



# Economic Benefits of Sadowski Act State and Local Housing Trust Fund Monies (State Funding)

THE FOLLOWING IS AN EXECUTIVE SUMMARY OF A SADOWSKI ACT COALITION WHITE PAPER PREPARED FOR THE FLORIDA LEGISLATURE BY MARK HENDRICKSON. THE FULL REPORT IS AVAILABLE ON THE FLORIDA HOUSING COALITION'S WEBSITE WWW.FLHOUSING.ORG

## SUMMARY OF FINDINGS:

**Leveraging of State Funding with Private Sector Investment and Federal Funds:** For every \$1 million of state funding for housing, over \$6.05 million of housing is built and/or sold.

**Lost Federal Resources:** Florida has lost \$520.9 million of federal tax exempt bonds and tax credit equity in just the last two years from the de facto cap on SAIL and/or SHIP. Repeal of the cap will prevent this massive loss from continuing.

**Total Economic Impact—Multiplier Effect: Total Economic Activity Far Exceeds value of housing built:**

Because of the multiplier effect and leveraging, for every \$1 million of state funding, \$10.36 million of economic activity is generated. As part of that economic activity, each \$1 million of state funding generates over \$4.05 million of earnings/income.

**Job Creation:** For every \$1 million of state funding, 106 jobs are created.

**Tax Revenues:** Every \$1 million of state funding generates almost \$100,000 of sales tax revenue to the state, directly attributable to purchase of construction materials.

ECONOMIC BENEFITS OF CAP REPEAL: INCREASED HOUSING PRODUCTION, ECONOMIC IMPACT, INCOME, JOBS AND TAX REVENUE					
State Housing Funding	Housing Units	Economic Activity	Income	Jobs	State Sales Tax Revenue
\$413.9 million: Total Impact	27,087	\$4.29 billion	\$1.68 billion	43,869	\$40,856,400
\$413.9 million vs. Cap	+11,184	+\$1.77 billion	+\$693 million	+18,114	+\$16,865,550
\$580.0 million: Total Impact	37,966	\$6.01 billion	\$2.35 billion	61,474	\$57,265,650
\$580.0 million vs. Cap	+22,063	+\$3.49 billion	+\$1.37 billion	+35,719	+\$33,274,800

The table shows total economic activity and the increase in each category from the cap of \$243 million to both \$413.9 million (the FY07-08 uncapped level) and \$580 million (the average annual uncapped level over the next 10 years. All numbers based upon the March 2007 Revenue Estimate, and the detailed analysis that follows in this paper.

