



# The DANTER REPORT

Special Report

A Periodical of Commercial Real Estate Research

## The Impact of Low Income Housing Tax Credit Development on a Local School District

What is the impact of Low Income Housing Tax Credit Units on local school districts? We surveyed 3,433 LIHTC units in 59 developments in order to find out.



The Low Income Housing Tax Credit (LIHTC) Program, established in 1986, has become the primary vehicle for building affordable multifamily housing in the 10 years since its inception. The household income limits inherent to the program have made it a popular housing alternative for moderate income families with children, who often have a relatively limited number of housing alternatives.



Because LIHTC projects are perceived as attracting a disproportionate number of families, many communities have opposed them, claiming that they will have a disproportionate impact on the local school district.

The Danter Company was commissioned to study the relative impact of LIHTC households with children on a local school district.

In order to identify the impact of LIHTC development on a local school district, The Danter Company surveyed resident managers and management companies at 59 LIHTC developments in a variety of locations, including urban, suburban, small cities and villages in Ohio. We asked the managers to identify the number of households with children by unit size, the age of the children, and, whenever possible, identify household size. Some projects were unable to provide household-level demographic information.

### SURVEY RESULTS

The 3,433 total units contained 4,913 children, an average of 1.43 children per rental

unit. Of these children, 2,250 (0.66 per unit) were below 6 years of age (preschool), and 2,668 children (0.78 per unit) were of school age.

Families with children had an average of 1.94 children per household. Families with children in two-bedroom units averaged 1.32 children per unit, while those in three-bedroom units averaged 2.10 children per unit.

The number of children per unit increased with the number of bedrooms. There were 2,069 children in 1,885 two-bedroom units, an average of 1.10 children per unit. Of these, 910 children (0.48 per unit) were of school age and 1,158 (0.61 per unit) were preschool. Of particular interest is that, of the two-bedroom households with children, 72.5% had only one child. Of the two-bedroom households with school age children, 58.9% had only one child.

There were 2,552 children in 1,348 three-bedroom units, an average of 1.89 children per unit. Of these, 1,563 children (1.16 per unit) were of school age and 989 (0.73 per unit) were preschool. Of the three-bedroom households with children, a total of 23.8% contain only one child, 42.3% contain two children, 33.5% contain three children, and 0.4% contain four children. Of the three-bedroom households with only one child, the majority (68.1%) contain a preschooler, with the remainder (31.9%) containing a school age child.

There were 270 children in 82 four-bedroom units, an average of 3.29 children per unit. Of these, 183 (2.23 per unit) were of school age and 87 (1.06 per unit) were preschool.

## COMPARISONS

In order to compare these figures with national rental averages, we examined two recent reports produced by the US Census Bureau: the 1993 *American Housing Survey* (H150/93) (referenced in this summary as *AHS*) and *Household and Family Characteristics: March 1995* (P20-488) (referenced in this summary as *HFC*).

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The number of children per LIHTC household, 1.94, is only slightly greater than the average number of children per household in all renter units, 1.92.

The first point of comparison is the number of children per unit. Table 1 compares the number of children per unit nationwide for owners, renters, and the LIHTC survey sample.

The most important of these numbers is the number of children per household in households with children. The LIHTC Survey households with children averaged 1.94 children per family. This number is only slightly higher than the 1.92 per family for all rental units. This clearly indicates that families with children attracted to LIHTC housing are approximately the same size

as families with children in existing rental housing.

This is particularly important for multifamily conversions. It appears to indicate that an existing rental unit converted to LIHTC operation will continue to attract families of the same size after conversion.

When comparing the number of children by age group, it is clear that households in owner-occupied units have a significantly higher ratio of school aged children to preschool children than either the LIHTC survey population or the renter population as a whole. While 54.2% of the children in the LIHTC units were school aged, this increases to 59.1% for the rental population as a whole and 71.0% for owner-occupied households. It is possible that LIHTC units have a greater relative impact on the area's preschools and day cares than on the area's school enrollment.

Another important factor to consider when assessing the number of children per unit is the high percentage of two- and three-bedroom units in the LIHTC sample compared to the overall rental population. Table 2 illustrates a distribution of the LIHTC sample by bedroom size compared to the 1993 *American Housing Survey*:

As Table 2 indicates, the LIHTC sample is clearly skewed toward larger units, which by their nature are much more likely to contain larger households, including households with children. Relatively, the LIHTC sample contains almost twice as many three-bedroom units as the *AHS* sample.

In addition, the LIHTC sample has few one-bedroom units, which tend to contain very few children and would bring down the average number of children per unit. Out of 116 one-bedroom units in the LIHTC sample there are 15 children, or 0.13 child per unit. A total of 10 of these 15 children (66.7%) are preschoolers.

It is likely that the high average number of children per unit for the LIHTC sample compared to the overall renter sample is a direct result of the high number of larger units in the sample. Until we can identify the average number of children per unit *by unit type* for all rental developments, there is no

**TABLE 1**

Household type	Average Related/Own Children Per Unit		
	LIHTC Sample	US Renters	US Owners
All hhs	1.43		
All hhs, related children		0.72 <sup>1</sup>	0.68 <sup>1</sup>
All hhs, own children		0.66 <sup>1</sup>	0.63 <sup>1</sup>
All hhs, own children under 6	0.66	0.27 <sup>1</sup>	0.18 <sup>1</sup>
All hhs, own children 6 to 17	0.78	0.39 <sup>1</sup>	0.44 <sup>1</sup>
Hhs with children	1.94	1.92 <sup>1</sup>	1.87 <sup>1</sup>
All Nonelderly hhs	n/a	0.83 <sup>2</sup>	0.93 <sup>2</sup>
Nonelderly hhs with children	n/a	1.93 <sup>2</sup>	1.91 <sup>2</sup>

Source:<sup>1</sup> HFC <sup>2</sup> AHS

**TABLE 2**

Unit Size	LIHTC Sample	AHS Renters
0 bedroom (studio)	0.0%	3.2%
1 bedroom	3.4%	28.7%
2 bedroom	54.9%	43.1%
3 bedroom	39.3%	20.3%
4 bedrooms or more	2.4%	4.6%

way to determine definitively whether households cluster in LIHTC units at a greater rate than other types of rental housing.

It is also critical to remember that the number of children per LIHTC unit is an average. Our figures indicated that the average number of children per unit by development ranged from 0.42 to 2.04 children per unit. The development which averaged 0.42 child per development contained the majority of one-bedroom units within the LIHTC sample. The next lowest number of children per unit is 0.72, in a community with a higher level of larger units.

### CONCLUSIONS

Although there is a higher number of children per unit in LIHTC units than in rental development as a whole, we are unable at this point to determine whether this is a result of the nature of the LIHTC program

itself or the tendency for LIHTC developments to contain a relatively higher number of larger units than market-rate developments. Further research is being conducted to clarify this issue.

It is clear, however, that the LIHTC households have a significantly higher ratio of preschool children to school age children than the rental population as a whole. The nature of LIHTC units as “starter housing” likely makes it a popular choice for younger families. These younger families with small children appear likely to move into housing with more space, perhaps purchasing a single-family home, as their children age and need more space and their financial circumstances improve.

Based on our survey of LIHTC units, it is clear that households with children in LIHTC units have approximately the same number of children as households in other housing types.



*LIHTC households have a significantly higher ratio of preschool children to school-age children than the rental population as a whole. This could be a result of the nature of LIHTC units as “starter housing.”*

