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From left to right: Rep. Mike Davis; panelists from the insurance panel; community land trust roundtable; John Sebree, Florida Association of Realtors, receives Housing Champion Award; Helen Hough Feinberg, Chair of the Affordable Housing Study Commission, addresses the stakeholder meeting; Mark Hendrickson, Immediate Past Chair of the Coalition's Board of Directors, addresses participants about the need to remove the cap on the state and local housing trust funds.

From the Editor - Jaimie Ross

Florida Housing Coalition Board President

The Florida Housing Coalition's 2006 statewide affordable housing conference drew more than 650 housing advocates together to address Florida's housing crisis in the context of effective advocacy. Many thanks to all of you who participated in the 2006 conference, either as Partners for Better Housing, presenters, participants, or any combination of those three. And special thanks to the recipients of the Florida Housing Coalition's Housing Champion Award: Representative Mike Davis, and the Florida Association of Realtors.

In this Journal, our authors address the following compelling issues from the conference, including:

- **property insurance;**
- **statewide work around community land trusts;**
- **the need to remove the cap in the 2007 legislative session and effective advocacy and**

- **the work of the Affordable Housing Study Commission;**

With so much emphasis on "essential service personnel" and an interest in developing "teacher" or other worker-specific housing, we know there has been concern about whether these preferences run afoul of fair housing laws. We are pleased to lead off with an article written for the Florida Housing Coalition by the nation's preeminent civil rights law firm, Relman & Associates.

The Florida Housing Coalition works diligently to provide training and technical assistance in every area of affordable housing, and we are already at work with our Partners for Better Housing on the design and development of the 2007 statewide conference: "The Economics of Housing."





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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 safe and affordable home and suitable living environment.

The Housing News Network is published by the Florida Housing Coalition as a service to its members and for housing professionals and others interested in affordable housing issues. Address questions and comments to: Jaimie Ross, Editor, Florida Housing Coalition, Inc., 1367 E. Lafayette Street, Suite C, Tallahassee, FL 32301.

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



Fair Housing Implications of “Essential Workforce” Housing

BY JOHN RELMAN ESQ. & REED COLFAX ESQ.



I. APPLYING FAIR HOUSING PRINCIPLES TO HOUSING PREFERENCES

It is widely acknowledged that over the past several years the gap between the price of housing and the income of Florida’s workforce has expanded so dramatically that many communities in Florida, especially those along the coast and in South Florida, are finding it nearly impossible to recruit and retain a segment of the workforce typically considered “essential,” such as firefighters, police officers, teachers, and nurses. The governmental interest in improving housing opportunities for these and other members of the workforce considered essential to the operation of the community has resulted in a trend to provide special housing opportunities for this category of employee.

The purpose of this article is to provide guidance on the question of whether a housing program or preference for specified segments of the workforce violates fair housing laws. While not a primer in fair housing law, this article attempts to summarize principles of fair housing law in an understandable framework that affordable housing advocates and government entities can use in analyzing essential worker preferences.

Any time a government, a housing provider, or any one else, gives housing preferences for a particular class of people, the preferences must be examined for to make sure they comply with the nation’s fair housing laws. In general terms, if a housing preference is adopted with the intent of excluding, discouraging, or otherwise imposing different terms or conditions on a protected class, that preference cannot stand. *See* 42 U.S.C. § 3604(a), (b), (f)(1), (2) (generally prohibiting differential treatment on the basis of race, color, national origin, religion, sex, familial status and disability in housing-related transactions). A housing preference will also violate the Fair Housing Act if it has the *effect* of excluding, discouraging, or otherwise imposing different terms or conditions on a protected class without a legitimate governmental purpose. Even if there is a valid governmental purpose, the preference may still violate the Fair Housing Act if the government’s goal can be achieved by other, less discriminatory means. *See, e.g., Huntington Branch N.A.A.C.P. v. Town of Huntington*, 844 F.2d 926 (2d Cir. 1988) (establishing standard for assessing whether

facially neutral policy or practice has a disparate impact on a protected class in violation of the Fair Housing Act).

When designing a housing program for a particular sector of the workforce, therefore, it is critically important that the requirements of the program are analyzed early on to determine whether they were adopted with the intent of excluding or otherwise discriminating against members of a protected class, or through their implementation will have a disproportionate adverse effect or impact on members of a protected group. A housing program preference that was not designed with the intent or purpose of discriminating and that does not have a disproportionate adverse *effect* on a protected group will likely withstand scrutiny under the fair housing laws. Even if the program does have a disparate impact, if it serves a valid governmental purpose that cannot be achieved by other, less discriminatory means, it may also be upheld.

II. DETERMINING WHETHER A HOUSING PREFERENCE BEARS A DISCRIMINATORY INTENT OR PURPOSE

Direct evidence of discriminatory intent, like an overt statement of bias or a written covenant prohibiting the sale of property to members of a particular protected group, is rarely seen today. Far more often, intentionally discriminatory acts are covert and subtle. Figuring out whether a housing preference is the product of an improper motive or purpose requires a case-by-case review. In the words of the Supreme Court, the analysis demands a “sensitive inquiry into such circumstantial and direct evidence of intent as may be available.” *Village of Arlington Heights v. Metropolitan Housing Development Corporation*, 429 U.S. 252, 266 (1977). This inquiry may extend to a broad range of circumstances surrounding the creation and passage of the preference, including statistical evidence and the demographics of residents in the subject community; comparisons with similarly situated communities; the chronology of events leading up to the implementation of the preference; departures from usual procedures followed with similar projects; and the existence of a subjective decision-making process. *See id.* at 265-268.

In the 2006 legislative session, Florida created the Community Workforce Housing Innovation Pilot Program (CWHIP) for Florida’s essential service personnel and provided a statutory requirement that all SHIP jurisdictions define essential service personnel at the local level. The new state law requires that the definition include, but not be limited to, “teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, skilled building trades personnel, and other job categories.” See Section 420.9075, Florida Statutes.

What does this mean for affordable housing advocates or governmental entities hoping to attract essential workers? Each and every proposal must be examined carefully and critically to determine whether it was designed or adopted for the improper purpose of excluding minorities, families with children, or persons with disabilities. Does the program cloak an invidious policy or practice of exclusion? That is the central issue. To find the answer, advocates and those with “insider knowledge” (or those in a position to develop sources with such knowledge) must give each proposal careful scrutiny. Choosing to look the other way could result in the passage and implementation of an unlawful housing preference program.

III. DETERMINING WHETHER A HOUSING PREFERENCE HAS A DISPARATE IMPACT

Even if a housing preference is implemented with the best of motives, it may still violate fair housing laws if it has a “disparate impact” on a protected class.¹

Determining whether a housing preference has an unlawful disparate impact depends on four “critical” factors: (1) whether the preference disproportionately affects a particular protected class; (2) the degree to which the preference furthers a legitimate governmental interest; (3) any evidence showing that the preference is motivated by a discriminatory purpose; and (4) whether any challenge preference would merely require the removal of barriers to housing opportunities or would seek to require a defendant to create new housing opportunities. *See, e.g., Huntington*, 844 F.2d at 926.

A. Examining The Disproportionate Effect of A Housing Preference

The disproportionate effect of a housing preference may be determined by comparing the percentage of minorities² among those who qualify for the preference to the percentage of minorities among those who would have, in the absence of the preference, sought the new housing. For example, suppose a locality funds the construction of housing just for firefighters and police officers. If minorities constitute 10% of firefighters and police officers in the area, but 30% of the total population that would have pursued new housing, then the preference would disproportionately exclude minorities.³

Similarly, a housing preference for “local” essential workers, which the Florida statute encourages, may also have a disparate impact. A preference for locals necessarily helps maintain existing racial demographics and likely perpetuates existing patterns of residential segregation. As described by a Massachusetts District Court in the context of residency preferences in Section 8 voucher distribution plans: “where a community has a smaller proportion of minority residents than does the larger geographic area from which it draws applicants to its Section 8 program, a selection process that favors its residents cannot but work a disparate impact on minorities.” *Langlois v. Abington Housing Authority*, 234 F.Supp. 2d 33, 62 (D.Mass. 2002).

The disparate impact of a preference for local essential personnel is exacerbated where the locality has a history of excluding minorities from available housing or has excluded minorities from particular types of employment. Evidence of such exclusionary practices would make the preference even more suspect. On the other hand, the absence of such practices, coupled with evidence that the locality had historically encouraged efforts to make housing available to minority residents and taken proactive measures to integrate the workforce, might serve to mitigate any adverse effect caused by a preference for local essential workers.

B. Testing Governmental Justifications For Housing Preferences that Have A Disparate Impact

If it is established that a housing preference has a disproportionate effect on a protected class, the governmental purpose for the preference must be examined. Such an analysis must consider whether the preference has a “‘manifest relationship’ to legitimate non-discriminatory policy objectives and ‘is justifiable on the ground it is necessary to the attainment of these objectives.’” *Charleston Hous. Auth. v. United States Dep’t of Agric.*, 419 F.3d 729, 741 (8th Cir. 2005). The legitimacy of keeping essential workers close to home has not been directly tested in the courts, but it certainly seems reasonable on its face and is likely a justification that courts would find legitimate. See, e.g., *Thomas v. Texas Dept. of Criminal Justice*, 220 F.3d 389, 391 (5th Cir. 2000) (suggesting approval of a housing policy that “states that the residential housing is made available to insure the immediate availability of essential personnel in times of emergency.”). As a general matter, it is hard to argue with the notion that it is a benefit to have doctors, firefighters, police officers, and other emergency personnel living close to the people they would serve in a time of true emergency. On the other hand, it is worth noting that some courts have expressed skepticism over the more general justifications for housing preferences for existing residents. *Langlois*, 234 F.Supp. 2d at 62 (D.Mass. 2002) (concluding

that “the desire to make it easier to keep living in communities was insufficient justification for local preferences.”).

CONCLUSION

There is no quick and easy way to determine whether an affordable housing program that provides a preference to a sector of the workforce violates fair housing laws. The facts and circumstances surrounding the development and implementation of each program are different. Each situation requires careful and searching review. The touchstone for any program, however, is the same: one must examine both the intent underlying the program or preference, and its effect on members of protected groups. In the absence of evidence of discriminatory intent and effect, the preference will likely withstand scrutiny; where evidence of discriminatory intent exists, it likely will not. Programs with a disproportionate adverse effect on a protected group require further review. The existence of an adverse effect does not, in and of itself, render the program invalid. That determination rests on whether the preference is justified by a valid governmental purpose; and whether there are no less discriminatory means available to accomplish that purpose. If the answer to both of these inquiries is “yes,” the preference will likely survive a fair housing challenge notwithstanding its adverse effect on a protected group.



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¹ It is important to recall when considering housing preferences, like those encouraged in Florida, that economic status is not a protected class. Merely showing a disproportionate effect on the poor is not sufficient to condemn a preference under the fair housing laws. However, a preference that targets an economic class where minorities are under represented, may indeed have an impact both on minorities.

² Here we assume that the disparate impact challenge to a housing preference would be based on the disproportionate effect on minorities, but a housing preference that had a disproportionate effect on families with children, persons with disabilities, or another protected class would be analyzed under the same standard.

³ Courts have not precisely described what constitutes a significant discriminatory effect sufficient to support a disparate impact claim under the Fair Housing Act. However, a “disparity ratio” of 1.2 (e.g., 40% of persons in the affected population are minorities while minorities only make up 32% of the general population) is likely to be found sufficient to establish a sufficient discriminatory effect. See, e.g., *Langlois v. Abington Hous. Auth.*, 207 F.3d 43, 50 (1st Cir. 2000) (citing approval of “four-fifths” rule used in disparate impact employment cases); see also *Smith v. Town of Clarkton, N.C.*, 682 F.2d 1055, 1065 (4th Cir. 1982) (finding that the statistical picture left “no doubt” that the termination of a low-income housing project had a disparate impact on the basis of race, African Americans comprised approximately 40% of the county’s population and 69% of African American families were presumptively eligible for low-income housing); *Keith v. Volpe*, 858 F.2d 467, 484 (9th Cir. 1988) (finding a disparate impact based on evidence that two-thirds of the persons affected by the challenged act were minorities and therefore that the act had twice the rate of adverse impact on minorities than it had on whites).



The Florida Community Land Trust Institute

While Florida's land values continue to climb, and as communities grapple with the complex issues of sustainable affordability, local governments and their nonprofit partners are examining alternative models for addressing the long term needs of residents least served by the prevailing market. A community land trust can benefit low-income families by providing access to affordable housing in high cost, service-industry dependent areas, while keeping housing affordable for future residents. Just as importantly, the CLT model can be used to capture the value of public investment for long-term community benefit.

WHAT IS A COMMUNITY LAND TRUST?









A community land trust refers to the vehicle of separating land from building (house) for the purpose of transferring title to the house without selling the land. It also denotes the nonprofit organization that holds title to the land and manages the ground leases on community land trust properties.

Homeownership becomes more affordable because the transfer of title to the homeowner does not include a fee interest in the land; the sales price is based on the value of the improvements, without the value of the land. The land is owned by a 501(c)(3) corporation which provides a 99 year ground lease to the homeowner.

The ground lease has a resale provision which ensures the property will be affordable in perpetuity. The home must be sold to an income eligible buyer at an affordable price. The resale provision will typically provide a reasonable return to the homeowner but the appreciation may be far less than standard market appreciation. The resale provision will also typically provide a right of first refusal in favor of the CLT.

From the standpoint of the buyer, the CLT home provides homeownership in a market where the alternative is to rent or move away. From the standpoint of the local government, society, funders providing subsidy, and affordable housing advocates in general, the CLT provides a way of creating permanent housing stock with a single subsidy.

THE FLORIDA COMMUNITY LAND TRUST INSTITUTE PROVIDES ASSISTANCE WITH:

-  Assessing whether a community land trust is appropriate for your community and, if so, which model makes the most sense for your community
-  Understanding the terms of the ground lease and options for resale provisions
-  Start up for the nonprofit community land trust
-  Capacity building for the nonprofit community land trust
-  Homebuyer counseling for community land trust purchasers
-  Internal operations and marketing for the community land trust
-  Legal questions such as title and real property tax issues
-  All manner of real property development and financing issues

The Florida Community Land Trust Institute is a collaboration between two statewide 501(c)(3) organizations, 1000 Friends of Florida and the Florida Housing Coalition. The Florida CLT Institute is headed by Jaimie Ross, Attorney at Law, and Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit growth management organization. The training and technical assistance team is comprised of the staff of the Florida Housing Coalition. For more information, call the Florida Housing Coalition at 850/878-4219, or email jaimieross@aol.com.



621 32nd Street: recently completed Northwood Renaissance CLT home in West Palm Beach.

Community Land Trusts are Springing up in Florida

BY GLADYS SCHNEIDER
FLORIDA HOUSING COALITION

It seems like community land trusts are springing up like mushrooms all over Florida but it takes a lot more than manure and water to get one going. As we go to print, there are 30 land trusts in Florida that are either already formed or being considered. Of these, 17 are either fully operational or in the incorporation stages and 13 are under discussion. Here's a look at just what gets a land trust going, moves them along faster, and some of the sticky issues that arise such as funding, finding sources of operating funds, agreeing upon the resale formula and other issues that require analysis and debate to find the right match for each community.



the community land trust session was attended by over 70 people and over 40 participated in a roundtable discussion.

FLORIDA HOUSING FINANCE CORPORATION SUPPORT FOR COMMUNITY LAND TRUSTS

Traditionally, the land trust model is a grassroots phenomenon. A neighborhood or community group seeks to preserve an area or there is a specific cause that brings people together to form a land trust. In Florida, while some have come from a grassroots effort, more often community land trusts are incubated by local governments. While difficult to categorize, roughly 12 are community based and 18 are government initiated.

The Florida Community Land Trust Institute and the Florida Housing Coalition have been providing intensive community land trust technical assistance throughout Florida. The Florida Community Land Trust Institute has published the Community Land Trust Primer and FAQ brochure, and the Coalition has developed and offered workshop training, on site assistance, and facilitated a statewide network of community land trusts. At the Coalition's 2006 statewide annual conference,

The Florida Housing Finance Corporation has issued two funding cycles for land acquisition for land trusts with over \$5 million in funds made available in demonstration loans. There have been nine successful respondents whose projects should yield about 93 homeowner units. Of these nonprofit organizations who are sponsoring the projects, four can be said to be community based land trusts and five government initiated. The Florida Housing Coalition is the technical assistance provider dedicated to these projects. Goodhomes of Manasota is one such recipient having been funded in both cycles for a total of 20 homes. Laura Carter of Goodhomes is working closely with Martina Guilfoil, director of the newly formed Sarasota Community Housing Trust. "We've

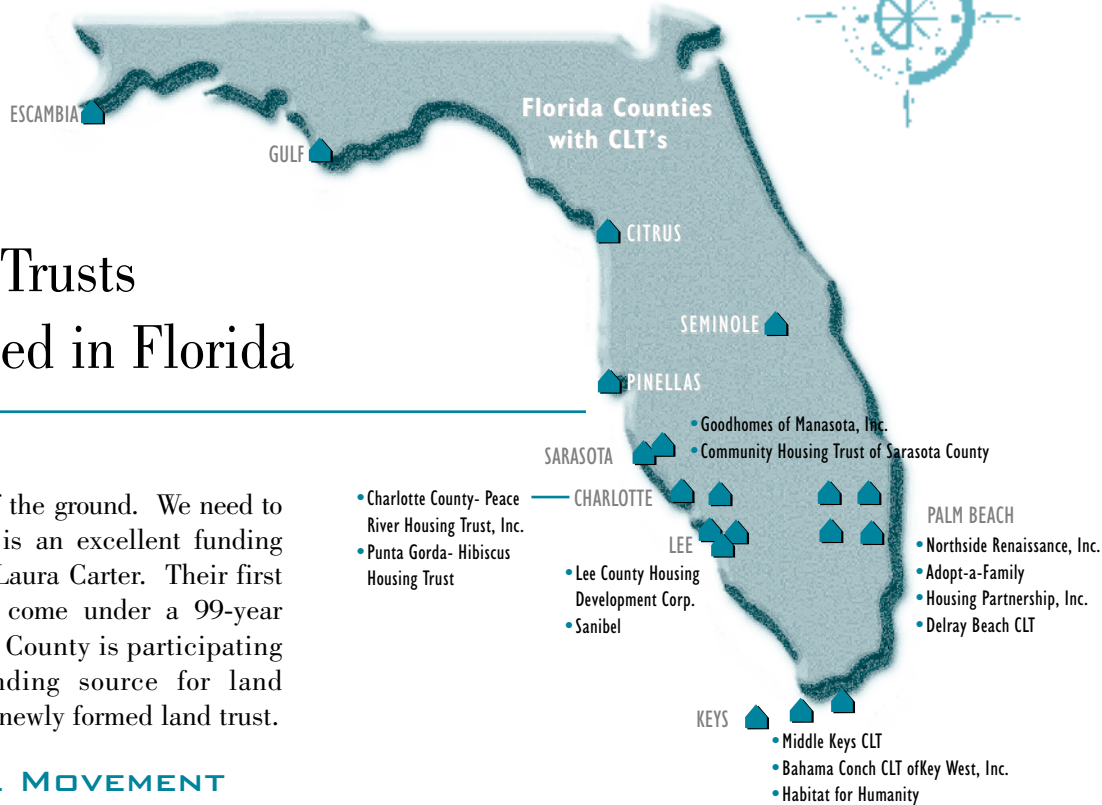


Community Land Trusts Already Established in Florida

got land trust homes coming out of the ground. We need to put all the pieces together. This is an excellent funding source for land acquisition,” said Laura Carter. Their first home is scheduled to close and come under a 99-year ground lease in November. Sarasota County is participating by providing a significant funding source for land acquisition and operations of the newly formed land trust.

A STRONG LOCAL MOVEMENT MOVES TOWARD COLLABORATION

If land trusts are sprinkled around Florida, they are pouring into Palm Beach County. There are three land trusts which are community based, one formed by a community redevelopment area, and one being formed by the county itself. According to Patrick McNamara of the Housing Partnership, several initiatives are occurring simultaneously. The emphasis is based on locality and mission. The Housing Partnership is a nonprofit serving unincorporated Palm Beach County. The Northwood Renaissance Community Land Trust focuses on West Palm Beach and is holding an open house for its first 13 homes to introduce buyers and the community to the land trust model. Recognizing that “one size does not fit all,” Ripley Harrison, with Northwood Renaissance, hopes to show the community this alternative to owning and encourage land trust owners to become members of the land trust organization. Adopt-a-Family is centered around Lake Worth. The Delray Beach land trust grew from the Community Redevelopment Agency. The Palm Beach County Department of Community Development is starting a land trust to serve households up to 140% of area median income and will work with nonprofits countywide. CHDO set aside funds will be used to help with administration costs. A collaborative of land trusts is being started so these groups can network.



LAND ACQUISITION AND OPERATING FUNDS FOR COMMUNITY LAND TRUSTS

The earliest land trusts, including Bahama Conch Village in Key West, Middle Keys Community Land Trust and Hannibal Square in Winter Park provide a backdrop to those thinking about the model. Each of these has a specific mission that reflects the character of their community. The Middle Keys Community Land Trust is working toward supporting its operations by providing professional services such as income certification and annual report assistance for two local governments. The Middle Keys CLT is currently funding its operations with cash flow from a rental development.

Along with Sarasota County, Lee and Charlotte Counties are providing a significant local government funding contribution for land trust operations and land acquisition. This goes beyond the normal housing subsidy range. These counties realize that until a land trust has a large portfolio of leases (over 300), it does not have a great deal of revenue from which to operate. Since land trusts are basically a holding or property management company, development subsidies go into the construction of the

OPERATING FUNDS FOR COMMUNITY LAND TRUSTS

From a national survey of the ten community land trusts listed below, it appears that operating funds are generated from myriad sources. Approximately 50% of operating funds come from a combination of public funding, development fees from the CLT housing, and/or private grants. The other 50% comes from a variety of sources, including resale fees, rental income, ground lease fees, membership fees, corporate sponsorship, fundraising events, and fees for consulting services and homebuyer application fees.

The ten CLTs surveyed:

Kulshan CLT- Bellingham, WA

Opal CLT- Orcas Island, WA

Orange Community Housing and Land Trust- Carrboro, NC

Highland Park CLT- Illinois

Northern Communities Land Trust- Duluth, MN

City of Lakes CLT- Minneapolis, MN

Thistle CLT- Boulder, Colorado

Burlington CLT- Vermont

First Homes CLT- Rochester, MN

Portland CLT- Oregon



Goodhomes of Manasota's Laura Carter, Executive Director, and Nancy Crawford, Housing Case Manager, Goodwill Industries-Manasota, Inc., in front of the rehabilitated land trust home.



One of the ten homes built for and sold by the Hannibal Square Community Land Trust in Winter Park



Treva Gilligan, Lee County Housing Development Corporation for Lee County Community Land Trust

units. In a survey of the largest land trusts nationwide, the Coalition found that the two largest sources of operating funds were from public sources or from fundraising and membership funds. Certainly fund raising by Florida's housing non profits is important, but most are accustomed to using developer fees to operate.

Because the community land trust model takes the land out of the speculative market through ownership by a nonprofit organization in perpetuity, the land must be purchased for or donated to the community land trust. This makes the local government and private sector role critical in providing land or the monies to purchase land to the community land trust. As subsidies are growing larger and land prices increase, the need to preserve the subsidy for future buyers becomes even more apparent. This creates a good rationale for bettering the public good, which justifies

local governments working closely to make surplus land available for land trusts.

Charlotte County has provided a community land trust set aside in its Hurricane Housing Recovery Plan. The county is providing operating funds to assist the formation of the land trust. The Peace River Housing Trust has been formed and will develop its first seven homes this winter. Homebuyer orientation has already begun. Potential applicants are presented scenarios of home costs in the traditional manner and as a land trust. The land trust is presented as an "alternative to renting," rather than an alternative to home-ownership, says Brenda Bala, executive director of Charlotte Housing Development Corporation, the non profit developer of the homes that will be placed into the Peace River Housing Trust. The lower estimated mortgage payment is attractive and applicants can decide which program is best for them.

Continued on page 10



Charlotte County partners- Loraine Hebler of Charlotte County and Brenda Bala, of Charlotte County Housing Development Corp. for the Peace River Housing Trust



Northwood Renaissance Community Land Trust BBQ & Open House: Pictured left to right: Linda Raybin, Community Foundation for Palm Beach & Martin Counties; West Palm Beach Commissioner Kimberly Mitchell; CLT homebuyer Jeannetta Watts; Abraham Raymond; and Annetta Jenkins, Sr. Program Director, South Florida LISC


TRAINING AND TECHNICAL ASSISTANCE FOR COMMUNITY LAND TRUSTS


The Florida Housing Coalition has assisted most of the community land trusts, both formed and under review, as well as potential lending partners, and the Florida Housing Finance Corporation.


The FHFC has made rule changes necessary to support the community land trust model. For example, SHIP and HOME subsidies, whether in the land or the improvements, must be assumable by the subsequent buyer to keep the purchase price affordable. Local SHIP programs must also ensure that the Local Housing Assistance Plan allows for assumable subsidies upon transfer to another eligible buyer.

Many banks in Florida are willing to provide financing for land trust home buyers. Community banks have the option to include the mortgage in their portfolio but commercial banks rely on a Fannie Mae rider to land trusts that allow the loans to be marketed to the secondary market. Fannie Mae has resolved some problems with the rider, such as third party notification, but it is important to ensure that the ground lease resale restrictions survive foreclosure. The Coalition is working with Fannie Mae in financial institutions to address this.

A FEW COMMON IMPORTANT ISSUES TO BE ADDRESSED

 **Marketing and education:** Buyers must be fully aware that in choosing a land trust home they must adhere to the resale formula established by the land trust. There are also other restrictions on alterations to the property, transfer to heirs, and membership in the land trust.

 **Maintenance and major modifications:** The community land trust resale formula can impact whether and how the home is maintained. For example, if the resale formula provides the same resale price to the homeowner whether the home is in good repair or disrepair, there may be a disincentive to maintain the home. Conversely, if the home has been gold plated with a spa, pool and tennis court, the new buyer won't be able to afford the home. Consideration of the consequences of the resale provisions and reaching the proper balance for maintenance and major modifications is a thoughtful process.

 **Price points:** Setting the purchase price for affordability and the target market are often debated by newly formed land trusts. While workforce housing seems to be the new sweet spot for politically correct affordable housing, some communities have found that higher income households who can manage a traditional home purchase would not choose to buy a community land trust home. For lower income households the



(Top) Middle Keys Community Land Trust rental housing (Bottom) Middle Keys Community Land Trust home

community land trust may be the only alternative to renting other than moving elsewhere. For those earning upwards of 140% of the area median income, there may still be traditional mortgage opportunities.

The success of community land trusts will depend on a careful review by each community to develop a consensus on funding commitment, resale formulas and long term operating viability. Unlike mushrooms, community land trusts need a lot of sunshine and daylight to blossom. For more information on community land trusts, The Florida Housing Coalition invites you to attend our Catalyst Workshops, sponsored by the Florida Housing Finance Corporation, or call the **Florida Housing Coalition** at 800/677/4548 for a site visit or telephone technical assistance.



GLADYS SCHNEIDER is a Technical Advisor for the Florida Housing Coalition. Most recently she served as the vice president of Operations for Habitat for Humanity of Lee County providing for planning and finance needs for both homeownership and rental housing for families and seniors. From 1996 through 2002

COMMUNITY LAND TRUSTS IN FLORIDA

REGION	Status	Community Land Trust RFP funding from Florida Housing Finance Corp.
NORTHEAST		
NORTHWEST		
Escambia County Community Land Trust, Inc.	Formed	\$205,000
Gulf County Community Land Trust	Formed	
City of Destin	Exploring	
Bay County	Exploring	
CENTRAL		
Citrus County-Florida Low Income Housing Associates, Inc.	Formed	\$1,570,000
Pinellas County	Exploring	
St. Petersburg Neighborhood Housing Services, Inc.	Formed	\$440,000
Hannibal Square- Winter Park	Formed	
Brevard County	Exploring	
SOUTHEAST		
Palm Beach County-Northside Renaissance, Inc.	Formed	
Palm Beach County- Adopt-a-Family	Formed	
Palm Beach County- Housing Partnership, Inc.	Formed	\$1,314,000
Palm Beach County	Exploring	
Palm Beach County- Delray Beach Community Land Trust	Formed	
Middle Keys Community Land Trust	Formed	\$1,756,920
Bahama Conch Community Land Trust of Key West, Inc.	Formed	\$1,137,644
Florida Keys Community Housing and Land Trust-Habitat for Humanity	Formed	\$1,757,030
St. Lucie County	Exploring	
City of Hollywood	Exploring	
Martin County	Exploring	
Broward County	Exploring	
City of Homestead	Exploring	
SOUTHWEST		
Lee County	Formed	
Collier County	Exploring	
Lee County Housing Development Corp.	Formed	\$150,000
Sanibel	Formed	
Charlotte County- Peace River Housing Trust, Inc.	Formed	
Punta Gorda- Hibiscus Housing Trust	Formed	
Goodhomes of Manasota, Inc./Community Housing Trust of Sarasota County	Formed	\$1,000,000
Cape Coral Housing Development Corp.	Exploring	

she also served as a Technical Advisor with the Florida Housing Coalition. During this time, she developed a variety of housing demonstration models that provide affordable housing opportunities for people with disabilities. She has designed training in many areas of affordable housing including introduction to housing, housing for special needs, accessibility, predevelopment, and recovering affordable housing properties. Gladys has worked extensively with developing capacity for nonprofit community based organizations in resource development and strategy implementation. Gladys has a graduate degree in urban planning and has worked extensively with local governments in affordable housing and historic preservation.



ADVOCACY RESOURCES

A Top Ten Insider's Guide to Legislative Advocacy

BY JACK LEVINE

1. Don't be a stranger to your elected officials and their staff members. The most persuasive messages come from familiar faces. Know them by name, and make sure they know you by name. Anonymity is the antithesis of effectiveness. Invite officials to your community partnership programs for conversations and photos. When it comes to creating a positive impression.... Seeing is Believing.

2. Introduce yourself at every opportunity. Always have business cards with you and hand them out like candy at Halloween -- always have extras. Ask for cards from others and send them an acknowledgement note or e-mail within a day or two of the meeting.

3. Always say "thank you" before you say "please." Even if you disagree with your elected official's positions on some (or even most) issues, they are more likely to listen to you if you've found some way to praise them. If nothing else, thank them for the courage to be a public office holder.

4. A well-written, brief thank you note is always appreciated. Remember, officials get 25 complaints for every compliment. Like the wise hotel maitre 'd once taught me in my dining room waitering days, "Only two types of people respond well to an honest compliment -- males and females."

5. The hometown connection is essential to help elected officials listen with both ears. Concentrate on principles of policy, rather than too many specifics which may change by the hour. Trust that your "every day professional advocates" know the details; your job is to set the stage with your elected officials and to pave the way for your allied advocates at the Capitol. There's a real difference between lobbying and advocacy. Lobbyists make it hard for elected officials to say "No." Advocates make it easy for them to say "Yes." Advocates do not need to be partisan, do not require a PAC, and never resort to threats or retribution to be effective.



Jack Levine, founder of Advocacy Resources, speaks to Coalition conference attendees on effective advocacy strategies and tactics to use when delivering messages to media, local officials and legislators.

6. Always be concise and to the point. The issue or program you advocate should be compressed into a paragraph and a two-minute presentation. The key to influence is not volume, but precision. Elected officials are not experts, but don't want to be overwhelmed with your knowledge. Have them trust you as someone to turn to for more details if they are needed. Sharpen your point and it will make an impact.

7. Engage the media (or schmooze the newsies!!) who have the power to send your message far and wide. An expert source and passionate volunteer are golden to every reporter and editorial/opinion writer -- but, be careful: they should not perceive you as seeking "publicity." Once you're viewed as an accessible expert when they're on deadline, you can pitch them ideas anytime. The media is an advocate's most cost-effective megaphone.

8. Write Letters to the Editor. Submit guest op-ed columns, and encourage allies to do the same. The opinion pages are read word-for-word by every public official. It's where powerful people test the pulse of the thinking community. You have their attention if your case is made in print. Never attack, always attract. Be positive and persuasive, giving your readers a reason to care and act on your behalf.

9. Advocacy requires the art of compromise.... never expect it all. While we strive for unanimity, we work for majority. There's a difference between compromising principles (a no-no) and a healthy policy discussion. Long-term relationships require understanding where everyone is coming from before you know where you're going. Burned bridges are impossible to cross, and antagonistic scars may never heal.

10. While there's strength in diversity, there's power in unity. Bring as many diverse voices to your cause as possible, but reach a unifying message. Agree on the important unifying goals and success will be achieved.





FLORIDA'S SADOWSKI/WORKFORCE HOUSING COALITION CALLS FOR A REPEAL OF THE CAP ON HOUSING TRUST FUNDS SCHEDULED FOR FY07-08

1. The Florida Legislature enacted a dedicated revenue source for affordable housing, known as the William E. Sadowski Affordable Housing Act. The funding was deliberately tied to documentary tax revenues so that as real estate costs and population increases drove up doc stamp receipts, the monies available for housing would increase proportionately.
2. Sadowski Act monies are statutorily dedicated by formula to the state and local housing trust funds with 70% of the revenue dedicated to local governments through the SHIP program and 30% of the revenue dedicated to the state to fund successful programs such as SAIL and HAP.
3. The Florida Legislature has closely scrutinized both the state and local housing trust funds and Florida's housing programs. These reviews have shown that Sadowski Act monies have been an unequivocal success in promoting home ownership, building quality rental housing, leveraging public dollars with private investments, and providing an economic boost to Florida far in excess of the amount of funds appropriated for housing.
4. Additionally, the current shortage of affordable housing for our workforce as well as hurricane damage has led to the new CWHIP and hurricane recovery housing programs, which are funded from the Housing Trust Funds.
5. Between ongoing successful programs such as SHIP and SAIL, the new CWHIP Program, and hurricane housing recovery, the Legislature appropriated \$433 to \$443 million each of the past two years. Combined with increasing need to serve additional segments of the workforce, the need for housing funding will far exceed the \$500-\$600 million per year that is being distributed to the trust funds currently.
6. Beginning in FY07-08, the doc stamp distributions into the housing trust funds will be reduced to \$243 million per year. At that time, we will be faced with attempting to force \$500-\$600 million or more of housing funding under that cap—a train wreck in the making.
7. Unlike many a crisis, Florida prepared for this one by creating an effective housing funding system. The Housing Trust Funds were designed to have more money available when housing costs escalated. Coupled with our innovative housing programs, we have enough resources to address the housing crisis—but only if the cap is repealed.





Affordable Housing Study Commission presents Preservation Strategy and Receives Public Comment on its Study of SHIP

BY ODETTA MACLEISH-WHITE

INTRODUCTION

The Affordable Housing Study Commission held its stakeholders meeting on September 7th, at the Florida Housing Coalition's annual conference in Orlando. Following an overview of the preservation strategy outlined in the Study Commission's 2006 final report, the commissioners engaged in a question and answer session with the audience about the SHIP program, the study topic for the 2006-2007 year.



Housing deny any such requests unless a compelling reason to do is presented.

SHIP IS THE 2006-2007 STUDY YEAR TOPIC

2007 is the 15th anniversary of the SHIP program, which is known as a model throughout the country. The Commission believes it is a perfect time to examine

SHIP's successes and consider what changes, if any, are needed to make this program even more responsive in the coming years. The Q&A session with the SHIP administrators in attendance yielded a number of interesting statements on the challenges of and best practices used in implementing this program across the state.

A STRATEGY FOR PRESERVING FLORIDA'S AFFORDABLE MULTIFAMILY HOUSING

With the release of its 2006 final report, the Affordable Housing Study Commission draws together nearly two years of study to offer updated expiration and aging data for Florida's affordable housing stock and recommendations for a strategy to preserve Florida's affordable multifamily housing.

The private sector must be encouraged to undertake preservation transactions through financial incentives that acknowledge the increased risks of preservation over new construction. State funding programs have historically promoted new construction and the Commission laid out recommendations for a number of state administered programs to provide a more level playing field for preservation deals. Gaps in the state's housing data make it difficult to focus precious resources and craft tailored preservation strategies, although the Commission did recommend that the Florida Housing Finance Corporation first direct its resources towards preserving units that receive project based rental assistance, as these units often house extremely low income families.

It is also important to expand the circle of entities that will take on preservation transactions, which is why the Commission recommended offering capacity building workshops for local governments, nonprofits and public housing authorities through the Catalyst program. Finally, the Commission addressed the growing trend of requests to convert units funded with Florida Housing programs to market rate housing. The Commission recommended that Florida

Some of the key issues included the challenges of enforcing expedited permitting requirements and addressing extremely low income families. To promote truly expedited permitting, some counties have created positions that facilitate moving affordable housing permits between the SHIP and building or permitting departments which have final authority to issue permits. Partnerships with established nonprofits can support SHIP programs in reaching extremely low income families although it was expressed that layering federal funds with SHIP dollars is often difficult and might benefit from the appointment of a facilitator to coordinate these federal processes with other agencies.

CONCLUSION

To read the 2006 Final Report in its entirety and a summary of the stakeholders meeting, please visit www.floridahousing.org/AHSC and click on the links for Annual Reports or Meeting Summaries respectively. The meeting dates and locations for the 2006-2007 year are also available at this website.



Odetta MacLeish-White is the Director of the Affordable Housing Study Commission, She joined Florida Housing Finance Corporation after four years as a developer and holds degrees from Harvard University and Duke University School of Law.



Panelist convey their views on the high cost and lack of available property insurance in Florida during a plenary session at the Coalition's conference


Tackling the Property Insurance Monster

BY MARK HENDRICKSON

Florida's homeowners, homebuyers, and apartment owners all face an unprecedented crisis in obtaining and/or affording property insurance. The major reason is straightforward—our state was hit with a multitude of hurricanes in little over one year. The result—over 2.6 million claims with over \$35 billion paid by insurers. The reaction of the insurance companies to these claims and losses has been to raise rates and reduce their exposure in Florida by cancelling policies.

The rate increases have been dramatic, almost doubling in many cases. For restricted rent affordable housing apartments, rents can only be raised as median income increases—so there is no way to recoup the unexpected expense. This can take a deal that was performing adequately and take it under water—with operating expenses now exceeding rental income. While a developer may feed the deal for some short period of time, existing deals cannot continue to operate in the red, and new deals that would have worked no longer show ability to cash flow.

The same is true for small “mom and pop” apartments, which are not rent restricted but still serve as an essential part of our affordable housing stock. These owners are faced with either increasing rents to levels that are no longer affordable to the residents, or selling the property for higher end development.


EXISTING DEALS
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FLOW.

For homebuyers, the increase in property insurance rates limits their ability to borrow. With the increased payments included in the debt ratios, potential homebuyers cannot afford to buy the same home they could a year ago without significant additional subsidy to write down the mortgage amount. Existing homeowners face increased monthly payments that they may not be able to afford—or worse, cannot obtain insurance if their policy is cancelled.

At the Florida Housing Coalition's Conference in September, I moderated a distinguished panel of experts who came together to address this crisis. This article presents their perspectives on three important questions:

- 1. Why are we in the crisis?**
- 2. What are the best solutions to the crisis?**
- 3. What potential solutions have they heard about that they believe don't make sense?**

Interviews were conducted with:

- **Lloyd Boggio**, the co-founder, Principal and Chief Executive Officer of The Carlisle Group, Inc., a leading developer of affordable apartments in Florida;
- **Sam Miller**, executive vice president of the Florida Insurance Council, the state's largest insurance company trade association with 250 members;

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- **John Pisula**, head of the Public Affairs Department of State Farm Insurance, one of the largest providers of property insurance in Florida;
- **Steve Burgess**, the State Insurance Office's Insurance Consumer Advocate, a position with the authority to initiate or participate in any issue or filing that comes before the Office of Insurance Regulation or the Department of Financial Services;
- **Bill Newton**, Executive Director of the Florida Consumer Action Network, (FCAN), a statewide nonprofit consumer organization that advocates on issues including insurance, utilities, health care and the environment;

1. WHAT IS YOUR TAKE ON THE PROPERTY INSURANCE CRISIS TODAY? WHY ARE WE IN CRISIS?

Miller: We have a hurricane crisis because of eight hurricanes in 15 months, [leading to] 2.6 million claims, \$35 billion in claims paid by insurers, plus another \$4 billion absorbed by consumers through their deductibles. [These losses and] the probability that these kinds of huge hurricane losses will occur every few years if not annually for the next 10 to 20 years [are the reasons for the crisis]. We did manage to come up with the \$35 billion, but it depleted the Florida hurricane catastrophe fund, put Citizens Property Insurance Corporation into a deep deficit and depleted the surpluses and profits accumulated by private carriers in the years following hurricane Andrew.

We are faced now with huge rate increases that are very difficult for consumers to absorb, but necessary if we are to pay hurricane claims the next time around. The major cost driver is the worldwide, private reinsurance market, charging two and three times what it did a year ago. [Insurance] carriers must have reinsurance and must pay what this unregulated market demands. They must pass on these costs to policyholders.

Boggio: We are in a crisis because of unprecedented hurricane activity, in Florida and elsewhere. There is no property insurance crisis; there is a windstorm insurance crisis. Insurers and reinsurers have sustained unsustainable losses, and have decided not to do so again.

Pisula: The property insurance situation in Florida has been in turmoil since Hurricane Andrew hit in 1992. Through the 1990's, the only positive measure that has

had any long-term positive effect was the creation of the Florida Catastrophe Fund (CAT Fund). Through the 1990's, the leaders in Tallahassee artificially kept the rates of insurance from meeting the true actuarial levels. In fact, legislative committees recognized that even the old FWUA -- windstorm coverage -- was not charging the correct amount, but they did not want to make the tough decisions for political reasons. This did not encourage additional companies to enter the market. Instead, it sent a signal that companies would have to accept lower than actuarial correct rates. We have a true hurricane crisis, not an insurance crisis.

Burgess: The fundamental problem causing Florida's insurance crisis is the current lack of reasonably priced capital available to cover potential hurricane losses.

A large part of the capital that Florida relies on is provided by private reinsurance companies. Reinsurance is the "insurance for insurance companies." The Florida Office of Insurance Regulation (OIR) regulates the price that direct writers charge Florida residents, but OIR does not have regulatory authority over the reinsurance transaction. Given all the variables, the supply and demand are balanced in favor of the suppliers (reinsurance companies) being able to change very high prices for the use of capital.

The major factors that contribute to the current balance (imbalance) in the supply and demand for capital available to cover Florida's potential hurricane losses include (1) Increased value and density of property subject to destruction or damage from a single event or a single season, (2) A general recognition that the amount of possible destruction is considerably greater than was believed to be the case prior to Hurricane Andrew, (3) A generally held belief that hurricane activity (frequency and intensity) occurs in multi-decadal cycles and that we are in the early phase of an upward trend. This belief, coupled with the apparent belief by some that global warming contributes to this phenomenon, seems to be driving the expectations of reinsurance. Reinsurers are currently charging as much as ten times risk, depending on the layer of coverage. This means that if you start with the average expected annual loss—based on hurricane models used by the market—some reinsurers are charging ten times that amount to cover a single year, depending on the layer that is being covered. By OIR regulation, a direct writer is restricted to premiums that bear a much closer relationship to the layer of risk being absorbed, (4) Creation of Florida "pups." By creating separate corporations limited to Florida homeowner

policies, national companies have removed a large amount of the capital that would otherwise be available through direct writers. Risk that had previously been absorbed by direct writers on a national basis is now being covered by reinsurance purchased either at arm's length or from the parent company. In other words, layers that previously had been regulated as direct writing are now being priced as reinsurance, (5) Direct writing companies that seem to be taking advantage of the general public perception and seek rate increases that far exceed actuarially sound rates, and (6) Expenses that currently are tied as a percentage to the premium level, but that do not actually bear any significant relationship to the premium.

Newton: For many years, Florida grew rapidly. There were few hurricanes. Insurance companies eagerly sold policies in coastal areas with larger homes. After Andrew, insurers realized they were exposed to too much risk, and so they raised rates and canceled policies. The state got in the insurance business by creating the Catastrophe Fund and Citizens Property Insurance. These amounted to subsidizing insurance and taking on the worst customers. The state did this to keep the growth and development engine that drives Florida's economy going. Now, with more storms, insurers have models that say the risk is even higher and they want more. That has caused a crisis because it is having an effect on the economy. Development and growth are slowing.

2. WHAT DO YOU THINK THE BEST SOLUTIONS ARE FOR THIS CRISIS?

Newton: FCAN proposed a two part solution. First, we have to make sure the rates are justified. That means thoroughly analyzing rate increase requests and having an independent consumer advocate to challenge rate requests. Second, we have to lower our risk. Insurance merely quantifies our risk. Insurers agree to pay our losses, if needed, so we don't have to save up, and they charge us for it. If we are satisfied the rates we're being charged are okay, then the only other place to go is the risk. We have to lower our risk. That means building codes, but it should also mean taking risk into account with land use planning and growth management. Risk is not considered when financing affordable housing, but it should be. And if homes or buildings are destroyed, should they be rebuilt in the same place? With the funds we are investing through public subsidy of insurance, we need to get something out of it, namely lower risks, so we have lower costs in the future. Reducing global warming, which may make storms worse, should also be considered.

Boggio: The long term solution is building, and rebuilding, EVERYTHING to withstand hurricane winds in Florida, the Gulf Coast, and Southeast Atlantic States. That's a 20, 30, 40 year fix, and will be horribly expensive and politically unpopular.

The short-term answer is for the State to accept the reality that windstorm is currently AN UNINSURABLE RISK IN FLORIDA. The potential for catastrophic loss is too great, and no premium that is even marginally feasible can cover it. Insurance companies don't insure for floods anywhere in the US, earthquakes in California, or war, terrorist attack, or civil insurrection ANYWHERE... and now windstorm damage in the Southeast, particularly Florida. The State will either step in to be the reinsurer, or our construction and growth based economy will collapse. All of us will soon be subsidizing windstorm insurance, in one form or another. We can choose between higher taxes, higher fees, higher premiums, or recession ... or some combination thereof.

Burgess: Since the fundamental problem is that the demand exceeds the supply of capital available to cover potential hurricane losses, the solutions must decrease demand and increase supply. There are a number of areas which might provide an improvement to our current situation. I believe two promising areas to address are:

- (1) In order to displace as much of the exorbitant private reinsurance as possible modify the Florida Catastrophe Fund (CAT) in the following ways [by] (a) substantially expanding the layers of coverage both above and below the current levels, (b) allowing the CAT fund to charge rates for additional levels that are higher than the pure risk level, but lower than the market levels, and (c) expanding the percentage of primary carrier participation from the current 10% level.
- (2) (a) Continue and expand the current efforts to retrofit the existing housing stock to better withstand hurricanes, (b) Remove exemptions to the building code that are creating a whole new generation of houses to be built that we will later be looking at to retrofit to higher standards and, (c) Seriously examine our current property development policies that continue to add to our demand on a daily basis.

Miller: Every conceivable idea is being looked at to build on the very important package passed by the legislature this spring, that included a commitment to hurricane loss mitigation that no state has undertaken before, plus reforms to reduce deficits and assessments from citizens.

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The Florida Hurricane Catastrophe Fund provides \$15 billion in reinsurance to the residential insurance system after the companies meet a \$5.4 billion deductible as costs of six or seven cents for each dollar of reinsurance coverage. Private reinsurance costs were 30 to 40 cents on the dollar until April 2008. They are as much as 70 and 80 cents for each dollar of coverage now. If the CAT fund coverage is expanded, probably by lowering the deductible by half, to around \$3 billion, there will be an immediate reduction in company's private reinsurance costs for 2007 and rates can go down. CFO Gallagher has estimated there could be a 20 percent rate reduction. This is likely to occur, the CAT Fund fix, in a special session late this year.

The down side is that it becomes more likely the CAT fund will have to sell billions in bonds, which will be retired by a surcharge, maybe three to six percent, on all property insurance, including homeowners, commercial and auto, for 20 to 30 years. *Nothing is free.*

One of the best things that can happen to Florida is a year without major hurricane losses. We are almost through the heart of the hurricane season and nothing bad has happened--the first time in three years we have not had four major landfalls-- but never say never. After a couple of years without major losses, private reinsurance rates and construction costs will come down, Citizens, the CAT fund [and private insurance companies] will have time to build at least some cash reserves.

Pisula: For years the insurance industry has worked to raise the awareness of safety by supporting stronger building codes, retrofitting of older homes, and strong community efforts to better protect our residents. This needs to be taken seriously by all builders and home owners. When a category 1 hurricane goes through Broward County and causes hundreds of millions of dollars in damage, it shows that homeowners are not serious about protecting their most expensive possessions.

There are proposals to permit insurance companies to create less expensive policies, such as covering the structure only and not contents, or offering a policy for the depreciated actual cash value only on the roofing damage. We also need to look to the mortgage industry for relief since they are the ones that require insurance on homes, not the insurance companies.

The CAT Fund is able to offer reinsurance to insurance companies. The fund should be expanded to permit greater levels of reinsurance availability. In years when there were


few hurricanes, like this year, this would permit the CAT fund to grow even faster and create even larger reserves for busy hurricane years.

3. WHAT POTENTIAL SOLUTIONS HAVE YOU HEARD ABOUT THAT YOU THINK DON'T MAKE ANY SENSE, AND WHY?

Boggio: Blaming insurance companies is just dumb. They exist only if they can charge more than they pay out in losses over time. They do not exist to help us, or make our dreams come true. We are not in good hands, and we can't count on them, except to try and minimize claims and maximize premiums.

If we regulate them out of profitability, they will simply move on to greener pastures...as they should. We can't demand that the OTHER GUY lose his shirt so we can have what we want.

Pisula: Supporting greater government intervention does not encourage companies to come to Florida. Using a Citizens (CPIC) type government run insurance company to cover all the homeowners is a recipe for disaster. CPIC is already 20 percent of the market, the largest insurer in Florida, and they are so far in debt that everyone else has to bail them out. Our rates will not go down until our buildings are built to withstand minimal level hurricanes, or hurricanes stop hitting our state!

Newton: Deregulation makes no sense. Insurers and some legislators have said the insurance industry is overregulated. That's nonsense. The industry is, by its nature, a regulated industry. Why? Policies are too complicated for the average consumer so we regulate what's in the policy to make sure consumers are protected. We also know that if the policy is inadequate, the rest of us may end up paying through charity or taxes. Another reason for regulation is the insurance industry's exemption from anti-trust laws. Insurers can legally share information about rates and can collude on rates. There is little or no competition in Florida, so there is no incentive to lower rates. Regulation holds insurers accountable. Experiments with deregulation have ended badly, and we don't want Allstate Floridian to turn into the next Enron. 

MARK HENDRICKSON, immediate past Chair of the Florida Housing Coalition, is the President of the Hendrickson Company. He specializes in financial advisory and related legislative and policy issues. He served as Executive Director of the Florida Housing Finance Agency from its inception in 1981 to 1994. As its first Chief Executive Officer, he led the way in creation of the Sadowski Act and is currently active in policy work with the Sadowski/Workforce Housing Coalition.



The Role of Citizen Participation in Effective Advocacy: *A housing law is enacted, now what?*

BY JAIMIE ROSS

A surprising number of housing laws or initiatives virtually die on the vine from failure to implement at the local level. Many times this is because local elected officials and local residents are either unaware of the new law or unsure of how a new initiative should best be implemented. Effective advocacy involves more than getting laws enacted, it requires dissemination of information and follow-through at the local level; work that is best done through citizen participation. The “citizen” is any community member- it could be a nonprofit or for profit developer, a business owner, housing or community activist, or simply a concerned resident.



be revised at the conclusion of the public hearing. Following the public hearing, the governing body must adopt a resolution that includes the inventory list.

BUT WHAT ARE PROPERTIES “APPROPRIATE” FOR AFFORDABLE HOUSING?

The compilation of a list of land owned by the government that is “appropriate” for affordable housing creates an important opportunity for citizen participation in the process. With property appraisal data so readily available on line and the large number of Realtors who are both affordable housing advocates and knowledgeable about local inventory, you may find yourself in the position to ask why a certain parcel is not on the list. The language of the statute “may be revised at the conclusion of the public hearing” evidences an expectation that the list initially submitted for review at the public hearing may not be the list that is ultimately adopted by resolution. But if no one questions the list or brings information about what properties should be added to the list, the likely outcome is that whatever is originally submitted will be what is ultimately approved.

This article will focus on a few of the newly created or enhanced initiatives in the omnibus housing bill (HB 1363), such as the creation of the surplus lands initiative, changes to the DRI statute, and ad valorem tax relief for low income elders to point out areas where information, citizen participation/local housing advocacy can have a positive impact on the efficacy of these new laws and initiatives. The changes to the SHIP statute are covered in SHIP clips on page 28.

DISPOSITION OF COUNTY AND MUNICIPAL PROPERTY FOR AFFORDABLE HOUSING

Beginning in July 2007, and every three years thereafter, each county and municipality in Florida must prepare an inventory list of all the real property it owns “appropriate” for use as affordable housing. (See respectively, Sections 125.379 and 166.0451, Florida Statutes, 2006). The inventory list must go to a public hearing and it may

WHEN DO THOSE APPROPRIATE PROPERTIES BECOME AVAILABLE FOR AFFORDABLE HOUSING?

And what will the resolution state? Is it going to provide that the inventory of properties will be donated or sold within 30 days, 60 days—12 months? The statute does not prescribe the time – that means the process will be determined by the county or municipality—another opportunity for citizen participation/advocacy at the local level.

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WHICH RESIDENTS WILL BENEFIT FROM THE AFFORDABLE HOUSING CREATED FROM THIS INITIATIVE?

Once the list is adopted by the county or municipality it may be:

- (1) offered for sale and the proceeds used to purchase land for the development of affordable housing or to increase the local government fund earmarked for affordable housing, or
- (2) sold with a restriction that requires the development of the property as permanent affordable housing, or
- (3) donated to a nonprofit housing organization for the construction of permanent affordable housing.

Alternatively, the county or municipality may otherwise make the property available for use for the production and preservation of permanent affordable housing. (see sections 125.379 (2) and 166.0451(2), Florida Statutes, 2006)

The term “affordable housing” includes income groups from extremely low income through moderate income, as defined in 420.0004(3), F.S. There is no set-aside prescription such as found in the SHIP program with a 30% set aside for very low income and another 30% for low income. This provides another opportunity for housing advocates in regard to what income groups will benefit from the housing created from the surplus lands initiative.

EMPLOYER ASSISTED HOUSING FOR SCHOOL DISTRICTS AND SPECIAL DISTRICTS

Complementary provisions to the county and municipal disposition of property for affordable housing provide authorization to all special districts, created under a special act or general law, including all independent districts, community development districts, fire control districts, and water districts to provide housing and housing assistance for its employed personnel whose total annual household income

The surplus lands initiative in HB 1363 also provides statutory authority for counties and municipalities to request that state owned land within its jurisdiction be declared surplus. Surplus lands that are conveyed to a local government for affordable housing shall be disposed of by the local government under the same process used for surplus lands owned by the local government. (See section 253.0341, Florida Statutes, 2006). This presents another opportunity for local advocates to be on the look out for properties that might be used for affordable housing or sold so that the proceeds could be used for affordable housing.

does not exceed 140% of the area median income, adjusted for family size. See Sections 189.4155; 191.006; and 1001.43(12), Florida Statutes, 2006.

It is important not to take for granted that all of these special districts know about the opportunity they now have for using their land and other financial resources for housing their employees. It is probably safe to assume that people in the business of providing these government infrastructure services have little understanding about what affordable housing is, how it is developed, and what financial programs are available to assist their employees.

DEVELOPMENTS OF REGIONAL IMPACT

The incentives to create “workforce” housing in the DRI statute (increasing DRI threshold and substantial deviation threshold in exchange for the creation of workforce housing) provide that the affordable workforce housing is less than 120% of area median income or, if located in a high cost county, less than 140% of area median income. See section 380.06 (19)(b)(10). Because the statute does not require that a certain percentage be set-aside for low, very

low income, or extremely low income populations, this raises the same issue of the need for input at the local level to ensure that the housing created in these large scale developments will reflect the housing needs of the community.

The affordable housing created pursuant to this DRI incentive “shall be subject to a recorded land use restriction that shall be for a period of not less than 20 years and that includes resale provisions to ensure long-term affordability for income-eligible homeowners and renters.” This presents another opportunity for making informed decisions about how best to implement the long term deed restriction so that the housing created pursuant to this incentive truly stays within the affordable housing stock for a minimum of twenty years; it provides the challenge of crafting resale provisions that will sustain affordability to avoid the need for future subsidies.

And most importantly, a process for administrative oversight needs to be put in place so that the land use restrictions are not circumvented.

AFFORDABLE HOUSING LAND DONATION DENSITY BONUS INCENTIVES

A local government may provide “density bonus incentives” to any landowner who voluntarily donates land to the local government for affordable housing. The donated land must be determined by the local government to be “appropriate” for use as affordable housing and must be subject to deed restrictions to ensure that the property will be used for affordable housing. In this program (see section 420.615 Florida Statutes, 2006), “affordable” includes extremely low to moderate income persons. There is no additional guidance on what should go into the deed restriction. For example, it does not require a minimum of twenty years of affordability as contained in the DRI incentive. However, it does state that “the local government may transfer all or a portion of the donated land to a nonprofit housing organization, such as a community and trust, housing authority, or community redevelopment agency, to be used for the production and preservation of permanently affordable housing.

The density bonus (the thing that drives the donation of the land) may be used for any residential land within the local government’s jurisdiction. In addition to receiving the density bonus on land the private developer wants to develop, the comprehensive plan amendment for that land can be made at any time (not subject to the two times per year limit) and is not subject to the same review as other comprehensive plan amendments (exempt from provisions of 163.3184(3)-(6), Florida Statutes). The amount of density bonus that the developer can receive? Not addressed. In other words, a substantial increase in density on land that is not going to be used for affordable housing and will be exempted from substantial growth management review processes is provided in exchange for land (of undisclosed acreage- could it be one small lot?) that is donated for affordable housing. This one cries out for close scrutiny at the local level.


AD VALOREM TAX DEFERRAL FOR LOW INCOME SENIORS

It’s probably a safe bet that almost no one has been aware of an existing provision in the Florida Statutes providing

ad valorem tax deferral for low income seniors. Basically, the local government waits until the owner dies or sells the property to collect the accrued taxes. This is a prime example of having a law on the books but little if any dissemination of that information to the end user. The changes made in the omnibus housing bill to broaden the eligibility for the tax deferral are substantial and together with dissemination of this information, the tax burden that can force seniors from their homes in gentrifying areas could be relieved.

Section 197.252, Florida Statutes, was amended to lower the age of qualification from 70 years of age to 65 years of age. The cap on income eligibility was raised from \$10,000 to that amount which qualifies for the additional \$25,000 homestead exemption for low income seniors in Section 196.075, Florida Statutes. This amount is currently \$23,452 and is adjusted annually using the cost of living index. The maximum interest owed on the deferred taxes was reduced from 9.5% to 7%. The actual interest charged on the deferred taxes is a rate based on a complicated formula outlined in the statute.

IN CONCLUSION

One clear indicator of the need to simply provide housing information to public and private sector employers is the commonly held belief that their employees would not have qualified for assistance under Florida’s existing programs for homeownership and rental housing. The fact is that the salaries paid to teachers, nurses, firefighters, and police officers in Florida falls within the income eligible range of our existing programs. See Florida’s Priced Out Report, www.pricedoutreport.org. Outreach and education about our existing program guidelines is in order. However, raising the eligibility bar to 140% of area median income does enable two income earner households to remain income eligible when they may otherwise have made too high a combined salary to qualify for housing assistance. Information and citizen participation are key for moving housing laws and initiatives into action. 

***JAIMIE ROSS**, is the Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit growth management organization. Jaimie initiated, and continues to facilitate, the Sadowski/Workforce Housing Coalition, the broad-based coalition that successfully advocated passage of the William E. Sadowski Affordable Housing Act. Her work includes all forms of legislative and administrative advocacy and education related to the planning and financing of affordable housing in Florida. Ross is the president of the Florida Housing Coalition.*

CONFERENCE HIGHLIGHTS



The Florida Housing Coalition enjoyed the generous support of **WASHINGTON MUTUAL** for its sponsorship of the keynote luncheon featuring Jason DeParle, of The New York Times, in addition to its support as a Platinum Level Partner for Better Housing. Many thanks.



Washington Mutual



Representative Mike Davis interacts with conference attendees after receiving his Housing Champion Award.



More than 650 housing professional and advocates participated in the Coalition's 2006 statewide affordable housing conference.



Claire Raley, Southeast Regional Manager for WaMu (right), presents WaMu's \$1,000 raffle check to Housing Partnership of Northeast Florida, a nonprofit that promotes, develops, and helps finance affordable housing for very low income families. Accepting the check on behalf of Housing Partnership is an enthusiastic Tequilla Ross.



Washington Mutual

CONFERENCE HIGHLIGHTS



From left to right: FHC Board President, Jaimie Ross, FHC Chairperson Melvin Philpot, Florida Housing Finance Corporation's Executive Director Steve Auger and FHC Executive Director Michael Davis.



Affordable Housing Study Commission Director Odetta MacLeish-White shared her thoughts and the current work of the Commission during the Affordable Housing Study Commission Stakeholders Breakfast Meeting.



Jennifer Languell, Chief Executive Officer of Trifecta Construction Solutions, addressed the need for improved construction techniques during the Build it Right workshop.



The community land trust roundtable kept growing and growing....



Cora Fulmore, FHC Board Member, introduced key speakers during the Success Stories session.



Bill Newton, Executive Director of Florida Consumer Action Network, tackled issues surrounding property insurance during a panel discussion.



Conference participants were engaged in a variety of affordable housing topics.



The Expo Hall provided a quality atmosphere for exhibitors and conference participants to network and make connections.

CONFERENCE HIGHLIGHTS



The Coalition's conference luncheons provided an ideal time for participants to enjoy networking with their colleagues and meet new people.



Panelists communicated their ideas and research findings on a study conducted on impact fees and affordable during a conference workshop.



Michael Chaney, Coalition Technical Advisor and conference song and dance man, entertained everyone with a great performance and raffle presentation during lunch, sponsored by the Federal Home Loan Bank of Atlanta.



Key deputies and department heads provided an overview of public programs subsidizing housing cost during the conference Housing 101 workshop.



Attendees enjoyed food, music and plenty of fun during the conference reception.

Left to right: Success Story presenters Jeff Bagwell, Keystone Challenge Fund, Ana Salazar and Dottie Cook, both of The Empowerment Alliance of Southwest Florida, and Dan Horvath, Community Enterprise Investments, Inc.



Attendees listen to discussion during a conference workshop sponsored by the Federal Home Loan Bank of Atlanta.



Keystone Challenge Fund helped secure this home for one family and shared the home with participants of the bus tour.

The Florida Housing Coalition greatly appreciated the volunteer support provided by the staff of Keystone Challenge Fund. Coalition Board Member and Keystone President Jeff Bagwell closed the Keystone office for an entire day to help the Coalition with opening day registration. Conference attendees also learned from Jeff as he shared many of Keystone's accomplishments during the conference Success Stories session. These accomplishments were further highlighted during the annual Bus Tour, when attendees viewed several homes purchased by families in Polk County through assistance received from Keystone staff.

SAVE THIS DATE!

**The Florida Housing Coalition's
20TH ANNUAL STATEWIDE AFFORDABLE
HOUSING CONFERENCE
September 5th- 7th, 2007
Omni Orlando Resort at ChampionsGate**

THE ECONOMICS OF HOUSING

Including....

**Examining the Costs to the economy of NOT
having affordable housing**

**Building Green and using
materials and techniques to
reduce the Costs of Utilities**

**Calculating the housing need
generated by development
for a linkage fee/
mitigation ordinance**

**The economic costs
and benefits of smart
growth principles**

**Striking the balance
between individual wealth
building and a permanent
supply of affordable housing**

**Inclusionary Housing
Policies that keep developers
economically whole**

**Is it time to leave site built
housing for the luxury market and
realize the benefits of factory or systems
built housing?**

**What is the value of density
in dollars and cents?**

**Mixed income housing and the
economics of cross - subsidization**





COALITION NEWS

The Florida Housing Coalition is thrilled to announce the addition of Wight Greger, George Romagnoli, and Bill O'Dell to the Board, Lydia Beltrán, to the staff, and Michelle Braun to the Financial Services Committee.

WIGHT GREGER joined Jacksonville's affordable housing team in June 2006, and currently serves as Deputy Director of the newly created Housing and Neighborhood Services Department. Wight spent the last ten years as a Senior Technical Advisor for the Coalition and assisted in the implementation of the Florida Community Land Trust Institute. Ms. Greger's expertise includes public policy development, affordable housing development, organizational development and nonprofit capacity building and implementation of all aspects of affordable housing programs. Wight is a long time resident of Jacksonville, Florida, and is a magna cum laude graduate of the University of North Florida with a Bachelor's Degree in political science and public administration.



Greger

tion he has held since 2002. His department administers the CDBG, HOME, ESG, and SHIP programs, as well as the Housing Finance Authority. His department manages comprehensive neighbor-



O'Dell

hood redevelopment programs, and recently successfully received a \$13 million Section 108 loan from HUD to redevelop Tommytown, the county's poorest neighborhood. The county's housing programs has assisted over 4,000 families for homeownership, rehabilitation, foreclosure prevention, rental development, and other programs. His housing programs have received attention with its aggressive loan repayment program, which is now providing almost 30% of his department's \$11 million budget. George received his Bachelors degree in Political Science from Stetson University and Masters degree in Urban and Regional Planning from Florida State University.

WILLIAM O'DELL is a key member of the University of Florida's Shimberg Center for Affordable Housing research team. Bill manages Florida's

Data Clearinghouse for Affordable Housing. He has worked closely with the Florida Housing Coalition for many years on a variety of issues including providing the information needed to determine housing need for the Sadowski Act Coalition and the information the

Florida Housing Coalition uses in its work around mobile home park closure displacement. Bill's work includes the development of tools and applications that utilize the Center's evolving housing database. He is currently working on contracts that make extensive use of census and property appraiser data. Bill received a Bachelors degree in Architure, a Masters in Political Science and has completed the coursework for his Ph.D at the University of Florida.



Romagnoli

GEORGE ROMAGNOLI is the Community Development Manager of the Pasco County Community Development Division, a posi-

LYDIA BELTRÁN

comes to the Florida Housing Coalition staff with a history of approximately fifteen years in community development.

Her experience ranges from project




Beltrán

coordination for nonprofits, program management for major entitlement cities and community planning and development through the U.S. Department of Housing and Urban Development. Her specific experience includes management of HOME, SHIP and CDBG program funding including technical assistance, and addressing strategies associated with affordable housing development. Lydia has a Masters in Urban Planning from the University of California, Los Angeles.



Braun

MICHELLE BRAUN is the new Community Relations Executive for Florida at Wachovia. In this position, Michelle directs Wachovia's

philanthropic and employee volunteerism programs, community development, Community Reinvestment Act compliance and statewide and local community partnerships. Michelle received a Bachelors degree in Business Administration/Philosophy from Notre Dame and a Masters degree in Nonprofit Management from The Weatherhead School of Management, Case Western Reserve University. 



The Florida Housing Coalition has a collaboration with NeighborWorks America to help Florida's housing professionals obtain full certification in Housing Counseling training.

For details on the next five-day course, contact the Florida Housing Coalition at (850) 878-4219 or visit the Coalition's website at www.flhousing.org.

UPCOMING COALITION WORKSHOPS

Catalyst workshop series, sponsored by the Florida Housing Finance Corporation. There is no cost for attending these workshops, but space is limited. To register go to www.flhousing.org and click on "Workshops, Training & Technical Assistance - ONLINE REGISTRATION" on the top menu bar.

Planning, Financing and Developing Affordable Rental Housing	November 15, 2006	Melbourne
The Development Process	November 16, 2006	Boca Raton
Understanding the Income Qualification Process	December 5, 2006	St. Petersburg
Developing Housing for Extremely Low Income Households	December 12, 2006	Orlando
A Quantitative Analysis of the SHIP Program	January 9-10, 2007	St. Petersburg
Planning, Financing and Developing Affordable Housing For Ownership	January 24, 2007	St. Petersburg
Homebuyer Counseling and Training	February 1, 2007	Gainesville
Enhancing Your Housing Strategies	February 6, 2007	St. Petersburg
Alternative Funding Sources	February 21, 2007	Orlando
Income Compliance and Program Management	March 6, 2007	St. Petersburg
A Quantitative Analysis of the SHIP Program	March 20-21, 2007	Coral Gables
Understanding the Income Qualification Process	April 4, 2007	Boca Raton
Predevelopment Process	April 11-12, 2007	Orlando
Joint Ventures: How and When to Partner	April 18, 2007	Orlando
Get SHIP Shape for Your Monitoring Visit	May 2, 2007	Boca Raton
Planning, Financing and Developing Affordable Housing for Ownership	May 16, 2007	Orlando
Creating and Sustaining Affordable Housing for Long-Term Affordability	May 31, 2007	Orlando
Planning, Financing and Developing Affordable Rental Housing	June 12-13, 2007	Coral Gables
Owner Occupied Rehab	June 27, 2007	Boca Raton

The Florida League of Cities, partnering with the Florida Housing Coalition, Florida Housing Finance Corporation, National League of Cities, Florida Department of Community Affairs, and Florida State University's John Scott Dailey Institute of Government, launched a major new initiative aimed at helping local governments alleviate the state's affordable and workforce housing shortage.

The initiative, known as the Institute for Community Housing, is a catalyst for local governments to access the knowledge and tools they need to create or improve affordable housing in their communities.



From left to right: Jeff Hendry, Florida Institute of Government, Michael Davis, Florida Housing Coalition, Rene Flowers, Florida League of Cities, Secretary Thaddeus Cohen, Department of Community Affairs, and Steve Auger, Florida Housing Finance Corporation.

The Florida Housing Coalition will assure that the ICH provides the best possible assistance to local governments, addressing their inclusive housing needs by providing the tools, trends and funding resources they need most for smart, strong and effective housing programs.

As its first order of business, the Institute is planning a series of one-day seminars for local government officials in Orlando, which will take place October 2006 through August 2007. The seminars will cover topics ranging from visioning

and funding to creating partnerships.

Additional information on the Institute is located at www.flcities.com.



Frequently Asked SHIP Questions

Q: *The Coalition's last journal and annual conference discussed the housing measures passed by the Florida Legislature in House Bill 1363. What portions of this housing bill are directly related to the SHIP program?*

A: The 2006 Florida Legislative session focused significant attention on the topic of affordable housing. The session started with the prompt filing of over 20 affordable housing bills. House Bill 1363, introduced by Representative Mike Davis (R) from Collier County, included most of these bills as well as others and became the omnibus housing bill. The Legislature's interest in affordable housing was demonstrated by the more than 80 legislators who co-sponsored HB 1363. The cover story in the Coalition's Summer 2006 edition of the *Housing News Network Journal* discusses the many major areas of the HB 1363, including provisions to assist extremely low-income households, the Community Workforce Housing Innovation Program (CWHIP), the surplus land initiative and statutory authority for special districts to use land and resources for employee housing.

ESSENTIAL SERVICE PERSONNEL

Several portions of HB 1363 are directly related to the SHIP program. Section 420.9075, which addresses each jurisdiction's Local Housing Assistance Plan, now includes a requirement to define essential service personnel and a suggestion that the jurisdiction develop a strategy for the recruitment and retention of essential service personnel, as follows:



The Florida Housing Finance Corporation sponsored breakfast with the Affordable Housing Study Commission for Florida's SHIP Administrators and the Florida Housing Coalition's conference attendees. Nearly 250 people participated in the event. The Coalition greatly appreciates Florida Housing Finance Corporation's support.

- (3)(a) Each local housing assistance plan shall include a definition of essential service personnel for the county or eligible municipality, including, but not limited to, teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, skilled building trades personnel, and other job categories.
- (b) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that emphasizes the recruitment and retention of essential service personnel. The local government is encouraged to involve public and private sector employers. Compliance with the eligible criteria established under this strategy shall be verified by the county or eligible municipality.

This topic was discussed in September by a group of more than 100 Housing Administrators at the SHIP Roundtable during the Housing Coalition's annual con-

ference. As with many aspects of the Local Housing Assistance Plan, each SHIP jurisdiction has the ability to approach the definition of essential service personnel from a unique and locally appropriate perspective. Several jurisdictions at the Roundtable described their approach.

The City of Tallahassee has not finalized its definition, but is considering an approach that recognizes the largest industries within the City. Staff is interested in focusing attention on local and state government employees, hospital employees and teachers, in addition to police, fire and safety personnel. The City of Lauderhill's definition highlights the essential contributions of teachers, law enforcement, fire and rescue, and disaster response personnel. Manatee County's definition includes county and school board employees and those vendors and contractors providing services to the county, as well as those enumerated in HB 1363. When the County helps develop apartments or a subdivision of homeownership units, a minimum of one third of the developed units will be reserved for essential service personnel. Sarasota

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 line at (800) 677-4548.



Michael Chaney

County's housing staff has proposed that the County recognize the essential contribution of its broad tourism industry. They recommend that the County approach the definition broadly, defining all workers earning under 100 percent of AMI as essential service personnel. Coalition staff member Stan Fitterman encouraged the housing administrators present to engage community partners during this process of establishing a definition of essential service personnel, including the local Chamber of Commerce and/or Economic Development Council.

communities may create a SHIP definition of essential service personnel that includes as eligible applicants those earning up to 140 percent of the area median income. State SHIP Administrator Robert Dearduff provides guidance to these communities. He notes that any definition of essential service personnel including households earning up to 140 percent of the area median income, "must state that this is for purposes of CWHIP only. **It is important to note that any SHIP funds used in conjunction with CWHIP funds are still restricted to the SHIP (income eligibility) statutory requirements.**"

school land for the development of affordable housing. The combination of low cost land, employer contributions, SHIP subsidy and other leveraged funds may be an effective formula for developing affordable homeownership and rental opportunities throughout Florida.

ASSISTING DISPLACED RESIDENTS

House Bill 1363 also amends the SHIP Statute to focus attention on the needs of residents who are displaced due to condo



Jaimie Ross, FHC President, provides an update on legislative issues during the SHIP Administrators' Roundtable.



Wight Greger, FHC Board Member, educated attendees on the new local government inventory requirements during the SHIP Roundtable. Seated is George Romagnoli, FHC Board Member, who addressed the Department of Financial Services' My Safe Florida Home program during the roundtable discussion.

Another part of HB 1363 creates a new affordable housing program, the Community Workforce Housing Innovation Program (CWHIP). Since CWHIP intersects with the definition of essential services personnel, it is also relevant to the SHIP administrator. Several communities have expressed an interest in the CWHIP program, a \$50 million pilot program designed to provide housing assistance to members of the workforce earning up to 140 percent of the area median income. It is natural that some jurisdictions might have in mind their CWHIP application when creating their SHIP definition for essential service personnel. It is likely, therefore, that some

EMPLOYER ASSISTED HOUSING

While HB 1363 encourages local governments to involve public and private sector employers in efforts to support essential service personnel, another section of the bill provides authorization to district employers to use land and resources for employee housing. The Legislation authorizes water districts, community development districts and all other independent districts to provide housing or housing assistance to employees with household incomes below 140 percent of the area median income. Moreover, district school boards are authorized to use

conversion or mobile home park closure. Immediately following the new text addressing essential service personnel, the SHIP Statute includes:

- (c) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums.

As the Coalition has recently addressed in journal articles *Continued on page 30*

and workshops, mobile home park closures and condo conversions are significantly increasing the number of Floridians in need of affordable housing alternatives. In just a handful of years, many of Florida's communities have seen affordable rental units converted into condos, including 80,000 units in Pinellas and 62,000 units in Palm Beach County. While the condo conversion craze has slowed significantly, the closure of mobile home parks is on the rise. Florida newspapers increasingly include articles about residents who are being displaced as parks close so that the property can be redeveloped for higher end use. The Florida Housing Coalition's President, Jaimie Ross, has conducted Catalyst and conference workshops on mobile home park closures and published articles on the need to enforce the existing statute that prohibits mobile home park closure when the current residents have no alternative housing.

Florida Law addresses this issue in Florida Statute 723.083, "Governmental Action Affecting Removal of Mobile Home Owners:"

"No agency of municipal, local, county, or state government shall approve any application for rezoning or take any other official action, which would result in the removal or relocation of mobile home owners residing in a mobile home park without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of the mobile home owners."

Although two separate Florida Attorney Generals have issued similarly supportive opinions about the protection required for park residents, too many local governments are continuing to close parks without having alternative housing for the park residents. If local government SHIP programs contain a strategy to assist the displaced residents, it will not change the prohibition against displacement in Section 723.083, but could provide assistance to those who are displaced.

LAND DONATION

House Bill 1363 also addresses public land donation, another subject of interest

to SHIP jurisdictions. Starting in July 2007, Florida's counties and municipalities must each inventory their real property holdings to identify parcels appropriate for use as affordable housing. This requirement affects SHIP and non-SHIP jurisdictions alike, along with special taxation districts like Community Redevelopment Areas. The inventory list must be updated every three years, and land on the list may be donated to a housing nonprofit or sold with a restriction requiring the development of permanently affordable housing. This would facilitate the development of community land trusts. In addition, land may be sold so that the proceeds may be placed into a local housing trust fund or used to purchase other land for affordable housing development. During the SHIP Roundtable, Wight Greger, Deputy Director of Jacksonville's Housing and Neighborhood Services Department indicated that the City is assembling its inventory list and plans to also offer predevelopment funding to those organizations that receive land. Other SHIP jurisdictions may consider how donated land may be leveraged with SHIP funds-possibly for the development of units provided to the target groups discussed in the omnibus housing bill.

EXTREMELY LOW-INCOME:

New Reporting Requirement

The Housing Bill provides a definition for "extremely low income persons" (ELI) and Florida Housing's SHIP staff has added an ELI definition to the SHIP Rule. It indicates that extremely low income persons are those with annual incomes that "do not exceed 30 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the non-metropolitan median for the state." This definition does not alter the SHIP income set-aside in any way. However, Florida Housing has announced that SHIP jurisdictions must begin to report on services provided to ELI households, starting with their September 2007 annual reports. This tracking and reporting requirement will only pertain to each jurisdiction's 06/07 SHIP distribution and every distribution received thereafter.

REGULATORY REFORM FOR NEW SHIP JURISDICTIONS

HB 1363 amends section 420.9076 to require that new SHIP communities adopt a much more extensive list of regulatory reform measures than are currently required of SHIP communities. In addition to the current regulatory requirements for expedited permitting and an ongoing process of review in paragraphs (a) and (i), new SHIP communities must adopt the entire list of regulatory reform items below:

- (a) The processing of approvals of development orders or permits, as defined in s. 163.3164(7) and (8), for affordable housing projects is expedited to a greater degree than other projects. New SHIP communities will be required to In addition to items.
- (b) The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.
- (c) The allowance of increased density levels for affordable housing.
- (d) The reservation of infrastructure capacity for housing for very-low-income persons and low-income persons.
- (e) The allowance of affordable accessory residential units in residential zoning districts.
- (f) The reduction of parking and setback requirements for affordable housing.
- (g) The allowance of zero-lot-line configurations for affordable housing.
- (h) The modification of street requirements for affordable housing.
- (i) The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.
- (j) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.



If you have additional questions about how House Bill 1363 affects your SHIP program, please contact the Florida Housing Coalition at (850) 878-4219.



MEMBERSHIP APPLICATION

PARTNERS FOR BETTER HOUSING MEMBERSHIP

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. Partners for Better Housing members receive subscriptions to *Housing News Network*, free job vacancy posting service on the Coalition's web page and unlimited membership rates for registration at the conference. Partners at the Patron Level or higher receive one or more complimentary conference registrations (comp, indicated below). Partners also receive recognition at the conference, in all conference-related publications, the Coalition's Web page and in each quarterly issue of *Housing News Network*.

- \$20,000 Platinum Sponsor (20 comps) \$2,500 Co-Sponsor (3 comps)
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BASIC MEMBERSHIP

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 page 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 and 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 annual meeting as designated below.

- Student \$25
- Individual \$75 (payment by personal check only)
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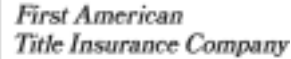
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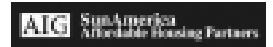
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