

Socio-Demographic Data of Opportunity and Non-Opportunity Tracts and Their Relation To LIHTC in Florida

Background:

The Low-Income Housing Tax Credit (LIHTC) program was created in 1986.

It is the largest federal subsidy that is directed towards increasing the supply of low-income rental housing, using dollar for dollar deduction of tax liability.

Currently, there is a debate among researchers whether it is more beneficial to place LIHTC projects in low-opportunity areas or high-opportunity areas.

Starting in 2016, the state of Florida created the map of Geographic Areas of Opportunity, which designated "opportunity tracts" based on employment, education, and income. Beyond this criteria, however, the socio-demographic data of opportunity tracts vs non-opportunity tracts has not been thoroughly researched.

Methods:

Main Data Sources:

The Florida Housing Data Clearinghouse database to identify the 888 LIHTC projects in the State of Florida from the years 2012-2022.

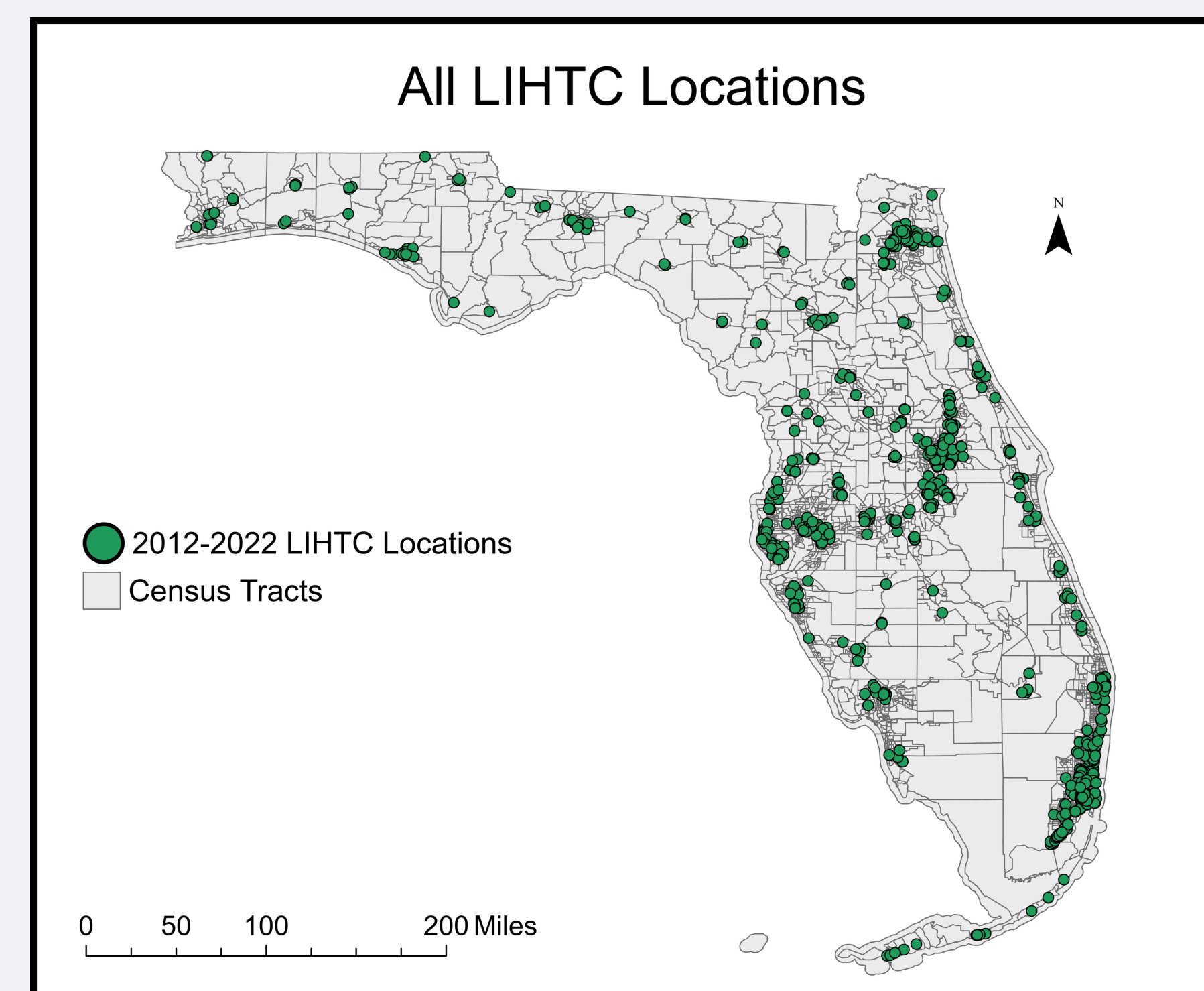
The Geographic Area of Opportunity geospatial data from the Shimberg Center to identify opportunity versus non-opportunity tracts in Florida.

The American Community Survey 2024 five-year estimates at block-group level data to identify the socio-demographic characteristics of neighborhoods that contains LIHTC projects.

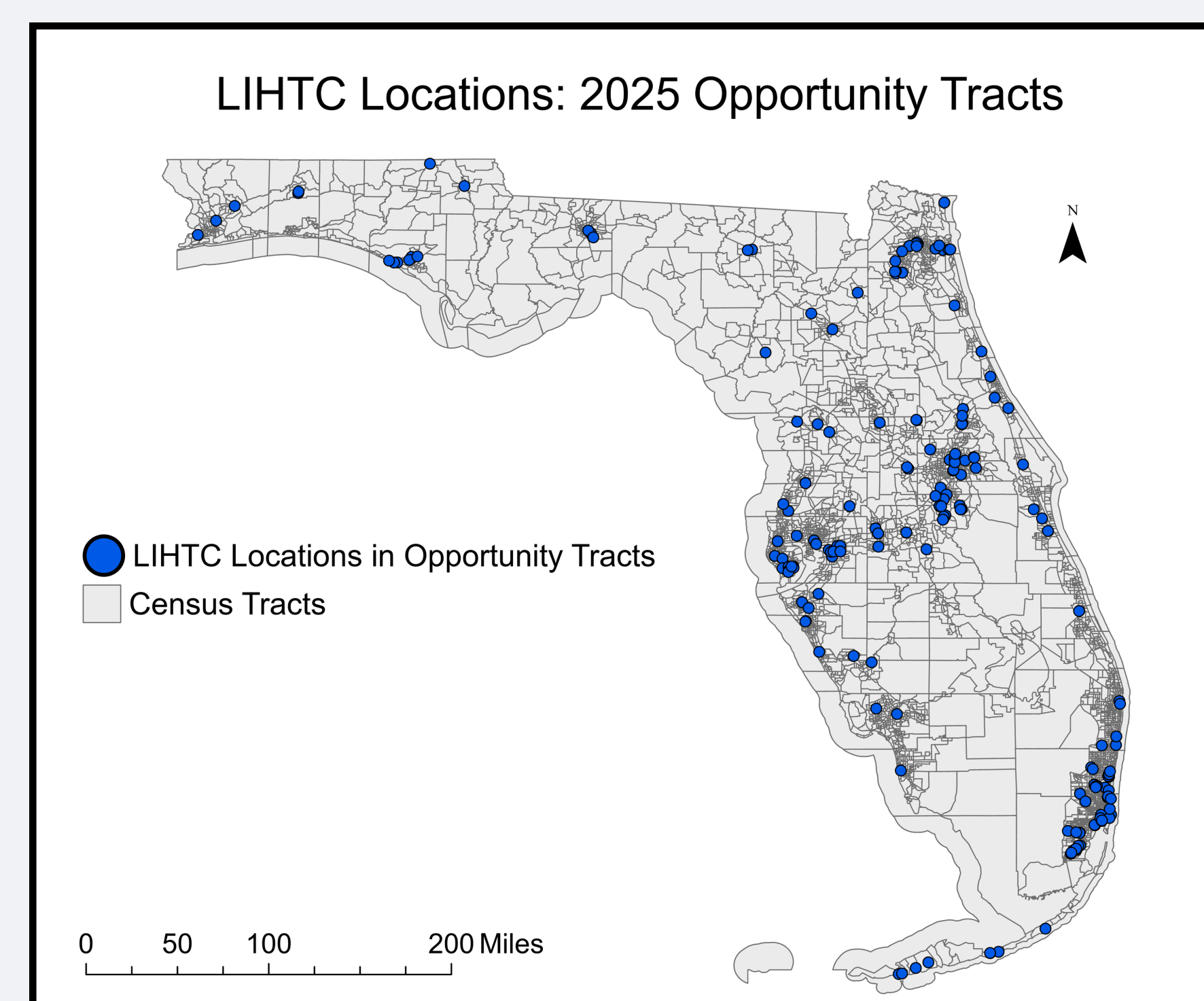
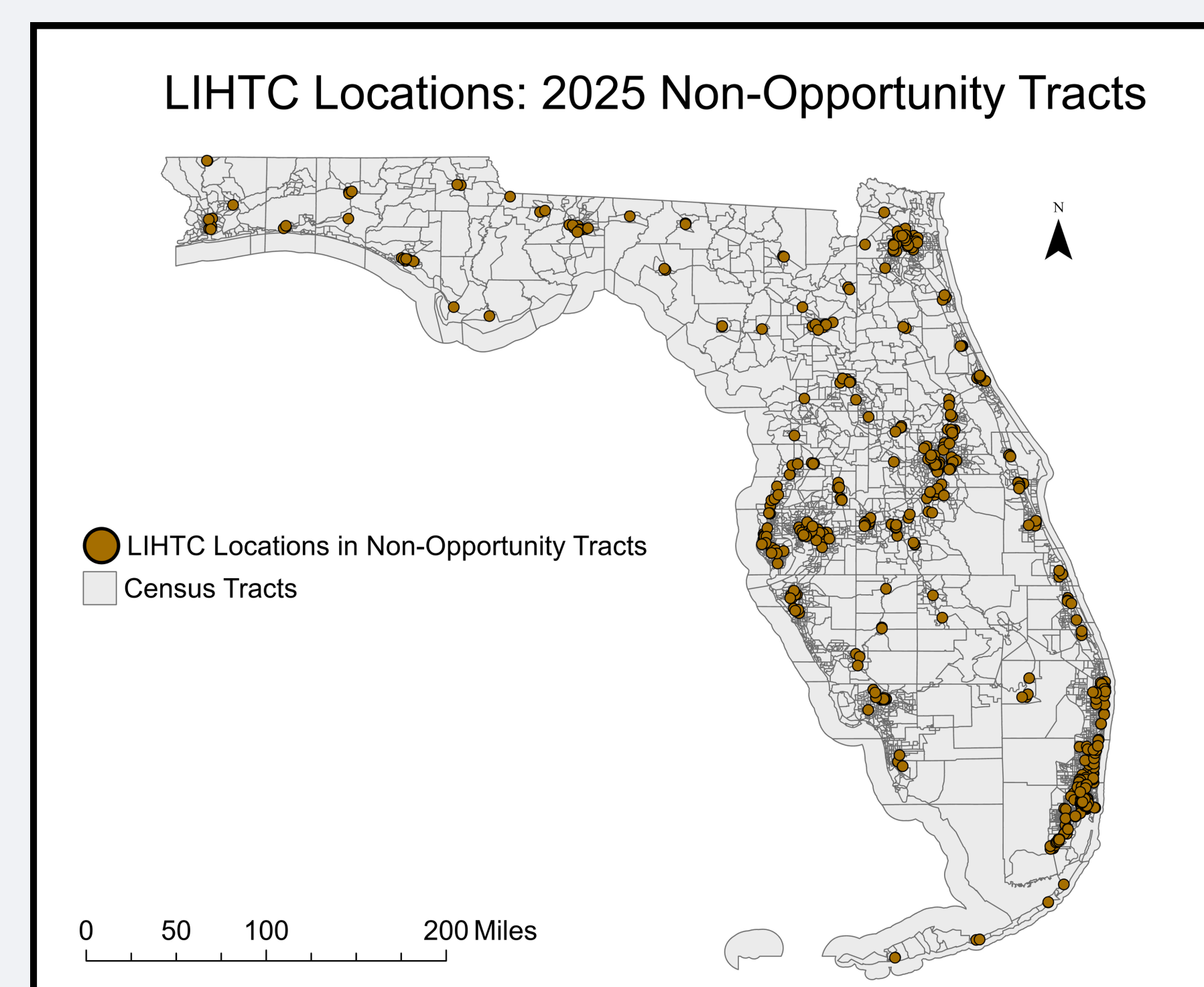
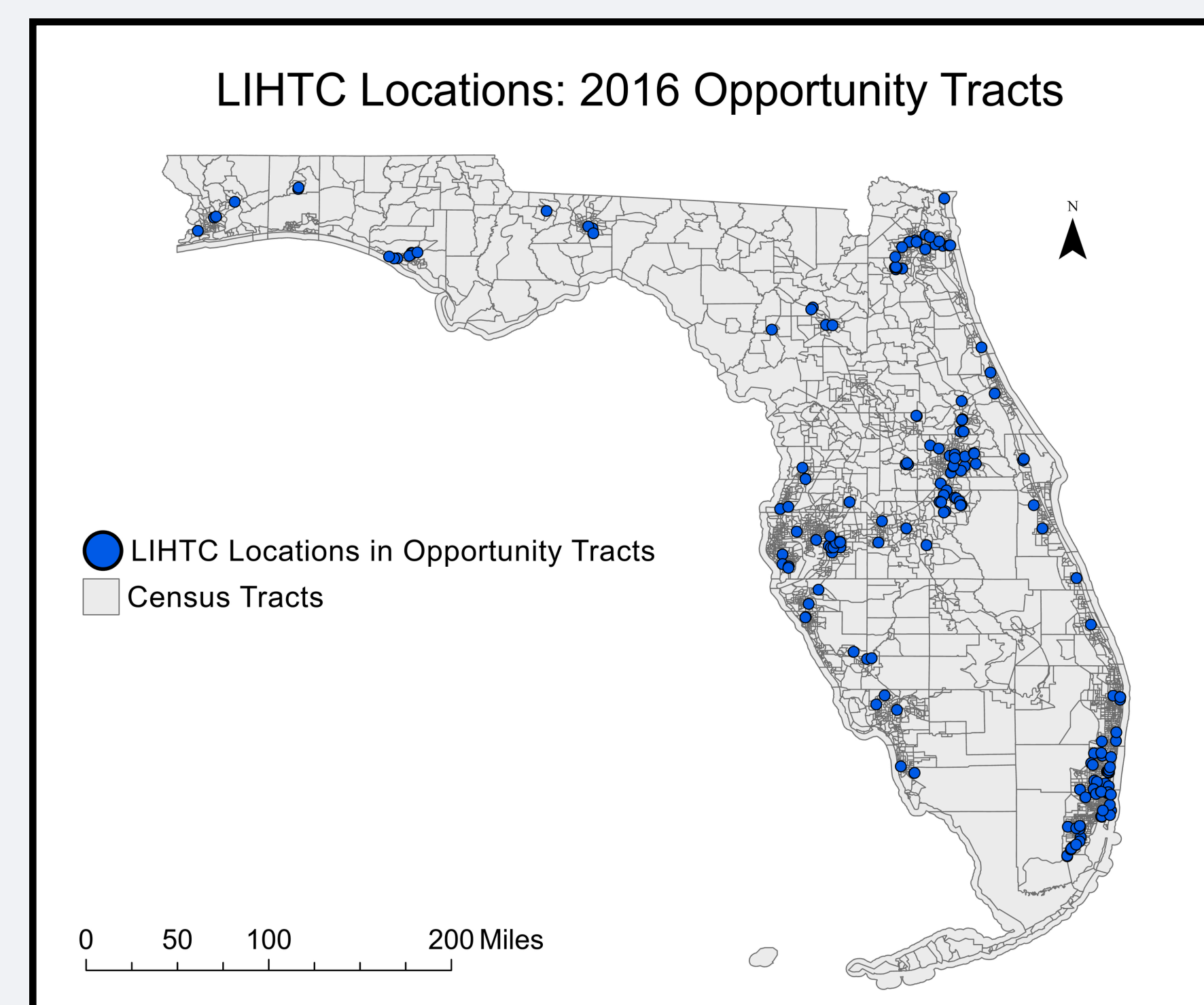
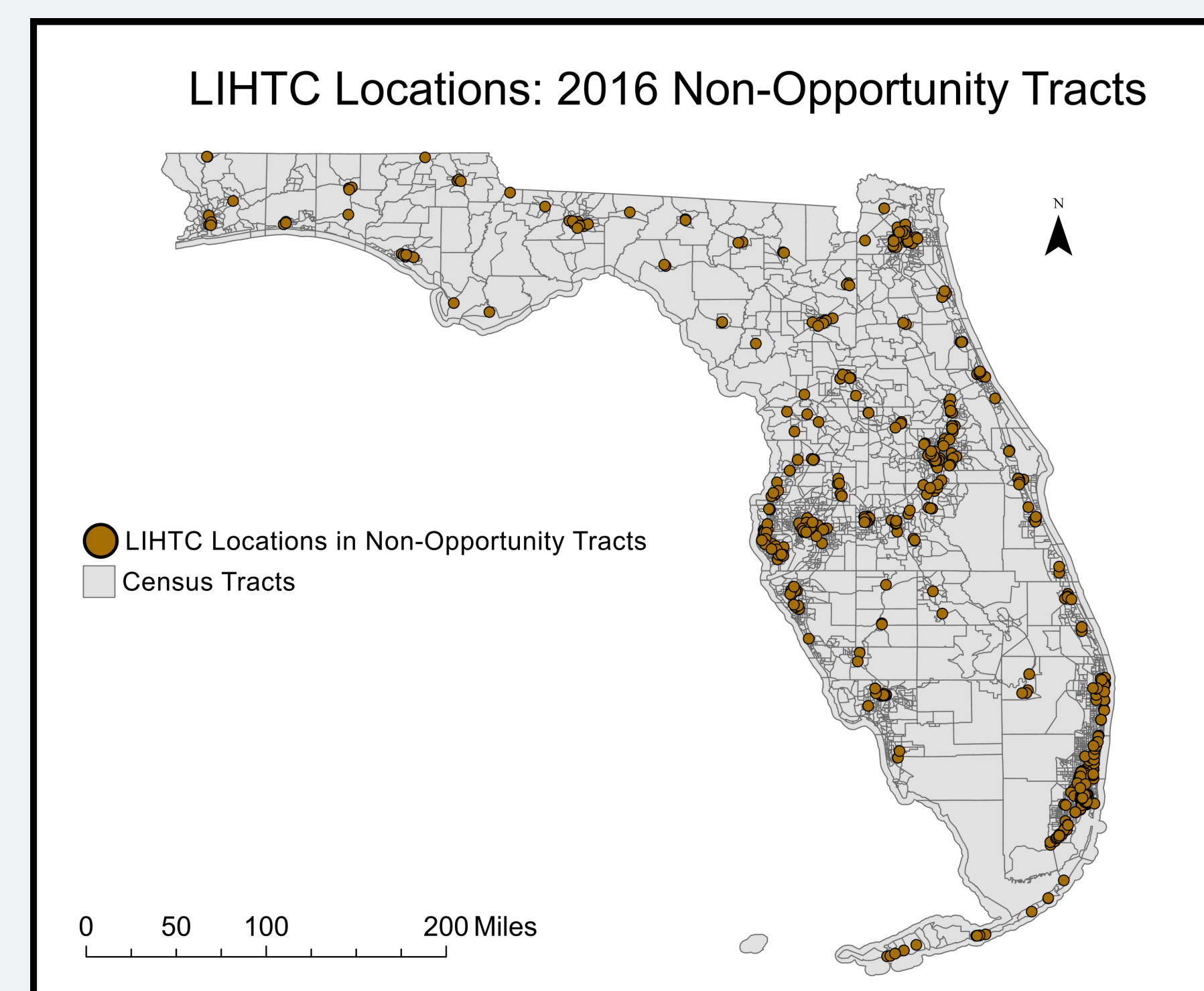
Analysis:

A Two Sample T test to examine the mean differences in ethnicity, housing characteristics, and demographics variables between LIHTC neighborhoods located within opportunity areas and those located outside opportunity tables.

Data Visualization:



Name of County	# of LIHTC Projects	% of Total Projects
Large Counties		
Miami-Dade	191	21.5%
Broward	65	7.3%
Duval	54	6.1%
All other large counties	234	26.4%
Subtotal - Large	544	61.3%
Medium Counties		
Osceola	31	3.5%
Volusia	25	2.8%
Brevard	22	2.5%
All other medium counties	211	23.8%
Subtotal - Medium	289	32.5%
Small Counties		
Monroe	18	2.0%
Jackson	5	0.6%
Walton	4	0.5%
All other small counties	27	3.0%
Subtotal - Small	54	6.1%
Grand Total	888	100%



Preliminary Results:

The preliminary results indicate that there are significant socio-demographic differences between opportunity and non-opportunity blocks groups beyond employment, education, and income.

•The percentage of black residents is twice as much in non-opportunity tracts compared to opportunity

•The percentage of white residents is twice as much in opportunity tracts compared to non-opportunity

•Units are more likely to be owned in opportunity tracts and rented in non-opportunity tracts.

Table 2: T-Test Results: Non-Opportunity vs. Opportunity Block Groups

Variables	Non-Opp BG Mean	Opp BG Mean	t-statistic	p-value
Race/Ethnicity				
% Hispanic	31.51	26.48	5.02	*
% NH White	27.92	50.46	-22.54	***
% NH Black	34.98	15.09	19.89	***
% NH Asian	1.53	3.14	-1.61	***
Housing				
% Owner-occupied Units	37.82	51.66	-13.84	***
% Renter-occupied Units	62.18	48.34	13.84	***
Median Year Built	1,983	1,991	-8.55	***
Median Gross Rent	1,305	1,630	-325.56	***
Demographic				
% Age <14	17.4	14.7	2.72	**
% Age 65+	18.3	22.9	-4.57	***
% Children living w/ single parents	57.7	41.1	16.65	***
% Renters without vehicle	20.3	15.1	5.16	***

Note: Significance levels: * p < 0.05, ** p < 0.01, *** p < 0.001. The sample includes 652 block groups containing LIHTC projects, of which 473 are non-opportunity block groups and 179 are opportunity block groups.

Conclusion:

Although opportunity tracts are legally designated according to employment, income, and education, these criteria inherently create socio-demographic differences. These socio-demographic differences have big implications for the LIHTC program as stakeholders can make more informed decisions on the placement of LIHTC projects and which groups receive these projects. Ideally, more information should lead to more equitable outcomes for cities across Florida and the future recipients of the LIHTC program.

References:

