



SPRING 2008

HOUSING NEWS NETWORK

Volume 24, Number 2
The Journal of the Florida Housing Coalition, Inc.

Inclusionary Housing: A Challenge Worth Taking
7

Staying Dry During a Wave of Foreclosures
11

Foreclosure Crisis Increases the Need for Affordable Rental Housing
15

Self-Help Housing
16

Show Us the Green
18

How to Make Homeless Deals Work in Florida
21

Brownfield Development
24

Leveling the Playing Field for Small Scale Developers and Non-Profits
25

Preservation Strategies for Mobile Home Parks
29

HOP Update:
31

SHIP Clips
32

Coalition News
34



MARK HENDRICKSON AND JAIMIE ROSS

Just a few hours before the close of the 2008 session, it looked like there would be a great deal of copy for this post legislative session edition of the Journal. But there's no need to go into great detail about the omnibus housing bill because it will not become law this year. In the last few hours of the last day of session, SB 482, which included all the items from HB 699 and more, highlighted below, died when the House tacked on amendments that had either insufficient time, interest, or both to be taken up by the Senate. In short, no housing bill this year. Highlights of the omnibus housing bill that did not pass (SB 482/HB 699) included:



- the ad valorem CLT legislation, providing guidance to local property appraisers to use the resale restricted value for land and improvements

- an amendment to the accessory dwelling unit statute, exempting accessory dwelling units from local impact fees and transportation concurrency
- a tightening of the public inventory of lands statute, incorporating the process of making public lands available for affordable housing into the growth management scheme and providing penalties for failing to comply with the statute
- a variety of growth management and regulatory incentives such as increased density in exchange for donated land
- an amendment to the SHIP statute to include the CWHIP concept of permitting those with incomes up to 140 percent of area median income in high cost counties to be served

Continued on page 3



BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Jeff Bagwell, CHAIR
Keystone Challenge Fund, Inc.,
Lakeland

Annetta Jenkins, VICE CHAIR
Local Initiatives Support Corporation,
West Palm Beach/South Florida

Jaimie Ross, PRESIDENT
1000 Friends of Florida,
Tallahassee

Gregg Schwartz, TREASURER
Tampa Bay C.D.C.,
Clearwater

Sophia Sorolis, SECRETARY
City of St. Petersburg,
St. Petersburg

Melvin Philpot, PAST CHAIR
Progress Energy Florida,
St. Petersburg

Mark Hendrickson, AT LARGE
The Hendrickson Company,
Tallahassee

George Romagnoli, AT LARGE
Pasco County Community
Development,
New Port Richey

Robert Von, AT LARGE
Meridian Appraisal Group, Inc.,
Winter Springs

BOARD OF DIRECTORS

Bob Ansley
Orlando Neighborhood Improvement
Corporation,
Orlando

Michelle Braun
Wachovia,
Jacksonville

Ed Busansky
First Housing Development
Corporation of Florida,
Tampa

James "Jim" Dyal
American Realty Development, LLC.,
Tampa

Charles "Chuck" Elsesser
Florida Legal Services,
Miami

Denise Freedman
Bank of America,
Tampa

Cora Fulmore
Mortgage & Credit Center,
Winter Garden

Wight Greger
City of Jacksonville,
Jacksonville

Dan Horvath
Community Enterprise Investments, Inc.,
Pensacola

Jack Humburg
Boley Centers, Inc.,
St. Petersburg

Jeff Kiss
Kiss & Company,
Winter Park

Steve Kropp
LCA Development II, Inc.,
Orlando

Tei Kucharski
Florida Solar Energy Center,
Cocoa

Sandra Martin Seals
Reliance Housing Foundation, Inc.,
Ft. Lauderdale

William "Bill" O'Dell
Shimberg Center for
Affordable Housing,
Gainesville

Earl Pfeiffer
Florida Home Partnership Inc.,
Ruskin

FINANCIAL SERVICES COMMITTEE

Dana Chestnut
Washington Mutual,
Atlanta, GA

David Christian
Regions,
Tampa

Runa Saunders
National City,
Ft. Pierce

Deana Lewis
SunTrust Bank,
Pensacola

ADVISORY COUNCIL

Helen Hough Feinberg
RBC Capital Markets,
St. Petersburg

STAFF

ADMINISTRATION

Michael Davis
Executive Director

Pam Davis
Workshop Coordinator

Tom Flagg
Financial Manager

Danielle Wright
Operations & Conference Manager

TECHNICAL ADVISORS

Aida Andujar
South Florida Office

Lydia Beltrán
South Florida Office

Michael Chaney
North Florida Office

Stan Fitterman
Central Florida Office

Lisa Hoffmeyer
South Florida Office

Evelyn Rusciollelli
Central Florida Office

Gladys Schneider
Southwest Florida Office

The Florida Housing Coalition is a nonprofit, statewide membership organization whose mission is to act as a catalyst to bring together housing advocates and resources so that Floridians have a quality affordable home and suitable living environment.

The Housing News Network is published by the Florida Housing Coalition as a service to its members and for housing professionals and others interested in affordable housing issues.

Jaimie Ross, Editor.

Email: info@flhousing.org, Web site: www.flhousing.org

Florida Housing Coalition, Inc., Phone: (850) 878-4219, Fax: (850) 942-6312, 1367 E. Lafayette Street, Suite C, Tallahassee, FL 32301.

The Florida Housing Coalition would like to recognize **BANK OF AMERICA, CITIBANK, NATIONAL CITY, WACHOVIA and WASHINGTON MUTUAL,** for their partnership, leadership and support as our **PLATINUM SPONSORS.** *We are deeply appreciative.*



2008 AFFORDABLE HOUSING DAY AT THE CAPITOL

The Sadowski/Workforce Housing Coalition hosted a press conference and Housing Rally on March 26th to emphasize the importance of spending housing trust fund money on housing. CFO Sink, Florida lawmakers, Sadowski Coalition members and others gathered to urge the Legislature to refrain from raiding the housing trust funds to fill budget deficits and repeal the cap.



Alex Sink, Florida's Chief Financial Officer



Representative Ron Saunders



Chuck Bonfiglio, President, Florida Association of Realtors; Alex Sink, Florida's Chief Financial Officer; Jaimie Ross, Affordable Housing Director, 1000 Friends of Florida; Frank Ortis, President, Florida League of Cities



Senator Steve Geller



Barney Bishop, President/ CEO, Associated Industries of Florida



Jeff Bagwell, Chair, Florida Housing Coalition



Charles Milsted, Associate State Director, AARP

- an amendment to the SHIP statute to permit funds to be used for due diligence activities for housing preservation
- an amendment to the SHIP statute to permit a limited amount of funds to be used for manufactured housing
- an amendment to the SAIL statute to allow moderate rehab for preservation

HOUSING FUNDING – HOW IT TURNED OUT

In the 2008 Appropriations Bill, \$303 million was appropriated for housing- a 22 percent cut from current funding. The Florida Legislature also swept \$250 million from funds dedicated for affordable housing to general revenue, leaving less than \$30 million in the state and local housing trust funds. A comparison of fiscal year funding from 07-08 and the appropriations passed by the legislature for fiscal year 08-09, together with a breakdown by housing program is shown on the chart on page four.

Had that \$250 million been appropriated for housing, it would have created over \$2 billion in economic stimulus. Why? Because leveraging and the multiplier effect (from the doc stamp taxes, sales taxes, and employment that attends housing construction) turns every \$1 in state housing investment into approximately \$10 in economic stimulus. But there is no sense in talking about what could have or should have been. Housing advocates, the business community, and the Sadowski Workforce Housing Coalition tried their best to persuade the 2008 Legislature to do the right thing.

HOUSING FUNDING- WHY IT TURNED OUT THE WAY IT DID

Unfortunately, using revenues dedicated specifically for housing to pay for non-housing activities has been in the works since 2003, when monies were intentionally left unappropriated for the first time and ultimately in 2005, when the cap technically scheduled to take effect in 2007 was de facto implemented by the failure each year thereafter to fully appropriate Sadowski Act funds. Allowing the monies dedicated for housing to build up, through failure to appropriate those monies from the state and local housing trust funds, created an opportunity to fill future holes in the budget by characterizing those housing dollars as “excess” monies.

Continued on page 4

ACCORDING TO THE FLORIDA CENTER FOR FISCAL AND ECONOMIC POLICY,

“the state has failed to keep pace with the growth in its economy and has created structural deficits in its ability to pay for key state services. This is a result not only of the current economic downturn in our state's economy, accompanied by a general downturn in the country's economy, but on deliberate actions to repeal or reduce taxes taken by our state's leadership during the last decade. Many of these actions went unnoticed due to the state's “construction bubble” which followed the 2004 Hurricane Season, as well as by the state's absolute reliance on the local property taxes over the past five years.... Taken together, these actions consisted of the substantial tax cuts for corporate and wealthy interests accompanied by the failure to close corporate income tax loop-holes.... The state also opted out of investing in programs that would have a long term positive economic impact....” (See www.fcfe.org)

UNDERSTANDING THE CAP ON THE HOUSING TRUST FUNDS

Beginning this fiscal year (FY07-08), distributions of documentary tax revenue to the housing trust funds were capped at \$243

REPEAL OF CAP BY CONSTITUTIONAL AMENDMENT

Tax and Budget Reform Commissioner Darryl Rouson, (now a member of the House), sponsored Constitutional Amendment #22 to place repeal of the cap on the ballot in November. In order to get a constitutional amendment on the ballot, the TBRC needs a 2/3rds vote. The repeal of the cap amendment failed to get the votes needed, most likely because the repeal of the cap also carried with it a mandate to spend all the money on affordable housing. In other words, the Legislature would by constitution (if it passed) be unable to use the money for anything other than housing regardless of other unforeseen needs.

million. Previously, 20 cents of doc stamp collections were automatically sent to the trust funds—regardless of the amount. The 20 cents varies from year to year, but ranges from a low this year of \$430 million to over \$600 million in earlier years. Once in the trust funds the money had to be appropriated to be spent—but it forced the legislature to take the money out of the trust funds if they wanted to spend it on other items.

With the cap, any collections over \$243 million automatically go to general revenue. For FY08-09, this sweep caused by the cap is estimated at \$87.6 million, and for FY07-08, it is estimated at \$96 million. Therefore, on top of the \$250 million sweep from the housing trust funds, another \$183.6 million has been lost in just two years because of the cap.

Legislation to repeal the cap was introduced in both the House and Senate—and was not given even one committee hearing in either body. Cap repeal legislation will be introduced in 2009, where we hope that a change in House leadership will lead to a more favorable outcome.

Affordable housing is a priority for nearly every constituency in the state, it is a priority for real estate professionals, builders, bankers, and advocates for the homeless, the disabled, the elderly, local and state government, and business interests. The leadership of the Florida

SADOWSKI WORKFORCE HOUSING COALITION



PROGRAM	FY07-08 FUNDING LEVEL	FY08-09 FUNDING LEVEL—FINAL APPROPRIATION
Florida Housing Basic Programs (SAIL, HAP, PLP, Catalyst Training & Technical Assistance, & Guaranty Fund)	\$ 70,500,000	\$ 70,500,000
SHIP	\$166,200,000	\$166,183,500
SHIP Monitoring	\$ 400,000	\$ 416,500
Homeless	\$ 5,900,000	\$ 5,900,000
Florida Housing Additional SAIL	\$ 60,000,000	\$ 22,500,000
Florida Housing Additional Down Payment (HAP)	\$ 10,000,000	\$ 20,000,000
CWHIP	\$ 62,400,000	-0-
Extremely Low Income (ELI)	\$ 15,000,000	\$ 5,000,000
Preservation Rehab Pilot	-0-	\$ 10,000,000
DCA Planning	\$ 400,000	-0-
DCA Emergency Home Repair	-0-	-0-
Community Contribution Tax Credit	-0-	\$ 2,500,000
TOTAL APPROPRIATED FOR HOUSING	\$390,800,000	\$303,000,000 -\$87,800,000 Or -22.5%
Swept to General Revenue by Appropriation	-0-	\$250,000,000
Swept to General Revenue by Cap	\$ 96,000,000	\$ 87,600,000
TOTAL SWEEP TO GR	\$ 96,000,000	\$337,800,000
Trust Fund Monies Not Appropriated for Housing or Swept to GR	\$318,200,000	\$ 23,200,000

1. Of the \$70.5 million for Florida Housing basic programs, \$50 million must be spent on SAIL.
2. The \$20 million for additional down payment assistance money is to be used with Florida Housing single family bond programs, and may only be spent in “counties and municipalities in the state which have reduced impact fees within the 12 months prior to the effective date of this act, or reduce impact fees subsequent to the effective date of this act, by a minimum of 25% for a period not less than 18 months, or which impose no impact fees entirely for homeownership purposes”.
3. The \$10 million Preservation Rehabilitation Program is provided for Pasco, Palm Beach and Orange counties only, and targets “rental housing that received or has received funding from any federal or state housing funding program”. Further, “the moneys shall be leveraged by intermediaries at least 4:1”.

House and Senate need to know that it is Florida’s priority – the 2008 session is over – it’s time to begin work for 2009. We need to look ahead to the housing campaign for 2009 to repeal/ “scrap the cap”. The future of funding for Florida’s housing programs will be the focus of a workshop at the Florida Housing Coalition’s statewide conference in September -- Housing: The New Environment. 



Phillip Stewart & Family, School Teacher and First Time Homeowner, speaks at the Affordable Housing Day at the Capitol.

MARK HENDRICKSON, president of The Hendrickson Company, is a past Chair and serves as an Executive Committee member for the Florida Housing Coalition. He served as Executive Director of the Florida Housing Finance Agency from its inception in 1981 to 1994. As its first Chief Executive Officer, he led the way in creation of the Sadowski Act.

JAIMIE ROSS is the Affordable Housing Director at 1000 Friends of Florida and the President of the Florida Housing Coalition. She

initiated and facilitates the Sadowski Coalition. Jaimie is the Chair of the Affordable Housing Committee of the Real Property Probate & Trust Law Section of the Florida Bar.