



HOME MATTERS

REPORT FROM THE FLORIDA HOUSING COALITION





HOME IS WHERE WE FIND
RESPITE
where we **SAFE** where we **CONNECT**
— **FEEL** —
where we keep our **BELONGINGS** with our **FAMILY**
AND ESTABLISH OURSELVES WITHIN
OUR COMMUNITY

QUICK FACTS:

Florida still has an affordable housing crisis

- 911,390 very low-income Florida households — which include hardworking families, seniors, and people with disabilities — pay more than 50% of their incomes for housing.
- Florida has the third highest homeless population of any state in the nation, with 33,559 people living in homeless shelters and on the streets. This includes 2,902 veterans and 6,140 children.
- Low-wage jobs are prevalent in Florida's economy. In many occupations, workers do not earn enough to rent a modest apartment or buy their first home.

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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, community-based housing for seniors and people with disabilities is about one-third of the cost of institutional care.
- Chronically homeless persons often cycle through jails, hospitals, and other crisis services. Permanent supportive housing for this high-needs population can reduce taxpayer costs by about \$20,000 per person per year.
- Affordable housing can improve the health and educational outcomes of low-income families and children, reducing the public costs associated with illness and poor school performance.

AFFORDABLE HOUSING BOOSTS THE ECONOMY

- Money spent on affordable housing construction and rehabilitation has a ripple effect on local economies. Contractors and suppliers spend money on materials and labor, and workers spend their earnings locally.
- If the Sadowski Housing Trust Fund money is fully appropriated for housing, it will create nearly 29,000 jobs and \$3.8 billion in positive economic impact in just one year, while creating homes that will last far into the future.



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.

SECTION ONE:

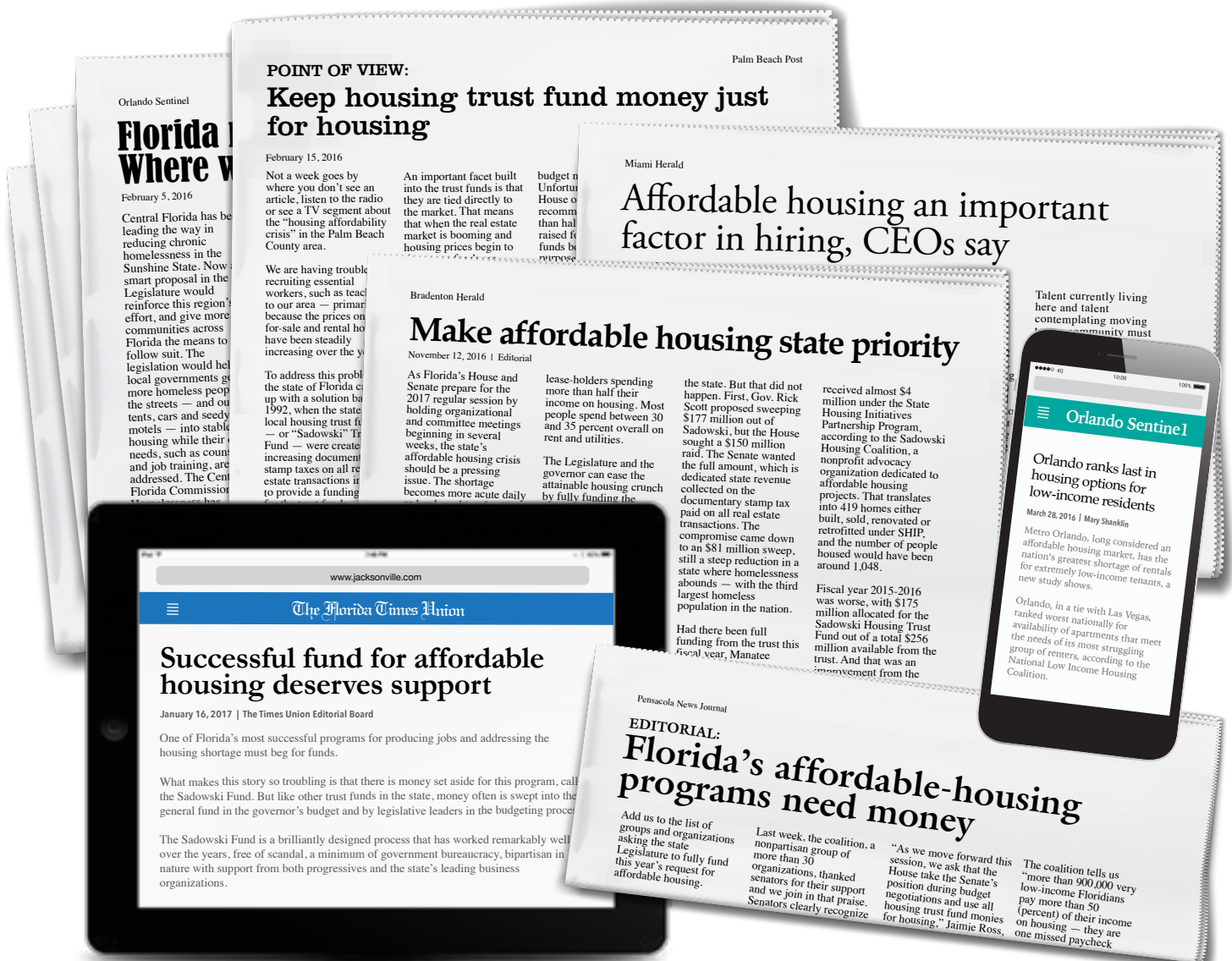
Introduction: Why Does Home Matter?

When it comes to affordable housing, Florida has seen both triumphs and ongoing challenges in 2016. The Florida Legislature approved the highest homegrown appropriation for the Sadowski State and Local Housing Trust Funds in nine years. However, many communities have expressed a sense of urgency about rising housing costs and the prevalence of street homelessness, prompting elected officials, private citizens, and members of the business, philanthropic, and faith communities to come together and search for solutions.

Everyone needs a safe, stable place to call home, but housing is a market commodity as well as a basic human need. Unfortunately, the private market by itself is unable to provide homes and apartments for many workers, elders, and people with disabilities. The price of housing reflects what people are willing to pay to live in a community, and many people are bidding high prices to live in Florida's vibrant cities and towns. In many communities, even modest homes and apartments are priced out of reach of essen-

tial workers (including teachers and police officers), or are torn down and replaced with high-end houses, apartments, and condos. Even in communities with more moderate housing costs, many residents may struggle to find high-quality affordable housing if they work in low-wage jobs or live on fixed incomes.

The way to correct this market failure is to provide financial incentives that make it profitable for private developers to invest in affordable housing. These incentives come from public-private



What is Affordable Housing?

Misconceptions about affordable housing are widespread, with many citizens associating it with large, distressed public housing projects in central cities. However, plenty of Public Housing Authorities across the nation, large and small, are well-managed and have decent units. Furthermore, public housing is only one type of affordable housing. In this report, “affordable housing” refers to privately owned housing that receives a subsidy to bring its rent or purchase price down to a level affordable to a low- or moderate-income family. Except for the subsidy, affordable housing is indistinguishable from market-rate housing—it has the same architectural and landscaping styles, and often has basic amenities like energy efficient appliances and community gathering spaces. Substandard housing is, by definition, not affordable housing. The price thresholds for housing affordability will be discussed later in the report.

partnerships among lenders, real estate professionals, community-based nonprofit organizations, and local, state, and federal government agencies. Affordable housing funders typically impose high standards for building quality and property management. Every partner and every funding source in this community effort—public, private, and nonprofit—is an essential piece of the puzzle. This report outlines the need for affordable rental and ownership housing in Florida, and highlights the importance of the Sadowski State and Local Trust Funds in meeting this need.

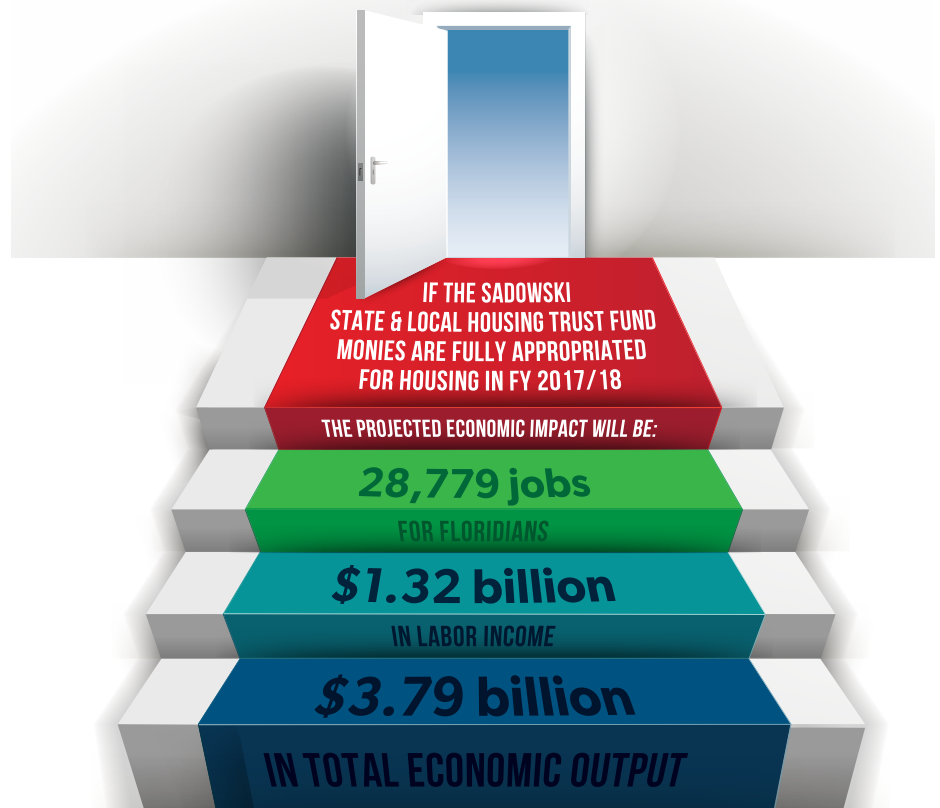
The Benefits of Affordable Housing

Economic Benefits

Affordable housing—like any other housing development—stimulates state and local economies. When a developer creates affordable housing through new construction or rehabilitation, the community gains jobs through direct, indirect, and induced economic impacts¹ (see Sidebar on p. 3). For example, each dollar of Sadowski state and local housing trust funds leverages \$4 to \$6 in private investment, federal tax credits, and other funding sources. If the Sadowski state and local housing trust fund monies are fully appropriated for housing in Fiscal Year 2017-18, the projected economic impact will be:

- 28,779 jobs
- \$3.79 billion in total economic output
- \$1.32 billion in labor income²

**Each Dollar Of Sadowski State & Local Housing Trust Funds
LEVERAGES \$4 TO \$6**
in private investment, federal tax credits, and other funding sources.



Once an affordable housing development is built and occupied, the residents create demand for ongoing jobs to meet their needs. Additionally, families living in affordable housing have more discretionary income to spend on food, clothing, and other goods and services, thereby boosting the local economy³.

Affordable housing is also important for employers that are trying to attract skilled workers to a region. For example, a 2015 survey in Sarasota County found that business leaders identified affordable housing as an ongoing need, despite their overall optimism about the region's economy⁴. When local housing costs are out of reach for entry-level and mid-level employees, they must live remotely and commute to work. This increases traffic congestion, which creates a drag on local business profitability⁵. Employers may find it harder to attract skilled workers, and have more problems with employee absenteeism and turnover^{6,7}.

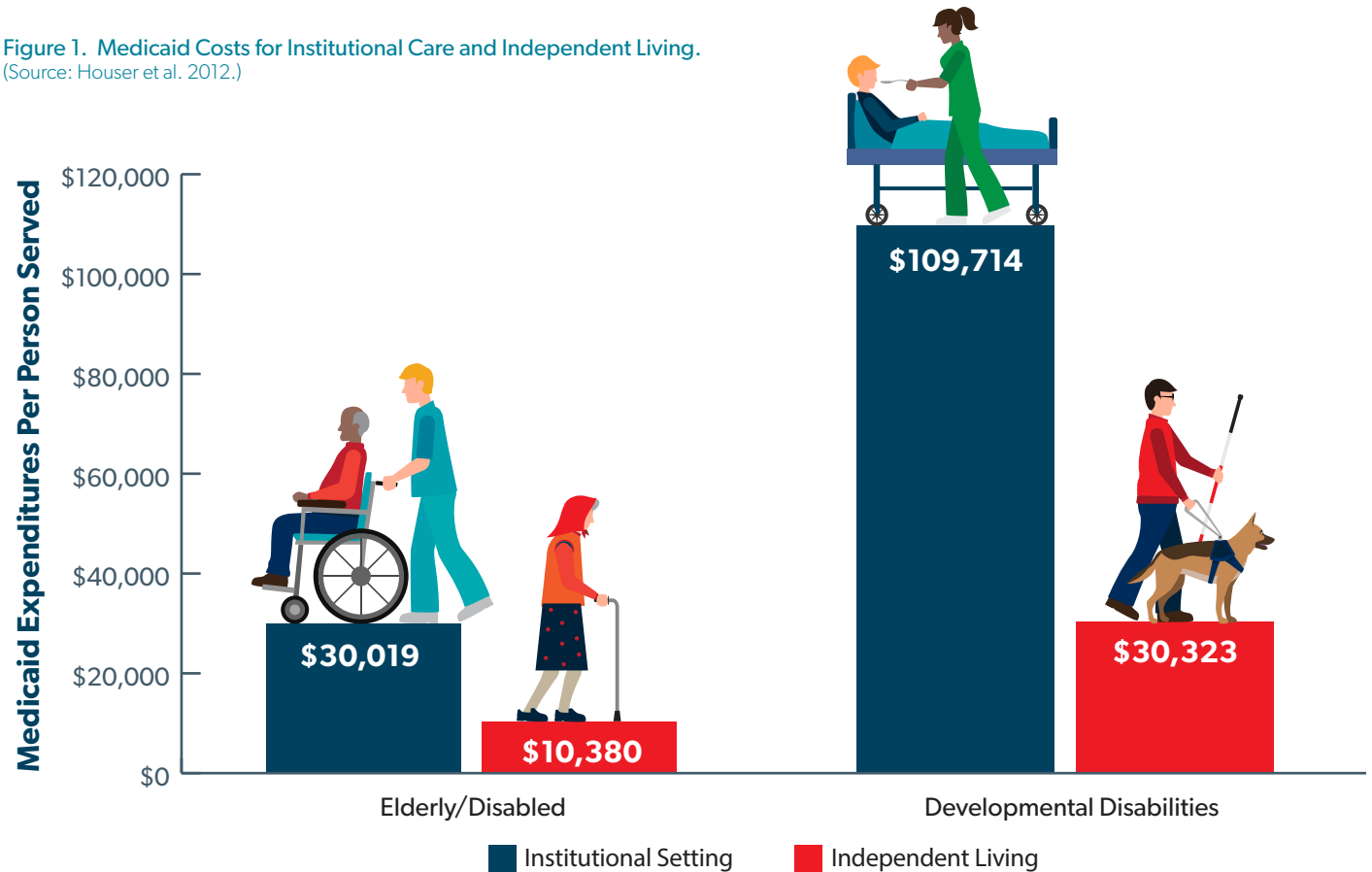
An additional economic benefit of affordable housing comes from the foregone costs of providing social services to persons who are elderly, homeless, or have disabilities. According to an AARP report⁸, Medicaid-funded nursing home care in Florida for seniors and people with disabilities cost over \$30,000 per person served, compared to less than \$10,400 for Medicaid Home and Community-Based Services (HCBS). For persons with developmental disabilities, HCBS is less than one-third of the cost of an intermediate care facility (see Figure 1). Homeless persons with severe mental illness, meanwhile, are often heavy users of public crisis services such as jails and emergency rooms. A study in Central Florida estimates that permanent supportive housing for chronically homeless individuals saves taxpayers an estimated \$20,000 per person⁹.

Economic Impacts:

A Note On Terminology

Activities such as housing construction and rehabilitation stimulate local economies in several ways. For affordable housing development, "direct" impacts occur when developers hire workers and purchase materials from local suppliers. The suppliers, in turn, purchase additional materials and labor to fill the developer's order, producing "indirect impacts". The workers employed, directly and indirectly, further stimulate the economy by spending their wages locally ("induced impacts").

Figure 1. Medicaid Costs for Institutional Care and Independent Living.
(Source: Houser et al. 2012.)



HOUSING PLAYS A MAJOR ROLE

IN OUR PHYSICAL & MENTAL HEALTH

For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:



FOOD & HEALTH CARE

Families in unaffordable housing are likely to cut back on nutritious food and health care.

HEALTH HAZARDS

Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury.



STRESS & DEPRESSION

Frequent moves are associated with stress and depression, and overcrowding has been linked to poor health in children.



EXACERBATED HEALTH PROBLEMS

Living on the streets or in shelters poses unique health risks. Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry.



Health and Education Benefits

Housing plays a major role in our physical and mental health. For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:

- Families in unaffordable housing are likely to cut back on nutritious food and health care¹⁰.
- Substandard housing poses a variety of health hazards. Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury^{11,12}.
- Many low-income families move frequently or double up with friends and relatives if they cannot find affordable housing. Frequent moves are associated with stress and depression, and overcrowding has been linked to poor health in children^{13,14}.
- Homelessness exacerbates a person's pre-existing health problems, and living on the streets or in shelters poses unique health risks (including tuberculosis, violence, and exposure to weather). Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry¹⁵.

Many of the health problems associated with a lack of affordable housing are closely connected to children's educational performance. For example, exposure to lead paint is known to cause developmental delays in children, while asthma from exposure to dust and mold can cause children to miss school and fall behind. Frequent moves, overcrowding, and homelessness have also been linked to lower educational attainment in children¹⁶.

If a lack of affordable housing can contribute to ill health and educational problems among low-income families and children, then affordable housing is the foundation for good health and achievement in school. For example, according to a study by Children's HealthWatch, infants in food-insecure families are 43% less likely to be hospitalized if their families had rental assistance during the pre-natal period, resulting in a health care cost savings of about \$20 million¹⁷. Additionally, both subsidized rental housing and homeownership have been linked to better educational outcomes for children^{18,19}.

SECTION TWO:

By The Numbers: Housing Cost Burden in Florida

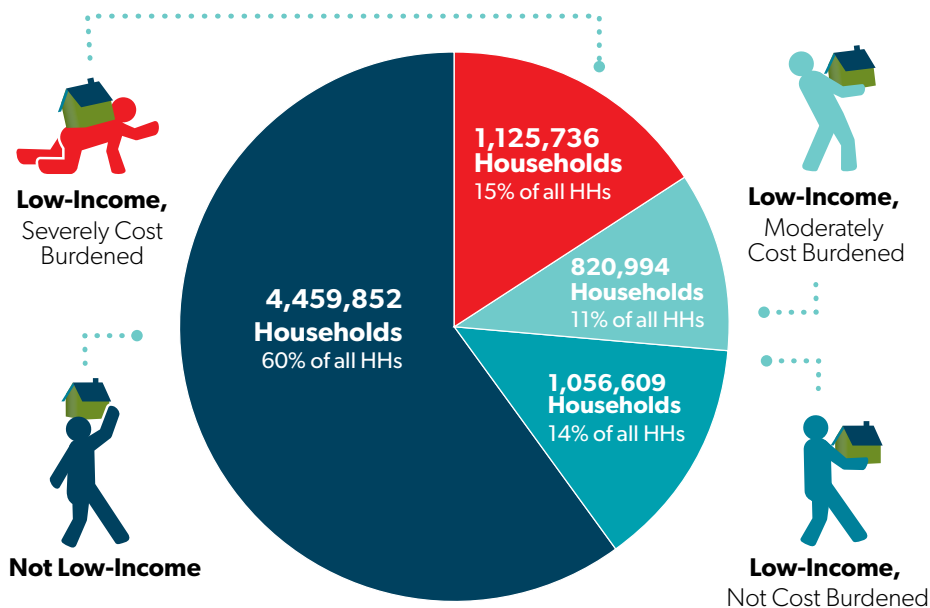
Housing Costs for Low-Income Families

Housing is generally considered affordable if it costs no more than 30% of a household's income. Households who pay more than this amount are considered "housing cost burdened". This is not a perfect benchmark, since it is applied equally at all income levels. However, it is a reasonable standard for most low-income households. More conservative analyses of housing affordability focus on households who are "severely cost burdened", or paying more than 50% of their incomes for housing. See the Sidebar on right for a glossary of terms related to housing costs and incomes.

Data for Florida's households is summarized in Figure 2 below. Of Florida's 3 million low-income households, over 1.94 million are cost burdened^a. This number represents 65% of low-income households, and a full 26% of all Florida households. Of these low-income, cost burdened households, over 1.12 million are severely cost-burdened—37% of all low-income households, and 15% of all Florida households. Of all low-income households with severe cost burden, 911,390 (12% of all Florida households) are very low-income (not shown in Figure 2). Of all low-income, cost burdened households in Florida, over 570,000 are headed by seniors (age 65 or older). For low-income households that have members with one or more disabilities, over 577,000 are cost burdened²¹. For household heads who are elderly or have disabilities, the availability of affordable housing in the community can make the difference between living independently and moving into a more restrictive setting, such as a nursing home. Parents who care for a child with disabilities in the family home, meanwhile, may find that high housing costs compete with the higher medical costs and time off work associated with their role as caregivers²².

^aThis data includes households in "regular" housing units. Individuals and households in settings such as group homes, dormitories, residential treatment centers, skilled nursing facilities, homeless shelters, military barracks, and prisons are excluded.

Figure 2. Cost Burdened Low-Income Households in Florida.
(Source: Shimberg Center for Housing Studies 2016a²⁰.)



GLOSSARY

Area Median Income (AMI): Median annual household income (pre-tax) for a metropolitan area, subarea of a metropolitan area, or non-metropolitan county.

Low-Income (LI): Household is at or below 80% of the AMI for households of the same size.

Very Low-Income (VLI): Household is at or below 50% of the AMI for households of the same size.

Extremely Low-Income (ELI): Household is at or below 30% of the AMI for households of the same size.

Housing Costs: Includes the household's rent or mortgage payments, utility payments, property taxes, insurance, and mobile home or condominium fees, as applicable.

Affordable Housing: Housing that costs no more than 30% of a household's gross income.

Cost Burdened: Household pays >30% of its gross income on housing costs.

Moderately Cost Burdened: Household pays >30% but no more than 50% of its gross income on housing costs.

Severely Cost Burdened: Household pays >50% of its gross income on housing costs.

Housing Cost Burden and Tenure

Figure 3 shows a breakdown of severely cost burdened households by income bracket and tenure in Florida. Not surprisingly, the share of cost burdened households for each tenure type increases as income decreases. Severe cost burden is most prevalent among owner households with mortgages, possibly reflecting the legacy of subprime mortgage lending during the housing boom, the loss of earnings among low-income workers during the recession, or both.

Severe cost burden is also widespread among low-income renters. In the extremely low-income (ELI) and >30% to 50% AMI brackets, 66% and 57% of renter households are severely cost burdened, respectively. While owners without mortgages are much less likely to have severe cost burden, over 40% of ELI households who own their homes free and clear are severely cost burdened.

The share of low-income Florida households that are severely cost burdened declined marginally between 2005 and 2015, from 38% to 37%. However, not all tenure types saw a decrease in the prevalence of severe cost burden (Table 1). Severe cost burden increased by 5 percentage points among renters in the >30-50% AMI bracket, and by 4 percentage points among low-income renters above 50% AMI. This is consistent with findings from other sources, which show that cost burden among renters has crept up the income ladder in recent years^{23,24}. (Although the prevalence of cost burden among the lowest income renters is essentially unchanged, these renters had extremely high rates of cost burden to begin with.)

The decrease in severe cost burden among Florida's homeowners with mortgages might reflect the fact that some owners have refinanced at lower interest rates, while others who were over-leveraged lost their homes to foreclosure. Notably, the rates of severe cost burden among owners with mortgages in the >30-50% and >50-80% AMI brackets climbed after 2005, peaked between 2009 and 2011, and have declined since then (data not shown). Among ELI owners with mortgages, rates of severe cost burden did not peak during the Recession years, perhaps because they were already extremely high²⁵.

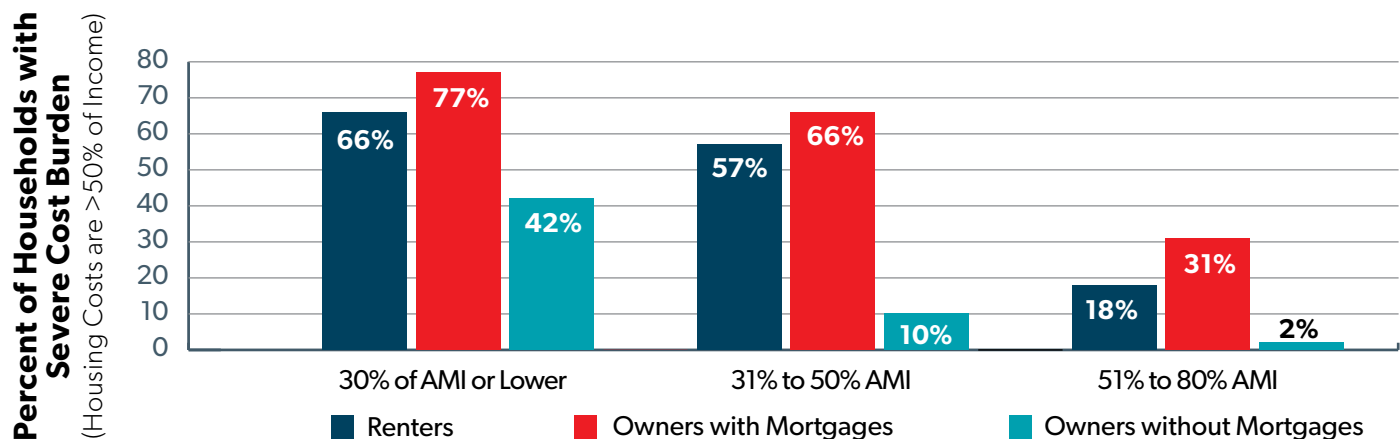
Homelessness

When a household's rent or mortgage payments compete with other basic needs, such as food and healthcare, they are at risk of homelessness. In their 2016 Point-in-Time (PIT) counts^b, communities across Florida identified a total of 33,559 "literally homeless" people—those staying in shelters, on the street, or in other places not meant for human habitation. As Table 2 shows, Florida's homeless population according to the PIT counts has declined by 30% since 2007, although this drop masks a peak of 57,551 in 2010. During the same period, the United States PIT count homeless population experienced an almost uninterrupted decline, and was 15% lower in 2016 than in 2007.

Several homeless subpopulations have decreased as well at the state and national level, as shown in Table 2. Florida has outperformed the nation in reducing homelessness among people in families and veterans, but has experienced a more

^bHUD requires Point-in-Time counts of "literally homeless" people to be conducted at least biennially by Continuums of Care (CoCs), or geographically defined networks of homeless service providers. Most CoCs in Florida and across the nation conduct their PIT counts on a single night in the last week of January.

Figure 3. Severely Cost Burdened Florida Households by Tenure.
(Source: Shimberg Center 2016a.)



modest decline in its population of chronically homeless individuals. Overall, the state and national progress in reducing literal homelessness is a testament to the success of the “Housing First” model and the (relatively) strong political support for homeless assistance programs.

Unfortunately, another commonly used measure suggests that family homelessness has increased both nationally and in Florida. The U.S. Department of Education (ED) requires public school districts to identify children and youth who are homeless at any time during the academic year (including summer school). Children who are doubled-up or living in motels due to their family’s loss of housing or economic hardship are defined as “homeless” by ED, and comprise most of the students identified as homeless at both the state and national level.

Across the U.S., the population of homeless students increased by 32% between the 2008-2009 and 2014-2015 academic years. The net increase in Florida over the same

Table 1. Changes in Severe Cost Burden Among Florida Households by Tenure and Income Bracket.

(Source: Shimberg Center 2016a.)

Severe Cost Burden	Percentage Point Change 2005 - 2015		
	30% AMI or Less	>30% to 50% AMI	>50% to 80% AMI
Owner Households with Mortgage	-7%	-7%	-6%
Owner Households without Mortgage	-2%	-1%	0%
Renter Households	-1%	5%	4%

Table 2. Point-in-Time Counts of Homeless People in Florida and the United States.

(Source: HUD Point-in-Time Count data, 2007-2016.)

Homeless Population Category	Population in FL in 2015	Percent Change in FL	Percent Change in U.S.
Total Homeless Population (2007-2016)*	33,559	-30%	-15%
Persons in Families (2007-2016)*	9,358	-38%	-17%
Chronically Homeless Individuals (2007-2016)*	5,415	-27%	-35%
Veterans (2010-2016)**	2,902	-63%	-47%

*HUD uses 2007 as a baseline year for most Point-in-Time data.

** 2010 was the first year that HUD had reliable estimates of Veteran homelessness at the state level.

HOMELESS CHILDREN IN THE PUBLIC SCHOOL SYSTEM

ON THE NATIONAL LEVEL

The population of homeless students increased by 32% between the 2008-2009 and 2014-2015 academic years.



IN FLORIDA

The increase over the same period was even sharper —78%—yielding a homeless student population of over **73,000** by the 2014-2015 academic year.



Many of Florida's common occupations
DO NOT PAY ENOUGH
FOR A FAMILY TO SURVIVE,
 Let Alone Thrive

In Florida, the median wage for
39% of jobs fall below the
Minimum
Survival Wage.

\$13.71
 per hour



Over 600,000 Floridans
have median wages below \$10
per hour, leaving their families vulnerable
to financial crisis.

When households cannot make ends meet, they
cut corners in their budgets in risky ways.



Adding Credit Card Debt



Eating a Poor Diet



Forgoing Health Care



Choosing Low Quality
Childcare



Not Registering or
Insuring Cars

period was even sharper—78%—yielding a homeless student population of over 73,000 by 2014-15²⁶.

Low-Wage Jobs

Low-wage jobs, many of them low-skilled, are prevalent in Florida's economy. According to the United Way of Florida's 2017 report on Asset Limited, Income Constrained, Employed (ALICE) households, the "survival wage" for a household with two adults, one infant, and one preschooler was \$27.42 per hour in 2015 (adjusted to 2016 dollars), or \$13.71 per hour for each adult^c. The household Survival Wage is just enough for a bare-bones budget with no cushion for emergencies. Unfortunately, many of Florida's common occupations do not even pay enough for a family to survive, let alone thrive. As the *ALICE Report* shows, government assistance and private charity is not enough to fill the gap for these families²⁷.

Although the median wage for all occupations in Florida is \$15.76, occupations with a median wage below \$13.71 per hour comprise 39% of all jobs in the state. Table 3 shows the ten most common of these occupations, which alone account for over 1 in 5 jobs in Florida. Four of the ten occupations shown have an entry wage below \$9 per hour, and over 663,000 jobs have median wages below \$10 per hour. These households can quickly fall into financial crisis due to job loss, illness, child care emergencies, break-down of an automobile, or other disruptions. When households cannot make ends meet, they tend to cut corners in their budgets in risky ways—such as accumulating credit card debt, eating an inadequate diet, forgoing preventative health care, choosing lower quality child care, and neglecting to register or purchase liability insurance for their automobiles. In the worst cases, these families join the ranks of the homeless households described above.

Housing and Transportation Costs

Faced with high housing costs in the communities where they work, many families live in outlying communities. Not only do long commutes cause stress and take away from family time, but the costs of car maintenance and fuel can cancel out the housing cost savings. Many of Florida's metro areas are sprawling and heavily car-dependent, minimizing the opportunities for workers to save money by using public transit.

^cIn the *ALICE Report*, the United Way of Florida assumes that each adult works 40 hours per week, 50 weeks per year.

To capture the tradeoff between housing and transportation costs that many families face, the Center for Neighborhood Technology (CNT) calculates a “Housing + Transportation Affordability Index” for communities across the nation. Just as 30% is the maximum share of income that a family can affordably devote to housing, CNT has determined that 45% is the maximum affordable share of household income that can be spent on combined housing and transportation costs.

As Figure 4 shows, transportation costs magnify the already high burden of housing costs for low-income households in Florida’s metro areas^d. For the “average” low-income household, housing costs range from 38% in the Pensacola metro to 51% in the Miami metro.

However, when transportation costs are taken into account, the difference in cost burden between the Pensacola and Miami metro areas is smaller. The average low-income household in the Pensacola metro pays 70% of its income for housing and transportation, while the average low-income household in the Miami metro pays 78%.

In fact, when transportation costs are taken into account, the cost of living in some Florida communities rivals that of notoriously expensive cities like New York and San Francisco. According to a 2012 CNT report on combined housing and transportation costs in major metro areas, Miami and Tampa ranked first and third, respectively, for the nation’s most expensive metros³⁰.

^dThese percentages, unlike Census data, are not based on a “universe” of actual households, but are the result of a mathematical modeling exercise using a hypothetical “average” household at 80% AMI (not at or below 80% AMI). For convenience, the term “average low-income household” is used in the text. The model uses actual regional data on incomes, household composition, workers, housing and transportation costs, and other variables to construct profiles of “average” households and determine their average housing and transportation costs.

Table 3. Florida’s Most Common Occupations with a Median Hourly Wage Under \$13.71.

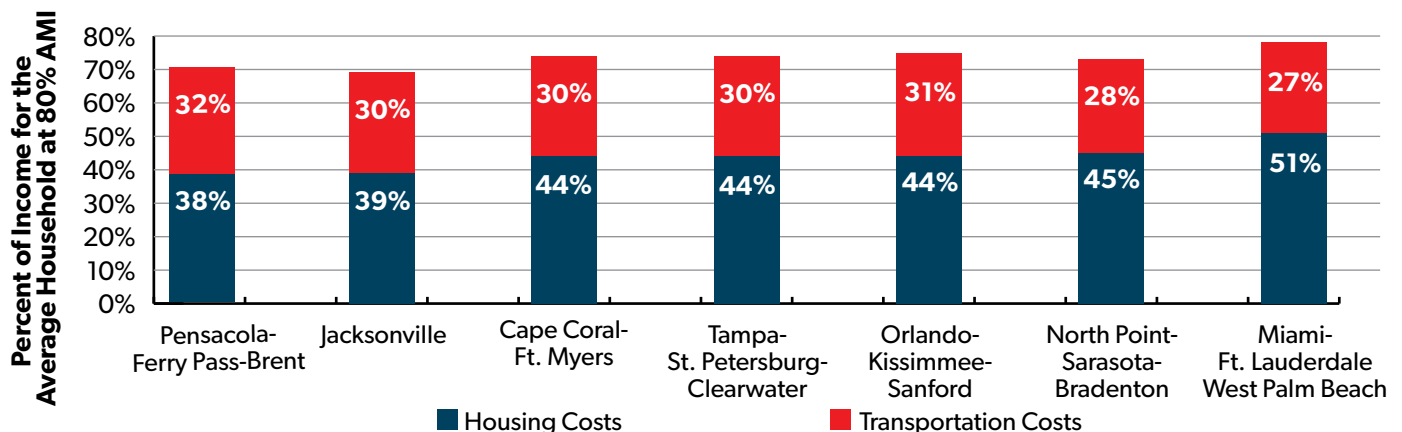
(Source: Florida Department of Economic Opportunity 2016²⁸.)

Occupation	Employees	Median Wage	Entry Wage
Retail Salespersons	337,140	\$10.24	\$8.92
Combined Food Prep/Serving Workers	227,860	\$9.33	\$8.99
Cashiers	226,000	\$9.32	\$8.89
Waiters and Waitresses	209,340	\$9.67	\$9.01
Office Clerks, General	155,040	\$12.93	\$9.56
Laborers and Freight/Stock/Material Movers*	129,670	\$11.43	\$9.07
Stock Clerks and Order Fillers	123,120	\$11.38	\$9.33
Janitors and Cleaners**	112,290	\$10.38	\$8.99
Restaurant Cooks	96,010	\$12.14	\$9.83
Nursing Assistants	88,110	\$11.88	\$10.24
Total All Occupations	7,925,290	\$15.76	\$9.82

*Except Technical & Scientific Products. **Except Maids & Housekeepers

Figure 4. Housing and Transportation Costs for the Average Low-Income Household.

(Source: Center for Neighborhood Technology [CNT] H+T Affordability Index²⁹.)



SECTION THREE:

Challenges for Renters

About three-quarters of Florida’s low-income renter households are cost burdened, and 40% of low-income renters are severely cost burdened³¹. As Section 2 demonstrated, severe cost burden is especially widespread among very low-income renter households (those with incomes $\leq 50\%$ AMI). Moreover, the share of renters between 30% and 80% AMI that are severely cost burdened has increased slightly since 2005 (see Table 1).

Section 2 discussed the key impact of low wages on rates of housing cost burden among low- and moderate-income Floridians, as well as the tradeoffs between housing and transportation costs. This section goes into further detail about specific factors that drive high housing cost burdens among low-income renters.

Mismatch Between Rents and Wages

As Table 3 shows, jobs with low wages and low- to medium-skill levels are prevalent in Florida. To determine the wages needed to afford rental housing in different regions, the National Low

Income Housing Coalition (NLIHC) calculates the “housing wage”—the minimum hourly wage^e needed to afford housing at Fair Market Rent (FMR). A metro area’s FMR, calculated annually by HUD, is usually equal to the 40th percentile of combined rent and utility costs for all units with a given number of bedrooms—somewhat less expensive than a median-priced unit.

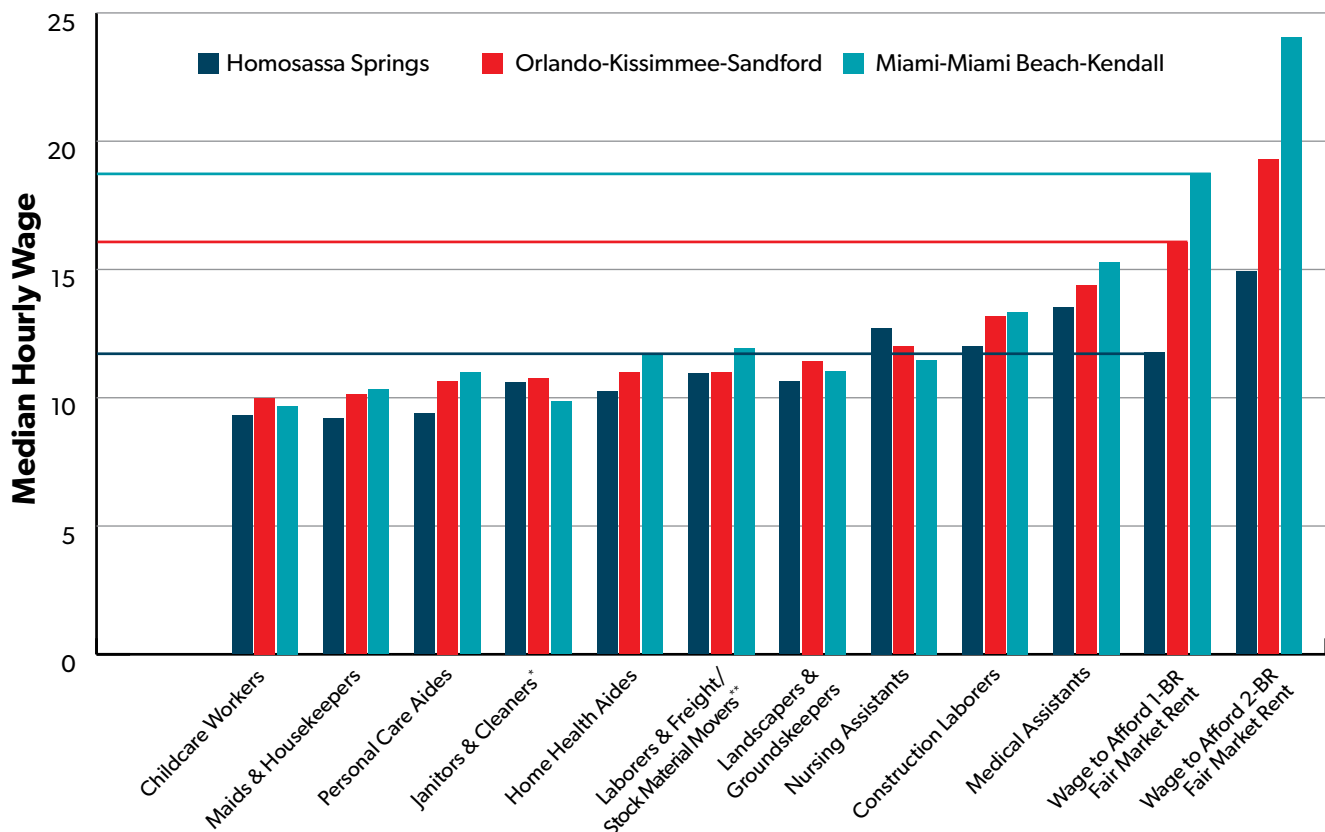
Figure 5 compares median wages for common occupations^f to the “housing wage” for the 1-bedroom and 2-bedroom FMRs in the Homosassa Springs and Orlando metropolitan areas and

^eNLIHC assumes a renter earning the “housing wage” works 40 hours per week, 52 weeks per year.

^fThe occupations shown in Figure 5 collectively account for 12%, 9%, and 8% of all jobs in the Homosassa metro area, the Orlando Metro area, and the Miami-Miami Beach-Kendall metropolitan division, respectively.

Figure 5. Comparison of Median Wages for Common Occupations and 1-Bedroom Fair Market Rents.

(Source: DEO 2016, National Low Income Housing Coalition [NLIHC] 2016a³³.)



*Except Maids and Housekeepers **Except Legal, Medical, and Executive Secretaries

the Miami-Miami Beach-Kendall metropolitan division. For child care workers, home health aides, landscapers, and other low-wage workers that support the economy and quality of life in these regions, paying for rental housing can be a struggle. In the largely rural Homosassa Springs metro area, a renter needs a wage of only \$11.77 per hour to afford a 1-bedroom unit at FMR. Nonetheless, only 3 of the 10 occupations shown have a median wage higher than \$11.77 in this metro area, while a 2-bedroom unit at FMR is out of reach for all the occupations shown.

The mismatch between rents and wages is even more pronounced in the Orlando and Miami areas, where none of the occupations shown can afford a 1-bedroom unit at FMR, let alone a 2-bedroom unit. Notably, median wages have much less variation than housing costs for the geographic areas shown. For some occupations, such as nursing assistants, wages are actually lower in areas with higher housing costs. Many employers compete in national markets, so they have a limited ability to pay higher wages in regions with higher housing costs³².

NLIHC uses the 30%-of-income standard of affordability to determine whether rents are “out of reach,” and many low-income renters pool housing costs with spouses or roommates. On the surface, this may suggest that renters in the occupations shown are not experiencing serious hardships. For instance, in the Orlando area, the cost burden for a medical assistant in a 1-bedroom unit at FMR would only be 34%, and two childcare workers could room together in a 2-bedroom unit at FMR without their housing costs exceeding 30% of their combined income.

However, this line of reasoning overlooks the complexity and unpredictability in renters’ lives. Spouses and roommates may lose their jobs, or may miss work due to illness, child care emergencies, or car break-downs. Moreover, many renter households consist of single mothers and their children. Single mothers in many low-wage jobs struggle to afford even a one-bedroom apartment at FMR and, as Section 1 discussed, crowded living conditions can be harmful for children. Another

Affordable and Available Rental Units **FOR EVERY 100 LOW-INCOME RENTER HOUSEHOLDS** at Different Income Brackets.


22

FOR HOUSEHOLDS
≤**30%**
of Area Median
Income


35

FOR HOUSEHOLDS
≤**50%**
of Area Median
Income


82

FOR HOUSEHOLDS
≤**80%**
of Area Median
Income



alternative for low-income renters would be to rent units below FMR, but some of these units may be substandard or located in unsafe neighborhoods.

Shortage of Affordable and Available Rental Units

Florida's communities do have rental units, both subsidized and unsubsidized, that are affordable to low-income households. However, there are not enough of these units to go around, especially in higher-priced metro areas. Not only is the overall supply of affordable rentals limited, but some of these rentals are already occupied by higher-income households. In other words, low-income renters find themselves in a game of musical chairs for a limited number of affordable units.

This shortage of affordable and available units is illustrated in the infographic on page 11. For low-income households overall, only 82 rental units are affordable and available for every renter household. The shortage is most acute for extremely low-income households ($\leq 30\%$ AMI), with only 22 affordable and available units for every 100 ELI renter households³⁴.

Loss of Affordable Rental Housing

The limited supply of affordable rental housing for low-income families is continually shrinking. Owners of rental units subsidized by federal, state, and/or local funding must keep rents affordable for tenants in certain income brackets for a set period of time, usually 15 to 50 years. The units may be lost from the affordable housing stock if the affordability period expires, the owner prepays the mortgage to end the affordability period early, the property is foreclosed, or (in rarer cases) the subsidy is removed due to poor property management.

Between 1993 and 2016, Florida lost over 58,000 units of privately owned, subsidized rental units from the affordable housing stock³⁵. The Shimberg Center for Housing Studies has estimated that over 35,000 units are at risk of being lost by 2030, based on the age of the developments, the sources of their subsidies, and the dates when the subsidies will expire. These units represent about 14% of Florida's private, subsidized affordable housing stock³⁶.

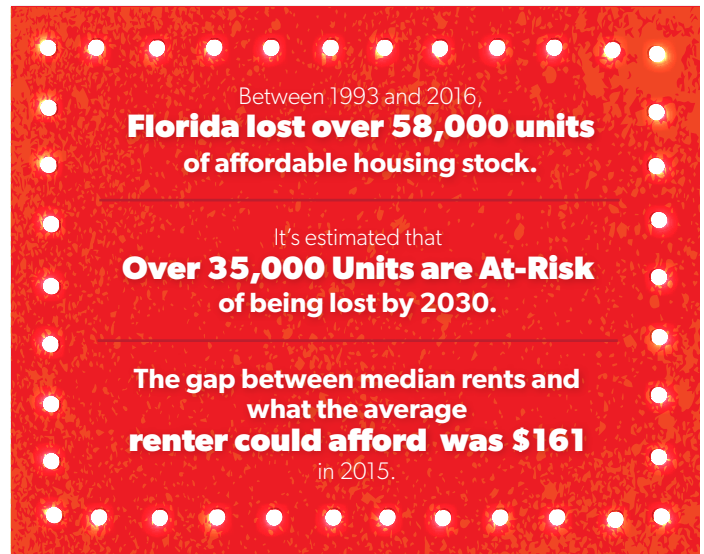
Tightened Rental Market

At the national level, the rental market recovered much more quickly than the homebuyer's market. After

peaking in 2009, rental vacancies have declined to levels not seen since the early 2000s. The nominal value of contract rents (excluding utilities), as measured by the Consumer Price Index, began to rise in 2010 and outpaced inflation by 2012. This tightening of the national rental market has been attributed to former homeowners entering the rental market after foreclosures, as well as to young families delaying first-time homeownership^{37,38}.

In Florida, the real value of median gross rent declined during the recession, but had nearly returned to its pre-Recession peak value by 2015. Moreover, median gross rent has consistently been higher than the rent that is affordable at Florida's median renter income. The gap between median rents and what the average renter could afford to pay was \$161 in 2015—narrower than the \$209 gap in 2011, but wider than the gap of only \$82 in 2005 (Figure 6). Meanwhile, the state's overall rental vacancy rate has dropped from a peak of 13.2% in 2009 to 7.8% in 2015, about the same as its 2005 level³⁹.

Professionally managed apartments tend to have higher rents and lower vacancy rates than “mom-and-pop” apartments. According to Axiometrics, Inc., which tracks data for professionally managed market-rate apartments, rent growth rates and occupancy rates increased rapidly in South Florida through 2015, and have since leveled off or ebbed slightly⁸. By contrast, rents and occupancy rates for professionally managed apartments in central and north Florida increased rapidly in 2016. For example, by the end of the third quarter of 2016, the Orlando metro area had an

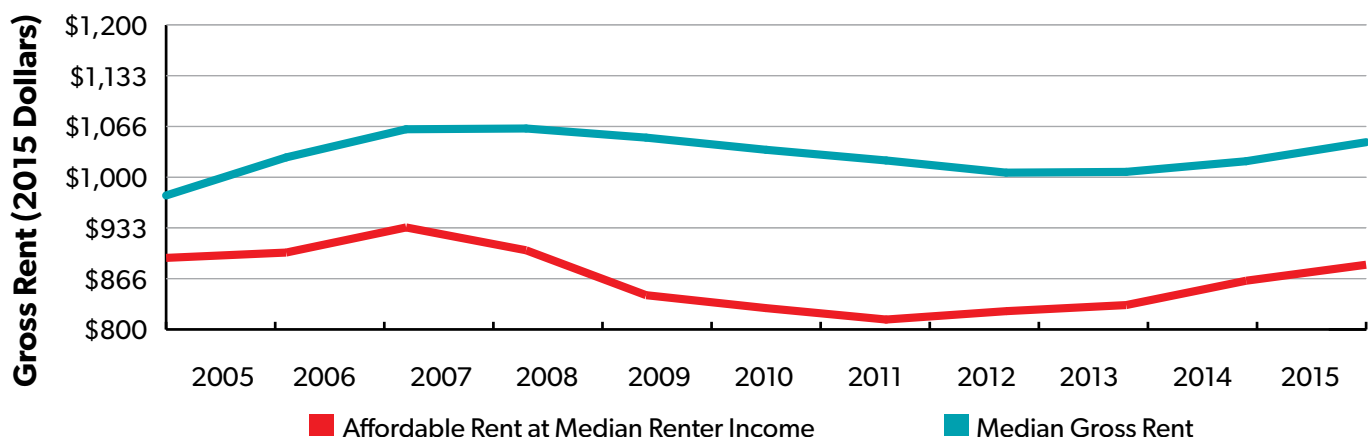


average rent increase of 4.9% over the previous year (compared to a 3.0% nationwide increase), and an occupancy rate of 95.89% (compared to a nationwide occupancy rate of 95.1%). In essence, the professionally managed apartment markets in North and Central Florida have caught up to the South Florida markets in terms of rent growth and occupancy rates^{40,41}.

In many Florida communities, buying a home offers a lower monthly payment than renting, and offers better wealth creation opportunities if the buyer stays in the home for at least two years. However, high rents make it difficult for low-income households to save up for a down payment^{42,43,44}. Other challenges and opportunities for low-income homebuyers will be discussed in the next section.

⁹Note that a decline in the rate of rent growth is different from a decline in average rents. If a metro area's rent growth rate declines but is still positive, the metro area's average rent is still increasing, but not as rapidly as before.

Figure 6. Comparison of Median Gross Rent with Affordable Rent at Median Renter Income in Florida.
(Source: Shimberg Center 2016a.)



SECTION FOUR:

Challenges for Homebuyers

Home prices vary widely across Florida. One key indicator of home affordability is the National Association of Home Builders' "Housing Opportunity Index" (HOI), which equals the percentage of homes for sale in a community that are affordable for a median-income family, assuming a 10% down payment and standard underwriting criteria. In a HOI analysis of 229 metro areas nationwide in the 3rd quarter of 2016, Florida metros ranged from 26th most affordable (Homosassa Springs) to 15th least affordable (Miami)⁴⁵. However, to paint a fuller picture of home affordability, we need to consider the supply of homes for sale that are affordable to low-income households. One must also bear in mind that lower-cost homes for sale may be farther from employment centers, necessitating higher transportation costs as discussed in Section 2.

Florida's homeownership rate has declined steadily from a peak of 71% in 2007 to 64% in 2015⁴⁶. Families losing their homes to foreclosure account for some of this decrease, but the factors discussed below prevent many low- and moderate-income families from buying their first homes.

Housing Costs Exceed Wages for Many Occupations

Even in metro areas with relatively low home prices, homeownership can be out of reach for many workers that provide essential services, including paramedics, firefighters, and nurses. For Figure 7, we calculated the minimum annual income

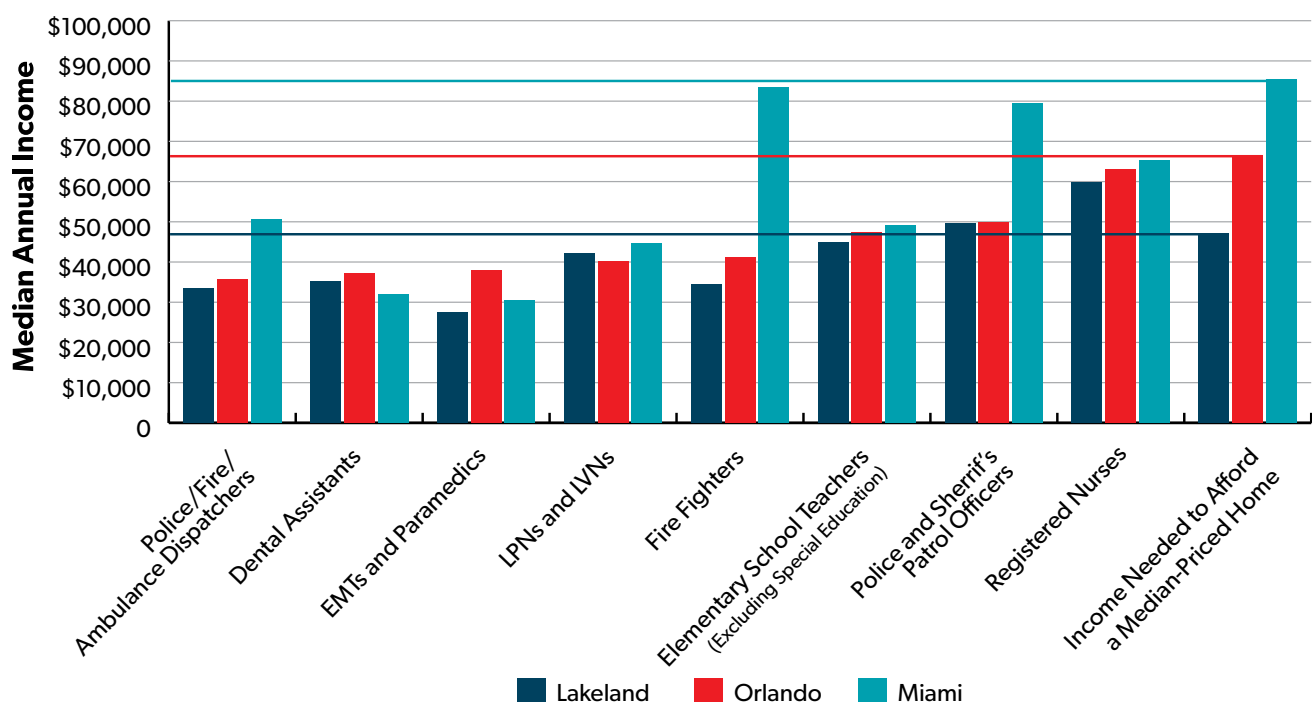
needed to afford a median-priced home in the Lakeland and Orlando metro areas and the Miami metropolitan division^h.

According to HOI data from the National Association of Home Builders, the Lakeland metro was Florida's 2nd most affordable market for homebuyers in the 3rd quarter of 2016, and the 48th most affordable market in the nation. Nonetheless, of the eight featured occupations, only two—police and sheriff's patrol officers and registered nurses—have a median income over \$47,185, the minimum needed to buy a home at the median price of \$145,000 in the Lakeland metro. The median income for

^hThe assumptions for calculating "housing wages" for median-priced homes were as follows: 1) 30-year fixed rate mortgage at 4% interest, 2) FHA-insured with a 3.5% down payment, 3) Front-end ratio of 31%, back-end ratio of 41%, 4) All other household debt service is 18% of annual income, 5) Assessed value is 85% of the purchase price, 6) Homestead exemption is \$50,000, 7) Mill levy is \$18.84, and 8) Property insurance is 1% of the purchase price annually. Additionally, we assume that the homebuyer works 40 hours per week, 52 weeks per year.

Figure 7. Median Income of Selected Occupations Compared to the Income Needed to Afford a Median-Priced Home (2016 Q3).

(Source: DEO 2016, National Association of Home Builders 2016.)



elementary school teachers in the Lakeland metro is about \$2,300 short of the amount needed to buy a median-priced home. In the Orlando metro, none of the occupations shown have an income high enough to purchase a home at the median price of \$200,000, although the median income of registered nurses is only about \$3,500 short.

In the Miami metropolitan division, firefighters and police and sheriff's patrol officers are about \$2,000 and \$5,800 short, respectively, of the annual income needed to purchase a home at the median price of \$253,000. This is in contrast to the data from the 2016 *Home Matters* report, which showed that firefighters and police and sheriff's patrol officers in the Miami metropolitan division were paid just enough to afford a median-priced home in the area. While the median home price in the Miami metropolitan division (adjusted to 2016 dollars) increased by 12% over this period, the median income for firefighters and police and sheriff's patrol officers remained stagnant. As in the 2016 *Home Matters* report, the median income of every other occupation shown—including registered nurses and elementary school teachers—falls

far short of the income needed to afford a median-priced home in the Miami metropolitan division.

Notably, essential service workers do not always earn higher wages in markets with higher housing costs. For example, EMTs and paramedics earn about \$7,500 less on average in the Miami metropolitan division than in the Orlando metro. In addition, the median income for licensed practical and vocational nurses is slightly lower in the Orlando metro than in the Lakeland metro, even though the median home price is considerably higher.

Many homebuyer households have two breadwinners who pool their incomes to make mortgage payments. However, homeowners are subject to the same income fluctuations as renters, which may result from job loss, illness, and other factors. For each of the three markets shown in Figure 7, several occupations have a median income that falls far short of the income needed to buy a median-priced home, leaving these workers vulnerable to foreclosure if they or another breadwinner loses income. For example, if a paramedic and a spouse with a similar income bought a median-priced home in the Lakeland

HOME OWNERSHIP IS OUT OF REACH

for Many Floridians Who Provide Essential Services



MEDIAN SALARIES DON'T MATCH MEDIAN HOME PRICES

Even in metro areas with relatively low home sale prices, homeownership can be out of reach for many workers that provide essential services, including paramedics, firefighters, and nurses.

metro, they would be nearly \$20,000 short of the annual income needed to afford the home if one spouse lost their job. The problem is even more pronounced in the Orlando and Miami markets. In fact, in the Miami metropolitan division, a household with two full-time dental assistants or paramedics would still fall over \$20,000 short of the annual income needed to purchase a median-priced home.

Tight Markets for Low-Income Buyers

Florida's home market is steadily improving, with a decline in foreclosure filings⁴⁷ and an increase in home sale prices. However, the inventory of new homes for sale has diminished as the supply of distressed properties for sale is exhausted⁴⁸. The tight supply has contributed to worsening affordability in most of Florida's home sale markets⁴⁹.

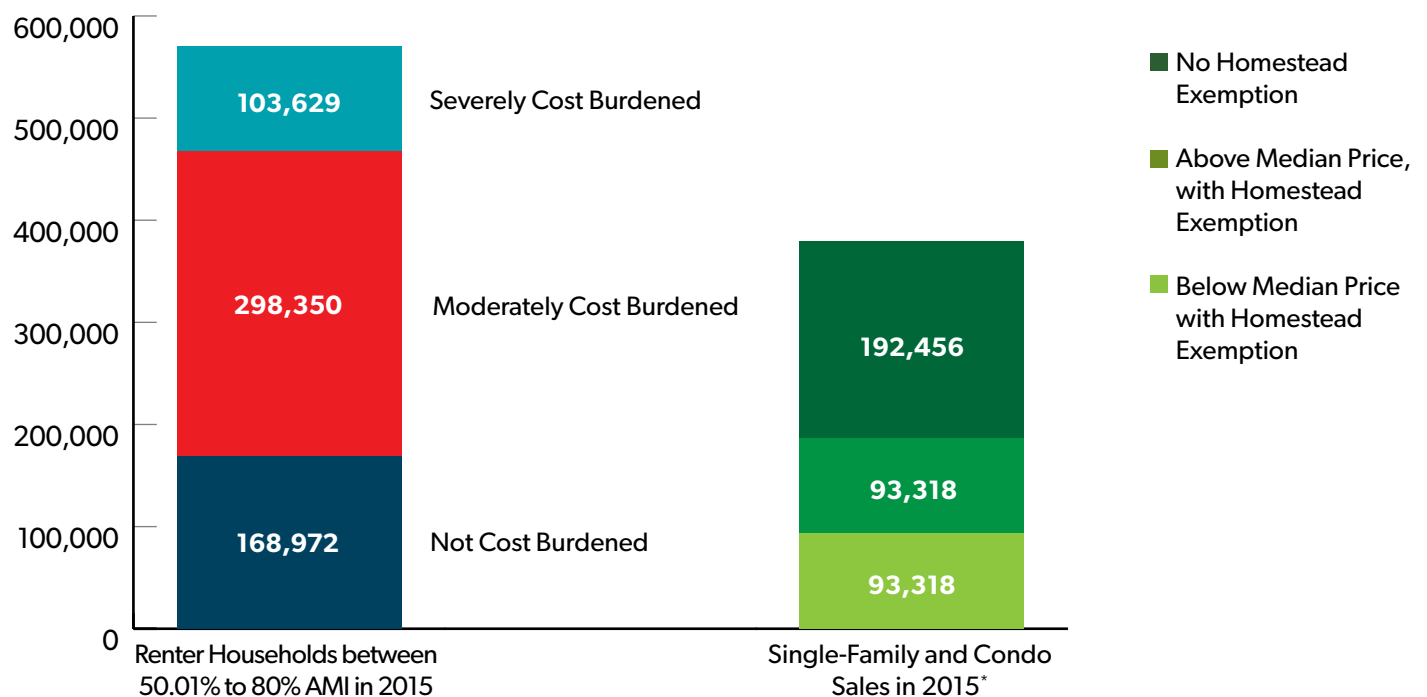
The prevalence of cash sales in Florida's homebuyer market is declining, but the state still has one of the highest rates of cash sales in the nation. Cash buyers accounted for over 50% of condo sales in July 2016^{50,51}—a concerning trend, considering that condos offer an affordable alternative to single-family homes for many homebuyers. A closely related concern is the prevalence of homes sold to investors, second home buyers, and other non-

owner-occupants, who are often able to buy homes in cash. Whether or not they pay in cash, these investors and other buyers are often able to outbid low- and moderate-income homebuyers.

The Shimberg Center for Housing Studies estimates the number of homes sold to owner-occupants versus investors and second home buyers by determining which homes sold receive a homestead exemption within one year of sale. Those that receive homestead exemptions are presumed to be owner-occupied, while those without homestead exemptions are presumed to be used for other purposes. For homes sold in 2014, the median price for those that received a homestead exemption within one year of sale was \$207,959, compared to only \$164,208 for homes that did not receive a homestead exemption. Moreover, homes sold to non-owner-occupants accounted for 54% of all homes sold in 2014. In other words, non-owner-occupants slashed the supply of homes for sale by more than half, disproportionately removing lower-cost homes from the market. (Of course, some of these lower-cost homes may have had substantial repair needs.)

Figure 8 shows how the prevalence of home sales to non-owner-occupants constrained the supply for low-income potential

Figure 8. Numbers of Low-Income Potential Homebuyers and Home Sales in 2015.
(Source: Shimberg Center 2016.)



*Home sales are classified by whether or not they received a homestead exemption within one year of sale.

homebuyers in 2015. The data in Figure 8 was tabulated before the end of 2016, so it may slightly underestimate the number of homes that received a homestead exemption. Compared to 2014 data, though, it provides higher and more current estimates of homes available for purchase by prospective owner-occupants.

About 93,000 homes were sold below the median price to owner-occupants in 2015—potentially within reach of low-income and first-time homebuyers. However, these sales were dwarfed by the number of moderately low-income (>50% to 80% AMI) renter households in 2015. For every owner-occupied home sold below the median sale price, there were nearly two non-cost-burdened, moderately low-income renters—the moderately low-income renters most likely to be able to save for a down payment. When all moderately low-income renters are considered, the shortage of homes for sale is even more acute—about six low-income potential homebuyers for every home sold below the median price to an owner-occupant.

Figure 8 also shows that an increase in the share of home sales to owner-occupants would probably not be enough to expand homeownership opportunities to all low-income potential homebuyers. If all homes sold in 2015 had been purchased by owner-occupants, there would have been enough homes sold below the

median price to potentially accommodate all non-cost-burdened, moderately low-income renter households¹. However, there would not have been enough homes for sale to provide a housing alternative to all the cost burdened renters in this income bracket.

In addition to home prices and supply, an important consideration for low-income homebuyers is the availability of mortgage credit. In 2014, there was widespread concern that lenders and federal regulators had overcorrected for the excesses of the housing bubble, enacting lending standards that were too stringent for homebuyers with low incomes and less-than-stellar credit. By the end of 2015, several steps taken by the federal government to expand mortgage credit had shown some success^{52,53,54}. However, mortgage interest rates crept upward in 2016⁵⁵, and may continue to increase in 2017, making homeownership less affordable for low- and moderate-income homebuyers⁵⁶.

The barriers to affordable homeownership highlight the need for financial tools for low-income homebuyers—including down payment assistance and subsidies to lower the purchase price—as well as an increase in the affordable rental supply. The next section describes the keystone role of Florida's Sadowski housing trust funds in expanding the supply of affordable rental and ownership housing.

¹Assuming all homes sold below the median price were affordable to these households, there would have been about 190,000 homes available.

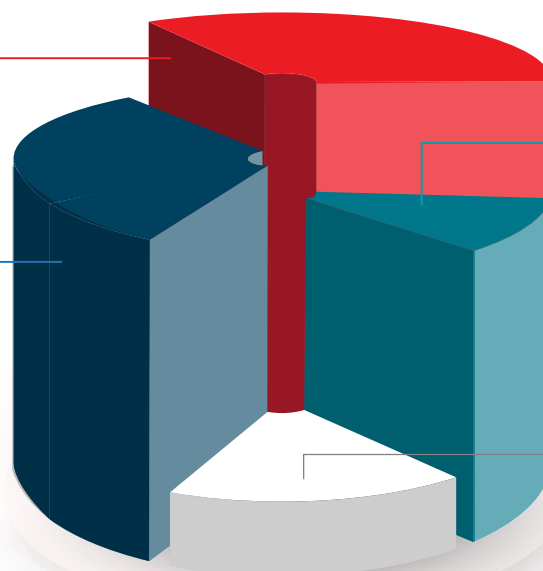
Each SHIP Dollar is Required to Meet the Following Criteria:

CONSTRUCTION

At least 75% must be spent on construction (including new construction & rehabilitation)

HOMEOWNERSHIP ACTIVITIES

At least 65% must be spent on homeownership activities



LOW AND VERY LOW INCOME HOUSEHOLD ASSISTANCE

At least 60% must be used to assist low-income households. Of this amount, at least half (30% of the total) must be used to assist very low-income households.



ADMINISTRATION

No more than 10% may be used on administration.

SECTION FIVE:

The Sadowski Housing Trust Funds:**A Proven Track Record of Producing and Preserving Affordable Housing**

As this report has demonstrated, hundreds of thousands of low-income Floridians struggle with high housing costs. Many factors affect the supply of affordable housing, including low wages for common occupations, high market prices for homes and apartments in decent condition, and limited federal funding for housing programs⁵⁷. Moreover, the situation is getting worse for low-income renters, as the gap grows between median rents and what renters can afford to pay. Meanwhile, many low- and moderate-income potential homebuyers, including essential service workers, are shut out of the homebuyer market by high sale prices relative to wages, competition from investors and vacation home buyers, and limited inventory.

It is very challenging for Florida's policymakers and community advocates to directly influence these factors in the near term, but we do have control over a simple and powerful tool at the state level: The Sadowski State and Local Housing Trust Funds. These dedicated funding sources allow thousands of low- and moderate-income families to rent, buy, and renovate affordable homes each year, while leveraging substantial public and private funds and boosting Florida's economy.

Sadowski History and Major Programs

Twenty-five years ago, a diverse coalition of Florida's affordable housing advocates, business and industry groups, and faith-based organizations recognized the need for a dedicated state revenue source for affordable housing. In 1992, the state legislature passed the William E. Sadowski Affordable Housing Act, which raised the state documentary stamp tax on deeds by ten cents per \$100 of the property's value^j. The Sadowski Act directed the new funds to two trust funds, one for local governments and one for the state.

The **Local Housing Trust Fund** supports the State Housing Initiatives Partnership (SHIP) program, which primarily funds the production and preservation of affordable ownership housing for low- and moderate-income households. The Florida Housing

Finance Corporation (Florida Housing) uses a 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 construction, rehabilitation to make homes safe and/or handicapped accessible, and assistance with down payments and closing costs. It requires a high degree of accountability, but also gives local government flexibility to meet local needs, as long as the statutory requirements 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 (including new construction and rehabilitation.)
- 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

Rental housing activities are limited to 25% of a community's annual SHIP allocation. Several SHIP communities use a portion of their rental funds to support eviction prevention programs and Rapid Re-Housing for homeless families, helping them

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

Table 4. Estimated Economic Impacts of Fully Funding Sadowski Housing Trust Funds in Fiscal Year 2017-18.

(Source: Sadowski Coalition 2017.) *Numbers may not add up exactly due to rounding.

Type of Impact	SHIP	SAIL	Total*
Projected Trust Fund Revenue in FY 17/18 (\$ million)	\$204.88	\$87.49	\$292.37
Total economic activity generated (\$ million)	\$2,746.98	\$1,038.74	\$3,785.71
Total jobs created	9,307	20,561	28,779
Total labor income generated (\$ million)	\$881.4	\$436.64	\$1,318.04

pay security and utility deposits. Additionally, in the 2016-2017 legislative session, the SHIP statute was amended to allow SHIP communities to provide up to 12 months of rental assistance to very low-income households that are homeless or have a member with special needs.

The **State Housing Trust Fund** supports several activities, including administration of the Sadowski funds by Florida Housing. The main Sadowski-funded state program is the State Apartment Incentive Loan (SAIL) program. SAIL provides funding on a competitive basis for the construction and rehabilitation of affordable multifamily rental housing. SAIL usually serves as “gap financing” for developments with other funding sources, such as the Low Income Housing Tax Credit^k.

Impact of Sadowski Trust Funds

In Fiscal Year 2017-18, a projected \$292.37 million in documentary stamp tax revenues will be available for appropriation to the Sadowski trust funds. This funding level is over 10 times the amount of annual funding (\$25 million) that Florida is projected to receive in future years from the National Housing Trust Fund (NHTF)⁵⁸, and well over the \$4.6 million received from the NHTF in 2016⁵⁹. If State Legislature appropriates the full amount to the Sadowski trust funds, the economic impact will be considerable, as shown in Table 4. Every Sadowski dollar will leverage more than \$4 from other public and private sources. When the direct, indirect, and induced impacts of Sadowski-funded developments are taken into account, the total economic impact will be nearly \$3.8 billion. Additionally, these developments will create nearly 29,000 jobs and generate nearly \$1.32 billion in labor income.

In addition, Sadowski funds give low- and moderate-income families a hand up that can be extended to their children and grandchildren. For example, the SHIP allocations from fiscal years 2006-07 to 2013-14 had a profound impact on Florida communities, even though the program’s funding was swept into general revenue by the State Legislature for much of that period. A total of 38,799 households were assisted, of which:

- 621 were homeless households
- 1,449 households had a member with developmental disabilities
- 9,704 were households headed by an elderly person (age 62 and up)⁶⁰

From fiscal years 2009-10 to 2012-13, when SHIP communities were feeling the worst effects of the Local Housing Trust Fund being swept, an average of 1,812 units were assisted per year⁶¹. (Much of this activity was made possible by SHIP funds carried over from previous years and by program income.) However, when Local Housing Trust Fund monies are fully appropriated for housing and available to SHIP communities, 8,000 to 10,000 units can be assisted each year^{62,63}. Clearly, full SHIP funding would allow local communities to significantly scale up their efforts to provide housing for key populations, including those who are homeless or have developmental disabilities.

SAIL has also been a lifeline for many low-income individuals and families. At the end of 2015, the Florida Housing Finance Corporation’s portfolio of developments with outstanding SAIL loans had a total of 67,645 units⁶⁴. Of these units:

- 1,367 were in developments targeting homeless households
- 1,072 were in developments targeting special needs households
- 9,322 were in developments targeting elderly households

These numbers significantly underestimate SAIL’s impact because, like the Local Housing Trust Fund, the State Housing Trust Fund had most of its funds swept into general revenue between the 2008-09 and 2013-14 fiscal years. Additionally, these numbers do not include developments that have already paid off their SAIL loans. At a time when thousands of privately owned, subsidized rentals are being lost from the affordable housing stock each year, SAIL is an engine for constructing and rehabilitating housing for elders, people experiencing homelessness, and other vulnerable populations.

In short, if the Florida Legislature fully appropriates the State and Local Housing Trust Fund monies for housing, the state’s investment will have huge payoffs. Thousands of low- and moderate-income Floridians will move into affordable homes or renovate existing homes, which they will use as a platform to improve their lives. At the same time, the affordable housing development leveraged by Sadowski programs will generate tens of thousands of jobs and billions of dollars of economic output and labor income annually. The Sadowski housing programs are truly a win-win.

^kThe Low Income Housing Tax Credit, or LITHC, is an item 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.



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.

\$292,370,000*

IS AVAILABLE FOR APPROPRIATION FROM THE SADOWSKI HOUSING TRUST FUNDS IN FY 2017-2018

THE FLORIDA LEGISLATURE CAN CREATE NEARLY 29,000 JOBS AND OVER \$3.8 BILLION IN POSITIVE ECONOMIC IMPACT FOR FLORIDA IF IT APPROPRIATES THE HOUSING TRUST FUND MONIES FOR HOUSING.

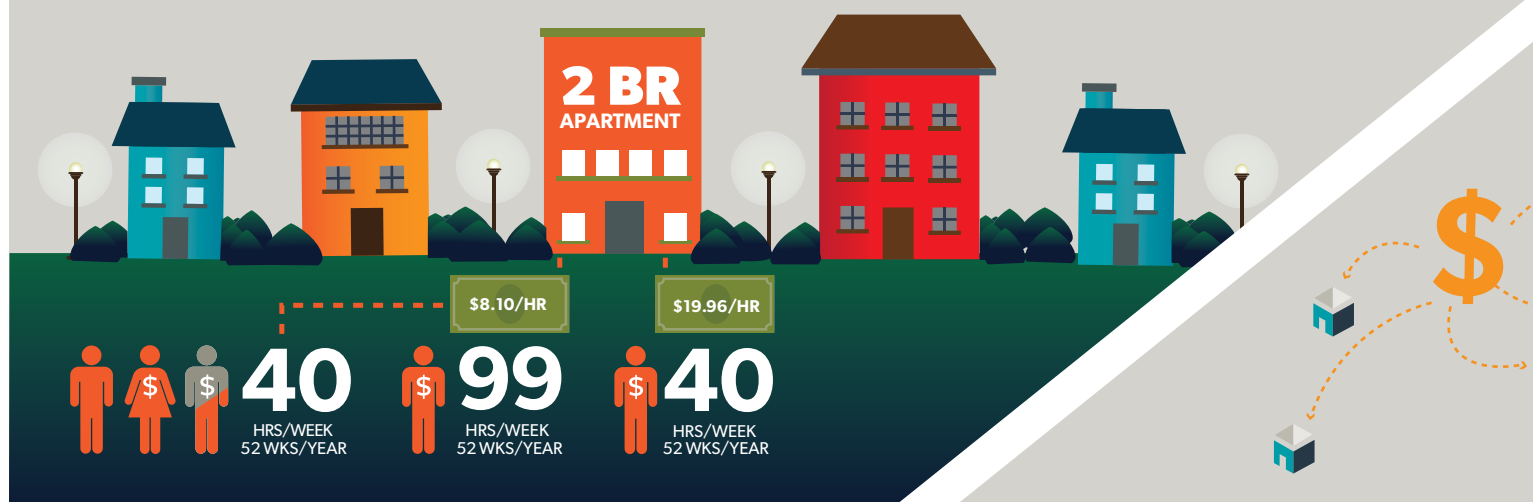
*Based upon documentary stamp projection plus projected balance in housing trust funds as of December 31, 2016.

The State Housing Initiatives Partnership Program (SHIP) is a nationally-acclaimed model for effectively and efficiently meeting housing needs at the community level. SHIP provides sustainable homeownership for Florida's workforce, helps prevent homelessness, and provides emergency repairs and disaster recovery for Florida's most vulnerable residents, including the frail elderly, persons with disabilities and veterans.

The State Apartment Incentive Loan Program (SAIL) produces 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.

Using Florida's housing funds solely for housing creates a positive economic impact for Florida by fueling economic development, creating jobs, investing in our local communities, and contributing to the well-being of Florida's families, veterans, elderly, persons with disabilities, persons experiencing homelessness and deserving Floridians in need across the state. For more information, visit SadowskiCoalition.com.

In Florida, the Fair Market Rent (FMR) for a 2-bedroom apartment is \$1,038. In order to afford this, a household must earn at least \$41,517 annually (\$19.96/hour). For that same 2-bedroom apartment, a minimum wage Floridian earning \$8.10/hour must work 99 hours/week year round or the household must include 2.5 minimum wage earners working year round.



CREATES 28,779 JOBS

From construction workers to retailers, an investment in housing creates jobs for Floridians. Housing dollars will put Florida's housing industry 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 nearly 29,000 jobs and over \$3.8 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 \$3.8 billion.

\$3.8 BILLION

Conclusion

Affordable Housing Is Essential for Floridians:

Having a healthy, affordable place to call home is the foundation of our lives and the basis of strong local economies. Affordable housing allows low- and moderate-income working families to live near their places of employment, and enables our elderly and disabled family members on fixed incomes to be integrated in their communities.

- Affordable housing construction and rehabilitation stimulates local economies by creating jobs and generating business for contractors and suppliers.
- Affordable housing improves a family's physical and mental health, and helps children excel in school.
- For the elderly and people with disabilities, affordable community-based housing is one-third of the cost of institutional care.
- For people who are chronically homeless, affordable housing breaks the costly cycle through hospitals, jails, and other taxpayer-funded crisis systems, saving about \$20,000 per person per year.

We Don't Have Enough Affordable Housing in Florida:

- Close to 1.95 million low-income Florida households are paying more than 30% of their incomes for housing, the maximum amount considered affordable by experts.
- Of these nearly 1.95 low-income "cost burdened" households, over 570,000 households are headed by seniors, and over 577,000 households have a member with disabilities.
- Over 911,300 very low-income Floridians are severely cost burdened, meaning that they pay more than 50% of their incomes for housing.
- Florida's "Point-in-Time" homeless population has experienced a 30% net decrease since 2007. However, the number of K-12 students who experience homelessness or housing instability showed a 78% net increase from the 2008-09 to 2014-15 academic years. Continued progress on reducing homelessness depends on a steady supply of affordable rental housing.
- "Drive till you qualify" is not a solution to high housing costs, since transportation costs largely consume the housing cost savings. For the average low-income household in one of Florida's major metro areas,

combined housing and transportation costs can easily consume over 70% of income.

There is a Large and Growing Gap Between Income and Housing Costs:

- For a young family of four to meet its basic needs, the parents must earn a combined wage of \$27.42 per hour, or about \$13.71 per parent. Unfortunately, 39% of Florida's jobs are in occupations with median wages below \$13.71 per hour.
- Rents are out of reach for low-income workers in many Florida communities. For example, a childcare worker cannot afford a moderately priced one-bedroom apartment in the Miami or Orlando areas, or even in the Homosassa Springs area.
- Florida has only 22 affordable and available rental units for every 100 extremely low-income renters (those with incomes at or below 30% of the area median).
- Over 35,000 units are at risk of being permanently lost from the privately owned affordable housing stock by 2030.
- The median renter income in Florida is too low to afford median rents, and the gap between rents and renter incomes is wider now than it was at the height of the housing boom.
- Median-priced homes in Florida are out of reach for many workers with medium- and high-skilled jobs. For example, firefighters in the Lakeland metro area cannot afford to buy a median-priced home.
- Florida has a shortage of moderately priced homes available for low-income homebuyers, partly due to competition from investors and second-home buyers. In 2014, there were about six low-income potential homebuyers for every home sold to an owner-occupant at or below the median sale price.

The Good News

Although the affordable housing need in Florida is daunting, our state has a nationally acclaimed program based on a dedicated revenue source with a proven track record for performance, transparency, and accountability: The State and Local Housing Trust Funds created by the William E. Sadowski Affordable Housing Act. The largest State Housing Trust Fund program is the State Apartment Incentive Loan (SAIL) program, while the Local Housing Trust Fund supports State Housing Initiatives Partnership (SHIP) programs in every county and all of Florida's larger cities.

The Sadowski programs are a powerful engine of economic development in Florida. If the State Legislature appropriates all State and Local Housing Trust Fund monies for housing in 2017—estimated at \$292.37 million—the resulting affordable housing development will generate:

- Nearly \$3.8 billion in economic output
- Nearly 29,000 jobs
- Nearly \$1.32 billion in labor income

In addition to boosting the state's economy, SHIP and SAIL have helped hundreds of thousands of low- and moderate-income families move into affordable homes or renovate their current homes since 1992. SHIP and SAIL are Florida's most important home-grown tools for providing housing for our most vulnerable populations, including:

- Elderly households
- People with developmental disabilities
- Homeless individuals and families

Affordable housing saves taxpayer dollars and improves the quality of life for these vulnerable populations.

We cannot end Florida's affordable housing shortage overnight, and it is difficult for us to control factors such as the wages for common occupations and funding cuts to federal housing programs. However, the Sadowski Housing Trust Funds are a home-grown, highly successful affordable housing program, and they are fully within our control. With strong public-private partnerships leveraged by consistent state funding, we can help thousands of families move into decent, safe, affordable housing every year, boosting our state and local economies in the process. Fully appropriating Sadowski Housing Trust Fund monies for housing is one of the best policy decisions we can make at this critical moment, when Florida's families and the overall economy are still climbing toward recovery from the Great Recession.



**HOME MATTERS FOR
FLORIDA'S FAMILIES**



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



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



**HOME MATTERS FOR
FLORIDA'S ELDERLY**



**HOME MATTERS FOR
FLORIDA'S ECONOMY**



**HOME MATTERS FOR
FLORIDA'S VETERANS**

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SADOWSKI HOUSING COALITION MEMBERS

BUSINESS/ INDUSTRY GROUPS

- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Florida Apartment Assoc.
- Florida Bankers Association
- Florida Chamber of Commerce

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- AARP of Florida
- Florida Association of Housing and Redevelopment Officials
- Florida Coalition for the Homeless
- Florida Housing Coalition
- Florida Legal Services

GOVERNMENT/ PLANNING ORGANIZATIONS

- American Planning Assoc., Fla. Ch.
- Florida Association of Counties
- Florida Association of Local Housing Finance Authorities
- Florida League of Cities
- Florida Redevelopment Assoc.
- Florida Regional Councils Assoc.

BUSINESS/ INDUSTRY GROUPS

- Florida Green Building Coalition
- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Realtors
- Florida Retail Federation

ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- Florida Supportive Housing Coalition
- Florida Veterans Foundation
- Florida Weatherization Network
- LeadingAge Florida
- The Arc of Florida
- United Way of Florida

FAITH BASED ORGANIZATIONS

- Florida Catholic Conference
- Florida Impact
- Habitat for Humanity of Florida



Sadowski Affiliates are comprised of the local organizational members of the Sadowski Coalition members, such as local Realtors, United Way offices, and Habitat Affiliates, as well as hundreds of individuals throughout Florida who are not affiliated with any organization. They are Many Voices having One Message: Use all of the State and Local Housing Trust Funds for Housing.



Affordable Housing is an Integral Part of Community Revitalization and Economic Development



The Florida Housing Coalition, Inc., is a nonprofit, statewide membership organization which brings together housing advocates and resources so that all Floridians have a quality affordable home and suitable living environment.

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