



HOUSING ANALYSIS & STRATEGY COMMUNITY MEETING

Lambert
ADVISORY

January 30 2017

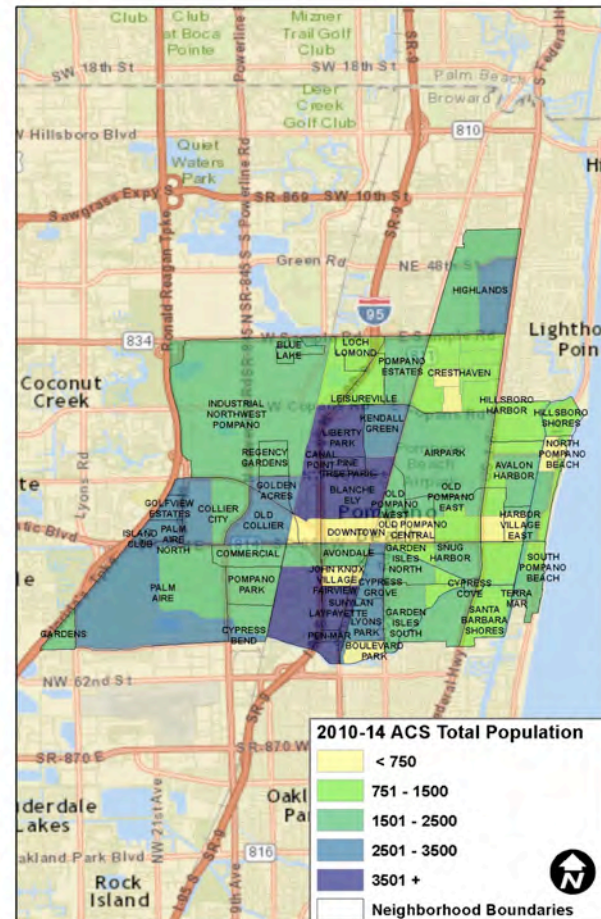
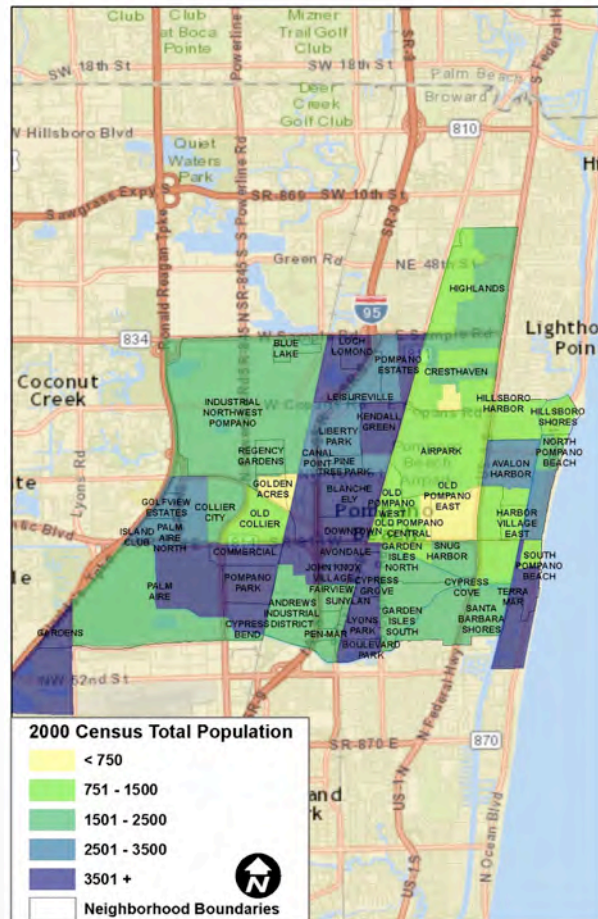
Overview

- Demographic Trends
- Current Housing Market Conditions
- Affordable Housing – Need, Supply & Concentration
- Affordable Housing – National Research & Guidance Housing Policy Guidance
- Relationship of Income Restrictions on Retail Space & Demand Affordable Housing
- Headline Conclusions
- Next Steps

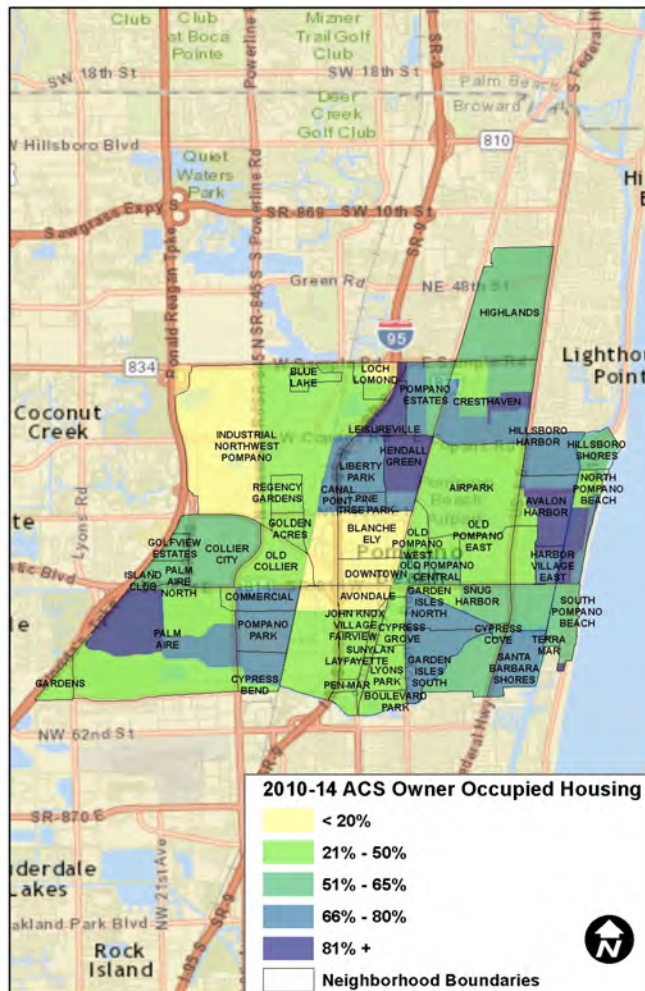
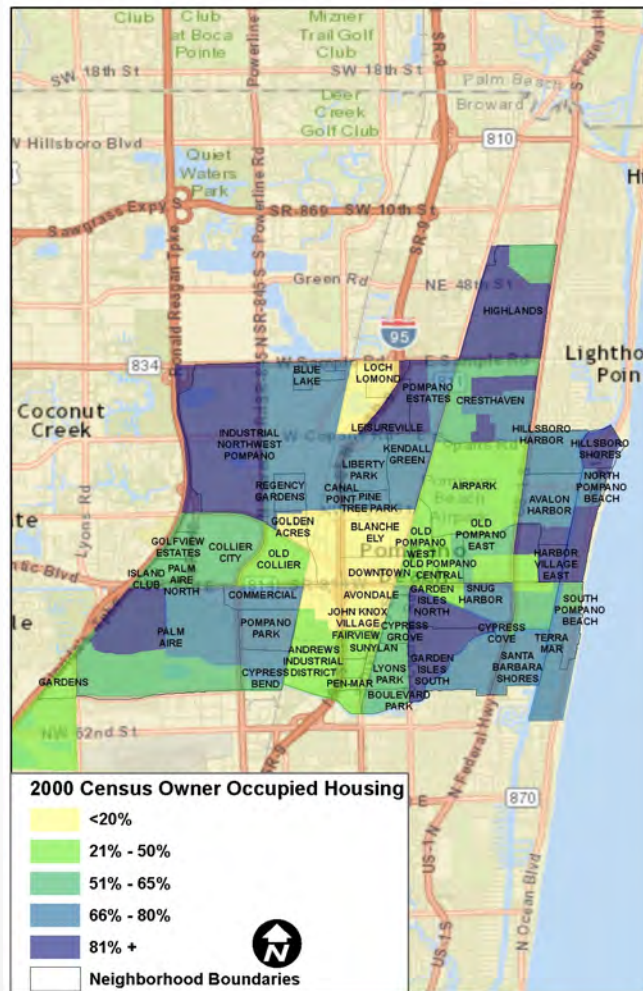
Demographic Trends

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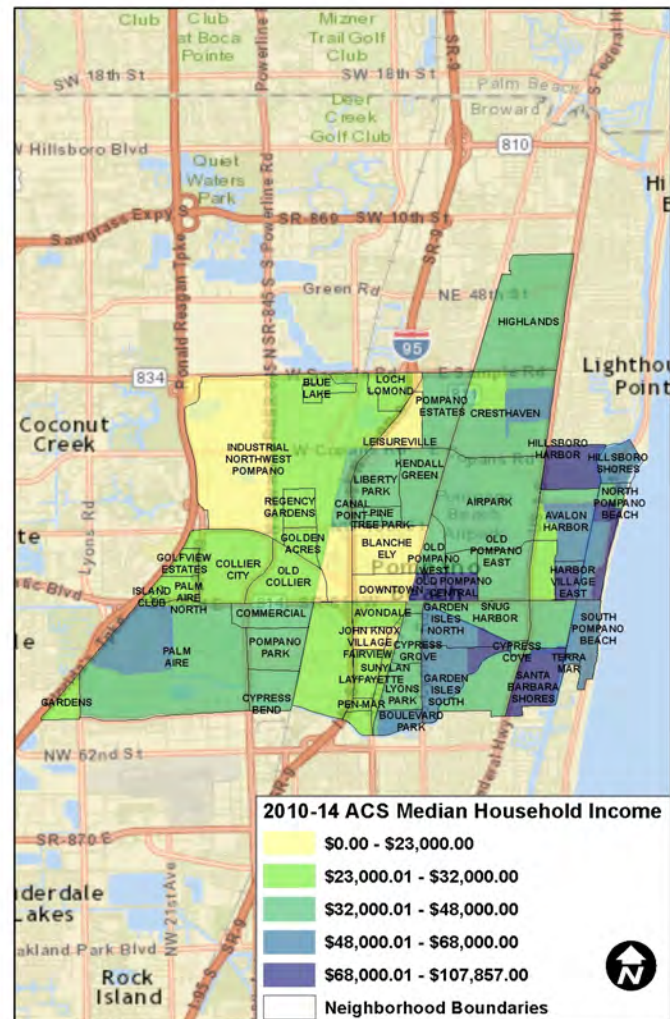
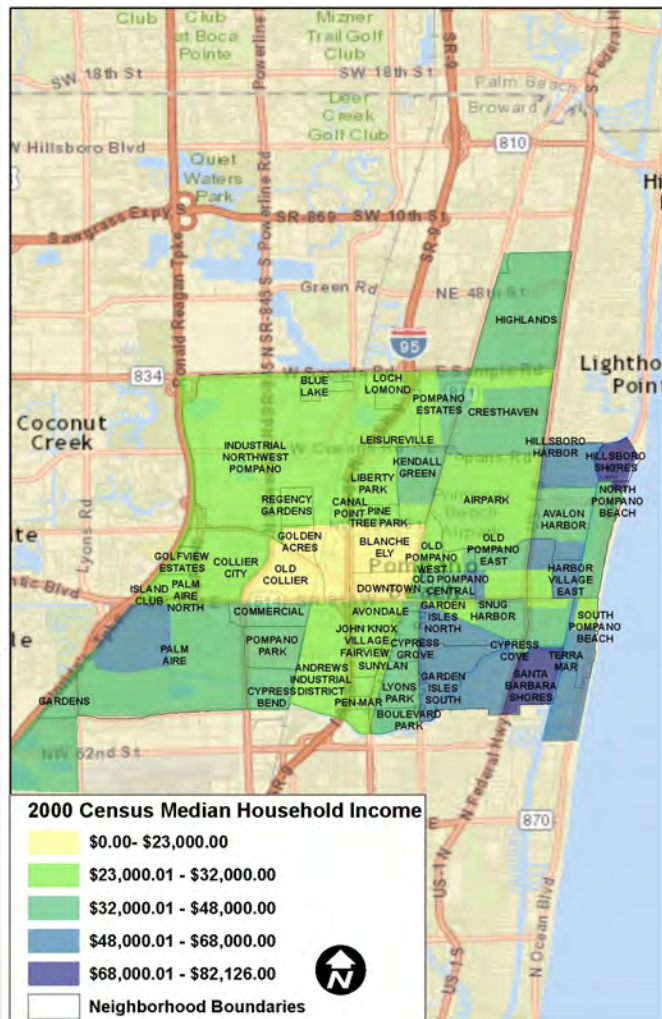
Since 2000 population growth in the City has shifted from the Beach to west of Federal Highway and from the southwest to the center. Much of this has to do with aging in place and decreasing persons per household in the east and southwest



While the percent of owner occupied housing has increased in some pockets, many areas have seen a diminishment of owner occupied units when compared to renters. This is most pronounced in the western areas of the City



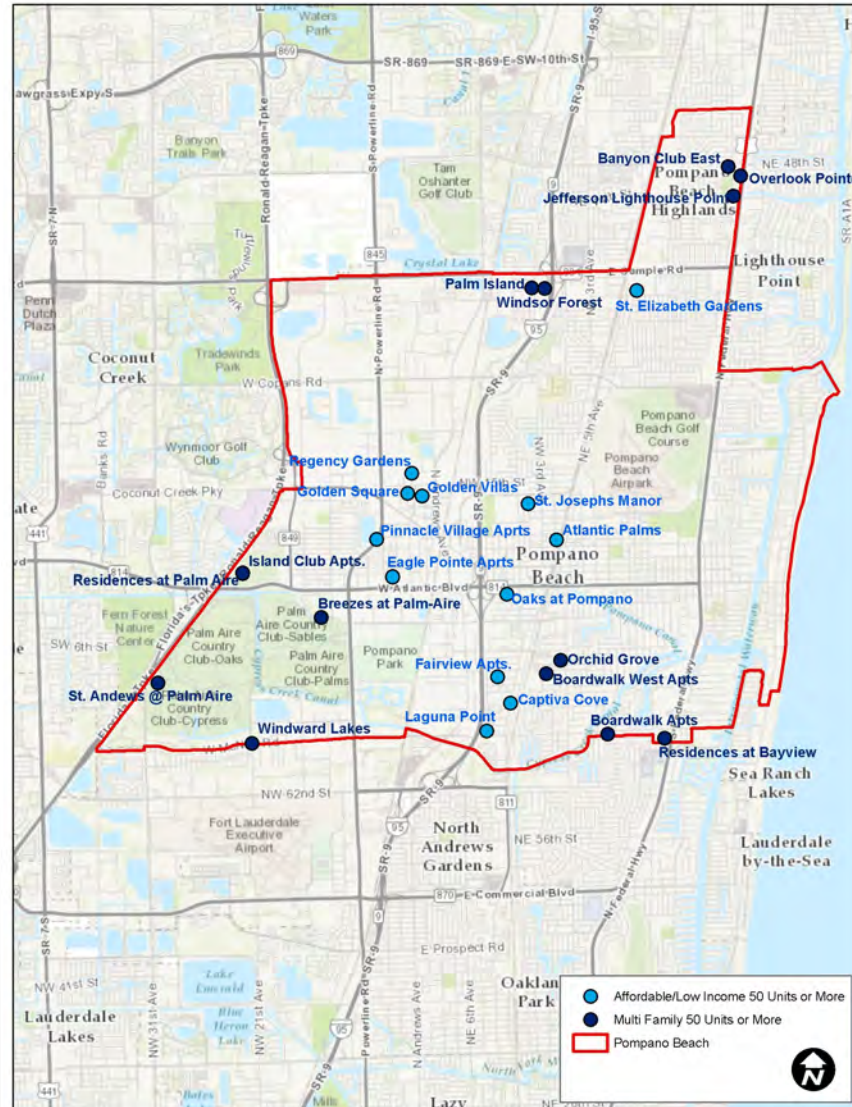
Dixie Highway is a major dividing line as it relates to income. East of Dixie, most the neighborhoods experienced growth in household incomes. West of Dixie the vast majority of neighborhood (although not all) either had no progress or experienced a diminishment of incomes



Current Housing Market Conditions

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Lambert Surveyed of 26 of 30 rental properties in Pompano Beach with fifty or more units



Rental Community Survey Results

- Only 14 of the 26 properties are market rate.
- Gross rents among the 14 market rate properties range from \$969 (for Boardwalk Apartments), the oldest project in the survey to \$2,075 for Orchid Grove Townhomes.
- The highest rents per square foot in the market are for the three newest projects - Luzano, Overlook Pointe and Jefferson at Lighthouse - averaging \$1,681 (\$1.69/sq. ft.) to \$1,860 (\$1.91/sq. ft.)
- Occupancy rates in stabilized market rate properties average 94-95% with all stabilized properties above 90% (3 properties in lease up currently)
- 12 of the 26 properties are income restricted communities
 - Rents among the 12 income restricted properties range from \$634 (\$1.22/sq. ft.) at St. Josephs Manor; to \$1,043 (\$1.34/sq. ft.) at Oaks at Pompano.
 - All income restricted rental communities have waitlists.

Over 300 rental units currently being marketed outside of large multifamily rental communities indicates an average rent above \$1.60 per square foot which approaches the high end of the multifamily rental market

	Number	Size – Sq. Ft. Living Area			Monthly Rent				Monthly Rent/Sq. Ft.		
		Low	High	Avg.	Low	High	Avg.	Median	Low	High	Avg.
Single Fam.	61	1,012	3,042	1,625	\$1,371	\$5,154	\$2,447	\$2,219	\$1.00	\$4.47	\$1.55
Townhome	23	939	2,166	1,466	\$1,409	\$3,486	\$2,144	\$1,938	\$0.71	\$2.78	\$1.42
Condo	221	507	2,438	1,167	\$994	\$4,474	\$1,922	\$1,664	\$0.92	\$3.75	\$1.64
Other	2	600	828	714	\$1,000	\$1,800	\$1,400	\$1,400	\$1.67	\$2.17	\$1.96
Total/Avg.	307	640	2,527	1,277	\$1,100	\$4,517	\$2,039	\$1,793	\$0.93	\$3.81	\$1.61

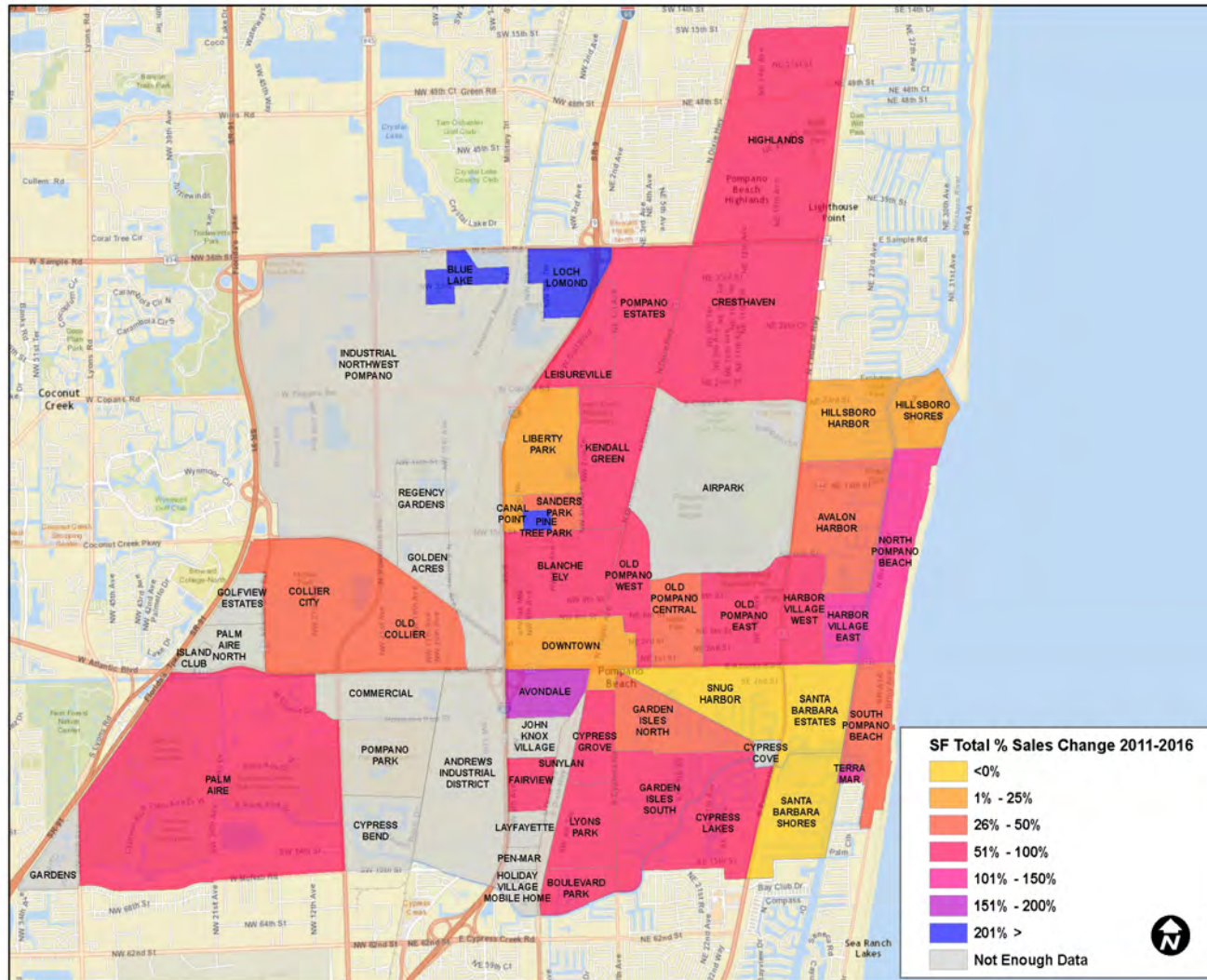
Current Rental Market Summary Conclusions

- Both market rate rental multi-family product and affordable product is enjoying high occupancies and despite new construction of three developments with nearly 900 market rate units, rents and occupancies are holding up well.
- Even for older product, market rents are at a level principally affordable to families with incomes at 80 percent of median or above.

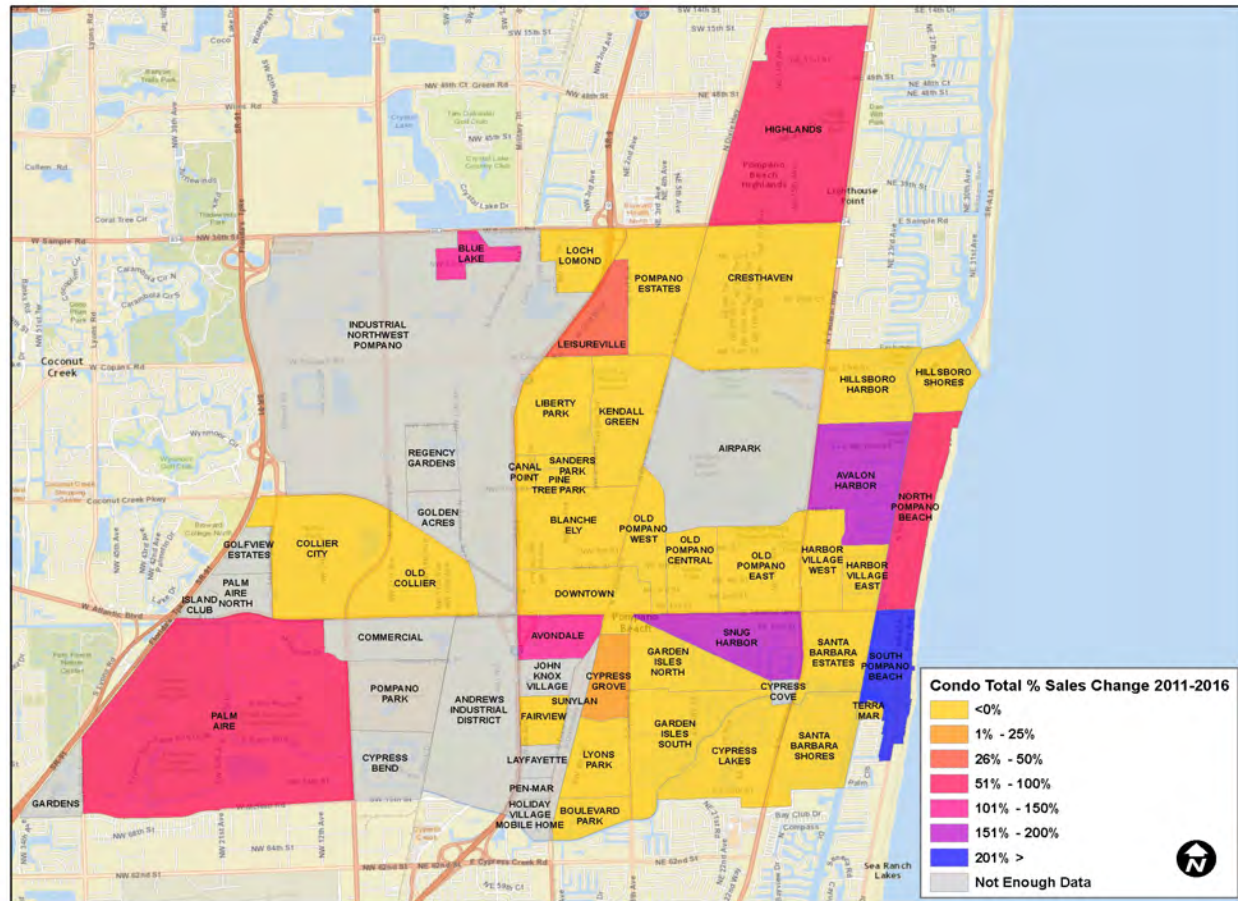
Rent Affordability for Family of Three at:				
30% AMI	50% AMI	60% AMI	80% AMI	120% AMI
\$504	\$816	\$980	\$1,305	\$1,959

- Fluid market for non-multifamily rentals of single family homes, condominium units, and townhomes.
- Market rate rental developments vs. rent restricted developments are separate and entirely concentrated by geography. Market rate rental apartments are concentrated southwest and northeast while income restricted are located in the central part of the City. Entire lack of mixed income housing which would assist in deconcentrating poverty.

Single family housing value growth between 2011 and 2016 indicates significant for sale housing value growth in central, east central, and southwest Pompano Beach, slower growth in southeast Pompano Beach.



The strongest gains in condominium value growth between 2011 and 2016 dominant within the coastal areas, as well as the established neighborhoods in the west (Palm Aire) and north (Highlands).



Affordable Housing –Need, Supply & Concentration Broward & Pompano Beach

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Key Findings:

The \$268,500 median sale price is affordable to households earning 208 percent and above the County's median household income (20 percent of Broward County's households)

The average monthly rent for a two-bedroom apartment in Broward County is \$1,369

According to 2008-2012 5-Year ACS estimates, 49.7 percent of all households in Broward County (330,624 households) are cost-burdened (pay in excess of 30 percent of their incomes on housing costs)

Substantial "affordability gaps" exist for Broward County renter households earning 80% or less than the median household income.

2014

Broward County Affordable Housing Needs Assessment



The Metropolitan Center
Florida International University
June 20, 2014

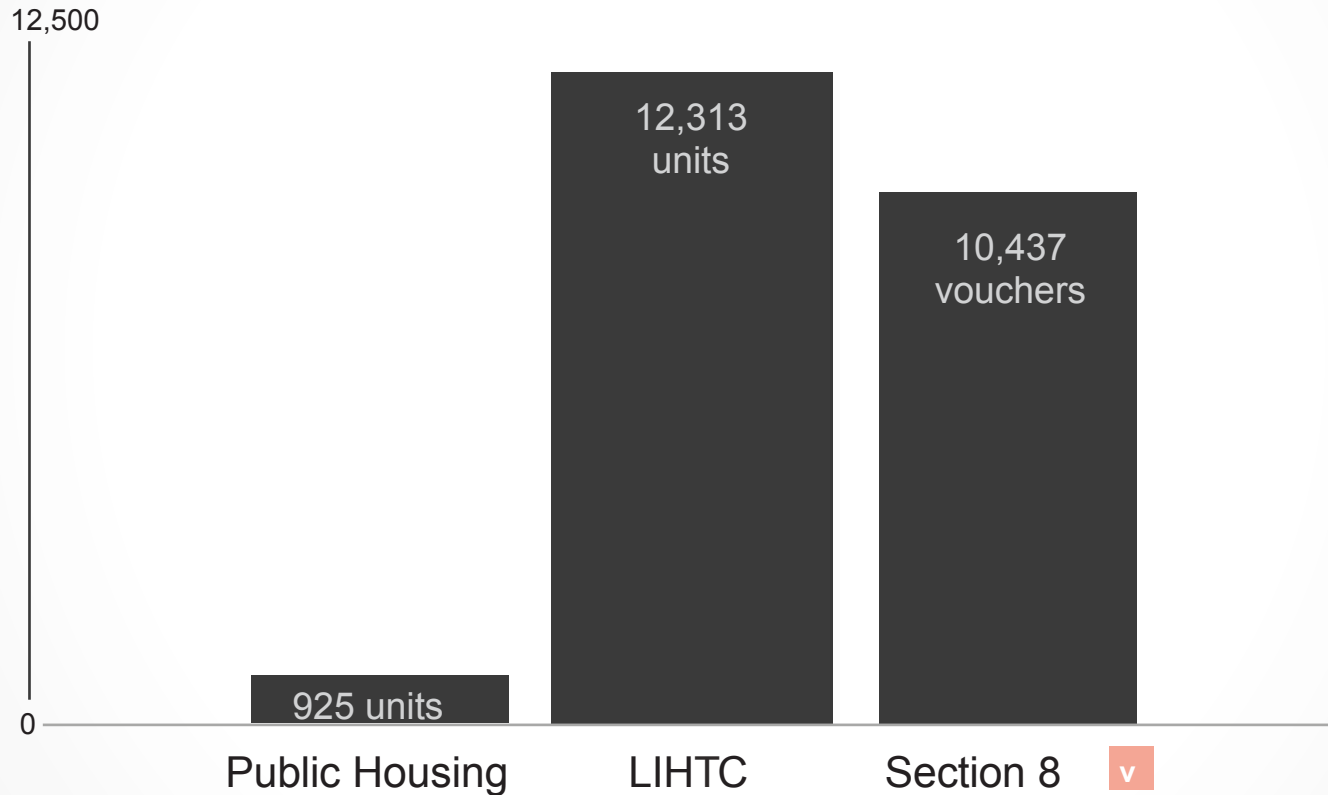
Broward County Rental Affordability Analysis Census 2014 ACS

Large gap in affordable supply up to 50% then gap starts to decline until about 70% of median when there is excess affordability as incomes approach median income. More vacancy would exist if the world was perfect but lower income families are forced to stretch their budgets to be housed

Affordable to Which Households?	Demand	Units at Affordable Rents	Gap or Excess of Units (+ = gap; - = excess)	Gap or Excess as % of Total Demand
Up to 20% of median	25,499	14,683	10,816	42%
Up to 30% of median	43,534	17,107	26,427	61%
Up to 50% of median	80,822	30,700	50,122	62%
Up to 68% of median	114,700	89,003	25,697	22%
Up to 97% of median	157,737	173,099	-15,362	-10%
Up to 145% of median	202,158	237,703	-35,545	-18%

Broward County Affordable Housing Inventory

3 Major Programs



Source:
HUD

Of cities in Broward Co. which have income restricted properties, Pompano Beach has the 3rd highest ratio of income restricted units to total units in the city. However, only 19 cities in County have income restricted developments at all. Not included are Westin, Parkland, Lauderdale-by-the-Sea plus 8 other Broward cities with no income restricted developments

City	Properties	Income Restricted	Est. 2014 Housing Units	Inc. Restricted Unit:Total Unit Ratio	Percent Income Restricted
Lauderdale Lakes	6	972	14,763	1:15	6.6%
Pembroke Park	1	180	4,028	1:22	4.5%
Pompano Beach	12	1,854	55,962	1:30	3.3%
Lauderhill	1	814	28,599	1:35	2.8%
Oakland Park	2	437	19,705	1:55	2.2%
North Lauderdale	1	292	13,963	1:48	2.1%
Ft. Lauderdale	15	1,917	94,610	1:49	2.0%
Hallandale Beach	4	578	28,687	1:50	2.0%
Davie	6	683	37,427	1:55	1.8%
Hollywood	8	1,128	70,719	1:63	1.6%
Deerfield Beach	7	666	41,842	1:63	1.6%
Coconut Creek	1	300	26,408	1:88	1.1%
Miramar	2	450	41,388	1:92	1.1%
Coral Springs	1	438	44,246	1:101	1.0%
Sunrise	3	360	36,973	1:103	1.0%
Pembroke Pines	5	497	63,098	1:127	0.8%
Tamarac	1	240	31,783	1:132	0.8%
Dania Beach	2	108	15,701	1:145	0.7%
Margate	1	160	24,579	1:154	0.7%
Total	79	12,074	694,481	1:58	1.7%

BROWARD COUNTY :

Concentration of LIHTC Units in Neighborhoods with High Proportion of Restricted or Assisted Income Rental Units

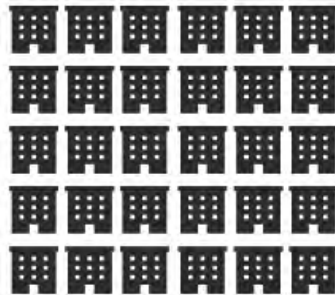
LIHTC in Census Tracts with High Proportion of Rent Restricted or Assisted Housing in Broward County

12% of LIHTC Units
Countywide



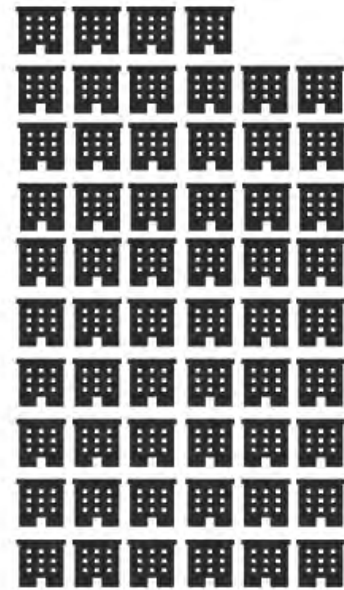
Census Tracts with less than 30% rental units income restricted or assisted

30% of LIHTC Units
Countywide



Census Tracts between 30 and 50% rental units income restricted or assisted

58% of LIHTC Units
Countywide



Census Tracts greater than 50% rental units income restricted or assisted

Source:
HUD

POMPANO BEACH :

Concentration of LIHTC Units in Neighborhoods with High Proportion of Restricted or Assisted Income Rental Units

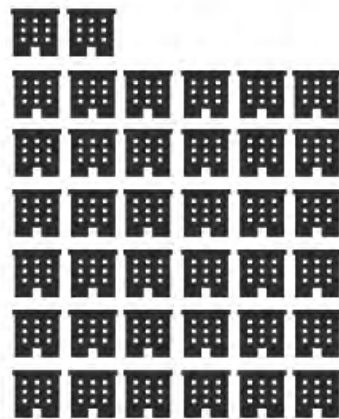
Concentration of LIHTC & Section 8 Even Higher Than Broward as a Whole

8% of LIHTC Units Citywide



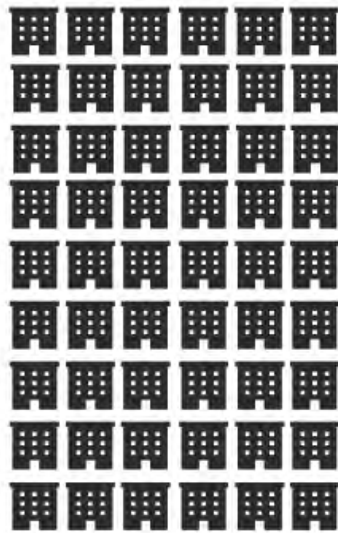
Census Tracts with less than 30% rental units income restricted or assisted

38% of LIHTC Units Citywide



Census Tracts between 30 and 50% rental units income restricted or assisted

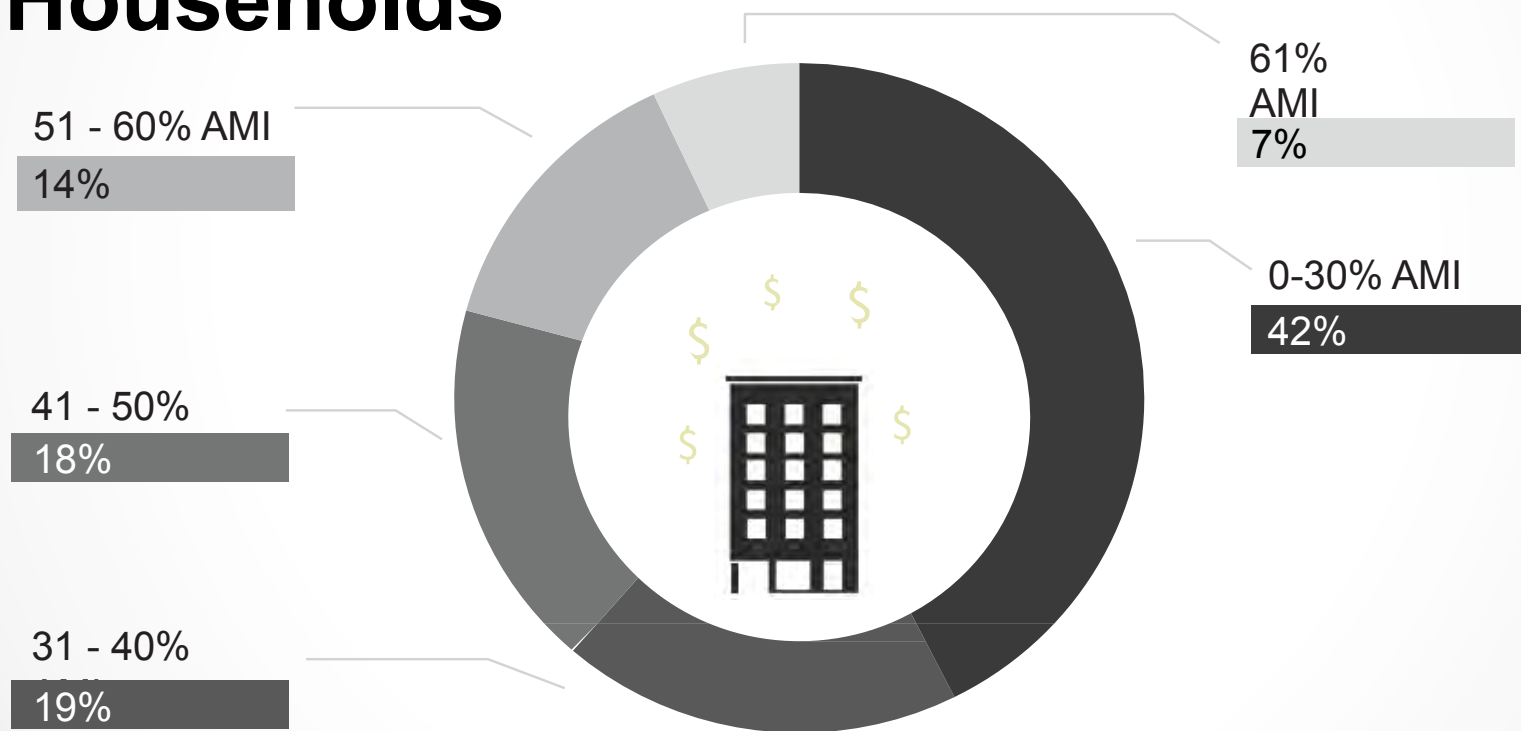
54% of LIHTC Units Citywide



Census Tracts greater than 50% rental units income restricted or assisted

Source:
HUD

Household Incomes of LIHTC Households



Source: What Can We Learn about the Low Income Tax Credit Program by Looking at Tenants?

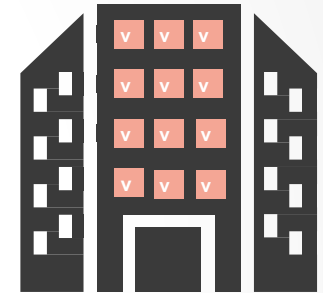
Developing LIHTC in Qualified Census Tracts In Practice Runs Against Deconcentration of Poverty

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Objective:



Reality with LIHTC:



Households with
Rental Assistance

45%

Households Without
Rental Assistance

55%

Source: *What Can We Learn about the Low Income Tax Credit Program by Looking at Tenants?*

National Research to Guide Housing Policy Recommendations

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Impact & Benchmarks for Deconcentrating Poverty and Associated Housing Policies

- Key Research:
 - Khadduri, Jill; *Deconcentration: What Do We Mean? What Do We Want?*; Cityscape: A Journal of Policy Development and Research • Volume 5, Number 2 • 200; U.S. Department of Housing and Urban Development • Office of Policy Development and Research
 - Chyn, Eric; *Moved to Opportunity: The Long-Run Effect of Public Housing Demolition on Labor Market Outcomes of Children*; Department of Economics; University of Michigan; March 27, 2016
 - Chetty, Raj; Hendren, Nathaniel; *The Impacts of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates*; Harvard University and NBER; May 2015
- Key Findings:
 - Children of low income families who grow up in middle income neighborhoods perform significantly better in earnings than their low income peers who grow up in low income neighborhoods;
 - Standard for what constitutes a high poverty area varies but HUD has long used any census tract which has a poverty rate above 20% as being a high poverty area.

Relationship of LIHTC to Deep Subsidy Units

- Key Research:
 - O' Regan, Katherine; Horn, Keren M.; *What Can We Learn about the Low Income Housing Tax Credit Program by Looking at the Tenants?*; July 1, 2012
 - National Low Income Housing Coalition; *Who Lives in Federally Assisted Housing?*; Housing Spotlight; November, 2012
- Key Findings:
 - Although LIHTC units are generally allowed to rent most of their units to families at 60% of median income, in practice, many residents are substantially poorer and can only afford LIHTC units with housing choice or project based vouchers.
 - 45% of households in LIHTC developments receive rental assistance;
 - Nationally, 43% of households in LIHTC developments have incomes below 30% of median income (\$24,300 for a family of 4 in Broward County) and 80% have incomes below 50% of median (\$36,250 in Broward County for a family of 4)

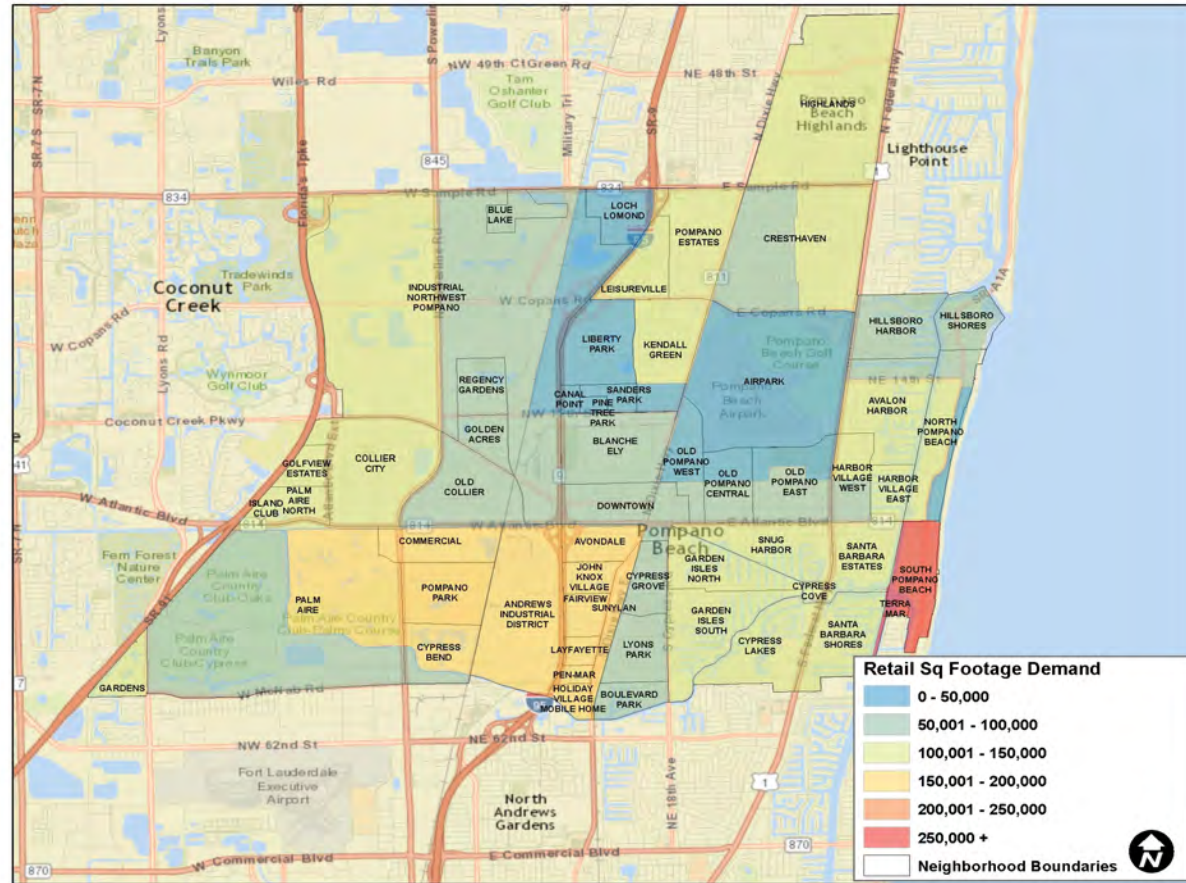
Relationship of Household Income to Retail Demand & Expenditure

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But residents only demand 3.7 million square feet of non-auto retail space*



* Non-auto retail space represents retail space not including auto related goods and services such as dealerships, auto repair centers, and gas stations

Illustrative Impact of Development Type on Non-Auto Retail Demand

	LIHTC Senior Development	LIHTC Family Development	Market Rate Rental Development
Units	250	250	250
Mean Household Income	\$25,400	\$32,650	\$60,900
% of income expended on non- auto retail goods	43%	33%	25%
Total Retail Sales Generated (250 units)	\$2,730,500	\$2,693,625	\$3,806,250
Sales Per Square Foot	\$300	\$300	\$300
Non-Auto Square Feet Demanded per 250 units	9,102	8,979	12,688

Headline Conclusions

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Headline Conclusions

- **Housing markets have limited relationship to political boundaries in a South Florida context.** Schools are regional. Much greater homogeneity of population and housing needs at the census tract and neighborhood level while housing markets act at a regional level.
- **Significant demand for affordable housing throughout Broward County and City of Pompano exists primarily for households below 60% of median income.**
- As often typical for a City of Pompano Beach's size, there is **great variability in the housing market throughout the City.** As a result the policies and associated solutions to affordable housing needs should vary at the census tract level rather than municipal level. Beachfront census tracts in Pompano in terms of population, incomes, housing typology are more similar to beachfront census tracts in Ft. Lauderdale and Hollywood than they are to the census tracts on either side of I-95.

Headline Policy Recommendations

- As a result of the compelling recent research, **key aspect of every affordable housing program needs to be deconcentration of poverty** in addition to production;
- **Modify City Consolidated Plan to delineate census tracts where income restricted units can/cannot be developed as a result of City's deconcentration objectives;**
- **Add "Source of Income" as protected from discrimination;**
- **Provide local match/support To LIHTC applications only if proposed LIHTC units are in census tracts where less than 20%-30% of rental units are rent restricted and poverty rate is below 20% or 30%;**
 - Limits number of units at County level which are submitted to Florida Housing which makes lottery less of a factor in which deals get funded;
- At County level, **require mandatory inclusionary units up to 15% in housing developed in census tracts with median household incomes in excess of 120% of AMI.**

Headline Conclusions

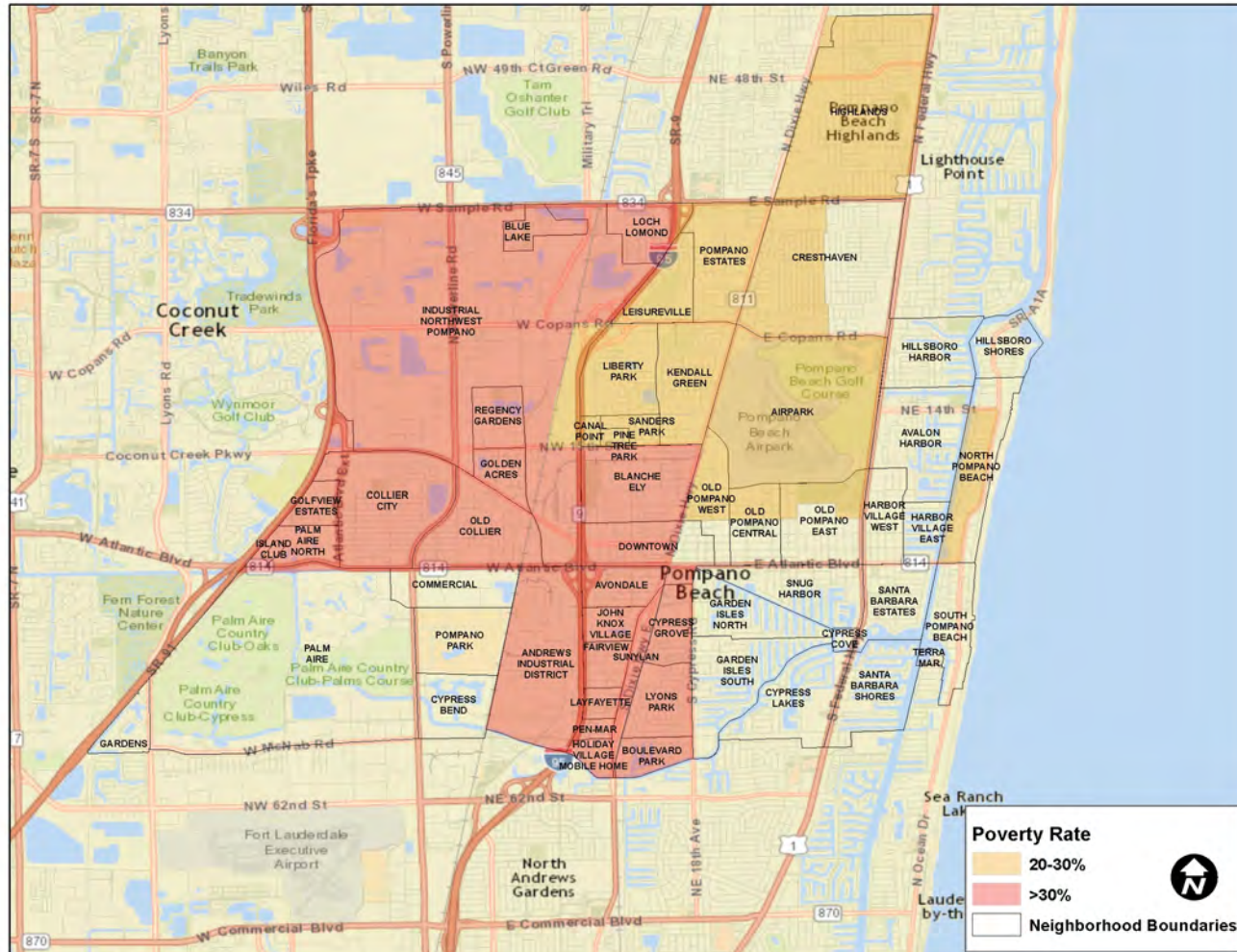
- **Low Income Housing Tax Credits (LIHTC) is the dominant program today expanding the number of affordable units, but effectively without layered subsidy the majority of these units are only affordable to families close to 60% of median income;**
- **The current structure and raking system for the LIHTC program is concentrating these units in areas of higher poverty** with higher concentrations of other income restricted units or deep subsidy renters;
- Significant studies over past two years have made clear that **poor children who grow up in middle income neighborhood have substantially greater earnings as adults than poor children who grow up in poorer neighborhoods;**
- Effectively **the LIHTC program structure and incentives are now running counter to the objectives of deconcentration of poverty;**
- **Policies around the country which have yet to be implemented in Broward County can help promote deconcentration**

Policy Recommendations: City & Advocacy at County

- As a result of the compelling recent research, key aspect of every affordable housing program needs to be deconcentration of poverty in addition to production;
- Modify City Consolidated Plan to delineate census tracts where income restricted units can/cannot be developed as a result of City's deconcentration objectives;
- Focus CDBG, HOME and Tax Increment in Neighborhoods of either upward trajectory or downward trajectory;
- Add "Source of Income" as protected from discrimination;
- Provide local match/support To LIHTC applications only if proposed LIHTC units are in census tracts where less than 20% of rental units are rent restricted and poverty rate is below 20%;
 - Limits number of units at County level which are submitted to Florida Housing which makes lottery less of a factor in which deals get funded;
- At County level, require mandatory inclusionary units up to 15% in housing developed in census tracts with median household incomes
- in excess of 120% of AMI.

Policy (City)

Modify City Consolidated Plan to delineate census tracts where income restricted units can/cannot be developed to meet City's deconcentration objectives



Next Steps

- Receive input from you
- Finalize Lambert report
- Bring Recommendations Before City Commission



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