An Economic Analysis
OF THE
Florida Housing Programs

A project by:
The Florida Association of
Local Housing Finance Authorities

Prepared by
The Regional Economic Consulting (REC) Group
JANUARY 22, 2021

REC | Regional Economic Consulting Group

January 22nd, 2021

Mark Hendrickson

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Mr. Hendrickson,

We would like to thank you for giving us the opportunity to undertake this project to analyze the fiscal impact of fully funding the Sadowski Housing Programs. The project was challenging, and the firm has worked many hours to quantify economic magnitude that the programs retain on the economy statewide.

This has been a great learning experience for the firm, as well as allowing us to build upon our own experience and show our capabilities as consultants. The firm is sending both a hard copy and digital files. We will email a PDF, a Word doc, and Excel file as a part of the finished product. We will also send a hard copy on Friday.

Once again, we would like to thank you for your business. We enjoy working with you and we hope to be working with you again in the near future.

Best Regards

-The Regional Economic Consulting Group.

Dr. Clyde Diao

Mr. Jared Parker

Executive Summary

The study was conducted upon the request of the Florida Association of Local Housing Finance Authorities. The main objective is to determine and analyze the economic impact of fully funding the Sadowski Housing Programs as it relates to Florida's Gross Domestic Product (GDP), employment, output, state and local taxes, and personal income generated through direct, indirect, and induced impacts. The study also analyzes the economic loss resulting from underfunding the program. The study undertakes a two-tiered approach by analyzing independently both the SHIP and SAIL. Funding for the Florida Housing Programs has declined over the years as more money is set aside to the General Revenue needs and the State Stabilization Trust Fund. Thus, the study measures the economic loss between the actual budgeted amount and the revenue available from the housing trust funds as approved by the Revenue Estimating Conference. Using the data provided by the Florida Housing Finance Corporation and its annual report, the Regional Economic Consulting (REC) Group was able to distribute the amounts to specific spending categories for the SHIP program. Using a similar methodology, REC was able to do the same thing for SAIL. Using the IMPLAN model, the study was able to arrive at the following results.

A combined appropriation for SHIP and SAIL of $648.3 million in FY 2021-22 by the Florida legislature, and $3.5 billion in total development costs, Florida would see 30,473 units newly constructed or rehabilitated, 48,199 jobs created, and an economic impact of more than $7.3 billion. With the economic activity created, $245 million taxes would be created, with $127.2 million going back to the state. SAIL tends to carry a larger dollar for dollar economic impact; however, SHIP can produce more units, and provide more housing at a cheaper per unit cost. Both programs are vital for providing housing for low-income to moderate income Floridians, and as a boon economy wide.

FY 2021-22 highlights the impact of adding back the full amount of the vetoed $225 million. For $225 million, $1.1 billion in total development costs lead to a further 11,335 homes being constructed, 14,913 jobs, and more than $2.3 billion in economic activity. By FY 2022-23, if the level of funding were tied to fully appropriating the documentary stamps taxes collected, the state would expect to appropriate $436.3 million into low-income housing for a total of $2.5 billion in total development. In turn another 19,726 homes would be constructed, more than 34 thousand jobs created, and produce more than $5.1 billion in economic output. The overarching impact the SHIP and SAIL programs have on the state's economy is by no means small. It creates potentially tens of thousands of jobs, returns tens of millions in taxes, and produces billions of dollars in economic impacts on the economy at large all the while providing much needed housing for thousands of Floridians.

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I. **Introduction**

The Florida Association of Local Housing Finance Authorities (ALHFA) has approached the Regional Economic Consulting (REC) Group to conduct an economic analysis of the housing programs in Florida: The State Housing Initiative Partnership Program (SHIP) and the State Apartment Incentive Loan Program (SAIL). The programs have not been fully funded with the state's Housing Trust Fund despite increasing tax revenue. In FY 2020-21, the total appropriation was $370 million, however $225 million was vetoed leaving a total budget of $145 million. The Florida Legislature has previously swept the housing fund and has not fully funded the SHIP and SAIL programs. During the last five years, the total amount funded by the Legislature accounts for 54.4% of total amount collected from documentary stamps collections. With an appropriation of $648.3 million in FY 2021-22 by the Florida legislature, and $3.5 billion in total development costs, Florida would see 30,473 units newly constructed or rehabilitated, 48,199 jobs created, and an economic impact of more than $7.3 billion. With the economic activity created, $245 million taxes would be created, with $127.2 million going back to the state.

The Regional Economic Consulting Group (REC Group) is an analytical think tank with expertise in general state and tax policy, Constitutional Amendments, state trust funds, and other state and local projects. The Group covers a wide-ranging field spanning economic outlooks to demographic and labor market studies and uses the latest techniques in econometric modelling and methodologies to produce fiscal impacts that are then applied to pending legislation and government projects.

II. **Brief Background**

Florida has a 40-year history of providing homeownership and rental housing to its low-income residents. In 1997 the Florida Legislature created the Florida Housing Finance Corporation (FHFC), a quasi-government corporation with the purpose of reducing bureaucracy and streamlining administrative processes in administering affordable housing programs. Its goal, through programs like SHIP and SAIL, is to increase the supply of affordable housing for individuals and families ranging from very low to moderate incomes.[1] FHFC uses both federal and state resources to finance the development of affordable homes and rental housing and provide assistance to first-time home buyers. The FHFC tries to increase affordable housing opportunities while working with local governments, nonprofits, elected officials, and others to help promote affordable housing throughout Florida.

[1] The Florida Senate, Bill Analysis and Fiscal Impacts, SB306, January 31, 2020

Funding for the FHFC's SHIP and SAIL programs come from the collections of documentary stamps tax which are then distributed to the State Housing Trust Fund and the Local Government Trust Fund. The William E. Sadowski Affordable Housing Act was created in 1992 as a dedicated source of revenue from documentary stamps tax collections for affordable housing. Thirty percent (30%) of the collections go into the State Housing Trust Fund and 70% go into the Local Government Housing Trust Fund. To implement the program, SHIP and SAIL funds are highly leveraged, with private sector loans and equity providing $4 to $6 for every $1 of state funding—giving a large impact from increasing job creation, supply chain development, and ensuing levels of activity across the economy.

The final budget in FY 2019-20 saw the Housing Trust Fund appropriated $200.6 million dollars. Of the monies appropriated, $39.04 million was appropriated to SAIL funding and another $46.56 million going towards SHIP. The rest of the allocation was divided between Hurricane Housing Recovery Program ($65 million), a SHIP like program for Hurricane Michael relief, and Rental Recovery Loan Program ($50 million), a SAIL like program also tied to Hurricane Michael relief. The FY 20-21 budget increased the total appropriation to $370 million initially. $30 million was dedicated to continuing Hurricane Michael relief in the SHIP like program, $115 million was tied to SAIL and $225 million was appropriated to SHIP in the House and Senate. The $225 million SHIP appropriation was later vetoed, bringing the total Housing Trust Fund appropriation down to $145 million.

State Housing Initiatives Partnership (SHIP) Program

The State Housing Initiatives Partnership program (SHIP) provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low-income, low-income and moderate-income families[2].

SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida with the minimum allocation of $350,000. In order to participate, local governments must establish a local housing assistance program by ordinance; develop a local housing assistance plan and housing incentive strategy; amend land development regulations or establish local policies to implement the incentive strategies; form partnerships and combine resources in order to reduce

[2] Florida Senate, January 31, 2019

housing costs; and ensure that rent or mortgage payments within the targeted areas do not exceed 30 percent of the area median income limits, unless authorized by the mortgage lender[3].

SHIP money can be used for:

- Emergency repairs
- New construction
- Rehabilitation
- Down payment and closing cost assistance
- Impact fees
- Construction and gap financing
- Mortgage buy-downs
- Acquisition of property for affordable housing
- Matching dollars for federal housing grants and programs
- Homeownership counseling

At least 65% of the funds must be spent towards eligible homeownership activities and 75% must be spent towards eligible construction activities. 30% must be reserved for very low-income families and another 30% reserved for low-income families, with the remaining reserved for families up to 140% of the area median income (AMI). No more than 10% of the fund may be used towards administrative costs.

State Apartment Incentive Loan (SAIL) Program

The State Apartment Incentive Loan program (SAIL) provides low-interest loans on a competitive basis to affordable housing developers each year. This money often serves to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low-income individuals and families[4].

The SAIL program consists of a low interest loan program to developers involved in the construction or rehabilitation of multifamily developments by setting aside a certain portion of their units for low-income housing. In most cases, the SAIL loan cannot exceed 25 percent of the total development cost and can be

[3] Florida Housing Finance Corporation, 2020.
[4] ibid

used in conjunction with other state and federal programs.[5] Developers may participate under three scenarios:

- Developers can set aside 20% of their units for families with 50% of Area Median Income (AMI).
- Developers may use the loan in conjunction with other housing credits but must set aside 40% of the units for families earning up to 60% of AMI.
- If the development is in the Florida Keys, developers must set aside 100% of their units for families earning up to 120% of state or local median income, whichever is higher.

Loan interest rates are set at zero percent for those developments that maintain 80 percent of their occupancy for farmworkers, commercial fishing workers or homeless people. The interest rates are set at one percent for all other developments. Loans are issued for a maximum of 15 years unless housing credit syndication requirements or Fannie Mae requirements dictate longer terms or if the Corporation's encumbrance is subordinate to the lien of another mortgage, in which case the term may be made coterminous with the longest term of the superior loan[6].

Funding of the Florida Housing Program

Since 1992, total collections amounted to $6.5 billion from documentary stamps tax collections. $4.3 billion has been appropriated to SHIP and SAIL by the Legislature, or 65.1% of the total amount of relevant taxes collected. There are years where appropriations have fluctuated to full funding and in some cases exceeded available funds from tax revenue. Since FY 2007-08, the percentage of appropriations to available funds has declined as the Florida Legislature started sweeping the money and putting them in either General Revenue or the State Stabilization Trust Fund. Since FY 2014-15, the percentage of total allotment to collections has declined to 56.4%. As a result, the housing program has been less than fully funded since FY 2008-09 and has led to an economic dead weight loss. Table I provides further detail into collections, appropriations, and trust fund sweeps.

[5] ibid

[6] Florida Housing Finance Corporation, 2020

Table I

State Housing Trust Fund

Fiscal Year Ending	Collections	Appropriations	% Total	Legislative Sweep
1993	$41,006,550	$36,200,000	88.3%	
1994	$51,033,448	$47,000,000	92.1%	
1995	$45,536,407	$50,666,438	111.3%	
1996	$108,049,916	$112,916,468	104.5%	
1997	$121,471,040	$127,369,767	104.9%	
1998	$145,209,025	$121,033,630	83.4%	
1999	$169,882,688	$169,389,410	99.7%	
2000	$176,464,510	$186,576,276	105.7%	
2001	$191,415,135	$186,671,276	97.5%	
2002	$228,117,990	$195,521,212	85.7%	$12,000,000
2003	$294,552,125	$246,600,168	83.7%	
2004	$390,167,300	$192,171,717	49.3%	$120,896,937
2005	$502,045,358	$192,892,623	38.4%	$220,800,000
2006	$606,244,598	$442,892,623	73.1%	
2007	$452,308,119	$433,000,000	95.7%	
2008	$243,000,000	$390,400,000	160.7%	
2009	$167,581,340	$69,304,577	41.4%	$440,000,000
2010	$159,088,774	$31,279,989	19.7%	$91,900,000
2011	$170,713,220	$37,500,000	22.0%	$174,310,000
2012	$186,756,959		0.0%	$189,531,109
2013	$168,122,265	$10,000,000	5.9%	$96,660,000
2014	$193,073,850		0.0%	$204,130,000
2015	$238,951,609	$167,660,000	70.2%	$106,151,367
2016	$262,033,614	$175,000,000	66.8%	$81,000,000
2017	$282,850,943	$184,330,428	65.2%	$116,914,438
2018	$296,912,132	$137,000,000	46.1%	$154,400,000
2019	$318,003,831	$123,605,000	38.9%	$182,000,000
2020	$334,670,000	$192,600,000	57.5%	$125,000,000
	6,210,592,746	**4,066,981,602**		**2,190,693,851**

Source: *Source: The Florida Housing Finance Corporation (FHFC) Collections, Appropriations and Sweeps summary. January 29, 2020. Collections were based on the Revenue Estimating Conference, August 2019.*

III. Objectives

To determine and analyze the economic impact of fully funding the Sadowski Housing Programs as it relates to Florida's Gross Domestic Product (GDP), employment, output and state and local taxes, and personal income generated through direct, indirect, and induced impacts. The study will also analyze the economic loss resulting from underfunding the program. The study undertakes a two-tiered approach by analyzing independently both the SHIP and SAIL.

IV. Methodology and Assumptions

The analysis takes a two-pronged approach by developing a static impact first and then taking that static impact and running it through IMPLAN to account for the changing effects. The static approach for SHIP begins with researching historical data and creating a distribution table broken down between homeownership and rental based activities. Homeownership is further divided into construction-based activity and non-construction-based activity. Categories are created encompassing purchase assistance of newly constructed homes, building new homes, emergency repairs and rehabilitation, and special needs modifications. Non-construction-based activities include foreclosure prevention assistance and purchase assistance for existing homes. Like homeownership, rental based activities are broken into categories of rental assistance, rehabilitation of developments, and new construction of developments.

Using the distribution tables created from historical data, the funding can be divided with each specific category having their own leveraging rules and assumptions applied to aggregate up to total development costs (TDC) and the number of units created. IMPLAN software can be used to examine relevant subsectors that are affected by the economic shocks of the TDC to produce direct economic impacts, along with indirect and induced effects, and their corresponding tax collections.

SAIL takes a similar approach to the SHIP analysis. SAIL distribution uses historical data to determine a percentage split in funding between new construction of apartment developments and rehabilitation of apartment developments. The historical data comes from the annual reports produced by the FHFC, and the funding distribution and number of units renovated or newly built can be calculated. The TDC developed is based on leveraging assumptions and analyzed in IMPLAN with relevant subsectors to determine the effects of the economic shock and determine items such as job creation, income creation, and changes in economic output and state GDP, and tax collections.

Assumptions for SHIP

1. Uses the latest budget numbers and the most recent Florida Revenue Estimating Conference (the REC column) forecast to determine the fully funded amounts
2. Flat 10% administrative cost
3. Historical data provided by FHFC for distributing spending among different SHIP activities
4. 10% down payment assistance on newly constructed homes
5. Developers, for profit and nonprofit, and home builders putting 25% down for construction of single family homes
6. 10% down payment assistance on existing homes
7. SHIP funding for developers rehabilitating rental units represent 10% of the TDC
8. SHIP funding for developers newly constructing rental units represent 10% of TDC

Assumptions for SAIL

1. Use the latest budget and the most recent REC forecast to determine the fully funded impacts
2. Funding distribution based on the annual report of the FHFC

Sources of Data: Florida Housing Finance Corporation (FHFC) Annual Reports, 5-year data from FHFC, The Florida Economic Estimating Conference November 2020, The Florida Revenue Estimating Conference, Dec 2020.

V. Results, Findings and Analysis

Table II shows how the SHIP program is broken into two major pieces, Homeownership and Rental. Homeownership was subdivided into two major categories, Construction and without construction. Construction is made up of any assistance leading to the acquisition of a newly built single-family home. "Without Construction" are any activities leading to the acquisition of an existing home. The Rental piece is subdivided into three categories, rental assistance, rehabilitation, and construction of new developments.

Table II

SHIP Program	Fiscal Year 2020-21			Fiscal Year 2021-22			Fiscal Year 2022-23
	Budget	REC	Difference	Budget	REC	Difference	REC
Homeownership							
Construction							
Purchase Assistance Funding (57)	$2,765,197	$26,241,723	($23,476,525)	$48,077,564	$27,338,584	$20,738,980	$28,177,361
Units w/ Purchase Assistance	167	1,587	(1,420)	2,908	1,654	1,255	1,704
Per Capita Purchase Assistance	$16,532	$16,532	$0	$16,532	$16,532	$0	$16,532
Purchase Assistance + Leverage	$165,315	$165,315	$0	$165,315	$165,315	$0	$165,315
Total Impact	$27,651,973	$262,417,225	($234,765,252)	$480,775,640	$273,385,841	$207,389,798	$281,773,606
Funding New Construction (57)	$3,602,121	$34,184,130	($30,582,009)	$62,628,880	$35,612,971	$27,015,909	$36,705,615
Units Constructed	66	627	(561)	1,149	653	496	673
Per Capita Construction Funding	$54,511	$54,511	$0	$54,511	$54,511	$0	$54,511
Funding + Leverage	$218,042	$218,042	$0	$218,042	$218,042	$0	$218,042
Total Impact	$14,408,485	$136,736,519	($122,328,035)	$250,515,520	$142,451,885	$108,063,635	$146,822,458
Funding for Rehabilitation (61)	$10,773,570	$102,241,177	($91,467,607)	$187,316,466	$106,514,693	$80,801,773	$109,782,676
Units Rehabilitated	535	5,081	(4,546)	9,309	5,293	4,016	5,456
Per Capita Rehabilitated	$20,122	$20,122	$0	$20,122	$20,122	$0	$20,122
Total Impact	$10,773,570	$102,241,177	($91,467,607)	$187,316,466	$106,514,693	$80,801,773	$109,782,676
Funding for Special Needs (61)	$374,294	$3,552,048	($3,177,754)	$6,507,722	$3,700,518	$2,807,204	$3,814,054
Units w/ Special Needs Modifications	15	141	(126)	258	147	111	151
Per Capita Modified	$25,257	$25,257	$0	$25,257	$25,257	$0	$25,257
Total Impact	$374,294	$3,552,048	($3,177,754)	$6,507,722	$3,700,518	$2,807,204	$3,814,054
Without Construction							
Funding Purchase Assistance (447)	$5,669,467	$53,803,239	($48,133,773)	$98,573,128	$56,052,128	$42,521,000	$57,771,866
Units w/ Purchase Assistance	284	2,699	(2,414)	4,944	2,811	2,133	2,898
Per Capita Purchase Assistance	$19,937	$19,937	$0	$19,937	$19,937	$0	$19,937
Purchase Assistance + Leverage	$199,371	$199,371	$0	$199,371	$199,371	$0	$199,371
Total Impact	$56,694,667	$538,032,393	($481,337,725)	$985,731,282	$560,521,277	$425,210,005	$577,718,660
Foreclosure Assistance (447)	$145,847	$1,384,083	($1,238,237)	$2,535,784	$1,441,936	$1,093,849	$1,486,176
Units	18	173	(155)	317	180	137	186
Per Capita	$8,004	$8,004	$0	$8,004	$8,004	$0	$8,004
Total Impact	$145,847	$1,384,083	($1,238,237)	$2,535,784	$1,441,936	$1,093,849	$1,486,176
SHIP Homeownership Funding	$23,330,495	$221,406,400	($198,075,905)	$405,639,544	$230,660,830	$174,978,714	$237,737,747
SHIP Homeownership Units	1,086	10,308	(9,222)	18,885	10,739	8,146	11,068
SUBTOTAL	**$110,048,835**	**$1,044,363,445**	**($934,314,610)**	**$1,913,382,413**	**$1,088,016,150**	**$825,366,263**	**$1,121,397,630**

The homeownership construction category is further subdivided into four self-contained groupings. The first is purchase assistance funding. These are individual families requiring down payments to move into a newly constructed home. In FY 2020-21, there would have been an estimated 167 families based on the budget that were on average provided $16,532 in down payment assistance statewide. That down payment corresponds with an average home price of $165,315. The next three categories are funding of new construction of single-family homes, rehabilitation and emergency repairs, and lastly funding for special needs modifications.

Funding of newly constructed homes refers to private companies, some for profit and others nonprofit, that are constructed homes for low-income families. The rehabilitation category is tied to emergency repairs, or general remodeling and reconstruction of single-family homes. Special needs modifications are made of assistance for those with disabilities requiring alterations to their home.

The Without Construction of Homeownership category is divided between purchase, or down payment assistance, and foreclosure assistance. Purchase assistance based on the appropriation from the FY 2020-21 accounted for roughly 284 families, and $5.7 million in funding, and total development costs (TDC) of more than $56 million. Comparatively, if the appropriation had matched closer to the tax revenue available, the number of families affected would have been closer to 2,700, with more than $538 million in TDC, and would carry a much higher economic impact.

The second major piece of SHIP is Rental, shown in Table III. Rental is subdivided into rental assistance, rehabilitation, and new construction of developments. The units for both rehabilitation and new construction are based on individual apartments, or front doors, and not entire developments.

Table III

SHIP Program	Fiscal Year 2020-21			Fiscal Year 2021-22			Fiscal Year 2022-23
	Budget	REC	Difference	Budget	REC	Difference	REC
Rental							
Rental Assistance (447)	$650,124	$6,169,674	($5,519,551)	$11,303,485	$6,427,557	$4,875,928	$6,624,761
Units w/ Rental Assistance	283	2,688	(2,405)	4,925	2,801	2,125	2,887
Per Capita	$2,295	$2,295	$0	$2,295	$2,295	$0	$2,295
Total Impact	$650,124	$6,169,674	($5,519,551)	$11,303,485	$6,427,557	$4,875,928	$6,624,761
Rehabilitation (61)	$1,761,561	$16,717,218	($14,955,656)	$30,627,681	$17,415,970	$13,211,710	$17,950,311
Qualified Units w/ Rehabilitation	94	896	(801)	1,641	933	708	962
Total Units Rehabilitated	105	995	(890)	1,823	1,037	787	1,069
Per Capita Funding for Rehabilitation	$16,797	$16,797	$0	$16,797	$16,797	$0	$16,797
Funding + Leverage	$167,973	$167,973	$0	$167,973	$167,973	$0	$167,973
Total Impact	$17,615,614	$167,172,176	($149,556,562)	$306,276,808	$174,159,703	$132,117,105	$179,503,106
New Construction (58)	$1,257,820	$11,936,708	($10,678,888)	$21,869,290	$12,435,643	$9,433,647	$12,817,182
Qualified Units	47	451	(403)	826	470	356	484
Total Units Developed	53	501	(448)	918	522	396	538
Per Capita Funding for Construction	$23,834	$23,834	$0	$23,834	$23,834	$0	$23,834
Funding + Leverage	$238,345	$238,345	$0	$238,345	$238,345	$0	$238,345
Total Impact	$12,578,196	$119,367,081	($106,788,885)	$218,692,902	$124,356,432	$94,336,470	$128,171,818
SHIP Rental Funding	$3,669,505	$34,823,600	($31,154,095)	$63,800,456	$36,279,170	$27,521,286	$37,392,253
SHIP Rental Units	425	4,035	(3,610)	7,392	4,203	3,189	4,332
SUBTOTAL	**$30,843,934**	**$292,708,931**	**($261,864,998)**	**$536,273,195**	**$304,943,692**	**$231,329,503**	**$314,299,685**
Total Funding	**$27,000,000**	**$256,230,000**	**($229,230,000)**	**$469,440,000**	**$266,940,000**	**$202,500,000**	**$275,130,000**
TOTAL FUNDING + LEVERAGE IMPACT	**$140,892,769**	**$1,337,072,377**	**($1,196,179,608)**	**$2,449,655,608**	**$1,392,959,842**	**$1,056,695,767**	**$1,435,697,315**

Rehabilitation is remodeling apartment complexes with the end goal of housing low income-based families or individuals. On a per capita base, developers receive $16,797 per unit. After loans are tied to the initial funding, each remodeled unit costs approximately $167,973. For a 100-unit remodeled apartment complex, the total funding would be $1.7 million and giving into a total leveraged amount of $16.8 million in investment.

For the FY 2020-21 budget, the total amount of funding dedicated to SHIP was $30 million, and all tied into a Hurricane Michael Recovery SHIP like program where the money was focused on disaster areas from the hurricane. Altogether it is estimated that the $30 million spent, post administrative costs, led to $27 million in total funding for that year. Based on assumptions tied to the type of spending the money was put towards, and what sort of leverage that would typically carry, the total development expenditures made amounted to $140.8 million.

The static impact for a program such as SHIP can be viewed as how much money was funded, and what potentially could be funded. The "difference" column in the analysis is an attempt to illustrate how much more potential a program like SHIP could have. Knowing the level of documentary stamps tax collections and how much typically flows into the State Housing Trust Fund as approved during the Revenue Estimating Conference (REC), the actual funding could be almost ten times higher. There is enough extra capacity in the fund for the program to additionally spend $229 million in funding and achieve an additional $1.2 billion total development expenditures, carrying with it large economic positive ramifications.

FY 2021-22 columns in Table III depict what the next fiscal year could resemble if the program is fully funded and the money vetoed in FY 2020-21 were restored in FY 2021-22. It would be an additional $200 million above and beyond what is considered fully funded for the program, plus another $1.1 billion in positive shock to the economy to provide the extra benefit of restoring lost ground from the prior fiscal year.

Table IV shows the SAIL program broken down between Construction and Rehabilitation. Like rental units for SHIP, the units for SAIL are described as specific apartment units or front doors. Each grouping takes the number of set-aside units, or units specifically tied to the programs funding, and grosses them up to a total units number. The per capita value is funding divided by the total number of units. The funding plus leverage per capita, assumes the distributed per capita is some percentage of the TDC, and is based on historical data from the SAIL program in the Florida Housing Finance Corporation's (FHFC) annual reports.

Table IV

SAIL Program	Fiscal Year 2020-21			Fiscal Year 2021-22	Fiscal Year 2022-23
	Budget	REC	Difference	REC	REC
Total Funding	$115,000,000	$121,600,000	($6,600,000)	$126,700,000	$130,600,000
New Construction	$106,444,176	$112,553,146	($6,108,970)	$117,273,714	$120,883,560
Rehabilitation Funding	$8,555,824	$9,046,854	($491,030)	$9,426,286	$9,716,440
Total Units	3,814	4,033	(219)	4,202	4,332
Set-aside Units	3,809	4,027	(219)	4,196	4,325
New Construction	2,648	2,800	(152)	2,918	3,008
Rehabilitated Units	1,160	1,227	(67)	1,278	1,318
Construction (58)	$106,444,176	$112,553,146	($6,108,970)	$117,273,714	$120,883,560
Set-aside Units	2,648	2,800	(152)	2,918	3,008
Total Units Developed	2,652	2,804	(152)	2,922	3,012
Per Capita Funding for Construction	$40,133	$40,133	$0	$40,133	$40,133
Funding + Leverage	$265,349	$265,349	$0	$265,349	$265,349
Total Impact	$703,777,917	$744,168,650	($40,390,733)	$775,379,670	$799,246,922
Rehabilitation (61)	$8,555,824	$9,046,854	($491,030)	$9,426,286	$9,716,440
Qualified Units w/ Rehabilitation	1,160	1,227	(67)	1,278	1,318
Total Units Rehabilitated	1,162	1,229	(67)	1,280	1,320
Per Capita Funding for Rehabilitation	$7,364	$7,364	$0	$7,364	$7,364
Funding + Leverage	$188,418	$188,418	$0	$188,418	$188,418
Total Impact	$218,925,967	$231,490,413	($12,564,447)	$241,199,304	$248,623,750
SAIL Funding	$115,000,000	$121,600,000	($6,600,000)	$126,700,000	$130,600,000
SAIL Units	3,814	4,033	(219)	4,202	4,332
Total Funding + Leverage	**$922,703,884**	**$975,659,063**	**($52,955,179)**	**$1,016,578,975**	**$1,047,870,672**

The past fiscal years, SAIL has maintained a level of funding that is closer to the available revenues in the State Housing Trust Fund (SHTF). SAIL carries with it an 8x multiplier on funding leading into the TDC of either remodeling apartments or building new developments altogether. The FY 2020-21 budget was $115 million, that had a total development expenditure of $923 million across the state. Vast majority of that money went into new development as opposed to rehabilitation. If the program is fully funded in the next two fiscal years, as much as $2 billion dollars could be invested into low-income housing tied to apartment developments.

With the static impact determined, the dynamic impacts of SHIP and SAIL look to tie dollar values to the economic ripple effects created by the programs. The IMPLAN model can break down the direct costs, the indirect costs, and the induced costs of the programs across the number of jobs created or lost, the value of income, state GDP, and output arising. Table V shows the resulting economic impacts from the IMPLAN model.

With SHIP, the categories devised in the static output, homeownership divided from rental impacts and each's corresponding subcategories, are further reorganized into categories matching IMPLAN's subsectors. The five organized categories of SHIP as applied to IMPLAN are administrative costs, single family construction, total rehabilitation, financial assistance of existing structures, and multifamily construction. Total rehabilitation consists of rehabilitating or remodeling total housing, multi or single-family homes. Financial assistance encompasses any financial transaction tied to home ownership, whether it is foreclosure assistance or down payment funding.

Table V

SHIP	Fiscal Year 2020-21								
	Budget			REC			Difference		
	Direct	Indirect	Induced	Direct	Indirect	Induced	Direct	Indirect	Induced
Employment									
Admin Cost	8	9	7	78	84	68	(70)	(75)	(61)
Single Family Construction	382	106	167	3,626	1,004	1,586	(3,244)	(899)	(1,419)
Total Rehabilitation	141	88	76	1,334	837	718	(1,193)	(749)	(642)
Financial Assistance for Existing Structures	319	322	133	3,031	3,057	1,264	(2,712)	(2,735)	(1,131)
Multi Family Construction	155	16	59	1,468	155	559	(1,313)	(138)	(500)
Income									
Admin Cost	$636,819	$505,624	$342,334	$6,043,409	$4,798,373	$3,248,752	($5,406,591)	($4,292,749)	($2,906,418)
Single Family Construction	$21,157,183	$5,663,317	$7,983,842	$200,781,663	$53,744,876	$75,766,663	($179,624,481)	($48,081,559)	($67,782,821)
Total Rehabilitation	$7,537,519	$4,581,885	$3,613,977	$71,531,057	$43,482,093	$34,296,640	($63,993,538)	($38,900,207)	($30,682,664)
Financial Assistance for Existing Structures	$6,423,842	$14,738,923	$6,365,789	$60,962,262	$139,872,380	$60,411,334	($54,538,420)	($125,133,457)	($54,045,545)
Multi Family Construction	$8,609,455	$866,335	$2,816,541	$81,703,728	$8,221,515	$26,728,977	($73,094,273)	($7,355,181)	($23,912,436)
State GDP Added									
Admin Cost	$1,648,350	$816,685	$641,190	$15,642,846	$7,750,342	$6,084,896	($13,994,495)	($6,933,657)	($5,443,706)
Single Family Construction	$24,526,166	$9,896,312	$14,940,092	$232,753,316	$93,915,998	$141,781,470	($208,227,150)	($84,019,686)	($126,841,378)
Total Rehabilitation	$13,457,046	$8,300,898	$6,764,173	$127,707,364	$78,775,520	$64,192,005	($114,250,319)	($70,474,622)	($57,427,832)
Financial Assistance for Existing Structures	$19,764,613	$25,762,334	$11,912,608	$187,566,174	$244,484,545	$113,050,647	($167,801,562)	($218,722,212)	($101,138,040)
Multi Family Construction	$10,207,034	$1,506,418	$5,270,002	$96,864,752	$14,295,912	$50,012,319	($86,657,718)	($12,789,493)	($44,742,317)
Output									
Admin Cost	$3,042,980	$1,685,194	$1,130,541	$28,877,878	$15,992,493	$10,728,837	($25,834,898)	($14,307,299)	($9,598,296)
Single Family Construction	$42,888,784	$18,506,804	$26,347,220	$407,014,564	$175,629,572	$250,035,115	($364,125,779)	($157,122,768)	($223,687,895)
Total Rehabilitation	$29,329,937	$15,512,212	$11,928,284	$278,341,104	$147,210,890	$113,199,418	($249,011,167)	($131,698,678)	($101,271,134)
Financial Assistance for Existing Structures	$58,109,036	$54,260,653	$21,008,044	$551,454,748	$514,933,594	$199,366,333	($493,345,713)	($460,672,941)	($178,358,289)
Multi Family Construction	$12,825,907	$2,854,978	$9,293,986	$121,717,861	$27,093,737	$88,199,923	($108,891,953)	($24,238,760)	($78,905,938)
Total Jobs Impact	1,005	541	442	9,538	5,137	4,195	(8,533)	(4,596)	(3,753)
Total Economic Impact									
Income	$44,364,818	$26,356,084	$21,122,483	$421,022,120	$250,119,236	$200,452,367	($376,657,302)	($223,763,153)	($179,329,884)
State GDP	$69,603,209	$46,282,647	$39,528,065	$660,534,452	$439,222,317	$375,121,337	($590,931,244)	($392,939,671)	($335,593,272)
Output	$146,196,644	$92,819,841	$69,708,074	$1,387,406,155	$880,860,287	$661,529,626	($1,241,209,511)	($788,040,446)	($591,821,552)

The three main effects of a dynamic model are direct, indirect, and induced effects. Direct effects take the form of direct investment or expenditures. The money spent upfront will directly affect things like additional employment, salaries, increasing output, or in this case construction. The indirect effects are those which affect the supply chain. The final impact is the induced effect, or effects arising from the second level expenditures coming from the impact. When building a home, the direct impact is the upfront cost of the project, indirect effect would be those paid further down the supply chain delivering material, and the induced effect would consist of workers taking their wages and spending them to further economic activity.

With the IMPLAN output presented, the two main fiscal years in focus are FY 2020-21 and FY 2021-22. In FY 2020-21 there was a negative $1.1 billion between what could have been funded versus the reality. What does that mean to the economy? That level of investment in the SHIP program could mean an extra 16,882 jobs. It would mean another $800 million in income and $1.3 billion in added GDP to the economy statewide.

Table VI

SHIP	Fiscal Year 2021-22								
	Budget			REC			Difference		
	Direct	Indirect	Induced	Direct	Indirect	Induced	Direct	Indirect	Induced
Employment									
Admin Cost	144	154	125	82	87	71	62	66	54
Single Family Construction	6,643	1,840	2,905	3,778	1,046	1,652	2,866	794	1,253
Total Rehabilitation	2,444	1,533	1,315	1,390	872	748	1,054	661	567
Financial Assistance for Existing Structures	5,553	5,601	2,316	3,158	3,185	1,317	2,396	2,416	999
Multi Family Construction	2,690	284	1,025	1,529	161	583	1,160	122	442
Income									
Admin Cost	$11,072,154	$8,791,118	$5,952,052	$6,296,014	$4,998,937	$3,384,545	$4,776,140	$3,792,181	$2,567,507
Single Family Construction	$367,852,883	$98,466,200	$138,812,405	$209,174,013	$55,991,325	$78,933,588	$158,678,870	$42,474,875	$59,878,817
Total Rehabilitation	$131,052,333	$79,663,715	$62,835,011	$74,520,940	$45,299,574	$35,730,185	$56,531,394	$34,364,141	$27,104,826
Financial Assistance for Existing Structures	$111,689,202	$256,260,742	$110,679,845	$63,510,386	$145,718,819	$62,936,430	$48,178,816	$110,541,923	$47,743,415
Multi Family Construction	$149,689,725	$15,062,670	$48,970,265	$85,118,812	$8,565,161	$27,846,205	$64,570,913	$6,497,509	$21,124,060
State GDP Added									
Admin Cost	$28,659,320	$14,199,433	$11,148,162	$16,296,691	$8,074,294	$6,339,235	$12,362,628	$6,125,139	$4,808,927
Single Family Construction	$426,428,275	$172,063,872	$259,758,394	$242,482,029	$97,841,535	$147,707,706	$183,946,246	$74,222,338	$112,050,688
Total Rehabilitation	$233,973,169	$144,324,943	$117,606,428	$133,045,326	$82,068,210	$66,875,127	$100,927,843	$62,256,734	$50,731,300
Financial Assistance for Existing Structures	$343,640,732	$447,921,106	$207,120,540	$195,406,137	$254,703,604	$117,775,982	$148,234,595	$193,217,502	$89,344,558
Multi Family Construction	$177,466,296	$26,191,596	$91,627,767	$100,913,542	$14,893,458	$52,102,753	$76,552,754	$11,298,139	$39,525,015
Output									
Admin Cost	$52,907,275	$29,299,910	$19,656,345	$30,084,927	$16,660,954	$11,177,285	$22,822,348	$12,638,957	$8,479,060
Single Family Construction	$745,692,998	$321,771,637	$458,090,327	$424,027,115	$182,970,605	$260,486,179	$321,665,883	$138,801,032	$197,604,148
Total Rehabilitation	$509,949,842	$269,705,656	$207,393,103	$289,975,313	$153,364,067	$117,930,971	$219,974,529	$116,341,588	$89,462,132
Financial Assistance for Existing Structures	$1,010,322,433	$943,411,882	$365,259,850	$574,504,666	$536,456,986	$207,699,524	$435,817,767	$406,954,895	$157,560,326
Multi Family Construction	$222,999,776	$49,638,544	$161,591,430	$126,805,471	$28,226,212	$91,886,538	$96,194,305	$21,412,332	$69,704,892
Total Jobs Impact	17,474	9,412	7,686	9,936	5,352	4,371	7,538	4,060	3,316
Total Economic Impact									
Income	$771,356,297	$458,244,446	$367,249,577	$438,620,164	$260,573,816	$208,830,952	$332,736,133	$197,670,629	$158,418,625
State GDP	$1,210,167,792	$804,700,951	$687,261,290	$688,143,725	$457,581,101	$390,800,803	$522,024,067	$347,119,850	$296,460,488
Output	$2,541,872,324	$1,613,827,628	$1,211,991,054	$1,445,397,491	$917,678,824	$689,180,496	$1,096,474,833	$696,148,804	$522,810,558

The output for FY 2021-22 shows a budget that adds back the $225 million from the prior fiscal year on top of the budget built around an expected full funding. The difference columns depict the full ranging additional economic benefits. If the budget were just fully funded the investment would see 19,659 jobs, and an economic impact of more than $3 billion dollars. With the added $225 million, the total economic impact could be as high as $5.4 billion and mean more than 34 thousand jobs created.

Table VII shows the economic impacts of SAIL. SAIL is a more targeted program and has less options to model individually. The dynamic output is built on rehabilitation and multi-family construction. It is broken out like SHIP with direct, indirect, and induced effects between rehabilitation and multifamily construction. Construction accounts for most of the output, GDP added, income, and employment.

Table VII

SAIL	Fiscal Year 2020-21									Fiscal Year 2021-22		
	Budget			REC			Difference			REC		
	Direct	Indirect	Induced	Direct	Indirect	Induced	Direct	Indirect	Induced	Direct	Indirect	Induced
Employment												
Total Rehabilitation	1,012	711	581	1,070	751	614	(58)	(41)	(33)	1,115	783	640
Multi Family Construction	6,426	1,013	2,626	6,795	1,071	2,777	(369)	(58)	(151)	7,080	1,116	2,894
Income												
Total Rehabilitation	$55,374,318	$37,049,044	$27,684,954	$58,552,323	$39,175,337	$29,273,829	($3,178,004)	($2,126,293)	($1,588,876)	$61,008,053	$40,818,382	$30,501,597
Multi Family Construction	$365,967,421	$53,938,931	$125,135,630	$386,970,769	$57,034,557	$132,317,327	($21,003,348)	($3,095,626)	($7,181,697)	$403,200,628	$59,426,631	$137,866,820
State GDP Added												
Total Rehabilitation	$94,957,791	$66,813,381	$51,018,412	$100,407,542	$70,647,888	$53,946,425	($5,449,751)	($3,834,507)	($2,928,013)	$104,618,714	$73,610,916	$56,208,981
Multi Family Construction	$555,661,707	$92,562,710	$230,543,896	$587,551,858	$97,875,005	$243,775,110	($31,890,150)	($5,312,295)	($13,231,215)	$612,194,246	$101,979,960	$253,999,231
Output												
Total Rehabilitation	$223,237,432	$123,273,291	$90,001,916	$236,049,319	$130,348,106	$95,167,243	($12,811,887)	($7,074,815)	($5,165,327)	$245,949,414	$135,815,008	$99,158,633
Multi Family Construction	$717,637,919	$174,287,242	$406,723,544	$758,824,095	$184,289,815	$430,065,938	($41,186,176)	($10,002,572)	($23,342,395)	$790,649,777	$192,019,075	$448,103,243
Total Jobs Impact	7,438	1,723	3,207	7,865	1,822	3,391	(427)	(99)	(184)	8,195	1,899	3,534
Total Economic Impact												
Income	$421,341,739	$90,987,975	$152,820,584	$445,523,091	$96,209,894	$161,591,156	($24,181,352)	($5,221,919)	($8,770,573)	$464,208,682	$100,245,013	$168,368,417
State GDP	$650,619,498	$159,376,091	$281,562,307	$687,959,400	$168,522,893	$297,721,535	($37,339,902)	($9,146,802)	($16,159,228)	$716,812,960	$175,590,876	$310,208,211
Output	$940,875,351	$297,560,533	$496,725,460	$994,873,414	$314,637,920	$525,233,182	($53,998,064)	($17,077,387)	($28,507,722)	$1,036,599,191	$327,834,083	$547,261,876

The impact coming from the difference between the budget and what funding available is less pronounced than the SHIP program. FY 2020-21 compares the available funding with actual appropriations whereas FY 2021-22 assumes the program is fully funded.

Apartment complexes, remodeling, or construction of new developments carry a higher multiplier than single-family home construction. Where a single-family home might have a 4.5 to 5x multiplier, remodeling or new construction of multifamily units could carry as high as an 8.5x multiplier. Apartment construction funded by developers tend to have different sources of investment working in conjunction to fund the principal before leveraging. Therefore, less state funds lead to a larger proportional TDC and ultimately larger economic impact.

With the higher average multiplier, the economic impact from SAIL on the $115 million budget led to a direct economic output of $940 million dollars. Additionally, it led to $794.3 million in indirect and induced effects. If the legislature determines to fund SAIL at or near the tax collections tied to SAIL in the SHTF, there could be another $126.7 million appropriated or invested, 13,628 jobs created, and $1.9 billion in economic output generated.

What are the tax ramifications of the two programs? Table VIII shows the tax effects of SHIP. With the large dollar investments and the ensuing economic activity generated from those investments, IMPLAN can answer the final piece of the puzzle regarding taxation. It is important to consider that there is some measure of an offset when Governments appropriate and spend on scale.

Table VIII

SHIP Tax Collections	Fiscal Year 2020-21			Fiscal Year 2021-22			Fiscal Year 2022-23
	Budget	REC	Difference	Budget	REC	Difference	REC
Local							
Property Tax	$3,623,841.5	$34,390,255.55	($30,766,414.08)	$63,006,523.69	$35,827,712.67	$27,178,811.03	$36,926,944.58
Sales Tax	$793,654.1	$7,531,776.96	($6,738,122.91)	$13,798,998.46	$7,846,593.07	$5,952,405.39	$8,087,334.80
Corporate Income Tax	$0.0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other	$681,799.5	$6,470,276.94	($5,788,477.47)	$11,854,220.06	$6,740,724.06	$5,113,496.00	$6,947,536.57
Total Local Collections	$5,099,295.0	$48,392,309.4	($43,293,014.5)	$88,659,742.2	$50,415,029.8	$38,244,712.4	$51,961,815.9
State							
Property Tax	$0.0	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Sales Tax	$4,447,122.1	$42,203,188.69	($37,756,066.59)	$77,320,629.50	$43,967,213.79	$33,353,415.72	$45,316,174.16
Corporate Income Tax	$386,941.9	$3,672,078.69	($3,285,136.79)	$6,727,629.95	$3,825,565.65	$2,902,064.30	$3,942,938.03
Other	$587,970.9	$5,579,843.77	($4,991,872.88)	$10,222,853.92	$5,813,072.23	$4,409,781.70	$5,991,423.40
Total State Collections	$5,422,034.9	$51,455,111.2	($46,033,076.3)	$94,271,113.4	$53,605,851.7	$40,665,261.7	$55,250,535.6
Total							
Property Tax	$3,623,841.5	$34,390,255.6	($30,766,414.1)	$63,006,523.7	$35,827,712.7	$27,178,811.0	$36,926,944.6
Sales Tax	$5,240,776.1	$49,734,965.6	($44,494,189.5)	$91,119,628.0	$51,813,806.9	$39,305,821.1	$53,403,509.0
Corporate Income Tax	$386,941.9	$3,672,078.7	($3,285,136.8)	$6,727,629.9	$3,825,565.6	$2,902,064.3	$3,942,938.0
Other	$1,269,770.4	$12,050,120.7	($10,780,350.4)	$22,077,074.0	$12,553,796.3	$9,523,277.7	$12,938,960.0
Total Tax Collections	**$10,521,329.9**	**$99,847,420.6**	**($89,326,090.7)**	**$182,930,855.6**	**$104,020,881.5**	**$78,909,974.1**	**$107,212,351.5**

Taxation can be parsed into state and local tax collections. Revenues are between property tax, sales tax, corporate income tax, and a catch all category for minor sources labelled "other." In FY 2020-21, the SHIP tax impacts look at tax collections arising from the budget, the tax collections arising under full funding, and lastly a column to compare the two. Property tax, the largest source of revenues for local governments, have a difference of negative $30.8 million when comparing estimated collections arising out the budgeted amount to a maximum potential appropriation. For state revenues, the largest driver is sales tax collections. If the program were fully funded in FY 2020-21, an additional $37.8 million would have reached state accounts.

FY 2021-22 compares a potential budget that relies on fully funding the program and adding the additional $225 million that was previously vetoed. Total taxes, state and local, could see as much $78.9 million in that event. States sales tax collections would amount for $45.3 million of the total, while local property taxes would amount to $36.9 million in FY 2022-23. This amount is above and beyond the already $104 million generated in a normal fully funded budget.

Table IX

SAIL Tax Collections	Fiscal Year 2020-21			Fiscal Year 2021-22	Fiscal Year 2022-23
	Budget	REC	Difference	REC	REC
Local					
Property Tax	$19,437,892.7	$20,553,458.7	($1,115,566.0)	$21,415,487.0	$22,074,685.1
Sales Tax	$4,255,222.4	$4,499,435.2	($244,212.8)	$4,688,145.0	$4,832,452.6
Corporate Income Tax	$0.0	$0.0	$0.0	$0.0	$0.0
Other	$3,587,176.6	$3,793,049.3	($205,872.7)	$3,952,132.8	$4,073,784.9
Total Local Collections	$27,280,291.7	$28,845,943.2	($1,565,651.5)	$30,055,764.9	$30,980,922.6
State					
Property Tax	($0.0)	($0.0)	$0.0	($0.0)	($0.0)
Sales Tax	$24,307,963.5	$25,703,029.2	($1,395,065.7)	$26,781,034.6	$27,605,391.6
Corporate Income Tax	$2,576,025.2	$2,723,866.7	($147,841.4)	$2,838,107.8	$2,925,468.6
Other	$3,021,817.4	$3,195,243.4	($173,426.0)	$3,329,254.4	$3,431,733.4
Total State Collections	$29,905,806.1	$31,622,139.3	($1,716,333.2)	$32,948,396.8	$33,962,593.7
Total					
Property Tax	$19,437,892.7	$20,553,458.7	($1,115,566.0)	$21,415,487.0	$22,074,685.1
Sales Tax	$28,563,185.9	$30,202,464.4	($1,639,278.5)	$31,469,179.6	$32,437,844.2
Corporate Income Tax	$2,576,025.2	$2,723,866.7	($147,841.4)	$2,838,107.8	$2,925,468.6
Other	$6,608,994.0	$6,988,292.7	($379,298.8)	$7,281,387.3	$7,505,518.4
Total Tax Collections	$57,186,097.8	$60,468,082.5	($3,281,984.7)	$63,004,161.6	$64,943,516.3

SAIL accounts for nearly $60 million in state and local tax collections based on the current budget and given the higher proportional funding of available monies in the SHTF, fully funding this project would lead to approximately $3.3 million in additional tax collections. If the FY 2021-22 budget is fully funded, SAIL would account for $63 million in tax collections, $32.9 million of which would go to the state.

VI. Conclusion

SHIP and SAIL are two important programs not just for the individuals that are being provided housing, but also the state's economy. Table X below is a summary table to better compare the meat of the two programs across fiscal years and what they could look like under scenarios where they are either fully funded or budgets are shifting money in between fiscal years. SHIP and SAIL are two strong programs. SAIL tends to carry a larger dollar for dollar economic impact; however, SHIP can produce more units, and provide more housing at a cheaper per unit cost. Both programs are vital. The impact of fully funding both programs in FY 2020-21 is laid out under the "impact" block. If there were the extra $261 million funding for the programs, there would have been an additional $1.3 billion in total development costs invested into the economy through low-income housing construction and acquisition.

Table X

Budget	FY 2020-21			FY 2021-22			FY 2022-23		
	SHIP	SAIL	Combined	SHIP	SAIL	Combined	SHIP	SAIL	Combined
Funding	$30,000,000	$115,000,000	$145,000,000	$521,600,000	$126,700,000	$648,300,000	$305,700,000	$130,600,000	$436,300,000
TDC Produced	$143,892,769	$922,703,884	$1,066,596,653	$2,501,815,608	$1,016,578,975	$3,518,394,583	$1,466,267,315	$1,047,870,672	$2,514,137,987
Units	1,511	3,809	5,320	26,277	4,196	$30,473	15,400	4,325	19,726
Leverage	$113,892,769	$807,703,884	$921,596,653	$1,980,215,608	$889,878,975	$2,870,094,583	$1,160,567,315	$917,270,672	$2,077,837,987
Jobs	1,988	12,369	14,357	34,572	13,627	48,199	20,262	14,047	34,309
Economic Impact	$308,724,559	$1,735,161,343	$2,043,885,903	$5,367,691,006	$1,911,695,150	$7,279,386,155	$3,145,903,260	$1,970,539,752	$5,116,443,012
Taxes	$10,521,330	$57,186,098	$67,707,428	$182,930,856	$63,004,162	$245,935,017	$107,212,352	$64,943,516	$172,155,868
State	$5,422,035	$29,905,806	$35,327,841	$94,271,113	$32,948,397	$127,219,510	$55,250,536	$33,962,594	$89,213,129
Local	$5,099,295	$27,280,292	$32,379,587	$88,659,742	$30,055,765	$118,715,507	$51,961,816	$30,980,923	$82,942,739
REC									
Funding	$284,700,000	$121,600,000	$406,300,000	$296,600,000	$126,700,000	$423,300,000	$305,700,000	$130,600,000	$436,300,000
TDC Produced	$1,365,542,377	$975,659,063	$2,341,201,440	$1,422,619,842	$1,016,578,975	$2,439,198,816	$1,466,267,315	$1,047,870,672	$2,514,137,987
Units	14,342	4,027	18,370	14,942	4,196	19,138	15,400	4,325	19,726
Leverage	$1,080,842,377	$854,059,063	$1,934,901,440	$1,126,019,842	$889,878,975	$2,015,898,816	$1,160,567,315	$917,270,672	$2,077,837,987
Jobs	18,870	13,079	31948.70922	19,659	13,627	33,286	20,262	14,047	34,309
Economic Impact	$2,929,796,068	$1,834,744,516	$4,764,540,584	$3,052,256,810	$1,911,695,150	$4,963,951,960	$3,145,903,260	$1,970,539,752	$5,116,443,012
Taxes	$99,847,421	$60,468,083	$160,315,503	$104,020,881	$63,004,162	$167,025,043	$107,212,352	$64,943,516	$172,155,868
State	$51,455,111	$31,622,139	$83,077,250	$53,605,852	$32,948,397	$86,554,248	$55,250,536	$33,962,594	$89,213,129
Local	$48,392,309	$28,845,943	$77,238,253	$50,415,030	$30,055,765	$80,470,795	$51,961,816	$30,980,923	$82,942,739
Impact									
Funding	($254,700,000)	($6,600,000)	($261,300,000)	$225,000,000	$0	$225,000,000	$0	$0	$0
TDC Produced	($1,221,649,608)	($52,955,179)	($1,274,604,787)	$1,079,195,767	$0	$1,079,195,767	$0	$0	$0
Units	(12,831)	(219)	(13,050)	11,335	0	11,335	0	0	0
Leverage	($966,949,608)	($46,355,179)	($1,013,304,787)	$854,195,767	$0	$854,195,767	$0	$0	$0
Jobs	(16,882)	(710)	(17,591)	14,913	0	14,913	0	0	0
Economic Impact	($2,621,071,509)	($99,583,173)	($2,720,654,682)	$2,315,434,195	$0	$2,315,434,195	$0	$0	$0
Taxes	($89,326,091)	($3,281,985)	($92,608,075)	$78,909,974	$0	$78,909,974	$0	$0	$0
State	($46,033,076)	($1,716,333)	($47,749,409)	$40,665,262	$0	$40,665,262	$0	$0	$0
Local	($43,293,014)	($1,565,652)	($44,858,666)	$38,244,712	$0	$38,244,712	$0	$0	$0

That investment would have translated into an additional 13,050 homes between single family and multifamily households, 17,591 jobs, and generate another 2.7 billion in economic output. To the state and local governments another $92.6 million in tax revenue would have been collected.

FY 2021-22 highlights the impact of adding back the full amount of the vetoed $225 million. For $225 million, $1.1 billion in TDC leads to a further 11,335 homes being constructed, 14,913 jobs, and more than $2.3 billion in economic activity. With the full appropriation of $648.3 million, and $3.5 billion in TDC, Florida would see 30,473 units newly constructed or rehabilitated, 48,199 jobs created, and an economic impact of more than $7.3 billion. The economic activity would generate $245 million taxes, with $127.2 million going back to the state.

By FY22-23, if the level of funding were tied to fully appropriating the documentary stamps taxes collected, the state would expect to appropriate $436.3 million into low-income housing for a total of $2.5 billion in total development. In turn another 19,726 homes would be constructed, more than 34 thousand jobs created, and produce more than $5.1 billion in economic output. The overarching impact the SHIP and SAIL programs have on the state's economy is by no means small. It creates potentially tens of thousands of jobs, returns tens of millions in taxes, and produces billions of dollars in economic impacts on the economy at large all the while providing much needed housing for thousands of Floridians.

IMPLAN MODEL AND DEFINITIONS

IMPLAN MODEL

IMPLAN is the leading provider of economic impact data and analytical software. The company began in 1972 working with the US Forest Service and has grown to a current user base of academics, governments, economic developers, corporations, nonprofits, and consultants.

Input-Output (I-O) modeling is based on the foundational concept that all industries, households, and government in the economy are connected through buy-sell relationships, therefore a given economic activity supports a ripple of additional economic activity throughout the economy. IMPLAN is an I-O modeling system that uses annual, regional data to map these buy-sell relationships so users can predict how specific economic changes will impact a given regional economy or estimate the effect of past or existing economic activity. Input-output accounting (using the IMPLAN model as an example) describes commodity flows from producers to intermediate and final consumers. The total industry purchases of commodities, services, employment compensation, value added, and imports are equal to the value of the commodities produced. Industries producing goods and services for final use and purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services continues until leakages from the region stop the cycle. The resulting sets of multipliers describe the change of output for every regional industry caused by a US$1.00 change in final demand for any given industry.

Input-Output (I-O) Analysis and IMPLAN is designed to predict the ripple effect of an economic activity by using data about previous spending. Production in a given Sector in an economy supports demand for production in Sectors throughout the economy, both due to supply chain spending and spending by workers. One of the tenets that makes IMPLAN so attractive is that there are no black boxes. Analysts can view the background data used in the models and customize them with local data and knowledge.

DIRECT EFFECTS

Direct effects are the set of expenditures applied to the I-O for an impact analysis. It is the initial exogenous change in final demand in terms of Industry Output, Employment, and Labor Income Dollars. It is one or more production changes or expenditures made by producers/consumers as a result of an activity or policy. Direct effects can be positive or negative. These initial changes are determined by an analyst and demonstrate the result of an activity or policy being analyzed. Applying these initial changes to the multipliers in IMPLAN will then display how a region will respond economically to these changes. When consumers purchase goods and services, they create final demand to the Industries producing the goods and services they consume.

INDIRECT EFFECTS

Indirect effects are the business to business purchases in the supply chain taking place in the region that stem from the initial industry input purchases. As the industry specified spends their money in the region with their suppliers, this spending is shown through the indirect effect.

INDUCED EFFECTS

Induced effects are the values stemming from household spending of Labor Income, after removal of taxes, savings, and commuter income. The induced effects are generated by the spending of the employees within the business' supply chain.

EMPLOYMENT

Employment data in IMPLAN follows the same definition as Bureau of Economic Analysis Regional Economic Accounts (BEA REA) and Bureau of Labor Statistics Census of Employment and Wages (BLS CEW) data, which is full-time/part-time annual average. Thus, 1 job lasting 12 months = 2 jobs lasting 6 months each = 3 jobs lasting 4 months each. A job can be either full-time or part-time. Similarly, a job that lasts one quarter of the year would be 0.25 jobs. Note that a person can hold more than one job, so the job count is not necessarily the same as the count of employed persons. Jobs in IMPLAN are not the same as a full-time equivalent number.

LABOR INCOME

Labor Income represents the total value of all forms of employment income paid throughout a defined economy during a specified period of time. It reflects the combined cost of total payroll paid to employees (e.g. wages and salaries, benefits, payroll taxes) and payments received by self-employed individuals and/or unincorporated business owners (e.g. capital consumption allowance) across the defined economy. Labor Income (LI) encompasses two additional representative metrics called Proprietor Income (PI) and Employee Compensation (EC).

VALUE ADDED

Value Added represents the difference between *Output* and the cost of *Intermediate Inputs* throughout a defined economy during a specified period of time. It equals gross Output minus Intermediate Inputs (consumption of goods and services purchased from other industries or imported). Value Added is a measure of the contribution to GDP made by an individual producer, Industry, or Sector.

OUTPUT

All analysis in IMPLAN is based on Output, which is the value of production by industry in a calendar year. IMPLAN Output data largely come from the same sources as those used by the BEA in developing their Benchmark Input-Output tables. Since output is the total production value of a Sector, it includes all components of production value or output for a given Sector:

Output = Employee Compensation + Proprietor Income + Intermediate Expenditures + Tax on Production and Imports + Other Property Income.

OTHER PROPERTY INCOME

Other Property Income (OPI), previously denoted as "Profit" includes consumption of fixed capital (CFC), corporate profits, and business current transfer payments (net). Subsidies for government enterprises is considered negative profit, therefore any subsidization of a government enterprise will count as a negative value towards the government enterprise Sector's OPI.

TAXES ON PRODUCTION & IMPORTS

Taxes on Production & Imports, less subsidies (TOPI) includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. For all Sectors other than government enterprises, subsidies are counted as a negative value towards TOPI.

About the Regional Economic Consulting Group

The Regional Economic Consulting (REC) Group is an analytical think tank with expertise in general state and tax policy, Constitutional Amendments, state trust funds, and other state and local projects. The group covers a wide-ranging field spanning economic outlooks to demographic and labor market studies and uses the latest techniques in econometric modelling and methodologies to produce fiscal impacts that are then applied to pending legislation and government projects.

The group uses a variety of tools; REMI Modelling, IMPLAN, Cost-Benefit, General Input-Output analysis, and Econometric modelling and analysis to produce impacts that can come in the form of jobs either created or lost and fiscal impacts examining dollars gained or lost for projects and initiatives. Unique perspectives coming from the Economic unit of the Florida Government gives the Group firsthand knowledge of the Florida Economy. That competitive advantage affords an intimate knowledge of how the state models and projects fiscal impacts. The REC Group brings that ability to the private sector to better position impacts and promote policy change to the legislature.

Dr. Clyde Diao is an economist with 34 years of experience. His expertise includes: forecasting and analyzing tax issues; managing, developing and conducting economic research projects pertaining to development and environmental issues; econometric and regional economic analysis; developing large econometric models for the state of Florida. He served as the Deputy Policy Coordinator with the Florida Executive Office of the Governor, where his main responsibility included analyzing the US Economy, forecasting Florida's economy and demographics as the bases for Florida's state revenues. He developed the State of Florida's econometric models that are used to forecast and analyze Florida's employment, income, housing, construction, tourism, and transportation.

As the Deputy Policy Coordinator, he also worked on various tax policy issues relating to: corporate income tax, documentary stamps tax, intangibles tax, communication services and gross receipts taxes, highway safety taxes, tobacco taxes and estate tax among others. Using sophisticated regional modeling techniques, Dr. Diao conducted analysis to determine the economic impacts of various state policies.

Prior to founding the Regional Economic Consulting Group, Jared Parker worked in the Florida Legislative Office of Economic and Demographic Research (EDR), and prior to that the Tax Research Unit of the Florida Department of Revenue. He was responsible for projecting revenues and determining fiscal impacts of pending bills to the Legislatures' Revenue Estimating Panel. His tax experience includes Sales exemptions, Corporate Income, Insurance Premium, Communication Services, Documentary Stamp and Intangibles, and Electric and Gas Utilities.

Jared Parker was involved with many long-term impact and feasibility projects for general state policy while at EDR. He played a role in the State's internal analysis and committee hearings featuring the Patient Protection and Affordable Care Act and the later attempt to expand Medicaid under Florida's Health Insurance Exchange. Most recently he was part of the State's in depth look at the fiscal impact of numerous Constitutional Amendments.

Jared Parker received his M.S. in Applied Economics from Florida State, and has a broad range of experience on a variety of topics within the realm of state government. He has been for the past decade a part of the revenue estimating process that both the Governor and the Legislature depend on to create their budgets. He brings to the REC Group invaluable experience in producing in depth outlooks and impacts and can deliver results in a clear and concise manner.