



State Housing Initiative Partnership Program

SHIP Funds Go to Work Immediately:

- **Rehabilitating Foreclosed and Abandoned Housing**
- **Providing Down Payment and Closing Cost Assistance**
- **Preventing Homelessness**

SHIP is not new - it is a tried and true program ready, willing and able to help move existing housing stock.

SHIP infrastructure exists in every county. It has a 20 year successful track record of affordable home ownership and homeless prevention strategies based on using a small amount of public investment to engage the private sector in construction related activities and sound financial practices.

SHIP homes are not part of the foreclosure crisis- the local government SHIP program only permitted fixed rate long term financing coupled with pre- and post-purchase counseling. SHIP was the model first time homebuyer program and is now the model for recovering from the foreclosure crisis by deploying funds for rehabilitation and down payment and closing cost assistance to get deteriorated and abandoned housing stock back into productive use.

Florida leads the nation with nearly 13 percent of its housing stock in foreclosure (compared to the national rate of 3.9 percent). Foreclosures are adding more to inventory than sales are subtracting. **SHIP programs around the state have the capacity to help clear this inventory.** Below is a summary of how several small, medium and large counties would spend SHIP funds immediately upon receipt of those funds from the state to reduce existing substandard and abandoned housing inventory.

*The Sadowski Coalition asked the Florida Housing Coalition to assist in providing information to Chairman Alexander - what would immediately happen if SHIP funds were distributed in July, 2011. The Florida Housing Coalition conducted telephone surveys with a handful of local governments' representative of small, medium, and large counties the week of January 31. The strategies in place and ready to go in these local governments are in place in every county in Florida.*¹

¹ The Florida Housing Coalition is a statewide nonprofit that has been providing training and technical assistance on affordable housing since 1982.

HARDEE COUNTY

Strategy 1: Acquisition and Rehab

Habitat is Hardee County's only nonprofit developer. Janet Gilliard, Director of Community Development and General Services, said, "Habitat would be open to acquisition and rehab resale instead of new construction. This Habitat chapter is 10 years old and currently has the capacity to generate five units annually, but could do more if the funding is there."



We would also engage for profit developers by providing money for acquisition. We have some individual contractors that we've worked with before who have real talent with rehab, not just new construction. Carlisle Group is big here, and they've built three properties recently. They'd come back if there's SHIP money for rental housing. "



Strategy 2: Purchase Assistance

Gilliard adds, "We can continue to offer down payment assistance (DPA), but no longer allow new construction. Also, we will provide an incentive for buying foreclosed homes. "

Strategy 3: Special Needs

According to Gilliard, "One for profit developer recently had a Senior Housing project that couldn't move forward because of no funding. **SHIP funds would have provided the project funding.**"

OKALOOSA COMMUNITY DEVELOPMENT CORPORATION (CDC)



Strategy 1: Acquisition and Rehab

Patti Sunnarborg, CDC Executive Director, said, “The CDC would acquire, hire contractors to complete the rehab and then resell single family homes. The CDC is currently doing this right now with NSP, but most of

this will produce rental housing. **New SHIP money is needed to fund the same work on the homeownership side.**

We’re getting good at negotiating with banks, and I believe we could purchase, in some volume, to get good acquisition deals. “

Strategy 2: Special Needs Rental

The CDC recently received \$723,000 from the Fed Home Loan Bank for phase 2 of a homeless shelter project. Sunnarborg said, “There is a need for rental housing for individuals with mental disabilities to help them avoid homelessness. We **need SHIP** as a match for funding sources like Fed Home Loan Bank.”

Strategy 3: Purchase Assistance

Sunnarborg added, “We would also pursue the SHIP down payment assistance strategy. I have recently seen several young couples buying foreclosures and inquiring about purchase assistance. We could offer an incentive to stimulate the purchase of foreclosed units specifically. “



Strategy 4: Foreclosure Prevention

Although Hardest Hit is rolling out, SHIP money could also be used to prevent more foreclosed units from spilling into our housing market.

ESCAMBIA COUNTY

Strategy 1: Acquisition and Rehab

“About 75 percent of foreclosed homes are 60-70 years old and need lots of work,” said Randy Wilkerson, Executive Director, Neighborhood Enterprise Foundation, Inc. Wilkerson added, “In our rural areas, we find that investors are not interested in buying run down foreclosed homes. We have been acquiring, repairing and reselling such homes using NSP. We don’t have enough NSP money to do all we’d like to do, so future SHIP money would be welcomed for the strategy we’re currently implementing.

Escambia County has an active group of four nonprofits: Community Enterprise Investment, Inc., AMR, Inc., Circle Inc. and Franklin County Community Development and Land Trust Corporation. They’ll focus on the worst units—the ones that need \$40,000 - \$50,000 of rehab. Our NSP



experience is that the units will sell. We have a dozen smaller business rehab contractors who will bid for these jobs.”

Strategy 2: Special Needs Rental Housing



Wilkerson pointed out, “If we are unable to sell rehabbed homes, we can convert these to rentals. We have two nonprofits (including Loaves and Fishes) that focus on this for families transitioning from homelessness. In addition, in the rural areas we have old rural development rentals and we could work with a developer to rehab these duplexes and quadplexes.”

Strategy 3: Purchase Assistance

We’ll also provide down payment assistance to help buyers purchase homes that need a lesser amount of repair, added Wilkerson. “We will establish a fund for the rehabbing of homes once buyers have purchased them.”

DUVAL COUNTY

Strategy 1: Owner Occupied Rehabilitation

“Rehabilitation of single family homes would be our first priority, with a special focus on assisting elderly households,” said Wight Gregor, Director, Housing & Neighborhoods Department with the Jacksonville Housing



Finance Authority. Gregor highlighted, “**Until SHIP funds went away, the County used to devote \$5 million to assisting elders.** We have a great demand, with a waiting list of 1,600 families requesting assistance (even though we stopped taking applications in 2008!)”

Strategy 2: Acquisition, Rehab and Resale

Gregor said, "Although acquisition, rehab and resale are not currently a strategy in our SHIP plan, we could pursue this work with our nonprofit developers."

Strategy 3: Special Needs Rental Housing

Some nonprofit developers might be interested in the acquisition and rehab of multifamily properties, to be rented to households with special needs said Gregor. "Right now, there is a need for transitional housing for formerly homeless families and individuals."

Strategy 4: Foreclosure Prevention

Gregor pointed out that although Hardest Hit is rolling out, they would want to devote some future SHIP money to preventing more foreclosed units from spilling into our housing market.

POLK COUNTY



According to Jeff Bagwell, the Executive Director of Keystone Challenge Fund operating in Polk County, "We were able to secure 107 foreclosed homes in 40 weeks with the NSP funds. But we can't help families outside of the NSP target areas in Polk County without SHIP funds. There is an enormous stock of foreclosed homes sitting idle in Polk County that with SHIP down payment funds we could get families into-- we have 100 families per month going through our homebuyer counseling program-- they are credit worthy and mortgage ready-- what they don't have is the down payment and closing costs to obtain an FHA loan. We

are missing terrific buying opportunities as homes with depressed prices continue to deteriorate, due to a lack of SHIP funding."