



# Stimulus Funds Have Helped Real People in Need

**F**lorida's economy is being tested in ways not seen in decades. From a global recession, to the 2010 oil tragedy in the Gulf, to the burst of the housing bubble, our state continues to confront these issues and fight for its citizens and businesses every day. While we have been fortunate to avoid major hurricanes over the past four years, that threat to life and economies always looms large.

During these challenging times, I have welcomed assistance in that fight from several sources. That includes the federal American Recovery and Reinvestment Act of 2009 (known as the stimulus), as well as the Housing and Economic Recovery Act of 2008.

These dollars have helped our state avoid deep and devastating budget cuts and prevent tax increases that would further burden Florida's families and businesses. In addition to much needed tax relief, assistance in education, transportation, unemployment compensation, and renewable energy, the federal stimulus has been nothing short of a lifesaver for Florida's affordable housing market.

Florida is among the most severely impacted states by the foreclosure crisis and is now poised to receive an additional \$418 million in federal funds through the "Hardest Hit Funds" program that is part of the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets administered by the U.S. Department of the Treasury. These funds are unused dollars from the original Troubled Asset Relief Program (known as TARP) to help us keep responsible homeowners, especially those who have lost their jobs, from losing their homes.

I strongly believe Florida is doing the right thing by employing federal funds to help our citizens and businesses. Florida is



*By Governor Charlie Crist*

known as a "donor" state, meaning Floridians send far more dollars to Washington than what we receive in return. We are now closer to receiving our fair share through these important actions.

Have these programs had an impact? There is no question that the federal government has saved the housing market in Florida from a far more serious fate. It is common to hear critics of the federal stimulus claim there is no evidence of its benefits. These claims are similar to those from the critics of Florida's growth

management laws, who lament about too much sprawl, but fail to consider what the state would look like if we had no growth management laws.

Many critics of the stimulus funds understand the role it has played and quietly admit they would have also accepted them as well. I must thank the Florida Legislature for coming to the aid of fellow Floridians by working stimulus funds into the state budget during the past two years, helping both Florida's housing and job market.

Federal action has not been limited to direct assistance. Several initiatives involved tax cuts and tax credits along with incentives for home protections. The array of federal initiatives and investments in affordable housing include:

- Homebuyer tax credits
- Foreclosure Counseling
- Neighborhood Stabilization Program
- Weatherization
- Energy efficiency investments
- Mortgage Revenue Bond funding
- Tax Credit Assistance Program and Tax Credit Exchange Program



*Indiantown Non-Profit Housing (left) and St. Johns Housing Partnership (right) improve energy efficiency and create jobs with federal Weatherization funds for very low income families.*



When Florida lost the ability to find investors for continued development of affordable rental housing, the federal Tax Credit Assistance Program and the Tax Credit Exchange Program provided over \$670,000,000 to replace lost equity investment. Those funds have enabled ninety-one developments to be built that will provide over 7,200 homes for Florida’s working families, seniors and persons with disabilities. With a total development cost of \$1.48 billion, this translates to approximately \$2.5 billion in total economic activity and over 24,700 jobs.

These programs are examples of how the federal stimulus has saved the day for Florida’s affordable housing market and our citizens, especially our most vulnerable.

## Conclusion

For those who wonder whether the foreclosure crisis has ended the need for affordable housing in Florida, the answer is clearly, “no.” While foreclosed homes have provided a homeownership opportunity for many moderate and middle income Floridians, there are still those people and families on the other side who have lost their homes. In addition, much of the foreclosed stock is still out of reach for Florida’s lower income workers who need the counseling, down payment and closing

cost assistance provided by our local State Housing Initiatives Partnership (SHIP) offices.

It is quite simple: Florida continues to weather the housing crisis with the aid of the federal stimulus, but the federal help will not go on forever. Before the housing market crash, Florida could boast the best affordable housing programs in the nation. We had a dedicated revenue source of funds administered by SHIP offices in every county and entitlement city in a manner that was both accountable and responsive to local needs. That accountability included strict adherence to statutory requirements, including annual reporting to the state. Florida’s SHIP offices did a magnificent job of deploying federal disaster assistance following a series of hurricanes from 2004-2005 and will be needed again if Florida faces the devastating effects of a major hurricane.

Floridians can appreciate the fact that the total federal stimulus package, while not perfect, kept us from falling into an economic abyss brought about by severe cuts or crippling tax increases. However, we cannot, and should not, continue to rely on the federal government. We must continue a laser focus on job creation that will lead to a restoration of our landmark state housing programs, and ultimately to a sustained and robust recovery. **HNN**

*1 Housing economic impact estimates provided by the Sadowski Housing Coalition.*