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Report: Fully funding affordable housing would have \$5B impact

It would house 47,845 people, create 33,286 jobs and return \$167 million in tax revenues.

By Drew Wilson | February 2, 2021

The [Sadowski Coalition](#) on Tuesday released an economic study that shows using affordable housing funding for housing would create thousands of jobs and put millions into state and local coffers.

“[An Economic Analysis of the Florida Housing Programs](#),” produced by the [Regional Economic Consulting Group](#), analyzed the economic impact of using the state and local housing trust funds solely for housing, as it relates to Florida’s GDP, employment, output, state and local tax revenues, and personal income generated through direct, indirect and induced impacts.

It found that every dollar from the state and local housing trust funds for housing increases government revenues by 40 cents. If lawmakers appropriate the full \$423.3 million collected in the state and local housing trust fund over the past year, revenues would increase by \$167 million — \$86.6 million for the state and \$80.5 million for local governments.

Notably, Gov. **Ron DeSantis**’ budget recommendation would use [the full \\$423 million](#) to fund major housing programs in the state.

“This study shows us that using the Sadowski trust fund money for housing creates revenue for Florida,” said **Jaimie Ross**, facilitator of the Sadowski Coalition and president of the Florida Housing Coalition. “With every dollar spent, there’s a 40% return on investment, in addition to producing desperately needed housing.

“The impact of using these funds for housing is significant. It’s clear that the benefit of using all the money in the trust funds for housing is not just for those that need housing, it’s also for the state. More than \$167 million in taxes would be collected and returned to Florida by using \$423.3 million for housing. The same can’t be said if those funds are swept and used for other purposes, and that substantial of a return shouldn’t be ignored,” concluded Ross.

Overall, the study concludes the full allocation would house 47,845 people, create 33,286 jobs and have a \$5 billion economic impact.

“New housing construction creates tremendous benefits for Florida workers, businesses, and the economy as a whole. The Florida Chamber and the Sadowski Coalition have always known that building new housing options for our growing communities would lower the cost of living and increase the number of jobs in our state,” said **Christopher Emmanuel**, director of infrastructure and governance policy at the Florida Chamber of Commerce. “Now, through the work of the Sadowski Coalition and the researchers at REC Group, we have a better idea of the economic impact of these important funds.”

The Associated Industries of Florida SVP for state and federal affairs **Brewster Bevis** added, “This study shows that by using the Sadowski trust fund money for housing, Florida is making a smart investment,

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not just for the Floridians that need housing, but for the revenue that is generated for our state. We've always known that using Sadowski trust fund money for housing had a significant return on investment, and this study confirms that. AIF is hopeful that lawmakers will appropriate the \$423.3 million for housing, so this ROI can be realized in Florida."

Florida Realtors, the largest statewide trade association in Florida, has also been [a staunch supporter](#) of full funding.

"The State and Local Government Housing Trust Funds remain a critical tool in Florida's effort to solve its affordable housing crisis," said **Cheryl Lambert**, 2021 president of Florida Realtors and broker-owner with Only Way Realty Citrus in Inverness. "This study further amplifies that fact by demonstrating the ability of the trust funds to care for both the wellbeing of Floridians and the economic needs of the state."

The REC Group is an analytical think tank with expertise in general state and tax policy, constitutional amendments, state trust funds, and other state and local projects, and covers a wide-ranging field spanning economic outlooks to demographic and labor market studies.

It uses the latest techniques in econometric modeling and methodologies to produce fiscal impacts that are then applied to pending legislation and government projects, including REMI modeling, IMPLAN, cost-benefit, general input-output analysis, and econometric modeling and analysis, to estimate the fiscal and job creation impacts of policy initiatives.

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