

EXHIBIT 3

**An Affordable Housing Market Assessment
in the City of Lauderdale, Florida**



February 15, 2021



Report Commission

This report was commissioned in order to satisfy BrowardNext County Land Use Plan Policy 2.16.2 for a project that is proposed in the City of Lauderhill, Broward County, Florida. That policy requires that “For amendments which propose to add 100 or more residential dwelling units to the existing densities approved by the Broward County Land Use Plan, Broward County and affected municipalities shall coordinate and cooperate to implement the affected municipality’s chosen policies, methods, and programs to achieve and/or maintain a sufficient supply of affordable housing.”

The City of Lauderhill has adopted a Comprehensive Plan pursuant to Rule 9J-5.010 of the Florida Administrative Code. Within that adoption document, the City has included a Housing Element that sets forth certain goals, objectives, and policies that are supported through a companion Support Document.

As part of a land use plan amendment application, the Broward County Planning Council requires interim updates of the existing supply and demand for affordable housing and the strategies to be utilized to meet the expected needs.

This report estimates the current (2020) demand and projects (to 2025) the future demand for various housing needs.

The report relies on various public and subscription sources of information regarding demographic, economic, market, and housing data that is referenced throughout the report.

Report Summary

Using the Broward County Planning Council's required methodology, *A Baseline Model to Quantify the Levels of Affordable Housing Need and Supply in Broward County and its Municipalities*, prepared by Florida International University's Jorge M. Pérez Metropolitan Center (February 2020), the City of Lauderhill has a **current deficit of affordable housing for home ownership in the moderate-income band but has a current surplus in the low-income band. By 2025, deficits in both bands will exist.**

The methodology demonstrates that **rental properties for those at the low- and moderate-income bands are currently in very short supply and will continue to be a challenge for the City through 2025**

The City continues to make affordable housing a priority and devotes significant resources in an attempt to address the issues of affordable housing.

Increasing the availability of housing supply will help to make all housing more affordable. The proposed project will add needed housing that will address the diminishing available supply in the City.

Methodology

This study examines current housing conditions within the City of Lauderhill, Florida (“the City”), which is generally stated for calendar years 2019/2025 (the latest U.S. Census Bureau American Community Survey data available (CY2019) and the supplemental data source from Esri¹ (CY2020)) and projected to calendar year 2025 using Esri demographic forecasts available for that year.

The Broward County Planning Council engaged Florida International University (FIU) to recommend a methodology for analyzing supply and demand of housing needs throughout Broward County. FIU developed their methodology utilizing published data from the U.S. Census Bureau’s American Community Survey (ACS). This ACS data is available for each municipality in Broward County. The methodology does not describe what methods to use to forecast out the five years required under the Planning Council’s rules. In order to forecast out to the year 2025, Esri’s Community Analyst/Business Analyst databases that provide this information using their sources and methods were used. The FIU methodology is particularly sensitive to the primary factors of Median Household Income and housing stock forecasts. Esri’s forecasts are believed to be reliable and very up-to-date and draw upon a variety of publicly available and proprietary sources. Median Household Income (MHI) provides the basis for several benchmarks and assumptions. This number is parsed into three bands: Very Low Income (50% of the

¹ Esri is an international supplier of geographic information system software, web GIS and geodatabase management applications. For this study, we have utilized various databases specific to the City of Lauderhill that have been prepared by Esri. Products utilized include the Business Analyst, Community Analyst, and ArcGis systems. Details on how Esri conducts forecasts of demographic and housing information can be found in *Methodology Statement: 2020/2025 Esri US Demographic Updates, An Esri® White Paper, June 2020.*

MHI); Low Income (50.1% to 80% of MHI); and Moderate Income (80.1% to 120% of MHI). All data used is initially derived from updates to information provided by the 2010 Census.

Estimates and Projections of Population, Median Household Income, And Housing Units

The 2019 ACS data for the City of Lauderdale and the Esri estimates for 2020 and its forecasts for 2025 are summarized below:

	2019 ACS Estimates	2020 Esri Estimates	2025 Esri Forecasts
Population	71,868	72,869	75,368
Median Household Income	41,723	40,350	43,004
Housing Units, Total	28,467	30,750	31,407
Housing Units, Occupied	24,628	26,643	27,367

The Broward County Property Appraiser (BCPA) notes that for 2020 there were 24,725 residential dwelling units being assessed for fire protection services². Added to this number are dwelling or residential units or assessed through the mixed use/special use category utilized by BCPA. This is their estimate as of January 1, 2020. The 2020 Esri estimates of housing units are based upon the ACS 2019 survey, plus Esri’s forecasting methodology³. We have used the Esri estimates for the purposes of this report. The

² Broward County Property Appraiser’s Office web link:

<https://bcpa.net/Includes/Downloads/2020/July1stFireRecaps/2020%20July%20Pembroke%20Pines%20Fire%20Recap.pdf>

³ Esri is an international supplier of geographic information system (GIS) software, web GIS and geodatabase management applications. Esri provides subscriptions to various database information they maintain for their GIS software. Some of those databases contain forecasts based upon proprietary methodology developed and maintained by Esri. Housing units are forecasted by Esri using “...[the] recorded change in the housing inventory...culled from several data sources, including multiple construction data inputs from Metrostudy, data for new manufactured homes placed by state from the Census Bureau, and building permits for permit-issuing places and counties. Numerous independent sources are leveraged to obtain detailed information on housing development data where no building permits exist. Independent estimates of change in occupancy are calculated from USPS residential lists, the American Community Survey, and various state and local data sources. Additionally, data from the Current Population Survey and the Housing Vacancy Survey from the



addition of the proposed residential units would increase the supply of rental housing. ***In the absence of this additional supply, housing costs would likely increase across most affordability bands than if the rental housing were not constructed.***

Census Bureau is used to model trends in occupancy.” Methodology Statement: 2020/2025 Esri US Demographic Updates, June 2020

Affordable Housing Criteria and Gap Analysis

The Broward County Land Development Code §5-201 defines Affordable Housing as *“Housing for which monthly rents or monthly mortgage payments (including taxes and insurance) do not exceed 30 percent of an amount representing the percentage (low = 80%; moderate =120%) of the median income limits, as published by the U.S. Department of Housing and Urban Development, adjusted for family size for the households.”*

Using the ACS and Esri data and applying that data to the FIU supply and demand model, the “Gap” analysis provided the following estimates of supply, demand, and differences, which uses the 2019 ACS’s Income Limits and Rent Limits median household income of \$60,173 and \$35,242⁴, respectively, and the percentage bands previously described:

(continued)

⁴ The 2017 ACS median household income was \$49,614 for owners and \$30,458 for renters. This was a 21.3% and 15.7% increase in MHI over 2 years, which is very stout and undoubtable made housing more affordable for owners and renters in the City. The projected 5-year growth rate is 1.28% annually.

Gap Analysis, FIU Model
Utilizing 2019 American Community Survey Data and 2025 Esri Forecast
Home Ownership

Total Owner-Occupied Units		12,010				
Median Household Income		60,173				
Median Owner Home Value		191,200				
Cost-Burdened Owner Units		3,718		31%		
"Severely" Cost-Burdened Owner Units		2,402		20%		
2019 ACS	HH Income Category	Total Households (Demand)	Home Purchase at Affordable Price Levels		Number of Owner Units Within Affordable Price Range (Supply)	Surplus/Gap within Affordable Price Range
			51% Median	80% Median		
Low Income Owners	51% - 80% Median	1,140	\$63,651	\$100,098	1,957	817
	\$21,271 - \$33,366					
Moderate Income Owners	81% - 120% Median	2,277	\$100,099	\$150,144	1,603	-674
	\$33,367 - \$50,048					
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Moderate Income Owners and Renters	81% - 120% Median	4,977	\$100,099	\$150,144	4,097	-880
	\$33,367 - \$50,048					

Total Owner-Occupied Units		14,385				
Median Household Income		64,124				
Median Owner Home Value		205,351				
Cost-Burdened Owner Units		5,179		36%		
"Severely" Cost-Burdened Owner Units		3,165		22%		
2025 Esri	HH Income Category	Total Households (Demand)	Home Purchase at Affordable Price Levels		Number of Owner Units Within Affordable Price Range (Supply)	Surplus/Gap within Affordable Price Range
			51% Median	80% Median		
Low Income Owners	51% - 80% Median	2,263	\$65,796	\$103,210	732	-1,531
	\$21,932 - \$34,403					
Moderate Income Owners	81% - 120% Median	2,836	\$103,211	\$154,814	1,689	-1,147
	\$34,404 - \$51,605					
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Moderate Income Owners and Renters	81% - 120% Median	5,680	\$103,211	\$154,814	5,603	77
	\$34,404 - \$51,605					

The FIU model shows current deficits in the moderate income bands for home ownership and renters who would own homes. By 2025, home ownership in low-income band will also have a large deficit, but, owing to the change in median household income and the expected increase in competitive rents, a slight surplus may exist for all owners and renters in 2025. We suspect this will not occur and may be a function of the



methodology. However, if household income numbers continue to climb as they have since 2017, the results will be much better.

When using the FIU model for renters, we find the following:

Gap Analysis, FIU Model
Utilizing 2019 American Community Survey Data and 2025 Esri Forecast
Renters

Total Renter-Occupied Units		12,618				
Median Renter Household Income		35,242				
Median Gross Rent		1,112				
Cost-Burdened Renter Units		8,557		68%		
"Severely" Cost-Burdened Renter Units		5,300		42%		
2019 ACS	HH Income Category	Number of Renter Households (Demand)	Affordable Rent Levels		Number of Renter Units Within Affordable Price Range	Surplus/Gap within Affordable Price Range
			0% Median	30% Median		
Extremely Low Income	0 - 30% Median		0% Median	30% Median	0 - 30% Median	
	\$0 - \$10,573	1,255	\$0	\$264	137	-1,118
Very Low Income	31% to 50% Median		31% Median	50% Median	31% to 50% Median	
	\$10,574 - \$17,972	1,404	\$265	\$449	252	-1,152
Low Income	51% - 80% Median		51% Median	80% Median	51% - 80% Median	
	\$17,973 - \$28,194	2,292	\$450	\$705	460	-1,831
Moderate Income	81% - 120% Median		81% Median	120% Median	81% - 120% Median	
	\$28,195 - \$42,290	2,699	\$706	\$1,057	2,494	-206

Total Renter-Occupied Units		12,982				
Median Renter Household Income		37,556				
Median Gross Rent		1,185				
Cost-Burdened Renter Units		8,828		68%		
"Severely" Cost-Burdened Renter Units		5,452		42%		
2025 Esri	HH Income Category	Number of Renter Households (Demand)	Affordable Rent Levels		Number of Renter Units Within Affordable Price Range	Surplus/Gap within Affordable Price Range
			0% Median	30% Median		
Extremely Low Income	0 - 30% Median		0% Median	30% Median	0 - 30% Median	
	\$0 - \$11,411	1,912	\$0	\$285	177	-1,735
Very Low Income	31% to 50% Median		31% Median	50% Median	31% to 50% Median	
	\$11,412 - \$19,399	1,096	\$286	\$485	243	-853
Low Income	51% - 80% Median		51% Median	80% Median	51% - 80% Median	
	\$19,400 - \$30,429	2,511	\$486	\$761	798	-1,714
Moderate Income	81% - 120% Median		81% Median	120% Median	81% - 120% Median	
	\$30,430 - \$45,644	2,844	\$762	\$1,141	3,914	1,070



The City currently has noticeable deficits for all bands studied. Moving forward to 2025, a surplus is forecasted in the Moderate-income band, but deficits continue to exist in the remaining bands. This dynamic is a result of increasing MHI and an increased number of units in the moderate income band.

Addressing The Demand For Affordable Housing

The City has for many years addressed its affordable housing needs through many initiatives, programs, and expenditure of funds. In addition to encouraging the development of new housing units, the City has implemented the following programs:

PURCHASE ASSISTANCE PROGRAM

The purchase assistance program is a deferred second mortgage that assists with down payment and closing costs for existing and new home purchases. New construction must have received a certificate of occupancy within the last twelve months. Applicants will not receive the maximum award in all cases. Assistance is in the form of a deferred loan secured by a mortgage and note at a zero percent (0%) interest rate. The loan is not forgiven on a prorated basis, and is for a period of up to 15 years.

The loan will be considered default if any of the following occurs during the loan term:

- Sale;
- Transfer or conveyance of property;
- Conversion to a rental property;
- Loss of homestead exemption status;
- Failure to occupy the home as primary residence; and/or
- Acquires a reverse mortgage.

If any of these occur, the outstanding balance will be due and payable. In case where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an eligible heir who must occupy the home as a primary residence. If the legal heir is not eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

Applicants must contribute no less than 3% of the purchase price towards their down payment. At least 1.5% of the 3% contribution must be of the owners own funds. At

maximum, 1.5% of the 3% contribution may be in the form of a gift, so long as the source of the gift is revealed. The assisted property must have insurance by closing date. The City will not accept any position less than second in the mortgage/lien process.

OWNER-OCCUPIED REHABILITATION PROGRAM

The owner-occupied rehabilitation program is a deferred second mortgage that assists with needs of repair to correct code enforcement violations, health and safety issues, electrical, plumbing, roofing, windows, air conditioning units, and other structural items. Applicants will not receive the maximum award in all cases. Final award is based on the home inspection report; therefore, applicants will not receive the maximum award in all cases.

The Loan is forgiven on a prorated basis, per annum:

- Ten percent (10%) for 10 year terms, and
- Six and sixty-sevenths percent (6.67%) for 15 year terms

The loan will be considered default if any of the following occurs during the loan term:

- Sale;
- Transfer or conveyance of property;
- Conversion to a rental property;
- Loss of homestead exemption status;
- Failure to occupy the home as primary residence; and/or
- Acquires a reverse mortgage.

If any of these occur, the outstanding balance will be due and payable. In case where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by an eligible heir who must occupy the home as a primary residence. If the legal heir is not

eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

HOME PARTNERSHIP PROGRAM (HOME)

The HOME Investment Partnerships Program provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitation affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

The City of Lauderhill is a member of the Broward County HOME Consortia.

The City uses HOME funds to provide home purchase and rehabilitation assistance to eligible homeowners and new homebuyers.

Owner-Occupied Rehabilitation Program

The City of Lauderhill provides rehabilitation services of qualified owner-occupants, with incomes within the 50% and 80% range based on income limits established by HUD and adjusted for family size. Owner-occupied rehabilitation services include: correct code enforcement violations, health and safety issues, electrical and plumbing as deemed health and safety, repair or replacement of roofing, repair or replacement of windows and doors, and/or repair or replacement of air conditioning units.

Purchase Assistance Program

The City provides purchase assistance to qualified homebuyers within 50% to 80% range based on income limits established by HUD and adjusted for family size. Purchase assistance includes: closing costs, and down payment assistance.

CRA HOMEOWNERHIP OPPORTUNITIES

The Lauderhill CRA's Neighborhood Improvement Program is helping hopeful, future homeowners with the opportunity to own a home. The City selected the first ten (10) names from a lottery list of 481 entrants. They were invited to participate in a Homebuyer Technical Assistance Workshop. Once the first group of 10 complete the process, the next group of lottery entrants will be notified as space becomes available due to ineligibility or non-responsiveness.

COMMUNITY DEVELOPMENT BLOCK GRANT PRIORITIES

The City's 2020-2024 Consolidated Plan provides for the following programs and priorities:

During the Plan years, the City is expecting to receive \$3,042,224 in CDBG funds, \$97,408 in State Housing Initiative Partnership (SHIP) funds, and \$216,084 in Home Investment Partnership (HOME) funds. The City has developed programs for minor home repair, emergency hurricane assistance for elderly and handicap, emergency rehabilitation assistance for elderly and handicap and rental assistance for families seeking to become homeowners.

Recent land purchases in Central Lauderhill by the City of Lauderhill Community Redevelopment Agency and the Lauderhill Housing Authority are suitable for affordable housing and will be incorporated in to an in-fill housing program targeting very-low and moderate-income families.