MEMORANDUM

To: Council Members

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, the South Florida and Treasure Coast Regional Planning Council’s seven county geographical area is comprised of Broward, Indian River, Martin, Miami-Dade, Monroe, Palm Beach, and St. Lucie counties and 123 municipalities which contain 6.7 million residents or nearly one-third of the State’s population, responsible for generating one-third of the State’s gross domestic product; and

WHEREAS, the Councils are multi-purpose regional governmental entities with policy responsibility in the areas of affordable housing, economic development, emergency preparedness, energy, regional health, natural resources and regional transportation; and

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 food, health care, transportation, child care, and other necessities, and can lead to homelessness, stress and depression, and economic and family insecurity; 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 the basic cost of living for the county; 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, Florida is experiencing its lowest-ever recorded homeownership rate (64.1%) which further defines its existing affordable housing crisis; 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 our workforce, seniors, individuals with special needs, young families with children, teachers, and other essential 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 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

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 both the Governor and Florida Legislature support state and local housing programs by appropriating 100% of the monies deposited in the State and Local Housing Trust Funds for affordable housing; and

Section 2. 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 3. The South Florida and Treasure Coast Regional Planning councils request that base allocations be maintained for the 26 “constrained counties,” but that the “lottery system” of distributing affordable housing dollars be eliminated and replaced with an allocation system that prioritizes and formulates distribution based on actual needs.
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.

Frank Caplan  
Chair, SFRPC

Reece J. Parrish  
Chair, TCRPC