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# HOME MATTERS

REPORT FROM THE FLORIDA HOUSING COALITION



The Florida Housing Coalition appreciates PNC for funding the Home Matters report.

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

## Quick Facts

Florida still has a housing affordability crisis.

- Over 2.4 million low-income Florida households pay more than 30% of their incomes towards housing, the maximum amount considered affordable by experts. Over half of these households, or 1.3 million low-income households, spend more than 50% of their income towards housing costs. This makes it nearly impossible to save for retirement or emergencies and difficult to afford other necessities like food and childcare.
- Though Florida has seen a significant decrease in homelessness over the past ten years, there has been an uptick following the COVID-19 pandemic, particularly in unsheltered homeless. There are still over 30,000 individuals experiencing homelessness on any given night throughout the state. In the 2022-2023 school year, 94,899 K-12 students experienced homelessness or housing instability, up 9% from the year prior.
- Florida has only 24 affordable and available rental units for every 100 extremely low-income renters (those with incomes at or below 30% of the area median). No community in Florida provides enough housing to support this group, which is primarily made up of low-income workers, retirees, and people with disabilities.
- Over 86,000 units are at risk of being permanently lost from the privately owned affordable housing stock by 2044.



## Why Does Home Matter?

The health, safety, and welfare of Floridians and the strength of Florida's economy depend on a sufficient supply of housing that is affordable for all of Florida's households, including working families, older adults, and people with disabilities living on fixed incomes.

### Housing that is affordable reduces taxpayer expenses.

- For older adults and people with disabilities, the cost of affordable housing that is community based 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 considerably reduces the cost to taxpayers.
- Housing that is affordable can improve low-income families' and children's health and educational outcomes, reducing the public costs associated with illness and poor school performance.

### Housing affordability boosts the economy

- Money spent on 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.
- The Legislature's allocation to the Sadowski Housing Trust Fund programs in FY 2024-2025 will create nearly 57,000 jobs and have \$7.2 billion in positive economic impact in just one year while creating homes lasting far into the future.<sup>1</sup>

# Home Matters.

The Florida Housing Coalition has produced this report in support of Home Matters® ([www.HomeMattersAmerica.com](http://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 2024. As Florida's affordable housing ecosystem works together to deploy record high appropriations of the Sadowski State and Local Housing Trust Funds and to utilize the new Live Local Act provisions, record high housing costs threaten the safety and well-being of Floridians. Now, more than ever, Florida needs the effective proliferation of federal, state, and local solutions that alleviate the state's housing crisis. Collaboration of elected officials, private citizens, and members of the business, philanthropic, and faith communities are paramount to ensure best practices are put into action to strengthen the housing ecosystem.

Everyone needs a safe, stable place to call home. However, because housing is a market commodity priced at whatever the market will bear, the private market by itself cannot provide homes and apartments that are attainable for many workers, older adults, and people with disabilities. The price of housing reflects what people are willing to pay to live in a community and the supply of homes, and many people are bidding high prices to live in Florida's vibrant cities and towns while not enough new homes have been built since the 2008 Great Recession to keep up with demand. In many communities, even modest homes and apartments are priced out of reach for essential workers (including teachers and police officers) or are torn down and replaced with high-end houses, apartments, and condominiums. Even in communities with more moderate housing costs, many residents struggle to find good quality affordable housing, particularly those working in low-wage jobs or living on fixed incomes.

The way to address housing affordability challenges is to provide financial and regulatory incentives that make it profitable for private developers to invest in the production of affordable housing as well as the production of more housing supply overall. These incentives come from public-private partnerships among lenders; real estate professionals; community-based nonprofit organizations; and local, state, and federal agencies. Housing funders typically require standards for building quality, amenities, and property management that equal or exceed market rate housing, ensuring that subsidized units look and feel like any other home. 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 greater need for rental and ownership housing affordability in Florida and highlights the importance of the Sadowski State and Local Trust Funds, as well as other key solutions that work in concert to address this need.

### Housing Plays a Major Role

#### IN OUR PHYSICAL & MENTAL HEALTH

For low-income individuals and families, lack of housing that is affordable 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.



# The Benefits of Housing Affordability

## Economic Benefits

Housing stimulates state and local economies. When a developer creates housing that is affordable through new construction or rehabilitation, the community gains jobs through direct, indirect, and induced economic impacts (see Sidebar on p. 5).<sup>2</sup> 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. With the 2024-2025 appropriation to the Sadowski State and Local Housing Trust Fund programs, the projected economic impact is:

- Over \$7.2 billion in positive economic benefit
- More than 56,000 jobs

Once a housing development is built and occupied, the residents create demand for ongoing jobs to meet their needs. Additionally, when housing is affordable, families have more discretionary income to spend on food, clothing, and other goods and services, thereby boosting the local economy.<sup>3</sup>

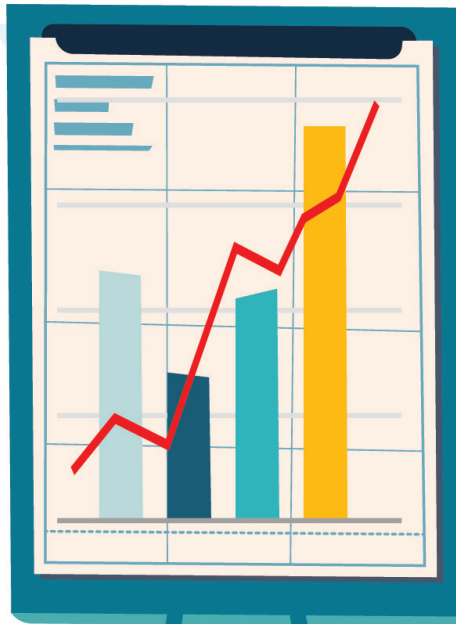
**With the Sadowski State & Local Housing Trust Fund Monies fully appropriated for housing in FY 2023/24,**

**THE PROJECTED ECONOMIC IMPACT WILL BE:**

Nearly  
**56,000**  
JOBS  
for Floridians

More than  
**\$7.2**  
BILLION

**in Positive Economic Benefits**



## What is Housing that is Affordable?

Misconceptions are widespread, with many people associating “affordable housing” with large, distressed public housing projects in central cities. That perception simply does not fit reality.

The majority of Public Housing Authorities nationwide, from large to small, are well-managed and have quality units.

Furthermore, public housing is only one type of housing that is affordable. In this report, “housing that is affordable” refers to housing that is safe and affordable in the private market, publicly owned housing, and privately owned housing that receives a subsidy to bring its rent or purchase price down to a level that is affordable to a low- or moderate-income family. Substandard housing is, by definition, not considered affordable.

## Economic Impacts: A Note On Terminology

Activities such as housing construction and rehabilitation stimulate local economies in several ways. For housing development, “direct” impacts occur when developers hire workers and purchase materials from local suppliers. In turn, the suppliers purchase additional materials and labor to fill the developer’s order, producing “indirect impacts.” The workers that are employed further stimulate the economy, both directly and indirectly, when they spend their wages locally (“induced impacts”).

Housing affordability is also important for employers trying to attract skilled workers to a region. When local housing costs near employment sites are out of reach for entry-level and mid-level employees, employers may find it challenging to attract skilled workers and may face employee absenteeism and turnover.<sup>4,5</sup>

An additional economic benefit of affordable housing comes from the foregone costs of providing social services to older adults, those living with disabilities, or those experiencing homelessness. Studies show that home- and community-based services for older adults and permanent supportive housing for persons with disabilities are significantly more cost effective than institutionalized care or relying on jails and emergency rooms.<sup>6,7</sup> An investment in housing that is affordable is fiscally responsible, with a significant return on investment.

## Health and Education Benefits

Housing plays a significant role in our physical and mental health. For low-income individuals and families, a lack of housing that is affordable can have a multitude of adverse effects, including:

- Families in unaffordable housing will likely cut back on nutritious food and health care.<sup>8</sup>
- Access to safe, uncrowded housing is central to preventing the spread of infectious diseases. Households and individuals that are doubling up, “couch surfing,” or experiencing other housing instability issues are more likely to get and spread COVID-19 and other infectious diseases.<sup>9</sup>
- 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 for fire and injury.<sup>10,11</sup>
- 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.<sup>12,13</sup>
- Homelessness exacerbates a person’s pre-existing health problems, and living on the street or in a shelter poses unique health risks (including exposure to weather, violence, and disease). Homelessness also makes it challenging to rest and recuperate after illnesses, find a place to store medications, or keep wounds clean and dry.<sup>14</sup>

Notably, many of the health problems associated with a lack of quality and affordable housing are closely connected to children’s educational performance. For example, exposure to lead paint can cause developmental delays in children, and 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 children.<sup>15</sup>

While a shortage of housing that is affordable can contribute to ill health and educational problems among low-income families and children, housing affordability is a solution for good health and achievement in school. According to a study by Children’s Health Watch, infants in food-insecure families in the US are 43% less likely to be hospitalized if their families used rental assistance during the prenatal period, resulting in a health care cost savings of about \$20 million to taxpayers annually.<sup>16</sup> Additionally, both subsidized rental housing and homeownership have been linked to better educational outcomes for children.<sup>17</sup> An investment in housing that is affordable strengthens the health and wellbeing of Florida’s families and students.



**SECTION TWO:****By The Numbers - Housing Cost Burden in Florida****Housing Costs for Low-Income Families**

Housing is affordable when it costs no more than 30% of a household's income. Households that pay more than this amount are considered "housing cost burdened." The 30% threshold 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 that are "severely cost burdened" and are paying more than 50% of their incomes for housing. See the Sidebar on p. 7 for a glossary of terms related to housing costs and incomes.

**Housing Cost Burden and Tenure**

Estimates from the Shimberg Center for Housing Studies indicate of the state's 8.6 million households, there are more than 2.4 million low-income households in Florida who must spend over 30% of their incomes towards housing costs. Of these low-income and cost-burdened households, 1.3 million also fall into the category of severely cost burdened, meaning they pay more than 50% of their incomes for housing.

The proportion of cost-burdened households is significantly higher among renters compared to homeowners and lower-income households compared to high-income households. Within the extremely low-income (ELI) and very low-income (VLI, excluding those below 30% AMI) categories, a substantial 86% and 73% of households, respectively, are cost burdened. For low-income families, the housing cost burden can lead to severe vulnerabilities, where sudden life changes, accidents, or injuries can cause financial stress, impacting their ability to live and thrive.

The interactive dashboard "Dashboard 1: Florida Cost Burdened Households by County," shows the distribution of cost-burdened households by income bracket and tenancy type in Florida.



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

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

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

**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.

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

**Metropolitan Statistical Area (MSA):** An urban area defined as a core area containing a substantial population nucleus, as defined by the U.S. Census.

**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.

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

Cost-burdened households are not distributed evenly across the state. Cost burden, when considering all households regardless of tenure, is concentrated in South Florida, with Miami-Dade, Monroe, and Broward counties topping the list of most cost-burdened urban areas, all with cost burden rates over 40%. They are closely followed by several counties with slightly smaller numbers such as Palm Beach, Orange, and Osceola. At the bottom of the list, households in rural areas across the state are far less likely to be cost burdened than urban areas. Additionally, cost burden is especially widespread among low-income renters. When filtering cost-burdened households by tenure, rates for renters are consistently upwards of 40% across Florida’s counties, save for a few more rural counties.

### Low-Wage Jobs

Low-wage jobs are prevalent in Florida’s economy. As the cost of living continues to rise, these jobs are increasingly inadequate to meet the needs of households. According to the United Way of Florida’s 2024 report on Asset Limited, Income Constrained, Employed (ALICE) households, the

“survival wage” for a household in Florida with two adults, one infant, and one preschooler was \$40.56 per hour, \$22.64 for two adults working full time, or \$15.04 per hour for a single adult.<sup>a</sup> 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 pay enough for a family to survive, let alone thrive. As the ALICE Report shows, government assistance and private charity are not enough to fill the gap for these families.<sup>19</sup>

### Can the Workforce Afford to Live in Florida?

In 2023, Florida's median wage for all occupations was recorded at \$21.67, up from \$18.02 in 2019. Despite this trend, the effect on the purchasing power of most households is largely offset by concurrent increases in home prices and the cost of essential goods. When adjusting for inflation, the increase is only a 1% increase, from \$21.39 in inflation-adjusted dollars, as seen in Figure 1.

<sup>a</sup> In the ALICE Report, the United Way of Florida assumes that each adult works 40 hours per week, 50 weeks per year.

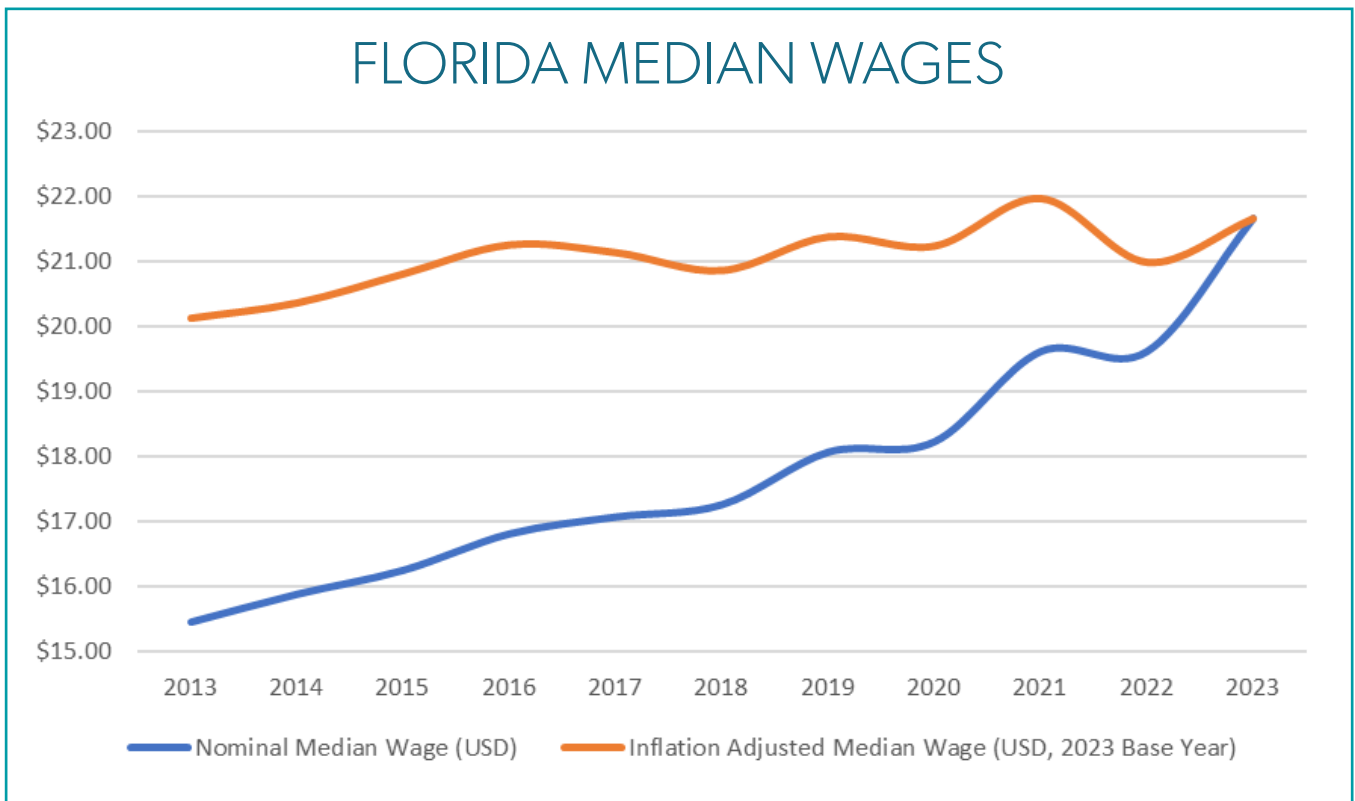


Figure 1. Florida Median Wages  
Source: Occupational Wages Employment Statistics, 2023, Bureau of Labor Statistics

Dashboard 2 shows the ten most common occupations in the state by metropolitan statistical area, some of which are the lowest paid and account for over one in five jobs in Florida.



In Florida as a whole, the average annual per capita income for white individuals is \$48,094, or \$24.05 an hour, and for Black individuals is \$26,700, or \$13.35 an hour, a difference of \$10.70 an hour or over \$21,000 a year. These gaps end up having cumulative effects in households placing them as disadvantaged in terms of economic stability, wealth accumulation, and overall quality of life.

In Dashboard 3, average per capita income is disaggregated by race, showing how much an average individual (rather than a household) is likely to earn. When examining per capita income by race, it becomes evident that individuals from racial minority groups are disproportionately vulnerable in low-wage jobs.



## 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 the 2023 Point-in-Time (PIT) counts, communities across Florida identified a total of 25,959 “literally homeless” people—those staying in shelters,<sup>b</sup> on the street, or in other places not meant for human habitation, an 18% increase from 2022. According to preliminary 2024 PIT data, our state’s homeless population has risen to 31,462, continuing the recent trends of growth in homeless population. Florida’s homeless population has declined by -37% from 2008-2023, although this drop masked a peak of 57,551 in 2010.

During the 2021 Point in Time Counts across the state, the pandemic was at its height and many communities were unable to conduct full unsheltered counts as they had done in years past due to the increased health risks for volunteers, staff, and those experiencing homelessness, thus demonstrating an artificially low count for that year. We now know the pandemic had severe impacts, causing literal homelessness, especially instances of unsheltered homelessness to increase across the state and nation. The number of people experiencing unsheltered homelessness in Florida increased from 15,482 in 2023 to 16,979 in 2024 (9.67%), the rise from the previous year was 32% – as seen in Figure 2.

<sup>b</sup>HUD 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.

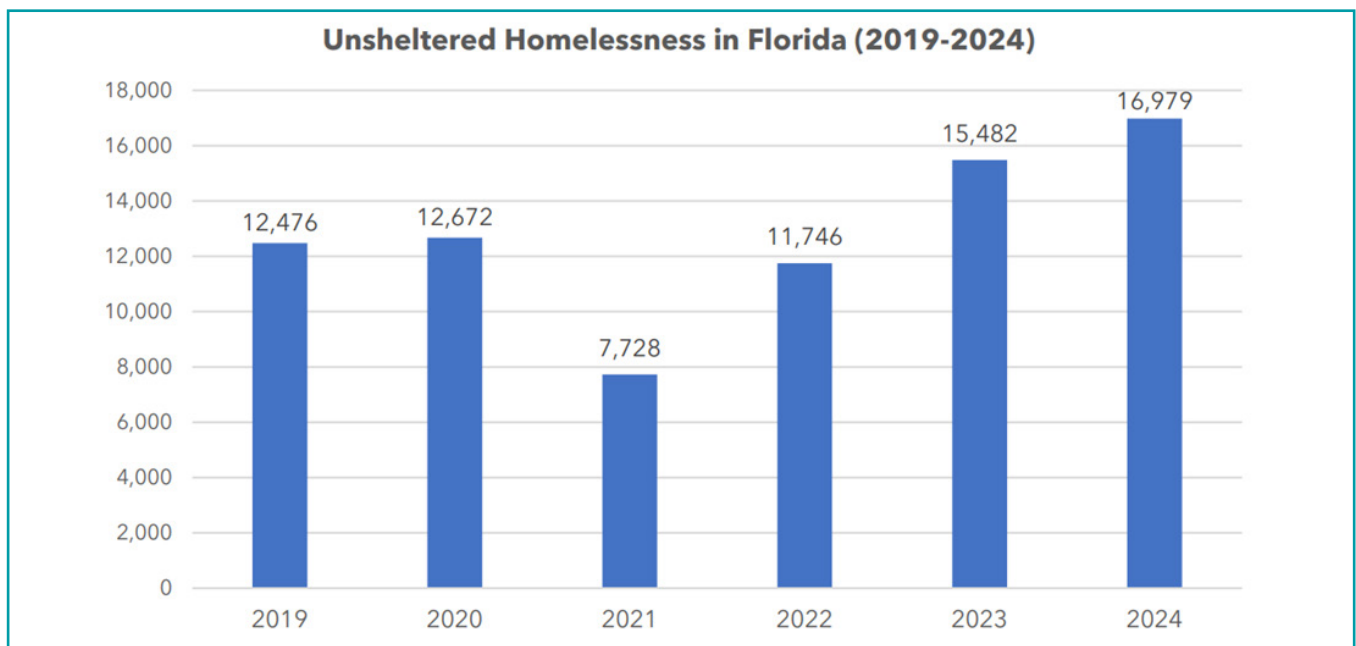


Figure 2: Unsheltered Homelessness in Florida (2019-2024)  
Source: Florida’s Council on Homelessness Annual Report 2024

Prior to 2023, identifying individuals aged 55 and older experiencing homelessness through the PIT count was challenging. In 2023, the data collection improved, revealing that 8,646 Floridians aged 55 or older are homeless, making up over 28% of the homeless population. Additionally, racial disparities are evident: nearly 40% of the homeless population is Black/African American, despite this group representing only 16% of the state's population.

Families living in doubled-up situations are not included in the literal homeless population as defined by the US Department of Housing and Urban Development (HUD) in the annual PIT Count. However, they are considered homeless by the Department of Education (DoE).<sup>c</sup> In the 2021-2022 school year, the DoE reported 78,277 homeless students, an increase from the 63,849 students reported in the COVID-impacted 2020-2021 school year. This number further rose by 21% to 94,899 in 2022-2023, the most recent year for which data is available, highlighting a growing need for affordable housing for low-income families. Solving homelessness is possible. Through strategic partnerships, shared goal setting, and coordinated investment planning, every community in Florida can adequately address, reduce, and prevent homelessness. Access to affordable housing for every income range is key to solving homelessness in Florida.



**SECTION THREE:**

## Challenges for Renters

Over 70% of Florida's low-income renter households are cost burdened, and close to 45% of low-income renters are severely cost burdened.<sup>22</sup> Severe cost burden is especially widespread among very low-income renter households (those with incomes <math>\leq 50\%</math> AMI). This section dives into further detail about specific factors that drive high housing cost burdens among low-income renters.

<sup>c</sup>The US Department of Education (ED) requires public school districts to identify children and youth who are homeless 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 the Florida Department of Education (DoE) and comprise most of the students identified as homeless.

## Shortage of Affordable and Available Rental Units

Florida's communities have rental units – both subsidized and unsubsidized – that are affordable to low-income households. However, there are not enough of these units to meet demand, especially in higher-priced metro areas, and higher-income households occupy some of these rentals. Low-income renters find themselves in a game of musical chairs for a limited number of affordable units. The Shimberg Center provides annual analysis of the surplus and deficit of affordable and available in the state of Florida.

Dashboard 5 below illustrates the Shimberg Center's analysis on the shortage of affordable and available units in 2022.



## Loss of Affordable Rental Housing

The limited supply of affordable rental housing for low-income families is constantly shrinking, requiring new affordable homes to be built to maintain supply. Owners of rental units subsidized by federal, state, and local funding must keep rents affordable for tenants in certain income brackets for a set period of time, usually 15 to 50 years, depending on the housing subsidy used to finance the units. 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 on, or (in extremely rare cases) the subsidy is removed due to poor property management.

Dashboard 6, features selected summary data of assisted units and their expiry periods from the Shimberg Center's Assisted Housing Inventory, available in their Data Clearinghouse.





Over the past twenty years, Florida has lost roughly 66,000 subsidized rental housing units from the affordable housing stock, amount to a loss of 3,000-4,000 units a year.<sup>23</sup> According to The Shimberg Center for Housing Studies Assisted Housing Inventory over 86,000 units are at risk of being lost by 2044, based on the age of the developments, the subsidy source, and the dates when the subsidies will expire. Thankfully, subsidized units are continually being constructed: over 114,448 subsidized units were constructed between 2000 and 2022, with 5,000 to 10,000 added annually. In the coming years, as expiration of affordability periods accelerate strategies to preserve the affordable housing stock will become increasingly crucial.

### Rising Rents

Since 2010, median gross rent has consistently been higher than rent affordable at Florida’s median renter income. As shown in Figure 3, the gap between median rents and what the average renter could afford to pay has grown from a low of \$102 in 2005 to \$262 in 2022,

exceeding the recession high of \$257 in 2009 (adjusted for 2022 dollars). Meanwhile, the state’s overall rental vacancy rate has dropped from a peak of 13.2% in 2009 to 7.1% in 2022.<sup>24</sup>

Because the ACS lags a few years behind and is less than an ideal source of data for a market that has shifted dramatically in the last few years, it is useful to look at other sources of data that better track 2020 through 2023. Apartment List data hosted by the Shimberg Center shows recent trends in the rental housing market for Florida as a whole, as depicted in Figure 4. The data depicts double digit percent increases between 2020 and 2022 after the previous period of stable rents, including the meteoric climb in 2021, where the year over rent price rate of growth jumped nearly five times faster than before the pandemic. Despite slowing rent growth, rent prices remain above pre-pandemic levels, and apparent market rent cooling in Florida is unlikely to provide the wide relief renters need in the near term.

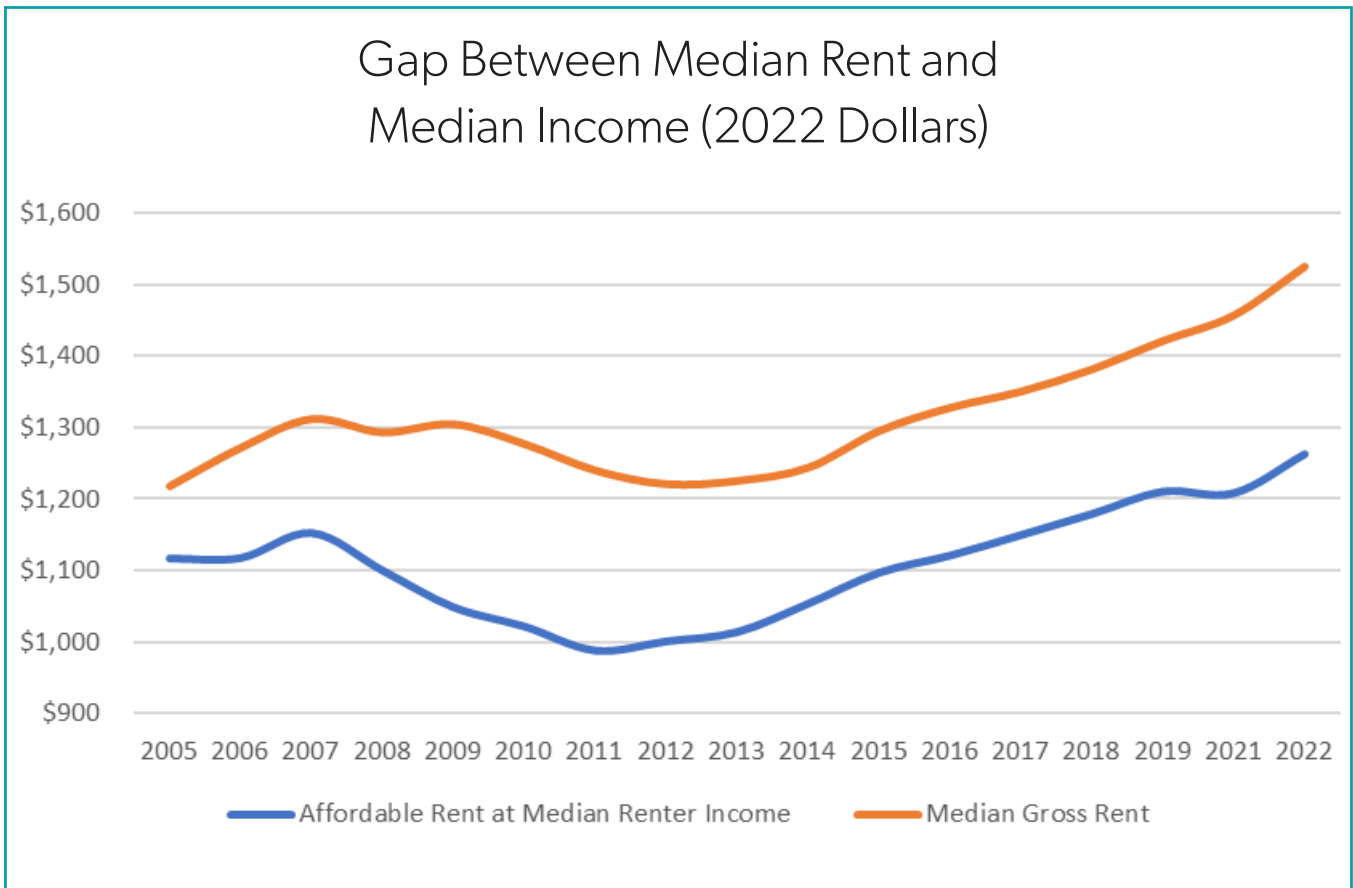


Figure 3: Gap Between Median Rent and Median Income (2022 Dollars)  
 Source: American Community Survey PUMS 2005-2022 1 Year

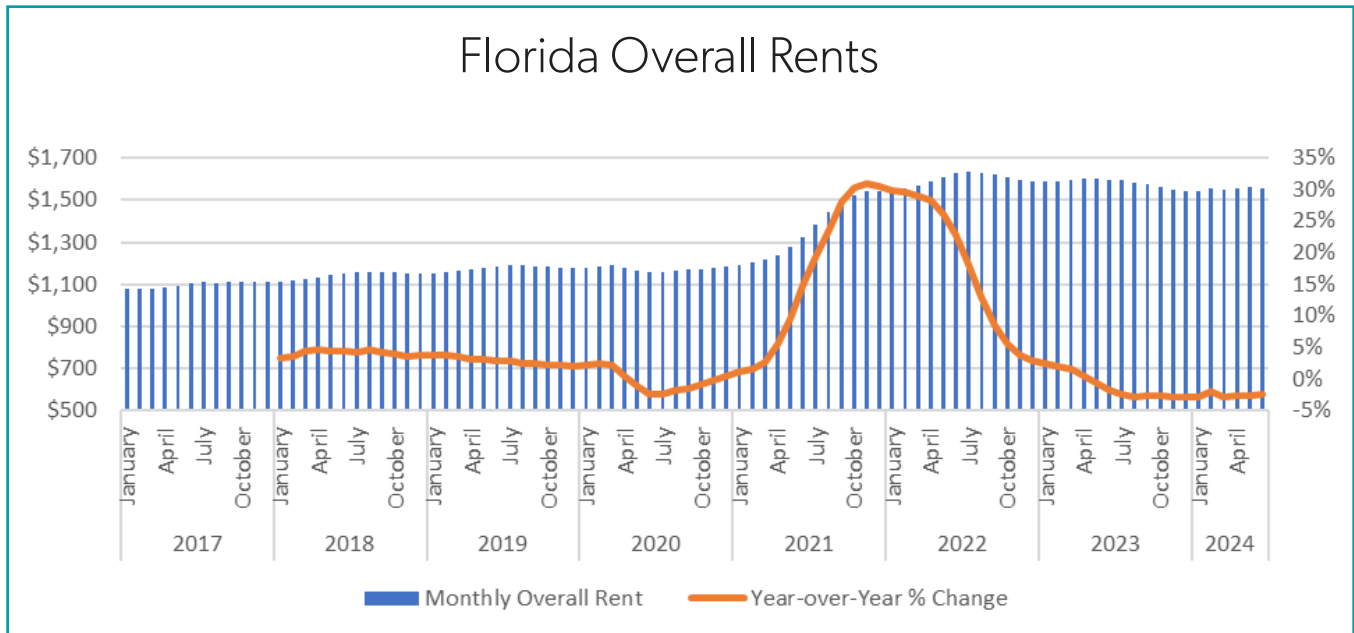


Figure 4: Florida Overall Rents  
 Source: Apartment List Overall Rent via Shimberg Center Clearinghouse

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 for down payment and closing costs.<sup>25, 26, 27</sup>

**SECTION FOUR:**  
**Challenges for Homebuyers**

Florida’s homeownership rate has declined steadily from a peak of 70.6% in 2007 to 67.2% in 2022, although this low is slightly higher than the all-time low of 63.8% in 2015.<sup>28</sup> Factors discussed below, such as a tight housing market, prevent many low- and moderate-income families from buying their first homes.

**Tight Market for Low-Income Homebuyers**

Home sale prices across Florida exhibit significant variation. A key indicator of housing affordability is the National Association of Home Builders/Wells Fargo Cost of Housing Index (CHI), which measures the percentage of a typical family’s income required to make mortgage payments on a median-priced home. This calculation includes the median home price (assuming a 10% down payment), along with taxes, homeowner’s insurance, and private mortgage insurance (PMI). The CHI tracks affordability at the metropolitan level for existing homes in 176 metropolitan areas.

In Table 1, Florida MSAs and their rank among included national metropolitan areas is shown in rankings from 1 to 42. Four Florida MSAs rank among the top 10 for the highest CHI scores and no Florida MSA listed reports a CHI score below 31%, indicating that even in the most affordable markets the typical homeowner is committing an unaffordable share of their income to their housing costs, underscoring the widespread affordability challenges across the state.



|   | Cost of Housing Index (CHI) | Rank |
|---|-----------------------------|------|
| Naples-Marco Island, FL                 | 71%                         | 3    |
| Miami-Fort Lauderdale-Pompano Beach, FL | 64%                         | 6    |
| North Port-Sarasota-Bradenton, FL       | 46%                         | 10   |
| Sebastian-Vero Beach, FL                | 46%                         | 10   |
| Punta Gorda, FL                         | 44%                         | 12   |
| Orlando-Kissimmee-Sanford, FL           | 43%                         | 13   |
| Port St. Lucie, FL                      | 43%                         | 13   |
| Cape Coral-Fort Myers, FL               | 41%                         | 15   |
| Lakeland-Winter Haven, FL               | 39%                         | 17   |
| Deltona-Daytona Beach-Ormond Beach, FL  | 39%                         | 17   |
| Tampa-St. Petersburg-Clearwater, FL     | 39%                         | 17   |
| Crestview-Fort Walton Beach-Destin, FL  | 37%                         | 19   |
| Panama City, FL                         | 36%                         | 20   |
| Jacksonville, FL                        | 35%                         | 21   |
| Ocala, FL                               | 34%                         | 22   |
| Palm Bay-Melbourne-Titusville, FL       | 33%                         | 23   |
| Gainesville, FL                         | 33%                         | 23   |
| Tallahassee, FL                         | 31%                         | 25   |
| Pensacola-Ferry Pass-Brent, FL          | 31%                         | 25   |

Table 1: Cost of Housing Index  
 Source: National Association of Home Builders/Wells Fargo Cost of Housing Index

### Rising Home Prices

Rising home prices present substantial challenges for homebuyers in Florida, especially for first-time buyers and low-to-moderate-income households. The sharp increases in prices necessitate larger down payments and higher monthly mortgage payments, which many potential buyers cannot afford. Additionally, high demand

and limited supply exacerbates the situation, often leading to competitive bidding wars that drive prices even higher. Figure 5 illustrates median sales price trends in Florida from 2008 to 2024, as reported by Florida Realtors. While the drastic year-over-year home price increases seen during the pandemic have cooled down, in the state as a whole home prices remain elevated above prices seen in the last two decades.

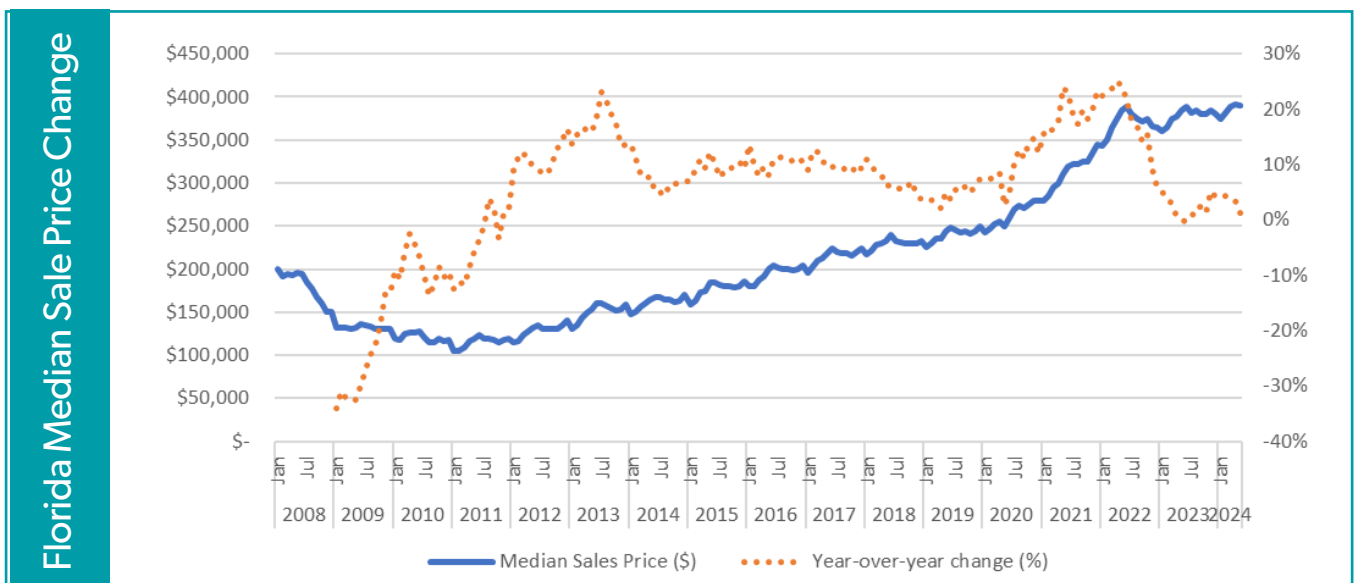


Figure 5: Florida Median Sales Price Change  
 Source: Florida Housing Coalition Analysis of SunStats Data, Florida Realtors

## Home Insurance Hikes and Property Tax Increases

In addition to rising home prices, which have inflated housing costs beyond affordable ranges for many Floridians, escrow payments, including homeowner insurance and property taxes, have become a growing challenge for homeowners. Florida home insurance prices are the highest in the country, report as more than twice the national average in 2022, and with reports of premiums commonly well into five digits.<sup>29,30</sup> Many Floridians have seen their insurance premiums increase by more than 40% in recent years, with some reports indicating a rise of over 102% in just the past three years.<sup>31</sup> Rising property taxes have posed an additional hurdle to homebuyers in the recent market. While Florida's legislature has passed a total of five pieces of legislation from 2019 through 2023 to address causes for these rising costs, and some optimistic trends have been shown, it will take some time for the full effect of these reforms to realize in the insurance market.<sup>32</sup>

Recent housing increases have also had the effect of making property taxes an increased burden for new homebuyers. Homeowners who have long since acquired homestead status are less likely to be affected, but new and first-time homebuyers are paying exorbitantly more for houses that have recently skyrocketed in value. This poses a challenge for qualifying homebuyers for new mortgages, as property taxes might push their monthly payments beyond affordability limits. This situation impacts the sustainability of public homeownership programs and the work done by non-profits such as Habitat for Humanity.

Ultimately, these two rising costs to today's homeowners act as a pincer, squeezing moderate and low-income homebuyers, and even precluding those that might have

been able to afford homeownership even a few years ago, from enjoying those benefits today.

## Racial Disparities in Homeownership and Housing Instability

Private-sector discrimination in the past was a direct consequence of a partnership between the federal government, local bankers, and real estate brokers and contributed significantly to our residential segregation patterns today. Federal housing policy gave official sanction to discriminatory real estate sales and bank lending practices based on the procedure of redlining. Through the Home Owners' Loan Corporation (HOLC), the Federal Home Loan Bank Board developed Residential Security Maps and Surveys used by brokers and lenders to determine eligibility for mortgages and home loans.

The maps divided and ranked areas in American cities from A to D with corresponding colors, considering factors such as building conditions; amenities and infrastructure; and – most importantly – the neighborhoods' racial, ethnic, and economic composition. Areas with even small populations of Black Americans were deemed "hazardous" and colored red – hence the term "redlining."

These inequitable practices perpetuated a vicious cycle of neighborhood decline, a legacy that continues to have lingering effects in American cities. Most of the neighborhoods the HOLC graded as "hazardous" eight decades ago are low-to-moderate income today, and nearly 64% are still predominately minority neighborhoods.<sup>33</sup>

This legacy has also had a lingering and moribund impact on financing Black homeownership: The Federal

## Black homebuyers face difficulties finding high-quality financing

Black Florida families have the lowest homeownership rates in the state, and more than half of households are renters.



Housing Administration (FHA) regularly refused loans to Black homebuilders while underwriting the construction of homes by whites and refusing to back Black residential development in or near white neighborhoods. To this day, Black homebuyers face difficulties finding high quality financing and are often targeted by predatory lending efforts, including those that led to the subprime mortgage crisis that caused the Great Recession. White Floridians are more likely to own a home either free and clear or with a mortgage than any other racial group. At the same time, Black Florida families have the lowest homeownership rates in the state, and more than half of households are renters.<sup>34</sup>

Unfortunately, there have been only small improvements in housing equity over the last 50 years. In 1970, two years after the passage of the Fair Housing Act, the African American homeownership rate was 41.6%. Black homeownership would rise over the following decades to an all-time high in Florida in 2007 at just over 50% (though it remained 20 percentage points lower than the state as a whole and 30 percentage points lower than white homeownership). Since 2007, and particularly after the 2008 Great Recession, the Black homeownership rate fell to 43% in 2015, less than 2 points higher than the Black homeownership rate in 1970, when African Americans had only just started being permitted to buy homes in most parts of the US. Since 2015, the homeownership rates for all racial and ethnic groups have grown, with Black homeownership rising to about 49%; Hispanic homeownership at 56%; the other, non-Hispanic group (which includes people of multiple races, Native Americans, and Hispanics and Latino who do not identify as Hispanic or Latino) at 64%; Asian non-Hispanic at 73%; and the white homeownership rate at 77%.

In 2020, Black and Hispanic households often bore the burden of COVID-19-related housing instability that illuminated and exacerbated existing racial housing disparities. According to public opinion polling by Opportunity Starts at Home, 72% of African Americans and 76% of Hispanics expressed concern that they would lose their housing during the pandemic without additional assistance.<sup>35</sup>

These concerns come on the heels of a decade in which Black Americans continued to trail whites in overall homeownership rates. This lack of ownership coupled with the increasing cost of housing has resulted in significant challenges for Black and Hispanic households in Florida: in 2021, 52% of Blacks and 65% of Hispanics were cost burdened, compared to 34% of whites. This cost burden figure increases to more than half of Blacks and Hispanics when looking solely at renters.<sup>36</sup>

This lack of affordable housing exacerbates existing segregation. Due to the aforementioned legacy of discrimination, Black families and families of color have lower net wealth and incomes than white families. The lower net wealth creates large differences in purchasing power, which, in concert with policies and practices in both the public and private sectors, often results in housing for low-income households being sited in areas that perpetuate racial residential segregation.



**Student Debts**      **Household Income**      **Credit score**

**Loan Approvals**      **Sub-prime loans**      **Mortgage Rates**

## Reasons for Low Black Homeownership Rate



## SECTION FIVE:

## Solutions

Across the state, organizations and communities are implementing best practices to build and preserve affordable housing. Underlying these practices are one or more cross-cutting aims (Figure 6) that serve as strategic objectives spanning multiple aspects of housing production. These aims do not exist in isolation; instead, they weave together different areas of focus to create a holistic approach to problem-solving. This section highlights a selection of efforts and initiatives in place and developing to address the ongoing affordable housing crisis.

## LAND

## Permanent Affordability and Community Land Trusts

Permanent affordability through subsidy retention models is a key solution to both producing and preserving housing affordability in Florida. Permanent affordability seeks to remove housing produced with public subsidies from the speculative market and preserve it forever as a community asset. Historically, local governments have utilized a subsidy recapture approach. When applied to homeownership, funds, provided as purchase assistance for example, are repaid when a home is sold then used to assist other eligible households. Similarly for rental housing development, funds are typically provided in the form of a recapturable (though forgivable) deferred payment loan with an expiring affordability period.

Recapturing funds serves to increase revenue, as annual SHIP allocations alone cannot meet the growing need. However, this approach is ineffective in addressing the growing affordability gap and adding to the limited supply of affordable housing over time.

Alternatively, a subsidy retention approach involves a one-time investment to produce a housing unit initially, then permanently maintain affordability through legal agreements that determine resale price or rent as well as the income eligibility of households that can buy or rent the unit. These restrictions keep the housing perpetually affordable to homebuyers or renters at the same income level. Specifically for homeownership, several home buyers can benefit from a single investment of subsidy generation after generation. The house is not lost to the open market after it is sold and remains forever in the affordable housing inventory. In this way, the value of the one-time subsidy grows rather than diminishes in value due to rising costs of production, sales prices, and rents which far outpaces the growth in household incomes in most communities.

The most powerful form of subsidy retention is the community land trust (CLT) model. A CLT refers to the legal vehicle of separating land from building (house) for the purpose of transferring title to dwelling units without selling the land underneath. It also denotes the non-profit corporation that acquires and holds title to the land and manages the ground leases on that property for the benefit of that community.

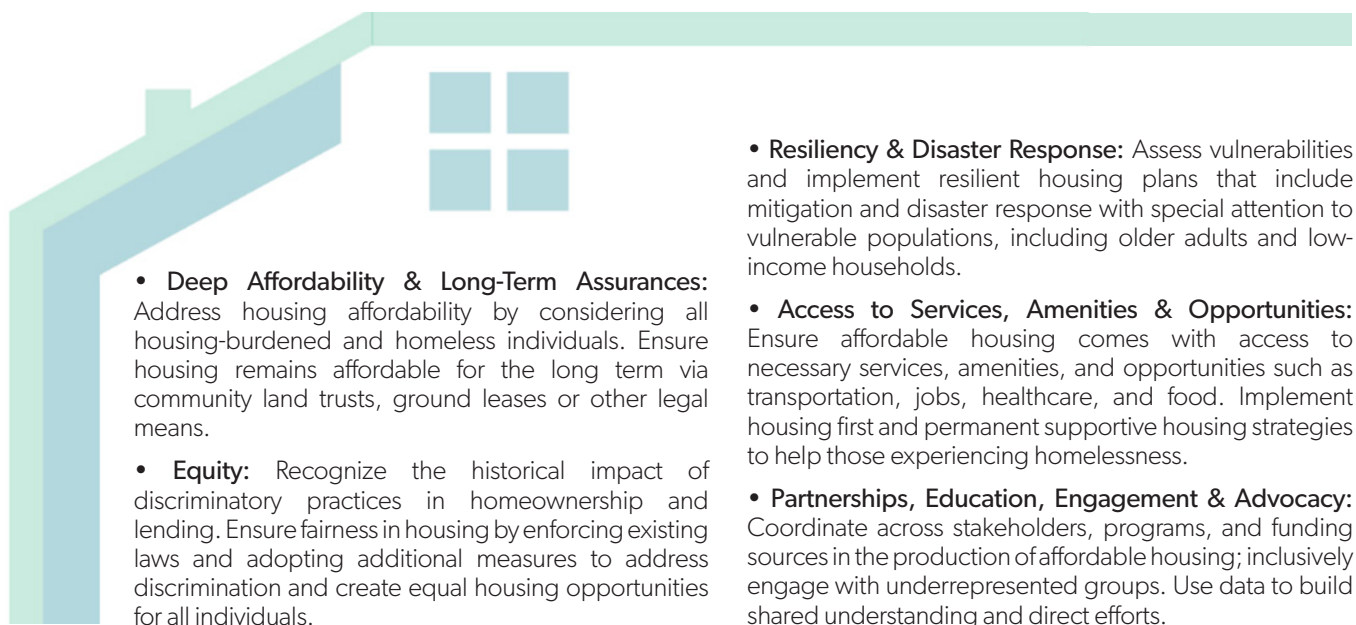


FIGURE 6

Many communities are looking to the community land trust model as their preferred strategy to achieve permanent affordability. “Dashboard 8: CLTs in Florida” below illustrates the locations of active community land trusts in the state, their service areas, and the locations of existing units within a CLT. While CLTs throughout Florida have focused primarily on homeownership, a growing number of local governments are also supporting permanent affordability for rental housing in partnership with a CLT. Doing so has the double benefit of increasing the number of affordable rental units while building the capacity of a nonprofit whose mission also involves the production and preservation of affordable housing for homeownership.

### Use of Publicly Owned Land

Utilizing publicly owned land for affordable housing purposes is one of the most vital tools local governments have to address the state’s affordable housing crisis. All parcels the local government owns in fee simple that can be developed for residential purposes should be placed on the inventory. If it is appropriate for market-rate housing, it is appropriate for affordable housing. The Live Local Act amended Florida’s “surplus land” laws to increase accountability and transparency in dedicating and using more public land for these purposes. These statutes, found at s. 125.379 and 166.0451 for counties and cities

respectively, require local governments to identify parcels they own in fee simple that are “appropriate for use as affordable housing.” Parcels identified as “appropriate” for affordable housing must be placed on a local affordable housing inventory list and adopted by the city or county commission via a resolution. Parcels placed on the inventory list can then be used for a variety of affordable housing purposes.

The Live Local Act extended this affordable housing inventory requirement to include all dependent special districts, which includes entities such as Community Redevelopment Agencies, and requires local governments to now post this inventory list online to encourage potential development. The Act also encourages local governments to utilize best practices when using publicly owned land for affordable housing. These changes to state law can help local advocates and developers have their communities devote more publicly owned land to address the state’s housing crisis.

There are a number of good examples of public entities in Florida using publicly owned land for affordable housing purposes. The City of **Jacksonville** considers the local Community Land Trust as a city entity that gets a “first look”



Florida is a national leader in growth of CLTs and is the first in the nation to have a certification program. When a CLT is certified by the Florida Housing Coalition’s CLT Institute, local governments, lenders, and home buyers can be confident that CLT is using best practices for general operations and for stewardship.

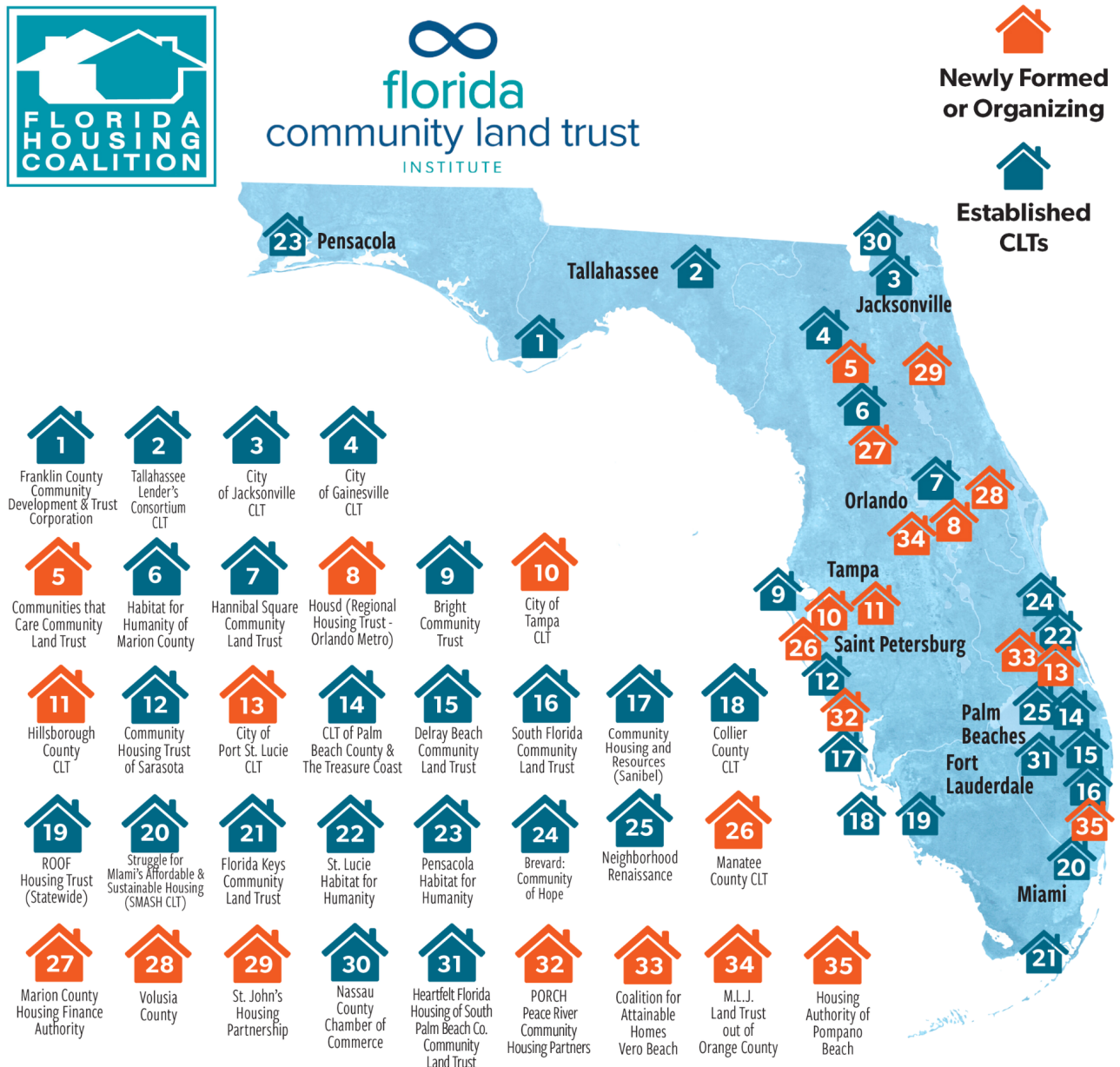
If you are a nonprofit or local government interested in a community land trust, please contact the Florida Housing Coalition. We have the entire suite of education, technical assistance, and documentation you need.



at city-owned property to claim for affordable housing use. The City of **Tampa** has a robust infill housing program that deploys city-owned properties at no cost to develop affordable housing to households at or below 80% AMI. **Miami-Dade County** also has an infill housing program where county-owned lots are chosen to be developed as deed-restricted affordable housing for a period of 20 years. **Escambia County and the City of Pensacola** have a partnership to implement their Infill Affordable Housing Program to build single-family affordable homes for income eligible homebuyers. **The Pasco County School Board** has also pledged in the past year (as of this writing) to utilize school board owned land to build 228

affordable apartments. **Daytona Beach, Volusia County, St. Petersburg, Seminole County, the Delray Beach CRA** and many other jurisdictions serve as good examples for deploying public resources for public good.

Jurisdictions around Florida not only pledge public land for affordable housing use, but they also pledge sale proceeds towards affordable housing efforts. **Miramar** and **Fort Myers** both have ordinances that pledge to use a portion of the proceeds from the sale of city-owned property towards a local affordable housing trust fund. It is encouraging to see the use of public land for affordable housing as a more mainstream solution in 2024.





## Public Funding Programs

Public funding in coordination with private funding and financing tools is a critical resource to increase deeply affordable units for the long term. This section details recent highlights and success stories from federal, state, and local programs. Lending requirements and practices at the federal level and for private lending institutions can also be monitored for additional opportunities to finance housing that is affordable.

### Federal

Federal funding programs are a significant source of revenue for affordable housing. The federal Low Income Housing Tax Credit (LIHTC) program, for example, is the nation's most successful program at producing affordable rental housing. A recent study by the Urban Institute found that LIHTC financed 18% of all new multi-family housing development in Florida from 2000-2019.<sup>38</sup> Federal funding programs are numerous and varied enough that an exhaustive list with program details is not included here. Yet generally, they include support in the form of tax credits, assistance to residents, assistance to developers, assistance to governments and service providers, and more to further affordable housing with programs that focus on specific topics and/or specific groups (e.g., USDA Multi-family direct loans to assist with rental housing for low-income, older adult, or disabled individuals and families in eligible rural areas and Continuum of Care to assist people experiencing homelessness).

Federal funding increases were key in a huge win towards ending homelessness in **Charlotte County**, Florida. CoCs saw an infusion of funding related to response to the pandemic in 2020, 2021, and 2022, including additional federal resources known as Emergency Solutions Grant (ESG) to address homelessness prevention, street outreach, rapid rehousing, and emergency shelter needs. Some communities across Florida struggled with the capacity to administer multimillions in increased funding, while others got creative and used these resources in non-traditional

ways. The homeless CoC operating in Charlotte County and led by Gulf Coast Partnership used their increase in funding to place their most vulnerable homeless community members into permanent housing through ESG-funded Rapid Rehousing programs. Many of these individuals had higher needs associated with sustaining housing and were not thought to be successful in the long term unless they were taking advantage of a Permanent Support Housing Program. This community used ESG to fund case management and financial assistance and relied on other community partners to step in and support residents with higher service needs

to sustain their housing. They made the rapid rehousing funds they had access to available to serve the highest need and the most difficult to house. Today, they are celebrating, as a community, ending chronic homelessness under the requirements laid out in the federal criteria and benchmarks through the United States Interagency Council on

Homelessness. [Criteria and Benchmark for Achieving the Goal of Ending Chronic Homelessness | United States Interagency Council on Homelessness \(USICH\)](#). They are one of five communities in the nation and the first in Florida to reach this monumental goal.

### STATE

#### Sadowski Trust Funds & Impact of the Live Local Act

The William E. Sadowski Affordable Housing Act, passed in 1992 thanks to a non-partisan coalition of eleven statewide organizations called the Sadowski Coalition, created a statewide dedicated revenue stream for affordable housing. Today, the Sadowski Coalition proudly consists of over 40 statewide organizations who have made fully funding our state's affordable housing programs a priority.

The Sadowski Act created two trust funds: the Local Government Housing Trust Fund and the State Housing Trust Fund. The trust funds are replenished annually by a percentage of the state's documentary stamp tax collections. The collections are allocated by a 70%/30% split between the local and state housing trusts, respectively, according



to a formula in state statute. Because monies collected in these two affordable housing trust funds are tied to the documentary stamp tax, a tax assessed on real estate transactions, the hotter the real estate market, the more money is collected for affordable housing.

The Sadowski Trust Funds primarily support two statewide programs for affordable housing: the SHIPSAIL programs. SHIP, which is funded by the Local Government Housing Trust Fund, is administered by FHFC and deploys funding to 67 counties and 56 cities for local affordable housing initiatives based on population. SHIP is flexible in that local governments can use the funds for both rental and homeownership and for a broad variety of activities such as down payment and closing cost assistance, new construction, rehabilitation, home repair, rental and mortgage assistance, insurance deductibles, and more. SHIP dollars are a great way to support new workforce housing construction and to preserve our state's existing affordable housing stock. For example, SHIP can both help older low-income adults age in place through home repairs and renovations and fund repairs to affordable multi-family rental housing.

SAIL is Florida's affordable rental housing program and is funded by the State Housing Trust Fund. Administered by FHFC, SAIL provides low-interest loans on a competitive

basis to affordable housing developers often to bridge the gap between the development's primary financing and total cost of development. SAIL is a proven national model for financially supporting the development of affordable rental homes.

Although SHIP and SAIL are proven to be successful at building and preserving our workforce housing stock, the Legislature had a history of sweeping funds collected in the Sadowski Trust Funds to other purposes and not the affordable housing programs they were designed to support. In the 20-year period from 2001 to 2021, the Legislature swept over \$2.2 billion from the Sadowski Housing Trust Funds to other purposes; that is over 166,000 affordable units that were not assisted because of the "sweeps." Fortunately, we are in a new era as Senate Bill 2512 from the 2021 Legislative Session "stopped the sweeps" by codifying into law that the monies collected in the State and Local Government Housing Trust Funds may not be diverted to General Revenue (after permanently reducing the monies allocated to the Trust Funds by 50%).

In 2024, housing advocates saw the fourth legislative session in a row where the Legislature fully funded the core Sadowski Housing Trust Fund programs. For the 2024-2025 state fiscal year, the Legislature appropriated \$174 million for the SHIP program, \$84 million for the traditional

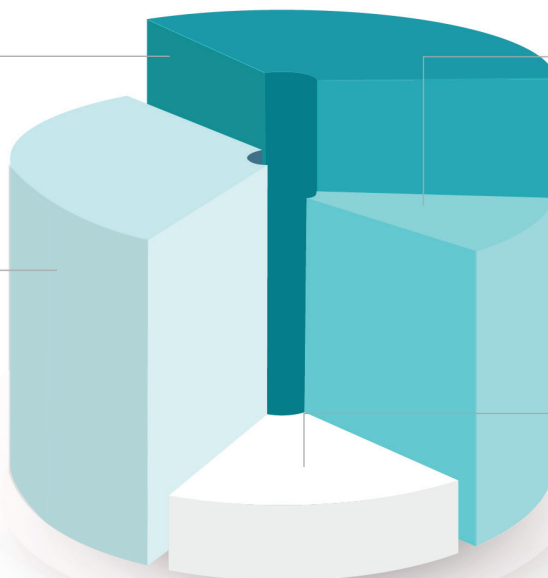
### Each SHIP Dollar is Required to Meet the Following Criteria:

#### 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.

SAIL program and \$150 million for the Live Local SAIL-like program. The Legislature also funded the Hometown Hero Housing Program, a down payment and closing cost assistance program to full-time employees of Florida-based businesses, at \$100 million, funded again the Live Local Tax Donation Program at \$100 million where corporations can lower their corporate tax and insurance premium tax liability in exchange for donating money directly to the SAIL program, and allocated \$200 million to the My Safe Florida Home Program.

After including the additional housing projects supported by General Revenue, the Legislature appropriated well over \$900 million in total for housing. This is largely due to the work of the Sadowski Coalition, Sadowski Affiliates, and all those who worked to include language in Senate Bill 2512 from the 2021 Legislative Session, which codified into law that all monies collected in the State and Local Government Housing Trust Funds be used for housing.

Every dollar spent from the Sadowski Trust Funds will leverage \$4 to \$6 from other private and public sources; when the total impacts are considered, the total economic benefit equates to about \$7.2 billion. Additionally, the creation or renovation of affordable housing units will create more than 56,000 jobs.

Since program inception in FY 1992-1993, over \$2.6 billion in SHIP and HHRP funding has been appropriated and allocated, leveraging more than \$8.8 billion and financing over 207,000 housing units. Likewise, over \$1.2 billion has been allocated to SAIL and Homeownership through the Florida Housing Assistance Program (HAP) since inception, resulting in 75,749 and 30,294 total units financed, respectively. Between these programs, over 310,000 units were financed from inception to FY 2018-2019. However, \$2.2 billion has been swept from the Sadowski Trust Funds since inception, meaning that over 166,000 units were not produced. Until recently, the failure to appropriate Sadowski funds for housing was a longstanding statewide issue that had real-life consequences for Florida households. Moving forward, it is the hope of Sadowski advocates that the Live Local Act represents a new era for how the state addresses affordable housing funding.

### Funding to End Homelessness

In addition to the Live Local Act, the 2024 legislative season

yielded positive results for funding for homeless services and homeless service system capacity through \$30,016,822 in Challenge Grant funding and \$5,205,056 in staffing grants. The horizon is looking bright for those Florida families and individuals that may fall on difficult times and be facing homelessness, through more access to affordable housing and service supports.

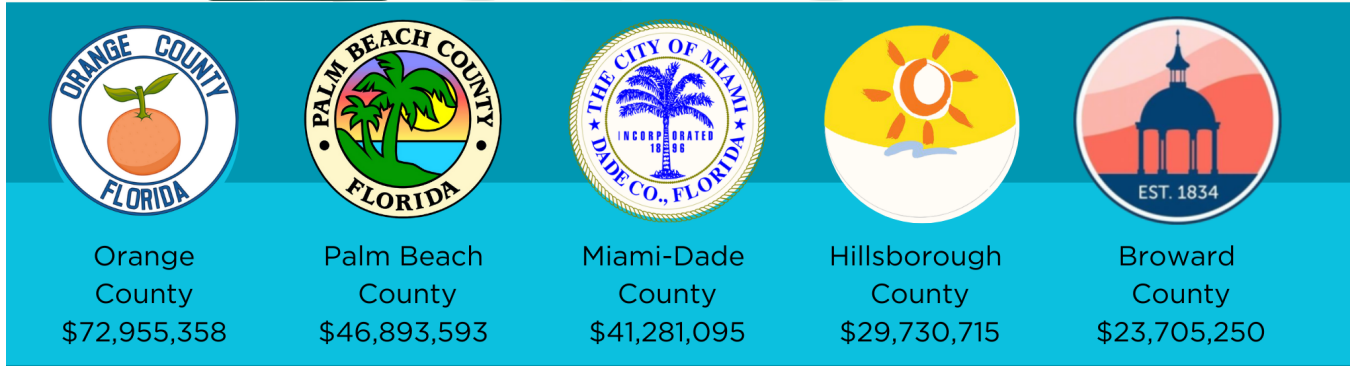
### Local

In addition to the federal and state public resources for affordable housing, local governments are also opting to focus local revenues and financing mechanisms towards increasing affordable housing and related efforts. A typical approach is creating an affordable housing trust fund for local revenues to be used for a variety of affordable housing activities such as new construction, rehabilitation, down payment assistance, and rental assistance. Examples of local revenue sources used for affordable housing include general revenue, tax increment financing, the infrastructure surtax, municipal services taxing units, inclusionary housing in-lieu fees, and publicly owned property sale proceeds. Note that certain revenues may have conditions in terms of their adoption and use to fund affordable housing or related needs (e.g., infrastructure). Forms of funding and financing support include grants, loans, and bonds.

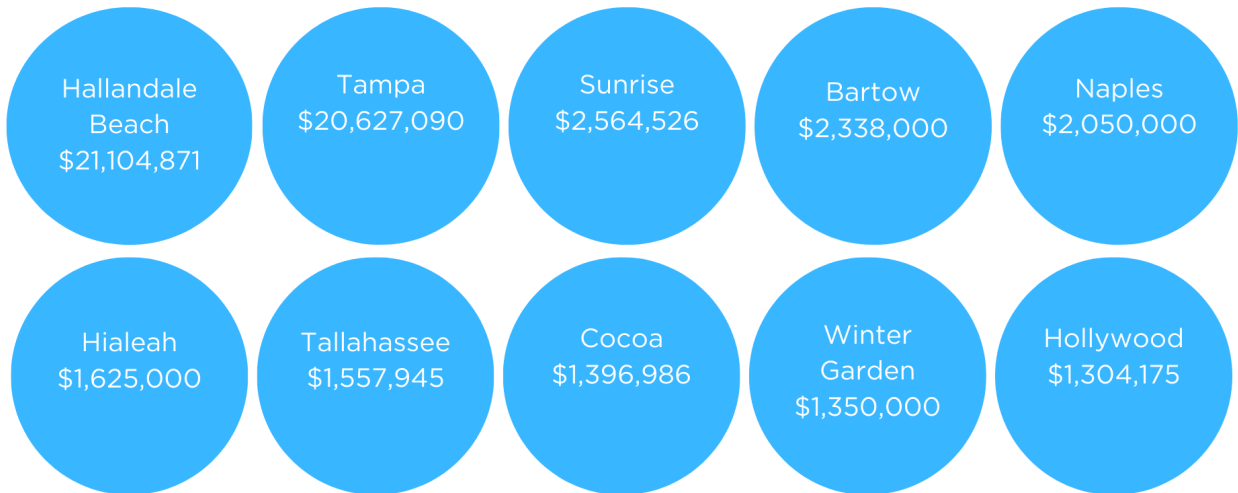
Since 2020, each local government in Florida has been required to submit budget information to the state Office of Economic and Demographic Research regarding affordable housing expenditures. Per s. 129.03(3)(d) and s. 166.241(3)(d) of the Florida Statutes for counties and municipalities respectively, each local government must report on any public expenditures providing for the “financing, acquisition, construction, reconstruction, or rehabilitation of housing that is affordable, as that term is defined in s. 420.0004. The reported expenditures must indicate the source of such funds as “federal,” “state,” “local,” or “other,” as applicable.”

According to the reporting for FY 2023-24 local budget, county governments spent \$260,115,354 in local funding on affordable housing activities. City governments spent \$67,475,864 in local funding on affordable housing activities.

Here are the counties in Florida with the top five most local funds pledged toward affordable housing efforts for their FY 2023-24 budgets:



Here are the cities in Florida with the top ten most local funds pledged toward affordable housing efforts for their FY 2023-24 budgets:



**Palm Beach County Housing Bond**

In November of 2022, Palm Beach County voters approved a \$200 million dollar bond for affordable housing. The bond will help create rental and homeownership opportunities for households earning up to 140% of the area median income.

## Land Use Policies & Development Regulations

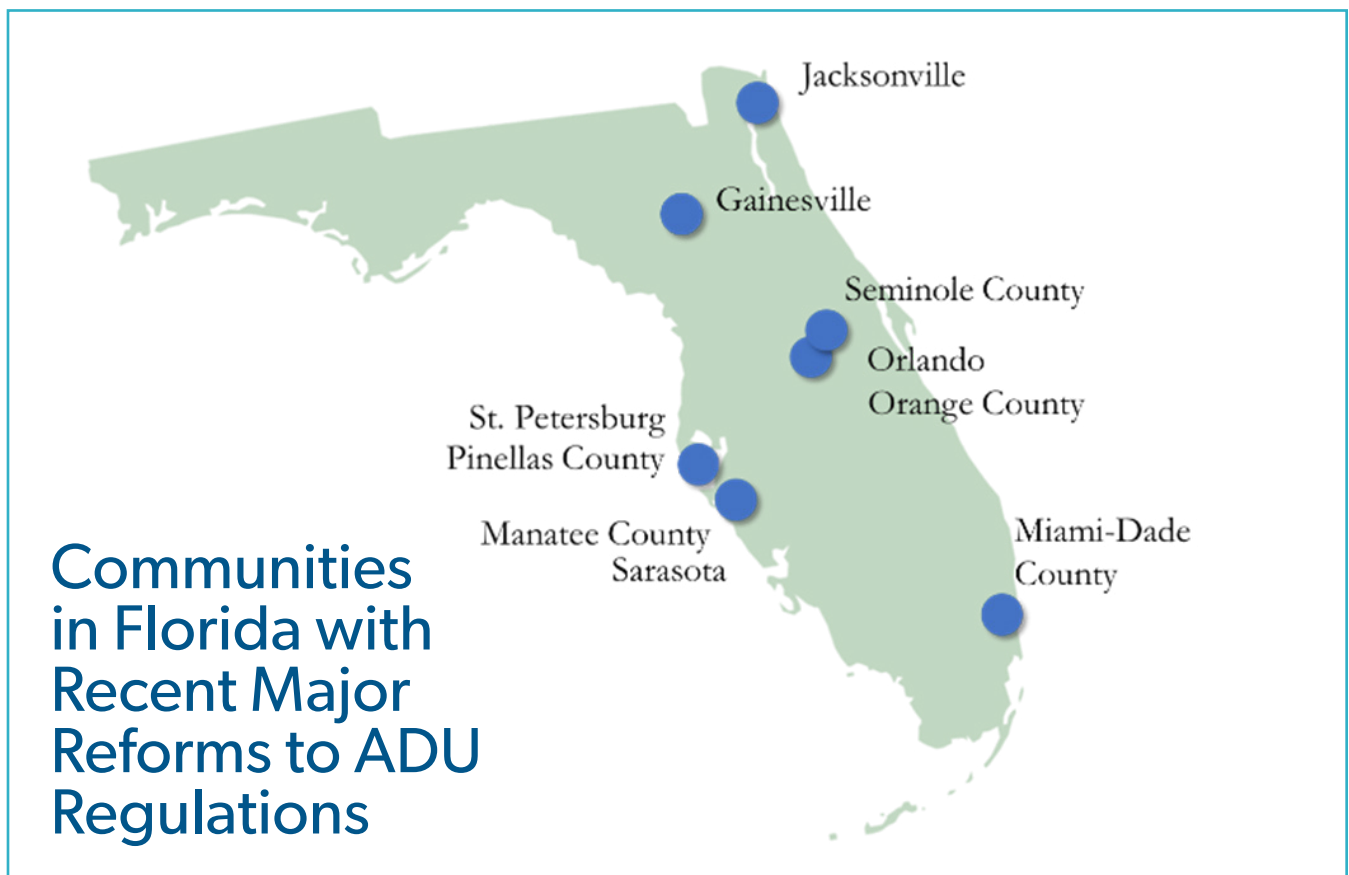
The impact of local zoning and land development regulations on housing affordability is a hot topic across Florida. More and more communities are looking to their own local policies and grappling with the impact of their regulations on the supply of housing. Zoning and land use policies can impact the 1) cost of development, 2) number of housing units that can be legally produced, 3) types of housing allowed, 4) location of different uses, 5) infrastructure capacity of new development, and 6) willingness of the private sector to produce affordable homes.

Solutions in this category span changes to policies and regulations for by-right development allowances, incentives to encourage affordable housing, and requirements to build affordable housing. Policies and regulations include those regulating site design, as well as financial and procedural considerations for development.

## Zoning Reform

Zoning reforms to remove barriers to building more homes have been sweeping the nation in recent years, including

zoning standards enacted at the state level. Key reforms include allowing different types of housing other than the traditional single-family home by-right, reducing setback and minimum lot size requirements, reducing parking requirements, reducing the number of discretionary review processes, and addressing regulations generally that either increase cost of development or lower the number of homes that can be built. Housing type reforms, for example, include allowing and promoting more multi-family residential and mixed-use development; small-scale multi-family residential such as duplexes, triplexes, and townhomes; and accessory dwelling units (ADUs, see Map 1). Additional reforms accompanying increased housing type allowances include increasing density and floor area ratio allowances and land development regulations that affect what can feasibly be built on a site, such as off-site parking, buffer, setback, and other site design requirements. Zoning reforms to facilitate the production of more housing can also include regulations for resiliency such as flood mitigation standards for buildings or locational regulations to guide development towards less vulnerable areas.



Map 1: Communities in Florida with Recent Major Reforms to ADU Regulations





### St. Petersburg NTM-1 District

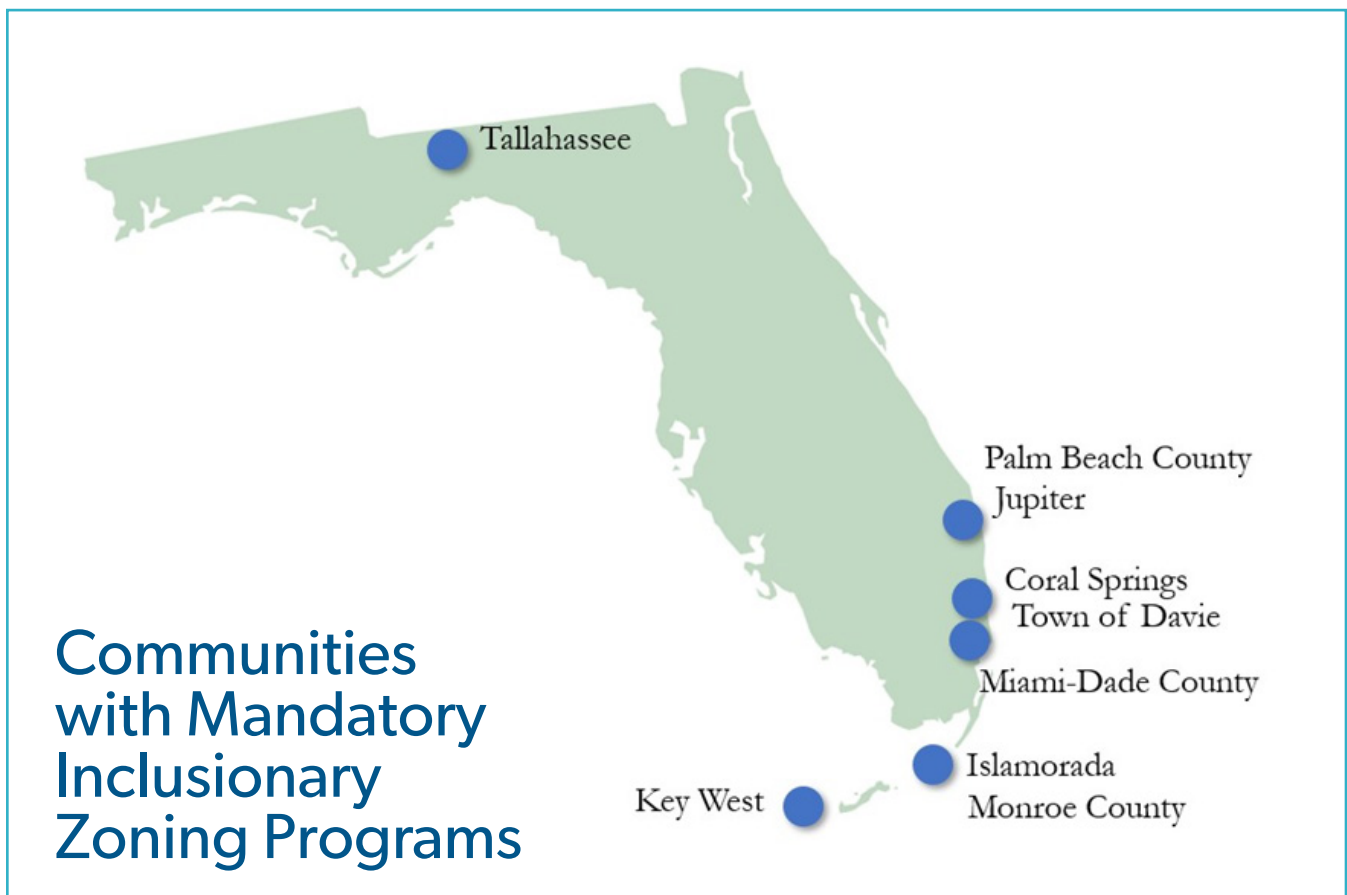
In March of 2023, the City of St. Petersburg adopted a new zoning district to enable small-scale multi-family developments in urban, walkable neighborhoods near daily destinations. Key parameters for this new zone among other zoning regulations include:

- Allows up to four units in a building.
- Applies to locations that transition from a mixed-use corridor, center or “Future Major Street” (identified in the Comprehensive Plan) to a single-family neighborhood.
- At least 75% of the property must be outside the Coastal High Hazard Area, and density in the CHHA cannot be increased via these regulations.

### Inclusionary Housing

Inclusionary housing policies (sometimes called “inclusionary zoning”) refer to local land use regulations that either encourage or require the production of below-market, deed restricted units within a market-rate development. Through voluntary inclusionary housing policies, communities use regulatory, financial, and procedural incentives to encourage affordable housing

contributions from the private sector. With mandatory inclusionary housing, communities go a step further to require the provision of affordable units and use various incentives to offset the costs of these requirements to developers. House Bill 7103, that became law in 2019, requires local governments to “fully offset all costs” to the developer of their affordable housing contribution under a mandatory inclusionary zoning program. Figure 4 shows communities with mandatory programs.



Map 2: Communities with Mandatory Inclusionary Zoning Programs

## Impacts of the Live Local Act

Local land use and zoning regulations are one of the first hurdles towards building more affordable homes in Florida. The Live Local Act signed into law in 2023, and subsequently amended by Senate Bill 328 in 2024, introduced new statewide land use standards to facilitate the development of affordable housing in commercial, industrial, and mixed-use districts. Eligible developments are now entitled to favorable development standards in state law regarding use, density, height, floor area ratio and, in certain circumstances, administrative approval regardless of whether those standards conflict with the local government's regulations. The standards apply to multi-family or mixed-use residential rental developments proposed for an area zoned for commercial, industrial, or mixed-use, if at least 40% of the rental units are designated as affordable for households earning up to 120% AMI for a minimum of 30 years. This Live Local "land use preemption," as it has been referred to, can be utilized by affordable housing developers until 2033. See s. 125.01055(7)/166.04151(7) of Florida Statutes for more details, additional conditions, and exceptions that apply regarding the land use standards.

At the time of this writing, our research finds that around 48 properties covering nearly 17,000 units in total (around 8,000 of which are affordable units) have been granted or have applied for development approval under the Live Local land use mandate. Dashboard 9: "LLA Preemption Projects" illustrates a map of where these developments are located in the state can be found below, as well as select project details.



Additionally, the Live Local Act provided three new property tax exemptions for affordable housing:

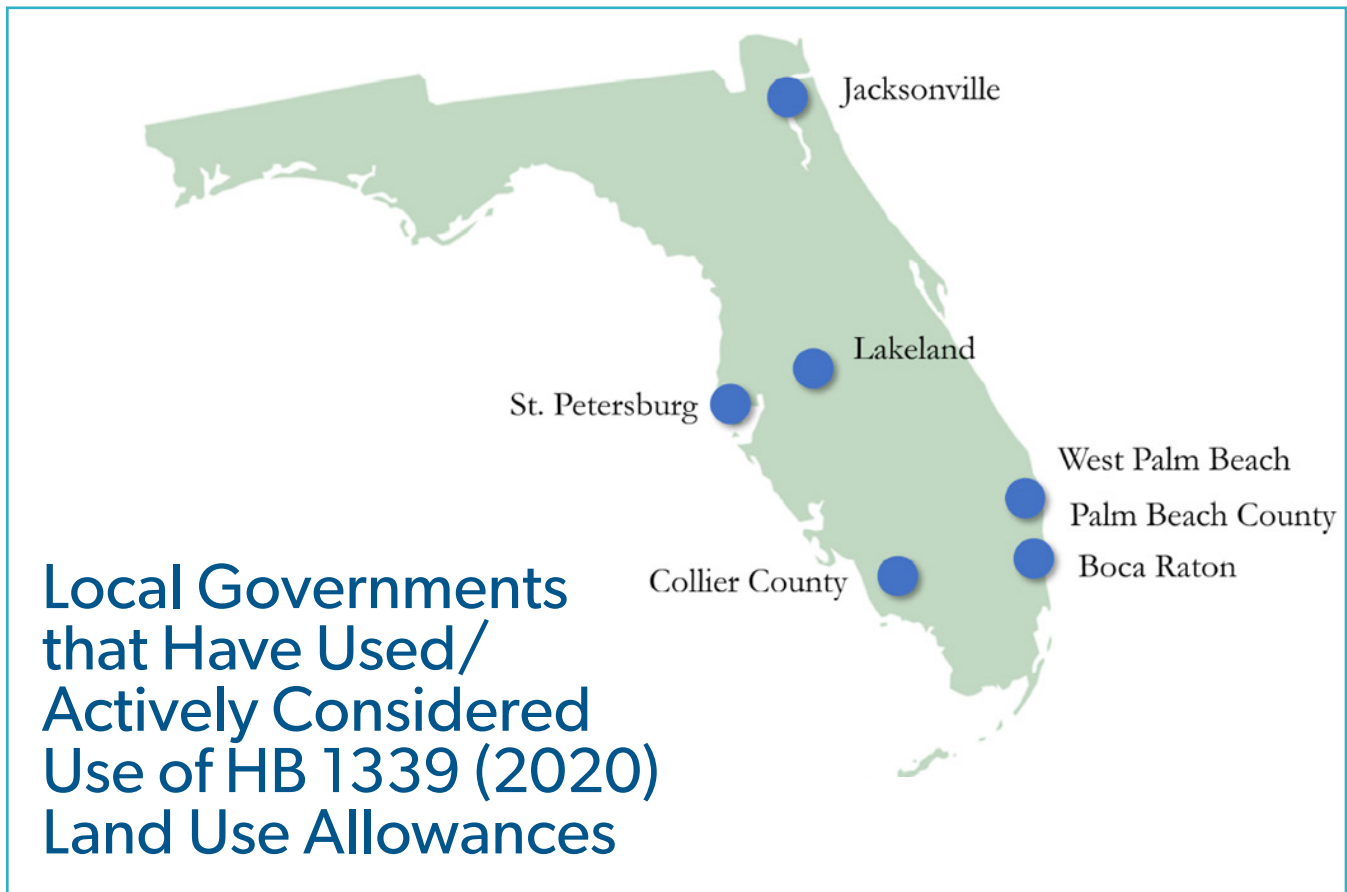
- Local option affordable housing property tax exemption: local governments can provide property tax exemptions for developments of 50 or more units with at least 20% of units affordable to households at or below 60% AMI.

- Nonprofit land used for affordable housing with a 99-year ground lease: this exemption applies to land owned entirely by a nonprofit that is leased for a minimum of 99 years and predominantly used to provide affordable housing for households up to 120% AMI.

- "Missing middle" property tax exemption: this exemption applies to newly constructed multi-family developments that have more than 70 affordable units for households up to 120% AMI, excluding units subject to an agreement with FHFC to provide housing to persons up to 80% AMI and property receiving the previously mentioned local option property tax exemption.

The 2024 tax roll is the first year that these three exemptions could be utilized. The "missing middle" exemption, also known as the Multifamily Middle Market (MMM) exemption, has had the most interest from developers in Florida so far as 120 developments covering 14,919 affordable units (13,146 at 120% AMI levels and 1,773 units at 80% AMI levels) received a certification notice from FHFC to formally receive the MMM exemption from the local county property appraisers. In August 2024 (after this writing), we will have better data to assess how many properties in Florida formally received the MMM exemption from county property appraisers.

The Live Local Act also amended an existing land use tool for affordable housing commonly referred to as the "House Bill 1339" tool. House Bill 1339 in 2020 allowed local governments to approve developments with at least a 10% share of affordable units on any parcel zoned for residential, commercial, or industrial use without needing a rezoning or comprehensive plan amendment. Local governments that have used this tool or actively considered adoption are shown in Map 3. The Live Local Act amended the House Bill 1339 land use tool to remove its applicability to "residential" parcels, yet local governments can continue to use this discretionary tool for developments on parcels zoned for commercial and industrial uses that set-aside at least 10% of their units as affordable housing. Note that this is less than the required 40% of affordability that applies to projects that utilize Live Local Act's land use preemption for eligible projects described previously in this section.



Map 3: Local Governments that Have Used/Actively Considered Use of HB 1339 (2020) Land Use Allowances

**COMMUNITY-BASED, NONPROFIT & BIPOC DEVELOPER CAPACITY**

In addition to the resources and regulations used to build affordable housing, solutions include diversifying the development community involved in providing the housing. This effort can support community developers who might take on smaller scale housing projects, an approach promoted by organizations such as the Incremental Development Alliance. Efforts can also include support for nonprofit developers that provide affordable housing,

particularly developers identifying as Black, Indigenous, and People of Color (BIPOC) who are underrepresented in the developer field and who may come from communities experiencing legacies of disinvestment and discrimination. Some funding avenues for affordable housing may include additional technical assistance to support nonprofit and community-based developers, such as the technical assistance associated with FHFC’s Predevelopment Loan Program (PLP).



**Sandcastle Foundation, Inc.  
Sandcastle Preserve Apopka Townhomes**

Sandcastle Foundation, Inc. has been awarded FHFC SAIL and HOME funds for Sandcastle Preserve, under RFA 2024-206, to be used for the construction of rental developments in Hurricane Idalia impacted Counties. PLP funds will be used for acquisition and predevelopment expenses. Sandcastle Preserve will include 23, 4 bedrooms /3-bathroom single family (duplex) homes, a clubhouse and a play area. 100% of the units will serve households at or below 65% AMI with 22% of the units serving households at 50% AMI. Sandcastle Preserve’s target demographic is families and will be the only single family (duplex) development in Taylor County.



## 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 older adults and disabled family members on fixed incomes to be integrated with their communities.

- Affordable housing construction and rehabilitation stimulate local economies by creating jobs and generating business for contractors and suppliers.
- Affordable housing is essential for both public sector and private sector businesses to recruit and retain a workforce.
- Stable, quality affordable housing improves a family's physical and mental health and helps children excel in school.
- For older adults and people with disabilities, being able to live in affordable community care saves them, their families, and taxpayers over 60% compared with institutional care.
- For people who are chronically homeless, affordable housing breaks the costly cycle of return visits to hospitals, jails, and other taxpayer-funded crisis systems.

### WE DON'T HAVE ENOUGH AFFORDABLE HOUSING IN FLORIDA:

- An estimated 2.4 million low-income Florida households pay more than 30% of their incomes for housing, the maximum amount considered affordable by experts.
- Over 1.3 million very low-income households in Florida are severely cost burdened, meaning they pay more than 50% of their incomes for housing.
- Though Florida has seen a significant decrease in homelessness over the past ten years, there has been an uptick in recent years. There are still over 30,756 25,000 individuals experiencing homelessness on any given night throughout the state. In the 2021-2022

school year, 94,899 78,277 K-12 students experienced homelessness or housing instability. Studies show that children experiencing homelessness have poorer health, mental health, and educational outcomes than their peers.

- "Drive till you qualify" is not a solution to high housing costs since transportation costs largely consume the housing cost savings. In rural areas across Florida, households pay a larger share of household income towards housing and transportation than more urban residents, even with dramatically lower housing costs.

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

- For a household in Florida with two adults, one infant, and one preschooler was \$40.56 per hour, \$22.64 for two adults working full time, or \$15.04 per hour for a single adult. For a two-parent family of four to meet its basic needs in 2021, the parents needed to earn a combined wage of \$33.16 per hour, which is about \$16.58 per parent. Unfortunately, many of Florida's jobs are still in occupations with median wages below \$16.58 per hour, even as the cost of living has skyrocketed over the last two years.
- Rents are out of reach for low-income workers in many Florida communities. For example, a restaurant cook cannot afford a moderately priced one-bedroom apartment in the Orlando, West Palm Beach, or Tallahassee areas.
- Florida has only 24 affordable and available rental units for every 100 extremely low-income renters (those with incomes at or below 30% of the area median).
- 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.
- Over 86,000 83,687 units are at risk of being permanently lost from the privately owned affordable housing stock by 2043.

- Florida has a shortage of moderately priced homes available for low-income homebuyers, partly due to competition from investors and second-home buyers. In 2018, there were about nine 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 in Florida is the SAIL program, while the Local Government Housing Trust Fund supports SHIP programs in every county and all of Florida's larger cities.

The Sadowski programs are a powerful engine of economic development in Florida. The State Legislature allocation to the Sadowski Trust Fund programs for housing in FY 2024-2025 will generate:

- Over \$7.2 billion in positive economic benefit
- More than 56,000 jobs
- Over 18,000 housing units

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 homegrown tools for providing housing for our most vulnerable populations, including:

- Older-adult households
- People with developmental disabilities
- Veterans and families experiencing homelessness

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

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 home prices and overall economy reach full recovery from the Great Recession.

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## Endnotes

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**SADOWSKI HOUSING COALITION MEMBERS**

**BUSINESS/  
INDUSTRY GROUPS**

- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Federation of Manufactured Home Owners of Florida
- Florida Apartment Association
- Florida Bankers Association
- Florida Chamber of Commerce
- Florida Green Building Coalition

**ADVOCATES FOR THE  
ELDERLY/ VETS/ HOMELESS/  
SPECIAL NEEDS**

- AARP of Florida
- Florida Association of Centers for Independent Living
- Florida Association of Housing and Redevelopment Officials
- Florida Coalition to End Homelessness
- 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 Housing Finance Corporation
- Florida League of Cities
- Florida Redevelopment Association
- Florida Regional Councils Association
- 1000 Friends of Florida

**BUSINESS/  
INDUSTRY GROUPS**

- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Realtors
- Florida Restaurant and Lodging Association
- Florida Retail Federation
- Mortgage Bankers Association of Florida

**ADVOCATES FOR THE  
ELDERLY/ VETS/ HOMELESS/  
SPECIAL NEEDS**

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

**FAITH BASED  
ORGANIZATIONS**

- Florida Conference of Catholic Bishops
- Florida Impact
- Habitat for Humanity of Florida
- Volunteers of America of Florida



Comprised of thousands of individuals, local, or regional organizations, 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. Keep the promise!



# FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more under the Publications tab at [FlHousing.org](http://FlHousing.org)





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

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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.

**FOR MORE INFORMATION, CONTACT:**

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The Florida Housing Coalition appreciates PNC for funding the Home Matters report.