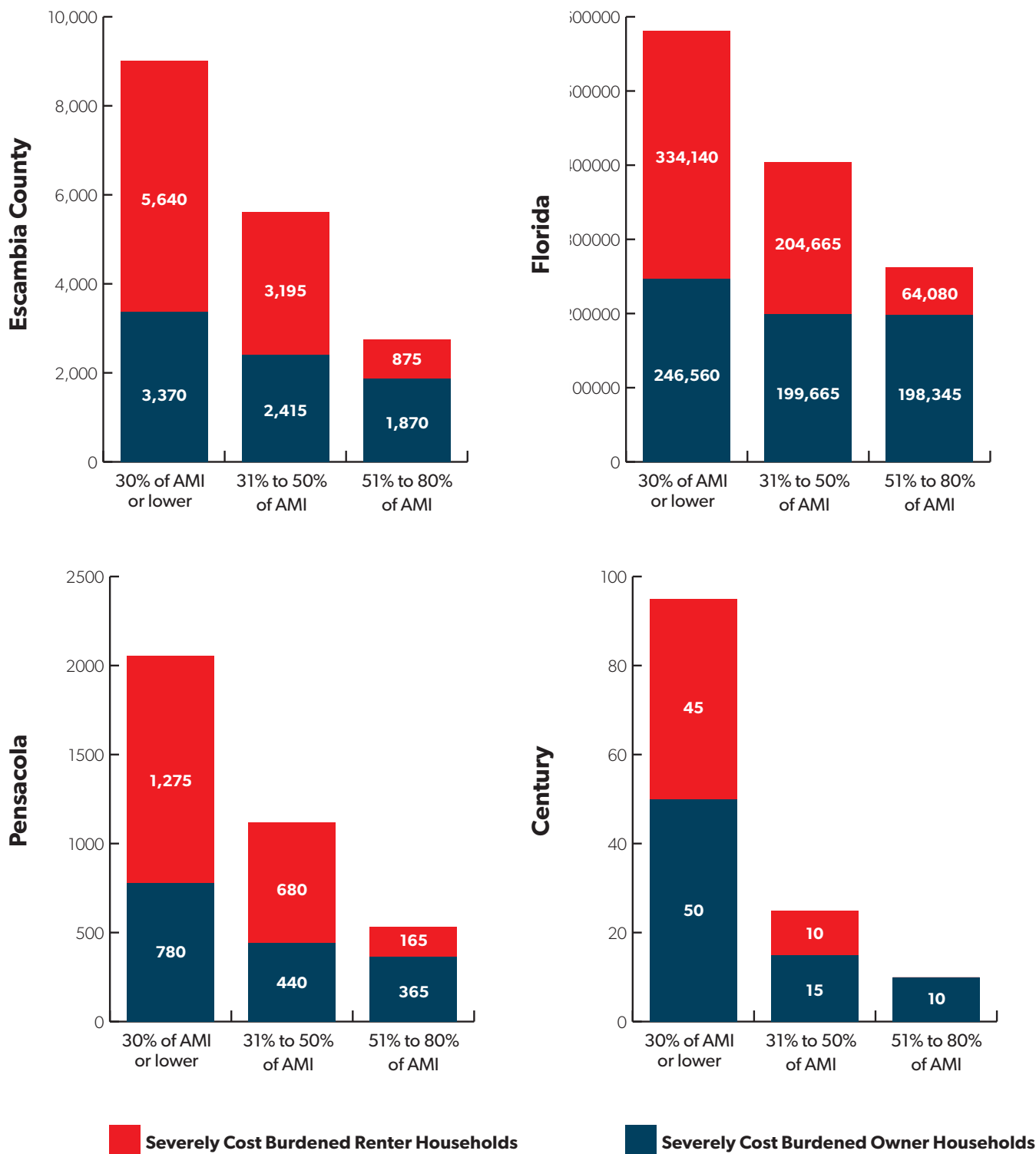
Overall, 66% of Escambia County's low-income households are cost burdened, and 37% are severely cost burdened.



distribution of cost burden is still strikingly similar to that of the state (Appendix 1). Figure 2 shows the total number of severely cost burdened households by tenure and income category in Escambia County, its municipalities, and the State of Florida. In all four jurisdictions, the number of severely cost burdened households

decreases as income increases. Renter households comprise the majority of ELI households with severe cost burden, while most severely cost burdened households between 51% and 80% of area median income (AMI) are homeowners.

Figure 2: Number of Severely Cost Burdened Households by Tenure and Income Category in Escambia County and its Municipalities.
Source: HUD 2007-2011 CHAS.



This distribution is affected by multiple factors, including differences in homeownership rates and the prevalence of subprime mortgages. For example, renters dominate the severely cost burdened households in the ELI category in part because homeownership rates in this category are lower. In the 51% to 80% AMI category, the dominance of severely cost burdened owners may be due in part to the legacy of adjustable-rate mortgage loans made during the housing boom.

The number and type of severely cost burdened households has implications for a community's mix of appropriate affordable housing strategies. For example, severely cost burdened homeowners between 31% and 80% AMI may be best served by foreclosure prevention counseling, refinancing, energy efficiency improvements to reduce utility costs, or downsizing to a more

modestly priced home. For ELI owners with severe cost burden, affordable rental housing may be a more feasible option.

Cost Burden Over Time

The rates of cost burden for lower-income households have generally increased over time, especially for renters. Figure 3 compares ACS data on cost burden by tenure for three annual income brackets: 1) less than \$20,000, 2) \$20,000 to \$34,999, and 3) \$35,000 to \$49,999. These brackets do not perfectly correspond to low-, very low-, and extremely low-income designations, since a household's low-income status depends on its size as well as its income. However, they serve as a useful proxy for the cost burden trends experienced by low-income households. For a note on the use of ACS data, see Appendix 2.

Figure 3: Cost Burdened Share of Households by Income Bracket and Tenure.

Source: ACS²⁰.

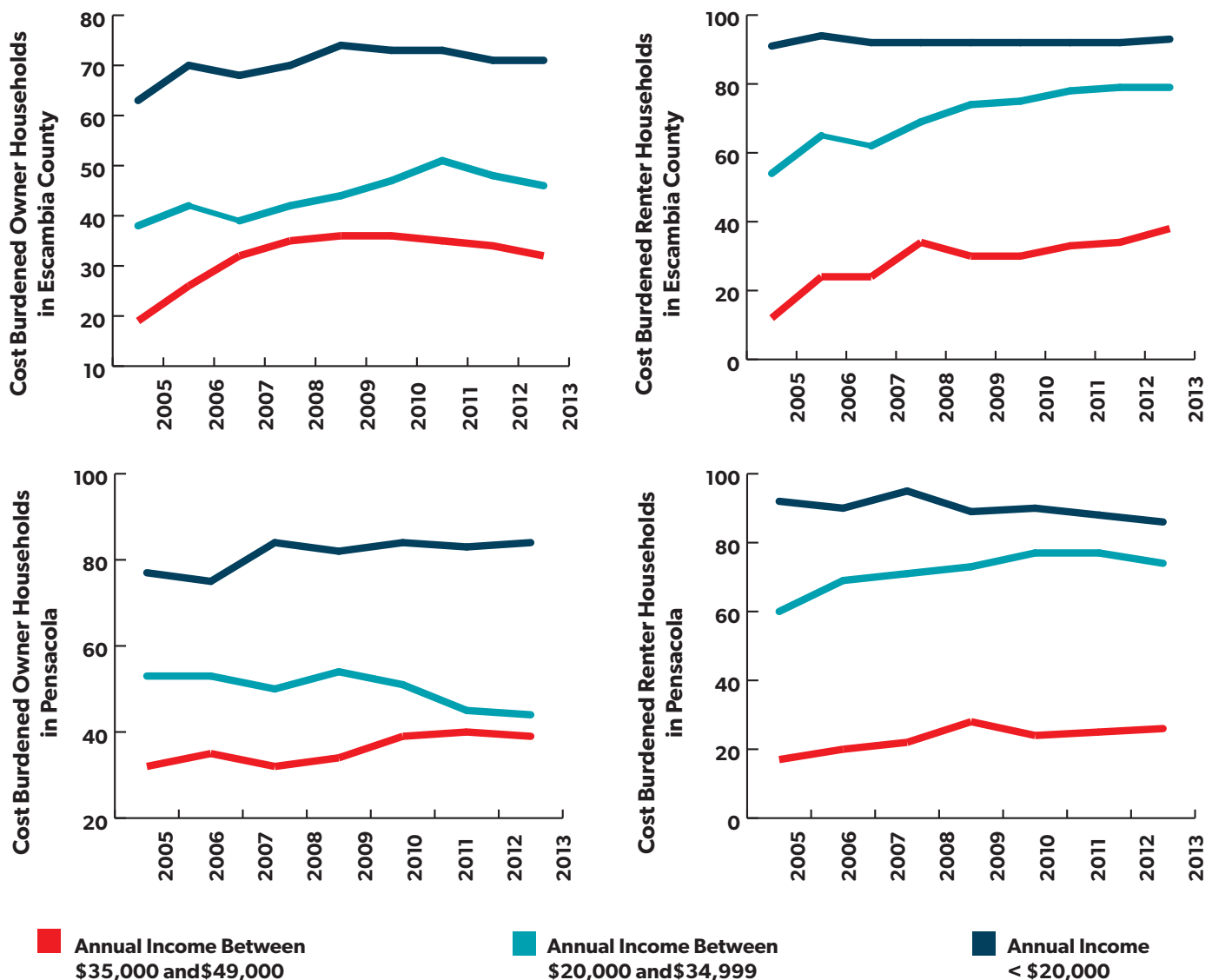
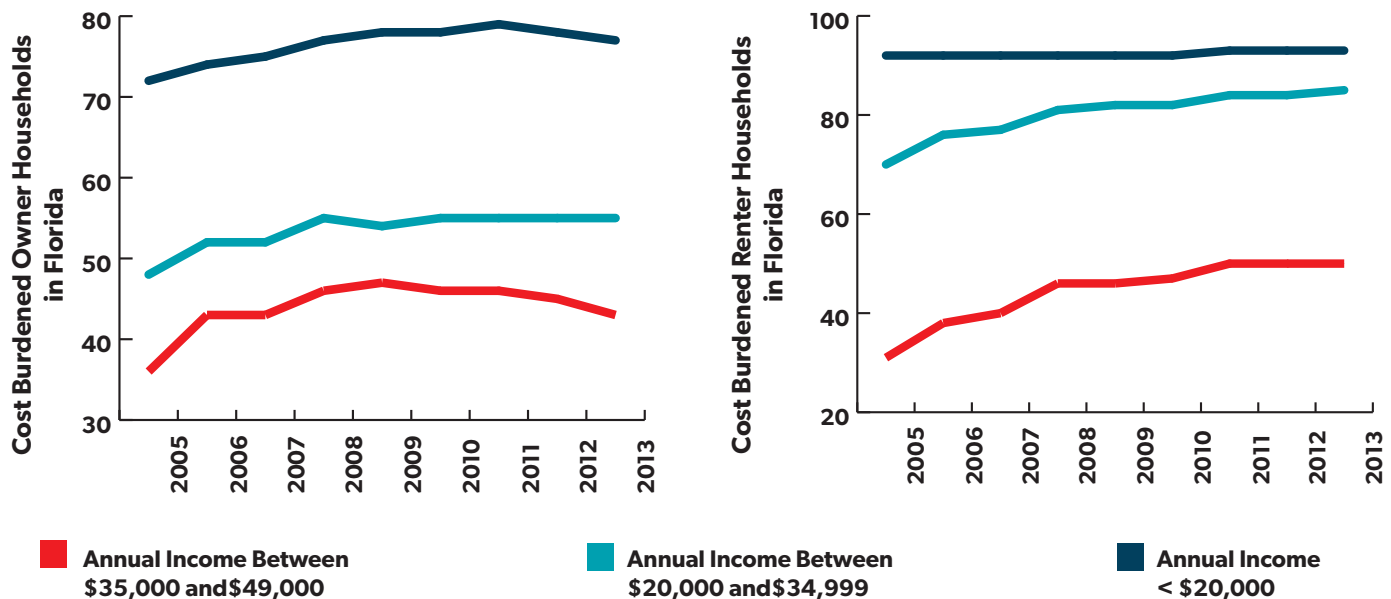


Figure 3: Cost Burdened Share of Households by Income Bracket and Tenure. *(Continued)*

Source: ACS .



In Escambia County, the percentages of lower-income homeowners that are cost burdened edged upward between 2005 and 2013, particularly for households with annual incomes between \$35,000 and \$49,999. (In this income bracket, the increase occurred before 2009, and the share of cost burdened households has remained flat or decreased slightly since then.) Among renters in the County, the cost burdened share of households with incomes between \$20,000 and \$49,999 increased strongly. The cost burdened share of renters with incomes below \$20,000 remained essentially flat, but was extremely high to begin with—above 90%.

The state as a whole exhibits similar cost burden trends over time, with an increasing share of cost burdened owner and renter households among all income brackets shown. Among owner households, the overall increases in cost burden between 2005 and 2013 are driven by increases that occurred before 2010. Since 2010, the prevalence of cost burden remained essentially flat for owner households below \$20,000, and decreased slightly for owner households between \$20,000 and \$49,000. These recent decreases in cost burden may be due to low-income owners refinancing or downsizing to cheaper homes, or to cost burdened owners disproportionately transitioning into the rental market.

Florida's lower-income renters have generally experienced sharper increases in cost burden than owners with similar incomes. The

increases in cost burden appear to be steeper in the years leading up to the housing market crash (see Appendix 2), but have continued through the housing recovery in recent years.

In Pensacola, the trends in cost burden by tenure and income bracket are more variable. With its relatively small number of households, Pensacola's data may not have the statistical "power" to demonstrate significant trends. However, if the trends in Escambia County and the state overall are any indication, the apparent increase in cost burden among Pensacola's renters with incomes between \$20,000 and \$49,999 is likely to be a real trend. To view a table of the data shown in Figure 3, including notes about statistically significant differences, see Appendix 3.

Housing + Transportation Costs

Faced with high housing costs in the communities where they work, many families live in outlying communities. However, this strategy is not entirely successful, since many of these families have to pay for long commutes. The Center for Neighborhood Technology [CNT] calculates a "Housing + Transportation Affordability Index" for communities across the nation. Just as 30% is the maximum share of income that a family can affordably devote to housing, CNT has determined that 45% is the maximum affordable share of household income that can be spent on combined housing and transportation costs.

As Figure 4 shows, many more Escambia County households are cost burdened when transportation costs are taken into account²¹. Virtually all typical households at 80% AMI pay over 45% of their incomes for housing and transportation, and the average household at this income pays 67% of its income for housing and transportation. Housing and transportation costs for a typical 80% AMI household in Mobile County, Alabama, are slightly higher at 72%. In Miami-Dade County, not surprisingly, housing costs absorb a higher share of an 80% AMI household's income (50%, compared to 36% in Escambia County). However, the difference between these two counties is smaller when transportation costs are taken into account. Housing + transportation costs absorb 67% of a typical 80% AMI household's income in Escambia County, compared to 76% in Miami-Dade County. Notably, in all three counties shown in Figure 4, nearly all typical households at 80% AMI pay 45% or more of their incomes for housing + transportation costs. In other words, low-income households may struggle to find affordable housing near their jobs whether they live in active or soft markets.

Substandard Housing

As discussed above, data on housing cost burden is likely to understate the number of low-income households with housing

problems. Comprehensive city- and county-level data on substandard housing is not readily available. However, windshield survey data from the City of Pensacola and Escambia County's Community Redevelopment Agency (CRA) plans provides a broad estimate of the scope of substandard housing (Table 4).

The 13,405 substandard structures in Table 4 range from fair or slightly deteriorated condition (requiring moderate, mainly nonstructural work such as energy efficiency upgrades or reshingling) to dilapidated (damaged beyond the ability to repair cost-effectively). Although most of the windshield surveys in Table 4 were conducted over a decade ago, several factors—including hurricanes and the Great Recession—have counteracted local efforts to rehabilitate deteriorated properties²³.

Most homes observed in the windshield surveys were in fair condition, but deferred exterior repairs may indicate the presence of interior conditions that threaten occupants' health and safety, including dust, mold, vermin, or lead paint. Unfortunately, the windshield survey data does not distinguish between occupied and vacant units. The prevalence of vacant units in Escambia County is discussed further below. Nonetheless, the windshield surveys

Figure 4. Housing + Transportation Costs in Escambia County and Selected Comparison Counties

Source: Center for Neighborhood Technology²².

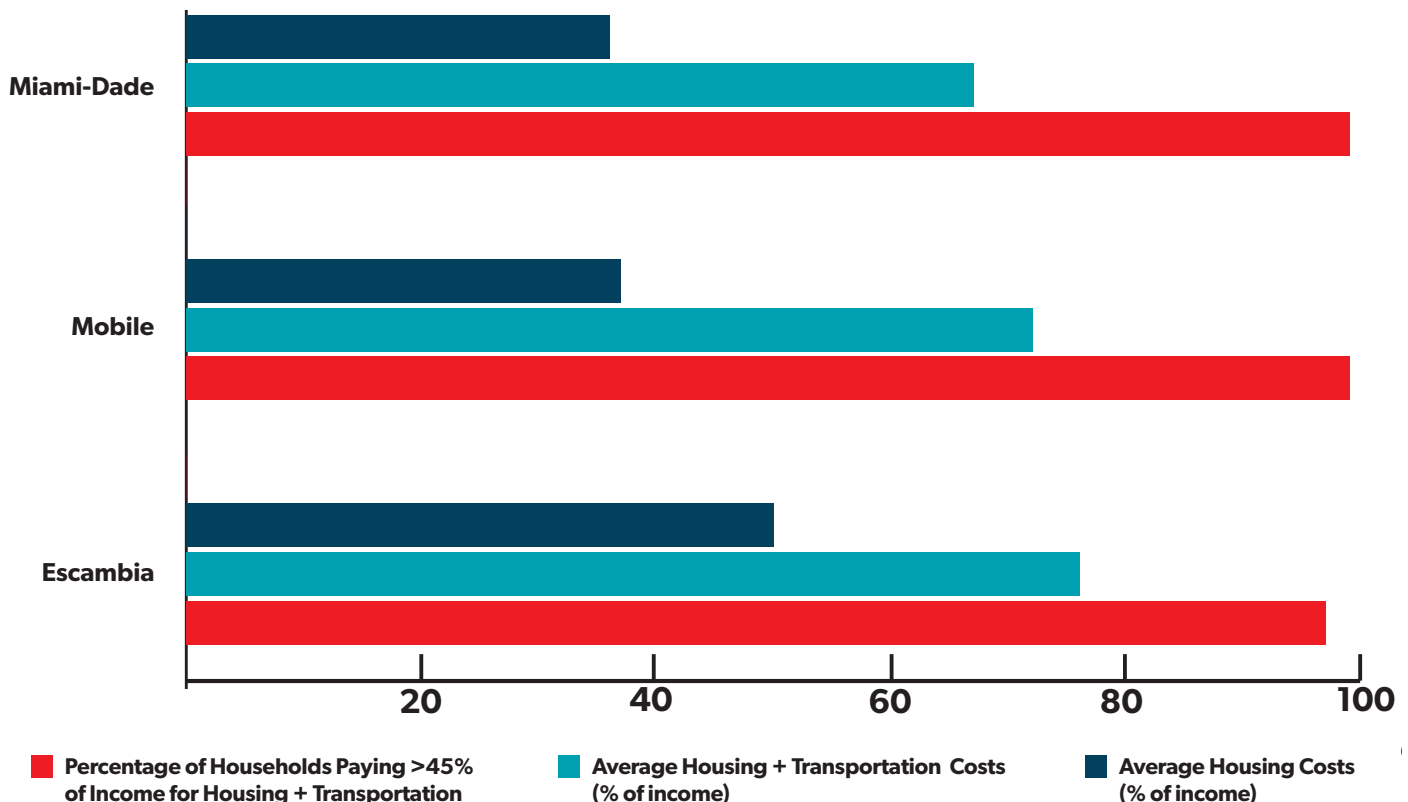


Table 4. Substandard Housing in City of Pensacola and Escambia County's Community Redevelopment Agency DistrictsSource: City of Pensacola 2003²⁴, CRA District plans²⁵.

| CRA District | Location | Substandard Residential Structures | Percent of All Residential Structures in CRA District | Year of Survey |
|--------------|-------------------------------------|------------------------------------|---|----------------|
| Westside | Pensacola | 2,815 | 13 | 2002-2003 |
| Barrancas | Escambia County (borders Pensacola) | 1,317 | 92 | 2002 |
| Brownsville | Escambia County (borders Pensacola) | 1,873 | 93 | 2003 |
| Englewood | Escambia County (borders Pensacola) | 1,501 | 98 | 2000 |
| Palafox | Escambia County (borders Pensacola) | 2,222 | 97 | 2007 |
| Warrington | Escambia County (borders Pensacola) | 3,093 | 97 | 2009 |
| Cantonment | Escambia County | 584 | 97 | 2010 |
| Total | | 13,405 | | |

highlight the importance of rehabilitation subsidies for low-income housing in Escambia County.

Vacant Housing

Escambia County's housing market cannot be fully understood without considering vacant units. The ACS categorizes vacant housing units as 1) for sale or rent, 2) rented or sold but not occupied, 3) for seasonal or recreational use, 4) for migrant workers, and 5) "other vacant" units, which include but are not limited to²⁶:

- Units held off the market while the owner makes repairs or renovations
- Units owned by an elderly person who is living in a nursing home or with relatives
- Units that the owner does not currently wish to rent or sell
- Units that are involved in legal disputes

Not all "other vacant" units are dilapidated or abandoned, and not all foreclosed homes are classified as "other vacant". However, national data shows that "other vacant" homes have a disproportionate share of older units and units that have been vacant for two years or more²⁷. Thus, a relatively high or increasing share of "other vacant" units in a community may indicate distress or inefficient use of the housing stock.

Table 5 compares "other vacant" units in Escambia County, Pensacola, and Florida. Escambia County has 10,298 such units, of which 1,445 are located in Pensacola. These units comprise 8% and 6% of all housing units in Escambia County and Pensacola, respectively—higher than Florida's share of 5%. The number of "other vacant" units in Escambia County increased by a relatively modest 13% between 2007 and 2013, compared to the 61% increase statewide. In Pensacola, the number of "other vacant" units actually decreased by 15%.

While Escambia County's increase in "other vacant" units has been less dramatic than the state's as a whole, they still account for a substantial share of the overall housing stock. Since these units are generally off the market, they do not serve to moderate housing prices in the County by expanding the supply. However, deteriorated or foreclosed "other vacant" units are likely to depress neighboring home values and contribute to local perceptions that a neighborhood is declining.

A comprehensive housing strategy should include an effort to return abandoned and dilapidated "other vacant" housing units to productive use, both to expand the affordable housing supply and revitalize neighborhoods. However, it is often difficult to find willing homebuyers and renters for rehabilitated homes in

Table 5. Comparison of "Other Vacant" Units in Escambia County, Pensacola, and Florida.Source: Source: ACS^{28,29}.

| Jurisdiction | Number of Units in 2013 | % of All Housing Units in 2013 | % Change since 2007 | Year of Survey |
|-----------------|-------------------------|--------------------------------|---------------------|----------------|
| Escambia County | 10,298 | 8% | 13% | 2002-2003 |
| Florida | 410,380 | 5% | 61% | 2002 |
| Pensacola | 1,445 | 6% | -15% | 2003 |

declining neighborhoods. As a result, Escambia County still has a need for new affordable housing construction on vacant land parcels, especially in infill areas. Chapter 5 will explore potential uses for a vacant parcel in an urbanized area to the northwest of Pensacola's city limits.

Homelessness

When a household's rent or mortgage payments compete with other basic needs, such as food and healthcare, they are at risk of homelessness. Escambia County and Santa Rosa County comprise one homeless "Continuum of Care", the lead agency for which is the EscaRosa Coalition on the Homeless (ECOH). In the 2014 Point-in-Time [PIT] Count, according to State Office on Homelessness data, Escambia County identified 862 "literally homeless" people—those staying in shelters, on the street, or in other places not meant for human habitation. This is a 9% increase since 2008. Office on Homelessness data shows a 30% decrease in the state's homeless population during the same period (Table 6).

County-level PIT Count data for homeless subpopulations is not readily available from the Office on Homelessness, but HUD provides CoC-level PIT Count data for subpopulations³². Table 6 shows that EscaRosa's total homeless population has decreased by 18% since 2008 according to HUD's data, comparable to the state's overall decrease. EscaRosa has seen even sharper decreases among veterans and people in families. However, EscaRosa's chronically homeless population increased slightly (4%) while the state's chronically homeless population dropped by 20%.

To fully understand family homelessness and housing instability in Escambia County, data on homeless students must also be considered. The U.S. Department of Education provides funding and other support for public school districts to identify children and youth who are homeless at any time during the academic year, including those who are doubled-up or living in hotels or motels due to their family's loss of housing or economic hardship. By this definition, Escambia County had 1,621 homeless students in the

Table 6. Homeless Population and Subpopulations in Escambia County and the EscaRosa Continuum of Care.

Source: Office on Homelessness data³⁰, HUD Point-in-Time Count data³¹.

| Escambia County (Office on Homelessness data) | 2014 Homeless Population | Percent Change since 2008 | Percent Change in Florida |
|--|------------------------------------|-----------------------------------|------------------------------|
| | 862 | 9% | -30% |
| Homeless Population Category (HUD data) | 2014 Population in EscaRosa CoC | Percent Change in EscaRosa CoC | Percent Change in Florida |
| Total Homeless Population (2008-2014) | 843 | -18% | -17% |
| Persons in Families (2008-2014) | 122 | -50% | -26% |
| Chronically Homeless Individuals (2008-2014) | 177 | 4% | -20% |
| Veterans (2011-2014)* | 100 | -37% | -19% |
| Total | | 13,405 | |

*2011 was the first year that HUD had reliable estimates of Veteran homelessness at the Continuum of Care level.

Table 7. Homeless Students Identified in Public School Districts in Escambia County.

Source: National Center for Homeless Education³³, Florida Homeless Education Program³⁴.

| Population | Escambia County | Escambia County % Change (Academic Year '09-'10 to '12-'13) | Florida % Change (Academic Year '09-'10 to '12-'13) | Year of Survey |
|---|--------------------|---|---|----------------|
| Total Homeless Students | 1,621 | 31% | 44% | 2002-2003 |
| Shelter, Transitional Housing, Awaiting Foster Care, Unsheltered, RV Parks, Campgrounds, etc. | 165 | 74% | 19% | 2002 |
| Doubled Up or in Hotels/Motels | 1,456 | 27% | 50% | 2003 |

HOMELESS CHILDREN POPULATION ON THE RISE

AT THE STATE LEVEL

The population of homeless students increased by 44% between the 2009-2010 and 2012-2013 academic years.



IN ESCAMBIA COUNTY

The increase over the same period was lower but still significant—31%—**yielding a homeless student population of over 1,600** by the 2012-2013 academic year.



2012-13 academic year, a 31% increase since the 2009-10 academic year. The state as a whole had a sharper increase (44%) in student homelessness. Notably, Escambia County experienced a much higher increase in the number of students who were literally homeless or awaiting foster care placement than the state as a whole (74% vs. 19%), while the County's increase in students who were doubled up or living in motels was lower (27% vs. 50%).

Overall, Escambia County's picture on homelessness is mixed. HUD data suggests that the EscaRosa CoC has made progress in reducing literal homelessness, while state data suggests that Escambia County's literally homeless population has increased moderately. Between the limitations of PIT Count data and the growing problem of housing instability among families with school-aged children and youth, Escambia County has a need to expand best practices such as Housing First. The success of both permanent supportive housing and rapid re-housing depends on an adequate supply of affordable housing.

Low Wages

The above sections have discussed the “how” of housing cost burden and related hardships for low-income families in Escambia County. Similar to communities across the state and the nation, the “why” of Escambia County's affordable housing shortage is largely explained by low wages for many common occupations. Table 8 compares the 15 most common occupations and their median wages for the Pensacola – Ferry Pass – Brent metropolitan area and the State of Florida. The two lists are remarkably similar, with 13 out of 15 occupations in common. The Pensacola metro area, like the state, is dominated by low-wage service sector occupations.

The United Way of Florida's 2014 report on ALICE (Asset Limited, Income Constrained, Employed) Households calculated that the “survival wage” in Escambia County is \$9.28 for a single adult, and \$22.61 for a family of four with two adults and two small children. The “survival budget” described in the ALICE Report covers only

Table 8. Median Wages of Top 15 Occupations in the Pensacola Metropolitan Area and the State of Florida.Source: Florida Department of Economic Opportunity [DEO] 2014³⁵.

| Top 15 Occupations in Pensacola Metropolitan Area | Median Wage | Top 15 Occupations in the State of Florida | Median Wage |
|---|-------------|--|-------------|
| Food Preparation & Serving Workers | \$ 8.91 | Food Preparation & Serving Workers | \$ 9.00 |
| Waiters & Waitresses | \$ 8.92 | Waiters & Waitresses | \$ 9.09 |
| Cashiers | \$ 9.24 | Cashiers | \$ 9.23 |
| Janitors and Cleaners* | \$ 9.31 | Janitors and Cleaners* | \$ 9.70 |
| Retail Salespersons | \$ 10.33 | Retail Salespersons | \$ 10.13 |
| Stock Clerks & Order Fillers | \$ 10.60 | Stock Clerks & Order Fillers | \$ 10.87 |
| Restaurant Cooks | \$ 11.18 | Laborers and Freight, Stock, & Material Movers (by hand) | \$ 11.06 |
| Nursing Assistants | \$ 11.31 | Restaurant Cooks | \$ 11.31 |
| Customer Service Representatives | \$ 12.27 | Nursing Assistants | \$ 11.36 |
| Office Clerks, General | \$ 12.37 | Office Clerks, General | \$ 12.51 |
| Secretaries** | \$ 13.24 | Customer Service Representatives | \$ 13.57 |
| Bookkeeping, Accounting, & Auditing Clerks | \$ 15.07 | Secretaries** | \$ 14.37 |
| Correctional Officers & Jailers | \$ 16.75 | Bookkeeping, Accounting, & Auditing Clerks | \$ 16.27 |
| First-Line Supervisors of Retail Sales Workers | \$ 18.39 | Sales Representatives, Wholesale & Manufacturing*** | \$ 23.04 |
| Registered Nurses | \$ 26.75 | Registered Nurses | \$ 29.73 |
| All Occupations in Pensacola Metropolitan Area | \$ 14.46 | All Occupations in Florida | \$ 15.13 |

*Except maids and housekeepers | **Except legal, medical, and executive | ***Except technical and scientific products

the bare minimum for basic household expenses like housing, food, and child care, with no cushion for emergencies. Three occupations in the Pensacola metro pay wages that do not cover a single person's survival budget, and another four occupations would not cover a family of four's survival budget even if doubled (i.e. even if both parents worked in these occupations).

Median wages are generally lower in the Pensacola metro than at the state level, although the difference is more pronounced in occupations with higher wages. For example, food preparation and serving workers in the Pensacola metro earn a median wage of \$8.91, just 9 cents lower than food preparation and serving workers statewide. Registered nurses in the Pensacola metro earn a median wage of \$26.75, which is nearly \$3 lower than the median wage for registered nurses statewide.

Workers in common low-wage occupations drive much of a community's demand for low-cost rental housing. Chapter 3 discusses the barriers faced by low-income renters in more detail.

Summary

Despite Escambia County's relatively soft housing market, its low-income households struggle with high housing costs at about the same rate as low-income households in Florida overall. Like the state as a whole, Escambia County has seen increases in cost burden over time among lower-income households, particularly renters. Pensacola's housing problems often mirror those of the County, while in Century, incomes are generally lower and housing problems more acute.

Other dimensions of housing hardship in Escambia County include long commutes, substandard housing, and homelessness. The County has a mismatch between affordable housing supply and demand, with a number of deteriorating and vacant units on the one hand, and hundreds of homeless and precariously housed individuals on the other. Later chapters will discuss different tactics for expanding affordable housing in Escambia County, including both rehabilitation and new construction.

CHAPTER THREE:**Challenges for Renters**

Over the past decade, the number of rental units in Escambia County's housing market has increased, while the number of ownership units has significantly declined (Table 9). The City of Pensacola experienced a similar trend (Appendix 4). It is customary for a community to have higher vacancy rates among rental units than owner units, since renters tend to move more often than owners, leaving a higher share of rentals vacant at any given time. However, the County's rental vacancy rate has steadily increased, surpassing the state's vacancy rate in 2013³⁶. Pensacola's rental vacancy rate has consistently been lower than the County's, and has leveled off since 2011.

One might expect Escambia County's increased rental supply and rising rental vacancy rate to moderate costs, resulting in a highly affordable rental market for low-income households. However, as Figure 3 showed, the opposite is true. Rental vacancies may be increasing because of increasing cost burden, rather than in spite of it, as lower-income renters move more frequently in search of affordable living arrangements.

Mismatch Between Rents and Wages

A rental market's relative affordability is determined not by housing costs alone, but by the balance between rents and incomes. As Chapter 2 described, many of Escambia County's most common occupations pay very low wages. Figure 5 compares median wages for the Pensacola metro's top 15 occupations to the "housing wage" required to afford a 1- or 2-bedroom apartment at Fair Market Rent (FMR)³⁸. Eleven occupations fall short of

the housing wage for even a 1-bedroom apartment, though secretaries are only \$0.22 short. Bookkeeping, accounting, and auditing clerks are nearly \$1.00 short of the housing wage for a 2-bedroom unit.

Many low-income workers share housing costs with a spouse or roommates, but this is not a failsafe way to make housing affordable. These households can quickly fall into financial crisis due to job loss, illness, child care emergencies, break-down of an automobile, or other disruptions. Additionally, many low-income households consist of single parents with young children³⁹.

The problem of high rental costs is not just restricted to renters with the lowest wages, however. Even the median renter income of \$29,691 in Escambia County—an hourly equivalent of \$14.27—is insufficient to afford the County's median rent, as shown in Figure 6. The gap appears to have widened since 2005, although this may be due to differences in the datasets for different years (see Appendix 2). Pensacola and the State of Florida show a similar disconnect between median rents and what renters can afford to pay.

Shortage of Affordable and Available Rental Units

Escambia County does have rental units, both subsidized and unsubsidized, that are affordable to low-income households. However, there are not enough of these units to go around. Not only is the overall supply of affordable rentals limited, but some of these rentals are already occupied by higher-income households. In other words, low-income renters find themselves in a game of musical chairs with other low-income renters and higher-income renters for a limited number of affordable units.

Table 9. Tenure and Occupancy Status of Housing Units in Escambia County.

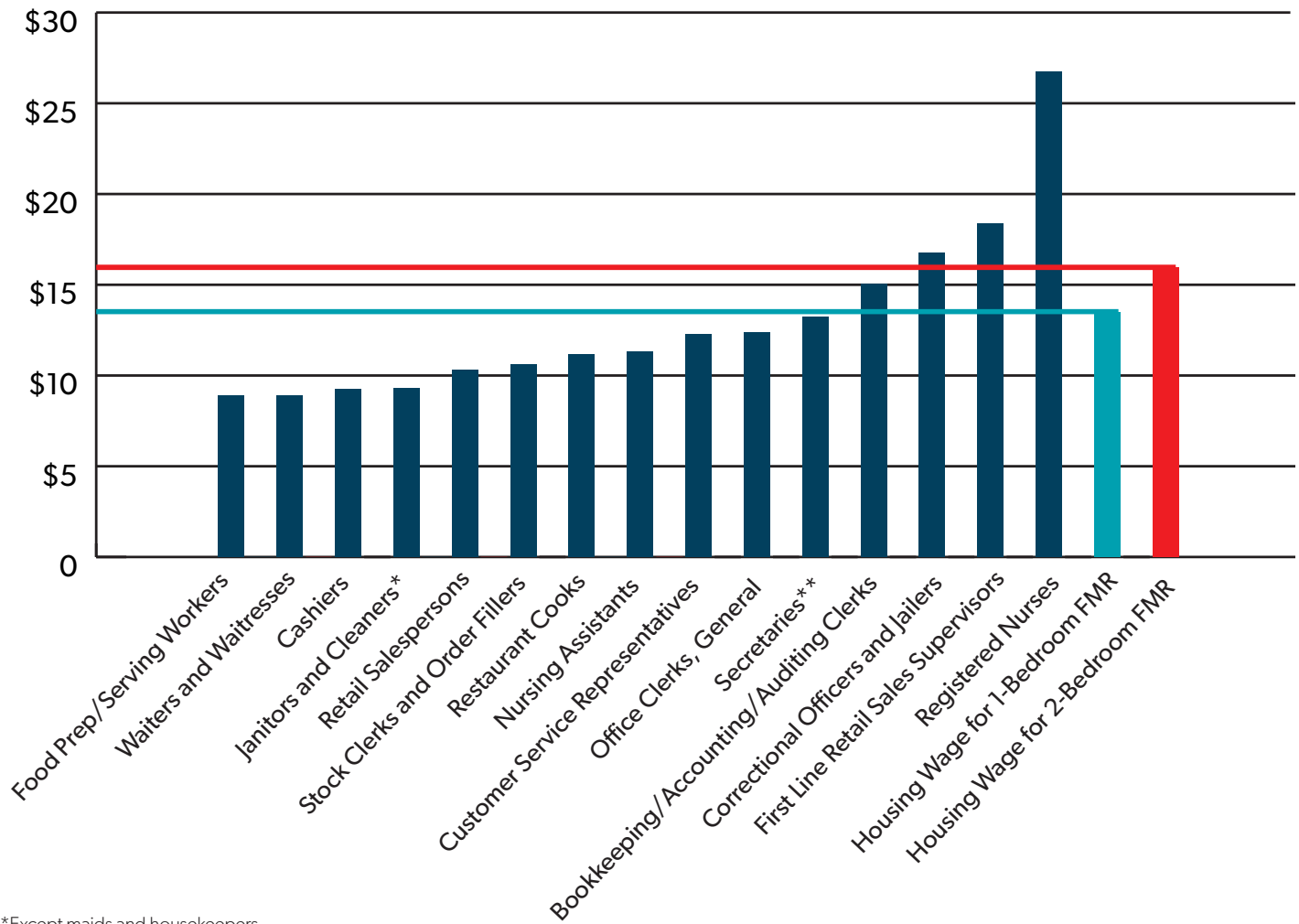
Source: ACS³⁷.

| Variable | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Owner Occupied | 82,447 | 79,604 | 80,418 | 80,102 | 78,816 | 76,351 | 75,363 | 73,261 | 71,575 |
| Renter Occupied | 37,686 | 38,449 | 37,572 | 36,110 | 38,620 | 36,962 | 36,565 | 38,751 | 40,114 |
| Owner Vacancy Rate* | 2% | 3% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Rental Vacancy Rate* | 6% | 8% | 8% | 10% | 9% | 10% | 11% | 11% | 13% |
| Owner Units (occupied and vacant*) | 83,788 | 81,645 | 82,227 | 82,072 | 80,507 | 78,069 | 76,980 | 74,986 | 73,260 |
| Renter Units (occupied and vacant*) | 39,922 | 41,702 | 40,884 | 40,256 | 42,580 | 40,932 | 41,038 | 43,737 | 45,845 |
| Homeownership Rate | 69% | 67% | 68% | 69% | 67% | 67% | 67% | 65% | 64% |

*Vacancy rate is the percentage of ownership or rental units in the housing market that are vacant-for-sale or vacant-for-rent, respectively. Units that are vacant for other reasons (e.g. vacation rentals and those that are off the market for repairs) are excluded from the calculations.

Figure 5. Comparison of Median Wages and “Housing Wages” for Top 15 Occupations in the Pensacola Metro.

Source: DEO 2014, National Low Income Housing Coalition [NLIHC] 2014a⁴⁰.

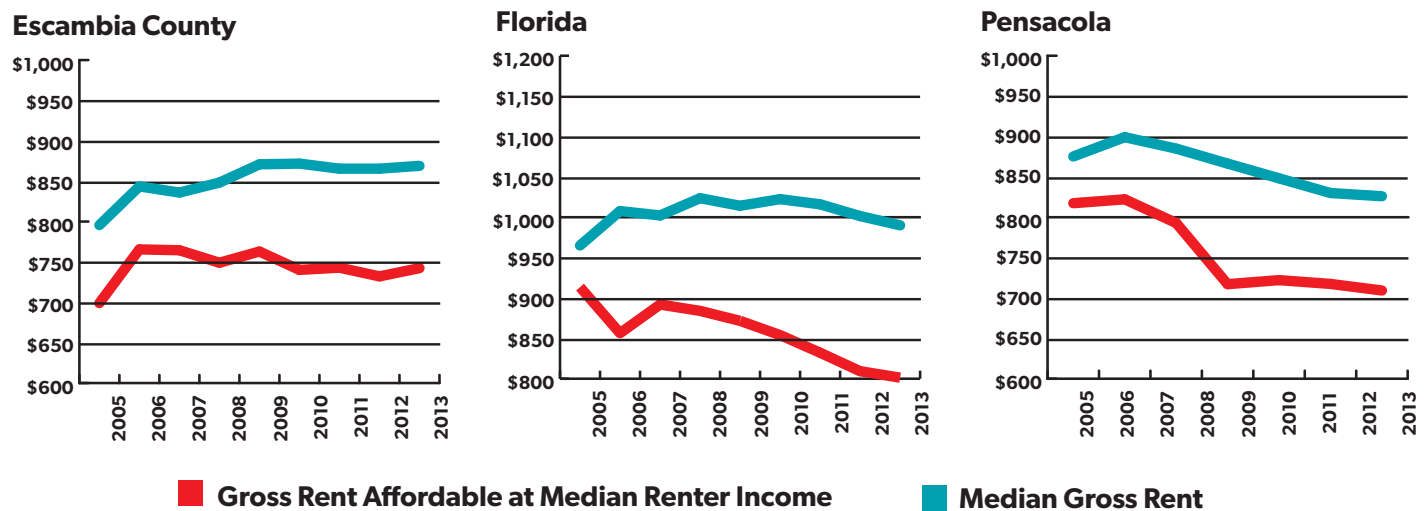


*Except maids and housekeepers.

**Except legal, medical, and executive

Figure 6. Comparison of Median Gross Rent to Affordable Rent at Median Renter Income.

Source: ACS⁴¹.



Affordable and Available Rental Units **FOR EVERY 100** LOW-INCOME RENTER HOUSEHOLDS IN ESCAMBIA COUNTY at Different Income Brackets.



27
FOR HOUSEHOLDS
<30%
of Area Median
Income



49
FOR HOUSEHOLDS
<50%
of Area Median
Income



96
FOR HOUSEHOLDS
<80%
of Area Median
Income

This shortage of affordable and available units in Escambia County is illustrated in the infographic on this page. For low-income households overall in Escambia County, 96 rental units are affordable and available for every 100 renter households. However, at lower income levels, the shortage is obvious: only 49 affordable and available rentals for every 100 very low-income households, and only 27 affordable and available rentals for every 100 extremely low-income households^{42,43}. In Pensacola, the number of units for every 100 ELI, VLI, and LI renters is 38, 51, and 96, respectively. The relatively large supply for ELI renters may reflect the fact that most of the County's subsidized housing developments are located in Pensacola.

Please note that this measure may understate the actual prevalence of housing cost burden among low-income households. For example, a household at 60% AMI could live in an apartment affordable at 75% AMI. The household would be cost burdened, but the rental unit would still count as affordable and available to households between 51% and 80% AMI. In fact, half of renter households with incomes between 51% and 80% AMI are moderately cost burdened in Escambia County⁴⁴.

CHAPTER FOUR:

Challenges for Homebuyers

Although the Great Recession has tempered American attitudes toward homeownership, most renters still aspire to own a home one day⁴⁵. While a community's affordable housing strategy should never neglect or disparage renters, homeownership has undeniable benefits, including a chance to put down roots in a community, gain access to desirable neighborhoods and schools, and build wealth.

For many low- and moderate-income families, homeownership is a viable option—provided it includes strong underwriting criteria and sustainable interest rates. In the fourth quarter of 2014, the Pensacola metro area had Florida's third most affordable market for median-income homebuyers, according to the National Association of Home Builders' (NAHB) Housing

Opportunity Index (HOI) data⁴⁶. As this chapter shows, however, home prices often exceed what low-income professionals can afford to pay, and the supply of affordable homes for sale is limited.

Low Wages Relative to Home Prices

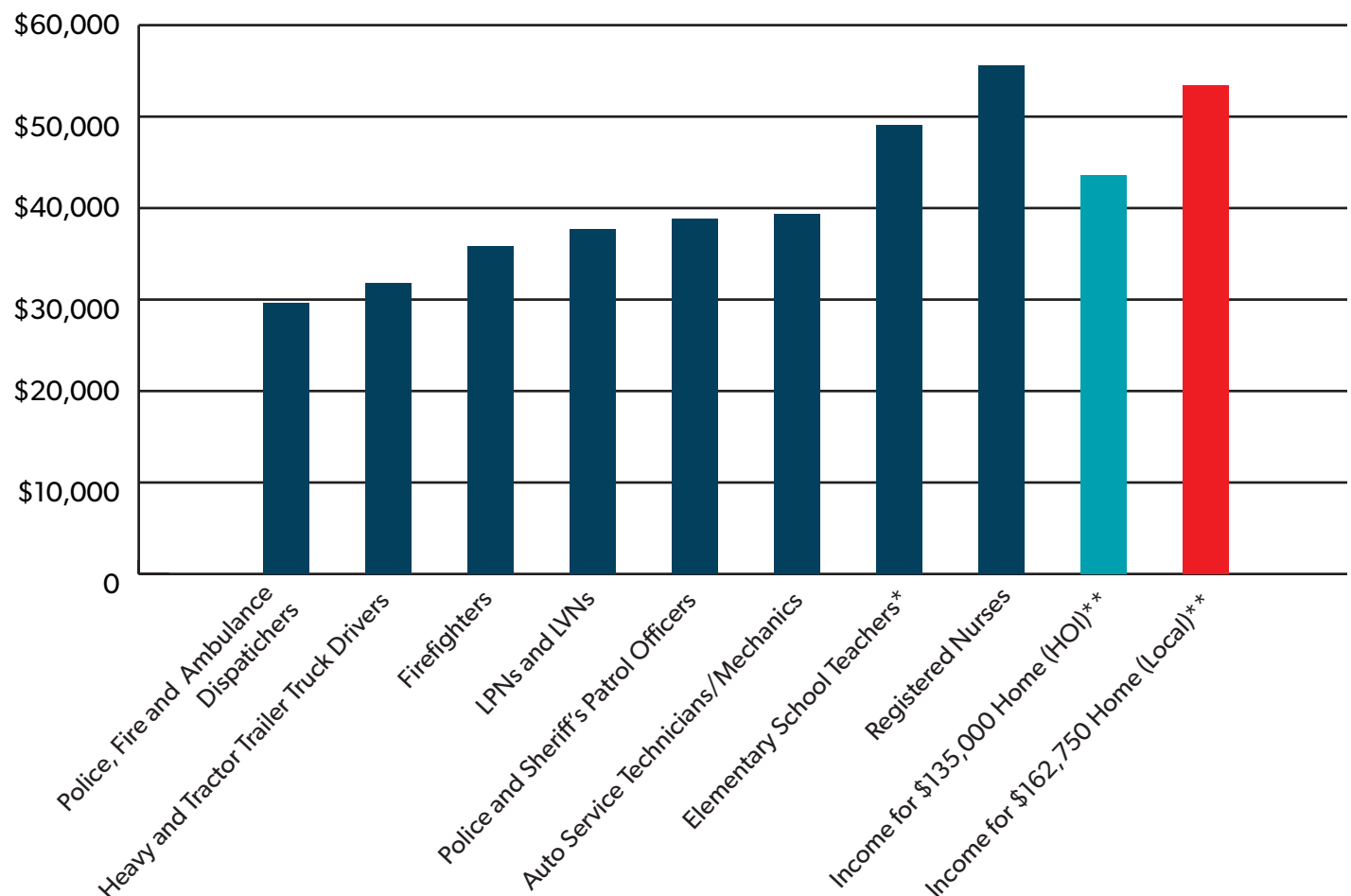
Figure 7 compares median annual incomes for selected medium- and high-skilled occupations in the Pensacola metro to the incomes needed to afford two different estimates of median home prices⁴⁷. According to the HOI, the median home price in 2014 was about \$135,000. Data on 2014 home sales from the Escambia County Property Appraiser yields a much higher median home price of \$162,750⁴⁸. Both measures of median home prices leave behind most of the workers shown. Only registered nurses can afford to buy a home at both price points, and elementary school teachers are the only other occupation able to purchase a home at the HOI median. The median home price leaves behind several essential

service workers, including police, fire, and ambulance dispatchers; firefighters; and licensed practical and vocational nurses.

Limited Supply of Moderately Priced Homes

Even if many low- and moderate-income workers in Escambia County cannot afford median-priced homes, they may be able to buy more modestly priced homes in the local inventory. However, the supply of homes at price points available to these workers and their families is limited. As Figure 8 shows, 757 single-family homes, townhomes, and condominiums were sold for \$150,000 or less in Escambia County. This supply could house the bulk of Escambia County's 875 severely cost-burdened renter households between 51% and 80% AMI, many of whom undoubtedly aspire to homeownership. However, the County's modestly priced home sales are dwarfed by the thousands of moderately cost burdened renters and severely cost burdened owners.

Figure 7. Comparison of Median Annual Incomes to Incomes Needed to Afford Median-Priced Homes in the Pensacola Metropolitan Area.
Source: DEO 2014, NAHB HOI 2014, Escambia County Property Appraiser 2015.



*Except special education

**Estimates from Housing Opportunity Index (average of 2014 quarterly median home prices) and local property appraiser data, respectively

CHAPTER FIVE:**625 East Olive Road: An Opportunity for Mixed-Use, Mixed-Income Housing Development**

Chapter 2 described the prevalence of vacant residential structures in Escambia County, and the barriers to returning these structures to productive use. Redevelopment of vacant land parcels is another tool for expanding the County's affordable housing supply in a way that revitalizes neighborhoods and avoids sprawling "greenfield" development.

One such parcel is located at 625 East Olive Road, in an urbanized area 1.7 miles northwest of Pensacola's city limit (Figure 9). The Escambia County Housing Finance Authority (ECHFA) has owned the parcel since 2004 and intends to use it for a mixed-use, mixed-income affordable housing development. The area is served by the Escambia County Area Transit's Route 45. By partnering with a qualified housing developer, ECHFA could

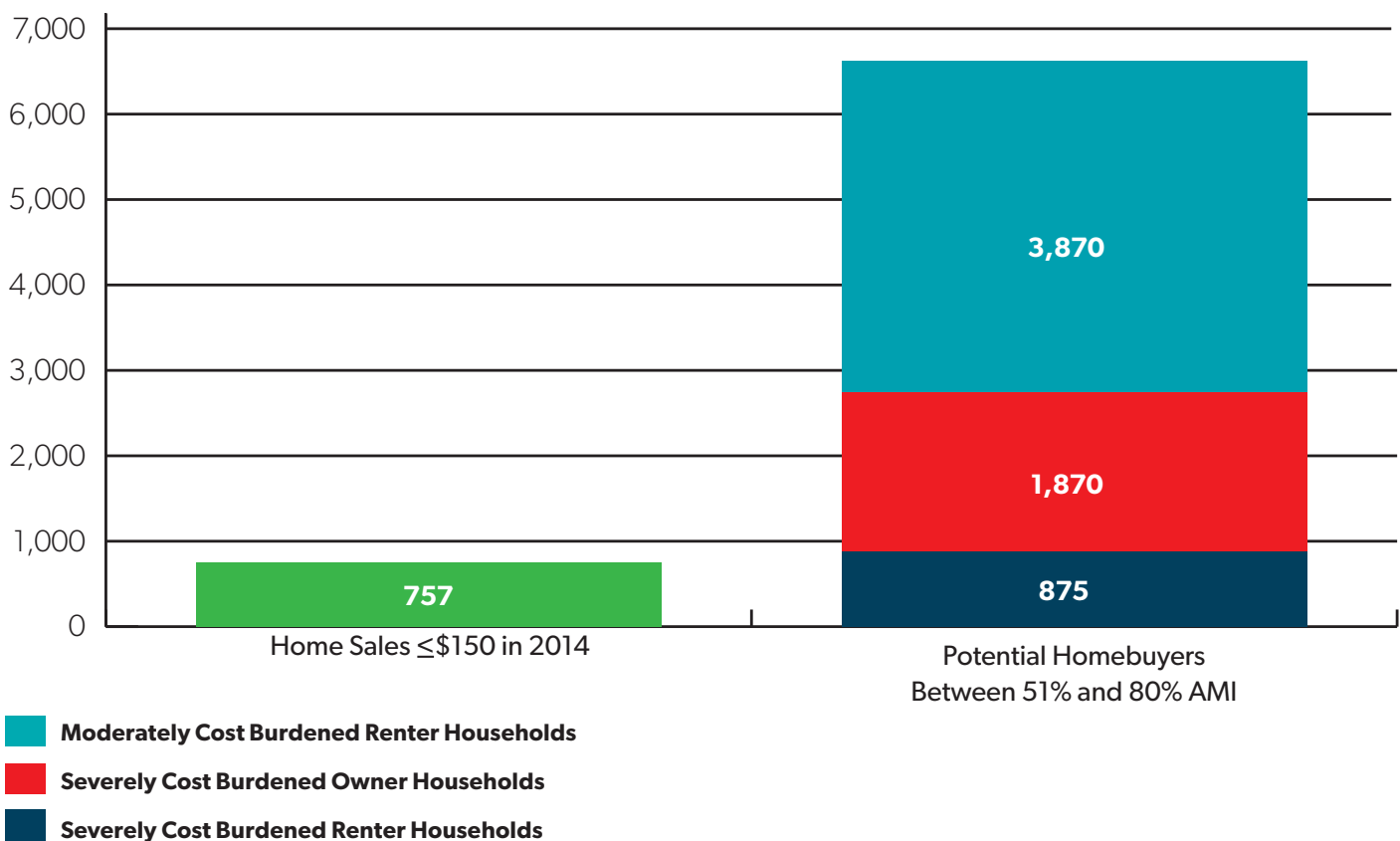
provide an important subsidy layer to keep the rents or home sale prices affordable.

ECHFA plans to use two main factors in deciding which population(s) should be targeted by the future Olive Road development. First, the target population(s) for the income-restricted units should have a high level of unmet need in Escambia County. Second, the mix of businesses, agencies, and amenities in the vicinity should meet the population's daily needs.

Table 10 presents demographic, social, and economic data for Escambia County and the area in a five-mile radius around the Olive Road property (the "catchment area"). The property's catchment area contains nearly half of the County's households, and its profile is very similar to that of the County. For example, the two geographic areas are nearly identical in terms of unemployment rate, poverty rate, and share of the population

Figure 8. Comparison of Moderately Priced Home Sales to Low-Income Potential Homebuyers in Escambia County.

Source: Escambia County Property Appraiser, HUD 2007-2011 CHAS.



over 25 with less than a high school degree. The largest difference is in the percentage of vacant housing units—9% in the catchment area, compared to 19% countywide.

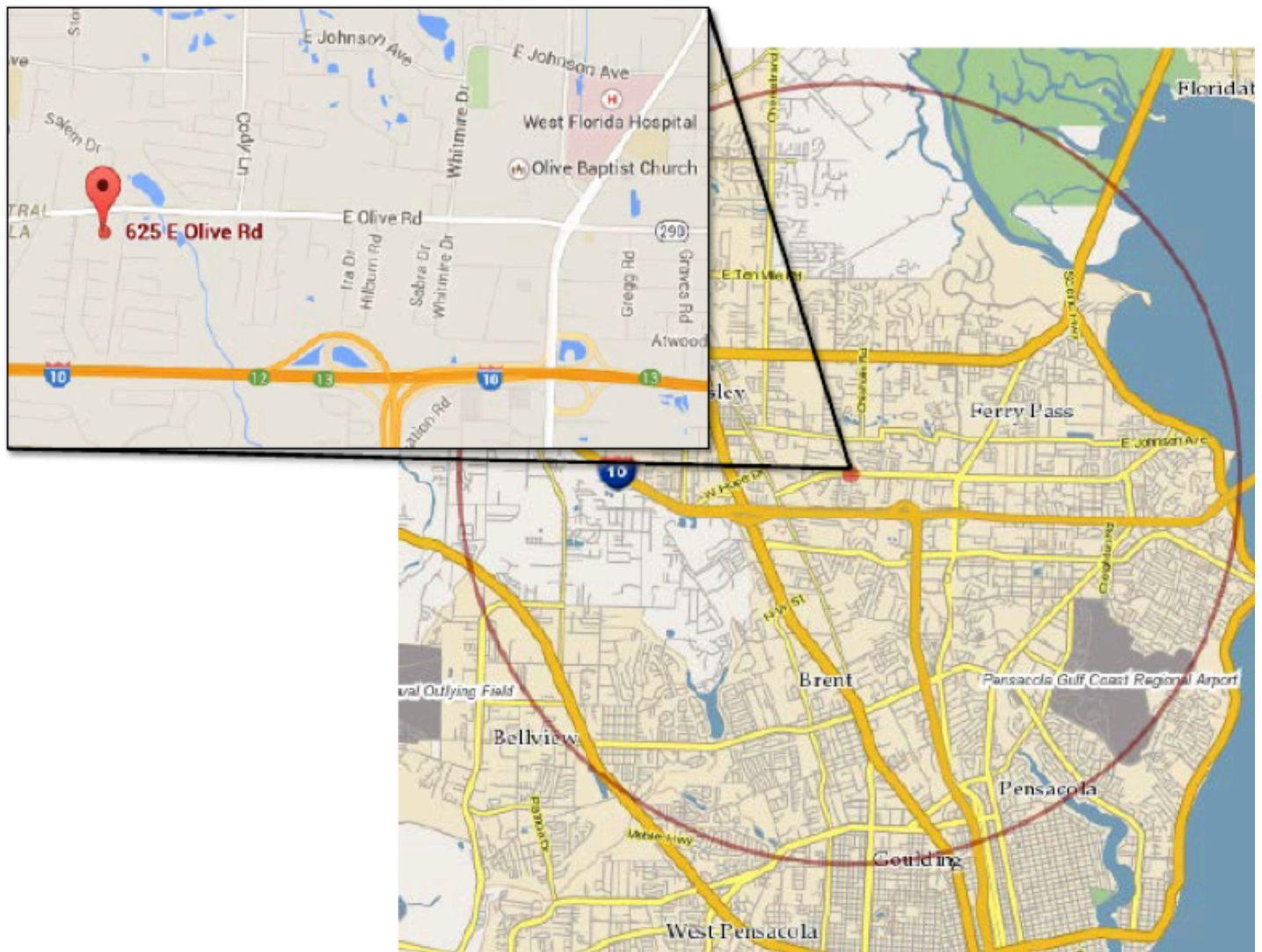
The Olive Road property is close to many establishments that future inhabitants might use in the course of their daily lives, as shown in Table 11. For example, the property is located less than two miles from a convenience store; two drugstores; two grocery stores; two elementary schools; a hospital; and faith-based food, emergency assistance, and medical ministries. The catchment area also includes a library, two middle schools, the Northwest Florida Area Agency on Aging, and other points of interest.

Two nearby facilities not included in Table 11 are permanent supportive housing developments for homeless veterans and people with mental illness, owned and operated by Volunteers of America of Florida. While these developments would not necessarily provide services to residents of the Olive Road property, their presence within 1.3 miles of the property indicates that people with disabilities and other special needs can live successfully in this area.

Ideally, the development will include deeply subsidized rental housing for extremely low-income households, since ELI renters generally have the highest rates of cost burden. With the close

Figure 9. Location of Vacant Parcel Owned by the Escambia County Housing Finance Authority at 625 East Olive Road.

Source: University of West Florida 2015⁴⁹, Google Maps 2015.



*The circle in the lower right image shows a five-mile radius around the property.

Table 10. Demographic, Social, and Economic Data for Olive Road Parcel Catchment Area.

Source: University of West Florida 2015 (catchment area), 2013 ACS 5-year estimates (Escambia County).

| Variable | | Within 5-mile radius of 625 Olive Rd | Escambia County |
|--|---|---|-----------------|
| Households | | 53,110 | 111,689 |
| Elderly Population | | 16% | 15% |
| Vacant Housing Units (% of total) | | 9% | 19% |
| Homeownership Rate | | 62% | 64% |
| Educational Attainment (Population 25 and older) | Less than a high school degree | 13% | 12% |
| | High school degree | 27% | 29% |
| | Some college or Associate's | 34% | 36% |
| | Bachelor's degree or higher | 26% | 24% |
| Median Household Income | | \$43,642 | \$43,918 |
| Ratio of Income to Poverty Level | < 0.5 (% of population) | 8% | 8% |
| | 0.5 - 0.99 (% of population) | 10% | 10% |
| | Total below poverty level (number) | 23,853 | 50,783 |
| | 1 - 1.5 (% of population) | 11% | 10% |
| | 100% to 150% of poverty level (number) | 14,722 | 27,923 |
| Labor Force Participation (Population 16 and older) | | 59% | 62% |
| Unemployment Rate (Population 16 and older) | | 8% | 7% |
| Disability Status of Civilian Noninstitutionalized Population | With a disability (number) | 8,575 | 43,382 |
| | With a disability (% of population) | 14% | 15% |
| | Elders (65+) with a disability (number) | 3,912 | 17,915 |
| | Elders (65+) with a disability (% of population) | 7% | 6% |

proximity of both K-12 schools and medical facilities, the Olive Road property could reasonably provide housing for families with children, elders, or people with disabilities. Each of these populations has ample demand for affordable housing, as Chapter 2 demonstrated. Well over 1,000 K-12 students and their families may experience homelessness over the course of an academic year, according to an expanded definition that includes doubled-up families. Additionally, thousands of household heads are elderly, have a disability, or both. To accommodate households

from across the socioeconomic spectrum, the development could include “workforce” rental and ownership units with shallower subsidies targeted to households between 50% and 80% AMI, as well as market-rate units. Residents from all walks of life would benefit from a central community facility within any proposed development, with a computer lab and other services. It would be particularly useful for job seekers and schoolchildren with homework, since the nearest library and CareerSource office are several miles from the site.

Table 11. Services and Amenities in or Near 625 E. Olive Road Catchment Area.

Source: Google Maps 2015.

| Nearby Establishments | Distance (mi) |
|--|---------------|
| Xpress Mart | 0.6 |
| Ensley Elementary School | 0.8 |
| Walgreens | 1.4 |
| CVS | 1.4 |
| Dollar Tree | 1.6 |
| Hope and Health Clinic at Olive Baptist Church (health care for uninsured) | 1.6 |
| Ministry Village at Olive Baptist Church (food bank, emergency financial assistance) | 1.8 |
| Ferry Pass Elementary School | 1.8 |
| Grocery Advantage | 1.9 |
| West Florida Hospital | 1.9 |
| Woodham Middle Schools | 2.1 |
| University Mall | 2.4 |
| Big Brothers Big Sisters of Northwest Florida | 2.9 |
| Ferry Pass Middle School | 3.1 |
| Lucia M. Tryon Branch Library | 3.7 |
| Northwest Florida Area Agency on Aging | 4.3 |
| Ronald McDonald House | 4.9 |
| CareerSource EscaRosa | 5.6 |

CHAPTER SIX:**Housing Needs in the Town of Century**

From the previous chapters, a distinctive profile emerges for the Town of Century—a community deeply affected by the nationwide, decades-long trend of population and job loss in rural areas, as well as the legacy of Jim Crow. Century’s population declined by 3% between 2010 and 2013 alone, compared to a 4% drop over the previous 13 years (Table 1). Compared to Escambia County overall, Century has low labor force participation (42%) and high unemployment and poverty rates (21% and 41%, respectively). Although three-fourths of Century’s households are low-income, a relatively small share of these households are cost burdened—suggesting that much of the housing stock is extremely inexpensive and substandard. Unlike Pensacola and the County as a whole, a majority of Century’s population (60%) is African-American. This chapter will examine Century’s housing needs and other challenges, as well as opportunities for meeting these challenges.

Housing Challenges

Table 12 describes Century’s occupied housing stock by tenure and structure type. Of Century’s 620 occupied units in 2013, 371

(60%) were owner-occupied. Most owner-occupied homes are detached single-family structures. Anecdotal evidence suggests that many owner-occupied properties do not have clear title, since their original owners built them decades ago and passed them down informally to subsequent generations. Over 40% of Century’s rental units in 2013 were located in developments subsidized by HUD and United States Department of Agriculture programs. Overall, Century’s housing stock has seen a shift from owner-occupied to rental units, and mobile homes remain a significant share (19%) of the town’s housing stock.

Table 12. Town of Century’s Occupied Housing Stock.Source: 2013 5-year ACS, 2000 Census, Shimberg Center for Housing Studies 2015⁵⁰.

| Housing Units | Number of units in 2013 | % change since 2000 |
|------------------------------------|-------------------------|---------------------|
| Total occupied units | 620 | -8% |
| Owner-occupied units (site-built) | 300 | -18% |
| Owner-occupied mobile homes | 71 | -38% |
| Renter-occupied units (site-built) | 200 | 25% |
| Renter-occupied mobile homes | 49 | 29% |
| Subsidized rental units | 108 | 0% |

County employees, economic development professionals, and others who work in Century attest that many of Century's dwellings are substandard. Comprehensive data on Century's housing conditions is not available, but recent studies of mobile home conditions provides a window into Century's housing rehabilitation needs. In the ten Public Land Survey System (PLSS) sections that include the Town of Century, 19% of mobile homes were built before HUD began certifying manufactured homes in 1976. Another 42% were built before 1995, when both HUD construction standards and state installation standards required greater resistance to hurricane-level winds. Many older mobile homes are observed to have substandard or dangerous conditions, including leaning or buckling structural elements, fire or wind damage, poor indoor air quality, and inadequate sanitation facilities⁵¹.

Economic and Community Development Challenges

Century's declining population, high poverty and unemployment rates, and relatively low labor force participation and educational attainment⁵² all pose challenges to the town's economic viability. In a series of focus groups led by the University of West Florida's Haas Center in 2014, residents, business leaders, and regional economic development professionals identified several common

themes. For example, business owners have difficulty finding local employees who are able to pass criminal, credit, and literacy checks, while prospective employees struggle to find affordable child care. Several public facilities in Century, including the County Tax Collector Office, a hospital, and a hurricane shelter, have been closed or relocated in recent years. With limited public transportation and unreliable broadband internet access, many residents have limited access to County services that are located far from Century^{53,54}.

Possibly the most painful loss for Century was the recent closure of its last public school. Parents are frustrated by the amount of time their children spend on the bus to and from schools elsewhere in the County. This travel time diminishes students' opportunities for after-school enrichment and mentoring programs, which many residents see as integral to workforce development. Moreover, the school served as a community symbol, and its closure has contributed to a sense of community disengagement.

In many ways, Century's economic challenges are worsening and self-reinforcing. Population loss has accelerated in recent years, and Century is projected to lose 16% of its population between 2013 and 2018⁵⁵. The poverty rate ballooned from 25% to 43%

Figure 10. Population in Century, Pensacola, and Escambia County by Age Group.

Source: U.S. Census Bureau 2010.

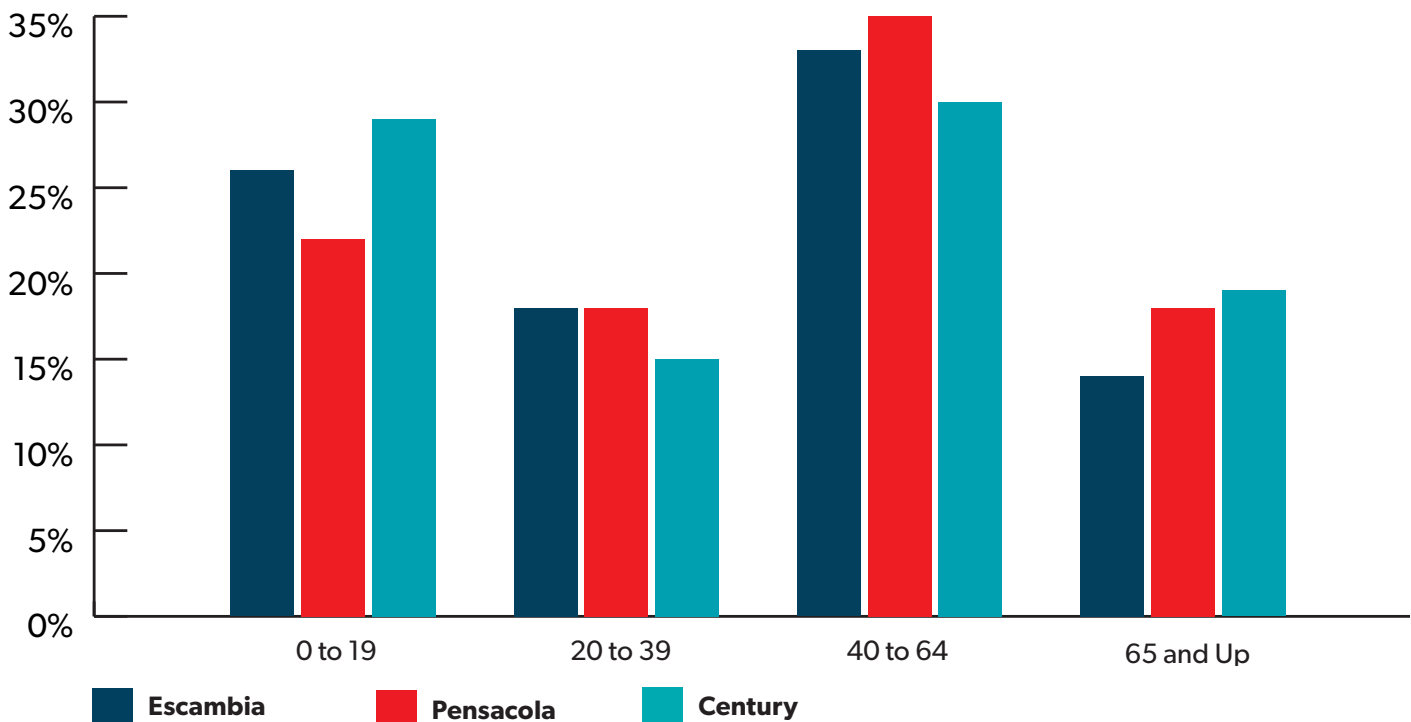


Table 13. Female-to-Male Ratios and Prevalence of Female-Headed Families in Century and Pensacola..

Source: 2010 Census.

| Age | Female-to-Male Ratio | | | |
|---|----------------------|------------------|---------------------------|---------------------------|
| | Century | Pensacola | Century Black only | Century White only |
| 0 to 19 | 1.0 | 1.0 | 1.0 | 0.9 |
| 20 to 24 | 1.5 | 1.0 | 2.1 | 0.9 |
| 25 to 34 | 1.2 | 1.0 | 1.2 | 1.1 |
| 35 to 44 | 1.4 | 1.0 | 1.7 | 1.1 |
| 45 to 64 | 1.2 | 1.1 | 1.3 | 1.1 |
| 65+ | 1.8 | 1.5 | 1.6 | 1.9 |
| | | | | |
| Female-headed families with minor children (% of all families) | Century | Pensacola | Century Black only | Century White only |
| | 22% | 14% | 29% | 12% |

between the 2000 and 2010 Decennial Census counts, with an even sharper increase among single female household heads⁵⁶.

In reversing Century's economic decline, it is important to recognize demographic limits to the earning power of its population. Chapter 1 noted that in 2013, Century had a similar share of elderly residents to Pensacola, a city with a much higher labor force participation rate. The 2010 Census data in Figure 10, which is a complete count rather than an estimate, paints a similar picture. However, Figure 10 shows that Century has a lower share of working-age adults (20 to 64) than Pensacola and the County, while its combined share of youth and elderly populations is higher.

The reasons for the gender imbalance and prevalence of female-headed households cannot be known without further study. Many young men undoubtedly leave for job opportunities elsewhere. The economic development initiatives described in the next section may entice more young men to live and work in Century. These numbers may also reflect a national trend of "missing black men" detailed in a recent New York Times analysis⁵⁷. The implications for Century's economic development are discussed in the next section.

Initiatives in Century

The Town of Century, with the help of Escambia County officials, has made extensive investments and planning efforts to revitalize the community. In recent years, Century has developed its industrial park, made much-needed water and sewer improvements, assisted homeowners with housing rehabilitation, and undertaken other community development

activities. Much of this activity has been funded by grants, including the Community Development Block Grant (CDBG) Small Cities grant, the USDA Rural Development grant, the Florida Department of Transportation, and other sources^{58,59}.

Century's recently completed Strategic Plan and supporting documents provide a framework for attracting basic-sector industries and increasing the competitiveness of working-age residents for local jobs. Century hopes to build a manufacturing base by capitalizing on its regional advantages, including its proximity to major transportation corridors and urban centers. The Strategic Plan proposes more effective collaboration with regional resources, including Pensacola State College, to provide training on literacy, job preparedness, and other "soft skills", as well as providing mentorship opportunities to at-risk youth^{60,61}.

The need for rehabilitation of owner-occupied housing in Century is ongoing, and CDBG Small Cities grant funds can assist only a few homes per year⁶². Housing Finance Authority board and staff members are actively exploring Auburn University's "20K House" as an avenue to help meet the need for high-quality, affordable ownership housing for those with very limited income. 20K houses, developed by Auburn University's Rural Studio, are designed to be built for only \$20,000. The mortgage on a 20K house would be affordable to a buyer whose sole source of income is Social Security⁶³.

Century also has a strong need for affordable rental housing. Century and Escambia County have plans for a 40- to 50-unit

townhome-style rental complex, to be built by a private developer with state HOME funds and other funding sources. If an application for Florida's rural set-aside HOME funds is successful, the development may be ready for occupancy by late 2016⁶⁴.

One advantage of HOME funds is flexibility in the duration of tenants' leases. The HOME rule allows lease terms less than one year "by mutual agreement between the tenant and the owner" (24 CFR §92.253). If the State's HOME funds and other funding layers allow the same flexibility as the federal rule, the rental development planned in Century may provide much-needed temporary housing for homeowners whose homes are being repaired or reconstructed.

Going forward, investments in affordable housing and economic development in Century are highly interconnected. Affordable housing production and rehabilitation will help economic development to gain traction by increasing residents' disposable income, improving their health, and boosting community pride. On the other hand, residents of affordable housing will find themselves increasingly isolated from jobs and services if the Town's economic development plans are unsuccessful.

Economic development, in turn, may be undermined if all stakeholders do not re-examine their practices and change them as necessary. For example, if credit checks are a barrier for the local workforce, employers could simply discontinue them, if allowed by law and their corporate parents^{65,66}. Job seekers, likewise, could be educated about their right under Florida law to refuse an employer's credit check⁶⁷, in addition to seeking budget and credit counseling. A community-wide effort to avoid harsh school disciplinary tactics and criminal sentences (to the extent allowed by federal and state law) can aid in keeping Century's adolescent and young adult residents on the path to labor force participation^{68,69}.

In short, investments in affordable housing, economic development, and other initiatives in Century are not without risk. A decade and a half ago, Century's population was higher and its poverty rate considerably lower, suggesting that the Town has the underlying human capital to reverse course and become a vibrant rural community. The challenges are certainly steeper now, with the loss of public schools and other key services. Nonetheless, if the investments that Century has already made

in planning and infrastructure are to come to fruition, the Town must take a chance on affordable housing development.

CHAPTER SEVEN:

The Sadowski Housing Trust Funds: Building a Stronger Escambia County

Affordable housing problems are often associated with booming South Florida communities, but low-income Escambia County households experience housing cost burden at about the same rate as low-income Floridians overall. Both median rents and home sale prices are out of reach for many low-income workers, and the supply of modestly priced homes and apartments is limited. For working families who find lower-cost housing far from their jobs, their combined housing and transportation costs can easily absorb over half of their income. Housing cost burden is increasing among lower-income households in Escambia County, and an alarming number of residents—including families with children—are homeless or precariously housed. Circumstances in Century are especially dire, with widespread substandard housing conditions and high poverty and unemployment rates.

As the case study on the 625 East Olive Road property highlighted, Escambia County's affordable housing strategy must be flexible and multi-pronged. The Sadowski State and Local Trust Funds often provide a key layer of funding for construction, rehabilitation, and reconstruction of both ownership and rental housing. This chapter provides an overview of the Sadowski Trust Funds and reviews their impact in Escambia County.

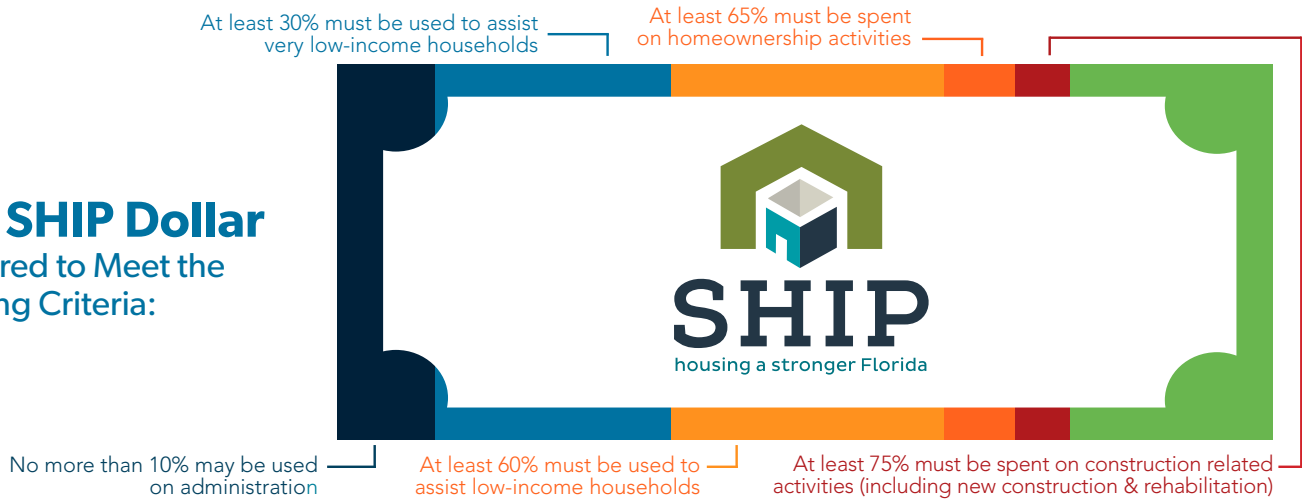
Sadowski History and Major Programs

More than 20 years ago, a diverse coalition of Florida's affordable housing advocates, business and industry groups, and faith-based organizations recognized the need for a dedicated state revenue source for affordable housing. In 1992, the state legislature passed the William E. Sadowski Affordable Housing Act, named after a Department of Community Affairs secretary who had recently died in a plane crash. The Sadowski Act raised the state documentary stamp tax on deeds by ten cents per \$100 of the property's value¹, and directed the new funds to two trust funds, one for local governments and one for the state.

The Local Housing Trust Fund supports the State Housing Initiatives Partnership (SHIP) program, which primarily funds the production and preservation of affordable ownership housing

¹In 1995, the State Legislature shifted another ten cents of documentary stamp tax revenue from general revenue to the Sadowski trust funds.

Each SHIP Dollar is Required to Meet the Following Criteria:



for low- and moderate-income households. The Florida Housing Finance Corporation (Florida Housing) uses a population-based formula to distribute SHIP funds to all 67 counties and to cities eligible for Community Development Block Grant (CDBG) funds. SHIP is most commonly used to support home construction, rehabilitation to make homes safe and/or handicapped accessible, and down payment assistance. It gives local governments plenty of flexibility to meet local needs and preferences, as long as a few basic requirements are met. These requirements, found in Florida Statute 420, include:

- At least 65% must be spent on homeownership activities
- At least 75% must be spent on construction (including new construction and rehabilitation)
- At least 30% must be used to assist very low-income households
- At least 60% must be used to assist low-income households
- No more than 10% may be used on administration

The State Housing Trust Fund supports several activities, including administration of the Sadowski funds by Florida Housing. The main Sadowski-funded state program is the State

Apartment Incentive Loan (SAIL) program. SAIL provides funding on a competitive basis for the construction of affordable multifamily rental housing. SAIL usually serves as “gap financing” for developments with other funding sources, such as the Low Income Housing Tax Credit.

Impact of SHIP Funds in Escambia County and Pensacola

The amount of SAIL funding that Escambia County receives in any given year depends on whether proposed developments in the County receive SAIL funds from the State. SHIP funding, on the other hand, is guaranteed so long as the State Legislature appropriates the Sadowski Trust Fund monies dedicated for this purpose. Escambia County is expected to receive over \$1.9 million in SHIP funds in FY 2015-2016, while Pensacola is expected to receive nearly \$400,000 (Table 14). These SHIP allocations would leverage over \$10 million in additional public and private funds in the County and Pensacola combined—a ratio of nearly 4.4 to 1. Between the County and City allocations, SHIP would assist 94 owner units and 34 rental units, creating nearly 240 jobs and generating nearly \$30 million in economic impact.

Table 14. Estimated Economic Impacts of State Housing Initiative Partnership Funds in Escambia County.

Source: Sadowski Coalition 2015⁷⁰.

| Type of Impact | Escambia County | Pensacola |
|--|-----------------|-------------|
| Projected Trust Fund Revenue in FY 15/16 | \$1,900,690 | \$399,274 |
| Other funds leveraged | \$8,336,151 | \$1,751,158 |
| Owner-occupied units assisted | 78 | 16 |
| Rental units assisted | 28 | 6 |
| Total jobs created | 197 | 41 |
| Total economic activity generated | \$24,745,921 | \$5,198,324 |



How are the SHIP Programs funded in Escambia County and the City of Pensacola?

The doc stamp tax on all real estate in Florida increased in 1992. The additional money generated is dedicated to the state and local housing trust funds. 70% is directed to local governments (all 67 counties) and Florida's entitlement cities - including Escambia County and the City of Pensacola - to fund the SHIP program.

\$2,299,964*

IN SHIP FUNDS ARE AVAILABLE FOR ESCAMBIA COUNTY AND THE CITY OF PENSACOLA COMBINED IN FY 2015-2016

IF THE FLORIDA LEGISLATURE APPROPRIATES THE SADOWSKI LOCAL HOUSING TRUST FUND MONIES FOR HOUSING.

*Based upon FL Senate funding proposal as of 5/28/15

Uplifts Our Family, Friends, and Neighbors in Escambia County

Up to 25% of the annual SHIP allocation may be spent on rental housing activities. In Escambia County and Pensacola, this includes preservation and development of workforce housing and special needs housing.

In Escambia County, the Fair Market Rent for a 2-bedroom apartment was \$830 in 2014. In order to afford this, a household must earn at least \$33,200 annually (\$15.96/hour), according to the National Low Income Housing Coalition. For that same 2-bedroom apartment, an Escambia County resident earning minimum wage (\$7.93/hour when NLIHC performed these calculations) would have to work 81

hours/week, or the household would need 2 minimum wage workers. This may be doable for 2-parent families (assuming no health or financial emergencies), but not for families with a single parent or only one able-bodied adult.

SHIP funds can be used to move the existing housing stock. SHIP provides down payment and closing cost assistance, typically a soft second mortgage that is repaid only upon resale as well as home ownership counseling both pre and post purchase.



CREATES 238 JOBS

From construction workers to retailers; an investment in housing creates jobs for Escambia County. Housing dollars will put Escambia County's out-of-work housing industry back to work repairing homes and improving the real estate market. SHIP funds can be used for rehabilitation/renovation of existing empty housing stock to ready it for families to move in.



CREATES JOBS

UPLIFTS FLORIDIANS

INVESTS LOCALLY

FUELS ECONOMIC DEVELOPMENT

GENERATES RESULTS

GENERATES RESULTS

The Florida Legislature can create nearly 240 jobs and nearly \$30 million in positive economic impact for Escambia County if it appropriates the housing trust fund monies for housing.

SHIP has a proven track record for performance, transparency, and accountability. Escambia County needs affordable housing. Using the housing trust fund monies solely for housing is the right thing to do--for residents in need; for the benefit of taxpayers; and for the growth of Escambia County's economy.

INVESTS LOCALLY

SHIP has been successfully operating in Escambia County and Pensacola for more than 20 years

SHIP program flexibility allows the Escambia County/Pensacola SHIP program to meet the community's individual needs and revise strategies in accordance with changes in the local market, provided it continues to meet statutory criteria.

FUELS ECONOMIC DEVELOPMENT

The appropriation would result in a positive economic impact of nearly 30 million.

\$29.9 MILLION

Conclusion

Affordable Housing is Essential for Escambia County and its Municipalities

Having a healthy, affordable place to call home is the foundation of our lives and the basis of a strong local economy. Affordable housing allows low- and moderate-income working families to live near their places of employment, and enables our elderly and disabled family members on fixed incomes to be integrated in their neighborhoods.

- Affordable housing construction and rehabilitation stimulates local economies by creating jobs and generating business for contractors and suppliers.
- Affordable housing improves a family's physical and mental health, and helps children excel in school.
- For the elderly and people with disabilities, affordable community-based housing is one-third of the cost of institutional care.
- For people who are chronically homeless, affordable housing breaks the costly cycle through hospitals, jails, and other taxpayer-funded crisis systems, saving about \$20,000 per person per year.

Thousands of Escambia County Families Struggle with High Housing Costs:

- Over 30,400 low-income households are paying more than 30% of their incomes for housing, the maximum amount considered affordable by experts.
- Over 14,600 very low-income households are severely cost burdened, meaning that they pay more than 50% of their incomes for housing.
- Of the County's low-income, severely cost burdened households, 25% are headed by an elderly person.
- Nearly 8,000 low-income households have a member with an ambulatory disability, and suffer from cost burden or other housing problems.
- A typical family at 80% AMI pays 67% of its income for housing and transportation costs combined.
- The City and County Community Redevelopment Agency (CRA) districts have counted about 13,500 substandard residential structures since 2000.
- About 8% of Escambia County's housing units were vacant and off the market in 2013, a 13% increase since 2007. These units tend to be deteriorated, conveying an impression of

neighborhood decline and making redevelopment difficult.

- Over 1,600 school-aged children and youths were doubled up with family and friends, living in motels, in homeless shelters, or on the street in academic year 2012-13, a 31% increase from academic year 2009-10.

Many Workers Don't Earn Enough to Pay for Housing:

- Many low-wage workers in the Pensacola metro's most common occupations—including nursing assistants—don't earn enough for a 1-bedroom apartment at Fair Market Rent.
- Escambia County's median renter income of \$29,691 isn't enough to afford a median-priced rental unit.
- Escambia County has only 27 affordable and available rental units for every 100 extremely low-income renter households.
- Despite Escambia County's relatively low home prices, many medium- and high-skilled workers—including police officers and firefighters—are unable to afford a median-priced home. Modestly priced homes for sale are in short supply.

A Vacant Property At 625 E. Olive Road Offers an Opportunity for a Mixed-Use, Mixed-Income Housing Development:

- The Escambia County Housing Finance Authority owns a 10-acre parcel in the urbanized area northwest of Pensacola.
- The demographic and economic characteristics of the E. Olive Road property's catchment area are broadly similar to those of Escambia County.
- An optimal residential mix for the property would include rental units for low-income elders and families, "workforce" ownership and rental housing, and market-rate units.
- The services and amenities near the property could meet the needs of elders, people with disabilities, and families with children.

The Town of Century Has Unique Needs and Opportunities:

- Much of Century's housing stock is inexpensive but substandard, with a prevalence of older mobile homes.
- Demographic limits to the aggregate earning power of Century's residents include a relatively low share of

working-age adults, a deficit of working-age men, and a prevalence of female-headed households with children.

- The Escambia County Housing Finance Authority is exploring the development of \$20,000 (“20K”) houses to expand affordable homeownership to persons on fixed incomes, and possible collaboration for a multifamily rental development.
- The successes of future affordable housing development and economic development are interdependent.

The Good News

The Sadowski State and Local Housing Trust Funds, and the public-private partnerships that they promote, are ideally suited to the diverse and complex affordable housing needs in Escambia County and its municipalities. SHIP and SAIL funds in Escambia County leverage additional public and private funding sources for new construction, infill, rehabilitation, weatherization, and accessibility retrofits, both for ownership and rental housing.

While Escambia County’s slow population growth and soft housing market can make it challenging to finance and market new and rehabilitated affordable housing, these factors can also be seen as an opportunity. Since land and housing costs are generally lower than in “hot markets” like Miami and Palm Beach County, Sadowski funds and the resources they leverage can be stretched farther.

Escambia County and its local communities are blessed with hard-working local government staff, businesses and philanthropic organizations, housing and social service providers, faith groups, and dedicated residents. These stakeholders undertake affordable housing and community development in diverse and creative ways, ranging from revitalization in CRA districts to mixed-use, mixed-income development on properties such as 625 E. Olive Road. As Escambia County continues to develop its economy and amenities, affordable housing will provide a foothold for people from all walks of life to thrive and get ahead.



**HOME MATTERS FOR
ESCAMBIA COUNTY’S FAMILIES**



**HOME MATTERS FOR
ESCAMBIA COUNTY’S SPECIAL
NEEDS POPULATIONS**



**HOME MATTERS FOR
ESCAMBIA COUNTY’S ELDERLY**



**HOME MATTERS FOR
ESCAMBIA COUNTY’S VETERANS**



**HOME MATTERS FOR
ESCAMBIA COUNTY’S YOUTH
AGING OUT OF FOSTER CARE**



**HOME MATTERS FOR
ESCAMBIA COUNTY’S ECONOMY**

Endnotes

- ¹ Houser, A., Fox-Grage, W., and Ujvari, K. 2012. Across the States: Profiles of Long-Term Services and Supports. Washington, D.C.: AARP. http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/across-the-states-2012-full-report-AARP-ppi-ltc.pdf. Last accessed 12/19/14.
- ² Shinn, G.A. 2014. The Cost of Long-Term Homelessness in Central Florida. Orlando, FL: Central Florida Commission on Homelessness. <http://shnny.org/uploads/Florida-Homelessness-Report-2014.pdf>. Last accessed 12/19/14.
- ³ Cohen, R. 2011. The Impacts of Affordable Housing on Health: A Research Summary. Washington, DC: Center for Housing Policy. http://www.nhc.org/media/files/Insights_HousingAndHealthBrief.pdf. Last accessed 1/6/15.
- ⁴ Ibid.
- ⁵ Newman, S.J. 2008. Does Housing Matter for Poor Families? A Critical Summary of Research and Issues Still to be Resolved. *Journal of Policy Analysis and Management* 27 (4): 895-925.
- ⁶ Cohen 2011.
- ⁷ Newman 2008.
- ⁸ National Health Care for the Homeless Council. 2011. Homelessness & Health: What's the Connection? http://www.nhchc.org/wp-content/uploads/2011/09/HIn_health_factsheet_Jan10.pdf. Last accessed 12/19/14.
- ⁹ Brennan M. 2007. The Positive Impacts of Affordable Housing in Education: A Research Summary. Washington, DC: Center for Housing Policy. http://www.nhc.org/media/documents/Housing_and_Education.pdf. Last accessed 1/6/15.
- ¹⁰ Children's HealthWatch and Medical-Legal Partnership Boston. 2009. Rx for Hunger: Affordable Housing. <http://www.childrenshealthwatch.org/publication/rx-for-hunger-affordable-housing/>. Last accessed 12/19/14.
- ¹¹ Newman 2008.
- ¹² Newman, S.J. and Harkness, J. 1999. The Long-Term Effects of Housing Assistance on Self-Sufficiency: Final Report. Washington, DC: U.S. Department of Housing and Urban Development [HUD]. <http://www.huduser.org/portal/Publications/pdf/longterm.pdf>. Last accessed 12/19/14.
- ¹³ American Community Survey. [2013 5-year estimates] Last accessed 4/13/15.
- ¹⁴ U.S. Census Bureau. [2000 Decennial Census] Last accessed 4/10/15.
- ¹⁵ U.S. Census Bureau. [2010 Decennial Census] Last accessed 4/10/15.
- ¹⁶ HUD. [2007-2011 Comprehensive Housing Affordability Strategy (CHAS) data] <http://www.huduser.org/portal/datasets/cp.html>. Last accessed 4/10/15.
- ¹⁷ HUD. [2009-2011 CHAS data] Last accessed 4/13/15.
- ¹⁸ CHAS data on the number of households with members that have a specific disability is not additive, since one person may have more than one disability.
- ¹⁹ CHAS data on households with members with disabilities is not available for Century, because its population is too low.
- ²⁰ ACS. [5-year estimates for years 2010 through 2013; 3-year estimates for 2007 through 2009; 2005 and 2006 ACS]
- ²¹ These percentages, unlike Census data, are not based on a "universe" of actual households, but are the result of a mathematical modeling exercise using a hypothetical "average" household at 80% AMI (not at or below 80% AMI). The model uses actual regional data on incomes, household composition, workers, housing and transportation costs, and other variables to construct profiles of "average" households and determine their average housing and transportation costs.
- ²² CNT. 2014. [Housing + Transportation Index data]. <http://htaindex.cnt.org/map/>. Last accessed 11/25/14.
- ²³ For example, the number of residential structures in the Westside CRA with some level of deterioration increased from 717 in 2003 (<http://www.cityofpensacola.com/DocumentCenter/Home/View/171>) to 1,001 in 2014 (<http://www.cityofpensacola.com/DocumentCenter/Home/View/2580>).
- ²⁴ City of Pensacola. 2003. Property Condition Survey. [Included as Appendix C in the 2007 Westside CRA Finding of Necessity Study] <http://www.cityofpensacola.com/DocumentCenter/Home/View/171>. Last accessed 4/21/15.
- ²⁵ CRA plans are available on the Escambia County Community Redevelopment Agency website (<http://www.myescambia.com/business/community-redevelopment-agency>). Last accessed 4/21/15.
- ²⁶ U.S. Census Bureau. 2015. Housing Vacancies and Homeownership (CPS/HVS): Definitions and Explanations. <http://www.census.gov/housing/hvs/files/qtr115/q115def.html>. Last accessed 4/30/15.
- ²⁷ Kresin, M. 2013. Other Vacant Housing Units: 2000, 2005, and 2010. Washington, D.C.: U.S. Census Bureau. <https://www.census.gov/prod/2013pubs/h121-13-01.pdf>. Last accessed 4/30/15.
- ²⁸ ACS. [5-year estimates for years 2009 through 2013; 3-year estimates for 2007 and 2008; 2005 and 2006 ACS]
- ²⁹ The difference between the number of "other vacant" units between 2007 and 2013 is statistically significant for Florida at the 90% confidence level, and falls slightly short of statistical significance for Escambia County. The difference in "other vacant" units between 2005 and 2013 is significant for Escambia County, however. The difference between 2007 and 2013 is not statistically significant for Pensacola.
- ³⁰ Florida Department of Children and Families, Office on Homelessness. [Annual Reports 2008-2014] <http://www.myflfamilies.com/service-programs/homelessness/publications>. Last accessed 5/12/15.
- ³¹ HUD. [Point-in-Time Count data, 2007-2014] <https://www.hudexchange.info/resource/4074/2014-ahar-part-1-pit-estimates-of-homelessness/>. Last accessed 12/19/14.
- ³² The Office on Homelessness data on the total homeless population in Escambia and Santa Rosa Counties does not always match HUD's PIT Count numbers for the EscaRosa CoC. However, the difference between the two data sources has been within 150 people for every year since 2008.
- ³³ National Center for Homeless Education. [Florida data on student homelessness from 2006-07 to 2012-13] <http://nchespp.serve.org/profile/FL>. Last accessed 1/21/15.
- ³⁴ Florida Department of Education. [2009-10 to 2012-13 data on student homelessness] <http://www.fldoe.org/schools/family-community/activities-programs/homeless-edu-program.shtml>. Last accessed 2/4/15.
- ³⁵ Florida Department of Economic Opportunity [DEO]. 2014. Occupational Employment Statistics and Wages (OES). <http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/occupational-employment-statistics-and-wages>. Last accessed 12/15/14.

- ³⁶ ACS. [5-year estimates for years 2009 through 2013; 3-year estimates for 2007 and 2008; 2005 and 2006 ACS]
- ³⁷ Ibid.
- ³⁸ The National Low Income Housing Coalition, which calculates housing wages, assumes that renters work 40 hours per week, 52 weeks per year.
- ³⁹ Viveiros, J. and Sturtevant, L. 2014. Paycheck to Paycheck 2014: A Snapshot of Metropolitan Housing Affordability for Health Workers. Washington, DC: Center for Housing Policy. <http://www.nhc.org/PaycheckReportfinal.pdf>. Last accessed 12/19/14.
- ⁴⁰ National Low Income Housing Coalition [NLIHC]. 2014a. [Out of Reach data for Florida.] <http://nlihc.org/oor/2014>. Last accessed 12/22/14.
- ⁴¹ ACS. [5-year estimates for years 2009 through 2013; 3-year estimates for 2007 and 2008; 2005 and 2006 ACS]
- ⁴² NLIHC. 2014b. County Gap Analysis, Florida, 2007-2011. [Excel spreadsheet provided to Florida members]
- ⁴³ HUD. [2007-2011 CHAS data]
- ⁴⁴ Ibid.
- ⁴⁵ MacArthur Foundation. 2014, June 3. "Housing Challenges Real For Many Americans, Finds 2014 How Housing Matters Survey." <http://www.macfound.org/press/press-releases/housing-challenges-real-many-americans-finds-2014-how-housing-matters-survey/>. Last accessed 2/16/15.
- ⁴⁶ National Association of Home Builders [NAHB]. 2014. [NAHB/Wells Fargo Housing Opportunity Index (HOI) data for 2014 Q4.] http://www.nahb.org/reference_list.aspx?sectionID=135. Last accessed 5/5/15.
- ⁴⁷ The assumptions for calculating "housing wages" for median-priced homes were as follows: 1) Employees in each occupation except teachers work 40 hours per week, 52 weeks per year, 2) 30-year fixed rate mortgage at 4% interest, 3) FHA-insured with a 3.5% down payment, 4) Front-end ratio of 31%, back-end ratio of 41%, 5) All other household debt service is 18% of annual income, 6) Assessed value is 85% of the purchase price, 7) Homestead exemption is \$50,000, 8) Mill levy is \$18.84, and 9) Property and mortgage insurance combined is 1% of the purchase price annually.
- ⁴⁸ Escambia County Property Appraiser. 2015. Data provided on request. Records were provided for qualified sales of single-family homes, townhomes, and condominiums; all properties used in the analysis have homestead exemptions.
- ⁴⁹ University of West Florida. 2015. Data and map provided on request for area within 5-mile radius of 625 East Olive Road.
- ⁵⁰ Shimberg Center for Housing Studies. 2015. [Assisted Housing Inventory data] http://flhousingdata.shimberg.ufl.edu/AHI_introduction.html. Last accessed 4/26/15.
- ⁵¹ Town of Century. 2012. Mobile Homes: Issues and Opportunities [PowerPoint presentation]. Provided on request by Debbie Nickles.
- ⁵² For data on educational attainment, see: Lewis, R. 2013a. Economic Development Strategic Plan Task I: Town of Century Economic and Demographic Profile. Fort Walton Beach, FL: University of West Florida Haas Center.
- ⁵³ Harris, B.F. 2014a. Economic Development Strategic Plan Task III: Collection of Input from Local and Regional Stakeholders. Fort Walton Beach, FL: University of West Florida Haas Center.
- ⁵⁴ Harris, B.F. 2014b. Economic Development Strategic Plan Task IV: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis. Fort Walton Beach, FL: University of West Florida Haas Center.
- ⁵⁵ Lewis 2013a.
- ⁵⁶ Harris 2014b.
- ⁵⁷ New York Times Editorial Board. 2015, April 25. "Forcing black men out of society." [Online Edition] http://www.nytimes.com/2015/04/26/opinion/sunday/forcing-black-men-out-of-society.html?_r=1. Last accessed 5/11/15.
- ⁵⁸ Harris 2014a.
- ⁵⁹ Harris 2014b.
- ⁶⁰ Lewis, R. 2013b. Economic Development Strategic Plan Task II: Regional Market Area Analysis. Fort Walton Beach, FL: University of West Florida Haas Center.
- ⁶¹ Town of Century. 2014. Final Economic Development Strategic Plan.
- ⁶² Debbie Nickles, Century Town Planner. 2015, April 9. Personal communication.
- ⁶³ Auburn University Rural Studio. 2015. 20K House Product Line. <http://www.ruralstudio.org/initiatives/20k-house>. Last accessed 5/11/15.
- ⁶⁴ Randy Wilkerson, Escambia County Housing Finance Authority. 2015, April 20. Personal communication.
- ⁶⁵ Rivlin, G. 2013, May 11. "The long shadow of bad credit in a job search." New York Times [online edition]. <http://www.nytimes.com/2013/05/12/business/employers-pull-applicants-credit-reports.html>. Last accessed 5/11/15.
- ⁶⁶ Arnoldy, B. 2007, January 18. "The spread of the credit check as a civil rights issue." Christian Science Monitor [online edition]. <http://www.csmonitor.com/2007/0118/p01s03-ussc.html>. Last accessed 5/11/15.
- ⁶⁷ Heroux Pounds, M. 2012, February 10. "How to handle a credit problem as a job seeker." Florida Sun-Sentinel [online edition]. http://articles.sun-sentinel.com/2012-02-10/business/fl-credit-check-job-applicants-20120207_1_credit-checks-credit-history-credit-report. Last accessed 5/11/15.
- ⁶⁸ Southern Poverty Law Center. 2015. Children at Risk. <http://www.splcenter.org/what-we-do/children-at-risk>. Last accessed 5/11/15.
- ⁶⁹ Advancement Project. 2014. Restorative Practices: Fostering Healthy Relationships and Promoting Positive Discipline in Schools. http://b3cdn.net/advancement/5d8bec1cdf51cb38ec_60m6y18hu.pdf. Last accessed 5/11/15.
- ⁷⁰ Sadowski Coalition 2015. Estimate based on Florida Senate's proposed SHIP allocations as of 5/28/15, 2012 IMPLAN Sector multipliers, and data on 2010 Sadowski fund expenditures compiled by Dr. Alan Hodges (Extension Scientist, University of Florida).

The Florida Housing Coalition expresses its gratitude to the Escambia County Housing Finance Authority, and its partner communities, for their commitment to expanding affordable housing opportunities for low, moderate and middle income families in Florida.

Since its creation in 1980, the Escambia County Housing Finance Authority has focused upon making capital available to finance, construct, purchase, reconstruct or rehabilitate single family and rental apartments that are affordable to the eligible families served by the Authority. The Authority has worked diligently with the Sadowski Coalition and the Florida Association of Local Housing Finance Authorities in support of full funding for the State and Local Housing Trust Funds.





Affordable Housing is an Integral Part of Community Revitalization and Economic Development



The Florida Housing Coalition, Inc., is a nonprofit, statewide membership organization which brings together housing advocates and resources so that all Floridians have a quality affordable home and suitable living environment.

**FOR MORE INFORMATION,
CONTACT:**

The Florida Housing Coalition
1367 E. Lafayette St., Ste. C
Tallahassee, FL, 32301
(850) 878-4219
info@flhousing.org
FLHousing.org