



# Economic Benefits of Sadowski Housing Trust Fund Monies

Florida is beginning to recover from a severe economic downturn, which has resulted in a drop in doc stamp and other revenues. Although for-sale housing costs have retreated from all-time highs, the median priced home in Florida is still unaffordable to a large and growing segment of our citizens—including the workers who fill the critical service industry jobs which are essential to Florida. These workers most often need affordable rental



housing, the demand for which is strong and growing.

Given the nexus of the housing crisis and the downturn in the economy, a reduction in funding for Florida’s housing programs would be counterproductive, and would exacerbate both housing and revenue problems. This is exactly the wrong time to reduce Sadowski Act spending, from both an economic recovery and housing policy perspective.

## Summary of Findings:

- 1 Leveraging of Sadowski Funding with Private Sector Investment and Federal Funds:** For every \$1 million of Sadowski funding for housing, \$4.62 million of housing is built, rehabilitated and/or sold.

PROGRAM	TOTAL DEVELOPMENT COST/UNITS	FEDERAL PROGRAMS ACCESSED	PRIVATE SECTOR SOURCES ACCESSED	STATE SADOWSKI FUNDING	LEVERAGING
<b>SAIL</b> (Rental Construction and Rehabilitation)	\$421,656,825 2,521	Bonds Tax Credits HOME	Bond Buyers Equity Bank Loans Builders	\$95,521,744	4.41-1.00
<b>SHIP</b> (Primarily homeownership assistance through downpayments to persons needing larger levels of subsidy, also includes rehabilitation of owner occupied housing, and limited rental production)	\$641,481,173 7,887	Bonds Tax Credits HOME CDBG	Bank Loans Equity Mortgage Lenders Builders	\$160,582,798	4.00-1.00
<b>HAP</b> (State downpayment assistance program, primarily for sale of existing housing to persons needing small levels of assistance)	\$199,024,182 1,732	Bonds	Bond Buyers Mortgage Lenders Builders	\$17,235,742	11.55-1.00
<b>TOTAL</b>	<b>\$1,262,162,180 12,140</b>			<b>\$273,240,284</b>	<b>4.62-1.00</b>



② **Lost Federal Resources:** Florida has lost \$603.8 million of federal tax exempt bonds and tax credit equity in just the last three years because of inadequate housing appropriation levels due to raids on the Sadowski Affordable Housing Trust Funds. This fund would have produced over 46,000 jobs.

③ **Total Economic Impact—Multiplier Effect:** The total economic activity far exceeds the value of housing built. Because of the multiplier effect and leveraging, for every \$1 million of state funding, \$7.66 million of economic activity is generated. As part of that economic activity, each \$1 million of state funding generates over \$2.98 million of earnings/income. For every \$1 million of state funding, 77 jobs are created.

SADOWSKI FUNDING	TOTAL HOUSING VALUE CONSTRUCTED AND/OR SOLD	TOTAL JOBS CREATED	TOTAL ECONOMIC IMPACT	EARNINGS (INCOME) GENERATED
<b>\$194.6 million</b>	<b>\$899.1 million</b>	<b>14,984</b>	<b>\$1.491 billion</b>	<b>\$579.9 million</b>

④ **Tax Revenues:** Every \$1 million of Sadowski funding generates over \$298,000 of state and local tax revenue, of which \$73,000 of sales tax revenue to the state, directly attributable to purchase of construction materials. Other revenues include corporate income tax, documentary stamp tax, and sales tax paid on purchases from income derived from housing activities.

SADOWSKI FUNDING	TOTAL HOUSING VALUE CONSTRUCTED AND/OR SOLD	TOTAL STATE + LOCAL TAXES GENERATED	DIRECT SALES TAX PAID
<b>\$194.6 million</b>	<b>\$899.1 million</b>	<b>58,180,761</b>	<b>\$14,205,800</b>

For a Full Report on Sadowski Funding, go to [www.flhousing.org](http://www.flhousing.org)