Affordable Housing and Economic Analysis

City of Fort Lauderdale, Florida

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Prepared by

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A. Background

The *City of Fort Lauderdale Affordable Housing and Economic Analysis* was prepared by the Florida International University Metropolitan Center to assist the City with creating an affordable housing policy. The scope of study centered on understanding how housing choice and opportunity, the local economy and transportation costs all play a role in determining housing affordability in Fort Lauderdale. An understanding of the shifting demands for housing is critical for the creation of effective housing policies and strategies. The following study provides the City with a current market perspective on the key demand and supply factors impacting the production and availability of affordable housing. The increasing demand for worker housing, in particular, has magnified the importance of providing a wide spectrum of owner and renter choice and opportunity with respect to affordability, location and access to jobs.

The analysis provides an assessment of current housing market supply and demand conditions and trend analysis. The methodology provides several layers of population, economic and housing analysis based on population trends, employment and housing supply and demand. The study first provides a City-wide analysis with Broward County comparisons followed by a two-phase neighborhood analysis. The neighborhood analysis was performed for all established "neighborhood associations" in the City. Given the small area and boundary irregularities of many of the neighborhood associations, it was agreed that for planning purposes the analysis would be most accurately and effectively performed by delineating "Neighborhood Area Analysis Districts" that would capture like sub-markets within the City. The Phase I analysis focused on neighborhood associations in proximity to and including the Downtown. The Phase II analysis included the balance of the City's neighborhood associations.

B. City-wide Analysis – Key Findings

Population Trends

- The City's population has increased by 10.8 percent (16,478 residents) since 2000 and by 0.8 percent (1,327 residents) since 2010. The population growth rate of the City has been slightly higher than Broward County during this period;

- Significantly, the number of households in the City has decreased by 7.3 percent (5,685) since 2009. The City's recent household loss is attributed to an 11.8 percent decrease in family households (4,482 family households);

- Since 2009 there has been a 2.8 percent (1,617 persons) decrease in the City's prime age (20-44) worker population. The City's fastest growing (51.5 percent) age grouping is between 50-69 years of age;

- An estimated 43 percent of the City of Fort Lauderdale's population 25 years of age and over have some college or an associate's degree with 33 percent having a Bachelor's, graduate or professional degree comparing favorably with Broward County.

Economic Analysis

- ➢ The City of Fort Lauderdale's current median household income is $49,119 which is 29.6 percent higher than 2000 ($37,887). However, the City's median household income is 4.3 percent lower than Broward County's ($51,251);

- ➢ Both the City's percentages of families and people whose income in the past 12 months was below the poverty level are significantly higher than in 2000;

- ➢ According to 2009-2013 ACS estimates, 65.2 percent (141,986 workers) of the City of Fort Lauderdale's population age 16 and over are in the labor force up from 61.3 percent (126,162 workers) in 2000;

- ➢ The City's employed population 16 years and older is primarily employed in management, business, science and art occupations (36.6 percent), sales and office occupations (25.4 percent) and service occupations (21.4 percent);

- ➢ An estimated 57,052 (72.1 percent) of the City's workers commute to work by car, truck or van and drove alone with a mean travel time to work is 24.3 minutes one way. Only 3,629 workers (4.6 percent) use public transportation.

Housing Analysis

- ➢ The City's housing inventory increased by 12,109 units (15 percent) since 2000. Growth in the City's total housing inventory was attributed to a 23.8 percent (6,605 units) increase in 1-unit, detached unit (single-family) structures and a 20.7 percent (4,991 units) increase of units in structures with 20 or more units;

- ➢ The City's occupied units are comprised of 38,944 (54.3 percent) owner units and 32,805 (45.7 percent) renter units;

- ➢ There are currently 21,140 vacant units in the City with an overall vacancy rate of 22.8 percent. The City's current vacancy rate represents a 71.4 percent (8,800 units) increase since 2000;

- ➢ The City's increasing number of housing vacancies is largely due to "for seasonal, recreational, or occasional use" vacancies. Seasonal, recreation or occasional use vacancies have increased by 4,014 units (55 percent) from 2000-2013;

- ➢ According to 2009-2013 5-Year ACS estimates, the median value of an owner-occupied housing unit in the City of Fort Lauderdale is $245,700. Based on these estimates, the current value of owner-occupied units in the City represents a 63.6 percent increase since 2000;

- ➢ According to a recent Zillow's Fort Lauderdale Market Overview, the median sale price of a single-family home in the City is $331,050. The median sale price of a 3-bedroom single-family home was $372,000 and $674,000 for a 4-bedroom;

- ➢ There are an estimated 62.2 percent of owner-occupied housing units with a mortgage (23,885 owners). Significantly, 51.7 percent of current owner households with a mortgage pay in excess of 30 percent of their income on housing costs up from 37.6 percent in 2000;

- There are 32,805 occupied housing units in the City of Fort Lauderdale paying rent (45.7 percent of all occupied units). The median monthly gross rent of all renter-occupied units in the City is $1,057 which represents a 63.3 percent increase since 2000;

- An estimated 55.0 percent (18,051 households) of the City's renter households are paying in excess of 30 percent of their incomes on housing costs. This represents a 39.7 percent (5,131 renters) increase in cost-burdened renter households in the City since 2000;

- Significantly, 30 percent (9,960 households) of the City's renters are "severely" cost-burdened paying is excess of 50 percent of their incomes on housing costs;

- An affordability analysis for owner units in the City shows significant gaps within all household income categories including the "middle" household income category (101-120 percent of median);

- An affordability analysis of renter units in the City indicates growing and substantial affordability gaps for "extremely low" ($689) and "very low" ($443) income households earning below 50 percent of the City's median household income. An affordability gap ($75) also exists for "low" income renter households earning between 51-80 percent of the median household income;

- Significantly, the City's Housing & Transportation Affordability Index (H&T Index) of 66 percent is far above the 45 percent benchmark.

C. Neighborhood Analysis – Key Findings

<u>Population Trends</u>

- The City's population is largely concentrated in eight (8) Neighborhood Area Analysis Districts:

  - Coral Ridge North - Imperial Point (24,621 residents)
  - South Middle River (20,059 residents)
  - Poinciana Park – Croissant - River Oaks - Rio Vista (16,822 residents)
  - Melrose - Riverland (15,636 residents)
  - Dorsey-Riverbend, Progresso - Flagler Villages (15,455 residents)
  - Sunset - Lauderdale Isles - Flamingo Park (13,877 residents)
  - Poinsetta Heights - Victoria Park - Colee Hammock (13,712 residents)
  - Downtown - Tarpon River (13,268 residents)

- The above Neighborhood Area Analysis Districts comprise 80 percent (133,459 residents) of the City's population;

- Each of the above Neighborhood Area Analysis Districts vary in age of population and educational attainment, however, the majority have much higher percentages of residents age 55 and younger than the City, as a whole;

- The highest percentages of resident populations age 55 and younger reside in the Dorsey-Riverbend - Progresso - Flagler Villages (83.2 percent), South Middle River (78.8 percent) and the Melrose - Riverland (77.7 percent) Neighborhood Area Analysis Districts;

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- The Neighborhood Area Analysis Districts with higher percentages of resident populations age 55 and over than the City as a whole include Harbor Beach (49.9 percent); Las Olas - Seven Isles (49.4 percent); Coral Ridge North - Imperial Point (48.2 percent); Poinsetta Heights - Victoria Park - Colee Hammock (40.0 percent) and Coral Ridge South - South Lauderdale Beach (38.5 percent).

Economic Analysis

- The civilian population age 16 and over in the aforementioned eight (8) Neighborhood Area Analysis Districts comprise 55 percent of the City's labor force (78,171 workers);

- The largest number of workers are found in Coral Ridge North - Imperial Point (13,048); Poinciana Park - Croissant - River Oaks - Rio Vista (11,324 workers); South Middle River (10,642 workers;

- The highest concentrations of workers are found in Palm Aire (75.3 percent); Twinlakes (74.4 percent); and Poinsetta Heights - Victoria Park - Colee Hammock (72.8 percent);

- The highest percentages of workers in management, business, science, and arts occupations are found in Las Olas Isles - Seven Isles (60.6 percent); Downtown - Tarpon River (48.4 percent); Coral Ridge South - South Lauderdale Beach (47.7 percent) Coral Ridge North - Imperial Point (47.2 percent); and Poinsetta Heights - Victoria Park - Colee Hammock (45.4 percent);

- The highest percentages of workers in service occupations are found in South Middle River (35.7 percent); Melrose - Riverland (35.5 percent) and Dorsey-Riverbend, Progresso - Flagler Villages (29.1 percent);

- The highest percentages of workers in sales and office occupations are found Coral Ridge South - South Lauderdale Beach (29.7 percent); Twinlakes (28.1 percent); and Coral Ridge North - Imperial Point (28.0 percent);

Housing Analysis

- The largest concentrations of housing inventory are found in Coral Ridge North - Imperial Point (19,990 units); Poinsetta Heights - Victoria Park - Colee Hammock (9,653 units); Poinciana Park - Croissant - River Oaks - Rio Vista (9,351 units);

- Owner occupancy rates are highest in Twinlakes (87.3 percent); Las Olas Isles - Seven Isles (79.7 percent); Harbor Beach (71.1 percent) and Sunset - Lauderdale Isles - Flamingo Park (70.7 percent);

- Renter occupancy rates are highest in Dorsey-Riverbend, Progresso - Flagler Villages (69.6 percent); South Middle Rover (60.0 percent) and Poinsetta Heights - Victoria Park - Colee Hammock (55 percent);

- The highest overall vacancy rates are found in Harbor Beach (44 percent); Coral Ridge North - Imperial Point (31 percent) and Las Olas Isles - Seven Isles (29 percent);

- The lowest overall vacancy rates are found in Sunset - Lauderdale Isles - Flamingo Park

  (7 percent) and Melrose - Riverland (8 percent);

- Neighborhood Area Analysis Districts with the highest percentages of owner cost-burdened households include Las Olas Isles - Seven Isles (66.0 percent); Downtown - Tarpon River (59.4 percent); Dorsey-Riverbend, Progresso - Flagler Villages (58.9 percent);

- Renter cost-burdened households are widespread throughout the Neighborhood Area Analysis Districts with the highest percentages found in Palm Aire (73.9 percent); Twinlakes (73.9 percent); South Middle River (65.9 percent) and Melrose - Riverland (65.2 percent);

- Most of the City's neighborhoods have excessive Housing and Transportation (H&T) Affordability Indices ranging from 60 to 70 percent.

D. Housing Policy Implications

Access to affordable housing continues to be a pressing public policy issue in South Florida. The complexity of the "post-bubble" housing market places significant responsibilities on local governments and agencies. Affordable and accessible housing for working families and households is vital to the local economy and contributes greatly to community attachment and well-being. The study's findings show that housing affordably is a major issue in many of Fort Lauderdale's working neighborhoods for existing and potential owners and renters alike. This is due to a number of contributing factors including loss of equity, prolonged job loss, persistently high average rents and rising transportation costs. Therefore, City officials will need to broaden the definition of affordability to encompass both transportation and housing costs. Public investments should be targeted to lower combined housing and transportation costs by creating more location efficient communities including transit-oriented development, mixed-use and the creation of more compact and walkable communities. In essence, transportation costs are more susceptible to reduction than housing costs. The general definition of a location-efficient area is one that is well-served by transit, and is conducive to biking, walking and other modes of transportation. Building mixed-income, mixed-use housing near transit is a key tool to meaningfully address the City of Fort Lauderdale's housing demands by tackling housing and transportation costs together while expanding access to jobs, educational opportunities, and prosperity for all City residents.