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Their teen daughter sleeps in the living room. How America's worst affordable housing shortage is hurting tourism workers

By Chabeli Herrera
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Diego Henry makes the final adjustments to his white and khaki Toy Story Land uniform in the glow of the television before dawn.

He stands in the crowded space where his family will eat dinner around a coffee table at night. The same small room is also where he whispers to his wife, Kimberly, about bills they may not be able to pay on time.

They are careful to keep their voices down because this living room packed with their sofas, a fish tank, bikes, Goodwill DVDs and, on laundry day, clothes drying on racks, also has one more purpose: It's their 15-year-old daughter's bedroom.

A sheet on a rod hangs between Zoe's twin bed and the couch. Her mom sewed pink fabric on one side to match her bedspread and a brown floral pattern on the other side to go with the living room.

"We're just tired of being here," Diego Henry said one afternoon after work, reclining on the couch and still in his uniform. He took the 775-square-foot space in with one quick sweep. "This is not working."

The Henrys' lives for the past year have centered on what, so far, has been a painfully unattainable mission: They want to be able to afford a real bedroom for their daughter.

The sole-income household supported by Diego Henry's wages — he's a low-level manager at Walt Disney World's Hollywood Studios — brings in about $35,000 a year at $14.75 an hour, including some overtime. They live in Pine Hills, a largely impoverished community just west of Orlando.

"I want a wall," Zoe Henry said. "Just to shut the door and be like, 'I don't want to talk to anybody.'"

She wants to have a sleepover for the first time. She wants a table to build her Legos or her own desk to do homework. She could paint the wall teal, purple, green — but not all of those, obviously, because that wouldn't match. She wants a window.

The Henrys' desire for space is a familiar frustration for families across a region where finding an affordable place to live is harder than anywhere else in the country.

The shortage of affordable housing in the Orlando area is the most severe in the U.S. Just 20 units are available for every 100 low-income, working families who need them, according to the National Low Income Housing Coalition.

It's so bad that Orange County's mayor calls the scarcity of inexpensive apartments and houses "embarrassing." Officials also say the number of evictions is soaring to an epidemic level as rents continue to rise. And local governments such as Osceola County have raised development fees to some of the highest in the state to help cover the cost of roads and schools — leaving builders to conclude that constructing anything less than luxury houses or apartments just isn't profitable enough.

“We have such a fantastic state from a tourism standpoint ... but people can’t really afford what is currently, and has for quite a while, been the fair market rate,” said Scott Culp, with local affordable housing developer Atlantic Housing Partners. “That is where the rubber meets the road and where our crisis starts to happen.”

In Orlando, the median home price has ballooned 50 percent from 2000 when adjusted for inflation. As of 2018 it was $232,500, according to the Orlando Regional Realtor Association.

Rent is also on the rise. Between 2000 and 2017, the median cost of rent plus utilities in the Orlando area — Orange, Osceola and Seminole counties — rose by 13% to $1,163 a month, according to a Shimberg Center for Housing Studies analysis of census data compiled for the Orlando Sentinel.

Meanwhile, paychecks are moving in the opposite direction. Median renter income fell by 9% when adjusted for inflation, from 2000 to 2017. Overall, the median household income plummeted 12%.

Rising costs are hurdles for the Henrys and many of the other 280,000 hospitality workers who power the $75 billion local tourism industry.

Some families are living in places they can barely afford and spending larger slices of their income on rent and utilities — often more than the maximum of 30% considered by the Department of Housing and Urban Development to be manageable and still cover other monthly expenses.

The University of Florida’s Shimberg Center estimates about 74% of renters in Orange County who make about $32,400 a year or less are spending more than a third of their earnings on rent alone. That figure is 75% in Osceola County, 78% in Seminole County and 57% in Lake County for people making between 30% and 60% of the area median income in each county.

Central Florida offers a clear illustration of what happens when there’s a big demand for inexpensive homes, not enough supply and stagnant wages, said Amanda Gill, government affairs director for the Florida Apartment Association. About 1,000 new people move to the region every week.

“Orlando is kind of a perfect example,” she said.

Even those living in one of the few rent-restricted apartment complexes, like the Henrys who pay $578 a month, watch every dollar. Gas alone gobbles up more than $150 a month for what is typically an hour-long commute, Diego Henry said.

He has sacrificed space for low rent so he can try to sock away some savings. But putting enough aside to get ahead and move to a bigger place is, for now, still out of reach.

“That transition is killer,” he said. “I can’t, no matter what I do, I can’t seem to get past it.”

The Missing Middle

The sledgehammer brought by the 2008 recession landed harder in Central Florida than it did in many other places. The foreclosure rates and number of underwater homeowners often outpaced the rest of the nation.

Many small- to mid-size home-building companies were wiped out. Those that survived focused on the luxury market rather than two less-profitable needs: population booms in urban centers like Orlando or the surge of millennial renters, said Mitchell Glasser, who manages Orange County’s Housing and Community Development Division.

“Builders weren’t building moderately priced homes — they were not building affordable homes, that’s for sure,” Glasser said. “So you have a housing market where you have a lot of expensive homes and expensive apartments but not a lot in between.”

There’s a term for what Glasser describes: The missing middle.

On one end of the spectrum, there is federally subsidized housing, though a limited supply, for people who meet the very low-income requirements. And then there are options for people who can afford rent over $1,300 a month or homes above $300,000.

But there's not enough in that elusive sweet spot — duplexes, townhomes and houses between $150,000 and $300,000 or apartments under $1,000 a month in Orange County.

The National Low Income Housing Coalition puts the housing wage — how much you need to be making an hour to afford a two-bedroom, market-rate apartment in the Orlando metropolitan region — at $22.88. In Orange County, the median hourly wage for theme park attendants is $10.16 an hour, housekeepers make about $10.63 and fast-food cooks earn $10.08, according to the most recent data from the Bureau of Labor Statistics.

And so fewer people are making the move from renting to buying, either because it's not financially feasible or because they faced foreclosure during the recession. From 2007 to 2017, the Orlando area added nearly 113,500 renter households, while the homeownership rate fell from 66% in 2007 to 59% in 2017, according to the Shimberg Center, which researches affordable housing across Florida.

And renters' monthly budgets can be harder to manage because they must balance rent increases with unexpected expenses or changes in income, said Anne Ray, a researcher and manager at Shimberg.

"Once you lock down a mortgage rate for 30 years, you're paying the same amount" each month year after year, Ray said. "But rent can keep going up."

At the same time, developers are struggling to meet the insatiable demand for lower-cost housing because they are wrestling with higher tariffs on lumber, increased land prices and soaring labor costs due to a shortage of skilled workers in the home building industry, said Lee Steinhauer, a lobbyist for the Greater Orlando Builders Association. On top of that are bureaucratic hurdles like zoning restrictions and impact fees — what the developer pays to offset the cost of public services like roads and schools.

Osceola County, for instance, has one of the highest impact fees in the state. In 2019, the fees for a single-family home were nearly $22,000, compared to about $15,000 in Orange County.

"Before we put a shovel in the ground to even start building a house our costs are already so much that it really becomes difficult" to build affordable housing, Steinhauer said.

Verge of Epidemic

Rising rents are contributing to a new problem, too: more evictions.

The number of commercial and residential evictions reported in Orange County was 10 times higher in 2018 than it was in 2007, far outpacing population growth in that time period — an indicator, said Roberta Walton with Orange County, who tracks the eviction numbers, that the problem is metastasizing.

"We are on the verge of an epidemic," Walton said at the Central Florida Poverty Conference in June.

It's part of the reason why some people turn to living in motels.

In Central Florida, where there are more homeless people than anywhere in the state, some hospitality workers stay in motels along U.S. Highway 192 in Kissimmee, not far from the gates of Disney, said Eric Clinton, president of Unite Here Local 362, which represents Disney attractions and custodial workers.

Landlords are less likely to rent to those who have evictions on their records, said Larri Thatcher, an attorney with The Legal Aid Society who helps people at risk of losing a home after they fall behind on rent.

"There's no margin for error when you're living low income — and less margin when you're evicted," Thatcher said. Many of the families she works with are hospitality workers.

Motels seem cheaper because they don’t ask for application fees or first and last month’s rent. But they’re more expensive in the long run, about $1,000 a month, compared to affordable units, said Rev. Mary Lee Downey, who is building affordable apartments on land near her nonprofit, the Community Hope Center in Kissimmee.

Still, motels like the lavender Magic Castle, which served as the real-life backdrop for the 2017 film, “The Florida Project,” continue to fill some of their beds with residents, not visitors.

That’s paired with a tourism economy that is a magnet for unskilled labor, which feeds the homeless problem, said Mark Waltrip, chief operating officer at timeshare giant Westgate Resorts, who also served on the Central Florida Commission on Homelessness.

In all, 8,137 families in Orange, Seminole and Osceola counties are homeless. The largest chunk of them, 7,922, live with other families or in motels and hotels, according to data collected by the school districts.

“When a factory closes in South Carolina, people know they can move here any time of the year. Husband and wife can get combined income of $20, $25 an hour and live in a motel with the plan that they can move out and live in an apartment,” Waltrip said. “But that apartment doesn’t exist.”

Downey is hoping to ease that burden by building about 200 apartment units on 5.6 acres of land donated to her nonprofit in 2017 by the United Methodist Church.

"The most important thing that we can do with five acres of land is give people a place to live,” she said. But the $20 million to $30 million project will take years to complete and rely heavily on financial contributions to the nonprofit.

The extended and costly process has been a lesson in why Central Florida struggles to provide enough housing for low-wage workers.

“It’s expensive to build,” Downey said. “I mean, it’s basic business math.”

Picking up the Tab

Local officials are beginning to address the problems.

This year, Orange County Mayor Jerry Demings asked a panel of experts to come up with solutions to the housing crisis. And across the state, the issue has gained attention over the past two years, said Jaimie Ross, president and CEO of the Florida Housing Coalition.

Her biggest challenge is convincing lawmakers to leave alone a state trust fund for affordable housing.

Those dollars, known as the Sadowski Fund, are raided year after year by a Legislature with other priorities.

This year lawmakers took $125 million from the fund to cover other expenses. Another $115 million went to rebuild homes in the Panhandle after Hurricane Michael struck there in 2018.

If the fund were left untouched, counties and cities could have split $350 million in Sadowski money, as recommended in Gov. Ron DeSantis’ budget. Instead, Orange County will get about $1.9 million, just about 12% of what the county would have received if the funds weren’t diverted elsewhere.

Since 2003, lawmakers have grabbed an estimated $2 billion out of the Sadowski Fund — money that could have gone to build homes or provide down payments for low-income earners.

“This is indefensible, inexplicable, and that’s what happens,” Ross said. “They know we have a housing crisis. The Senate knows it, the governor knows it. I don’t know what words are strong enough to use.”

Locally, the impact of losing the money can’t be overstated, said Glasser, with Orange County.

About 600 households could have been helped if Orange received its full share — about $16 million — and could build more rental units or offer other services such as down payment assistance or home repair, Glasser said.

Instead, local governments and nonprofits are struggling to make up the difference. Orange County Mayor Demings put it plainly: The housing shortage and the county's poor ranking are "embarrassing."

Demings' task force presented recommendations in November.

Among them: A $10 million trust fund to build housing — set to increase by 10% each year — from the county's general revenues. The task force is also looking into a fee on commercial developments, as well as encouraging big employers to contribute to a housing fund. Representatives from Disney and Universal Orlando sit on the task force.

Other suggestions include cutting red tape to build duplexes and in-law suites that can be rented at low costs. The county also wants to preserve rent-restricted units that may soon lose affordability contracts.

If the county commission takes up all of the task force's recommendations in its 10-year plan, the group estimates as many as 30,300 units could be preserved or created. But it could take years for some of the proposals to lead to tangible action.

Orlando already adopted some of the ideas. The city has invested or committed more than $38 million into 15 affordable housing projects over the past five years, said Mayor Buddy Dyer. And it's relaxed the rules so owners can more easily rent out granny flats, or small units on the same lot as a house.

Osceola County took similar action this year, eliminating the minimum size for in-law suites and waiving fees, said Danicka Ransom, assistant human services director for the county. Osceola also set up a $1 million fund to waive a transportation-related fee for developers of affordable housing.

It's made a big difference, Ransom said, because "two years ago, we didn't have anything."

The tourism industry, meanwhile, has tried to address challenges for its workforce. Disney, the largest employer by far with more than 77,000 employees, allows full- and part-time workers to use pre-tax dollars from their paychecks for monthly bus passes, resulting in some savings for workers.

The company also offers on-site medical care to employees enrolled in the Disney-Cigna health plan, as well as on-site groceries at near-wholesale prices and free seminars to help with finances and other needs.

Visit Orlando, the travel marketing group, said affordable housing is "a challenge that our region, and state as a whole, is facing beyond the scope of any single industry."

But local officials in other places have found a way to use some of the money generated by hotel beds to help provide houses or apartments for workers.

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The Florida Keys, for example, carved out a 1% tourist impact tax. Part of that money has helped build more than 1,000 affordable units since 1988.

In Orange County, the nearly $277 million in tourist taxes collected in 2018 were used solely on marketing tourism, and on stadiums, museums, performing arts centers and the convention center.

"Our families that [live in motels] are paying that tax every time they live there," Downey said. "To me, when you only can use the tourist development tax for increased heads in beds, you don't get the opportunity to [improve] your community overall."

A Dream of More Space

Diego Henry is a self-described big man with a big mission beyond affording a bedroom for his daughter. He's an active union member and steward at Disney who helped rally coworkers to bargain with the entertainment giant last year over pay.

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At one point, before the final agreement, employees voted to turn down a Disney offer of 50 cents more per hour. Henry saw it as a clear message from the workers: We are worth more. He was so ecstatic, he couldn't sleep that night.

"I felt like I won the Super Bowl," he said.

On Aug. 24, 2018, he got word that Disney and its six unions had reached an agreement. The company would phase in raises until all 40,000 unionized employees hit $15 an hour in the fall of 2021. Today, none of the union members earn less than $13, and the number of members earning more than $15 has more than quadrupled since last year, according to the Service Trades Council Union.

The boost in wages has brought changes for the Henrys, who are borrowing from payday lender Amscot Financial a lot less these days.

Kimberly Henry, who had to leave her job at Universal Studios in 2018 when she was diagnosed with chronic and crippling migraines, is searching for a less physically demanding job that'll fit her hospitality experience.

On a recent Tuesday afternoon, mom, dad and daughter were all home together. Diego and Kimberly Henry scrolled through real estate listings from the couch while Zoe worked on homework on a school-provided laptop in her parents' bedroom, the door cracked open.

Zoe's assignment asked her to choose a future career. She wants to be a space scientist.

"So I needed to start small, so I said, 'I will be an astronomer,'" she explained, pointing at her screen. "Instead of saying, 'I want to be an astronomer,' I'll say, 'I will be an astronomer,' because I'm pretty sure I will be."

She's smart — earlier this year, she got accepted into a STEM summer program in Atlanta. Tuition was $2,500. The Henrys set up a GoFundMe page, but only one person donated $5. Zoe never went.

In the living room, her parents weren't having much luck on Zillow finding a home for the price they hope to afford some day. Their voices filtered into the bedroom.

"We just won't eat for the rest of our lives," Diego Henry said sarcastically about a property listed above their $150,000 budget.

He still envisions the day he can move his daughter to a place with her own room.

"To give her actual space is something that I would love to take pride in, that I have a part in that. And right now, I can't say that I can do that," he said. "I give her what I can. But every dad wants to give their princess the world."

Data specialist Adelaide Chen and former Orlando Sentinel staff writer Kyle Arnold contributed to this report.

This story is part of Laborland, the Orlando's Sentinel's four-part series on the challenges facing tourism workers in the most popular vacation destination in the country nearly 50 years after the opening of Walt Disney World.

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