Affordable Housing and Competition for Land: Searching for Sites at the Beach

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Introduction

In the United States, affordable housing start-ups are lagging demand (Thornton, 2005; Heavens, 2006). In Florida, and particularly in beaches communities throughout the state, the provision of affordable housing is becoming more problematic as market pressures on available land makes acquisition of property largely beyond the reach of lower-income families (Journal of Property Management, 2005).

This paper explores the efforts made by a community improvement organization in north Florida to locate suitable land-parcels in areas close (but not adjacent) to the Atlantic Ocean with the goal of increasing the stock of affordable housing. Parcel analysis using a geographic information system identified several potential sites for consideration.

The next section will consider previous contributions to the literature addressing affordable housing, local market pressures and local community improvement organizations. Section III presents a case-study analysis of the role played by Beaches Habijax—a non-profit faith-based organization in Duval County, Florida—in identifying and procuring suitable parcels of land in order to provide affordable housing in areas where market pressures are forcing low-income families to leave. The last section will offer conclusions and suggestions for further research.
Affordable Housing and Market Pressure
There is not a single jurisdiction in the country where a person working 40 hours a week, 52 weeks a year at the prevailing minimum wage can afford a one bedroom apartment (National Low Income Housing Coalition, 2006).

Analysis of data from the 2003 American Housing Survey (AHS) shows there were 7.7 million extremely low income (ELI) renter households and just over 6.0 million rental units affordable at or below the ELI threshold. The result was an absolute deficit of affordable rental housing for these households of just fewer than 1.7 million units (Pelletiere, 2006).

Lack of affordable housing is not confined to the U.S. (Planning, 2006; Musterd and Andersson, 2005), however, in the U.S., overall housing affordability fell consistently in 2005 when measured by the National Association of Home Builders/Wells Fargo Housing Opportunity Index (Journal of Property Management, 2006). The provision of affordable housing stock, whether owner-occupied or rental, is an area of concern for all communities in the United States, but is a critical problem for the state of Florida. Florida is one of the fastest growing states in the U.S. with an estimated 2004 population of 17,397,161. The Census bureau estimates that the state has a higher than average rate of population increase with 4.7% change from 2003 to 2004 compared to 3.8% for the U.S. as a whole (www.fluspop.org, 2006). Popular media describe the fact that one thousand people per day stream into Florida.

Population growth and population pressure in Florida create a lack of availability of housing stock in general (www.census.gov). Market pressures on available land parcels create spiraling real estate prices and effectively shut out lower income families from the chance to locate affordable housing. Florida also has to contend with environmental challenges posed by location, physical geography, and a cyclical increase in tropical storm activity (see, for example, Tobin, et al., 2004). Housing stock was depleted throughout out the state in the
overactive hurricane season of 2004-2005 and severely impacted in the south of the state toward the end of the 2005-2006 hurricane season.

Inadequate housing poses many health hazards to families and barriers to education for students. Poor housing is often accompanied by dangerous building structures containing lead-based paint or lead water pipes which can cause lead poisoning; faulty wiring allowing the potential for electrocution; and leaks permitting mold and dampness increasing the propensity for allergic reactions or respiratory illness. Housing sites may also be hazardous, often located in sub-prime areas such as floodplains, or near to industrial activity, or solid waste dumps. Sites may also lack adequate sanitation and access to clean water resulting in more serious health issues (Dodd and von Schirnding, 2006).

Emotional health problems also accompany substandard housing. An unsafe house and the possibility of being evicted can cause much insecurity. The threat of homelessness can cause depression, alcohol and drug abuse, domestic abuse, and crime (Thornton, 2005). Lack of affordable housing and threat of homelessness also impacts student educational achievement. Student socialization, which is an important element of student success, may be hindered by perception of inequality with peers and lack of a sense of belonging with fellow classmates. Inadequate living conditions can stimulate feelings of anger, fear, and hostility all of which impede learning. Without a good education, the cycle of poverty and low academic performance will continue (Hodson and Pelallo-Willis, 2006). The lack of affordable housing combined with limited employment opportunities, limited educational achievement, and lack of basic conditions of shelter can result in an increasing gap between those who can afford to live in urban areas and those who can not (Slater, 2004).

Several initiatives exist however, with the aim of mitigating the affordable housing crisis. Neo-liberal policies with minimal public intervention show some success (Jones, et al., 2003). In the U.S., government intervention provides some stability when housing crises develop (Harris, 2004; Journal of Property Management, 2004). Perhaps the most pervasive and successful affordable housing support in
the U.S. is provided by the low income housing tax credit program (LIHTC) which:

offers market quality housing at rents that are affordable to low-income residents whose available income is constrained. Affordability standards are based on HUD median incomes. . . . The principal motivation for the investor is a tax credit that can be used to offset federal income tax obligations directly. (Polton, 2005, p. 40)

An increasingly important role in the provision of a ‘safety-net’ for those of below average income is being played by the private sector—specifically by non-profit faith-based organizations (Wuthnow, 2004). The next section will analyze a case-study of one such organization—Habijax—and its role in locating suitable land parcels for the creation of affordable housing in the beaches communities of Duval County, (Jacksonville) Florida.

The Habijax Case

“There is no more land at the beach,” is a common misconception of those living in the Jacksonville area. A small number of land parcels are available in the beaches communities however, and according to Kennedy (2006): “I am floored at the amount of available land at the Beaches.” An increasing trend in the Jacksonville beaches communities though, is to see low income trailer-park housing developments torn down and replaced with high-end exclusive condominium and apartment complexes just blocks away from the ocean (Burmeister, 2006). Table 1 shows low-income housing indicators for the state of Florida, Jacksonville Metropolitan Statistical Area (Clay, Duval, Nassau and St. Johns counties) and Duval County (City of Jacksonville). The smallest geographic unit (Duval County) has the highest percentage of low-income renters (36.9% below poverty level) and the highest percentage of owner-occupiers below poverty level in the region (6.5%).

In the Jacksonville Beaches area (see figure 1), five low-income developments have been sold since 2005, comprising 594 homes and over 2000 beaches residents. A year ago, sixteen low-income developments existed but that number has now dwindled to
Table 1: Florida Low-income Housing Indicators

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<tbody>
<tr>
<td></td>
<td># h'holds</td>
<td>% &lt; poverty level</td>
<td>% very low income</td>
<td># h'holds</td>
<td>% &lt; poverty level</td>
</tr>
<tr>
<td>Florida</td>
<td>1,896,218</td>
<td>22.7</td>
<td>35.4</td>
<td>4,441,711</td>
<td>7.1</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>139,121</td>
<td>32.7</td>
<td>34.3</td>
<td>286,463</td>
<td>6.2</td>
</tr>
<tr>
<td>MSA</td>
<td>112,025</td>
<td>36.9</td>
<td>35.3</td>
<td>191,722</td>
<td>6.5</td>
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Source: Adapted from Pelletiere (2006).

five. Future renovation of one apartment complex and the impending sale of a mobile home park is creating an affordable housing crisis at the beaches (Beaches Housing Coalition, 2006). Former residents of these low-income areas are being forced out of the community, likely into inadequate housing elsewhere, or into homelessness. Those that are employed, work in the low-wage, low-skill services sector in stores, restaurants and hotels so loss of local affordable housing choices will hurt the local Beaches’ economy as well as the individual low-wage earner. Businesses will have to pay higher wages to attract more employees if low-income earners are forced out of the area, resulting in higher consumer prices for these services (ibid).

Founded in 1976, Habitat for Humanity is an international Christian non-profit organization devoted to eliminating poverty and substandard housing around the world. Beaches Habitat for Humanity is one of over 2100 affiliates of Habitat for Humanity International. It was founded in 1992 and has since built over 150 houses for low-income clients at the beach (www.beacheshabitat.com). Construction of Habitat houses is made possible by volunteer labor and the use of tax-deductible donations of materials and money. Excluding land, the cost to build a Beaches Habitat house is approximately $45,000. HUD fair market rent in the Beaches area for a 3 bedroom/2 bathroom house is $800 per month whereas mortgage for a Habitat home is about $425 per month including taxes and insurance (ibid). Houses are sold at no profit using no-interest loans and new homeowner ‘sweat equity’ making the price affordable for those at, or
Figure 1: Location of Study Areas in Duval County.

Close to current poverty levels.

Finding additional land for low-income housing in the Beaches communities has become crucial. Using a geographic infor-
mation system, suitable sites for construction of Beaches Habitat houses are analyzed and selected. The utility of a geographic information system (GIS) is well documented:

GIS is a system of hardware, software, data, people, organizations and institutional arrangements for collecting, storing, analyzing and disseminating information about areas of the earth (Ducker and Kjerne, 1989).

GIS has broad applicability and can be used as a spatial tool of analysis for many disciplines. Using GIS for real estate and housing analyses is common (Barnett and Okoruwa, 1993; Sultana, 2003; Fung, et al., 1995; Webber, 2001).

This project used the city of Jacksonville’s GIS database to find available land. The database encompasses Duval County and can be used to view every land parcel in the county, in either plain or aerial view, and is capable of zooming in to see the land and structures occupied on each parcel. A wealth of information is also tied to specific parcel location such as: zoning, number of acres, owner, assessed value, and number of improvements. Thus, all parcels in the three specified areas (see figure 1) were observed from the aerial view and each parcel which appeared to be vacant was analyzed further based on zoning, assessed value, acreage, and ownership characteristics using accompanying attribute data.

For land to be available for Beaches Habitat to purchase, certain criteria have to be met: land has to be vacant, assessed at $100,000 per acre or less to be affordable, and zoned as residential. All the parcels that met these conditions were selected, compiled into a spreadsheet, identified by specific beaches community, and classified by owner type: ‘private’, ‘city’, or ‘developer’. The parcels chosen as possible sites for Beaches Habitat were also displayed in maps of the three areas that were constructed using ArcMap (ESRI). Spatial analysis using GIS had the goal of finding as much available land as possible at the Beaches.

The next step in the process was to ground truth the land which involved driving to every property on the list making sure it was still vacant; checking to see if there were wetlands on it; and looking at the surrounding urban and transportation infrastructure.
Figure 2: Selected Mayport Parcels.

The parcels which were sold and subsequently developed after the GIS parcel database was constructed, or which were unsuitable be-
cause of wetlands designation were dropped from the initial selection list and a final group of possible sites was defined to include 78 acres of land (see figures 2,3,4). Beaches Habitat estimates that it would
Figure 4: Selected Jacksonville Beach Parcels.

South Jacksonville Beach Parcels

Legend
- Available Land
- South Jax Bch Parcels

take approximately 70 acres of land to completely wipe out substandard housing in the area.
The Mayport beaches area (figure 2) and the Atlantic Beach region (figure 3) have the most selected parcels with the Jacksonville Beach area (figure 4) having the least. Mayport is the site of a large Navy port and airfield and Jacksonville Beach is closest to the exclusive resort communities of Ponte Vedra Beach and Sawgrass in neighboring St. Johns County to the south.

Once potential sites are identified, there are still many challenges left in the process of acquiring the land. There are obvious reasons why much of this land has not been bought yet and one of the biggest problems is lack of urban infrastructure. For example, one of the areas being targeted by Beaches Habitat is located off Mayport and Dutton Island Road (see figure 2). This area has over 16 acres of available and mostly affordable land. Unfortunately, the area lacks access to water, sewage, electricity and roads that meet city standards. Lack of urban infrastructure makes the assessed value of the land affordable for Beaches Habitat; however, once bought, the cost of utility and road construction is prohibitive. Furthermore, according to Kennedy (2006), another problem occurs in persuading private owners to sell land for construction of a Habitat house.

Following the public-private community development process documented by Harris (2004), representatives from Beaches Habitat have participated in many meetings with city officials and politicians from Duval County to establish a City-Beaches Habitat partnership. If the city commits to providing infrastructure, Beaches Habitat will receive assurance that it needs to pursue land acquisition. Also, if the city will sell the available land that it owns at a low cost, this will in turn free up more funds to buy privately owned land. So far, the city has responded positively to these ideas looking at the work Beaches Habitat does as a service to the community as a whole. Another idea introduced in these meeting is to put an inclusionary zoning policy in place which will require developers to set aside 10% of their land for low-income housing.

Initial success includes receiving the support of the city of Atlantic Beach which has decided to spend $50,000 of its Community Development Block Grant to help a Beaches Habitat development just outside of its city limits (Minton, 2006). Another possibil-
ity is the acquisition and development of a 9 acre piece of land in Mayport currently owned by the city of Jacksonville but no longer being used and in great condition. Possible future use of this parcel could result in Beaches Habitat building 40 duplexes providing homes to 80 families.

Conclusions

Identifying and selecting sites for construction of low income housing in areas close to the waterfront in Florida is a difficult task. The site selection process used by Beaches Habitat—a non-profit faith-based organization—used a GIS database provided by the city of Jacksonville to identify, screen, and select land parcels which are available for purchase, are affordable, and correctly zoned for residential development. Several parcels were selected in three beaches communities in Duval County and further negotiations between land owner, non-profit organization and local city government set the stage for the eventual purchase of land and construction of affordable housing for low-income residents close to the beach.

The effects of substandard housing and homelessness is becoming an unfortunate reality for an increasing number of people in the Jacksonville Beaches area, but through the use of GIS to find land, and organizations such as Beaches Habitat for Humanity and the Beaches Housing Coalition, affordable housing is becoming a welcome reality in an area known for high-end condominium developments and expensive ocean-front living.

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