



## MEMORANDUM

To: Council Members

AGENDA ITEM 6

From: Staff

Date: October 12, 2018 Joint Council Meeting

Subject: Affordable Housing Trust Fund – Update and Joint Resolution of Support – The Honorable Senator Nan Rich, Broward County Commissioner

### Introduction

Insufficient housing to meet the needs of the Region’s work force, elderly, youth, and families is a continuing challenge and impediment to economic and community development and quality of life. The housing crisis is exacerbated by rising property values, low wages, new housing stock that caters mostly to affluent buyers, and high cost of living.

According to the Center for Neighborhood Technologies Housing and Transportation Affordability Index, the combined cost of housing and transportation in South Florida and Treasure Coast counties range from 50% to 70% or more of a household’s income. Southeast Florida has become increasingly unaffordable for residents, essential workers, college graduates, entry-level hires, and young professionals who would otherwise relocate or stay in the region. Affordable housing - a diversity of housing options along income ranges - is a critical component of community and economic development.

### Background

Established in 1992, the William E. Sadowski Affordable Housing Act created a dedicated source of revenue for state and local housing programs, as well as a flexible, but accountable framework for local housing programs to operate within. The Act deliberately used the real estate documentary stamp tax as its revenue source because of its nexus with the development of affordable housing and because the source of funding needed to be a growth vehicle to keep pace with escalating land and housing costs. The Governor and Florida Legislature provided full funding from the Housing Trust Funds every year from FY 1992-93 to FY 2002-03. Over the past fifteen years, however, more than \$2.1 billion has been diverted from the State and Local Housing Trust Fund to other programs not related to affordable housing.

It is projected during Fiscal Year 2018-2019 that the documentary stamp tax will generate more than \$328 million for the State and Local Housing Trust Funds and that full appropriation of these funds would create approximately 28,000 jobs and \$4.1 billion of positive economic benefit. The need for

housing in Florida is more urgent than ever given the housing that was destroyed and damaged in Hurricane Irma, and the continuing influx of individuals and families from Puerto Rico and other hurricane-impacted communities.

Recommendation

The Treasure Coast and South Florida Regional Planning Councils should jointly adopt and transmit Resolution TCSF 18-01 to the Governor, Senate President, House Speaker, the region's Legislative Delegations, counties, municipalities, chambers of commerce, and economic development organizations of the Treasure Coast and South Florida regions.

Attachment



**RESOLUTION TCSF #18-01**

**A JOINT RESOLUTION OF THE SOUTH FLORIDA AND TREASURE COAST REGIONAL PLANNING COUNCILS REPRESENTING MONROE, MIAMI-DADE, BROWARD, PALM BEACH, MARTIN, ST. LUCIE, AND INDIAN RIVER COUNTIES, FLORIDA; SUPPORTING FULL APPROPRIATION OF STATE AND LOCAL HOUSING TRUST FUNDS FOR HOUSING**

**WHEREAS**, a diversity of housing options along income ranges is an essential component of economic development and new job creation; and

**WHEREAS**, college graduates and entry-level hires who would otherwise relocate or stay in Southeast Florida are leaving the region due, in part, to high housing costs; and

**WHEREAS**, rising property values, low wages, and high transportation costs are pricing new workers and businesses out of Southeast Florida and exacerbating an existing housing crisis; and

**WHEREAS**, high housing costs mean that households have less money for nutritious food and health care, education, transportation, family emergencies, dependent care, and other necessities, and can lead to homelessness, stress and depression, and economic and family insecurity; and

**WHEREAS**, the 2018 ALICE Report (Asset Limited, Income Constrained, Employed) is currently under development by the United Way of Florida; and

**WHEREAS**, the 2017 ALICE Report by the United Way of Florida defines ALICE households as households that earn more than the Federal Poverty Level but less than what it costs to survive for the state; and

**WHEREAS**, the 2017 ALICE Report indicates the following percentages for residents in poverty and ALICE households in Southeast Florida: Indian River 40%, Martin 41%, St. Lucie 46%, Palm Beach 40%, Broward 44%, Miami-Dade 61%, and Monroe 46%, and

**WHEREAS**, South Florida's rental affordability crisis was found to be the worst in the nation according to The State of the Nation's Housing Report by the Harvard Joint Center for Housing Studies; and

**WHEREAS**, affordable housing is housing that is affordable to the elderly, young families with children, and essential workers including firefighters, police officers, teachers, and other workers that drive the region's service and professional economy; and

**WHEREAS**, the William E. Sadowski Affordable Housing Act of 1992 deliberately used the documentary stamp tax as its revenue source because of its nexus with the development of housing and because the source of funding needed to be a growth vehicle to keep pace with escalating land and housing costs; and

**WHEREAS**, the William E. Sadowski Affordable Housing Act has worked as planned, providing needed revenues into the State and Local Housing Trust Funds; and

**WHEREAS**, the Governor and Legislature provided full funding from the Housing Trust Funds every year from Fiscal Year 1992-1993 through Fiscal Year 2002-2003; and

**WHEREAS**, since that time, the Legislature has failed to appropriate all the housing trust fund monies for housing; and

**WHEREAS**, it is projected that during Fiscal Year 2019-2020, the documentary stamp tax will generate over \$328 million for the State and Local Housing Trust Funds; and

**WHEREAS**, the full appropriation of the State and Local Housing Trust Funds would create approximately 28,000 jobs and \$4.1 billion dollars of positive economic benefit for Florida; and

**WHEREAS**, more than \$2.1 billion for affordable housing has been diverted from state and local housing programs by the Florida Legislature over the past fifteen years to other programs; and

**WHEREAS**, Florida's affordable housing needs far exceeded the funds available prior to the exacerbation of affordable housing need related to Hurricane Irma.

**NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH FLORIDA AND TREASURE COAST REGIONAL PLANNING COUNCILS THAT:**

**Section 1.** The South Florida and Treasure Coast Regional Planning Councils request that the Florida Legislature support state and local housing programs by appropriating 100% of the monies deposited in the State and Local Housing Trust Funds for housing; and

**Section 2.** The South Florida and Treasure Coast Regional Planning Councils request that the Governor support full appropriation of the funds in the State and Local Housing Trust Funds for housing; and

**Section 3.** The South Florida and Treasure Coast Regional Planning Councils request that all local governments, economic development organizations, the Florida League of Cities, the Florida Association of Counties, and other public, private, non-profit, and philanthropic partners adopt this position as one of their top, "must have" priorities for the upcoming 2019 Florida Legislative Session and beyond, and deploy their state legislative advocacy staff and lobbying teams to secure the support of the Florida Legislature and Governor for appropriating 100% of the monies available in the State and Local Housing Trust Funds for housing; and

**Section 4.** That this Resolution shall take effect immediately upon adoption hereof.

**DULY ADOPTED** by the Treasure Coast and South Florida Regional Planning Councils this 12th day of October, 2018.

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Frank Caplan  
Chair, SFRPC

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Reece J. Parrish  
Chair, TCRPC