

Housing Needs Analysis

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The demand for Haddington III units is overwhelming. This is evidenced by ACHIEVEability's current waiting list for both the transitional and permanent units, which contains more than 20 families. A market study was completed for this project in October 2013. While an updated study is in the process of being prepared, the findings of the 2013 study are worth considering for their demonstration of substantial demand for these units. The market study notes that subsidized rental housing in the primary market area is in high demand, with all of the comparable developments surveyed having high occupancy levels (95-100%) and waiting lists.

The market study states that the current median income in the Primary Market Area (PMA), which includes West Philadelphia up to the Delaware and Montgomery County lines, is estimated to be \$30,650 for households and \$41,894 for families. For many households in the PMA, a large share of household income is devoted to housing expenses due to insufficient affordable housing, with those spending more than 30 percent of income on housing expenses considered to be cost-burdened households. According to 2010 estimates from the American Community Survey, with median monthly gross rent at \$751, 51.5 percent spent 30 percent or more of their income on rent. Median monthly housing costs for owner-occupied units were \$1,121 for units with a mortgage and \$416 for units without a mortgage. Among owner-occupied households, 41.0 percent spent 30 percent or more of their income on housing costs (cost-burdened).

The total population of the PMA was 164,125 persons in 2010 and is estimated to be 162,704 in 2013—a 0.9-percent decrease. Projection of the PMA population to 2018 suggests that population decline will continue, with a 0.6-percent decrease compared to 2013 figures. Between 2010 and 2013, there were increases at ages 20-29 and 50-64 and decreases at other ages. These trends are expected to continue over the next five years. Over the past 10 years, the West Philadelphia area of the city experienced a large decrease in population, leaving the neighborhood burdened with abandoned homes and buildings and a surplus of vacant lots. However, revitalization in the area has been occurring in recent years due to the active involvement of neighborhood groups as well as the fact that Haddington is one of West Philadelphia's (8) designated Urban Renewal Areas.

The total housing stock in the PMA decreased from 75,180 units in 2010 to 74,598 units in 2013 (-0.3 percent), and is projected to be 74,765 units in 2018. According to 2010 Census data, the ownership rate in the PMA was 49.5 percent and 13.6 percent of housing units were vacant. Furthermore, 85 percent of the housing stock was built in 1959 or earlier. The rehabilitation of all 48 units addresses the need for quality affordable rental housing for the target population, as many low-income renter households are forced to pay housing costs which exceed the established affordability threshold and/or living in properties that do not meet their current and future needs.

Based on the imbalance of supply and demand, the market study determined that post-renovation, the Haddington III units will be competitive with other rent-restricted housing and absorbed shortly after delivery. It concludes by emphasizing that there is a "clear need for housing for the target population." However, ACHIEVEability anticipates using its existing site-based waiting list to fill the vacant units and thus anticipates that any existing vacancy will be filled immediately following issuance of a Certificate of Occupancy for that unit.