

THE FLORIDA HOMETOWN HERO HOUSING PROGRAM: Income Data Analysis



Taking Care of Those Who
Have Taken Care of Us

February 2022

Sponsored by Housing for Hometown Heroes



The Florida Hometown Hero Housing Program

Throughout most of post-World War II America, homeownership was regarded as the standard for achieving the American dream. The prevailing belief was that anyone could apply themselves, get a good education, and secure a good job – and if they worked hard enough and budgeted wisely, the payoff would inevitably be a nice house in which to raise a family.

Unfortunately, the dream of homeownership has continued to drift out of reach for many families. That's why Florida Realtors® has been a tireless advocate for effective affordable housing initiatives, including Florida's State and Local Government Housing Trust Funds and the many programs they support. Together, with our 225,000 members leading the way, we've spent decades advocating for the housing needs of hardworking Floridians. The programs that were created as a result of these advocacy efforts have helped countless Florida families experience the joys of homeownership – but there is still more work to be done.

Now, in a time of skyrocketing home values and significant shifts in employment in the wake of an unimagined pandemic, housing affordability has become a nationwide crisis. The cost of homes had already been escalating before COVID-19 spread across the country in early 2020, but it accelerated to a new level amid the pandemic. These housing challenges created a crisis within a crisis for many Floridians.

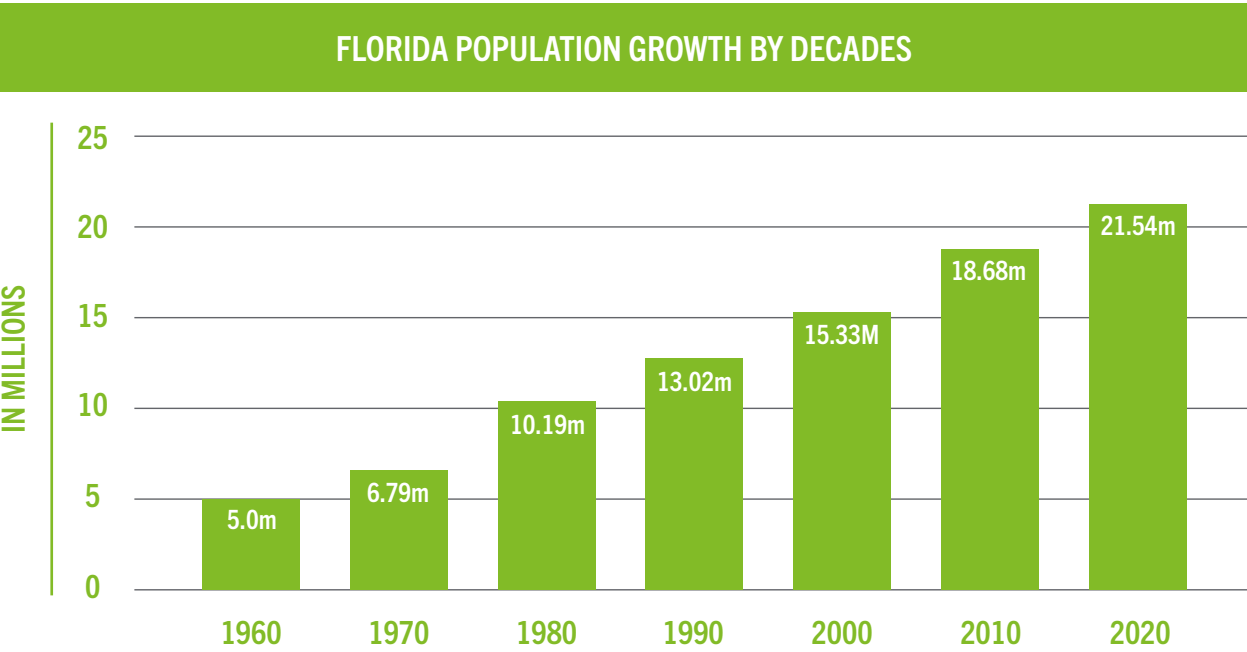
And among those most affected were the very individuals who were being hailed as Hometown Heroes for their dedicated perseverance in the face of unprecedented challenges: nurses and paramedics, firefighters and law enforcement, educators and home health aides.

These front-line workers and educators, whose commitment to serving others showcased their true spirit of service, suddenly found themselves priced out of the market – unable to put together the funds necessary for a down payment or closing costs, and therefore unable to buy a home. Simply put, these Hometown Heroes were often putting their lives on the line but were unable to live in the communities in which they worked.

Against this backdrop, Florida Realtors® conceived the Florida Hometown Hero Housing Program. This program, if approved by the Florida Legislature, would make housing affordable for eligible front-line workers by providing the down payment and closing cost assistance they so very much need and deserve. This program would not affect or change any existing affordable housing programs that currently serve low income Floridians but would provide a dedicated funding source to help these Hometown Heroes and their families experience the benefits of owning a home.

Florida's Housing Crisis

For more than four decades, home construction has been a major force in driving Florida's economy. For long stretches of time, the state's population has grown by about 1,000 people per day – enough to populate a new city the size of Orlando each year. These new residents needed homes in which to live, and the housing industry – from planning to construction to sales – thrived.



While the number of single-family homes sold in Florida has ebbed and flowed with the state's population growth, the median price has risen steadily. In just the last 30 years, the median price has increased by 73%, from the relatively affordable \$155,824 in 1990 to \$269,400 in 2020. Since most front-line workers have not seen their wages grow by anything close to 73%, the trend of declining home affordability is clear.

	SINGLE-FAMILY HOME SALES	MEDIAN PRICE
1990	104,692	\$155,824
2000	245,937	\$178,154
2010	164,254	\$187,942
2020	190,071	\$269,400

This math is stark and unforgiving:

- As of September 2021, the median sale price of a single-family home in Florida was \$355,000, up 18.3% from one year earlier – and a staggering 81.1% from five years before.¹
- As of the end of October 2021, the median home price had reached over \$400,000 in many Florida counties – and in no county was it lower than \$189,000.
- Data from the U.S. Census Bureau shows that the state’s median household income in 2019 was up less than 5% from the previous year, reaching \$59,227.² The challenge of affording a home is even greater for many front-line workers and educators whose salaries typically fall well below the amount needed to cover the down payment and closing costs associated with a home purchase.

During the pandemic, the word “home” took on a new depth of meaning for millions of Floridians. No longer just a residence, it became part-time office, part-time school, and full-time sanctuary from the worries and uncertainty of the outside world. For those who already owned their home, values increased dramatically over the past year, providing a major driver for those families and Florida’s economy.

However, this increase in home values has posed a real challenge for those looking to buy a home, particularly the Hometown Heroes who saw us all through the pandemic – including law enforcement, firefighters, teachers, and health care professionals. Florida Realtors’ own data analysis shows that front-line workers are at a large disadvantage when it comes to home affordability. For example, as described later in this report, EMTs and paramedics would need to earn \$25,000 more a year to afford a median-priced home in the state. Similarly, nurses would need to make \$15,000 more a year and firefighters \$10,000 more a year to afford the same home.

Affordability (or Not) – By the Numbers

Florida Realtors research has found that to afford monthly mortgage payments on a median priced home, Floridians would need to earn about \$62,000 per year. But average salaries for many Hometown Heroes fall short – in some cases far short, both statewide and in select markets.

To get an accurate read on this economic reality, Florida Realtors calculated the annual wage required for a worker to be able to afford not just a mortgage on a median-priced home, but also fair-market rent on either a one- or two-bedroom apartment. Affordability was defined as requiring not more than 30% of the worker’s annual wages, without factoring in dual-income households. These numbers were then compared with the median annual wages of a number of front-line occupations.³

¹ <https://archive.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm>

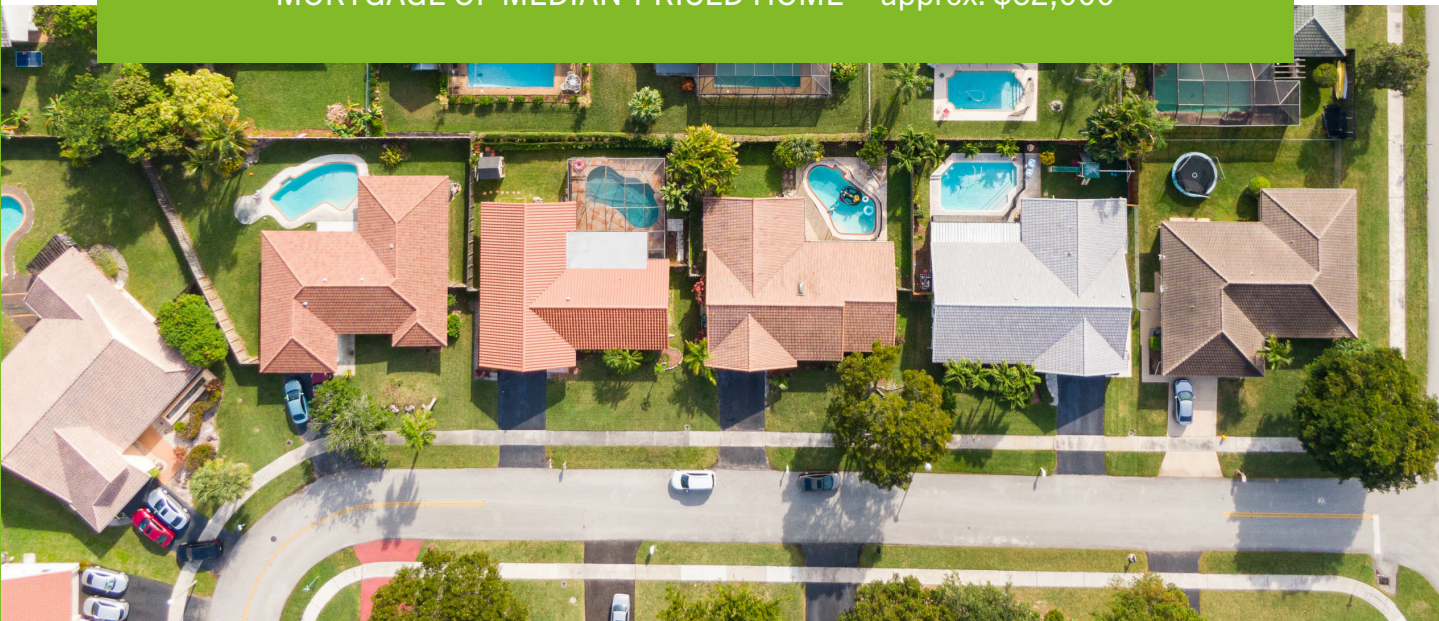
² <https://www.census.gov/library/visualizations/interactive/2019-median-household-income.html>

³ Data sources: U.S. Department of Housing & Urban Development; Florida Realtors; Freddie Mac; U.S. Bureau of Labor Statistics; Florida Department of Revenue; Florida Office of Economic & Demographic Research

MEDIAN ANNUAL WAGE BY SELECTED OCCUPATIONS: FLORIDA

Home Health and Personal Care Aides	\$24,160
Orderlies	\$26,320
Pharmacy Aides	\$31,420
Emergency Medical Technicians and Paramedics	\$33,660
Pharmacy Technicians	\$34,220
Licensed Practical and Licensed Vocational Nurses	\$46,290
Firefighters	\$49,870
Health Care Social Workers	\$53,510
Elementary School Teachers	\$56,540
Special Education Teachers (middle school)	\$56,540
Middle School Teachers	\$57,280
Kindergarten Teachers	\$57,720
Special Education Teachers (secondary school)	\$57,950
Secondary School Teachers	\$60,470
Special Education Teachers (elementary school)	\$65,400
Registered Nurses	\$67,510
Dental Hygienists	\$70,070

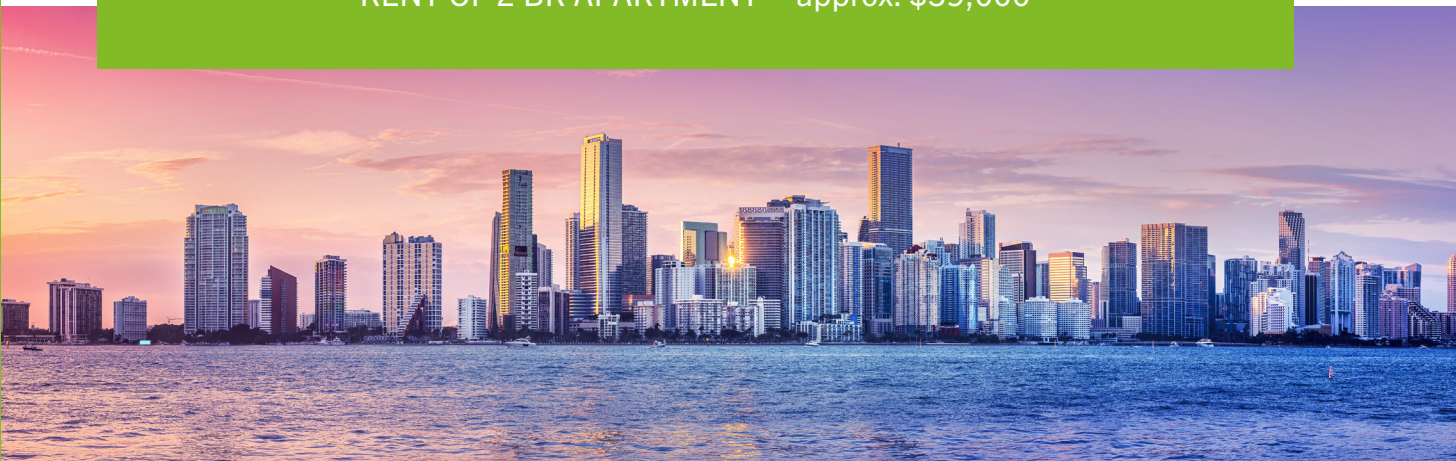
MORTGAGE OF MEDIAN-PRICED HOME – approx. \$62,000



A deeper dive into the data for select markets around Florida shows that the dream of homeownership is even further out of reach for most Hometown Heroes, and that even rent for a 2-bedroom apartment – barely sufficient for a typical family – would stretch the budget close to the breaking point.

MIAMI-FORT LAUDERDALE-WEST PALM BEACH MSA	
Home Health and Personal Care Aides	\$24,030
Orderlies	\$27,070
Emergency Medical Technicians and Paramedics	\$32,220
Pharmacy Technicians	\$35,460
Pharmacy Aides	\$37,580
Licensed Practical and Licensed Vocational Nurses	\$48,200
Health Care Social Workers	\$49,320
Elementary School Teachers	\$52,980
Kindergarten Teachers	\$61,670
Secondary School Teachers	\$63,900
Middle School Teachers	\$65,970
Dental Hygienists	\$67,160
Firefighters	\$67,830
Registered Nurses	\$70,490
Special Education Teachers (secondary school)	\$71,710
Special Education Teachers (middle school)	\$71,820
Special Education Teachers (elementary school)	\$72,680

MORTGAGE OF MEDIAN-PRICED HOME – approx. \$78,000
 RENT OF 1 BR APARTMENT – approx. \$47,000
 RENT OF 2 BR APARTMENT – approx. \$59,000



ORLANDO-KISSIMMEE-SANFORD MSA

Home Health and Personal Care Aides	\$24,220
Orderlies	\$25,860
Pharmacy Technicians	\$33,720
Emergency Medical Technicians and Paramedics	\$34,020
Pharmacy Aides	\$35,230
Firefighters	\$45,600
Licensed Practical and Licensed Vocational Nurses	\$46,300
Special Education Teachers (middle school)	\$47,500
Special Education Teachers (secondary school)	\$49,130
Middle School Teachers	\$50,610
Kindergarten Teachers	\$51,410
Special Education Teachers (elementary school)	\$52,590
Elementary School Teachers	\$52,730
Secondary School Teachers	\$55,470
Health Care Social Workers	\$57,570
Registered Nurses	\$67,040
Dental Hygienists	\$71,820

MORTGAGE OF MEDIAN-PRICED HOME – approx. \$66,000
 RENT OF 1 BR APARTMENT – approx. \$46,000
 RENT OF 2 BR APARTMENT – approx. \$53,000



TAMPA-ST. PETERSBURG-CLEARWATER MSA

Home Health and Personal Care Aides	\$23,400
Orderlies	\$28,120
Pharmacy Aides	\$30,250
Pharmacy Technicians	\$33,820
Emergency Medical Technicians and Paramedics	\$33,920
Licensed Practical and Licensed Vocational Nurses	\$46,480
Firefighters	\$48,300
Middle School Teachers	\$50,410
Special Education Teachers (elementary school)	\$51,700
Special Education Teachers (secondary school)	\$52,240
Health Care Social Workers	\$55,270
Special Education Teachers (middle school)	\$55,740
Kindergarten Teachers	\$59,980
Secondary School Teachers	\$65,460
Elementary School Teachers	\$66,740
Registered Nurses	\$68,810
Dental Hygienists	\$76,360

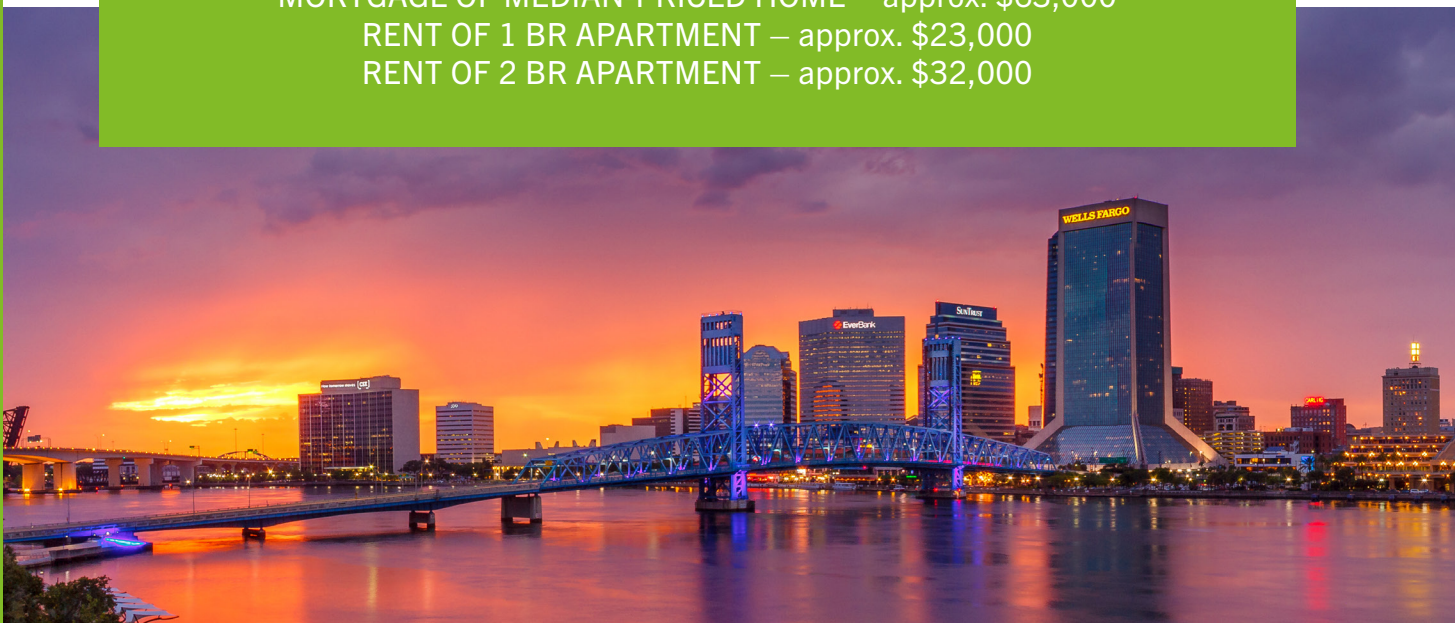
MORTGAGE OF MEDIAN-PRICED HOME – approx. \$61,000
 RENT OF 1 BR APARTMENT – approx. \$42,000
 RENT OF 2 BR APARTMENT – approx. \$51,000



JACKSONVILLE MSA

Home Health and Personal Care Aides	\$24,410
Orderlies	\$25,480
Emergency Medical Technicians and Paramedics	\$30,900
Pharmacy Aides	\$32,520
Pharmacy Technicians	\$34,490
Firefighters	\$43,910
Licensed Practical and Licensed Vocational Nurses	\$46,190
Special Education Teachers (secondary school)	\$52,860
Health Care Social Workers	\$56,660
Special Education Teachers (middle school)	\$57,060
Middle School Teachers	\$59,180
Special Education Teachers (elementary school)	\$59,250
Kindergarten Teachers	\$59,990
Secondary School Teachers	\$62,720
Elementary School Teachers	\$63,540
Registered Nurses	\$64,300
Dental Hygienists	\$66,530

MORTGAGE OF MEDIAN-PRICED HOME – approx. \$63,000
 RENT OF 1 BR APARTMENT – approx. \$23,000
 RENT OF 2 BR APARTMENT – approx. \$32,000





A SOLUTION:

The Florida Hometown Hero Housing Program

The Florida Hometown Hero Housing Program, proposed for the 2022 session of the Florida Legislature, would reflect the state's deep sense of obligation and gratitude toward the essential workers who carried the state through the worst of the COVID-19 pandemic. While the crisis is not over, the time has come to say "thank you" to these key individuals who dealt with our struggles but now are struggling with the cost of homeownership.

The program would reduce the initial cost of getting into a home that is to be used as a primary residence, by providing zero-interest loans to all qualified individuals to help with down payment and closing costs. These loans could provide up to 5% of the purchase price, not to exceed \$25,000 and would be repaid in full at the time of closing if the buyer later sells, refinances, or rents out the home, unless the program administrators approve an exception.

Administered by the Florida Housing Finance Corporation, the Florida Hometown Hero Housing Program would complement federal, state, and local efforts to increase and preserve affordable housing for Florida's front-line workers and educators. It would parallel the state's existing Salute Our Soldiers Military Loan Program.

Eligible Floridians would be defined as individuals or families who have incomes of no more than 150% of the state or local median income, whichever is greater. At the time of receiving the loan, recipients would have to be employed full time in specific front-line and educator occupations, including:

- Law enforcement officers, certified correctional officers, probation officers, and 911 operators
- Firefighters, paramedics, and emergency medical technicians
- Teachers and education administrators
- Health care professionals

Florida Hometown Hero Housing Program Examples

County Where Purchaser Located	Qualifying Annual Income*	Home Purchase Price	Closing Costs	Closing Cost and Down Payment Assistance	Cash to Close	Potential Total Savings
Orange County	\$48,000 71% AMI	\$262,200	\$14,896	\$13,010 (5%)	\$2,266	\$20,276
Hillsborough County	\$60,000 89% AMI	\$288,000	\$7,390	\$14,330 (5%)	\$0.00	\$18,193
Duval County	\$75,000 110% AMI	\$257,250	\$6,080	\$12,795 (5%)	\$2,168	\$18,519
Escambia County	\$64,000 94% AMI	\$189,150	\$8,662	\$9,458 (5%)	\$1,746	\$14,082
Palm Beach County	\$52,000 76% AMI	\$330,000	\$17,854	\$13,113 (4%)	\$0.00	\$17,638

NOTE: Examples represent five actual borrowers under the Florida Housing Finance Corporation's Salute Our Soldiers Military Loan Program; each borrower used one of the Corporation's PLUS loans with 5% down payment assistance in the first four examples and 4% down payment assistance in the last example.

** In 2020, the statewide Area Median Income (AMI) was \$68,000.*

Just as homeownership has traditionally been the dream of countless Florida families, home sales have long been a key driver of Florida's economy. With median home prices surpassing \$400,000 in many Florida counties, the state must do all it can to help the Hometown Heroes who have done so much for so many. That's what the Hometown Hero Housing Program is all about, and why Florida Realtors® believes the Florida Legislature should embrace it and vote it into law.





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