

EXCLUSIVE
**SARASOTA
COUNTY**
REPORT



HOME MATTERS

REPORT FROM THE FLORIDA HOUSING COALITION





HOME IS WHERE WE
FIND RESPITE;
where we feel safe where we
CONNECT with our **FAMILY**
keep our belongings and establish
ourselves within **OUR COMMUNITY.**

QUICK FACTS:

Sarasota County isn't paradise if you can't afford housing.

- Over 18,400 very low-income households—including hardworking families, seniors, and people with disabilities—pay more than 50% of their incomes for housing.
- On a single day in January 2015, 943 people in Sarasota County were staying in homeless shelters or on the streets.
- Sarasota County's economy is dominated by low-wage jobs, particularly in the service industry. In many occupations, workers do not earn enough to rent a modest apartment or buy their first home.

WHY DOES HOME MATTER?

The health, safety, and welfare of Sarasota County and the strength of its economy hinges on an adequate supply of affordable housing for working families, elders, and people with disabilities living on fixed incomes.

AFFORDABLE HOUSING REDUCES TAXPAYER EXPENSES

- Affordable, community-based housing for seniors and people with disabilities is about one-third of the cost of institutional care.
- Chronically homeless individuals often cycle through jails, hospitals, and other crisis services. Permanent supportive housing for this high-need population can reduce taxpayer costs by about \$20,000 per person per year.
- Affordable housing can improve the health and educational outcomes of low-income families and children, reducing the public costs associated with illness and poor school performance.

AFFORDABLE HOUSING BOOSTS THE ECONOMY

- Money spent on affordable housing construction and rehabilitation has a ripple effect on local economies. Contractors and suppliers spend money on materials and labor, and workers spend their earnings locally.
- For Fiscal Year 2015-2016, Sarasota County and the City of Sarasota are estimated to receive a total of \$1.87 million in State Housing Initiatives Partnership (SHIP) funds, creating nearly 200 jobs and generating over \$24 million in positive economic impact.



The Florida Housing Coalition has produced this report in support of Home Matters® (www.HomeMattersAmerica.com), a national movement to make Home a reality for everyone by elevating the importance of Home's impact on people's health, education, personal success, public safety, and the economy. Participating in Home Matters is a coast-to-coast coalition composed of members of the general public, leaders of housing and community development organizations, as well as other organizations concerned about increasing the positive impact of Home in their communities.

SECTION ONE:

Introduction

Home is the foundation of a vibrant community like Sarasota County. Home is our foothold in the neighborhoods where our children play and go to school. It is where we rest after a hard day’s work, where we store our belongings, where our children do their homework. And for those of us who own homes, they are often our single greatest source of wealth.

For many low-income residents in Sarasota County, however, their housing is a source of stress rather than respite. Thousands of working families are paying more than they can afford for housing, and cutting back on necessities like nutritious food and health care as a result. Other low-income families respond to high housing costs by living in substandard housing, doubling up with family and friends, or moving frequently, all of which have negative impacts on their health, their children’s education, and the wider community. By contrast, an adequate supply of affordable housing helps families put down roots, stay healthy and get ahead.

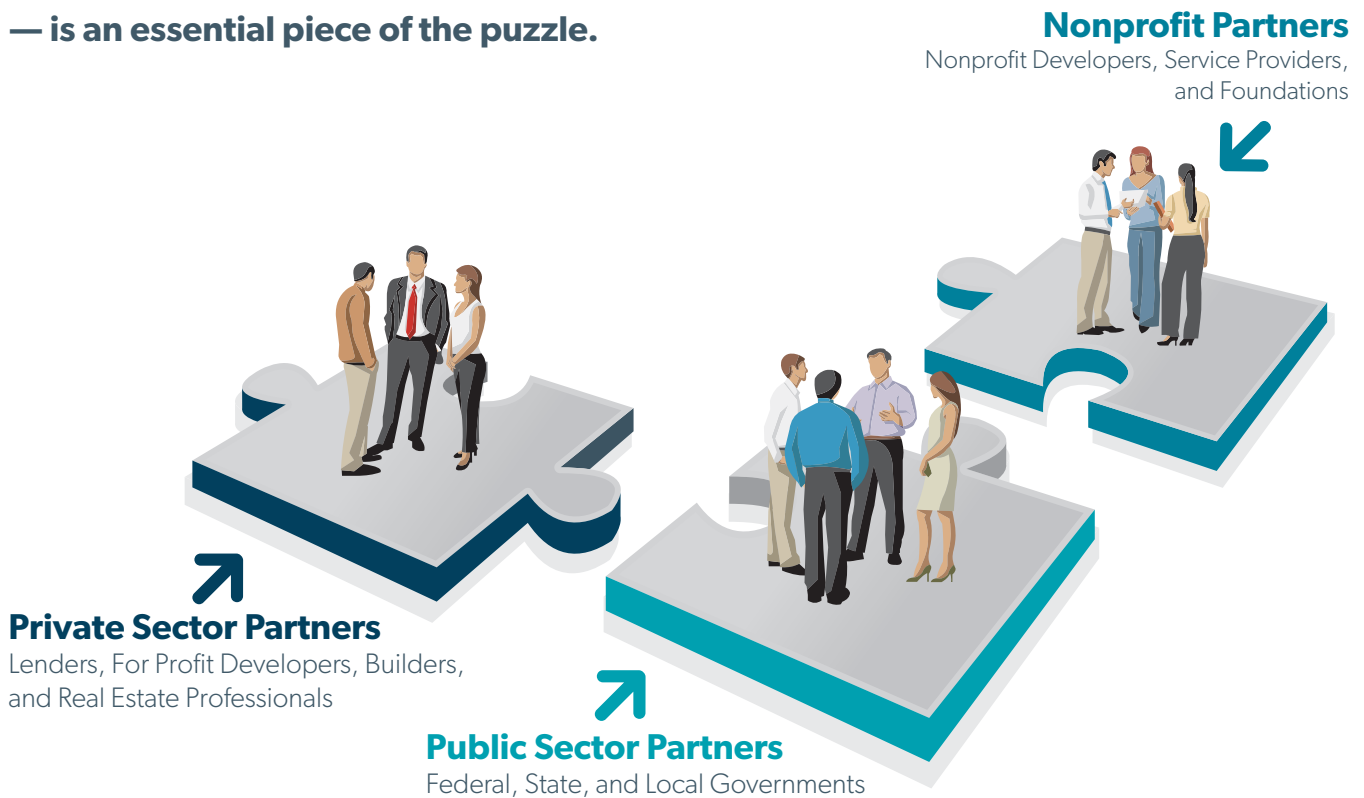
What is Affordable Housing?

In addition to being a basic human need, housing is a market commodity. However, the cost of constructing and maintaining

a decent house or apartment exceeds what many low-income families can afford to pay in rent or mortgages. Additionally, in desirable communities like Sarasota County, more affluent homebuyers and renters bid up the price even of relatively modest housing. As a result, many low- to moderate-wage workers, and people living on fixed incomes due to age or disability, are priced out. Simply put, the inability of the housing market to supply these families with adequate housing is a market failure.

The way to correct this market failure is to provide incentives that make it profitable for private developers to invest in affordable housing. These incentives come from public-private partnerships among lenders, real estate professionals, community-based nonprofit organizations, and local, state, and federal government agencies. Affordable housing funders

**Every partner and every funding source in this community effort —
public, private, and nonprofit
— is an essential piece of the puzzle.**



typically impose high standards for building quality and property management. Every partner and every funding source—public, private, and nonprofit—is an essential piece of the puzzle.

The remainder of this section summarizes the benefits of affordable housing and provides a brief overview of Sarasota County. Section 2 presents data on the need for affordable housing among low-income households in Sarasota County, including those in housing and those who are homeless. Sections 3 and 4 explore drivers of housing cost burden for low-income renters and owners, respectively, in more detail. Finally, Section 5 describes the role of the Sadowski Housing Trust Funds and other resources in crafting solutions to the affordable housing challenges in Sarasota County.

The Benefits of Affordable Housing

Economic Benefits

Affordable housing—like any other housing development—is an economic powerhouse. Construction and rehabilitation creates local jobs directly, as well as creating business for local suppliers, who in turn hire new workers to meet the increased demand. The workers provide a further boost to the economy by spending their wages at local restaurants, grocery stores, and other businesses. Once the development is finished and occupied, the residents create demand for ongoing jobs to meet their needs.

Affordable housing also helps to attract employers to a region. In one survey, employers were asked which factors they consider when choosing a new branch location. Housing availability and cost were among the most important “quality of life” factors—only low crime rates and health care facilities ranked higher¹. When local housing costs are out of reach for entry-level and mid-level employees, they must live remotely and commute to work, increasing traffic congestion. Employers may find it harder to attract skilled workers, and have more problems with employee absenteeism and turnover².

In addition, affordable housing programs are less costly to taxpayers than providing social services to persons

who are elderly, have disabilities, or are homeless or precariously housed. According to an AARP report³, Medicaid-funded nursing home care in Florida for seniors and people with disabilities costs over \$30,000 per person per year, compared to less than \$10,400 for Medicaid Home and Community-Based Services. For an individual with developmental disabilities, HCBS costs \$30,323 annually, compared to over \$109,000 for an intermediate care facility. Chronically homeless individuals, meanwhile, are often heavy users of public crisis services such as jails and emergency rooms. A study in Central Florida estimates that permanent supportive housing for chronically homeless individuals saves taxpayers an estimated \$20,000 per person⁴.

Health and Education Benefits

Housing plays a major role in our physical and mental health. For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:

- Families in unaffordable housing are likely to cut back on nutritious food and health care⁵.
- Substandard housing poses a variety of health hazards. Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury^{6,7}.
- Many low-income families move frequently or double up with friends and relatives if they cannot find affordable housing. Frequent moves are associated with stress and depression, and overcrowding has been linked to poor health in children^{8,9}.
- Homelessness exacerbates a person’s pre-existing health problems, and living on the streets or in shelters poses unique health risks (including tuberculosis, violence, and exposure to weather). Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry¹⁰.

Many of the health problems associated with a lack of affordable housing are closely connected to children’s

WHAT IS AFFORDABLE HOUSING?

Misconceptions about affordable housing are widespread, with many citizens associating it with large, distressed public housing projects in central cities. However, plenty of public housing authorities in communities around the nation, large and small, are well-managed and have decent units.

Furthermore, public housing is only one type of affordable housing. In this report, “affordable housing” refers to privately owned housing that receives a subsidy to bring its rent or purchase price down to a level affordable to a low-or moderate-income family. Except for the subsidy, affordable housing is indistinguishable from market-rate housing—it has the same architectural and landscaping styles, and often has basic amenities like energy efficient appliances and community gathering spaces. Substandard housing is, by definition, not affordable housing.

HOUSING PLAYS A MAJOR ROLE IN OUR PHYSICAL AND MENTAL HEALTH.

For low-income individuals and families, lack of affordable housing can have a multitude of negative effects:

Food & Health Care

Families in unaffordable housing are likely to cut back on nutritious food and health care.



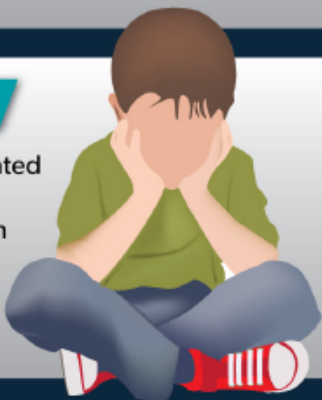
Health Hazards

Dust, mold, and cockroaches can cause asthma and allergies, and peeling lead paint can reduce IQs and cause behavioral problems in children. Unsafe structural conditions, such as faulty wiring, increase the risk of fire and injury.



Stress & Depression

Frequent moves are associated with stress and depression, and overcrowding has been linked to poor health in children.



Exacerbated Health Problems

Living on the streets or in shelters poses unique health risks. Homelessness also makes it difficult to rest and recuperate after illnesses, find a place to store medications, and keep wounds clean and dry.



educational performance. For example, exposure to lead paint is known to cause developmental delays in children, while asthma from exposure to dust and mold can cause children to miss school and fall behind. Frequent moves, overcrowding, and homelessness have also been linked to lower educational attainment in children¹¹.

If a lack of affordable housing can contribute to ill health and educational problems among low-income families and children, then affordable housing is the foundation for good health and achievement in school. For example, a study in Boston found that children in subsidized housing were 19% less likely to be food insecure and 35% more likely to be in good health than children whose families were on the waiting list for subsidized housing¹². Additionally, both subsidized rental housing and homeownership have been linked to better educational outcomes for children^{13,14}.

Overview of Demographic, Housing, and Economic Characteristics

Sarasota County is a mid-sized county with a less racially and ethnically diverse population than the state as a whole. A full third of the County's residents are over the age of 65, which helps explain the low labor force participation rate (48%, compared to 59% statewide). The County's homeownership rate is 74%, nearly 10 percentage points higher than the state's. The median income for owner households is slightly lower in Sarasota County than in the state, while the median renter income is higher. Median housing costs for both renters and mortgaged homeowners are moderately lower in the County. The County's unemployment rate is comparable to that of the State (7%), while the poverty rate is lower (13%, compared to 17%).

These characteristics have implications for the nature of local affordable housing needs and the most feasible options for local funding. For example, a high percentage of elderly residents suggests a need for housing that is accessible to people with limited mobility and conveniently situated near community services. It also suggests that raising local revenue may be difficult due to widespread elderly homestead exemptions. The following section examines Sarasota County's affordable housing needs in more detail.

Table 1: Basic Comparison Data for Sarasota County and the State of Florida in 2013.
 (Source: American Community Survey [ACS] 2013 1-year estimates¹⁵, Bureau of Labor Statistics 2013¹⁶.)

Variable	State of Florida	Sarasota County
Population	19,552,860	390,429
White/Caucasian Percent of Population	76%	91%
Black/African-American Percent of Population	16%	5%
Hispanic/Latino Percent of Population	24%	9%
Homeownership Rate	65%	74%
Median Owner Income	\$55,740	\$53,461
Median Renter Income	\$32,131	\$35,411
Median Monthly Owner Costs (with mortgage)	\$1,368	\$1,280
Median Gross Rent	\$972	\$961
Percent of Population 16 and Older in Civilian Labor Force	59%	48%
Unemployment Rate	7%	7%
Poverty Rate	17%	13%
Elderly (65 and older) Percent of Population	19%	33%

SECTION 2:
Housing Cost Burden and Related Factors
Low-Income, Cost Burdened Households in Sarasota County

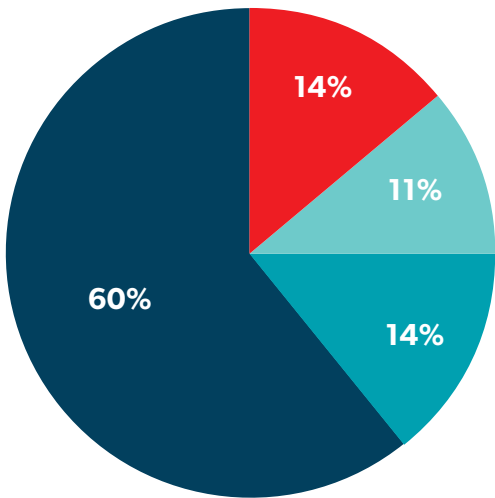
Housing is generally considered affordable if it costs no more than 30% of a household’s income. Households who pay more than this amount are considered “housing cost burdened”. This is not a perfect benchmark, since it is applied equally at all income levels. However,

it is a reasonable standard for most low-income households. More conservative analyses of housing affordability focus on low-income households who are “severely cost burdened”, or paying more than 50% of their incomes for housing. See the Sidebar on p. 7 for a discussion of terms related to housing costs and incomes.

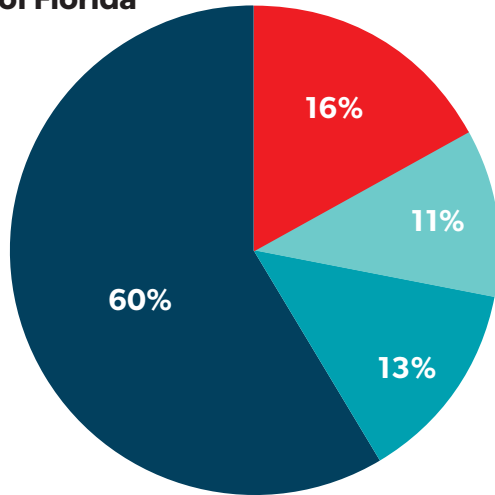
Figure 1 shows the distribution of cost burden and incomes among households in Sarasota County and the state as a whole. The

Figure 1. Low-Income, Cost Burdened Households in Sarasota County and the State of Florida in 2013.
 (Source: Custom tabulations by the Shimberg Center for Housing Studies¹⁷. Due to rounding, numbers may not add up to 100%.)

Sarasota County



State of Florida



■ **Low-Income, Severely Cost Burdened**
 ■ **Low-Income, Moderately Cost Burdened**
 ■ **Low-Income, Not Cost Burdened**
 ■ **Not Low-Income**

County has over 43,000 low-income households with moderate or severe cost burden, accounting for 25% of all households. Of these 43,000 households, 46% are headed by an elderly person (65 or older), and 32% have a member with disabilities^a.

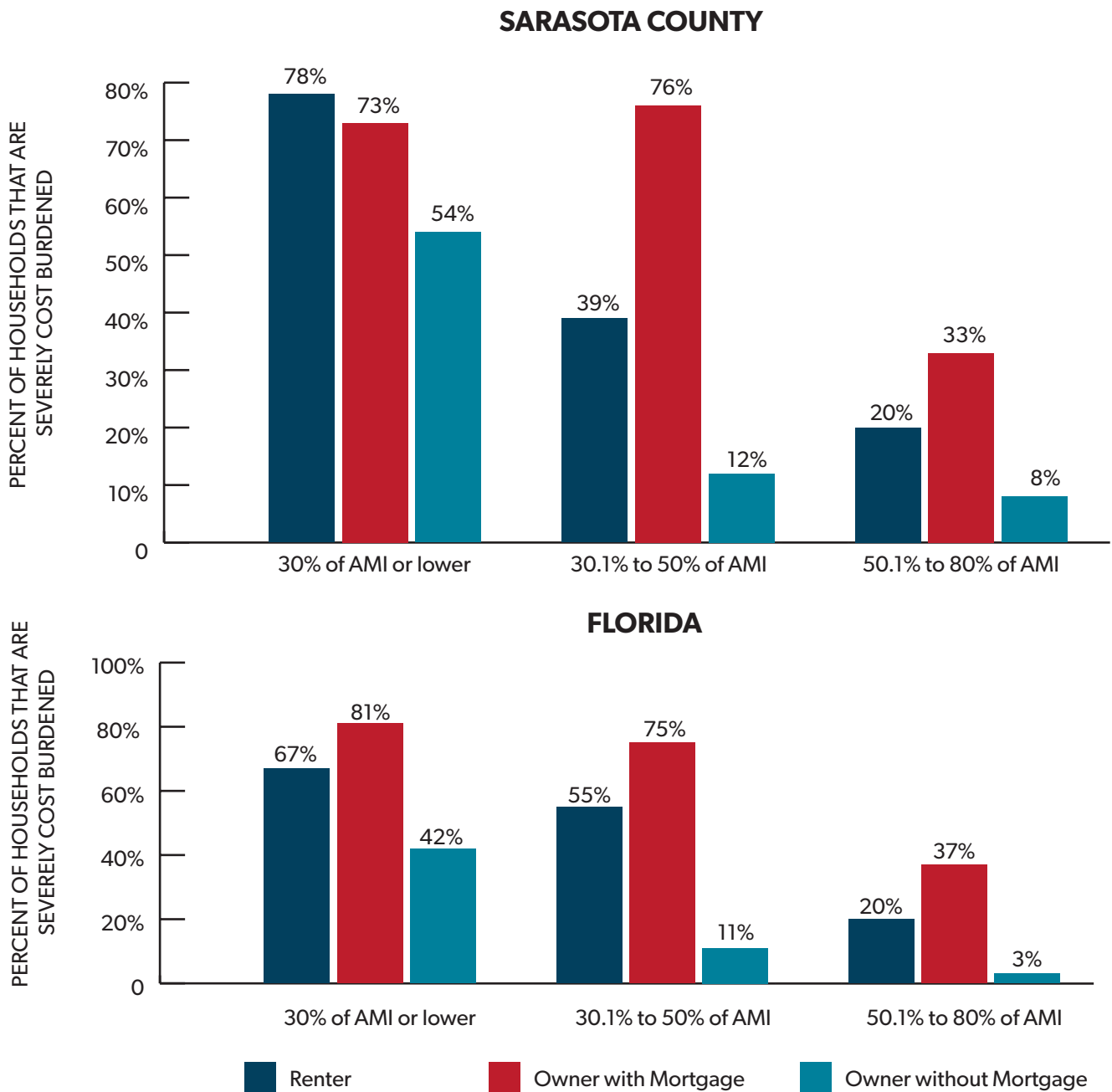
Over 24,500 of the County’s low-income households—14% of all households—are severely cost burdened. The prevalence of severe cost burden among low-income households is comparable between Sarasota County and the state as a whole. However, this data does

not capture recent changes in the County’s housing market (see Section 3).

When the data on cost burden is examined in more detail, it is clear that some Sarasota County households fare better than similarly situated households statewide, and others fare worse, depending on tenure and income bracket. Figure 2 shows the prevalence of severe cost burden by household tenure and income bracket in Sarasota County and the state. In the County,

^a There is overlap between low-income, cost burdened households headed by an elderly person, and those with a member with disabilities.

Figure 2: Prevalence of Severe Housing Cost Burden by Household Tenure and Income Bracket in 2013.
(Source: Shimberg Center.)



extremely low-income (ELI) owners with mortgages, and renters in the 30.01% to 50% Area Median Income (AMI) bracket, have notably lower rates of severe cost burden (73% and 39%, respectively) compared to statewide values for comparable households (81% and 55%, respectively). However, the County’s ELI renters and owners without mortgages have relatively high rates of severe cost burden (78% and 54%, respectively) compared to statewide values (67% and 42%, respectively).

In a similar vein, Sarasota County’s slight decrease in cost burden among low-income households obscures larger differences among different household types. Between 2005 and 2013, the County’s share of low-income households that are cost burdened slipped from 66% to 64%, while the severely cost burdened share dropped from 39% to 36%¹⁸. However, ELI renters and renters between 50.01% and 80% AMI experienced relatively high increases in severe cost burden (12 and 9 percentage points, respectively). For ELI renters, the increase in severe cost burden drove the increase in overall cost burden (10 percentage points). For the latter group of renters, the rate of overall cost burden actually decreased by a percentage point, suggesting that housing costs as a share of income increased among renters that were already cost burdened (Table 2).

The strong increase in cost burdens among ELI renters is striking because it contradicts nationwide trends. In a 2013 report on rental housing in the United States, Harvard’s Joint Center for Housing Studies found that increases in cost burdens among low-income renters over time have occurred mainly among households with moderately low incomes. Among the lowest-income renters

Table 2. Changes in Prevalence of Cost Burden and Severe Cost Burden between 2005 and 2013 in Sarasota County, by Tenure and Income Bracket.
(Source: Shimberg Center.)

Overall cost burden (moderate and severe)	Percentage Point Change 2005 - 2013		
	30% AMI or Less	30.01 to 50% AMI	50.01 to 80% AMI
Owner Households with Mortgage	-6%	-4%	-10%
Owner Households without Mortgage	3%	-7%	8%
Renter Households	10%	-5%	-1%

Severe cost burden	Percentage Point Change 2005 - 2013		
	30% AMI or Less	30.01 to 50% AMI	50.01 to 80% AMI
Owner Households with Mortgage	-9%	-6%	-8%
Owner Households without Mortgage	-1%	-5%	4%
Renter Households	12%	-26%	9%

Terminology for Income & Housing Cost Burden

According to the federal government and the State of Florida, housing is affordable if it costs no more than 30% of a household’s gross income. This includes rent or mortgage payments, utilities, and property taxes and insurance, if applicable. If housing costs more than 30% of a household’s income, but no more than 50%, the household is considered “moderately cost burdened”, and a household paying more than 50% of its income for housing is “severely cost burdened”.

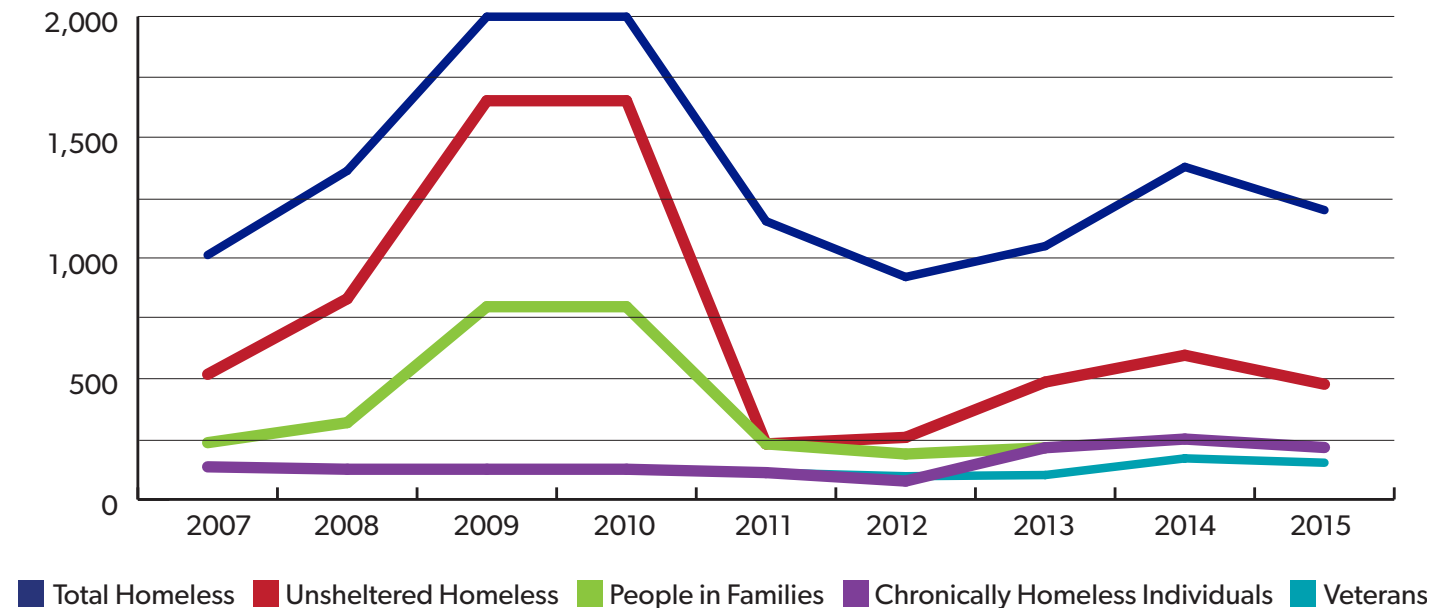
Florida Statutes and certain federal housing programs define “low-income” (or “LI”) households as those who earn no more than 80% of the Area Median Income (AMI)—the median income for households of their size within their geographic area. Federal housing assistance programs usually calculate AMI for metropolitan areas, portions of large metropolitan areas, and nonmetropolitan counties within a state. “Very low-income” (VLI) households are those that earn no more than 50% AMI, and “Extremely low-income” (ELI) households earn no more than 30% AMI. In this report, the term “low-income” includes all households at or below 80% AMI, and “very low-income” includes all households at or below 50% AMI. Thus, all ELI households are also classified as VLI and LI, but the reverse is not true.



Table 3. Severely and Moderately Cost Burdened Households in Sarasota County by Tenure and Income Bracket, 2013.

(Source: Shimberg Center.)

Cost Burden / Tenure		Households at 30% AMI or Less	Households at 30.01 to 50% AMI	Households at 50.01 to 80% AMI	Totals
Severe Cost Burden	Owner	5,617	4,258	4,044	13,919
	Renter	6,082	2,503	2,047	10,632
Moderate Cost Burden	Owner	1,397	2,722	5,409	9,528
	Renter	389	3,187	5,472	9,048
Totals		13,485	12,670	16,972	43,127

Figure 3. Point-in-Time Count Data on Literally Homeless Persons in Sarasota and Manatee Counties.(Source: HUD PIT Count data^{20,21} Florida Office on Homelessness²².)

PIT Count Data Reported to Florida Office on Homelessness		
Year	Sarasota County	Manatee County
2014	891	494
2015	943	308

nationwide, the share of cost burdened households did not increase much, but it was extremely high to begin with¹⁹. The rising cost burdens among Sarasota County's ELI renters may reflect a drop in the maximum household income of the lowest income quintile (see Section 3).

While the prevalence of cost burdens by income bracket and tenure suggests which households are most vulnerable, the

absolute numbers of cost burdened households have implications for the appropriate mix and scale of affordable housing strategies. As Table 3 shows, severely cost burdened ELI renters are the largest single group in Sarasota County (6,082 households), but only by a small margin. Policy makers often focus on very low-income (VLI households) with severe cost burdens (see Sidebar on p. 7). Sarasota County has 18,460 VLI households (8,585 renters and 9,875 owners) with severe housing cost burden.

Homelessness

When a household's rent or mortgage payments compete with other basic needs, such as food and healthcare, they are at risk of homelessness. Sarasota and Manatee Counties form one "Continuum of Care" (CoC), or geographically defined network of homeless service providers and other stakeholders who plan and coordinate efforts to assist people experiencing homelessness. In 2015 "Point-in-Time" (PIT) Count data reported to HUD^b, the Sarasota/Manatee County CoC identified a total of 1,198 "literally homeless" people—those staying in shelters, on the street, or in other places not meant for human habitation (Figure 3).

Reliable data on the homeless population in Sarasota County alone is not available before 2014. In 2014 and 2015, most of the Sarasota/Manatee County CoC's homeless population was located in Sarasota County, according to PIT Count data reported to the state's Office on Homelessness. Sarasota County's homeless population increased from 891 to 943 people between 2014 and 2015, while Manatee County's homeless population decreased by nearly 200 people.

According to PIT Count data reported to HUD, the CoC's total homeless population has two peaks—one in 2009 and 2010, and another in 2014. These trends must be interpreted with caution, since PIT Count data is highly susceptible to factors such as weather on the day of the count, the number of count volunteers available, and changes in counting methodology from one year to the next. The first peak may reflect economic dislocation of individuals and families during the Recession, though it is more dramatic than the Recession peak seen in statewide homeless data²³.

Between the increase in the CoC's total homeless population since 2012, and the increase in Sarasota County's homeless population between 2014 and 2015, there seems to be empirical evidence for the anecdotal reports of increased homelessness in the Sarasota area. This may reflect declining incomes in the lowest income quintile (see Section 3) and the increase in severe cost burden among ELI renters (see Table 2). Additionally, informal and anecdotal evidence suggests that vacancy rates for low-cost rental units have dropped in recent years, as discussed in Section 3.

To understand the nature and extent of family homelessness in their communities, policy makers use U.S. Department of Education data on homeless students to supplement PIT Count data. The Department of Education (ED) provides funding and other support for public school districts to identify children and youth who are homeless at any time during the academic year (including summer school), using a definition that includes children who are doubled-up or living in hotels or motels due to their family's loss of housing or economic hardship. Local school district liaisons help homeless children, youth and their families overcome barriers to school enrollment and attendance, and help them identify the services needed to return to stable housing²⁴.

In the Sarasota County School District, 924 students were identified as homeless during the 2013-14 academic year, a 6% increase over the District's 2009-10 homeless student population (Table 4). The majority of homeless students are doubled up with relatives or friends, but the slight increase in student homelessness in recent years was driven by an increase in students living in hotels or motels.

Table 4. Homeless Students Identified in the Sarasota County School District.

(Source: Florida Homeless Education Program^{25,26}.)

Living Situation	2009-10	2010-11	2011-12	2012-13	2013-14	% Change
Shelters	201	223	151	157	145	-28%
Doubled Up	599	822	546	554	591	-1%
Cars, Parks, Campgrounds etc.	6	5	3	8	9	50%
Hotels/Motels	23	45	56	72	146	535%
Awaiting Foster Care Placement	43	134	121	126	33	-23%
Unaccompanied Youth*	137	183	90	84	86	-37%
Total Homeless Students	872	1229	877	917	924	6%

*Unaccompanied youth may be in any of the living situations listed above

^b The U.S. Department of Housing and Urban Development (HUD) requires Continuums of Care to conduct Point-in-Time counts of sheltered and unsheltered homeless people at least biennially. Most Continuums of Care in Florida and across the nation conduct their PIT counts on a single day (or night) in the last week of January.

HOMELESS CHILDREN POPULATION ON THE RISE

ON THE STATE LEVEL

The population of homeless students increased by 45% between the 2009-2010 and 2013-2014 academic years.



IN SARASOTA COUNTY

The increase over the same period was 6%—**yielding a homeless student population of 924** by the 2013-2014 academic year.

Similar to PIT Count data on family homelessness in Sarasota County (Figure 3), the School District's homeless student population peaked in the 2010-11 academic year, possibly due to the Recession.

The Sarasota County School District's increase in student homelessness in the time period shown is much smaller than the increases in student homelessness at the state and national levels^{27,28}. Local homeless service providers attribute this difference to the well-coordinated efforts of school district liaisons, service providers, local governments, and other stakeholders to help homeless families return to stable housing. However, the number of homeless students may have increased more rapidly in the past year as the rental market has tightened (see Section 3).

In the academic years shown in Table 4, 9% to 16% of homeless students were unaccompanied. Some of these children and youths are truly living alone, while others are living with adult relatives, friends, or neighbors in an informal arrangement with the child's parents or guardians. In addition to concerns about the overall level of safety and support that these students have outside of school hours, the absence of a formal guardian can make it difficult to obtain authorization when the student needs emergency medical care.

Low-Wage Jobs

Low-wage jobs dominate Sarasota County's economy, which largely explains the prevalence of housing cost burdens among low-income households. In the Sarasota metropolitan area, the current median wage for all occupations is estimated at \$14.94, slightly lower than the statewide median of \$15.23. As Table 5 shows, the Sarasota metro's top 15 occupations include many low-wage positions in the food service, retail, and clerical industries, similar to the state as a whole²⁹.

Four out of the top 15 occupations in the Sarasota metro pay median wages below \$10.77, the "survival wage" calculated by the United Way of Florida's report on Asset Limited, Income Constrained, Employed (ALICE) households, adjusted to 2015 dollars³⁰. The survival wage allows for the bare minimum in housing, food, child care, and other

expenses, with no cushion for emergencies. For a young family of four, the Sarasota metro’s inflation-adjusted survival wage is \$27.68—higher than the median wages for all but one of the occupations shown (registered nurses), and more than double the wages of 11 occupations. This means, for example, that two parents working full-time as nursing assistants at the median wage could not support themselves, an infant, and a preschooler.

Many individuals and families whose wages fall short of the “survival wage” receive benefits and services from government agencies and private charities. However,

Table 5. Estimated Median Wages in the Top 15 Occupations in the Sarasota Metropolitan Area in 2015.
(Source: Florida Department of Economic Opportunity [DEO] 2015²², United Way of Florida 2014.)

Occupation	Median Hourly Wage
Waiters and Waitresses	\$9.23
Combined Food Preparation and Serving Workers	\$9.29
Cashiers	\$9.67
Janitors and Cleaners*	\$10.35
Retail Salespersons	\$10.80
Stock Clerks and Order Fillers	\$10.98
Landscapers and Groundskeepers	\$11.04
Restaurant Cooks	\$11.06
Office Clerks	\$12.79
Customer Service Representatives	\$ 13.16
Nursing Assistants	\$13.21
Secretaries and Administrative Assistants**	\$14.78
Bookkeeping, Accounting, and Auditing Clerks	\$15.71
First-Line Supervisors of Retail Sales Workers	\$20.38
Registered Nurses	\$30.22
All Occupations	\$14.94
"Survival Wage" for a Single Adult	\$10.77
"Survival Wage" for a Young Family of Four***	\$27.68

*Except maids and housekeepers
 **Except legal, medical, and executive
 ***Two parents, one infant, and one preschooler

WHEN HOUSEHOLDS CANNOT MAKE ENDS MEET THEY CUT BUDGETS IN RISKY WAYS

- ACCUMULATE CREDIT CARD DEBT
- FORGO AN ADEQUATE DIET
- GO WITHOUT PREVENTATIVE HEALTH CARE
- CHOOSE LOWER QUALITY CHILDCARE
- NEGLECT TO REGISTER OR BUY CAR INSURANCE

these resources are often not enough to fill the gap. To survive, these households cut their budgets in risky ways, such as eating unhealthy food, putting off preventative health care, and using low-quality child care³¹. When faced with a crisis, such as a job loss, illness, child care emergency, or breakdown of a car, these households may be forced to double up with friends and relatives, or may become “literally homeless.”

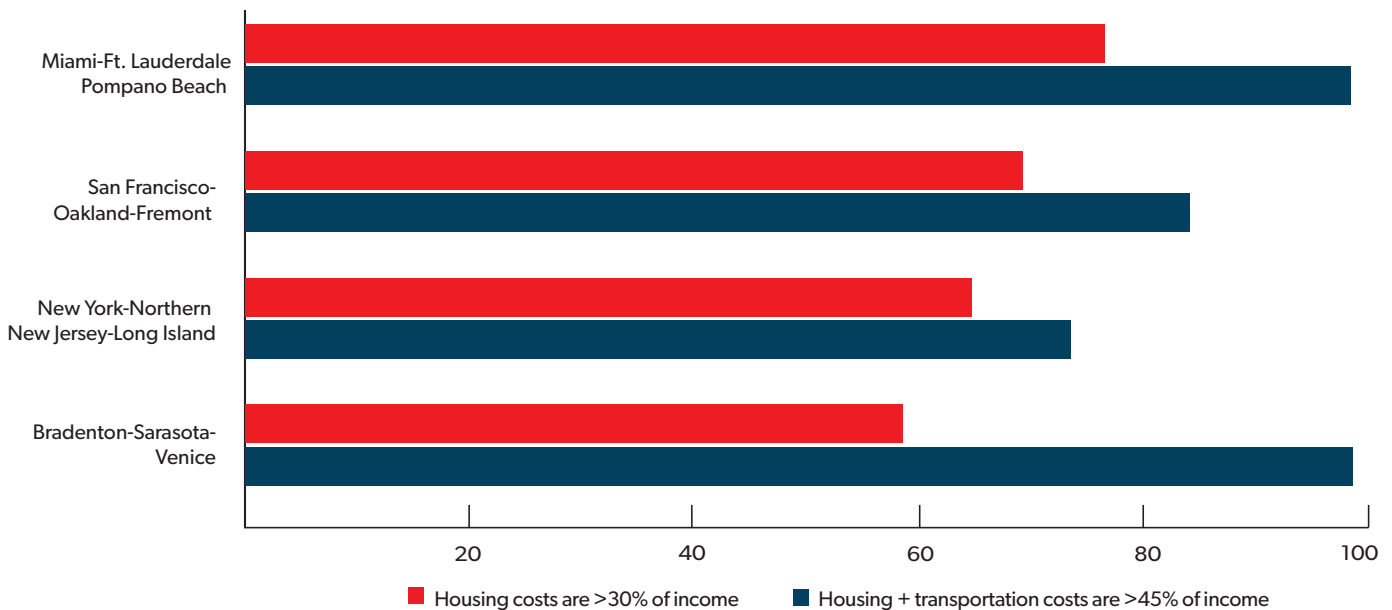
Housing and Transportation Costs

Faced with high housing costs in the communities where they work, many families live in outlying communities. However, this strategy is not entirely successful, since many of these families have to pay for long commutes. The Center for Neighborhood

Technology [CNT] calculates a “Housing + Transportation Affordability Index” for communities across the nation. Just as 30% is the maximum share of income that a family can affordably devote to housing, CNT has determined that 45% is the maximum affordable share of household income that can be spent on combined housing and transportation costs.

As Figure 4 shows, many more low-income Sarasota area households are cost burdened when transportation costs are taken into account^c. When housing costs alone are considered, 59% of typical households at 80% AMI are cost burdened in the Sarasota metro, a lower share than in notoriously expensive metros like New York, San Francisco, and Miami. However, when

Figure 4. Transportation + Housing Costs for an Average Household at 80% AMI in Selected Metropolitan Areas.
(Source: Center for Neighborhood Technology [CNT] H+T Affordability Index³³.)



both housing and transportation costs are considered, 99% of typical 80% AMI households are cost burdened in the Sarasota metro—comparable to Miami and higher than New York and San Francisco.

SECTION 3: Challenges for Renters

As Section 2 demonstrated, housing cost burden is widespread among low-income renters in Sarasota County. Of all low-income renter households in the County, 81% are cost burdened and 44% are severely cost burdened. Moreover, in the last decade, severe

cost burden has increased among extremely low-income (ELI) and moderately low-income renters. This section discusses several factors that influence housing cost burden among renters.

Mismatch Between Rents and Wages

In attractive coastal communities like Sarasota County, both the strength of the tourism economy and the quality of life for middle-class residents depend on the hard work of low-paid employees, including waiters and waitresses, janitors, cashiers, groundskeepers, and nursing assistants. When these employees do

^cThese percentages, unlike Census data, are not based on a “universe” of actual households, but are the result of a mathematical modeling exercise using a hypothetical “average” household at 80% AMI (not at or below 80% AMI). The model uses actual regional data on incomes, household composition, workers, housing and transportation costs, and other variables to construct profiles of “average” households and determine their average housing and transportation costs.

Figure 5. Comparison of Median Gross Rent and Affordable Rents at Median Renter Income and the Lowest Income Quintile Threshold in Sarasota County. (Source: Shimberg Center, ACS³⁴.)

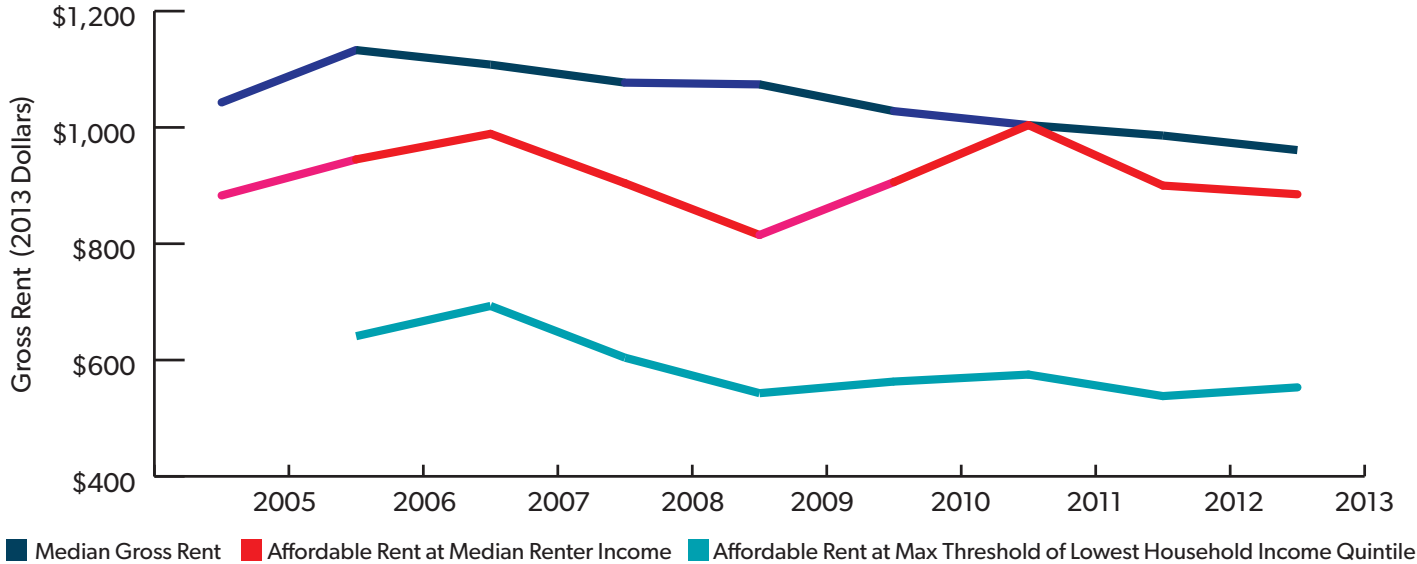
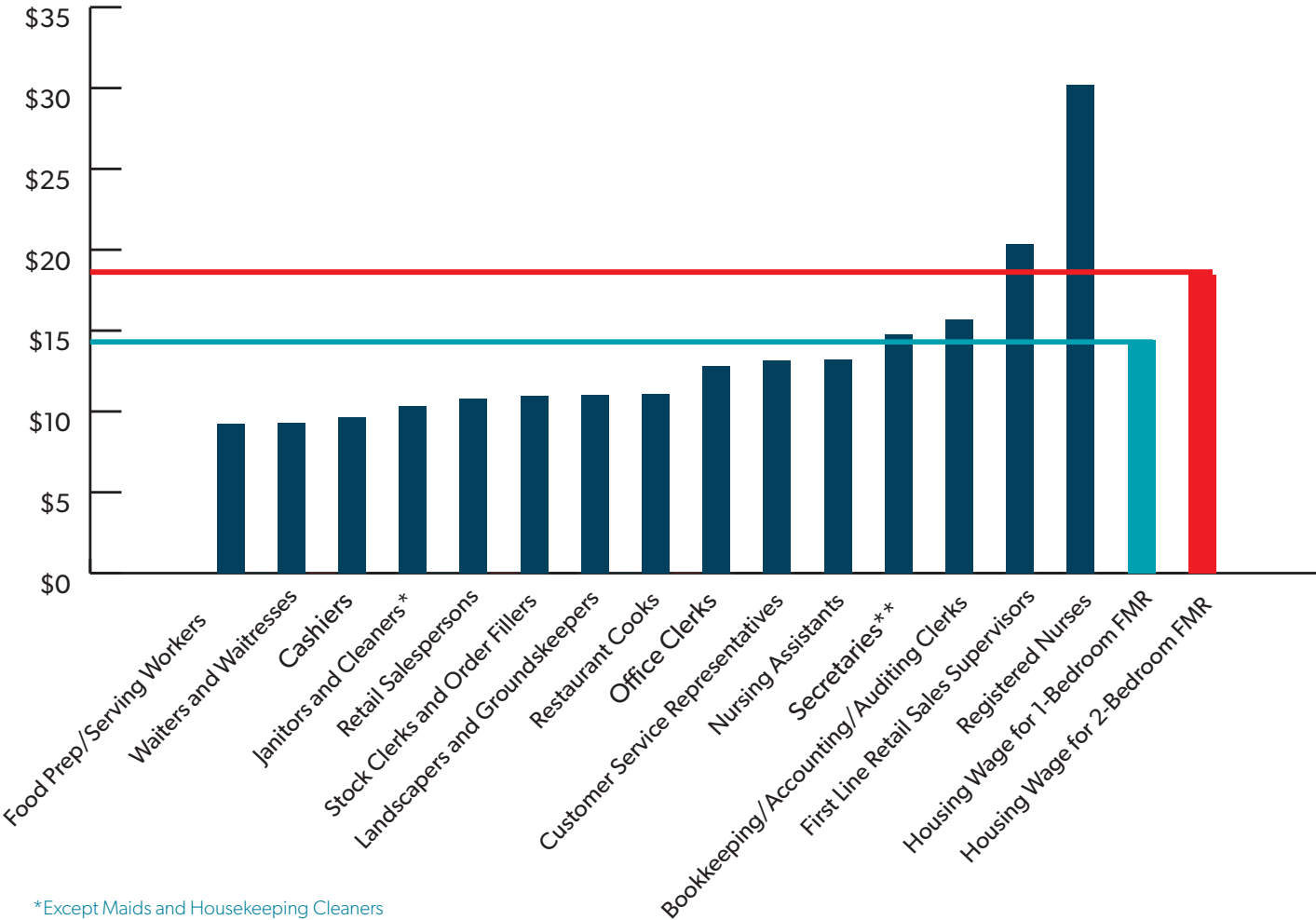


Figure 6. Comparison of Median Wages and Renter “Housing Wages” for Common Occupations in the Sarasota Metropolitan Area. (Source: DEO 2015³⁵, National Low Income Housing Coalition [NLIHC] 2014a³⁶.)



*Except Maids and Housekeeping Cleaners
 **Except Legal, Medical, and Executive Secretaries

not earn enough to afford housing near their jobs, they may have to sacrifice food, healthcare, and other necessities. Alternatively, they may be forced to live in neighboring communities where housing is less expensive, as discussed in the previous section. Both tradeoffs can impact job performance and increase tardiness, absences, and employee turnover.

Figure 5 provides an overview of the balance between rents and renter incomes in Sarasota County. The inflation-adjusted median gross rent decreased steadily between 2005 and 2013, from \$1,133 to \$961 per month. During the same time period, rents affordable at the median renter income have shown an erratic trend. In most years, median rents have exceeded what renters can afford to pay at the median renter household income. The gap has narrowed since 2005, but even modest rents are often out of reach for low-wage workers. Meanwhile, for the County's lowest household income quintile, the maximum

income threshold dropped in the early Recession years and has not recovered. This may help to explain the sizeable increase in severe cost burden among ELI renters.

Moreover, median rents and renter incomes do not tell the whole story. Figure 6 compares the median wages for the Sarasota metro's top 15 occupations with the hourly wage needed to afford a 1- or 2-bedroom apartment at Fair Market Rent^d (FMR). The median wages range from \$9.23 for waiters and waitresses to \$30.22 for registered nurses. A one-bedroom unit is affordable to median-wage workers in only 4 of the top 15 occupations, and a two-bedroom unit is affordable only to registered nurses and retail supervisors. This means that a single mother with two children cannot afford a two-bedroom apartment at FMR if she works full-time as a bookkeeping clerk. If she is a full-time nursing assistant, she cannot even afford a one-bedroom apartment at FMR.

Figure 7. Rental Vacancy Rates in Sarasota County and the State of Florida.
(Source: Shimberg Center.)

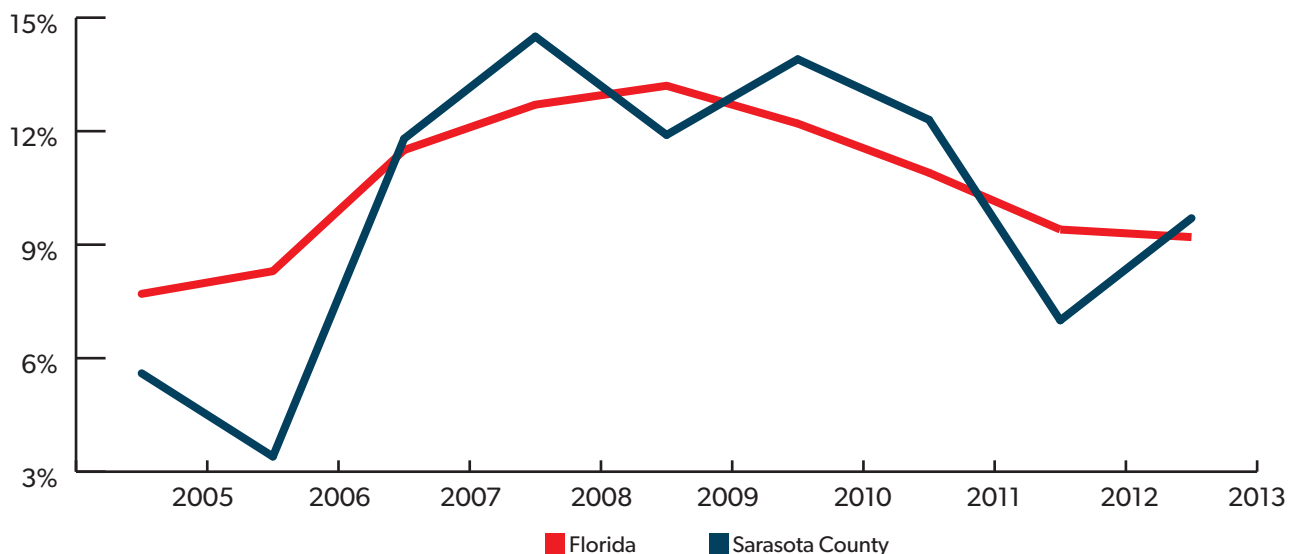


Table 6. HUD Fair Market Rents in Sarasota County (not adjusted for inflation).
(Source: HUD⁴¹.)

Rental Unit Type	2011	2012	2013	2014	2015 (15)
1 Bedroom	\$923	\$827	\$803	\$790	\$750
2 Bedrooms	\$1111	\$995	\$1027	\$1011	\$960
Percentile used to calculate FMR	50	50	50	50	40

⁴¹ HUD usually determines the Fair Market Rent for a metropolitan area by calculating the 40th percentile rent for recently leased apartments with a given number of bedrooms. In many communities, FMRs have been criticized for being too low to allow families with Housing Choice Vouchers to rent apartments in safe neighborhoods with good schools. This suggests that FMRs are a conservative benchmark for determining whether rental housing is affordable to low-wage workers in a community.

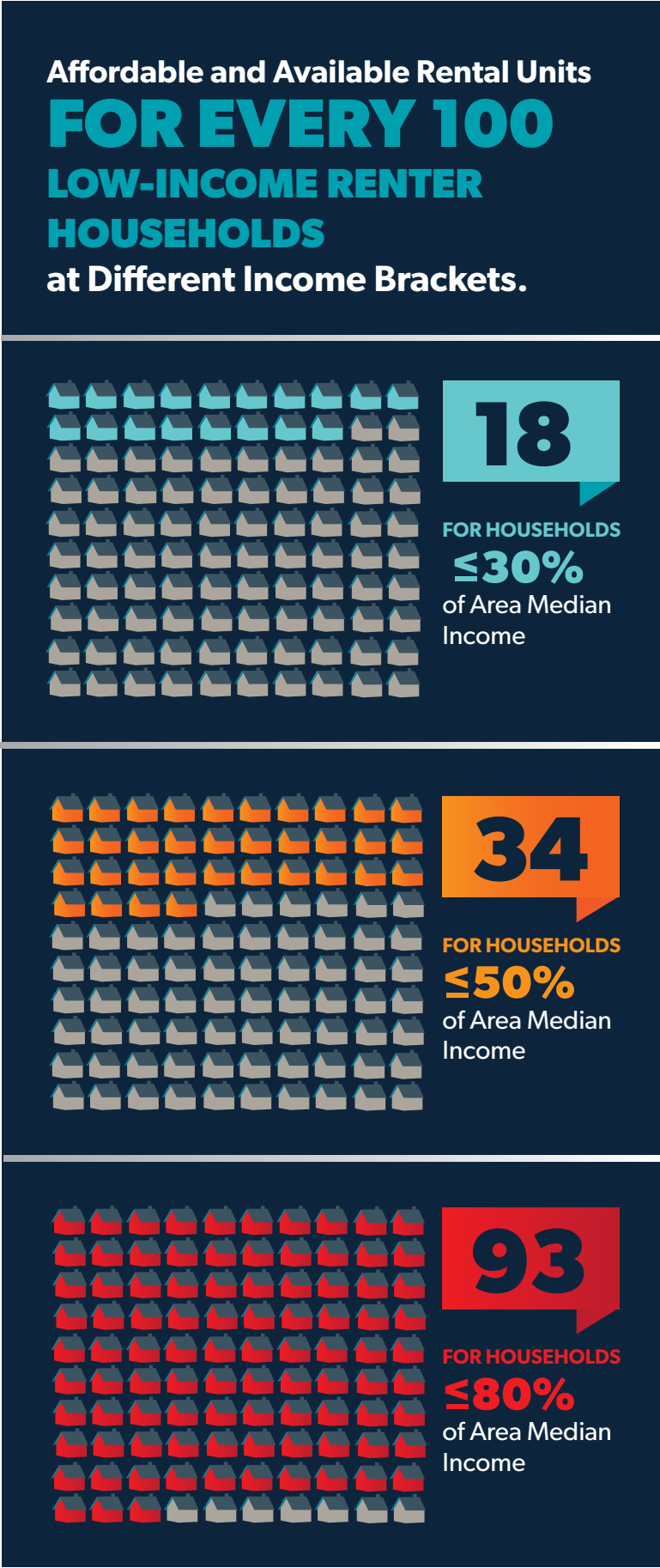
Tightening Rental Market

According to the American Community Survey (ACS), the most recent and reliable public data available, Sarasota County has had a loose rental market for several years, despite a 16% increase in the number of rental households between 2005 and 2013³⁷. The rental vacancy rate jumped from a low of 3.4% in 2006 to a high of 14.5% in 2008, and fell to 9.7% by 2013. The statewide rental vacancy rate followed a smoother but similar pattern, peaking at 13.2% in 2009 and declining to 9.2% by 2013—higher than its pre-recession level (Figure 7).

Additionally, the decreasing trend in gross rents according to ACS data (Figure 5) is reflected in HUD Fair Market Rents over the last five years (Table 6). One-bedroom FMRs declined by \$133 between 2011 and 2014, while 2-bedroom FMRs dropped by \$100. Between Fiscal Years 2006³⁸ and 2014, the Sarasota metro area was a “50th percentile community,” meaning that HUD used the 50th percentile of rents to calculate FMRs, rather than the 40th percentile standard used for most communities. 50th percentile status is granted to communities that need assistance with de-concentrating the geographic pattern of Housing Choice Voucher use.³⁹ The Sarasota metro area lost its 50th percentile designation in FY 2015 because “the concentration of voucher tenants did not improve over the past three years.”⁴⁰

However, neither ACS data on rental vacancy rates nor HUD Fair Market Rents can capture rapid changes in a community’s overall rental market, let alone in the lower-cost segment of the market on which low-income renters rely. Even when Sarasota County’s rental vacancy rates were at their highest, between 2007 and 2011⁴² (Figure 7,) the County had a severe shortage of affordable and available units for ELI renters (see infographic on this page). Between 2009 and 2011, the Sarasota metro area

National Low Income Housing Coalition analysis using 2007-2011 HUD Comprehensive Housing Affordability Strategy (CHAS) data. This analysis understates the actual prevalence of housing cost burden among low-income households. For example, a household at 60% AMI could live in an apartment affordable at 75% AMI. The household would be cost burdened, but the rental unit would still count as affordable and available to households between 51% and 80% AMI.



was one of three Florida metros with the largest shortfalls of affordable and available units for ELI renters⁴³.

Moreover, in the past year, strong anecdotal evidence of a tight rental market has emerged from the Sarasota Housing Authority, homeless service providers, and others who work with low-income households^{44,45}. This is reflected in the results of a Craigslist search of apartment listings on July 14, 2015, with “Sarasota” entered as a keyword^c (Table 7). Craigslist provided 718 listings of rentals with 2 or more bedrooms in Sarasota and neighboring communities, but the use of a \$1,000 maximum price filter reduced the listings to 88. Many of these listings appeared to be duplicates, and only 49 of the 78 valid listings were in Sarasota—a result that reflects the tradeoff between housing and transportation costs discussed in Section 2 (Figure 4). Three quarters of the valid listings had monthly rents of \$900 or more. Of the 11 listings with monthly

rents below \$800, most were in an apartment complex near the Department of Children and Families office on 17th Street, and many would not be available until September. One of the invalid listings, posted by a single working mother in search of an affordable 2-bedroom unit, vividly illustrates the tightness of the rental market for low-income households (Figure 8).

Faced with a tight rental market for low-income households, Public Housing Authorities have potential remedies to help their Housing Choice Voucher recipients find apartments, including the use of “Success Rate” or exception payment standards⁴⁶. However, low-income renters without vouchers in Sarasota County have very few options, unless they are able or willing to leave the urban areas or move out of the County altogether. Section 5 will discuss some policy tools and funding sources to increase the supply of affordable rental housing.

Table 7. Craigslist Search for 2+ Bedroom Rentals with Keyword “Sarasota”, July 14, 2015.

Search Results		Number of Listings
Number of listings with no maximum price specified		718
Number of listings with specified maximum price of \$1,000		88
Invalid or suspect listings*		10
Valid listings in Sarasota		49
Valid listings with 2 bedrooms		75
Monthly rent of valid listings with a maximum price of \$1,000	<\$800	11
	\$800 - \$899	8
	\$900 - \$1,000	51
	>\$1,000**	8

*Renters looking for units or roommates, rent-to-own (RTO) listings, political calls to action.

**The prices for these listings were weekly rents, which added up to more than \$1,000 when multiplied by four.

Figure 8. Craigslist Advertisement by a Single Mother Seeking Housing in the Sarasota Area.

★ **\$675 / 2br - please help... housing needed single mother (Bradenton/Sarasota)**

I am in desperate need of a home for my children and I.
 My name is [redacted] I have two kids ages 12 and 10months old. Their father has walked out on us and left me in a home I can not afford. We are about to be homeless. I have been searching for a home for rent and have had no luck.
 My credit is not good but I have NO evictions or felonies on my record. I am an honest hard working single mother just trying as best I can to keep a roof over my children's heads.
 I work full time as a server and am looking for a second job as well.
 Please if you are renting or know someone who is looking for renters I'm in desperate need. I have no family and no help I have 1100\$ saved to get us in. I cant afford more than 625-725 a month 650\$ would be ideal. I need a 2 bedroom....

Please if you or someone you know can help please Contact me. Thank you for your time in reading this and helping a family in need.

2BR / 1Ba available may 26
dogs are OK - woof
duplex
w/d hookups

^c Brief searches with the keywords “North Port” and “Venice” suggests that these communities have a similar shortage of 2-bedroom units below \$1,000 that are not restricted to tenants 55 and older.

SECTION 4:
Challenges for Homebuyers

Although the Great Recession has tempered American attitudes toward homeownership, most renters still aspire to own a home one day⁴⁷. Sarasota County may have less need to expand homeownership than other communities, since its homeownership rate is relatively high (Table 1). This is true for low-income households as well—64% of low-income Sarasota County households are homeowners, compared to only 51% of low-income households statewide⁴⁸. Additionally, as Section 2 demonstrated, rates of severe cost burden are especially high among low-income homeowners with mortgages, which may reflect the legacy of subprime loans made during the housing boom (Figure 2). Nonetheless, homeownership has several benefits for low-income families, provided that mortgages are sustainable and based on strong underwriting standards. These benefits include a chance to put down roots in a community, gain access to desirable neighborhoods and schools, and build wealth.

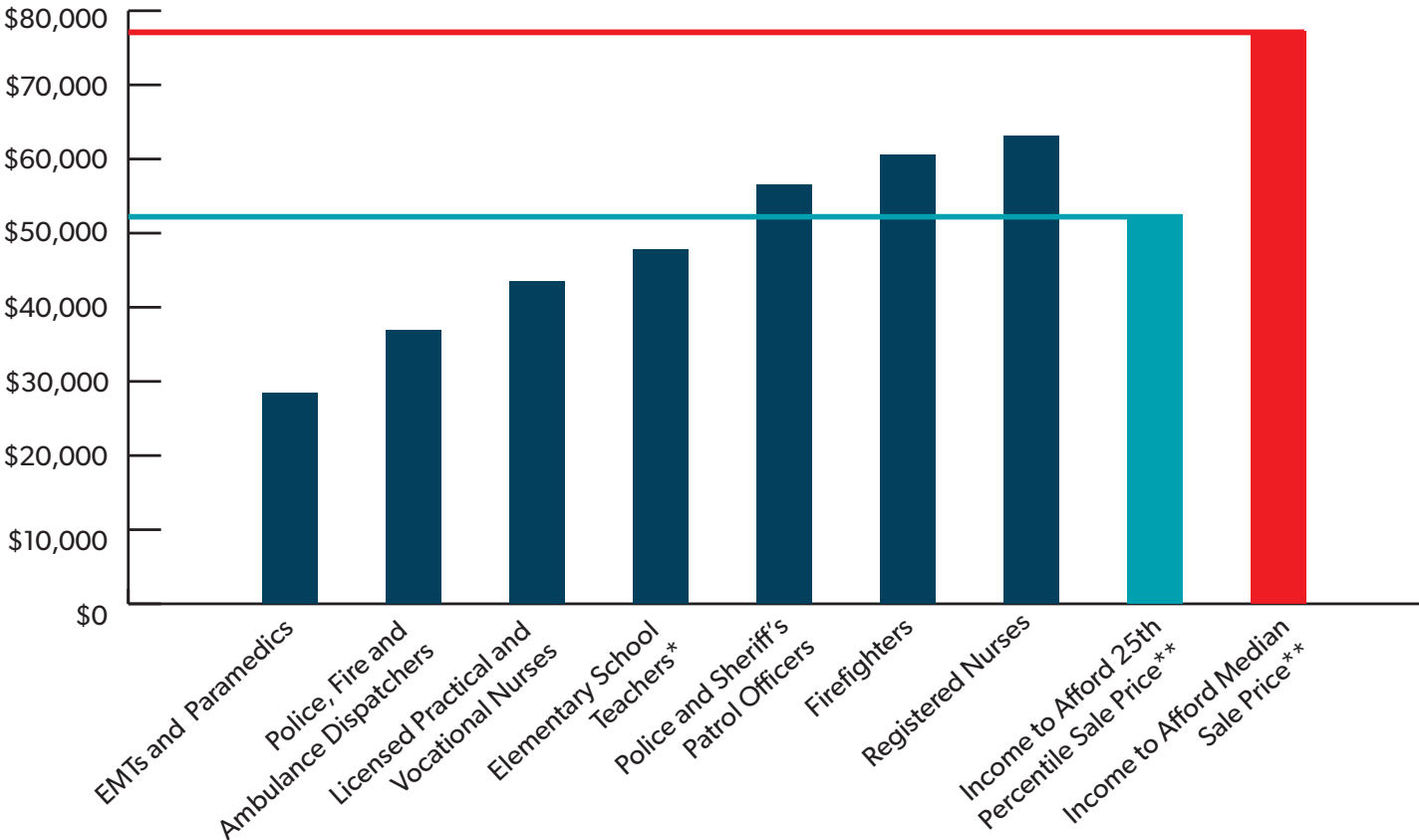
Despite the availability of inexpensive bank-owned and short sale homes in the wake of the foreclosure crisis, many Florida communities, including Sarasota County, still have large populations of cost burdened owners and a limited supply of affordable homes for sale. This section explores how wages, home prices, and the inventory of homes for sale affect low-income prospective homebuyers.

Low Wages Relative to Local Home Prices

Some low-income prospective homebuyers work in medium- and high-skill occupations that provide essential services to the community, such as health care, education, and public safety. For these employees, finding affordable homes near their workplaces is important to their productivity, their connection to the communities they serve, and their ability to report to work quickly in emergency situations.

Figure 9 compares median annual incomes for several essential workforce occupations to home prices in the Sarasota area in

Figure 9. Comparison of Annual Incomes for Essential Workers in the Sarasota Metro Area to Home Sale Prices in Sarasota County in 2013. (Source: DEO 2013, Shimberg Center.)



*Except special education

**Single-family homes, townhomes, and condominiums with homestead exemptions the year after sale.

2013, the most recent year for which the Shimberg Center has detailed data on home sales^f. Of the homes sold as primary residences in 2013, 25% sold for \$153,722 or less. To meet conventional underwriting standards and buy a home at this price with a 3.5% down payment, a family would need an income of at least \$52,506. Three of the occupations shown—police and sheriff’s patrol officers, firefighters, and registered nurses—could afford a home at the 25% percentile price. However, this home was out of reach for elementary school teachers; licensed practical and vocational nurses; police, fire, and ambulance dispatchers; and EMTs and paramedics.

None of the occupations shown could afford a median-priced home (\$220,979) in 2013. Some policy makers argue, with good reason, that low-income homebuyers should focus on the more modest segments of the home market. However, there are limitations to this approach. Some lower-priced homes may be in poor condition, in neighborhoods with higher crime rates or lower school quality, or located far from employment centers and other amenities. If essential service workers are asked to sacrifice location and other amenities for price when buying a home in Sarasota County, it may become difficult to recruit qualified personnel to the community.

Limited Supply of Moderately Priced Homes

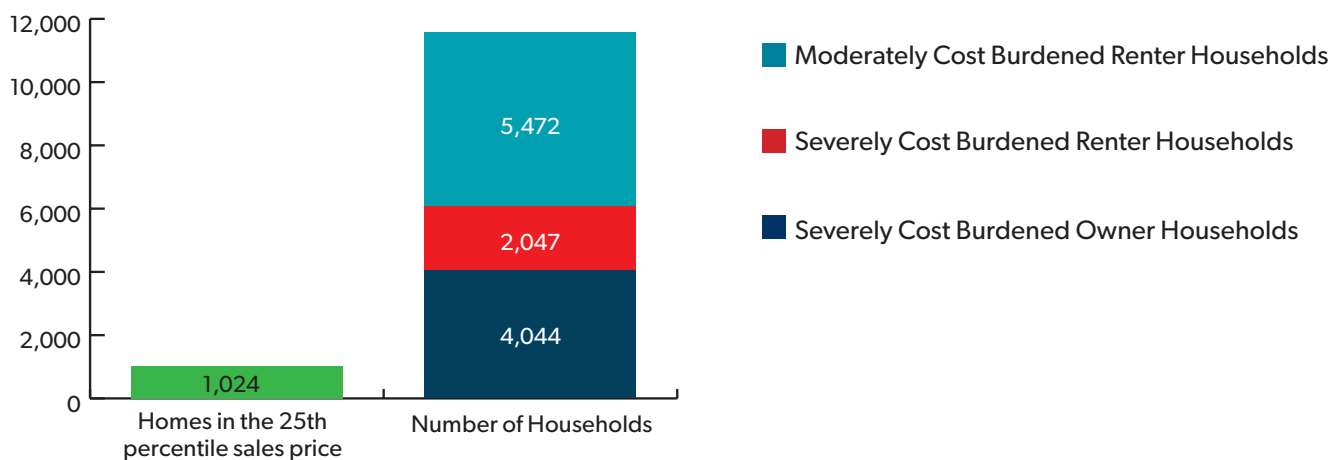
Even if all modestly priced homes were in good condition and located in desirable areas, Sarasota County would not have enough

homes for sale to meet the needs of all low-income homebuyers. In 2013, a total of 1,024 single-family homes, townhomes, and condominiums were sold as primary residences at or below the 25th percentile price of \$153,722, affordable at an annual income of \$52,506 (Figure 10). In 2013, HUD income limit for a low-income family of four was \$47,900, so the 25th percentile price is a reasonable upper limit for “modestly priced” homes for low-income households. However, home sales in the 25th price percentile were dwarfed by the pool of potential homebuyers in the 50.01% and 80% AMI bracket alone—including severely cost burdened owners who want to downsize, and cost burdened renters who aspire to homeownership^g.

New home construction is booming in Sarasota County, but it may not expand the supply of homes available to low-income buyers. The median sale price for single-family homes has increased in the Sarasota metro since 2014, while the number of homes affordable at the Median Family Income has decreased. At the same time, Sarasota County has scaled back requirements for new developments to include a certain percentage of affordable housing⁴⁹.

Clearly, Sarasota County’s private home sale market cannot single-handedly meet the needs of all cost-burdened households with moderately low incomes, let alone meet the needs of very low-income households. Public policy tools and public-private partnerships are vital to expanding low-income homeownership, as discussed in Section 5.

Figure 10.. Comparison of Home Sale Prices to Cost Burdened Households Between 50.01% and 80% AMI in 2013 (2014 dollars). (Source: Shimberg Center.)



^f Assumptions in Figure 9: 1) Median hourly wages were converted to annual incomes, if necessary, by assuming a 40-hour work week, 52 weeks per year, 2) 30-year fixed rate mortgage at 4.5% interest, 3) FHA-insured with a 3.5% down payment, 4) Front-end ratio of 31%, back-end ratio of 41%, 5) All other household debt service is 18% of annual income, 6) Assessed value is 85% of the purchase price, 7) Homestead exemption is \$50,000, 8) Mill levy is \$18.84, and 9) Property and mortgage insurance combined is 1% of the purchase price annually.

^g This analysis does not consider moderately cost burdened owner households between 50.01% and 80% AMI, since these households have a better chance of refinancing their current homes than severely cost-burdened owners with similar incomes.

SECTION 5:
Affordable Housing Resources

As the previous sections have shown, Sarasota County is not paradise for the thousands of low-income households who cannot find an affordable place to live. Both median rents and home sale prices are out of reach for many low-income workers, and the supply of modestly priced homes and apartments is limited. For working families who find lower-cost housing far from their jobs, their combined housing and transportation costs can easily absorb over half of their income. Some individuals and families who cannot find affordable housing end up literally homeless, doubled up, or living in motels.

Sarasota County and its cities receive federal funding for affordable housing development and rehabilitation, mainly in the form of federal Low Income Housing Tax Credits and grants from HUD. However, there will always be a need for highly flexible funding sources controlled by state and local governments. In Florida, the Sadowski State and Local Housing Trust Funds help to meet this need. The following section describes the structure and impact of the Sadowski Funds, and their role in leveraging public-private partnerships in Sarasota County.

Sadowski History and Major Programs

More than 20 years ago, a diverse coalition of Florida’s affordable housing advocates, business and industry groups, and faith-based organizations recognized the need for a dedicated state revenue source for affordable housing. In 1992, the state legislature passed the William E. Sadowski Affordable Housing Act, which raised the state documentary stamp tax on deeds by ten cents per \$100

^h In 1995, the State Legislature shifted another ten cents of documentary stamp tax revenue from general revenue to the Sadowski trust funds.

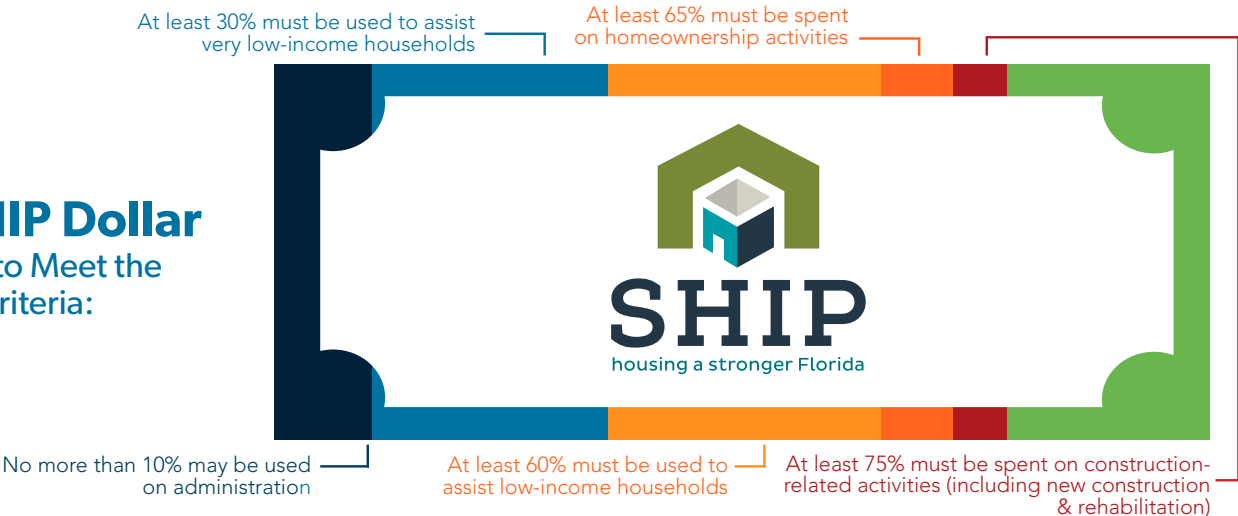
of the property’s value^h. The “doc stamp” funds are directed to two trust funds, one for local governments and one for the state.

The Local Housing Trust Fund supports the State Housing Initiatives Partnership (SHIP) program, which primarily funds the production and preservation of affordable ownership housing for low- and moderate-income households. The Florida Housing Finance Corporation uses a population-based formula to distribute SHIP funds to all 67 counties and to cities eligible for Community Development Block Grant (CDBG) funds. SHIP is most commonly used to support home construction, rehabilitation to make homes safe and/or handicapped accessible, and down payment assistance. It gives local governments plenty of flexibility to meet local needs and preferences, as long as a few basic requirements are met. These requirements, found in Florida Statute 420, include:

- At least 65% must be spent on homeownership activities
- At least 75% must be spent on construction (including new construction and rehabilitation)
- At least 30% must be used to assist very low-income households
- At least 60% must be used to assist low-income households
- No more than 10% may be used on administration

The State Housing Trust Fund supports several activities, including administration of the Sadowski funds by the Florida Housing Finance Corporation. The main Sadowski-funded state program is the State Apartment Incentive Loan (SAIL) program. SAIL provides funding on a competitive basis for the construction

Each SHIP Dollar is Required to Meet the Following Criteria:



of affordable multifamily rental housing. Both SHIP and SAIL complement federal funding sources in important ways:

- Helping local communities provide the matching funds required for many federal housing grants.
- Providing a buffer against fluctuations in federal appropriations, such as the substantial reduction in funding for HUD's HOME program in recent years.
- Providing a funding source for activities that are not permitted by federal grants. For example, SHIP funds can provide rapid re-housing assistance for families with children who are doubled up or living in motels, and who may have trouble qualifying for HUD homeless assistance funds.

Impact of Sadowski Funds in Sarasota County

SHIP funding is a mainstay for affordable housing activities in Sarasota County, since it is not based on the success or failure of developers applying for financing. In the 2015-2016 Fiscal Year, Sarasota County is expected to receive \$1.87 million in SHIP funds, including the City of Sarasota's allocation (Table 8). This SHIP allocation will leverage over \$8.2 million in additional public and private funds—a ratio of 4.4 to 1. With over \$10 million in SHIP and leveraged funds, local housing developers and public agencies are expected to assist 77 owner-occupied and 28 rental units, creating nearly 200 jobs and generating over \$24 million in economic impact for the County.

In addition to boosting Sarasota County's economy, SHIP has given numerous low- and moderate-income families a hand up (Table 9). Between Fiscal Years 2006-07 and 2011-12, the time period for which data is readily available, SHIP assisted 663 housing units in the County. All forms of assistance are captured in these numbers, including construction and rehabilitation,

Table 8. Estimated Economic Impacts of State Housing Initiative Partnership (SHIP) Funds in Sarasota County (including City of Sarasota). (Source: Sadowski Coalition 2015⁵⁰.)

Type of Impact	Amount of Impact
Estimated 2015-2016 SHIP funds	\$ 1,870,585
Other funds leveraged	\$ 8,204,115
Owner units assisted	77
Rental units assisted	28
Jobs created	193
Total economic impact	\$ 24,353,971

ⁱFor homeless emergency shelter and transitional housing facilities, a bed is counted as a "unit".

^jThe "supply" estimate in this analysis includes activities such as homelessness prevention and foreclosure counseling, as well as construction and rehabilitation of affordable units. Housing Choice Vouchers and public housing units are excluded from this analysis, since it is unlikely that the supply of either will increase substantially in the next five years.

down payment assistance, foreclosure prevention, and assistance for homeless shelters and transitional housingⁱ. Between FY 2006-07 and 2008-09, before the five-year period where the State Legislature swept the Local Housing Trust Fund monies to General Revenue, SHIP assisted an average of 160 units per year in the County. During this six-year period, Sarasota County outperformed the state in targeting SHIP-assisted units targeted to elders and people with developmental disabilities.

State Apartment Incentive Loan (SAIL) Program

Sarasota County currently has 725 units in 6 developments that have received SAIL funding^{52,53} including the Loveland Village development that is scheduled to open for occupancy in fall 2015. Sixty percent of these units are targeted to elderly tenants. Five of the six developments, with a total of 515 units, were built between 2001 and 2009—a production rate of 57 units per year. SAIL's focus on rental housing complements SHIP's primary focus on homeownership, since Sarasota County (and most other SHIP communities) can spend no more than 25% of its annual SHIP distribution on rental activities. Additionally, some SAIL developments require both SHIP and SAIL funds to be financially viable.

Supply and Demand

The Sadowski Trust Fund programs play a critical role in leveraging and complementing other resources for affordable housing activities. However, it is a challenge for local leaders to keep up with the growth in affordable housing demand, let alone to address existing demand.

Table 10 provides a rough estimate of the number of units occupied by low-income households^j that are assisted annually in Sarasota County. This estimate is compared to the Shimberg Center's projected annual increases in low-income, cost burdened households between 2015 and 2020.

- The estimate for annual SHIP production (105 units) is

Table 9. SHIP-Assisted Units in Sarasota County and the State of Florida. (Source: Florida Housing Finance Corporation⁵¹.)

SHIP Impact FY 2006-2007 to 2011-2012		
Total units	663	34,872
Elderly (% of Total Units)	30%	24%
Developmental Disabilities (% of Total Units)	7%	3%

based on Sarasota County’s projected SHIP distribution for FY 2015-16 (Table 8), while the annual SAIL production estimate (57 units) is based on construction between 2000 and 2009. The combined estimate for SHIP and SAIL (162 units) may be an overestimate, since some units are double-counted, and the SAIL estimate is based on years with a high production volume.

- The estimate of 160 units assisted by HUD Community Planning and Development (CPD) funds is based on the 2014-2015 Action Plans submitted to HUD by the City and County of Sarasota. This estimate double-counts some SHIP-assisted units, but also reflects a sharp reduction in HUD CPD funding for Sarasota County, the City of Sarasota, and communities across the country.
- Between 2000 and 2014, ten developments with a total of 673 units received one or more affordable multifamily funding sources that did not include SAIL. Over this 15-year period, these units were added to the affordable housing stock at a rate of 45 per year.

On balance, the estimate of 367 units assisted annually is likely to be optimistic, due to the political obstacles to increasing HUD CPD funds, the limited use of SAIL funds in Sarasota County in recent years, and the chance of losing some units from the affordable housing stock before 2020^k.

On the demand side, Sarasota County is expected to add 341 very low-income, severely cost burdened households annually between 2015 and 2020. This need would be met by the estimated 367 units assisted annually by Sadowski funds, HUD CPD, and other affordable multifamily funds. However, not all units assisted by these funds are targeted to very low-income households with severe cost burden. The Shimberg Center projects a total increase of 755 low-income, cost burdened households annually, much higher than the estimate of units assisted annually. Moreover, Sarasota County already had over 43,000 low-income, cost burdened households in 2013, of which more than 18,000 were severely cost burdened. With the current level of affordable housing funding in Sarasota County, it would be difficult to assist these households while keeping pace with annual increases in affordable housing demand.

This analysis of supply and demand has many limitations, but is designed to spark conversation among local stakeholders on different strategies for meeting current and future affordable housing needs. Two important messages emerge from this analysis:

1. Sarasota County should continue to advocate for full Sadowski funding, and should foster the capacity of local and regional housing developers to apply successfully for SAIL financing. For example, if \$75 million had not been swept from the Local Housing Trust Fund in the 2015-16 session of the State Legislature, Sarasota County’s SHIP allocation might have been high enough to assist well over 105 units. It is also important to advocate for increases in HUD CPD funding and other federal sources, but stakeholders in Sarasota County are likely to have more political influence on Sadowski appropriations.

2. To supplement limited funds from the Sadowski programs and federal sources, County leaders should continually search for new local cash and in-kind contributions. Sarasota County and its municipalities can also expand the supply of affordable housing through land use policies, such as inclusionary housing requirements, provisions for accessory dwelling units (ADUs), and having sufficient land zoned for multifamily housing. These land use policies require little public funding to operate, which is important in a community with a relatively high percentage of elderly residents claiming homestead exemptions (see Table 1). They also help to expand fair housing choice for low-income and minority households.

Table 10. Assistance for Units Occupied by Low-Income Households: Comparison of Estimated Annual Supply and Demand.

(Source: Florida Housing Finance Corporation, Sarasota County 2014⁵⁴, City of Sarasota 2014⁵⁵, Shimberg Center 2015b,^{c56}.)

Funding Source	Units Assisted
SHIP	105
SAIL	57
CDBG, HOME, and/or ESG*	160
Other multifamily rental (e.g. Housing Credits, state and local bonds)**	45
Total	367
Projected annual increase in very low-income, severely cost burdened households, 2015-2020	341
Projected annual increase in low-income, cost burdened households, 2015-2020	755

*The City of Sarasota’s 2014-2015 Action Plan included an objective to rehabilitate 45 owner-occupied units using a combination of CDBG, HOME, and SHIP funds. Additionally, the City and County of Sarasota planned to assist a total of 89 families with homelessness prevention using CDBG and ESG funds.

**This estimate is based on multifamily rental units in the Shimberg Center’s Assisted Housing Inventory that did not receive SAIL funds.

^k According to Shimberg Center data, four Sarasota County developments with 377 assisted units have affordability restrictions that are scheduled to expire between 2015 and 2020. If these units are lost from the affordable housing stock, the loss should be annualized and subtracted from the annual supply of affordable multifamily rental units. The analysis in Table 10 does not subtract these units because 1) the affordability periods may be extended in the future, and 2) these properties may be subject to affordability restrictions from funding sources that are not reported to the Shimberg Center.



How are the SHIP Programs funded in Sarasota County?

The doc stamp tax on all real estate in Florida increased in 1992. The additional money generated is dedicated to the state and local housing trust funds. 70% is directed to local governments (all 67 counties) and Florida’s entitlement cities to fund the SHIP program.

\$1,870,585

IN SHIP FUNDS ARE AVAILABLE FOR SARASOTA COUNTY AND THE CITY OF SARASOTA COMBINED IN FY 2015-2016

Uplifts Our Family, Friends, and Neighbors in Sarasota County

SAIL provides an essential funding source for meeting the housing needs of elders and homeless veterans.

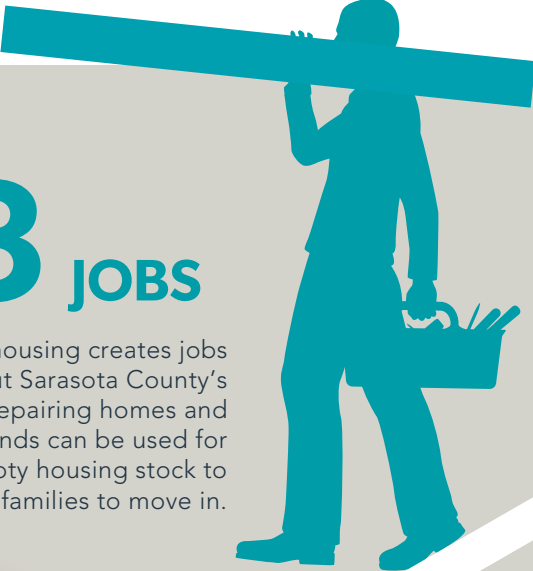
In Sarasota County, the Fair Market Rent (FMR) for a 2-bedroom apartment is \$960. In order to afford this, a household must earn at least \$38,397 (\$18.46/hour). For that same 2-bedroom apartment, a minimum wage worker earning \$8.05/hour must work 92 hours/week year round or the household must include 2.3 minimum wage earners working year round.

SHIP funds can be used to move the existing housing stock. SHIP provides down payment and closing cost assistance,

typically a soft second mortgage that is repaid only upon resale. SHIP homebuyers also attend a pre-purchase home-ownership counseling class.

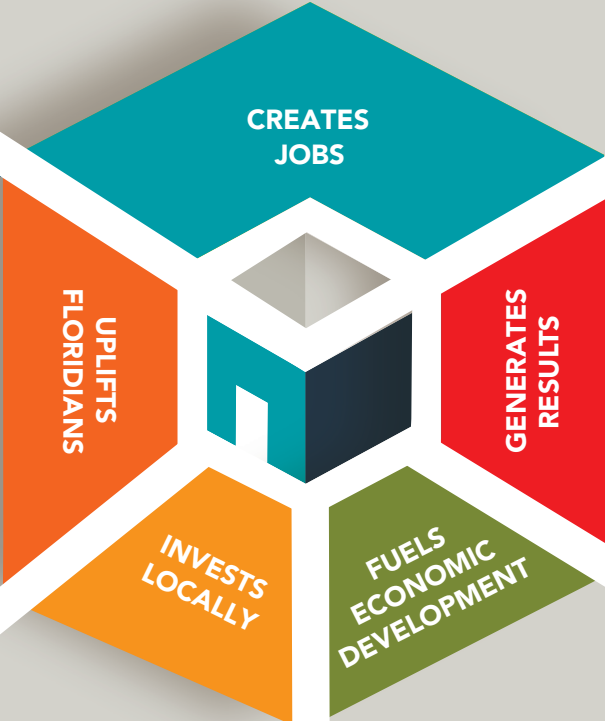
SAIL funds produce apartments for Sarasota County’s workforce, rehabilitate existing apartments in dire need of repair, and provide homes for the County’s most vulnerable populations—including the frail elderly and persons with disabilities, who might otherwise need to live in institutional settings.





CREATES 193 JOBS

From construction workers to retailers, an investment in housing creates jobs for Sarasota County. Housing dollars will put Sarasota County's out-of-work housing industry back to work repairing homes and improving the real estate market. SHIP funds can be used for rehabilitation/renovation of existing empty housing stock to ready it for families to move in.



GENERATES RESULTS

SHIP has a proven track record for performance, transparency, and accountability. Sarasota County needs affordable housing. Using the housing trust fund monies solely for housing is the right thing to do--for residents in need; for the benefit of taxpayers; and for the growth of Sarasota County's economy.

INVESTS LOCALLY

SHIP has been successfully operating in Sarasota County for more than 20 years

SHIP program flexibility allows the Sarasota County/City of Sarasota SHIP program to meet the community's individual needs and revise strategies in accordance with changes in the local market, provided it continues to meet statutory criteria.

FUELS ECONOMIC DEVELOPMENT

The appropriation would result in a positive economic impact of over 24 million.

\$24.4 MILLION

Summary and Conclusions

Sarasota County Doesn't Have Enough Affordable Housing:

- 43,127 low-income households are paying more than 30% of their incomes for housing, the maximum amount considered affordable by experts.
- 18,460 very low-income households are severely cost burdened, meaning that they pay more than 50% of their incomes for housing.
- 78% of the County's extremely low-income (ELI) renters were severely cost burdened in 2013, an increase of 12 percentage points since 2005. The County's ELI renters have a higher rate of severe cost burden than ELI renters statewide.
- On a single day in January 2015, homeless service providers counted 943 people in homeless shelters or on the streets in Sarasota County.
- In the 2013-2014 academic year, the Sarasota County School District identified 924 students who were homeless or precariously housed.
- Many of the Sarasota metro's most common occupations don't pay enough for a family's basic survival. For example, two parents working as nursing assistants could not support themselves, an infant, and a preschooler.
- Many low-income families live far away from their workplaces, trading high housing costs for high transportation costs. A full 99% of typical households at 80% AMI are "housing + transportation" cost burdened in the Sarasota metro—comparable to Miami and higher than New York and San Francisco.

Many Sarasota County Workers Don't Earn Enough to Pay for Housing:

- Many low-wage workers in Sarasota County, including nursing assistants, don't earn enough to rent even a one-bedroom apartment at Fair Market Rent.
- In 2013, the most recent year for which public data is available, Sarasota County had a rental vacancy rate of 10%, and median rents were on a declining trend. However, this data does not capture the County's rapid rent increases in the last year. Vacancy rates are very low for rentals affordable to low-income households.
- In 2013, the 25th percentile home sale price of \$153,722 was out of reach for several essential service workers, including elementary school teachers.

- 4,090 home sales were in the 25th price percentile in 2013, far lower than the number of cost burdened potential homebuyers. With the recent rise of home sale prices, and the reduction in requirements for developers to include affordable units, new construction is not expected to expand the supply of homes affordable to low-income households.

Sadowski Funds Play a Vital Role in Meeting Affordable Housing Needs:

- For Fiscal Year 2015-2016, Sarasota County and the City of Sarasota are estimated to receive a total of \$1.87 million in State Housing Initiatives Partnership (SHIP) funds, creating nearly 200 jobs and generating over \$24 million in positive economic impact.
- Between the 2006-07 and 2011-12 fiscal years, Sarasota County SHIP funds assisted 663 units, mainly owner-occupied. 30% of these units are occupied by elderly households, and 7% are targeted to people with developmental disabilities.
- SAIL has assisted 725 multifamily rental units in Sarasota County to date.
- At current funding levels for SHIP, SAIL, and other housing-related programs in Sarasota County, an estimated 367 housing units can be assisted annually. This rate is not enough to meet both current and future affordable housing needs.
- To increase its affordable housing supply, Sarasota County should advocate for maximum funding for the Sadowski State and Local Trust Funds, while finding creative ways to increase local affordable housing resources. Land use policies, such as mandatory inclusionary zoning and provisions for multifamily and accessory dwelling units (ADUs), can expand affordable housing while meeting fair housing goals.

CONCLUSION

To provide high-quality housing that low-income families can afford, the private housing market needs public incentives. In Florida, the Sadowski State and Local Housing Trust Funds provide critical support for affordable housing activities, including construction and rehabilitation subsidies for private developers, purchase assistance for low-income homebuyers, and financial assistance to help families avoid foreclosure or eviction. Sadowski Funds are particularly important for leveraging other resources, such as federal grants and private local contributions.

Sarasota County needs a multi-pronged strategy to expand its affordable housing supply. Local stakeholders should continue to advocate for the Sadowski Funds to be fully appropriated for housing, since these funds provide a vital buffer against an uncertain federal funding environment. Stakeholders should also enlist support from as many local sources as possible, including business owners, foundations, employers, faith groups, and private citizens. Finally, the County’s land use policies are critical for expanding affordable housing. Policy tools such as inclusionary housing requirements and provisions for accessory dwelling units

(ADUs) can both increase the affordable housing supply and advance fair housing goals.

Individuals and families from all walks of life make Sarasota County the vibrant community that it is. Low-income workers ensure that residents and tourists alike have a safe and comfortable experience in Sarasota County, while elders and neighbors with disabilities add richness and diversity. To be a welcoming community for everyone, Sarasota County needs affordable homes for everyone.



HOME MATTERS FOR SARASOTA COUNTY’S FAMILIES



HOME MATTERS FOR SARASOTA COUNTY’S ECONOMY



HOME MATTERS FOR SARASOTA COUNTY’S ELDERLY



HOME MATTERS FOR SARASOTA COUNTY’S VETERANS



HOME MATTERS FOR SARASOTA COUNTY’S YOUTH AGING OUT OF FOSTER CARE



HOME MATTERS FOR SARASOTA COUNTY’S SPECIAL NEEDS POPULATIONS

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Together with its donors, Gulf Coast Community Foundation transforms its region through bold and proactive philanthropy. Through its Homeless Children and Families initiative, Gulf Coast has played the lead role in improving coordination of services for homeless families in Sarasota County. The foundation believes that expanding options for affordable, attainable housing is a critical next step in this effort.

**GULF COAST
COMMUNITY FOUNDATION**



Affordable Housing is an Integral Part of Community Revitalization and Economic Development



The Florida Housing Coalition, Inc., is a nonprofit, statewide membership organization which brings together housing advocates and resources so that all Floridians have a quality affordable home and suitable living environment.

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