



HOUSING NEWS

The Journal of the Florida Housing Coalition, Inc.

Volume 22, Number 2

NETWORK

SUMMER 2006

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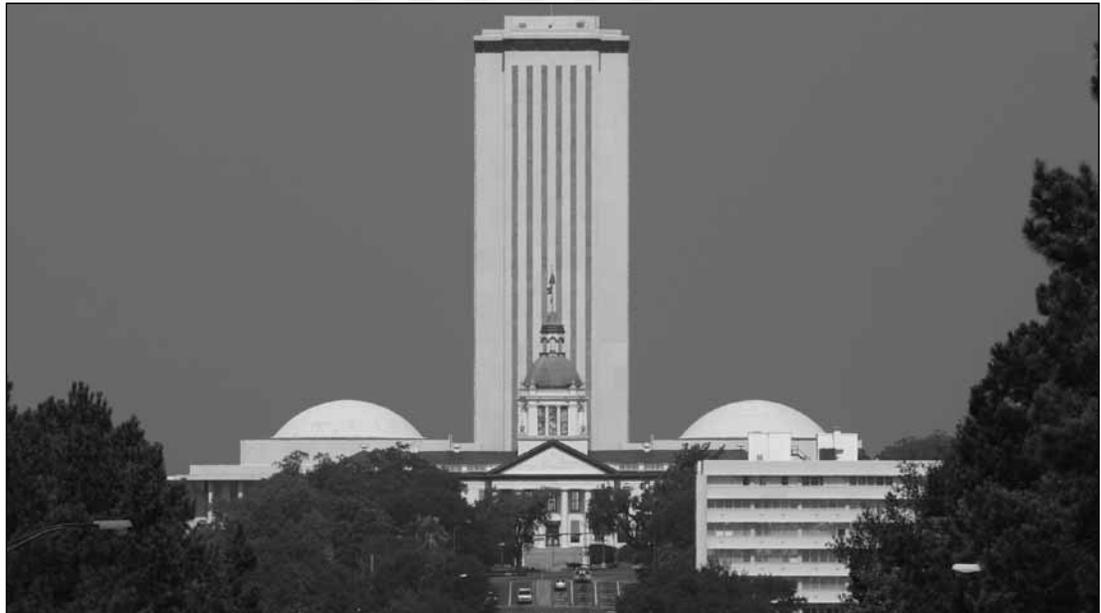
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What Happened to Housing in the 2006 Session?

BY JAIMIE ROSS AND MARK HENDRICKSON

Was it a good session? Was it a bad session? It was the session that we should have seen all the money in the state and local housing trust funds appropriated for affordable housing. That did not happen. In fact less than half of the monies which should and could have been used to fund our existing programs such as SHIP and SAIL will be made available. The rest will remain sitting in the trust funds unable to benefit affordable housing production- a truly inexplicable



outcome at a time of unprecedented housing crisis coupled with unprecedented surplus of general revenue and a state and local housing trust fund holding approximately \$940 million. The good news is twofold: the monies left unappropriated (approximately \$507 million) was not spent for other purposes, so it will be available to be used for affordable housing programs in the 2007 session, and the affordable housing crisis is certainly on every legislator's radar screen.

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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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PROGRAM	Funding Level (from State and Local Housing Trust Funds)
Total Available for Appropriation	\$940,000,000
Florida Housing (SAIL, HAP, PLP, Catalyst Training & Technical Assistance, & Guaranty Fund)	\$ 70,500,000
SHIP	\$ 166,400,000
SHIP Monitoring	\$ 200,000
Homeless	\$ 7,900,000
Hurricane Rental (RRLP)	\$ 92,900,000
Hurricane Farmworker & Special Housing	\$ 15,000,000
Hurricane Training & TA	\$ 100,000
CWHIP	\$ 50,000,000
Extremely Low Income (ELI)	\$ 30,000,000
TOTAL APPROPRIATED	\$ 433,000,000
TRUST FUND MONIES NOT APPROPRIATED	\$507,000,000

2006 WAS THE YEAR FOR HOUSING

It was certainly the year for housing, with over twenty housing bills filed right out of the starting gate. Momentum built early in the session for a new program to address the housing needs of “essential services personnel” in high cost areas and to “scrap the cap” on distributions into the housing trust funds scheduled to take effect in 2007. Representative Mike Davis (R) Collier County, took the lead as he coined the phrase “scrap the cap” and included repeal of the cap in HB 1363. Representative Davis welcomed all good housing ideas and readily included them in HB 1363, while always attributing credit for each idea to its original bill sponsor. He built such significant consensus for housing that he had over eighty co-sponsors for HB 1363, which came to be the omnibus housing bill for 2006 and included repeal of the cap. But with Leadership in the House unwilling to support repeal

of the cap, it was reluctantly removed from the omnibus bill.

The omnibus housing bill (HB 1363) was signed into law by Governor Bush on June 1, and becomes effective July 1, 2006. It is a 72 page bill. This article covers only the major areas in the bill.



Representative Mike Davis addresses the Housing Rally held April 19th. The rally drew the membership of the Sadowski Coalition from around the state- over 1,000 members of the Florida Association of Realtors, Florida AARP, the Florida Chamber of Commerce, the Florida Bankers Association, Florida League of Cities, Florida Association of Counties, Catholic Conference, Florida Impact, Florida Legal Services, 1000 Friends of Florida, and the Florida Housing Coalition, among many others.

EXPANDING THE CONTINUUM

MEETING THE NEEDS OF THE EXTREMELY LOW INCOME

Numerous housing initiatives were included in HB 1363, but most notable is that this was the year of stretching the continuum of affordability at both ends: to meet the needs of the working poor at one end and the low paid professionals at the other end. The thrust of the “30/30 campaign” to serve the needs of the extremely low income (those below 30% of area median income) was given meaningful life in HB 1363 in the form of statutory changes to the SAIL program coupled with a \$30 million appropriation for apartments set aside for that target group. The statutory changes include treating the monies for development of apartments serving the extremely low income as grants, rather than loans; exempting the

HB 1363 PROVIDED A DEFINITION FOR THE EXTREMELY LOW INCOME:

420.0004 Definitions.--As used in this part, unless the context otherwise indicates:

(8) "Extremely low income persons" means one or more natural persons or a family whose total annual household income does not exceed 30% of the median annual adjusted gross income for households within the state. Florida Housing Finance Corporation may adjust this amount annually by rule to provide that in lower income counties extremely low income may exceed 30% of area median income, and that in higher income counties extremely low income may be less than 30% of area median income.

monies used for the extremely low income apartments from leveraging requirements; and increasing the score for applications that will produce the greatest number of apartments for the extremely low income. This SAIL program initiative is so significant that we asked Steve Auger, Executive Director of the Florida Housing Finance Corporation, to author an article solely on these changes, see page 7.

MEETING THE NEEDS OF THE LOW PAID PROFESSIONALS

 CWHIP, Community Workforce Housing Innovations Program

The CWHIP, Community Workforce Housing Innovations Pilot Program is a one year initiative funded at \$50 million to assist the private sector in meeting the needs of local government employees, such as teachers and police officers. It is premised on using public private partnerships to produce innovative programs focused on leveraging resources and regulatory reform to close the gap between what low paid professionals can afford and the cost of housing in high cost areas of the state, such as south Florida.

The Florida Housing Finance Corporation will issue a Request for Proposals to expend the funds in accordance with the parameters of this Pilot Program.

"Essential services personnel" means persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services

personnel, as defined by each county and eligible municipality within its respective local housing assistance plan pursuant to s. 420.9075(3)(a), Florida Statutes.

A variety of statutory changes were made in keeping with the spirit and intent of the Community Workforce Housing Initiative Pilot Program, including authorization for special districts to provide housing assistance, and changes to the DRI statute.

 Special Districts/ Employer Assisted Housing

All independent districts, created under a special act or general law, including special districts, community development districts, fire control districts, and water districts are authorized to provide housing and housing assistance for its employed personnel whose total annual household income does not exceed 140% of the area median income, adjusted for family size.

District school boards are authorized to use portions of school sites not appropriate for educational purposes or land declared as surplus by the board to provide sites for affordable housing or teachers and other district personnel independently or in conjunction with other agencies. See Section 1001.43 (12), Florida Statutes.

 Developments of Regional Impact

Developments of Regional Impact are large scale developments which have always been required to provide affordable housing when the nearby existing housing supply is found insufficient to house the employees generated by the DRI development. This provision known as the "adequate housing rule" has frustrated housing advocates for decades as it has been virtually ineffectual in providing any affordable housing. The statutory changes made in the 2006 session will not improve that situation, but do in effect legislate a voluntary inclusionary housing program.

DRI developers can build to a substantially larger scale without triggering the DRI threshold if all the additional residential units are for "workforce housing" and they can avoid having to go through the substantial deviation process when significantly increasing the size of an existing


A THREAD
RUNNING
THROUGHOUT
HB 1363 IS THE
RECOGNITION
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DRI if 15% of the proposed additional dwelling units are dedicated to affordable “workforce housing”. The workforce housing must be subject to a recorded land use restriction for a period of at least 20 years that includes resale provisions to ensure long-term affordability for income eligible homeowners and renters. The workforce housing must be commenced prior the completion of 50% of the market rate dwellings.

Affordable workforce housing means housing that is affordable to a person who earns less than 120% of the area median income or less than 140% of area median income if located in a county in which the median purchase price for a single family existing home exceeds the statewide median purchase price of an existing single family home.

A thread running throughout HB 1363 is the recognition that housing affordability needs to be long term or permanent. For example, the Florida Statutes now provide direction to local governments to permit a private landowner to donate parcels of land appropriate for affordable housing in exchange for increased density on other sites owned by the donor within that jurisdiction. The local government may transfer all or a portion of the donated land to a nonprofit housing organization, such as a community land trust, housing authority, or community redevelopment agency, to be used for the production and preservation for permanently affordable housing.



At Housing Rally, Malia Lewis, wife, mother, and full time student, expresses her gratitude for the SHIP program which put her family into first time homeownership.

REQUIREMENTS FOR SHIP ADMINISTRATORS

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.

420.9075 Local housing assistance plans; partnerships.--

(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 eligibility criteria established under this strategy shall be verified by the county or eligible municipality.
- (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.

PUBLIC LAND DONATION AND FUNDING FOR AFFORDABLE HOUSING

The 2006 Legislature took a keen interest in community land trusts. To facilitate the development of affordable housing and affordable housing in perpetuity, a system of private sector, local and state government donation of land for the development of permanently affordable housing was put into place. Beginning July 2007, and every three years thereafter, each county and municipality must prepare an inventory list of all real property it owns within its jurisdiction that is appropriate for use as affordable housing.

Thereafter three things can be done with that property:

1. The land may be donated to a nonprofit housing organization for the construction of permanent affordable housing; or
2. The land may be sold with a restriction that requires the development of permanent affordable housing; or
3. The land may be offered for sale and the proceeds then used to purchase land for the development of affordable housing or the proceeds can be put into a local affordable housing trust fund. *Continued on page 6*



Florida Housing Coalition Executive Director, Michael Davis, beside Mark Wilson, Vice President of the Florida Chamber of Commerce, as he speaks at the Housing Rally about the importance of affordable housing for Florida's employers.



Mike Dooley, President of the Florida Association of Realtors calls for full funding and repeal of the cap. The FAR supplied the "repeal the cap" caps worn at the Rally.

The statute relative to donation of state surplus lands was also revised to make clear that affordable housing is a public purpose for which state lands can be used and provides a mechanism for local governments to make a request for such state owned lands to be made available within its jurisdiction for affordable housing. See Section 253.034 (6) (f) (1), Florida Statutes.

SO, WAS IT A GOOD SESSION OR A BAD SESSION FOR HOUSING?

Receiving less than half of the appropriation from the state and local housing trust funds was clearly not good a good outcome. But we have numerous initiatives from the modifications to the SAIL program for the working poor to a pilot program for "essential services personnel" at the higher end of the income range. State, local, and other governmental entities will be making surplus land available for affordable housing. All these legislative initiatives emanate from a new appreciation for the housing crisis. The media coverage from local stories to editorials was overwhelming and our elected officials have been educated on the importance of affordable housing.

OTHER ITEMS IN HB 1363:

- **HB 1363 amends the Florida Homeownership Assistance Program (HAP), Section 420.5088 to expand the limits for eligibility to moderate income.**
- **HB 1363 amends the ad valorem property tax deferral program for low income elderly homeowners, reducing the maximum interest rate charged to 7% and permitting homeowners to take advantage of the program at age 65, rather than at 70 years of age. See Section 196.252, Florida Statutes.**
- **HB 821 (Rep. Goodlette) increased the amount of tax credits authorized for the Community Contribution Tax Credit Program from \$12 million to \$13 million-with an annual limitation for homeownership projects at \$10 million; all other projects located in enterprise zones or Front Porch Florida Communities will receive \$3 million.**

The obstacle to fully funding the existing programs came from a handful of men known as "leadership" in the House and Senate. In 2007 we will have new leadership in the House and Senate. It will be the job of housing advocates throughout the state to impress upon new leadership the value in keeping the trust in the housing trust funds by fully funding Florida's existing state and local housing programs so that:

- Florida's public and private sector businesses can continue to thrive;
- Floridians can continue to realize the American Dream of homeownership; and
- Florida's working poor can have safe and decent housing for themselves and their children.

JAIMIE ROSS, President of the Florida Housing Coalition, 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.

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.



Setting SAIL to Meet the Needs of Florida's Lowest Income Renters

BY STEVE AUGER

Significant modifications to the State Apartment Incentive Loan (SAIL) Program were made during the 2006 Legislative session that will help deliver apartments for Florida's lowest income renters. The changes are based on recommendations made to the Legislature by the Governor's Hurricane Housing Work Group following the 2004 hurricane season. These recommendations were the basis for the Rental Recovery Loan Program, a "SAIL-like" hurricane recovery program funded by the Governor and Legislature in both the 2005 and 2006 sessions.



given further flexibility by being made exempt from the statutorily required loan to value ratio and the statutory requirement that caps all SAIL loans at 25 percent of the development's total cost. An additional change to the SAIL statute requires that all future SAIL applications be scored on the provision of units targeted to ELI households and now excludes ELI units from the SAIL leveraging criteria that promotes the use of the least amount of

SAIL compared to overall development cost. A final change to ensure affordable rents for these lowest income households is the requirement that rents on ELI units be restricted to the applicable federal low income housing tax credit rent levels (while the SAIL program restricts incomes, rents are not restricted except for these new ELI units).

A series of statutory changes were made that provide much needed relief from statutory requirements that were inadvertent barriers to financing units for Florida's poorest renters. A new definition for Extremely Low Income (ELI) has now been added to the Florida statute, generally targeting those folks earning thirty percent or lower of the Area Median Income (AMI), but with the flexibility of allowing for slightly higher incomes in counties with low median incomes and for slightly lower incomes in counties with higher median incomes.

One of the more significant statutory amendments allows for the portion of a development's SAIL loan that is attributable to its ELI units to be a forgivable loan, made with a zero percent interest rate. These "supplemental ELI" loans are

rates can now be blended based on the percentage of set aside units. This flexibility will be particularly helpful to

Continued on page ?



THE LEGISLATURE
APPROPRIATED AN
EXTRA \$30 MILLION
ABOVE AND BEYOND
FUNDING FOR OUR
REGULAR PROGRAMS
SPECIFICALLY TO
FUND SAIL UNITS
FOR THE EXTREMELY
LOW INCOME.



developments funded under the SAIL Homeless set aside since they now won't have to set aside 80 percent of their units for homeless persons in order to qualify for a lower interest rate. This will allow developments to set aside fewer units for these populations, thus encouraging these special needs populations to be further integrated into their communities.

Other changes of note to the laws governing the SAIL program allow for the federal definition of farmworker to be used in place of the SAIL statutory definition when SAIL funds are combined with those from the U.S. Department of Agriculture's Rural Development Program, change the Elderly Housing Community Loan (EHCL) Program match requirement from 15 percent to 5 percent, and change the large county population cutoff for the split of SAIL funds between county groupings from 500,000 to 850,000.

Even with the flexibility that these new changes to the SAIL program provide, though, the number of rental units we will be able to produce for ELI households depends largely on the overall level of funding for the program. And while the Legislature ultimately cut the Governor's proposed overall

funding level for affordable housing programs, they did include in their appropriation this session an extra \$30 million above and beyond the funding for our regular programs specifically to fund these supplemental ELI loans through the SAIL program. We're grateful for the Legislature's acknowledgment of the importance of this issue in such a tangible fashion, and we look forward to implementing these changes in our 2007 Universal Application Cycle.

The changes to the SAIL program and the new CWHIP (Community Workforce Housing Innovation Pilot Program) will be highlighted at the Florida Housing Coalition's statewide annual conference. 

STEVE AUGER is the Executive Director of Florida Housing Finance Corporation. Prior to this position he served as Deputy Development Officer at Florida Housing Finance Corporation for the Low Income Housing Tax Credit, State Apartment Incentive Loan (SAIL), and HOME Rental programs. He graduated with a bachelor's degree in Philosophy from Rollins College in 1988, received his Master of Social Work degree from Florida State University in 1993 and was licensed as a Clinical Social Worker in 1996. Prior to joining Florida Housing in 2000, Steve provided clinical services to children and families primarily through Florida's juvenile dependency and delinquency systems.



Rayme L. Nuckles



Representative Dan Gelber



Jaimie Ross

The Florida Coalition for the Homeless held a press conference at the Capitol on March 29th. Rayme Nuckles, Chief Executive Officer of the Homeless Coalition of Hillsborough County welcomed the press. Jaimie Ross, President of the Florida Housing Coalition, and Affordable Housing Director at 1000 Friends of Florida, spoke about the importance of full appropriation of the Sadowski Act trust fund monies; Representative Dan Gelber, the sponsor of the "30/30" bill (the bill that would have required thirty percent of all state trust fund monies to be used for the population below 30% of area median income) praised Representative Davis' initiative and spoke in support of HB 1363, as the realistic implementation of the "30/30" concept through the SAIL program changes and appropriation of \$30 million.

WHY IS TUESDAY, SEPTEMBER 5TH, 2006 SUCH AN IMPORTANT DAY?

- * It's the first day of the Florida Housing Coalition's Annual Statewide Affordable Housing Conference; and
- * It's Election Day!

Neither one should be missed—please remember to vote absentee this year. Contact your local Supervisor of Elections Office to request your absentee ballot—then come to the Orlando Omni ChampionsGate for the Labor Day Weekend. We'll have a terrific time.

You can have your cake and eat it too.



FLORIDA HOUSING COALITION'S 19th ANNUAL STATEWIDE AFFORDABLE HOUSING CONFERENCE



OMNI ORLANDO RESORT AT CHAMPIONSGATE
SEPTEMBER 5 - 7, 2006

The Florida Housing Coalition's 19th annual Statewide Affordable Housing Conference is the premier training and networking opportunity for affordable housing professionals in Florida, with more than 600 housing professionals in attendance.



An afternoon session on legislative advocacy will be led by **Jack Levine**, founder of Advocacy Resources, a communications

and public policy consultant. Prior to his work with Advocacy Resources, Levine served for 25 years as President of Voices for Florida's Children. His expertise is in developing and delivering messages to the media, public officials, and advocates on effective public policy action, direction and leverage. He holds a master's degree in child development and family studies from Purdue University and a degree in English literature from Hunter College, City University of New York.

FEATURING • State of the State Address • **Steve Auger**, Executive Director, Florida Housing Finance Corporation

WE WILL ALSO FEATURE: Expo, Success Stories, Affordable Housing Study Commission, SHIP and PHA Breakfast Roundtable, Bus Tour, and the fabulous Raffle!



KEYNOTE SPEAKER



Jason DeParle is a Senior Writer for The New York Times and a frequent contributor to The New York Times Magazine. A graduate of Duke University, DeParle won a George Polk Award in 1999 for his reporting on the welfare system and was a two-time finalist for the Pulitzer Prize. He is well known for writing on issues of poverty and the need for affordable housing. He lives in Washington, D.C.

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Coming Soon: Florida's Priced Out Report

Most of us are familiar with the National Low Income Housing Coalition's Out of Reach Report; the annual Report that calculates the "housing wage" – what someone must earn in order to afford the fair market rents within their area.

The Florida Housing Coalition is presently developing Florida's Priced Out Report. It will be an annual report that will give you the salaries for over sixty different workforce categories, and allow you to calculate how much house they can afford to **buy or rent** with that job in your particular area of Florida. This will be an invaluable tool for housing administrators, housing advocates, policy makers, elected officials, developers, and the housing industry in general.

Today there are more than 730,000 low-income households in Florida paying more than half of their income for housing while others simply have scarce, and sometimes nonexistent, housing options available. In communities where affordable housing is lacking, local employers have difficulty hiring and keeping the workers needed to keep businesses running, employees are burdened with long and time consuming commutes, elected officials must find remedies for overcrowding and families are forced to neglect health, education and medicine for shelter.

In 2002, the median income of Florida's families allowed those families to afford median priced homes. The problem is that, in 2005, families continuing to earn median incomes are unable to afford those same homes they once would have been able to afford earning median wages. Since 2002 the cost of a median priced existing home has increased by 77%, while median income has risen by only 1.4% - thus each family needs significantly greater assistance compared

PRICED OUT REPORT				
Statewide				
Median Existing Home Sales Price Year End 2005: \$235,100				
Annual Income Needed to Afford Median Priced Home: \$79,591				
Metropolitan Area Selected: ORLANDO				
Metro Median Existing Home Sales Price Year End 2005: \$231,400				
Annual Income Needed to Afford Median Priced Home: \$78,339				
Metro 2BR Fair Market Rent \$1,100				
Occupation	Annual Income	Mortgage Information		Rental Information
		Maximum Mortgage Based on Income	Down Payment and Closing Cost Assistance Needed to Afford Median Priced Home	Work Hours Required Weekly to Afford a 2 Bed Room at Market Rent
STATEWIDE	\$54,800			
Metro Orlando	\$57,400			
1 Accountant	\$43,820			
2 Administrative Asst.	\$32,808			
3 Assemblyline Worker	\$28,274			
4 Auto Mechanic	\$36,601			
5 Bank Teller	\$21,201			
6 Billing Clerk	\$28,413			
7 Bookkeeping Clerk	\$30,866			
8 Carpenter	\$38,320			
9 Cashier	\$16,348			
10 Child Care Worker	\$25,358			

to what that family needed four years ago. The result is a workforce "priced out" of the housing market, a problem causing communities to suffer from a lack of people relied upon to make every community viable. These people include teachers, teacher's aids, nursing assistants, medical technologists, retail workers, government employees, emergency service providers

and law enforcement. These individuals are the backbone of any community, but without a place they can afford, have extreme difficulty living in the very communities they serve.

In an effort to understand what the spike in housing prices means to working families, the Florida Housing Coalition will soon deliver Florida's Priced Out Report. The Report calculates wage information for more than 62 occupations and home prices for 18 Florida metropolitan areas. The purpose of Florida's Priced Out Report is to:

- Allow you to analyze annual incomes for the workforce and the median existing homes sales price for metropolitan areas of Florida
- Provide information on the maximum mortgage amounts these employees could afford
- Compare how much down payment and closing cost assistance employees would need to afford a median priced home
- Calculate the number of hours employees would be required to work to afford Fair Market Rent





The Widening Gap Between What Houses Cost and What Families Can Afford... It's One Big Math Problem

BY STAN FITTERMAN

Housing prices in Florida have increased significantly over the past ten years, far exceeding increases in income over the same period. Though the gap has been widening between what houses cost and what families can afford, state funding of the local housing trust fund has been stagnating, forcing local governments into a difficult position: target purchase-assistance programs to families with higher incomes, or dramatically increase subsidy amounts and thereby help fewer and fewer lower-income families.



housing that is affordable to families earning the median income. The index looks at all sales in a Metropolitan Statistical Area (MSA) and calculates the percentages of homes that sold at a price that would be affordable to a family earning the median income in that MSA. In the fourth quarter of 1995 in the Daytona Beach MSA, over 75 percent of all homes sold were affordable to a family earning the MSA's median income of \$33,900. By the fourth quarter of 2005 just over 30 percent of the homes sold in the MSA were affordable to a family earning the median income of \$48,650. In the Fort Lauderdale MSA, over 69 percent of all home sales in 1995 were affordable to a family earning the median income of \$43,100. By 2005 barely 32 percent of all home sales were affordable to a family earning the

WHY THE GAP EXISTS

The mortgage amount for which a family can qualify is influenced by several factors including interest rate, non-mortgage monthly debt, taxes, insurance and income. Lenders allow borrowers to allocate a certain percentage of their monthly income to housing costs, defined as principal, interest, taxes and insurance. While this percentage varies, a common number is 33 percent. Lenders also set a limit on the percentage of monthly income allocated to overall long-term debt, including housing costs. A typical number is 41 percent. The lower a family's income, the lower the monthly mortgage payment they can qualify for, and thus, the lower the price must be for a house to be affordable. A family with substantial non-mortgage monthly debt will be further restricted in the mortgage they can qualify for and the house they can afford. As sales prices of housing have increased, so too have property taxes and insurance because they are based on home value. That further reduces the monthly amount families have available for the mortgage payment, and therefore in turn, constraining a family's ability to qualify for a mortgage.

THE HOUSING OPPORTUNITY INDEX

The National Association of Home Builders has developed the Housing Opportunity Index to measure the supply of

TABLE I. PERCENTAGE OF HOMES AFFORDABLE TO MEDIAN-INCOME FAMILIES

MSA	4th Quarter 1995	4th quarter 2005
Daytona Beach	75.7	30.7
Fort Myers-Cape Coral	73.1	26.1
Ft. Lauderdale-Pompano-Deerfield	69.1	32.2
Fort Pierce-Port St. Lucie	77.5	22.1
Fort Walton Beach	73.5	45.0
Jacksonville	77.3	56.8
Lakeland	79.3	45.6
Miami-Miami Beach-Kendall	57.2	13.7
Naples	63.3	16.3
Ocala	80.0	53.2
Orlando, FL	76.8	34.2
Pensacola, FL	81.7	57.0
Punta Gorda	67.9	41.9
Sarasota-Bradenton	67.5	28.0
Tallahassee	79.4	65.2
Tampa-St. Petersburg- Clearwater	74.0	42.3
West Palm Beach	65.9	30.4

Source: National Association of Home Builders' The Housing Opportunity Index is the percentage of all home sales in a MSA that are affordable to families earning the median income for that MSA.

TABLE 2: INCOMES, HOUSING PRICES AND SUBSIDIES

MSA	1995				2005			
	70% of Median Income	Mortgage amount for 70% Median Income family	90% Median Home Price	Subsidy needed for 90% median home	70% of Median Income	Mortgage amount for 70 % Median Income family	90% of Median Home Price	Subsidy needed for 90% median home
Daytona Beach	\$23,730	\$62,912	\$66,600	\$2,355	\$34,055	\$72,360	\$190,800	\$114,625
Fort Myers-Cape Coral	\$26,250	\$72,138	\$74,700	\$1,067	\$37,870	\$79,077	\$229,500	\$145,833
Ft. Lauderdale-Pompano-Deerfield	\$30,170	\$86,214	\$88,200	\$221	\$40,670	\$98,740	\$216,900	\$113,822
Fort Pierce-Port St. Lucie	\$27,510	\$76,366	\$72,000	\$0	\$36,715	\$76,066	\$220,500	\$140,023
Fort Walton Beach	\$25,410	\$67,392	\$77,400	\$8,460	\$38,605	\$98,245	\$187,200	\$85,210
Jacksonville	\$27,580	\$77,094	\$78,300	\$0	\$40,495	\$116,870	\$163,800	\$43,654
Lakeland	\$23,170	\$61,420	\$62,550	\$0	\$33,320	\$80,319	\$154,800	\$70,385
Miami-Miami Beach-Kendall	\$24,990	\$62,930	\$85,500	\$20,860	\$32,445	\$51,370	\$225,000	\$169,130
Naples	\$31,290	\$86,694	\$103,500	\$14,736	\$44,310	\$76,705	\$333,000	\$249,635
Ocala	\$20,790	\$50,893	\$61,200	\$9,082	\$30,170	\$74,639	\$126,000	\$48,841
Orlando, FL	\$28,000	\$78,338	\$81,000	\$1,041	\$38,570	\$90,944	\$207,000	\$111,915
Pensacola, FL	\$24,290	\$64,126	\$71,100	\$5,551	\$35,490	\$96,930	\$144,000	\$44,191
Punta Gorda	\$23,240	\$58,957	\$72,000	\$11,602	\$34,405	\$82,953	\$166,500	\$80,217
Sarasota-Bradenton	\$26,390	\$70,841	\$81,000	\$8,538	\$39,130	\$85,564	\$230,400	\$140,228
Tallahassee	\$28,280	\$80,847	\$77,400	\$0	\$40,390	\$123,415	\$144,000	\$17,704
Tampa-St. Petersburg- Clearwater	\$25,480	\$69,202	\$71,100	\$476	\$36,505	\$91,745	\$173,700	\$78,481
West Palm Beach	\$31,150	\$86,041	\$103,500	\$15,389	\$43,470	\$98,354	\$260,100	\$156,543

Assumptions for 1995:\$250 in Non Mortgage Monthly Debt, 8% rate, insurance 0.60% of sales price, assessment at 85% of value, 25,000 homestead exemption, millage of \$25/\$1000 of value

Assumptions for 2005:\$325 in Non Mortgage Monthly Debt, 6.5% rate, insurance 0.60% of sales price, assessment at 85% of value, 25,000 homestead exemption, millage of \$25/\$1000 of value

Source: National Association of Home Builders

median income. Table 1 shows the fourth quarter 1995 and fourth quarter 2005 Housing Opportunity index for Florida’s MSAs. Every community showed a decline in the percentage of homes affordable to the median-income family.

Reduction in inventory that is affordable to the median-income family translates into fewer and fewer units affordable to those earning less than median. It also translates into lower-income families needing deeper and deeper subsidies. Purchase assistance programs in Florida make up the difference between what a family can afford and what the market is producing. In 1995, in the Daytona Beach MSA, a family earning 70 percent of the median income could qualify for a \$62,900 mortgage¹. In most communities, there are a number of homes being offered at 90 percent of the median sales price. In 1995 a home at 90 percent of the median purchase price in the Daytona Beach MSA sold for \$66,600. With a 3 percent down payment, a family earning 70 percent of median only needed \$2,355 in subsidy to purchase this house. In 2005, a family earning 70 percent of median

(\$34,055) could qualify for a \$72,320 mortgage². By this time, however, a home at 90 percent of the median sales price had jumped to \$190,800. In 2005 a family in the Daytona Beach MSA earning 70 percent of median needed over \$114,000 in subsidy to purchase a home at 90 percent of the median sales price. Table 2 shows the results of this analysis for Florida’s MSAs. As these data show, local governments must provide substantially more subsidy per family now than they did 10 years ago, resulting in substantially fewer families being served. If subsidies at the local level do not go up, then these programs will only be able to serve families at the higher income levels. In light of the cap on the Sadowski Trust Fund, those that do raise their subsidies so that they can continue to help families earning less than 80 percent of median will see their programs assist fewer and fewer families.



¹ \$250 in Non Mortgage Monthly Debt, 8% rate, insurance 0.60% of sales price, assessment at 85% of value, 25,000 homestead exemption, millage of \$25/\$1,000 of value

² \$325 in Non Mortgage Monthly Debt, 6.5% rate, insurance 0.60% of sales price, assessment at 85% of value, 25,000 homestead exemption, millage of \$25/\$1000 of value

Florida Housing Prices Continue to Rise

On June 1, 2006, the Office of Federal Housing Enterprise Oversight released the Housing Price Index for the first quarter of 2006. Out of the 20 MSAs with the largest percentage house price gains in the past year, 10 were in Florida. Nationwide, Florida trailed only Arizona in appreciation rate. The appreciation rates for Florida's MSAs, along with the change in median income over the past five years are listed below.

FIRST QUARTER 2006 HOUSING PRICE INDEX FOR FLORIDA'S MSA'S

CHANGE IN HOUSING PRICE

MSA	National Ranking	HPI % Change			Median Income	Median Income	2001-2006 % Change
		3/31/2005 3/31/2006	12/31/05- 3/31/2006	3/31/2001 3/31/2006	2001	2006	
Daytona Beach	16	27.36%	2.33%	115.16%	\$44,400	\$50,300	13.29%
Fort Myers-Cape Coral	3	36.90%	6.12%	140.91%	\$49,000	\$56,000	14.29%
Ft. Lauderdale-Pompano-Deerfield	10	29.29%	4.26%	139.76%	\$56,900	\$60,600	6.50%
Fort Pierce-Port St. Lucie	27	24.24%	2.48%	140.99%	\$50,600	\$54,600	7.91%
Fort Walton Beach	24	25.04%	2.60%	115.35%	\$48,900	\$57,800	18.20%
Jacksonville	43	21.43%	4.42%	79.44%	\$54,500	\$60,300	10.64%
Lakeland	5	35.60%	6.21%	89.55%	\$45,000	\$49,500	10.00%
Melbourne-Titusville-Palm Bay	25	24.86%	3.21%	134.39%	\$51,200	\$57,300	11.91%
Miami-Miami Beach-Kendall	13	28.03%	4.80%	133.11%	\$45,600	\$55,900	22.59%
Naples	2	37.73%	4.55%	140.42%	\$65,000	\$66,100	1.69%
Ocala	*	30.44%		90.85%	\$40,000	\$44,900	12.25%
Orlando, FL	7	31.98%	4.82%	100.14%	\$52,000	\$57,400	10.38%
Panama City-Lynn Haven	50	20.06%	1.37%	100.68%	\$44,800	\$51,600	15.18%
Pensacola, FL	42	21.56%	1.54%	74.41%	\$44,100	\$51,900	17.69%
Punta Gorda	21	26.06%	3.32%	125.62%	\$43,800	\$50,800	15.98%
Sarasota-Bradenton	12	28.23%	3.75%	125.04%	\$50,500	\$58,400	15.64%
Tallahassee	70	16.58%	2.75%	66.12%	\$54,900	\$58,500	6.56%
Tampa-St. Petersburg- Clearwater	20	26.22%	4.54%	99.71%	\$47,700	\$54,400	14.05%
West Palm Beach	17	27.32%	4.75%	138.94%	\$60,000	\$64,400	7.33%
FLORIDA	2	26.62%	4.29%	111.53%	\$49,400	\$54,800	10.93%

* Percent Change in House Prices for MSAs and Divisions Not Ranked in Previous Tables.

Note: Rankings based on annual percentage change, for the 220 MSAs containing at least 15,000 transactions over the last 10 years.

The House Price Index is based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. Only mortgage transactions on single-family properties are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that doesn't exceed the conforming loan limit, a figure linked to an index published by the Federal Housing Finance Board. The conforming limit for single-family homes in 2006 is \$417,000. Conventional means that the mortgages are neither insured nor guaranteed by the FHA, VA, or other federal government entity.

Source: Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index
U.S. HUD 2006



Eminent Domain Reform in the 2006 Legislative Session: Florida's Explosive Reaction to the Kelo Decision

BY JANET BOWMAN

In response to the decision of the *United States Supreme Court in Kelo v. City of New London*, 125 S.Ct. 2655 (2005), upholding the use of eminent domain power by the City of New London for economic development purposes, the Florida Legislature passed HB 1567 to address the use of eminent domain authority by political subdivisions and community redevelopment agencies. House Bill 1567 (Ch. 2006-11 Laws of Florida) which was signed by Governor Bush became effective on May 11, 2006 amends chapter 73, Florida Statutes, to prohibit the use of eminent domain for the purpose of preventing or eliminating slum or blight conditions or to abate or eliminate a public nuisance. The bill specifically states that the elimination of slum or blight, or the abatement of a public nuisance does not satisfy the public-purpose requirement of s. 6(a), Art. X of the State Constitution.

In addition, the bill prohibits a condemning authority from conveying property obtained through the exercise of eminent domain authority to a private entity unless the conveyance is to be used for certain "common carrier," public infrastructure or utility purposes. Restrictions are made on the conveyance of property already acquired by a condemning authority based on the length of time the entity has held title to the property. If the condemning authority has held the property for less than ten years, the authority can convey the property without restriction if the



authority no longer needs the property for the purpose for which it was taken and the owner of the property prior to the taking is given the opportunity to repurchase the property at the price he received from the condemning authority. If ten or more years have elapsed since the taking, the local government can convey the property after public notice and competitive bidding.



HB 1567, AND HJR 1569, IF APPROVED BY THE VOTERS, WILL SEVERELY LIMIT THE ABILITY OF COUNTIES AND MUNICIPALITIES, AND COMMUNITY REDEVELOPMENT AGENCIES TO IMPLEMENT REDEVELOPMENT PLANS AND MAY LEAD TO THE DEMISE OF CRAS AS A VEHICLE FOR URBAN REDEVELOPMENT.

The bill makes a number of changes to the Community Redevelopment Act in addition to the elimination of slum and blight as a public purpose for which CRA's were authorized to exercise eminent domain authority. First, the bill changes the assignment of community redevelopment powers from a community redevelopment agency created under the CRA act to each county or municipality who "may delegate" such powers to a CRA. The authority of a CRA to acquire property is limited to acquisition by purchase, lease, option, gift, grant, bequest, devise or other voluntary method and the disposal of property by a CRA that was originally acquired by eminent domain is subject to the limitations on transfer to a private entity created by the bill. Yet, the bill does not change the ability of CRAs to use tax increment financing and issue bonds to finance redevelopment activity.

HB 1567, and HJR 1569, if approved by the voters, will severely limit the ability of counties and municipalities, and Community Redevelopment Agencies to implement rede-

Continued on page 18



Old vacant apartment in the Riviera Beach Redevelopment Area

Politics and Policy: How Eminent Domain Practices can Shape or Destroy a Desired Future

A Case Study of Impact and (Non) Effect of Displacement and Redevelopment in Riviera Beach and Boynton Beach

BY ANNETTA JENKINS

BACKGROUND

Riviera Beach has a motto and vision of being “the Best Waterfront City in Which to Live, Work and Play.” Truly a bold statement for a city that has a poverty rate of 23.3%, with a population of 29,985 and median income of \$31,118, 48% of the Palm Beach County median of \$64,400. More than 66% or 20,323 are African American. (US Census 2000)



Back in 2001, Riviera Beach, under the leadership of Mayor Michael Brown, adopted an ambitious redevelopment plan

for its waterfront area of town, dubbed “Harbor Village.” The redevelopment area is 858 acres total including a portion of Singer Island and 188 acres of the Port of Palm Beach. Included in this area originally were 5,100 (plus or minus) residents; 2,262 households (includes 373 vacant units and 258 households to remain) of which only 1,631 households were occupied; and 317 existing registered businesses. Back in 2001, the projected assessed value of the real property was \$900,000,000. Included in this plan were detailed guidelines for the real

HARBOR VILLAGE MASTER PLAN		
Proposed Development Program	3,460	Resident Units
	900	Hotel/Timeshare/condo-Hotel Units
	220,000	Community Retail Square Footage
	350,000	Retail/Restaurant/Entertainment Square Footage
	270,000	Multi-Tenant Office Square Footage
	1,038,000	Office/Service/Technical Park Square Footage
	486,000	Marine Commercial & Working Waterfront Sq. Ft.
	550	Dry Boat Storage (New & Replacement)
	49 Acres	Open Space/Park/Recreation
	19 Acres	Beaches
Harbor Village	33 Acres	(Mixed Use Waterfront – Retail/Entertainment, Shops, Office, Hotel, Aquarium, Marina, Housing)
Town Center	25 Acres	(Community Retail Shopping Center)
Working Waterfront	30 Acres	(Boat Storage, Yacht Sales, Marine Repair/Shipyard)
Marine Commercial	24 Acres	(Marine Sales/Service/Display)
Singer Island	41 Acres	(Condos/Hotel/Restaurant/Shops)
Residential Neighborhoods	160 Acres	(Single/Multi-family sale & rental)
Commercial Office/Technical Park	29 Acres	(Technical Office/Education Space)

NEIGHBORHOOD PERSPECTIVE

In the past year, Viking has started the assembly process, paying several times over appraised value for a number of lots – a result of Palm Beach County’s hot real estate market and a protracted process moving forward in spits and spats. Other investors and developers have jumped in providing a challenge to assemblage or an opportunity to joint venture, depending on your perspective.

Riviera Beach intends to use eminent domain proceedings on a number of parcels not yet acquired, but necessary to implement the master plan. Whether they will ultimately be able to do this remains to be seen and tested in light of the new legislation.

estate acquisition process for negotiated “friendly” sales and through condemnation. These detailed guidelines – part of a resident information packet – repeatedly refers to rights and responsibilities under Chapter 73, Florida Statutes (CRA Redevelopment Master Plan, found at www.rbcra.org).

TODAY

Flash forward five years: the estimated value of Riviera Beach’s redevelopment is \$2.4 billion. The City has selected a master developer – Viking Inlet Harbor Properties through an RFP process and, on May 10, 2006, signed a development agreement (City Commissioner sit as the CRA). The problem is that in this past legislative session, an eminent domain law was passed restricting a local municipality’s ability to take private property for economic development purposes. Governor Jeb Bush signed the bill into law on May 11th, a day after the action taken by the City of Riviera Beach.

A GRASSROOTS RESPONSE

Northwest Riviera Beach Community Redevelopment Corporation (NRBCRC) a community development corporation or CDC was formed in 1991, working primarily in the northwest, non CRA area of the city. In the past eight years it has developed and sold more than 125 single family, infill homes to buyers primarily below 80% of the Palm Beach median income (currently at \$64,400, according to the Florida Housing Finance Corporation and US HUD as of May 2006).

Approximately two and a half years ago, NRBCRC, with the technical and financial assistance of South Florida Local Initiatives Support Corporation (SoFla LISC), formed a development team to provide a response to the looming question of where displaced residents in the CRA would find affordable housing. The City would form a housing delivery system called the Renaissance Program which adopted NRBCRC’s efforts. However, NRBCRC’s program in two phases: the Brooks Subdivision and the “S” Avenue Model



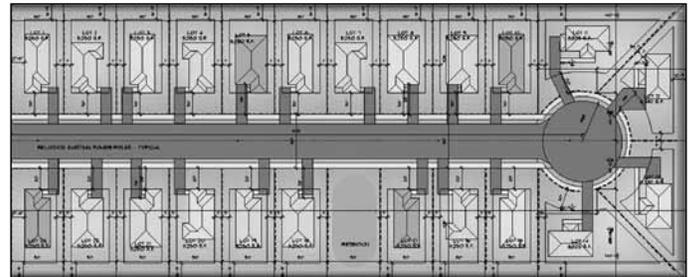
Rendering of Solange Michel's future home.



Solange Michel, will become a homeowner with the help of Northwest Riviera Beach Community Redevelopment Corporation and LISC.



Low income apartment in the redevelopment Area, Riviera Beach.



Site plan of upcoming affordable single family house. A project of the Northwest Riviera Beach Community Redevelopment Corporation.

Blocks, will deliver more affordable homes than any other development project underway, planned or constructed within the city.

When completed, there will be almost two hundred single family homes and townhouses with price points ranging from \$150,000 to \$225,000, affordable to families, below 80% of the median income. The development will complement new infill homes on surrounding blocks completed by NRBCRC in its mini-subdivision by the City and by another non-profit, Jay's Ministries. The attractive homes will be within walking distance of the aquatic center, schools, the Davis Community Center and a day care center. NRBCRC plans to break ground on the Brooks Subdivision this summer with homeowners moving into the sold-out phase by year's end. Special outreach efforts are being made to residents in the CRA area and to clients engaged in NRBCRC's Homeownership Counseling Program.

THE DEVELOPMENT TEAM

Northwest Riviera Beach CRC:

Schiller Ambrose, Project Manager

Local Initiatives Support Corporation:

Lynda Charles, Senior Program Officer

Architect:

Elizabeth Colome, Colome & Associates

Attorney:

J. Michael Haygood, Esquire

City of Riviera Beach:

John Green, Community Development Coordinator,
Riviera Beach CRA



ANNETTA JENKINS is a Senior Program Director for Local Initiatives Support Corporation. LISC is the nation's largest community development support organization, with more than \$8 billion invested in urban and rural neighborhoods across the country. Annetta, a Florida housing Coalition board member, has her office in West Palm Beach. She can be reached at ajenkins@liscnet.org.

Eminent Domain Reform *Continued from page 14*

velopment plans and may lead to the demise of CRAs as a vehicle for urban redevelopment. From a growth management perspective, this may encourage urban sprawl as one consequence of the legislation may be to slow urban revitalization thereby reducing incentives for developers to build in existing urban areas as opposed to raw land outside of existing urban service areas. On the other hand, the displacement of residents of affordable housing that might have been condemned under the broad “slum and blight” definition of the Community Redevelopment Act will end as CRAs no longer have the authority to exercise eminent domain authority by employing the abatement of “slum and blight” as the public purpose justifying the condemnation.

Ironically, the Second District Court of Appeal issued an opinion on May 31, 2006

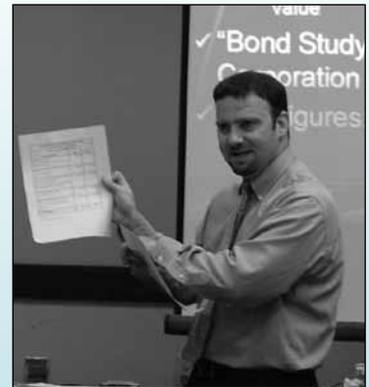
In addition to HB 1567, the legislature also approved House Joint Resolution 1569, a proposed constitutional amendment to appear on the November 2006 ballot, that states that private property taken by eminent domain following a petition to initiate condemnation proceedings filed on or after January 2, 2007, “may not be conveyed to a natural person or private entity except as provided by general law passed by a three-fifths vote of the membership of each house of the Legislature.” The proposed amendment hence leaves it to the legislature to decide the circumstances under which condemned property can be conveyed to a private entity rather than a total ban on such a conveyance.

in the case of *Fullmore et. al. v. Charlotte County and Murdock Village Community Redevelopment Agency*, affirming the constitutionality of the Charlotte County’s exercise of eminent domain, under the Community Redevelopment Act, to take property that was part of an 1,100-acre antiquated subdivision that contains approximately 3,000 platted lots for redevelopment. Clearly, under the new legislation, a local government or CRA will be unable to undertake such a redevelopment project. 

Janet Bowman is the Legal Director at 1000 Friends of Florida, a statewide nonprofit growth management organization located in Tallahassee. Before coming to 1000 Friends, she was the attorney for the Florida Senate, Committee on Comprehensive Planning, Local & Military Affairs and was also staff attorney for the Legislative Committee on Intergovernmental Relations where she focused on local government issues.



HOUSING COUNSELING CERTIFICATION



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.



Future young residents of the People of Hope Park review the plat design of their park.

A Success Story for Displaced Mobile Home Park Residents: The Amazing Effort That Made it Happen

The former residents of a mobile home park in Athens, Georgia will find housing stability through park ownership via a community land trust.

Residents of Garden Springs, a 28-year old mobile home park in Athens, Georgia were notified they had 60 days to move as the land had been sold for a high end student apartment complex. The residents are a diverse group comprised of 150 adults and 175 children (60% Hispanic, 30% black and 10% white). Some residents were disabled or elderly, and all were lower income. When this crisis hit, Georgia Legal Services Program (GLSP) responded but quickly realized that the need was greater than the resources at hand.

While GLSP lawyers are experts in poverty law and community development strategies, GLSP lawyers recognized the need to bring in business lawyers to assist with the complex issues. Georgia Legal Services Program went to work to round up volunteer lawyers to assist its staff attorneys. Sutherland, Asbill & Brennan, LLP

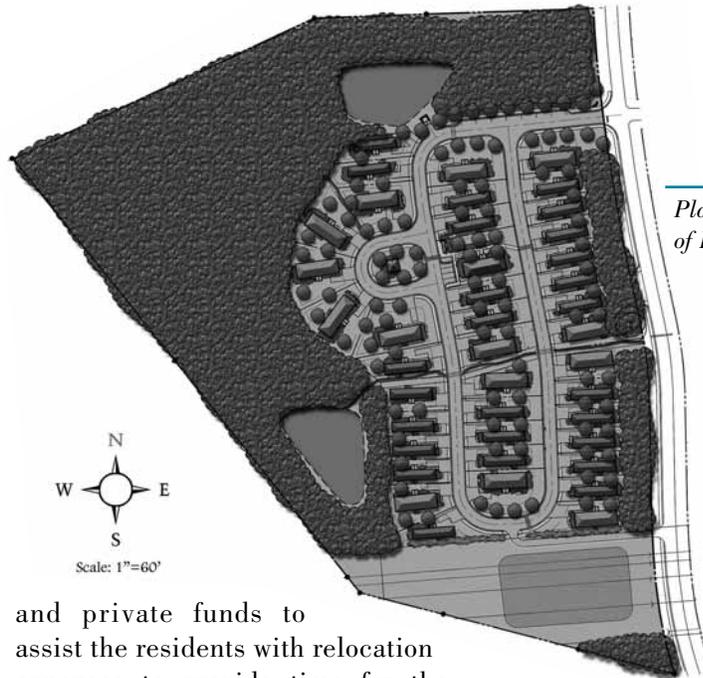
stepped forward to provide litigation and business legal services to the residents of Garden Springs. Sutherland partner Charles Lester and GLSP community economic development specialist attorney Skipper StipeMaas developed an extensive legal team and partnership with the University of Georgia Schools of Law and Social Work, churches, other non-profits, and hundreds of individuals. The Garden Springs legal team grew to include 29 attorneys, paralegals, social workers, law students, and translators.

Led by GLSP and Sutherland, the legal team negotiated a settlement so the residents had nine months to relocate. Through the legal team's help, 73 families were relocated to new trailer parks, if they had trailers that could be moved, or to houses/apartments, if their trailers could not be moved. The team raised almost \$200,000 in public



Barbara Champion, President of People of Hope, Inc., presents Charles Flickinger, a partner of Sutherland Asbill & Brennan with a small token of appreciation for the pro bono legal hours SAB has provided POH for the past five years.

According to StipeMaas, “One of the most endearing aspects of this case was meeting with the residents during warm months on the park’s basketball court---the only space large enough to accommodate all of the clients at one time---and using headlights to read by while swatting at mosquitoes as darkness arrived. As days got shorter and colder, meetings were moved into the cramped spaces of trailers and, no matter how late or how often, Sutherland lawyers were there, standing side-by-side with us as we sorted out all of the legal issues and strategies.” According to Charlie Lester, Sutherland’s head litigator, one of the most rewarding aspects of working with the residents and GLSP was the combination of litigation and transactional work and how it pulled together different social and legal skills within Sutherland and GLSP.



Plat Design for the People of Hope Park.

and private funds to assist the residents with relocation expenses to provide time for the legal team to explore with the residents the creation of a structure to purchase their own land for a long-term solution. Sutherland and GLSP worked closely with the Athens-Clarke County government for money from the Governor’s discretionary fund and affordable housing and eviction crisis money from the Department of Community Affairs. The fundraising effort made it possible to provide each family with \$2,500 to help relocate for expenses of moving the trailers, moving to apartments or houses or for increased rent. Sutherland also set up an innovative strategy for getting the money dispersed to the residents, which was complex and involved numerous agencies as a means to stay within the legal parameters of funds for each source of funds. When asked why Sutherland had taken on the arduous task of dispersing the money, Lester simply said, “We had the capacity, so we took on the responsibility.”

Since the settlement, GLSP and Sutherland have provided legal services to form a non-profit (People of Hope, Inc., www.peopleofhope.us) for the former resi-

dents of Garden Springs. GLSP and Sutherland, on behalf of their client, People of Hope, negotiated and signed a contract to purchase an 18 acre tract as a new trailer park site for this new non-profit; applied for 501(c)(3) status, drafted bylaws and board resolutions, maintained the legal records of the board meetings; provided legal consultation for development and zoning laws, applicable affordable housing programs; and advised the steps necessary to meet the legal requirements to have funds for the purchase of the land to develop the park. People of Hope purchased the property, and will break ground in the next few months to build their park.

As a means to address the systemic problems plaguing trailer parks, Sutherland and GLSP have provided legal work to create a Georgia Community Loan Fund, Inc., which plans to be a Community Development Financial Institution and provides low-interest loans for communities, like community-owned trailer parks, that have a hard time accessing capital.





Lessons from Florida 2004, with Hurricanes Charley, Frances, Jeanne

What two NeighborWorks® organizations in Florida learned in 2004 when strong hurricanes battered their communities may help others respond to major disasters in the future.

South Central Florida

Thoughtful Goals, Strong Advocacy, ‘Creative Persistence,’ Flexibility Are Keys

BY STEVEN MAINSTER

After hurricane Andrew, in 1992, NeighborWorks® affiliate **Centro Campesino Farmworker Center** of Florida City was the major nonprofit community development corporation engaged in hurricane rebuilding for low-income families in the Homestead and Florida City areas.

In the 12 months after the hurricane, Centro repaired or replaced 50 homes and spent more than \$1 million in the effort. We also developed a tent city, which housed more

than 500 people, and served a thousand meals a day in partnership with the U.S. Army.

So, when Hurricanes Charley, Frances and Jeanne hit South Central Florida in 2004, we thought we had a plan.

We would drastically increase funding and staff so we could serve the major hurricane repair and replacement needs of families in the most damaged counties in our service area, with emphasis on Desoto and Hardee Counties. In Desoto

and Hardee Counties, it was estimated that 7,000 housing units had been damaged beyond repair and thousands of others had major damage. Many homes belonged to low-income families, with inadequate or no insurance. Many families were new immigrants who didn't speak English, and were not eligible for government assistance.

We would operate our hurricane rebuilding plan in three separate phases: short-term emergency relief; mid-term rebuilding, counseling and construction; and long-term neighborhood development.

Now, 18 months into an ongoing program, we have found that some parts of our plan worked and others did not. We adjusted where we could and continued on. In fact, we have accomplished much.

We have met our financial goal and raised more than \$2 million for hurricane repair and rebuilding, with key support from NeighborWorks® America.

We have committed funds to or completed the repair or replacement of more than 100 homes, with a value of more than \$1 million, for the lowest-income families in our service area. We have kept our staff in the field for more than a year. We still have a store of more than \$1 million in grants for the next six to 12 months.

We've built major partnerships with local government, rebuilding committees, faith-based groups, and nonprofit agencies to jointly fund and repair or replace homes. These partnerships have become the foundation of our success.

LESSONS LEARNED

Any program of this scale runs into problems that can slow it down and limit its effectiveness. We surely ran into our share. But, hopefully, pointing out the lessons we learned will assist others in large-scale and expansive rebuilding and replacement efforts.

We were not successful in recruiting an architectural or engineering company to assess structures and prepare specifications for repair or replacement in the hurricane-damaged areas. Our attempts to recruit faith-based volunteers for this function were unsuccessful.

Consequently, we used our own staff, who had considerable construction experience, to do all job write-ups.

However, with the long hours they had to spend in the field and the paperwork they had to do to prepare bids and recruit contractors, our in-house construction staff frequently didn't have the time or the professional qualifications to do specifications and instructions for challenging structures.

Also, due to staff turnover, the quality of the write-up process changed. When licensed contractors or volunteers joined us to do rebuilding, they frequently did not agree with our staff regarding the scope of work, or the viability of repairs versus replacement. Professional write-ups by engineers or architects would have saved time and effort, and decreased our liability for construction decisions.

Get your own work crews on-staff, because they will pay for themselves in time gained, work accomplished, and job cost control.

After Andrew, we used our own general construction crews, because we were in our own home base and we are residential builders. We also had access to a guaranteed flow of volunteers, and a Department of Labor-paid work crew (National Emergency Grant) of more than 100 people.

In contrast, in our 2004 program, it is taking us double or triple the normal time to get work done, because of the lack of suitable contractors and volunteers. It has been almost impossible to consistently recruit general contractors to do our work. Furthermore, when contractors are found, their bids are exorbitantly high.

If volunteers can be obtained, they must be committed to a long-term schedule that they cannot break or change, as if they are under contract. If you can achieve this with volunteers, or paid staff, work will be a snap compared to bidding projects in the private sector. If work must be bid using outside contractors, package the jobs so that at least \$100,000 of work can be bid together. This will increase the chances of getting competent contractors to participate.

If funds cannot be readily found to pay for sizeable crews to complete work, an alternative would be to establish a



A LARGE-SCALE
PROJECT SHOULD
CONTRACT WITH OR
HIRE AN ARCHITECT
OR ENGINEER TO
BE AVAILABLE AS
NEEDED TO DO
HOME-ASSESSMENTS
AND JOB WRITE-UPS
AND SPECIFICATIONS.

for-profit or nonprofit independent sister organization that can bid on each job. This will keep other contractors' work within fair market price, and also allow you to award work to the sister organization if other bidders are too high or unresponsive. Centro did not organize its work this way unfortunately and we and our clients have suffered for it.

Depending on others for advocacy will hurt a rebuilding program.

The best way to get a clear picture of what a family really needs is to have advocates on-staff who can get answers in writing and make sure a family is getting the resources it deserves. Often, lawyers are needed to pry information out of agencies or insurance companies and to represent clients with resisting institutions. If we had a lawyer on retainer, we would have improved our performance drastically. Public legal service organizations and pro bono attorneys were swamped with work and too busy to help us.

Also, one highly trained and informed person on-staff must be designated as the spokesman for your nonprofit and the liaison to high levels in FEMA and others with resources. Each FEMA staff may have a different version of what FEMA may or may not be able to do in a particular case. Thus, one person representing your nonprofit must be designated to reach high into FEMA and other agencies for accurate policy answers and timely responses to appeals.

Train, train, train – and have a well-defined operation practiced before the program begins.

Schedule ongoing training on a regular basis to prevent the blind leading the blind. You may be impatient to begin providing relief, because people are in such great need, but having trained and effective staff and a very good communication network are key to early and sustained success under duress.

From the outset, our program had to contend with new untrained staff from the private sector doing our core work. Since no other nonprofit had worked in these rural areas, most newly recruited staff were unfamiliar with the modus operandi that we took for granted. They had to be trained in all our procedures, values and organizational culture – and trained in their daily tasks as well.

After the first six months, the original staff was replaced with a “second generation” staff, better equipped to carry out the challenging work. The second generation team was

more qualified and better trained, and is far more effective.

Expand fiscal and administrative staff as well as program staff in order to avoid slowdowns and over-work.

Centro rapidly expanded its program staff to undertake the hurricane repair and rebuilding program, but did not expand its administrative and fiscal staff to support their work. This led to bottlenecks in fiscal and reporting functions and overwork among the administrative staff in our home office.

Make sure adequate cash flow is available in greatly expanded amounts for your nonprofit before large-scale operations begin. Insist that funders respect this reality.

CONCLUSION

Overall, your efforts and those of very few others may be the only ones that meaningfully reach low-income areas where families have suffered so much. If you have well thought-out goals, strong advocacy, flexibility, and creative persistence, you will be successful.

Steven Mainster (smainster@centrocampesino.org) is executive director of Centro Campesino Farmworker Center.

EPILOGUE

In October 2005, Hurricane Wilma – the strongest storm since Charley – knocked out our power for 10 days. Luckily, it did not do any damage to Desoto, Hardee and Polk Counties (hard hit by Charley, Jeanne and Frances in 2004). We had not finished our rebuilding there, so we can continue our efforts without interruption.

However, Wilma caused very serious damage in rural Palm Beach and Hendry Counties. They were much harder hit by Wilma than any other storm in more than 10 years. Villa Lago, our subdivision under gut rehab in the city of South Bay, which is in rural Palm Beach County, suffered some serious structural damage.

Farmworkers and rural low-income homeowners in South Bay, Belle Glade, and Pahokee, in Palm Beach County, as well as in Clewiston, in neighboring Hendry County, suffered tremendous damage to their housing. It is estimated that 75 percent of all mobile homes in South Bay, Clewiston, and Pahokee were severely damaged or completely destroyed.

Continued on page 24

Relying on ‘Beacon Centers’ in Palm Beach County

BY PATRICK MCNAMARA



In 2004, both Frances and Jeanne hit the West Palm Beach area.

In recovering, NeighborWorks® affiliate **Housing Partnership Inc.** of Palm Beach County used an “Each-One-Reach-One” communications process to reach its clients, either by phone or in person.

So, when Hurricane Wilma hit last October, badly damaging Housing Partnership’s building, Housing Partnership relied on the county’s school-based Beacon Centers to help provide relief and distribute information.

“We learned from 2004’s experience that this was one of the ways that our efforts could be put to best use,” said Executive Director Patrick McNamara. Many people in these disenfranchised areas faced severe challenges in meeting basic needs for food, shelter, and clothing immediately after the hurricane.

A Beacon Center is basically a community center superimposed on the campus of a public school in a disenfranchised neighborhood. Palm Beach County has 14 Beacon Centers; Housing Partnership operates five of them. Many people in these disenfranchised neighborhoods, particularly in the “Glades” area, faced severe challenges in meeting basic needs for food, shelter, and clothing immediately after the hurricane.

One of the five in the Glades, the Pahokee Beacon Center, for example, is a partnership among the elementary and middle schools, community-based organizations, active residents and the center’s community advisory council. Beacon Centers’ after-school programs provide academic, social, recreational, and cultural activities in which youth can develop meaningful relationships with adults and peers, while improving their educational and leadership skills. The centers’ other programs provide a wide array of services to strengthen the entire family and community.



Hurricane debris forms a backdrop for (left to right) Brea, Nick and Emma McNamara.

Following Wilma, Beacon staff and youth leaders helped in distributing food, water and ice; preparing and serving meals at local shelters; distributing information on the location and eligibility of available services; and assisting applicants for cash voucher cards. Despite the damage to their building, Housing Partnership’s corporate office organized an effective clothing drive for the Pahokee and Belle Glade areas.

In addition, the center established a Beacon family hotline to serve area families and conducted a needs assessment to identify permanently displaced families.

It also planned and coordinated a “Parent Relief Day” to provide a day of food, fun, music and relaxation for parents and children without school, child care, or other outlets due to lack of water and power.

In turn, both the Pahokee Housing Authority and the city government used the Beacon Center to collect and distribute up-to-date information on needs and services. This effective communication process resulted in the center being awarded a \$20,000 grant from the local Community Foundation to distribute emergency rent and utility assistance, as well as over \$5000 in food vouchers for distribution.

The center is now turning its attention to the long-term recovery needs of the community. Housing Partnership is active in local meetings with faith-based groups, such as the Mennonite Volunteers, local government, and other community agencies to formalize plans to address the significant housing needs of the community.

And these were the efforts of just one of the Beacon Centers – the other centers also rose to the occasion, and their neighborhoods are now recovering.



Reprinted, with permission, from *NeighborWorks America’s Bright Ideas* magazine. Patrick McNamara (pmcnamara@gocpg.org), is Executive Director of Community Services, Community Partnership Group, Housing Partnership, Inc.



The Florida Housing Coalition participants at the 2005 statewide conference were glad to forego the morning refreshment break (at a savings of \$6,000) so that money could be used to help a New Orleans nonprofit.

Florida Housing Coalition to Assist New Orleans Nonprofit... Sharing in the Initiative

Coalition to Assist New Orleans Nonprofit

BY VICKI McDONALD

Over nine months after Hurricane Katrina breached the New Orleans levee system, decimating family homes and flooding neighborhoods, the current housing stock remains desolate in New Orleans. The flood destroyed an estimated 142,000 housing units with 112,000 of those units belonging to low-income households, according to the National Low Income Housing Coalition. Families who have returned to the city to find their homes saturated, demolished or deemed uninhabitable are desperately struggling to locate housing that is safe and affordable for living.

In an effort to assist with these struggles, the Florida Housing Coalition's Board of Directors agreed to provide a training and technical assistance package to a credible entity dedicated to improving housing options for the residents of ravaged areas in New Orleans. A Shared Initiative, Inc., a New Orleans based developer of affordable



housing and fledgling nonprofit, is the recipient of the Coalition award package totaling over \$6,000. A Shared Initiative, Inc. formed as an expanded community development effort designed by ASI Federal Credit Union, a community development financial institution serving predominately low-income members in New Orleans and surrounding communities.

The training and technical assistance package covers the cost of travel, hotel arrangements and per diem for A Shared Initiative staff members who wish to attend a combination of Coalition workshops and the annual statewide affordable housing conference over the next two years. In addition to covering these expenses, up to the awarded amount, the Coalition agreed to waive any registration fee for events and provide one onsite visit by a Coalition technical advisor to New Orleans to meet and work with the nonprofit staff. This package will provide valuable education and direction to a



The houses A Shared Initiative will rehabilitate are located in the St. Claude area near St. Roch and the Lower Ninth Ward.



nonprofit faced with replenishing an unprecedented and overwhelming lack of housing units for people of low and modest means.

Over the next six months, the nonprofit will begin work on rehabilitating homes located on Louisa Street in the St. Claude area located between St. Roch and the Lower Ninth Ward. Before the storm, this area was a working class neighborhood satiated with rich cultural and ethnic diversity. Approximately 90.5 percent of the 12,000 residents in St. Claude were African-American with an average household income of \$29,802, according to 2000 Census data. Of those who have returned to the area, now declared viable by the city and replenished with basic services, most are living in trailers.

To qualify for a rehabilitated home, A Shared Initiative program participants must earn incomes not to exceed 80 percent of the area median income, have a strong six-month credit and employment history and be able to pay 1 percent of the total purchase price of the home. ASI Federal Credit Union has agreed to grant borrowers its in-house market rate and provide matched down payment assistance to future low-income homebuyers through individual development accounts.

The nonprofit's leaders site lack of communication and coordination between New Orleans agencies dedicated

to solving the same housing catastrophe as their most significant hindrance to reconstructing neighborhoods. The Coalition anticipates imparting constructive education and quality direction - through workshop instruction, conference participation and technical advice - for accomplishing the beginning goals of the nonprofit. The Coalition foresees sharing a positive working relationship with A Shared Initiative, Inc. as they strive towards achieving safe, decent and affordable housing choices for the people of New Orleans.



(From Left to Right) A Shared Initiative Staff - Alicia Sanchez, community development representative, Shannon Cain, community development representative, and Sarah Taylor, director.

Katrina and relocating to Tallahassee. Vicki is the Office Manager of the Florida Housing Coalition. Her duties include assisting the Executive Director with day-to-day operations in the Tallahassee office, conference planning, recruiting members and partners for better housing, assisting with the Housing News Network Journal and acting as a liaison with the Coalition's Board of Directors. Prior to her tenure with the Florida Housing Coalition, Vicki worked for the Gulf Coast Fair Housing Center in Gulfport, Mississippi.

Vicki has been recognized with several awards in journalism, including the 2004 South Eastern College Journalism Conference third place "Best of the Best" news writer award and second and third place awards for spot news and investigative packages from the Mississippi Press Association. Her work has been published in south Mississippi newspapers including the Hattiesburg American and The Sun Herald.



The Florida Housing Coalition Recognizes Kathleen McLeroy for Extraordinary Pro bono Assistance



The Pro bono committee of the Real Property, Probate and Trust Law Section of the Florida Bar is headed by Drew O'Malley. Drew has been working with the Florida Housing Coalition to provide free legal assistance to nonprofits in need through a partnership with the Florida Housing Coalition.

The Volunteer Lawyer Project would not be a success without the commitment of lawyers throughout Florida. At this time, we would like to honor one extraordinary lawyer in particular – **KATHLEEN S. McLERROY**.

McLeroy is the chair of Carlton Field's active pro bono committee and has been the point person for finding just the right lawyers in her firm's various offices to respond to the legal needs of Florida's nonprofits. McLeroy was instrumental in finding counsel for two nonprofits starting up community land trusts: Hibiscus CLT in Punta Gorda, and the Northwood Renaissance in Palm Beach County. She also found legal counsel for the Arcadia Housing Authority when complicated title issues could not be negotiated with local resources.

"There are people who need work from the legal profession and can't pay for it themselves," says McLeroy. She typically puts in 100 hours of pro bono work each year. She has represented many people in landlord/tenant, mortgage foreclosure, consumer, and collection disputes. In one of her most noted cases, she successfully defended a mortgage foreclosure action against a sixty-year-old woman who was the head of a household consisting of her daughter, her

retarded adult son, and two grandchildren. "She had paid on the mortgage faithfully," said McLeroy. The woman also ran her business, a beauty salon, out of her home. "If she had lost the house, she would have also lost her place of business."



The lender, however, an individual who had purchased the mortgage and note from a government entity, had begun charging excessive fees not provided for in the loan instruments. By applying the mortgage payments to these fees rather than to principal and interest, the lender declared the loan in default and commenced a foreclosure proceeding. After thirteen months of litigation, McLeroy was successful in having the loan, which was at all times current but for the excessive fees, reinstated. "They didn't

agree to do it easily," she said, "but we were able to have her mortgage deemed to be current."

Ms. McLeroy has received the Florida Bar Foundation's President's Award for Excellence. She was recognized by the Hillsborough Attorney Volunteer Efforts Program with its Outstanding Pro Bono Service as Client Intake Volunteer Award. In 2004, she received the Hillsborough County Bar Association's Jimmy Kynes Award for Outstanding Pro Bono Service, and in 2005, the Florida Bar and President's Pro Bono Service Award. The Florida Housing Coalition joins these many others in recognizing Kathleen McLeroy for her commitment to providing pro bono legal work, and in particular for furthering the work of affordable housing through her assistance to the Volunteer Lawyers Project partnership with the Florida Housing Coalition. 

If you are a nonprofit in need of legal help with corporate, real estate, or tax issues (not litigation), contact the Florida Housing Coalition at 850/878/4219 and we will work with the Volunteer Lawyers Project to find pro bono counsel for your organization.



Frequently Asked SHIP & Hurricane Housing Recovery Questions

Q: *The City is planning to provide SHIP funds to partially finance the construction of a shelter for children in the foster care system. Since these children are “wards of the state,” are there shortcuts available for documenting that they are SHIP income eligible, or do we have to go through the entire regular income qualification procedures?*

A: This question has been considered in other SHIP jurisdictions, where SHIP funds have partially financed the construction of shelters similar to the one you are considering. In Lee County, for example, SHIP funds have helped build a run-away youth shelter and an addiction services shelter. The SHIP administrator developed a “streamlined intake system” for the youth shelter, which notes that all the children staying there are automatically eligible for SHIP assistance. They are run-away children who are homeless. The HUD definition of homeless individuals recognizes that they are automatically considered low income since they cannot obtain housing due to a lack of financial resources. The same intake system could be used for the foster children your question addresses. They also are essentially homeless without the resources to independently obtain their own housing. They automatically qualify for your SHIP assistance.

There are two main points to remember: First, the Florida Housing Finance Corporation must review and officially accept the alternative income qualification process that you propose before you start using that process. Second, although the children receiving assistance are automatically income eligible, you must require the shelter managers to provide you periodic reports with demo-

graphic information about those children who are assisted at the shelter. You will need this information for your annual report. This report does not have to include the children’s names—shelter managers may want this information to remain confidential. Instead the managers may assign a code for each child’s name.

Q: *After the last hurricane, we made use of the State’s SHIP disaster strategy to provide recovery assistance. Should we prepare now for the possibility of a future disaster by advertising that SHIP funds may be used for disaster response if such a disaster occurs?*

A: Since your jurisdiction is not currently experiencing a disaster, you have not currently budgeted any funds for disaster recovery. Yet it may be a good practice to advertise now, as you suggest, for the possibility that SHIP funds may be spent for disaster recovery if such a disaster occurs in the next year. After all, the SHIP Statute requires you to advertise the specific ways you will use your SHIP funds at least 30 days before accepting applications for a specific type of assistance.

In the past, you made use of the State’s general SHIP disaster strategy, which was created in response to the hurricane disasters of 2004. For the period when an executive order or emergency rule is active, any jurisdiction may provide all the types of disaster assistance that are outlined in the State’s disaster strategy—even if the same type of assistance does not exist in the jurisdiction’s current local housing assistance plan.

Remember, however, that Florida Housing now requires each SHIP jurisdiction to

include a disaster strategy within its local housing assistance plan. This requirement was recently added to section 67-37.005(7) of the SHIP Rule. You could consider adopting Florida Housing’s standard strategy language. It is available under “disaster documents” in the SHIP section of Florida Housing’s website, www.floridahousing.org. If you do this, make sure to omit any emergency rule language about assistance that is not normally allowed under the regular SHIP Rule or Statute. For example, one former emergency SHIP rule provided authorization for “homeownership and rental activities, including activities related to manufactured housing”—yet the regular SHIP Rule does not allow us to offer any assistance on manufactured housing (mobile homes).

In May, several housing administrators gathered to discuss this subject at the Housing Coalition’s workshop on Disaster Preparedness. A handful of themes emerged from the presentations and participant discussions. The three stages of disaster recovery are Emergency Response (providing emergency shelter), Relief (short-term housing) and Recovery (rebuilding). The design and requirements of most housing funds used by the workshop participants do not allow them to be first responders. While SHIP funds may be used to purchase blue plastic tarps, for example, the purchase of generators and gasoline is outside the boundary of eligible expenditures. Instead, affordable housing program resources are most valuable during the Recovery phase of emergency response.

Many housing strategies that have become common across Florida are focused on long-term housing recovery, including

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

rehabilitation, housing replacement, and the new construction of multi- and single family housing.

Disaster preparedness involves adopting a disaster strategy that offers a variety of aid, from temporary repair and payment of insurance deductibles, to rental deposit assistance. Advertise its availability now. In addition, prepare a Request for Quote (RFQ) to identify contractors, document their rates, and prepare to quickly mobilize them to help clean up after a disaster. It becomes more difficult to locate competent contractors once disaster strikes. Several workshop participants have witnessed this first hand. They have observed the recent decline in contractor interest for participating in their emergency repair and rehabilitation programs. Some, including the housing staff in Highlands County, have successfully attracted contractor attention by “bundling” together several repair jobs. Highlands County bid out 20 single-family units for rehabilitation, and received competitive responses from six contractors. Effective disaster response begins with planning. Contact the Coalition at (800) 677-4548 for further assistance with considering how to prepare your community.

Q: *Housing sales prices are on the rise, and our jurisdiction needs to increase its maximum purchase price. When will Florida Housing Finance Corporation release another bond study with average sales prices for my area that I can use to justify an increase to our maximum purchase price?*

A: Florida Housing does not have plans in the near future to issue another sales price study for use by SHIP administrators. Fortunately,

such a study is not absolutely required to assist you with your question. In the past few years, the U.S. Department of Treasury has regularly issued updated versions of its “safe harbor limits”. These are the figures referenced in section 67-37.007 (4)(d) 6 of the SHIP Rule, which states “the maximum area purchase price used must be that established by the United States Department of Treasury.” Although there were many years in the 1990s when these Treasury figures were not updated, they were updated twice in 2005. The timing is perfect, since many SHIP jurisdictions have been re-examining their purchase price limits recently as housing prices increase.

The SHIP Statute requires jurisdictions to set an upper limit on the value of a home that will be considered “eligible housing” for purposes of SHIP assistance. This requirement is outlined in section 420.9075 (4)(c) of the SHIP Statute: “The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located.... The average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs”. A SHIP jurisdiction, therefore, has the flexibility to justify its maximum purchase price or value based on one of three sources: a local study of sales price levels in the past 12 months, Florida Housing’s bond study—which reports recent price levels for Florida’s metropolitan statistical areas, or the U.S. Department of Treasury’s safe harbor limits.

If a county or city opts to pay for a local average home price study, Florida

Housing must approve the methodology for this study. A SHIP jurisdiction wanting a copy of the most recent safe harbor limits can call the Coalition at 1 (800) 677-4548.

Make sure to set your community’s maximum sales price or value at a realistic level that represents the sales price at which there are an adequate number of homes to buy. If this sales price is set too low, a SHIP homebuyer may be unable to locate a home in the local housing market. As housing prices rise, communities must increase their maximum sales prices to keep pace. Caution your commission, staff and applicants against the belief that your maximum sales price or value represents the local price tag for an “affordable house.” On the contrary, this price level is unaffordable—the price simply indicates the current value of modest homes in the local market. Most housing markets in Florida are not producing houses at a price that SHIP eligible buyers can afford—this is why they need SHIP subsidy. It is the combination of a buyer’s first mortgage money and this subsidy that makes the equation of home purchase truly affordable.

HB 1363 (the Omnibus Housing Bill which goes into effect on July 1, 2006) calls for SHIP Housing Assistance Plans to provide a definition for "essential service personnel" and encourages each SHIP jurisdiction to develop a strategy for the recruitment and retention of essential service personnel, as well as a strategy for providing assistance to people displaced from affordable housing due to mobile home park closures and condo conversions. The Florida Housing Coalition will be pleased to assist you with developing definitions and strategies.



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.



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*.

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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.

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