



Report 1: Inclusionary Housing in Alachua County

Framing the Need and Context

The Florida Housing Coalition (Coalition) was contracted by Alachua County to assist County staff with policy recommendations to include in an inclusionary housing ordinance to increase the supply of affordable housing in the County. The Coalition's recommendations are to be provided in a series of reports beginning with this document.

The purpose of this first report is to frame the need and context for an inclusionary housing program in Alachua County. This report utilizes recently completed studies and planning documents, county permit data, Census data, data compiled by the Shimberg Center for Housing Studies, and other readily available sources to identify key data points on local affordable housing needs. This document examines these key data points to guide the County in determining whether an inclusionary housing ordinance is appropriate to meet its affordable housing goals given the local development context. The primary questions underlying this report are:

- 1) Which households, based on income, are in most need of affordable housing in Alachua County? Who should an inclusionary housing ordinance primarily assist?
- 2) What is the state of the current housing market and how well does it serve households most in need? What types and prices of housing are being built and is the market meeting existing and future needs for affordable housing? Where in Alachua County would an inclusionary housing ordinance be most impactful based on development trends?

To address these questions, this report will first examine demographic and socioeconomic trends in Alachua County, paying special attention to household composition and economic metrics. This data will be spatially visualized throughout the county to identify areas of particular interest. Afterward, an analysis of the housing inventory will examine the housing market and stock, considering the shifts in unit affordability over time and development trends. Finally, the report provides information on average median income thresholds, wages of top occupations, and the affordability gap for the county's very low and extremely low-income population. Discussed in the conclusions of this report are data-driven findings that can add perspective to a proposed Alachua County Inclusionary Housing Ordinance.

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Main Takeaways

These are the Coalition’s main takeaways of the housing data analyzed:

1. Home prices are increasing twice as fast as median incomes in Alachua County.

Between 2016 and 2021, the median home sale price increased at a faster rate than median household income; homes prices increased over two times as much as income in this period. During this timeframe, median home sale prices experienced a 46% increase – from \$150,397 in 2016 to \$219,690 in 2021 – while median incomes only increased 19.2% - from \$44,702 to \$53,314. This disparity between rising home prices and rising incomes highlights a serious affordability challenge in the housing market.

Of the top 20 most common occupations only three occupations General and Operations Managers, Registered Nurses, and First-Line Supervisors of Office and Administrative Support Workers meet the threshold to afford a rental unit based upon the ZORI index or afford to purchase a townhome on their sole income. None of the top 20 most common occupations earn enough to support the purchase of a home at the median sales price.

With home prices rising much faster than incomes, many households will find it increasingly difficult to afford a home, potentially exacerbating existing socioeconomic inequalities. This data also does not consider the increased home prices since 2021.

2. There is a dramatic need for more rental housing in the unincorporated County.

The unincorporated County has a relatively high homeownership rate compared to the county as a whole; the homeownership rate in the unincorporated area is 15 percentage points higher than the county as a whole. Considering the rapid increases in home purchase prices, high ownership rate of the county, and high prevalence of new construction being single-family, ownership housing, without more rental options or affordable ownership options, households at 120% AMI or below will be priced out of the unincorporated county. In addition, the most affordable units, units that cost less than \$500 or between \$500 and \$999, in the unincorporated area experienced an estimated decrease of 64.2% and 41.2%, respectively between 2016 and 2021. The fastest growing cost brackets for rental units are “\$1,500 to \$1,999” and “\$3,000 or more”, housing which is considerably less affordable to households at 80% AMI and below.

3. Homeownership is quickly becoming unaffordable for households earning up to 120% AMI.

Although households at or below 80% AMI have the greatest need for housing that is affordable, rapidly increasing home prices are making it more unattainable for households earning up to 120% AMI, and even 140% AMI, to afford to purchase a home. Alachua County needs more housing at all price points to create a sustainable housing market. By establishing affordable deed-restricted units for lower-income households, an inclusionary housing ordinance has the potential to boost the market-rate housing supply. This can be achieved through measures like density bonuses and upzoning, which developers can utilize to compensate for any impacts they may face.

4. The greatest need for housing assistance is at 80% AMI and below, with a particular need for rental units at 60% AMI and below.

The most affordable units in the county, those affordable to households at the 80% AMI level, are being rapidly lost compared to the most expensive units. These shortages are exacerbated by upward trends in purchase and rent prices. Single-family home and townhomes prices rose an additional 7% and 20%, respectively, in 2023; this is on top of a 7% and 13% increase in 2022. Median purchase prices have risen past what median households can afford. Median rents, according to the ZORI measure, increased by 25% in 2021 year-over-year, again by another 15% year-over-year in 2022. Currently, there is a shortage of 4,874 affordable and available rental units for households at 60% AMI and below. An inclusionary housing ordinance that supported rental units in this range would help relieve this shortage.

5. Over the past nine years in the unincorporated county, housing production has fallen slightly behind population growth, indicating a minor deficit. If the county's population continues to grow along the trajectory established since COVID-19, or if the current housing production fails to keep pace, this could exert pressure on housing demand, potentially driving up overall prices.

Overall, development activity in Unincorporated Alachua County has slightly lagged behind population growth, though the gap has been closing in more recent years. Over the nine-year period there has been an average unit increase of 516 units, an average increase of 448 households, which without the estimated loss of units would just cover annual growth, but after accounting for an estimated annual loss rate of approximately 86 units, there is an estimated average deficit of 168 or annual lag of about 19 units. Prior to the uptick in development activity in 2021, there would have been an estimated deficit of 535 units, or 59 units annually.

If the unincorporated Alachua County population over the next 20 years were to keep growing at the same rate as it has been for the last ten, by 2043 the population will be 140,505 an increase of 31,487 or an estimated 12,696 new households if future household size mirror the 9-year average of 2.48. At this 1.16% rate of growth, the county would need to build roughly 663 units a year on average to keep up with growth and loss of units. However, if the population growth is going to progress as it did from 2019 to 2020, with a growth rate of 1.35, the county will need to build roughly 772 units a year. According to the BPS data and County data, the unincorporated county is beginning to reach this unit-threshold as of 2021 and 2022. Although there are positive signs of the county starting to keep pace with demand, the number of units created is not itself enough to address the housing need, particularly for low-income households. An inclusionary housing ordinance would ensure that units at affordable homes to targeted incomes are added to the community as well.

6. Predominant housing types may not align with household needs.

Unincorporated county has an abundance of single-family units and over 43% of the entire housing stock are 3-bedroom homes. However, 36% of all households are single-resident households. There is a mismatch between the number of non-family and single-householder households who make up most of the County's population and the housing options available to households of smaller sizes. For example, a household of four at 80% AMI could afford a median townhome. Yet, attached 1-units only make up 3.9% of the housing stock.

A greater diversity of unit types, such as townhomes, duplexes, and triplexes, would allow for more affordable options for households. When households have no option but to buy or rent “too much house” it puts them into a situation where they are likely overpaying for their housing needs. Affordable single-family homes could still help meet needs of families in the county, including single-adult family households, which tend to have larger household sizes than the overall average and less than half the median income than the overall median family income. Report 2 will analyze land availability and regulations by housing type and associated tenure patterns to understand how an IHO policy could be applied to capitalize on development activity to produce affordable homeownership options as well as generate adequate rental options through housing types that suit the needs of households of focus.

7. [Income segregation may result in limited access to opportunities for lower income households.](#)

Further analysis will help determine locational opportunities for IHO and whether resulting income-restricted unit locations can improve access to opportunity. Areas within the Urban Cluster Area are high-income areas of opportunity, with fewer lower income households living in those census tracts. Additionally, much of the development activity for the past 10 years has occurred in the western part of the county. Report 2 will look at land availability, land use policies, and land development regulations for future development to understand how an IHO policy would affect dispersion of housing opportunities for various income levels and opportunities for households of more varied income levels to access opportunities in the west side of the county.

8. [There are several census tracts in the unincorporated County, a set with moderately higher prevalence of rental housing and a set with very low rates of rental housing, that may be high impact areas for an inclusionary housing ordinance.](#)

Although the unincorporated county’s ownership rate is 15 percentage points higher than the county as a whole, there are several census tracts with a relatively high prevalence of rental homes. These census tracts with a high rental development rate could be the target of an inclusionary housing policy that produces more affordable rental units, particularly higher density housing is more commonplace. Census tracts 17.01, 18.11, 22.17, 22.18, and 22.19 may be primed to house more affordable rental units. Relatedly, census tracts 22.08, 22.22, 22.07 are some of the highest income areas while possessing among the lowest rates of renters in the unincorporated County, which could benefit from an inclusionary policy that increased both affordable homeownership and accessible rental opportunities.

Demographic and Socioeconomic Background

General Demographics Overview

Alachua County is a medium sized county with 276,171 residents (ACS 2021). The largest city in the county, Gainesville, has 138,741 residents comprising about 50% of county population. Unincorporated Alachua County is home to 109,018 residents, 39% of the county’s total population. Over the last 10 years the population growth in unincorporated Alachua County has remained consistent, averaging about 1.06% population growth per year, compared with the whole county which has a 1.16% annual growth rate according to American Community Survey Data. A 1.16% average growth rate can be described as a relatively modest rate of population increase and, while it may not seem like a large number, can have significant implications over time. Over a 20-year span at a 1.16% rate, the unincorporated county’s population would grow to over 133,000. In the whole of Alachua County there

are an estimated total of 105,003 households, with 40,915 households within the unincorporated County area (FHC Calculation of 2021 ACS 5Y data).

In unincorporated Alachua County there are fewer racial minorities than the County as a whole. In unincorporated area, 64.8% of the population is white, not Hispanic, compared to 60% of whole County, 55% of Gainesville, and 52.6% of the state. The Black/African American population in unincorporated Alachua County is also fewer than in the whole county as a proportion, 17.4% compared to 19.6% respectively. Similarly with the Hispanic/Latino population with 8% population of the unincorporated county and 10.5% in the whole county. The Asian population makes up 6.9% of the unincorporated county population, as compared with 5.9% Asian population in the whole county.

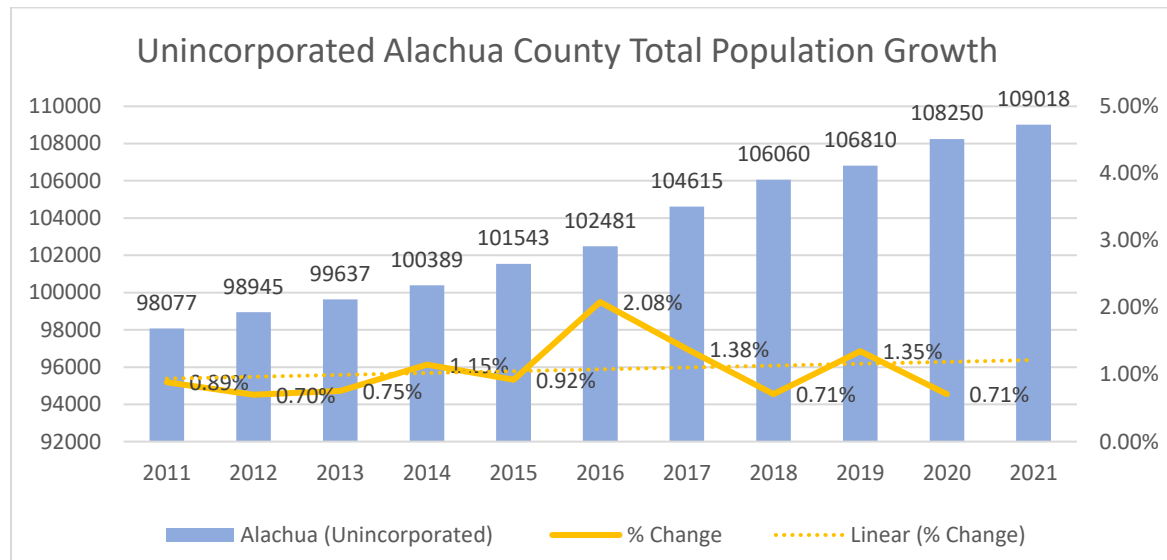


Figure 1: Unincorporated Alachua County Population Growth

Household Types

Household types and sizes play an important role in considering the affordable housing stock of a community. Communities with a relatively high percentage of smaller household sizes (1-2 person households) could benefit from a housing stock that is composed of smaller homes, that can be more naturally affordable due to their size. It can be very important for a community’s household sizes to match the community’s home sizes. Area median incomes, which is one of the primary metrics used when calculating affordability, will often depend upon household size to determine whether an income is sufficient to address a household housing need. Table 1 provides a summary of family and non-family household types, including average household size.

HOUSEHOLD TYPES	All Households	Married-couple households	Male householder, no spouse households	Female householder, no spouse households	Nonfamily household
Total households	105,003	38,813	3,119	10,987	52,084
% of Total Households	100.0%	37.0%	3.0%	10.5%	49.6%
Average household size	2.49	3.27	3.73	3.87	1.54

Table 1: Household Type Distribution

With a total of 105,003 households, the county demonstrates a diversified spectrum of household types. Married-couple households form the largest specific grouping, accounting for 37.0% of the total households, equating to 38,813 units. The average household size for this group is relatively larger, at 3.27 individuals per household. This is followed by female householder, no spouse households (10.5%, 10,987 households) with an even larger average household size of 3.87, indicating a potential prevalence of extended family living arrangements. Male householder, no spouse households represent a smaller portion, just 3.0% (3,119 households) with the highest average household size of 3.73. The Male householder, no spouse and Female householder, no spouse categories include single parent households, of which there are 1,388 and 5,386 respectively (ACS Table B11003, not depicted in Table 1). Single parent households make up 12.8% of all family households and 6.4% of all households. The most substantial portion of the population resides in nonfamily households, which make up nearly half of the total households at 49.6% (52,084 households). However, this group features the smallest average household size, at 1.54. Non-family households, as defined by the US Census Bureau, refers to households that do not include any members related by blood, marriage, or adoption. These households can include a diverse range of living arrangements, such as individuals living alone, roommates, and cohabitants who are not married or in a domestic partnership. Of the 52,084 non-family households, 38,171 of them are single-resident households—36% of all households. Overall, this data suggests a significant demand for diverse housing solutions, accommodating larger family units as well as single-person households.

Economic Characteristics

The median household income in Alachua County is \$56,445 (ACS S1901 1Y2021), meaning half of Alachua County households make less than this figure. The County's average income of \$86,187 suggests the presence of a substantial proportion of households with higher incomes. The graph below depicts the distribution of incomes for the unincorporated Alachua County compared to the other geographies. This graph shows that unincorporated Alachua County has a higher proportion of households earning \$75,000 a year or more compared to the state and the county as a whole; unincorporated Alachua County has more households with higher incomes than the county as a whole. This higher proportion of relatively higher income households could indicate a market for higher priced homes in the unincorporated area that may not be attainable to lower income households seeking homes.

The prevalence of these higher income households in the unincorporated county may be one indication of a greater need for housing policies that address households that earn below \$75,000 and cannot

afford market-rate homes. An IHO program could help address gaps in the market for lower-income households. Direct measures of the gap in affordable and available homes for lower income households us further explored alter in this report.

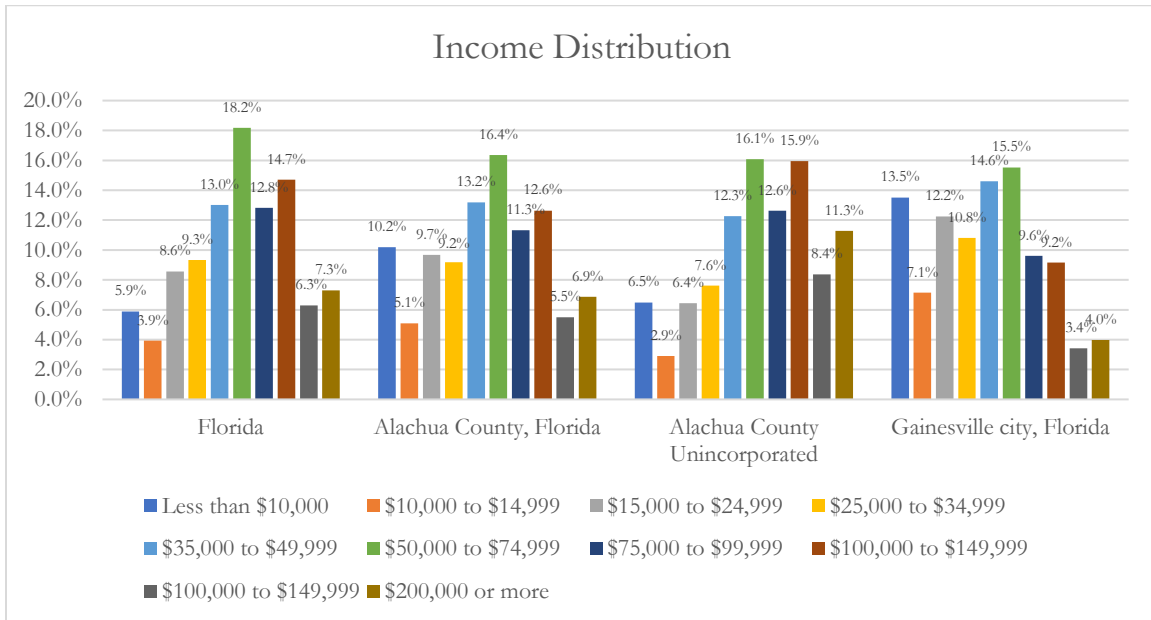


Figure 2: Income Distribution

Another way to consider household incomes is the median incomes of different household types. The following chart shows household incomes for all households, families, married couple families, and non-family households.

	All Households	Families	Married-couple families	Male householder, no spouse households	Female householder, no spouse households	Nonfamily households
Median income (dollars)	\$56,445	\$86,547	\$102,745	\$31,830	\$40,212	\$33,100
Census Table S1901 ACS1Y2021						

Table 2: Household Median Income by Household Type

The median income for married-couple families is considerably higher than family households as a whole, indicating that two parent households have significantly higher incomes than other family types and may be more likely to have dual incomes as compared to other family and nonfamily households.

The following map provides insight into median incomes by census tract and allows for filtering by household type. Dark blue indicates census tracts with the highest median incomes in the county whereas dark red indicates census tracts with the lowest median incomes in the county. In general, the census tracts with the highest incomes are concentrated in the unincorporated western area of the

county, with some of them falling within the Urban Service Area and Urban Cluster Area. These tracts also tend to have a lower presence of lower-income households compared to the overall income distribution in the county, pointing to a comparatively high degree of income segregation in these areas. For instance, in census tract 22.07 households earning \$35,000 to \$49,999 make up 5.2% of all households in the census tract as compared to making up 12.3% in the unincorporated county as a whole. Households making \$25,000 to \$34,000 comprise only 0.8% in the tract as compared to 7.6% in the county as a whole.

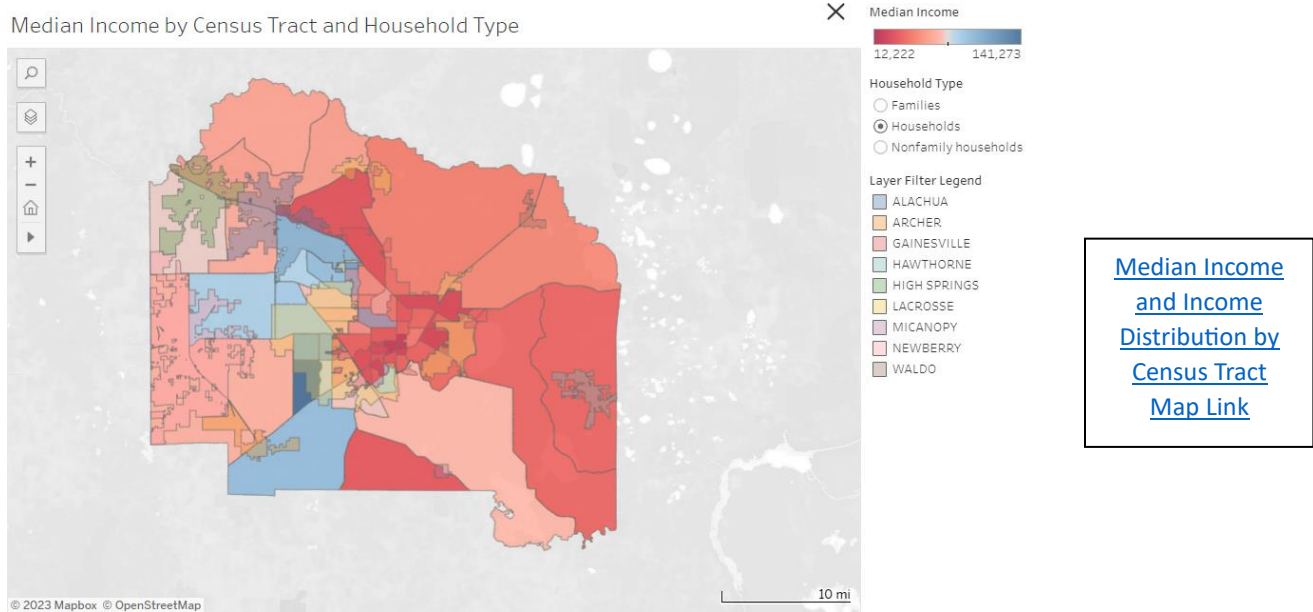


Figure 3: Median Income by Census Tract Map Viz

Homeownership

The homeownership rate in unincorporated Alachua County is higher than that of the whole county and Florida. The whole county has a homeownership rate more comparable to the city of Gainesville, where the lowest rate of homeownership by census tract are found.

	Florida	Alachua County	Unincorporated	Gainesville
Occupied housing units	8,157,420	105,003	40,915	21,234
Owner-occupied	66.5%	55.1%	69.8%	54.5%
Renter-occupied	33.5%	44.9%	30.2%	45.5%

Table 3: Homeownership by Jurisdiction

Married couples have higher rates of homeownership compared to single-parent and non-family households. Married couples generally have higher incomes, which improves their chances of being approved for a mortgage to buy a home of their choice.

HOUSING TENURE	Total	Married-couple family household	Male householder, no spouse present, family household	Female householder, no spouse present, family household	Nonfamily household
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Owner-occupied housing units	55.1%	78.3%	53.9%	45.1%	40.0%
Renter-occupied housing units	44.9%	21.7%	46.1%	54.9%	60.0%

Table 4: Homeownership by Household Type

The map displayed illustrates the home ownership rates in Alachua County based on census tracts. Dark blue shades indicate areas with relatively high rates of home ownership, while dark red shades represent areas with low rates of home ownership. In Alachua County, the city of Gainesville exhibits the lowest home ownership rates. Conversely, throughout most of the county, home ownership rates are relatively high, with most census tracts reporting rates above 70% and some reaching as high as 91%. Notably, census tracts 17.01, 18.11, 22.17, 22.18, and 22.19, located within the Urban Cluster Area, display the highest rates of rentership among the unincorporated county area, though still far above rates observed in the center of the county within City of Gainesville.

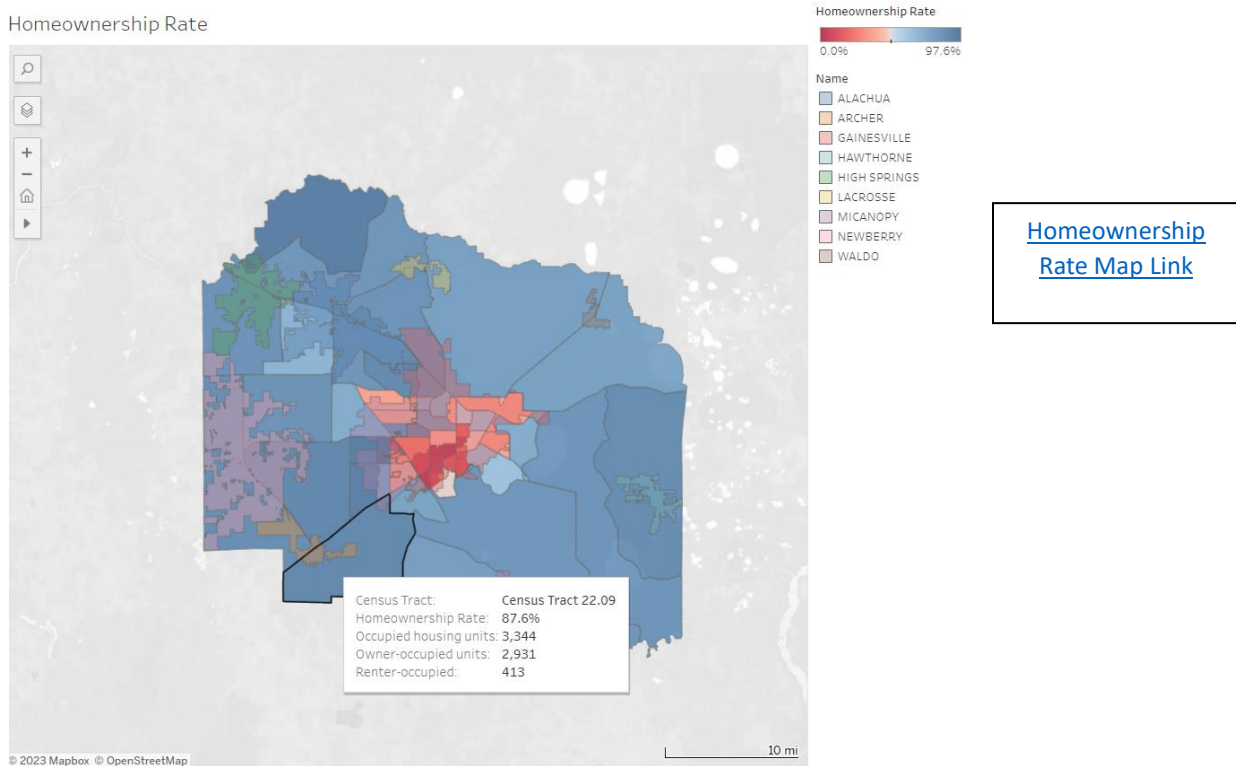


Figure 4: Homeownership by Census Tract Map Viz

In higher-income areas such as the Urban Cluster Area in the west of the county, housing prices and rents tend to be higher, which could present challenges for low- and moderate-income households to afford housing in these areas. Census tracts 22.08, 22.22, and 22.07 exemplify this trend with notably lower rates of renters in housing units. This situation poses a dual challenge for low- and moderate-income households who cannot afford homeownership options that are more prominent in these areas, while also struggling to find affordable rental options due to limited availability. Therefore, it is crucial to address both affordable rental and homeownership needs. Implementing housing strategies that support lower-cost homeownership and promote the availability of affordable rental units can bring balance to these high-cost and predominantly ownership-concentrated areas. If found to be a compatible tool for

the context, an inclusionary housing program can serve as effective tools to increase the availability of both affordable rental and homeownership options in high-income areas.

Housing Inventory Analysis

This section of the report focuses on identifying trends in the recent housing market as it pertains to home sales and the cost of rent. The data presented aims to illustrate the extent of the affordability gap and provide insight into what types of housing lower-income households can afford.

Sales Market Trends

This analysis starts with data derived from the Florida Realtors’ as of February 2023. The chart below provides a snapshot of the most recent 2023 monthly sales data at the time of this writing summarized for statewide Metropolitan Statistical Areas (MSAs). In February 2023, the median sales price for a single-family home in the Gainesville MSA was \$330,000 – a year-over-year increase of 6.5%. The MSA saw a general cooling of the housing market, with a decrease in closed sales down 20.6% compared to a decrease in Florida of 21.3%. The median sales price for a townhome/condo has a year-over-year increase of 19.5%.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	18,627	-21.3%	\$395,000	3.5%	7,665	-30.2%	\$315,000	8.6%
Gainesville MSA (minus Gilchrist)	196	-20.6%	\$330,000	6.5%	69	-50.0%	\$184,000	19.5%

Source: Florida Realtors Market Sales Activity – February 2023 - MSA Level Data

Table 5: Florida Realtors Monthly Sales Activity - Feb 2023

In 2022, the median sales price for a single-family home in the Gainesville MSA rose 13.5% since the end of 2021.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	287,352	-18.0%	\$402,500	15.7%	125,494	-21.7%	\$306,500	21.6%
Gainesville MSA (minus Gilchrist)	3,364	-9.7%	\$340,000	13.5%	896	-17.9%	\$171,104	16.0%

Source: Florida Realtors Year-End 2022 MSA Level Data

Table 6: Florida Realtors Year-End Sales Activity - 2022

The median sales price for a single-family home in the Gainesville MSA in 2021 was \$299,000. Comparing this to the chart above, median home prices in the MSA increased by over \$40,000 from 2021 to 2022.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	350,516	12.9%	\$348,000	20.0%	160,177	34.2%	\$252,000	17.2%
Gainesville MSA (minus Gilchrist)	3726	8.9%	\$299,000	17.5%	1092	32.7%	\$147,500	9.5%

Source: Florida Realtors Year-End 2021 MSA Level Data

Table 7: Florida Realtors Year- End Sales Activity - 2021

For a look at the long-term housing trends the Zillow Home Value Index (ZHVI) is provided below. ZHVI is a seasonally adjusted measure of the typical home value and market changes across a given region and housing type. This is slightly different from the median home price tracked by the Florida Realtors above because it does not separate out single-family and multifamily owner-occupied units, nor does it include extremely high-priced outlier units. However, it is an excellent measure of the price someone who is open to both single-family and condo/townhome ownership is likely to pay for a typical home. In Alachua County, the index found 10.9% year-over-year increase, compared to 14.18% in Florida (though Florida starting from a much higher base).

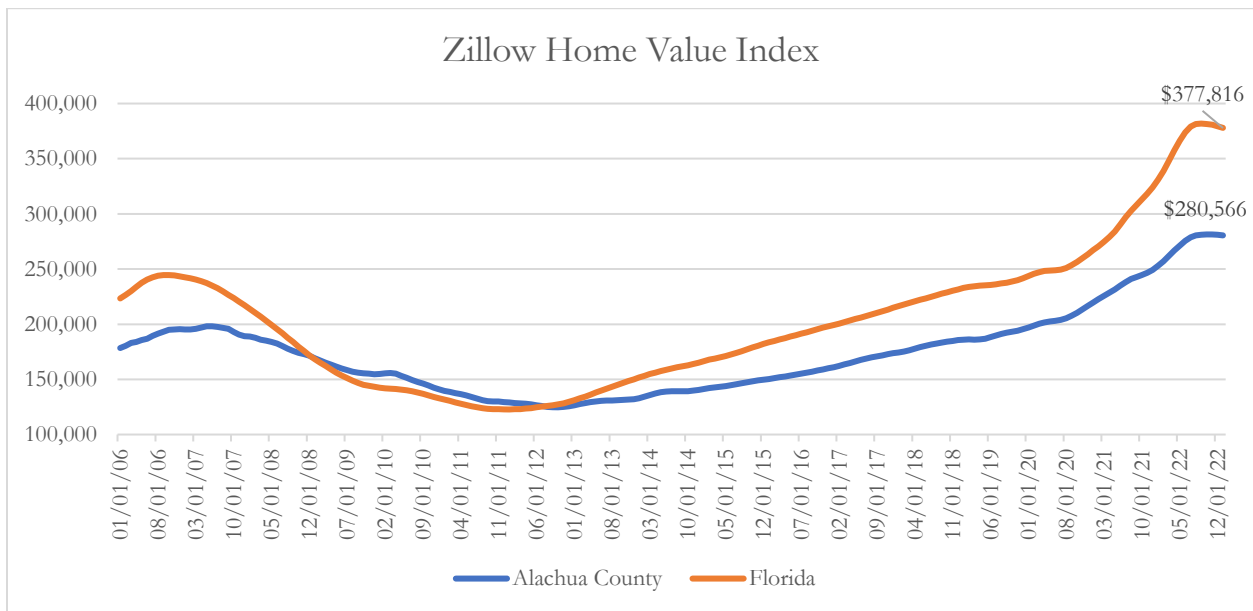


Figure 5: Zillow Home Value Index

Supply Trends

To provide an overview of sales trends the following chart is derived from MLS data available through Redfin's data center. The chart visualizes housing market activity by depicting active listings and monthly sales alongside months of supply available.

In the period following the COVID-19 outbreak (March 2020 - December 2022), monthly sales in Alachua County increased to an average of 363, with peak sales ranging between 400 and 500 during the summer of 2021. This is in contrast to the average monthly sales of 277 that were observed in the pre-COVID period from 2012 to February 2020. This trend depicts the high activity of the real estate market, that coincides with peak median homes sales represented in Florida Realtors and Zillow data.

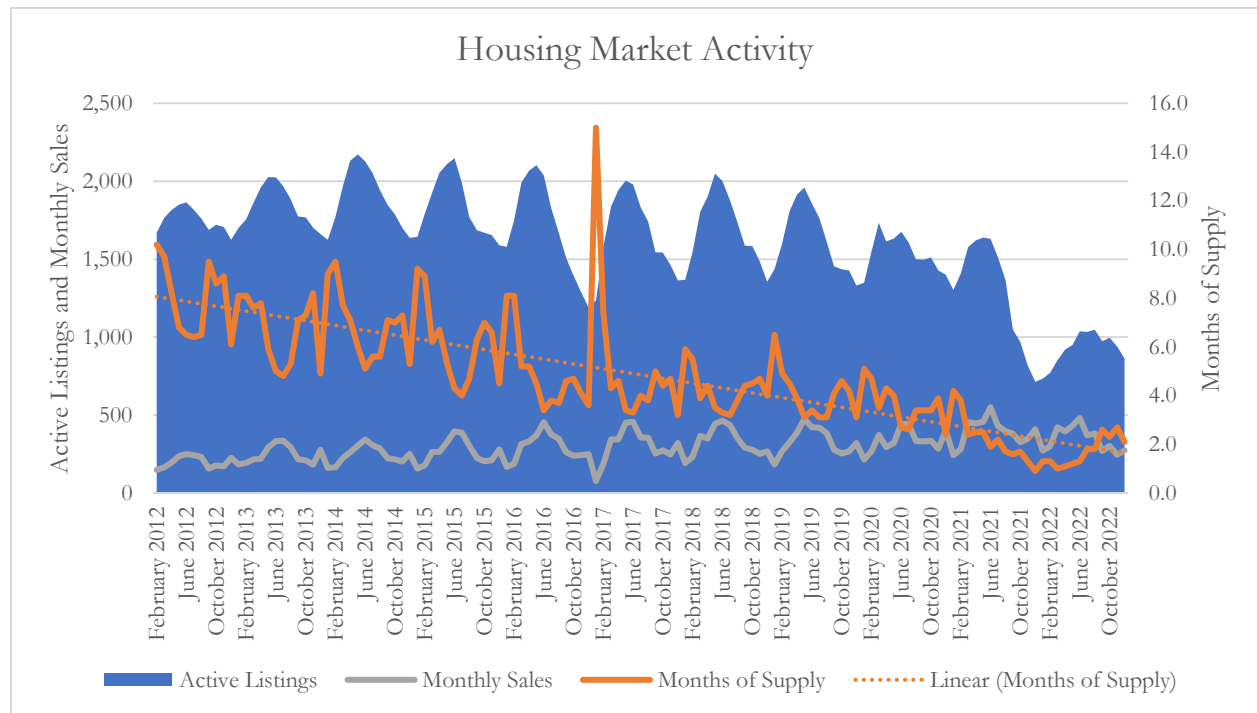


Figure 6: Alachua County Housing Market Activity

Months of supply or relative supply, seen represented on the right axis, is a measure of how many months it would take to sell all the available homes on the market, given the current level of demand. A relative supply of less than six months is generally considered a seller's market, meaning there are more buyers than there are homes for sale, and prices may rise. A relative supply of six to nine months is considered a balanced market, meaning there is an equal balance of buyers and sellers. A relative supply of more than nine months is considered a buyer's market, meaning there are more homes for sale than there are buyers, and prices may fall.

In late 2021 and 2022, the relative supply of housing fell below two months. It reached its lowest point in December 2021, with only 0.9 months of supply available—a severe sellers' market. For the first three quarters of 2022, relative supply hovered around two months, until it rose above two months again in September 2022. By the end of 2022, the average relative supply was 2.7 months. This shortage of

supply, coupled with high demand, has led to rapid increases in home sale prices, making it even more challenging for low and moderate-income potential homebuyers to find affordable housing.

Renter Market Trends

To provide insight into rental market trends in Alachua County this report derives data from two primary sources, 1) Zillow Observed Rent Index (ZORI) and 2) the American Community Survey data table DP04. The ZORI index is a measure of the median estimated market rate rent across a specific geographic region and is based upon Zillow's rental listings, updated monthly. ZORI offers a more granular and timely view of the rental market, allowing users to track rental price changes more closely. On the other hand, ACS data on median rent is a product of the U.S. Census Bureau, and it is collected through an annual survey. ACS data provides a broader perspective on rental prices and includes information on a wider range of properties, including those that may not be listed on online platforms like Zillow. By combining these two sources of data, this report can leverage the strengths of each source, resulting in a more comprehensive and robust analysis.

The chart below shows the latest data from ZORI through August 2022. The highest increase in rental rates occurred in November 2021, reaching a 25% year-over-year increase. Since then, rental rates have slowed down to about 16% year-over-year as of August 2022, which is still much higher than the pre-COVID trends averaging about 5.5%.

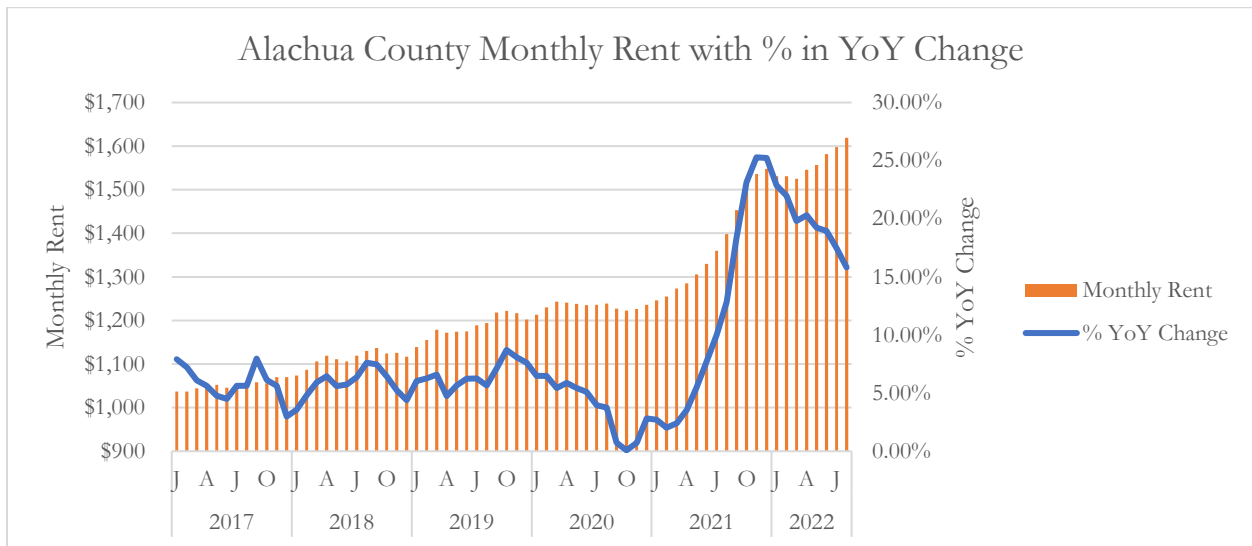


Figure 7: Monthly Rent Year-Over-Year Change

Existing Housing Stock

This section looks at the presence of housing types regarding housing units' structure and size. When designing an inclusionary housing ordinance, it is essential to consider both these factors to ensure that the policy effectively addresses the diverse needs of the community. These factors play a crucial role in determining the affordability and accessibility of housing options.

The chart below illustrates that in all geographies there is a strong tendency toward single family homes, however this predominance of housing types is even stronger in Unincorporated Alachua County. The unincorporated area also has a higher proportion of mobile homes, accounting for 12.6% of housing units, which is twice the percentage observed within the broader county.

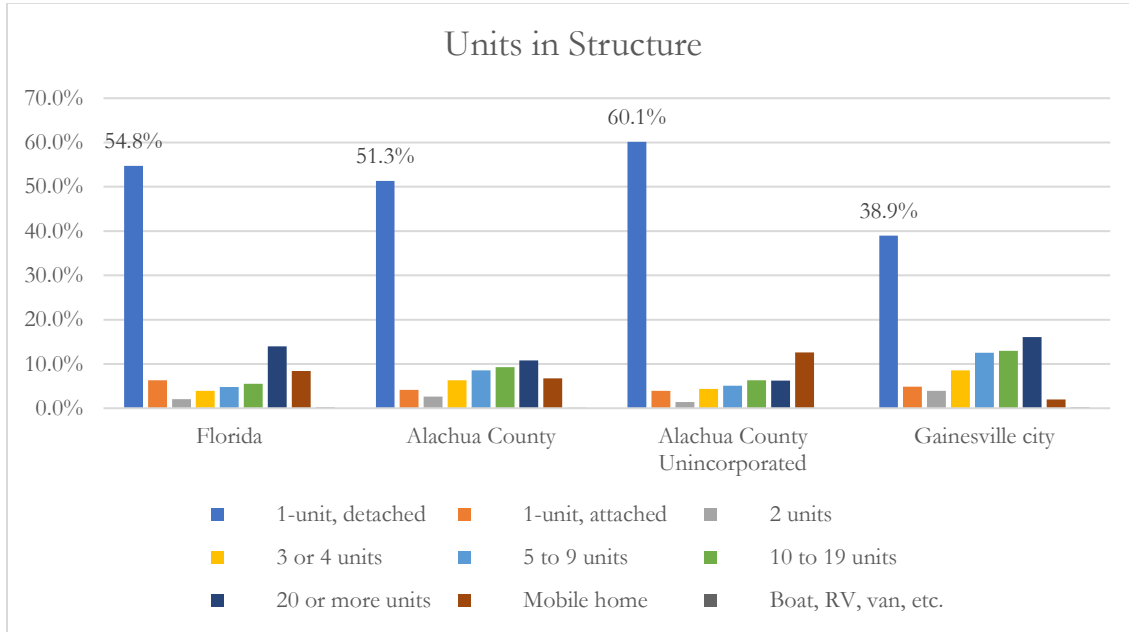


Figure 8: Units in Structure

Unincorporated Alachua County exhibits a greater abundance of larger housing structures compared to Florida as a whole, the entire county, and Gainesville. The area has a significantly higher proportion of 3-bedroom units, with a 21-point gap between the most common (3-bedroom) and the next most common type (2-bedroom). Additionally, 4-bedroom units are nearly as common as 2-bedroom units, with only a 1% difference. This trend suggests a prevalence of larger housing units in unincorporated Alachua County, which may contribute to a decrease in the availability of smaller, more affordable housing options.

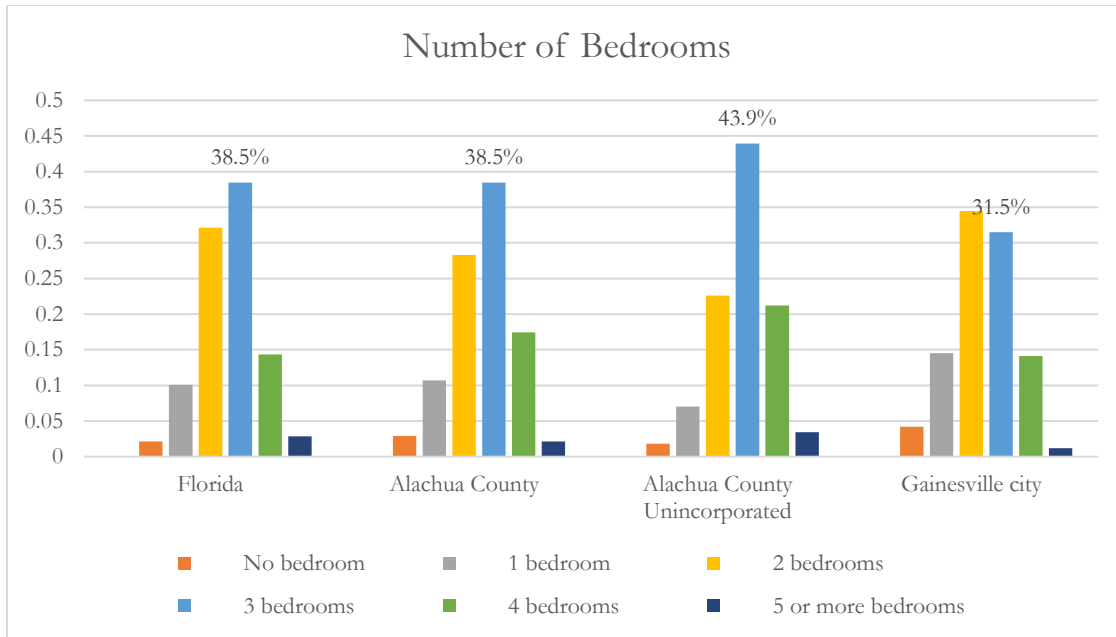


Figure 9: Number of Bedrooms

Change in Unit Value

The following two charts compare American Community Survey (ACS) Data for 2016 and 2021 to determine the change in unit value in owner occupied units and rental units. These charts tell the story of the change in the affordability of the housing stock at the differing price brackets. While value brackets in this analysis are not equal, it does provide a snapshot at what is happening at these various tiers. This analysis shows a disproportionate growth in the highest cost owner-occupied housing units and shift in increasing values.

Between 2016 and 2021, the number of occupied housing units in unincorporated Alachua County increased by an estimated 2,287 units according to ACS data, from 26,279 to 28,566. During this six-year period, the four lowest value brackets experienced a net decrease in units. Conversely, the three highest value brackets - "\$300,000 to \$499,999," "\$500,000 to \$999,999," and "\$1,000,000 or more" - saw the largest increases, with growth rates of 66.3%, 72.0%, and 172.1%, respectively. These changes in unit types illustrate the general directionality of housing stock trends and are best understood as an indicative measure rather than an absolute value.

	Unincorp. Alachua County 2016	% of Housing Stock	Unincorp. Alachua County 2021	% of Housing Stock	Change in Units	% Change in Share of Total Units	% Change of units in category
Owner-occupied units	26,612	100.0%	28,566	100.0%	1,954		
Less than \$50,000	1,820	6.9%	1,614	5.7%	-206	-1.3%	-11.3%
\$50,000 to \$99,999	3,654	13.9%	2,942	10.3%	-712	-3.6%	-19.5%
\$100,000 to \$149,999	3,502	13.3%	2,918	10.2%	-584	-3.1%	-16.7%
\$150,000 to \$199,999	4,723	18.0%	3,720	13.0%	-1003	-4.9%	-21.2%
\$200,000 to \$299,999	6,685	25.4%	6,744	23.6%	59	-1.8%	0.9%

\$300,000 to \$499,999	4,455	17.0%	7,407	25.9%	2952	9.0%	66.3%
\$500,000 to \$999,999	1,601	6.1%	2,753	9.6%	1152	3.5%	72.0%
\$1,000,000 or more	172	0.7%	468	1.6%	296	1.0%	172.1%

Table 8: Change in Owner Occupied Unit Value

In unincorporated Alachua County between the years of 2016-2021 there was an estimated net loss of 291 rental units, however this it is important to note that due to the margin of error accompanying ACS data, this figure does not appear to be statistically significant. The number of the most affordable units, units that cost less than \$500 or between \$500 and \$999, in the unincorporated area experienced a decrease of 64.2% and 41.2%, respectively. The fastest growing cost brackets for rental units are “\$1,500 to \$1,999” and “\$3,000 or more”. The plurality of rental units cost between \$1,000 and \$1,499 per the ACS data.

	Unincorp. Alachua County 2016	% of Housing Stock	Unincorp. Alachua County 2021	% of Housing Stock	Change in Units	% Change in Share of Total Units	% Change of units in category
Occupied units paying rent	11,785	100.0%	11,494	100.0%	-291		
Less than \$500	961	3.7%	344	3.0%	-617	-0.7%	-64.2%
\$500 to \$999	5,648	21.5%	3,322	28.9%	-2,326	7.4%	-41.2%
\$1,000 to \$1,499	3,459	13.2%	4,480	39.0%	1,021	25.8%	29.5%
\$1,500 to \$1,999	1,100	4.2%	2,295	20.0%	1,195	15.8%	108.6%
\$2,000 to \$2,499	313	1.2%	516	4.5%	203	3.3%	64.9%
\$2,500 to \$2,999	152	0.6%	163	1.4%	11	0.8%	7.2%
\$3,000 or more	152	0.6%	374	3.3%	222	2.7%	146.1%

Table 9: Change in Rental Unit Cost

Building Activity Analysis

Housing Development Sector

The following section of this report examines the building sector in Alachua County to understand how development is proceeding compared to population growth in the area. Whether development is keeping up with population growth is important to note because if population growth outpaces building there can be a strain on housing supply which can lead to increases in housing prices. The following chart depicts the past thirty years of permits as tracked by the US Census Building Permit Survey, in which Unincorporated Alachua County has seen wide variability in building activity.

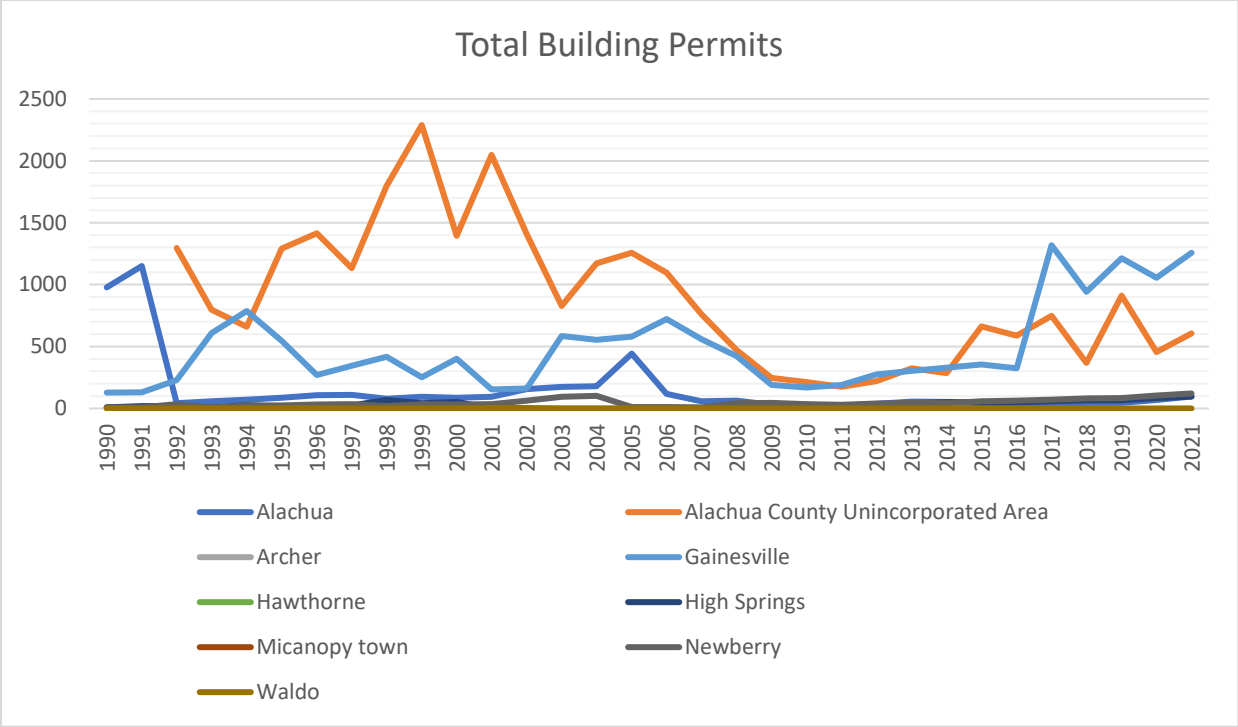


Figure 10: US Census BPS Total Building Permits

Building activity in the unincorporated County has not yet reached the levels seen before the 2008 housing crash. Census permit data shows that the county has permitted an average of 468 units per year over the past decade, excluding mobile homes but including both single-family and multi-family units. Although building permits decreased in 2018 and 2020, resulting in a reduction in the 10-year average, the recent trendline for building permits has been positive.

County Permit Data

For the analysis of county permit data, a report was for February 2013 – February 2023 on the County’s CitizenServe portal. This data was sorted by permit type and sub-type and by date issued. An estimated 97% of permits classified as new construction permits, filtering for projects that don’t account for new units, were for single family projects; or 73.4% of all building permits including manufactured homes and ADUs. Over the past 10 years there have been about 8.5 multifamily development projects a year (developments for 3 or more families), or a total of 85 developments. Modular and manufactured home activity accounts for a sizable (21%) portion of building permit activity.

Building Permits	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Grand Total
Accessory Dwelling Unit									33	35	3	71
Rural									30	26	2	58
Urban									3	9	1	13
Manufactured Home (HUD)	67	92	82	130	120	146	170	101	161	186	8	1263
New Construction	325	290	387	354	393	391	479	495	660	778	7	4559
Manufactured/Modular	7	6	4	10	4	8	6	6				51

Residential (1-2 Family)	318	284	370	333	369	372	459	489	659	763	7	4423
Residential Multi-Family (3 or more families)			13	11	20	11	14		1	15		85
Grand Total	392	382	469	484	513	537	649	596	887	1034	21	5893

Table 10: County Permit Data

The following map is a heat map of issued New Construction building permit during the same timescale. The map shows that most permits have been issued within the central Urban Cluster Area. But there is also considerable development happening outside of the urban cluster area, particularly in the areas south of Alachua and to the east of Newberry.

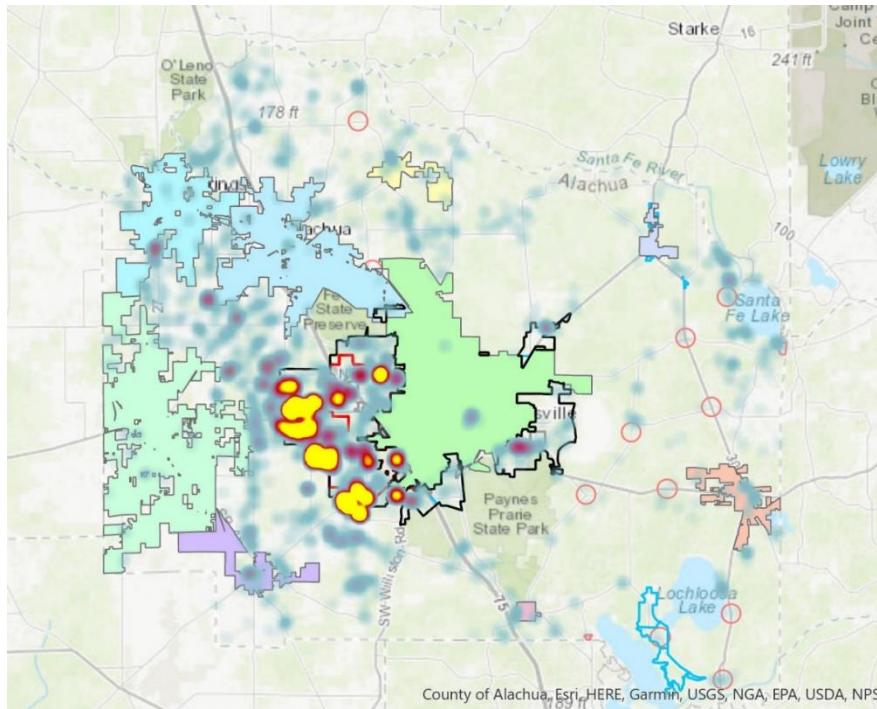


Figure 11: County Building Permit Data Heat Map

Building Activity Compared with Population Growth

To evaluate the housing demand and supply trends, this section compares building permits to population growth. Data used for this analysis includes the 2012-2021 Census 5-Year Survey data for population (Census Table DP05) and average household size (Census Table S1101). The building permit data was collected from the Census Building Permit Survey Time Series and Table Tool, and the reported numbers of manufactured and modular units were added from Alachua County data. An annual estimated unit loss was calculated using similar methodology to the U.S. Census Bureau¹ uses to calculate state and county housing estimates, applying housing loss rates based upon age distribution and type of housing stock. Finally, to calculate the unit demand, the total population was divided by the average household size. The difference between the total number of housing units built and the housing unit demand represented the surplus or deficit of units. The building permits data provided by the Census and the

¹ Methodology For State and County Total Housing Unit Estimates (Vintage 2020)

County exhibit slight differences. There are several potential reasons for this variation, including disparities in reporting schedules between the Census Bureau and the County, methodological differences in counting units, and discrepancies in how the building permit survey is conducted and data is categorized by department staff.

Overall, development activity in Unincorporated Alachua County has slightly lagged behind population growth. Since 2013, the analysis finds that there has been a net deficit in new units compared to population growth. Over the nine-year period there has been an average unit increase of 516 units, an average increase of 448 households, which without the estimated loss of units would just cover annual growth, but after adding the average loss rate of 92 units in, there is an average annual deficit of about 25 units.

Year	Units Built	Population	Population Growth	Household Size	New Housing Demand	Estimated Annual Loss of Units	Surplus/Gap
2012		98,945					
2013	386	99,637	692	2.43	285	62	9
2014	373	100,389	752	2.45	307	99	-26
2015	453	101,543	1154	2.46	469	91	-108
2016	462	102,481	938	2.49	377	92	-7
2017	502	104,615	2134	2.58	827	92	-417
2018	512	106,060	1445	2.46	587	92	-167
2019	632	106,810	750	2.55	294	91	246
2020	554	108,250	1440	2.48	581	93	-119
2021	766	109,018	768	2.49	308	91	366
						Net Unit Surplus/Gap	-168

Table 11: Building Activity Compared to Population Growth

If the unincorporated Alachua County population over the next 20 years were to keep growing at the same rate as it has been for the last ten, by 2043 the population will be 140,505 an increase of 31,487 or an estimated 12,696 new households, assuming that future household size mirror the 9-year average of 2.48. At this 1.16% rate of growth, the county would need to build roughly 663 units a year on average to keep up with growth and loss of units. However, if the population growth is going to progress as it did from 2019 to 2020, with a growth rate of 1.35, the county will need to build roughly 772 units a year. According to the BPS data and County data, the unincorporated county is beginning to reach this unit-threshold as of 2021 and 2022. Although there are positive signs of the county starting to keep up with demand, the number of units created is not itself enough to address the housing need, particularly for low-income households. An inclusionary housing ordinance would ensure that units at affordable homes to targeted incomes are added to the community as well.

Affordability Analysis

This section synthesizes different affordability measures as well as compare how market trends and household incomes stand up to these metrics. This will provide better context on the conditions of affordability within the Alachua County community.

To better contextualize economic characteristics, this section begins by introducing HUD and SHIP income limits which serve as a benchmark for affordable housing programs. In estimating median incomes HUD relies upon median family households’ data, as opposed to median households’ income data, to construct their limits. For 2023, the estimate for the household median income in the Alachua County HUD Metropolitan Fair Market Rent Area (HMFA) is \$90,800, up from \$85,600 in 2022. The following charts provide income and rent limits for SHIP program assistance and define AMI thresholds from 30%-140% for the range of household sizes.

Income Limit by Number of Persons in Household in Alachua County – 2023												
Alachua County	30%	18,200	20,800	24,860	30,000	35,140	40,280	45,420	50,560	Refer to HUD		
(Gainesville HMFA)	50%	30,350	34,700	39,050	43,350	46,850	50,300	53,800	57,250	60,690	64,158	
	80%	48,550	55,500	62,450	69,350	74,900	80,450	86,000	91,550	97,104	102,653	
Median:	90,800	120%	72,840	83,280	93,720	104,040	112,440	120,720	129,120	137,400	145,656	153,979
		140%	84,980	97,160	109,340	121,380	131,180	140,840	150,640	160,300	169,932	179,642

Table 12: HUD/SHIP Income Limits 2023

Rent Limit by Number of Bedrooms in Unit – 2023						
	0	1	2	3	4	5
30%	455	487	621	814	1,007	1,199
50%	758	813	976	1,127	1,257	1,388
80%	1,213	1,300	1,561	1,803	2,011	2,219
120%	1,821	1,951	2,343	2,706	3,018	3,331
140%	2,124	2,276	2,733	3,157	3,521	3,886

Table 13: HUD/SHIP Rent Limits 2022

Cost-burden

“Cost-burden” is a common standard that housing professionals and government agencies use to determine whether a household’s monthly home payments are affordable. Often a household is considered “cost-burdened” if it spends more than 30% of its gross income on housing costs including the rent or mortgage payment, utilities, and property taxes and insurance as applicable. A household is “severely cost-burdened” if it spends more than 50% of its gross income on housing expenses.

The following is based on data from the Shimberg Center’s Data Clearinghouse estimated using 2019 American Community Survey numbers interpolated for 2020. Though the data is a bit older than some of the other data used in this report it provides a good look at homeowner and renter households. The data estimates that 29% of households were low-income and cost burdened.

Cost Burden in Alachua County	Number of Households
Low Income, Not Cost Burdened	13,399
Low Income, Cost Burdened	28,695
Not Low Income, Cost Burdened	5,274
Not Low Income, Not Cost Burdened	50,645

Table 14: Shimberg All Cost Burdened Household 2020

More recent data on renters alone comes from the Shimberg Center’s 2022 Rental Market Study and defines “cost burdened” as a household spending more than 40% of its gross income on housing costs. This higher threshold is used to better reflect the financial strain experienced by low-income households living in affordable housing units without rental assistance. The study estimates that out of roughly 24,237 low-income renter households (earning 80% or less of AMI), more than 50% are cost-burdened at the 40% level. When a household spends such a high proportion of their income on housing, it is difficult to save or have enough funds for healthcare, education, food, and an overall good quality of life.

Alachua Renter Cost Burdened Renters 2022			
	All Renters in Income Category	Cost Burdened (>40%) Renters in Category	% Cost Burdened
0-30% AMI	9665	7578	78.4%
30-60% AMI	10980	5761	52.5%
60-80% AMI	3592	886	24.7%
80.01 to 100% AMI	2570	(X)	(X)*
100.01 to 120% AMI	3847	(X)	(X)*
120.01 to 140% AMI	1900	(X)	(X)*
* (X) indicates suppressed results where estimates are not statistically significantly different from zero. Where possible, missing values are included in data aggregated to a higher level, such as state totals. Therefore, totals for columns and rows with missing values will be higher than the sum of the numeric values that do appear.			
Shimberg Center Rental Market Study 2022, 2023 Update			

Table 15: Alachua Renter Cost Burdened Renters 2022

Affordable and Available Rental Units

The Affordable and Available Analysis from the Shimberg Center evaluates the availability of affordable rental units for households at varying income levels. A rental unit is considered affordable and available for a household with a specific income threshold if the unit is affordable for that income level and is either empty or occupied by a household with an income equal to or lower than that threshold. The affordability threshold for a unit is defined as costing no more than 30% of the income at the top of the income threshold, adjusted for unit size.

Region	County	Affordable/Available Units Minus Renter Households					
		0-30% AMI	0-40% AMI	0-50% AMI	0-60% AMI	0-80% AMI	0-120% AMI

Gainesville, FL MSA (minus Gilchrist)	Alachua	-8,261	-8,260	-7,794	-4,874	3,923	6,357
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Table 16: Shimberg Affordable and Available Table – Rental Market Study 2022, 2023 Update

This analysis shows that for Alachua County there is a shortage of affordable and available rental units at 60% AMI and below. An inclusionary housing ordinance targeted at producing rental units afford to at least the 60% AMI level would begin to address the deficit present in the county.

Income Growth compared to Median Housing Prices

Between 2016 and 2021, the median home sale price increased at a faster rate than median household income; homes prices increased over two times as much as income in this period. During this timeframe, median home sale prices experienced a 46% increase – from \$150,397 in 2016 to \$219,690 in 2021 – while median incomes saw a comparatively smaller rise of 19.2%. This disparity in growth rates highlights a serious affordability challenge in the housing market. With home prices rising much faster than incomes, many households may find it increasingly difficult to afford a home, potentially exacerbating existing socioeconomic inequalities. This data also does not consider the increased home prices since 2021.

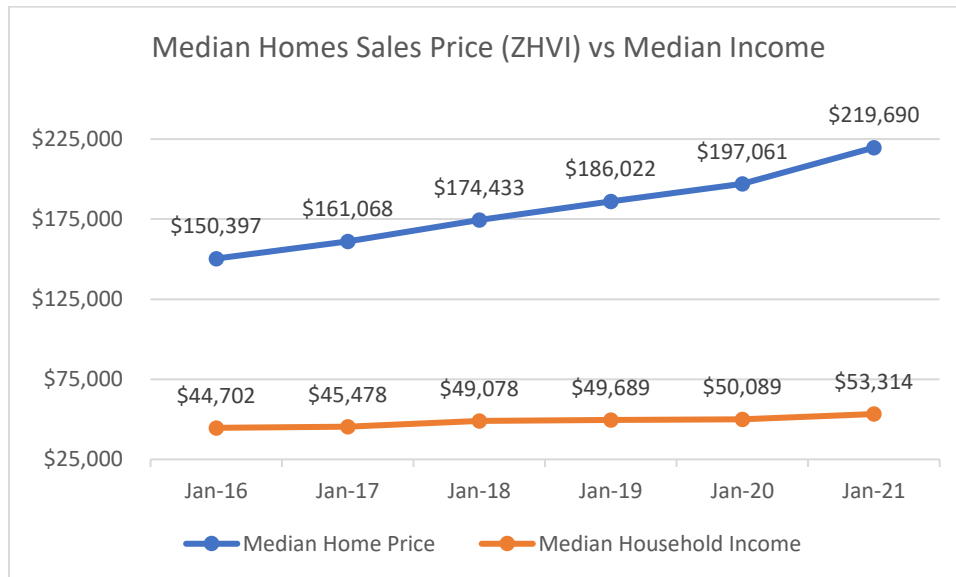


Figure 12: Median Homes Sales Price vs Median Income

Median Wages of Alachua County Occupations

The Bureau of Labor Statistics offers estimated occupational employment and wage statistics for the entire population in the MSA. According to the most recent data from 2022, there are more than 122,900 individuals employed across 335 detailed industry categories. The top 20 most common occupation groups, along with their respective median hourly and annual wages, are provided in the following chart.

Occupation Title	Employed	Hourly median wage	Annual median wage
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Registered Nurses	6,020	36.83	76,600
Retail Salespersons	3,510	13.45	27,980
Fast Food and Counter Workers	3,350	11.81	24,570
Office and Administrative Support Workers, All Other	3,170	17.79	37,010
Office Clerks, General	3,100	17.79	37,010
Stockers and Order Fillers	2,950	15.37	31,980
Cashiers	2,850	12.48	25,960
Nursing Assistants	2,610	17.44	36,280
Waiters and Waitresses	2,580	13.30	27,650
Customer Service Representatives	2,430	16.97	35,290
General and Operations Managers	2,290	46.69	97,110
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,220	13.46	28,010
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	1,660	17.90	37,240
Maintenance and Repair Workers, General	1,600	18.80	39,100
Home Health and Personal Care Aides	1,390	12.96	26,950
Cooks, Restaurant	1,370	13.97	29,060
First-Line Supervisors of Office and Administrative Support Workers	1,260	28.08	58,410
Bookkeeping, Accounting, and Auditing Clerks	1,240	21.39	44,480
Business Operations Specialists, All Other	1,230	22.22	46,220
Industrial Truck and Tractor Operators	1,180	21.54	44,800

Table 17: Gainesville MSA 20 Most Common Occupations, BLS May 2022

To compare the wages of different occupations to local housing prices, we used a basic calculation that assumes a maximum purchase price of three times a household's annual income. While this rule of thumb may not perfectly reflect the individual circumstances of each household, it aligns with the standard debt-to-income (DTI) ratio rule and provides a rough estimate of what households in the area may be able to afford. However, it's worth noting that other factors, such as household debt, down payment size, and interest rates, also play a role in determining affordability. Hourly wages are estimated based on a standard assumption of 52 working weeks, 4.33 weeks per month, and a 40-hour workweek.

Alachua County Wage Needed to Afford Housing

Wage needed to afford median rental (ZORI)	\$26.58
Wage needed to afford median sales price of a single-family home	\$52.24
Wage needed to afford median sales price of a townhome	\$28.04

Table 18: Estimated Wages Needed to Afford Housing

Of the top 20 most common occupations only three occupations General and Operations Managers, Registered Nurses, and First-Line Supervisors of Office and Administrative Support Workers meet the threshold to afford a rental unit based upon the ZORI index or afford to purchase a townhome on their sole income. While none of these most frequent occupations would support the purchase of a home at the median sales price.

Out of all the occupations in the MSA (Metropolitan Statistical Area) with detailed wage statistics provided, only ten occupation groups with an estimated 2520 employed, have a median income where a worker can to afford a home at the current median sales price (\$52.24 hourly wage needed). This represents only 2.0% of the total employed population in the area. When considering the median sales price of townhomes, there are 89 occupation groups that have a total of 29,050 employed individuals that have median hourly wages high enough. This represents approximately 23.6% of the total employed population. The fact that nearly 80% of occupations have median wages insufficient to cover the cost of a median-priced single-family home or townhome reveals a significant affordability gap in the housing market. This indicates that homeownership may be unattainable for a majority of the workforce under current conditions.

Median Household Income compared to Median Housing Prices

The following section presents an analysis centered on HUD/SHIP AMI limits, examining the affordability of housing for low-income households in Alachua County in relation to the market trends discussed earlier. The initial chart offers insights into the affordability for low-income households by considering household sizes, income levels, hourly wage thresholds, estimated maximum purchase prices, and maximum monthly housing expenses as provided by HUD.

Income Level	Annual Income Limit (1 - 4-person household)	Hourly Wage, 1 full-time job	Hourly Wage, 2 full-time jobs	Max Purchase Price Affordable	Max affordable monthly housing cost (1 - 4-bedroom units)
30%	\$18,200 - \$30,000	\$9 - \$14	\$11	\$54,600 - \$90,000	\$487 - \$814
50%	\$30,350 - \$43,350	\$15 - \$21	\$11	\$91,050 - \$130,050	\$813 - \$1,127
80%	\$48,550 - \$69,350	\$23 - \$33	\$12-\$17	\$145,650 - \$208,050	\$1,300 - \$1,803
120%	\$72,840 - \$104,040	\$35 - \$50	\$18 - \$25	\$218,520 - \$312,120	\$1,951 - \$2,706
140%	\$84,980 - \$121,380	\$41 - \$58	\$25 - \$29	\$254,940 - \$364,140	\$2,276 - \$3,157

Table 19: AMI Thresholds and Wages Needed to Afford Housing

The following table depicts the gap between what households at various AMI thresholds can afford and the median prices for single family homes, townhomes, rents (ZORI). Very low and extremely low-income households cannot afford housing units at median sales prices in 2021.

A low income, four-person household earning \$69,350 a year can afford the median townhome and afford the median rent. This household would either need to have an earner making \$33 per hour or have two earners earning at least \$17 dollars per hour. However, attached, townhome-like options only make up 3.9% of the total housing stock and a household at this income level could not afford the median single-family home.

	Median Home vs Income at AMI		Median Townhome vs Income at AMI		Median Rent vs Income at AMI	
	\$326,000		\$175,000		\$1,598	
	1-person	4-person	1-person	4-person	1-person	4-person
30 - Extremely Low Income	-\$271,400.00	-\$236,000.00	-\$120,400.00	-\$85,000.00	-\$1,111.00	-\$591.00
50 - Very low income	-\$234,950.00	-\$195,950.00	-\$83,950.00	-\$44,950.00	-\$785.00	-\$341.00
80 - Low Income	-\$180,350.00	-\$117,950.00	-\$29,350.00	\$33,050.00	-\$298.00	\$413.00
120 - Moderate Income	-\$107,480.00	-\$13,880.00	\$43,520.00	\$137,120.00	\$353.00	\$1,420.00
140 - Middle Income	-\$71,060.00	\$38,140.00	\$79,940.00	\$189,140.00	\$678.00	\$1,923.00

Table 20: AMI Thresholds and Median Unit Price Affordability Gap

Change in Most Affordable Rental Units (2016 to 2021)	
Less than \$500	-617
\$500 to \$999	-2,326
\$1,000 to \$1,499	1,021
\$1,500 to \$1,999	1,195

Table 21: Change in County of Most Affordable Rental Units

Change in Most Affordable Ownership Units (2016 to 2021)	
Less than \$50,000	-206
\$50,000 to \$99,999	-712
\$100,000 to \$149,999	-584
\$150,000 to \$199,999	-1,003

Table 22: Change in County of Most Affordable Ownership Units

Affordable housing is becoming increasingly scarce in unincorporated Alachua County, posing significant challenges to low and extremely low-income households who are already struggling to afford median housing prices.