

Florida Realtors®
Comments on the Proposed Workgroup Recommendations
Affordable Housing Workgroup
November 29, 2017

Background:

As presented at the last Workgroup meeting, Governor Chiles appointed a working group in 1991 that was tasked with recommending a funding source for housing. This working group recommended the Documentary (Doc) Stamp Tax on deeds as a sustainable source of funding. Doc Stamp Taxes were chosen for two reasons. First, there is a direct tie between real estate sales/transactions and housing. Second, Doc Stamp Revenues increase as the state's population grows and housing prices increase.

In fact, there would be no Doc Stamp Taxes to fund these programs without the sale of real estate in Florida. According to the funding history chart that has been provided to the Workgroup, the state has collected \$5.9 billion dollars in documentary stamp taxes since the 1992/1993 fiscal year.¹ That is why it is critical to maintain the current statutory threshold of funding aimed at homeownership – particularly down payment and closing costs assistance.

Comments on the Proposed Workgroup Recommendations (Tabs 1 – 3)²

1. The format for the final report must segregate the Workgroup recommendations by Trust Fund – State Housing Trust Fund/SAIL and Local Government Housing Trust Fund/SHIP. It is important to note the differences in the two funding sources and program goals. Therefore, Florida Realtors position will focus on the Local Government Housing Trust Fund and its numerous economic benefits to the state.
2. As the Workgroup has already reviewed, about one-quarter of participating communities are using SHIP funds for rental strategies.³ And, of those one-quarter, just over 17% of their SHIP funds were used for rental purposes (on average).⁴ The current flexibility is not being maximized. Therefore, we recommend educating local governments on the flexibility that they currently have regarding rental housing.
3. We do not agree with the Workgroup “finding” that “the SHIP Program is an under-utilized source of financing for rental housing.” What the data shows is that the current flexibility for local governments to use SHIP for rental strategies is being underutilized and/or not being utilized at all.⁵

¹ Historical Financial Summary of Florida's State and Local Government Housing Trust Funds, September 2017

² Workgroup meeting materials, November 29, 2017

³ Tab3A - Using the State Housing Initiatives Partnership (SHIP) Program to Finance Rental Housing

⁴ Tab4 – Affordable Housing Workgroup Meeting, October 30, 2017 [Table](#) – Page 9

⁵ Tab3A - During the 3-year period from 2013 through 2015

Therefore, Florida Realtors does not support any recommendations that would “promote the use of SHIP funds for rental housing” above and beyond the current statutory authority. Our Association continues to support the homeownership goal outlined in Section 420.9071, F.S., that requires a minimum of 65% of SHIP funds to be used for homeownership.

The 65% threshold can be met with several strategies such as: rehabilitation of homes so that individuals may age in place; housing counseling; and other homeownership activities. This allows local governments to build their Local Housing Assistance Plans in a way that best suits the needs of their specific community.

Historical Financial Summary of Florida's State and Local Government Housing Trust Funds

Year	Total Housing Trust Funds			
	Collections	Appropriations	Legis. Sweep	Cap Sweep / SEED
1992 / 1993	41,006,550	36,200,000	-	-
1993 / 1994	51,033,448	47,000,000	-	-
1994 / 1995	45,536,407	50,666,438	-	-
1995 / 1996	108,049,916	112,916,468	-	-
1996 / 1997	121,471,040	127,369,767	-	-
1997 / 1998	145,209,025	121,033,630	-	-
1998 / 1999	169,882,688	169,389,410	-	-
1999 / 2000	176,464,510	186,576,276	-	-
2000 / 2001	191,415,135	186,671,276	-	-
2001 / 2002	228,117,990	195,521,212	12,000,000	-
2002 / 2003	294,552,125	246,600,168	-	-
2003 / 2004	390,167,300	192,171,717	120,896,937	-
2004 / 2005	502,045,358	192,892,623	220,800,000	-
2005 / 2006	606,244,598	442,892,623	-	-
2006 / 2007	452,308,119	433,000,000	-	-
2007 / 2008	^A 243,000,000	390,400,000	-	46,506,007
2008 / 2009	^B 167,581,340	69,304,577	440,000,000	-
2009 / 2010	159,088,774	31,279,989	91,900,000	-
2010 / 2011	170,713,220	37,500,000	174,310,000	-
2011 / 2012	186,756,959	-	189,531,109	-
2012 / 2013	^C 168,122,265	10,000,000	96,660,000	75,000,000
2013 / 2014	^C 193,073,850	-	204,130,000	75,000,000
2014 / 2015	^C 238,951,609	167,660,000	106,151,367	75,000,000
2015 / 2016	^C 262,033,614	175,000,000	81,000,000	75,000,000
2016 / 2017	^{C, D} 282,850,943	184,330,428	116,914,438	75,000,000
2017 / 2018	^{C, E} 299,040,000	137,000,000	154,400,000	75,000,000
Totals	5,894,716,785	3,943,376,602	2,008,693,851	496,506,007

Notes:

- ^A The 2005 Legislature adopted a cap restricting the amount of revenue that could flow into the trust funds to \$243 million/year, with a mechanism for a small increase over time. Collections in excess of the cap amount were swept to general revenue. The cap went into effect in 2007 and was repealed in 2011. Collections shown are funds deposited into the trust funds; they do not include the amounts swept to General Revenue.
- ^B As a result of the economic recession, the Legislature held a special session in early 2009, adopting SB 2A to address the state budget shortfall. Appropriations are net of SB 2A reductions & a shortfall in collections. FHFC's \$190 million payback of prior appropriations required by SB 2A is included as a reduction of Appropriations and as an increase in the Legis. Sweep.
- ^C The State Economic Enhancement and Development (SEED) Trust Fund was created in 2011, with funds transferred to it beginning with FY 12/13. SEED funding may be used for infrastructure, job creation, affordable housing in accordance with chapter 420, economic development incentives for job creation and capital investment; and other purposes. The amounts in the Cap Sweep / SEED column represent doc stamp amounts deposited to SEED that would have otherwise been deposited to the housing trust funds.
- ^D Deposits to the trust fund were less than the full appropriation amount. The appropriation amount on this chart has been reduced to reflect this shortfall in available funds.
- ^E Collections amount is the August 2017 Revenue Estimating Conference estimate.

Percentage of SHIP Funds Used for Rental Development Financing in FY 12/13, 13/14 & 14/15

Of the 119 local governments that get SHIP funding, these 32 were the only ones that chose to use SHIP funds for rental housing over this 3-year period.

Local Government	Rental Expenditures — \$\$				Total SHIP Program Expenditures	% Used for Rental
	Rehabilitation	New Construction	Special Needs	Total Rental Expenditures		
Bradford County	-	-	96,645	96,645	881,758	11.0%
Brevard County	90,402	210,000	-	300,402	2,436,147	12.3%
Charlotte County	164,491	170,000	-	334,491	2,022,750	16.5%
Citrus County	200,000	-	-	200,000	1,117,310	17.9%
Clay County	-	-	173,658	173,658	1,546,355	11.2%
Collier County/Naples	-	-	245,476	245,476	2,617,132	9.4%
DeSoto County	-	125,000	2,271	127,271	877,736	14.5%
Duval County/Jacksonville	425,856	-	803,005	1,228,861	6,711,021	18.3%
Escambia County/Pensacola	113,786	339,366	-	453,152	2,282,855	19.9%
Hernando County	-	-	187,500	187,500	1,558,769	12.0%
Highlands County	-	-	269,338	269,338	1,036,482	26.0%
Hillsborough County	975,000	1,269,702	397,046	2,641,748	8,929,464	29.6%
Tampa	250,000	-	-	250,000	2,935,691	8.5%
Lake County	-	-	98,428	98,428	2,105,589	4.7%
Lee County	-	-	738,941	738,941	3,135,574	23.6%
Cape Coral	-	-	60,000	60,000	1,452,330	4.1%
Tallahassee (in Leon County)	-	200,000	-	200,000	1,348,343	14.8%
Miami-Dade County	1,700,000	500,000	3,099,953	5,299,953	14,329,941	37.0%
Miami Beach	83,370	-	-	83,370	263,370	31.7%
Okaloosa County/Ft Walton Bch	-	-	310,675	310,675	1,342,170	23.1%
Orange County	170,380	1,081,000	-	1,251,380	7,892,589	15.9%
Orlando	213,670	-	-	213,670	2,171,033	9.8%
Osceola County	-	57,500	-	57,500	1,715,794	3.4%
Palm Beach County	-	115,000	-	115,000	8,073,442	1.4%
West Palm Beach	-	189,482	-	189,482	826,357	22.9%
Pasco County	2,679	782,096	29,299	814,074	5,922,180	13.7%
Pinellas County	-	605,495	-	605,495	4,789,067	12.6%
Clearwater	124,965	88,625	-	213,590	1,138,325	18.8%
Largo	-	-	6,805	6,805	855,425	0.8%
Sarasota County/Sarasota	-	-	380,000	380,000	3,681,536	10.3%
Bradenton	-	-	16,325	16,325	368,344	4.4%
Seminole County	-	50,000	-	50,000	2,802,938	1.8%
TOTALS	\$ 4,514,599	\$ 5,783,266	\$ 6,915,365	\$ 17,213,230	\$ 99,167,817	17.4%

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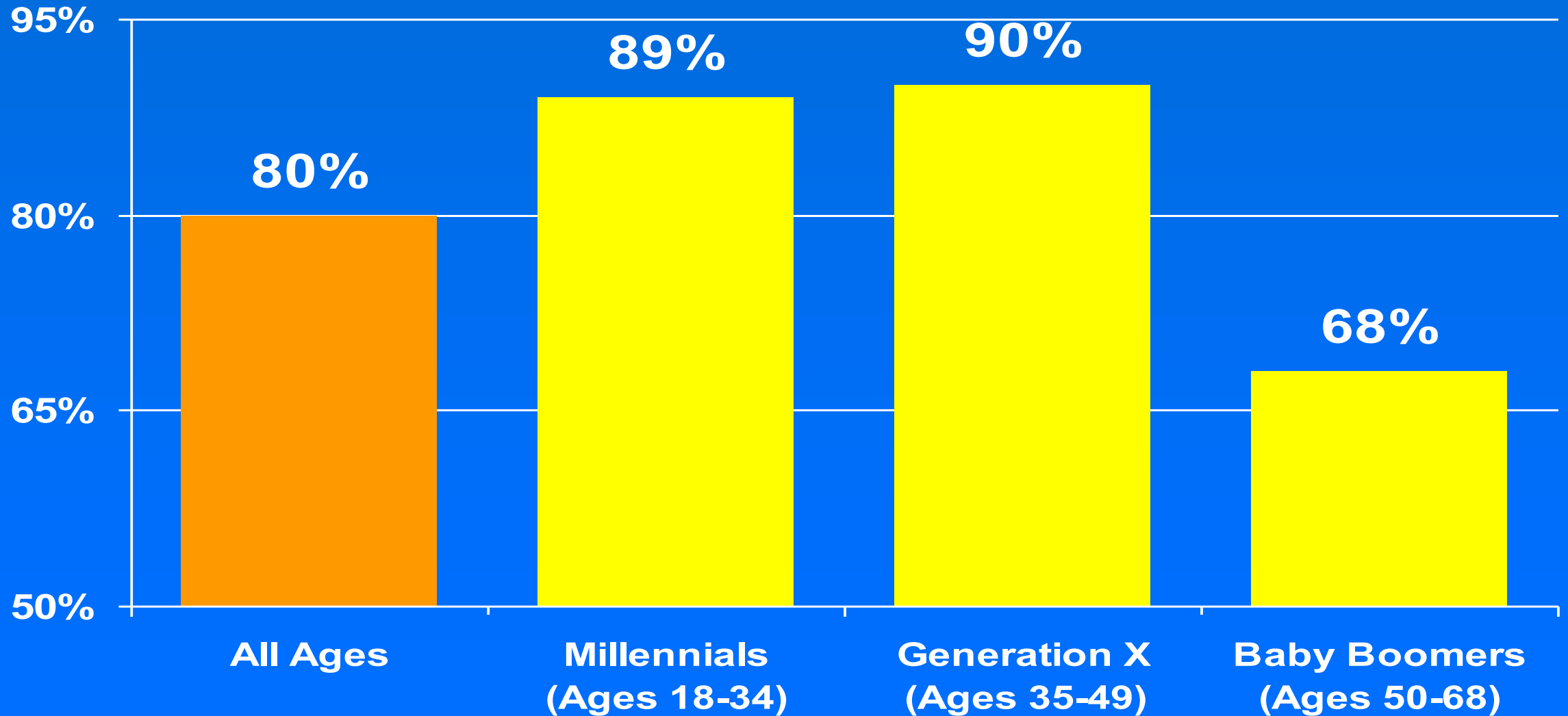
Comments on Forecasts

Kenneth T. Rosen

The Sky's The Limit Conference and Expo

November 3, 2017

Share of Renters Who Would Like to Own a Home at Some Point



Note: Latest data as of March 2017

Source: Freddie Mac

Why Homeownership?

- Accumulate wealth
- Reducing inequality
- Investments in Community
- Civic Engagement
- Economic Growth