

# Mississippi Gulf Coast Regional Housing Stakeholder Analysis

Prepared by the Gulf Coast Community Design Studio

October 2012

## ***The Plan for Opportunity***

The *Plan for Opportunity* is a collaborative planning project intended to guide the economic growth and development of the Mississippi Gulf Coast and to improve housing, employment and transportation opportunities throughout the region. The three year planning process will be guided by a group of stakeholder committees which will be organized and expanded over the course of the plan to include city and county leadership, key community and public partners, and residents of the region.

The Mississippi Gulf Coast was one of 45 regions nationwide to receive grant funding from the federal Partnership for Sustainable Communities to develop a regional sustainability plan. The Partnership for Sustainable Communities is an agreement between the U.S. Department of Housing and Urban Development, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency to take a more holistic approach to better respond to the regional needs. Guided by six “Livability Principles,” the Partner agencies are coordinating investments, restructuring funding programs, and aligning policies to support local efforts to provide more housing choices, make transportation systems more efficient and reliable, reinforce existing investments, and support vibrant and healthy neighborhoods that attract businesses.

The *Plan for Opportunity* is bringing the 3 coastal counties and 12 municipalities together in a comprehensive regional planning process that aims to:

- Lower transportation and housing costs by creating better connections between where people live and work.
- Develop in ways that value the natural environment, understanding that regional prosperity is dependent on our many environmental assets.
- Improve air quality by making buildings more energy efficient and reducing vehicle miles traveled.
- Create a broad range of employment and business opportunities by coordinating land-use, transportation and infrastructure planning.
- Improve regional health by ensuring that all communities have access to fresh food, safe recreation, open space, medical care, and clean air and water.

The planning process is a broad-based effort, understanding that the success of the final Plan rests on the extent of stakeholder input and decision-making. The *Plan for Opportunity* is key to strengthening the economy, improving quality of life for residents, and creating a more sustainable future for the region.

The Housing Subcommittee is tasked with analyzing residents’ current level of access to affordable, quality housing in the region; existing barriers to housing choice; and areas of opportunity where local and regional efforts can potentially improve housing access. The Housing Assessment was the first step in understanding the complex story of housing on the Mississippi Gulf Coast. The Assessment examines the current conditions of housing, taking into account the affects of Hurricane Katrina, the BP Oil Spill and the national recession. It looks at issues related to housing that stakeholders have identified as regional priorities, including residential vacancy, housing finance, insurance costs, energy efficiency, and fair housing compliance.

Following the completion of the Housing Assessment, this Stakeholder Analysis was undertaken to provide important insight into the challenges and opportunities residents face in regards to housing. From the quantitative and anecdotal information gathered in both the Housing Assessment and the Stakeholder Analysis, the Housing Subcommittee will develop recommendations to inform future housing efforts in the region.

## Housing Subcommittee

Joe Cloyd	Private Developer
Phil Eide	Hope Enterprise Corporation
Ashley Endris	Latter & Blum – Shaw Properties
Charmel Gaulden	Gulf Coast Fair Housing Center
Monica Gonzalez	Enterprise Community Partners
Cassie Hicks	USM Institute for Disability Studies
Caleb Koonce	USM Institute for Disability Studies
Sarah Landry	Mercy Housing & Human Development
Janine Lee	Bay Waveland Housing Authority
Everett Lewis	Back Bay Mission
Jerrie Magruder	HUD Office of Fair Housing and Equal Opportunity
Chris Monforton	Habitat for Humanity of the Mississippi Gulf Coast
Reilly Morse	Mississippi Center for Justice
Steve Nettles	Lemon-Mohler Insurance
Rhonda Rhodes	Hancock Housing Resources Center
Camille Schafer	Gulf Coast Renaissance Corporation
Demetria Simpson	South Mississippi Housing and Development Corporation
Greg Smith	Mississippi Home Builders Association
Cindi Tarver	Steps Coalition/Gulf Coast Fair Housing Center
Helen Werby	Biloxi Housing Authority
Lori West	IRD Gulf Coast Community Services Center
Matt Williams	Mississippi Center for Justice
Amy Wood	Amy Wood Properties

## Project Manager

David Perkes, AIA	Gulf Coast Community Design Studio
-------------------	------------------------------------

## Team Leaders

Mai Dang	Gulf Coast Community Design Studio
Kelsey Johnson	Gulf Coast Community Design Studio
Avery Livengood	Gulf Coast Community Design Studio

## Additional Assistance Provided by:

Adrine Arakellian	Gulf Coast Community Design Studio
Zach Kenitzer	Ohio State University
Coury Mascagni	Mississippi Center for Justice Intern
Robert Pfeferman	Mississippi Center for Justice Intern

## Introduction

This Stakeholder Analysis was conducted to gather local knowledge about challenges and opportunities related to housing in the Mississippi Gulf Coast Region including Hancock, Harrison and Jackson Counties. Stakeholders throughout the region—residents, property owners, regulators, developers and service providers—were interviewed between December 2011 and September 2012 to compile a comprehensive understanding of the Gulf Coast’s current and future housing landscape. This analysis summarizes efforts to engage in discussions around housing issues as part of the *Plan for Opportunity*.

## **Purpose**

Housing is a basic human need and a very personal issue for all people. This is magnified on the Mississippi Gulf Coast where so many lost their homes during Hurricane Katrina and even more face financial challenges and uncertainty due to a struggling economy. As a result, the story of housing cannot be easily or accurately reduced to facts and figures. The goal of the engagement effort was to understand more about residents’ and professionals’ experience with and perception of housing opportunities and challenges on the coast. The stories gathered also help explain the data included in the Housing Assessment and will provide a more comprehensive picture of the housing experiences of stakeholders along the Mississippi Gulf Coast.

## **Methodology**

During a period of 10 months over 300 stakeholders were engaged through one-on-one meetings, focus groups and surveys with key stakeholders across the three-county region. See Figure 1. Stakeholders were initially identified from work on the Housing Assessment and through consultation with the Housing Subcommittee. Special consideration was given to reaching stakeholders that represented the full geographic range of the region, as well as populations often left out of the planning process. See Map 1. Throughout the stakeholder interview process, additional stakeholder groups were added based on recommendations from the Housing Subcommittee, Sustainability Working Group, Executive Committee and the general public. Face-to-face interviews were conducted whenever possible. Other communication efforts included telephone and e-mail correspondence, as well as surveys. In many cases, telephone calls and e-mail were used to clarify information provided during an individual or group interview.

The most obvious, yet most complex group of housing stakeholders is comprised of residents and property owners. Since it was outside the capacity of the subcommittee to reach out to *all* residents on the coast, the subcommittee identified specific groups of residents that would be able to provide insight into key issues that came out of the Housing Assessment. These issues included vacancy and challenges to rebuilding; homelessness and lack of immediate shelter and transitional housing; inconsistent quality of mobile housing and mobile home parks; and a potential lack of housing options for seniors and young adults. To find out more about these issues, the subcommittee surveyed vacant property owners within the floodplain; completed a windshield survey of 25 mobile home parks; and held focus groups with youth, seniors and homeless residents.

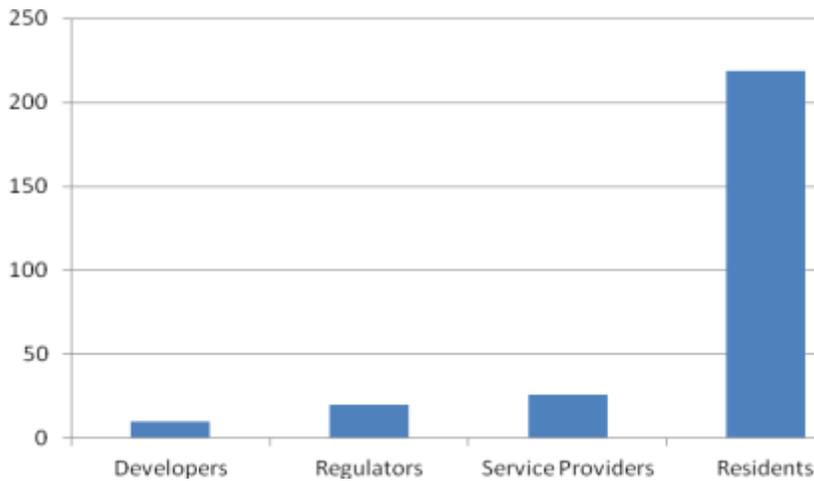
Housing and housing-related service providers was another stakeholder group engaged. In addition to providing information about housing services available, these service providers also work with residents on a daily basis and were able to provide additional insight into the experiences of a wide range of individuals. This stakeholder group included housing and social service case managers, insurance agents, loan officers, homeless service providers and disability service providers.

Regulators, including planning, zoning and building code officials, were interviewed from the majority of jurisdictions in the region. These regulators were able to provide insight into the policy and politics surrounding housing in the various jurisdictions. Like the service providers, they also deal with many residents on a daily basis and were able to give an additional perspective.

Finally, public and private housing developers were interviewed to provide information on trends and challenges in the housing market. The residential building industry has long been an important sector of the economy on the Mississippi Gulf Coast and the information gathered from this part of the stakeholder analysis will also be important for the economic development component of the *Plan for Opportunity*.

The results of this analysis are organized by the stakeholders' position in the housing system: regulator, developer, service provider and resident.

**Figure 1. Number of Stakeholders Engaged by Group**



**Map 1. Stakeholder Count by Nearest City**



## **Findings**

The findings of this report are organized by group including regulators, developers, services providers and residents. Stakeholders identified critical issues, challenges and opportunities from their perspectives and areas of expertise which is summarized on the following pages.

### **Regulators**

Regulators interviewed included planning, zoning and building code officials. In interviews with regulators, concern over the high cost of insurance, particularly wind insurance, and the elevation requirements were repeatedly mentioned as the most pressing housing issues for the Gulf Coast. The region has suffered population losses as a result of Hurricane Katrina. In addition, the stagnant economy and impacted housing market have resulted in decreased development and construction. There are a significant number of vacant properties and regulators expressed concern regarding decreasing investment in property beautification and maintenance. Most regulators believe there is an ample supply, if not over abundance, of affordable housing, though some expressed a possible need for senior housing. Several officials did acknowledge a common negative perception around multifamily and special needs housing. Overall, none of the jurisdictions directly receive fair housing complaints and some jurisdictions did not consider fair housing concerns within their scope of work.

### ***Building/Code Enforcement Officials***

Interviews with several building code enforcement officials in the jurisdictions were held to gather local knowledge and anecdotal evidence regarding general code and code enforcement policies; Fair Housing and ADA compliance; and department capacity to meet future needs with revised code requirements.

All of the building officials who participated verified that their jurisdictions use the 2006 IBC/IRC. One jurisdiction is in the process of upgrading to the 2012 IBC. Most cities and counties object to adopting the 2009 IBC/IRC due to the additional cost of the sprinkler system to homeowners. The requirement would add \$10,000-15,000 to the cost of building a home. Ocean Springs, as well as several state level agencies, are working to legally omit that particular section. In addition, several jurisdictions have adopted the Coastal A Zone and velocity requirements. Those that have not adopted the Coastal A Zone are mostly zoned for residential uses in impacted areas and felt the added expense of the requirements would not be offset by insurance savings. However, other jurisdictions adopted the Coastal A Zone despite objections from impacted property owners. Ocean Springs is trying to encourage owners to remodel structures up to code and is encouraging use of retrofit programs. One major concern for cities that have significantly grown in recent years is that current DFIRM maps are based on 1988 city boundaries, so the maps do not apply equally well to these areas.

In regards to older buildings that do not entirely comply with current codes, some jurisdictions are working with homeowners to bring the structures up to code. Other agencies are not actively encouraging this because of the added cost of retrofits for homeowners. Estimates vary considerably by jurisdiction, with one jurisdiction reporting as little as 5% of the housing stock being out of compliance with current code and another reporting as much as 60% being out of compliance, largely due to the cost of retrofits. Even though retrofits would help reduce insurance costs, most people do not have the upfront funds available to make the upgrades. Jurisdictions only require upgrades to current code if over 50% of a structure needs repair.

As far as agency capacity to enforce building codes, staffing varies by jurisdiction from 2 to 29 employees. The city of Gulfport has the most, while Moss Point and Long Beach have the least. Staff is generally split between inspectors and enforcement with some jurisdictions having specific floodplain managers. Most agencies also contract with at least one third-party in the areas of plan reviews, engineering, stormwater infrastructure, inspections, and architectural reviews. Agencies also contract specifically for inspection of large developments that require attention beyond business hours and more involved reviews. This added cost is passed on to the

developers.

Most agencies respond to initial complaints for code enforcement and go through a standard process by first notifying property owners in person or via mail after one complaint has been received. If there is no response after other attempts to rectify the violation, the matter goes to court. There is some backlog in courts which has been an issue for resolution of long-term enforcement issues. Common violations are for overgrown grass/weedy properties, trash/debris, and abandoned vehicles. The City of Long Beach addresses long-term violators by responding to the complaint, performing the necessary action to address the issue, and then billing the property owner for the cost. Ocean Springs is making strong efforts on enforcement in mobile home parks and encouraging park owners to retrofit trailers for safety and livability. They also inspect mobile homes when there is a change in occupancy.

In general, most agencies feel their City Councils/Board of Supervisors are pretty knowledgeable about code issues. Others think there is room for improvement in keeping up with current requirements and needs.

No coastal jurisdictions knew of the compliance requirement with the 2009 International Energy Conservation Code (IECC). Some officials were concerned about their capacity if they have to implement the new requirements, while others felt their existing staff could handle enforcement with some additional training. A couple of jurisdictions do not enforce any energy codes, but most use 2006 IECC.

### ***Planning/Zoning Officials***

Interviews with several planning and zoning officials in county and city jurisdictions in the three coastal counties were held to gather local knowledge and anecdotal evidence from those most immediately involved in local land use regulation. Officials were also able to provide further insight into the comprehensive plans and zoning ordinances with regard to growth, infill, affordable housing and Fair Housing Law.

Overall, most comprehensive plans and zoning maps adopted by jurisdictions both prior to and post-Katrina were not significantly changed to reflect revised floodplain areas. In general, there is an acknowledged tension between a desire to develop and live near the water's edge and the higher degree of risk involved in developing coastal areas. Most jurisdictions in the region, however, have significant investments in infrastructure along the coast where development has historically been focused and want to continue to encourage infill in these areas. Along these lines, land use plans and zoning maps do not discourage development in the higher risk flood zones leaving high insurance and building costs as the only deterrent. Most jurisdictions also do not have location-based or infill development incentives. Pass Christian is an exception with their density transfer program.

Insurance and elevation requirements are seen as the greatest impediments to affordable housing development by most planning officials. Most, however, felt there were affordable housing options available in the majority, if not all, zones.

Building has also slowed down significantly due to the national recession. Prior to the 2008, there was an average of 50 to 100 permit applications per week. Now building officials are reporting an average of only 1 to 3 permits per week.

Building and planning officials also reported that uncertainty in zoning ordinances and approval processes can be a hindrance to development. In County areas, especially, it is not uncommon to have to apply for rezoning for development projects. The fees are not necessarily expensive (\$75-200), but the process can be time consuming (30-60 days avg.) and can increase uncertainty in the building process, particularly if a discretionary review process is required. In general, there is minimal publically-posted information regarding the variance and rezoning approval processes and their associated costs.

For property owners and those trying to research zoning requirements, it is not always clear where to find information. For example, Accessory Dwelling Units are dealt with very differently from jurisdiction to jurisdiction and associated requirements are not often clearly stated in the zoning codes. In addition, many jurisdictions have unwritten or informal policies for restricting who lives in these units and if they are allowed to be rented. There is also at least one case where a jurisdiction’s minimum square footage requirement is located in a separate ordinance outside the zoning ordinance. This dispersal of information and inconsistency across jurisdictions can make the development and rebuilding process arduous and confusing.

**Developers**

In interviews with developers from both the public and private sector, common concerns were voiced about the rising cost of housing in the region and the serious impacts of the economic downturn, creating oversupply in some housing sectors. However, on the issue of affordable housing there are differing opinions amongst the private and public entities arising from their different market sectors. Private developers are very concerned about the slow economic growth and reduced ability to fund and sell housing regionally, while PHAs are very concerned about the impact of the national economy and future federal policies on their future viability, decreased funding, and ability to provide adequate affordable housing to meet the local population’s need. Private developers think there is an oversupply of government subsidized housing available, while PHAs deal with the reality of long waiting lists for Housing Choice Vouchers (HCV) and decreasing funds, pointing to the great unmet need. Private developers had different perspectives amongst themselves depending on their areas of focus, market sector, and clientele. Interviewees’ responses reflected their vast differences in market sectors and focus areas, but voiced common concerns regarding the provision and cost of housing in the area.

**Public Sector (PHAs)**

Public Housing Authorities (PHAs) were contacted and interviewed about their experience constructing affordable housing developments, managing public housing, and administering Housing Choice Vouchers. In general, PHAs have long waiting lists for their HCV programs and thus the need is still not entirely being met due to a struggling economy and federal funding decreases. See Figure 2. In addition, HCV funding is allocated on a 20 year contract and rarely changes. Even if the cost of housing increases, the overall funding amount is difficult to alter, thus lowering the number of vouchers that can be distributed. There is also an HCV homeownership program organized through MS Regional Housing Authority VIII. They have 271 families on the waiting list for FSS with only a total of 100 slots.

**Figure 2. Housing Choice Voucher Recipients and Waiting Lists**

Public Housing Authority	HCV Recipients		HCV Waiting List	
	Mar 2012	Oct 2012	Mar 2012	Oct 2012
MS Region VIII Housing Authority	4,557	4,557	7,000	6,061*
Biloxi Housing Authority	570	570	50 (capped)	55 (capped)
Bay Waveland Housing Authority	378	380	300	205

\*Approximately 51% (3091) of the total waiting list for Region VIII is for the three coastal counties. It is unclear how many people on the Region VII waiting list are also on the Biloxi Housing Authority’s and/or Bay Waveland Housing Authority’s waiting lists. Currently, 39 people on the Region VII waiting list live in Bay St. Louis and 394 live in Biloxi, although this is not necessarily an indication that they have applied to more than one HCV program.

The Public Housing Authorities and other low-income service providers are also concerned about proposed changes to public housing sector funding from HUD and the overall function of PHA’s in relation to new proposed requirements.

Low-income housing tax credit development is also a big issue in the region. Hurricane Katrina simultaneously destroyed the majority of the coast’s rental housing supply and put many families out of their homes in need of

rental housing. The Mississippi Development Authority (MDA) directed funding and incentives to spur rental housing development in the three lower counties. GO Zone incentives awarded extra points to developers applying to build low-income housing tax credit (LIHTC) apartments and single family homes in the lower three counties.

GO Zone incentives resulted in 36 developments and some 4,000 affordable rental units in the lower three counties. However, many jurisdictions, developers and residents feel that LIHTC units are oversupplied in the region. Harrison County's Board of Supervisors recently announced a moratorium on tax credit property development, and other communities are considering similar moves. Jurisdictions fear that the fiscal impact of tax credit properties in their communities and the disproportionate share that some jurisdictions have over others are not reasonable. Among the three coastal counties, Harrison County has the most tax credit units per household. However, Hancock County has the highest share of tax credit units relative to population below the poverty line.

Part of the problem is that Mississippi State Tax Commission's interpretation of state legislation passed in 2005, states that property tax assessors in the state are required to subtract the value of the tax credits from the value of the property for the purposes of taxation. Therefore, while the tax credits are provided to LIHTC developers by the federal government at no cost to local government, Mississippi's State property tax law is costing localities significantly. The Mississippi Association of Supervisors and the Mississippi Municipal League are suing the Department of Revenue in an effort to have this legislation reinterpreted so that the value of tax credits can be assessed.

Addressing this issue is a top priority since there is still an apparent need for affordable housing. Many LIHTC apartment complexes have more than 100 families on their waiting lists and public housing authorities report combined waiting lists of over 7,000 households for housing choice vouchers. Despite the long waiting list, LIHTC apartments in each of the three counties still report vacancies. The existence of both waiting list and vacancies suggest a potential mismatch in supplies rather than a simple oversupply of LIHTC housing.

### ***Private Sector***

Interviews with private developers working in the lower three counties provided insight into the current state of the local housing market and trends in areas of growth and development. There was consensus on the negative impact of the appraisal market on home sales and development, the limited ability to gain adequate financing for homebuilding from lending institutions, and the tremendous amount of available housing inventory. According to developers, new regulations for elevated structures and other more stringent requirements have deterred people from resettling and rebuilding in the area. In addition, the constraint on obtaining loans and financing dried up the housing market, although several interviewees commented that the industry seems to be improving at a slow pace. Some developers reported that providing housing in locations near amenities and services better ensured the viability of the development. In general, the developers had different markets in which they focus their work. Some commented that the biggest market for their work is custom homes in the \$200,000-300,000 range. Others said they predominantly work on building houses in the \$120,000-150,000 range.

Due to the higher risk and cost of waterfront development, recent housing development has largely taken place north of I-10 where insurance is lower and there are no elevation requirements. Waterfront building is generally done by the wealthier population who can afford the higher cost of insurance and construction on those properties. However, even the wealthier clientele are often looking at more resilient (ICF Concrete/impact glass) construction to get lower insurance and heating/cooling costs as they can afford the higher upfront costs.

Depending on the developers' area of specialization and geographic focus area, there was a difference in perceptions of market needs. Some developers expressed a possible need for senior housing south of Hattiesburg and affordable single-family or low-density multifamily housing, but there was no consensus on this issue. Another point of difference among private developers was that some saw a need for more development of starter homes, while others thought the starter home market was overdeveloped and that there were fewer options for the next step in homeownership.

Overall, there was general consensus that government funded/subsidized housing was over provided. However, they did note that single family affordable housing seems to fill up better than multifamily affordable housing. There was also a general perception that planning and zoning commissions tend to make it difficult to gain project approval.

### **Service Providers**

Interviews with service providers from several sectors of the housing industry were conducted to gain information from a broad spectrum of sources regarding housing affordability issues. Insurance agents, loan officers, and case managers were all in agreement about the severe impacts of rising insurance costs on homeownership and affordable housing and the need for better consumer education. There also seems to be consensus that there is a lack of information about cost saving options, affordability programs, and homebuyer/homeowner rights. They also commented that different sectors are often misinformed about each other. Therefore better communication and cooperation amongst loans officers, insurance agents, case managers, and code officials would help potential homeowners obtain better information and help address the cost of housing and its associated risks in the region. Affordable housing loan officers, case managers, and homeless service providers also commented on the negative perception of affordable housing and its residents by the general public and some officials, greatly impacting the ability to provide an adequate range of housing options including transitional shelters, multifamily, mobile homes. Several interviewees also commented on the need to address the population whose income is just above qualifying for government assistance, as they are still struggling with the rising cost of housing and the lingering impacts of Hurricane Katrina and the economy, but are not eligible for assistance through most available programs.

### **Insurance Agents**

Insurance agents from across the coast were asked to discuss residential insurance options and cost savings programs, as well as the potential to reduce rates through state and federal coordination of programs. In the experience of most insurance agents interviewed, a high percentage of their clients (50-90%) opt for NFIP in low and moderate risk zones (B, C, and X Zones). Those who receive grants are required to have flood insurance which has some impact on the percentage of participants. However, the agents all stated that they strongly encourage everyone on the coast to have flood insurance, since it is not a great extra cost in low risk areas. Approximately 20%-40% of clients opt for separate Wind Pool policies. For those that write mobile home insurance coverage, the rates are higher than for average homes. Many insurance companies however, do not write policies for mobile homes in any region, while others do not write policies for mobile homes in the lower six counties.

All agents reported that they make suggestions to clients to reduce their insurance costs through physical improvements to their homes such as retrofitting structures, in addition to applying for mitigation credits, deductible options, personal catastrophe savings accounts, multi-policy discounts, and shopping around. Many advise their clients to gather information about the house, site, codes, and insurance options by talking to knowledgeable code officials and insurance agents. However, all agents said they always recommend clients obtain adequate coverage for their homes and risk levels.

Agents across the board commented on the rising insurance rates in the area. They reported a rise in the residential Wind Pool premiums of 90% and 40% for combined policies since Hurricane Katrina. Residential

flood insurance has not risen as markedly, about 20% in the past 7 years and no rate change since 2008. The Preferred Risk Program (PRP) was set to expire in 2013 and would have resulted in a dramatic increase in flood insurance premiums. On August 21, 2012, however, FEMA released an announcement that the PRP would be extended until further notice. Premiums will still be expected to increase for PRP's by 13% on average, but this is still considerable less than the 40% increase most insurance agents were expecting if the program expired. Insurance rate increases have been especially difficult for seniors on fixed incomes. Agents also commented that they see very few clients opting to participate in the Coastal Retrofit Mississippi program due to the cost of inspection, retrofits, and the limited reductions in insurance costs for the effort and cost of upgrades. Another deterrent to program participation are the stringent restrictions which limit broader application.

Agents have also noted that the difference between the replacement cost of a house and its market value has caused significant problems for reconstruction. In addition, people do not often realize that the cost of building increases significantly after a catastrophic event. Agents are seeing more clients opting to insure their homes not at replacement cost, but instead at an amount that would enable them to move to another area rather than rebuild after the next catastrophic event.

Another concern that insurance agents have is about the capacity for building inspections and enforcement by local jurisdictions. They feel that jurisdictions are reducing the number of code officials when they are greatly needed for verification for insurance credits. This can place limits on the client's ability to get timely certifications to lower insurance costs.

### ***Loan Officers***

Local loan officers were interviewed about their experiences administering loan programs and working with low-income clients who are first-time homebuyers. Additional information was gained about the capacity of banks and non-profit financial institutions to address homeownership and foreclosure issues; available services for first-time homebuyers; and potential areas for intervention and improvement.

All loan officers agreed that insurance premiums are a pressing issue for housing affordability, in addition to down payment and closing costs for potential homebuyers. Insurance premiums can more than double a homeowner's monthly housing payments often keeping people from refinancing or purchasing because they do not meet guidelines. Mortgage insurance for loans has also significantly increased, creating difficulties for new homebuyers. A lack of living-wage jobs seems to be a large barrier to accessing quality, affordable housing in the region. Some officers remarked that the present unmet need is help for the middle class, as some are still struggling with the costs of reconstruction and increased insurance as a result of Hurricane Katrina, but do not qualify for most assistance programs. There is also the need to develop a program to help people who are struggling to make payments before becoming delinquent. Many commented that more counseling on the front end of home purchase has resulted in lower foreclosure rates with some lenders.

As is consistent with other aspects of housing administration and requirements, location and energy efficiency are seldom considered when writing loans. Location is considered in relation to floodplains or the waterfront, but only in regards to insurance costs. Energy efficiency as it relates to utility costs is an important factor in determining a potential homebuyer's debt-to-income ratio, but is not easy for banks to quantify and incorporate into the approval process.

Affordable housing developers, such as Habitat for Humanity, have homeownership programs through which clients can get homebuyer assistance. Habitat encourages clients to seek outside loans first, but they will provide loans if their clients cannot obtain a loan from conventional lending sources. Habitat also provides homebuyer assistance and gap financing to help those who cannot obtain a loan for the full cost. Approximately a third of their homebuyers obtain financing from Habitat. To qualify for mortgage loans, their clients need to

be within 35% to 120% AMI. Habitat does not have a minimum credit score, but if the client does not have a credit score of 640 they must show other documentation to verify work and funds. While these less conventional approval processes may seem risky for the lender, overall they reported much lower foreclosure rates than the regional average. Habitat for Humanity of the Mississippi Gulf Coast, for example, reported having one or less foreclosure clients per month.

Some affordable housing lenders, such as Gulf Coast Renaissance Corporation, qualify people based on total household income and debt to income ratios. They have begun writing first mortgage loans; previously only writing second mortgage loans and down payment assistance through CDBG funds received from the MS Development Authority's Long Term Workforce Housing Program. The majority of borrowers for loans are at or below 80% Area Median Income (AMI). Their foreclosure rate is also significantly less than the regional average at less than 1%.

Affordable housing and alternate lenders do not readily have funds to advertize their services; most clients find out about their services through word of mouth. One of the main challenges for affordable housing developers, such as Habitat, is the negative perception and misinformation regarding Habitat homeowners and the general lack of understanding that people in the program are working and have had to go through a significant and difficult process to purchase their homes.

### ***Case Managers***

Case managers from various housing resource centers in the three coastal counties were interviewed about their experiences administering MDA programs and working with low-income clients who are first-time homebuyers.

The case managers interviewed were in agreement that the most pressing housing issue in the region is affordability and education about the home buying process, consumer rights, and available options. Additional concerns are the increased cost of insurance, decreased interest in home buying, and lack of credit worthiness, especially when combined with the lack of living-wage jobs. Some case managers reported that they have recently expanded services to reach beyond first time buyers and now serve many more people through their education and homebuyer programs. People in general are uncertain about the economy and much more cautious about purchasing property. Service providers offer a range of services depending on the agency. Some of the services offered include pre- and post-purchase homebuyer education, financial counseling, assistance for seniors, foreclosure prevention programs and community outreach.

Some of the reported challenges of working at non-profit housing resource centers include limited funding for operational costs and for financial assistance for clients. While more agencies are now located in the coastal region than prior to Hurricane Katrina, funding has been decreasing. In recent years, most housing resource agencies have shifted from building and repairing housing post-Katrina to more general housing and housing-related assistance and education. Service providers are increasingly dealing with people who have inherited property and are in need of information and guidance. Programs, in general, are now servicing clients with up to 120% AMI as program providers and funders are recognizing the need to help people of slightly higher income. Case managers are also finding that the most frustrated and dis-incentivized group are those at the income level just above qualifying for government assistance. In many cases, this population needs down payment assistance and/or gap financing, but no programs are in place to address this population amidst the growing cost of homeownership in the region. Further still, lower interest products require higher credit scores for which many people do not qualify. Case managers are finding that foreclosure caseloads are increasing due to job loss, income reduction, divorce, medical expenses, and other financially related reasons. Case managers have also been getting a lot of calls for rental assistance and utility assistance, programs which they used to administer before funds were cut for these programs. They now refer people to churches for such assistance.

A further challenge is the rigid qualification requirement which contributes to the length of the approval process. It is not uncommon for it to take upwards of 4 years to get a given client in a home of their own. In addition to qualification requirements, MDA programs have deed restrictions and insurance requirements that have deterred potential clients. These restrictions sometimes make it difficult to sell affordable housing, especially in a depressed housing market. MDA has, however, loosened restrictions within the past year as they became aware of this. In general, case managers seemed to prefer more flexibility in program administration, at least in theory, due to the vast difference they see in their clients' situations.

Getting information to homebuyers is also a challenge as most agencies do not have funds to advertize their services. Agencies also reported trying, with some degree of difficulty, to convince conventional lending institutions of the importance of educational classes and, likewise, to encourage their clients to participate in classes. Case managers interviewed feel that better partnerships among related agencies and service providers would help address the needs; advocate for better public knowledge of their services; provide referrals; and share knowledge amongst providers to better coordinate efforts and leverage additional state and federal funding.

### ***Disability Service Providers***

Five service providers from organizations representing persons with physical or mental disabilities were interviewed to provide insight into challenges faced by their clients in regards to housing on the coast. Several of these service providers also live with disabilities themselves and have personally faced some of the challenges discussed below. Service providers were identified through the Disability Network and offer services throughout all three coastal counties.

Many disabled persons as a result of their physical or mental disability require low-cost or government assisted housing. Access to quality, safe and affordable housing, however, seems to be a commonly reported challenge due to several factors. Firstly, persons with disabilities reported having trouble understanding and navigating the process for securing low-cost housing due to documentation requirements and time limits associated with the application process. Adults with low reading skills, for example, have a particularly hard time with the application and documentation requirements without assistance. Service providers also reported that, whether real or perceived, their clients felt that the affordable housing options were "not located in good areas of town" or were associated with theft, violence and drug use.

Transportation was another issue that came up frequently in relation to access to housing and other services. Many of the clients did not have their own transportation or the capability of driving a personal vehicle and rely on public transportation. Limitations of the bus system are felt strongly by this population. The bus service on the coast has a limited service area eliminating many housing options for people with disabilities. In addition, the transit service that serves the elderly and disabled has a 20 minute window of time that residents can be picked up or dropped off which often makes getting to work on time or attending college classes difficult.

Living in an area where severe storms and natural disasters are not uncommon brings additional challenges. Those interviewed reported that their clients have experience difficulty both in getting to emergency shelters and having their special needs accommodated once they arrived at the shelter.

Several subsets of the disabled population are assisted through the help of service animals. Persons who are assisted by and care for service animals have additional housing needs. Service dogs, for example, need adequate green space. The owners need easy access to the outdoors without having to navigate stairs or other obstacles especially during bad weather conditions.

Many people with disabilities are diagnosed later in life when they are already in housing that is not accessible. These people come out of rehabilitation of skilled nursing and are given a list of needs for their homes such as

hand holds and ramps. This poses challenges on several levels. While they are given the list of needs, they are not often given instructions on how to get them installed. In addition, many run into pushback from landlords or condo associations. For those that own a home, the approval process through building code departments or home owners associations can be hard to navigate and time consuming. This is especially problematic when a person needs these modifications quickly in order to resume daily life. In general, service providers felt that persons with disabilities needed to be better informed about their rights to accommodation and processes and tips for getting ramps and other accessibility features installed.

### ***Homeless Service Providers***

Homeless service providers in South Mississippi are working to broaden the awareness of and address issues of homelessness through long-term planning, policy initiatives, and advocacy. All reported an overall lack of local recognition, community awareness, and political support to improve access to services and support to address homelessness. Most felt that political leaders and the general public place all homeless in the categories of mentally ill or generally apathetic. In their experience, however, there is no one face to homelessness and acknowledging each individual's unique situation is critical to addressing the overall problem. Service providers also felt that political leaders were unaware of potential municipal cost savings resulting from improved homeless programs.

Overall, providing transitional housing to meet the population's need is the highest priority. In addition, providing life skills training to better equip homeless individuals to meet the requirements of day-to-day life is essential for helping an individual's recovery from homelessness. To best address the issue, coordination and collocation of services, including immediate shelter, transitional housing, permanent supportive housing, day centers, soup kitchens, and case management is required. In general, service providers have not traditionally worked together, but are moving in this direction to share knowledge and advocate for their needs. Often, the provider's clients hear about services offered through other service providers, police referrals, or word of mouth.

One of the consistent shortfalls for providers is limited operational budgets. In their experience it is much easier to get funding to make physical improvements and even build shelters through capital campaigns than to get donations for operations. In addition, federal funding for homeless programs and shelters has decreased and is continuing to decrease.

### **Residents**

Resident groups identified in the stakeholder analysis include youth, housing clients, homeless, mobile home renters and owners, seniors and vacant property owners. Each group of residents has their own unique challenges that the *Plan for Opportunity* will attempt to address.

### ***Youth***

Youth, in particular, are often underrepresented in housing program and policy discussions. A focus group of youth from International Relief and Development Gulf Coast's YouthBuild program was held to discuss housing challenges. All the youth in the program are learning life and job skills while working towards a GED.

The vast majority of the participants currently live with family or friends out of necessity. Many of these youth have had difficulty finding jobs, especially living-wage jobs. Without sufficient and steady income and/or good credit they are unable to rent an apartment. Some have applied for assisted housing but do not qualify due to a State of Mississippi policy that requires individuals to be 21 years of age or emancipated to enter into a formal contract. Furthermore, some apartments will not rent to unmarried couples even if they have children together. When asked what youth believe would improve their current situation, they all responded with finding steady work. They also suggested changing the public housing age and increasing opportunities for job training.

### ***Housing Clients***

Focus groups with housing clients were conducted through help from Habitat for Humanity Mississippi Gulf Coast and Hancock Resource Center. These individuals are participants in homebuyer education courses.

Most of the participants in the housing counseling classes heard about the program through word of mouth or from other housing service providers. Through these programs, housing clients felt that they benefitted the most from the financial education along with money management and budgeting skills. Throughout the home buying process, clients discovered that managing their personal finances was the most difficult. Participants in the programs generally live with family or rent as they prepare to buy their own home. Those who are already in their new homes reported having previously lived with family or in rental housing. While some of the housing clients have tried to apply for government assisted housing, many did not qualify because their income level is over the limit, but still had difficulty finding affordable rental housing on their limited incomes. All the clients agree that increasing homeownership and personal finance education, as well as access to adult education programs such as General Education Development (GED) would help individuals in similar situations access housing.

### ***Seniors***

Based on the 2010 American Community Survey Estimates, households headed by someone age 65 or older are more likely to be low income. About half of the seniors in the Gulfport-Biloxi Pascagoula CSA earn less than 80% of the area median income and many tend to live on a fixed income. With the increase in insurance after Hurricane Katrina, it is difficult for individuals on fixed incomes to adjust to the increases in housing cost over time. As a part of the stakeholder analysis, focus groups with seniors were conducted in each of the three coastal counties.

#### ***Harrison County***

The seniors who attend senior luncheons at the Donal Synder Community Center in Biloxi, MS have very diverse housing situations. Most are from Gulfport, Biloxi or D'Iberville and regularly attend the senior luncheons and other programs offered at the community centers in both Biloxi and Woolmarket. Most of the seniors have thought about plans for ageing in place and are open to living in a senior apartment or assisted living developments. They are very interested in learning about different housing options for seniors.

Seniors in the Biloxi area are very active and attend many of the senior activities provided by the City of Biloxi. They would like to see computer classes and an indoor track, as well as more spaces that are pet friendly. The only reported barrier to accessing these activities is a lack of bus and public transportation although many of the seniors attending this luncheon used their own personal vehicle.

#### ***Hancock County***

Seniors at the Hancock Senior Center live in a variety of housing types. The majority own their own single family home and, while some have family in the area assisting them with maintenance, it seems most are struggling on a fixed income to continue to maintain their property. Many of these seniors seem to be determined to stay in their homes while others feel "stuck" given the housing market.

Several live with family in the area. A couple of the seniors live in Dunbar Village on Dunbar Avenue in Bay St. Louis. This facility offers various levels of care to its residents including independent living, assisted living, skilled nursing and rehabilitative care, but is not affordable to many. Two seniors live in Notre Dame De La Mar, a senior apartment complex on Highway 90 in Bay St. Louis. Another lives in Manor House on Demontluzin in Bay St. Louis. While seniors who were currently renting reported being fairly content with their living situation, several said that they would like to have more than one bedroom to allow for family to visit.

The majority of the seniors said they think Hancock County is a good place to retire and feel like they have access to the amenities and medical care they need. Many of the seniors still drive and those that do not have family drive them or use the busing services provided by the senior center or their retirement community. A few said they would be interested in seeing more affordable, quality senior housing options in Hancock County. Several of the seniors who expressed challenges finding housing were at the income range right above where they qualified for assistance, but still did not feel they had enough to live on comfortably.

Seniors were bused to the senior center from as far away as Pearlinton and Diamondhead. The few seniors from Diamondhead agreed that they would like to see occasional bus or rail service from Diamondhead to Gulfport, Biloxi, etc. Most of the seniors attend a meal(s) at the Senior Center and also took advantage of the busing for errands and other field trips. Some participated in the classes offered through the Senior Center. Several others regularly went to bingo at the American Legion in Waveland.

### *Jackson County*

Many of the seniors in the Moss Point Pascagoula area do not have a plan to age in place. Most would like to stay in their own homes for as long as possible, but need help with maintaining the home. Only a few seniors were open to the idea of living in an apartment. Most mentioned that there is a lot of nice senior housing in Pascagoula, but that there are few options where they currently live in Moss Point.

Many of the seniors interviewed frequently attend senior activities provided at the Jackson County Civic Action centers, but would like to have more activities available to them at minimal or no cost. The majority of the seniors interviewed mentioned the need for more physical activity opportunities.

While preparation for aging in place differs between the three counties, seniors in all three counties all requested more information regarding both affordable senior housing and market rate senior housing options. They would also like to see increased bus services to surrounding health care, food, and activity hubs. For those who have homes, a home maintenance program is needed for them to continue to stay in their homes.

### ***Homeless***

The latest Point in Time count of homeless people living in Hancock, Harrison, Jackson and Stone counties was 525 persons. According to homeless service providers, however, this is a gross underestimation due to the homeless population's fear of answering questions because they do not want "authorities" to find their camps. Each November the Open Doors Coalition holds an open house called Project Homeless Connect at the Donal Snyder Center in Biloxi. During the one-day event, homeless persons are provided with goods and services including medical exams, dental exams, haircuts and hot meals. Each year there are over 350 homeless individuals that attend just from the immediate surrounding area, alone. Based on estimates from the Homeless Information Management System, the Open Doors Coalition believes there to be closer to 2,000 homeless individuals currently living in the three coastal counties.

The homeless population is not only in need of affordable housing, but also social services, jobs and a variety of services to bring them out of homelessness. Interviews with homeless individuals at Back Bay Mission in Biloxi and Our Daily Bread in Pascagoula provided helpful information in addressing their needs. For the homeless population in the Biloxi area, there are a variety of support services including showers, laundry, food, and social services. Pascagoula has fewer social services than Biloxi, but the Salvation Army does provide shelters where individuals can stay for up to two weeks. The homeless populations in Biloxi and Pascagoula both expressed the need for a place to stay while they work towards steady employment and finding a permanent home. There are currently no temporary shelters or transitional housing in the Biloxi area except during inclement weather. Individuals interviewed also identified issues around obtaining ID and having a felony as barriers to reentering the job force or applying for government assistance. When asked how their situation can be improved, those interviewed most frequently said job training and temporary housing.

### ***Mobile Home Parks and Residents***

A windshield survey of mobile home parks in Hancock, Harrison, and Jackson counties was conducted between March and April 2012. Several property owners and residents were also interviewed as part of the survey. The purpose of the survey was to get a better understanding of the current condition of mobile home parks and units and to identify potential challenges facing mobile home residents on the coast. Initially, 31 mobile home parks were identified to be surveyed. Six of the parks initially identified, however, were found to be no longer functioning as permanent mobile home sites because of vacancy, conversion to temporary RV and campground use, and use as sales centers for trailers. As a result, findings were concluded from 25 mobile home park sites surveyed across the three counties. The windshield survey assessed the condition of the mobile homes, overall site, amenities provided, number of units, emergency access, on-site communication system, location in flood hazard area, general layout, orientation of the site, and surrounding context.

The sites vary in size and demographic make-up. The mobile home parks varied greatly in the number of units on-site, ranging from 1 unit to 212 units, with approximately 50% of the sites containing 50 or more units. The majority of the parks were medium to high density, with 28% of sites at low density, 40% at medium, 32% at high. Additionally, the trailers vary considerably in quality, not only between different mobile home parks, but also within each park. The vast majority of the trailers observed are set on concrete block stacks with tie-downs. Overall, about half the residents at the surveyed parks own their trailers; the other half rent trailers from the site's owners.

In regards to safety during a severe storm event, most of the parks are located far enough from the coast that residents and managers felt safe from flooding during storms. In fact, only one park visited had significant water damage from Hurricane Katrina. However, no respondents commented on the extent of wind damage.

The overall condition of parks varied widely; 32% were in poor to very poor condition, 20% in moderate condition, and 52% in good to very good condition. The great majority have also provided physical infrastructure improvements, such as street lights and paved roads. However, only approximately 50% provide fire hydrants and only 20% have a curb and gutter system installed. Approximately 20% of the parks have provided features such as playgrounds, pools, community centers, parks, or laundry on site.

Interviews with residents provided insight into increases in rent over the past several years. One resident stated that rental of the land for his trailer increased approximately 20% since 2007. Another resident at a different site stated that the present cost of land rental has increased by approximately 50% from prior to Hurricane Katrina.

Further information gleaned from the interviews conducted indicates that many of the mobile home park residents moved there as a result of Hurricane Katrina and remained as residents. One interviewee thought that many of the residents preferred to live in the mobile park setting to avoid undergoing any further difficulties associated with losing a home in another severe storm event.

### ***Vacant Property Owners***

Many neighborhoods in floodplains have large quantities of vacant land and abandoned property since Hurricane Katrina. A property owner survey was developed to better understand the reasons why vacant land has persisted in floodplain neighborhoods and to learn from property owners what may help them to rebuild, reuse, or sell their land. Finding reasons for high vacancy rates would help inform policy development to address this on-going and region-wide issue.

We conducted a cluster sample survey in March 2012, with 489 surveys mailed out to a randomly selected group of property owners identified in the county tax assessor's records as owning vacant land within the floodplains of Hancock, Harrison, or Jackson counties. Respondents returned 119 of the surveys; a response rate of 24%.

Our findings from the responses collected indicate that 55% of the vacant properties contained a structure prior to Hurricane Katrina. Approximately 43% of those property owners would like to rebuild on their property. Overall, property owners who had built on their property prior to Hurricane Katrina were *less* likely to want to sell their property than those whose property was vacant, 51% versus 65%. However, considering the responses of all property owners, 59% would choose to sell their property, while only 28% would choose to pass their property onto their family.

Regarding plans for the future use of their property, several respondents wrote in that they were undecided about what to do with their property. Several others indicated wanting to sell their property if no other financially viable option becomes available. In general, respondents are not optimistic about being able to sell their property, even if they would prefer to sell. For those who want to rebuild, the high cost of insurance, elevation requirements, and resulting higher cost of construction are significant deterrents. One respondent was willing to donate the property, while three respondents without a previous structure on their property would consider building. A few other respondents indicated keeping the land vacant to add onto their presently occupied property.

The top concerns of all property owners surveyed are Homeowner/Wind Insurance rates (50%), Property Tax Rates (50%), and Economic Climate (47%). For those respondents who wrote in additional concerns, post-Katrina elevation requirements and the cost of building were the most commonly reported responses as factors influencing their decisions regarding what to do with their property.

Of the owners who had buildings on their property, Homeowners/Wind Insurance Rates was the top concern (67%), followed by Flood Insurance Rates (59%). For those property owners who did not have a building on their property, 49% of responses stated that the Economic Climate was their top concern.

Of the 35% of respondents who wrote in the Additional Comments section, the overwhelming number of comments listed elevation requirements, insurance rates, and prohibitive cost of building as the primary deterrents to rebuilding. Others indicated that they would like to sell their property, but have been unable to find buyers and suggested government buy-out programs.

### **Next Steps**

The effort to support more equitable and sustainable housing in the Mississippi Gulf Coast region depends on the involvement of many and diverse groups of individuals from across the coast. This Stakeholder Analysis is an important supporting document for the Housing Assessment and the Housing Subcommittee will use the information provided by the stakeholders in this analysis to aid in shaping recommendations for the Plan for Opportunity. Outreach, however, is an ongoing effort and the subcommittee will continue to foster new relationship and facilitate dialogue around the complex story of housing on the coast.

### **List of Stakeholders**

The following is a list of people and organizations that participated in the stakeholder analysis. Numerous participants fit into more than one category. Each participant was classified in only one category based on the key role in which they shared their perspective.

### **Regulators**

- City of Ocean Springs, Community Development and Planning Department

- City of Long Beach, Building Department
- City of Gulfport, Building Code Department
- City of Gulfport, Planning and Zoning Department
- City of Pass Christian, Building Code Enforcement Department
- City of D'Iberville, Building Department
- City of D'Iberville, Planning and Zoning Department
- City of Moss Point, Mayor's Office
- City of Bay St. Louis, Building Department
- City of Bay St. Louis, Zoning Department
- Jackson County, Planning Department
- Jackson County, Building Department
- Harrison County, Code Office
- Harrison County, Office of Zoning

### **Developers**

- Landmark Companies
- Plum Homes
- Pitalo Homes, LLC.
- Elliot Homes, LLC.
- Easterling Enterprises
- Mississippi Home Builders Association
- Biloxi Housing Authority
- Bay Waveland Housing Authority
- South Mississippi Housing and Development Corporation

### **Service Providers**

- Lemon-Mohler Insurance
- Treutel Insurance Agency
- Farm Bureau
- State Farm Insurance
- South Group Insurance Services Gulf Coast
- Mattina Insurance Agency
- Hope Federal Credit Union
- Charter Bank
- Hancock Bank
- Trustmark Bank Biloxi
- The First
- Habitat for Humanity of the Mississippi Gulf Coast
- Gulf Coast Renaissance Corporation
- Mercy Housing and Human Development
- Hope Community Development Agency
- Hancock Resource Center
- Back Bay Mission
- The Salvation Army

- International Relief & Development Gulf Coast
- Hope Adult Learning Center
- Mental Health Association of South Mississippi
- Disability Rights Mississippi
- Family First Braille
- Resurrection Anglican Church on the Gulf

### **Residents**

- Seniors at Donal Snyder Community Center
- Seniors at Hancock County Senior Center
- Seniors at Jackson County Civic Action Agency
- Housing Clients with Habitat for Humanity of the Mississippi Gulf Coast
- Housing Clients with Hancock Resource Center
- Homeless at Our Daily Bread
- Homeless at Back Bay Mission
- Youth from International Relief & Development Gulf Coast Youth Build

### **Mobile Home Parks**

- Wheel in Mobile Home Park
- Pecan Park Mobile Home Community
- Sunrise Mobile Home & RV Park
- Imperial Mobile Estates
- Cedar Lake Mobile Home Village
- Sherwood Village
- Rolling Hills Estates
- Destination Park
- Woodridge Estates
- Bayou Oak Mobile Home Park
- Poolside Mobile Home Village
- Dolan's Mobile Home Park
- Pecan Ridge Park
- Hidden Acres Mobile Home Park
- Southern Oaks Mobile Home and RV Community
- Vidalia Estates
- Isle of Pines Mobile Home
- Coast Meadows Mobile Estate
- East Acres /Spanish Oak Mobile Home Park
- Highland Park
- Cabanas
- Twin Pines Motel
- Kreb's Trailer Park
- Simmons' Mobile Home Park
- Southern Hideaway