

Housing Needs within the Study Area of the Altamonte Springs SunRail Station

Submitted by:

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Executive Summary

SunRail commuter rail service will enhance the regional accessibility of the East Altamonte area and create significant opportunities for transit-oriented development (TOD). TOD is an increasingly attractive form of development that capitalizes on proximity to transit stations and a walkable mix of land uses in the station area to create nodes of activity that can include housing, shopping, services, and offices. With the support of a HUD Sustainable Communities Grant, Seminole County is developing a plan for the portion of the station area around the Altamonte Springs SunRail station that is within County jurisdiction. The Study Area is generally described as the northeast quadrant of a circle drawn around the station.

The East Altamonte area is a historically African American neighborhood that is in need of revitalization and more and better housing choices. Redevelopment activity driven by TOD can be both an opportunity to create new housing opportunities and a risk of displacement of existing residents. This study has been prepared to help Seminole County understand the housing needs of East Altamonte residents and identify potential strategies for meeting those needs. TOD housing strategies can take advantage of the enhanced multimodal accessibility provided by SunRail.

The East Altamonte Study Area is a relatively small unincorporated area surrounded on three sides by the Cities of Altamonte Springs and Casselberry. These two cities are established communities that experienced fairly low or moderate levels of new development over the past decade. From a residential perspective, they are largely built out or approaching that state. Future new housing development in either community is likely to be primarily infill and redevelopment, and TOD around the SunRail station could be a significant source of such housing.

Comparing key demographic data points for Altamonte Springs and Casselberry with the Study Area reveals a distinct difference between the three areas. Median household incomes and median home values are higher in the two cities, while the Study Area has a larger proportion of owner households and single-family housing units. Most notably, rent levels in the Study Area are fairly close to those in the two cities even with much lower household incomes, meaning that Study Area renters face a rental market that is larger than their immediate neighborhood that is setting prices that are more challenging to afford.

STUDY AREA HOUSING NEEDS

Housing needs are driven by demographics, economic factors, and housing stock conditions. Because age plays a large role in influencing the housing needs and preferences of households, the analysis looked at elderly-oriented housing and affordable “standard” housing oriented at younger occupants, particularly families with children.

Eligibility for most affordable housing programs is determined by household income and household size, using thresholds established by HUD. More than half of the households in the Study Area would likely qualify as Very Low Income under the HUD requirements, and other households will qualify as Low Income. Therefore, a majority of Study Area households may potentially have need of affordable housing. For comparison, the Shimberg Center for Housing Research estimates that in 2010 the proportion of households qualifying as Very Low Income was 19 percent in Altamonte Springs, 16 percent in Casselberry, and 14 percent in the entire unincorporated area of Seminole County.



When looking at household income by age group in the Study Area, the highest median income is actually found in the 25-34 age group rather than any of the middle age groups. This figure is still relatively low compared to the Seminole County median household income and it also suggests that unlike what is typically seen, Study Area residents are not attaining higher incomes as they progress through their working years.

Analysis of available demographic and housing data shows that the housing needs of the Study Area are significant. Many family and elderly households are burdened by their housing costs and some may need different choices to live more comfortably and/or more affordably. But housing options in the Study Area are very limited. Key findings of the needs assessment are:

- The Study Area is characterized by low household incomes and low home values. The lack of financial resources constrains residents' housing options and makes finding better living situations challenging. Low home values mean that leveraging home equity to improve a unit will be more difficult, and the low demand for homes in the area means that the financial return on remodeling or new construction is likely to be small.
- The homeownership rate is in line with the broader market, but ownership could be a burden. Rental housing does not dominate the Study Area, unlike many lower-income neighborhoods. This solid base of owners brings stability to the neighborhood, but with low incomes and a significant elderly population homeownership can also be a burden (both physical and financial) for some households.
- There is a mismatch between resident needs and the existing housing stock. The housing stock is primarily single-family detached homes; few multifamily options exist and those are in very small buildings. Half of renters are in single-family homes, when multifamily apartments might be preferable and/or more affordable.
- A substantial number of vacant housing units are not on the market and available for occupancy. If these units could be returned to the available housing stock they would provide additional housing choices as well as improve the appearance and image of the neighborhood.
- Elderly households make up one-fourth of the Study Area and a significant number have disabilities. Right now most 65+ age households live in single-family detached homes that they own, and over half are burdened by their housing costs. There is a significant need for assisted/supportive living, and around three-fourths of elderly households would likely qualify for subsidized housing programs based on their income levels. Different options and levels of care should be explored that will let older residents continue to live comfortably and affordably in the Study Area as they age.
- Half of the 15-64 age households who own their homes are burdened by housing costs, and nearly all the renters of this age are burdened. Half of these family-age households would likely qualify for subsidized housing programs based on their income levels.

The East Altamonte Study Area needs more housing options that can help meet the needs of its residents. Elderly households need more accessible multifamily options that allow them to age in place in the neighborhood. Renters of all ages need affordable options, particularly multifamily apartments that are more practical and economical for many of these households. Homeowners need an improved and more attractive neighborhood that attracts new investment and capitalizes on the enhanced multimodal transportation options coming with SunRail to increase their property values and the equity in their homes. TOD can be the means to add needed housing for all types of residents, stimulate the local market, and improve neighborhood conditions.



AFFORDABLE HOUSING DEMAND

The demand for affordable housing development in the East Altamonte Study Area will come from a larger area than just the Study Area itself. While people who are already living in the Study Area would be prime candidates for new or rehabilitated affordable housing near where they live, people from the surrounding area also will be attracted to the location. This fact is illustrated through ongoing analysis by the Shimberg Center for Housing Studies which indicates that the Study Area is well-suited for affordable housing development because of its transportation accessibility, proximity to employment centers, and other factors. Given the overall scarcity of affordable housing and level of need, demand could potentially be attracted from across Seminole County and even the region given the Study Area's excellent accessibility via I-4, SR 436, and now SunRail. However, for the purpose of this report a more locally oriented market area was defined to estimate potential demand. The relevant local market area for affordable housing development in the Study Area was defined as the Study Area itself plus the Cities of Altamonte Springs and Casselberry.

The pool of potential affordable housing demand in the market area is 5,459 family households (age 15-64) and 1,747 elderly households (age 65+). Developers considering this potential demand would typically assess how much of it could be captured by a single project. While there is no firm rule and every developer has different requirements, a common rule of thumb is that an acceptable capture rate for a single project is between five and seven percent of the demand pool. Applying those rates to the total potential demand pool results in a market-supportable family project of 273-382 units and a market-supportable elderly project of 87-122 units. These unit counts are based solely on the estimated market-driven demand – local land use and zoning regulations will dictate the size of any potential future housing developments.

POTENTIAL STRATEGIES

Proactive strategies will need to be implemented to capitalize on the opportunity to use TOD to improve the housing situations of lower-income residents in the East Altamonte Study Area. Several potential affordable housing strategies have been identified and are summarized below.

Tax Credit Project Facilitation

The City Park at Merritt Street project proposed for a site in the Study Area is a prime example of affordable housing development seeking financing through the federal Low Income Housing Tax Credit program, which is the most important financing source for new affordable housing development. Besides continuing to support the City Park developers in the competitive tax credit allocation process, Seminole County should be prepared to work collaboratively with other affordable housing developers to facilitate additional tax credit projects in the Study Area. The allocation process is now awarding points to reflect a preference for TOD sites around SunRail stations, which should benefit proposed projects in the Study Area. Although the preference in the last funding cycle was limited to the Longwood SunRail station, Seminole County can play a key role in lobbying the Florida Housing Finance Corporation (FHFC) to expand the preference to other stations. The County can also work to “set the stage” for redevelopment by identifying prospective development sites, preparing a package of redevelopment actions it would be prepared to take in support of a proposed project, and seeking a private developer through a competitive solicitation process. All of those actions would require the establishment of a Community Redevelopment Area (CRA) for public sector-led actions or alternately a non-profit Community Development Corporation (CDC) to undertake similar activities in collaboration with the County. The County Commission has become concerned about



the impact of Community Redevelopment Areas on the remainder of the unincorporated area. Therefore, the creation of a new CRA may not be a viable option. The use of a CDC may be more likely. The County also could use CDBG funding to facilitate redevelopment projects that benefit low and moderate-income households.

Resident Consortium for Redevelopment

TOD planning around the Altamonte Springs SunRail station has highlighted the different interests of area stakeholders, but also has demonstrated an opportunity where these interests intersect to potentially create a win-win situation for both advancing TOD and addressing some of the affordable housing needs in the Study Area. The City of Altamonte Springs has stated its plans to pursue its recently adopted vision plan for the station area by acquiring currently unincorporated properties in the Study Area to facilitate the construction of a master stormwater system that would serve the new TOD. The owners of Study Area properties targeted for acquisition would like to ensure that they can benefit from the increased property values sparked by transit-driven development potential, and other residents with affordable housing needs could also potentially benefit from redevelopment activity. A consortium of residents/property owners could agree to pool their adjacent properties together to strike a more effective deal with an interested buyer. Compensation to the consortium members would likely be a direct payment for their properties, but could also include a guaranteed unit in a new affordable housing development on their previously owned property or elsewhere in the Study Area.

The purchaser benefits from a more streamlined acquisition process that deals with only one seller of a single property rather than multiple sellers with small lots. The residents benefit from negotiating as a unified group that can better argue for a price that reflects the true value of the assemblage as an enabler of greater development value at other locations (because of the master stormwater system), rather than as isolated individual parcels. Negotiating as a group may also facilitate the obtaining of replacement affordable housing. Seminole County can help facilitate the formation of the consortium if there is sufficient interest by owners of strategically located parcels. In the parts of the Study Area where a significant number of single-family properties may potentially change over to multifamily development, planning for the area surrounding these properties should address the need to protect remaining single-family properties from any adverse impacts of this land use change.

Accessory Dwelling Units

Florida Statutes Section 163.31771 encourages local governments to permit the construction of accessory dwelling units as a strategy for increasing the supply of housing affordable to lower-income households. The accessory unit can be located within the primary unit as a separate apartment, attached to the primary unit with a separate entrance, or completely separate from the primary unit as a stand-alone cottage. These units can be an effective affordable housing strategy because their relatively small size and sharing of a lot with another unit mean that they usually rent for less than typical apartments. There are financial benefits for the owner too, through additional income and/or personal or medical services accepted in lieu of cash rent from the accessory unit occupant.

Accessory dwelling units currently are not permitted by the Seminole County Land Development Code (LDC) in the residential zoning districts present in the Study Area. The LDC would need to be amended to allow such dwelling units in the relevant residential districts. Given the more urban setting and smaller lot sizes of these zoning districts, if accessory dwelling units are to be allowed there are a number of potential issues that the County may wish to consider before implementing this strategy.



Housing Rehabilitation Program

Regular maintenance and repair will be important for many of the older homes in the Study Area, and some are likely to need more extensive renovation or rehabilitation. With a high percentage of elderly households living in single-family detached homes, the amount of maintenance required to keep a home in good condition can be a challenge both physically and financially. There are also a significant number of vacant homes in the Study Area, many of which are not classified by the Census Bureau as being on the market or available for occupancy. These vacant homes can potentially be added to the local housing stock as affordable units, but probably will require some amount of rehabilitation before they are ready for occupancy.

Seminole County can use its housing funding from federal and state sources to support owner-occupied housing rehabilitation countywide. Given the limited funding available and the potential level of need, one approach could be to rotate between the County-defined target areas (of which East Altamonte is one) similar to how CDBG infrastructure spending has been implemented. In this approach a target area would receive a substantial portion of the available funding for housing rehabilitation every few years to assist as many eligible homes as possible, with other target areas being the focus in the other program years. Separate from Seminole County housing resources, HUD offers two programs that provide assistance to people looking to repair or rehabilitate residential properties. The Section 203(k) program provides mortgage insurance to homebuyers or developers who are purchasing a property, while the Title I program provides property improvement loans to owners.

Seminole County can conduct outreach in the Study Area and throughout the local market to identify interested and eligible residents, homebuyers, and developers who are looking to renovate homes in East Altamonte. Then with a combination of County financial assistance for selected households and facilitation of applications to the HUD rehabilitation programs for other stakeholders, these resources can be leveraged to improve the housing stock in the Study Area.



Introduction

SunRail commuter rail service will connect communities and key employment centers in Central Florida, offering an alternative to driving that is convenient and attractive for many people. Because rail transit service has permanent stations that are centers of activity and improve regional accessibility, it can also spur real estate development and help create nodes of commercial, residential, and other land uses in a compact walkable form. Being able to live, work, and shop within walking distance of a SunRail station can allow people to live without having to own a car, or to reduce the amount of driving they do (perhaps reducing the need for a second car in some households). The building of mixed-use, walkable activity centers around transit stations is known as transit-oriented development (TOD).

The Altamonte Springs SunRail station is a prime candidate for TOD. It is located close to the regional business center in Altamonte Springs that includes substantial retail, office, and health care development, but it still contains vacant and underutilized properties that present opportunities for redevelopment. The station area can become a node of activity that capitalizes on its proximity to existing development but establishes its own market position centered on access to rail transit. TOD in other regions has proved to be an attractive and economically competitive form of development that commands price premiums in the market and strong preferences by residents and businesses alike.

PURPOSE OF STUDY

This study was commissioned by Seminole County with the support of a HUD Sustainable Communities Grant. The purpose is to evaluate the housing needs of existing residents of the portion of the SunRail station area that falls within the County's jurisdiction. This area is generally known as East Altamonte, a historically African American neighborhood that is in need of revitalization and more and better housing choices. Because TOD has been shown to spur redevelopment activity and raise property values, it represents both an opportunity to create new housing opportunities and a risk of displacement of existing residents. By understanding the housing needs of East Altamonte residents and identifying potential strategies to meet those needs, Seminole County will be better able to enact policies and take specific actions that preserve and/or create affordable housing in the station area, as well as opportunities for elderly residents to age in place within their established neighborhood. Affordable housing strategies can be particularly effective in East Altamonte because they can take advantage of the enhanced multimodal accessibility provided by SunRail.

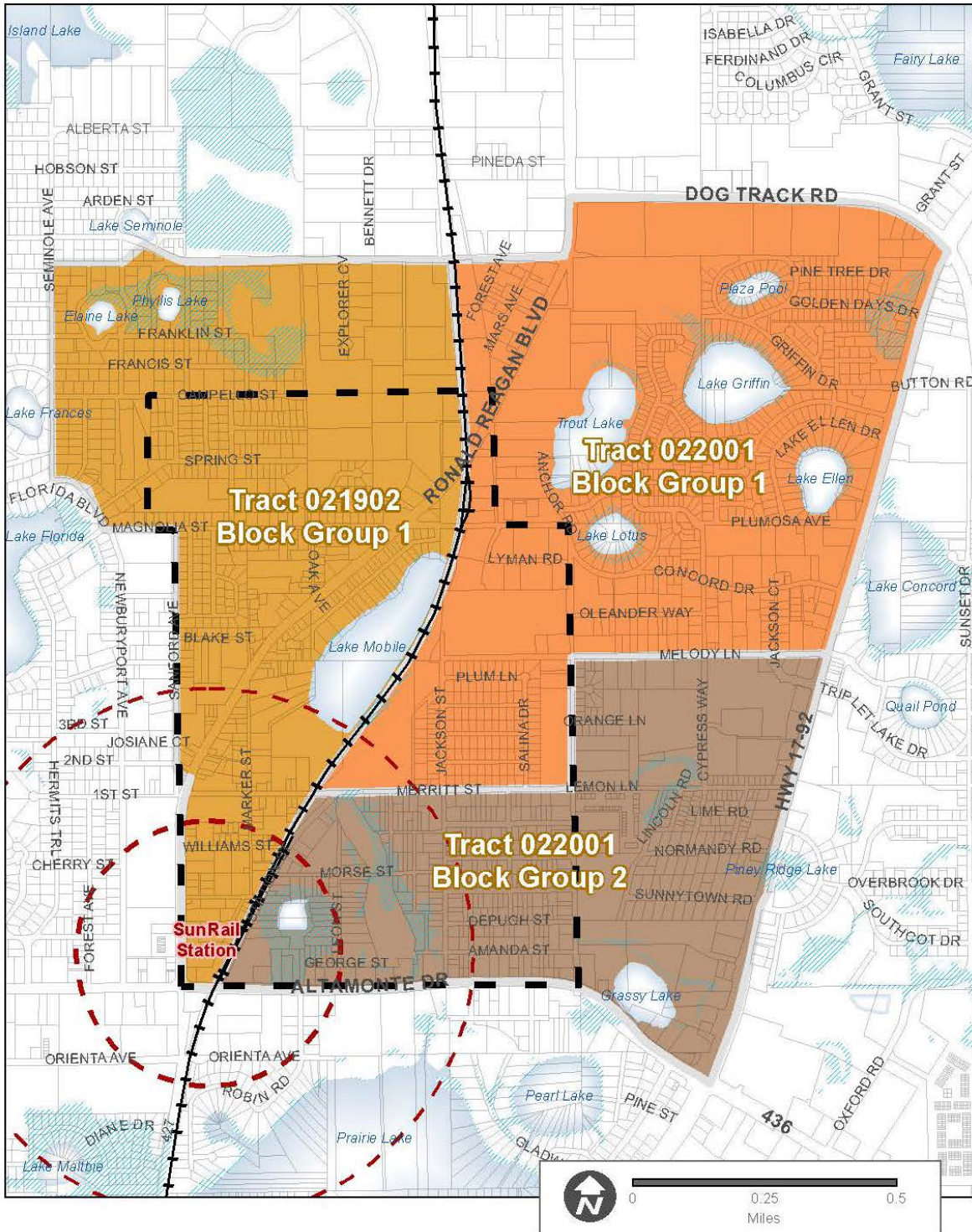
STUDY AREA BOUNDARIES

The East Altamonte Study Area is generally described as the northeast quadrant of a circular area centered on the Altamonte Springs SunRail station. The station is located at the intersection of Ronald Reagan Boulevard and Altamonte Drive (SR 436), on the west side of the railroad tracks. Ronald Reagan Boulevard generally serves as the western boundary for much of the Study Area, Campello Street is the northern boundary, Lyman and Anchor Roads are the eastern boundary, and Altamonte Drive is the southern boundary. See Figure 1 for a boundary map.

The primary neighborhoods that make up the Study Area are the unincorporated subdivisions of Granada South, Griffin Park, Groves Terrace, Harmony Homes, Hayman Subdivision, Lake Mobile Shores, Lakeview Subdivision,



Figure 1 - Study Area Map



Lula Blake Subdivision, Magnolia Hills, Orange Estates, Sanlando Springs, Winwood Park, Merritt Park, Frost Addition, and Oak Park. Most of the Study Area is located within the jurisdiction of Seminole County. However, a small portion consisting of the SunRail station property and the frontage parcels moving east along Altamonte Drive up to Jackson Street are in the City of Altamonte Springs. The City has been actively planning for TOD in and around the station area, on both land within its jurisdiction and on unincorporated County land that it anticipates would be annexed when development occurs.

The primary source of demographic and housing data for this study is the American Community Survey (ACS) conducted by the U.S. Census Bureau. Data are available at the Census block group level and are averages for the five-year period from 2008-2012. This is the smallest level of geography and most recent time period for which pertinent data are available. Given the size and boundaries of the Study Area, it was necessary to assemble a “profile area” from available Census block groups that when combined best correspond with the Study Area boundaries. In this case three block groups were used as a proxy for the Study Area to obtain and analyze data that describe demographic and housing conditions in the Study Area. The boundaries of these block groups and their relation to the Study Area boundaries are shown in Figure 1.

The ACS data provide information on a variety of topics that help describe the housing needs of Study Area residents. In addition, a recent estimate of the number of households by age and income for the Study Area itself was obtained from ESRI, a private national provider of demographic and geographic data. This estimate is a count of households categorized by the age of the householder and the household’s income for the year. Other than this estimated household count by age and income, all other demographic and household data presented for the Study Area were obtained for the block group-derived profile area that serves as a proxy for the actual Study Area.

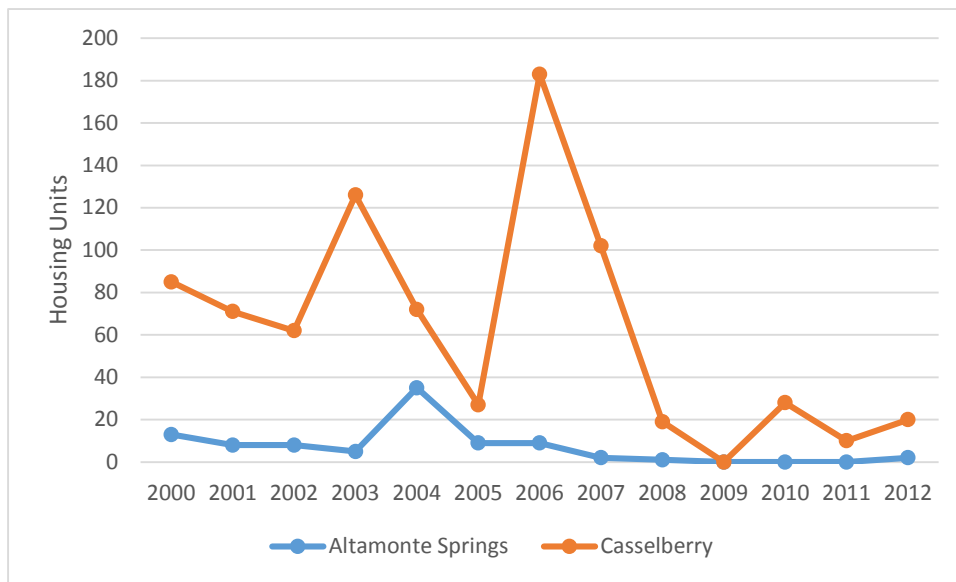


Local Market Overview

Because the Study Area is relatively small, comprising 0.81 square miles, it is useful to examine trends and conditions in larger adjacent areas that provide an overview of the local market and set context. The Cities of Altamonte Springs and Casselberry surround the Study Area on three sides and because of their similarity in location and accessibility are the most relevant geographic units for comparing key market-driven data points for this portion of Seminole County. As will be shown later in this chapter, the socioeconomic characteristics of these cities are notably different from the Study Area.

Residential building permit activity illustrates the amount of new home construction taking place in a community. Permit issuance data for the past decade are shown in the charts below in order to profile the activity leading up to and including the boom and bust years of the middle and late 2000s.

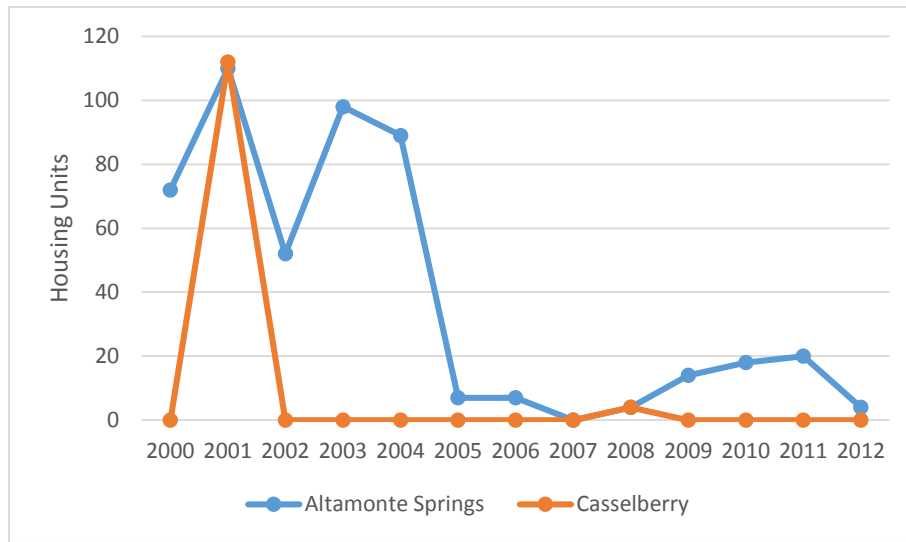
Figure 2 - Single-Family Building Permits Issued



Source: U.S. Census Bureau



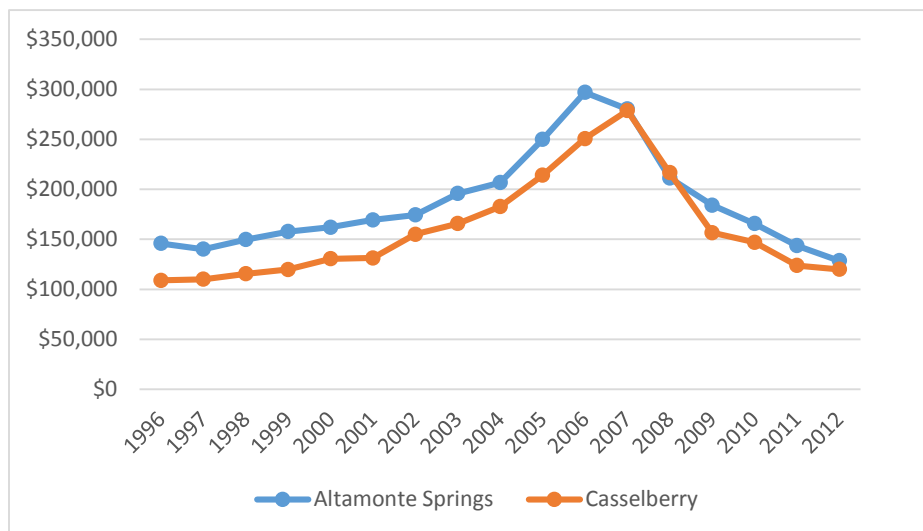
Figure 3 - Multifamily Building Permits Issued



Source: U. S. Census Bureau

Altamonte Springs appears to be largely built out from a residential perspective, with low levels of single-family permit activity and moderate multifamily activity in the first half of the past decade. Casselberry had a few sporadic years of moderately high single-family activity and no multifamily activity except for a notable year in 2001. As would be expected, permit activity in both cities has been minimal since the 2007-2008 recession and financial crisis, although small amounts of multifamily activity have taken place in Altamonte Springs in recent years. Given the location and context of these two communities, residential development in the future is likely to be primarily infill and redevelopment. TOD around the SunRail station could be a significant source of new housing development.

Figure 4 - Median Single-Family Home Sales Price, in 2012 Dollars

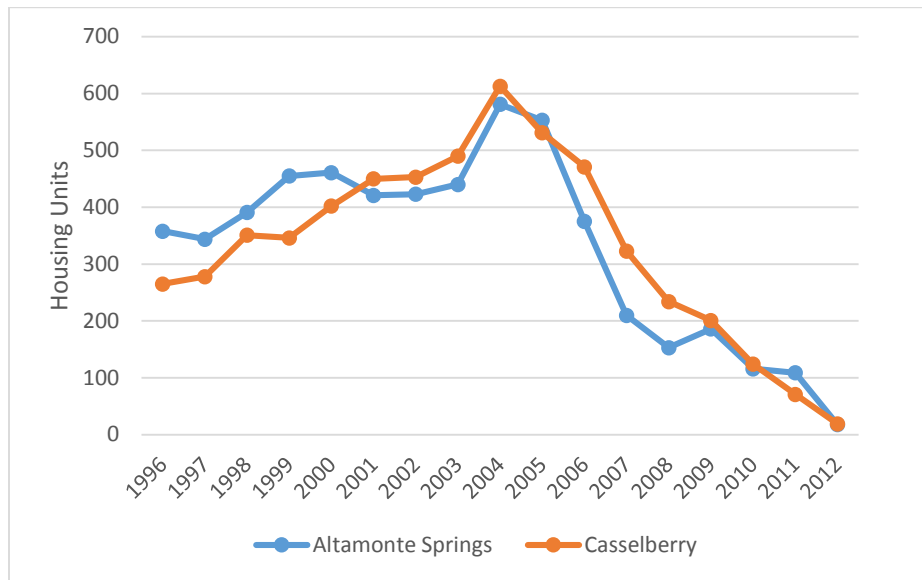


Source: Florida Housing Data Clearinghouse



Using the single-family home market as a proxy for overall resale market activity, both cities saw parallel rises in sales prices and volumes during the mid-2000s followed by a sharp downturn caused by the recession and financial crisis. The median sales price (adjusted for inflation) of the cities generally moved in tandem, with Altamonte Springs consistently higher than Casselberry by \$20,000 to \$40,000. Sales volumes in the two cities also paralleled each other.

Figure 5 - Single-Family Home Sales



Source: Florida Housing Data Clearinghouse

The sales dataset from the Florida Housing Data Clearinghouse ends in 2012, with both cities at a very low annual sales volume. Since then, housing sales region-wide have picked up largely due to low inventory levels, so the trend line can be expected to have turned up after several years of decline.

Table 1 presents a set of key data points related to housing for Altamonte Springs, Casselberry, and the Study Area. The comparison reveals a distinct difference between the Study Area and the two adjacent cities.



Table 1 - Comparison of Study Area with Adjacent Cities

	Altamonte Springs	Casselberry	East Altamonte Study Area
Projected Population Growth to 2040	9.4%	22.3%	n/a
Median Household Income, 2008-2012 Avg.	\$48,763	\$42,687	\$28,090
Owner/Renter Households, 2008-2012 Avg.	52%/48%	64%/36%	67%/33%
SF/MF Occupied Housing Units, 2008-2012 Avg.	46%/54%	61%/29%	92%/7%
Median Single-Family Home Just Value, 2012	\$115,649	\$78,591	\$57,750
Median Single-Family Home Sales Price, 2012	\$128,500	\$119,900	n/a
Median Gross Rent, 2008-2012 Avg.	\$970	\$937	\$898
Median Single-Family Home Year Built, 2012	1977	1973	1971

Sources: Florida Housing Data Clearinghouse, U.S. Census Bureau, Seminole County Property Appraiser

Casselberry’s population is projected to grow by almost one-fourth by 2040, while Altamonte Springs is largely built out from a residential perspective and will likely continue its growth as a regional commercial center. The median household income of the Study Area is significantly lower than either of the two cities: 42 percent below Altamonte Springs and 34 percent below Casselberry. However, the Study Area has the highest homeownership rate of the three areas and by far the largest proportion of single-family homes. But the median single-family home value in the Study Area is low: 50 percent lower than Altamonte Springs and 27 percent lower than Casselberry. Median rent is also lower, but only by seven percent versus Altamonte Springs and four percent versus Casselberry. The median age of single-family homes is highest in the Study Area, but the median year built for all three areas is in the 1970s.

Household incomes and home values in the Study Area are well below those in the adjacent communities, suggesting that the Study Area is isolated from the economic conditions and larger market surrounding it that could raise it to a more equal standing. But the homeownership rate is solid and the housing stock is primarily single-family units, suggesting fairly stable neighborhood base even if economic conditions are underperforming. Most notably, rent levels are fairly close to those in the adjacent cities even with much lower household incomes, meaning that Study Area renters face a rental market that is larger than their immediate neighborhood that is setting prices that are more challenging to afford.

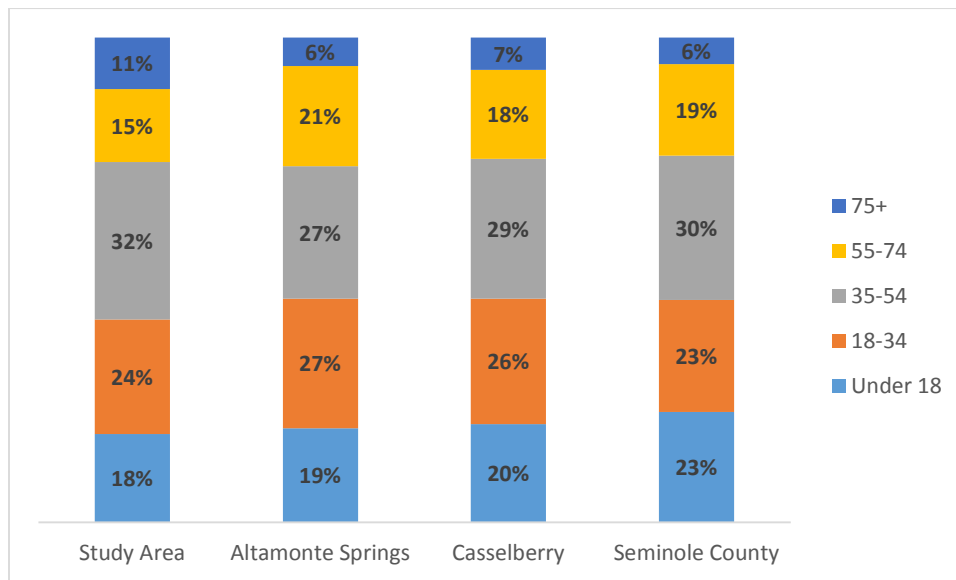


Study Area Demographic Profile

This section presents a demographic profile of the SunRail Study Area, covering selected elements including population and household characteristics, educational attainment, and workforce characteristics. Housing and income characteristics are covered in the following section that addresses the housing needs of the Study Area. The series of charts below with accompanying commentary provide an overview of the people who live in the Study Area.

ESRI estimates that 1,484 people live in the Study Area, and projects that this population will grow by 3.7 percent over the next five years to 1,539 people. According to the ACS, the population is fairly well-distributed across the age groups, with 18 percent under 18, 56 percent in the prime working ages of 18-54, and 26 percent close to retirement or older (55+). The distribution is fairly similar to that in Altamonte Springs, Casselberry, and Seminole County as a whole.

Figure 6 - Population by Age Group

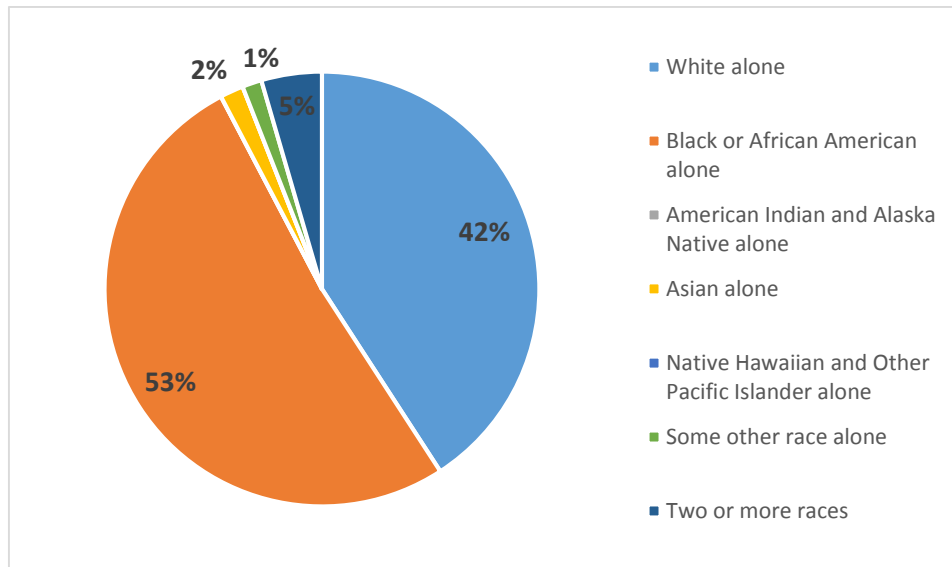


Source: U.S. Census Bureau

African Americans are a slight majority of the population, with whites making up most of the rest. There are very few people of other or multiple races. Ten percent of the population identified themselves as Hispanic or Latino, and these people may be of any race.



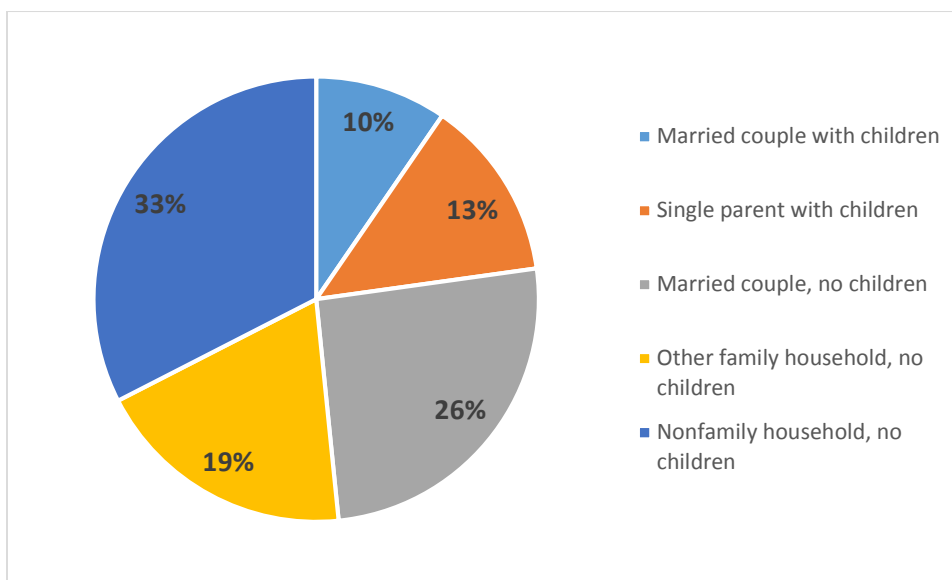
Figure 7 - Population by Race Category



Source: U.S. Census Bureau

Looking at household type, 67 percent are families, meaning that they contain people related by blood or marriage. Nonfamilies (single persons or roommates) make up the other 33 percent, and 31 percent of all households contain only one person. Children under age 18 are present in 23 percent of the households, and over half of these households are single-parent families. This means that 77 percent of households do not have any children in them. The largest single household category is nonfamilies without children.

Figure 8 - Household Type

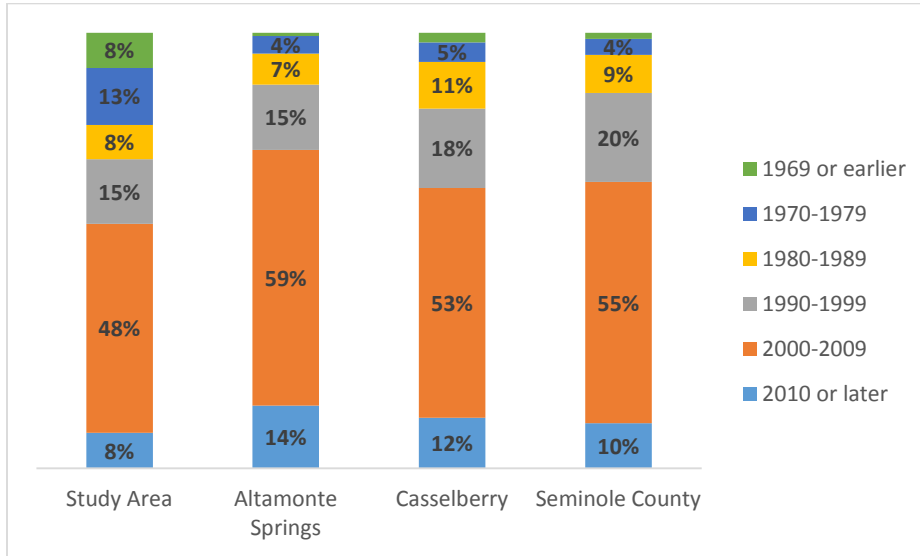


Source: U.S. Census Bureau



Most of households have moved into their current homes in the past decade, with 56 percent moving in since 2000. Longtime residents make up almost one-third of the total: 29 percent of households have lived in their homes since 1990 (which is over 20 years). The equivalent figure is 12 percent for Altamonte Springs, 18 percent for Casselberry, and 14 percent for Seminole County as a whole – a notable difference from the Study Area.

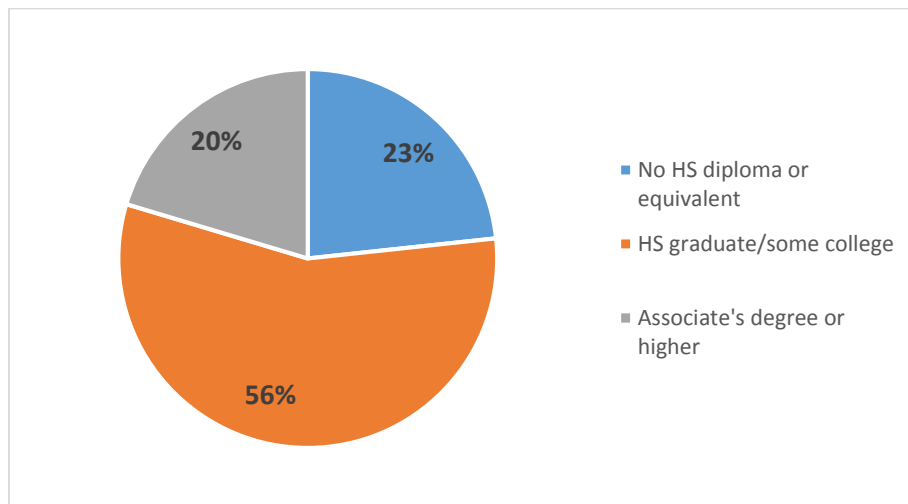
Figure 9 - Year Householder Moved Into Current Unit



Source: U.S. Census Bureau

Educational attainment is relatively low, with 23 percent of the adult population (age 25+) not having a high school diploma or equivalent. One in five have received a post-high school degree and 15 percent have received a bachelor’s degree or higher.

Figure 10 - Educational Attainment

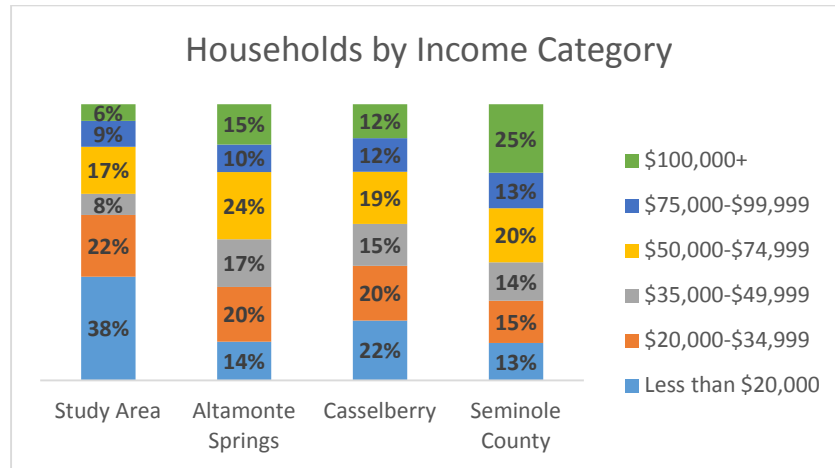


Source: U.S. Census Bureau



Estimates from the ACS for the three block groups that make up the profile area (not the ESRI estimates for the Study Area) show that 38 percent of households earn less than \$20,000 per year. The majority (60 percent) of households earn less than \$35,000 per year. In contrast, only 14 percent of households in Altamonte Springs, 22 percent in Casselberry, and 13 percent in Seminole County as a whole earn less than \$20,000 per year.

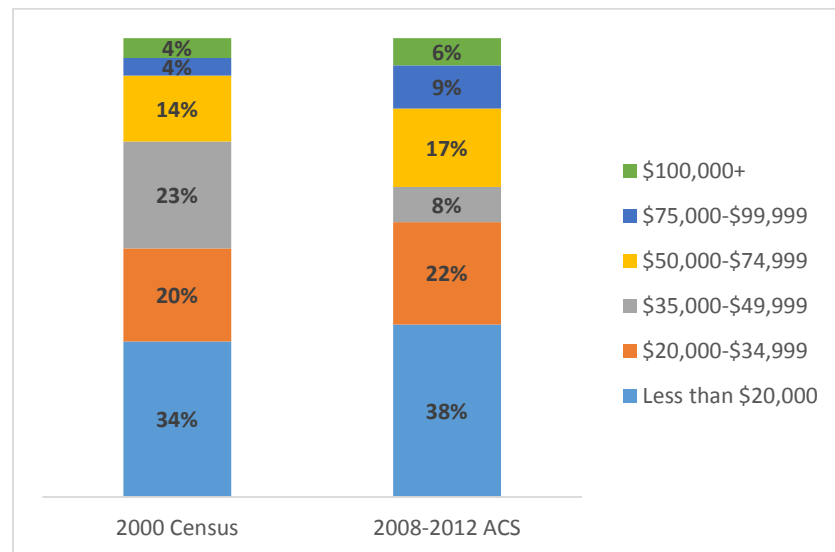
Figure 11 - Households by Income Category



Source: U.S. Census Bureau

The proportion of lower-income households has increased slightly since 2000, while the middle-income category (\$35,000-\$49,999) has been “squeezed” smaller since 2000. Over the past decade, the under-\$35,000 category went from 54 percent to 60 percent of households, the \$35,000-\$49,999 category went from 23 percent to eight percent of households, and the above-\$50,000 category went from 22 percent to 32 percent of households.

Figure 12 - Study Area Households by Income Category over Time

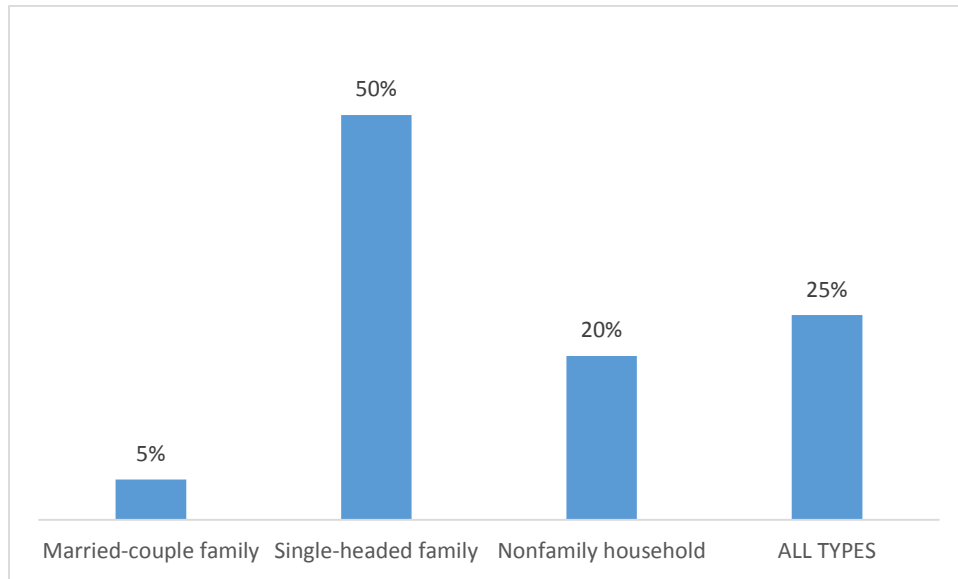


Source: U.S. Census Bureau



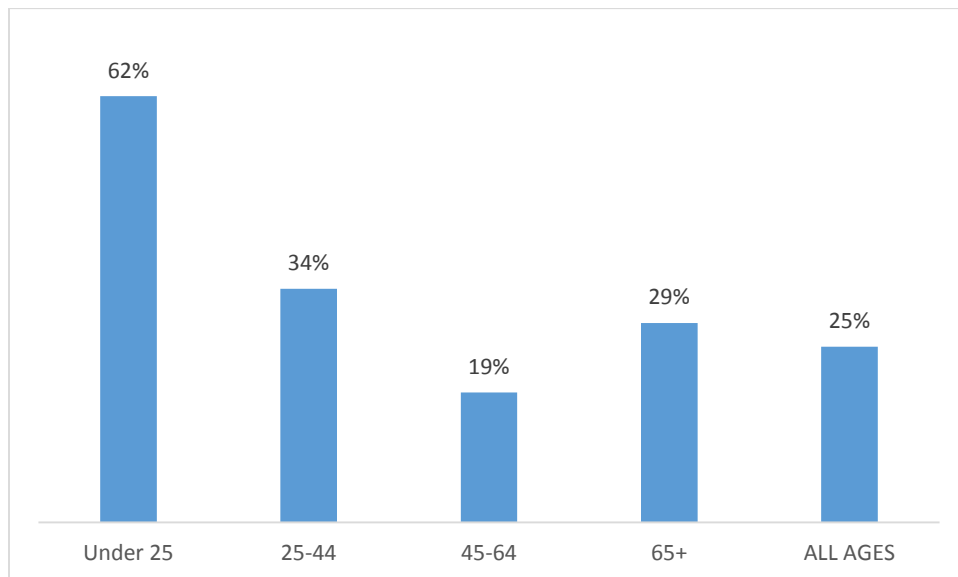
One in four households are below the poverty line, with half of these being single-headed households with no spouse present. A majority of the households in poverty are headed by a person under age 25, while almost one in five households age 45-64 (typically the peak earning years) are in poverty.

Figure 13 - Households below the Poverty Line by Type



Source: U.S. Census Bureau

Figure 14 - Households below the Poverty Line by Age of Householder

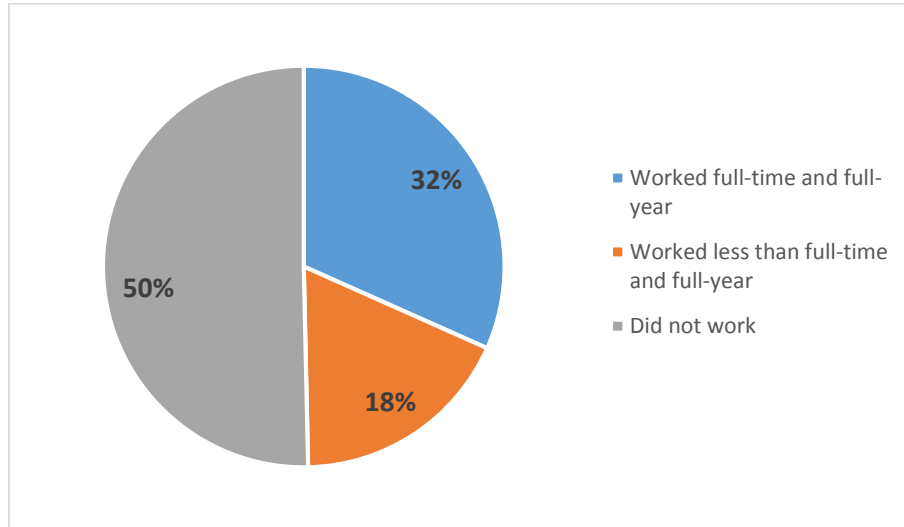


Source: U.S. Census Bureau



Half of the working-age population did not work in the past year, and another 18 percent did not work full-time and/or for the full year.

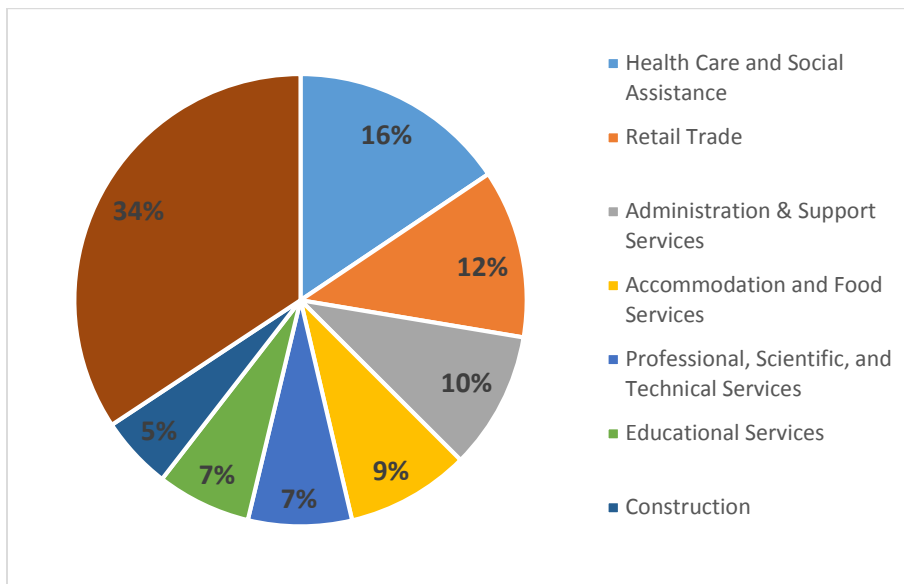
Figure 15 - Employment Status in the Past Year of the Population Age 16-64



Source: U.S. Census Bureau

More than one-fourth of employed residents work in health care or retail jobs. Most are not commuting long distances, with 66 percent traveling less than 10 miles to get to work. Most residents work in the Interstate 4 corridor, with the top destination zip codes being Altamonte Springs east of I-4, Lake Mary/Heathrow, Longwood, Downtown Orlando, and the East Colonial Drive corridor in Orlando.

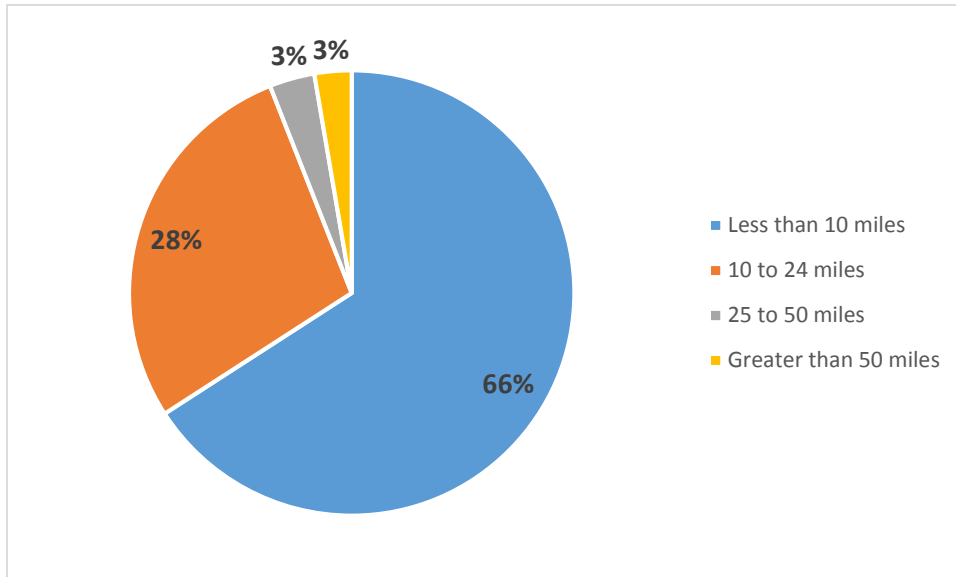
Figure 16 - Industry Sector of Employed Residents



Source: U.S. Census Bureau



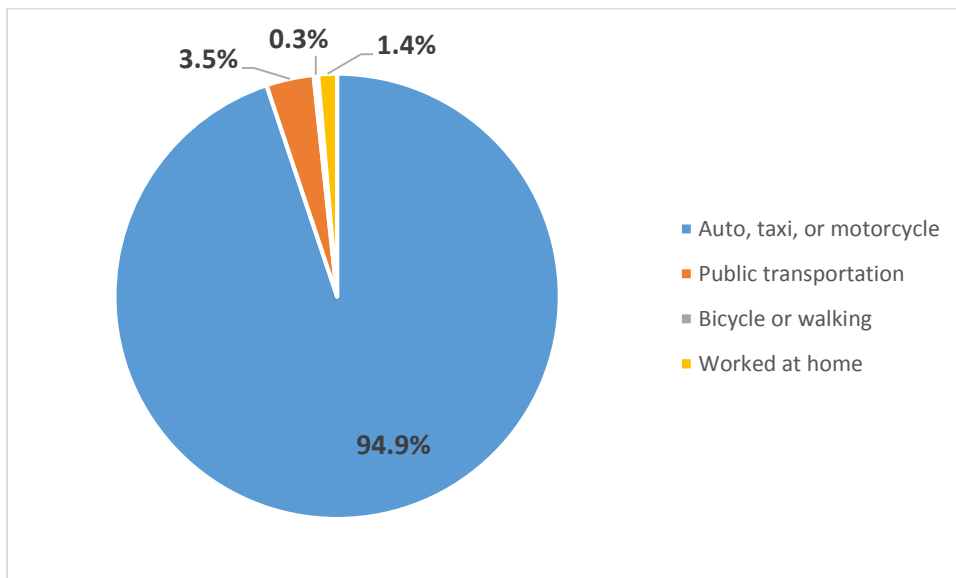
Figure 17 - Commute Distance of Employed Residents



Source: U.S. Census Bureau

Nearly all employed residents drive or ride to work in a personal vehicle. Only 3.5 percent use public transportation to get to work, and more people work from home than bike or walk to work. Eleven percent of all households have no vehicle available, compared to six percent in Altamonte Springs, four percent in Casselberry, and four percent in Seminole County as a whole.

Figure 18 - Means of Transportation to Work



Source: U.S. Census Bureau



Housing Needs of the Study Area

The housing needs of the East Altamonte Study Area are driven by demographics, economic factors, and housing stock conditions. The needs analysis addresses two types of housing: elderly-oriented housing and affordable “standard” housing that is oriented toward younger occupants, particularly families with children.

OVERVIEW OF STUDY AREA CONDITIONS

Many factors can influence the housing needs of a person or family, but two of the most basic factors are income and age. Household income determines what sort of housing can be afforded, while age is a key influence on the type of housing demanded. The two factors are often tightly linked, as younger households typically have lower incomes because the working members are at earlier stages of their careers, while older households are more likely to contain people in or near their peak earning years. Age influences housing type choice primarily because householders in the middle age categories are more likely to have children at home, and many families prefer to raise their children (especially younger ones) in single-family detached homes. These are broad generalizations, but they tend to hold true in many situations.

ESRI estimates that 484 households live in the Study Area, and the median household income is \$29,286. This means that a majority of households would qualify as low-income households for the purposes of eligibility for housing assistance programs. The area median income (AMI) for a four-person household in Seminole County as determined by the U.S. Department of Housing and Urban Development (HUD) was \$58,200 for the fiscal year relevant to ESRI’s estimate, and from this baseline income HUD calculates the income limits for three different low-income categories and eight different household sizes, as shown in Table 2.

Table 2 - HUD Income Limits by Household Size for Seminole County (FY 2012)

Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)	Low Income (80% of AMI)
1 Person	\$12,250	\$20,400	\$32,600
2 Person	\$14,000	\$23,300	\$37,250
3 Person	\$15,750	\$26,200	\$41,900
4 Person	\$17,450	\$29,100	\$46,550
5 Person	\$18,850	\$31,450	\$50,300
6 Person	\$20,250	\$33,800	\$54,000
7 Person	\$21,650	\$36,100	\$57,750
8 Person	\$23,050	\$38,450	\$61,450

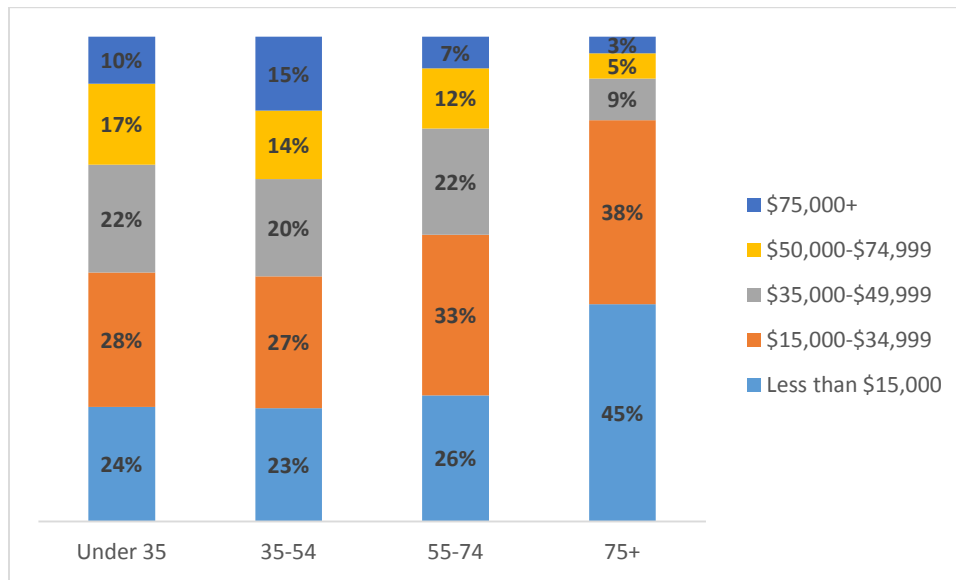
Source: U.S. Department of Housing and Urban Development



While detailed information on the incomes versus household sizes in the Study Area is not available, a review of Table 2 and the demographic data presented in the previous section suggests that a large proportion of households fall into one of the low-income categories. The median household income (all household sizes) of \$29,286 estimated by ESRI is higher than the Very Low Income limit (50 percent of AMI) for households of three persons or fewer, and 81 percent of Study Area households have three persons or fewer living in them according to the ACS. Therefore, it is likely that more than half of the households would qualify as Very Low Income, and others will qualify as Low Income (80 percent of AMI). For comparison, the Shimberg Center for Housing Research estimates that in 2010 the proportion of households qualifying as Very Low Income was 19 percent in Altamonte Springs, 16 percent in Casselberry, and 14 percent in the entire unincorporated area of Seminole County.

ESRI estimates that the median age of Study Area residents is 38.2 years, which closely tracks the Seminole County median age of 38.3 years, but is slightly older than the figure of 36.2 years for the entire Orlando Metropolitan Statistical Area (MSA) of Lake, Orange, Osceola, and Seminole Counties. Looking at age by household rather than by individual, 27 percent of households are headed by a person over 65 while only 15 percent are headed by someone under 35, meaning that the majority of households (58 percent) are headed by someone 35-64. Household incomes vary by age group, as shown in the chart below.

Figure 19 - Household Income by Age of Householder

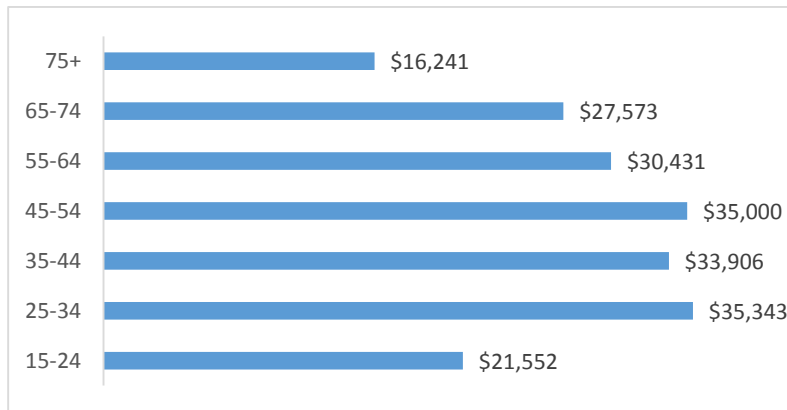


Source: ESRI

The percentage distribution of income levels is fairly similar across the younger and middle-aged groups, and reflects a generally lower-income profile with just 27 percent of households earning more than \$50,000 per year. But for elderly households (age 65+) the income distribution is more heavily weighted to the lowest income levels, with 33 percent earning less than \$15,000 per year. This point is reinforced by the median household incomes by age of householder.



Figure 20 - 20 Median Household Income by Age of Householder

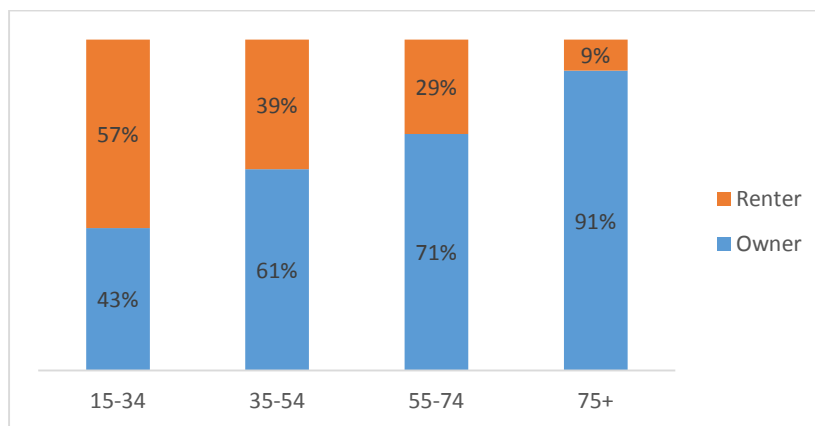


Source: ESRI

The median income for the 75+ age group is significantly lower than even the 65-74 age group, suggesting that the oldest Study Area residents will find paying for housing particularly challenging. Another notable observation from Figure 3 is that the highest median income is actually found in the 25-34 age group rather than any of the middle age groups. This figure is still relatively low compared to the Seminole County AMI and it also suggests that unlike what is typically seen, Study Area residents are not attaining higher incomes as they progress through their working years.

Housing tenure (whether a household owns or rents its home) is another important factor to consider when assessing housing conditions and need. The ACS found that 67 percent of the Study Area households own their homes, while 33 percent rent. This is a higher proportion of owners than the Orlando MSA as a whole, where the owner/renter split is 64/36, but lower than Seminole County, where it is 71/29. The Study Area is not dominated by renter households, as is often the case in lower-income neighborhoods. Elderly households are more likely to be owners, as is typically seen, with 84 percent of households age 65+ owning their homes, compared to only 43 percent of households under 35.

Figure 21 - Household Tenure by Age of Householder



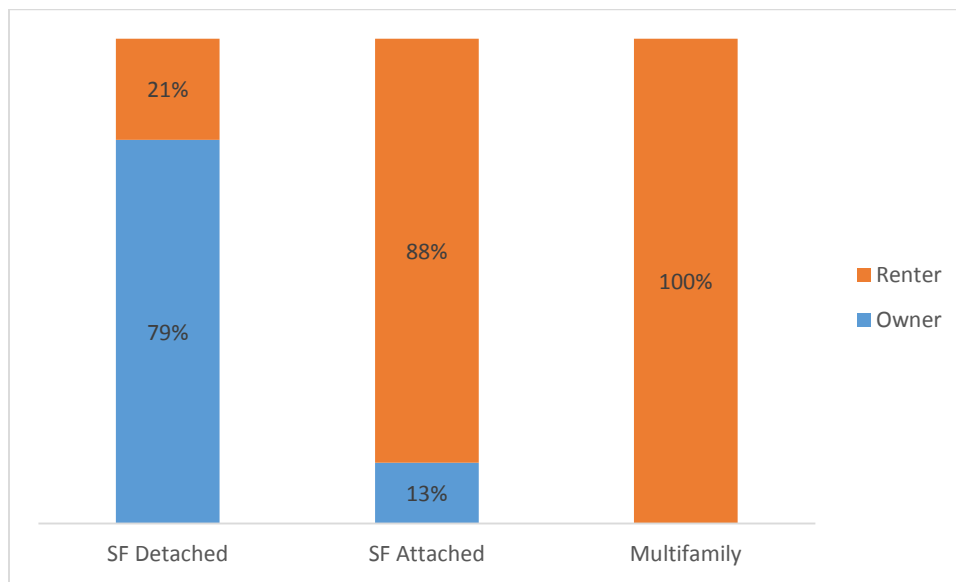
Source: U.S. Census Bureau



While younger people are typically the most common renters, 78 percent of the renter households in the Study Area are age 35-64, the prime age range for having children at home. While households under 35 are the most likely to be renters, households in this age category only make up 10 percent of all renter households in the Study Area.

Single-family detached homes primarily comprise the Study Area housing stock with 83 percent of the total occupied housing units. Single-family attached homes (i.e. townhomes) make up nine percent and multifamily units make up seven percent of the total. Nearly all of the homeowners live in single-family detached units, as this housing type makes up 98 percent of the owner-occupied stock. Many renters also live in single-family detached units, but a significant share also live in single-family attached and multifamily units – 25 percent and 22 percent of renters, respectively. As shown in the chart below, almost 80 percent of single-family detached units are owner-occupied compared to only 13 percent of single-family attached and no multifamily units.

Figure 22 - Household Tenure by Unit Type



Source: U.S. Census Bureau

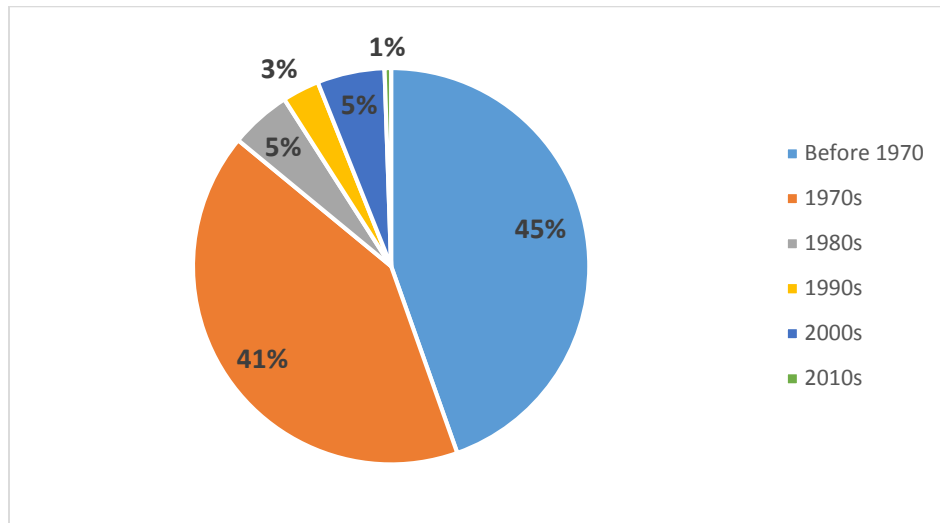
Unlike many suburban areas, the renters in the Study Area are not living in large apartment complexes. Almost 80 percent are living in single-family homes, either detached or attached. Those that are living in multifamily units are living in very small buildings, with two to four units per building at most.

The five-year average vacancy rate available from the ACS shows that 19 percent, or nearly one in five homes in the Study Area are vacant. The status of these vacant homes is also notable, as only 20 percent of them are classified as being available for rent or for sale. Eleven percent of the vacant homes are classified as for seasonal use, which means that 69 percent of the vacant housing stock is classified as “Other Vacant” by the Census Bureau, indicating that the units are not considered to be available for occupancy. The Census Bureau does not provide any detail on why units in this category are not available, other than that they are not on the market to be purchased or rented.



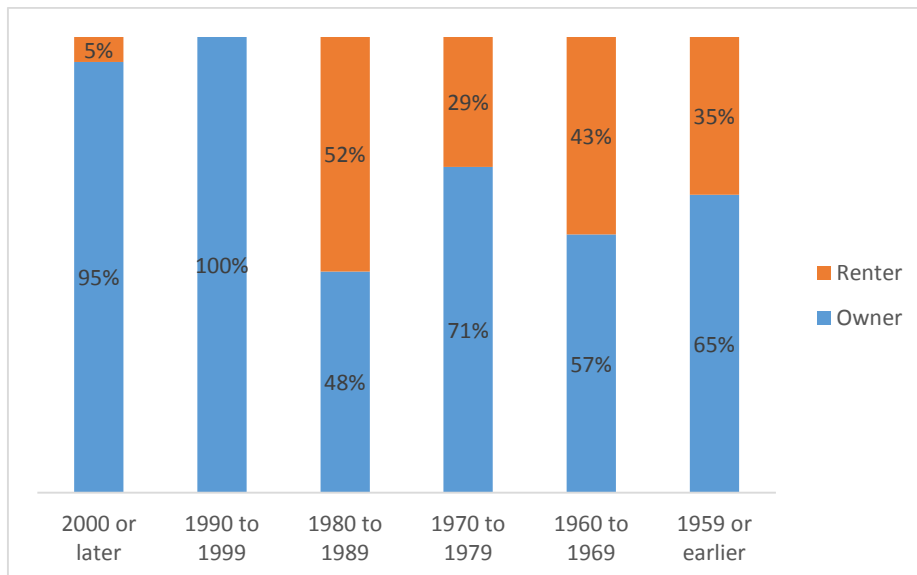
New housing construction has been minimal in the Study Area. Based on data obtained from the Seminole County Property Appraiser for the Study Area boundaries (not the profile area proxy), 45 percent of the single-family homes in the area were built before 1970, and another 41 percent were built in the 1970s. This means that only 14 percent of the single-family homes are less than roughly 35 years old. Only three homes were built since 2010. ACS data for the profile area indicate that older homes are more likely to be renter-occupied. Thirty percent of the homes are 50 years old or older, which is the typical age threshold for qualifying a structure as historically significant.

Figure 23 - Year Built of Single-Family Homes



Source: Seminole County Property Appraiser

Figure 24 - Tenure of Occupied Housing Units by Year Built

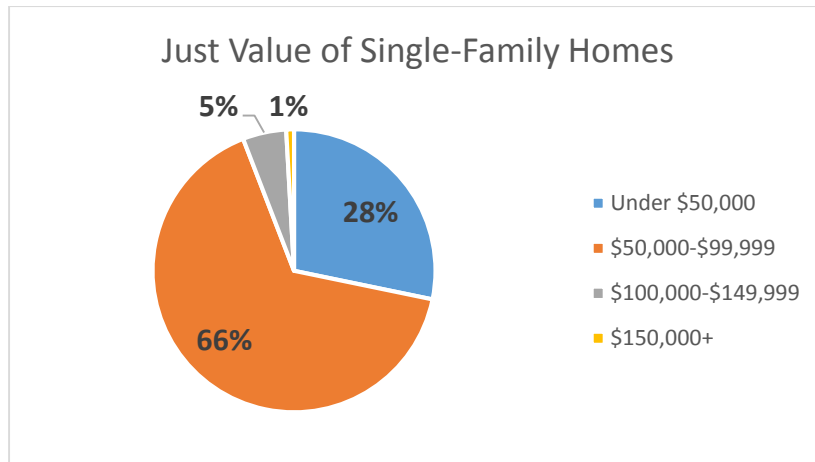


Source: U.S. Census Bureau



Home values in the Study Area are low. According to the Property Appraiser data, the median Just Value of single-family homes in the Study Area is \$57,750. In 2012 the comparable figure was \$115,649 in Altamonte Springs, \$78,591 in Casselberry, and \$132,103 in all of unincorporated Seminole County. Homes valued under \$50,000 make up 28 percent of the Study Area total, while two-thirds of the stock are valued between \$50,000 and \$99,999.

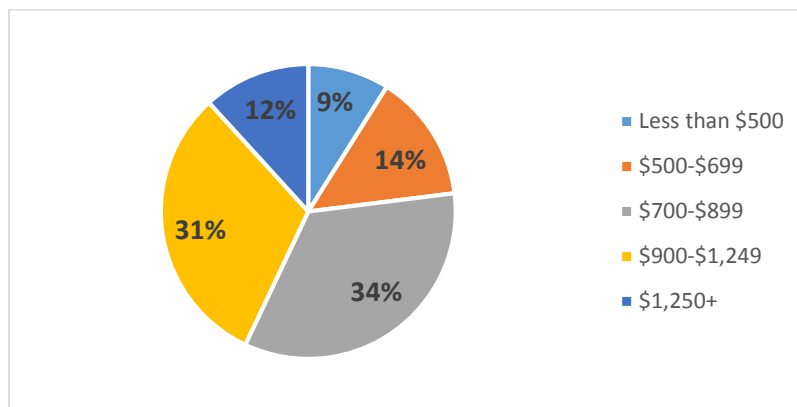
Figure 25 - Just Value of Single-Family Homes



Source: Seminole County Property Appraiser

Rent data for the larger profile area indicate that renting a home in the Study Area is likely to be more expensive than owning one on a monthly payment basis. The average gross rent per rental unit (including utilities) is \$874 per month. A rough calculation using a six percent mortgage rate and a range of possible down payment amounts suggests that this monthly rent would be comparable to the mortgage payments of a home priced around \$165,000, or close to three times the median value of single-family homes in the Study Area. While homeownership entails other costs such as maintenance and property taxes, this rough calculation does demonstrate how renters can often pay more for equivalent housing. The chart below shows the rent distribution of the rental housing stock.

Figure 26 - Gross Rent per Month of Rental Housing Stock



Source: U.S. Census Bureau



To summarize the key housing-related facts about the Study Area:

- Incomes are generally low; median household income is \$29,286
- Two-thirds of households own their homes, one-third are renters
- One in four households are elderly (age 65+)
 - Their incomes are generally lower than younger households
 - 84 percent own their homes
- 83 percent of occupied homes are single-family detached units
 - 45 percent of single-family homes were built before 1970
 - 94 percent of single-family homes are currently valued under \$100,000; 28 percent are valued under \$50,000
- Only 22 percent of renter households live in multifamily apartments, and there are no apartment buildings larger than 3-4 units
 - More than half of renter households live in single-family detached units
 - Renting is likely to be more expensive than owning a roughly equivalent home
- Nearly one in five homes is estimated to be vacant, and of those nearly 70 percent are not available to occupy

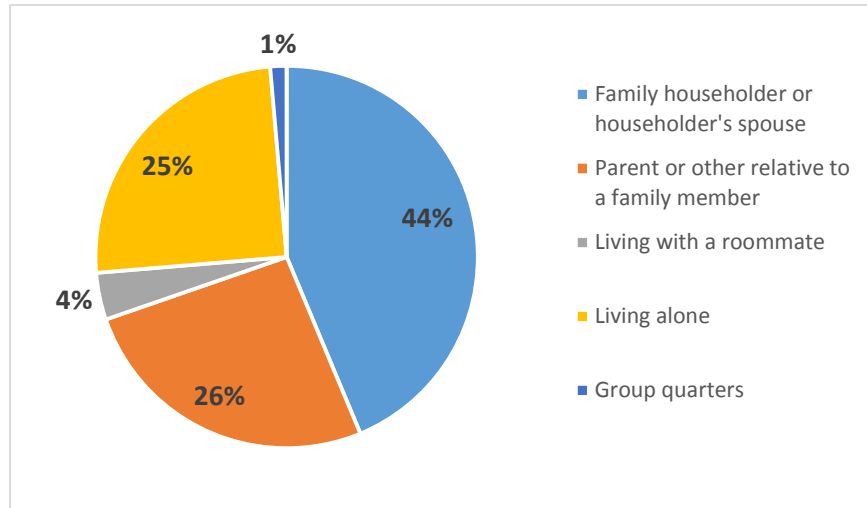
ELDERLY-ORIENTED HOUSING

Elderly persons (age 65+) often have particular housing needs because of the physical limitations that occur as one ages that can make mobility and upkeep of a house more challenging. Many of the elderly also are on fixed incomes that can be modest and are susceptible to affordability challenges posed by rising rents, taxes, unexpected or deferred maintenance costs, or other financial events that can strain a household budget. Elderly persons are also less likely to be able to or want to drive a car for their daily activities and thus will benefit from better multimodal accessibility where they live. For these reasons, the potential need for elderly-oriented housing in the Study Area will be an important consideration for TOD planning.

According to the ACS, 30 percent of the households in the Study Area have at least one person 65 years or older living in them. This is a slightly larger share than seen in the adjacent jurisdictions, with 22 percent of households in Altamonte Springs and 25 percent in Casselberry having a 65+ age person living in them. The living situation of these elderly persons varies, as shown in the chart below. Most (44 percent) are living with a spouse, but a significant share are part of a larger family (26 percent) or living alone (25 percent). Only a small proportion are living with an unrelated roommate (four percent) or in group quarters (one percent). Overall, 73 percent of the elderly population would be considered “independent” and making housing decisions on their own or with a spouse/roommate.



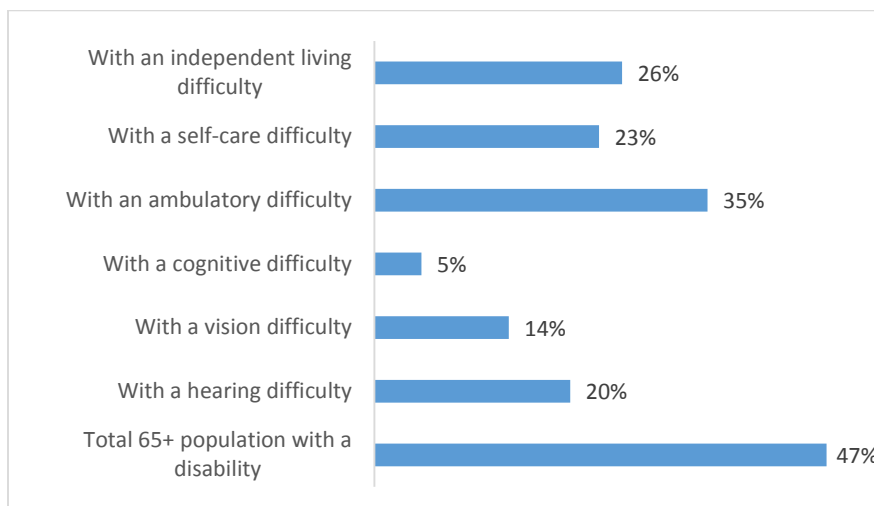
Figure 27 - Living Situation of Persons Age 65+



Source: U.S. Census Bureau

Data cited in the previous section show that 84 percent of elderly households own their homes, including 91 percent of the oldest households (age 75+). Furthermore, 98 percent of owner-occupied housing units are single-family detached homes. Therefore, it is safe to assume that most elderly households are living in single-family detached homes. As previously mentioned, this can prove to be a financial burden for elderly members of households who are living on fixed incomes and may struggle to afford the regular costs of home maintenance as well as major repairs or replacements of critical items such as the roof, heating/air conditioning, and plumbing. Owning a single-family home can also be physically challenging for elderly persons living alone or just with an elderly spouse. A significant percentage of persons age 65+ in the Study Area have disabilities that can make living independently in their own home a challenge.

Figure 28 - Disability Characteristics of the Population Age 65+



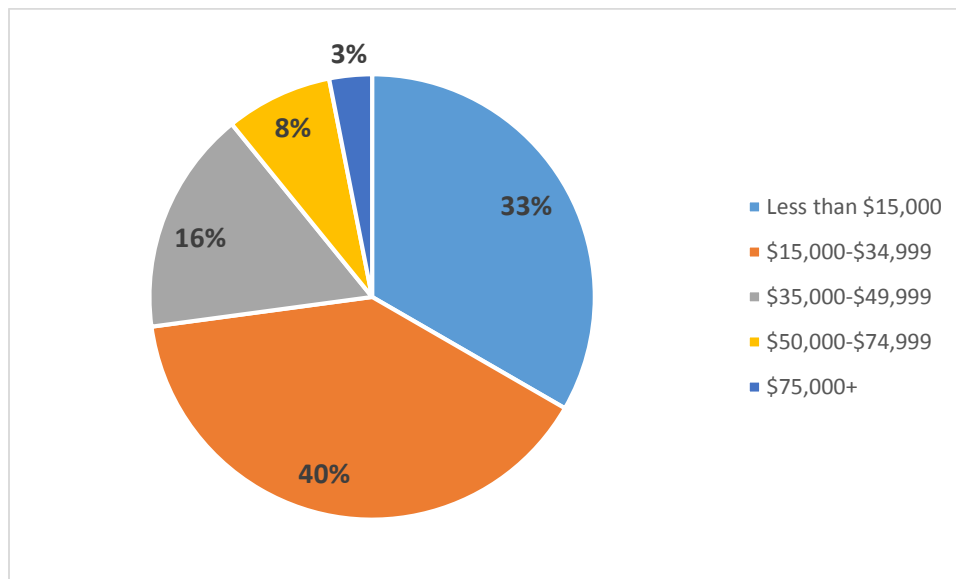
Source: U.S. Census Bureau



Data on disabilities were not available at the Census block group level, so data from the Census tract that encompasses the portion of the study area east of the railroad tracks and additional area running east to US 17/92 and north to Dog Track Road were used as a proxy. One in four (26 percent) of elderly persons have an independent living difficulty, and 35 percent have an ambulatory difficulty. Nearly half (47 percent) have some sort of disability, and without outside assistance may find it difficult to keep up with all of the demands of maintaining a single-family home. Because only seven percent of the housing units in the Study Area are multifamily, there are not many options for elderly persons to find different housing while staying in the neighborhood.

ESRI estimates that 129 households in the Study Area are headed by someone 65 or older. The median household income for households age 65-74 is \$27,573, slightly lower than the median income of all households, but for households age 75+ the median income is only \$16,241. One-third of elderly households have incomes less than \$15,000 per year, and nearly three-fourths (73%) have incomes less than \$35,000 per year.

Figure 29 - Households Age 65+ by Income Category



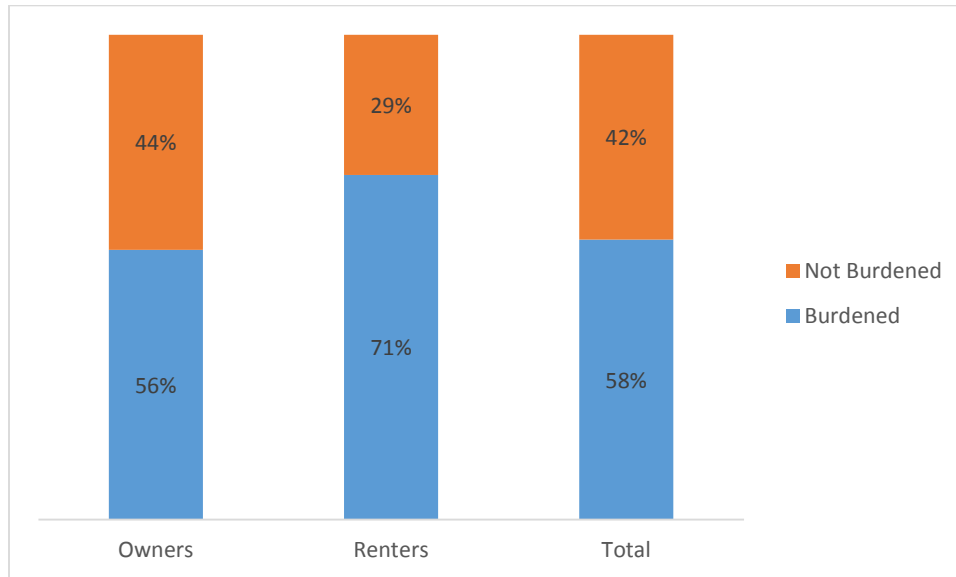
Source: ESRI

Many of the households earning less than \$15,000 per year are likely fall into HUD’s Extremely Low Income category, because the income limits are \$12,250 for a one-person household and \$14,000 for a two-person household. The households earning between \$15,000 and \$25,000 would fall into HUD’s Very Low Income category because the income limits are \$20,400 and \$23,300, respectively. The households earning between \$25,000 and \$35,000 would fall into HUD’s Low Income category because the income limits are \$32,600 and \$37,250, respectively. Therefore, at least 73 percent of the elderly households in the Study Area would qualify for subsidized housing or other housing assistance programs based on their incomes. That translates to at least 94 households.



While low-income households are obviously the most likely to face challenges in affording their housing, any household can be burdened with housing that costs more than a household’s income can reasonably support. HUD defines a housing cost burden as paying 30 percent or more of household income in housing costs. In the Study Area, well over half of the elderly households are burdened by their housing costs.

Figure 30 - Housing Burden Status of 65+ Age Households, by Tenure



Source: U.S. Census Bureau

The 56 percent of elderly owner households that are burdened tracks closely with the proportion of all elderly households. But elderly renter households are more likely to be burdened, with 71 percent of them paying more than 30 percent of their income toward housing.

To summarize the key facts of the elderly-oriented housing situation in the Study Area:

- 30 percent of households have someone age 65+ living in them
- 73 percent of the elderly are living in their own households, while 26 percent are part of a larger family
- The vast majority of elderly in the area own their homes, and nearly all owner-occupied homes are single-family detached units – thus, most elderly are living in detached units
- One in three elderly households have incomes less than \$15,000 per year
- 56 percent of elderly households are paying more than 30 percent of their household income on housing costs – they are considered to be burdened by these costs
- Around three-fourths of elderly households have incomes that would meet the HUD requirements for housing assistance (below 80 percent of area median income), which translates to at least 94 households

Because of the significant proportion of elderly persons living in the Study Area, housing strategies for the area should take into account the likely desire of many to remain in the neighborhood as they age, either in their current home or in a different living situation. A recent report found that it is not automatic that assisted living, supportive



living, and multifamily apartments are the answer to housing needs for an aging population.¹ The cost of “overcare” – too much service provided in institutional facilities along with reduced independence for residents – exceeds the cost of retrofitting existing single family homes to enable aging occupants to truly “age in place.”

Aging in place does not have to mean relocating to an apartment. The American Planning Association recently conducted a survey of the opinions of the Baby Boom and Millennial generations toward a variety of planning issues.² The majority reported a strong desire to remain in their original home as they age, or to have the flexibility to alter their existing home to accommodate aging parents and roommates in the future. Housing options that can help meet the needs of residents do not have to solely mean replacing single-family housing with multifamily housing. The use of accessory units, return of vacant units to the market, and retrofitting of existing single family homes can address many of the housing needs to this area and allow additional capacity to absorb new residents, without requiring large scale multifamily housing.

¹ MetLife Mature Market Institute. *Aging in Place 2.0: Rethinking Solutions to the Home Care Challenge*. September 2010.

² American Planning Association. *Investing in Place for Economic Growth and Competitiveness: A Research Summary*. May 2014.



AFFORDABLE STANDARD HOUSING

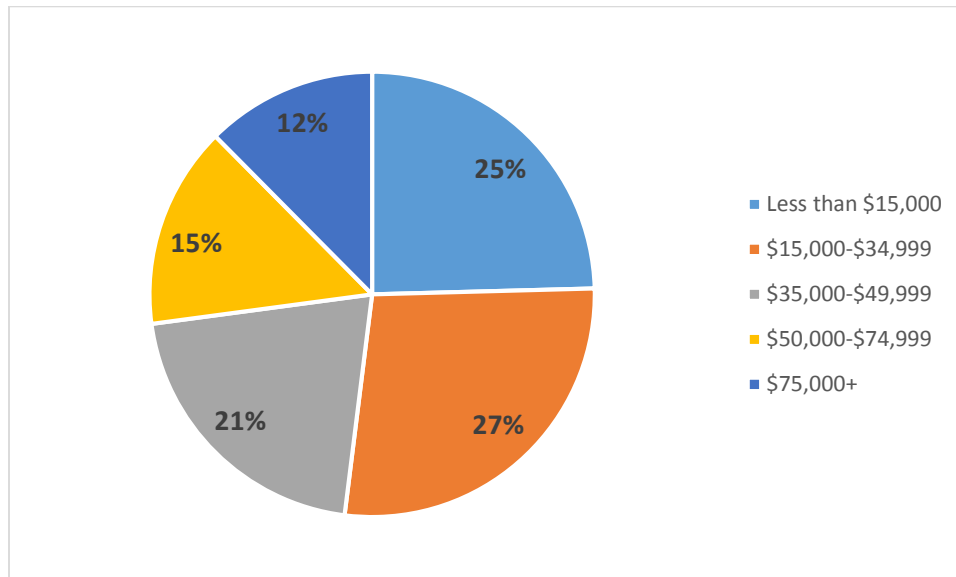
Given the lower-income profile of the Study Area, there is likely to be a significant need for affordable housing among all ages, not just elderly households. Affordable “standard” housing is targeted at households age 15-64, and is sometimes called “family” housing in affordable housing programs. These household may or may not have children at home.

Among the households age 15-64 in the Study Area, 62 percent own their homes and 38 percent rent. This homeownership rate is slightly higher than the rate of 60 percent for the Orlando MSA, but significantly below the 68 percent rate for Seminole County. With approaching two out of three households owning their homes, there is a significant base of homeownership in the Study Area and the proportion is generally in line with the broader market.

As noted previously, nearly all (98 percent) of owner households are living in single-family detached homes, while just over half (53 percent) of renter households are also living in this type of housing. Only 16 percent of all occupied housing units are attached or multifamily types, which makes the Study Area a neighborhood of primarily lower-density housing.

Household incomes for the 15-64 age households are more evenly distributed than they were for elderly households, as shown in Figure 30. One in four households earns less than \$15,000 per year and another 27 percent earn between \$15,000 and \$34,999 per year.

Figure 31 - Households Age 15-64 by Income Category



Source: ESRI

Between age 25-54, the median household incomes cluster around \$35,000 (refer back to Figure 3). The youngest households (age 15-24) have the lowest median income of all age groups except 75+, which is logical because the working persons in these households are very early in their careers and are likely working at entry-level jobs.



The median income of households age 55-64 dips slightly, to around \$30,000, a noticeable falloff from the peak earning years.

With a median household income of around \$35,000, well over half of the 15-64 age households are likely to qualify for subsidized housing or other assistance programs because the HUD income limit for the Low Income category is \$46,550 for a four-person household (the income limit decreases as household size decreases, and almost 90 percent of households in the Study Area have four or fewer people living in them). Around 38 percent of the households would likely be classified as Very Low Income. Most of the households earning under \$15,000 are likely to qualify as Extremely Low Income under the income limits, which represents 25 percent of the 15-64 age households. It is safe to say that the need for affordable standard housing extends to at least half of the non-elderly households in the Study Area. This translates to at least 184 households.

Looking at affordability needs from the perspective of housing cost burden, most renters in the Study Area are paying more than 30 percent of their incomes in housing costs and nearly half of owners are as well.

Figure 32 - Housing Burden Status of 15-64 Age Households, by Tenure



Source: U.S. Census Bureau

Overall, nearly two-thirds of households age 15-64 are burdened by their housing costs. Nearly all renter households are burdened, which indicates that there is a substantial mismatch between the incomes of Study Area renter households and the neighborhood rental market. While the finding that half of owner households are burdened might be partially ascribed to impacts of the recent housing market crash and recession causing many mortgages to become financially unsustainable, there are even households without a monthly mortgage payment who are burdened. According to the ACS, 35 percent of owner households without a mortgage are burdened by their housing costs.



To summarize the key facts of the standard affordable housing situation in the Study Area:

- 62 percent of households age 15-64 own their homes; in comparison, the homeownership rate is 68 percent in Seminole County and 60 percent in the entire Orlando metro area
- Median household income is around \$35,000 for households age 25-54, but is lower for those under 25 and 55-64
- Proportion of 15-64 age households with a housing cost burden:
 - Half of owner households
 - 92 percent of renter households
 - 65 percent of all households
- Roughly half of 15-64 age households have incomes that would meet the HUD requirements for housing assistance (below 80 percent of area median income)

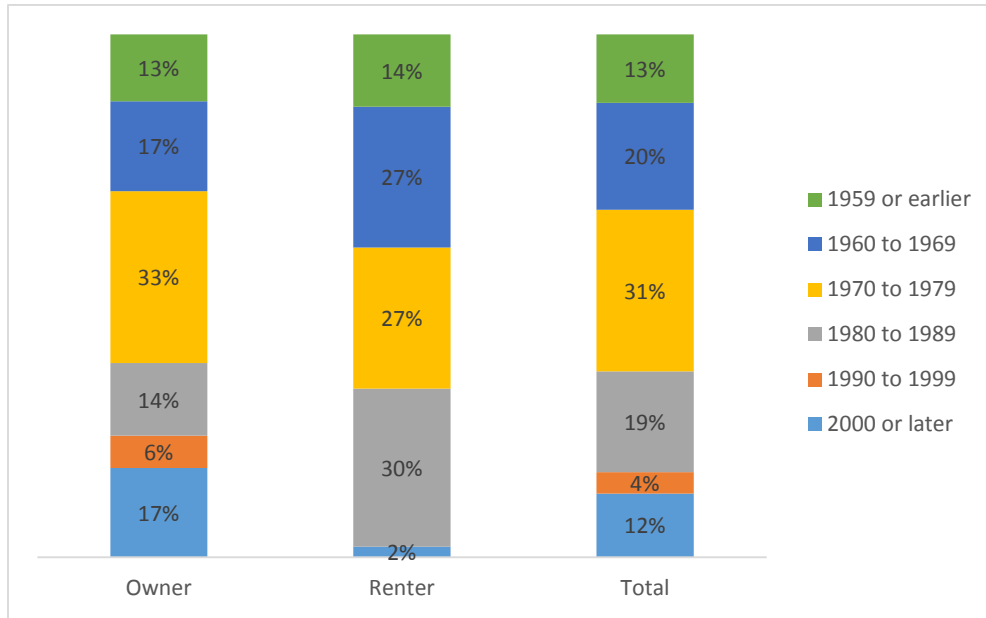
ACCESSIBLE HOUSING

Persons of any age may have disabilities or other conditions that reduce their physical ability to live in a home. Stairs, elevated front stoops, narrow doorways and hallways, bathrooms with minimal floor space, tall kitchen cabinets and countertops, and other characteristics can make a home difficult for the frail elderly, persons in wheelchairs, or other people whose physical situations require changes to the typical configuration of a housing unit. With people generally living longer and fewer resources available (both personal and societal) for assistance, it is important that housing be reasonably accessible and livable for all potential occupants. As the U.S. population ages, especially the large Baby Boomer generation, accessibility issues and the need for universal design features are becoming increasingly important in order to allow the elderly to age in place and people with disabilities and other conditions to live as independently as possible.

Information about the accessibility and other design features of the homes in the Study Area is not available, but the minimal amount of new housing development in the area in recent years suggests that there are probably few if any homes that incorporate accessibility features. Such modifications would have to have been undertaken by individual property owners responding to a specific need. Recall from Figure 6 that Property Appraiser data show that 45 percent of the single-family homes in the Study Area were built before 1970, and another 41 percent were built in the 1970s. Only 14 percent of the single-family homes are less than roughly 35 years old, and only three homes were built since 2010. Looking at the entire occupied housing stock, the ACS shows that renters are more likely to live in older homes.



Figure 33 - Year Built of Occupied Housing Units by Tenure



Source: U.S. Census Bureau

While older homes are not automatically less likely to be accessible, the lack of more-recent new construction in the Study Area means that design features emerging in the marketplace that are intended to make homes more livable for all potential occupants are less likely to be available. The low incomes of many Study Area residents and the low values of many of the homes also mean that financial resources for home modifications (such as home equity loans) are likely to be limited. In the census tract that covers the eastern half of the Study Area and adjacent neighborhoods, 20 percent of the population age 18+ is estimated to have ambulatory difficulties according to the ACS. This means that one in five adults could have a need for accessible housing.

CONCLUSIONS

Analysis of available demographic and housing data shows that the housing needs of the Study Area are significant. Many family and elderly households are burdened by their housing costs and some may need different choices to live more comfortably and/or more affordably. But housing options in the Study Area are very limited. Key findings of the needs assessment are:

- The Study Area is characterized by low household incomes and low home values. The lack of financial resources constrains residents' housing options and makes finding better living situations challenging. Low home values mean that leveraging home equity to improve a unit will be more difficult, and the low demand for homes in the area means that the financial return on remodeling or new construction is likely to be small.
- The homeownership rate is in line with the broader market, but ownership could be a burden. Rental housing does not dominate the Study Area, unlike many lower-income neighborhoods. This solid base of owners brings stability to the neighborhood, but with low incomes and a significant elderly population homeownership can also be a burden (both physical and financial) for some households.



- There is a mismatch between resident needs and the existing housing stock. The housing stock is primarily single-family detached homes; few multifamily options exist and those are in very small buildings. Half of renters are in single-family homes, when multifamily apartments might be preferable and/or more affordable.
- A substantial number of vacant housing units are not on the market and available for occupancy. If these units could be returned to the available housing stock they would provide additional housing choices as well as improve the appearance and image of the neighborhood.
- Elderly households make up one-fourth of the Study Area and a significant number are estimated to have disabilities (as actual data about this characteristic for Study Area households is lacking). Right now most 65+ age households live in single-family detached homes that they own, and over half are burdened by their housing costs. There is a significant need for assisted/supportive living, and around three-fourths of elderly households would likely qualify for subsidized housing programs based on their income levels.
- Half of the 15-64 age households who own their homes are burdened by housing costs, and nearly all the renters of this age are burdened. Half of these family-age households would likely qualify for subsidized housing programs based on their income levels.

The East Altamonte Study Area needs more housing options that can help meet the needs of its residents. Elderly households need more accessible multifamily options that allow them to age in place in the neighborhood. Renters of all ages need affordable options, particularly multifamily apartments that are more practical and economical for many of these households. Homeowners need an improved and more attractive neighborhood that attracts new investment and capitalizes on the enhanced multimodal transportation options coming with SunRail to increase their property values and the equity in their homes. TOD can be the means to add needed housing for all types of residents, stimulate the local market, and improve neighborhood conditions.



Fair Housing Issues

The federal Fair Housing Act prohibits discrimination based on race, color, national origin, religion, sex, disability, or familial status in most housing-related transactions. Discrimination can arise in home sales, rentals, advertising, mortgage lending, and property insurance. Addressing the housing needs of residents in the East Altamonte Study Area and expanding housing opportunities there overall means that any issues related to fair housing in the Study Area should be identified and addressed. Both current actions and the outcomes of long term social and economic trends can reduce the opportunities for fair housing choice.

LOCAL GOVERNMENT CODES, POLICIES, AND ACTIONS

Seminole County's most recent *Analysis of Impediments to Fair Housing* (dated 2012) provides data and analysis that examine the current state of fair housing in the County. The County is required to prepare this report as part of its participation in three HUD programs: the Community Development Block Grant (CDBG) Program, the HOME housing program, and the Emergency Shelter Grant (ESG) Program. The research and analysis on fair housing included a survey of housing providers and industry representatives, input from County staff and local housing program providers, and review of the County code, zoning, and other public policies including various housing assistance plans and programs.

According to the report, none of the County's zoning or other policies gave indication of discriminatory restrictions. It notes that the County's residential zoning codes are consistent with Florida Statutes 419.001(2), which provide that a home with six or fewer residents, regardless of whether they are related, is deemed to be single-family residential and is allowed in single-family or multifamily zoning without special approval. This precludes discrimination based on family status. Also, the County uses the Florida version of a national building code that incorporates all of the requirements of the Americans with Disabilities Act (ADA), which addresses potential discrimination and barriers in housing construction to people with disabilities. The report states: "Throughout this review of County activities and codes, policies and planning, services and requirements, there were no items which surfaced which gave any indication of restrictive attitudes or practices. The County has in place an ongoing process for the review, prior to adoption, of local policies, ordinances, regulations, and plan provisions that increase the cost of housing." The County also provides expedited permitting processes for affordable housing development and construction.

Development policies within the Study Area both allow and encourage the development of higher density and affordable housing. Most of the Study Area has a future land use designation of Medium Density Residential (MDR), which permits a residential density of up to 10 dwelling units per acre, but for affordable housing development allows up to 12 dwelling units per acre. The housing policies in the County's Comprehensive Plan also provide for:

- A density bonus on a sliding scale based on the percent of units priced for low and very low income households provided on the development site;
- A density bonus on a sliding scale based on the percent of units priced for low and very low income households provided on the development site;
- Providing standards to ensure the integration of conventional and lower income units to prevent the undue concentration of lower income units within the development site;



- Requiring a streamlined binding site plan process for both conventional zoning sites and planned developments to address issues of compatibility with surrounding neighborhoods; and
- Requiring a binding affordability agreement to ensure units are delivered to low and very low income buyers and renters.

The portion of the Study Area located within a half-mile radius of the SunRail station also is located within the County's Energy Conservation Overlay, which is intended to "encourage a phased redevelopment of these areas into a more compact, energy conserving land development pattern that allows for a balance of jobs to housing and the use of multiple modes of transportation, in order to conserve energy and reduce greenhouse gases." Housing is a key element of the overlay, as one of the performance measures by which development proposals are evaluated for compliance is the "extent to which proposal creates a range of housing options in the immediate area, including Affordable and Workforce housing, allowing for a mixed income area."

The evidence indicates that County codes, policies, and actions are not discriminatory in regards to housing choice or overly restrictive in regards to the development of affordable housing. In fact, density bonuses, expedited permit review, and other policies are in place to encourage affordable housing development and ensure its compatibility and integration with the broader community.

FAIR HOUSING COMPLAINTS

The *Analysis of Impediments to Fair Housing* also provides research on fair housing complaints in Seminole County filed or discussed during the past five years. The specific locations in the County of these complaints were not presented, but the findings describe the nature and prevalence of possible fair housing issues within the County over this time period.

As noted in the report, the County's Community Assistance staff did not identify any fair housing problems in the County. A survey of all of the County's housing providers found only one provider that was aware of discriminatory practices, which concerned discrimination against homeless persons, not any of the classes protected by the Fair Housing Act. Outreach by County staff to the two legal services organizations that serve lower-income residents of Seminole County found one case, which the County had helped resolve.

County staff obtained information from HUD on any fair housing complaints filed in Seminole County in the past five years (2005-2010), and their resolution. The findings showed that there were 44 complaints filed; upon review it was noted that 38 of these cases were either withdrawn or determined to have no cause. Of the six remaining cases, four concerned disability, one was from sexual orientation/other origin, and one was for sexual orientation. Two of these cases were withdrawn after resolution and four had successful conciliation. The County's review of the complaint information did not reveal any particular pattern of housing discrimination.

The Florida Commission on Human Relations (FCHR) also receives and investigates fair housing complaints. For FY 2011-2012 Seminole County was in the top 10 counties in the state for the number of fair housing cases, but the number of cases was only five. For FY 2012-2013 Seminole County did not make the top 10 counties for fair housing cases. Statewide, the majority of fair housing cases received by the FCHR are resolved with a "no cause finding" issued – this occurred in 59 percent of the cases in FY 2012-2013.



While housing discrimination remains a problem in our society and public entities such as HUD, FCHR, and Seminole County must continue to identify and investigate fair housing cases when they occur, such discrimination does not appear to be a major barrier to addressing the housing needs in the Study Area.

HOUSING AND ECONOMIC OPPORTUNITY

The fundamental justification for investigating and addressing fair housing issues is to try to provide people an equal opportunity for success in obtaining decent affordable housing. Because where a person lives also influences where that person can or does work, housing opportunity also has a significant impact on economic opportunity, particularly in terms of access to employment. While active discrimination and restrictive public policies do not appear to be challenges to accessing opportunity in the Study Area, residents are disadvantaged by persistent conditions that limit their choices.

The demographic profile and housing needs analysis presented earlier in this report documented the challenges to accessing opportunity that are present in the Study Area: low incomes and educational attainment, high unemployment, and significant housing cost burdens. HUD has developed a quantitative measure that distills these and other factors down to an index score that indicates whether a neighborhood offers housing and economic opportunity to residents. This index has been applied across the country to assess the level of opportunity available to participants in the Housing Choice Voucher (HCV) program. A higher index score represents greater opportunity, and those places are considered more favorable for HCV holders seeking housing.

The index methodology consists of two component indices and a combined index, which are calculated for Census block groups as follows:³

- **Poverty and HCV Index:** This is a binary index based on the incidence of poverty and presence of HCV households. A neighborhood receives the maximum score of 40 if its population in poverty from the 2000 Census was less than 10 percent and the percentage of the total housing stock occupied by HCV households in 2008 was less than four percent. Otherwise the score is zero.
- **Economic Index:** This index assesses the economic and educational opportunities of a neighborhood along with other measures of the housing stock. The maximum score is 60, and points are awarded for conditions related to the level of unemployment, the incidence of project-based affordable housing projects, the incidence of high school dropouts, the concentration of minorities, the growth of poverty from 1990 to 2000, and the ability of workers to find jobs in close proximity.
- **Combined Index:** This index combines the two indices described above. A neighborhood with a zero Poverty and HCV Index score receives a zero Combined Index score, but a neighborhood with a 40 score on the first index has its points from the second index added on to produce a combined score between 40 and 100.

³ McClure, Kirk. *Housing Choice Voucher Marketing Opportunity Index: Analysis of Data at the Tract and Block Group Level*. U.S. Department of Housing and Urban Development, Office of Policy Development and Research. February 2011.



The opportunity index scores for the three census block groups that cover the Study Area are presented in the table below.

Table 3 - Opportunity Index Scores

Census Tract/ Block Group	Study Area Context	Poverty & HCV Index	Economic Index	Combined Index
Tract 219.02 BG 1	Area west of the railroad tracks	0	0	0
Tract 220.01 BG 1	Area east of the railroad tracks and north of Merritt St	0	10	0
Tract 220.01 BG 2	Area east of the railroad tracks and south of Merritt St	0	20	0

Source: U.S. Department of Housing and Urban Development

All three block groups receive a zero score for the Poverty and HCV Index, which means that their Combined Index scores also are zero. Two of the block groups receive low scores (out of 60 possible points) for the Economic Index, while the third receives a zero score.

The low index scores of the Study Area indicate that it would not be considered by HUD to be an area of high opportunity for low-income HCV households that are seeking a place to live. For the existing residents, this is a quantifiable illustration of the limited opportunities and housing and economic challenges that they face and the need for better choices. The enhanced regional accessibility provided by SunRail can potentially help residents overcome those challenges.

SEGREGATION AND POVERTY

Racial segregation and concentrated poverty also limit the opportunities for residents to improve their housing and economic situations. Such longstanding social and development patterns leave them isolated in neighborhoods that do not attract investment and are cut off from the economic growth that flows to other places that are more integrated with the broader market. Identifying such areas highlights the challenges they face and can focus resources toward their revitalization.

HUD has developed a measure of segregation and poverty called Racially Concentrated Areas of Poverty (RCAP) that is used to identify places with a high concentration of low-income minority population. RCAPs are defined as Census tracts that contain: (1) a family poverty rate equal to or greater than 40 percent, or a rate equal to or greater than 300 percent of the region’s tract average, whichever is lower; and (2) a majority (greater than 50 percent) non-white population. Neither of the Census tracts that cover the East Altamonte Study Area qualify as an RCAP (although one tract comes close), most likely because the tract boundaries include areas outside of the East Altamonte neighborhood. However, when the RCAP measures are analyzed at the block group level to hone in more precisely on the Study Area, two of the three block groups, as well as the combined area, meet at least one of the thresholds.



Table 4 - Study Area Block Groups and RCAP Measures

Census Tract/ Block Group	Study Area Context	Family Poverty Rate	Non-White Population
Tract 219.02 BG 1	Area west of the railroad tracks	20.7%	78.7%
Tract 220.01 BG 1	Area east of the railroad tracks and north of Merritt St	30.4%	22.8%
Tract 220.01 BG 2	Area east of the railroad tracks and south of Merritt St	40.7%	73.9%
Combined Area		27.8%	58.2%
Thresholds for RCAP Designation		35.1%	50.0%

Source: U.S. Census Bureau

As shown in Table 4, Block Group 2 of Tract 220.01 would qualify as an RCAP if the measure were applied at the block group rather than the tract level. Block Group 1 of Tract 219.02 meets the threshold for non-white population, but the family poverty rate would not be high enough to qualify as an RCAP. The same is true for the combined area of all three block groups.

Similar to the opportunity index described above, the fact that portions of the Study Area would qualify or come close to qualifying as an RCAP serve to highlight the challenges faced by area residents and amplify the need to increase housing and economic opportunities there. While additional social and economic assistance will be needed to help break down the isolation that has built up over time, TOD can be one catalytic ingredient in a plan that attracts investment and connects residents to more opportunities.



Affordable Housing Demand

The demand for affordable housing development in the East Altamonte Study Area will come from a larger area than just the Study Area itself. While people who are already living in the Study Area would be prime candidates for new or rehabilitated affordable housing near where they live, people from the surrounding area also will be attracted to the location. This fact is illustrated through ongoing analysis by the Shimberg Center for Housing Studies which indicates that the Study Area is well-suited for affordable housing development because of its transportation accessibility, proximity to employment centers, and other factors. Given the overall scarcity of affordable housing and level of need, demand could potentially be attracted from across Seminole County and even the region given the Study Area's excellent accessibility via I-4, SR 436, and now SunRail. However, for the purpose of this report a more locally oriented market area was defined to estimate potential demand.

The relevant local market area for affordable housing development in the Study Area was defined as the Study Area itself plus the Cities of Altamonte Springs and Casselberry. Those two cities surround the Study Area on three sides and contain most of the nearby residential neighborhoods. While a detailed housing market study might also include other portions of unincorporated Seminole County, this demand estimate uses household data already compiled for the Study Area from ESRI and household estimates available for the two cities from the Florida Housing Data Clearinghouse.

The first step is to estimate the number of households in the market area that would be income-qualified for affordable housing. The estimate is broken out by the two relevant age groups: households age 15-64 (otherwise known as "family" housing) and households age 65+ (elderly housing). Affordable housing development can be targeted at various categories of low-income households according to the financing source(s) being utilized by the developer, so the pool of potential demand is broken out by the HUD income limit categories that are defined by the percentage of area median income (AMI).

A second step is applied that screens the pool of potential demand to include only households that are currently burdened by their housing costs (paying 30 percent or more of their household income toward housing). This creates a more conservative demand estimate because households are not required to be cost-burdened to qualify for affordable housing, only that they meet the income limit for the relevant financing program(s). However, it is assumed that cost-burdened households would be more motivated to move out of their current housing if the opportunity arose to obtain more affordable housing.

The result of these two steps is the pool of potential affordable housing demand in the market area, which is shown in Table 5 below.



Table 5 - Income-Qualified and Housing Cost-Burdened Households by Age Group

Income Category	Study Area	Altamonte Springs	Casselberry	Total Market Area
<i>15-64 Age Group (Family)</i>				
Extremely Low Income (30% AMI)	56	1,039	448	1,543
Very Low Income (50% AMI)	31	1,074	469	1,574
Low Income (80% AMI)	32	1,591	719	2,342
TOTAL	119	3,704	1,636	5,459
<i>65+ Age Group (Elderly)</i>				
Extremely Low Income (30% AMI)	25	331	203	559
Very Low Income (50% AMI)	16	405	236	657
Low Income (80% AMI)	13	325	193	531
TOTAL	54	1,061	632	1,747

Sources: ESRI, Florida Housing Data Clearinghouse, Renaissance Planning Group

The pool of potential affordable housing demand in the market area is 5,459 family households (age 15-64) and 1,747 elderly households (age 65+). Developers considering this potential demand would typically assess how much of it could be captured by a single project. While there is no firm rule and every developer has different requirements, a common rule of thumb is that an acceptable capture rate for a single project is between five and seven percent of the demand pool. Applying those rates to the total figures in Table 5 results in a market-supportable family project of 273-382 units and a market-supportable elderly project of 87-122 units. These unit counts are based solely on the estimated market-driven demand – local land use and zoning regulations will dictate the size of any potential future housing developments.

Another way of looking at affordable housing demand is to estimate the net capacity for additional affordable units in the market area given the existing affordable developments already in place and an acceptable penetration rate of the demand pool. This calculation is typically done using all income-qualified households in the relevant age group as the demand pool because households already living in affordable housing will not be cost-burdened, but using the cost-burdened demand pool as above does produce a more conservative estimate. Table 6 below presents the results of this analysis using both demand pools. The acceptable penetration rate used is 25



percent, which is the typically acceptable rate used by the Illinois Housing Development Authority (used here as an assumption for analysis purposes).⁴

Table 6 - Affordable Housing Penetration Analysis

Age Group	Total Market Area Demand Pool	25% Penetration	Units in Existing Projects	Net Demand Capacity
<i>All Income-Qualified Households</i>				
15-64 (Family)	7,771	1,943	772	1,171
65+ (Elderly)	3,245	811	108	703
<i>Income-Qualified and Cost-Burdened Households Only</i>				
15-64 (Family)	5,459	1,365	772	593
65+ (Elderly)	1,747	437	108	329

Sources: ESRI, Florida Housing Data Clearinghouse, Renaissance Planning Group

Using all income-qualified households as the demand pool, the net demand capacity for additional affordable housing in the market area is estimated at 1,171 units of family housing and 703 units of elderly housing. Restricting the demand pool to only income-qualified and cost-burdened households produces a more conservative estimate of 593 units of family housing and 329 units of elderly housing.

The analysis presented above provides a general overview of the potential demand for affordable housing development in the Study Area, which is substantial in terms of the number of housing units that could be developed. These estimates can be used as a guide for scenario development and creation of the TOD station area plan. A detailed site-specific market analysis should be performed to test the feasibility of any individual project that may be proposed for the Study Area.

⁴ Illinois Housing Development Authority. *Standards for Site and Market Studies*. November 2012.



Existing Housing Programs

This section summarizes the existing programs available in the Study Area that can provide new affordable housing units or assist eligible households in finding and paying for their existing housing.

SEMINOLE COUNTY HOUSING PROGRAMS

Funding for housing and community development activities in Seminole County comes from a variety of sources. For Program Year 2013-2014 the anticipated funding is as is shown in Table 7, which is taken from the action plan for that year.

Table 7 - Anticipated Housing and Community Development Funding, 2013-2014

Funding Source/Program	Anticipated Amount
Community Development Block Grant (CDBG)	\$1,761,371
Home Investment Partnerships (HOME)	\$534,330
Emergency Services Grants (ESG)	\$123,876
Housing for Persons with AIDS (HOPWA)	\$0
Section 8	\$2,087,329 (est.)
State Housing Initiatives Partnership (SHIP)	\$695,450
General Fund	\$700,000 (est.)

Source: Seminole County Program Year 2013-2014 One-Year Action Plan

The primary programs that fund activities which could be used in the East Altamonte Study Area are CDBG, HOME, SHIP, and any General Fund dollars that may be available. The ESG program is focused on homelessness prevention and funding the Rescue Outreach Mission of Sanford, which serves the entire county. HOPWA is a very specialized program. Section 8 funds the Housing Choice Voucher (HCV) program that gives people the ability to seek affordable rental housing throughout the county – it is not a place-based program.

The CDBG program is the centerpiece federal grant program for funding local housing and community development activities. Distributed through HUD, the block grant funding supports infrastructure projects and other capital improvements, housing rehabilitation and reconstruction, and a range of services that assist economically vulnerable populations including early childhood learning, homelessness prevention, and housing counseling. Seminole County typically targets a significant portion of its annual CDBG funding to defined target areas of the county that are characterized by a predominantly lower-income and African American population. The East Altamonte area is one of the target areas. In 2013-2014, 40.5 percent of CDBG funding is dedicated to the target areas, with the rest dedicated to countywide activities. The amount of funding dedicated to a specific target area varies with each program year and usually targets infrastructure projects and other capital improvements. In 2013-2014 water utility improvements in the Midway area are the focus, while no expenditures are planned for East Altamonte. Since Seminole County began receiving CDBG funds in 1986, just over \$3.1 million dollars in



program spending has taken place in the East Altamonte area. This spending has been concentrated on paving and drainage improvements, street lighting, sidewalks, park improvements, and the Boys & Girls Club. CDBG spending on housing programs takes place countywide.

The HOME and SHIP programs are focused on similar goals: funding and facilitating partnerships to produce affordable housing and assist low-income households. HOME is a federal program administered by HUD while SHIP is a state program administered by the Florida Housing Finance Corporation (FHFC). These two programs can support a wide variety of housing programs to build, rehabilitate, or preserve affordable housing for both rental and ownership households. They also can support assistance programs where renters or homeowners receive financial support in paying rent, purchasing a home, or maintaining a home. Seminole County uses HOME and SHIP funding for all of these sorts of activities countywide, so existing and potential future residents of the Study Area may have the opportunity to benefit from them.

The key housing programs that are available in the Study Area are summarized as follows:

- **Housing Rehabilitation/Reconstruction:** These programs fund the rehabilitation and/or reconstruction of owner-occupied housing.
 - Emergency repairs: Provides assistance with needed repairs and/or alterations to properties in order to protect the health, safety, and welfare of the household or affect the immediate livability of the home. Recipients are awarded a grant of up to \$15,000 that does not have to be repaid.
 - Owner-occupied rehabilitation: Offers qualified homeowners assistance with needed repairs and/or alterations to improve the health, safety, and well-being of the household. This can include reconstruction and demolition if a home is beyond financial feasibility to repair. Seminole County provides an interest-free deferred forgivable loan for up to 30 years, based on the amount of assistance. The loan is forgiven on a sliding scale over its duration based on the term of the loan and amount of assistance.
- **Housing Production:** These programs focus on developer activity that leads to the production of affordable housing.
 - Acquisition and rehabilitation: The County or a selected developer may acquire and rehabilitate existing homes for the purpose of improving the housing stock. After rehabilitation the home must be made available for eligible households to purchase. Seminole County provides an interest-free, deferred, forgivable loan for up to 30 years, based on the amount of assistance. The loan is forgiven on a sliding scale over its duration based on the term of the loan and amount of assistance.
 - Rental construction and rehabilitation: Funding is provided for the new construction or the acquisition and rehabilitation of existing rental properties. Funds can be provided to a for-profit or non-profit developer for the purpose of creating or preserving a long-term resource of rental housing opportunities for lower-income residents. When SHIP funding is used Seminole County provides a development grant in the form of a mortgage deed and note to qualified developers and contractors. The housing units produced must be occupied by eligible tenants at affordable rents for a specified period based on the type of project and amount of assistance. Under HOME funding site acquisition and rehabilitation activities are undertaken by separate Community Housing



Development organizations (CHDOs) that are provided funding through public-private partnerships with the County.

- Project assistance: Seminole County can provide the local match requirement for new rental housing projected being financed with Low Income Housing Tax Credits. The County is currently budgeting to provide the match for two tax credit projects.
- **Purchase Assistance:** Eligible homebuyers are provided an interest-free deferred forgivable loan to apply towards down payment, closing costs, and rehabilitation (if needed). Both existing and newly constructed single-family homes, townhouses, and condominiums are eligible. Seminole County provides an interest-free deferred forgivable loan for up to 20 years, based on the amount of assistance. The loan is forgiven on a sliding scale over its duration based on the term of the loan and amount of assistance.
- **Tenant-Based Rental Assistance:** This program provides rental assistance to extremely low-income households who are homeless or contain a disabled family member. The assistance is designed generally not to exceed two years and is combined with extensive case management to enable homeless families to gain marketable employment, vocational training, and/or education to work toward self-sufficiency.
- **Household Financial Assistance:** These programs provide assistance to qualified households with specific immediate needs.
 - Prevention assistance: Financial assistance is offered for rent, mortgage and/or utility payments. Assistance may be provided one time within a two-year period. A household must have experienced a financial hardship within the last six months and have proof of the ability to sustain and show ongoing management.
 - Deposit assistance: Assistance is provided in the form of a grant to persons in danger of becoming homeless as a result of the inability to pay security and/or utility deposits when seeking residence in rental housing. The maximum award is \$2,000.
- **Housing Counseling:** Professional counseling is available to low-income households regarding home purchases, rentals, and other housing issues.

All of these programs are available to eligible households or development projects located anywhere in Seminole County, so participation can be competitive and/or dependent on the amount of funding available in a given year.



EXISTING ASSISTED HOUSING DEVELOPMENTS

Based on the assisted housing inventory maintained by Shimberg Center and available through the Florida Housing Data Clearinghouse, there are six assisted housing developments comprising 864 total assisted units located in or near the East Altamonte Study Area. Besides the unincorporated Study Area, the projects are located in Altamonte Springs, Casselberry, and Fern Park. Summary information on these developments is presented in Table 8.

Table 8 - Existing Assisted Housing Inventory

Development Name	City	Total Units	Assisted Units	Population Served	Funding Program(s)
North Springs Estates	Altamonte Springs (in Study Area)	12	12	Family	Tax Credits
Oakland Village Estates	Altamonte Springs	12	12	Family	Tax Credits
Raven Crossings	Altamonte Springs	248	248	Family	Tax Credits
Castle Woods	Casselberry	304	304	Family	Tax Credits, SAIL
Sandpiper	Casselberry	196	196	Family	FDIC
Garden Park	Fern Park	108	92	Elderly	Tax Credits

Source: Florida Housing Data Clearinghouse

Several observations can be made about the existing assisted housing developments closest to the Study Area:

- One development (North Springs Estates) is located within the Study Area, on Merritt Street. It is a small project, with just 12 units.
- The other five developments are all located a significant distance from the SunRail station, with two projects located west of I-4, two located east of US 17-92, and one located to the south along US 17-92.
- Four of the six developments are fairly large, with more than 100 units each (and three of those with close to 200 units or more). The other two are very small, with 12 units apiece.
- Five of the six developments are family projects. The one elderly project is new, having just been built in 2012. The other projects were all built in the early 1990s or earlier.
- Most of the projects used Low Income Housing Tax Credit financing, which is the most commonly used financing source for affordable housing development. One project also used the State Apartment Incentive Loan (SAIL) program, which provides low-interest loans on a competitive basis to affordable housing developers to bridge the gap between the development's primary financing and the total cost of the development. The one project that did not use tax credits is classified under the Federal Deposit Insurance Corporation (FDIC), which means it was one of the final assets of the Resolution Trust Company (RTC), which



was the government-run entity that oversaw the disposition of real estate assets from insolvent financial institutions involved in the savings & loan bailout in the 1980s.

Given the scale of the potential demand for affordable housing estimated previously in this report, the number of assisted units available in the local market area is relatively low. If appropriate sites, qualifying projects, and sufficient financing were all available, it seems likely that there is room in the market for more affordable housing development that would meet the demonstrated needs of local residents. This persistent need highlights the importance of preserving existing affordable housing as well as promoting the development of new housing. The Florida Housing Data Clearinghouse also lists projects that have been “lost” from the affordable inventory over the years and thus are no longer considered committed affordable housing developments. A total of 1,393 assisted units have been lost since 1999, or more than 60 percent more units than the currently existing inventory. The lost properties are summarized in Table 9.

Table 9 - Lost Assisted Housing Inventory

Development Name	City	Total Units	Assisted Units	Population Served	Year Lost
Brentwood Park	Altamonte Springs	254	51	Family	2005
Lakeside North at Altamonte Mall	Altamonte Springs	360	360	Family	2005
River Oaks - Altamonte Springs	Altamonte Springs	168	168	Family	2012
Springs Colony	Altamonte Springs	188	188	Family	2011
Reflections	Casselberry	336	336	Family	2012
St. Johns Village I	Fern Park	176	114	n/a	1999
St. Johns Village II	Fern Park	176	176	n/a	1999

Source: Florida Housing Data Clearinghouse

Three developments containing 692 assisted units have been lost since 2011. The FHDC database does not provide any detail on why any of these projects were lost, but market pressures combined with expiring program requirements can lead to properties “opting out” or not recommitting to affordability requirements. Given the scarcity of affordable housing in the local market area and the level of potential demand, preserving existing affordable housing should be equally important as developing new affordable housing if the net number of households assisted is going to increase over time.



Potential Strategies

Transit-oriented development is a major opportunity to meet some of the need for affordable housing in the East Altamonte Study Area. But because the enhanced accessibility provided by SunRail will be an attractive feature for market-rate as well as affordable housing development, proactive strategies will need to be implemented to capitalize on the opportunity to use TOD to improve the housing situations of lower-income residents. Several potential affordable housing strategies are outlined below.

TAX CREDIT PROJECT FACILITATION

The needs analysis highlighted the current mismatch in the Study Area between the existing housing stock and resident needs. There are very few multifamily housing units available and a significant number of households, particularly elderly ones, which could benefit from living in a centrally managed and maintained rental complex that is affordable to them. The Study Area needs new development of affordable rental apartments and townhouses.

The most important financing source for new affordable housing development is the federal Low Income Housing Tax Credit, which is often combined by developers with other federal, state, and local financing programs to deliver new projects. The City Park at Merritt Street project proposed by Picerne Development for a site in the Study Area is a prime example of this sort of new affordable housing development. Seminole County should seek to facilitate the development of more projects of this sort in the Study Area.

Tax credit projects, like most affordable housing development, typically have complex financing structures and are executed with very thin profit margins. Local government policies and actions can encourage and help facilitate their development. Seminole County already has a number of helpful policies in place such as expedited permit review and density bonuses for affordable housing projects, which can streamline the development process and enhance project profitability. Tax credit projects also require official local government support to succeed in the State of Florida's competitive tax credit allocation process, which both the County and the City of Altamonte Springs provided in the case of the City Park project. While the project did not manage to obtain a tax credit allocation in the last funding cycle, this is sometimes the case in a competitive process and County support will be important for the developer's resubmittal in future funding cycles. The allocation process also is now awarding points to reflect a preference for TOD sites around SunRail stations, which will further benefit proposed projects in the Study Area. Although the preference in the last funding cycle was limited to the Longwood SunRail station, Seminole County can play a key role in lobbying the Florida Housing Finance Corporation (FHFC) to expand the preference to other stations.

Seminole County should be prepared to work collaboratively with affordable housing developers to facilitate additional tax credit projects in the Study Area. Besides facilitating projects that are initiated by developers, the County also can be proactive in encouraging affordable housing development. The *East Altamonte Redevelopment Program* report from 1992 lays out several options for encouraging redevelopment in the Study Area. Some have already been implemented, such as infrastructure improvements and land use changes. The report recommends that the County work to "set the stage" for redevelopment by identifying prospective development sites, preparing a package of redevelopment actions it would be prepared to take in support of a proposed project, and seeking a private developer through a competitive solicitation process. More aggressive options that involved County



acquisition of one or more development sites were also considered. All of those actions would require the establishment of a Community Redevelopment Area (CRA) to obtain the redevelopment powers needed and potentially a funding source as well (namely tax increment financing). The County Commission has become concerned about the impact of Community Redevelopment Areas on the remainder of the unincorporated area. Therefore, the creation of a new CRA may not be a viable option. If CRA designation were not available, as an alternative the County could help establish a non-profit Community Development Corporation (CDC) that would undertake housing and community development activities within the East Altamonte area in collaboration with public sector activities. The County also could use CDBG funding to facilitate redevelopment projects that benefit low and moderate-income households.

RESIDENT CONSORTIUM FOR REDEVELOPMENT

The start of SunRail service has focused the attention of planners and developers on the Altamonte Springs station, as they look to capitalize on the benefits of TOD to create a mixed-use, multimodal activity center that brings new housing and economic opportunities to the area. At the same time, many of the existing residents in the East Altamonte Study Area have significant housing needs that could be better served by new development that is affordable to them. There is an opportunity where these interests intersect to potentially create a win-win situation that also advances TOD goals in the Study Area.

The City of Altamonte Springs recently adopted the *East Town Vision Plan*, which lays out its vision for TOD around the SunRail station, including part of the East Altamonte Study Area. The plan envisions mixed-use development of a scale and intensity designed to create a node of activity centered on the station. Land use standards include minimum residential densities of 20 or 30 dwelling units per acre depending on the location within the plan area, carefully managed parking standards, and pedestrian-friendly streets. The plan notes that in order to achieve the level of development intensity envisioned an areawide master stormwater system will be necessary, because individual private systems would consume valuable developable land that could otherwise be put to economically productive use. The plan estimates that a master stormwater system will increase the private developable area by up to 20 percent, increasing land values and enabling a more compact development form that fits with TOD principles. A conceptual master plan illustrating this vision is shown in Figure 34.

The City has indicated that it will be seeking to acquire property within the East Altamonte Study Area to facilitate the construction of the master stormwater system. The water feature shown in Figure 34 just east of the railroad tracks would serve all of the development to the west. The location of this water feature is currently within the 100-year floodplain and thus would appear to be a logical solution from a design and engineering perspective. But Study Area property owners and residents who would be relocated have raised concerns about the fairness of using their properties to enhance the value of others' properties if they are not able to benefit from the increased economic value created by TOD. The potential for transit-driven redevelopment around the SunRail station also suggests that other residents may wish to benefit from this redevelopment activity by improving their housing situation if the opportunity presents itself.

The interests of the City, County, potential developers, and Study Area residents can intersect because the City and developers need to acquire land to assemble sites for development and stormwater facilities, while residents may be looking to move into new housing that is more affordable and/or practical for their living situation. The County is concerned with the fair treatment of its residents and maintaining its planning priorities and regulatory standards in the area. Because not all residents may be the owners of the properties where they are living, there



must be considerations made for the protection and appropriate relocation of existing renters. The basic idea behind this strategy is that Study Area residents who are willing to make their properties available for redevelopment can combine together to create a larger assemblage of land (or more than one assemblage depending on the locations of the parcels involved) and negotiate its acquisition with an interested purchaser, be it the City of Altamonte Springs or a developer. Compensation to the individual residents would likely be a direct payment for their properties, but could also include a guaranteed unit in a new affordable housing development on their previously owned property or elsewhere in the Study Area.

There would be many important details to work out that are beyond the scope of this report, but the basic structure would likely be a consortium of residents/property owners that agree to pool their adjacent properties together to strike a more effective deal with an interested buyer. Among the most important details that would need to be legally documented are how negotiations and administration of the consortium are managed, the collective value of the assemblage, how the value of individuals' shares are determined, and how individual members are compensated from the sale. If any residents wish to include new replacement housing for themselves as part of the deal, there needs to be a requirement that the development includes affordable or mixed-income housing units so that residents are acquiring homes that are appropriate for their income levels.

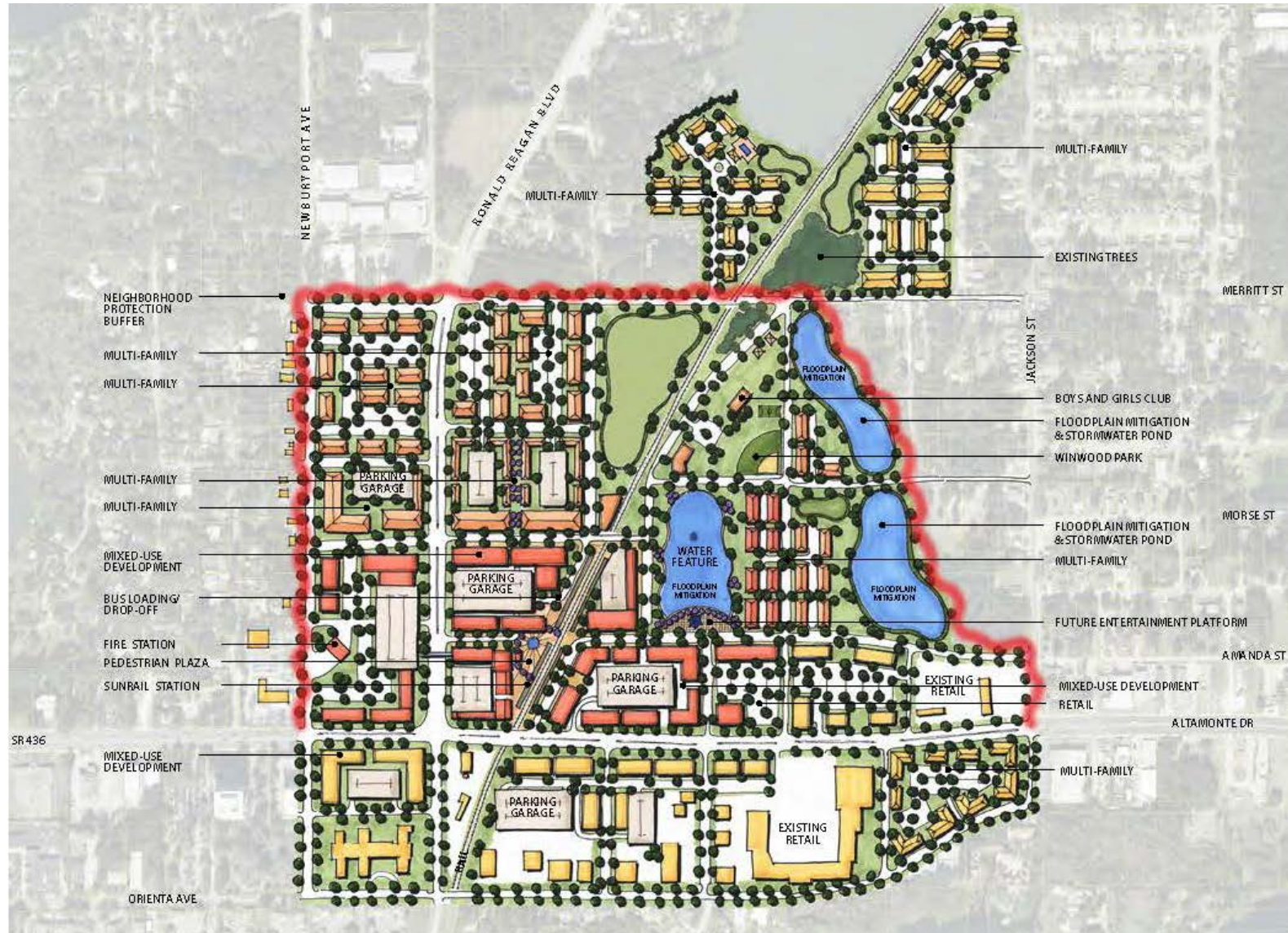
This approach supports those property owners who desire to benefit from the sale of their properties, but may impact those who do not want to sell and could be impacted by large scale redevelopment in their neighborhood. In addition, among those property owners who have indicated an interest in selling, few at this time appear interested in remaining in the Study Area in a guaranteed affordable unit. Therefore, this approach is likely to produce a need for planning strategies that protect the existing single-family units that remain from any adverse impacts of land use changes, consistent with the County's comprehensive plan policies of protecting single-family areas.

The purchaser benefits from a more streamlined acquisition process that deals with only one seller of a single property rather than multiple sellers with small lots. The residents benefit from negotiating as a unified group that can better argue for a price that reflects the true value of the assemblage as an enabler of greater development value on the parcels to the west, rather than as isolated individual parcels. Negotiating as a group may also facilitate the obtaining of replacement affordable housing. Seminole County can help facilitate the formation of the consortium if there is sufficient interest by owners of strategically located parcels. County staff and other community services providers can also help guide the consortium in engaging the financial and legal advisors it will need to negotiate a successful agreement.



HOUSING NEEDS WITHIN THE STUDY AREA OF THE ALTAMONTE SPRINGS SUNRAIL STATION

Figure 34 - East Town Vision Plan – City of Altamonte Springs



ACCESSORY DWELLING UNITS

Florida Statutes Section 163.31771 encourages local governments to permit the construction of accessory dwelling units as a strategy for increasing the supply of housing affordable to lower-income households. The statutory definition of an accessory dwelling unit is “an ancillary or secondary living unit that has a separate kitchen, bathroom, and sleeping area, existing either within the same structure, or on the same lot, as the primary dwelling unit.” The accessory unit can be located within the primary unit as a separate apartment, attached to the primary unit with a separate entrance, or completely separate from the primary unit as a stand-alone cottage. Accessory units are often known as granny flats or in-law apartments because many have traditionally been occupied by extended family members, but occupants do not necessarily have to be related to the property owner. In fact, it is not uncommon for an elderly property owner to occupy the accessory unit and rent out the primary unit to downsize his or her housing situation.

Accessory units can be an effective affordable housing strategy because their relatively small size and sharing of a lot with another unit mean that they usually rent for less than typical apartments. There are financial benefits for the owner too, as the additional income from the accessory unit can help with mortgage payments and/or the costs of property upkeep. An owner also could accept property maintenance services or personal/medical care services (if elderly or disabled) in lieu of some or all of the accessory unit rent. In this way an accessory unit can potentially stabilize the finances or living situation of two households: the renter, by making affordable housing available, and the owner, by providing supplemental income or needed personal assistance. Renting out an accessory unit to a family member, caretaker, or simply a younger person who can help out with chores can make it more feasible for an aging person to stay in his or her neighborhood.

The Seminole County Land Development Code (LDC) permits accessory dwelling units only in rural zoning districts where urban services are minimal or nonexistent. The minimum lot size in these districts is three, five, or 10 acres depending on the specific district. Accessory dwelling units currently are not permitted in the residential zoning districts present in the Study Area. The LDC would need to be amended to allow such dwelling units in the relevant residential districts. Given the more urban setting and smaller lot sizes of these zoning districts, if accessory dwelling units are to be allowed there are a number of potential issues that the County may wish to consider:⁵

- Conditional use or “by right:” If an accessory dwelling unit is a conditional use there would be a public hearing required for approval, which makes the process more difficult for the applicant but provides a forum for input from the neighborhood.
- Permitting process: An expedited permitting process is required under the SHIP program, similar to other affordable housing development.
- Size regulations: A minimum parcel size and maximum accessory dwelling unit size are typically established to maintain the aesthetic integrity of the single-family neighborhood. Currently in the rural districts, the Seminole County LDC permits the accessory unit to be a maximum of 35 percent of the size of the principal dwelling unit.
- Design requirements: To ensure compatibility and protection of neighborhood character, minimum design standards and architectural review requirements may be established.

⁵ Ross, Jaimie. “Accessory Dwelling Units: A Smart Growth Tool for Providing Affordable Housing.” Florida Housing Coalition.



- **Parking requirements:** Sufficient on-street or off-street parking may be required, and it may be required to be located at the rear of the residence.
- **Type of unit:** Different considerations may apply according to the type of accessory unit – within the primary unit, attached, or detached.
- **Occupancy restrictions:** The maximum number of persons living in the accessory unit may be set, as well as the type of renters such as only relatives or the elderly.
- **Monitoring:** An annual affidavit may be required or other means for monitoring whether the accessory unit continues to be used in accordance with requirements.

Accessory dwelling unit programs have been used as an affordable housing strategy in other jurisdictions from California to Maine. Zoning code changes will be needed to implement such a program in the Study Area.

HOUSING REHABILITATION PROGRAM

The needs assessment showed that the median age of the single-family housing in the Study Area is more than 40 years old, which means that regular maintenance and repair will be important for many of these older homes and some are likely to need more extensive renovation or rehabilitation. With a high percentage of elderly households living in single-family detached homes, the amount of maintenance required to keep a home in good condition can be a challenge both physically and financially.

There are also a significant number of vacant homes in the Study Area, many of which are not classified by the Census Bureau as being on the market or available for occupancy. These vacant homes can potentially be added to the local housing stock as affordable units, but probably will require some amount of rehabilitation before they are ready for occupancy.

Seminole County uses funding from the CDBG, HOME, and SHIP programs to support owner-occupied housing rehabilitation, as described previously in this report. However, resources are limited and must cover the entire county. For Program Year 2013-2014, the amount budgeted for housing rehabilitation countywide is \$250,000. According to the County's 2012 Consolidated Annual Performance and Evaluation Report (CAPER), the annual number of housing units expected to be rehabilitated was 15 or 16 per year from 2012-2014. With the start of SunRail service and the attention being paid to TOD opportunities at the Altamonte Springs station, the County may wish to deliberately focus some of its rehabilitation funding on needs in the Study Area. Given the limited funding available and the potential level of need, one approach could be to rotate between the target areas similar to how CDBG infrastructure spending has been implemented. In this approach a target area would receive a substantial portion of the available funding for housing rehabilitation every few years to assist as many eligible homes as possible, with other target areas being the focus in the other program years.

Separate from Seminole County housing resources, HUD offers two programs that provide assistance to people looking to repair or rehabilitate residential properties. The Section 203(k) program provides mortgage insurance to homebuyers or developers who are purchasing a property, while the Title I program provides property improvement loans to owners. The descriptions below are taken from HUD's website.

- **Section 203(k) Rehabilitation Mortgage Insurance** fills a unique and important need for homebuyers. When buying a house that needs repair or modernization, homebuyers usually have to follow a complicated and costly process. The interim acquisition and improvement loans often have relatively high interest rates, short repayment terms and a balloon payment. However, Section 203(k) offers a solution that helps both



borrowers and lenders, insuring a single, long term, fixed or adjustable rate loan that covers both the acquisition and rehabilitation of a property. Section 203(k) insured loans save borrowers time and money. They also protect the lender by allowing them to have the loan insured even before the condition and value of the property may offer adequate security. The extent of the rehabilitation must exceed \$5,000, but can extend up to total reconstruction of the dwelling. Eligible activities include:

- Structural alterations and reconstruction
 - Modernization and improvements to the home's function
 - Elimination of health and safety hazards
 - Changes that improve appearance and eliminate obsolescence
 - Reconditioning or replacing plumbing; installing a well and/or septic system
 - Adding or replacing roofing, gutters, and downspouts
 - Adding or replacing floors and/or floor treatments
 - Major landscape work and site improvements
 - Enhancing accessibility for a disabled person
 - Making energy conservation improvements
- Title I Home Improvement Loans on single-family homes may be used for alterations, repairs and for site improvements. Loans on multifamily structures may be used only for building alteration and repairs. Title I can be used in connection with a 203(k) Rehabilitation Mortgage. The maximum term of the loan is 20 years, and the maximum amount is \$25,000 for single-family homes and an average of \$12,000 per dwelling unit on multifamily structures up to a total maximum of \$60,000.

Seminole County can conduct outreach in the Study Area and throughout the local market to identify interested and eligible residents, homebuyers, and developers who are looking to renovate homes in East Altamonte. Then with a combination of County financial assistance for selected households and facilitation of applications to the HUD rehabilitation programs for other stakeholders, these resources can be leveraged to improve the housing stock in the Study Area.

