



HOME MATTERS

THE 2014 REPORT FROM THE FLORIDA HOUSING COALITION



**Summary Edition
on Pages 8-15**

Access the Full Report Under the Publications' Tab
on the Coalition's Website.



HOME IS WHERE WE
FIND RESPITE;
where we feel safe where we
CONNECT with our **FAMILY**
keep our belongings and establish
ourselves within **OUR COMMUNITY.**

QUICK FACTS:

- FLORIDA HAS THE NATION'S THIRD HIGHEST HOMELESS POPULATION, INCLUDING OVER 5,500 VETERANS AND MORE THAN 7,000 FAMILIES (INCLUDING OVER 10,800 HOMELESS CHILDREN).*
- OVER 900,000 VERY LOW-INCOME HOUSEHOLDS, INCLUDING HARDWORKING FAMILIES, ELDERS, AND DISABLED FLORIDIANS LIVING ON FIXED INCOMES, PAY MORE THAN 50% OF THEIR INCOMES FOR HOUSING.

*Note that these numbers only include people who are unsheltered or staying in emergency or transitional shelters. They do not include people who are doubled up or living in hotels/motels.

WHY DOES HOME MATTER?

The health, safety, and welfare of Floridians and the strength of Florida's overall economy hinges on an adequate supply of affordable housing for Florida's working families, elders, and people with disabilities living on fixed incomes.

AFFORDABLE HOUSING REDUCES TAXPAYER EXPENSES

- Affordable and accessible housing allows seniors and persons with disabilities to live independently in their communities, avoiding the public costs of institutional care.
- For seniors and the physically disabled, independent living saves taxpayers almost \$20,000 per person per year. For persons with developmental disabilities the savings are even greater—almost \$80,000 per person per year.
- Permanent supportive housing (housing that is supported by case management services) for the chronic homeless saves taxpayers money by reducing the costs borne by hospitals, law enforcement, and other crisis services. Permanent supportive housing can realize a net cost savings of \$20,000 or more per person housed.¹

AFFORDABLE HOUSING INCREASES REVENUES

- Affordable housing construction and rehabilitation stimulates local economies. Contractors and suppliers spend money on materials and labor, and workers spend their earnings locally.
- Money spent on housing has a multiplier and a ripple effect.
- In 2010, housing dollars deployed through the Florida Housing Finance Corporation (FHFC) created more than \$4.8 billion in total economic output, 41,000 jobs, and \$1.7 billion in labor income.
- If the state and local housing trust fund monies are appropriated for housing in Fiscal Year 2014-15, it will create over 27,000 jobs and over \$3.4 billion in positive economic benefit for Florida in just one year, while creating homes that will last far into the future.*

*Based on historic data and the December Revenue Estimating Conference projecting documentary stamp collections deposited into the state and local housing trust funds of approximately \$291 million.



The Florida Housing Coalition has produced this report in support of Home Matters® (www.HomeMattersAmerica.com), a national movement to make Home a reality for everyone by elevating the importance of Home's impact on people's health, education, personal success, public safety, and the economy. Participating in Home Matters is a coast-to-coast coalition composed of members of the general public, leaders of housing and community development organizations, as well as other organizations concerned about increasing the positive impact of Home in their communities.

THE SADOWSKI TRUST FUNDS:

A Proven Track Record of Producing and Preserving Affordable Housing

HISTORY AND MAJOR PROGRAMS

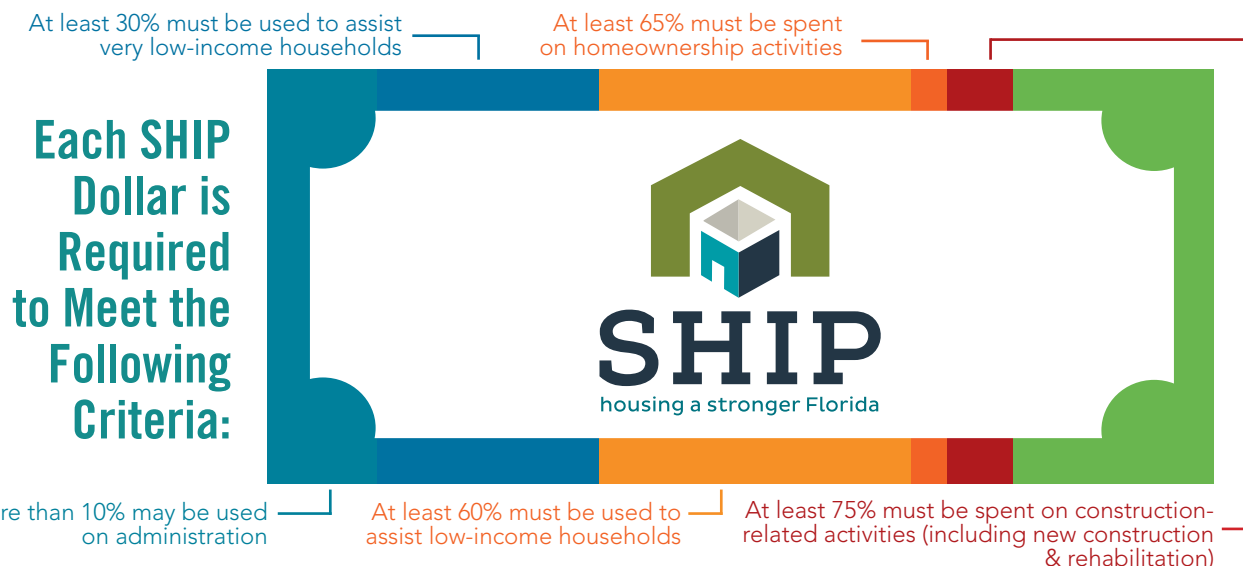
Approximately 22 years ago, a diverse coalition of Florida's affordable housing advocates, business and industry groups, and faith-based organizations worked together to create a dedicated revenue source for affordable housing. In 1992, the state legislature created that dedicated revenue source with the passage of the William E. Sadowski Affordable Housing Act. The Sadowski Act raised the state documentary stamp tax on deeds by ten cents per \$100 of the property's value,^h and directed the new funds to two trust funds, one for administration by local governments and one for administration by the State.

THE LOCAL HOUSING TRUST FUND

The Local Housing Trust Fund supports the State Housing Initiatives Partnership (SHIP) program, which is a grant for local governments to implement locally adopted plans to provide for housing within

their jurisdictions. The Florida Housing Finance Corporation uses a legislatively created population-based formula to distribute SHIP funds to all 67 counties and to cities that receive Community Development Block Grant (CDBG) funds. SHIP is most commonly used to support home ownership activities such as down payment and closing cost assistance to homebuyer counseling, construction, and rehabilitation to make homes safe and/or handicapped accessible. It gives local governments flexibility to meet local needs, as long as statutory criteria are met. These requirements, found in Florida Statute 420, include:

- At least 65% must be spent on homeownership activities
- At least 75% must be spent on construction-related activities (including new construction and rehabilitation)



^h In 1995, the State Legislature shifted another ten cents of documentary stamp tax revenue from general revenue to the Sadowski trust funds.

Table 6. Estimated Economic Impacts of Fully Appropriated Sadowski Housing Trust Funds in Fiscal Year 2014-15. Source: Hendrickson and Ross 2013, using data from Hodges et al. 2012, the 8/2013 Revenue Estimating Conference, and FHFC.

Program	SHIP	SAIL	Total
Projected Trust Fund Revenue in FY 14/15	\$204 million	\$87 million	\$291 million
Total economic activity generated	\$2.66 billion	\$774 million	\$3.4 billion
Total jobs created	21,126	6,115	27,241

- At least 30% must be used to assist very low-income households
- At least 60% must be used to assist low-income households
- No more than 10% may be used on administration

THE STATE HOUSING TRUST FUND

The State Housing Trust Fund supports several small but critically important programs. For example, the Catalyst Program for Training and Technical Assistance ensures that all SHIP and other housing funds are used most effectively, while the Predevelopment Loan Program provides a revolving loan fund for upfront costs of development by nonprofits. The main Sadowski-funded state program is the State Apartment Incentive Loan (SAIL) program. SAIL provides funding on a competitive basis for the construction or preservation of affordable multifamily rental housing. SAIL usually serves as gap financing for developments serving hard to serve populations, such as the extremely low income, with other funding sources, such as the Low Income Housing Tax Credit.ⁱ

IMPACT

As we saw in the section on the economic benefit of affordable housing, the State and Local Housing Trust Fund investments provide large benefits to the overall

economy. In 2010, about half of the benefits in terms of jobs, economic output, and labor income stemmed from projects that received SHIP or SAIL funding. SHIP and SAIL projects accounted for:

- Over \$2.28 billion in economic output
- Almost \$1.78 billion in labor income
- Over 41,000 jobs

In Fiscal Year 2014-15, a projected \$291 million in documentary stamp tax revenues will be available for appropriation from the Sadowski trust funds. If the State Legislature appropriates the full amount to the trust funds, the economic impact will be substantial, as shown in Table 6.

The housing investments leveraged by SHIP and SAIL will produce an estimated

- \$3.4 billion in positive economic benefit
- Over \$1.16 billion in labor income
- More than 27,000 jobs
- Over \$115 million in state and local government revenue

In addition, Sadowski funds give low- and moderate-income families around the state a hand up that can last a lifetime and inure to future generations.

ⁱ The Low Income Housing Tax Credit Program (LIHTC) is found in Section 42 of the Internal Revenue Code. The U.S. Treasury Department issues tax credits to states, which in turn award them to affordable housing developers. The developers sell them to equity investors to raise money for development of affordable rental housing. FHFC calls the LIHTC program in Florida the "Housing Credit" program.



HOW ARE FLORIDA'S SADOWSKI HOUSING PROGRAMS FUNDED?

The doc stamp tax on all real estate transactions was increased in 1992. The additional money generated is dedicated to the state and local housing trust funds. 70% is directed to local governments (all 67 counties) and Florida's entitlement cities to fund the SHIP program. 30% is used by the Florida Housing Finance Corporation for programs such as SAIL.

\$291,330,000*

IS AVAILABLE FOR APPROPRIATION FROM THE SADOWSKI HOUSING TRUST FUNDS IN FY 2014-2015

THE FLORIDA LEGISLATURE CAN CREATE MORE THAN 27,000 JOBS AND OVER \$3.43 BILLION IN POSITIVE ECONOMIC IMPACT FOR FLORIDA IF IT APPROPRIATES THE HOUSING TRUST FUND MONIES FOR HOUSING.

*Based upon documentary stamp projection plus projected balance in housing trust funds as of 1/4/2014

UPLIFTS FLORIDIANS

SAIL provides an essential funding source for meeting the housing needs of homeless veterans.

In Florida, the Fair Market Rent (FMR) for a 2-bedroom apartment is \$995. In order to afford this, a household must earn at least \$39,804 annually (\$19.14/hour). For that same 2-bedroom apartment, a minimum wage Floridian earning \$7.79/hour must work 98 hours/week year round or the household must include 2.5 minimum wage earners working year round.

SHIP funds can be used to move the existing housing stock. SHIP provides down payment and closing cost assistance, typically a soft second mortgage that is repaid only upon resale as well as home ownership counseling both pre and post purchase.

SAIL funds produce apartments for Florida's workforce, rehabilitates existing apartments in dire need of repair, as well as apartments that house Florida's most vulnerable populations including the frail elderly and persons with disabilities, who might otherwise need to live in an institutional setting.

Florida has the 2nd largest per capita veteran population in the country, the 3rd highest homeless population in the country, and one of the largest populations of homeless veterans.



CREATES 27,241 JOBS

From construction workers to retailers; an investment in housing creates jobs for Floridians. Housing dollars will put Florida's out-of-work housing industry back to work repairing homes and improving the real estate market. SHIP funds can be used for rehabilitation/renovation of existing empty housing stock to ready it for families to move in.



CREATES
JOBS

UPLIFTS
FLORIDIANS

INVESTS
LOCALLY

FUELS
ECONOMIC
DEVELOPMENT

GENERATES
RESULTS

GENERATES RESULTS

The Florida Legislature can create more than 27,000 jobs and over \$3.43 billion in positive economic impact for Florida if it appropriates the housing trust fund monies for housing.

SHIP and SAIL have proven track records for performance, transparency, and accountability. Floridians need affordable housing. Using the housing trust fund monies solely for housing is the right thing to do- for Floridian's in need; for the benefit of all Florida taxpayers; and for the growth of Florida's economy.

INVESTS LOCALLY

SHIP has been successfully operating statewide, from large urban areas to small rural communities for more than 20 years

SHIP program flexibility allows local housing programs to meet their community's individual needs and revise strategies in accordance with changes in the local market, provided they continue to meet statutory criteria.



FUELS ECONOMIC DEVELOPMENT

The appropriation would result in a positive economic impact of \$3.43 billion.

\$3.43 BILLION

AFFORDABLE HOUSING IS ESSENTIAL FOR FLORIDIANS:

It allows low- and moderate-income working families to live near their places of employment, and enables elderly and disabled family members on fixed incomes to be integrated in their communities.

- Construction and rehabilitation of housing stimulates the state and local economies, creating business for contractors and suppliers, and providing local jobs and earnings that further boost the economy.
- Physical health, mental health, and children's educational attainment increase when families are living in affordable housing.
- There is a "spillover" effect for the whole community when families are in affordable housing, providing them more disposable income for food, healthcare, and other necessities.

WE DON'T HAVE ENOUGH AFFORDABLE HOUSING IN FLORIDA:

- More than 900,000 very low-income households, including hardworking families, elders, and disabled Floridians living on fixed incomes, pay more than 50% of their incomes for housing.
- Florida has the nation's third highest homeless population, including over 5,500 Veterans and more than 7,000 families (including over 10,800 homeless children.)
- These numbers only include people who are unsheltered or staying in emergency or transitional shelters. They don't include people who are doubled up or living in hotels/motels.

THERE IS A LARGE AND GROWING GAP BETWEEN INCOME AND HOUSING COSTS:

- Of the 15 job categories with the greatest number of employed people statewide, only four pay a median wage of more than \$15 per hour.

- With the high cost of automobile travel, low- and moderate- income families cannot necessarily escape high housing costs by living in the suburbs. Shortage of affordable and available rental units,
- Ongoing loss of units from the subsidized rental housing stock.
- Statewide rents are higher, as families who lost their homes to foreclosure enter the rental market and young people delay buying their first homes.
- Rents have increased faster than incomes in most communities.
- Rising prices and shrinking inventories have squeezed many low- and moderate-income homebuyers out of the market.

THE GOOD NEWS:

Although the affordable housing need in Florida is considerable, our state has a nationally acclaimed program based on a dedicated revenue source with a proven track record for performance, transparency, and accountability: The William E. Sadowski Affordable Housing Act.

Since 1992, the Sadowski affordable housing programs have leveraged billions of dollars from private lenders, the private for profit and nonprofit sectors, and government agencies. If SHIP and SAIL funds are fully appropriated in Fiscal Year 2014-15, the result will be \$3.4 billion in positive economic benefit, over \$1.16 billion in labor income, more than 27,000 jobs, and over \$115 million in state and local government revenue.

We cannot end Florida's affordable housing shortage overnight, but with strong public-partnerships and consistent state funding, we can help thousands of families move into affordable housing every year. The ongoing recovery of Florida's economy and home sale market is good news, and we do not want to lose our momentum by allowing working families and elderly and disabled neighbors to be shut out. **HNN**

HOME MATTERS FOR FLORIDA



HOME MATTERS FOR FLORIDA'S FAMILIES



HOME MATTERS FOR FLORIDA'S VETERANS



HOME MATTERS FOR FLORIDA'S ELDERLY



**HOME MATTERS FOR FLORIDA'S SPECIAL
NEEDS POPULATIONS**



**HOME MATTERS FOR FLORIDA'S YOUTH
AGING OUT OF FOSTER CARE**



HOME MATTERS FOR FLORIDA'S ECONOMY