

Housing News

The Journal of the Florida Housing Coalition, Inc.

NETWORK

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THE ROUTE TO RECOVERY

NEXT STOP ON



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2010 Housing Rally at the Capitol, held in conjunction with Great American Realtor Day on April 7th.

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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, housing professionals and others interested in affordable housing issues. **Jaimie Ross**, *Editor*, with assistance from Johnnita Richards Wells, Florida Housing Coalition Communications Manager • Email: info@flhousing.org, Web site: www.flhousing.org •



By Jaimie Ross

On behalf of the board and staff of the Florida Housing Coalition, I extend our appreciation to our members who worked so valiantly on the Sadowski Education Effort for the 2010 legislative session.

The Sadowski Education Effort resulted in:

- Local government resolutions adopted across the state, calling upon the legislature to repeal the cap on the Sadowski state and local housing trust funds and fund Florida's housing programs.
- Meetings between the entire Sadowski Coalition and key leadership in the House and Senate.
- Individual constituent visits with their legislators in district offices.
- Excellent editorials throughout the state and in every major media market.

Most importantly, the Sadowski Education Effort saw the omnibus affordable housing bill, featuring repeal of the cap, pass unanimously through every committee in the House and Senate and on the floor of the House. Unfortunately, an unrelated amendment attached to the bill on the floor of the Senate in the final hours of session ultimately brought its demise in messages.

It's easy to feel like throwing in the towel. But now is not the time. Our housing champion, Representative Gary Aubuchon, is fervent in his resolve to repeal the cap on the state and local housing trust funds in 2011. At the Florida Housing Coalition conference in September, we will have the opportunity to share ideas and strategies for repealing the cap and funding Florida's housing programs in 2011.

Prior to the regular 2010 session, the Governor called a special session on transportation. Florida stood to lose billions in federal transit investment, if we failed to make a state investment in transit. Representative Gary Aubuchon was the point person in the House for the transportation bill, which provided badly needed funding for existing transit and puts Florida on the path for a comprehensive rail system, creating jobs, and connecting our major urban areas.

The Florida Housing Coalition is honored to have Representative Aubuchon moderate the public policy plenary addressing the connection between transportation and affordable housing at our conference in September. With transportation costs nearing 20% of a family's income, we must not lose the opportunity to in-

corporate affordable housing into the transit oriented development which is Florida's future. As housing advocates, we learned some time ago that energy efficiency is a critical component of the affordability equation. It is time to add transportation to that equation and promote the smart growth development that will support housing accessible to employment opportunities.

The conversation about the connection between transportation, housing, and the environment will continue on day two of the conference, when conference keynote, HUD Deputy Secretary Ron Sims takes the podium at lunch. Secretary Sims is long-time smart growth advocate and heads up the HUD Sustainable Communities Initiative, an inter-agency partnership between HUD, DOT, and EPA.

Federal stimulus funding that filled the gaps for tax credit developments, foreclosure recovery, neighborhood stabilization, energy, and job creation has been saving Florida's housing market and providing Floridian's with employment (see article by Governor Crist on following

page). But the federal stimulus is temporary and no one knows better than the membership of the Florida Housing Coalition that we must restore our landmark Sadowski Act, providing a dedicated and reliable source of funding for our state and local housing programs. The plan for moving forward will be the topic of discussion at several forums at the statewide conference, including the SHIP caucus on September 20 and the SHIP roundtable on September 22.

Caucus time at the Florida Housing Coalition conference provides a formal networking opportunity for members with similar organizational interests, such as the caucus for Habitat for Humanity and the caucus for foreclosure counselors. During this time, we will also bring in experts for other caucuses with broader appeal, such as the caucus on fund raising for nonprofits.

The Florida Housing Coalition, in collaboration with 1000 Friends of Florida, launched the Florida Community Land Trust Institute in 2000. This year, we are launching the Florida Nonprofit Housing Advocates Network at the conference. The initial meeting will be held in conjunction with the CLT Institute on Tuesday, September 21 at 5:15 p.m. The purpose of the Florida Nonprofit Housing Advocates Network is to advocate for issues that promote our goal of increasing the capacity of nonprofits to develop and preserve affordable housing and to ensure that there is at least one community based organization in every community. We look forward to your participation. **HNN**



Representative Gary Aubuchon receives his Sadowski Coalition Housing Champion Award before delivering his remarks.



Stimulus Funds Have Helped Real People in Need

Florida's economy is being tested in ways not seen in decades. From a global recession, to the 2010 oil tragedy in the Gulf, to the burst of the housing bubble, our state continues to confront these issues and fight for its citizens and businesses every day. While we have been fortunate to avoid major hurricanes over the past four years, that threat to life and economies always looms large.

During these challenging times, I have welcomed assistance in that fight from several sources. That includes the federal American Recovery and Reinvestment Act of 2009 (known as the stimulus), as well as the Housing and Economic Recovery Act of 2008.

These dollars have helped our state avoid deep and devastating budget cuts and prevent tax increases that would further burden Florida's families and businesses. In addition to much needed tax relief, assistance in education, transportation, unemployment compensation, and renewable energy, the federal stimulus has been nothing short of a lifesaver for Florida's affordable housing market.

Florida is among the most severely impacted states by the foreclosure crisis and is now poised to receive an additional \$418 million in federal funds through the "Hardest Hit Funds" program that is part of the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets administered by the U.S. Department of the Treasury. These funds are unused dollars from the original Troubled Asset Relief Program (known as TARP) to help us keep responsible homeowners, especially those who have lost their jobs, from losing their homes.

I strongly believe Florida is doing the right thing by employing federal funds to help our citizens and businesses. Florida is



By Governor Charlie Crist

known as a "donor" state, meaning Floridians send far more dollars to Washington than what we receive in return. We are now closer to receiving our fair share through these important actions.

Have these programs had an impact? There is no question that the federal government has saved the housing market in Florida from a far more serious fate. It is common to hear critics of the federal stimulus claim there is no evidence of its benefits. These claims are similar to those from the critics of Florida's growth

management laws, who lament about too much sprawl, but fail to consider what the state would look like if we had no growth management laws.

Many critics of the stimulus funds understand the role it has played and quietly admit they would have also accepted them as well. I must thank the Florida Legislature for coming to the aid of fellow Floridians by working stimulus funds into the state budget during the past two years, helping both Florida's housing and job market.

Federal action has not been limited to direct assistance. Several initiatives involved tax cuts and tax credits along with incentives for home protections. The array of federal initiatives and investments in affordable housing include:

- Homebuyer tax credits
- Foreclosure Counseling
- Neighborhood Stabilization Program
- Weatherization
- Energy efficiency investments
- Mortgage Revenue Bond funding
- Tax Credit Assistance Program and Tax Credit Exchange Program



Indiantown Non-Profit Housing (left) and St. Johns Housing Partnership (right) improve energy efficiency and create jobs with federal Weatherization funds for very low income families.



When Florida lost the ability to find investors for continued development of affordable rental housing, the federal Tax Credit Assistance Program and the Tax Credit Exchange Program provided over \$670,000,000 to replace lost equity investment. Those funds have enabled ninety-one developments to be built that will provide over 7,200 homes for Florida's working families, seniors and persons with disabilities. With a total development cost of \$1.48 billion, this translates to approximately \$2.5 billion in total economic activity and over 24,700 jobs.

These programs are examples of how the federal stimulus has saved the day for Florida's affordable housing market and our citizens, especially our most vulnerable.

Conclusion

For those who wonder whether the foreclosure crisis has ended the need for affordable housing in Florida, the answer is clearly, "no." While foreclosed homes have provided a homeownership opportunity for many moderate and middle income Floridians, there are still those people and families on the other side who have lost their homes. In addition, much of the foreclosed stock is still out of reach for Florida's lower income workers who need the counseling, down payment and closing

cost assistance provided by our local State Housing Initiatives Partnership (SHIP) offices.

It is quite simple: Florida continues to weather the housing crisis with the aid of the federal stimulus, but the federal help will not go on forever. Before the housing market crash, Florida could boast the best affordable housing programs in the nation. We had a dedicated revenue source of funds administered by SHIP offices in every county and entitlement city in a manner that was both accountable and responsive to local needs. That accountability included strict adherence to statutory requirements, including annual reporting to the state. Florida's SHIP offices did a magnificent job of deploying federal disaster assistance following a series of hurricanes from 2004-2005 and will be needed again if Florida faces the devastating effects of a major hurricane.

Floridians can appreciate the fact that the total federal stimulus package, while not perfect, kept us from falling into an economic abyss brought about by severe cuts or crippling tax increases. However, we cannot, and should not, continue to rely on the federal government. We must continue a laser focus on job creation that will lead to a restoration of our landmark state housing programs, and ultimately to a sustained and robust recovery.

HNN



Hardest Hit Funds Come to Florida

In February 2010, the U.S. Treasury announced the FHA Hardest-Hit Fund as a way to provide financial support to families in the nation's hardest-hit housing areas. As one of five states deemed hardest hit, Florida is scheduled to receive \$418 million of the \$1.5 billion initiative.

The Florida Housing Finance Corporation submitted its proposal to Treasury in April. The proposal included a Mortgage Intervention Strategy and a complementary Legal Representation Strategy.

The Mortgage Intervention Strategy helps the unemployed or underemployed homeowner sustain and keep their home by working with banks and credit unions, and mortgage investors such as Fannie Mae and Freddie Mac, to extend the period of time the homeowners need to become re-employed at a salary sufficient to either resume making full mortgage payments, or qualify for a mortgage modification to make the mortgage payments affordable for the homeowner. FHFC will also offer principal reduction or second lien extinguishment if necessary to attain mortgage modifications.

The Legal Representation Strategy would help a homeowner who already has a mortgage foreclosure case filed against them in court. This strategy would provide representation for the borrowers in the mandated mediation program and provide homeowners with legal assistance in obtaining loan modifications, or other outcomes that would be better than foreclosure, and keep the homeowner in their home.

On June 23, the FHFC received notice that the Mortgage Modification Strategy was approved, but not the Legal Representation Strategy. Legal Counsel for the Treasury issued a memo stating that legal aid was not permitted by the program. Florida is not the only state that saw the wisdom of using Hardest Hit monies to provide legal assistance to homeowners. There is a movement afoot among several of the states that want to use a portion of the Hardest Hit monies for legal aid to homeowners in foreclosure to encourage Treasury to reconsider this position. For example, Senator Sherrod Brown in Ohio is



reported to have expressed his displeasure with this decision and asked Treasury Secretary Timothy Geithner to reconsider. But unless and until that change is made, Florida will not be using any portion of its allocation for legal representation.

Implementation

Florida Housing Finance Corporation has begun moving forward with plans to implement the Mortgage Intervention Strategy. A Request for Qualifications (RFQ) for Housing Counseling Agencies for implementation of the program has been released. Florida Housing Finance Corporation has allocated \$317 million to the strategy and placed counties in statewide allocations groups by tiers – Tier 1, Tier 2 or Tier 3.

Prior to the full implementation of the statewide Mortgage Intervention Strategy, the Treasury requires a pilot site be established, and Florida Housing determined that Lee County, Florida will serve as the pilot site. FHFC chose Lee County for the pilot site for the following reasons:

- Lee County is considered the epicenter of the foreclosure crisis, both statewide and nationally;
- Lee County is a Tier 1 county, as listed on the approved Allocation for the Mortgage Intervention Strategy;
- Lee County has the optimum population for a pilot site; and
- Lee County has sufficient capacity of housing counseling agencies to perform intake and program eligibility.

The pilot is expected to begin in mid-to-late August and will continue for 60-90 days, and full implementation of the Mortgage Intervention Strategy is expected to begin statewide before the end of the year.

For additional information concerning Florida's Hardest-Hit Fund implementation, visit Florida Housing Finance Corporation's web site at www.floridahousing.org. HNN



New Issue Bond Program: Federal Government Rescues Housing Bond Market

One year ago the housing bond market was in tatters, with Housing Finance Authorities unable to sell bonds. Short term investment rates had dropped so low that the loss on investments of bond proceeds as mortgages were being originated (negative arbitrage) rendered the bond programs economically infeasible. What had once been an effective vehicle for providing affordable 30 year fixed rate financing to first-time homebuyers was out of business.

The federal government rescued the housing bond market with the creation of the New Issue Bond Program (NIBP). This innovative financing structure initiated by the U.S. Treasury, has made bond funds for the purchase of homes by first-time buyers available throughout Florida. Most County HFA's are offering 30 year fixed rate financing at a rate of 5.00% or less, all with significant levels of downpayment assistance. The Florida Housing Finance Corporation is offering 5.25% mortgages with \$5,000 to \$7,500 of downpayment assistance.

With the New Issue Bond Program (NIBP), the Treasury agreed to purchase bonds issued by state and local housing finance agencies. The long term rate could be locked in December 2009, so that mortgages could be offered immediately. However, the Treasury set the short term rate on the bonds during the origination period to the reinvestment rate—totally eliminating negative arbitrage. With these steps, the Treasury provided a buyer for the bonds, low 30 year fixed interest rates for first-time buyers, and elimination of negative arbitrage making the program economically viable.

In Florida, nine County Housing Finance Authorities as well as the Florida Housing Finance Corporation took advantage of the program and issued \$212.15 million of bonds for homeownership. All of the local HFA's utilized their resources to provide downpayment assistance as well. Florida Housing has issued \$425 million of bonds under the program.

ISSUER	ISSUE SIZE	MORTGAGE RATE	DPA	PARTICIPATING COUNTIES
Brevard County Housing Finance Authority	20,770,000	4.99%	\$5,000	Brevard, Clay, Nassau, St. John's, & Volusia
Escambia County Housing Finance Authority	25,000,000	4.79%	\$8,000	Alachua, Citrus, Escambia, Gasden, Hernando, Holmes, Indian River, Jackson, Jefferson, Leon, Marion, Martin, Okaloosa, Okeechobee, Santa Rosa, St. Lucie, Taylor, Wakulla, Walton, & Washington.
HFA of Hillsborough County	20,000,000	4.99%	\$5,000	Hillsborough
Jacksonville Housing Finance Authority	15,000,000	5.20%	4% of sales price	Duval
HFA of Lee County	20,770,000	5.00%	3% of sales price	Lee, Sarasota, Collier, DeSoto, Glades, Hardee, Hendry
HFA of Manatee County	16,610,000	5.00%(1)	4% of sales price	Manatee, Palm Beach
HFA of Miami Dade County	25,000,000	4.82%/4.95%	\$7,500	Miami Dade
Orange County Housing Finance Authority	30,000,000	5.00%/ 5.15%	\$7,500	Orange, Osceola, Seminole, Lake
HFA of Pinellas County	39,000,000	5.175% / 5.75%	\$6,500	Pinellas, Pasco, Polk

Bond programs work through participating private sector lenders, where homebuyers make application for loans. There are also income and sales price limits that vary by county. Current programs:

For more information, contact Patt or Sue Denihan (954-430-6072 or 813-671-7344) for all issues except Lee and Manatee. Contact for Lee County is Phil Harloff (727-567-1033) and the contact for Manatee is Angela Abbott (877-264-0334). [HNN](#)



Neighborhood Stabilization Program (NSP): A Statewide Snapshot

National Technical Assistance Team: Training and Design Associates (TDA)



By Gladys Schneider

Florida's NSP grantees, subrecipients and developer partners continue the countdown to select foreclosed and abandoned properties for acquisition and rehabilitation, while obligating funds to meet program deadlines. By May, Florida's NSP communities had obligated about \$316 million, or 58.5% of the \$541 million in funds,

100% of which must be obligated by early September 2010. Of this activity, \$148 million or just over 27% of the total allocation has been expended. Some communities, such as Miami Beach are 100% obligated, but for many of the 48 HUD direct and 24 DCA communities, a variety of obstacles have NSP officials concerned. Un-obligated funds are returnable to HUD if not obligated by September and all funds must be fully expended by 2013. The Florida Housing Coalition has been active statewide in providing technical assistance to NSP communities- the following snapshots portray the state of Florida's affordable housing efforts with these critical federal funds.

- The Coalition's Technical Assistance Team has partnered with national provider Training and Design Associates (TDA) to work with several Florida NSP grantees, including West Palm Beach and Hollywood.

On-site assistance has been provided in meeting the 25% low income set-aside and structuring rental programs for single family dwelling units. By May 2010, \$84 million of the statewide allocation had been committed to low income units with another \$50 million of the set-aside remaining unobligated.

- The Coalition participates in the HUD 'Ask A Question' Program as a reviewer. Questions may be submitted to the national learning center at www.hudnshelp.info. This national question and answer forum allows anyone, NSP grantee or citizen, to ask questions of HUD and receive a response in one or two days. The website allows users to search for questions by topic or NSP area, such as program income or procurement. The site also provides state and grantee snapshots, as well as quarterly reports and action plans.
- The Coalition has developed a model lease purchase agreement for Florida and has worked with TDA to develop a Lease Purchase Program with NSP Toolkit for use nationwide and workshops were held in Hollywood and Deltona with a third planned for Tampa. The workshops, which will be repeated again, cover the program requirements of leasing homes to potential buyers, while credit and financial strength are recovered. The lease purchase program is an alternative to homeownership for NSP homes given the current market, employment and lending capital conditions. A session on lease purchase will be held at the Coalition's annual conference.



The Madeleine, 7871 Crespi Blvd, Miami Beach.

- The Coalition will be presenting on a national webinar July 20 through HUD's Learning Center program. The topic of this webinar will be Lease Purchase programs and Rental Housing. To register for this or other events, visit <http://hudnsphelp.info/learning>.

Florida Department of Community Affairs NSP

The Florida Housing Coalition is a Rapid Response Technical Assistance provider for the Florida Department of Community Affairs. As these 24 grantees wind up to obligate and expend funds, a variety of problems have been addressed.

- In St. Johns County, TA Team members helped the non-profit St. Johns Housing Partnership prepare for the possibility of owning and managing NSP acquired rental units. Affordable rents in the local market context were used to create an operating pro forma to estimate management and operating expenses. Developer responsibilities and how to handle program income were part of the training.
- Miami Beach and the Miami Beach CDC have completed their targeted purchase of multifamily properties for rehabilitation as rental housing. The City of Miami Beach has partnered with Miami Beach CDC, an experienced developer and CHDO, and has acquired two multifamily rental properties for low/moderate-income residents in the North and South Beach target neighborhoods of the City of Miami Beach. These projects will include the use of funds that target individuals/families with incomes at or below 50% of AMI, as well as those with incomes up to 120% of AMI; creating a small, mixed-income community. Madeline Apartments is a four building, 16-unit apartment complex. Each of the units will be developed into an efficiency/studio apartment with a bathroom and full kitchen. The total cost of

the project is estimated at \$2,129,283.00. Neptune Apartments is a three story 35-unit building that was approximately 95% complete at the time of foreclosure by the previous developer. It was renovated and rehabilitated to meet current building codes. In addition to NSP funds of \$4,679,227, this project will combine HOME funds and private financing for a total estimated project cost of \$5,329,226.77.

Bank of America Foundation Support

The Coalition has undertaken an exciting neighborhoods project working with the Shimberg Center for Affordable Housing. Through grants from the Bank of America Foundation, this combined effort will develop data and tools to document the benefits of homeownership opportunities in neighborhoods that have become destabilized due to the high incidence of foreclosures. The first case study will be the Coleman Park neighborhood in West Palm Beach. As the city works to acquire properties that will become owner occupied, the other areas of support such as community reinvestment, public safety, code enforcement and citizen participation will be supported to reverse decline and create sustainable and healthy neighborhoods. A second pilot will be located in Sarasota.

Fannie Mae, Freddie Mac, and FHLB Atlanta Supported Projects

Fannie Mae, Freddie Mac, and the Federal Home Loan Bank Atlanta have sponsored the Coalition's on- and off-site technical assistance for NSP communities. The Coalition has engaged in a variety of activities to guide NSP communities with the overall goal of reducing the inventory of Florida's abandoned and foreclosed properties.

(continued on page 30)



Sustainable Development that Delivers on the Promise of Affordable Housing



By Jaimie Ross

An interagency partnership designed by the Obama Administration among HUD, U.S. Department of Transportation (DOT), and U.S. Environmental Protection Agency (EPA) to support sustainable development is a dream come true for smart growth advocates. The Sustainable Communities Initiative is

a marriage among Housing, Transportation, and the Environment—the very lifeblood of smart growth.

Housing that is built near employment centers or near transit that connects housing to employment, reduces sprawl. Sprawl is typically single-use, low density, and auto dependent development that is usually far from the town center and not contiguous to areas where there are municipal services. Highway funding, road building, and land use/zoning changes to permit new development far away from urban employment centers has created the unsustainable “drive ‘til you qualify” development. But

is housing located far away from town centers really more affordable? Not when you factor the costs of automobile ownership into the equation. The family that buys a home an hour drive away from employment has to pay the bill for that drive. The lender never factored those costs into what mortgage the family could afford for their home—and now the cost of their lifestyle may be a burden for both the family and the larger community that ultimately subsidizes sprawl development.

“Sustainable development” is an often used and rarely defined term. In the context of the federal Sustainable Communities Initiative there are six express principles:

- 1. Provide more transportation choices** - Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation’s dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.

2. **Promote equitable, affordable housing** - Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.
3. **Enhance economic competitiveness** - Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.
4. **Support existing communities** - Target federal funding toward existing communities--through such strategies as transit-oriented, mixed-use development and land recycling--to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.
5. **Coordinate policies and leverage investment** - Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
6. **Value communities and neighborhoods** - Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods--rural, urban or suburban.

Sustainable Communities Initiative and Livable Communities Act

The Sustainable Communities Initiative has begun with a \$100 million grant program (from \$150 million appropriation) for FY 2010 (with additional \$150 million proposed for FY 2011).

HUD will provide funding to a wide variety of multi-jurisdictional partnerships and consortia. Grants will be designed to encourage regions to build their capacity to integrate housing and transportation planning in a way that maximizes choices for residents and businesses, lowers transportation costs, and creates more sustainable development patterns.

The Livable Communities Act of 2009 currently under consideration for funding would provide about \$4 billion in competitive grants to coordinate housing, transportation, and economic development policy with an eye toward promoting sustainable development. About \$400 million would be slated for planning with the remainder funding implementation. The bill would also create a new office within the Department of Housing and Urban Development to guide and administer the programs. If passed, it would strengthen the Obama administration's multi-agency Sustainable Communities Initiative.

There are many more related initiatives to support sustainable development, including the Energy Innovation Fund. Go to www.hud.gov/sustainability or www.hud.gov for more info.

Transit Oriented Development

In an excellent report published in 2010, authors Jeffrey Lubell and Emily Salomen of the Center for Housing Policy in Washington, D.C., make a compelling appeal for the Federal Department of Transportation to use transportation funds as a carrot to encourage communities to “increase the compactness of residential development; expand the availability of homes affordable to families with a mix of incomes near public transit, job and retail centers, and other essential destinations; and better coordinate affordable housing, transportation and workforce policies.”

The public policy change they propose is buttressed by the belief that communities would implement these land use principles if that was required in order to receive their full allocation of federal transportation dollars. It makes sense. Using transportation funding as the carrot is particularly effective because transportation funding is no small pot of funds. Federal transportation programs provide more than \$50 billion annually. This incentive would surely have the transformative effect on where affordable housing is located, claimed by the Center for Housing Policy.

A Compelling Case for Using Federal Transportation Funds to Further Housing Choice

HUD Asst. Secretary for Fair Housing John Trasviña, part of the new leadership team at HUD, brought to light in

his remarks at the National Low Income Housing Coalition's 2010 annual conference a little known fact: that all federal agencies have an obligation to affirmatively further fair housing. That's right- **all federal agencies**, not just HUD, "shall administer their programs and activities related to housing and urban development in a manner affirmatively to further the purposes of the Fair Housing Act."¹ The purpose of the Fair Housing Act is to ensure housing choice, so that protected classes (those that have historically suffered from exclusionary housing laws, such as people of color and persons with disabilities) can have the opportunity to live where they choose.

Transit Oriented Development is a housing choice and opportunity that should be available to the protected classes, which (not so coincidentally) also tend to be families that are very low income. If the DOT did allocate its transportation funding in a manner that rewarded communities that were creating housing opportunities to benefit very low income people, it would be acting in a manner that affirmatively furthers fair housing; this will also further the social and economic equity goals of sustainable development.

Will Affordable Housing Built near Transit enjoy Longevity?

If incentives result in the development of affordable housing in transit oriented developments, will they be sustainable- will they survive for future generations, or even for a decade? Without safeguards to ensure long term affordability or a program of land stewardship, the answer is no. We have a lesson to learn from more than sixty new urbanism developments already built in Florida. The Congress of New Urbanism (like the Sustainable Communities Initiative) espouses the principle of a mix of incomes and housing types. But new urbanism development rarely if ever delivers on that promise, as the desirability of traditional

neighborhood design drives market prices, for even the most modest units, out of reach.

To include affordable housing in TOD, it takes more than just building more modest housing that may have

an initial sales price or rent that is affordable. But it's worth the trouble. The environmental portion of the sustainable development objective can be best met by locating low income workforce near transit. When middle or upper income families live near transit they are likely to enjoy the convenience of reaching any number of destinations more quickly, but they are unlikely to give up their automobile, because it is a luxury they can afford. The same is not true of the low or very low income family. If their family can get by with only one car or no cars, they will do so. This means fewer cars on the road, less greenhouse emissions and air pollution. It means getting closer to realizing the stated goals of sustainability.

There are a Number of Ways to Ensure Long Term Affordability

One way to ensure that housing near transit is affordable is to site tax credit developments (which typically have a term of 50 years of affordability) in that location.

The Florida Housing Finance Corporation

is currently in rule development to encourage development near transit through its tax credit allocation application (the Universal Application). This makes sense and is a logical extension of the existing rules which encourage developments to be energy efficient and to be located near services and transportation. However, if all or most of the funds administered by FHFC are targeted to TOD, it would be detrimental to the preservation of federally assisted housing stock. This, of course, is a policy issue. Florida, like all states,

The costs of automobile ownership and maintenance are nearly 20% of the low/moderate income families' income, making an ostensibly affordable house, unaffordable. Glatting Jackson Kercher Anglin, Inc., made a slide show presentation at the Florida Housing Coalition conference in 2007 that showed when you consider the costs of transportation, it costs as much to live in Tampa, as New York City.

has a limited amount of tax credits to allocate; we cannot fund all the affordable housing that is needed. If, for instance, new TOD affordable housing construction were to be given an advantage over the preservation of project based Section 8 housing, the public policy implication is that it is a better use of public funds to construct affordable housing near transit than to save a federally assisted project that is not near transit.

There are two reasons why this would be bad public policy. The first is that a property with project based section 8 is simply irreplaceable. The project based assistance is federal funding that keeps the property affordable for even our most vulnerable residents- those below 30% of AMI, and persons with special housing needs. It is also “greener” to rehabilitate and retrofit than to build new.

The second policy reason is that Florida will net fewer affordable housing units if we use only our FHFC units to meet the affordable housing portion of the mixed income development near transit. The better policy is to implement inclusionary housing programs in connection with TOD.

Inclusionary Housing Programs

We need to expand our supply of affordable housing in TOD by not missing the land use opportunity created when transit hubs and stops are created. The value of private property is increased when land is rezoned for TOD, which is typically a requirement in order to permit a mix of uses. Local governments, through their land use authority, are creating value for the private property owner, and in exchange for that increase in value, they should be receiving a public benefit.² That public benefit is the creation of some percentage of affordable housing along with the development of market rate housing. Using an inclusionary housing program to create long term affordable housing near transit is the optimum way to affirmatively further fair housing and meet the housing element requirements of the local comprehensive plan.

If there is not sufficient economic value created in the rezoning, local government could augment its inclusionary housing program by dedicating housing funds that it receives as an incentive for creating TOD. These funds could be additional HOME or CDBG funds that the federal government could grant to those communities that adopt inclusionary housing programs in conjunction with

TOD. In other words, HUD could use some of its housing dollars to be the carrot, just as DOT can use its transportation funds as an incentive to gain the development of affordable housing in TOD.

Conclusion

Sustainable development that delivers on the promise of affordable housing can be realized in the following ways:

1. Tying federal transportation dollars to the development of affordable housing in transit oriented developments.
2. Tying federal housing dollars (like HOME and CDBG) to the development of affordable housing in transit oriented developments.
3. Using local land use regulations (inclusionary housing programs) to ensure that affordable housing is included in the mix with market rate development in transit oriented developments.
4. Ensure long term affordability of all the affordable housing developed using the strategies above through mechanisms such as shared equity programs, community land trusts, and land use restriction agreements.
5. Use some, but not most, of the FHFC funds for transit oriented affordable housing development.

By implementing these policy changes we can ensure the promise of affordability which is essential to sustainable development. **HNN**

JAIMIE ROSS, Attorney at Law, is the Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit growth management/smart growth organization. jaimieross@aol.com

1) Executive Order 12892 signed by President WILLIAM J. CLINTON at the THE WHITE HOUSE, January 17, 1994 in regard to Fair Housing Act, as amended (42 U.S.C. 3601 et seq.)

2) The Guidebook for Implementing Transit Oriented Development in Florida, developed by the Florida Department of Community Affairs and the Florida Department of Transportation (February 2010) states that “land values increase around station areas, therefore if left to market conditions alone, maintaining the affordability of housing near TODs can be problematic over time.”



St. Lucie County's New "Green CDFI"



By Doug Coward

St. Lucie County is fostering bottom-up economic recovery in the green sector through comprehensive and inter-related programs and major public and private partnerships. One particularly noteworthy program is the new \$20 million solar and energy loan fund and accompanying sustainability district. Together these innovative financing strategies will help enable a wider range of property owners to affordably participate in the emerging clean energy economy.

The key to this program is to offer loans that are economically-desirable for property owners. This is essential to attract large numbers of voluntary participants - particularly as the nation slowly climbs out of the worst recession in a generation and few people in Florida have disposable income or equity in their homes. The loan fund will offer no money down financing options for appropriate green enhancements that reduce energy usage and monthly energy bills and create more energy savings and cost diversion than the amount of the loan payments. This will generate net economic benefit to participants and provide tax-exempt equity in the property.

The loan fund is designed to help empower the community to overcome trickle-down renewable energy policy and promote more widespread implementation of preferred rooftop solar technologies. These green economic development activities will also help create jobs, more disposable income for working class families, and open-up new clean energy markets in the process. St. Lucie is striving to create green jobs for GEDs and PhDs and to create a more diverse and sustainable economic base.

Why Solar in the Sunshine State?

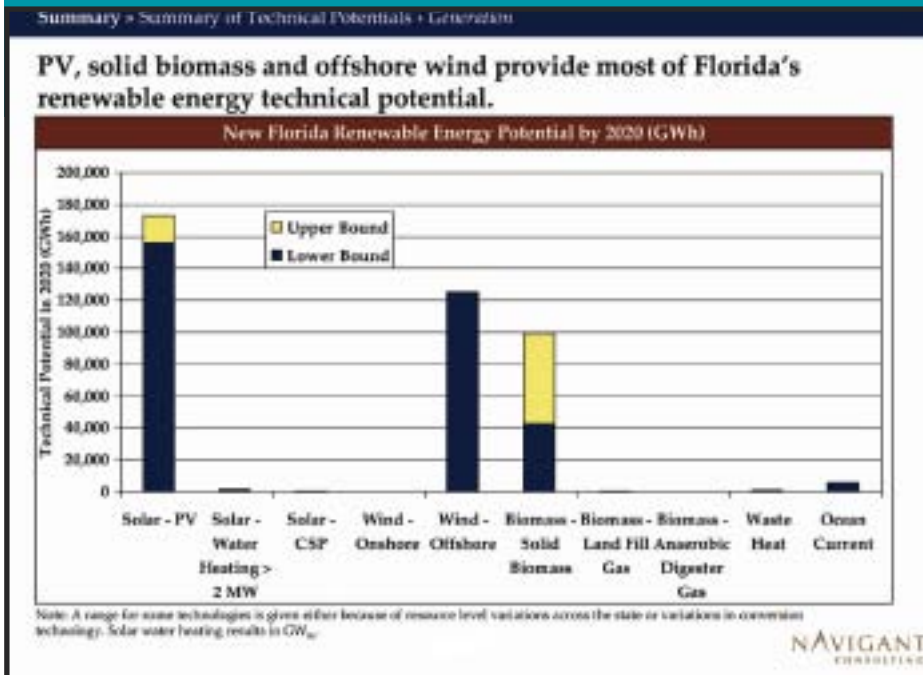
According to the nationally-renowned experts hired by the Florida Public Service Commission (I.e., Navigant Consultants), Solar PV (or photovoltaic) is considered the most technologically-viable renewable energy alternative in Florida. Solar thermal technologies are also highly desirable and cost-effective. Nevertheless, despite these tremendous economic development opportunities and societal benefits, there are few meaningful distributed rooftop solar markets in Florida. Solar technology in the Sunshine State is currently shackled by high upfront costs, inconsistent and limited rebate programs, the lack of a Renewable Portfolio Standard with a solar carve out, and limited financing options for the general public.



Construction workers learn the proper way to install solar panels.



Ribbon-Cutting L-R, Gwenda Thompson, President/CEO Workforce Solutions of the Treasure Coast; Julian Nazario, Program Director for the Green Collar Task Force, Doug Coward, St. Lucie County Commissioner, Charles Grande, St. Lucie County Commissioner, Chris Dzadovsky, St. Lucie County Commissioner, Chris Craft, St. Lucie County Commissioner.



It's not rocket science

Interestingly it may be financial strategies more so than technological breakthroughs that ultimately open-up private solar markets in Florida. Reflect back to the early twentieth century when Henry Ford was mass producing his revolutionary horseless carriage. His automobiles were technologically viable but they were unaffordable for the average American before financing options were available. And even today, how many people can afford to buy a \$25,000 car with cash? Virtually no one. This same basic financing strategy must now be applied to distributed rooftop solar markets to make solar energy more affordable for the average consumer.

How was the loan fund created?

The \$20 million solar and energy loan fund was created entirely from private capital rather than property taxes

or Property Assessment Clean Energy (PACE) bonds. Financial partners include PNC, SunTrust, and Oculina Banks and IBM/PGA Credit Union. They each submitted letters of interest, pledged \$5 million, and helped create a new non-profit organization known as the "Solar and Energy Loan Fund of St. Lucie County."

As of June 2010, the solar and energy loan fund was awarded \$2.9 million of energy block grant funds from the United States Department of Energy. These funds will supplement the private capital and help

fast-track implementation of the program.

How will it be administered?

The non-profit organization will administer the program and seek certification as a Community Development Financial Institution (CDFI) through the U.S. Treasury Department. The CDFI program has been around since 1994 and there are nearly a thousand such organizations across the country and several dozen in Florida. The St. Lucie model expands the successful CDFI program into the emerging green sector.

Another benefit of the CDFI model is to keep financial matters in the hands of banking professionals and a non-profit Board of Directors made up of diverse community leaders. This is preferable to creating a new government agency with less financial experience and shrinking staff



PACE COMES TO FLORIDA

Signed into law by Governor Charlie Crist on June 1, 2010, the Property Assessed Clean Energy (PACE) program will enable property owners to borrow money from their local government to pay for the installation of energy renewable system for their homes. Local governments would loan homeowners money to pay for energy-efficiency enhancements, such as solar panels, and would place a lien on the home until the loan was paid. Property owners would repay the loan over a 10-, 15- or 20-year period through an increase on their annual property taxes equal to one-twentieth of the loan plus interest.

and budgets. The infusion of private capital also eliminates the need for costly and time-consuming bonds and therefore reduces operating expenses and accelerates implementation of the program.

How does it work?

The solar and energy loan fund specifically targets energy conservation, energy efficiency, and rooftop solar, and it is available for residential and non-residential property owners. The extended terms of the loans (10-20 years) and low interest rates (approx. 4%) are designed to keep the monthly loan payments lower than the energy savings and cost diversion derived from appropriate green enhancements. And the appropriateness of these green enhancements will vary greatly depending on building size, age, type, and use. The loans are intended to be flexible for all property owners.

Property owners can participate in this no money down loan program by agreeing to voluntary property assessments via newly created sustainability taxing districts. The property assessment collection methodology will enable property owners to pay off these loans over an extended timeframe as a part of the tax bill which stays with the property. The loan payments also revolve back to the non-profit organization and help replenish the fund. A small administration charge will also be applied.

Trickle-down renewable energy policy

Florida currently suffers from trickle down renewable energy policy that restricts preferred solar markets to the wealthiest property owners. Rebates and tax incentives are only available for those wealthy enough to afford the high upfront cost. The rest of us wish we could afford to participate in the renewable energy future of our country but cannot without some

type of upfront loan, affordable financing option, and overall economic benefit.

The new PACE legislation in Florida is a step in the right direction and can hopefully overcome many of the shortcomings of traditional PACE programs - namely high interest rates. But this new legislation appears to have more unintended obstacles for low and moderate income families. For example, specific provisions restrict the amount of the loan to 20% of the total property value - which may work for a \$150,000 single-family home but not likely for a \$25,000 duplex. This 20% cap would allow single family homeowners to borrow \$30,000 or more whereas less-affluent working class property owners may be limited to \$5,000 or less. The appropriate green enhancements may exceed these amounts and the legislation should be adjusted accordingly.

In contrast to PACE, the green CDFI program actually emphasizes low and moderate income properties as part of the certification process -which requires that 60% of all loans must be issued in LMI neighborhoods. [HNN](#)

COMMISSIONER DOUG COWARD is a three-term St. Lucie County Commissioner (1998 to present) with a master's degree in urban and regional planning from Florida State University and two decades of professional experience with St. Lucie County, 1000 Friends of Florida, and the private sector.

Commissioner Coward is the recipient of five statewide and regional awards including: (1) The 2005 Public Official of the Year award from the Florida Chapter of the American Planning Association; (2) The Conservation Leader award from the Florida Chapter of the Nature Conservancy; (3) The Community Steward award from 1000 Friends of Florida; (4) The Maggie Bowman award from the Marine Resources Council; and, (5) The 2007 Distinguished Public Official award from the Treasure Coast Chapter of the American Institute of Architects.



Florida Cannot Afford **NOT** to Spend Housing Trust Fund Money on Housing



The revenue in the state and local housing trust funds for Fiscal Year 2010/2011 was \$213.9 million; only 37.5 million was appropriated for housing. \$174.3 million was swept to general revenue. The \$174.3 million that was swept would have generated \$805.3 million of housing sold, rehabilitated or built, with total economic impact of \$1.335 billion and 13,241 jobs.

The substantial rehabilitation of the Viridian apartment complex (pictured above) created 102 jobs on-site. The Viridian (formerly known as the Columbian Apartments) has federal Section 8 subsidies which would have been lost either due to disrepair or redevelopment for high-end housing if it had not been preserved using state and local housing trust fund monies. Sage Partners, a Tampa developer, was able to preserve 188 apartments for some of Florida's most vulnerable populations, including extremely low income seniors, and disabled veterans, who would otherwise be homeless.



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THE FLORIDA HOUSING COALITION'S 23RD STATEWIDE ANNUAL CONFERENCE



SEPTEMBER 20-22, 2010



HUD Deputy Secretary
Ron Sims

Keynote Address by:

U.S. HUD DEPUTY SECRETARY RON SIMS

As an innovative leader with an exciting vision for the future of our nation's communities, **HUD Deputy Secretary Ron Sims** is nationally recognized for his work on transportation, homelessness, climate change, health care reform, urban development and affordable housing. As the second most senior official at HUD, Sims is the head of HUD's Office of Sustainable Housing and Communities. Sims has a strong record on both fair housing and social justice.

DAY 1

State of the State



Steve Auger

Steve Auger, Executive Director of the Florida Housing Finance Corp., will remark on the status of affordable housing program funding and the universal application revisions, as well as federal programs like the Tax Credit Assistance Program, the Tax Credit Exchange Program and the Hardest Hit Fund initiative.

PUBLIC POLICY PLENARY WITH NATIONAL AND STATE EXPERTS: Transportation Accessible Housing Conversation.

The federal government is making significant investments in sustainable development that connects affordable housing and transportation, and Florida, in the special session held in December, made a substantial commitment to high speed rail and commuter transit. Now is the time for housing experts and advocates to be sitting at the "transportation table" to ensure that affordable housing is developed and preserved close to transportation and employment opportunities.

The public policy plenary will be moderated by Representative Gary Aubuchon and will feature Harold 'Harry' Barley, Executive Director, METROPLAN ORLANDO; Shalley Jones Horn, Director of Housing, Miami Dade County; Jeffrey Lubell, Executive Director, Center for Housing Policy in DC; and Charles Pattison, Executive Director, 1000 Friends of Florida.



Harold 'Harry' Barley



Shalley Jones Horn



Jeffrey Lubell



Charles Pattison



Rep. Gary Aubuchon (R),
Cape Coral

Chair of Roads, Bridges & Ports Policy Committee and Vice Chair of Finance & Tax Council
Rep. Aubuchon also serves on
Economic Development & Community Affairs Policy Council; Health Care Services Policy Committee; Rules & Calendar Council; Select Policy Council on Strategic & Economic Planning; and Transportation & Economic Development Appropriations Committee

DAY 2

A WIDE VARIETY OF WORKSHOPS, INCLUDING FOUR TRACKS:

- TRACK 1: NEIGHBORHOOD STABILIZATION** - Next steps in NSP, including ownership and rental, Section 3, Davis Bacon, URA, and NSP 2;
- TRACK 2: GREEN HOUSING** - Innovative Green housing design, financing, new construction rehabilitation, and building new partnership opportunities;
- TRACK 3: PRESERVATION** - Building nonprofit capacity to analyze and acquire project-based properties; Preservation Case Studies;
- TRACK 4: MODELS FOR SUCCESS** - Showcasing supportive housing, senior housing, youth aging out of foster care housing, and housing for our most vulnerable populations.

DAY 3 SHIP and NSP ROUNDTABLES



UTILITY COMPANIES AND GREEN PARTNERS CAUCUS

What has worked in Florida and what is hindering Florida's affordable energy conservation and energy efficient green housing goals? Does Florida have an effective system and coordination framework in place to include all stakeholders such as our major utility companies, local jurisdictions, and the state in addressing affordable green housing via incentives, regulations, policies, programs and guidelines, especially in terms of energy conservation and efficiency? Are we prepared to incorporate federal stimulus funding as effectively as possible in affordable energy efficient, green housing? This caucus will provide a forum to discuss these questions and more. Join local utility companies and jurisdictions as they speak on their programs, initiatives and policies.



CLT Networking Caucus

Now, more than ever, Florida's Community Land Trusts are poised to create not only permanently affordable housing units, but land banks for the future that will guarantee a supply of real estate dedicated to affordable housing. While many of Florida's land trusts are in a holding pattern while market conditions do not favor the land trust model, several are in high gear using Neighborhood Stabilization Program (NSP) funds to purchase and rehabilitate units that will be part of a community land trust. NSP also allows for land banking which is an excellent opportunity to acquire properties for the long term. The CLT Caucus will bring together organizations and sponsors to share challenges and successes including obtaining permanent financing, NSP2, lease purchase strategies, land banking and finding support from local government and private sector partners. Bring your questions and stories and find the information and networking you need.

Florida Nonprofit Housing Advocates Network



The Board of the Florida Housing Coalition recently voted to expand its legislative and policy advocacy to include issues that directly or particularly impact Florida's nonprofit housing providers, in addition to our support for full funding and repeal of the cap on the Sadowski Act state and local housing trust funds. This event will kick off the Florida Nonprofit Housing Advocates Network and provide a forum for you to:

- Provide input on legislative and policy issues that you believe will advance opportunities for nonprofit housing providers' success.
- Provide input on how the Florida Nonprofit Housing Advocates Network can best meet your needs.

Come and be a part of shaping the Florida Nonprofit Housing Advocates Network!

Day 1 Monday, Sept. 20

7:30 a.m.

- Continental Breakfast

8:30 a.m.

- State of the State

10:30 a.m.

- Public Policy Plenary with National and State Experts: Transportation Accessible Housing Conversation

12:15 p.m.

- Lunch, Membership Meeting, Raffle

2 p.m.

PARTNER MEETING/CAUCUS TIME

- FLS Statewide Affordable Housing Project
- Foreclosure Counselors
- FRA
- FARHO
- Fundraising for Non-Profits
- Habitat for Humanity
- SHIP Administrators' Caucus
- Utility Companies and Green Partners

6 p.m.

- Reception — Food, music and fun

CONFERENCE AGENDA AT A GLANCE

Day 2 - Tuesday, Sept. 21

7:30 a.m.

- Continental Breakfast

9 a.m.-10:15 a.m.

- NSP: From Obligation to Stabilization
- Green Affordable Housing
- Increasing the Capacity of Non-Profit Developers
- Housing Finance Part I
- Responsible Partnerships Between For-Profits and Non-Profits
- Supportive Housing Case Studies- Boley Centers and Carrfour

10:45 a.m.-12 p.m.

- NSP Regulations- Section 3, Davis Bacon and URA
- Green Design and Construction
- Analysis of Project Based Rental Assistance Properties
- Housing Finance Part II
- Senior Housing Case Studies: Kashi and Lakeland Housing Authority

Agenda Subject to Change. Check www.flhousing.org.

- Using Housing Data: Shimberg Center and Policy Map

12:15 p.m.-1:45 p.m.

- Lunch and Keynote Addresses

2 p.m.-3:15 p.m.

- Neighborhood Stabilization's Most Popular Player: Code Enforcement
- Leveraging Green Funding Opportunities
- Acquiring Properties for Preservation
- Disaster Preparedness and Recovery
- Foreclosure: Counseling, Loan Modification and Mediation (Hardest Hit Program)
- Youth Aging Out of Foster Care Case Studies- CHS Buckner and Marion County
- USDA Rural Development Low Income Single and Multi-Family Housing Programs

3:45 p.m.-5 p.m.

- NSP 2
- Affordable Green Housing Success Stories
- Preservation Case Studies- Avon Park and Sage Partners
- Homeless Prevention
- Best Practices from Colleagues in other States
- Survey of New Federal and State Housing Programs

5:15 p.m.-6:45 p.m.

- Florida Community Land Trust Institute and Florida Non-Profit Housing Advocates Network

Day 3 Wednesday, Sept. 22

10 a.m. — 12 p.m.

- NSP Roundtable
- SHIP Roundtable

See www.flhousing.org for workshop descriptions and conference information.

Hotel Accommodations: Rosen Shingle Creek Resort,

9939 Universal Blvd., Orlando FL 32819

The Coalition has secured a group rate for single/double occupancy for conference attendees. Plan to attend and make your reservations. **(866) 996-6338**

For more information, e-mail Johnitta Richards at the Florida Housing Coalition at richards@flhousing.org.



The Florida Nonprofit Housing Advocates Network

Yes, it's a mouthful. But the Florida Nonprofit Housing Advocates Network (Advocates Network) is having its kick-off meeting at the Florida Housing Coalition Conference on Tuesday, September 21, for the purpose of taking input from our members

What is the Florida Nonprofit Housing Advocates Network?

We are a program of the Florida Housing Coalition specifically tasked with advocating for policies that promote the interests of nonprofit housing providers for the benefit of serving Florida's low income and most vulnerable populations' housing needs.

Who is a member of the Florida Nonprofit Housing Advocates Network?

To be a member, you must:

- (1) Be a member of the Florida Housing Coalition;
- (2) Be a nonprofit housing provider;
- (3) Fill out and deliver to the Florida Housing Coalition your membership form, which can be found on-line, emailed, or faxed to you.

There is no fee for membership in the Florida Nonprofit Housing Advocates Network.

What will I do as a member of the Advocates Network?

You will help the Florida Housing Coalition set advocacy priorities and inform what positions we do or do not take on legislative and administrative issues.



An example of a legislative issue would be the statute adopted in 2009 that makes it very difficult for nonprofits to apply for FHFC funding, unless they were to partner with an entity that had completed 5 or more deals with the FHFC. A legislative issue may also include federal legislation, such as the National Housing Trust Fund campaign or the various new programs that HUD is designing. An example of an administrative issue would be the rulemaking done by FHFC for the Universal Application, or the rulemaking done by DCA for the Weatherization or the Neighborhood Stabilization Program.

What positions the Florida Housing Coalition takes on legislative or administrative issues must ultimately be decisions for our board of directors. But we intend to use the opinions of our Florida Nonprofit Housing Advocates Network to inform those decisions. When you become a member of the Advocates Network you can expect to receive short surveys from time to time on specific issues. We also want to know if there is anything that you believe should be in place in Florida (for instance, something you may have heard about from another state or perhaps something you've thought of yourself) that would help Florida's nonprofit housing providers to be more successful.

Please Join Us: Tuesday, September 21 from 5:15- 6:45 p.m. We intend to use this time to exchange ideas for both substantive issues and the process we should use to best serve our membership and our goal of effective advocacy on behalf of nonprofit housing providers. We will be holding this meeting jointly with the Florida Community Land Trust Institute during the conference. [HNN](#)

Homeownership is often, but not always, the Path to Prosperity



By Stan Fitterman

The United States is clearly a country that puts a lot of value in home ownership. Much of our housing policy at both the state and local level focuses on home ownership. There are benefits built into the tax code that provided financial incentives for homeownership (historically limited to those filers that itemize) and nearly two-thirds of the local housing trust fund in Florida had to be used to promote new home ownership opportunities or improve the housing stock through owner-occupied rehab. But is homeownership right for everyone? At some point does a family's income or life circumstance make home ownership a less than viable option?

Benefits and Costs of Homeownership

Strong and consistent evidence indicates that homeowners are more likely to:

- a) be satisfied with their homes and neighborhoods;
- b) participate in voluntary and political activities;
- and c) stay in their homes longer, contributing to neighborhood stability. Homeowners are also more likely to have accumulated additional wealth through a combination of mortgage amortization and home price appreciation. (Rohe et al. p.3).

Of course with benefits also come costs. In addition to principal, interest, taxes and insurance, homeowners must set aside money regularly to cover ongoing maintenance and to replace components and appliances as they wear out. Homeownership may also limit

a family's mobility. This can restrict a family's earnings if jobs leave an area or if higher earning jobs become available in a distant city shortly after the family purchases a home or in a market in which selling a home is difficult.

Tax Benefits of Homeownership for Very Low Income Households

The tax code allows homeowners who itemize to deduct the entire annual amount of interest paid on their home mortgage. In order to take advantage of this deduction, the amount of itemized deductions must exceed the amount of the family's standard deduction. For most

low income households, the annual interest paid on the family's mortgage will provide the majority of that deduction. For the 2010 tax year, the standard deduction for a single head of household filer will be \$8,400. A \$145,000 mortgage is needed to have interest payments higher than \$8,400 just for the first year of a 30-year mortgage. To qualify for a

\$145,000 mortgage at 6% annual interest rate takes an annual income of about \$55,000, or about 105% of median in Miami-Dade. To have a higher interest payment than the standard deduction for 5 years takes \$155,000 loan amount or a \$58,000 income to qualify – about 110% of median in Miami-Dade. For very low or even low income families, homeownership does not provide a tax savings. According to IRS records, for the 2007 tax year, the standard deduction was taken by 75 percent of all families earning less than \$75,000.



(continued on page 30)



Lakeland Housing Authority Provides Affordable Housing for Seniors

Lakeland Housing Authority (LHA) created various instrumentalities and partnered with its affiliate, Lakeland Polk Housing Corporation, a 501c3 community housing development organization (CHDO), to build an affordable elderly project in a low-income West Bartow Front Porch neighborhood and the Bartow Community Redevelopment Area. By winning Low Income Housing Credits and project basing 99 housing choice vouchers, LHA built 100-units (a mix of 50% -1 and 50% -2 bedroom units) of senior housing. LHA obtained funding for the development from the Bartow CRA, the City of Bartow, and Polk County.

"This project was a perfect example of a Lakeland Housing Authority/Royal American Management Team Effort; the whole is greater than the sum of its parts," said Dr. Stephen P. Boyer, team chief at LHA Manor at West Bartow.

Both Polk County and the City of Bartow Market Area experienced a strong pace of growth over the past several years and was expected to expand further over the calendar years 2007 - 2015 forecast period. In order to accommodate the forecasted increase in households over the forecast period, it was estimated that the number of housing units in Polk County needed to increase by 6,323 units per year from 2007 to 2010 and 5,565 per year from 2010 to 2015. In the Bartow Market Area, housing needed to increase by 1,007 units per year from 2007 to 2010 and 882 annually from 2010 to 2015.



Manor at West Bartow, provides 100 units for seniors using tax credits and housing choice vouchers.

To meet this need, LHA was dedicated to enhancing the quality of life in Polk County by providing and effectively managing affordable housing programs, which are diverse, well maintained and aesthetically pleasing. Ninety-nine of the 100 apartments were built to assist very low income households with area median incomes (AMI) at less than 50% of AMI. This was accomplished by project basing housing choice vouchers for 99 of the apartments.

With a cooperation agreement in place with Bartow Housing Authority, LHA established objectives to market this development to every public housing authority in Polk County, every Section 8 housing choice voucher program, and every social service organization that serves elderly households in the lower income and very low income levels. For example, senior organizations such as Volunteers In Service To the Elderly (VISTE), Hands of Mercy, and Polk County Adult Day Care to name a few. LHA established a very aggressive development schedule to meet the need for senior housing.

"Building and managing affordable housing is an extraordinarily complex undertaking," said LHA's Executive Director Herbert Hernandez. "To assemble the right team is key to success. We are proud of all our partners: Lakeland Housing Authority, Lakeland-Polk Housing Corporation, Bessolo Architects, Creative Construction, Royal American Management, and of course all the residents, without whom there would not be a purpose in working so hard!"

The Lakeland Housing Authority will be featured as one of the senior housing case studies at the Florida Housing Coalition's 23rd annual affordable housing conference. [HNN](#)



Marion County Partnerships to Assist At-Risk Youth Aging Out of Foster Care

While foster care may be fraught with its own problems and issues, even more frustrating is what happens to children in the system once they reach the age of adulthood. Being eighteen doesn't mean that a young adult is capable of living on their own. How many parents, if their adult kids do actually leave home at age eighteen, feel secure that their child will successfully set-up housekeeping, become gainfully employed and never need their assistance or the use of their old bedroom again.



SHIP funds were used to acquire and rehabilitate the 14th Street Apartments, for youth aging out of foster care.

Unfortunately, a greater number of these kids end up on the streets and homeless. They become prey to the same or worse evils than they faced before they were removed from their first homes. In Marion County, Arnette House and Silver River Marine Institute work hard to bring this problem to the attention of the community and to find a solution. Arnette House works with homeless and runaway youth, and Silver River Marine Institute (SRMI) provides a second chance for at-risk youth having a difficult time functioning in the mainstream schools. Even though the two organizations help numerous kids figure out how to successfully make it in the real world, they were still frustrated to see the number of youth ending up back in the system after being sent out on their own at age eighteen.

The Marion County Community Services Department feels it's important to maintain contact with the non-profit agencies that provide services to the local community. County staff regularly participated in the Children's Alliance, Homeless Council, Senior Alliance and Mental Health Alliance to keep abreast of the community's needs and know where the service gaps are. It also helps in determining how to best direct the use of grant funds to meet the primary needs of the community. County staff identified and recommended ways in which state and federal grant funds can be used to meet these needs, provide the technical

assistance and capacity building necessary for these non-profits to successfully access these funds and encourage the partnerships and networking necessary for sustainability.

In Marion County, Arnette House and SRMI were proposing the construction of apartments to provide a transitional living facility for these youth. In addition to providing safe, decent and affordable living accommodations, both organizations believed that intensive support services would help these young adults learn the skills necessary to survive on

their own, help them find a job that would support them, and locate a safe and affordable living arrangement. Youth would be required to maintain employment, attend school or vocational program and follow the rules. Rents would be affordable to someone with a part-time, minimum wage job and living costs could be shared by "suite mates". An on-site manager, living in one of the apartments, would provide necessary management, oversight and security.

SHIP rental/transitional funds provided the best match for this project, and as luck would have it, a 14-unit apartment complex that was less than a year old was advertised for sale. Now known as 14th Street Apartments, the complex features 12 two-bedroom, one-bath units and 2 three-bedroom, two-bath units. SHIP funds were used to acquire and rehabilitate the apartments, a federal transitional living grant provided staffing and programming costs, and federal Community Development Block Grant (CDBG) funds were used to install an emergency generator. Local businesses donated furniture, appliances and TV's.

Marion County will be featured in the Youth Aging out of Foster Care Case Study at the Florida Housing Coalition's 23rd annual affordable housing conference in September.

HNN



Celebrates Partnerships

By Jaimie Ross, President, Florida Housing Coalition

I had the honor of delivering the keynote address on May 25 to an event celebrating partnerships hosted by our Platinum Partner for Better Housing, PNC. Aileen Pruitt, market manager for PNC, surprised six nonprofits with \$25,000 grants in celebration and support of the mission based work that is making their communities a better place to live. The joy in the room was palpable as representatives from each nonprofit were recognized and each expressed their gratitude to the PNC team. It was clear that PNC provided far more support than simple, yet critical, financing to each organization. It was especially gratifying for me to hear awardees, such as Indiantown Nonprofit Housing and M.I.S.S. praise the technical assistance provided by Florida Housing Coalition staff, whom they credited as having been critical to their success.

Indiantown Nonprofit Housing, which provides long term, safe, and affordable housing and economic development opportunities for very low, low and moderate income residents, received an affordable housing grant. The grant will be used for three core services – weatherization, rental and/or utility assistance, and homeownership.

Consumer Credit Counseling Services of Palm Beach and the **Treasure Coast (CCCS)** received a community service grant. CCCS will divide the grant into a \$15,000 grant to provide one-on-one foreclosure counseling for 100 households, and a \$10,000 grant to fund their Homebuyer Club, which works with first-time homebuyers through homeowner counseling and financial education.

The Hispanic Human Resources Council (HHRC) also received a community service grant. HHRC, who serves more than 350 children and families in Palm Beach County, focuses on school readiness by providing quality childcare for low-income, disadvantaged families and children at risk. The grant will help create a “Room to Read,” which will allow the children

to read books, use computers and improve their reading skills.

MetroBroward Economic Development Corporation, which serves as a catalyst for the growth and expansion of small businesses in Broward County, received the economic development grant to provide funding to the Small Business Growth and Development Program, which provides 300 participants annually with entrepreneurial training and business coaching to establish or strengthen their businesses.

M.I.S.S., which stands for Mothers and Infants Striving for Success, provides secure and nurturing environment for homeless women with children, and will help furnish the Butterfly Gardens Housing Complex with their economic development grant.

“Butterfly Gardens will provide housing and support services for 36 extremely low income single female heads of household and 80 children,” said Schonna Green, executive director of M.I.S.S. “The facility will offer 20 units with 2 bedrooms, 2 baths, and an administrative building and laundry room.”

“Collaboratives and partnerships, such as our grant from PNC, are huge for non-profits,” said Green. “As a grassroots initiative in 1999, M.I.S.S. was successful in securing funding to operate the first official transitional living facility in Martin County. We strongly encourage partnerships for expertise.”

The **Housing Leadership Council of Palm Beach County**, founded in 2005, works with 205 households in the Palm Beach County area that are not a part of the NSP rehabilitation and sale of foreclosed homes program, but are facing their own challenges due to the age and deterioration of their homes. The revitalization and stabilization grant will be used to provide energy efficiencies through ‘green’ upgrades to households in a target area of Lake Worth that are not eligible for other funding. **HNN**



Aileen Pruitt, Florida Market Manager for PNC, Craig Grant, Regional President for Florida for PNC, and Jaimie Ross, President, Florida Housing Coalition, at the PNC Partnership Celebration



Schonna Green, Executive Director, M.I.S.S., (center) receives grant from Craig Grant, Regional President for Florida for PNC, and Aileen Pruitt, Florida Market Manager for PNC



Required Updates for SHIP Plans



By Michael Chaney

Although SHIP has not been funded for the 10/11 fiscal year, the Florida Housing Coalition will join with local government housing staff to advocate for future SHIP funding. If we are successful in obtaining SHIP funding for the 11/12 fiscal year, it will be available only to those jurisdictions in compliance with all SHIP requirements. Updates to the Local Housing Assistance Plan (LHAP) are among the newest SHIP requirements.

This is a topic that 62 SHIP jurisdictions have already had to address, since more than half of all SHIP jurisdictions were scheduled to provide Florida Housing with updated LHAPs in 2010. This article provides guidance for other jurisdictions, who should update their plan in response to new SHIP requirements. These changes can be made on the next occasion when a jurisdiction changes its LHAP or when it sends Florida Housing an updated LHAP.

The LHAP requirements result from Senate Bill 360, which was signed into law in the summer of 2009. Among the several housing-related topics addressed by this legislation were several SHIP changes. For some of the SHIP topics covered, the Legislature is simply encouraging SHIP jurisdictions to offer specific types of assistance. But SB 360 requires each jurisdiction to take action regarding the topics of Green Housing, Special Housing Needs, and Manufactured Housing.

Green and Innovative Design

Each jurisdiction's LHAP must now describe how one or more strategies address green building principles, innovative design, storm-resistant construction, or other elements that reduce long-term costs relating to



The Viridian Apartments in St. Petersburg serves as an example of both Green and Special Needs housing. This 11 story high-rise was rehabilitated by Sage Partners with SHIP and other funding and offers housing for elderly and disabled residents. Green features include a community garden that provides food for community meals.

maintenance, utilities, or insurance. Florida Housing has not detailed what constitutes minimum compliance with this new requirement. Yet some jurisdictions have been able to classify as a 'green activity' some aspect of a strategy that they have been implementing for years, and many have easily identified an activity that will illustrate their compliance.



Young adults aging out of foster care is one group with special housing needs. Brevard County has recently provided SHIP rehabilitation assistance for this population with a new 12 unit facility at the nonprofit organization Country Acres.

Among the LHAPs that have already been updated, some plans explain that owner occupied rehabilitation projects will include an air conditioner tune up or replacement, the addition of attic insulation, or other energy efficient or green-related improvements.

Some jurisdictions are requiring the inclusion of green housing features in any rental or homeownership units constructed with SHIP assistance. Features include the use of drought tolerant landscaping, energy efficient appliances, and foundation slabs made with recycled concrete. An abundance of other green features are available in the green home certification checklist created by the Florida Green Building Coalition. The checklist is primarily focused on new construction; it may be reviewed at floridagreenbuilding.org.

Other SHIP offices are integrating the subject of energy efficiency into homebuyer education classes. SHIP staff can invite a representative from the local utility company to share energy saving tips and provide information about energy audits and home improvement rebate programs. The maintenance session of the class can emphasize the importance of regularly replacing air filters; many buyers should benefit from a review of how to efficiently operate a central air conditioner.

Special Housing Needs

Each jurisdiction's LHAP must also now describe how one or more strategies make affordable residential units available to eligible persons with special housing needs, like homeless people, the elderly, migrant farmworkers, and persons with disabilities.

There are a diverse variety of special needs groups that can benefit from SHIP assistance. For example, some

groups provide SHIP funds to partially finance the construction of a homeless shelter. Other jurisdictions are providing transitional housing assistance to youth who are aging out of foster care. Perhaps the most common type of special needs strategy involves providing priority assistance to elder households seeking owned-occupied housing rehabilitation.

There are some central LHAP considerations to keep in mind as your jurisdiction decides how to show compliance. Consider that the household income for special needs households may be lower than the rest of the households you assist. Many of those with special housing needs have very low or extremely low incomes. Rather than helping such low income households to purchase homes, a jurisdiction may more successfully provide assistance through a rehabilitation strategy or a rental housing strategy.

Special needs strategies can also benefit from the inclusion of universal design principles. Some special needs populations have limitations on their strength or range of motion. Some applicants are in wheelchairs. Accessible housing is of central importance to such households. Choose designs and features that require low physical effort. For example, door handles are more universally usable than are door knobs. Consider the approach and equitable use for home features. Ovens should have knobs in the front, for example. In addition, storage and working surfaces in kitchens and bathrooms should ideally be located at a lower level.

Manufactured Homes

The SHIP definition of "eligible housing" now includes "manufactured housing constructed after June 1994 ... for home ownership or rental" although no more than 20 percent of a jurisdiction's funds may be used for

manufactured housing. Each jurisdiction should consider whether or not to provide assistance for manufactured homes. If a jurisdiction opts to assist manufactured homes, it must further decide whether to offer any type of assistance from the LHAP, or to limit assistance to only certain types of assistance. One jurisdiction, for example, may decide to only provide repair assistance, while another jurisdiction will only permit the purchase of



new manufactured homes. Regardless of what decisions are made on this topic, each jurisdiction will need to update and clarify its LHAP.

If you provide assistance on a manufactured home, your jurisdiction will likely want to secure this assistance with a recapture agreement. Most SHIP jurisdictions place liens on units that are assisted. A manufactured home may have a lien placed on it whether it is Personal Property or Real Property. A manufactured home has a title under the DMV system for vehicles when it is personal property. The DVM system is administered by each county's tax collector's office. A unit has a title when it is located on leased land in a mobile home park, or is on private land but the home and land are owned under different names. If you place a lien on such a home, it is filed in the local county tax collector's office against the title.

Conversely, the owner of a manufactured home may transfer the home from Personal Property to Real Property. If the unit is on private land that the same person owns, he or she may "retire" the manufactured home's title with the tax

collector's office by surrendering it to real estate. There may be title transfer fees and the combined land and home would then be subject to real estate taxes. In such a case, the title "is retired" and the unit is inextricably bound to the land. If you place a lien on such a unit, it is filed with the Clerk of Court in the county land record.

SHIP jurisdictions should consider how best to secure their SHIP assistance. Manufactured homes that have become real property have a lien tied to land, which cannot be moved away. Some jurisdictions may consider this to be a more secure SHIP investment in contrast to placing a lien on the title of the manufactured home title alone. SHIP administrators should also consider the option of assisting manufactured homes that are located on leased land owned by a nonprofit. Assistance to such units could be secured and monitored by the nonprofit.

Additional Guidance

Beyond the required changes outlined above, Senate Bill 360 also addressed SHIP in other ways. For example, the Legislature also encouraged SHIP jurisdictions to offer a housing strategy to support the preservation of subsidized rental housing. In addition, the Legislature encourages SHIP offices to address the housing needs of youth aging out of foster care. All of these topics are addressed on the Florida Housing Coalition's website, which contains a video summary of the recent changes from Senate Bill 360. The main topics each contain a video from the Coalition's February 2010 workshop, accompanied by relevant handouts or powerpoint slides. This information is on the 'news & updates' section of flhousing.org under the title "SHIP LHAP Resources." HNN

SHIP Administrators

Don't miss the 2010 Florida Housing Coalition Conference

It includes a:

SHIP Caucus- September 20 from 2 - 5pm

SHIP Roundtable- September 22 from 10am - Noon

Learn, Network, and Strategize for Success!



By Michael Chaney

Q: *Does the lack of SHIP funding during the past two years affect the amount of program income I can spend on administration?*

A: For many jurisdictions, it does. Each jurisdiction is allowed to use a portion of the program income it collects during each fiscal year to pay for administrative expenses, above and beyond the 10% of a jurisdiction's distribution that is often devoted to an administrative budget. The SHIP statute addresses the amount of SHIP funds that may be devoted to administrative expenses:

"The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs." Section 420.9075 (7)

During the 10/11 State Fiscal Year, every SHIP jurisdiction will receive less than \$350,000 in SHIP funding. Therefore, every jurisdiction may use 10% of the program income collected in 10/11 for administrative expenses.

In addition, during the 09/10 State Fiscal Year, all but 13 of the SHIP jurisdictions received less than \$350,000 in FHOP funding. Therefore, the lower funded jurisdictions may use 10% of the program income collected in 09/10 for administrative expenses.

Administrative costs are the same expenses that may be paid for with the 10 percent administrative budget: salary, travel, advertising, and much more. The remainder of your program income must

be dedicated to paying for SHIP assistance to applicants, using the strategies in your Local Housing Assistance Plan (LHAP). Before spending 09/10 and 10/11 program income, confirm that your jurisdiction has an approved LHAP that governs funding for those state fiscal years.

SHIP Clip: 2010 Focus on Annual Reports

The rest of this edition of SHIP Clips is dedicated to annual reporting. By September 15, 2010, each SHIP jurisdiction must provide Florida Housing with a close out annual report for 07/08 funds, as well as interim reports on the 08/09 and 09/10 distributions. The 09/10 annual report will outline FHOP expenditures, as well as any encumbrances or expenditures for SHIP strategies that were committed after the end of the FHOP program in April 2010.

Meeting the Set-Asides

Q: *What happens if you create your 07/08 close out annual report, only to notice for the first time that you are out of compliance with one or more of the set-asides? What if, for example, a jurisdiction has fully expended these funds but has only dedicated 70 percent—rather than the minimum 75 percent required—to the construction/rehab set-aside?*

A: The most straight forward solution is often to re-assign assistance expenses between SHIP distributions.

In the case stated above, all 07/08 funds have been expended. It is very likely that a significant amount of the jurisdiction's 08/09 distribution may also be expended. Identify one or two households assisted with 08/09 funds that comply with the construction/rehab set-aside. Re-assign these expenses to the spreadsheet tracking 07/08 funds. Similarly, re-assign one or two 07/08 cases of set-aside non-compliant assistance to the 08/09

spreadsheet. Determine if this exchange has resulted in enough 07/08 expenses that comply with the set-aside, and re-assign additional 08/09 expenses as needed to achieve set-aside compliance.

The exercise of re-assigning expenses from one SHIP distribution to another is not uncommon. It may also be used to achieve compliance with an expenditure or encumbrance deadline. Whenever an expense is re-assigned to a different distribution, care should be taken to clearly indicate 'from where' and 'to where' an expense is being re-assigned. In this way, one may still fully reconcile SHIP tracking spreadsheets with the jurisdiction's general ledger. The example above is a small and simple case of re-assigning funds. If your case is more complicated, call the Florida Housing Coalition for additional guidance as you work to re-assign funds and cure set-aside noncompliance.

Deadline Extensions

Q: *I have just updated my SHIP tracking spreadsheets and discovered that my jurisdiction has not yet expended all the funds in the 07/08 close out distribution. Since SHIP funds must be expended within three years after they are received, how should I proceed?*

A: First, recognize that it is common to have a small amount of unspent SHIP funds from a close out distribution; this is not a violation of the three year expenditure deadline. Whether the amount is \$300 or \$3000, this small unencumbered amount is insufficient to fully assist the next recipient for any of your strategies. In such a case, you may simply "carry forward" these remaining dollars. The web annual reporting system will identify these unencumbered funds as the carry forward amount and will automatically add this amount as the carry forward revenue on the 08/09 annual report.

Have you got a question about the SHIP program? Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP telephone hotline at (800) 677-4548.

However, consider the case of a jurisdiction that has tens or hundreds of thousands of 07/08 SHIP dollars left to expend. Perhaps the remaining funds are encumbered for projects that are not yet completed and occupied by eligible households. As soon as you discover that you have missed the expenditure deadline, you should request in writing an expenditure deadline extension from Florida Housing staff.

Your request should include:

- The exact amount of funds still encumbered and/or unencumbered, and the number of months for which an extension is requested.
- A brief explanation of why these funds have not been expended within the three year deadline. Was there, for example, a lack of contractors or materials, or is the jurisdiction still working to achieve some set-aside compliance?
- Outline your plan to expend funds quickly, along with a timeline and estimate of when the funds will be fully expended. Indicate if changes have been made to SHIP strategies to address the delays. If a strategy has not been working, have you redesigned it, replaced it, or reallocated funds to a strategy known to be successful?

You should notify Florida Housing of your situation even if you anticipate that remaining 07/08 encumbered funds will be expended soon and before September 15. The fact remains that funds were not expended by the June 30 deadline, so Florida Housing should be notified.

Properly Tracking SHIP Funds

Q: *Last September, I had my first experience creating the SHIP annual reports for our county. It took a lot longer than I thought it would to compile the data. What can I do now to prepare for the next reports due next September?*

A: The key to creating timely and accurate annual reports is

maintaining an accurate SHIP tracking system. The SHIP administrator in each jurisdiction is required by the SHIP Rule to maintain a tracking system (Rule 67-37.019, FAC). You cannot simply rely on data provided by your finance department. Although they maintain detailed records of SHIP expenditures, finance department staff may not track SHIP encumbrances—and they almost certainly do not track demographic data or compliance with SHIP set-asides. It is essential for you to track this information, and you must do so on a very regular basis.

Entering updated data into the tracking system is at least a two-step process. After determining an applicant's eligibility, you provide an award letter that commits SHIP funds specifically to this applicant. This is when you should first enter information about the applicant into your tracking system, along with the amount of the SHIP commitment. It is only later, however, that you start expending these SHIP funds. At this time, you should update your tracking system since the funds that had been committed for the applicant are now officially expended.

Each SHIP jurisdiction should document that the annual report it generates reconciles with the general ledger maintained by the jurisdiction's finance department. This shows compliance with the Florida Single Audit Act (FSAA), which directs auditors to "determine whether required reports include all activity in the reporting period". The State Projects Compliance Supplement outlines several suggested audit procedures that an auditor can use to determine whether or not the SHIP reports contain all required activity (and reconcile to the general ledger), including the following: "Select a sample of reports and test specified line items for accuracy and completeness." (from State Projects Compliance Supplement Part 3, Section H. "Reporting").

Work with your finance department to ensure your compliance with the FSAA. Set up

a way to periodically meet with finance staff to reconcile the general ledger with your SHIP tracking system. Consider suggesting a system to communicate to the finance department whether an expense should be charged to the 08/09 SHIP distribution, for example, or to the 09/10 distribution.

There are many ways that the Coalition can help you reach the goal of creating complete and accurate SHIP annual reports. First, the Coalition has designed an Excel-based SHIP tracking system. It has been used by many SHIP jurisdictions for years, and is available to you at no charge. Call the Coalition for technical assistance on properly setting up a tracking system, accurately updating information, or using the tracking system to create the annual reports that you will submit to Florida Housing. Some questions require more assistance than others. After all, some SHIP administrators have inherited a faulty, unorganized or inaccurate SHIP tracking system. The Coalition can assist you with getting your tracking system back on track by helping you work with your finance department to reconcile your system with the general ledger.

Start Your Reports Now

All reports must be submitted by September 15, so start now to ensure their timely completion. A handful of communities may receive extensions for expending their 07/08 funds, but they will still be required to submit a set of annual reports on September 15 and there is no extension for submitting them after this date.

Each year when the September 15 SHIP Annual Report deadline approaches, the Coalition fields questions on a myriad of report-related topics. This year, the Coalition is available on Tuesdays and Thursdays to provide this assistance through its technical assistance line: 800-677-4548. In addition, a full and updated collection of frequently asked questions about annual reports (and many other topics) is available at www.shipfaq.blogspot.com.

(NSP): A Statewide Snapshot

- In Escambia County, a unique situation arose when BRACE, a nonprofit organization, acquired a foreclosed manufactured home community known as Heritage Oaks. NSP funds will be used in the rehabilitation of these units, of which a portion will be used as the low income set-aside. The units will be available for rent or sale to new residents. The Coalition has long recognized the special role of mobile home parks in providing affordable housing and has participated in preservation initiatives throughout Florida.
- In Lake Worth, the Coalition is assisting the Lake Worth CRA NSP2 project as it mobilizes to acquire 130 foreclosed properties. This project is unique in that the homes will be included in a community land trust to further the permanence of affordability as well as stabilization. This innovative consortium has 21 members including Adopt-a-Family and Habitat for Humanity working together to buy, rehab, rent, resell or land bank these properties. To learn more, visit www.lakeworthcra.org.
- The platted community of Port St. Lucie, one of Florida's hardest hit communities, has nearly obligated all of its NSP funds. Not only are homes being purchased for rehab and resale, but demolition and land banking are active components of the program.

Register for the 23rd Annual Affordable Housing Conference: "Next Stop on the Route to Recovery" in Orlando on September 20 – 22, 2010 for the NSP Track, From Obligation to Stabilization: NSP 2010 and the second annual NSP Roundtable.

For any variety of technical assistance in the Neighborhood Stabilization Program, contact the Coalition at 850-878-4219 or email info@fl-housing.org. We can work with you on or off site. Visit our website www.flhousing.org and select NSP for resources and information. HNN

Homeownership is often, but not always, the Path to Prosperity

Will There be Enough Money at the End of the Month?

Lenders determine the mortgage amount a family can qualify for based on front and back ratios. The front ratio is the percent of gross monthly income that a family can afford to spend on principal, interest, taxes and insurance (PITI). Generally speaking, front ratios don't exceed 31 percent of a family's gross monthly income. Back ratios are the percent of a family's income that can be used for PITI plus any debt that is going to last longer than a year. Generally speaking, this number cannot exceed 42 percent of a family's gross monthly income.

Let's consider a family earning \$2,000 per month, or \$24,000 per year. This is about 40 percent of median income in many communities. With \$240 per month in long-term debt, this family can qualify for approximately an \$80,000 mortgage (2 percent down payment, 6% rate, 30-year term). PITI for this loan will be \$573 per month. Assuming the family's net income is closer to \$1,800 per month this leaves just \$1,227 per month to meet all other expenses. Take out the \$240 per month in long-term debt and this leaves under \$1,000 per month for all other expenses. On less than \$1,000 per month it is very difficult for this family to meet its monthly expenses over and above housing and debt, much less save for ongoing maintenance and long-term repairs.

Let's compare the \$2,000 per month family to a family earning \$5,000 per month or \$60,000 per year. Using the same terms as above but with \$600 per month in long-term debt, this family could qualify for approximately a \$186,000 mortgage, or a \$1,450 monthly payment for PITI. If that \$5,000 gross income per month is closer to \$4,200 net, this still leaves this household with \$2,771 for other expenses. Subtract the \$600 per month in long-term debt and they still have over \$2,100 per month for all of their other expenses. Even though they are paying the same percentage of monthly income for housing costs, the higher earning family will have a better ability to meet their monthly expenses and save for ongoing maintenance and future repairs.

There are many benefits of homeownership. There are also many costs. As a family's income increases, its ability to take advantage of the financial incentives and wealth building aspects of homeownership also increases. Very low and even some low income families are often better off remaining as renters until their income starts to increase, or their expenses start to drop. For this reason policymakers need to focus on the importance of providing quality affordable rental housing in addition to initiatives that expand the home ownership rate. HNN

References: Rohe, et al. "The Social Benefits and Costs of Homeownership: A Critical Assessment of the Research". Joint Center for Housing Studies Harvard University. October 2001.

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Partners for Better Housing Membership is for those who wish to support the work of the Florida Housing Coalition by making a tax deductible donation of \$500 or more. Membership benefits include:

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Basic membership is for those who wish to subscribe to *Housing News Network*, post job vacancy announcements free of charge on the Coalition's Web site and receive membership rate registrations at the annual conference. An individual member receives one subscription and one member rate registration. Organizational members receive up to five subscriptions and five member rate registrations. All memberships are on a unified membership cycle, memberships are due on August 1st and expire on July 31st of each year. (Please indicate additional names, addresses and phone numbers on an attached sheet.) Each membership is entitled to be represented by one voting member at the coalition's annual meeting as designated below.

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