

# Final Report

## Economic Contributions of the Florida Housing Finance Corporation in Florida in 2017

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## Executive Summary

The Florida Housing Finance Corporation (FHFC) is a public corporation of the State created by the Florida Legislature with the mission of promoting homeownership and affordable rental housing for low- and moderate- income Florida residents, using public funds from state and federal sources. The FHFC has been operating in Florida for over 30 years, and offers financing options for homeownership, rental housing development and for foreclosure avoidance.

The Florida State University Center for Economic Forecasting and Analysis (CEFA) has run two different regional economic modeling software programs for Florida Housing Finance Corporation (FHFC) based on the funding outlined in its 2017 annual report along with its administrative operations. The first software program is IMPLAN, an input-output analysis and social accounting software licensed from IMPLAN Group, LLC which was used to determine the economic impact to the state of Florida based on the delivery of the various homeownership and multifamily rental units as outlined in FHFC's 2017 annual report along with its administrative operations. The second software program is REMI, a dynamic (multiple time-period) integrated input-output and econometric model licensed from Regional Economic Models, Inc. (REMI PI+ v2.2.2) 2017 which was used to determine the economic impact to the state of Florida based on the initial 15 years of operations of the multifamily rental units once they are delivered. The findings from both economic modeling software analyses are summarized herein.

In 2017, FHFC assisted in providing 34,018 total housing units in both new construction and rehabilitation activities, not previously reported. The overall total development cost equaled \$4.48 billion<sup>1</sup>. In addition, FHFC's homeownership programs led to over \$540 million in spending on closing costs. By creating new final demand for construction activity and related services, the affordable housing programs administered by FHFC generates broad regional economic impacts in the form of increased industry output

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<sup>1</sup> Including the TDC of \$4.16 billion, \$289 million of closing costs, and \$28 million of FHFC operating expenses.

(revenues), employment, personal income, and local and state government tax revenues. The direct spending for housing development and related assistance stimulates additional indirect and induced economic activity through economic multiplier effects. For the purpose of this study, the Florida State University Center for Economic Forecasting and Analysis (FSU CEFA) research team examined both the multifamily and the single-family programs, and the year 2017 FHFC administrative expenditures, in order to derive the economic impacts of FHFC to the state of Florida. The results of the study found that in 2017, FHFC leveraged \$3 billion of its own funding resources to create a total of \$7.01 billion in economic activity.

***Total Economic Impact Results from acquiring, constructing and/or rehabilitating the units in 2017 as well as the administrative operations of FHFC (IMPLAN)*** – In summary, the economic impact generated by FHFC based on FHFC’s non-duplicative program funding is **\$6.92 billion**. The economic impact associated with FHFC’s operations (spent in Florida) is estimated to be **\$96.2 million**. The total annual economic impact as a result of delivering the homeownership and multifamily rental units funded in 2017 by FHFC’s programs as well as its own operations is estimated to be **\$7.01 billion in economic output, \$2.35 billion in income, \$3.89 billion in value added, and 47,995 full and part-time jobs**.

***Total Economic Impact Results from annual operations of the multifamily rental units for 15 years (REMI)*** – In summary, the **average number of jobs created over each of the 15 years of analysis is 2,904 jobs** for the 176 multifamily rental developments (15,911 total units) identified in the 2017 annual report. Over the 15 years of analysis beginning once the units are delivered, the operations of the 176 multifamily rental developments would create a **cumulative economic output of \$8.27 billion to the state of Florida and \$5.80 billion in personal income**.

## Introduction

The Florida Housing Finance Corporation (FHFC) is a public corporation of the State created by the Florida Legislature with the mission of promoting homeownership and affordable rental housing for low- and moderate- income Florida residents, using public funds from state and federal sources. By creating new final demand for construction activity and related services, the affordable housing programs administered by FHFC generates broad regional economic impacts in the form of increased industry output (revenues), employment, personal income, and local and state government tax revenues. The direct spending for housing development and related assistance stimulates additional indirect and induced economic activity through economic multiplier effects. For example, building contractors purchase materials and equipment, and households of proprietors and employees purchase goods and services for everyday living. The combined direct, indirect, and induced impacts of an activity represent its total economic impacts. These impacts occur over the development period, typically 18 to 24 months.

The Florida State University Center for Economic Forecasting and Analysis (FSU CEFA) was contracted by FHFC to conduct an economic analysis study for 2017.

## Institutional Capacity and Project Team

The Center for Economic Forecasting and Analysis (CEFA<sup>2</sup>) is part of the Florida State University Institute of Science and Public Affairs (ISPA), which is a multi-disciplinary research institute. FSU CEFA specializes in applying advanced, computer-based economic models and techniques to examine and help resolve pressing public policy issues across a spectrum of research areas. FSU CEFA provides advanced research and training to students in the areas of economic development, energy, environmental economics, education, economic impact analysis, and high technology, among others.

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<sup>2</sup> See: <http://www.cefa.fsu.edu>

**Florida Housing Finance Corporation Programs**

FHFC programs consist of a variety of financing activities to facilitate access to affordable housing, such as housing tax credits, loans, mortgage down payment assistance, and other financial instruments. In 2017, FHFC provided financial assistance through several affordable housing programs which the funding for these programs was allocated as single family (homeownership) programs and multifamily (rental) programs (Tables 2 and 3). Some FHFC programs are funded through state and/or federal appropriations, while others are self-financing through fees or principal and interest payments received for outstanding loans. For example, most rental developments in FHFC portfolio pay ongoing fees to FHFC for compliance monitoring. In many cases, multifamily programs may be used together to finance a development; the same is true for single-family programs.

**Previous Economic Benefits to Florida Created by Florida’s Housing Programs**

A summary of the prior economic benefits studies is provided in Table 1 below as a comparison to the current study. Whereas the amount of funding and total development costs represents both homeownership and multifamily rental programs, the reported economic benefits are inclusive of FHFC’s administrative operations, except for 2010 when the operations were not included in the analysis. This Table represents only the economic benefits generating from delivering the proposed units funded by FHFC in 2017 (IMPLAN analysis) and is not related to the economic benefit from operating them once delivered (REMI analysis).

**Table 1. Summary of Prior and Current Economic Benefits Studies**

Expenditure Year	Overall FHFC Funding (Millions)	Total Development Costs (Millions)	Employment	Industry Revenue Output (Billions)
2017	\$3,001.9	\$4,475.7	47,995	\$7,012
2016	\$1,859.6	\$3,095.8	38,454	\$5,463
2015	\$1,048.9	\$2,511.0	34,264	\$4.744
2014	\$1,028.5	\$1,984.5	27,888	\$3.806
2013	\$452.5	\$982.3	15,943	\$2.252
2012	\$408.4	\$486.2	24,515	\$3.094
2010	\$1,237.5	\$2,106.7	41,260	\$4.886

## **Section I**

### **Economic Benefits Methodology for the 2017 FHFC Study – IMPLAN Analysis**

In order to obtain estimates of the different types of macroeconomic effects of FHFC programs on the Florida economy, CEFA used a well-established analytical tool known as the Impact Analysis for Planning, or IMPLAN model. IMPLAN is a widely accepted integrated input-output model. IMPLAN is used extensively by state and local government agencies to measure proposed legislative and other program and policy economic impacts across the private and public sectors. There are several advantages to using IMPLAN:

- It is calibrated to local conditions using a relatively large amount of local county level and state of Florida specific data;
- It is based on a strong theoretical foundation; and
- It uses a well-researched and accepted applied economics impact assessment methodology supported by many years of use across all regions of the U.S.

The economic impact model used for this analysis was specifically developed for the counties of Florida, and includes 536 sectors, 25 institutional sectors, and latest dataset – year 2017 data. IMPLAN’s principal advantage is that it may be used to estimate direct, indirect and induced economic impacts for any static (point-in-time) economic stimulus.

### **Economic Impact Model Input Data**

The FSU CEFA research team collected FHFC program expenditures and spending data for 2017 from FHFC staff. The researchers used “profiles” for multifamily and homeownership that were generated from the prior year’s economic impact modeling process. The input data used for this study were for 2017<sup>3</sup> program-type expenditures on: construction and rehabilitation construction for the multifamily and single family programs, rental and homeownership programs, and operations expenditures. The program expenses were summarized for each program as well as expressed in a non-duplicative manner for overall expense amounts, which were the data used for the economic modeling process. The respective funding and development costs generated by the programs were assigned to

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<sup>3</sup> The final economic impacts were reflected in current year dollars (December 2018).

appropriate industry sector categories in the North American Industry Classification System (NAICS), and further translated into IMPLAN-specific industry sectors in the economic impact model. In this way, the research team was able to estimate the proportion of money spent in each industry sector and calculate its economic impact. Expenditures relating to FHFC's operations were directly classified by line item. Some costs associated with single family home purchases are flat fees charged for every transaction while some are a percentage of purchase price. These line items were assigned industry sector codes and the economic impacts were added to the single-family profile.

Data for this analysis were obtained from direct expenditures for FHFC programs from sources such as the FHFC 2017 annual report, and supplemental information provided by FHFC staff. The supplemental information provided by FHFC staff includes program funding amounts, amount of down payment assistance, program total development costs, closing costs and fees, and operation expenses by expenditure.

Table 2a lists the funding amount and total development cost from each multifamily program. Table 2b lists the multifamily rental programs FHFC administered in 2017, with the funding amount and total development costs for each multifamily program. The *State Housing Initiatives Partnership (SHIP) Program*, assisted both rental and homeownership units and the associated dollar amounts are divided between the multifamily and single family Tables.

It should be noted some developments received funding from more than one program and, as a result, the data for these developments are reported on each program line in Tables 2a and 3a. As such, the totals of each program cannot be added together to determine the overall multifamily total as presented in Tables 2b and 3b, respectively, because this would result in duplication. Tables 2b and 3b have only counted the total development costs once for any development receiving funding from multiple programs. Whenever total development costs are discussed for a particular program, they include all development costs associated with the developments that received funding from that program. Whenever total development costs are discussed for all multifamily or all single-family programs, then duplicative development costs have been netted-out.

Table 4 reports that, in 2017, the total operation expenses for FHFC were \$31,310,883. Approximately ninety percent (89.8%) of the total amount was spent in Florida.



**Table 1a. Funding Amounts, and Total Development Costs for FHFC Multifamily Programs in 2017**

Program	Type of Activity	Funding Amount	Total Development Cost
State Apartment Incentive Loan (SAIL)	New construction	\$ 110,892,559	\$ 502,439,317
	Rehab construction	\$ 6,212,300	\$ 17,789,679
	<b>Total</b>	<b>\$ 117,104,859</b>	<b>\$ 520,228,996</b>
SAIL Workforce Housing	New construction	\$ 51,061,000	\$ 175,164,665
	Rehab construction	\$ 8,500,000	\$ 43,099,274
	Mortgage reduction	\$ -	\$ -
	<b>Total</b>	<b>\$ 59,561,000</b>	<b>\$ 218,263,939</b>
Multifamily Mortgage Revenue Bonds (MMRB)	New construction	\$ 227,010,000	\$ 426,621,252
	Rehab construction	\$ 43,200,000	\$ 83,543,101
	<b>Total</b>	<b>\$ 270,210,000</b>	<b>\$ 510,164,353</b>
Low Income Housing Tax Credits (LIHTC)-9%	New construction	\$ 44,095,725	\$ 562,581,149
	Rehab construction	\$ 6,922,917	\$ 125,145,589
	<b>Total</b>	<b>\$ 51,018,642</b>	<b>\$ 687,726,738</b>
Low Income Housing Tax Credits (LIHTC)-4%	New construction	\$ 22,205,171	\$ 680,823,649
	Rehab construction	\$ 11,783,209	\$ 352,293,894
	<b>Total</b>	<b>\$ 33,988,380</b>	<b>\$ 1,033,117,543</b>
Home Investment Partnership (HOME)	<b>New construction</b>	<b>\$ 12,086,300</b>	<b>\$ 14,132,320</b>
	Rehab construction	\$ -	\$ -
	<b>Total</b>	<b>\$ 12,086,300</b>	<b>\$ 14,132,320</b>
Tenant-Based Rental Assistance (TBRA)	<b>Rental assistance</b>	<b>\$ 601,576</b>	<b>\$ 601,576</b>
Grants for Housing Persons with Developmental Disabilities	New construction	\$ 6,855,000	\$ 9,125,600
	Rehab construction	\$ 3,785,000	\$ 4,070,644
	<b>Total</b>	<b>\$ 10,640,000</b>	<b>\$ 13,196,244</b>
National Housing Trust Fund (NHTF)	New construction	\$ 4,038,400	\$ 54,488,446
	Rehab construction	\$ -	\$ -
	<b>Total</b>	<b>\$ 4,038,400</b>	<b>\$ 54,488,446</b>
Homeless Housing Assistance Loan Demonstration (HHAL)	New construction	\$ 1,985,262	\$ 2,410,262
	Rehab construction	\$ 750,000	\$ 935,005
	<b>Total</b>	<b>\$ 2,735,262</b>	<b>\$ 3,345,267</b>
Development Viability Loans	New construction	\$ 6,363,032	\$ 155,683,422
	Rehab construction	\$ -	\$ -
	<b>Total</b>	<b>\$ 6,363,032</b>	<b>\$ 155,683,422</b>
State Housing Initiatives Partnership (SHIP) - rental	New construction	\$ 5,422,494	\$ 238,876,404
	Rehab construction	\$ 7,413,370	\$ 294,296,617
	Rental assistance	\$ 185,440	\$ 185,440
	Rental deposits	\$ 778,103	\$ 778,103
	Land acquisition	\$ 170,000	\$ 170,000
	<b>Total</b>	<b>\$ 13,969,407</b>	<b>\$ 534,306,565</b>
Predevelopment Loan Program (PLP) - rental	New construction	\$ -	\$ -
	Rehab construction	\$ -	\$ -
	Pre-Development	\$ 4,208,732	\$ 4,208,732
	<b>Total</b>	<b>\$ 4,208,732</b>	<b>\$ 4,208,732</b>

**Table 1b. Totals for All FHFC Multifamily Programs in 2017<sup>4</sup>**

Program	Type of Activity	Funding Amount	Total Development Cost
<b>Total Multifamily Programs</b>	New construction	\$ 492,014,943	\$ 1,283,011,269
	Rehab construction	\$ 88,566,796	\$ 482,445,132
	Mortgage reduction	\$ -	\$ -
	Pre-Development	\$ 4,208,732	\$ -
	Rental assistance	\$ 787,016	\$ 787,016
	Rental deposits	\$ 778,103	\$ 778,103
	Land acquisition	\$ 170,000	\$ 170,000
	<b>Total</b>	<b>\$ 586,525,590</b>	<b>\$ 1,767,191,520</b>

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<sup>4</sup> FHFC often provides multiple subsidies to the same development. As such, total development costs associated with a property that has multiple subsidies will report those same costs on each FHFC subsidy program line. As a result, the reader cannot simply add-up the totals of each program to determine the totals for all multifamily programs. The totals represented in the Table 2b. have netted-out any duplicative figures.

**Table 2a. Funding Amounts, Total Development Costs and Closing Costs for FHFC Single-Family Programs in 2017**

Program	Type of Activity	Funding Amount	Total Development Cost	Closing Costs
First Time Homebuyer (FTHB)	New construction	\$ 163,266,127	\$ 174,842,570	\$ 20,927,724
	Existing Homes	\$ 1,733,888,039	\$ 1,863,131,755	\$ 230,412,143
	<b>Total</b>	<b>\$ 1,897,154,166</b>	<b>\$ 2,037,974,325</b>	<b>\$ 251,339,867</b>
Homeownership Assistance (HAP) (FTHB DPA)	New construction	\$ 495,000	\$ 12,069,783	\$ 1,457,642
	Existing Homes	\$ 7,234,028	\$ 136,669,937	\$ 17,152,883
	<b>Total</b>	<b>\$ 7,729,028</b>	<b>\$ 148,739,720</b>	<b>\$ 18,610,526</b>
3% HFA Preferred Plus Program (FTHB DPA)	New construction	\$ 25,491	\$ 849,685	\$ 100,692
	Existing Homes	\$ 326,909	\$ 10,903,950	\$ 1,297,138
	<b>Total</b>	<b>\$ 352,399</b>	<b>\$ 11,753,635</b>	<b>\$ 1,397,830</b>
HHF DPA (FTHB DPA)	New construction	\$ 12,345,000	\$ 161,923,102	\$ 19,369,389
	Existing Homes	\$ 164,513,891	\$ 1,715,557,868	\$ 211,962,122
	<b>Total</b>	<b>\$ 176,858,891</b>	<b>\$ 1,877,480,970</b>	<b>\$ 231,331,511</b>
Homeownership Pool (HOP)	<b>New construction</b>	<b>\$ 1,794,235</b>	<b>\$ 7,694,400</b>	<b>\$ 970,665</b>
Florida Hardest-Hit Fund (HHF)-funds disbursed (net of DPA)	<b>Mortgage reduction</b>	<b>\$ 242,021,846</b>	<b>\$ -</b>	<b>\$ -</b>
Foreclosure Counseling Program (FCP)	<b>Foreclosure Counseling</b>	<b>\$ 511,425</b>	<b>\$ 511,425</b>	<b>\$ -</b>
State Housing Initiatives Partnership (SHIP)	New construction	\$ 10,901,242	\$ 52,472,350	\$ 6,280,661
	Rehab construction	\$ 43,087,376	\$ 43,087,376	\$ -
	Downpayment assistance	\$ 29,122,705	\$ 244,122,082	\$ 30,107,133
	Foreclosure Prevention	\$ 240,327	\$ 240,327	\$ -
	Foreclosure Counseling	\$ -	\$ -	\$ -
	Land Acquisition	\$ 443,399	\$ 443,399	\$ -
	<b>Total</b>	<b>\$ 83,795,050</b>	<b>\$ 340,365,535</b>	<b>\$ 36,387,793</b>
Predevelopment Loan Program (PLP) - Homeownership	Pre-Development	\$ 719,002	\$ 719,002	\$ -
MCC	MCC on New Homes	\$ 706,000	\$ 706,000	\$ -
	MCC on Existing Homes	\$ 3,716,000	\$ 3,716,000	\$ -
	<b>Total</b>	<b>\$ 4,422,000</b>	<b>\$ 4,422,000</b>	<b>\$ -</b>

**Table 2b. Totals for All FHFC Single-Family Programs in 2017<sup>5</sup>**

Program	Type of Activity	Funding Amount	Total Development Cost	Closing Costs
Total Singlefamily Programs	New construction	\$ 188,827,095	\$ 235,009,320	\$ 49,106,773
	Existing Homes	\$ 1,905,962,866	\$ 1,863,131,755	\$ 460,824,287
	Rehab construction	\$ 43,087,376	\$ 43,087,376	\$ -
	Mortgage reduction	\$ 242,021,846	\$ -	\$ -
	Foreclosure Prevention	\$ 240,327	\$ 240,327	\$ -
	Foreclosure Counseling	\$ 511,425	\$ 511,425	\$ -
	Land Acquisition	\$ 443,399	\$ 443,399	\$ -
	Total MCC	\$ 4,422,000	\$ 4,422,000	\$ -
	Pre-Development	\$ 719,002	\$ 719,002	\$ -
	Downpayment assistance	\$ 29,122,705	\$ 244,122,082	\$ 30,107,133
	<b>Total</b>	<b>\$ 2,415,358,042</b>	<b>\$ 2,391,686,687</b>	<b>\$ 540,038,192</b>

<sup>5</sup> FHFC often provides multiple subsidies to the same development. As such, total development costs associated with a property that has multiple subsidies will report those same costs on each FHFC subsidy program line. As a result, the reader cannot simply add-up the totals of each program to determine the totals for all multifamily programs. The totals represented in Table 3b. have netted-out any duplicative figures.

**Table 4. Operation Expenses for FHFC in 2017<sup>6</sup>**

Descriptions of FHFC Line Item Operating Expenses	IMPLAN Industry Sector	Line Item Budget	Budget Spent in FL	Out of Total Budget Spent, % Spent in FL
Furniture & Equipment, Computer Equipment, Capital Expenditures - IT Equipment	395. Wholesale trade	\$80,866	\$2,968	0.01%
Office Supplies	406. Retail - Miscellaneous store retailers	\$8,171	\$1,330	0.00%
Rent - Offsite Storage	416. Warehousing and storage	\$17,853	\$17,853	0.06%
Software Licenses, Capital Expenditures - Software	422. Software publishers	\$220,145	\$9,908	0.03%
Telephone	428. Wireless telecommunications carriers (except satellite)	\$308,797	\$279,417	0.89%
Books & Subscriptions	431. News syndicates, libraries, archives and all other information services	\$39,212	\$7,077	0.02%
Credit Underwriting, Advisor Payments, Banking & Processing Charges	433. Monetary authorities and depository credit intermediation	\$4,632,124	\$4,589,204	14.66%
Salaries, Unemployment Taxes, Employee Benefits, Compensated Absences, Payroll Taxes, Workers Compensation Insurance	436. Other financial investment activities	\$12,328,229	\$10,673,337	34.09%
Corporate Insurance	438. Insurance agencies, brokerages, and related activities	\$151,207	\$133,322	0.43%
Rent	440. Real estate	\$1,715,100	\$1,715,100	5.48%
Legal Fees	447. Legal services	\$372,247	\$371,010	1.18%
Compliance Monitoring	448. Accounting, tax preparation, bookkeeping, and payroll services	\$3,089,449	\$3,089,449	9.87%
Systems Design Contracts	452. Computer systems design services	\$127,903	\$750	0.00%
Systems Maintenance Contracts	453. Other computer related services, including facilities management	\$126,373	\$3,750	0.01%
Consulting	454. Management consulting services	\$1,470,757	\$1,007,634	3.22%
Environmental Review, Technical Assistance	455. Environmental and other technical consulting services	\$432,674	\$432,674	1.38%
Advertising, Public Relations, Marketing	457. Advertising, public relations, and related services	\$80,329	\$77,781	0.25%
Printing & Reproduction, Servicer Fees	460. Marketing research and all other miscellaneous professional, scientific, and technical services	\$564,258	\$564,258	1.80%
Board Meetings, C-3 Committee	462. Office administrative services	\$50,731	\$50,258	0.16%
Repairs & Maintenance, Property Expenses	463. Facilities support services	\$320,695	\$277,780	0.89%
Employee Relations	464. Employment services	\$1,654	\$1,654	0.01%
Conferences & Seminars	465. Business support services	\$61,288	\$14,108	0.05%
Travel	466. Travel arrangement and reservation services	\$205,995	\$124,921	0.40%
Property Expenses	468. Services to buildings	\$17,519	\$17,519	0.06%
Tuition Reimbursement	473. Junior colleges, colleges, universities, and professional schools	\$2,302	\$2,302	0.01%
Workshops	474. Other educational services	\$331,292	\$331,292	1.06%
Grant Disbursements	514. Grantmaking, giving, and social advocacy organizations	\$4,247,701	\$4,247,701	13.57%
G&A Other, Membership Dues, Trustee Fees	515. Business and professional associations	\$71,407	\$13,311	0.04%
Postage	518. Postal service	\$55,813	\$44,097	0.14%
Other Fees	523. Other state government enterprises	\$178,790	\$2,100	0.01%
Local Property Real Estate Taxes	526. Other local government enterprises	\$3,784	\$3,784	0.01%
	<b>Total</b>	<b>\$31,310,883</b>	<b>\$28,103,869</b>	<b>89.76%</b>

The economic impacts of the 2017 expenditures are listed below. Impacts are expressed for each program area as output (or sales/revenues), employment (or jobs), value-added, and income (or wages). The following Tables present the direct, indirect, induced, and total economic impact results in current dollars. The output generated represents the value of final goods and services produced across the program type economies as a result of the sales/revenues generated by FHFC activities during 2017. The direct impacts measure the immediate effects of spending in FHFC-related industries (e.g., in employment, value-added, and income). Indirect impacts are those that include changes to production, employment, income, etc., that occur as a result of the direct effects. Induced impacts are those further impacts of spending derived from direct and indirect activities (i.e. household purchases of consumer goods and services).

### **FHFC Multifamily Programs**

The 2017 economic impacts for each of the multifamily programs are presented in Table 5. Table 5 represents impacts for each multifamily program and as such, totals for all multifamily programs are not presented therein.

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<sup>6</sup> The values in the column “Out of Total Budget Spent, % Spent in FL” represent the amount of spending within the particular line item as a percentage of all FHFC operations spending.

**Table 5. Economic Impacts of each FHFC Multifamily Program in Florida in 2017<sup>7</sup> – IMPLAN Analysis**

Multifamily Programs				
Economic Impacts	Output*	Employment	Income*	Value added*
State Apartment Incentive Loan (SAIL)	\$1,481,433,296	10,023	\$501,606,195	\$799,808,117
State Apartment Incentive Loan (SAIL)- Workforce Net	\$580,152,043	3,926	\$196,683,775	\$313,438,827
Multifamily Mortgage Revenue Bonds (MMRB)	\$1,376,004,177	9,312	\$466,366,693	\$743,299,370
LIHTC-9%	\$1,840,374,096	12,454	\$623,846,469	\$994,228,160
LIHTC-4%	\$2,573,826,611	17,422	\$873,683,019	\$1,391,549,949
HOME Rental	\$40,805,274	276	\$13,813,119	\$22,027,273
TBRA	\$1,655,985	11	\$427,479	\$1,024,939
Grants for Housing for DD	\$33,374,659	226	\$11,325,594	\$18,041,095
EHCL	\$0	0	\$0	\$0
NHTF	\$157,328,448	1,064	\$53,257,737	\$84,928,156
HHAL	\$10,186,833	69	\$3,461,164	\$5,510,472
Development Viability	\$449,516,051	3,041	\$152,167,063	\$242,655,222
State Housing Initiatives Partnership (SHIP) - Rental	\$1,200,313,306	8,128	\$408,121,029	\$649,961,760
PLP - Rental	\$8,972,655	61	\$3,372,832	\$5,063,571

\* in Dec 2018 \$

### FHFC Single Family Programs

The 2017 economic impacts associated with each of the single-family programs are presented in Table 6. Table 6 represents impacts for each single-family program and as such, totals for all single-family programs are not presented.

<sup>7</sup> Because FHFC often uses more than one program to fund the same development, Total Development Cost totals may not simply be added together in this table to get the overall economic impact of all multifamily programs. Instead, this table should only be used to understand the economic impact of each program by itself.

**Table 6. Economic Impacts of each FHFC Single Family Program in Florida in 2017<sup>8</sup> – IMPLAN Analysis**

Single Family Programs				
Economic Impacts	Output*	Employment	Income*	Value added*
FTHB & DPA Programs	\$1,265,999,420	8,572	\$399,575,729	\$732,729,311
HOP	\$26,354,893	179	\$8,670,197	\$14,244,784
NFMC	\$0	-	\$0	\$0
Foreclosure Counseling	\$1,776,454	14	\$773,110	\$1,055,728
SHIP - Homeownership	\$1,137,981,987	7,748	\$374,915,674	\$613,884,462
MCC	\$15,899,659	109	\$6,070,405	\$8,781,630

\* in Dec 2018 \$

### FHFC Operations

FHFC 2017 administrative expenditures were assigned sector codes which correspond to the appropriate industry for each expense line item. Money spent outside of Florida is excluded from the economic model. The economic impacts associated with those expenditures are shown in Table 7.

**Table 7. FHFC Operations, Impacts for 2017 – IMPLAN Analysis**

FHFC Operating Expenses				
Economic Impacts	Output*	Employment	Labor Income*	Value added*
FHFC Admin. and Operating Expenses	\$96,190,523.98	658	\$31,952,669.18	\$51,447,762.72
Grand Total	\$96,190,524	658	\$31,952,669	\$51,447,763

<sup>8</sup> Because FHFC often uses more than one program to fund the same development, Total Development Cost totals may not simply be added together in this table to get the overall economic impact of all single-family programs. Instead, this table should only be used to understand the economic impact of each program by itself.



## Total Economic Impacts of FHFC Housing Programs and Administrative Expenditures

The total economic impacts for the two FHFC main program groups (multifamily and single family) are shown in Table 8. In addition, the economic impacts associated with FHFC operations are included.

**Table 8. Economic Impacts of All FHFC Housing Programs and Operating Expenditures for 2017 – IMPLAN Analysis**

Total FHFC Housing Programs & Operations				
Economic Impacts	Output*	Employment	Labor Income*	Value added*
Multifamily Programs	\$4,543,120,881	30,749	\$1,540,865,006	\$2,455,748,377
Single Family Programs	\$2,372,564,160	16,588	\$779,243,091	\$1,382,456,829
FHFC Admin. and Operating Expenses	\$96,190,524	658	\$31,952,669	\$51,447,763
<b>Total All Program Activities</b>	<b>\$7,011,875,565</b>	<b>47,995</b>	<b>\$2,352,060,766</b>	<b>\$3,889,652,969</b>

\* in Dec 2018 \$

## Section II

### Economic Impacts Methodology for the 2017 FHFC Study – REMI Analysis

The 15-year economic impact results, based on projected operating data (program input data), show the impact of each FHFC individual program, relative to the baseline economy. The results reveal that the impacts on the Florida economy will be positive, on Output, Income and Employment, for years 2017 - 2031. It should be noted that the analyses did not reallocate or redistribute any potential revenues generated from program income associated with potential loan repayments from these developments to other areas of spending; such as government spending or other affordable housing programs. The program input data (for 2017) included the following data categories (by individual program) for operating income and expenses provided to FSU CEFA by the FHFC,<sup>9</sup> on a per-unit basis:

- Average Annual Effective Gross Income
- Average Annual Real Estate Taxes
- Average Annual Insurance

<sup>9</sup> Input data provided by Mr. Kevin Tatreau, FHFC Director of Development Finance.

- Average Annual Management Fee (% of EGI)
- Average Annual General & Administrative
- Average Annual Payroll
- Average Annual Utilities
- Average Annual Utility Allowances
- Average Annual Marketing & Advertising
- Average Annual Building Maintenance & Repairs
- Average Annual Grounds Maintenance & Landscaping
- Average Annual Contract Services
- Average Annual Resident Programs
- Average Annual Security
- Average Annual Other
- Average Annual Replacement Reserves
- Average Annual Amortizing Debt – Principal Payments
- Average Annual Amortizing Debt – Interest Payments
- Average Annual Interest Only Debt Service & Fees
- Net Cash Flow after Debt Service

FSU CEFA then derived the totals (used in the REMI model) based on the average operating cost (or average effective gross income) per unit multiplied by the number of units for each input data category listed above, for each FHFC multifamily program and a separate overall FHFC multifamily grouping (because programs are often used together to fund developments). There was no duplication of any category nor numbers provided in the input data.<sup>10</sup> In order to estimate the expected growth rate of operating expenses, an assumption of 3 percent annually was used. Income<sup>11</sup> was based on a growth rate of 2 percent annually.<sup>12</sup>

For each of the ten programs (4%HC, 9%HC, SAIL, MMRB, Grants, HOME, NHTF, HHAL, SAIL Workforce and Development Viability), several policy variables were used in REMI PI+ to model changes in several expense and income categories. For “Average Annual Effective Gross Income PU”, REMI’s proprietor’s income policy variable was used because this is the income category that reflects the total income received by the development. “Average Annual Real Estate Taxes PU” uses REMI’s local government spending variable

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<sup>10</sup> The Summary Table presents the total economic impact results including all rental developments funded in 2017 without duplication when any development received funding from more than one program.

<sup>11</sup> Based on the Average Annual Effective Gross Income variable.

<sup>12</sup> The growth rate(s) for operating expenses and income, of 3 percent and 2 percent, respectively, were based on growth rates used by the FHFC.

because it is assumed that money taxed by the government is spent. All other expense categories used the industry sales policy variable, with the industry detail selected that best corresponds to the associated NAICS code of the category.

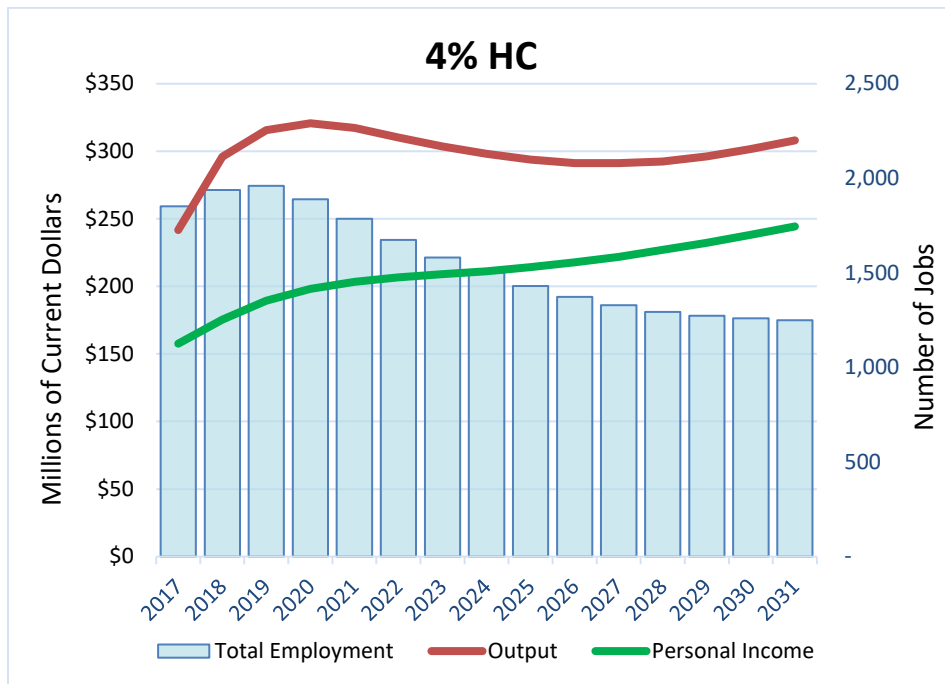
## FHFC Program Results

### 4% HC Program

The economic impact presented below is based on the 15-year operating proformas for the 40, 4% HC developments that were awarded funding in 2017, creating 5,155 units.

- 2017-2031 Employment increases by 1,961 jobs in the third year of operation, before settling at 1,249 jobs in 2031.<sup>13</sup> After the first three years of operations where the market demonstrates an over-employment strategy, it begins to decrease the number of jobs annually thereafter.
- Annual Output increases to \$295 million for the 2nd year of operation in 2018, eventually rising to \$320 million in 2020, before decreasing annually through 2027 where it begins to then increase again.
- Personal Income increases by \$158 million for the initial year of operation in 2017 and continues to increase to \$244 million in 2031.

**Figure 1. The FHFC 4% HC Program to Year 2031**



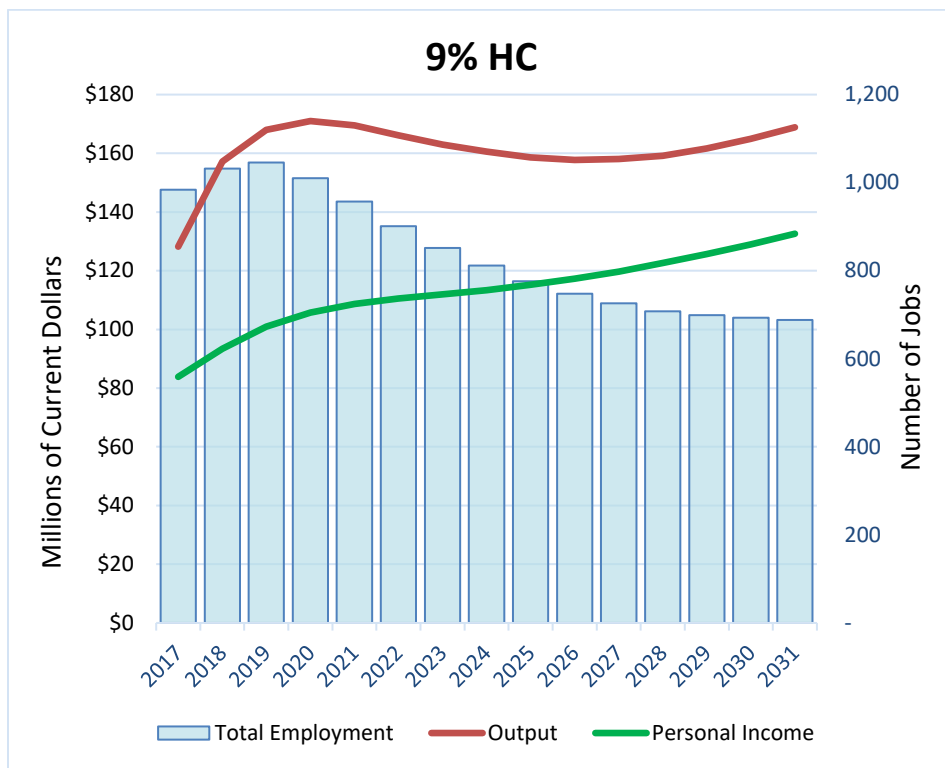
<sup>13</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## 9 % HC Program

The economic impact presented below is based on the 15-year operating proformas for the 35 9% HC developments that were awarded funding in 2017, creating 3,437 units.

- Employment increases by 984 jobs for the initial year of operation in 2017, before settling at 688 jobs in 2031.<sup>14</sup> After the first three years of operations where the market demonstrates an over-employment strategy, it begins to decrease the number of jobs annually thereafter.
- Annual Output increases by \$128 million for the initial year of operation in 2017, eventually rising to \$169 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$84 million for the initial year of operation in 2017 and continues to increase to \$133 million in 2031.

**Figure 2. The FHFC 9% HC Program to Year 2031**



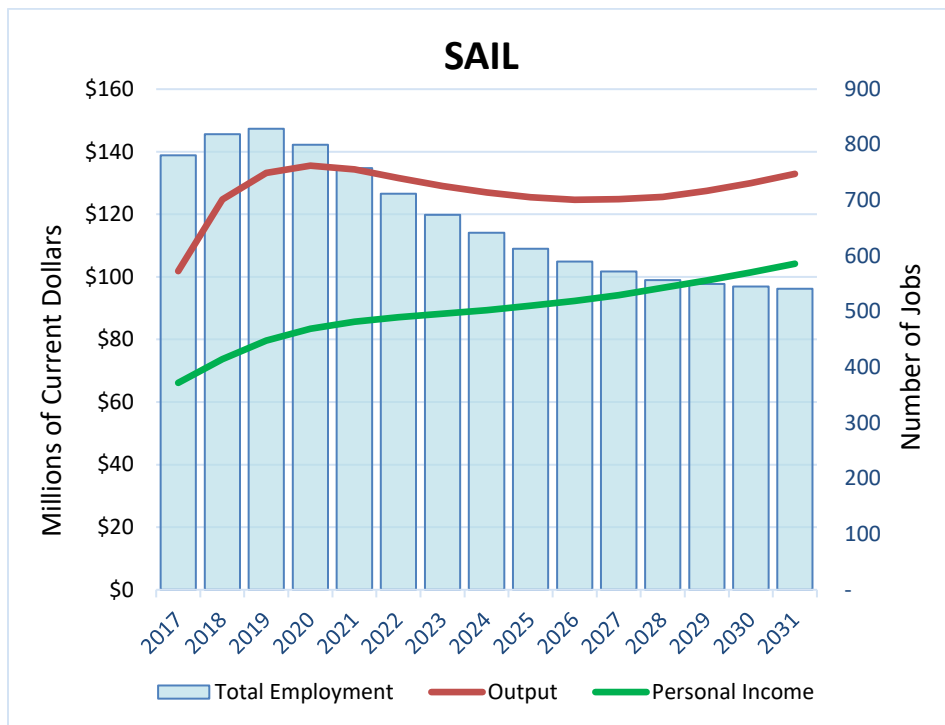
<sup>14</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## SAIL Program

The economic impact presented below is based on the 15-year operating proformas for the 25 SAIL developments that were awarded funding in 2017, creating 2,412 units.

- Employment increases by 781 jobs for the initial year of operation in 2017 and after an additional increase in the first three years stabilizes to 541 in 2031.<sup>15</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to decrease the number of jobs annually thereafter.
- Annual Output increases by \$102 million for the initial year of operation in 2017, peaking in 2020 at \$136 million before it begins to fall. It stabilizes in 2025 and returns to an increasing trend, reaching \$133 million in 2030.
- Personal Income increases by \$66 million for the initial year of operation in 2017 and continues to increase to \$104 million in 2031.

**Figure 3. The FHFC SAIL Program to Year 2031**



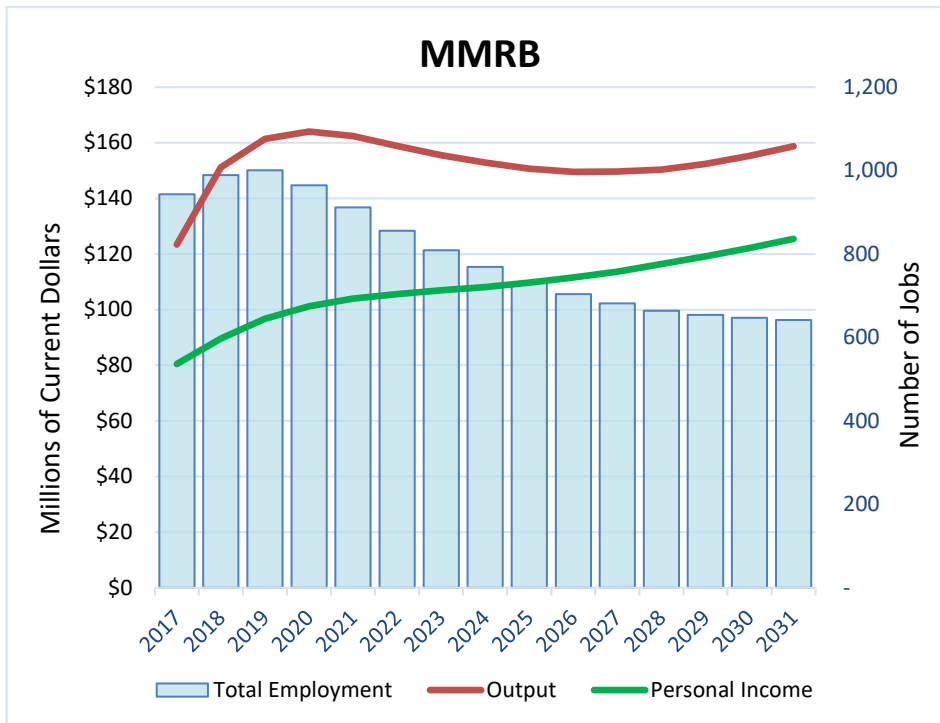
<sup>15</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## MMRB Program

The economic impact presented below is based on the 15-year operating proformas for the 21 MMRB developments that were awarded funding in 2017, creating 2,637 units.

- Employment increases by 943 jobs for the initial year of operation in 2017.<sup>16</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself through 2031, reaching 642 jobs by 2031.
- Annual Output increases by \$123 million for the initial year of operation in 2017, eventually rising to \$164 million in 2020, where it then begins to decrease. It stabilizes in 2025 and returns to an increasing trend, providing \$159 million of annual Output by 2031.
- Personal Income increases by \$81 million for the initial year of operation in 2017 and continues to increase to \$126 million in 2031.

**Figure 4. The FHFC MMRB Program to Year 2031**



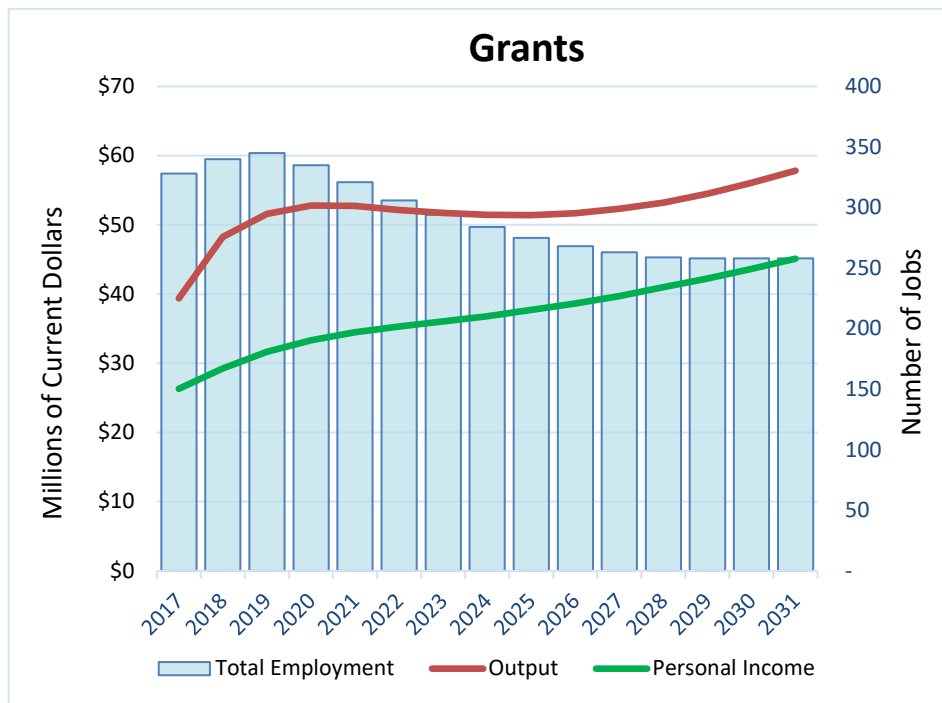
<sup>16</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## Grants Program

The economic impact presented below is based on the 15-year operating proformas for the 30 Grant developments that were awarded funding in 2017, creating 179 units.

- Employment increases by 328 jobs for the initial year of operation in 2017, before settling at 258 jobs in 2031.<sup>17</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$39.4 million for the initial year of operation in 2017, eventually rising to \$57.8 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$26.3 million for the initial year of operation in 2017 and continues to increase to \$45 million in 2031.

**Figure 5. The FHFC Grants Program to Year 2031**



<sup>17</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

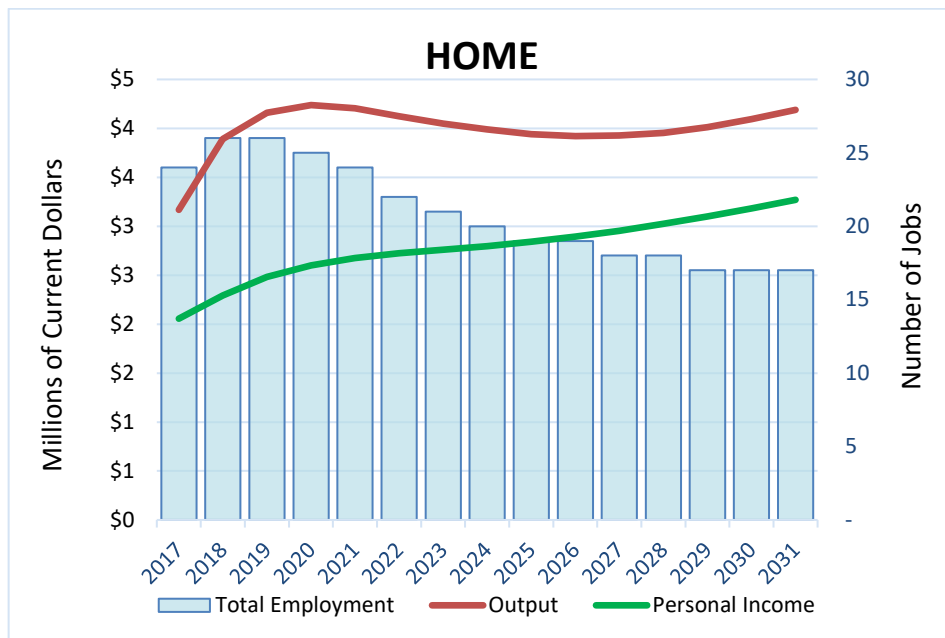


## HOME Program

The economic impact presented below is based on the 15-year operating proformas for the 3 HOME developments that were awarded funding in 2017, creating 104 units.

- Employment increases by 24 jobs for the initial year of operation in 2017, eventually dropping to 17 in 2031.<sup>18</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$3.2 million for the initial year of operation in 2017, eventually rising to \$4.2 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$2.1 million for the initial year of operation in 2017 and continues to increase to \$3.3 million in 2031.

**Figure 6. The FHFC HOME Program to Year 2031**



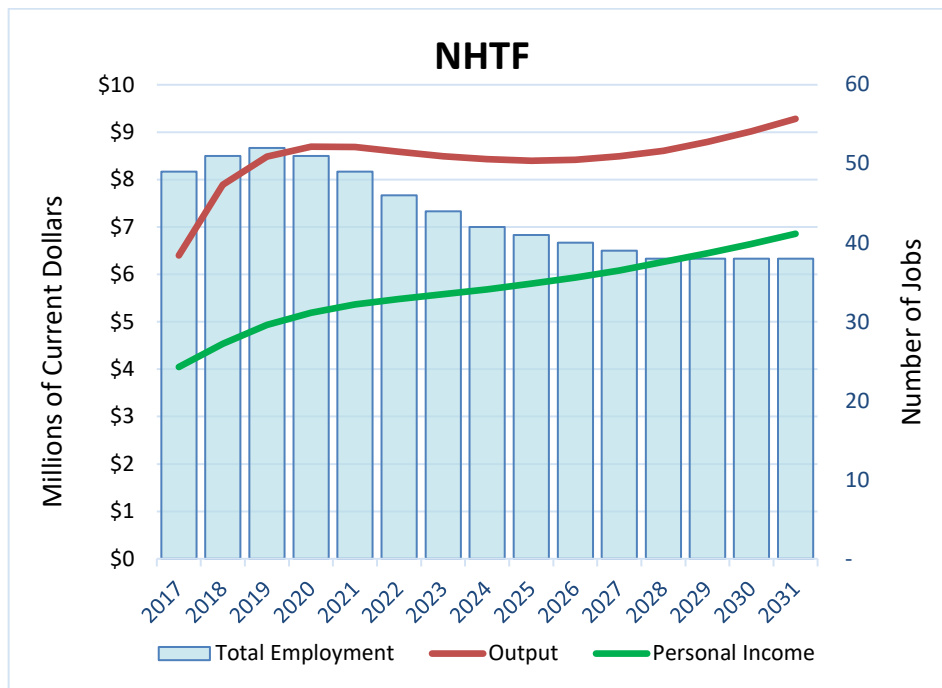
<sup>18</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## NHTF Program

The economic impact presented below is based on the 15-year operating proformas for the 3 NHTF developments that were awarded funding in 2017, creating 245 units.

- Employment increases by 49 jobs for the initial year of operation in 2017, eventually dropping to 38 in 2031.<sup>19</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$6.4 million for the initial year of operation in 2017, eventually rising to \$9.3 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$4.1 million for the initial year of operation in 2017 and continues to increase to \$6.9 million in 2031.

**Figure 7. The FHFC NHTF Program to Year 2031**



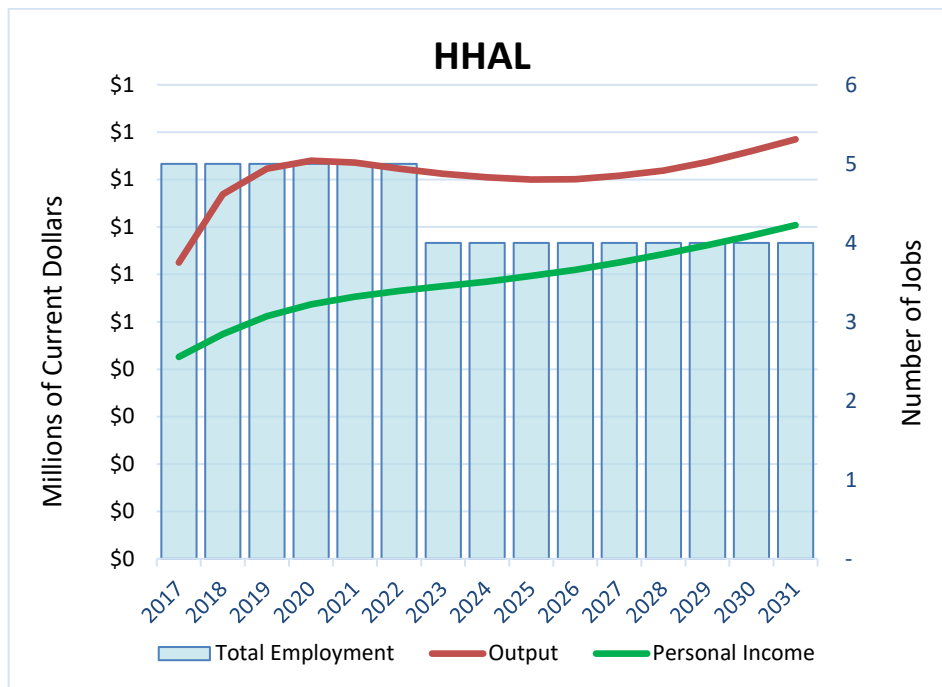
<sup>19</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## HHAL Program

The economic impact presented below is based on the 15-year operating proformas for the 4 HHAL developments that were awarded funding in 2017, creating 28 units.

- Employment increases by 5 jobs for the initial year of operation in 2017, eventually dipping to 4 in 2031.<sup>20</sup>
- Annual Output increases by \$0.63 million for the initial year of operation in 2017, eventually rising to \$0.89 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$0.43 million for the initial year of operation in 2017 and continues to increase to \$0.7 million in 2031.

**Figure 8. The FHFC HHAL Program to Year 2031**



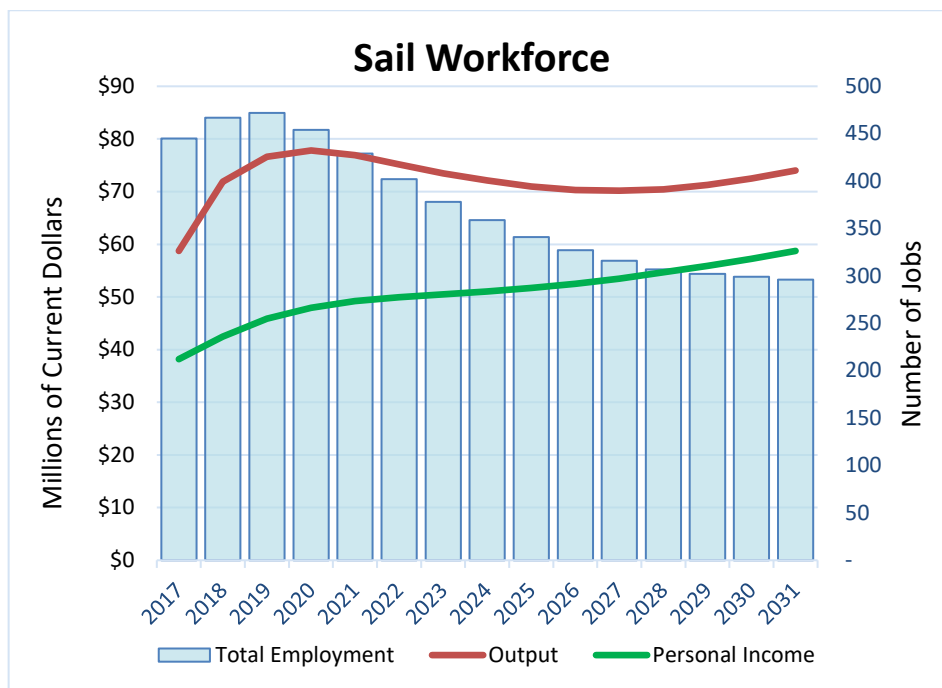
<sup>20</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## SAIL Workforce Program

The economic impact presented below is based on the 15-year operating proformas for the 8 SAIL Workforce developments that were awarded funding in 2017, creating 993 units.

- Employment increases by 445 jobs for the initial year of operation in 2017, eventually dropping to 296 in 2031.<sup>21</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$58.7 million for the initial year of operation in 2017, eventually rising to \$74 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$38.2 million for the initial year of operation in 2017 and continues to increase to \$58.7 million in 2031.

**Figure 9. The FHFC SAIL Workforce Program to Year 2031**



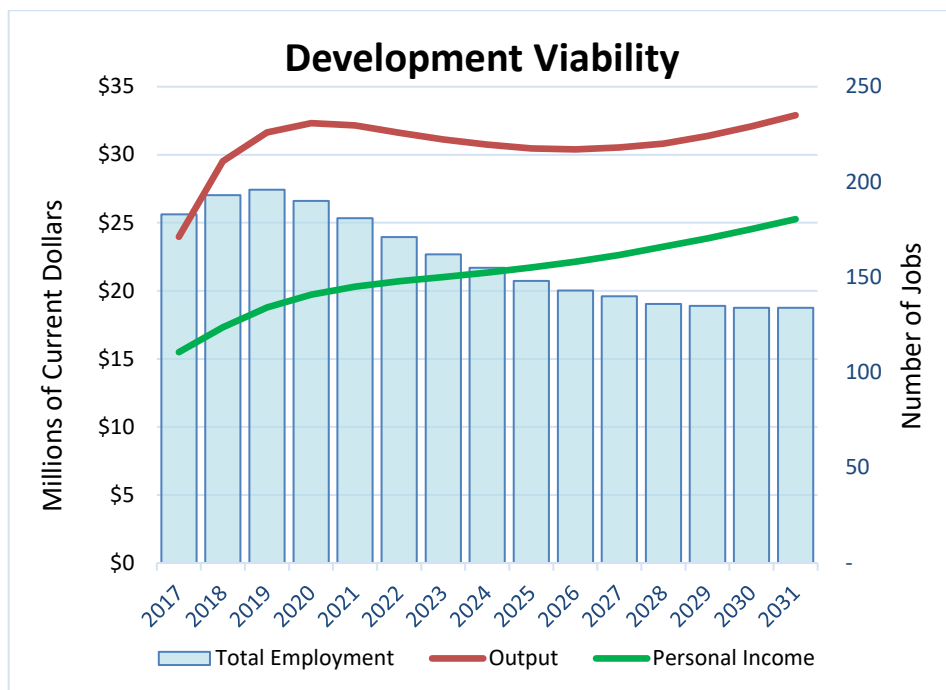
<sup>21</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## Development Viability Program

The economic impact presented below is based on the 15-year operating proformas for the 7 Development Viability developments that were awarded funding in 2017, creating 721 units.

- Employment increases by 183 jobs for the initial year of operation in 2017, eventually dropping to 134 in 2031.<sup>22</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$24 million for the initial year of operation in 2017, eventually rising to \$33 million in 2031, with an increasing trend at that time.
- Personal Income increases by \$15.5 million for the initial year of operation in 2017 and continues to increase to \$25.3 million in 2031.

**Figure 10. The FHFC Development Viability Program to Year 2031**



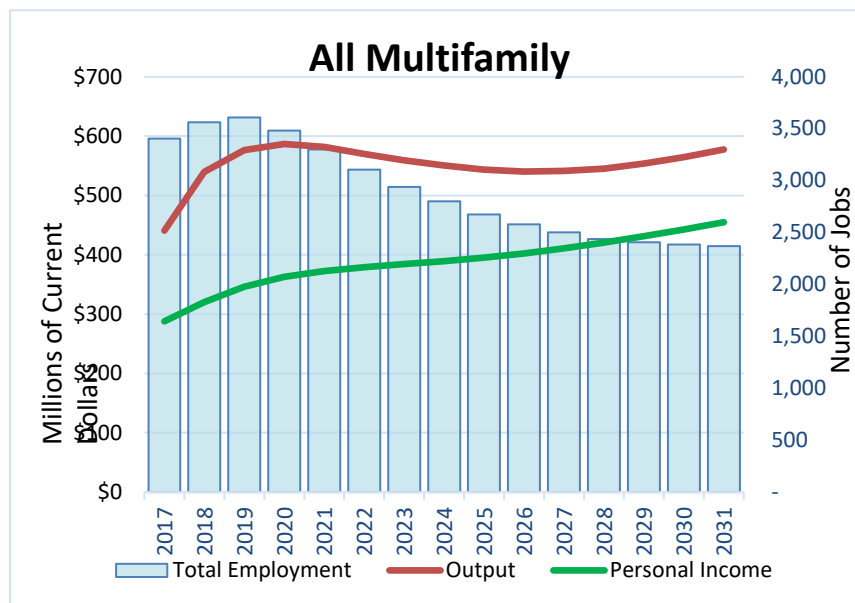
<sup>22</sup> The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

## Summary

Overall, the combined, total economic impact results for FHFC’s ten rental programs are shown below, based on the 15-year operating proformas of the 122 developments that had a funding award in 2017, creating 9,702 units. It should be noted that these summary totals contain no duplication of economic impact due to leveraging multiple program funds.<sup>23</sup>

- Employment increases by 3,404 jobs for the initial year of operation in 2017, before settling at 2,370 jobs in 2031.<sup>24</sup> During the first three years of operations the market creates jobs based on higher demand expectations than needed, and then it begins to correct itself thereafter.
- Annual Output increases by \$441 million for the initial year of operation in 2017, and continues to rise to \$587 million in 2020 before dropping through 2026. Afterwards it shows an increasing trend through 2031 when it reaches \$579 million.
- Personal Income increases by \$288 million for the initial year of operation in 2017 and continues to increase to \$455 million in 2031.

**Figure 7. The FHFC Summary of Programs to Year 2031**



<sup>23</sup> Although the program funds include all developments funded by each respective program, the summary economic impact analysis only counts each funded development once, even if they had multiple funding programs.

<sup>24</sup> The job increases for each program are relative to a baseline (i.e., no FHFC program investment activity).