

2013 Rental Market Study: Public and Assisted Housing

July 19, 2013

Prepared for Florida Housing Finance Corporation
227 N. Bronough St., Suite 5000
Tallahassee, Florida 32301-1329

Prepared by
Shimberg Center for Housing Studies
University of Florida
P. O. Box 115703
Gainesville, Florida 32611-5703

Contents

1. Introduction	1
Key Findings	1
2. Public Housing.....	3
Location of Public Housing.....	3
Figure 1. Public Housing Units by County	4
Table 1. Public Housing Units and Developments by County and Housing Authority	5
Housing Conditions: Age, Building Type, and REAC Scores	8
Figure 2. Public Housing Developments by Age.....	9
Figure 3. Public Housing Units by Age.....	9
Figure 4. Public Housing Units by Building Type	10
Figure 5. Share of Units in Age Categories by Building Type	10
Table 2. REAC Scores by Age of Development	11
Conclusion.....	11
3. Tenant Characteristics in Assisted and Public Housing.....	12
Household Income and Rent.....	13
Figure 6. Annual Household Income (\$), Summary	14
Figure 7. Annual Household Income (\$), Florida Housing and All Florida Renters, Detail	14
Figure 8. Annual Household Income (% AMI)	15
Figure 9. Average Tenant-Paid Rent	16
Household Composition.....	16
Figure 10. Elderly Households as a Percentage of All Tenant Households	17
Figure 11. Households with Children as a Percentage of All Tenant Households	18
Figure 12. Average Household Size.....	19
Figure 13. Units by Number of Bedrooms	20
Conclusion.....	20
4. Preservation Risk in the Assisted Housing Supply	21
Table 3. Developments by Preservation Risk Factors, Assisted Housing Inventory.....	23
Table 4. Units by Preservation Risk Factors, Assisted Housing Inventory.....	23
County Location	23
Table 5. Developments and Units by Preservation Risk Factor and County	24
Funding Sources and Programs.....	27

Figure 14. Developments by Preservation Risk Factor and Funder	27
Figure 15. Units by Preservation Risk Factor and Funder	28
Figure 16. Aging Developments by Presence of Project-Based Rental Assistance	29
Figure 17. Aging Units by Project-Based Rental Assistance Status	29
Figure 18. Units with Expiring Low-Income Housing Tax Credit Restrictions, 2021-2030	30
Tenant Characteristics	30
Figure 19. Developments by Target Population	31
Figure 20. Units by Target Population	31
Figure 21. Units by Household Income as a Percentage of Area Median Income	32
Conclusion.....	32
Appendix. Methodology Notes.....	34
Development Age, Public Housing.....	34
Development Age, Assisted Housing	34
Expiring Subsidies, Assisted Housing	35

1. Introduction

The following report was prepared for Florida Housing Finance Corporation by the Shimberg Center for Housing Studies at the University of Florida. The report provides information about two types of affordable rental housing in Florida. The first, *public housing*, refers to federally subsidized housing that is owned by local public housing authorities. The second, *assisted housing*, refers to privately owned, affordable rental housing that is subsidized by the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture's Rural Development (RD) program, Florida Housing Finance Corporation, and local housing finance authorities.

The report is divided into three sections. The first section provides information about the location and physical attributes of Florida's public housing supply. The second section describes tenant household characteristics for the public housing and assisted housing inventories, including information about tenant incomes, rents, and household demographics. The third section provides an overview of preservation risks to the assisted housing inventory from aging developments and expiring subsidies.

Key Findings

Public Housing

- Florida has 34,213 public housing units located in 226 developments.
- Nearly one-third of Florida's public housing units (10,635 units) are located in Miami-Dade County. Another one-third of units (11,069) are located in the other large counties of the state, particularly Duval and Hillsborough Counties.
- While the bulk of the units are concentrated in just a few counties, 48 of Florida's 67 counties have at least one public housing development.
- 77 percent of the public housing units are at least 30 years old.
- 95 percent of public housing units are in multifamily buildings, roughly evenly divided between duplexes, townhouses, walkup buildings, and elevator structures. Five percent of units are single family homes.
- 93 percent of public housing developments received passing REAC (Real Estate Assessment Center) inspection scores in 2009-2010, with 79 percent of developments receiving scores of 75 or above.

Tenant Characteristics in Assisted and Public Housing

- Average household incomes in public housing, RD- and HUD-assisted units, and Florida Housing units with Section 8 vouchers or project-based assistance range from \$10,000 to slightly over \$16,000. In comparison, average income for non-Section 8 Florida Housing units is \$25,288 and the average for all Florida renters, including those in both subsidized and market-rate units, is \$30,209.
- Most public housing, HUD, and Florida Housing units with Section 8 assistance are occupied by extremely low-income households (incomes at or below 30 percent of area median income).
- Tenant-paid rents for public housing, HUD-assisted units, and Florida Housing units with Section 8 assistance average under \$300 per month. Average rent for Florida Housing units without Section 8 assistance is \$802, compared to an average rent for all Florida renters of \$1,030 per month.

- More than half (56 percent) of HUD-subsidized units house elderly tenants. The RD and public housing units also house larger than average concentrations of elderly tenants.
- Half of Florida Housing units house families with children.

Preservation Risk in the Assisted Housing Supply

- 1,230 developments with 109,965 assisted units are 15 years old or older—45 percent of the assisted housing units in the state. Of these, 432 developments with 41,443 units are at least 30 years old.
- 145 developments with 14,059 assisted units have HUD project-based Section 8 contracts that are set to expire between 2012 and 2020. Most of these developments are currently operating on five-year or single year contracts.
- 35 properties with 4,604 assisted units have non-renewable subsidized mortgages or land use restriction agreements (LURAs) that expire between 2012 and 2020.
- Miami-Dade and Duval Counties have the largest concentrations of properties at higher risk.
- Most of the 30 year and older developments were funded by HUD or RD. Many of the units in the 15-29 year old category were funded by Florida Housing, but there is also a mix of units funded by HUD, RD, and local housing finance authorities.
- 70 percent of 30 year and older units have project-based rental assistance from HUD or RD. Most serve extremely low-income households.

2. Public Housing

Public housing is a form of federally subsidized rental housing that provides affordable units for low-income families, elderly households and persons with disabilities. Statewide in Florida, there are 34,213 public housing units located in 226 developments.

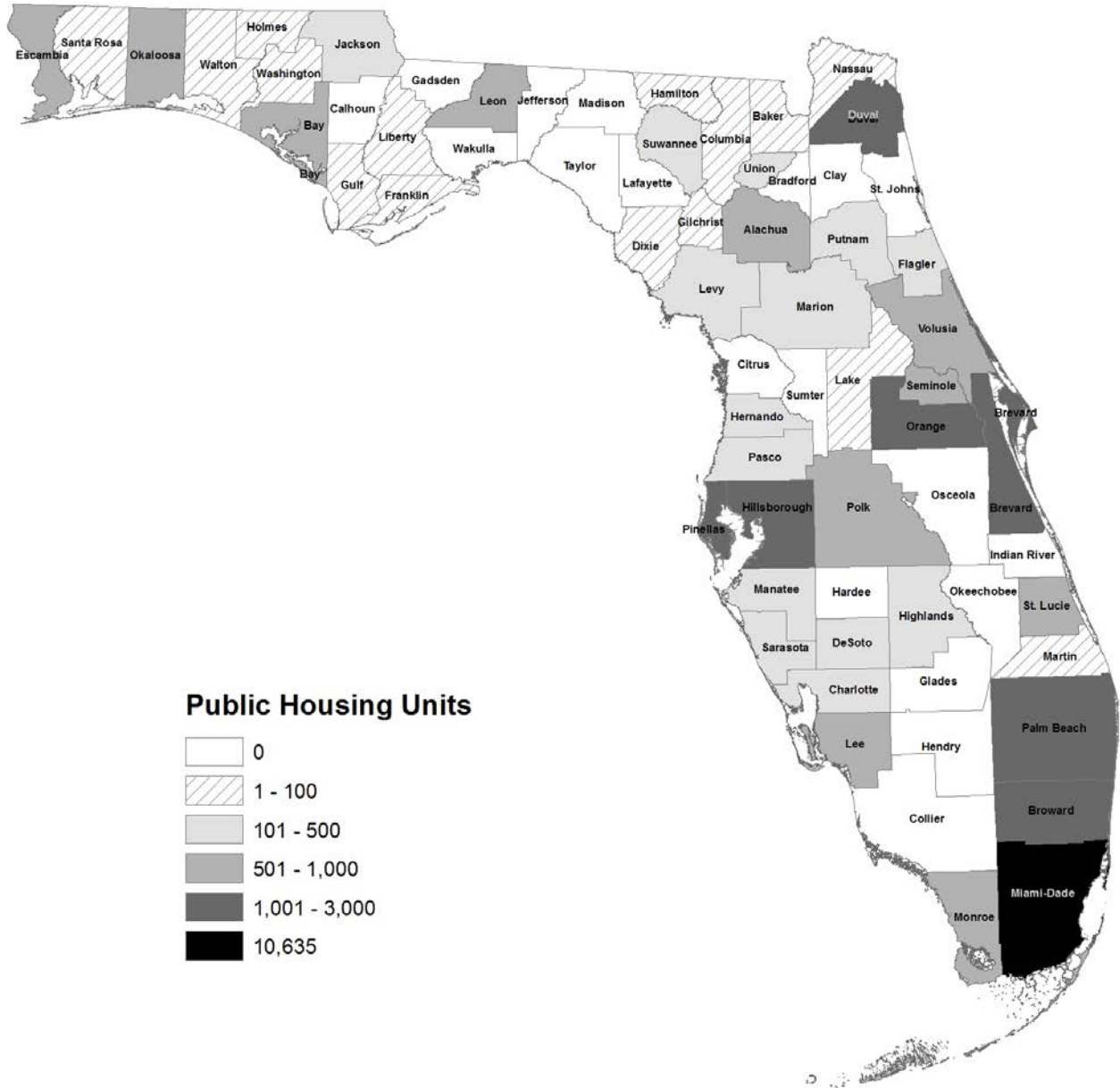
The public housing program is the oldest operating rental housing subsidy program in the U.S. It was established by the Housing Act of 1937 to provide “decent and safe dwellings for low-income families.” Public housing units are owned and managed by local public housing authorities (PHAs). HUD provides the PHAs with annual grants to subsidize capital and operating costs in public housing developments. The PHAs also administer Housing Choice Vouchers, which provide portable subsidies for low-income households to enable them to rent housing units from private landlords. In both programs, tenants usually pay 30 percent of their income for rent, with federal funding available to subsidize the difference in the actual cost to operate and maintain units and the amount tenants can afford to pay. There are 103 PHAs in Florida that are actively managing housing programs. Of these, 58 manage both public housing units and vouchers, 21 manage public housing only, and 24 manage vouchers only.

This section of the Rental Market Study describes Florida’s public housing stock in terms of location, age, and physical structure. All data come from an inventory of current public housing developments, buildings and units provided by HUD’s Office of Policy Development and Research. A “development” refers to a building or complex of buildings managed and operated by the public housing authority as a single property. A “unit” refers to a single apartment or other dwelling unit within the larger development.

Location of Public Housing

Florida’s public housing is heavily concentrated in the older urban areas of the state. Of the 34,213 total units, nearly one-third are located in Miami-Dade County (10,635, or 31 percent). Another one-third of the units (11,069, or 32 percent) are located in the other large counties of the state, particularly Duval and Hillsborough Counties. Most of the rest of the units (9,825, or 29 percent) are located in medium-sized counties, with the largest inventories in Brevard, Volusia and Alachua Counties. The remaining eight percent are located in small counties.

Figure 1. Public Housing Units by County



Source: U.S. Department of Housing and Urban Development

While the bulk of the units are concentrated in just a few counties, 48 of Florida’s 67 counties have at least one public housing development. Many counties have more than one public housing authority. Table 1 below provides counts of Florida’s public housing developments and units by county location and housing authority. All housing authorities in the state are included. However, some of the authorities do not own any public housing developments and provide only vouchers; these contain zeroes in the “Developments” and “Units” columns.

Table 1. Public Housing Units and Developments by County and Housing Authority

County	Housing Authority	Developments	Units
<i>Large Counties:</i>			
Broward	Housing Authority of the City of Fort Lauderdale	6	417
	Broward County Housing Authority	4	374
	Housing Authority of the City of Deerfield Beach	1	196
	Housing Authority Hollywood	1	120
	Dania Beach Housing Authority	1	39
	Pompano Beach Housing Authority	0	0
Broward Total		13	1,146
Duval	Jacksonville Housing Authority	19	2,794
Hillsborough	Tampa Housing Authority	14	2,505
	Plant City Housing Authority	1	200
Hillsborough Total		15	2,705
Miami-Dade	Miami Dade Public Housing And Community Dev	33	9,318
	Hialeah Housing Authority	8	1,117
	Housing Authority of the City of Miami Beach	1	200
	Carrfour Supportive Housing*	0	0
	Homestead Housing Authority	0	0
	City of Miami	0	0
Miami-Dade Total		42	10,635
Orange	Orlando Housing Authority	11	1,496
	Housing Authority of the City of Winter Park	1	171
	Orange County Housing Authority	0	0
Orange Total		12	1,667
Palm Beach	Palm Beach County Housing Authority	2	492
	Pahokee Housing Authority	3	474
	West Palm Beach Housing Authority	3	437
	Housing Authority Boca Raton	1	95
	Delray Beach Housing Authority	1	3
	Housing Partnership Inc.*	0	0
	Riviera Beach Housing Authority	0	0
Palm Beach Total		10	1,501
Pinellas	Pinellas County Housing Authority	3	483
	Housing Authority of the City of St. Petersburg	2	333
	Tarpon Springs Housing Authority	2	223
	Clearwater Housing Authority	2	202
	Dunedin Housing Authority	1	15
	Boley Centers*	0	0
Pinellas Total		10	1,256
Large Total		121	21,704
<i>Medium Counties:</i>			
Alachua	Gainesville Housing Authority	3	628
	Alachua County Housing Authority	1	275
Alachua Total		4	903
Bay	Panama City Housing Authority	4	603
	Housing Authority of Springfield	1	40
Bay Total		5	643

Brevard	Housing Authority of Brevard County	2	592
	Housing Authority of the City of Cocoa	1	325
	Housing Authority of the City of Titusville	2	254
	Melbourne Housing Authority	1	149
Brevard Total		6	1,320
Charlotte	Punta Gorda Housing Authority	2	115
Citrus	Citrus County Housing Authority	0	0
Clay	Green Cove Springs Housing Authority	0	0
Collier	Collier County Housing Authority	0	0
Escambia	Area Housing Commission	4	603
	City of Pensacola	0	0
Escambia Total		4	603
Hernando	Brooksville Housing Authority	1	124
	Hernando County Housing Authority	0	0
Hernando Total		1	124
Indian River	Indian River County Board of Commissioners	0	0
Lake	Housing Authority of the City of Eustis	1	60
	Lake County Housing Authority	0	0
Lake Total		1	60
Lee	Housing Authority of the City of Fort Myers	4	569
	Housing Authority Lee County	2	142
Lee Total		6	711
Leon	Tallahassee Housing Authority	3	533
Manatee	Housing Authority of the City of Bradenton	4	247
	Manatee County Housing Authority	1	77
Manatee Total		5	324
Marion	Ocala Housing Authority	1	186
Martin	Housing Authority of the City of Stuart	1	70
Okaloosa	Crestview Housing Authority	1	273
	Fort Walton Beach Housing Authority	1	173
	Niceville Housing Authority	1	111
Okaloosa Total		3	557
Osceola	Osceola County Housing Authority	0	0
Pasco	Pasco County Housing Authority	2	108
Polk	Housing Authority of the City of Lakeland	4	317
	Winter Haven Housing Authority	2	179
	Lake Wales Housing Authority	1	140
	Housing Authority of Bartow	1	82
	Housing Authority of the City of Mulberry	1	26
	Polk County Housing Authority	0	0
	Haines City Housing Authority	0	0
Polk Total		9	744
Santa Rosa	Milton Housing Authority	1	88
Sarasota	Sarasota Housing Authority	5	466
	Sarasota County Housing Authority	0	0
	Venice Housing Authority	0	0
Sarasota Total		5	466

Seminole	The Housing Authority of the City of Sanford	4	476
	Seminole County Housing Authority	1	30
Seminole Total		5	506
St. Johns	-	0	0
St. Lucie	Housing Authority of the City of Fort Pierce	3	820
Sumter	Sumter County Housing Authority	0	0
Volusia	Housing Authority of City of Daytona Beach	4	687
	Housing Authority of New Smyrna Beach	1	126
	Deland Housing Authority	1	90
	Ormond Beach Housing Authority	1	41
	Volusia County Housing Authority	0	0
Volusia Total		7	944
Medium Total		74	9,825
<i>Small Counties:</i>			
Baker	Macclenny Housing Authority	1	79
	Baker County Housing Authority	0	0
Baker Total		1	79
Bradford	-	0	0
Calhoun	-	0	0
Columbia	Columbia County Housing Authority	1	80
DeSoto	Arcadia Housing Authority	2	130
Dixie	Northwest Florida Regional Housing Authority	1	26
Flagler	Housing Authority of the County of Flagler	1	131
Franklin	Housing Authority of the City of Apalachicola	1	54
Gadsden	-	0	0
Gilchrist	Gilchrist County Housing Authority	1	10
Glades	-	0	0
Gulf	Northwest Florida Regional Housing Authority	1	50
Hamilton	Northwest Florida Regional Housing Authority	1	86
Hardee	-	0	0
Hendry	Hendry County Housing Authority	0	0
Highlands	Housing Authority of Avon Park	1	129
Holmes	Northwest Florida Regional Housing Authority	1	56
	Holmes County Housing Authority	0	0
Holmes Total		1	56
Jackson	Northwest Florida Regional Housing Authority	2	108
	Housing Authority of the City of Marianna	1	79
Jackson Total		3	187
Jefferson	Jefferson County Housing Authority	0	0
Levy	Levy County Housing Authority	1	124
Liberty	Northwest Florida Regional Housing Authority	1	44
Madison	-	0	0
Monroe	Housing Authority of the City of Key West	2	588
	Monroe County Housing Authority	1	50
Monroe Total		3	638
Nassau	Housing Authority of City of Fernandina Beach	1	57
Okechobee	-	0	0

Putnam	Palatka Housing Authority	5	419
Suwannee	Suwannee County Housing Authority	1	20
	Housing Authority of the City of Live Oak	1	104
Suwannee Total		2	124
Taylor	-	0	0
Union	Union County Housing Authority	1	122
Wakulla	Wakulla County Housing Authority	0	0
Walton	Defuniak Springs Housing Authority	1	50
	Walton County Housing Authority	0	0
Walton Total		1	50
Washington	Chipley Housing Authority	1	88
	Washington County Housing Authority	0	0
Washington Total		1	88
Small Total		31	2684
Statewide Total		226	34,213

Note: Carrfour Supportive Housing, Housing Partnership, Inc. and Boley Centers are non-profit organizations that are designated as public housing authorities because they distribute vouchers.

Source: U.S. Department of Housing and Urban Development

Housing Conditions: Age, Building Type, and REAC Scores

Age of the Public Housing Stock

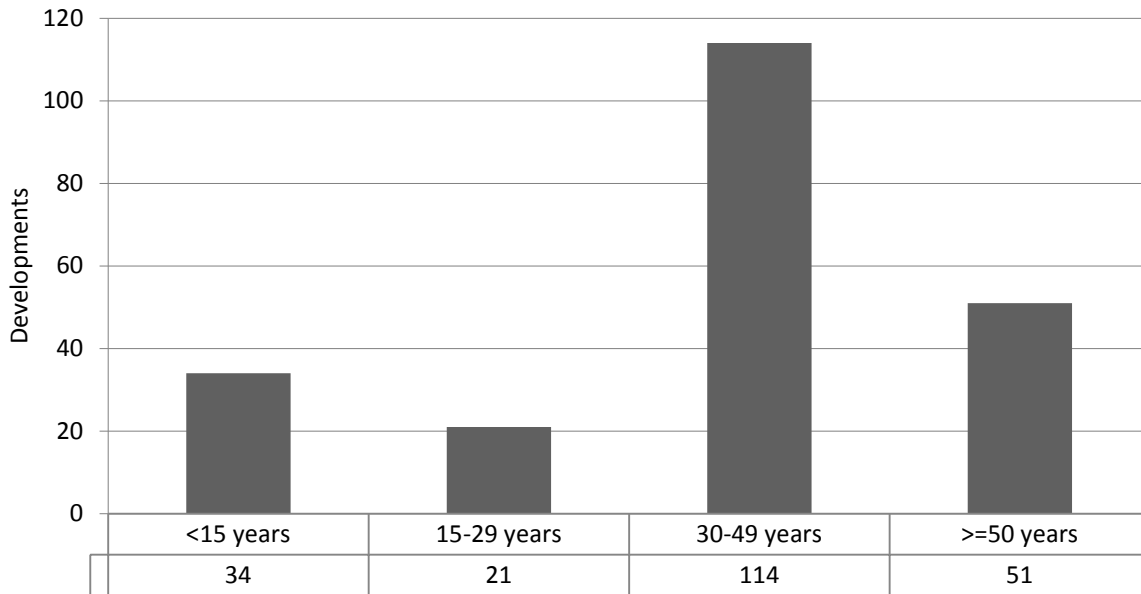
Florida's oldest public housing development was built in 1937 in Miami. Construction accelerated in the following decades, with the most units built in the 1970s (11,171, one-third of the state total). Public housing development slowed in the 1980s as the federal government phased out the expansion of the public housing stock. Since 1990, approximately 3,000 units have come on line through public housing redevelopment initiatives such as HUD's HOPE VI program. However, more units have been lost through demolitions carried out under the HOPE VI program and other disposition of older housing. As a result, the number of public housing units dropped from 45,749 in 1996 to the current 34,213.¹

The wave of public housing construction largely predated Florida's population boom of the last three decades, so the public housing stock is older on average than the rest of Florida's rental housing (Figures 2-3). Seventy-seven percent of public housing units are at least 30 years old, compared to 44 percent of all rental units in the state and just 17 percent of assisted rental housing units.²

¹ Shimberg Center for Housing Studies, "Affordable Housing Florida—1997," *Technical Note Series*, No. 91-1, December 1996.

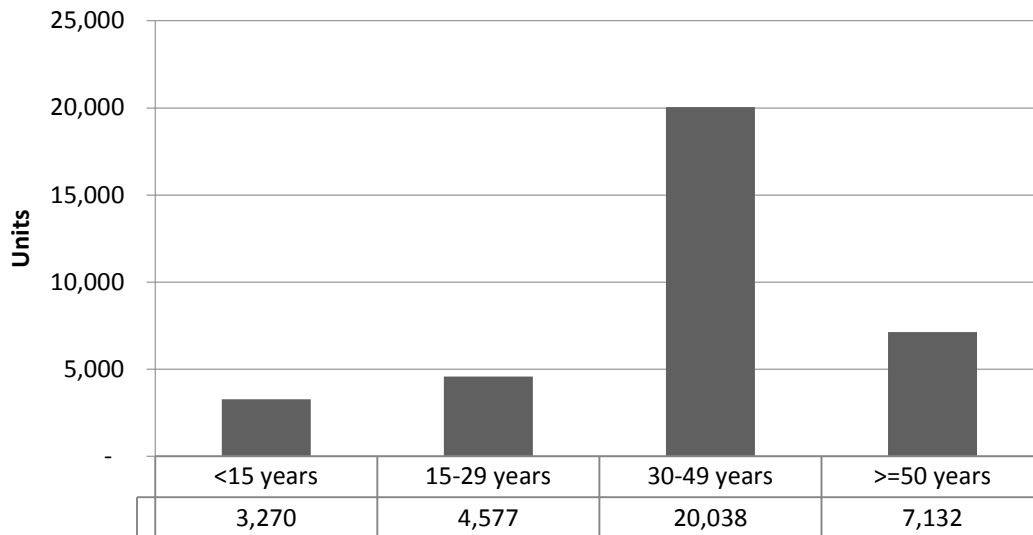
² Public housing developments are made up of one or more buildings, which may be built and occupied in different years. This report counts the age of a development from the earliest date of occupancy for any building in the development; other buildings in the development may have been occupied in later years. Developments that have undergone complete redevelopment, such as those that were completely rebuilt under the HOPE VI program, would be shown in their new age category.

Figure 2. Public Housing Developments by Age



Source: U.S. Department of Housing and Urban Development

Figure 3. Public Housing Units by Age

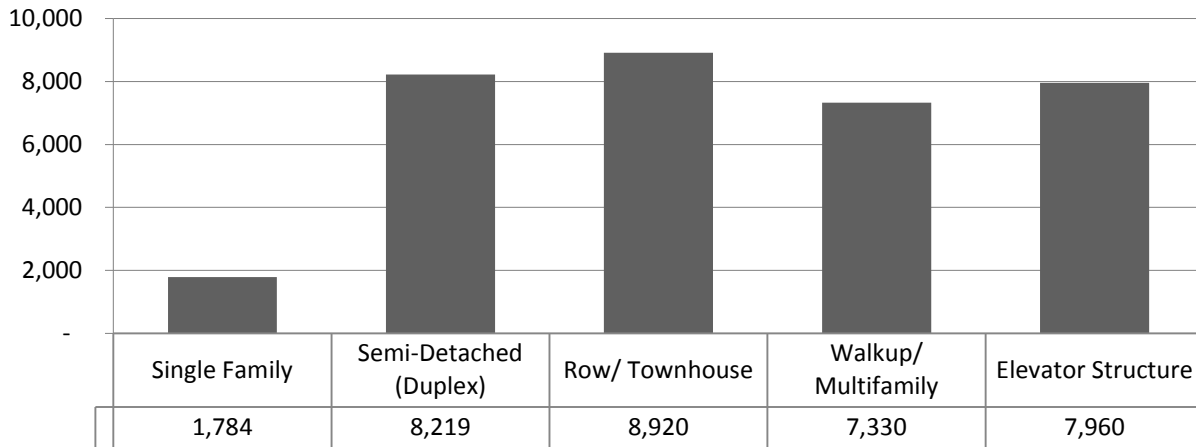


Source: U.S. Department of Housing and Urban Development

Building Type

Florida’s public housing stock is a mix of multifamily housing types, including duplexes, townhouses, walkup buildings, and elevator structures. As Figure 4 shows, just five percent of public housing units are single family homes.

Figure 4. Public Housing Units by Building Type

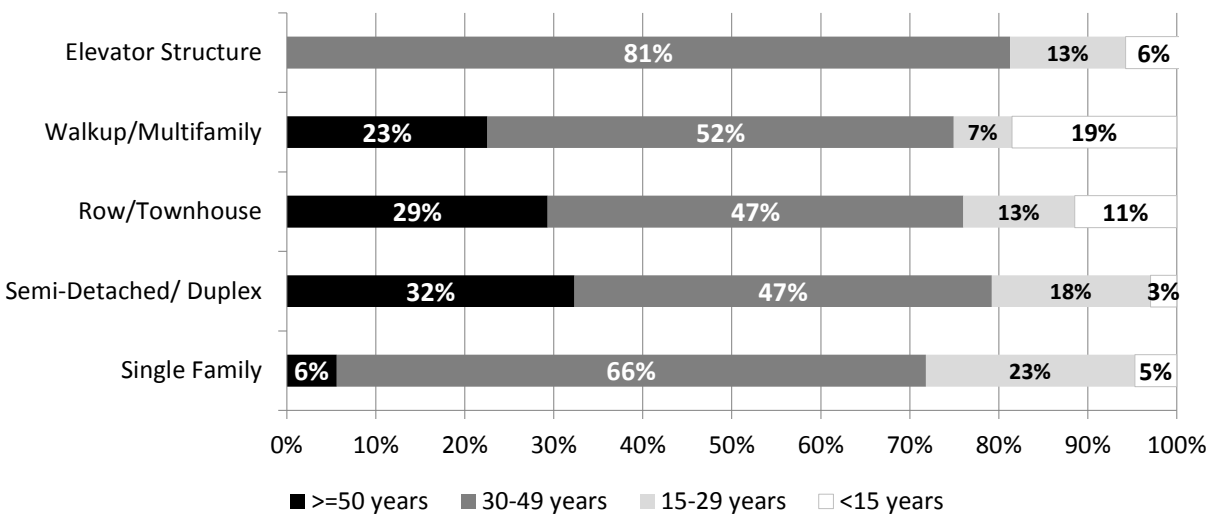


Source: U.S. Department of Housing and Urban Development

Most public housing developments are made up of several buildings of different types. The most common building type combinations in a single development are single family + townhouse + duplexes (29 developments), walkup + elevator structures (27 developments), single family + duplexes (24 developments), and walkup alone (22 developments).

The age of units varies somewhat by building type. For each type, the share of units is greatest in the 30-49 year old category. Few single family homes and no elevator structures are more than 50 years old, while one-quarter to one-third of units in the other housing types fall into this age category. The newest units tend to be townhouses and walkup units. This reflects an emphasis on these building types in HOPE VI redevelopment projects taking place since the mid-1990s.

Figure 5. Share of Units in Age Categories by Building Type



Source: U.S. Department of Housing and Urban Development

REAC Scores

Public housing developments undergo inspections by HUD’s Real Estate Assessment Center (REAC). The inspections result in a score of 1-100 for each development. A score of 60 or greater is considered passing. Of the 226 public housing developments, REAC scores from 2009-2010 are available for 179 developments.

As Table 2 shows, 79 percent of developments received scores of 75 or above. Only seven percent of developments received failing scores. Developments in the 50 year and older age range were only slightly more likely to receive failing scores than other developments. However, the 50 year and older developments were less likely than others to receive scores in the 90-99 range, while developments that were less than 15 years old were more likely to receive these high scores.

Table 2. REAC Scores by Age of Development

Age Category	REAC Score							
	34-59		60-74		75-89		90-99	
	Number	% of Age Category	Number	% of Age Category	Number	% of Age Category	Number	% of Age Category
<15 years	0	0%	0	0%	8	38%	62%	13
15-29 years	1	5%	5	25%	6	30%	40%	8
30-49 years	7	8%	16	17%	32	35%	40%	37
>=50 years	4	9%	5	11%	23	50%	30%	14
All developments	12	7%	26	15%	69	39%	40%	72

Source: U.S. Department of Housing and Urban Development

Conclusion

While much of Florida’s public housing stock consists of older developments in urban centers, this analysis also shows its diversity. Nearly half of the units are located in Miami-Dade, Duval, and Hillsborough Counties, but the remaining units are scattered among urban, suburban and rural areas. Contrary to the stereotype of large public housing high-rises, more than half of the units are townhouses or duplexes, and a small number are single-family homes. As the following section shows, this diverse housing stock provides deeply affordable units to some of Florida’s lowest income tenants.

3. Tenant Characteristics in Assisted and Public Housing

This section of the Rental Market Study describes tenant households in Florida's public and assisted rental housing developments. Assisted housing refers to privately owned, affordable rental properties receiving subsidies from the U.S. Department of Housing and Urban Development (HUD), USDA Rural Development (RD), Florida Housing, and local housing finance authorities (LHFAs). Unlike the public housing stock, most assisted housing developments are owned by private for-profit or non-profit corporations. Assisted units are subject to rent limits and tenant income eligibility requirements.

The Shimberg Center tracks the assisted housing stock through the Assisted Housing Inventory (AHI, available online at http://flhousingdata.shimberg.ufl.edu/AHI_introduction.html). Currently, Florida's assisted housing supply consists of 2,268 developments with 246,712 assisted units.

The discussion below compares household characteristics for tenants across several types of developments. Public housing units are placed in a single category. The source for the public housing data is HUD's *2012 Picture of Subsidized Households* report.³ Data cover the 18-month period preceding June 2012.

The assisted housing inventory is divided into several categories based on funder:

- *Assisted Housing Inventory (AHI)*: This category includes all assisted developments for which household characteristics data are available. Because household information is not available from local housing finance authorities, LHFA-funded developments are included only if they also receive funding from another state or federal source.
- *HUD*: This category includes developments receiving project-based Section 8 rental assistance or below market-rate insured mortgages from HUD. It does not include the Florida Housing-funded developments whose sole HUD funding is a guarantee from HUD's Risk Sharing program, but all of these units are included in the Florida Housing category below. Data source is HUD's *2012 Picture of Subsidized Households*.
- *RD*: This category includes developments receiving project-based rental assistance or subsidized mortgages from USDA Rural Development. Data come from an annual dataset provided to the Shimberg Center from the USDA state office.
- *Florida Housing*: This category includes developments receiving funding from Florida Housing Finance Corporation. The data source is the 1st quarter 2013 feed from Florida Housing's Tenant Data Reporting System, based on compliance data submitted by assisted housing owners and management companies. The overall category is further subdivided into two categories for units with and without Section 8 assistance from HUD, either tenant-based or project-based. Approximately 20 percent of Florida Housing units for which tenant data are available are further

³ For more information about the *Picture of Subsidized Households* dataset and access to earlier versions of the data, see <http://www.huduser.org/portal/datasets/assthsg.html>.

subsidized through the Section 8 program. Of these, 61 percent are units where the tenant has a Section 8 voucher, and 39 percent are units with project-based Section 8 rental assistance.

Assisted housing developments with funding from more than one program may fall into more than one category.

The comparisons also include a statewide “all Florida renters” category based on data from the Census Bureau’s 2011 American Community Survey. This category combines renters in all types of rental housing in Florida, including market-rate, public housing, and assisted housing units; it is not possible to separate out households in market-rate units only, although most units in this category will be market-rate. Units may be in multifamily developments, single family homes, condominiums, and any other type of rental unit included in the Census.

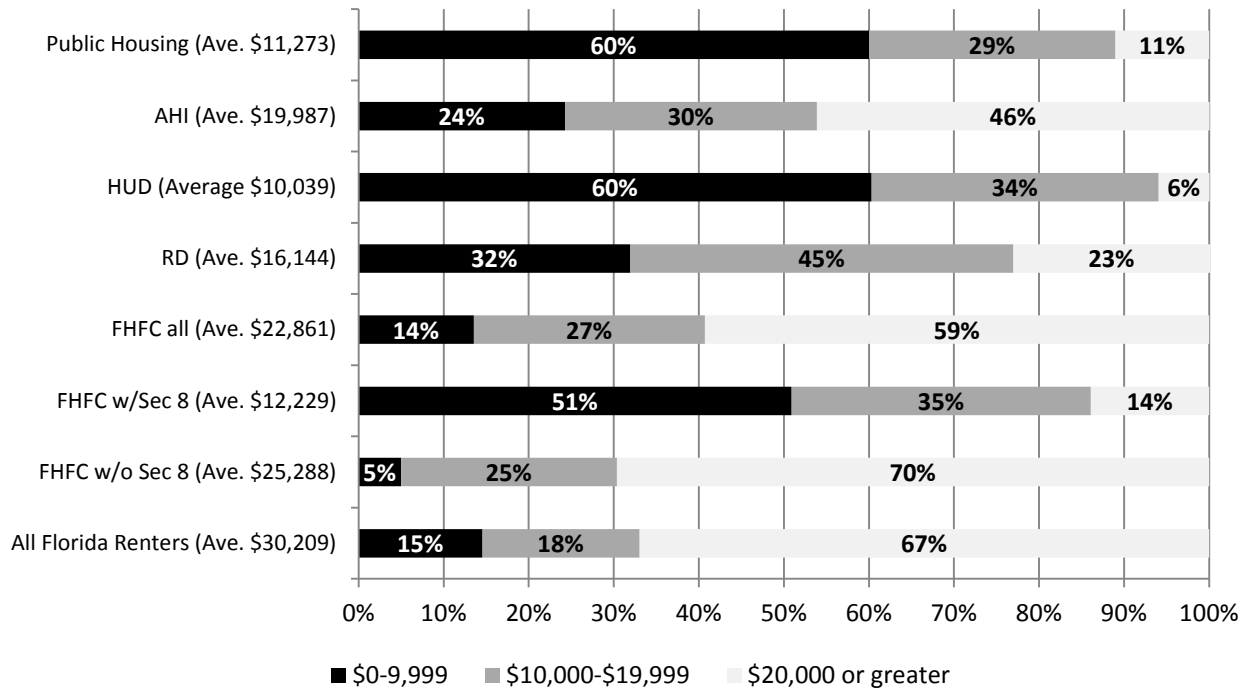
Household Income and Rent

Renters in public housing, RD- and HUD-assisted units, and Florida Housing units with Section 8 assistance have far lower incomes than the state’s renters as a whole. Average annual household income for tenants in these types of units ranges from \$10,000 to slightly over \$16,000, compared to an average for all Florida renters (including market-rate, public and assisted housing) of \$30,209 (Figure 6).

As Figure 6 below shows, more than half of renters in public housing and RD/HUD-assisted units have incomes below \$10,000 per year. Most renters in Florida Housing units and in the statewide renter count have incomes above \$20,000 per year.⁴ However, the more detailed breakdown of incomes above \$20,000 in Figure 7 shows the major difference between the Florida Housing units and the “all Florida renters” category: the income caps for the Florida Housing units restrict the presence of higher income renters. More than a quarter of the “all Florida renters” group is made up of renters with incomes above \$50,000 per year, a group almost entirely absent from the Florida Housing inventory. Instead, the Florida Housing inventory focuses on the under-\$35,000 income bracket. Most Florida Housing units without additional project- or tenant-based Section 8 assistance serve households with incomes between \$20,000 and \$35,000. Over half of Florida Housing units with Section 8 assistance serve households with incomes below \$20,000, as do nearly one-third of non-Section 8 Florida Housing units.

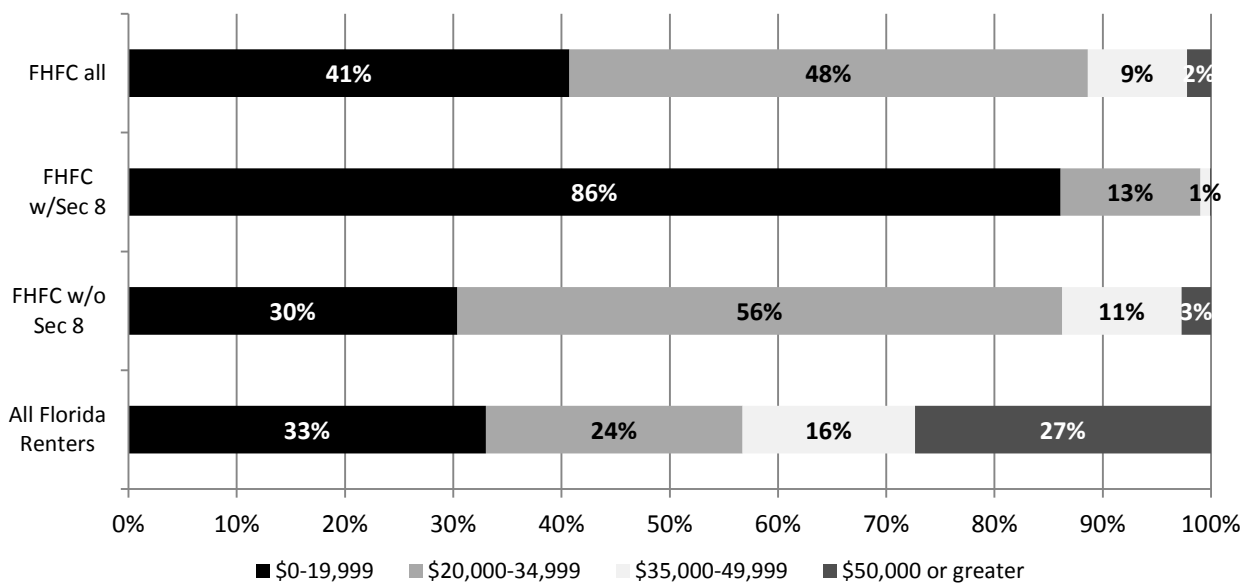
⁴ Detailed income breakdown for households with incomes above \$20,000 is not available for HUD or RD units.

Figure 6. Annual Household Income (\$), Summary



Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

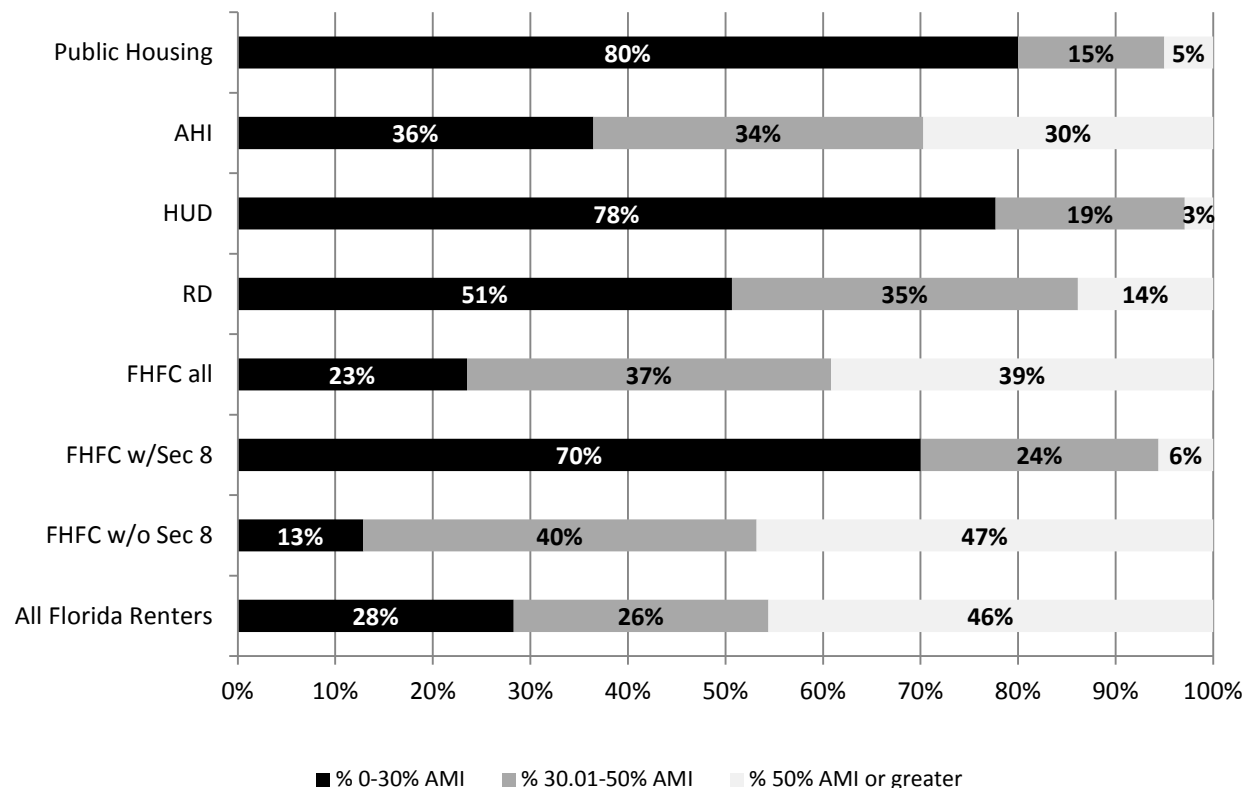
Figure 7. Annual Household Income (\$), Florida Housing and All Florida Renters, Detail



Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Most of the public housing, HUD, and Florida Housing units with Section 8 assistance are occupied by extremely low-income households—those with incomes at or below 30 percent of area median income (AMI). Half of the RD units also are occupied by extremely low-income households. The Florida Housing units without Section 8 assistance largely serve tenants with incomes above the 30 percent AMI level. Forty percent of households in the non-Section 8 Florida Housing units have incomes in the 30-50 percent AMI range and 47 percent in the 50 percent AMI and above category.

Figure 8. Annual Household Income (% AMI)

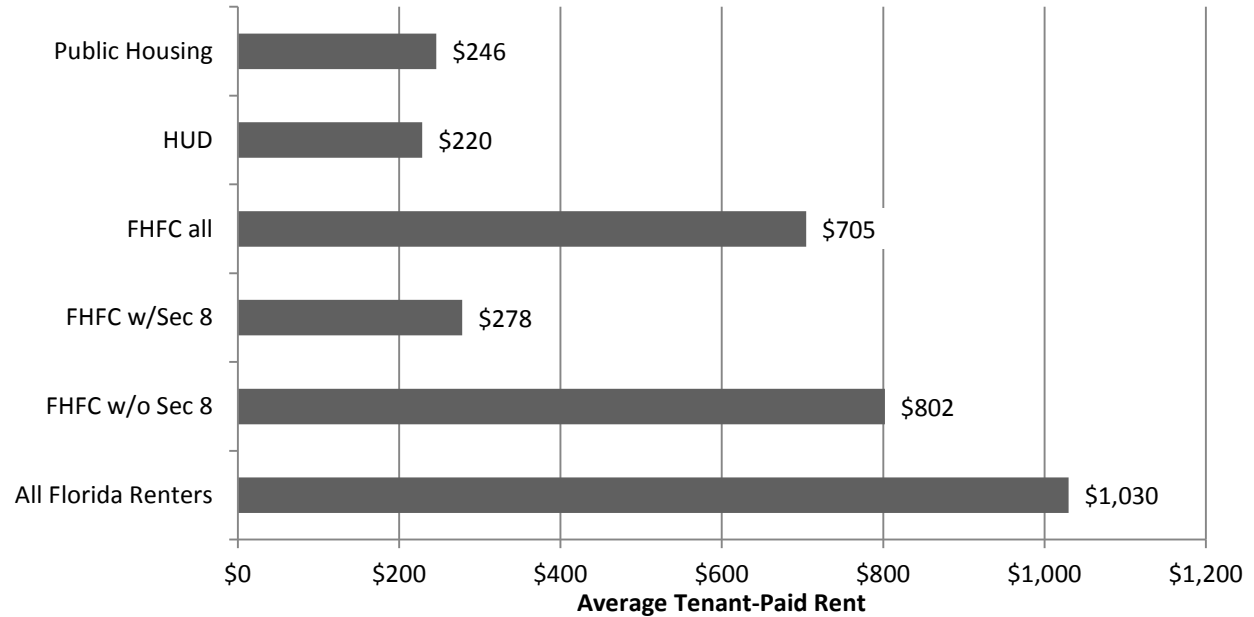


Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 9 shows the average gross rent (including utilities) paid by tenant households for each type of housing. Data are not available for RD-subsidized units. Note that the figure shows the amounts paid by the tenant households only; additional federal payments to the housing authority or owner from the public housing and Section 8 programs are not included. Tenant-paid rents vary widely depending on whether these ongoing rent subsidies are in place. For tenants in public housing, in units with project-based rental assistance (most HUD units), and in Florida Housing units with Section 8 vouchers, tenants pay 30 percent of income for rent. Tenant-paid rents for these types of units average under \$300 per month. Rents in non-Section 8 Florida Housing units are capped using program limits rather than a percentage of tenant income, which allows them to rise considerably higher. Average rent for a Florida Housing unit without Section 8 assistance is \$802. The statewide average for all rental units is still higher

at \$1,030. Given that the all Florida renters category includes public and assisted housing as well as market-rate units, this means the average rent for market-rate units alone is even higher.

Figure 9. Average Tenant-Paid Rent



Note: Data are not available for RD units or AHI as a whole.

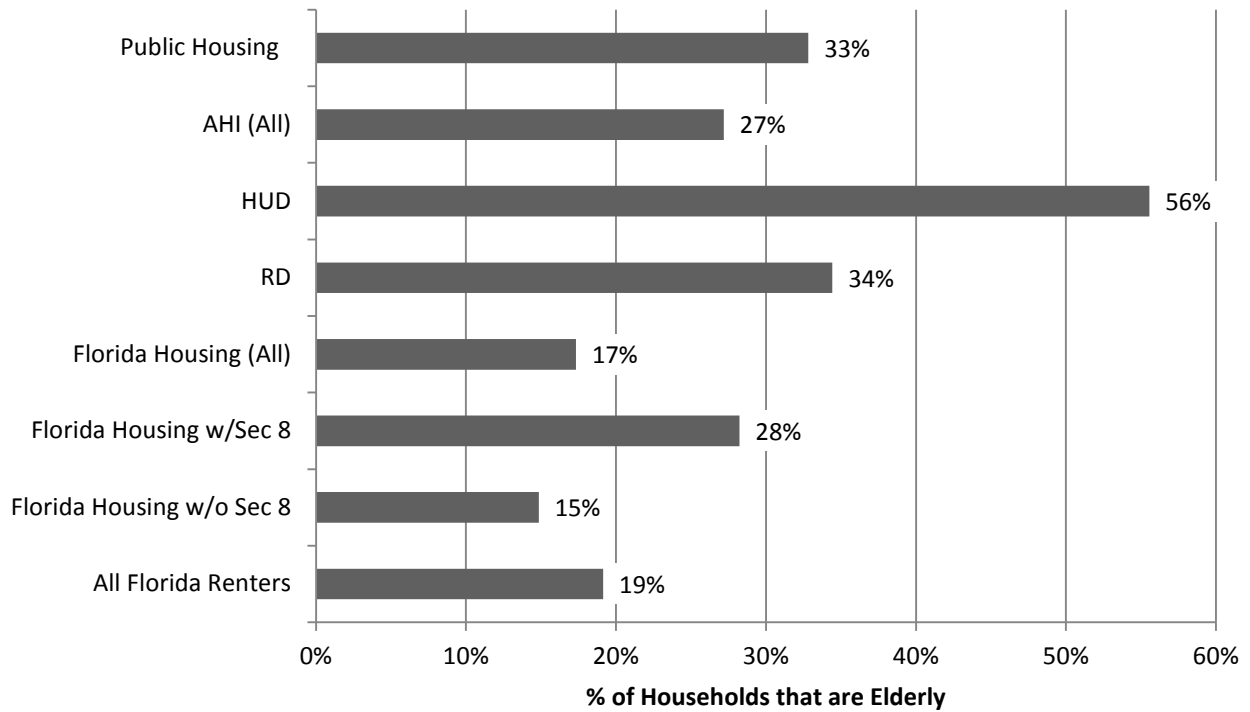
Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Household Composition

Elderly Households

As Figure 10 shows, Florida’s assisted housing stock houses a large elderly population. The largest concentration appears in the HUD-subsidized units, where more than half of households are elderly. Most of these households live in developments reserved for elderly residents. The public housing and RD stock and the Florida Housing units with Section 8 assistance contain close to one-third elderly households. However, the non-Section 8 Florida Housing units house a lower percentage of elderly households (15 percent), similar to the 19 percent of renters statewide that are elderly.

Figure 10. Elderly Households as a Percentage of All Tenant Households

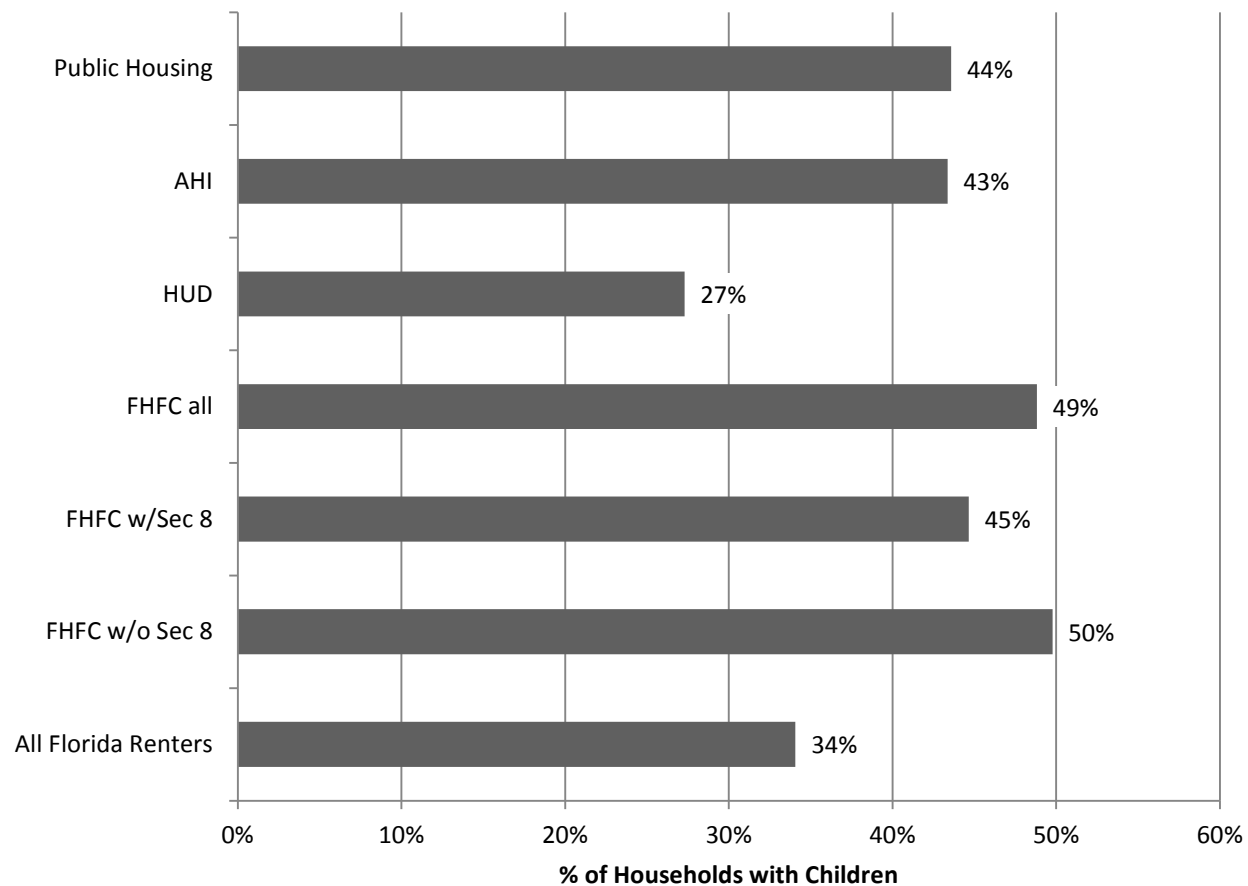


Note: Due to data limitations, definition of an elderly household differs slightly among categories. Public housing and HUD percentages refer to households where head or spouse is age 62 or older; Florida Housing and RD percentages refer to households where any member is age 62 or older; and the all Florida renter percentage refers to households where the head is age 60 or older.

Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Most types of subsidized housing contain more households with children than the statewide renter households as a whole (Figure 11). The percentage of households with children ranges from 43 to 50 percent for the public housing units and most types of assisted housing, compared to 34 percent of all renter households. The exception is the HUD subsidized housing stock which, as noted above, serves a large concentration of elderly households. Only 27 percent of HUD-assisted units house families with children.

Figure 11. Households with Children as a Percentage of All Tenant Households

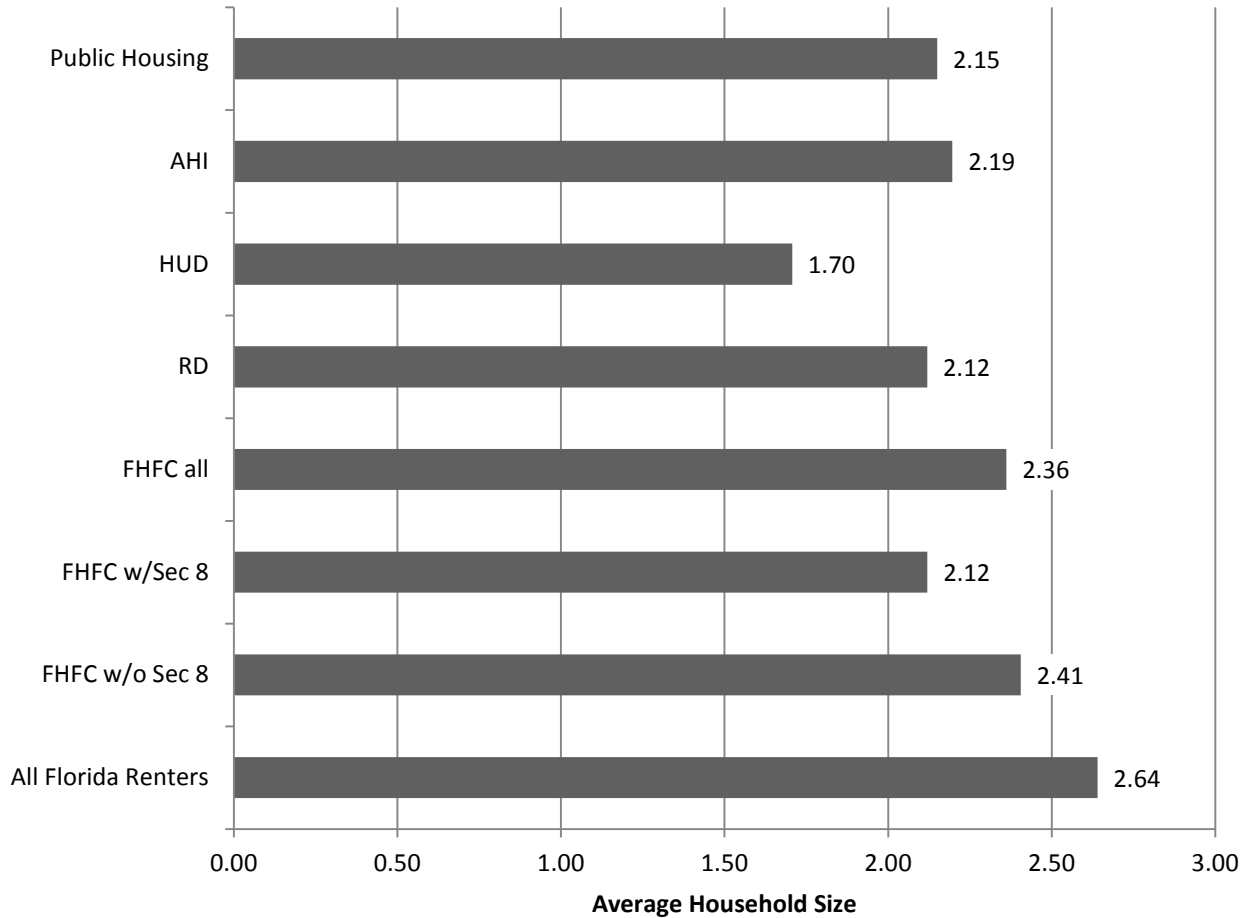


Note: Data are not available for RD units.

Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

On average, tenant households in public and assisted housing units are slightly smaller than the statewide all-renters average of 2.64 persons (Figure 12). The HUD-assisted housing has the smallest average household size, 1.71 persons. This is consistent with the large proportion of elderly households and the relatively small proportion of households with children in the HUD-assisted units. Florida Housing units without Section 8 assistance come the closest to the statewide all-renters average, with an average of 2.41 persons per household.

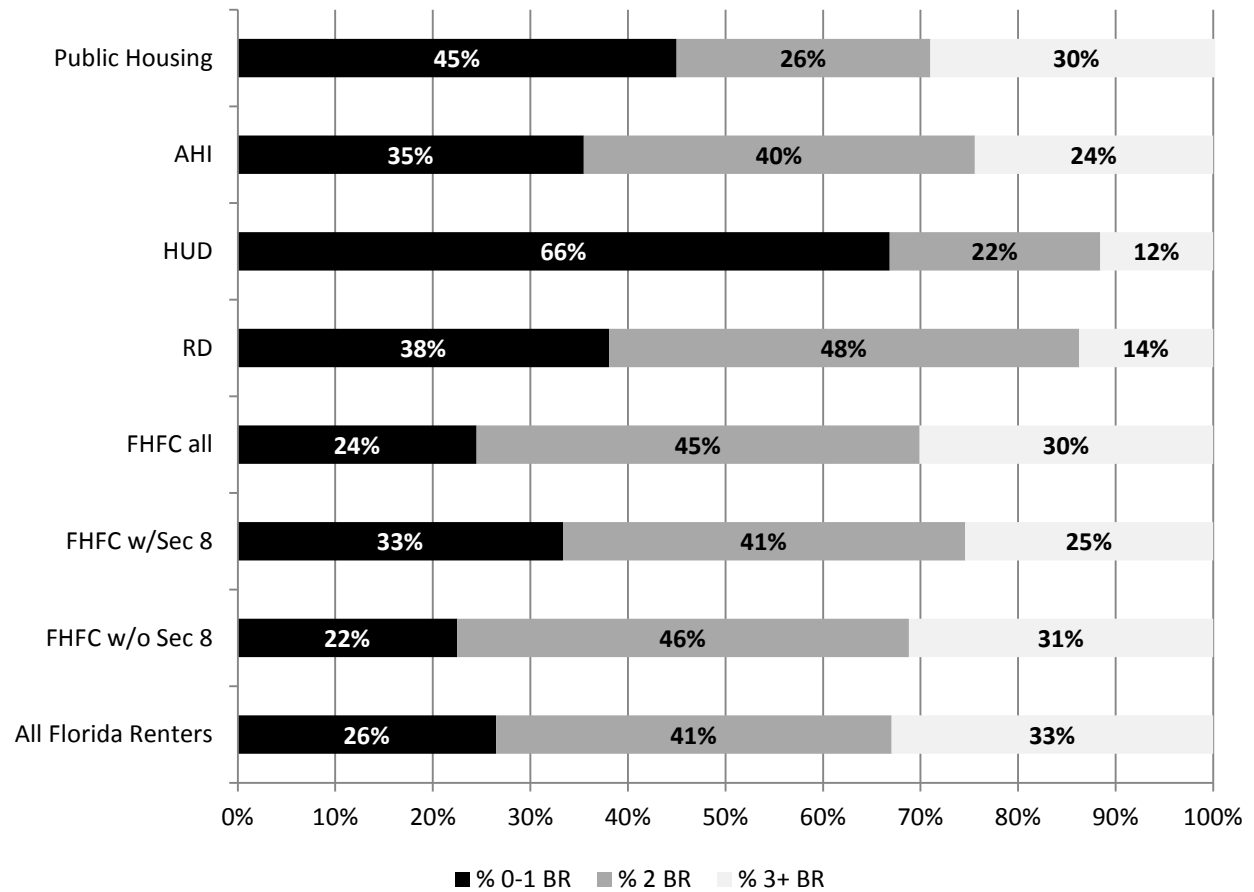
Figure 12. Average Household Size



Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Not surprisingly given smaller household sizes, public housing and RD- and HUD-assisted units tend to have fewer bedrooms than the overall rental housing stock (Figure 13). In particular, 67 percent of the HUD-assisted units, 45 percent of the public housing units, and 38 percent of RD units are studio or one-bedroom apartments, compared to just 26 percent of the overall rental units. Conversely, the HUD and RD stock has fewer large (3 or more bedroom) units—12 and 14 percent, respectively, compared to 33 percent of all occupied rental units. The Florida Housing units, however, closely mirror the unit size distribution of the state’s rental stock as a whole.

Figure 13. Units by Number of Bedrooms



Source: U.S. Department of Housing and Urban Development; Shimberg Center for Housing Studies, Assisted Housing Inventory

Conclusion

The analysis of tenant characteristics also reveals diversity within Florida’s subsidized rental housing stock. The deeply subsidized housing units, including public housing, HUD, RD, and Florida Housing/Section 8 units, provide rents far below market rates and serve a base of smaller households with extremely low-incomes, many of them elderly. The Florida Housing units without Section 8 assistance more closely mirror the state’s overall rental housing stock in terms of household and unit size, although they serve more families with children. The key difference is seen at the upper end of the income scale; few Florida Housing units serve households with incomes above \$35,000 per year, while many market-rate units house tenants earning more than \$50,000.

4. Preservation Risk in the Assisted Housing Supply

This section examines two risks to Florida’s assisted housing supply: aging properties and expiring subsidies. We define aging developments as those that are at least 15 years old. Without capital investment, these developments may be at risk of deterioration and default, particularly those that have passed the 30 year mark. Developments with expiring subsidies are those with income and rent restrictions that are due to expire from 2012 to 2020.⁵ This discussion is limited to developments in the Shimberg Center’s Assisted Housing Inventory and does not include the public housing stock; the age of public housing is discussed in Section 2, and public housing developments are not subject to subsidy expirations.

The aging assisted housing developments are divided into two categories: developments built before the end of 1982 (“30 year and older”) and developments built from 1982 to 1997 (“15-29 year old”). These categories exclude developments that have received more recent funding from Florida Housing for preservation or rehabilitation. In total, 1,230 developments with 109,965 assisted units are 15 years old or older, 45 percent of the assisted housing units in the state. Of these, 432 developments with 41,443 units are at least 30 years old.

Statewide, there are 180 developments with 18,663 assisted units that have expiring subsidies. These developments also are divided into two groups. The *expiring Section 8* group consists of 145 developments (14,059 assisted units) that have HUD project-based Section 8 contracts that are set to expire between 2012 and 2020.⁶ The owners of these developments have the option to terminate these subsidies once the expiration date is reached. Since 1997, Florida has lost 60 developments with an estimated 3,800 assisted housing units, either because the owner opted out of a Section 8 contract or because HUD abated the contract due to poor property conditions.

Most of the 145 developments currently in the expiring Section 8 group are under contracts that have been renewed at least once, usually for a five-year term (87 developments) or one-year term (26 developments). The others have been renewed for other multi-year terms ranging from two to 20 years, or, in three cases, are completing their original 30-40 year terms and do not yet have a renewal history. Of the expiring Section 8 developments, 33 with 5,557 assisted units also have a HUD mortgage that will

⁵ 2012 is chosen as the start date because it can take several months for updated information about renewed HUD Section 8 contracts to appear in HUD’s multifamily datasets. Therefore, a contract that has been renewed may appear as if it has an expiration date from the previous year.

⁶ Because some of these developments have Section 8 contracts for only some of their units, the actual number of units with Section 8 rental in these developments equals 11,961. The remaining “assisted” units have income and rent restrictions associated with other types of financing in the development, such as Low Income Housing Tax Credits.

mature during the 2012-2020 period, possibly providing a breakpoint at which the owner would decide to opt out of the subsidy program.

The *expiring mortgages/LURAs* group consists of 35 properties (4,604 assisted units) that have non-renewable subsidized mortgages or land use restriction agreements (LURAs) that expire between 2012 and 2020. These include 1960s and 1970s-era developments restricted due to mortgages from HUD's Section 236 and Section 202 programs or through a HUD Use Agreement⁷ as well as more recent developments receiving funding from local bonds, 9% housing tax credits, and state HOME dollars. While the number of developments in this category is small, the risk to them is acute. They will lose all rent and income restrictions during the 2013-2020 period unless they are refinanced with new subsidies that impose affordability restrictions.

The discussion of expiring subsidies excludes several types of AHI developments with federal assistance where exact expiration dates are unknown and the risk of subsidy expiration is very low. These include developments funded through the HUD Section 202 program after 1980, HUD's Section 811 program, and RD's Section 515 and 514/516 programs. In the case of the HUD developments, loans made 1980 to 1990 and grants made 1991 to the present carry 40 year affordability restrictions, so none will meet expiration dates before the end of 2020. In the case of the RD developments, most loans will not reach maturity until after 2025, owners' rights to prepay loans are limited, and in practice few owners apply to prepay. The exclusion of these properties from the preservation analysis is discussed in more depth in the Appendix.

There is a great deal of overlap between the aging developments and those with expiring subsidies. All but one of the developments with expiring subsidies are at least 15 years old. Most are at least 30 years old, particularly among developments with expiring Section 8 contracts. Tables 3 and 4 below show the number of developments and units that fall into each age and subsidy expiration category, including developments that do not fall into any of the risk categories.

⁷ HUD Use Agreements are sometimes imposed when a HUD-insured mortgage is terminated before its maturity date because of prepayment, foreclosure, or sale of the property. The Use Agreement binds the current and future owners to continue to impose rent restrictions for a set period of time, often until the original mortgage maturity date. The developments described here have Use Agreements expiring by the end of 2020. These developments were governed by the terms of 40-year mortgages that were initiated in the 1970s and therefore were scheduled to mature in the 2010s. When the mortgages were terminated, Use Agreements were imposed for the remainder of the mortgage term.

Table 3. Developments by Preservation Risk Factors, Assisted Housing Inventory

		Expiration Risk			
		Low High			
Age Risk		Subsidies Expire After 2020	Expiring Section 8 2012-2020	Expiring Mortgages/LURAs 2012-2020	Total
Low	<15 years	1,037	0	1	1,038
	15-29 years	771	14	13	798
High	30 year and older	280	131	21	432
	Total	2,088	145	35	2,268

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Table 4. Units by Preservation Risk Factors, Assisted Housing Inventory

		Expiration Risk			
		Low High			
Age Risk		Subsidies Expire After 2020	Expiring Section 8 2012-2020	Expiring Mortgages/LURAs 2012-2020	Total
Low	<15 years	136,691	0	56	136,747
	15-29 years	66,821	763	938	68,522
High	30 year and older	24,537	13,296	3,610	41,443
	Total	228,049	14,059	4,604	246,712

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

As Tables 3 and 4 show, 21 developments with 3,610 units face the greatest combined risk because they are at least 30 years old and have expiring, nonrenewable subsidies. All of these are HUD-subsidized developments with Use Agreements expiring or mortgages maturing by the end of 2020.

County Location

As with the overall assisted housing supply, most of the developments that are older or have expiring subsidies are located in large counties. Miami-Dade and Duval Counties have the largest concentrations of properties at higher risk; 29 percent of 30 year and older units and 37 percent of units in expiring mortgage/LURA properties are located in these two counties. Table 5 on the following page shows the number of developments and units in each risk category by county.

Table 5. Developments and Units by Preservation Risk Factor and County

	Preservation Risk Category												Devs w/at least one risk factor	Units w/at least one risk factor
	15-29 Year Old			30 Year and Older			Expiring Section 8			Expiring Mortgages/LURAs				
	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category		
<i>Large Counties:</i>														
Broward	34	3,943	6%	12	1,837	4%	7	965	7%	1	188	4%	46	5,780
Duval	31	4,823	7%	49	6,383	15%	16	2,307	17%	3	403	9%	80	11,206
Hillsborough	37	3,887	6%	27	3,140	8%	15	1,553	11%	4	574	12%	64	7,027
Miami-Dade	104	11,928	17%	65	5,731	14%	35	2,775	20%	4	742	16%	169	17,659
Orange	64	10,390	15%	23	3,344	8%	3	132	1%	3	496	11%	87	13,734
Palm Beach	33	3,850	6%	17	2,080	5%	3	152	1%	5	648	14%	50	5,930
Pinellas	35	2,062	3%	19	2,948	7%	6	845	6%	4	636	12%	55	5,066
Large Total	338	40,883	60%	212	25,463	61%	85	8,729	62%	24	3,687	80%	551	66,402
<i>Medium Counties:</i>														
Alachua	15	695	1%	7	575	1%	6	539	4%	0	0	0%	22	1,270
Bay	6	464	1%	6	585	1%	1	216	2%	0	0	0%	12	1,049
Brevard	17	1,114	2%	12	1,115	3%	9	781	6%	4	221	5%	29	2,229
Charlotte	3	280	0%	4	387	1%	1	97	1%	1	120	3%	7	667
Citrus	17	535	1%	2	78	0%	0	0	0%	0	0	0%	19	613
Clay	5	344	1%	4	179	0%	2	65	0%	0	0	0%	9	523
Collier	18	1,564	2%	3	708	2%	0	0	0%	0	0	0%	21	2,272
Escambia	19	1,245	2%	10	1,337	3%	5	546	4%	0	0	0%	29	2,582
Hernando	6	172	0%	2	100	0%	0	0	0%	0	0	0%	8	272
Indian River	10	1,118	2%	1	50	0%	0	0	0%	0	0	0%	11	1,168
Lake	29	1,053	2%	12	671	2%	3	213	2%	0	0	0%	41	1,724
Lee	10	982	1%	10	902	2%	2	210	2%	1	80	2%	20	1,884
Leon	9	1,330	2%	13	1,070	3%	3	256	2%	0	0	0%	22	2,400
Manatee	17	1,546	2%	4	372	1%	0	0	0%	1	100	2%	21	1,918
Marion	14	876	1%	6	590	1%	3	279	2%	1	100	2%	20	1,466
Martin	6	767	1%	8	197	0%	0	0	0%	0	0	0%	14	964
Okaloosa	7	297	0%	2	87	0%	1	48	0%	0	0	0%	9	384

	Preservation Risk Category												Devs w/at least one risk factor	Units w/at least one risk factor
	15-29 Year Old			30 Year and Older			Expiring Section 8			Expiring Mortgages/LURAs				
	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category		
Osceola	16	2,089	3%	4	376	1%	0	0	0%	2	86	2%	20	2,465
Pasco	26	1,175	2%	8	538	1%	3	183	1%	0	0	0%	34	1,713
Polk	24	1,330	2%	25	1,651	4%	5	704	5%	0	0	0%	49	2,981
Santa Rosa	7	257	0%	3	136	0%	0	0	0%	0	0	0%	10	393
Sarasota	7	579	1%	3	323	1%	1	75	1%	1	210	4%	10	902
Seminole	10	1,302	2%	4	349	1%	1	108	1%	0	0	0%	14	1,651
St. Johns	5	195	0%	3	124	0%	1	44	0%	0	0	0%	8	319
St. Lucie	3	298	0%	1	60	0%	0	0	0%	0	0	0%	4	358
Sumter	8	239	0%	1	48	0%	0	0	0%	0	0	0%	9	287
Volusia	20	1,215	2%	8	829	2%	4	381	3%	0	0	0%	28	2,044
Medium Total	334	23,061	34%	166	13,437	32%	51	4,745	34%	11	917	20%	500	36,498
<i>Small Counties:</i>														
Baker	1	50	0%	1	52	0%	0	0	0%	0	0	0%	2	102
Bradford	4	139	0%	3	126	0%	0	0	0%	0	0	0%	7	265
Calhoun	1	38	0%	1	50	0%	0	0	0%	0	0	0%	2	88
Columbia	4	116	0%	3	177	0%	0	0	0%	0	0	0%	7	293
DeSoto	3	106	0%	0	0	0%	0	0	0%	0	0	0%	3	106
Dixie	1	32	0%	0	0	0%	0	0	0%	0	0	0%	1	32
Flagler	2	88	0%	2	51	0%	0	0	0%	0	0	0%	4	139
Franklin	4	120	0%	0	0	0%	0	0	0%	0	0	0%	4	120
Gadsden	7	309	0%	5	304	1%	1	60	0%	0	0	0%	12	613
Gilchrist	1	23	0%	1	36	0%	0	0	0%	0	0	0%	2	59
Glades	1	28	0%	0	0	0%	0	0	0%	0	0	0%	1	28
Gulf	3	111	0%	0	0	0%	0	0	0%	0	0	0%	3	111
Hamilton	5	147	0%	0	0	0%	0	0	0%	0	0	0%	5	147
Hardee	2	97	0%	1	55	0%	1	55	0%	0	0	0%	3	152
Hendry	5	411	1%	1	39	0%	0	0	0%	0	0	0%	6	450
Highlands	11	476	1%	6	236	1%	1	26	0%	0	0	0%	17	712
Holmes	4	80	0%	0	0	0%	0	0	0%	0	0	0%	4	80

	Preservation Risk Category												Devs w/at least one risk factor	Units w/at least one risk factor
	15-29 Year Old			30 Year and Older			Expiring Section 8			Expiring Mortgages/LURAs				
	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category	Dev.	Units	Share of State's Units in Category		
Jackson	7	216	0%	3	190	0%	2	148	1%	0	0	0%	10	406
Jefferson	2	74	0%	2	96	0%	0	0	0%	0	0	0%	4	170
Lafayette	0	0	0%	1	36	0%	0	0	0%	0	0	0%	1	36
Levy	8	177	0%	3	98	0%	0	0	0%	0	0	0%	11	275
Madison	4	116	0%	2	148	0%	1	76	1%	0	0	0%	6	264
Monroe	7	305	0%	0	0	0%	0	0	0%	0	0	0%	7	305
Nassau	10	366	1%	2	104	0%	0	0	0%	0	0	0%	12	470
Okeechobee	1	34	0%	1	25	0%	0	0	0%	0	0	0%	2	59
Putnam	16	572	1%	5	159	0%	1	40	0%	0	0	0%	21	731
Suwannee	3	83	0%	4	262	1%	1	80	1%	0	0	0%	7	345
Taylor	2	66	0%	3	169	0%	1	100	1%	0	0	0%	5	235
Union	1	32	0%	1	48	0%	0	0	0%	0	0	0%	2	80
Wakulla	1	30	0%	0	0	0%	0	0	0%	0	0	0%	1	30
Walton	3	83	0%	1	50	0%	0	0	0%	0	0	0%	4	133
Washington	2	53	0%	2	32	0%	0	0	0%	0	0	0%	4	85
Small Total	126	4,578	7%	54	2,543	6%	9	585	4%	0	0	0%	180	7,121
Statewide Total	798	68,522	100%	432	41,443	100%	145	14,059	100%	35	4,604	100%	1,231	110,021

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

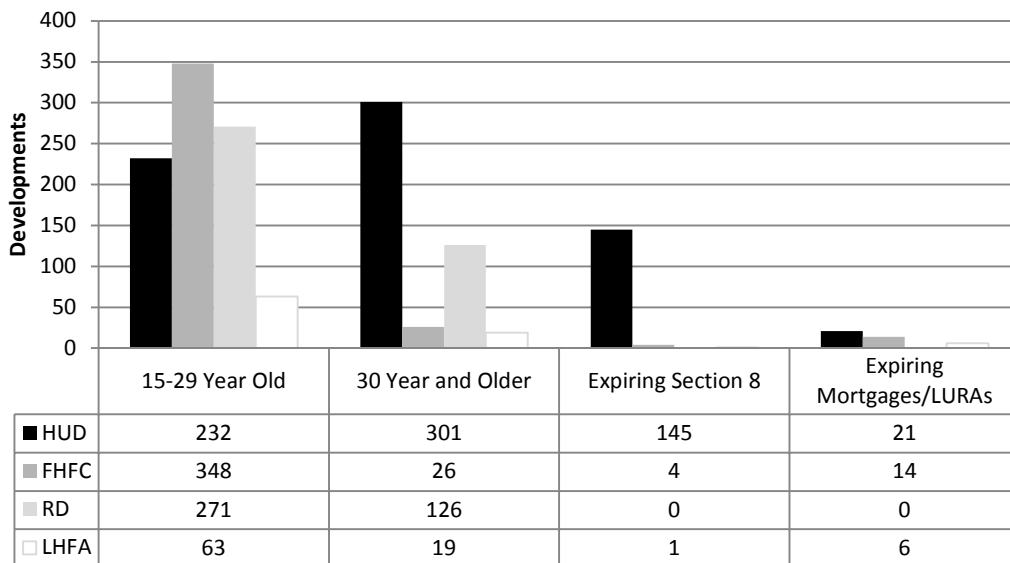
Funding Sources and Programs

The distribution of the aging developments by funder reflects the evolution of Florida’s funding system for affordable rental housing over time: HUD-funded developments built in the 1960s, 1970s, and early 1980s; the beginnings of the RD-funded housing in rural areas during this time, continuing into the 1990s; and the strong growth of the Florida Housing-funded portfolio beginning in the 1980s and continuing through the subsequent decades. Accordingly, the 30 year and older category is predominantly made up of developments funded by HUD and, to a lesser extent, RD. The 15-29 year old category contains a strong concentration of Florida Housing units but also a mix of units funded by HUD, RD, and local housing finance authorities.

The developments with expiring subsidies also contain a mix of HUD, RD and Florida Housing developments. By definition, all developments with expiring Section 8 contracts are funded by HUD. A small number of these developments also received funding from Florida Housing and a local housing finance agency. The expiration of mortgages and LURAs affect the HUD portfolio the most but also impact developments funded by Florida Housing and local housing finance authorities. The affected HUD properties include nine developments with expiring HUD use agreements, seven developments with maturing Section 236 mortgages, and five developments with maturing Section 202 direct loans. Most of the Section 202 developments and one of the Section 236 developments also received funding from Florida Housing’s Elderly Housing Community Loan program, placing them in both the HUD and Florida Housing categories in Figures 14-15.

Figures 14 and 15 below show developments and units by risk factor and funder. A development or unit will appear in more than one funder category if it received funding from more than one source.

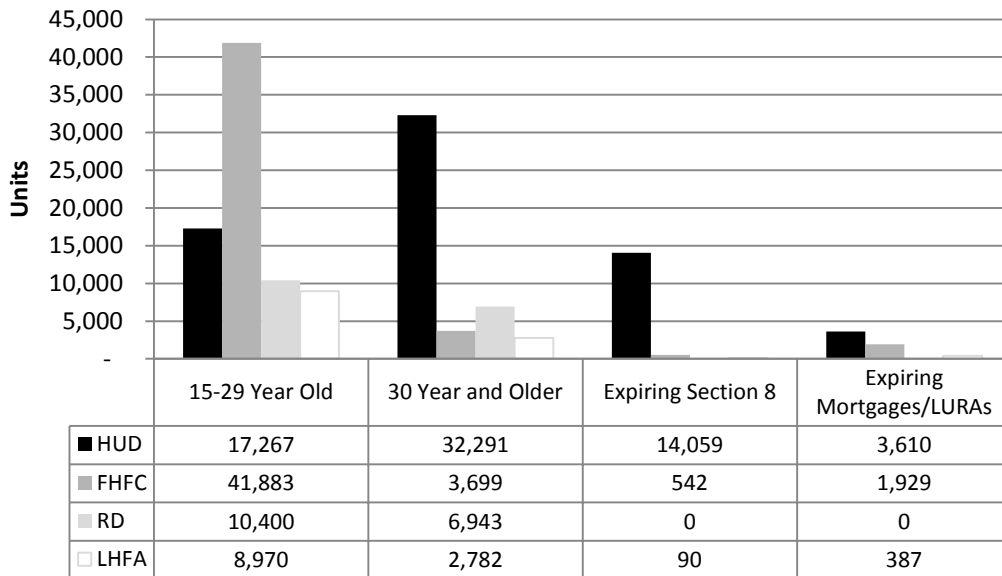
Figure 14. Developments by Preservation Risk Factor and Funder



Note: Developments may appear under more than one funder category.

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 15. Units by Preservation Risk Factor and Funder



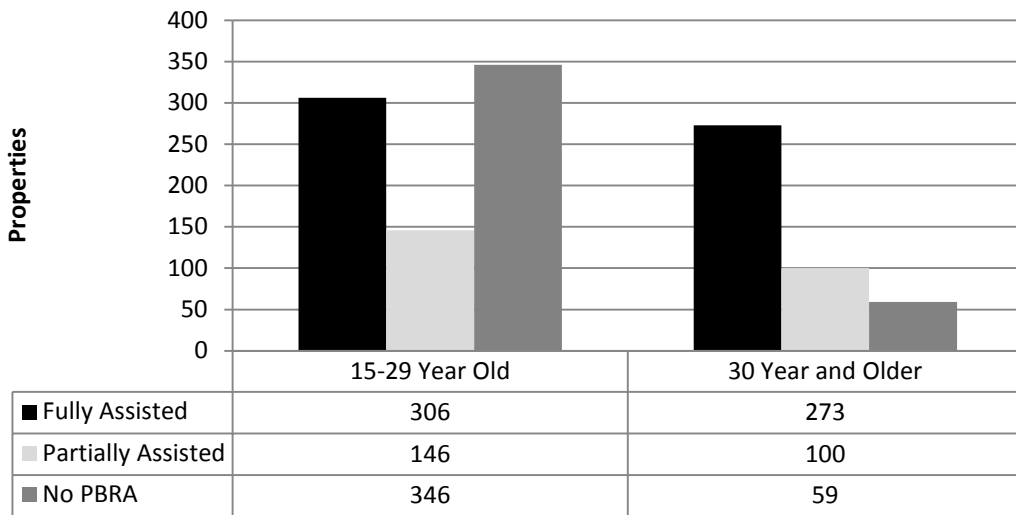
Note: Developments may appear under more than one funder category.

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

More in-depth examination of the funding sources of at-risk properties reveals two patterns. First, the aging of the assisted housing stock places the state’s supply of units with project-based rental assistance (PBRA) at particular risk. Most developments in both the 30 year and older and 15-29 year old categories have at least some PBRA units on-site. The 30 year and older developments have particularly high concentrations of PBRA units; 70 percent of units in these developments have PBRA, and most developments have PBRA for all of their units. In the 15-29 year old category, 29 percent of units have PBRA associated with them. Many of the developments with PBRA in the 15-29 year old category are relatively small (50 units or less) developments subsidized by RD. In contrast, only 10 percent of units developed in the last 15 years have project-based rental assistance.

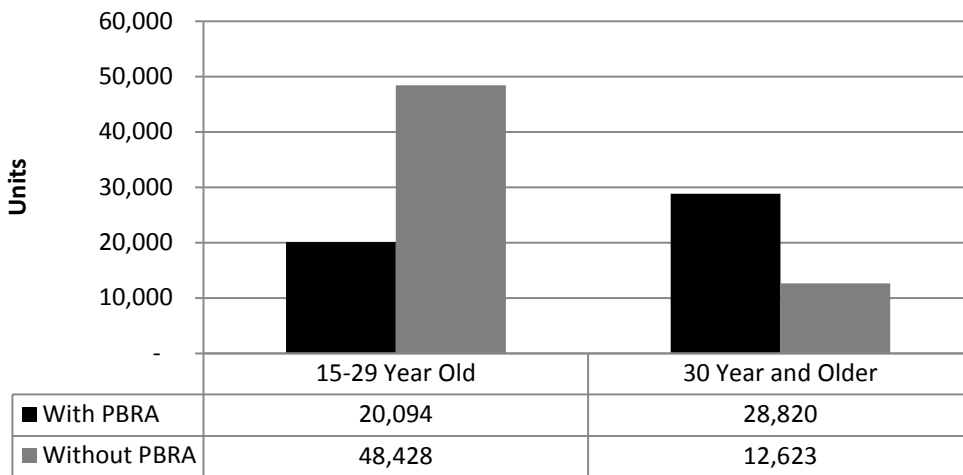
Figure 16 shows the aging developments by their inclusion of PBRA units. A development may have PBRA in all of its units (“Fully Assisted”) or for just a portion of the units (“Partially Assisted”). Figure 17 shows units by their PBRA status; the units in a partially assisted development are divided between the “With PBRA” and “Without PBRA” categories.

Figure 16. Aging Developments by Presence of Project-Based Rental Assistance



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

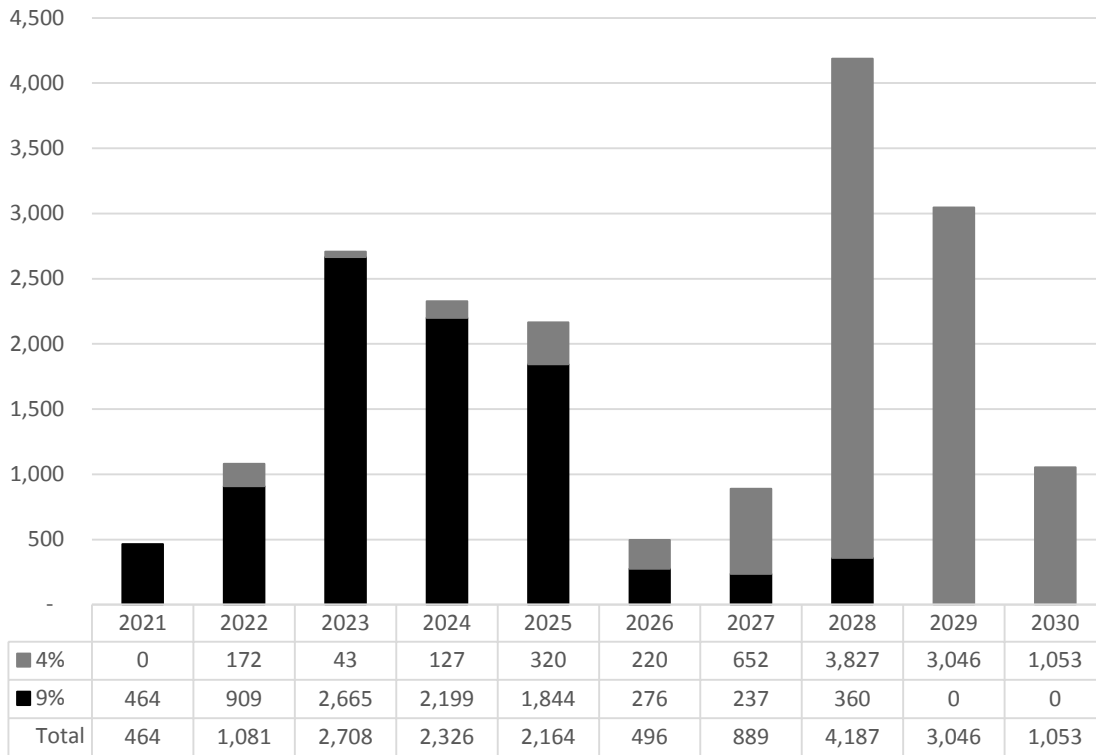
Figure 17. Aging Units by Project-Based Rental Assistance Status



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

The second pattern is the arrival of “Year 30” for a handful of tax credit developments. Of the Florida Housing properties affected by mortgage and LURA expiration, six developments with 521 assisted units received 9 percent Low Income Housing Tax Credits in 1990 and were subject to 30 year LURAs that will expire in 2020. These developments are the first among a coming wave of expiring use restrictions for developments receiving tax credits under similar conditions in the early to mid-1990s. This trend will accelerate greatly during the 2020s. As Figure 18 shows, LURAs for 18,414 assisted housing units (98 properties) will expire from 2021 through 2030. In the first half of the 2020s, most of the expirations will take place for developments financed with 9% tax credits; in the second half, the losses shift to the properties financed with 4% tax credits and mortgage revenue bonds.

Figure 18. Units with Expiring Low-Income Housing Tax Credit Restrictions, 2021-2030



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

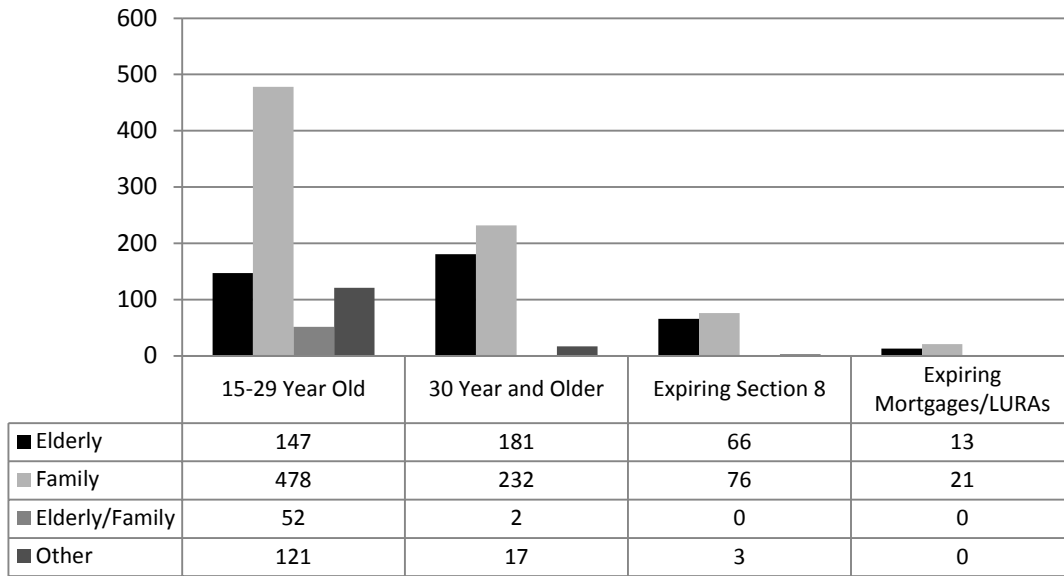
Tenant Characteristics

As noted in Section 2, Florida’s HUD-subsidized developments serve high proportions of elderly and extremely low-income households compared to the general assisted housing inventory. Not surprisingly, therefore, units in the 30 year and older and expiring Section 8 categories, in which HUD developments predominate, also serve high concentrations of elderly and extremely low-income households.

Target Population

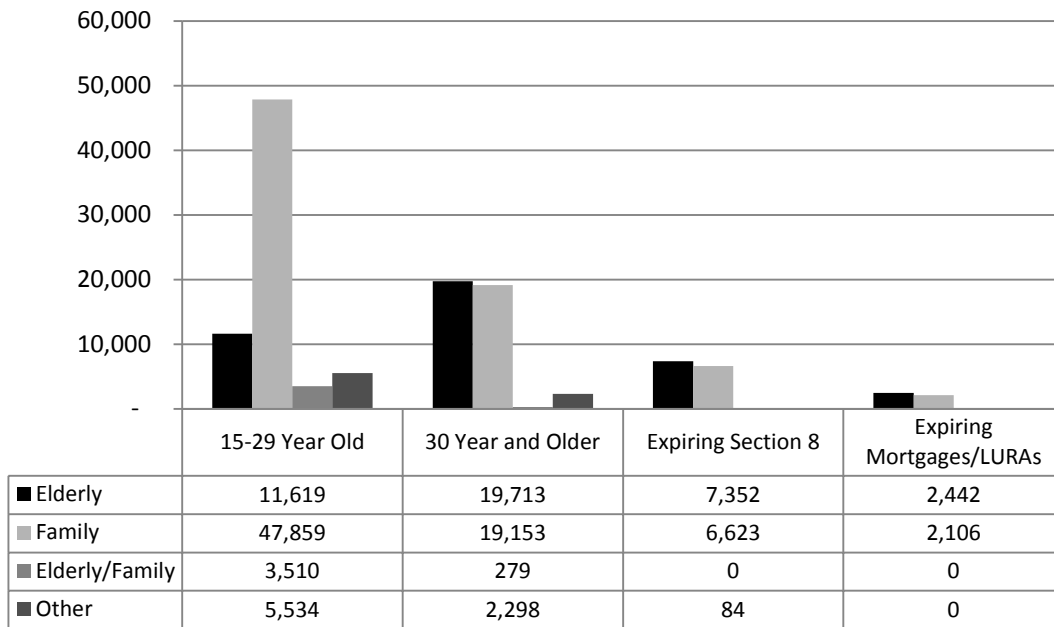
Many early HUD-subsidized developments in Florida were reserved for elderly tenants, while the 1990s and 2000s-era stock funded by Florida Housing is mostly made up of family developments. This split is seen in the demographic targeting for the at-risk stock. Units in the 30 year and older, expiring Section 8, and expiring mortgage/LURA categories are roughly evenly divided between elderly and family target populations. In each of these categories, there are more family developments than elderly developments, but because the average elderly development is larger, elderly units make up a slight majority (see Figures 19-20). In contrast, in the 15-29 year old group, 70 percent of units are in family developments and 22 percent of units are in developments that either target elderly only or a smaller “elderly/family” category. Just 18 percent of units with none of the preservation risk factors (less than 15 years old, no expiring subsidies) target elderly households.

Figure 19. Developments by Target Population



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 20. Units by Target Population



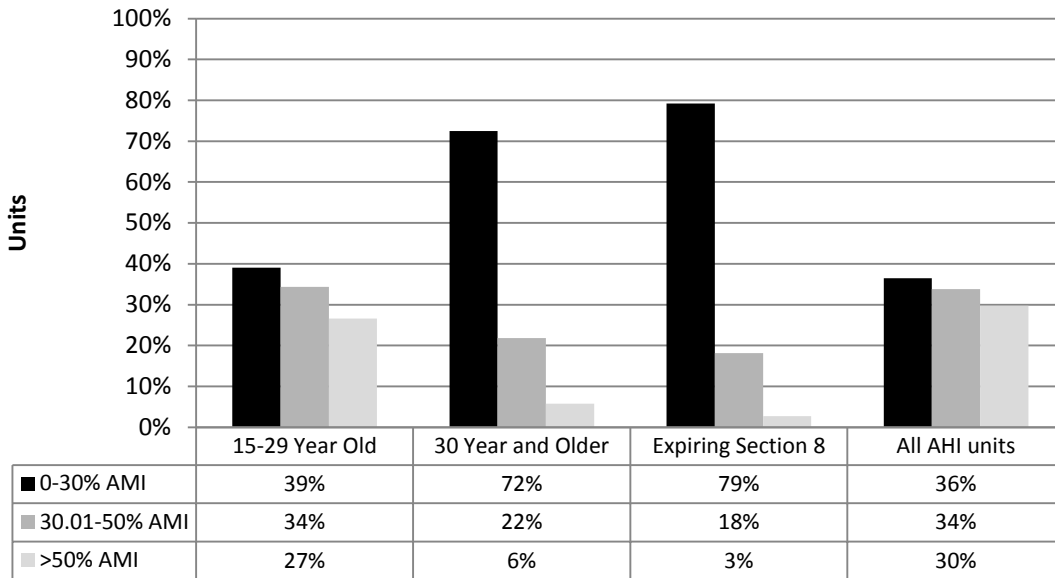
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Household Income

The 30 year and older and expiring Section 8 units largely serve extremely low-income households. Average annual household income in the 30 year and older units is \$11,474; in the expiring Section 8 units, it is \$9,810. Household income is not presented here for units with expiring mortgages/LURA because data are unavailable for more than half of these developments.⁸

The 15-29 year old group very closely mirrors the overall AHI, with incomes that tend to be higher than the 30 year and older and expiring Section 8 categories but are still very modest. Average income is \$19,568. Households in the 15-29 year old group are more evenly divided among the 0-30, 30-50, and greater than 50 percent of AMI categories, although the largest share (39 percent) still has extremely low incomes.

Figure 21. Units by Household Income as a Percentage of Area Median Income



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Conclusion

The analysis of preservation risks flags two key trends. First, it shows the confluence of risk around 30 year and older developments that, as shown here and in previous sections, provide deeply subsidized rents, serve high concentrations of extremely low-income tenants, and serve a higher concentration of elderly households than the overall assisted housing stock. The second trend is currently limited but will grow over time: the expiration of income and rent caps for tax credit developments built in the 1990s with 30-year use restrictions. While this only affects a few hundred units in the 2012-2020 period, the

⁸ Of the 35 developments with expiring mortgages and LURAs, tenant data are unavailable for 19. Developments funded by local bonds only do not report tenant data, and HUD's *Picture of Subsidized Households* is missing data for most developments funded with HUD Use Agreements and Section 202.

state will need to prepare for the expirations of restrictions for thousands of affordable units in the following decade.

Appendix. Methodology Notes

This appendix provides additional information about the methodology used to identify key dates in the description of the public housing inventory and the analysis of preservation risk.

Development Age, Public Housing

Public housing developments comprise one or more buildings that are managed as a single property by the housing authority. Most developments are complexes that include several buildings. The Shimberg Center received development- and building-level datasets from HUD. The building-level dataset included a “date of full availability” (DOFA) for each building, defined as the date upon which at least 95 percent of the units in the building were ready to be occupied. For this report, we count the age of the development as dating back to the earliest date among the DOFAs for the buildings in the development. For example, if a development was made up of two buildings, one becoming ready for occupancy in 1970 and the other in 1972, we would assign a starting year of 1970 to the development.

Development Age, Assisted Housing

The development age for the assisted housing developments is a composite based on the earliest year that each development was funded, built or occupied. Each housing funder provides data on development age in a slightly different form. HUD provides the DOFA for the development and the date of final endorsement for HUD-subsidized mortgages. Florida Housing provides the years in which developments were provided funding under each of its programs. RD provides the date upon which the RD-subsidized loan closed. The Shimberg Center does not receive funding year data from local housing finance authorities (LHFAs).

We assigned an age to each development based on the earliest among all of the dates provided. Where no data were available from the funder, we used the actual year built from the county property appraiser to assign a date built to the development.

As noted in Section 4, the aging developments are divided into two groups: developments built or funded before the end of 1982 (“30 year and older”) and developments built from 1983 to the end of 1997 (“15-29 year old”). Because the purpose of studying aging developments is to identify properties that may be in poor condition and in need of rehabilitation, we excluded developments that were initially built or funded during these time periods but subsequently received funding from Florida Housing for rehabilitation. Specifically, the analysis excludes 90 developments that meet both of these conditions:

1. Development received funding from Florida Housing’s LIHTC, HOME, or SAIL program at least five years after the initial year built or funded.

2. Development either is flagged as a rehab or acquisition/rehab development in data provided by Florida Housing, received funding from the Exchange or Demonstration programs intended for housing preservation, or both.

Twelve other properties that were built 30 or more years ago were shifted to the 15-29 year old category because they received rehabilitation funding between 1983 and 1997.

Expiring Subsidies, Assisted Housing

We identified properties with subsidies expiring 2012-2020 based on the “expiration date of governing program” field from the AHI. Because a property may receive funding from a number of programs, selecting this date can be complicated. The value for this field is determined using these rules:

- For properties with only one funding layer, use the expiration date of that subsidy.
- For developments with only a HUD mortgage in combination with HUD rental assistance and non-profit ownership, use the later of the mortgage maturity date and the rental assistance contract expiration date.
- For developments with only a HUD mortgage in combination with HUD rental assistance and for-profit, limited dividend, other or unknown ownership type, use the rental assistance contract expiration date.
- For other developments with any combination of HUD mortgage, HUD rental assistance, RD, 9% LIHTC, 4% LIHTC, HOME, SAIL, state bonds and local bonds, use the latest expiration date of HUD mortgage, HUD rental assistance, RD, 9% LIHTC, 4% LIHTC or HOME.
- If the property’s funding sources are only SAIL and local or state bond financing, use the SAIL expiration date. Use the bond expiration date only where there are no other funding programs.

The list of properties with expiring subsidies excludes properties with funding from programs where actual risk of subsidies ending 2012-2020 is extremely low and for which the AHI does not contain meaningful expiration dates:

- Exchange, TCAP, and Demonstration financing from Florida Housing that is specifically intended for preservation.
- Properties with Section 811 or Section 202 Capital Advance funding. These programs began providing grants with 40-year affordability restrictions in 1991, so no properties should be reaching their expiration dates yet.
- Properties with Section 202 direct loans funded after 1980. The direct loans involve 40 year affordability restrictions with very limited prepayment rights, so any loans made after 1980 would place the end of the 40 year term past 2020.

- Properties with RD 515 or 514/516 funding. The expiration dates in the AHI refer to the end of these properties' "Restrictive Use Period" (RUP), at which time the owner may have limited prepayment rights. Because few if any owners of RD properties are applying to prepay, prepayment terminates rental assistance contracts, and RD must approve all prepayments, risk of prepayment appears extremely low. Actual mortgage maturity dates are unknown, but data from the Housing Assistance Council show that most RD loans in Florida were initiated after 1975 and involve 50 year loan terms, placing their maturity dates after 2025.