

Issue: FL Housing

Republican Tactics Have Deprived Elderly of Affordable Housing in Florida

Summary

Access to affordable housing is a challenge for the elderly in many states. The elderly in Florida have faced particularly daunting challenges which are directly caused by the actions of the Republican-led legislature.

Florida was actually a model when it comes to creating effective and efficient programs to meet housing needs. The Sadowski Act passed in 1992, created a dedicated revenue source to fund Florida's affordable housing programs such as SHIP and SAIL. If these programs were funded as intended, they would not only alleviate the housing needs of many Floridians (which has the third largest homeless population in the nation) but would also create nearly 31,000 jobs and \$4.1 billion in positive economic impact.

The current legislature has acted again and again to divert funds away from affordable housing and towards other programs, with 2018 marking the 11th consecutive year that legislators took from housing funds to pay for other programs. In March of this year, the Legislature ignored its own task-force recommendations by diverting two thirds, or \$185 million, from housing trust funds to spend on school safety. Given that the housing trust funds are funded through a tax on real estate transactions, diverting funding away from its original intent is akin to misleading the public.

The affordable housing crisis in Florida is not a problem created through legislative inaction, but rather a problem created deliberately by state leaders.

An Affordable Housing Crisis

In Florida, a minimum wage worker would have to work more than 80 hours a week just to afford a modest one-bedroom apartment that rents for about \$800 dollars a month. In Miami, Fort Lauderdale, Palm Beach and Naples, families need to earn more than \$22 an hour to afford the rent on the average two-bedroom apartment. Florida has the third highest homeless population in the nation (a population that continues to grow), and close to a million low-income Florida households are severely housing-cost-burdened, spending more than half of their incomes on housing. The Federal Reserve lists home ownership in Florida as the lowest it has been in three decades, dropping from a peak of 72 percent in 2006 to 64 percent in 2016. The Florida Chamber of Commerce reports that workforce housing is a top concern for businesses across the state, while a Harvard Report calls South Florida's rental affordability crisis the worst in the nation.

The need for new affordable housing in Florida is dire. Perhaps this can be illustrated from a recent Orlando affordable housing development which received 8000 applications for 201 units—an acceptance rate half that of Harvard. Developers, builders, and renters alike all agree that the issue is in large part due to Florida lawmakers raiding state funds earmarked for affordable housing.

Severe housing cost burdens, like those faced by elderly Floridians, can have negative consequences for household members’ physical and mental well-being. For example, poor households with children who are severely cost-burdened spend 75% less on healthcare and 40% less on food than similarly poor households who are not burdened by housing costs. Poor seniors who are severely cost-burdened spend 62% less on healthcare.

Because of this, millions of Floridians represented by diverse groups are urging legislators to fully allocate the \$322 million in the housing trust funds to housing endeavors: business groups such as the Florida Chamber of Commerce, industry groups such as the Florida Realtors, advocates for the elderly such as the Florida AARP, and faith-based organizations such as Volunteers of America Florida. Their message is simple: “use the housing trust funds solely for housing.”

Seniors Hit Especially Hard

Of all low-income, cost-burdened households in Florida, 608,709 are headed by seniors (age 65 or older). The availability of affordable housing in the community can make the difference between living independently and moving into a more restrictive setting, such as a nursing home. In addition, the positive impacts on low- and moderate-income families can be extended to children and grandchildren. For example, the SHIP allocations from fiscal years 2006-07 to 2013-14 had a profound impact on Florida communities, even though the program’s funding was swept into general revenue by the State Legislature for much of that time. In that period, 38,799 households were assisted, a quarter of which were households headed by an elderly person.

A study by the AARP Foundation ranks Florida 46th among the states in a new scorecard that examines accessibility and quality of long-term care for the aging and disabled. The data show the median household income for people 65 and older is \$39,896 while the annual cost of a private nursing home room is \$100,375 and the cost of 30 hours of home care is \$28,860.

Health practitioners, too, have cited many issues facing older adults. Formerly middle-class seniors, particularly women, struggle with homelessness when their resources become severely diminished because of the loss of a spouse. Medicare will also play a role in the solution, as home care support for seniors living at home with conditions like dementia are scarce if someone cannot afford it privately or doesn’t have a long-term care policy. Affordable senior housing would ensure that seniors can stay close to their family members without having to go to an assisted living or nursing home, allowing them to continue to contribute to local communities.

Affordable housing provides an economic benefit by saving on costs of services to person who are elderly. Studies show that home and community-based services for elderly are significantly more cost effective than institutionalized care. An investment in affordable housing is fiscally responsible, with a significant return on investment.

Florida as A Model for Affordable Housing

In theory, Florida is a model when it comes to creating effective and efficient programs to meet housing needs. If it were not for a Republican pillaging of the purse, Florida would be a leader in state response to affordable housing shortages.

Created in 1992, the Sadowski fund sought to address the issue we face today: one million very low income Floridians pay more than 50% of their income on housing, just one missed paycheck away from homelessness. Raising money through a document stamp tax, the Sadowski fund has generated \$6 billion since its inception—since 2003, more than \$2 billion of that has been used for purposes other than affordable housing.

The State Apartment Incentive Loan Program (SAIL) produces apartments for Florida's workforce, rehabilitates existing apartments in dire need of repair, as well as apartments that house Florida's most vulnerable populations, including the frail elderly and persons with disabilities who might otherwise need to live in an institutional setting.

The State Housing Initiatives Partnership Program (SHIP) provides sustainable homeownership for Florida's workforce, helps prevent homelessness, and provides emergency repairs and disaster recovery for Florida's most vulnerable residents, including the frail elderly, persons with disabilities and veterans.

Florida's state and local housing trust funds started receiving a dedicated revenue source in 1992 from a document stamp tax, which is paid on all real estate transactions throughout the state. The state housing trust fund is used for the preservation and development of rental housing for the most vulnerable renters, while the local housing fund can be used more flexibly to meet a continuum of housing needs.

Seventy per cent of the Sadowski funds is directed to local governments (all 67 counties) and Florida's entitlement cities to fund the SHIP program, while 30% is used by the Florida Housing Finance Corporation for programs such as SAIL.

A Crisis of Their Own Making

The money to fix the crisis is already there; Republican legislators just keep taking it away.

2018 was the 11th consecutive year legislators took from housing funds to pay for other needs. In March of this year the Legislature ignored its own task-force recommendations by diverting \$185 million from housing trust funds to spend on school safety—legislation to

protect the housing funds died in an appropriations committee. That left just \$109 million, or a little more than one third of the original budget (at the same time, federal funding for elderly housing from key HUD programs decreased 45.7% in the period 2010 to 2017). Given that the housing trust funds are funded through a tax on real estate transactions, diverting funding away from its original intent can be said to be akin to misleading the public.

Any bipartisan efforts in the state legislature to address the crisis have been stymied by Republicans elsewhere, as evidenced by Rick Scott's decision to sweep \$91.8 million from the fund. Sen. Kathleen Passidomo, R-Naples introduced SB 874 in November of 2017, which would have prevented sweeping Florida affordable housing trust dollars to fund unrelated budget items or deficits. Joining Passidomo was Rep. Sean Shaw, D-Tampa, who earlier filed the House version of the bill, HB 191. Shaw said almost \$1 billion was diverted from the trust fund in the past decade, and for this reason, he said, any housing crisis in Florida is "self-inflicted." Both bills were killed in committee.

Housing trust funds have been largely swept into the general budget, but in some cases they've served specific causes. Following the massacre at Marjory Stoneman Douglas High School, housing trust funds were swept for the legislature's response to the tragedy. The majority party would not yield to the students' demands that assault style weapons be outlawed and instead conceded to provide money for school security and some for mental health—money coming from the Sadowski Fun. This led to two-thirds of the state and local housing trust funds being taken. School safety and mental health services certainly should be a priority of the legislature, but in this case, the legislature threw out affordable housing in order to keep assault style weapons like the one used in the February 2018 tragedy.

If these programs were funded as intended, and money was not siphoned off elsewhere, they would create nearly 31,000 jobs and \$4.1 billion in positive economic impact.

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