

**OVERVIEW OF THE MARKET
FOR ASSISTED RENTAL HOUSING**

HOUSING AFFORDABILITY

This section examines the affordability of Florida’s housing supply and the extent to which households pay a high share of their income for housing. Much of this information consists of data and updates from the statewide *2016 Rental Market Study*, available at <http://www.floridahousing.org/press/publications/2016-rental-market-study>.

The first table uses Census data to describe the extent to which owner and renter households at different annual income levels (expressed in dollars) pay more than 30 percent of their income for housing costs. For other tables and charts, a unit is considered “affordable” if the household pays no more than 40 percent of income for housing, consistent with the threshold used in the *Rental Market Study*. These tables and charts express income as a percentage of “area median income,” or AMI, adjusted for region and household size. In this report, a “low-income” household has an income at or below 60% AMI, again consistent with the *Rental Market Study* measure.

For owners, housing costs include mortgages, taxes, insurance, utilities, and association fees. For renters, housing costs include rent and utilities.

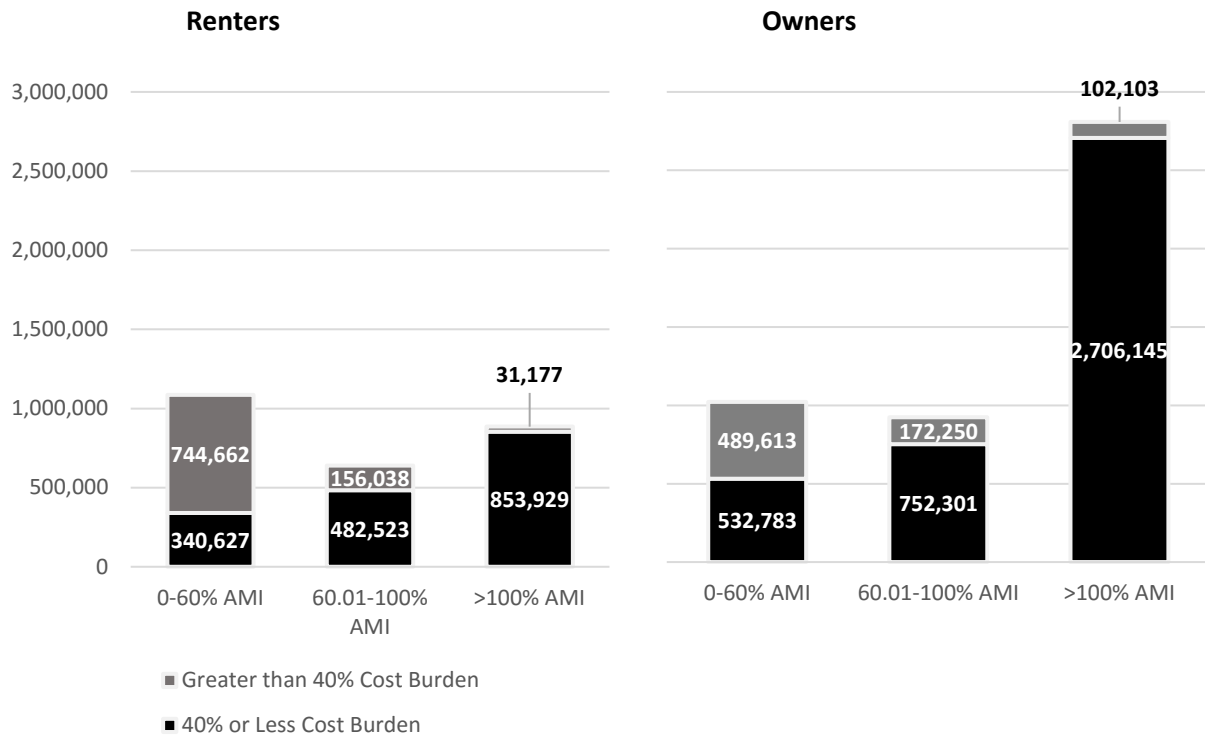
1. Percentage of Income Spent on Housing by Owner/Renter Status and Household Income, Florida, 2015

| | | Owner Households | | | Renter Households | | |
|--------------------------------|----------------------|--------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|
| | | # Spending Less than 30% | # Spending Over 30% | % Spending Over 30% | # Spending Less than 30% | # Spending Over 30% | % Spending Over 30% |
| Annual Household Income | Less than \$20,000 | 145,920 | 448,569 | 76% | 40,344 | 591,991 | 94% |
| | \$20,000 to \$34,999 | 362,211 | 365,613 | 50% | 81,255 | 464,425 | 85% |
| | \$35,000 to \$49,999 | 419,170 | 257,897 | 38% | 196,640 | 203,272 | 51% |
| | \$50,000 to \$74,999 | 690,818 | 226,327 | 25% | 307,015 | 87,307 | 22% |
| | \$75,000 or more | 1,630,575 | 153,602 | 9% | 353,176 | 20,139 | 5% |

Source: U.S. Census Bureau, 2015 American Community Survey.

- Renters with incomes below \$35,000 per year are the most likely to spend more than 30% of their income for housing costs.
- The lowest income owners are also heavily impacted by housing costs. Three-quarters of owners with incomes below \$20,000 per year spend more than 30% of income for housing.

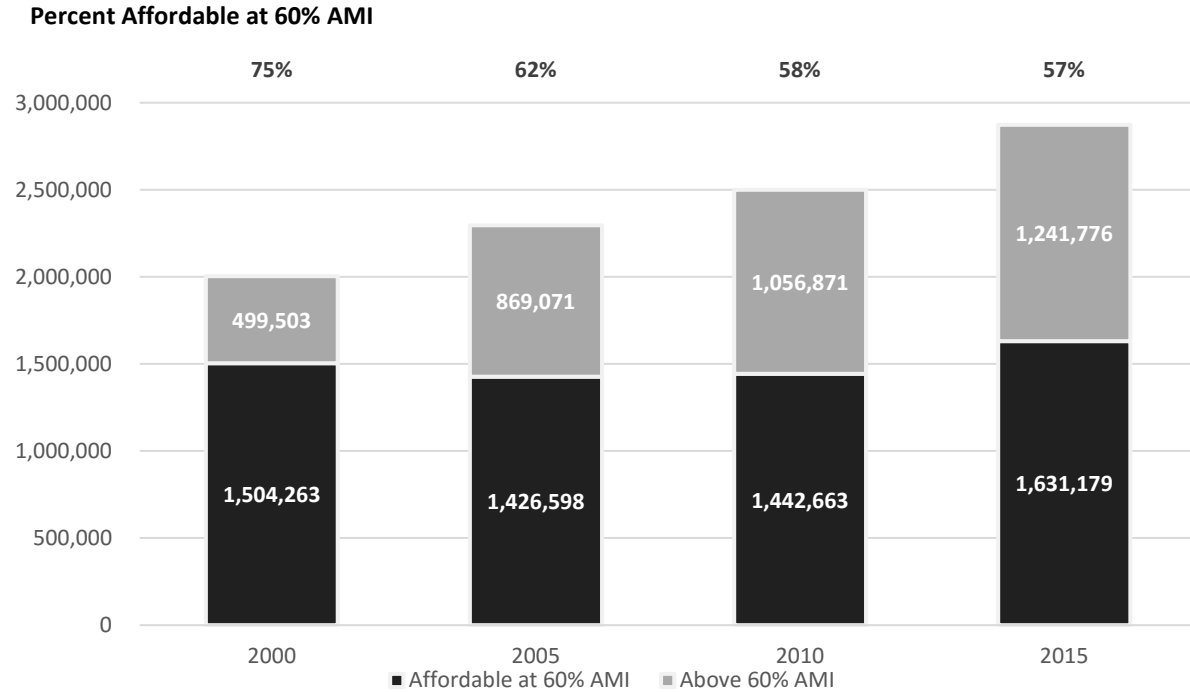
2. Households by Percentage of Income Spent on Housing by Owner/Renter Status and Income (%AMI), Florida, 2015



Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS).

- Most low-income households pay more than 40 percent of their income for housing. Few higher income households do.
- Low-income renters are the hardest hit. 69% of renters with incomes 0-60% AMI pay more than 40% of their income for housing, compared to 24% of renters at 60-100% AMI and just 4% of renters above 100% AMI.
- Nearly half (48%) of owners at 0-60% AMI pay more than 40% of income for housing, compared to 19% of owners at 60-100% AMI and 4% of owners above 100% AMI.
- 60% of cost burdened renters at 0-60% AMI live in large counties, 37% in medium counties, and 3% in small counties.
- Most cost burdened renter households at 0-60% AMI are small. 62% have just one or two household members.

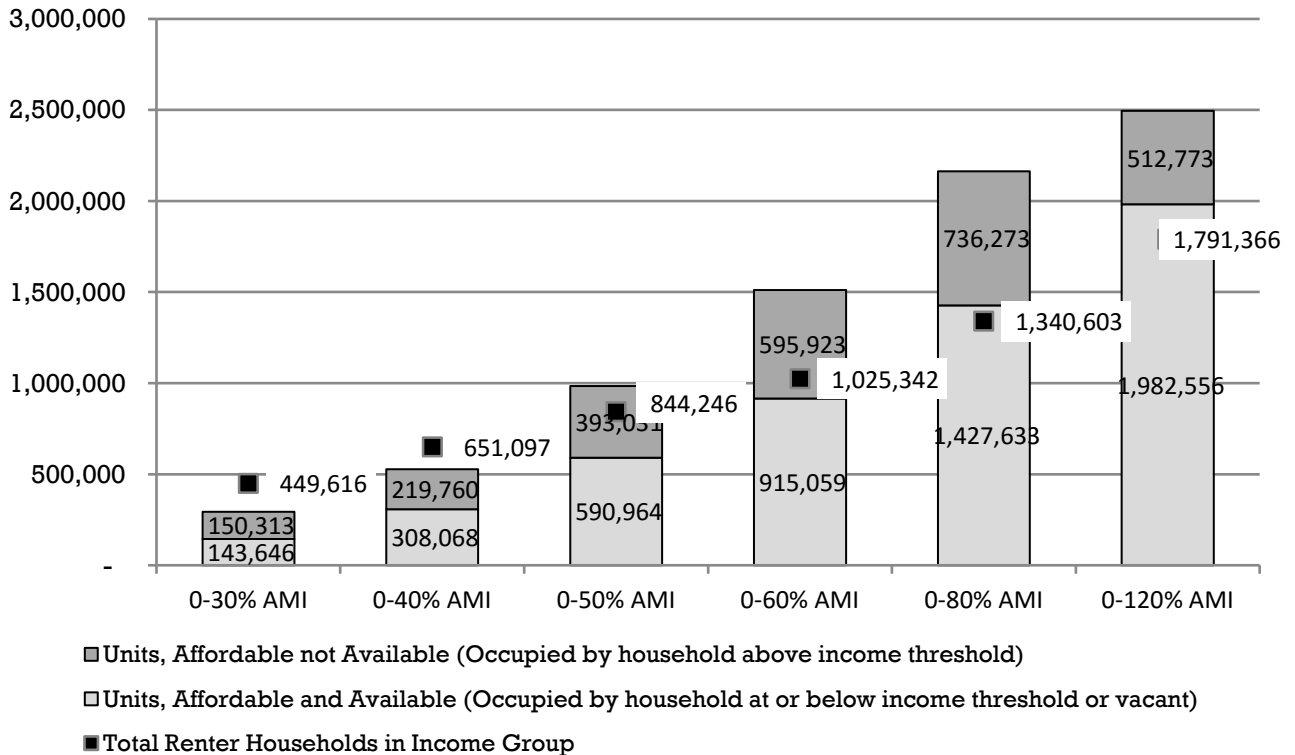
3. Rental Units by Affordability Level, Florida, Change from 2000 to 2015



Source: U.S. Census Bureau, 2000 Census and 2005/2010/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS).

- In this chart, an “affordable” unit is any market rate, subsidized, or public housing unit for which a household at a given income limit (expressed as percentage of area median income, or AMI) would pay no more than 40% of income for gross rent (rent + utilities).
- Most of the net growth in the rental housing supply in Florida has been in units that are not affordable to households at or below 60% AMI.
- Between 2000 and 2015, Florida had a net gain of 869,189 rental units. Only 15% of the added units were affordable at or below 60% AMI.
- In 2000, 75% of rental units were affordable at 60% AMI. By 2015, only 57% were.

4. Affordable Units, Affordable/Available Units, and Renter Households by Income, Florida, 2010-2014



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Public Use Microdata Sample (PUMS).

- Many units that are affordable at a particular income thresholds are unavailable to low-income households because they are occupied by higher income households, mainly market rate units. An “affordable/available” unit is both affordable at a given income threshold *and* either vacant or occupied by a household below that income threshold.
- In the graph above, the bars represent affordable units, either available (light gray) or occupied by a household above the income threshold (dark gray). Squares represent the number of renters at or below the income threshold.
- At 0-30% and 0-40% AMI, there are more renter households than affordable units, whether available or not.
- At 0-50% and 0-60% AMI, there are more affordable units than renters, but still a shortage of affordable and *available* units, since many affordable units are rented by households with higher incomes.
- For the 0-80% and 0-120% AMI bands, the number of affordable and available units exceeds the number of renter households.
- These results vary widely throughout the state, with many higher cost regions showing shortages of affordable/available units at the mid-range (0-50 and 0-60% AMI) income levels.

Affordable Housing Needs of Subpopulations, 2016

These are estimates of subpopulations potentially in need of affordable rental housing. All statistics come from the *2016 Statewide Rental Market Study*. The full report is available at <http://www.floridahousing.org/press/publications/2016-rental-market-study>.

Homeless Families and Individuals

- An estimated 32,533 individuals were homeless in Florida in 2016, including single adults, married adults without children, unaccompanied youth, children in sibling groups or other similar groups, and adolescent parents with children.
- An estimated 32,304 families with children were homeless. This includes 3,053 sheltered and unsheltered families and 29,251 families doubled up with others and in hotels and motels.

Farmworkers

- Florida had an estimated 105,395 farmworkers in 91,987 households: 61,091 single-person “households” made up of unaccompanied individuals and 30,896 family households including at least one accompanied worker.
- Statewide, there were 61,091 unaccompanied workers and 34,451 permitted migrant camp beds, yielding a need for 26,640 additional beds for single workers. The highest needs were in Miami-Dade, Hillsborough, Orange, Manatee, Polk, Indian River, Lake, and Volusia Counties.
- There were 30,986 accompanied households and 5,591 multifamily farmworker set-aside units, yielding a need for 25,305 additional multifamily units. The highest needs were in Miami-Dade, Palm Beach, Collier, Hillsborough, and Indian River Counties.
- Recently, many Florida farms have hired workers with arriving in the U.S. with H-2A visas. These visas require employers to provide housing, although this does not guarantee that the housing provided is in good condition. In some cases, owners of affordable housing properties set aside for farmworkers report that farmers have signed contracts with them to provide housing for H-2A workers.

Special Needs Households

- Under Florida Statute, a person with special needs is defined as:

An adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under s. [409.1451\(5\)](#); a survivor of domestic violence as defined in s. [741.28](#); or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits. (Section 420.0004 (13), Florida Statutes)

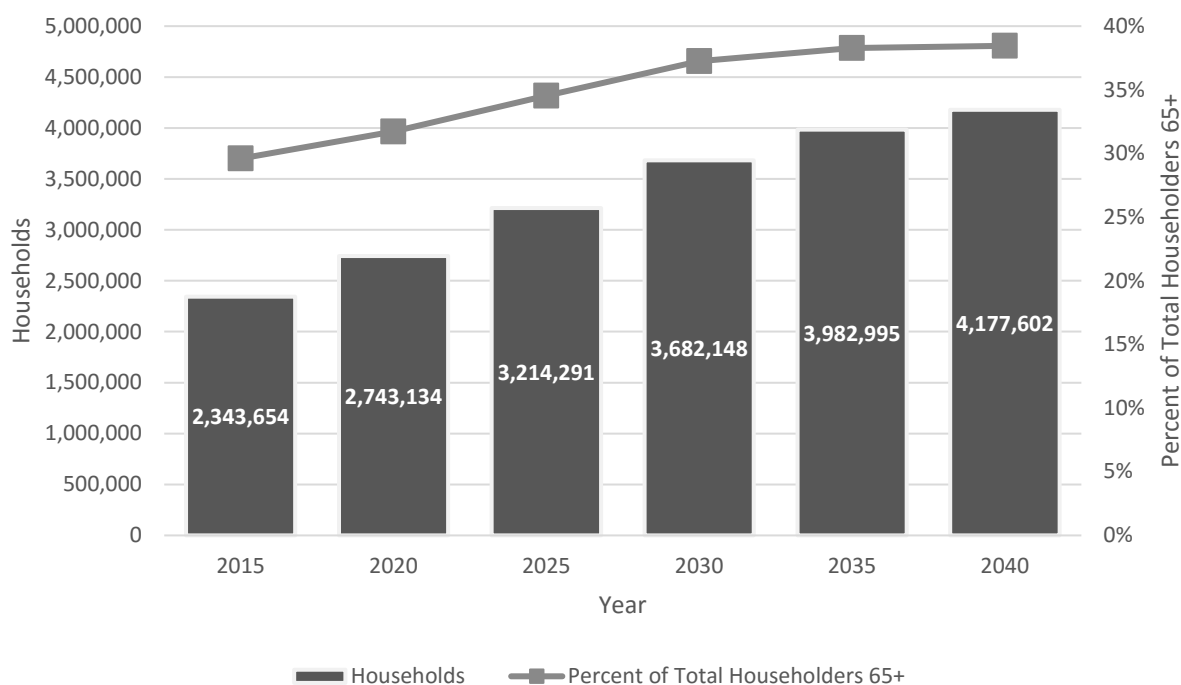
- The *Rental Market Study* estimated 119,324 households with special needs potentially in need of affordable rental housing. These included:
 - An estimated 107,856 cost burdened renter households receiving disability-related benefits statewide. This includes households with at least one person age 18-64, with a

disability and receiving Social Security; age 18 or older, with a disability and receiving SSI; or age 18 or older, with a VA service-related disability rating of at least 10%.

- An estimated 8,295 households being served by domestic violence emergency shelters in a single year.
- An estimated 3,173 young adults aging out of foster care participating in state services.

OLDER ADULTS

5. Projected Households with Head of Household 65 Years and Older in Florida, 2015 – 2040



Source: Shimberg Center for Housing Studies, Affordable Housing Needs Assessment (AHNA)

- 2.3 million households with a head of household over the age of 65 live in Florida. This represents 30% of the state’s households, compared to a 25% rate nationwide. These households may include more than one person over age 65, such as the head of household and spouse.
- The total number of households with a head of household 65 years and older in Florida is projected to increase to nearly 4.2 million in 2040, and account for 38% of the households in the state.
- During that same period, the number of individuals age 65 and older in Florida will increase from 3.3 million to 6.7 million in 2040. Most of this increase will come from growth in the population age 75 and older. Currently, there are approximately 1.7 million individuals age 75 and older; this is projected to grow to 3.8 million in 2040.

Affordable Rental Housing Needs of Older Adults

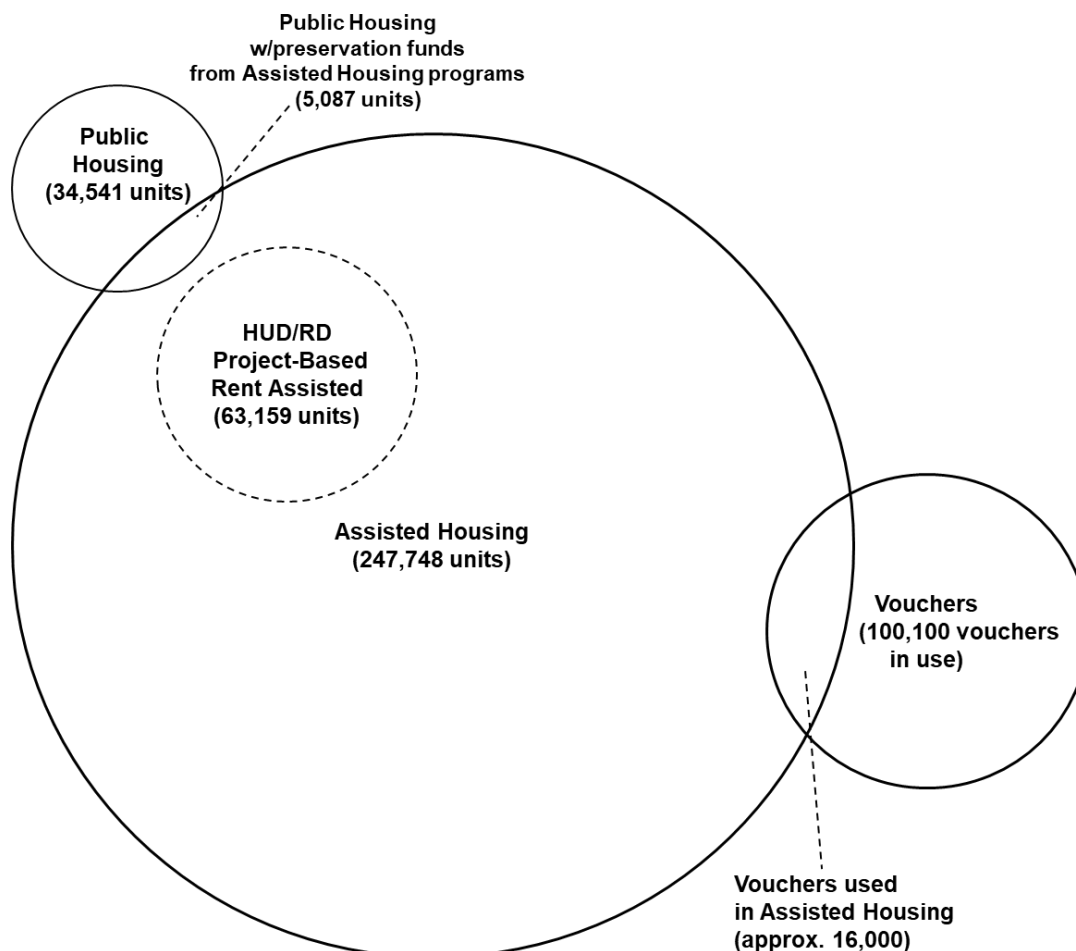
- 234,231 cost burdened renter households (at or below 60% AMI) are headed by persons age 55 and older. This represents 31% of cost burdened renters.
- These numbers include 37,759 households age 75-84 and 26,561 households age 85 and older.

SUBSIDIZED RENTAL HOUSING

There are three types of publicly subsidized rental housing units in Florida:

- *Assisted housing* consists of privately owned, publicly assisted developments. The for-profit and non-profit owners of assisted housing accept restrictions on tenant incomes and rents in exchange for government subsidies such as low-cost loans, grants, and rent subsidies. Major assisted housing funding sources include the Low Income Housing Tax Credit (LIHTC), State Apartment Incentive Loan (SAIL), HUD and USDA mortgages and rental assistance, and private activity bond financing from the state and local housing finance authorities.
- *Public housing* both publicly funded and publicly owned. Local public housing authorities own and manage public housing, with funding from the federal Department of Housing and Urban Development (HUD).
- *Housing Choice Vouchers* are monthly rent subsidies that are provided to individual tenants so that they can afford housing available on the private market. Vouchers are funded by HUD and administered by public housing authorities.

6. Types of Subsidized Rental Units

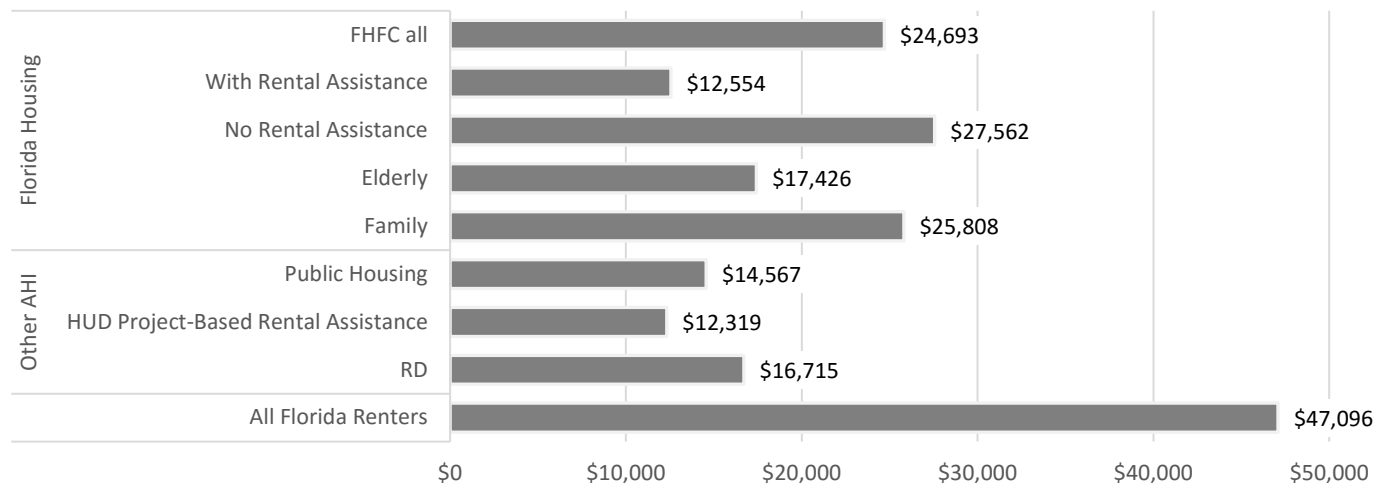


Assisted Housing as Share of Rental Stock

- The Shimberg Center for Housing Studies' Assisted Housing Inventory reports 277,202 units of assisted and public housing in Florida.
- There are just over 100,000 Housing Choice Vouchers in use in the state. Approximately 16,000 are used by households in properties receiving capital subsidies from the Florida Housing Finance Corporation (Florida Housing). An additional 84,000 households living in market rate rental units use the vouchers to pay a portion of their gross rent.
- The total number of subsidized units, including the 84,000 vouchers used in market rate housing, is approximately 361,000. According to the American Community Survey, there are 2,699,425 occupied rental units in the state. Therefore, approximately 13% of all rental units in the state receive some form of assistance.
- Public housing – units owned and operated by public housing authorities – comprise about 34,500 units, just 1.3% of the state's total rental stock. Of these, 15% (5,087 units) have also received funding for renovations from Florida Housing resources such as the Low Income Housing Tax Credit.

Tenant Characteristics in Public and Assisted Housing

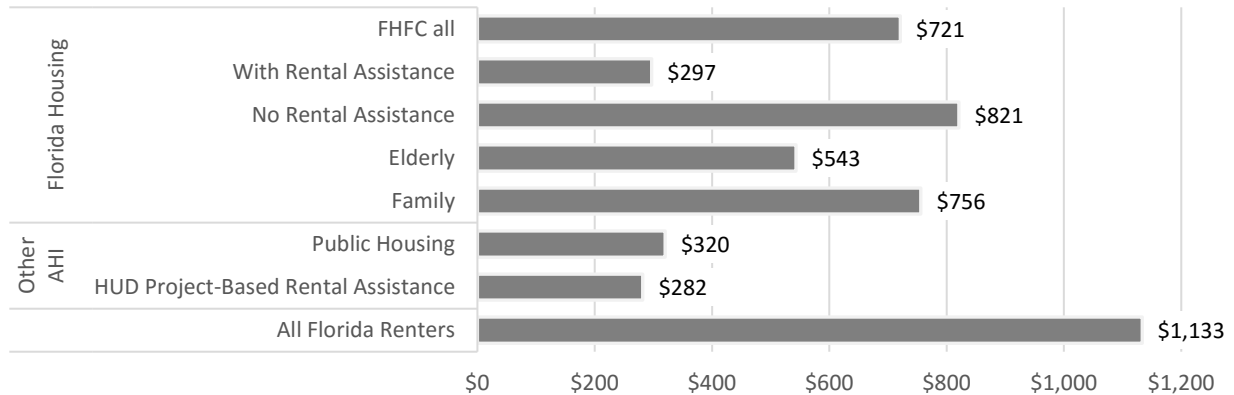
7. Average Annual Household Income, 2016



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS). "All Florida Renters" numbers refer to 2015.

- Public and assisted housing serves renters with incomes well below the state average. The average income for all renters was \$47,096, nearly double the average of \$24,693 in Florida Housing properties.
- Incomes were particularly low in the categories where most or all units include federal rental assistance: HUD, USDA RD, public housing, and the subset of Florida Housing units with rental assistance. These categories had average incomes in the \$12,000-17,000 range. Incomes were also lower in Florida Housing's elderly developments.

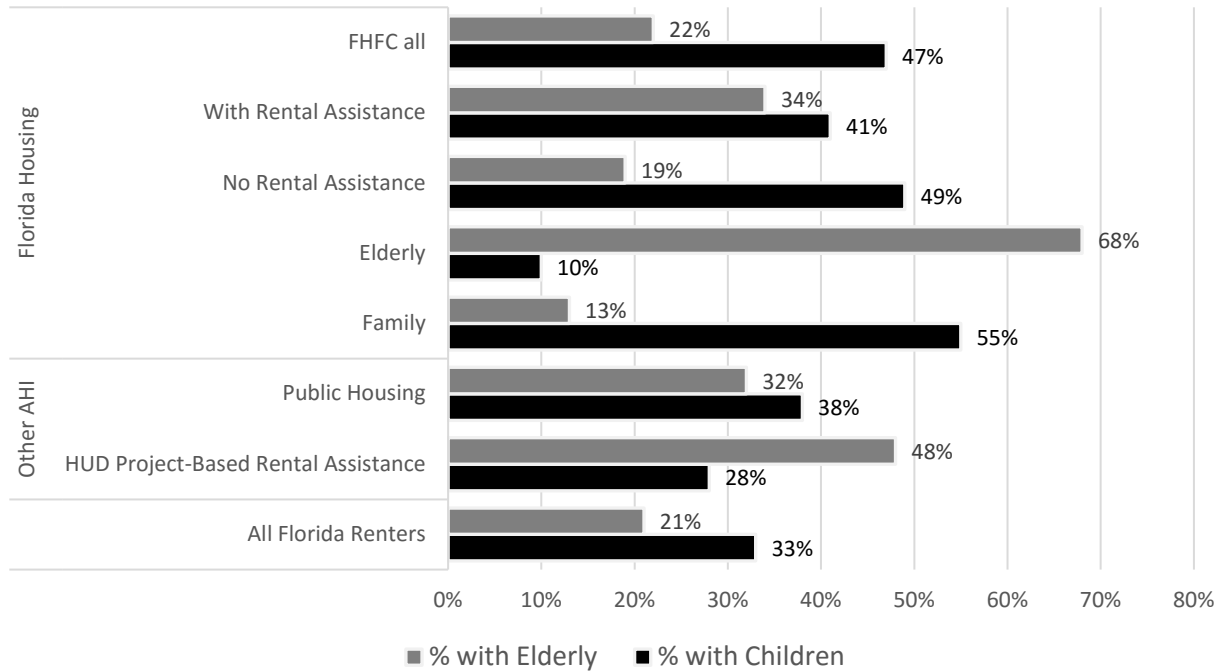
8. Average Tenant-Paid Gross Rent (Rent + Utilities), 2016



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS). "All Florida Renters" numbers refer to 2015.

- Tenants' housing costs in the public and assisted housing inventory were also well below statewide averages. The average tenant-paid gross rent for all Florida Housing units was \$721 per month, compared to \$1,133 for all units.
- Public housing and other units with rental assistance had by far the lowest average tenant-paid rents, under \$400 per month.

9. Households with Elderly Members (Age 62 and older) and Children (Under Age 18), 2016



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS). "All Florida Renters" numbers refer to 2015.

- Households with children and with older residents (62+) were more prevalent in public and assisted housing than in the overall rental inventory.
- Children under age 18 were present in nearly half of Florida Housing units, compared to a third of the overall rental stock.
- Older adults were present in nearly half of units with HUD project-based rental assistance and one-third of public housing units, compared to just 21 percent of all rental units.

10. Preservation Risks to the Assisted Housing Stock

| | | LIHTC 30-Year (through 2030) | RD Maturing Mortgages (through 2026) | HUD Expiring Rental Assistance (through 2026) |
|-------------------------------------|--|---|--|---|
| Property and Unit Counts | At-Risk Properties | 93 | 145 | 157 |
| | At-Risk Units | 15,891 | 7,217 | 12,132 |
| | HUD/RD Rental Assistance Units | 320 | 4,543 | 12,132 |
| | % of All Units in Program at Risk | 10% | 38% | 24% |
| Target Population | Family | 96% | 66% | 54% |
| | Elderly | 4% | 2% | 43% |
| | Other | - | 32% (Farmworker/ Family) | 3% (Persons with Disabilities, Family/ Farmworker) |
| | Average Tenant Income | \$25,242 | \$19,075 | \$10,189 |
| Location | Large County | 66% | 23% | 70% |
| | Medium County | 34% | 57% | 24% |
| | Small County | 0.1% | 20% | 5% |
| | Counties with the Most Affected Units | Orange, Miami- Dade, Hillsborough, Osceola, Duval | Palm Beach, Polk, Pasco, Lake, Collier | Duval, Miami-Dade, Hillsborough, Orange |

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

- Thousands of assisted housing units are at risk of loss to the affordable housing inventory due to expiring restrictions:
 - Income and rent restrictions for nearly 10 percent of Florida’s Low-Income Housing Tax Credit (LIHTC) inventory will expire by the end of 2030. 93 developments with 15,891 assisted housing units are at risk. This includes 21 percent of LIHTC units in Orange County (4,249 units) and 25 percent of units in Osceola County (1,289 units).
 - An estimated 7,217 affordable units in 145 developments may be at risk due to maturing USDA Rural Development (RD) mortgages through 2026—38 percent of all RD-funded units in the state.
 - 157 developments with 12,132 affordable units are at risk due to expiring HUD rental assistance contracts through 2026.
- Aging assisted units may also be at risk of physical deterioration. Statewide, 493 developments with 39,798 units are at least 30 years old and 867 developments with 95,300 units are 15-29 years old.