

Final Report

Economic Contributions of the Florida Housing Finance Corporation in Florida in 2021

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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 40 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 2021 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 2021 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+ v3.0) 2021 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 2021, FHFC assisted in providing 17,477¹ total housing units in both new construction and rehabilitation activities, not previously reported. The overall total development cost equaled \$4.09 billion.² In addition, FHFC's homeownership programs led to over \$250.8 million in spending on closing costs. By creating new final demand for construction

¹ See FHFC Annual Report, 2021; pp 26-27. See: <https://www.floridahousing.org/docs/default-source/data-docs-and-reports/annual-reports/2021-annual-report.pdf>

² Including the multifamily rental TDC of \$3.81 billion, \$250.8 million of homeownership closing costs, and about \$31.5 million of FHFC operating expenses.

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 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 2021 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 2021, FHFC leveraged \$1.73 billion of its own funding resources to create a total of \$5.94 billion in economic activity.

Total Economic Impact Results from acquiring, constructing and/or rehabilitating the units in 2021 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 **\$5.86 billion**. The economic impact associated with FHFC’s operations (spent in Florida) is estimated to be about **\$73 million**. The total annual economic impact as a result of delivering the homeownership and multifamily rental units funded in 2021 by FHFC’s programs as well as its own operations is estimated to be **\$5.94 billion in economic output, \$2.3 billion in income, \$3.6 billion in value added, and 38,042 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 3,481 jobs** for the 100 multifamily rental developments (10,580 total units) identified in the 2021 annual report. Over the 15 years of analysis beginning once the units are delivered, the operations of the 100 multifamily rental developments would create a **cumulative economic output of \$12.27 billion to the state of Florida and \$8.17 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 2021.

Institutional Capacity and Project Team

The Center for Economic Forecasting and Analysis (CEFA³) 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.

³ 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 2021, 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 studies. 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 2021 (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)
2021	\$1,732.5	\$4,090.3	38,042	\$5.937
2020	\$1,864.3	\$5,252.2	55,719	\$7.709
2019	\$1,548.6	\$3,371.2	39,378	\$5.055
2018	\$1,531.5	\$2,960.3	39,270	\$5.633
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 2021 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 544 sectors and the latest dataset – year 2021 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 2021 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 2021⁴ 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

⁴ The final economic impacts were reflected in current year dollars (December 2021).

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 2021 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 2021, 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 3 reports that, in 2021, the total operation expenses for FHFC in Florida were \$31,472,991. Approximately eighty-nine percent (89.3%) of the total amount (\$35,237,943) was spent in Florida.

Table 1a. Funding Amounts, and Total Development Costs for FHFC Multifamily Programs in 2021

Program	Type of Activity	Funding Amount	Total Development Cost
State Apartment Incentive Loan (SAIL)	New construction	\$ 133,501,858	\$ 877,924,412
	Rehab construction	\$ -	\$ -
	Total	\$ 133,501,858	\$ 877,924,412
SAIL Workforce Housing	New construction	\$ -	\$ -
	Rehab construction	\$ -	\$ -
	Mortgage reduction	\$ -	\$ -
	Total	\$ -	\$ -
Multifamily Mortgage Revenue Bonds (MMRB)	New construction	\$ 305,040,000	\$ 474,797,173
	Rehab construction	\$ -	\$ -
	Total	\$ 305,040,000	\$ 474,797,173
Low Income Housing Tax Credits (LIHTC)-9%	New construction	\$ 60,738,013	\$ 800,929,843
	Rehab construction	\$ 8,566,659	\$ 128,410,701
	Total	\$ 69,304,672	\$ 929,340,544
Low Income Housing Tax Credits (LIHTC)-4%	New construction	\$ 38,005,115	\$ 952,154,087
	Rehab construction	\$ 19,425,028	\$ 544,629,051
	Total	\$ 57,430,143	\$ 1,496,783,138
Home Investment Partnership (HOME)	New construction	\$ 39,555,528	\$ 47,243,660
	Rehab construction	\$ -	\$ -
	Total	\$ 39,555,528	\$ 47,243,660
Tenant-Based Rental Assistance (HOME TBRA)	Rental assistance	\$ -	\$ -
Homeless School Children Pilot (HOME)	Rental assistance	\$ 989,798	\$ 989,798
CDBG-DR	New construction	\$ -	\$ -
	Rehab construction	\$ -	\$ -
	Total	\$ -	\$ -
Grants for Housing Persons with Developmental Disabilities	New construction	\$ 3,435,750	\$ 11,948,468
	Rehab construction	\$ -	\$ -
	Total	\$ 3,435,750	\$ 11,948,468
EHCL	New construction	\$ -	\$ -
	Rehab construction	\$ 1,500,000	\$ 1,575,000
	Total	\$ 1,500,000	\$ 1,575,000
Rental Recovery Loan Program (RRLP)	New construction	\$ -	\$ -
Coronavirus Relief Fund (CRF)	Rental assistance	\$ -	\$ -
National Housing Trust Fund (NHTF)	New construction	\$ 10,793,300	\$ 229,629,455
	Rehab construction	\$ -	\$ -
	Total	\$ 10,793,300	\$ 229,629,455
Homeless Housing Assistance Loan Demonstration (HHAL)	New construction	\$ -	\$ -
	Rehab construction	\$ -	\$ -
	Total	\$ -	\$ -
Development Viability Loans	New construction	\$ 9,213,000	\$ 87,934,705
	Rehab construction	\$ -	\$ -
	Total	\$ 9,213,000	\$ 87,934,705
State Housing Initiatives Partnership (SHIP) - rental	New construction	\$ 5,928,455	\$ 349,967,851
	Rehab construction	\$ 2,234,732	\$ 131,920,440
	Rental assistance	\$ 1,395,000	\$ 1,395,000
	Rental deposits	\$ 77,032	\$ 77,032
	Foreclosure Prevention	\$ 5,028	\$ 5,028
	Land acquisition	\$ 296,426	\$ 296,426
	Total	\$ 9,936,673	\$ 483,661,777
Predevelopment Loan Program (PLP) - rental	New construction	\$ -	\$ -
	Rehab construction	\$ -	\$ -
	Pre-Development	\$ 3,322,667	\$ 3,322,667
	Total	\$ 3,322,667	\$ 3,322,667
Training and Technical Assistance Programs	Technical Assistance	\$ 72,270	\$ 72,270

Table 1b. Totals for All FHFC Multifamily Programs in 2021⁵

Program	Type of Activity	Funding Amount	Total Development Cost
Total Multifamily Programs	New construction	\$ 606,211,019	\$ 1,860,119,600
	Rehab construction	\$ 31,726,419	\$ 674,614,752
	Mortgage reduction	\$ -	\$ -
	Pre-Development	\$ 3,322,667	\$ -
	Rental assistance	\$ 2,384,798	\$ 2,384,798
	Foreclosure Prevention	\$ 5,028	\$ 5,028
	Technical Assistance	\$ 72,270	\$ 72,270
	Rental deposits	\$ 77,032	\$ 77,032
	Land acquisition	\$ 296,426	\$ 296,426
	Total	\$ 644,095,659	\$ 2,537,569,906

⁵ 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 1b. have netted-out any duplicative figures.

Table 2a. Funding Amounts, Total Development Costs and Closing Costs for FHFC Single-Family Programs in 2021

Program	Type of Activity	Funding Amount	Total Development Cost	Closing Costs
Homebuyer Loan Program (HBLP) f/k/a First Time Homebuyer (FTHB)	New construction	\$ 75,757,708	\$ 78,469,498	\$ 9,254,788
	Existing Homes	\$ 768,283,908	\$ 794,225,959	\$ 95,078,288
	Total	\$ 844,041,616	\$ 872,695,457	\$ 104,333,075
Homeownership Assistance (HAP) (FTHB DPA) - (aka Florida Assist)	New construction	\$ 1,700,760	\$ 44,556,195	\$ 5,280,347
	Existing Homes	\$ 20,909,414	\$ 485,077,288	\$ 58,418,052
	Total	\$ 22,610,174	\$ 529,633,483	\$ 63,698,399
Homeownership Loan Program (FL HLP DPA) - (aka FL HLP Second Mortgage)	New construction	\$ 70,000	\$ 1,655,746	\$ 194,550
	Existing Homes	\$ 2,237,000	\$ 42,000,636	\$ 5,077,866
	Total	\$ 2,307,000	\$ 43,656,382	\$ 5,272,417
Hurricane Michael Recovery Loan Program	New construction	\$ 885,000	\$ 14,321,728	\$ 1,678,046
	Existing Homes	\$ 4,532,820	\$ 60,240,777	\$ 7,226,886
	Total	\$ 5,417,820	\$ 74,562,505	\$ 8,904,932
3% HFA Preferred Plus Program (FTHB DPA) - (aka HFA Preferred Plus Grants)	New construction	\$ 646,350	\$ 16,236,044	\$ 1,902,692
	Existing Homes	\$ 7,906,262	\$ 196,490,314	\$ 23,156,213
	Total	\$ 8,552,612	\$ 212,726,358	\$ 25,058,904
HHF DPA (FTHB DPA)	New construction	\$ -	\$ -	\$ -
	Existing Homes	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -
Salute Our Soldiers Military Loan Program (SOSMLP)	Downpayment assistance	\$ 140,230,787	\$ 551	\$ 113,085,938
	Mortgage reduction	\$ -	\$ -	\$ -
	Total	\$ 140,230,787	\$ 113,085,938	\$ 13,511,805
Coronavirus Relief Fund (CRF)	Mortgage reduction	\$ -	\$ -	\$ -
	Rehab construction	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -
Homeownership Pool (HOP)	New construction	\$ 2,572,521	\$ 18,534,541	\$ 2,253,585
Florida Hardest-Hit Fund (HHF)-funds disbursed (net of DPA)	Mortgage reduction	\$ -	\$ -	\$ -
National Foreclosure Mitigation Counseling Program (NFMC)	Foreclosure Counseling	\$ -	\$ -	\$ -
Foreclosure Counseling Program (FCP)	Foreclosure Counseling	\$ -	\$ -	\$ -
State Housing Initiatives Partnership (SHIP)	New construction	\$ 11,222,321	\$ 39,120,362	\$ 4,613,903
	Rehab construction	\$ 29,367,138	\$ 29,367,138	\$ -
	Downpayment assistance	\$ 18,380,068	\$ 193,859,025	\$ 23,176,443
	Foreclosure Prevention	\$ 424,381	\$ 424,381	\$ -
	Foreclosure Counseling	\$ -	\$ -	\$ -
	Land Acquisition	\$ 1,204,950	\$ 1,204,950	\$ -
	Total	\$ 60,598,858	\$ 263,975,856	\$ 27,790,346
Predevelopment Loan Program (PLP) - Homeownership	Pre-Development	\$ 2,096,090	\$ 2,096,090	\$ -
MCC	MCC on New Homes	\$ -	\$ -	\$ -
	MCC on Existing Homes	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -

Table 2b. Totals for All FHFC Single-Family Programs in 2021⁶

Program	Type of Activity	Funding Amount	Total Development Cost	Closing Costs
Total Singlefamily Programs	New construction	\$ 92,854,660	\$ 136,124,401	\$ 25,177,910
	Existing Homes	\$ 803,869,404	\$ 794,225,959	\$ 188,957,305
	Rehab construction	\$ 29,367,138	\$ 29,367,138	\$ -
	Mortgage reduction	\$ -	\$ -	\$ -
	Foreclosure Prevention	\$ 424,381	\$ 424,381	\$ -
	Foreclosure Counseling	\$ -	\$ -	\$ -
	Land Acquisition	\$ 1,204,950	\$ 1,204,950	\$ -
	Total MCC	\$ -	\$ -	\$ -
	Pre-Development	\$ 2,096,090	\$ 2,096,090	\$ -
	Downpayment assistance	\$ 158,610,855	\$ 306,944,962	\$ 36,688,249
	Total	\$ 1,088,427,478	\$ 1,270,387,881	\$ 250,823,463

⁶ 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 2b. have netted-out any duplicative figures.

Table 3. Operation Expenses for FHFC in 2021

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 - Machinery, equipment, and supplies	\$20,636	\$1,382	0.00%
Office Supplies	412. Retail - Miscellaneous store retailers	\$6,608	\$375	0.00%
Rent - Offsite Storage	422. Warehousing and storage	\$2,572	\$2,572	0.01%
Software Licenses, Capital Expenditures - Software	428. Software publishers	\$519,013	\$0	0.00%
Telephone	434. Wireless telecommunications carriers (except satellite)	\$43,646	\$32,818	0.09%
Books & Subscriptions	437. News syndicates, libraries, archives and all other information services	\$53,834	\$24,318	0.07%
Credit Underwriting, Advisor Payments, Banking & Processing Charges	441. Monetary authorities and depository credit intermediation	\$102,605	\$57,916	0.16%
Salaries, Unemployment Taxes, Employee Benefits, Compensated Absences, Payroll Taxes, Workers Compensation Insurance	442. Other financial investment activities	\$14,881,847	\$12,934,972	36.71%
Corporate Insurance	445. Insurance agencies, brokerages, and related activities	\$221,460	\$0	0.00%
Rent	447. Other real estate	\$1,403,684	\$1,403,684	3.98%
Legal Fees	455. Legal services	\$50,648	\$50,648	0.14%
Compliance Monitoring	456. Accounting, tax preparation, bookkeeping, and payroll services	\$3,842,898	\$3,842,898	10.91%
Systems Design Contracts	460. Computer systems design services	\$0	\$0	0.00%
Systems Maintenance Contracts	461. Other computer related services, including facilities management	\$246,881	\$115,566	0.33%
Consulting	462. Management consulting services	\$2,975,146	\$2,308,054	6.55%
Environmental Review, Technical Assistance	463. Environmental and other technical consulting services	\$349,790	\$349,790	0.99%
Advertising, Public Relations, Marketing	465. Advertising, public relations, and related services	\$56,655	\$56,135	0.16%
Printing & Reproduction, Servicer Fees	468. Marketing research and all other miscellaneous professional, scientific, and technical services	\$2,496,496	\$2,496,496	7.08%
Board Meetings, C-3 Committee	470. Office administrative services	\$49,263	\$47,043	0.13%
Repairs & Maintenance, Property Expenses	471. Facilities support services	\$43,116	\$19,344	0.05%
Employee Relations	472. Employment services	\$937	\$937	0.00%
Conferences & Seminars	473. Business support services	\$85,916	\$22,286	0.06%
Travel	474. Travel arrangement and reservation services	\$68,058	\$57,730	0.16%
Property Expenses	476. Services to buildings	\$0	\$0	0.00%
Tuition Reimbursement	481. Junior colleges, colleges, universities, and professional schools	\$10,000	\$10,000	0.03%
Workshops	482. Other educational services	\$203,710	\$203,710	0.58%
Grant Disbursements	522. Grantmaking, giving, and social advocacy organizations	\$2,065,168	\$2,065,168	5.86%
G&A Other, Membership Dues, Trustee Fees	523. Business and professional associations	\$76,764	\$10,572	0.03%
Postage	526. Postal service	\$15,532	\$13,514	0.04%
Other Fees	531. Other state government enterprises	\$2,330	\$2,330	0.01%
Local Property Real Estate Taxes	534. Other local government enterprises	\$5,342,731	\$5,342,731	15.16%
	Total	\$35,237,943	\$31,472,991	89.32%

The economic impacts of the 2021 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 2021. 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 2021 economic impacts for each of the multifamily programs are presented in Table 4. Table 4 represents impacts for each multifamily program and as such, totals for all multifamily programs are not presented therein.

Table 4. Economic Impacts of each FHFC Multifamily Program in Florida in 2021⁷ – IMPLAN Analysis

Economic Impacts	Multifamily Programs			
	Output*	Employment	Income*	Value added*
State Apartment Incentive Loan (SAIL)	\$1,723,973,302	11,699	\$718,535,123	\$1,110,210,857
State Apartment Incentive Loan (SAIL)- Workforce Net	\$0	0	\$0	\$0
Multifamily Mortgage Revenue Bonds (MMRB)	\$932,355,495	6,327	\$388,596,604	\$600,421,823
LIHTC-9%	\$1,729,438,453	11,565	\$711,702,136	\$1,101,879,019
LIHTC-4%	\$2,534,175,346	16,469	\$1,017,577,644	\$1,581,702,820
HOME Rental	\$92,772,006	630	\$38,666,460	\$59,743,668
HOME TBRA	\$0	0	\$0	\$0
Grants for Housing for DD	\$23,463,113	159	\$9,779,195	\$15,109,864
EHCL	\$1,921,472	11	\$689,104	\$1,092,037
RRLP	\$0	0	\$0	\$0
CRF	\$0	0	\$0	\$0
NHTF	\$450,921,565	3,060	\$187,939,675	\$290,386,177
HHAL	\$0	0	\$0	\$0
Development Viability	\$172,676,692	1,172	\$71,969,948	\$111,200,990
State Housing Initiatives Partnership (SHIP) - Rental	\$851,708,185	5,598	\$344,885,413	\$535,583,975
PLP - Rental	\$6,115,948	34	\$2,357,715	\$3,361,123
TTA	\$0	0	\$0	\$0
Total	\$ 8,519,521,579	56,724	\$ 3,492,699,015	\$ 5,410,692,353

* in Dec 2022 \$

FHFC Single Family Programs

The 2021 economic impacts associated with each of the single-family programs are presented in Table 5. Table 5 represents impacts for each single-family program and as such, totals for all single-family programs are not presented.

⁷ 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 5. Economic Impacts of each FHFC Single Family Program in Florida in 2021⁸ – IMPLAN Analysis

Single Family Programs				
Economic Impacts	Output*	Employment	Income*	Value added*
FTHB & DPA Programs	\$404,523,499	2,416	\$122,118,211	\$216,980,599
HOP	\$42,555,916	297	\$17,092,706	\$27,273,312
SOSMLP	\$254,762,824	1,792	\$107,625,273	\$168,428,038
CRF	\$0	-	\$0	\$0
HHF	\$0	-	\$0	\$0
NFMC	\$0	-	\$0	\$0
Foreclosure Counseling	\$0	-	\$0	\$0
PLP - Homeownership	\$3,737,264	21	\$1,450,394	\$2,048,035
SHIP - Homeownership	\$594,009,559	4,007	\$230,443,719	\$371,014,184
MCC	\$0	-	\$0	\$0
Total	\$ 1,299,589,061	8,535	\$ 478,730,303	\$ 785,744,167

* in Dec 2022 \$

FHFC Operations

FHFC 2021 administrative expenditures were assigned sector codes that 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 6.

Table 6. FHFC Operations, Economic Impacts for 2021 – IMPLAN Analysis

FHFC Operating Expenses				
Economic Impacts	Output*	Employment	Labor Income*	Value added*
FHFC Admin. and Operating Expenses	\$73,203,262.59	349	\$23,627,518.58	\$37,743,097.64
Grand Total	\$73,203,263	349	\$23,627,519	\$37,743,098

* in Dec 2022 \$

⁸ 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 7. In addition, the economic impacts associated with FHFC operations are included.

Table 7. Economic Impacts of All FHFC Housing Programs and Operating Expenditures for 2021 – IMPLAN Analysis

Total FHFC Housing Programs & Operations				
Economic Impacts	Output*	Employment	Labor Income*	Value added*
Multifamily Programs	\$4,481,638,090	29,503	\$1,818,803,580	\$2,822,624,650
Single Family Programs	\$1,382,448,140	8,190	\$457,569,240	\$729,908,384
FHFC Admin. and Operating Expenses	\$73,203,263	349	\$23,627,519	\$37,743,098
Total All Program Activities	\$5,937,289,492	38,042	\$2,300,000,339	\$3,590,276,132

* in Dec 2022 \$

Section II

Economic Impacts Methodology for the 2021 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 2021 - 2035. 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 2021) included the following data categories (by individual program) for operating income and expenses provided to FSU CEFA by the FHFC,⁹ on a per-unit basis:

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

⁹ Input data provided by Ms. Tracy Willis, FHFC Development Finance Administrator.

- 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.¹⁰ In order to estimate the expected growth rate of operating expenses, an assumption of 3 percent annually was used. Income¹¹ was based on a growth rate of 2 percent annually.¹²

For each of the nine programs (4%HC, 9%HC, SAIL, MMRB, Development Viability, Grants, NHTF, EHCL and HOME), 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 because it is assumed

¹⁰ The Summary Table presents the total economic impact results including all rental developments funded in 2021 without duplication when any development received funding from more than one program.

¹¹ Based on the Average Annual Effective Gross Income variable.

¹² 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.

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.

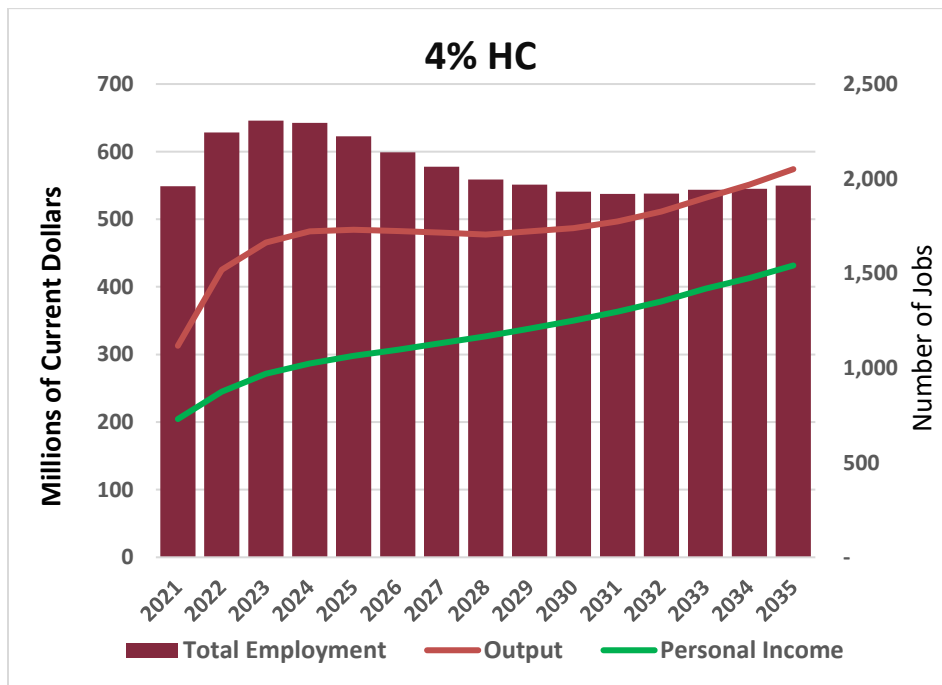
FHFC Program Results

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 2021, creating 6,004 units.

- 2021-2035 Employment increases by 2,306 jobs in the third year of operation, before settling at 1,963 jobs in 2035.¹³ 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 \$485 million for the 5th year of operation in 2025, before decreasing annually through 2028 where it begins to then increase again finally settling at \$574 million in year 2035.
- Personal Income increases from \$205 million for the initial year of operation in 2021 and continues to increase to about \$432 million in 2035.

Figure 1. The FHFC 4% HC Program to Year 2035



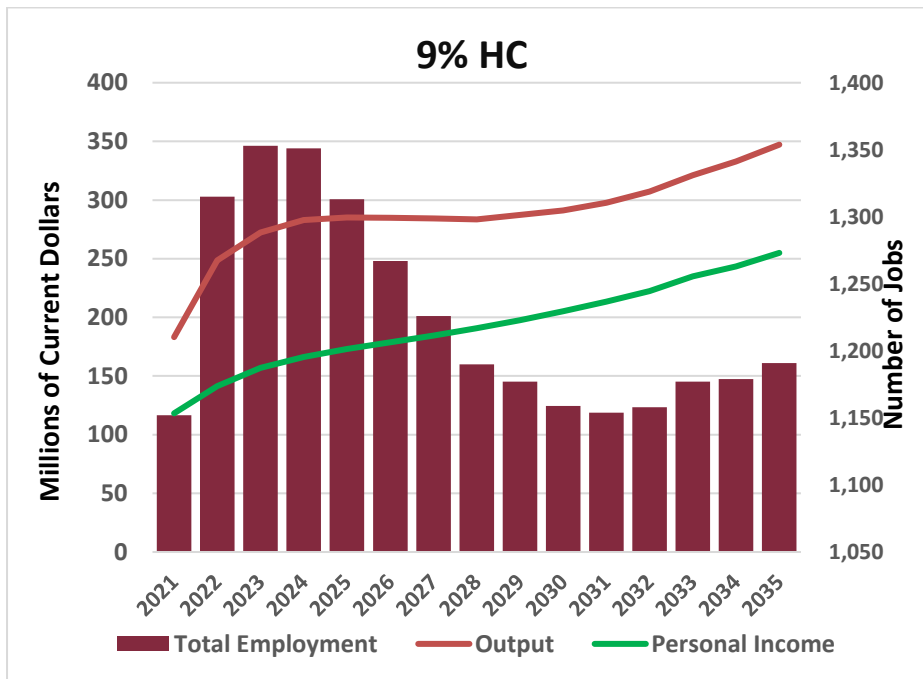
¹³ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

9 % HC Program

The economic impact presented below is based on the 15-year operating proformas for the 38 9% HC developments that were awarded funding in 2021, creating 3,682 units.

- Employment increases by 1,152 jobs for the initial year of operation in 2021, before settling at 1,191 jobs in 2035.¹⁴
- Annual Output increases by \$183 million for the initial year of operation in 2021, eventually rising to \$347 million in 2035, with an increasing trend at that time.
- Personal Income increases by \$118 million for the initial year of operation in 2021 and continues to increase to \$255 million in 2035.

Figure 2. The FHFC 9% HC Program to Year 2035



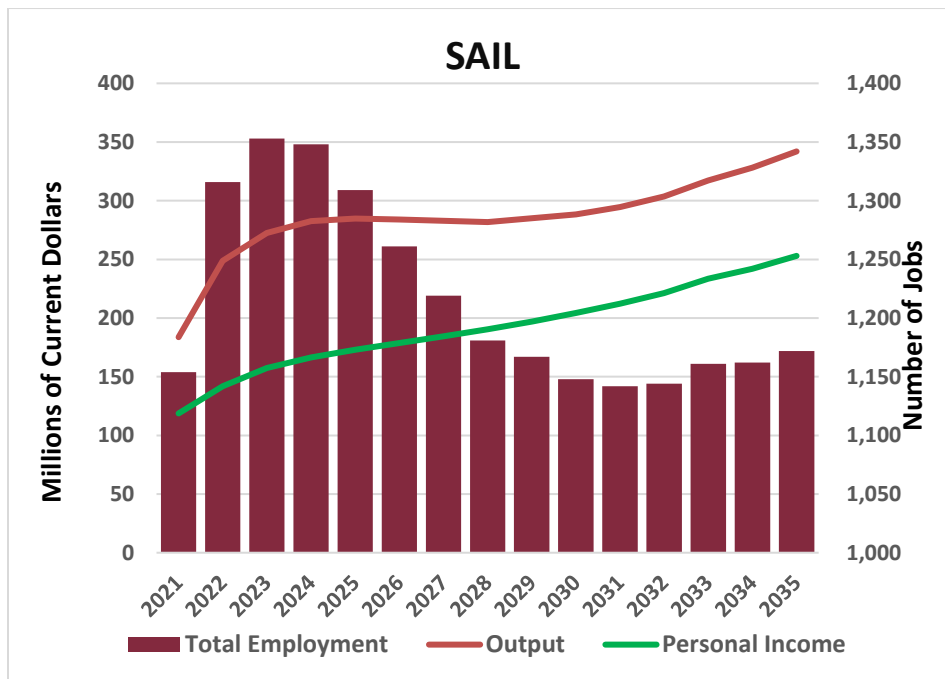
¹⁴ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

SAIL Program

The economic impact presented below is based on the 15-year operating proformas for the 27 SAIL developments that were awarded funding in 2021, creating 3,404 units.

- Employment increases by 1,154 jobs for the initial year of operation in 2021 and after an additional increase in the first three years stabilizes to 1,172 in 2035.¹⁵ 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 \$184 million for the initial year of operation in 2021, and continues to increase, reaching \$342 million in 2035.
- Personal Income increases by \$119 million for the initial year of operation in 2021 and continues to increase to \$253 million in 2035.

Figure 3. The FHFC SAIL Program to Year 2035



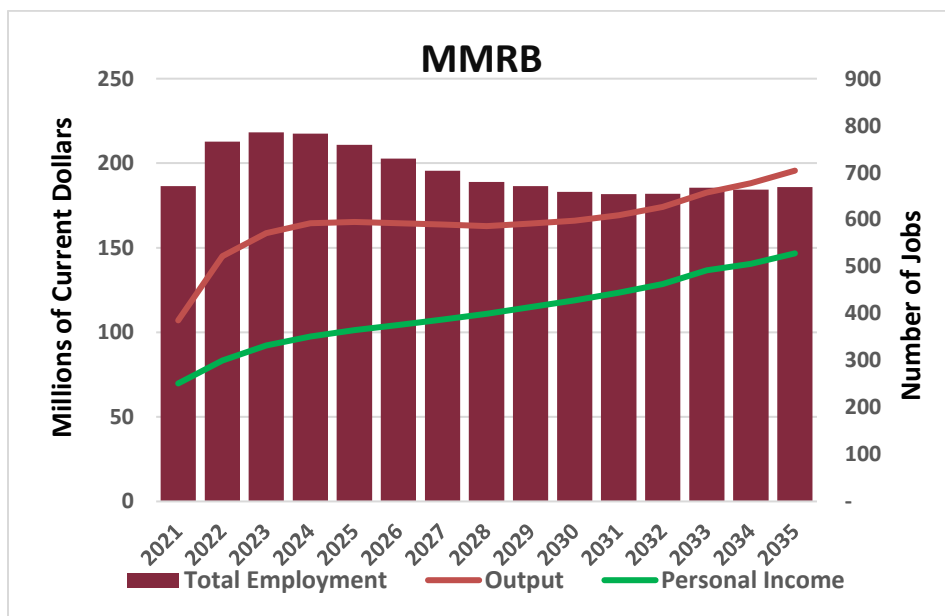
¹⁵ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

MMRB Program

The economic impact presented below is based on the 15-year operating proformas for the 12 MMRB developments that were awarded funding in 2021, creating 1,999 units.

- Employment increases by 671 jobs for the initial year of operation in 2021.¹⁶ During the first three years of operations the market creates jobs based on higher demand expectations than needed and peaks at 786 jobs in 2023, and then it begins to correct itself through 2035, reaching 669 jobs by 2035.
- Annual Output increases by \$107 million for the initial year of operation in 2021, eventually rising to \$165 million in 2025, where it then begins to decrease. It dips slightly to \$163 million in 2028 and returns to an increasing trend, providing \$196 million of annual Output by 2035.
- Personal Income increases by \$70 million for the initial year of operation in 2021 and continues to increase to \$147 million in 2035.

Figure 4. The FHFC MMRB Program to Year 2035



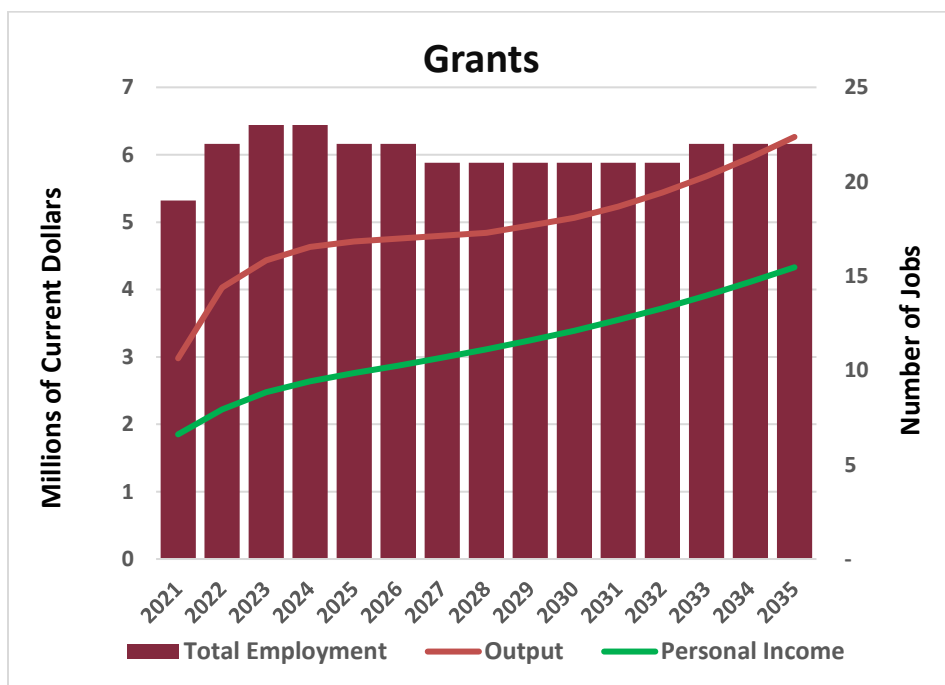
¹⁶ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

Grants Program

The economic impact presented below is based on the 15-year operating proformas for the 6 Grant developments that were awarded funding in 2021, creating 57 units.

- Employment increases by 19 jobs for the initial year of operation in 2021, slightly increasing to 22 jobs in 2035.¹⁷
- Annual Output increases by \$3 million for the initial year of operation in 2021, and increases consistently throughout the time period to \$6.3 million by year 2035.
- Personal Income increases by \$2 million for the initial year of operation in 2021 and continues to increase to \$4million in 2035.

Figure 5. The FHFC Grants Program to Year 2035



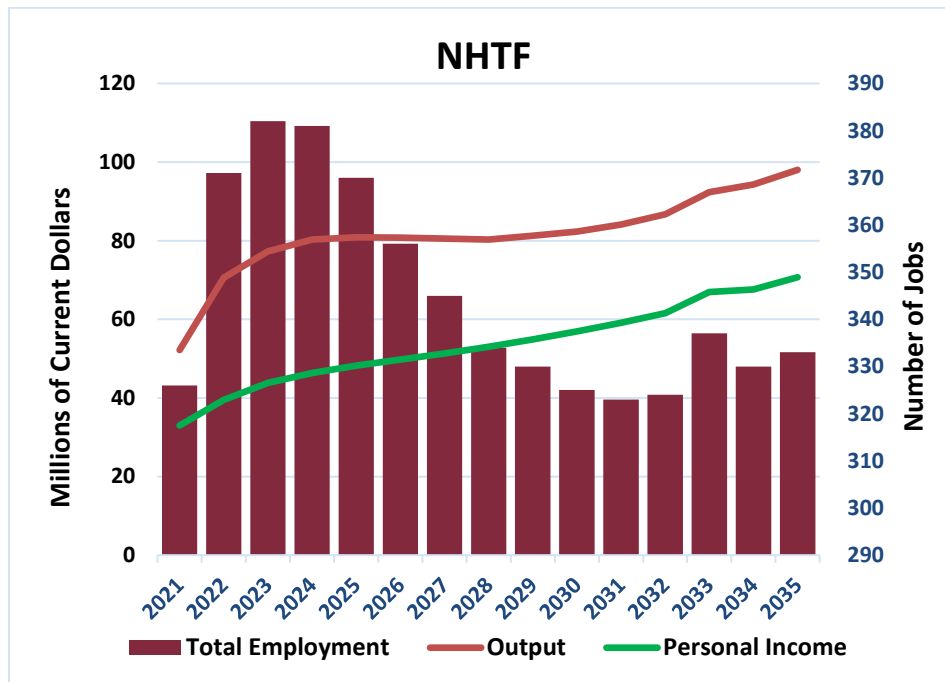
¹⁷ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

NHTF Program

The economic impact presented below is based on the 15-year operating proformas for the 10 NHTF developments that were awarded funding in 2021, creating 1,176 units.

- Employment increases by 326 jobs for the initial year of operation in 2021, increasing to 382 in 2023. ¹⁸ 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, settling at 333 jobs in 2035.
- Annual Output increases by \$52 million for the initial year of operation in 2021, eventually rising to \$98 million in 2035, with an increasing trend at that time.
- Personal Income increases by about \$33 million for the initial year of operation in 2021 and continues to increase to \$71 million in 2035.

Figure 6. The FHFC NHTF Program to Year 2035



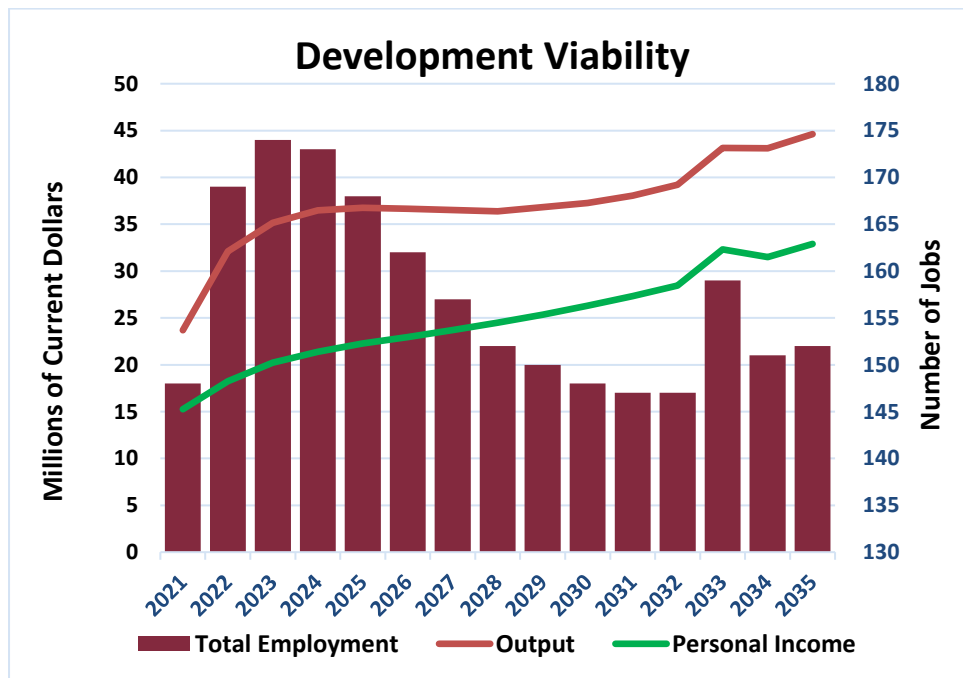
¹⁸ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

Development Viability

The economic impact presented below is based on the 15-year operating proformas for the 5 Development Viability developments that were awarded funding in 2021, creating 389 units.

- Employment increases by 148 jobs for the initial year of operation in 2021, eventually rising slightly to 152 in 2035.¹⁹ 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 almost \$24 million for the initial year of operation in 2021 eventually rising to about \$45 million in 2035, with a slightly increasing trend at that time.
- Personal Income increases by about \$15.3 million for the initial year of operation in 2021 and continues to increase to almost \$33 million in 2035.

Figure 7. The FHFC Development Viability Program to Year 2035



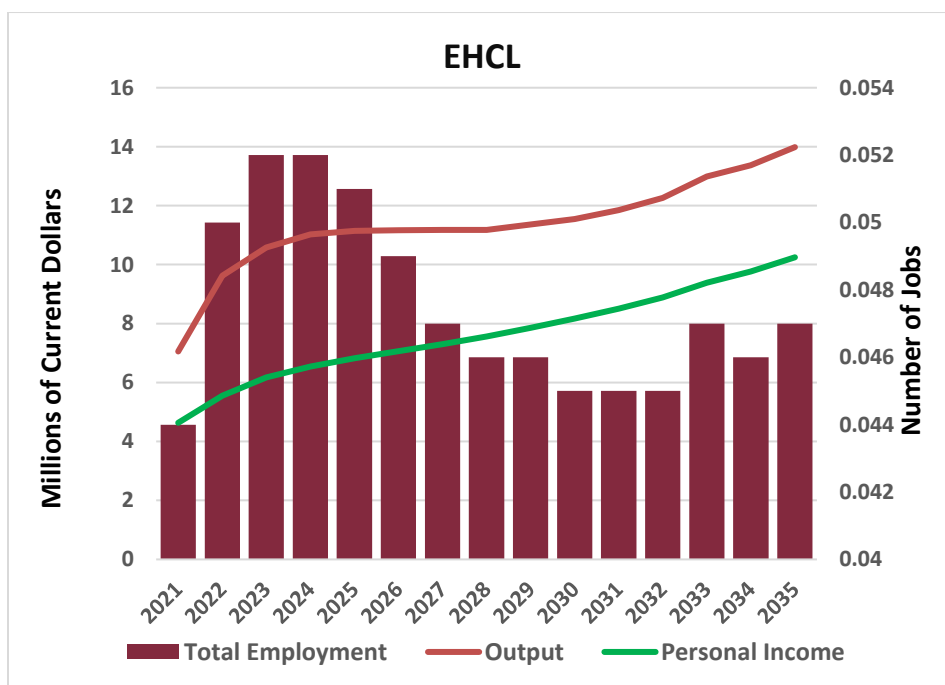
¹⁹ The job increases for each program are compared to a baseline (i.e., no FHFC program investment activity).

EHCL

The economic impact presented below is based on the 15-year operating proformas for the 2 EHCL developments that were awarded funding in 2021, creating 205 units.

- Employment increases by 44 jobs for the initial year of operation in 2021, eventually rising incrementally to 47 in 2035.²⁰ During the first four 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 almost \$7 million for the initial year of operation in 2021, eventually rising to about \$14 million in 2035, with an increasing trend at that time.
- Personal Income increases by about \$5 million for the initial year of operation in 2021 and continues to increase to about \$10 million in 2035.

Figure 8. The EHCL Program to Year 2035



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

HOME

The economic impact presented below is based on the 15-year operating proformas for the 7 HOME developments that were awarded funding in 2021, creating 205 units.

- Employment increases by 44 jobs for the initial year of operation in 2021, eventually rising to 48 jobs in 2035.²¹ 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 \$7 million for the initial year of operation in 2021, eventually rising to almost \$14 million in 2035, with an increasing trend at that time.
- Personal Income increases by about \$4 million for the initial year of operation in 2021 and continues to increase to about \$10 million in 2035.

Figure 9. The HOME Program to Year 2035



²¹ 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 nine rental programs are shown below, based on the 15-year operating proformas of the 100 developments that had a funding award in 2021, creating 10,580 units.²² It should be noted that these summary totals contain no duplication of economic impact due to leveraging multiple program funds.²³

- Employment increases by 3,313 jobs for the initial year of operation in 2021, before settling at 3,348 jobs in 2035.²⁴ 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 almost \$528 million for the initial year of operation in 2021 and continues to rise to \$817 million in 2025 before dropping through 2028. It shows an increasing trend through 2035 when it reaches \$978 million.
- Personal Income increases by almost \$339 million for the initial year of operation in 2021 and continues to increase to more than \$717 million in 2035.

²² It should be noted that in REMI, the total gross units of 10,580 as reported in the table on page 49 were included in the economic analysis. It doesn't count the 423 PLP units because those units are not produced during the PLP funding as they are just getting them ready to be produced. It does include half of the SHIP units (486) because the other half are assumed to already be included the 10,580 multifamily program developments. The gross total 10,580 would not be reduced by any new construction and any preservation developments that were initially funded within the last three years and the current year is simply recognizing additional financing.

²³ 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.

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

Figure 10. The FHFC Summary of Programs to Year 2035

