

# INVESTING IN HOUSING THAT MAKES THE BIGGEST DIFFERENCE

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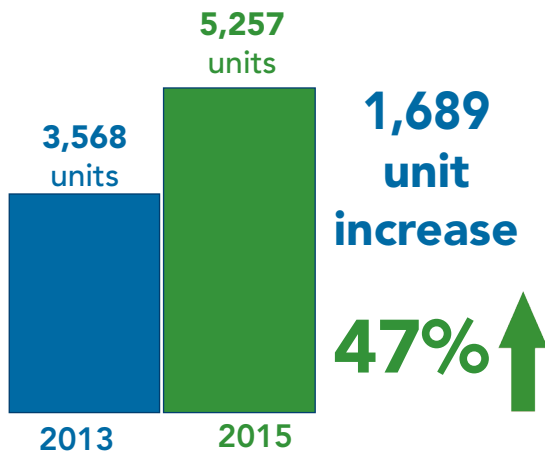
CONTACT: Joy Beaton, Director of Government Relations  
Florida Community Loan Fund  
941.587.0586 ■ JBeaton@FCLF.org

In 2013, The Florida Community Loan Fund (FCLF) issued an analysis of the historical production of affordable housing units by Florida Housing Finance Corporation (FHFC) and focused specifically on the number of units for the homeless and persons with special needs.

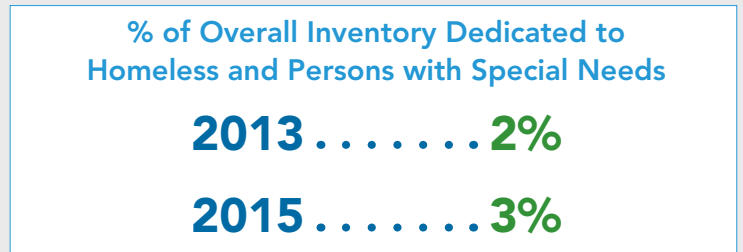
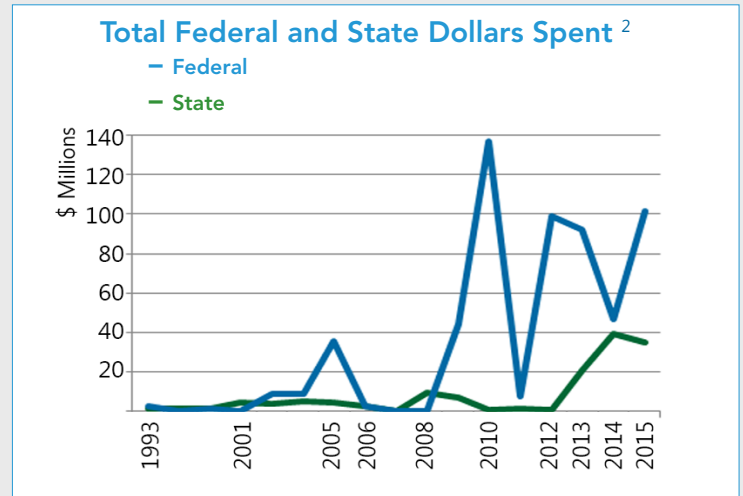
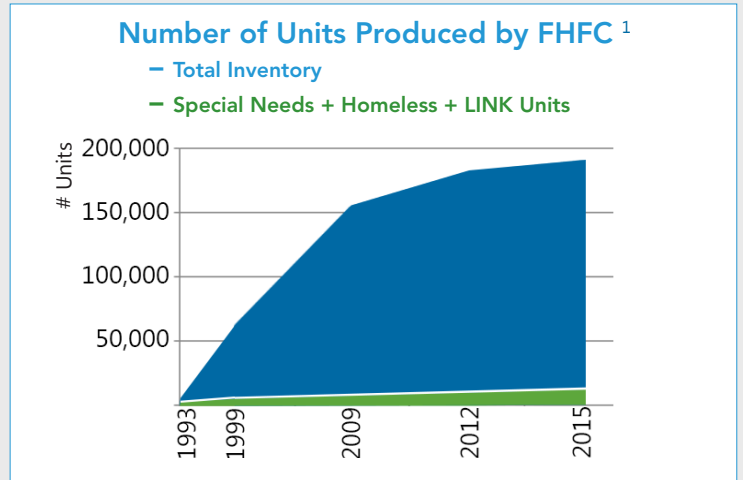
**This Fact Sheet is an update on progress made since then. It is a fresh look at how to invest in more of this type of housing in order to make "the biggest difference."**

Significant legislative support since 2013, and leadership by Florida Housing Finance Corporation, have led to an overall 47% increase in the inventory of available housing units to serve the homeless and persons with special needs. Units built generally have a 30-year market life and a 50-year affordability period.

## THE PROGRESS



## HISTORICAL PRODUCTION OF HOUSING FOR HOMELESS AND PERSONS WITH SPECIAL NEEDS 1993-2015



<sup>1</sup> Data Source: Florida Housing Finance Corporation, 2015.  
<sup>2</sup> Calculations include all State and Federal resources spent (excluding guarantees) and the leveraged capital from the use of Federal tax credits.

# GREATEST NEED vs NUMBER OF AVAILABLE UNITS

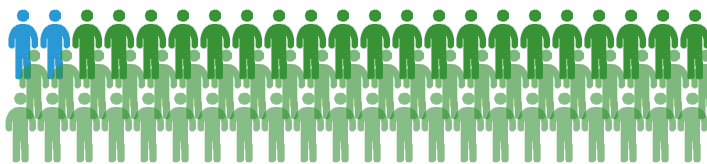
Persons with Special Needs <sup>3</sup>	Supply	Demand	Gap	Since 2010, FHFC has incentivized the development of 1,900 Link Units, which are included in the "Supply" total. For purposes of this analysis, 50% of these units have been attributed to housing the homeless and 50% to Persons with Special Needs.
Chronically Homeless	3,093	7,989 <sup>4</sup>	4,896 units	
Disabling Condition, Survivors of Domestic Violence, & Youth Aging Out of Foster Care	2,164	113,936 <sup>5</sup>	111,772 units	
<b>Total</b>	<b>5,257</b>	<b>121,925</b>	<b>116,668 units</b>	

## WHAT IS A **LINK UNIT?**

FHFC requires multifamily developers to set-aside 10% of their units for Extremely Low-Income households. Through the **Link Strategy**, developers must reserve half of these units for special needs and homeless households referred by supportive services agencies.



**CHRONICALLY HOMELESS: 3,093 HOUSED OUT OF 7,989**



**PSN: 2,164 HOUSED OUT OF 113,936**

## TURNING SOCIAL COSTS INTO SAVINGS

A recent Central Florida regional study shows that the aggregate costs of emergency shelter, incarceration, emergency room visits, and inpatient hospitalizations for people experiencing chronic homelessness is \$31,065 per person, per year. This stands in contrast to the cost of solving the problem by providing permanent supportive housing at an annual cost of \$10,051. Researchers conclude that an overall cost reduction of 68% per person, per year is possible when a chronically homeless person is housed.<sup>6</sup>

A similar state-wide pilot demonstration by Florida Housing Finance Corporation is currently underway to document the cost effectiveness of permanently housing homeless and/or persons with special needs who are high utilizers of public health and crisis services. Teams of researchers in this pilot will validate cost savings potentially achievable in Duval, Miami Dade and Pinellas Counties and ultimately statewide. Leading developers of this housing are Ability Housing in Jacksonville, Catholic Charities in St. Petersburg and Camillus House/Carrfour/Citrus Health in Miami.

**Between these two studies, public cost savings range from  
\$20,000 - \$50,000 per person/per year.**

<sup>3</sup> Shimberg Center, University of Florida, 2014 Updated Rental Market Study.

<sup>4</sup> *The Path Forward: Rethinking Solutions for Homelessness in Florida*, by the Central Florida Commission on Homelessness & Barbara Poppe and Associates, September 2015.

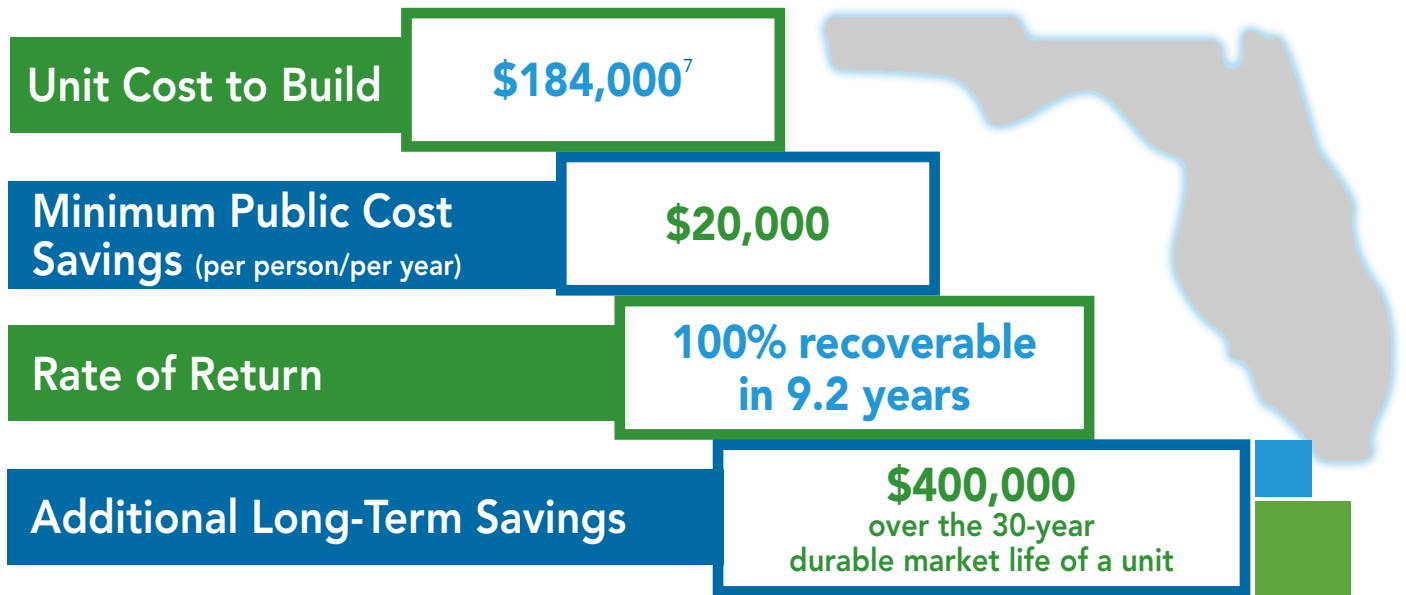
<sup>5</sup> Of the 113,936: 102,468 have a Disabling Condition, 8,295 are Survivors of Domestic Violence, and 3,173 are Youth Aging Out of Foster Care

<sup>6</sup> *The Path Forward: Rethinking Solutions for Homelessness in Florida*, by the Central Florida Commission on Homelessness & Barbara Poppe and Associates, September 2015.



## RETURNS ON INVESTMENT

Every unit of housing for a chronically homeless or special needs person generates major returns on investment.



## HOW FLORIDA PAYS FOR THIS TYPE OF HOUSING TODAY



Over the period of 1993-2015, it is estimated that Florida Housing Finance Corporation spent an average of \$177,987 per unit, funded 88% by Federal resources and 12% with State resources, including guarantees.<sup>8</sup>

Units financed by Florida Housing Finance Corporation (FHFC) rely on both State and Federal resources. Sources of State financing have included a portion of documentary tax trust fund revenues, including statutorily prescribed percentages, special appropriations; and program income administered by FHFC. Federal funds have included Low Income Housing Tax Credits, multifamily mortgage revenue bond authority, HOME funds, and occasional special purpose allocations.

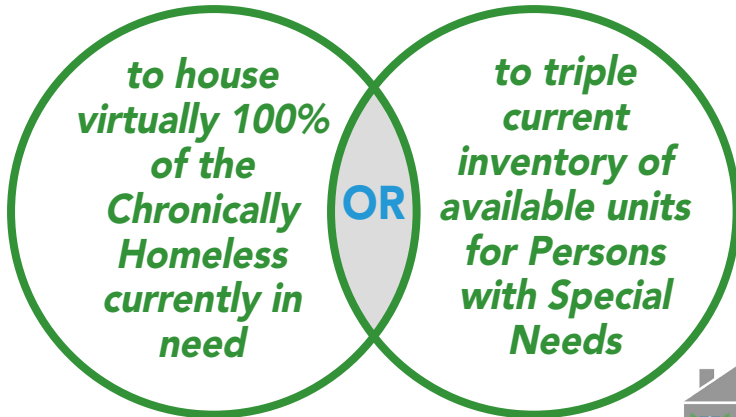
<sup>7</sup> Florida Housing Finance Corporation, 2015 Estimate.

<sup>8</sup> Florida Supportive Housing Coalition analysis of data provided by Florida Housing Finance Corporation, 2015.



# WHAT IT WILL TAKE

5,000 targeted housing units



**Total Financing Needed:**  
**\$184 million per year**  
**for 5 years**

representing

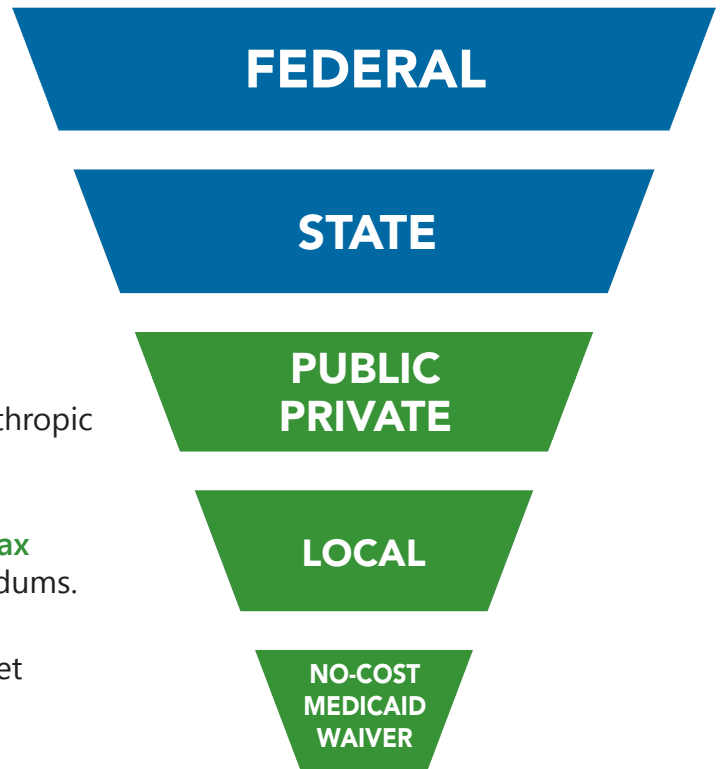
**Federal Share: \$139 million /yr**  
**State Share: \$ 45 million /yr**



## POLICY OPTIONS: MULTI-YEAR, MULTI-LAYERED FINANCING

Building enough housing to either virtually “end chronic homelessness” or triple the number of units for Persons with Special Needs will require a multi-year, layered policy approach to assemble the necessary capital investments.

- Set-aside 30% of Florida’s Federal Tax Credits for Homeless and Special Needs Housing.
- Direct 15% of all Florida Affordable Housing Trust Funds to Homeless & Special Needs Housing (which represents \$45 million/year based on 2016-17 State Revenue Projections).<sup>9</sup>
- Appropriate \$10 million to FHFC for public private financing initiatives that leverage private and philanthropic investment capital on a 4:1 matching basis.
- Amend the Florida Local Option Food & Beverage Tax Statute #212.0306 to allow for Local Option Referendums.
- Secure no-cost AHCA Medicaid 1115 Waiver to target high-needs persons in supportive housing.



Florida Community Loan Fund (FCLF) is a statewide Community Development Financial Institution (CDFI), certified by the U.S. Treasury. Over the past 20 years, FCLF has invested in projects valued at over ¾ of a Billion Dollars. Our financing and tax credits support all forms of affordable housing for ownership and rent, supportive housing for homeless and special needs, community facilities and economic impact projects. [www.FCLF.org](http://www.FCLF.org)

<sup>9</sup> Based on Florida Office of Economic & Demographic Research estimate of \$296.7 million in FY 2016-17 documentary stamp revenue as of August 2015.

Icons from [www.nounproject.com](http://www.nounproject.com): John T. Garcia and Megan Mitchell.

