Florida Housing Finance Corporation

Strategic Plan

January 2026

Florida Housing Finance Corporation Strategic Plan

INTRODUCTION

The purpose of this strategic plan is to provide a three-to-five-year framework for policy and operational decisions at Florida Housing Finance Corporation. While Chapter 420, Florida Statutes, outlines Florida Housing's powers and responsibilities, and explains generally how programs will be implemented, there is an array of choices to be made within that statutory authority.

This plan is Florida Housing's roadmap of how programs will be targeted, and operations will be administered in the coming years. It is not meant to be a comprehensive plan that includes every facet of what Florida Housing does but provides a big picture view of the Corporation's most important priorities. The strategic plan responds to current housing conditions and opportunities, emerging issues and concerns and provides a framework to guideoperations.

The plan is divided into the following components:

- **Mission and Vision** - Statements outlining the purpose, primary objectives and aspirations ofFlorida Housing.
- **Guiding Principles** - The values the Board and Staff use to do business.
- **Priorities** - The goals that Florida Housing will focus on in the coming three to five years. Thepriorities are grouped by external issues (how Florida Housing wants to impact housing opportunities for Floridians) and internal, or operational, issues.
- **Strategies** - A list of actions that describe the key steps that Florida Housing will take to implement each priority.
- **Performance Measures and Targets** - Metrics to evaluate the execution of Florida Housing'sgoals and actions.
- **Current Trends and Conditions** - An overview of how demographic, economic and real estate conditions in Florida impact the need for affordable housing in 2026 and beyond and a pictureof the current supply of and access to affordable housing in the state.

MISSION

Provide a range of affordable housing opportunities for residents that help make Florida communities great places to live, work and do business.

VISION

Florida Housing will be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions to the affordable housing challenges of our state.

GUIDING PRINCIPLES

As Florida Housing carries out its mission and vision, we will:

- Conduct business in an honest, ethical, transparent and respectful manner
- Be mindful and accountable stewards of resources entrusted to us
- Allocate resources fairly and consistently
- Remain innovative, flexible and responsive in our programs and funding strategies
- Base decisions on objective data and collaboration with public and private sector stakeholders
- Promote housing stability, sustainability and options for Floridians
- Foster awareness of affordable housing's role in building stronger communities

PRIORITIES

I. <u>PRIORITY: Promote and support sustainable homeownership</u>

A. Homeownership Lending Strategies

A. Maintain a continuous lending model, including the availability of down payment assistance for credit worthy homebuyers

B. Continue to provide an array of federally backed and Government-Sponsored Enterprise (GSE) insured first mortgages together with a variety of down payment assistance products

C. Continue the use of mortgage-backed securities as a means of limiting financial risk

D. Continue to evaluate the array of mortgage loan servicing and loan hedging options

E. Continue to explore new/emerging financing opportunities to diversify mortgage lending options

F. Recruit and retain reputable lending partners, and ensure that lenders and real estate agents know about and are trained on Florida Housing's programs

G. Maintain robust financing opportunities for active-duty military and veterans

H. Encourage comprehensive homebuyer education training

B. Homeownership Development Strategies

A. Encourage construction of new affordable homes, focusing on regionally appropriate solutions, including partnering with self-help builders

B. Analyze housing design approaches that will make housing functional for different family types, including the aging population and multi-generational families

C. Align and leverage public-private partnerships with stakeholders to provide capital and incentives to increase development of homeownership inventory

D. Incentivize the inclusion of sustainable features in home design that provide long term benefits to low- and moderate-income homeowners. Ensure that local governments receive training and technical assistance to implement State Housing Initiatives Partnership (SHIP) development strategies, including rehabilitation, accessibility and sustainable building techniques

II. <u>PRIORITY: Ensure that rental programs are flexible enough to respond to housing needs in Florida's diverse communities and can respond to changing market conditions</u>

A. Use market, investment and housing need data to assist in targeting resources to match needs throughout the state
B. Enhance the capacity to use property construction cost and operating expense data to assist in allocating resources and in credit underwriting
C. Continue work on a comprehensive preservation strategy to save critical, aging affordable properties that are worthy of preservation, including those in Florida Housing's portfolio
D. Continue to implement strategies to target development that will support local revitalization and economic development efforts
E. Continue to foster a more integrated approach between Florida Housing's asset management and development teams to keep development costs down while incentivizing sustainable development that lowers operating costs over the long term
F. Continue to integrate green building design features into Florida Housing's rental programs and explore best practices and innovative trends in the green building industry that lower operating costs and conserve energy resources.
G. Continue to integrate accessibility and visibility design features that accommodate aging in place and physical disabilities for household members and their visitors
H. Prioritize high quality management of properties in Florida Housing's portfolio
I. Further refine efficient underwriting approaches tailored to specific types and amounts of funding while balancing risk and implementing the approach

III. <u>PRIORITY: Enhance opportunities for vulnerable households to access rental housing paired with supportive services</u>

A. Continue to work to support the development of a range of supportive housing options to assist vulnerable households to gain and obtain housing stability, optimal self-sufficiency, and live independently in their communities

B. Work with state agencies, supportive service providers, developers, and other relevant stakeholders and experts to continue compiling data and best practices for policy makers that evaluate resident outcomes and public cost savings of permanent supportive housing and housing stability linked with community-based services

C. Continue the Link program to successfully and effectively integrate units for extremely low-income households with special needs into general occupancy units throughout Florida Housing's portfolio

D. Advance supportive housing models and best practices that support vulnerable households aging in place by facilitating and supporting partnerships between developers and health care and other supportive service providers

E. Create opportunities to facilitate partnerships with state agencies responsible for Medicaid and supportive services with supportive housing providers

F. Continue and expand unique and innovative supportive housing efforts, such as the Housing Stability for Schoolchildren Program, and integration of units set aside for youth aging out of foster care in general occupancy developments, to evaluate and address the housing needs of vulnerable children and young adults

G. Monitor, evaluate and analyze existing portfolio supporting housing developments to evaluate best funding practices for sustainable operations, as well as the appropriate and sufficient qualifications, capacity, and experience of Applicants

IV. PRIORITY: Ensure that information about Florida Housing's programs and the role that affordable housing plays in our state's economy is accessible and understandable to government officials, stakeholders and the public

A. Inform federal, state and local officials about affordable housing programs, issues and solutions

B. Provide easy access to information about Florida Housing programs through various communication media, including internet (i.e. – website and social media platforms), print and broadcast

C. Ensure information about Florida Housing's program on the Corporation's website is ADA compliant and available in multiple languages

D. Create a customer focused approach to help interested homebuyers and renters find housing resources, and different types of developers access Florida Housing's programs, from application for financing, to credit underwriting, to property and asset management

E. Provide program marketing materials in both English and Spanish

F. Develop and maintain relationships with affordable housing providers and stakeholders to deliver programs

G. Respond in a timely manner to external requests and public inquiries

V. **PRIORITY: Recognize that reliable data is essential to demonstrating the impact of Florida Housing's programs, guiding future policy decisions, and sustaining the Corporation's credibility. To that end, data must be complete, accurate, and accessible at all points in time.**

A. Build on the growth of the Data Management Unit by adding targeted specialists and continuing training to strengthen data literacy and ensure data quality across all units

B. Strengthen the data governance framework by empowering the Data Governance Team to define ownership, enforce standards, and guide corporation-wide priorities

C. Advance ongoing modernization of the data system by expanding automation of data intake and reporting, strengthening integration of the current data collaboration software and the Data Warehouse as the foundation for a future in-house system, and maintaining necessary use of the current data management software during transition

D. Reinforce existing data stewardship by designating responsible staff within each program area and embedding routine quality reviews into daily operations and decision-making

E. Expand on current dashboard development by increasing the number of standardized, public-facing tools and maintaining an accessible online catalog of available data resources

VI. **PRIORITY: Strengthen Florida Housing's operational capacity**

A. Recruit, attract, maintain, support and engage a skilled and productive workforce with a focus on continued employee training and development

B. Ensure sustained staff leadership with technical program expertise and opportunity for leadership growth within the corporation

C. Preserve the corporation's financial strength in order to serve the needs of Floridians well into the future

D. Utilize emergent and available technologies and business capabilities to automate, enhance and streamline work processes that are supported by the Florida Housing Information Systems

E. Strengthen enterprise operational maturity by enhancing business processes, security and data governance to prioritize evolving regulatory expectations and best practices, including those applicable to financial institutions

F. Strengthen portfolio oversight by embedding asset management practices that use data to monitor financial, physical, and compliance performance throughout the portfolio

G. Integrate property-level asset management findings into the Corporation's broader risk framework to ensure portfolio risks are visible in enterprise-wide assessments

H. Maintain the current level of commitment to risk identification and mitigation, incorporating new and emerging technologies into scope of review; enhance the process as needed to further the mission; and strive to incorporate the enterprise risk assessment model into all aspects of the corporation through development of Corporation policy

Trends and Conditions Impacting Affordable Housing in 2025 and Beyond

Statewide Demographic and Economic Conditions

Each year, the Legislative Budget Commission is required to issue a *Long-Range Financial Outlook* for the state which covers the upcoming three fiscal years.[1] While the *Outlook* is primarily a tool to assist the Legislature in setting fiscal and budgetary strategies, its economic and demographic analysis sections provide a summary of current and projected conditions in these areas. The Fall 2025 report concludes that most economic indicators have returned to pre-pandemic performance levels and progress is expected to continue, however, household economic pressures are still apparent in the increased use of consumer credit, reduction of household savings and persistently elevated inflation. Some of the findings relevant to Florida Housing from the most recent report include[2]:

- **Economic growth is expected to continue and then level out.** The state's growth was strong during the 2023-24 and 2024-25 fiscal years and remains above the national average, however, forecasts predict a decline in the rate of growth over the next two years. The Outlook predicts Florida's economic growth will stabilize at 2.1 to 2.2 percent per year beginning in Fiscal Year 2028-29. Florida's strong reliance on tourism-related revenues presents some risk to the long-term forecast. Any events resulting in a decrease of travel and tourism activities can have a widespread and negative impact on the state's economic health.

- **Florida may face economic challenges due to external factors.** Florida's forecasting environment partially stabilized in the 2024-2025 fiscal year**.** However, considerable uncertainty still exists regarding potential market fluctuations. Any economic challenges may impact the actual performance of Florida's economy over the new few years.

- **Personal income growth remains strong and steady.** Florida's personal income growth greatly accelerated during the pandemic due to monetary infusion of Federal dollars into Florida's households. In the 2022-23 fiscal year the final growth rate was 9.2 percent as workers and employers leveraged the tight labor market into higher paying job opportunities. Florida still had high growth of 6.6 percent in Fiscal Year 2023-24 and 5.3 percent in Fiscal Year 2024-25. Annual growth is expected to stabilize at 4.8 to 4.9 percent from through Fiscal Year 2029-30. Noteworthy as well is the change in composition of the labor market as Florida's population ages.

- **State wages have increased, but remain below the national average.** Florida's average annual wage has typically been below the national average. However, this picture changed in 2021 when Florida moved above its longer run average of 88.8 percent to 89.2 percent. The state's percentage has since risen to 91.9 percent in 2024. The state estimates a 4.5 percent increase in the current year and a projected 4.0 percent in Fiscal Year 2026-27. This higher than average gain is primarily related to the growing share of Florida's senior population and their demand for services.

- **Moderate population growth over the next few years.** Florida's population is expected to grow moderately at an average 1.23 percent per year between 2025 and 2030. Nationally, average annual growth is expected to only average 0.41 per year. In the past, Florida's population growth has largely been bolstered by net

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[1] *See* Article III, Section 19(c)(1) of the Florida Constitution. The Legislative Office of Economic and Demographic Research takes a lead role in preparing the *Outlook.*

[2] Legislative Budget Commission, State of Florida Long-Range Financial Outlook Fiscal Year 2026-27 through 2028- 29 (Fall 2025), available at https://edr.state.fl.us/Content/long-range-financial-outlook/DRAFT_3-Year-Plan_Fall-2025_2027-2029.pdf

migration. Forecasts predict all future population growth will be attributed entirely to net migration, as natural increase is anticipated to remain negative with deaths outnumbering births.[2]

- **The share of residents over 65 years of age will continue to grow.** Since 2011, fifteen of nineteen cohorts representing approximately 75 percent of the total baby boomer population have entered retirement. Today they comprise about 45 percent of the state's personal income compared to the entire United States at 50 percent. Additionally, population aged 65 and over is forecast to represent approximately 25 percent of the total population in 2030 compared to 21.2 percent in 2020.

Homeownership Landscape

The state's *Long-Range Financial Outlook* indicates the existing housing market is cooling due to persistently high 30-year mortgage rates, elevated home prices and a decline in new single family building permits. From 2018 to 2022 existing home sales volume exceeded the 2005 peak year, but home sales in 2023 and 2024 slowed from the prior year. Closed sales were also down approximately 6.2 percent in the first five months of 2025 compared to first five months of 2024. The *Outlook* suggests refinancing activity may increase if interest rates fall to approximately 6.0 percent in 2026-2027. The bulk of these homeowners would be buyers from 2023 to 2025.

Florida's median sales price for single family homes peaked in February 2023 at 107 percent of the national median price. In May 2025 the median sales price was 96.5 percent of its April 2024 peak of $429,900. While single family home prices have fully recovered from the Great Recession, demographic changes and financing challenges will continue to impact homeownership rates across the state. Below are current homeownership trends to consider.

- **Florida's homeownership rate is steadily increasing, especially among older households.** According to the Shimberg Center's *2025 Rental Market Study,* the state's overall homeownership rate increased from 66 percent in 2019 to 68 percent in 2023.[3] This increase was fueled by strong in-migration into Florida during the early 2020s.

- **State home sales and prices have fully recovered**. Existing home sales volume in each of the calendar years from 2018 to 2023 exceeded the 2005 peak year. The story is similar for home sales price. Florida's home price gains have roughly tracked national gains over the past six years. The market environment supporting this rise primarily resulted from the record low interest rates generated by the Federal Reserve's actions to stem the severity of the pandemic's economic disruption in 2020 and 2021. These low-interest rate levels induced potential homebuyers to act earlier than they otherwise would have acted. The volume of existing home sales at the currently high sales price levels is not expected to be sustainable as affordability increasingly becomes an issue. Florida Realtors® data reveals that July 2025 closed sales in the $100,000 to $149,999 sales price range across the state increased by 24.8 percent year over year. The year-over-year rate increased by 6.0 percent in the $200,000 to $249,999 sales price range.

- **Despite low foreclosure rates, financing remains a challenge.** Florida Realtors published closed sales data for July 2025 reveals 152 foreclosed/REO and 47 short sale single-family homes were sold, representing a 0 percent and 11.9 percent year over year increase, respectively. Currently, the Mortgage Bankers Association expects the 30-year fixed rate to be 6.7 percent by the fourth quarter of 2025 and remain as high as 6.6 percent for 2026. Construction of new homes is in positive territory, but still below

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[3] See The Shimberg Center for Housing Studies at the University of Florida, 2025 Rental Market Study (June 2025), available at https://www.floridahousing.org/press/publications/2025-rental-market-study

the state's long-term average. Despite that, data shows that residential credit for home purchases still remains difficult for customers with lower credit scores. According to the Federal Reserve Bank of New York, the median credit score for newly originated mortgages was 772 in Quarter 1 of 2025. Additionally, VantageScore reports mortgage originations were relatively flat from June to July 2025 but stood 0.04% higher than in July 2024. Some of the largest factors affecting the ability to obtain residential credit are consumer debt, student loans and auto debt.

- **Housing inventory is still tight.** Available inventory for sale (both existing and new construction) has remained stable nationally but remains near the lowest levels in over three decades. July 2025 Florida Realtors data show 5.4 months of existing for-sale single family inventory available, which represents a 22.7 percent increase year over year. As the state's aging population increases, trends are showing a greater desire to age in place, putting additional strain on the housing stock available. Additionally, national trends indicate a significant increase in activity for higher priced homes ($500,000-$750,000) and a very constrained inventory of starter homes priced at $200,000 and below, placing further pressure on the housing market for affordable single family homes.

Rental Housing Landscape

Various housing policy groups envision a growing need for all types of rental units in the future. Demographic trends, increasing construction costs and the after-effects of hurricanes impacting Florida and our Caribbean neighbors are just a few of the pressures that will impact rental stock going forward. These overall forces will affect the affordable rental market served by Florida Housing. Already worsening state statistics related to cost burdened renters and the actual availability of affordable units could cause a greater squeeze than already exists. Additionally, the unique challenges related to providing affordable housing for persons who are homeless or who have special needs bears close monitoring.

- **The number of Florida renters is increasing.** The increase in housing costs, particularly in the "entry-level" and modest price categories, and the shifting preferences among millennials to rent, has led more Floridians to turn to rental housing. According to the Shimberg Center, the number of renters in the state increased from 2.67 million in 2019 to 2.86 million in 2023.

- **Overall median market rent prices are slowly decreasing in Florida.** While rent remains elevated recent 2025 market data show rental prices have declined from 2024 in most of Florida's largest counties. The Shimberg Center's Market Rent Tracker reports on monthly county rent data estimates published by the Apartment List. The estimates represent median rent across new leases signed in a given market and month. According to the latest August 2025 update, six out of the state's nine largest counties experienced a drop in overall median rent prices from August 2024 to August 2025: Duval, Hillsborough, Lee, Miami-Dade, Orange and Polk Counties. Broward, Palm Beach and Pinellas Counties were the only large counties that had a small overall median rent increase from the prior year.

- **Florida's "housing wage" – the amount needed to afford a two-bedroom market rate apartment – is 10th highest in the nation at $35.24/hour.** Figures from the *2024 Out of Reach: Florida* show that the fair market rent in Florida is $1,525 per month for a one-bedroom and $1,833 per month for a two-bedroom. Based on the estimated average renter wage of $22.63 per hour, an affordable monthly rent would be $1,177, almost $350 per month below the state fair market rent for a one- bedroom apartment.[4]

- **Growing pressure for all rental housing may push rents even higher for low-income households.** Florida's rental supply grew by over 240,000 units between 2019 and 2023. The supply of apartments in 50+ unit buildings grew the fastest while rentals in single family homes and mobile homes declined slightly. Despite the increase in housing supply, Florida's median gross rent increased from $1,238 in 2019 to $1,719 in 2023, representing a 39 percent increase. Since the early 2000s, there has been a staggering increase in units priced over $1,200 and an overall decline in units priced under $1,200. Between 2013 and 2023, Florida added approximately 736,000 units with rent above $1,200 but lost over 400,000 units with rent at $1,200 or less. This trend will undoubtedly have a negative impact on an already significant portion of the population that is cost burdened and struggle to find adequate and affordable housing. The combined impact of millennials forming their own households and baby boomers downsizing from their current homes may push rents further out of reach for low-income households least able to afford them.

- **Economic uncertainty and labor shortages may lead to reduced multifamily construction.** More than 535,000 rental units were added to the national market in the year ending in June 2025. This represents a 2.7 percent increase in inventory from the prior year. RealPage reports multifamily construction volumes have decreased every quarter since peaking in early 2023 and hit a decade low as of the second quarter of 2025. Nationally, multifamily permits were also down from June 2024 to 430,000 units, representing a 1.8 percent year over year decrease. This slow down is compounded by increasingly growing challenges related to elevated borrowing rates, higher materials cost and labor shortages.

- **The number of rental units has significantly increased.** FreddieMac's most recent 2025 Multifamily Outlook report projects multifamily rental units to increase by 500,000 to 600,000 units in 2025, which is roughly double the average annual rate of about 300,000 from 2015 through 2019. According to RealPage, the outlook is better for Florida than most other states with Miami-Miami Beach-Kendall MSA and Orlando-Kissimmee-Sanford MSA being in the top 10 metro areas for new multifamily permits as of June 2025.

- **Physical occupancy rates in Florida Housing's portfolio are on the rise.** The statewide occupancy rate has remained strong at 96-97 percent since the end of 2016. Some counties have overall lower occupancy rates than the state, and other counties make up for that with higher rates.

Cost Burdened Renters Continue to Grow

The 2025 Rental Market Study reports Florida is home to 904,635 low-income (0-60 percent AMI), cost burdened (>40 percent of income) renter households. In the study, cost burdened households are defined as households that pay more than 40 percent of their income for rent and utilities.[5] Most cost burdened renters in Florida have incomes below 60 percent of AMI, but some renters with higher incomes also experience cost burden. Statewide, 45 percent of renters at 60.01-80 percent of AMI and 21 percent at 80.01-100 percent of AMI are cost burdened, compared to 73 percent of renters with incomes below 60 percent of AMI.

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[4] National Low Income Housing Coalition, 2024 Out of Reach, available at https://nlihc.org/sites/default/files/oor/2024_OOR-florida.pdf

[5] Sixty-eight percent of cost burdened households are 1-2 person households.

As part of the mission of providing affordable housing, most of the units in Florida Housing's rental properties are set aside for these lower income households. The following conditions from the 2025 Rental Market Study highlight specifics surrounding the growing ranks of these households.

- **More Florida renter households are facing a housing cost burden.** Florida added approximately 195,000 renter households between 2019 and 2023, increasing from 2.67 million to 2.86 million renters. Almost 1 million of these renter households are struggling to pay rising housing costs, double the number since 2000. According to the Shimberg Center, an estimated 904,635 households, representing 29 percent of all renter households, are low income, cost burdened renters. Forty-four percent of low-income, cost burdened households are represented by ELI renter households. Most cost burdened renter households are small and 68 percent have one or two household members. Sixty-four percent of low-income, cost burdened renter households are in large counties: Broward, Duval, Hillsborough, Lee, Miami-Dade, Orange, Palm Beach, Pinellas, and Polk. Miami-Dade County has the largest share of the state's low-income, cost burdened renters, at 15 percent.

- **Extremely low-income renter households have the most severe needs.** Renter households are considered to be "extremely low-income" (ELI) if their incomes are at or below 30 percent of the area median. Almost two-thirds of these ELI renter households pay more than 60 percent of their incomes for rent and utilities. In 2025, there are over 554,000 ELI renter households; 398,644 of those, approximately 72 percent, are cost burdened**.**

- **Most renter households are in the workforce.** Seventy-nine percent of renter households include at least one working adult, compared to 67 percent of owner households. This trend remains true for households at the lowest income levels. Sixty-eight percent of renter households at 30.01-60 percent of AMI and 82 percent of renter households at 0-80 percent of AMI include at least one working adult. Among the mid to high income renters, 86 percent and 88 percent of households, at 80-100 percent and 100-120 percent of AMI, respectively, are employed. Additionally, approximately 90 percent of renter households above 120 percent of AMI include at least one working adult. Only six percent of renter households with working age, non-disabled adults are without employment.

- **Among ELI renters, 38 percent of the households are employed**. Most of the other ELI renters (41 percent) are non-working households where all adults are elderly, have disabilities, or both. Thirty-nine percent of the 904,635 low-income, cost burdened renter households are headed by someone age 55 or older. Working age, non-disabled households without an employed adult make up the smallest group at 22 percent. Most renter households without employment are made up of adults which are elderly, disabled or both.

The Affordable and Available Housing Gap Exacerbates Difficulties

An important metric in affordable housing analysis is the correlation between affordability and availability.[6] Many affordable units are unavailable to low-income households because they are already occupied by higher income households. When higher income renters occupy lower rent units, lower income renters are essentially crowded out of units they could afford. An affordable and available unit at a particular income threshold is: 1) affordable at that income threshold and 2) either vacant or occupied by a household with an income at or below the threshold.

[6] In this type of analysis, an affordable unit is any market rate, subsidized or public housing unit for which a household at a given income limit would pay no more than 30 percent of income for gross rent. These include apartments, condominiums for rent or single family homes for rent.

- **Florida is among the states with the most severe affordable and available gap.** Considering families with incomes at or below 50 percent of median income, there is a deficit of over 610,130 affordable and available rental units in Florida[7]:
    - **Only 33 affordable, available units per 100 very low-income households.**
    - **Only 24 affordable, available units per 100 extremely low-income households.**
- **The consequences of this gap have the greatest adverse impact on the most vulnerable.** When ELI renter households spend the majority of their income on rent and utilities, this leaves them with little money for other necessities such as food, medicine, transportation, and childcare. These are the households that are most vulnerable to becoming homeless if their incomes decrease or they have unexpected expenses.
- **Cost burdened households continue to be challenged in high-cost counties**. A total of 24 percent, or 304,066, renters with household incomes above 60 percent of AMI are also cost burdened. Most of these renters are geographically concentrated in high-cost counties, primarily in southeast Florida and the Orlando area. Miami-Dade, Monroe, Broward, and Seminole counties each have at least 50 percent of renters cost burdened at income levels 60-80 percent AMI. Cost burdened renters at income levels 80-120 percent of AMI are mostly concentrated in Miami-Dade and Monroe counties. Each have at least 20 percent of renters at this income level living cost burdened.

Households with Special Needs and Others Facing Additional Housing Challenges

Persons with special needs, including older more frail elders who need services, and homeless people often encounter additional challenges in accessing affordable housing. While these individuals encounter obstacles unique to their circumstances, they share a tendency to greatly benefit from various forms of supportive housing. Pairing supportive services with affordable housing in a supportive housing framework is a proven successful delivery model for helping persons with special needs, people who become homeless and elders who wish to “age in place.”

- **Affordable housing is a real issue for special needs households.** The 2025 Rental Market Study estimates 92,500 low-income, cost burdened renter households in Florida include a person with a disability and receive Social Security Disability Insurance, Supplemental Security Income, or veterans’ disability benefits. In addition, over 7,000 households used domestic violence emergency shelters in the 2023-2024 fiscal year and nearly 2,100 young people aged out of foster care but were still attending school or vocational training; these households also are likely to need safe, affordable housing.[8]
- **The special needs household county likely understates the prevalence.** In the *Study,* the Shimberg Center acknowledges their household counts likely do not encompass the full spectrum of persons receiving disability-related benefits or requiring independent living services in order to maintain housing.
- **More than one-third of low-income, cost burdened renters are elderly.** Of all cost burdened renter households, 39 percent are headed by someone age 55 and older, and 12 percent are headed by someone age 75 or older. Over half of the projected growth in population over the next ten years will

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[7] Id. at 3.
[8] Id. at 3.

be age 60 and older. The growth in this demographic will bring with it the challenges of many Floridians wishing to age in place. For many frail elders needing supports, nursing homes are simply the only option to get these supports, because there are extremely limited options for independent, supportive housing or affordable assisted living units. With the expectation of almost one-quarter of the projected population growth being 75 and older, not only do these limited options impact elders' lives, but nursing homes are the most costly way for the state to provide housing/services to frail residents.

- **Homelessness continues to be a serious problem.** The 2025 Rental Market Study estimates there are 29,848 homeless individuals living in Florida, including single adults, married adults without children, and unaccompanied youth. There are also 44,234 homeless families made up of adults and their children. This includes families in shelters, unsheltered locations, hotels and motels, and those who are doubled up with other family members or friends. The total number of homeless students, as estimated by the Department of Education, grew from 79,782 in the 2019-2020 school year to 97,762 in the 2023-2024 school year.

- **However, significant progress has been (and continues to be) made.** Florida has seen perhaps the most significant reduction in homelessness over the last 15 years when compared to national statistics. In 2010, Florida saw its highest total homelessness, as reported to HUD with 57,551 people living in sheltered and unsheltered placements following the Point In Time (PIT) Count. (NOTE: HUD does not include people living in hotels and motels or those who are doubled up with other family members or friends in their PIT Count. By 2024, Florida had reduced the number of individuals experiencing homelessness by nearly 46 percent. This reduction in homelessness coincides with Florida Housing's introduction of dedicated resources for Permanent Housing serving households experiencing homelessness.

Affordable Housing Supply and Preservation

Summary information on Florida Housing-assisted home ownership and rental unit supply and location, as well as supply figures on rental units financed through other subsidy programs is provided below. In addition, preservation data and trends are also highlighted. Florida Housing's preservation funding programs currently prioritize developments with U.S. Department of Housing and Urban Development (HUD) or U.S. Department of Agriculture (USDA) Rural Development rental assistance which largely serve extremely low-income households. These households are the ones most negatively impacted by losses of assisted housing developments both now and into the future.

- **Supply Data**
  - **Homeownership impact.** Since 1980, Florida Housing has continued to provide funding for mortgage loans for homeownership. Once these homes are sold to eligible buyers, and assuming all loan criteria are met, these units do not come back to Florida Housing for use by another income-eligible homebuyer. For the first three quarters of 2025, through the Homeownership Loan Programs:
    - The average loan amount was $255,444.
    - The average acquisition price was $266,115.
    - The average household income was $77,654.

- **State Housing Initiatives Partnership Program impact.** Since 1992, the State Housing Initiatives Program (SHIP) has facilitated the creation, rehabilitation or homebuyer purchase of more than 230,000 homeownership and rental units, with almost 85 percent of SHIP funding going for homeownership.

- **Rental impact.** Combined with affordable rental units financed through HUD, USDA Rural Development and Local Bond programs, the state of Florida currently has approximately 314,200 privately owned affordable rental units, including 27,378 public housing units. Of this total, Florida Housing has participated in financing 240,525 currently active or pipeline units. A map displaying by- county depictions of Florida Housing's currently active and pipeline rental units are provided in the attachments section of this document.

- For perspective, Florida household incomes and rents paid in rental housing:[9]

  - **Incomes**:

    - Average household income in all rental units (including market rate): $72,385.

    - Average household income across all Florida Housing units: $30,442.

    - Average household income in all assisted and public housing units with rental assistance: $14,000-19,000.

  - **Rents**:

    - Average rent paid by ALL Florida renters: $1,854/month.

    - Average rent across all Florida Housing units: $1,011/month.

    - Average rent portion paid by tenants in rental assistance units:

    - $407/month.

- **Aging Development, Expiring Affordability Periods and Subsidies**

  - **Aging affordable housing properties.** Statewide, there are nearly 68,000 units that are at least 30 years old and an additional 131,100 that are 15-29 years old. The vast majority of the units 30 years and older are not part of Florida Housing's portfolio. Conversely, 92 percent of the units 15-29 years old are part of Florida Housing's portfolio. Preservation and rehabilitation of aging units will be of increasing importance over the coming years.

  - **Affordable developments are being lost.** According to the Shimberg Center, Florida has over 33,284 units that have subsidies scheduled to expire by the end of 2034. The majority of these units are concentrated in large counties with significant housing needs.

  - **Losses of assisted housing have come in waves.** The expiration of a great number of Florida Housing's developments funded with Low Income Housing Tax Credits is only a few short years away. Loss of early 1990's 9 percent competitive credits began in 2020 and will continue through

[9] Id. at 3.

2027. A second spike is expected to begin in 2028 as affordability periods for units funded in the late 1990s using 4 percent non-competitive credits begin to expire. Roughly 18 percent of these units are in Central Florida alone, an area of currently high occupancy rates in our rental housing stock.

- **Loss of affordable rental housing stock when affordability periods end.** Required affordability periods on properties financed through Florida Housing help ensure the long-term availability of affordable rental units statewide across all income levels. The Shimberg Center completed a 2018 review of properties exiting Florida Housing's portfolio to provide insight into whether these properties were still providing affordable rents after their affordability periods end. They found that current rents at 80 percent of these properties were not affordable to residents at 60 percent of AMI, and none were affordable at lower rents for extremely low-income residents. This means that when properties' affordability periods end, most often they do not remain affordable to the residents targeted by Florida Housing programs. This is particularly true during periods when the rental market is strong.

Economic Benefits of Florida's Housing Trust Funds

At this time, Florida Housing's state funds are generally appropriated through the trust funds created by the Sadowski Act. Recently, appropriations have also been made to Florida Housing from general revenue. From the inception of the trust funds in 1992 through Fiscal Year 2000-01, the Legislature appropriated all documentary stamp tax distributed to the trust funds for affordable housing programs greatly enhancing the impact and reach of Florida Housing. For a period of time, the Legislature chose to sweep at least some of the trust fund distributions for the purpose of meeting state budget deficits or for other purposes. Future trust fund sweeps would continue to impact Florida Housing's ability to carry out its statutorily defined mission and purpose.

- **Total documentary stamp collections are increasing.** According to the state's 2025 Revenue Estimating Conference Forecast, documentary stamps collections were 91.2 percent of the 2005-06 fiscal year peak as the 2024-25 year ended. Amidst a cooling existing home market and a weaker construction market, collections in Fiscal Year 2025-26 are expected to slowly increase 1.5 percent to $3.76 billion. The growth rate is then expected to increase to 3.8 percent in Fiscal Year 2026-27, 3.2 percent in Fiscal Year 2027-28, and move down to 2.7 percent in Fiscal Year 2028-29. The prior pre-pandemic peak level of revenues is not expected to be exceeded until Fiscal Year 2029-30.

- Each year Florida Housing collaborates with Florida State University's Center for Economic Forecasting and Analysis (FSU CEFA) to understand the economic impact of Florida Housing's programs. The most recent analysis for 2023 reveals Florida Housing leveraged funding sources totaling $5.1 billion to create a total of $12.41 billion in economic activity linked to the construction or rehabilitation of affordable housing units. FSU CEFA estimated the total 2023 economic impact of Florida Housing's programs and internal operations to be:

  - $12.41 billion in economic output;
  - $13.46 billion in income;
  - $12.98 billion in value added; and
  - 63,053 full- and part-time jobs created.

- FSU CEFA also analyzed the 15-year economic impact from annual operations of Florida Housing's multifamily rental properties based on their projected operations. The average annual economic impact over the initial 15 years of operations is projected to be:
  - $1.77 billion in economic output (equal to $26.5 billion over 15 years);
  - $1.14 billion in personal income (equal to $17.11 billion over 15 years); and
  - 6,991 full and part-time jobs.
- **Full appropriations of Housing Trust Fund dollars make a difference.** Florida Housing estimates that every $1 million appropriated to SAIL would create approximately 20 units, leverage $5.48 million in private and other public investments and generate approximately 59 jobs and $11.88 million in economic benefit. Every $1 million appropriated to SHIP would create approximately 35 units, leverage $17.7 million in private and other public investments and generate approximately 203 jobs and $40.4 million in economic benefit. The moderately higher economic benefit provided by the SHIP program is a result of a higher percentage of funding being dedicated to the rehabilitation of existing homes (compared to new construction, more of the funding in a rehab job goes to labor than materials) versus the construction of new homes.

Live Local Act

On March 29, 2023, Governor Ron DeSantis signed Senate Bill (SB) 102, the Live Local Act, representing the largest investment for housing efforts in state history. This legislation invested a record $711,000,000 for housing projects and assistance through Florida Housing to create or build upon housing programs. The Live Local Act is a comprehensive, statewide workforce housing strategy, designed to increase the availability of affordable housing opportunities for Florida's workforce, who desire to live within the communities they serve, and various components of the original act have been amended and enhanced in subsequent years.

Live Local Act Programs Implemented by Florida Housing

- Hometown Heroes Housing Program: This program makes homeownership affordable for eligible community workforce by providing down payment and closing cost assistance to first-time, income qualified homebuyers so they can purchase a primary residence in the community in which they work and serve.
- Live Local Program Tax Credit: This program provides businesses the opportunity to contribute directly to Florida Housing to benefit the SAIL Program instead of paying portions of their corporate and insurance premium taxes. The SAIL program provides low-interest loans on a competitive basis to multifamily affordable housing developers. These loans generally serve to bridge the gap between primary financing and the total cost of the development, and in this program are intended to finance developments contributing to large-scale regional impact, producing a significant number of units with a nexus to education, healthcare and/or civic initiatives.
- Multifamily Middle Market Certification: To encourage new or recently constructed developments to offer attainable units, the Act created an ad valorem tax exemption for these developments that set aside at least 70 units for affordable housing. Tax exemptions are targeted to moderate and low-income, where the units are not financed by Florida Housing. Additionally, rent for the set-aside units

must be at least 10% below market rate.

- The Live Local Act also provides up to $150 million a year, depending on appropriation, to the SAIL program. The Act directs for these funds to be used for “innovative projects that provide affordable and attainable housing for persons and families working, going to school or living in the state.” Innovative projects will focus on mixed-use, urban infill, or developments near Florida military installations.

Markets and Methods related to Housing Related Investments

Recent analyses by Moody’s and the National Council of State Housing Agencies (NCSHA) maintain a stable outlook for state Housing Finance Agencies (HFAs) through 2025. Although interest rates may remain elevated, HFAs continue to demonstrate strong performance and maintain a competitive advantage in single family loan financing. Loan origination volumes are projected to remain robust, reflecting both consistent borrower demand and the need for affordable housing solutions.

The multifamily pipeline also remains solid as many state governments continue to provide gap financing for affordable housing, which remains a national policy priority. According to Moody’s, HFA mortgage portfolios exhibit high credit quality, as evidenced by low delinquency and foreclosure rates even during period of economic stress.

For Florida Housing, the environment supports continued strength in both single family and multifamily originations, particularly through strategic diversification of financing methods and expansion of down payment assistance programs.

- **Issues impacting national origination volume of homeownership loan programs.** Current pressures affecting origination volume include home price increases. Per NCSHA, “Home prices have increased by 50 percent since 2019 and doubled over the past decade. Roughly 75 percent of homes on the market at the end of 2024 were unattainable for the middle class. The median income of an HFA-financed home buyer is less than $75,000 – more than 30 percent below the national median for all homebuyers. Their average home prices is $235,000 – less than half of the national average.” [10]

- **Movement back toward the use of traditional mortgage revenue bonds (MRB).** Annual issues of single family mortgage tax exempt bonds have increased and will likely remain the case for the rest of 2025. Private activity volume cap continues to be a limitation for HFAs, leading them to use taxable issuance as an additional tool to fund mortgage loans. While bond-funded originations are currently more prevalent and provide a more stable revenue source, most HFAs also use the secondary market as appropriate. Since 2023, Florida Housing has issued $1.67 billion of Homeowner MRBs, of which $731 million were taxable bonds (44%) and $939 million were tax exempt bonds (56%). Due to unfavorable market conditions, taxable bonds were not issued for over 5 years prior to 2023. Based on discussions with various investment bankers and Florida Housing’s financial advisor, taxable bonds are expected to be a good option for HFAs in the coming years.

- **Financing flexibility for single family purposes remains critical going forward.** Diversified loan financing strategies including tax exempt and taxable mortgage revenue bonds, the To Be Announced (TBA) market, mortgage backed securities (MBS) sales in the secondary market, and direct sales via the Master Servicer provide much needed flexibility to react in future markets. Florida Housing’s successful use of diversified loan financing strategies supports the continuous lending model.

[10] National Council for State Housing Agencies, State Housing Finance Agencies: At the Center of the Affordable Housing (2025), available at https://www.ncsha.org/wp-content/uploads/State-HFAs-at-the-Center-of-Affordable-Housing_2024-NCSHA.pdf

- **Down Payment Assistance (DPA) is an integral component of HFA Loan originations.** The addition of down payment assistance makes HFA loans highly attractive to first time homebuyers who cannot afford a large down payment. This is helping to fuel loan originations in the current environment despite the lack of affordability in the overall housing market. Almost every loan Florida Housing originates is coupled with down payment assistance. Between January 2024 and October 2025, Florida Housing has funded 15,355 DPA loans totaling $207.7 million.

Federal and State Legislative Issues/Trends related to Housing

Florida Housing's administration of resources to finance affordable housing requires adherence to numerous laws, rules and regulations. Federal and state legislative mandates impact, and often dictate, Florida Housing's programs and priorities. Executive orders, potential federal budget proposals, enacted policies, and government shutdowns present varying levels of risk for state housing finance agencies. Below are some current issues and trends that may be relevant to the future of affordable housing in the state. As with any proposed or potential legislation, the specifics are fluid and unpredictable.

- **Deep cuts to HUD or FHA funding would challenge existing projects and future pipeline.** Cuts to the HOME Investment Partnerships Program (HOME) funding or other federal programs would limit future project development. Significant staff cuts at HUD could impede HFAs' operations, delay subsidies, restrict underwriting, and reduce federal oversight. However, expansion of the Low-Income Housing Tax Credit (LIHTC) will provide equity for more projects.[11]

- **Lower credit quality post conservatorship would reduce portfolio quality.** Government-sponsored enterprises Fannie Mae and Freddie Mac are integral to HFAs' single family and multifamily programs. Should the GSEs exit conservatorship with weaker credit quality, HFAs' loan portfolio credit quality will decline. Numerous HFAs manage borrower risk using federal insurance, asset securitizations, and risk-sharing strategies. Florida Housing's single family bond indenture is currently rated Aaa by Moody's. A reduction in the GSEs' ratings (currently Aa1, stable) could cause Florida Housing's single family Master Indenture to be downgraded.

- **Tariffs will raise construction and maintenance costs as well as add to borrowers' financial difficulties.** Tariffs that affect the price of construction materials and housing fittings and fixtures will increase operating and maintenance costs for existing multifamily projects. This will potentially lower their debt service coverage ratios (DCSR). Solid project- level DSCR and over-collateralization provide some protection. Likewise, rising construction costs could slow the development of new projects.

- **Possible changes in state appropriations to fund more "workforce" housing.** In recent years, the Legislature has chosen to direct SAIL funding to "workforce" housing, that is, housing to serve residents with incomes over 60 percent of AMI. While the data show that renters with incomes over 60 percent of AMI are more cost burdened than even five years ago, the fact remains that the lower a resident's income, the more likely they are to be cost burdened. In addition, the use of the term "workforce" is confusing and in some cases suggests that residents at or below 60 percent of AMI living in Florida Housing's units are not working. In fact, unless a resident is retired on a fixed income or has rental assistance (~10 percent of residents at Florida Housing properties do have this assistance, many whom are elderly), residents must work to afford even the restricted incomes.

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[11] Moody's Analytics. (2025). Housing Finance Agency Roundtable: Sector in-Depth — Evolving U.S. policy and federal budget proposals will test HFAs' adaptability. Retrieved from https://events.moodys.com/2025-miu23863-housing-finance-agency-roundtable/sector-in-depth-evolving-us-policy-and-federal-budget-proposals-will-test-hfas-adaptability

Performance Measures and Targets

Metric	Section 420.511 (1), F.S., specifies that as part of its strategic plan FHFC must provide performance measures and specific targets for the following:	Alignment with FL Strategic Plan for Economic Development	Explanation of Metric
Number of local governments participating in the State Housing Initiatives Partnership (SHIP) Program with approved Local Housing Assistance Plans	(a) The ability of low-income and moderate-income Floridians to access housing that is decent and affordable.	Goals 1, 3 Objs 3, 4 Strategies 1, 4, 13, 24, 25, 26, 27	All 67 counties and 56 of Florida's largest cities are eligible for SHIP funds. These 123 local governments must have an approved Local Housing Assistance Plan (LHAP) by both the local elected body for the government and FHFC's staff review committee, specifying how their SHIP funding will be used. <u>Quarterly Target:</u> This measure shows how many local governments have approved plans. Maintain at least 110 local governments with approved and active LHAPs corresponding with funding disbursed at all times.
Amount of state appropriated rental funding awarded over time to target populations	(b) The continued availability and affordability of housing financed by the corporation to target populations.	Goals 1, 2, 3 Objs 1, 2, 5 Strategies 1, 4, 13, 24, 25, 27	Provides markers along the state fiscal year (July 1 through June 30) to show that Corporation is making progress towards awarding state appropriated rental funding to target populations. To match up with the quarterly reporting system in this contract, each quarter's targets will always relate to the most recent prior legislative appropriation received. For example, Quarters 1 and 2 of 2025 report on targets related to getting state fiscal year 2024/2025 funding awarded, and Quarters 3 and 4 of 2025 report on targets related to getting state fiscal year 2025/2026 funding awarded. The target populations change over time, based on statutory, legislative and policy priorities. In 2024-2025, the target populations are families; elders; persons with special needs, including persons with developmental disabilities; farmworkers and fishing workers; and homeless persons. <u>Q1 Target:</u> Open at least one funding opportunity to receive applications/proposals for the current Fiscal Year funding <u>Q2 Target:</u> 80% of the current Fiscal Year appropriated rental program funds awarded <u>Q3 Target:</u> Corporation's Board approves plan for allocation of the current Fiscal Year funding <u>Q4 Target:</u> Hold at least one public meeting on one or more draft competitive funding proposals for the current Fiscal Year funding

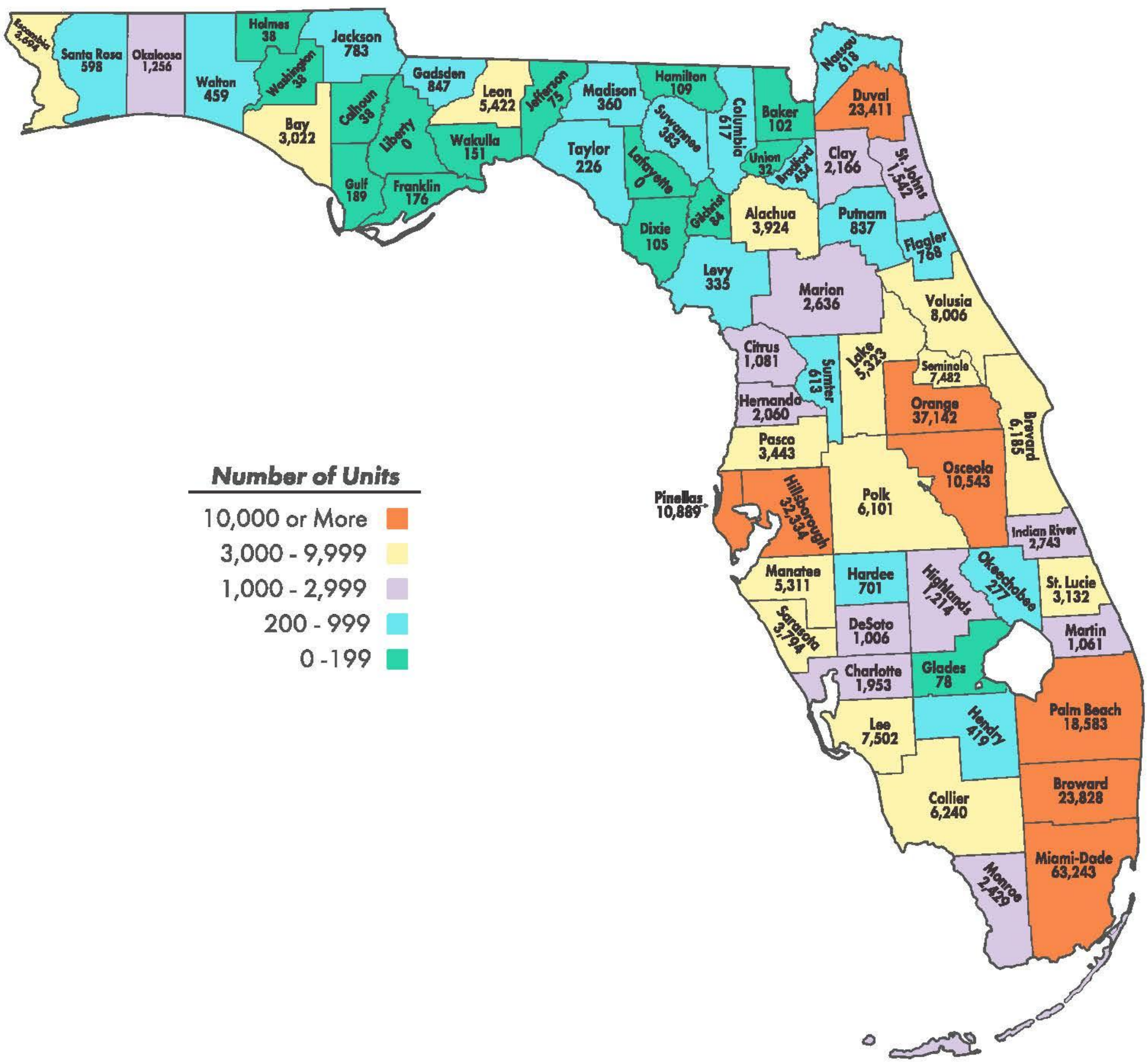
Performance Measures and Targets (Continued)

Metric	Section 420.511 (1), F.S., specifies that as part of its strategic plan FHFC must provide performance measures and specific targets for the following:	Alignment with FL Strategic Plan for Economic Development	Explanation of Metric
Number of participating lenders trained and approved to offer first mortgage financing throughout the state	(c) The availability of affordable financing programs, including equity and debt products, and programs that reduce gaps in conventional financing in order to increase individual access to housing and stimulate private production of affordable housing.	Goal 3 Objs 1,2, 5 Strategies 13, 24, 27	Corporation must partner with private sector lenders such as banks, credit unions, and mortgage companies to offer affordable housing programs to qualified first time homebuyers. This lender base forms partnerships with local realtors, title companies, home appraisers, and all other third party service providers involved in successful origination of Corporation's Program Loans and Mortgage Credit Certificates. Without an adequate number of trained and approved lenders, Corporation's programs and resources would not reach Florida residents. Quarterly Target: Maintain at least 50 active participating lenders at all times
FHFC budgeted total operating expenses to actual total operating expenses	(d) The establishment and maintenance of efficiencies in the delivery of affordable housing.	Goal 3 Strategies 13, 25, 27	Based on the annual operating budget approved by Corporation's Board. Year to date through the most recent month reported to the Board. Quarterly Target: Actual total operating expenses do not exceed budgeted total operating expenses by more than 10%
Board engagement: attendance and attainment of quorum	(e) Such other measures as directed by the corporation's board of directors.	Goal 3 Strategies 13, 25, 27	Shows the involvement of Corporation's Board members via their attendance at scheduled Board meetings and whether a quorum was achieved at these meetings for decision making purposes over the quarter. Quarterly Target: Presence of five Board members required to achieve quorum at each Corporation Board meeting during the quarter

FLORIDA HOUSING PROPERTIES AND ECONOMIC IMPACT

RENTAL UNITS AVAILABLE OR IN THE PIPELINE FINANCED BY FLORIDA HOUSING

This map is shaded to display a count of the current active and pipeline rental units that have received an allocation of resources through Florida Housing's rental programs since 1982. These 330,211 units currently provide affordable housing or are in the construction pipeline. A majority of these units serve households earning 60% of the Area Median Income (AMI) or less.



*Note: Housing properties in portfolio as of December 31, 2024.