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This was the year for Central Florida to make headway on affordable housing. Then the virus hit. | Part 3 of Special Series

Here's your AM rundown of people, politics and policy in the Sunshine State.

By Caroline Glenn and Kate Santich | December 17, 2020

At the dawn of 2020, the Rev. Mary Lee Downey could almost see the promised land she'd talked about for nearly a decade.

In a tree-dotted pasture less than a mile from the Community Hope Center she runs in Kissimmee, a 225-unit affordable-housing complex would rise from 5½ acres donated by the United Methodist Church. There, working-class families now crowded into rundown, rent-by-the-week motel rooms, some of them with no electricity, would finally have a real home.

The project would take upwards of $38 million, but at that moment, the public embrace of affordable housing had never been stronger. For the first time in 13 years, state lawmakers were about to halt their annual siphoning of money from the Sadowski Trust Fund, paid through a small tax on real-estate transactions, and allow the money to go to its intended purpose.

A regional housing trust had launched. Orange County had just completed a 10-year plan to build 30,000 new units. Local governments and nonprofits had a record number of affordable housing projects in the pipeline. And support from corporate donors and philanthropists had reached new heights.

"People were paying attention," Downey said. "We were right on the cusp, planning to break ground in the fall. The money was going to be there, the excitement was going to be there, everything. And then the pandemic hit. And everything stopped."

Donations for capital campaigns dwindled. Coronavirus relief grants from Congress helped nonprofits, city and county governments funnel payments for overdue rent and utility bills, but thousands of families were turned away. Nonprofits like Downey's were forced to focus on emergency aid, including the massive effort simply to keep people fed.

Then, over the summer, Gov. Ron DeSantis delivered another punch when he vetoed the entire $225 million State Housing Initiatives Partnership, or SHIP, which included two-thirds of the annual Sadowski money and a program that largely shoulders the cost of building and rehabbing affordable housing. In all, Orange, Seminole, Lake and Osceola counties lost out on more than $27 million.

Already, housing advocates are bracing for 2021′s legislative session and the real possibility the Sadowski Fund will be raided again to make up for the budget deficits brought on by the pandemic. At stake is $600 million sitting in the fund, bolstered by home sales that were surprisingly unaffected by the pandemic.

And while the region struggles to address the housing shortage, another crisis looms: more than 3,400 evictions filed in Orange County since April and as many as 105,000 residents still out of work in metro Orlando.
"This went from being the best year to the absolute worst," said Jaimie Ross, president and CEO of the Florida Housing Coalition. "This is just digging us into a deeper hole in our housing crisis."

Central Florida's housing crisis appeared to hit rock bottom in 2019 when the National Low Income Housing Coalition dubbed it the **worst place in the country for finding affordable places to live**, with only 13 affordable and available rental homes for every 100 households who needed them.

Median rent here is between $1,139 and $1,188, and half the region's jobs pay $34,320 a year or less.

It was no secret that Central Florida's economy is built on the backs of low-wage workers who clean hotel rooms, drive city buses, serve fast food, and play characters at Disney World and Universal. But that dishonorable distinction seemed to be the wake-up call the area needed to jolt it into action.

Orange County Mayor Jerry Demings, fewer than 100 days into his term, formed a task force to find solutions. The result was a **plan that called for the county to add 30,300 units by 2030**, 11,000 for residents who make between $26,000 and $83,000, and 19,300 for individuals making between $83,000 and $97,000.

It would also inject $160 million into housing projects over the next decade, including donations from corporations. The plan itself hasn't been upended by the pandemic. Mitchell Glasser, manager of Orange County's housing and community development division, said the county rejected the idea of using some of the money for COVID-19 relief.

In the next three years, the county is projecting it will spend $33.1 million to build or preserve at least 2,141 units. To encourage construction, the county is **loosening zoning codes and setting up a loan program** for nonprofits. Glasser's department has also been identifying vacant residential lots that can be purchased by nonprofits.

Plus, with more people working from home and some businesses closing completely, there could be an influx of vacant commercial properties able to be converted into housing.

Earlier this year, a group of Central Florida businesses and philanthropy leaders also announced the **creation of a $100 million fund** to build, renovate and preserve an estimated 25,000 homes and apartment units over the next decade. The fund was designed to give developers of affordable and workforce housing access to low-interest loans, subsidies and gap funding at a time when housing prices had soared.

At the time, leaders predicted it would reach its target by year's end.

"And then here came coronavirus," said Frank Wells, CEO of the Central Florida Regional Housing Trust, which helped launch the fund. "And everybody said, 'We're not in the mind for these conversations now. We don't even know if we'll have a business or a workforce … Who knows what our corporate investments will look like?'"

Leaders decided to put the entire initiative on hold with plans to relaunch it in January, when, they hope, corporations and foundations will have a sunnier outlook.

Still, the most painful setback is the loss of the SHIP money, which counties rely on to pay for home repairs and down payment assistance for low-income residents. DeSantis later announced he was deploying an additional $240 million from the federal CARES Act for rental and mortgage assistance to supplant SHIP, but that money must be used by the end of the year and can't be spent on things that aren't related to COVID-19.

"If you don't do a roof on a house, pretty soon you don't have anything left," said Oren Henry, Orlando's housing and community development director.

But all of those programs were pushed to the back burner when the pandemic broke out and it became clear renters would take one of the biggest hits. Local governments, trying to prevent **a new wave of homelessness**, had to quickly shift their focus from building more places to propping up rental assistance and eviction prevention programs.

A state ban on evictions in place through September and the **Centers for Disease Control and Prevention's federal moratorium** that runs through the end of the year have largely staved off the mass evictions that housing experts feared. But once the CDC order expires and without more relief from Congress, experts predict there will be an avalanche of filings. And by then, tenants will be months behind on rent.

To date, Orange County's rental and mortgage assistance program has distributed $44.6 million to 44,674 families and individuals, and the **eviction diversion program** has doled out $6.8 million to cover up to $4,000 in rent for 2,324 tenants whose landlords agreed to participate.

"I think we're headed for a tsunami of housing demand like I don't think we've ever experienced," Wells said.

Some projects advance

Despite the pandemic, a handful of projects have moved forward.

In June, Orange County opened Preserve at Emerald Villas, a 55+ apartment complex for seniors making less than $39,000. The $18 million development was built on the grounds of the former Seville Place Apartments, a dilapidated complex razed in 2011. Also in the works are the $19 million Hawthorne Park in Pine Hills and the $23 million Madison Landing in the Mall at Millenia area, two other rent-restricted senior communities.

In November, Orlando broke ground on Fairlawn Village, a $24 million, 116-unit affordable housing complex that's part of the city's master plan to rehabilitate blighted apartments along Mercy Drive corridor, a neighborhood where 83% of residents are Black and the median household income is less than $18,000 a year. Twenty of the units will be reserved for people who are currently homeless, survivors of domestic violence, disabled people, or youths aging out of foster care.

And theme park giant Universal Orlando launched a nationwide search this year for a developer to design and build 1,000 affordable units on 20 acres it donated.

But in July, after the National Low Income Housing Coalition's latest **"Out Of Reach" report** on the affordability gap was published, any hope of something more than isolated victories this year had faded. Orlando residents would have to make about $23 an hour, a $47,840 yearly salary, to afford a onebedroom rental, the report found, and Floridians making minimum wage, currently $8.56, would need to work 114 hours a week.

“In no state, metropolitan area, or county in the U.S. can a worker earning the federal or prevailing state or local minimum wage afford a modest two-bedroom rental home at fair market rent by working a standard 40-hour workweek,” the report stated. Florida this year passed a $15 minimum wage, but because it only increases $1 per year, it’ll take until 2026 to reach that.

As more units are added, though, advocates are also on guard trying to preserve the area’s existing stock of affordable housing from for-profit developers.

In August, the nonprofit Orlando Neighborhood Improvement Corporation sealed a deal to buy a 14-story tower a block south of Lake Eola called Baptist Terrace, an affordable senior housing development that opened in 1970. The prime location would have had private developers drooling to convert it to pricey urban lofts, likely displacing the 197 seniors living there.

But First Baptist Housing sold the property for $15.7 million just before the 50-year mark — at which point federal requirements that it be used strictly for low-income housing would have expired.

Around the same time, California-based Lincoln Avenue Capital bought Silver Hills Apartments, a 272-unit affordable apartment complex home to 550 residents, for $22 million. In recent years, the company has been aggressively acquiring low-income housing projects around the country with the intent of preserving them.

It now owns 10,000 affordable units across 50 properties in 10 states.

“They [private companies] see a nice piece of land, and if the market demand is there, they just go to the bank, get their money and start building,” said Bob Ansley, president of ONIC. “The public money is kind of like an elliptical orbit around the Earth — we have to try to snag some of it when it gets close.”

‘How are we going to rebuild?’

At a standstill is Downey’s Hope Village, on hold while she shifts focus to more urgent needs — helping to shelter the newly homeless and getting people out of the Lake Cecile Inn and Star Motel, a pair of rundown hotels where electricity and running water were turned off after the landlord abandoned the properties and stopped paying utility bills.

During a visit to the Lake Cecile Inn last December, most of the deadbolts had been removed from the doors, leaving them open for anyone to walk in. The dumpster was spilling over with trash, and the swimming pool was drained with only Coke cans and a boogie board lying on the bottom. Outside one unit was a makeshift stove made out of cinder blocks and aluminum foil, so families could cook without power.

From the Star Motel next door, the Community Hope Center relocated dozens of people after sewage began to back up into their rooms.

But people are still moving into hotels, even these hotels, desperate for any place to stay. It’s how most of the 8,137 homeless families in Orange, Seminole and Osceola counties survive, according to data collected by the school districts, but it isn’t cheap. A furnished hotel room usually goes for about $1,000 a month, but for residents who can't afford first and last month's rent or who have evictions and arrests on their record, it's usually their only option.

Downey is now exploring converting an older hotel into apartments, an effort that in Branson, Missouri, costs as little as $4,000 per unit in acquisition costs. Downey has yet to find anything in Osceola below $35,000 per unit — and that's before necessary repairs and upgrades, including fire alarms and sprinkler systems to bring the units up to code.

She insists she's an optimist. She believes the housing crisis will ease and progress will resume.

But some days, when the food lines are especially long and another few thousand theme-park workers are laid off, she can't help but wonder aloud: "How are we going to rebuild an economy if we still don't have the housing necessary for the people who are going to help us do it?"

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