

Affordable Housing in Florida: A Crisis for Hispanics and Recent Arrivals from Puerto Rico

Since the Great Recession, Hispanic Floridians have made significant progress toward recovering their financial stability.¹ However, for many, rental housing remains unaffordable and homeownership is still out of reach. The affordable housing shortage in Florida has only worsened following the devastating ruin of Hurricanes Irma and Maria in 2017, with many displaced Puerto Rican families seeking shelter in the state. The affordable housing crisis must be addressed to ensure these families, and those already living in Florida, have access to safe, affordable homes.

To sufficiently address this issue, policymakers and advocates need to understand the magnitude of the shortage of affordable homes in Florida. This document examines Latino homeownership in Florida, the supply and affordability of rental homes, and the increased demand on housing due to recent arrivals from Puerto Rico.

Table 1. Florida Housing Indicators²

	Hispanics	Overall
Population	5,126,578	20,612,439
Poverty Rate	18.9%	14.7%
Median Household Income	\$44,042	\$50,860
Median Household Net Worth³	\$15,749	\$49,500
Homeownership Rate	49.6%	64.1%
Renters Facing High Rental Costs	61.7%	56.2%
Median Rent	\$1,115	\$1,086

State of Hispanic Homeownership in Florida

After a high-water mark in 2007, Hispanics in Florida witnessed a decline in homeownership that was about two percentage points higher (8.2 percentage points) than the overall decline in Florida (6.6 percentage points) between 2005 and 2014.⁴ Today, the Hispanic homeownership rate in Florida (49.6%) continues to lag behind the rate for Florida overall (64.1%).⁵ Still, there

were approximately 755,000 Latino homeowners in Florida in 2016.⁶ Further, Florida's foreclosure rate dropped to an estimated 1.97%, and mortgage delinquencies went down to 1.2% in 2017.⁷ Although home prices have rebounded in several parts of the country, many Florida homeowners still struggle with underwater mortgages: 15 of the nation's top 100 cities with the highest incidence of negative home equity are in Florida.⁸ In the city of Orlando, an estimated 30% of homes are underwater.⁹

Hispanic Households Burdened by Rental Costs

Affordable homeownership opportunities remain out of reach for many Hispanics in Florida, leaving many in the rental market. However, a lack of affordable rental homes in Florida pose barriers to housing stability and the ability to save for a down payment. In 2016, an estimated 62% of Latinos who rented spent more than one-third of their income on rent, compared to about 56% of Floridians overall.¹⁰ An estimated 79% of Florida's most vulnerable households* pay more than 30% of their income on monthly rent costs.¹¹ Hispanics are also paying more in median rent each month, even though their median household income is about \$5,000 lower than the median household income for Florida.¹²

The supply of affordable housing in Florida is insufficient. Florida has a deficit of more than 600,000 affordable homes, with shortages most severe in Orlando-Kissimmee-Sanford and Miami-Fort Lauderdale-West Palm Beach metropolitan areas.¹³ Construction of affordable rental homes has not kept up with demand. Over the last decade, only about 186,000 homes renting at or below the median rent (\$1,086) were built, compared to approximately 226,000 homes renting for \$1,500 or more.¹⁴ At the same time, Florida lost approximately 1,700 homes renting for less than \$650.¹⁵

Crisis in Puerto Rico Drives Increasing Housing Demand

In 2014, Puerto Ricans made up about 21% of Florida's Hispanic population.¹⁶ Since 2014, Florida has received the greatest number of Puerto Ricans fleeing the fiscal crisis on the island and is now tied with New York for the largest Puerto Rican population—about one million.¹⁷ After Hurricane Maria devastated Puerto Rico, hundreds of thousands of families evacuated to several states, including more than 18,000 (45% of all FEMA evacuees) to Florida.¹⁸ Approximately 1,360 displaced Puerto Rican families have received temporary housing assistance to find shelter in hotels and motels in Florida.¹⁹ Many of these families will lose their assistance after June 30, when the voucher program runs out, as there are few available and

* The National Low Income Housing Coalition defines the most vulnerable as households which earn incomes at or below 30% of area median income. See: http://nlihc.org/sites/default/files/Gap-Report_2017.pdf

affordable housing options.²⁰ As the recovery on the island continues, it will be crucial that recently arrived Puerto Ricans can transition from temporary shelter to stable and affordable housing.

Snapshot: Central Florida

- The Orlando-Kissimmee-Sanford metropolitan area faces the greatest shortage of homes for the lowest income renters, with respectively 17 available and affordable housing units per 100 households living at or below the poverty line.²¹
- In 2016, 57% of Hispanics renting a home spent more than one-third of their monthly income on housing, compared to 54% of Orlando residents overall.²²
- In the last decade, about 59,000 homes renting for \$1,100 or more were built (about 40% renting for \$1,500 or more).²³ This compares with only 37,000 homes renting at or below a rent of \$1,000.²⁴

Opportunities to Make Housing More Affordable

Officials at the federal, state and local levels should make targeted investments to ensure that more Floridians, including Latinos, can find affordable, safe homes. Specifically, lawmakers should:

- Protect the Sadowski Affordable Housing Trust Fund and other state-level affordable housing programs, including dedicating trust funds to the most urgent housing priorities.
- Preserve HUD programs like the Housing Trust Fund, Community Development Block Grant (CDBG) Program, and HOME Investment Partnerships. These federal programs can be utilized by local and state governments to leverage private investment in the construction, renewal and preservation of affordable rental homes.
- Preserve Housing Choice Vouchers and reject cuts to federal rental assistance that help families put a roof over their heads. In 2015, federal rental assistance lifted approximately 64,000 Hispanics in Florida out of poverty.²⁵
- To help displaced families find housing:
 - Request FEMA indefinitely extend temporary housing assistance until the end of 2018 or until Puerto Rico's power grid is completely rebuilt and power outages cease.
 - Require FEMA and HUD to establish the Disaster Housing Assistance Program, which helps the lowest income families find permanent housing solutions, secure employment, and connect to public benefits as they rebuild their lives and get back on their feet.
 - Use all available tools, including the Low-Income Housing Tax Credit and CDBG, to target investments in communities with the most severe shortage of affordable homes at the state and local level.

Endnotes

All sources accessed May 2018 unless otherwise noted.

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- ³ Prosperity Now, *Racial Disparity Report: Florida* (Washington, DC: Prosperity Now, 2016), <http://scorecard.assetsandopportunity.org/latest/report/racial-disparity-report>.
- ⁴ U.S. Census Bureau, American Fact Finder "Tenure" and "Tenure (Hispanic or Latino Householder)" Tables B25003 and B25003I.
- ⁵ U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2016 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table, Table S0201.
- ⁶ U.S. Census Bureau, "American FactFinder: Tenure (Hispanic or Latino Householder): 2016 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25003I&prodType=table, Table B25003I.
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- ¹¹ National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes* (Washington, DC: National Low Income Housing Coalition, 2017), http://nlihc.org/sites/default/files/Gap-Report_2017.pdf.
- ¹² U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2016 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table, Table S0201.
- ¹³ National Low Income Housing Coalition, *Gap Report: Florida*, (Washington, DC: National Low Income Housing Coalition, 2016) <http://nlihc.org/gap/2016/fl>.
- ¹⁴ Harvard Joint Center for Housing Studies, "America's Rental Housing 2017," <http://www.jchs.harvard.edu/americas-rental-housing> (accessed April 2018).
- ¹⁵ Ibid.

- ¹⁶ Center for Puerto Rican Studies at Hunter College, *Puerto Ricans in Florida, the United States, and Puerto Rico, 2014* (New York, NY: City of New York University, 2016), <https://centropr.hunter.cuny.edu/sites/default/files/PDF/STATE%20REPORTS/1.%20FL-PR-2016-CentroReport.pdf>.
- ¹⁷ Stephanie Roman, *Latinos in the Sunshine State: Building a Brighter Economic Future* (Washington, DC: UnidosUS, 2016), <http://publications.unidosus.org/handle/123456789/1563>.
- ¹⁸ Jennifer Hinojosa, Nashia Román, and Edwin Meléndez, *Puerto Rican Post-Maria Relocation by States* (New York, NY: City of New York University, 2018), Table 8, <https://centropr.hunter.cuny.edu/sites/default/files/PDF/Schoolenroll-v4-27-2018.pdf>.
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- ²³ Ibid.
- ²⁴ Ibid.
- ²⁵ UnidosUS, "Federal Programs Lift Latinos Out of Poverty: Spotlight on Florida," (Washington, DC: UnidosUS, 2017), <http://publications.unidosus.org/bitstream/handle/123456789/1783/FL%20Federal%20Programs%20FS.pdf?sequence=7&isAllowed=y>.