



# HOME MATTERS

REPORT FROM THE FLORIDA HOUSING COALITION



2018

Summary Edition  
on Pages 7-14

Access the Full Report Under the Publications Tab  
on the Coalition's Website: [www.flhousing.org](http://www.flhousing.org)



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

**QUICK FACTS:**

**Florida still has an affordable housing crisis**

- 912,967 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 32,190 people living in homeless shelters and on the streets. This includes 2,817 veterans and 9,422 people in families with at least one child.
- 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.

## WHY DOES HOME MATTER?

The health, safety, and welfare of Floridians and the strength of Florida's overall economy depends on a sufficient supply of housing affordable to 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 significantly less than the cost of institutional care.
- Chronically homeless persons often cycle through jails, hospitals, and other crisis services. Permanent supportive housing for this high-need population can reduce taxpayer costs considerably.
- 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.

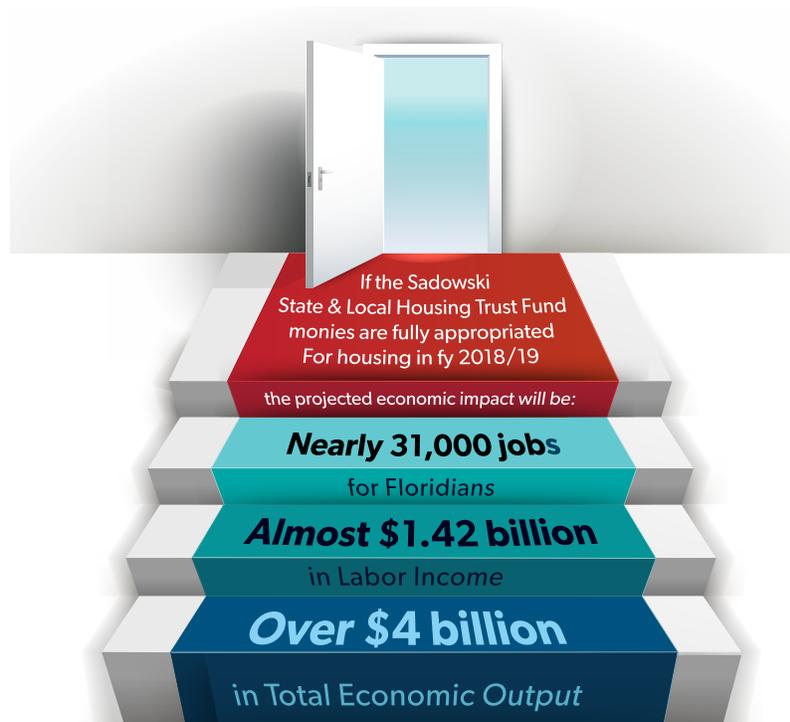
## AFFORDABLE HOUSING BOOSTS THE ECONOMY

- 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 31,000 jobs and \$4.1 billion in positive economic impact in just one year, while creating homes that will last far into the future.

### Each Dollar Of Sadowski State & Local Housing Trust Funds

## LEVERAGES \$4 TO \$6

in private investment, federal tax credits, and other funding sources.



**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 programs<sup>52</sup>. Moreover, the situation is worsening 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 forced 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 funds 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.

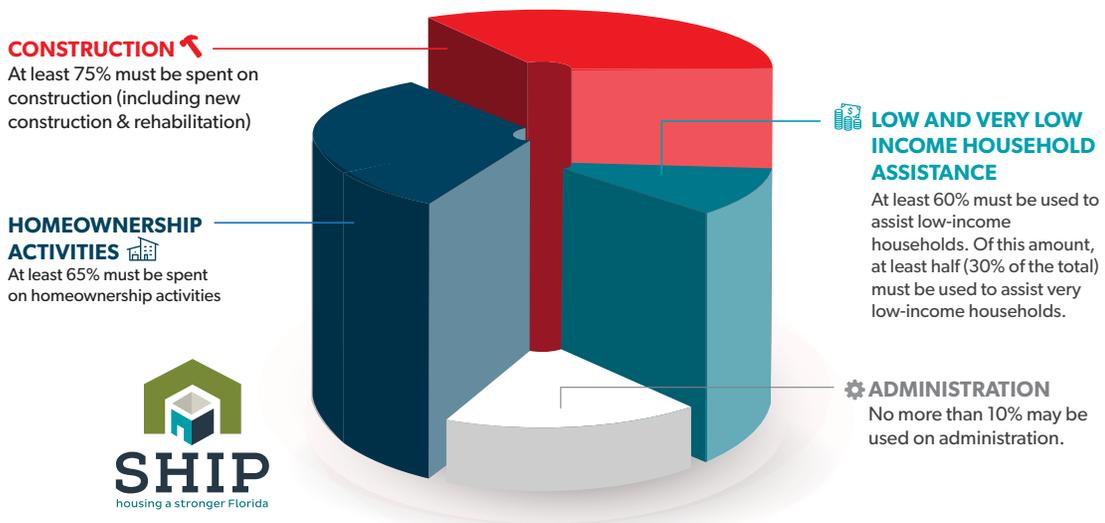
**Sadowski History and Major Programs**

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. 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

**Each SHIP Dollar is Required to Meet the Following Criteria:**



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 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.

### Impact of Sadowski Trust Funds

In Fiscal Year 2018-19, a projected \$314.08 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), and well over the \$7.65 million received from the NHTF in 2017. 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 close to \$4.1 billion. Additionally, these developments will create approximately 31,000 jobs and generate nearly \$1.42 billion in labor income.

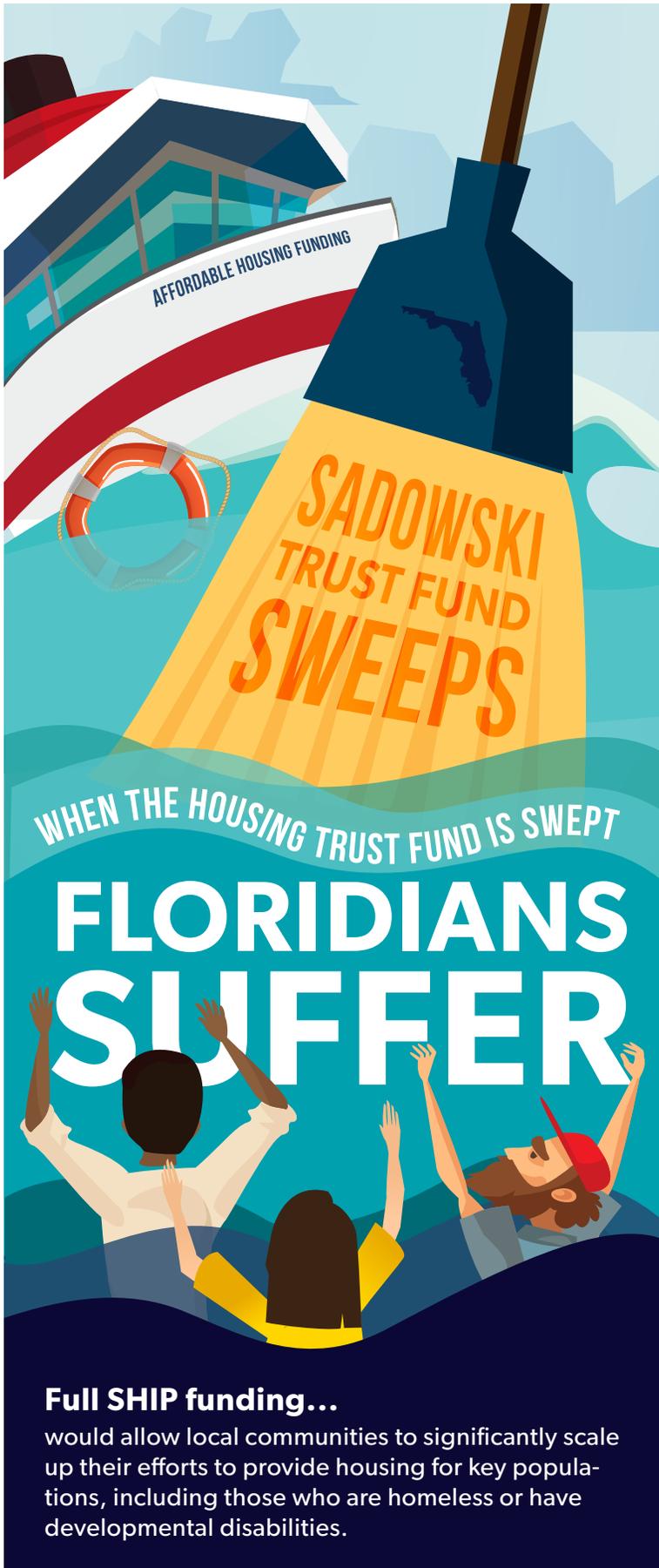
In addition, Sadowski funds give low- and moderate-income families a hand up that can be extended to their children and grandchildren. For example, the SHIP allocations from fiscal years 2006-07 to 2013-14 had a profound impact on Florida communities, even though the program’s funding was swept into 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)

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 year. (Much of this activity was made possible by SHIP

**Table 4. Estimated Economic Impacts of Fully Funding Sadowski Housing Trust Funds in Fiscal Year 2018-19.**  
(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 18/19 (\$ million)	\$216.42	\$97.84	\$314.08
Total economic activity generated (\$ million)	\$2,899.23	\$1,161.67	\$4,060.90
Total jobs created	20,909	10,029	30,938
Total labor income generated (\$ million)	\$930.25	\$488.32	\$1,418.57



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. 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. In 2016, SAIL funds created or preserved over 3,000 units of affordable housing<sup>59</sup>. SAIL's full potential impact has yet to be felt 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. 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 Florida 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.

## 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.

### We Don't Have Enough Affordable Housing in Florida:

- Close to 1.94 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 1.94 million low-income "cost burdened" households, over 608,000 households are headed by seniors, and over 600,000 households have a member with disabilities.
- Over 912,000 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 33% net decrease since 2007. However, the number of K-12 students who experience homelessness or housing instability showed a 76% 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 \$26.93 per hour, or about \$13.46 per parent. Unfortunately, 37% of Florida's jobs are in occupations with median wages below \$13.46 per hour.

- Rents are out of reach for low-income workers in many Florida communities. For example, an office clerk cannot afford a moderately priced one-bedroom apartment in the Ft. Lauderdale or Tampa Bay areas, or even in the Sebring 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 2016, 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 2018, the resulting affordable housing development will generate:

- Nearly \$4.1 billion in economic output
- Nearly 31,000 jobs
- Nearly \$1.42 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 homegrown, 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**