



MEMORANDUM

AGENDA ITEM #VII.B

DATE: SEPTEMBER 19, 2021
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: CORRESPONDENCE AND ARTICLES

Recommendation

Information only



Blue-collar on the brink: Working-class families are getting priced out of their apartments into homelessness

BY AMBER BONEFONT



Danzell Madison in her kitchen on Friday, July 22, 2022 in Lake Worth. Madison was homeless due to rising rents for about 11 months and recently was able to find housing with help from her employer. (John McCall / South Florida Sun Sentinel)

Fifty-nine-year-old Danzell Madison spent 11 months living out of hotel rooms or sleeping on couches at friend's homes as she tried to find a place to live in South Florida.

Madison, an outreach coordinator with the Lord's Place, a nonprofit that actually addresses homelessness in West Palm Beach, never expected to find herself without a roof over her head and having to skip meals — she had a steady income and had always managed to pay for a place to live. But she had little choice as South Florida rents skyrocketed out of her budget in the spring of 2021.

"I didn't plan for this," said Madison. "I would have never thought, not even 20 years ago, that I would experience this situation."

Madison's scenario is growing increasingly common for South Florida residents. More working-class people are finding themselves in what housing experts call "situational homelessness" as wages remain stagnant, rents boom and they are priced out of the rental market. Some are having to live out of their cars, saving up some money for a day or two per week at a motel, or staying in 24-hour parking lots.

Many renters in South Florida have reported rental hikes of anywhere between \$200-\$1,000 a month when they go to renew their leases, and asking rents have increased by more than 20% over the past year. Some cities are seeing even higher increases: The median rent for a two-bedroom apartment shot up 34% in Miami and 26% in Fort Lauderdale compared to the year before, according to data from Zumper.

“We are seeing a new class of people that are homeless. It’s families who haven’t really had an interruption in their income, but are being displaced because landlords have raised their rents significantly,” said Linda Taylor, CEO of H.O.M.E.S, a division of HANDY, a nonprofit in Broward County. “These are people who are working either in the school system, they’re working in nonprofits or even the hospital district,” said Taylor.

Re-entering a tough market

Madison’s bout with homelessness started when she had to leave the house she was sharing with her sister because another relative was moving in and needed the room. At the time she was paying \$500 a month plus utilities.

She started looking for one-bedroom, one-bathroom rentals, but quickly realized that most places were well outside of her budget of around \$1,050 a month. She found a few places for \$1,500 a month, but with her salary, she couldn’t meet the income requirements.

She had to dip into a savings account to afford a hotel, and when that ran out in two months, she alternated between sleeping on friend’s couches and surfing booking websites to find the cheapest hotel for a night or two.

There were also some nights that she skipped dinner to make things work.

Nonprofits throughout South Florida say the housing crisis has only gotten worse over the past year.

“Without a doubt, the last six months we’ve seen an increased calls for service,” said Sandra Veszi Einhorn with the NonProfit Executive Alliance of Broward. “And it’s been unlike anything we have ever seen before.”

According to Einhorn, the 211 hotline for Broward County, a community and crisis helpline, has seen a sharp uptick in calls related to people needing housing assistance and shelter. In February, there were 1800 calls, an increase of 300 from February of 2021, a 20% increase. And in May of 2022, there were 2,700 calls, up from the 1,600 calls last May, a 68% increase.

Taylor says they have seen a 50% increase in calls for service at their nonprofit, and United Way of Palm Beach County, which helps provide funding to nonprofits, also reported a growing problem.

“This crisis is really affecting everyone,” said Shayene Weatherspoon, Director of Community Impact at United Way of Palm Beach County. “We didn’t really see this before, but now the working class population isn’t earning enough to afford the rent increases.”

Military veteran Bruno Cruz, a cruise ship contractor, moved down to South Florida to be closer to his work and because he was priced out of the one-bedroom apartment he was renting in Melbourne.

His apartment complex raised his rent by \$200 a month to around \$1,450, far outside what he could afford.

“I had rented there for three years and when I first moved in it had been \$1,100,” said 41-year-old Cruz. “How are you supposed to pay for these one-bedroom apartments now unless you have two or three jobs?”

So he packed his things and moved down to South Florida six months ago to try and find something close to work.

But the search to find a decent, safe place to live in South Florida was even harder. Most one-bedroom apartments were around \$1,700 a month and renting a room in someone's house cost over \$1,000 a month. When his search turned up empty, a friend who lives in Tamarac offered to let him stay with him and rent a room in his house just for the cost of utilities, but it's still a struggle to make things work.

"Half my life is packed up in storage. I went from a one-bedroom apartment and I had to shrink my life to a room and boxes," he said. He is still looking for a place to live, and driving Uber to supplement his income.

It's also growing increasingly difficult for nonprofits to assist people with finding affordable places to live, said Cristina Lucier, vice president of community programs at the Lord's Place.

"We have campuses where we pay rents for clients," said Lucier. "Previously, after a year or two, they would be able to save and move into their own place. But even with section 8 and first, last and security [saved up], they still don't make enough to qualify [for a lease]"

Sometimes the clients will have to stay with them longer, or they work to place them with a roommate.

For Madison, 11 months after being homeless, her boss found out and helped get her a place in housing owned by the Lord's Place with a few other women.

"I'm just so grateful to have my own room, to be able to shower everyday and to live in peace," said Madison.

Are landlords to blame?

It's easy to blame landlords for the current housing market, said Einhorn, but many of these landlords are mom-and-pop operations, and facing their own increased costs due to rising property costs and inflation.

The influx of out-of-state people also doesn't help, as they are putting increased pressure on the South Florida real estate market.

"These rents were already unaffordable to a Broward resident, but to a New Yorker or someone from California who have a skewed view of what rents should be, to them it's not. And a Broward resident has to compete with them," Einhorn said.

But for renters, they want some sort of protection and feel that they are at the mercy of rising rents.

"There's going to come a time that the people who work here are going to leave because they don't have a place to live," Cruz said. "I've thought about leaving Florida multiple times."

<https://www.sun-sentinel.com/real-estate/fl-bz-homeless-working-class-20220801-7efaubiwqfb3lborae6v35pwna-story.html>

Six of the nation's most overvalued housing markets are in Florida, studies say

BY KIMBERLY MILLER

Six of the nation's top 25 most overvalued housing markets are in the Sunshine State, which can expect to see a "prolonged period of unaffordability" even as prices in other regions of the country cool.

Recent studies by three South Florida universities and the University of Alabama point to the same high demand and low inventory as reasons for the homebuyer and rental angst experienced since the start of the pandemic, but the research also found future population growth in Florida will extend housing woes.

Fort Myers led the state as the most overvalued market in April with homebuyers paying 51% more than they should based on historic pricing trends, according to a study by Florida Atlantic University and Florida International University. Lakeland was runner-up, with homes overvalued by 50%, followed by Tampa (49%), Melbourne (44.5%), Sarasota (44%) and Daytona Beach (44%).

Tips to get that home: Want that house? You may need to learn about the escalator or escalation clause

Sky-high prices continue: Home prices still on the rise in Palm Beach County. Will higher interest rates slow them down?

COVID-19 migration: Who's moving to Florida and why there's a New York exodus

The Gold Coast counties of Palm Beach, Broward and Miami-Dade ranked 53rd in the top 100 market list nationwide, with homebuyers paying 27% over value. While the ranking puts southeast Florida in the middle of the nation's housing malaise, the area is creeping up the ladder as previous leaders falter.

"When we first started this about a year ago, southeast Florida was in about 75th place, now we're up near 50," said FAU real estate economist Ken H. Johnson. "Ten years from now, we'll be talking about how it was good to go through a growth spurt, but they create short-term real estate problems."

The housing study considered population growth numbers from the Indiana Business Research Center at the Indiana University Kelley School of Business. According to the center, Palm Beach County could grow by 12% over the next decade, an addition of about 184,500 people. The county now has about 1,538,000 residents.

Martin and St. Lucie counties are expected to see even bigger percentage gains in residents, at about 17.5% in both counties. Martin is currently at about 162,000 and St. Lucie 352,000.

At the same time, areas such as Detroit and Memphis could see only a 1.7% and 0.8% population growth, respectively. With higher interest rates, that near-stagnant growth is something Johnson said could dramatically cool — if not topple — the housing market in some areas.

“There is a reckoning coming one way or another,” Johnson said. “Around the country we are either going to continue to be unaffordable for a number of years, or a region could see a crash.”

Tear down or restore?: Florida homebuyers eye historic houses — but for demolition or preservation?

Employees have upper hand: Job-seekers called the shots in Palm Beach County in 2021: Looks like the same in 2022

Lone home downtown: Downtown West Palm Beach's last single-family home; 'We're not going anywhere' owner says

The average interest rate on a 30-year fixed mortgage was 5.48% Thursday, an increase of 7 basis points over the past week, according to Bankrate.com. Rates as low as 2% in recent years fueled demand for homes.

That clamor for housing was exacerbated in South Florida by the pandemic when work-from-home edicts and extended lockdowns pushed people south.

"A lot of them are here to stay because they've seen what Florida has to offer," said Ronald Pietkewicz, Bank of America preferred lending market leader for Palm Beach County and the Treasure Coast. "We are poised to have a very hot market through 2022 and a very robust spring homebuying season."

Still, most economists are not predicting the catastrophic housing crash of 2007-09 when there was a surplus of homes nationwide and a market saturated with bad mortgages.

It's still not getting any better for renters in Florida

Renters are up against the same spike in prices as homebuyers, with Florida having five of the nation's top 25 most overvalued rental markets, according to a study released this week by FAU, Florida Gulf Coast University and the University of Alabama.

Palm Beach, Broward and Miami-Dade counties came in first place for the most overvalued rents, with people paying nearly 22% more than what they should based on historic pricing trends.

Housing prices in South Florida are skyrocketing, but is it better to buy or rent? Fort Myers was runner-up, with rents overvalued by 18%. Tampa was third at 17%, followed by Sarasota (16.9%) and Port St. Lucie (15.6%).

The first market listed outside of Florida was Killeen, Texas. Also in the top 10 for most overvalued rents are Lakeland, Bakersfield, California, Phoenix and Knoxville, Tennessee.

“There are a lot of people being forced to reduce the size of their housing because of the higher prices,” said United Realty Group Realtor Tonsela Watts. “If a couple has two children, instead of living in a three-bedroom home with two bathrooms they are down to a two-bedroom apartment and one bathroom.”

Watts said she helped a client rent an efficiency apartment in Riviera Beach recently for \$1,240 a month. Tenants in the same complex with current leases were paying only \$550. That's a price sure to increase when their leases renew, Watts said. “I feel bad for people, but it's beyond my control,” Watts said.

Florida landlords: Tax hikes, rising insurance costs are forcing us to raise rents

Landlords note that their costs are going up also with non-homesteaded properties getting hit with tax hikes and higher insurance premiums. A Singer Island landlord who didn't want her name used out of concern her renters would read about her talking about raising their monthly payments said she's had to increase leasing costs just to keep making the same money she did a year ago.

She's considering turning two of her properties into short-term rentals to make up for the loss in revenue— a move that would take more rental homes for full-time residents off the market.

“Higher rents will persist until inflation comes under control and we build enough units,” said Shelton Weeks, FGCU’s Lucas Professor of Real Estate. “In the meantime, people will have to make hard choices.”

<https://www.palmbeachpost.com/story/business/2022/05/06/florida-homebuyers-could-face-overvalued-prices-prolonged-period/9617518002/>



U.S. DEPARTMENT OF COMMERCE INVESTS \$1.8 MILLION IN AMERICAN RESCUE PLAN FUNDS TO SUPPORT CONSTRUCTION TRADES WORKFORCE DEVELOPMENT EFFORTS IN MIAMI, FLORIDA

Contact: EDA Public Affairs Department, (202) 482-4085
July 20, 2022

WASHINGTON – Today, U.S. Secretary of Commerce Gina M. Raimondo announced that the Department’s Economic Development Administration (EDA) is awarding a \$1.8 million grant to Miami Dade College, Miami, Florida, to fund the renovation of an existing campus building to house the new Construction Trade Institute. This grant is funded by the American Rescue Plan.

This EDA investment will support the construction of a facility that will bolster Miami Dade College’s capacity to train and prepare students for good-paying jobs in construction and related fields. This investment will be matched with more than \$450,000 in local funds and is expected to support the training of 120 students a year, according to grantee estimates.

“President Biden’s American Rescue Plan offers direct relief to communities to build a better America from the coronavirus pandemic,” said Secretary of Commerce Gina M. Raimondo. “This EDA investment in Miami Dade College will facilitate hands-on training for a variety of trades in a modern, innovative new space, allowing for the expansion of the region’s workforce to create new economic opportunity and jobs for local citizens.”

“The Economic Development Administration plays an important role in supporting local economic development strategies designed to boost regional economic growth and resiliency,” said Assistant Secretary of Commerce for Economic Development Alejandra Y. Castillo. “This project will enhance Miami Dade College’s workforce training and development efforts, providing the hands-on training and certification that students need to secure quality jobs.”

“Miami-Dade College is a fundamental part of the local educational landscape, connecting South Floridians of every age with opportunities to earn a degree, certificates, and gain the skills needed to excel in a fast-paced economy,” said Congresswoman Frederica Wilson (FL-24). “Especially now, when our workforce is demanding more skilled trade workers, this investment will create stable jobs and careers that Floridians and their families can rely on. This announcement is one more example of how the Biden administration is working across the country and investing in a future for every American worker – regardless of their background, educational experience, or industry.”

This project is funded under EDA’s American Rescue Plan [Economic Adjustment Assistance program](#), which makes \$500 million in Economic Adjustment Assistance grants available to American communities. The Economic Adjustment Assistance program is EDA’s most flexible program, and grants made under this

program will help hundreds of communities across the nation plan, build, innovate, and put people back to work through construction or non-construction projects designed to meet local needs. Effective May 26, 2022, EDA has officially closed all of its American Rescue Plan programs for applications. The \$3 billion program funding will be awarded on a rolling basis through September 30, 2022.

This project was made possible by the regional planning efforts led by the South Florida Regional Planning Council. EDA funds the South Florida Regional Planning Council to bring together the public and private sectors to create an economic development roadmap to strengthen the regional economy, support private capital investment, and create jobs.

About the U.S. Economic Development Administration (www.eda.gov)

The mission of the U.S. Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting competitiveness and preparing the nation's regions for growth and success in the worldwide economy. An agency within the U.S. Department of Commerce, EDA invests in communities and supports regional collaboration in order to create jobs for U.S. workers, promote American innovation, and accelerate long-term sustainable economic growth.



South Florida Sun-Sentinel

[TRANSPORTATION](#)

Broward commission goes all in, approves first part of southern commuter rail link

By **David Lyons**

Aug 25, 2022 at 5:30 pm

The Broward County Commission on Thursday climbed aboard a plan for a proposed first segment of a commuter rail link that would provide local train services between Aventura and a point south of the New River in Fort Lauderdale.

By unanimous consent, the commissioners approved \$15.5 million for development and a study and directed the county to seek federal dollars to construct the service along the Florida East Coast Railway line.

The so-called Broward Commuter Rail link would hook up with a segment being funded by Miami-Dade County between Aventura and the MiamiCentral station in downtown Miami.

The Broward commission opted to build the southern segment first in the [interest of getting the project started](#) while state and local planners decide whether a bridge or

The next key step: The Broward Metropolitan Planning Organization, which spearheads local efforts to obtain federal money for transportation projects, will discuss grant proposals at its Sept. 8 board meeting.

PROJECT LOCATION MAP



PROJECT DEVELOPMENT & ENVIRONMENT (PD&E) STUDY



FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT), DISTRICT 4 • BROWARD COUNTY, FLORIDA • FPID: 448942-1

A location map provided by the Florida Department of Transportation shows the entirety of a long-planned Broward Coastal Rail Link commuter system. (Mike Stocker / South Florida Sun Sentinel)