

AFFORDABLE HOUSING HELPS VETERANS • AFFORDABLE HOUSING HELPS CHILDREN • HOUSING DAY 2011

Housing News

Volume 27, Number 1

The Journal of the Florida Housing Coalition, Inc.

FLORIDA HOUSING COALITION

NETWORK

Housing = Jobs



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Front cover credit: Carlisle Development Group

The Florida Housing Coalition is a nonprofit, statewide membership organization whose mission is to act as a catalyst to bring together housing advocates and resources so that Floridians have a quality affordable home and suitable living environment. *The Housing News Network* is published by the Florida Housing Coalition as a service to its members, housing professionals and others interested in affordable housing issues. **Jaimie Ross**, *Editor*, with assistance from Christine Call, Florida Housing Coalition Communications Manager • Email: info@flhousing.org, Web site: www.flhousing.org.



By Jaimie Ross

In Florida, affordable housing advocates come in all shapes and sizes. As evidenced by the expansion and strength of the Sadowski Coalition, running the gambit from advocates for the neediest, such as the Florida Coalition for the Homeless and Florida Supportive Housing Coalition to

advocates for business interests such as the Florida Chamber of Commerce and Associated Industries of Florida, we are nothing short of the utmost diverse constituency. Whether motivated by faith based principles, social justice and equity, or an interest in building a better economy, the fact is that more housing in Florida means more jobs in Florida, and more jobs in Florida means a better economy.

Florida's Sadowski Act trust fund programs provide stable affordable homes—homes that put first time homebuyers into housing only after receiving homebuyer counseling that readies them for fixed rate low interest long term loans—loans that would only end up in foreclosure due to job loss. SHIP administrators in Florida and the conventional lenders that provide first loans for SHIP houses have much to be proud of.

But there wasn't enough SHIP money to provide homeownership to every low income buyer in Florida who wanted to buy a home, so Florida has many homes in foreclosure where low income homebuyers relied on the private mortgage market's creative loan products, such as adjustable rate mortgages that were unsustainable without a continuing real estate boom, or on predatory loan makers' products that were never intended to be sustainable even in a boom market.

Florida's affordable housing market today is in need of SHIP program funds to help Florida's low income home buyers with down payment and closing cost assistance to purchase homes

on the market that are being rehabilitated with Neighborhood Stabilization Program funds. SHIP funds are also needed to help preserve affordable housing homeownership and rental properties. The most critical need is to preserve properties that are providing shelter to Florida's most vulnerable citizens, veterans, people with disabilities, and the frail elderly. Every time Florida's Sadowski trust fund monies are used to help preserve affordable housing properties, we are keeping Florida's most vulnerable populations from institutionalization or homelessness and we are creating much needed jobs.

The projected documentary stamp collection for FY 2011-12, (the amount that will be available for appropriation during this upcoming legislative session) is \$192,700,000. If the Florida Legislature appropriates these monies for Florida's affordable housing programs, it will mean the creation of nearly 15,000 jobs in Florida and will have an economic impact of over \$1.4 billion dollars. Florida's low income families are suffering and so is Florida's construction industry, and all the businesses that do business when every type of house, whether single family detached or multifamily rental is rehabilitated and when roofs are repaired, floors are installed, energy retrofits are made, and appliances are purchased.

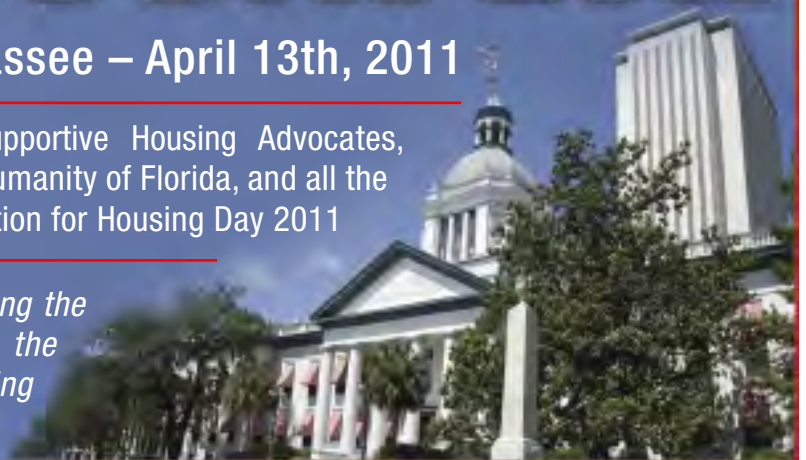
The Florida Legislature is being urged to appropriate the Sadowski Housing Trust Fund money in accordance with its dedicated purposes – to be used for construction related activities that house Floridians. The constituency urging this appropriation is the Sadowski Coalition, the largest most diverse coalition of interests ever amassed in the state of Florida. A group of 26 statewide organizations, that would find no other issue to agree upon, speaks with one voice when it says: ***it is time to stop using Florida's Housing trust fund monies for anything other than Florida's housing programs.*** **Housing = Jobs.** HNN

HOUSING DAY 2011

Make Plans to Come to Tallahassee – April 13th, 2011

Join Florida's Realtors, Homeless and Supportive Housing Advocates, The Florida Housing Coalition, Habitat for Humanity of Florida, and all the members of the Sadowski Coalition for Housing Day 2011

We hope to be celebrating the Repeal of the Cap on the State and Local Housing Trust Funds.





Affordable Housing Helps Veterans



Having risked their lives defending our country, we owe it to our Veterans to care for them as much as they have cared for us. It is a shame that so many of these men and women who have served our country with such honor and bravery are currently living on the streets.

Florida has the 2nd largest per capita veteran population in the nation.



Florida has the third highest homeless population in the country and one of the highest numbers of homeless veterans.

The Department of Veteran Affairs and Department of Housing and Urban Development fund several programs helping struggling Veterans to finance homes. Unfortunately, these funds do not meet, nor were they designed to meet, the housing needs of all Veterans.

SAIL funding, made available by the Sadowski state housing trust funds, have provided an essential funding source for Veterans. For example, Volunteers of America of Florida's housing projects, which concentrate on veterans, homeless veterans and the frail elderly, could not have been built without Florida's state and local housing trust funds.

Using Florida's state and local housing trust funds for Florida's affordable housing programs will help Florida's veterans access safe and affordable permanent homes.

"The state and local housing trust fund money is critical for leveraging the funds needed to house Veterans," said Ed Quill, Chief Administrative Office for Volunteers of America in Florida. "We owe it to our Veterans to see to it that they do not live on the streets." [HNN](#)





Affordable Housing Helps Children



"Living in my house is really fun and safe. Before we lived in a trailer and a hurricane ripped the roof off. Now, I'm not scared in my house anymore."

*– Daniel Proehl, Age 10
Son of George & Dee Proehl Homeowners at Trail Ridge in Naples, FL and recipients of SHIP funds through Habitat for Humanity Collier County.*



• **8,621 families with children have been served using SHIP funds**

• **40,295 children 0-17 years old are in affordable housing through the State Apartment Incentive Loan (SAIL) program**

Stable, affordable and safe housing:

- Allows a child to "put down roots" in their neighborhood and school, providing consistency and support
- Provides family stability reducing stress related health issues, such as depression and substance abuse
- Allows a family to afford better nutrition and preventative health care

- Reduces tense overcrowded living conditions
- Reduces illness such as respiratory infections and asthma
- More than 49,000 children experience homelessness each year in Florida
- State and Local Housing Trust Fund Money provides housing that prevents child homelessness

For example, state and local housing trust fund money financed:

- 10-unit group home in Jacksonville for youth aging out of foster care
- 14-unit apartment complex for at-risk youth in Marion County
- Vero Beach Youth Transition Center providing housing for 60 young people

HNN



Sadowski Act monies fund affordable housing developments that have energy efficient appliances, after school programs with computer rooms, financial literacy programs and are close to public transportation and services in areas of opportunity.

THE SADOWSKI COALITION URGES THE FLORIDA LEGISLATURE TO:
(1) SPEND FLORIDA'S HOUSING TRUST MONIES SOLELY ON HOUSING; AND
(2) REPEAL THE CAP ON THE HOUSING TRUST FUNDS.

BUSINESS/ INDUSTRY GROUPS

**Associated Industries of Florida
Coalition of Affordable Housing Providers
Florida Realtors
Florida Bankers Association
Florida Chamber of Commerce
Florida Home Builders Association
Fla. Manufactured Housing Association
Florida Retail Federation**

GOVERNMENT

**Florida Association of Counties
Florida Association of
Local Housing Finance Authorities
Florida Association of Housing and
Redevelopment Officials
Florida League of Cities**

ADVOCATES FOR THE ELDERLY

**AARP of Florida
Florida Association of Homes and
Services for the Aging**

SOCIAL SERVICES/LOW INCOME HOUSING ADVOCATES

**Florida Legal Services
Florida Coalition for the Homeless
Florida Housing Coalition
Florida Supportive Housing Coalition
United Way of Florida**

PLANNING/GROWTH MANAGEMENT ORGANIZATIONS

**1000 Friends of Florida
Florida Chapter of American
Planning Association**

FAITH BASED ORGANIZATIONS

**Florida Catholic Conference
Florida Impact
Habitat for Humanity of Florida**

WHAT IS THE SADOWSKI COALITION?

- Nonpartisan collection of 26 diverse statewide organizations
- Established in 1991 to obtain a dedicated revenue source for Florida's affordable housing programs
- The Sadowski Coalition has grown and continues today

HOW ARE FLORIDA'S HOUSING PROGRAMS FUNDED?

- Doc stamp tax paid on all real estate transactions was increased in 1992
- Those monies were dedicated to the state and local housing trust funds
- 70% of funds are directed to local governments (all 67 counties) and Florida's entitlement cities to fund the SHIP program
- 30% of funds used by the Florida Housing Finance Corporation for programs such as SAIL, PLP, and the Guarantee Fund Program

HOW DO THESE PROGRAMS WORK?

- SHIP provides down payment and closing cost assistance to new homeowners and housing rehabilitation for owner occupied homes, primarily to keep low income elders safe in their homes
- SHIP program is flexible enough for locally designed programs, but has statutory parameters that emphasize spending monies rapidly, primarily on construction and home ownership; highly leveraged, with oversight, technical assistance, and annual reports to ensure accountability
- SAIL is used for gap financing, enabling the private sector to develop and preserve much

needed rental housing for low paid workforce, persons with disabilities, and the elderly. SAIL is the most highly leveraged of all Florida's housing programs

DO WE STILL NEED THESE PROGRAMS IN TODAY'S ECONOMY?

- Affordable housing is key to Florida's economic recovery. The appropriation of state and local housing trust funds in Fiscal Year 2011-12 into Florida's housing programs will create nearly 15,000 jobs in Florida and over \$1.4 BILLION in economic impact
- The foreclosure crisis has opened some excellent home buying opportunities for middle income Floridians, but has only served to exacerbate the need for low and very low income housing
- The federal programs are providing important help in foreclosure recovery and in weatherization, but do not serve the housing needs addressed by Florida's programs

\$192.7 million for appropriation from the Sadowski Housing Trust Funds in Fiscal Year 2011-2012

**If this money is used for housing, it will:
Create nearly 15,000 jobs;
Have a total economic impact of over \$1.4 BILLION**



Housing = Jobs

And Affordable Housing Improves the
Lives of Individuals and the Entire Community

The Florida Housing Coalition highlights our partners' affordable housing developments throughout the year in the Housing News Network Journal and at the Florida Housing Coalition's annual statewide conference. Developing and Rehabilitating (preserving) affordable housing is an enormously complex and a difficult undertaking. But the result is transformative for the people who live in the housing and the community at large, which reaps the benefits of positive economic activity.

The affordable housing produced and preserved provides essential homes for Florida's workforce and our most vulnerable citizens, while creating jobs that stimulate



*(Top) St. Paul AME Church before renovations.
(Above) Metro 510 Groundbreaking ceremony.*

the respective local economies in a way that is unmatched by any other single investment. And as evidenced by the three developments highlighted in this article, affordable housing can have benefits that reach well beyond the individual lower-income family that is fortunate enough to live in affordable housing.



(Above) The church and construction site during construction and renovation. (Right) The final architects rendering of the completed project.

Metro 510

St. Paul African Methodist Episcopal Church, with a congregation dating from 1870, was built in 1906 and dedicated in 1914. The church's history includes Dr. Martin Luther King Jr., making one of his earliest civil rights speeches. The sanctuary also received baseball legend Jackie Robinson, U.S. Supreme Court Justice Thurgood Marshall, singer Ray Charles, and civil rights activist Jesse Jackson. But ultimately the congregation dwindled to the point where it could no longer sustain operations.

This historic building will be saved by a restoration of its original façade, including the stained glass windows and a renovation of the interior to create a community center. The building's history will never be lost. The preservation of this historic church was the creative work of one of Florida's best affordable housing developers. The church, now a community center, will house the leasing office, fitness area, computer lab, library, learning and play area for children, along with other apartment amenities for Metro 510.

Metro 510 will be a 120-unit, six-story building providing affordable workforce housing immediately adjacent to the 15,000-square-foot historical St. Paul African Methodist Episcopal Church. Developed by Sage Partners LLC, Metro 510 is scheduled for occupancy October 2011 and will offer income-based rents ranging from \$325 for a one-bedroom apartment to \$829 for a three-bedroom apartment. Debra Koehler, president of Sage Partners, said, "This is the first workforce housing in the core of downtown Tampa." Anticipated residents include nurses, teachers, services workers, and law enforcement officers.

This affordable housing development by Sage Partners is creating more than 2,000 jobs, with 500 of those jobs onsite.

Metro 510 is next to the Marion Street bus transfer station, which means that the residents of Metro 510 will have easy and affordable access to every employment and services center in the area. It will be possible for the residents of Metro 510 to take the personal automobile out of the equation for their monthly expenses, making the cost of living at Metro 510 even more affordable than the rents would indicate. The bus station is also going to be a future stop for the high-speed train planned between Tampa and Orlando. This affordable housing development by Sage Partners is creating more

than 2,000 jobs, with 500 of those jobs onsite.

At the same time Sage Partners is developing new family housing at 510 Metro, it is rehabilitating Methodist Place immediately across the street. Methodist Place provides 200 apartments for very low income seniors. Sage Partners is saving this deteriorated project-based Section 8 property and preserving its affordability for fifty years. The renovation of Methodist Place will not only provide much needed life and safety repairs to this 1970's era building, but will "green" the property, providing, among other amenities, Energy Star appliances, Energy Star lighting, ceiling fans in bedrooms and living rooms, Energy Star windows, and low flow faucets and toilets. The preservation of Methodist Place will also include a Florida Yard and Neighborhood Certification for landscaping and a community garden for the seniors to enjoy. Sage Partners anticipates connecting the seniors living at Methodist Place with the families who will be living at Metro 510 through the community center that will be housed in the preservation of the historic St. Paul Church. It's hard to imagine a more synergistic design.



Allapattah Gardens is located near the Miami Metro.

Allapattah Gardens

Allapattah Gardens, located along the Miami Metro transit line in the Allapattah neighborhood of the City of Miami catalyzed substantial economic and community improvements since opening its doors in 2004. Once vacant land, the site was transformed into a self-sufficient transit-oriented, multi-family development for very-low and low-income individuals and families. In turn, the creation of Allapattah Gardens helped strengthen a designated economic revitalization center and increased ridership along the Metro line while also fueling a number of local jobs during the project's construction.

The \$11 million project was co-developed by Carlisle Development Group and New Century Development Corporation (NCDC), a non-profit, community-based organization. In helping to realize the mission of NCDC, Allapattah Gardens offers six garden-style apartment buildings that feature a mix of two- and three-bedroom units designed for working families, along with public amenities such as a clubhouse, community room, playground, central laundry, picnic area, and volleyball court. Furthermore, an on-site day-care and access to public

transit continually enable newfound job opportunities for residents. Many residents regularly rely on the adjacent transit line to transport them to jobs at Jackson Memorial Hospital, nearby elementary and high schools, and up-scale hotels on Miami Beach. Elvira Thomas, a single parent with three teenage children, is a 44-year-old saleswoman who works part-time at Lane Bryant in Hialeah. She and her family rent a three-bedroom apartment at Allapattah Gardens, and she commutes each day using the adjacent public transit.

The impact of this development extends beyond quality-of-life enhancements for residents to larger economic and neighborhood revitalization. The development site now generates additional tax dollars for the community; the construction of the project established local construction jobs for area residents; and ridership along the Metro line has dramatically increased in the past six years. The addition of 128 new rental units also infuses a new base of workers and customers for the nearby Allapattah Produce Market, the largest open-air food distribution center in the City of Miami. The Allapattah neighborhood was recognized in the



(Above right) View of the Beach Village apartments in Palm Coast.

Beach Village Apartments

City's Consolidated Action Plan as being in danger of losing this viable employment base to newer and more secure areas outside of the City. Allapattah Gardens offers affordable housing for residents who work there and creates added demand for the Market from within the existing neighborhood.

Beach Village Apartments

Residents began moving into the Beach Village Apartments in Palm Coast, in August 2010. The 106-unit complex has 89 units; ten percent of the apartment homes at Beach Village are set aside for households earning less than 35% of the area median income. The balance of the workforce housing apartments is for households earning less than 60% of area median income.

One of the first residents was Michelle, a single mom of a two-year-old daughter, who worked out of her home. Michelle previously rented a home in such poor condition, including water damage that let mold flourish causing Michelle and her daughter to become ill. Michelle chose Beach Village because it is a secure development within

This affordable housing development by Atlantic Housing Partners created 250 construction-related jobs.

walking distance of the grocery store, park, library, and restaurants. She said that when she walked into a model, the place took her breath away. She pays less for her new, safe apartment than she did for her substandard house. With the monthly savings, she is now able to afford renter's insurance and pay for pre-school for her daughter.

The Beach Village complex has one- to four-bedroom apartments. A one-bedroom for income qualified renters is \$560 per month and two-, three-, and four-bedroom apartments range up to \$814 per month. All apartments have green features, such as Energy Star rated appliances, programmable thermostats, double-pane windows, and ceiling fans in all rooms, saving the residents' money on their utility bills each month. In addition, residents enjoy the safety of gated access and amenities such as a putting green, gym, swimming pool, car care center, a business computer center, and free Wi-Fi in community areas. **HNN**



The Florida Housing Coalition's 23rd Statewide Annual Conference

Highlights from the 2010 Annual Conference



HUD Deputy Secretary Ron Sims in his quintessential animated manner shared his personal life story as a springboard for explaining the vision of his office to bring equity to development and redevelopment and ensure that sustainable development is not just for the wealthy, but for everyone. HUD Deputy Secretary Sims is nationally recognized for his work on transportation, homelessness, climate change, urban development, and affordable housing, and in particular for his commitment to fair housing and social justice.



George Romagnoli, FHC Board Chair, welcomes everyone to the annual conference. Romagnoli was the moderator for the NSP2 / 3 Workshop and the SHIP and NSP Roundtable.



The Florida Housing Coalition staff and board pictured with Deputy Secretary Ron Sims and other special conference guests, including Linda Couch, Legislative Director for the National Low Income Housing Coalition.



Florida Housing Coalition president Jaimie Ross presented an award to the Honorable Gary Aubuchon for his championship of affordable housing. To a grateful audience, Representative Aubuchon reconfirmed his commitment to repeal of the cap on the state and local housing trust funds in the 2011 session.

Ross explained that Representative Aubuchon, now Rules Chairman, had been the point person in the House for Affordable Housing and Transportation, as discreet subjects; the purpose of the public policy plenary was to bridge the gap between affordable housing and transportation. Transportation planners know little about affordable housing and housing experts know little about transportation. Two key points made during the public policy plenary were that the cost of owning and maintaining a personal automobile must be taken into consideration when determining whether housing is affordable and affordable housing near public transportation is critical for ridership and the ultimate success of the public transit system.



Representative Aubuchon, as moderator, elicited from the panel of national, state and local experts how best to forge the connection between affordable housing and transportation. Jeffrey Lubell, Executive Director for the Center on Policy at the National Housing Conference in D.C. emphasized the need for local land development regulations to require that affordable housing is included in transit oriented development.



Wachovia/Wells Fargo presents the Fair Housing Continuum Inc. with a check for \$1,000. The \$1,000 award goes each year to whichever lucky 501 (c)(3) organization's business card is drawn from the raffle bowl.



The NSP Roundtable attendees were provided with an up-to-the-minute program overview. Officials from HUD, the Florida Department of Community Affairs and others shared NSP1 and NSP2 program accomplishments and what's to come this year, along with the unveiling of NSP3. From L to R: Keith Bell, Sr. Business Developer at Fannie Mae; Yves Mombeleur, VP-National Program Manager, Community Revitalization at Chase; Gladys Schneider, FHC Technical Advisor; Stacey Walker, Director of Corporate Relations and Housing Outreach at Freddie Mac; Jackie Dupree, Community Program Manager at FL Department of Community Affairs; David Noguera, Community Planning and Development Specialist at HUD; and FHC Chair, George Romagnoli.



(Left) David Noguera, Community Planning and Development Specialist at HUD, answers questions during the NSP Roundtable.



The 600 plus participants enjoyed four tracks of workshops on the second day of the conference.

Anne Ray, Researcher at Shimberg Center for Housing Studies, and Phil Vu, Technical Support Manager at PolicyMap, conducted the workshop: *The Right Data Tool for the Job*: Shimberg Center and PolicyMap where they presented two online data tools to help local governments, nonprofits, state agencies and others plan for affordable housing needs.



Track 1 included all things NSP and featured Florida Housing Coalition experts, such as Gladys Schneider, and our partners such as Keith Bell from Fannie Mae and David Noguera from HUD.

Track 2 the Green Track is recapped on pages 20-22

Track 3 focused on a Florida Housing Coalition priority: Preservation. We especially emphasized building nonprofit capacity to preserve, own, and operate federally assisted properties. Our partner, National Housing Trust, took the workshop participants through the nuts and bolts of analyzing potential deals.



Hana Eskra from Housing Trust speaking on Preservation

Track 4 was a collection of case studies, showcasing supportive housing, senior housing, youth aging out of foster care housing, and housing for Florida's most vulnerable populations. Participants were able to learn what works and what doesn't from the real life lessons of their colleagues from around the state.

MARK YOUR CALENDAR

HOUSING = JOBS

For the Florida Housing Coalition's 24th Annual Statewide Affordable Housing Conference September 26-28, 2011, at the Rosen Shingle Creek Resort, in Orlando.





Florida Nonprofit Housing Advocates Network

The Florida Housing Coalition launched the Florida Nonprofit Housing Advocates Network at the Coalition's Annual Conference in September.

The Board of the Florida Housing Coalition had approved expanding its advocacy beyond support of the Sadowski Trust Funds, to support efforts that specifically and particularly advance the missions of Florida's nonprofit housing providers. Florida Housing Coalition president Jaimie Ross, explained at the initial meeting of the Florida Nonprofit Housing Advocates Network, that this group would be used to inform the Coalition Board of positions the nonprofit membership wants the Florida Housing Coalition to advance. The issues advanced by the Florida Housing Coalition are ultimately decided by the Florida Housing Coalition Board of Directors.



The Florida Housing Coalition Vision (adopted by the Board many years ago) is that "there will be at least one community based organization in every community in Florida." Mission based nonprofits are critical to producing housing for the most vulnerable populations, such as those in need of supportive housing, and for preservation of housing for the disabled and extremely low income populations, such as project-based properties and mobile home parks.

The goals of the Florida Nonprofit Housing Advocates Network are to provide:

- A forum to exchange information on what issues are currently or presently impacting the success of

Florida's nonprofit housing providers (these could be local, state, or federal);

- A forum for the nonprofit members of the Florida Housing Coalition to offer input on legislative, administrative, (state rulemaking) and policy issues that they want the Florida Housing Coalition to advocate; and
- A forum to better coordinate actions in support of appropriations of Sadowski trust fund monies for Florida's housing programs and repeal of the cap on the Sadowski trust funds.

Membership is free. To become a member :

1. You must be a current nonprofit member of the Florida Housing Coalition, and
2. Complete the online membership application at: www.flhousing.org/florida-nonprofit-housing-advocates-network.

The first teleconference of the Florida Nonprofit Housing Advocates Network was held on Thursday, January 13, 2011, by Webinar. Meetings are held by Webinar every other week on Thursday from 2-3 p.m.

If you can't make a meeting, but you have an idea, question, or concern related to the success of Florida's nonprofit housing providers, please email jaimieross@aol.com or call 850/212/0587. [HNN](#)



Community Land Trust Institute Caucus

The Florida Community Land Trust Institute held its annual caucus at the Florida Housing Coalition Conference. Jordan Rockwell, a Florida Housing Coalition intern, reported the results of his survey work summarized below:

As of August 2010 –

- 16 active CLTs in Florida – Seven are stand alone and nine are embedded in larger organizations
- Half of the 8 CLTs surveyed reported they had or would receive NSP funds in the future
- Most received startup assistance from local governments – land, grants, in-kind donations
- More multifamily units (153) than single family detached (131)
- Most are in low-density suburban areas – Substantial number are in medium or high (for FL) density areas, perhaps 30%

The results are posted on the FHC website at www.flhousing.org, click on CLT. The site now contains a directory with contact information for the Community Land Trusts in Florida.

Among the topics addressed by caucus participants were the opportunities provided by NSP, redevelopment, and transit oriented development.



Following the conference, Jordan represented the Florida Community Land Trust Institute at the national Reclaiming Vacant Properties Conference held October 13-15 in Cleveland Ohio. See www.reclaimingvacantproperties.org/.

Land banking and community land trusts go hand in hand. Community land trusts play a crucial role in the success of redevelopment policy, by providing the mission driven human infrastructure to ensure land banked

for affordable housing is redeveloped for the benefit of the community in perpetuity. Jordan summarizes and highlights the Reclaiming Vacant Properties Conference in an article at www.flhousing.org click on CLT.

In November, the National Inclusionary Housing Conference (NIHC) was held in Washington D.C. Community Land Trusts were highlighted throughout the conference as a key tool for ensuring long term or perpetual affordability for homes developed in accordance with inclusionary housing policies. This conference had engagement from the highest levels at HUD, DOT, and the White House. Much of the conference was focused on the need to ensure a mix of housing in association with transit and sustainable development and the recognition that even the rumor of transit will send land prices soaring. Putting land accessible to transit into the stewardship of community land trusts neatly addresses that problem. The conference website with Power Points from the NIHC held November 3-5 can be accessed at www.inhousing.org/10nihc.html. HNN

The National Housing Institute reports that:

Over the past four decades, the community land trust movement has grown steadily in the United States. Today there are approximately 240 CLTs in 45 states and Washington, D.C. Their growth has accelerated in the past few years as CLTs have become em-

braced by community builders; organizers; advocates of affordable housing, asset building, smart growth and transit oriented development; local governments; and the philanthropic community.

Why have funders embraced CLTs? To answer that question, NHI interviewed 15 funders

from 13 foundations whose scope ranges from local to state to regional and national. Their responses are detailed in Investing in Community Land Trusts: A Conversation with CLT Funders. www.nhi.org/go/invest-clt/



Conference Caucuses



FORECLOSURE COUNSELORS CAUCUS

The Foreclosure Caucus allowed more than 40 counselors and participants a chance to discuss topics critical to foreclosure prevention and network with other counselors throughout Florida. A third of the caucus time was dedicated to discussing the upcoming Hardest Hit Program to assist homeowners facing foreclosure. Susan Parks, from Florida Housing, presented an overview of this foreclosure prevention program. Florida Housing is finalizing Hardest Hit and Susan received valuable feedback and ideas from the counselors.

Several other topics were addressed. Some counselors participate in Court Ordered Mediation and compared how this is being implemented in different court districts throughout Florida. The group also considered new options for funding foreclosure counseling. Some counselors indicated they are seeing a drop in requests for foreclosure assistance, although the number of actual foreclosures hasn't decreased. In addition, Evett Francis, from Fannie Mae, facilitated a discussion on best practices for working with servicers, including an overview of Fannie Mae's most recent activities.

FUNDRAISING CAUCUS OVERVIEW

Judging from the crowd at this caucus, fundraising is a red hot topic in the nonprofit world. Fundraising experts from across the state gave an overview of giving in Florida, shared fundraising ideas, and gave attendees information on community resources.

Jane Curran, Executive Director of the Florida Bar Foundation and Chair of the Florida Philanthropic Network, spoke about the administrative, legal and fiscal requirements



Jane Curran, Executive Director of the Florida Bar Foundation and Chair of the Florida Philanthropic Network.



Leslie Lilly, President and CEO of the Community Foundation for Palm Beach and Martin counties.

involved should your organization be fortunate enough to receive an endowment. Leslie Lilly, President and CEO of the Community Foundation for Palm Beach and Martin counties, provided an overview of charitable giving in Florida, as well

as an overview of the resources available at Community Foundations statewide. Lilly encouraged everyone to develop a relationship with their local office. Jack Johnson, Board Chair of the Miami Beach Community Development Corporation, treated the group to a snippet of their film "Building Lives" and the fundraising efforts surrounding its release. The movie profiled the organization's growth and followed the renovation of the Villa Maria senior housing development, highlighting the residents' personal stories. Johnson closed with the importance of incorporating fundraising into the strategic planning process.

Caucus attendees enjoyed trading fundraising ideas ranging from mud volleyball to black tie events.

SHIP ADMINISTRATORS CAUCUS

More than 66 SHIP Administrators were present to hear and discuss how to advocate for 2011-12 full SHIP funding at the local level. George Romagnoli, the Florida Housing Coalition's Board Chair and the Director of the Pasco County Community Development Department, moderated the SHIP Administrators' Caucus.



FLORIDA ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS/ FLORIDA REDEVELOPMENT ASSOCIATION

The Florida Association of Housing and Redevelopment Officials and the Florida Redevelopment Association combined their caucuses to discuss the current issues and opportunities that would help to improve low income and affordable housing and community services.

The Tampa Housing Authority provided an overview of its experience when working with housing developments within a community redevelopment area, and its presentation led to a spirited discussion from various participants.

Several representatives from community redevelopment areas (CRA) discussed the methodology and requirements for funding housing projects in a CRA, as well as additional strategies related to acquiring, rehabilitating, and preserving affordable housing using CRA funds. Caucus participants also discussed the impact of the real estate market on the project revenues for CRAs and the strategies they were using in view of reduced funding.

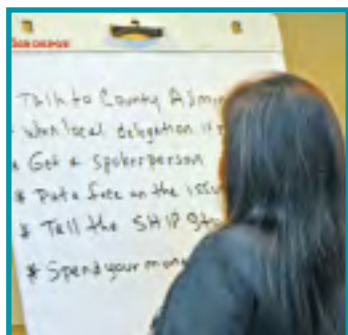


FLORIDA LEGAL SERVICES STATEWIDE AFFORDABLE HOUSING PROJECT

During the Florida Legal Services caucus Christine Allamano, Dorothea Lee, and Debby Hallisky shared lessons learned about Section 8 preservation through partnerships and specific project work. Kent Spuhler led a discussion on LSC grant restrictions and Chuck Elsesser discussed the topic 'who is your client'.

Attendees discussed ideas for advocacy emphasizing meeting with your legislative delegation or having other politically strong organizations, such as local Habitat for Humanity Chapter, Realtors and Builder's associations speak at the legislative delegation meeting on behalf of the SHIP Program.

Additional actions include scheduling meetings with senators or state representatives at their home offices, along with asking



the local advocates to join you. This was the perfect place and time to share success stories from people who benefitted from SHIP along with providing the program's data on jobs created, units purchased, private funds leveraged, homes repaired, units built, and the local tax benefit generated. Attendees

discussed the importance of providing information to the media to generate coverage and local support for SHIP by demonstrating the positive impact it has had in your community.

Florida Housing staff members Rob Dearduff and Darlene Raker spoke to the audience, encouraging local efforts and taking questions related to issues facing local jurisdictions including the lack of funding for program activities, as well as administrative and reporting requirements.

Following the caucus meeting, three Regional SHIP Steering Committees met and discussed regional ideas and solutions to existing issues affecting local governments. The SHIP Administrators Caucus will be held again next year because of its overwhelming success.



Conference Caucuses

The caucus also addressed such issues as the need for an early warning system from HUD. Jaimie Ross gave participants an update on mobile home preservation, which brought on a discussion about the elements needed for more success with preservation of mobile home parks and with project-based properties. Caucus participants ended with a discussion on partnerships with other organizations to further the Florida Legal Services' work.



UTILITY COMPANIES AND GREEN PARTNERS

The Utility Companies and Green Partners Caucus, sponsored by Florida Power and Light and Progress Energy Florida, was attended by developers, lenders, educational institutions, local government and various funding entities.

Melvin Philpot, Program Manager with Progress Energy, provided an overview of Progress Energy's main energy conservation activities – duct repair, insulation and window replacement – and explained that their activities are only as successful as consumers' day-to-day practices. He discussed how Progress Energy's programs are implemented and improved based



on a Program Participation Standard (what has to be done for customers' satisfaction) and Inspector Standard (verifies work was done and done to standard).

Cheryl Anderson, with Florida Municipal Electric Association (FMEA), explained that FMEA consists of 34 municipality-owned utility companies, and that programs vary from one area to another; however, by combining resources, a more competitive edge can be accomplished.

It was agreed that the Caucus discussion was extremely informative and that there was a need for an entity to take the lead in establishing a centralized information hub of what is occurring statewide and a statewide partnership effort in addressing renewable and green technologies and energy programs through research, education and incentives. The partnership could consist of local, federal, and state funders, House and Senate Committees, private lenders, homebuilders, contractors, realtors, educational institutions, utility companies, appraisers, and others. The Florida Housing Coalition is seeking opportunities to accomplish this goal. [HNN](#)



HABITAT FOR HUMANITY

During the Habitat for Humanity caucus, Habitat affiliates and supporters from across the state participated in a spirited conversation highlighting several statewide Habitat issues. Lori Pampilo Harris, Executive Director of Habitat for Humanity of Florida, led the caucus discussion.

Attendees discussed several strategies on how the Habitat Coalition could support and build upon the Sadowski Act and Trust Fund legislative progress for the upcoming year. As Habitats are going green, the group shared ways to plan for excellence and energy efficiency in Habitat homes. Habitat affiliates also contributed on how to build a collective case value statement for Florida Habitats.

Four Keys to Capacity:

Excerpts from a Presentation by Stan Fitterman and Lisa Hoffmeyer



Lisa Hoffmeyer

Building and strengthening the capacity of an organization is fundamental to its success and sustainability, a major topic among nonprofit organizations and their funders. The four keys to capacity are found in the mechanics of the organization: operations, staffing, financial oversight, and ethics.

Whether you are writing a grant or evaluating a proposal for feasibility, remember to include staff time, fringe benefits, and overhead as part of the cost of the project or development. Failing to do so will only deplete your resources and may jeopardize future funding opportunities.

Good policies and procedures will speak to staff related issues such as the hierarchy of authority and responsibility in the organization usually shown by an organizational chart, job description, evaluations, and corrective actions.

Financial Oversight

Hard lessons were learned by nonprofits from the recent dramatic downturn in the economy. Organizations, no matter how valuable to their communities, which looked to one funding source were forced to go under or to change course to say afloat itself, closed their doors. Failure to diversify funding sources and to maintain a reserve to allow time to adapt to a changing market and changing funding sources caused these losses as funding for operating expenses dried up.

Ethics

Traditionally, nonprofits enjoyed strong ethical cultures and alignment of the personal values of staff with the missions and values of their organizations. But, unfortunately, this is not always the case. A strong ethical culture can virtually eliminate pressure to compromise ethics standards. A commitment to ethics that engages all staff members and incorporates ethical considerations into operational decisions is critical to and protecting the good will of the public toward nonprofit organizations. See the Ethics Resource Center Code of Conduct and Conflict of Interest policies at www.ethics.org.

Building, Assessing, and Strengthening Capacity

Building and strengthening capacity for nonprofits is a major component of the training and technical assistance offered by the Florida Housing Coalition. More detailed information on capacity building will be featured in the Capacity Corner section of upcoming journals. We have found that the best way to evaluate the capacity of your organization is through an assessment tool. We have developed a Capacity Evaluation Tool that will be rolled out in upcoming Capacity Building Workshops. The dates will be posted on our website and Facebook and announced in our Member Updates and via Twitter. [HNN](#)



Stan Fitterman

Operations

The operation of the organization is prescribed by its policies and procedures. The written and current P&P are critical to the effectiveness and efficiency of the nonprofit. Policies are the rules that broadly govern the organization's programs and operations. Procedures are

step-by-step guides for operating those programs. In addition to program matters, policies and procedures cover board governance, strategic planning, development and fundraising, personnel matters, disaster preparedness and recovery, security, IT, ethics, and fiscal management. Policies and procedures must be available and accessible to every staff person and board member in the organization.

Staffing

Paid professional staff is just as important for a nonprofit agency as it is in a for profit business. Although some nonprofits open their doors with a worthwhile mission and few hearty volunteers, one of the first orders of business must be to fund and fill the Executive Director position. And one of the most important jobs for the new ED is to develop a sustainable source of funding for growth, including an excellent staff.

Hiring good staff means paying a competitive wage. This may be an area where the board needs a bit of education: it is unrealistic to expect to staff to forgo monetary compensation in exchange for the importance of the organization's mission. To secure the best, brightest, and most qualified staff, a competitive wage and benefit package is important. Look to your local United Way, monster.com, careerbuilder.com, or charitynavigator.org for information on appropriate compensation.

Funders are beginning to recognize the need to provide operational support as well as direct project related investment; and they look for organizations that are sustainable and professional.



Highlights from the Green Track

Now in its third year, the Green Track is a staple at the Florida Housing Coalition's statewide annual conference. For anyone who was otherwise engaged in conference workshops or unable to attend, here's a recap:

The PDF PowerPoint presentations are at <http://flhousing.org/post-conference>

Greening Affordable Housing- The Florida Green Building Certification Process

Using Hancock Place as an example, St John's Housing Partnership Executive Director; Bill Lazar, took us through the Florida Green Building Coalition (FGBC) certification process. Hancock Place is a 36-unit single family workforce housing subdivision in St. Augustine that includes the first FGBC certified home in St Augustine and the first to be Platinum certified in North East Florida. Lazar emphasized the importance of selecting a creative builder and community partners such as Florida Yards and Neighbors, a High School Masonry Program (Pedro Menendez) and a local government housing office.

He further emphasized other aspects: understanding what is needed by each entity and what each entity provides for the overall partnership effort, analyzing costs versus benefits in the certification process as well as the opportunity to experiment with various materials (as was the case with Hancock Place during construction of the project) to see the impact on the certification score. Although the certification score is important, equally important is that the homeowner and the homeowner association are educated in water conservation and energy saving practices.

Kathy Malone highlighted aspects of the Florida Friendly Landscaping Program which provides training, design and review, Florida Friendly Covenants, Conditions and Restrictions (CCRs), Certification and Recognition, and



Bill Lazar, St John's Housing Partnership, and Kathy Malone, Florida-Friendly Landscaping™ Program - Florida Yards and Neighborhoods, presented how affordable housing can be certified green.

Homeowner Education. The Florida Friendly Landscaping Program includes education to:

- reduce storm water runoff;
- reduce nonpoint source pollution;
- conserve water resources;
- provide habitat for wildlife; and
- save time, energy, and money.

Resources such as *Florida Friendly Landscaping a Statewide Pattern Guide* is available along with guidance for Florida "Butterfly Scaping" which includes the principals of Florida-friendly landscaping. Underscored was the market advantages to Florida-friendly landscapes, which reduce landscape maintenance and utility bills, protect community water bodies from pollution runoff, and reduce development costs by reusing materials.



Panelists (L to R) Ed Binkley, ed binkley design and Cathy Byrd, GreenHeights Development Corporation, with moderator Brad Goar. Byrd and Binkley emphasized that project design is crucial for affordable green housing.

Green Design and Construction

Ed Binkley and Cathy Byrd highlighted design models and discussed benefits of green components. By making simple, logical substitutions a cost-effective energy and resource efficient home can be created. Design plan changes that reduce material usage and increase the size of spaces and overall usable square footage is realized without increasing costs or actual square footage. Examples included extra height and filling in volume, reducing circulation paths, unfinished garage area for storage to be customized for a homeowner's needs, and concrete pour for walkway and driveways replaced by lattice work and stepping stones. The integrated design plan approach emphasizes the need to establish clear and common goals, to be innovative, and to continue the concept through all phases.

Sustainable benefits discussed included reducing amounts of materials required for construction while maintaining square footage, reducing energy required to operate a home, reducing heat gain in the front yard and roof, and reducing runoff and increasing safety, usability, and adaptability of a home to elongate the life of the structure. The distinguished panelists' message was clearly stated: Consider the future – assess the project whether it will be sustainable, walkable, usable, economical, and livable.



Leveraging Green Funding Opportunities

Panelists discussed the challenge of leveraging funds from the perspective of a developer, a funder and, an advocate of innovative alternative financing markets. Donna Carmen

of Indiantown Non Profit Housing emphasized how important conducting a diagnostic evaluation or energy audit is to assess which retrofit measures are appropriate for the residence. Carmen highlighted a number of potential partners to consider when using programs to educate and bring various resources to a project such as:

- recruiting volunteers for education and outreach;
- partnering with trade associations to recruit interns;
- entering into bulk purchase agreements for materials and supplies; and
- creating a recycling program for appliances and construction debris.

Florida Housing Finance Corporation, Policy Director, Nancy Muller provided updates related to FHFC's energy-based funding requirements, such as the Homeownership Pool Program that requires new construction homes be certified by Energy Star (DOE), Florida Green Building Coalition, or LEED (U.S. Green Building Council) and the 2011 housing cycle which will require new rental construction to meet Energy Star New Homes and achieve a Home Energy Rating System (HERS) Index of 77 or lower, along with a number of other energy saving standards. Rental rehab projects would be required to meet certain requirements based on a capital needs assessment. She emphasized the need to develop partnerships and leverage funding with organizations such as Enterprise Green Communities, Local Initiatives Support Corporation (LISC), and local and statewide utility companies.

St. Lucie Commissioner Doug Coward discussed kick-starting clean energy markets and opportunities at the local level with new financing programs (e.g. Green CDFI, aka Solar and Energy Loan Fund), cost-effective retrofit programs for buildings, facilities, and lighting, and a policy framework that attracts private capital through mutually-beneficial public and private partnerships. He highlighted the new Green Community Development Financial Institution (CDFI) being developed in partnership with four financial institutions (no money down loans for energy efficiency retrofits and renewable energy alternatives for solar thermal and electric) and provided strategies to address Fannie and Freddie objections to Property Assessed Clean Energy (PACE). He also credited innovative financing programs for enabling a wider range of property owners to affordably participate in and benefit from the emerging clean energy economy.

Pratt said, "Green building offers a market rate opportunity, appealing to both lower-income and market-rate households."

Affordable Green Housing Success Stories

Panelists presented model projects beginning with Shady Grove in Dunedin, Florida. Ronald Spoor, Habitat for Humanity, discussed the approach of focusing on long-term sustainability for the homeowner and the environment. Through design related to wind mitigation, energy conservation, and durability, a homeowner can save an estimated \$1,025 annually compared to a conventional home estimated at \$135 in savings. Partnerships with Progress Energy Florida, private foundations, municipality waivers associated with green fees and impact fees along with local funding were key to meeting the project's goals as a sustainable project.

Milton Pratt highlighted a three-phase rehabilitation project owned by the Sarasota Housing Authority which will offer affordable rental units, public housing, and market rate housing. Janie's Garden (Phase I) is Sarasota's first transit-oriented development. It includes a LEED certified community room and incorporates green space and native landscaping with a number of energy saving construction and design features, such as north facing large windows, insulated impact resistant glass, and solar hot water production. Pratt emphasized, "Green building offers a market rate opportunity, appealing to both lower-income and market-rate households."

Contacts:

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"Innovative new local financing programs can empower communities to overcome trickle-down renewable energy policy," said Doug Coward.

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Renewable Energy 101 for Housing and Community Development Conference

The Florida Housing Coalition and the Institute for Professional and Executive Development, Inc. (IPED) are hosting a Renewable Energy 101 conference, March 24-25, 2011, at the Intercontinental Hotel, Tampa, FL.

Attendees will learn how to determine the best renewable energy resources and funding to use for their projects. For more information and to register, please visit: www.ipedinc.net/Conferences/Renewable_Energy_101_Conference_March_2011.aspx




A Wells Fargo Company




Help from the Florida Housing Coalition

The Florida Housing Coalition, based in Tallahassee, has seven offices geographically dispersed throughout Florida. Our technical assistance team is highly skilled in all areas of affordable housing planning, production and preservation. Our professional technical assistance team also includes the expertise of our 25-member board of directors (www.flhousing.org/content/our-board).


The FHC Technical Assistance Team can help Florida's local governments with every aspect of its locally administered housing programs, from internal controls to capacity building for its nonprofit partners. We can work with you one on one at your office or arrange larger workshops to assist you with implementation of your housing programs. An example of the types of assistance we offer local governments are:


 **NSP Acquisition, Rehabilitation and Disposition of Foreclosed or Abandoned Properties**

 **Compliance with State and Federal Housing Program Administration and Reporting Requirements**

 **Subsidy Structuring and Shared Appreciation Models**

 **Best Practices for Internal Controls and Evaluating Potential Partners and Service Providers**

 **Building Nonprofit Organization Capacity and Strengthening Partnerships**

 **Designing or Improving Homebuyer Education and Financial Literacy Programs**

- Land Use Planning for Affordable Housing, including Mixed Income Housing Strategies
- Connecting Housing with Transportation and Employment

 **The Predevelopment, Development, and Rehabilitation Process for Rental and Homeownership**

- Strategies for Meeting Current Economic Realities, including Lease-Purchase Programs
- Community Land Trusts and Best Practices for Long Term Land Stewardship
- Meeting Low Income Set-asides and Serving Extremely Low Income and Special Needs Housing HNN

The Florida Housing Coalition recently held a Section 3 training pursuant to a contract with Lee County, bringing together numerous cities within Lee County. According to Jeanne Dufresne, Procurement Officer for the Housing Authority of Fort Myers: "The Florida Housing Coalition training was one of the most informative seminars I have attended."

*Jeanne S. Dufresne
Procurement Officer
Housing Authority of the
City of Fort Myers*

Contact FHC for your training needs: Email: info@flhousing.org or call (850) 878-4219



From left to right: James A. Wolfe, Secretary, FDOT District 4; The Honorable Jeff Carlson, Chair, Central Florida Regional Planning Council; Armando Fana, US HUD Miami Field Office Director; Edward Jennings, US HUD Regional Administrator; Suzanne Gunzburger, Vice Chair, South Florida Regional Planning Council; Isabel Cosio Carballo, South Florida Regional Planning Council.

Florida Wins Sustainable Communities Grants



*By Ed Jennings Jr.,
HUD Southeast Regional
Administrator*

The Sustainable Communities Regional Planning Grant Program was created to increase economic competitiveness by connecting housing with jobs, quality schools, and transportation. Today, HUD, DOT, Energy, EPA, and USDA are integrating in ways some never thought possible. Just last year, HUD

launched two new grant programs – awarding \$98 million to support 45 communities to undertake integrated regional planning efforts in large metropolitan regions but also in small rural and tribal communities. For the first time ever, HUD and DOT combined grant funds to invest \$58 million in 61 grants to support more holistic approaches to connecting affordable housing, job opportunities, and transportation corridors.

Despite the stiff competition, Florida was awarded more than \$5.6 million in planning grant funding to help develop a long-term blueprint for smarter development and regional planning and support more livable and sustainable com-

munities in six rural counties of Central Florida, and in the seven-county region of Southeast Florida.

The Central Florida Regional Planning Council (CFRPC) of Bartow, Florida, was awarded \$1,400,000 which will be focused on the Heartland Region of Florida consisting of the six rural counties: DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee. The effort will create a vision for the future that enables growth while preserving natural areas and protecting wildlife and agricultural production, supporting sustainable, healthy communities of all sizes, and ensuring a vibrant economic and social life. The CFRPC is presently revising its budget and work plan for the project and anticipates having an agreement in place with HUD in the first quarter of the year to enable it to begin work on the Regional Plan for Sustainable Development with its Partners. For more information on the CFRPC project, contact Helen Sears, 863-534-7130 ext. 124, email: hsears@cfrpc.org.

The South Florida Regional Planning Council of Hollywood, awarded \$4,250,000, seeks to put in place the

Southeast Florida Regional Plan for Sustainable Development to ensure that planning and investment decisions yield a more prosperous, inclusive, and sustainable region. The project will integrate data, tools, and models to assess the region today, understand the region's future, and track progress. For more information on SFRPC, contact Isabel Cosio Carballo, 954-985-4416, email: isabelc@sfrpc.com.

These local communities understood that old growth patterns were increasingly unsupportable, forcing families to live further and further away from where they worked and costing both households and local governments too much money to sustain. These communities understand that transportation costs really are a housing expense too, and that increasingly businesses and developers are looking to invest in communities that offer more choices. These are exciting times indeed – it's a time when sustainability and livability are becoming more than just buzz words and catch phrases and are actually taking on real meaning. Sustainable communities provide economic momentum and help America compete more effectively for jobs. At the same time, they hold the promise for helping to address long-standing equity challenges, and green the planet. Yet, turning the battle ship around will require not only commitment at the federal level but active engagement by philanthropy, the advocacy and research communities, and private sector leaders.

We know that planning sustainable communities works. Three decades ago, for example, the people of Dallas and its surrounding suburbs realized they could build a stronger economy if they planned as one interconnected region. The result was the construction of a public transportation system - DART - that links Dallas with 12 suburban areas, allowing people to travel quickly and affordably between the places they live, work, and shop. The effects have been astounding. According to a study published by economists at the University of North Texas, DART is expected to generate more than \$5.6 billion of economic activity between 2009 and 2014. Since the system opened, homes near DART stations increased in value on average 25 percent more than those without convenient public transit options. No two regions are alike. What worked in Texas may not work in Florida. That's why we threw away the old Washington playbook of dictating exactly how the grant should be used. Each recipient has broad discretion to pursue a plan that makes sense in the context of local needs.

At HUD, when the grant funding opportunity was announced, we were inundated with applications from every state and two territories - from central cities to rural areas and tribal governments. We know there is a need to closely help each community willing to attempt this shift into livability, so we created a Regional Sustainability Team, with Sustainability Officers who serve as our primary presence in the region and field for advancing sustainable housing and communities. This will involve three principal roles:


- Providing education, outreach, and information dissemination about HUD's sustainability efforts to communities;
- Serving as an informational point of contact for federal agencies, state and local governmental agencies, academic institutions, and private-sector stakeholders interested in partnering with HUD to advance sustainable development practices; and
- Convening meetings of interested stakeholders to identify required resources needed by community leadership to advance sustainable development, and sharing the results of these meetings with the Office of Sustainable Housing and Communities.

Fixing our economy won't happen overnight. After all, the disconnect between the places where people live and work results from decades of poor planning and misplaced priorities. By acting now, we can create good jobs today. We can ensure parents spend less time driving and more time with their children, that more families live in safe, stable communities near good schools and jobs, and that more businesses have access to the capital and talent they need to grow and prosper.

Above all, we can lay the foundation for sustainable economic prosperity for generations to come by helping communities that share problems start sharing solutions. **HNN**

Edward L. Jennings, Jr. is HUD's Regional Administrator for the Southeast serving eight states: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee, as well as, Puerto Rico and the Virgin Islands. Jennings leads the largest HUD region in the nation encompassing over 64 million people. He oversees the delivery of HUD programs and services to communities and evaluates their efficiency and effectiveness.

Note: To speak with a sustainability officer in Florida, please contact your HUD office in your area or send an email to sustainablecommunities@hud.gov.



NSP 1-2-3 OVERVIEW



By Gladys Schneider

NSP 1.

Florida's NSP communities faced a huge challenge to obligate \$541 million in only 18 months. By the first week of September, 2010 the challenge was met with all funds committed and 42% of

the funds already ex-

pended on acquisition and rehab of thousands of foreclosed homes. Many communities went right to work forming partnerships and getting immersed in the world of bank-owned properties, competing with private investors and untangling the purchase process. Many chose to purchase like new homes when possible but most homes needed some rehab and others demolished to clear out the blight. The market continued to move as prices declined resulting in lower appraisals than actual costs. It was a bitter pill for housing professionals to cap purchase prices at lower than the acquisition and rehab costs. Adding to these deep

subsidies required a high proportion of the homes that were outright speculative with no qualified and ready buyers waiting to purchase. With only aged waiting lists on hand for homebuyers who may no longer qualify for mortgages as credit standards increased, many local governments now hold titles to single family homes that

NSP2 CONSORTIUM GRANTEE	MEMBERS AND LOCATION	NSP2 ALLOCATION AMOUNT	ESTIMATED NUMBER OF UNITS
Habitat for Humanity International	Habitat for Humanity Pensacola- includes Escambia and Santa Rosa counties Habitat for Humanity Collier Habitat for Humanity Greater Miami	\$137,620,088 for 7 consortia nationwide- the Florida portion is \$74 million	Nationwide over 1,000 units. In Florida, a minimum of 100 units per affiliate
Lake Worth CRA (see profile)	20 partners, including Habitat for Humanity of Palm Beach County	\$23,237,500	Over 100 units plus demolition and redevelopment
Neighborhood Housing Services of South Florida	Multiple agencies in Miami-Dade and Broward Counties City of North Miami Carrfour Supportive Housing Little Haiti Housing Association Opalocka Community Development Corporation St. Johns Community Development Corporation Urban League of Greater Miami	\$89,375,000	Target of 1,255 units including 540 rental, 290 homeownership, and 425 redevelopment
Neighborhood Lending Partners of West Florida	Housing Finance Authority of Pinellas County Pinellas County Pasco County	\$50,000,000	Estimated 800 units including demolition and redevelopment
Palm Beach County	Palm Beach County	\$50,000,000	Estimated 500 units including demolition and redevelopment
Sarasota	City of Sarasota	\$23,000,000	Over 100 units plus demolitions
Housing Authority of the City of Tampa	City of Tampa Banc of America Community Development Corporation	\$38,000,000	Over 500 units with highest proportion being rental

Southpoint Crossing

Florida City, Florida: NSP 1 Funding

are up for sale. Some local governments that never would have considered being a mortgage holder are now grappling with the tough choice of holding a first and second mortgage for families with marginal credit or owning vacant property that must be secured and maintained.

Currently NSP1 communities are focusing on completing those projects that were obligated in the first 18 months of the program. Expenditures on rehabilitation, demolition, new construction, and redevelopment are underway. Many grantees are finding that deep subsidies are being required (*see box*) to make the deals work as the acquisition and rehabilitation costs often exceed appraised value and the affordability of the units is hampered. NSP rules require that the purchase price of the homes be at or below total project cost or appraised value, whichever is less, and therefore not all funds invested in the homes can be recovered upon sale.

NSP 2

This year HUD announced the successful applications for the competitive round of NSP2 funding approved under the American Recovery and Reinvestment Act. Seven Florida consortia were awarded a total of \$348,311,034 in NSP2 funds out of a nationwide allocation of just under \$2 billion. These place-based consortia will focus their priorities on the stabilization of targeted neighborhoods rather than primarily on the production of affordable housing. These priorities include the reconnection of neighborhoods by investing in programs that will revitalize neighborhoods, such as rapidly arresting decline. Resources must be leveraged with other dollars to augment NSP2 funds in activities that are specific to targeted areas. Consortium members may be a single entity, such as the City of Sarasota or Palm Beach County, or a group of public and private partners who share roles to their best advantage, such as the Lake Worth Community Redevelopment Area NSP2 consortium. (*see article on page 32*).



Southpoint is a “diamond in the rough.” The surrounding neighborhood suffers from poor physical conditions and social issues often associated with poverty. Although in need of substantial renovations, Southpoint is one of a very limited number of decent affordable housing choices in the community.

NHT/Enterprise is pursuing a preservation and neighborhood stabilization strategy for Southpoint Crossing. NHT/Enterprise was awarded \$7.4M of Miami-Dade County NSP1 funding and is facilitating the process of obtaining a deed in lieu of foreclosure to preserve these apartments for 123 families, 70% of whom are very low income. Florida Housing Finance Corporation made this transaction possible by agreeing to extend the term of a state SAIL loan in a subordinate position as a cash flow note.



Southpoint Crossing will receive much needed rehabilitation.

NHT/Enterprise developed a substantial renovation plan for the property at approximately \$37,000/unit that will focus on:

- Significant capital improvements that will enhance security and modernize the units;
- Adding amenities that will improve the quality of life for the residents including building a 2,500 square-foot community center to provide space for a resident services program; and
- Renovate to Enterprise Green Communities Standards



Harvard House North Miami Beach, Florida

Harvard House, built in 1967, provides low income housing for 56 families. The property needs substantial renovations. The property is in a well-located, established neighborhood, near mass transit and a vibrant commercial district.

Despite being 95% occupied, the significant capital needs of the property, coupled with the nominal cash flow make the long-term operations of the property infeasible. Without a substantial cash infusion for the renovations, this property will continue to deteriorate and will not be decent, safe, and affordable housing in the near future.

Harvard House is in default on its mortgages. The net operating income does not support enough debt service to pay off the first mortgage.

As a strategy to preserve this property, NHT/Enterprise and Carrfour Supportive Housing entered into a joint venture agreement to acquire and rehabilitate Harvard House with NSP1 and NSP2 funds. Carrfour is part of a consortium in Miami-Dade County that was awarded \$89M of NSP2 funds and has committed close to \$3.7 million to the project. NHT/Enterprise applied for and was awarded \$2.2M of Miami-Dade County NSP1 funding for Harvard House. This partnership between Carrfour and NHT/Enterprise provided the needed capital for the renovations and preserved the long-term affordability of this community.

NSP3

On October 19, 2010, HUD released the NSP3 Notice with the requirements for the new allocation of NSP funds that were authorized in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act provides \$970 million in new NSP funds to states and local governments to continue to assist in the redevelopment of abandoned and foreclosed homes. Grantees in Florida received just over \$200 million for 65 grantees, one of which is the State of Florida. Of these, 13 were formerly funded through the Florida Department of Community Affairs and are now receiving NSP3 funds directly through HUD. A list of the Florida NSP3 grantees with the amount of each allocation can be found on the FHC Web site at www.flhousing.org.

HUD expects the NSP3 Action Plans, due March 1, 2011, to fully reflect the community's vision on stabilizing neighborhoods that have been most severely distressed by foreclosures and abandonment with a goal for creating sustainable, inclusive communities that integrate transit access, housing, employment centers and services. NSP 3 expenditure deadlines are the same as NSP 2, with 50% of funds expended within two years and 100% expended in three years. As in NSP 1 and 2, no less than 25 percent of the funds shall be used to house individuals and families whose incomes do not exceed 50 percent of area median income. Projects must also ensure longest feasible continued affordability, with the HOME requirements as a minimum.

The foundational difference between NSP 1 and 2 and NSP3 is the firm commitment to target and revitalize highly concentrated areas of distress and the requirement that only housing be developed through rehabilitation or new construction with the program. Mapping to identify areas of greatest need has been given a major technological boost through a new widget from HUD User that will create target areas. The mapping is interactive and allows grantees to enter information that is then mapped geographically in their communities. This information is transmitted to HUD for approval and maps are generated.

While NSP1 and 2 required Section 3 compliance in the hiring of low income employees, vicinity hiring has been added to the regulations so that employees who reside in the vicinity of the target areas can have employment opportunities even if

Section 3 regulations would point to other areas. Vicinity hiring is statutory and Section 3 is regulatory, which means that vicinity-based employees would be the priority.

NSP3 has a firm requirement to include green and energy efficiency in all activities, which now include rehabilitation as well as new construction. HUD encourages the adoption of energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notice describes in detail how energy efficient and environmentally-friendly green elements can be incorporated. Additional tools on incorporating green rehabilitation standards can be found on the NSP Resource Exchange at www.hud.gov/nspta.

HUD expects NSP3 grantees to set aggressive but achievable goals and to ensure accountability. Special effort must be made to prevent discrimination to ensure that Fair Housing laws are observed. Citizen participation remains a major component of project planning and implementation and the mapping tools should provide additional areas for citizen input.

NSP 3 grantees must, to the maximum extent feasible, provide for the hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects. For the purposes of administering this requirement, HUD is adopting the Section 3 applicability thresholds for community development assistance at 24 CFR 135.3(a)(3)(ii). Note that the NSP3 local hiring requirement does not replace the responsibilities of grantees under Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135, except to the extent the obligations may be in direct conflict. For the purposes of NSP3, HUD defines vicinity as each neighborhood identified by the NSP3 grantee as being the areas of greatest need.

The mapping widget can be viewed at www.huduser.org/NSP/NSP3.html. In addition, a Design Guidebook has been published by HUD that provides step-by-step instructions on the design of the NSP 3 program. www.hudnshelp.info/index.cfm?do=viewFindaResourceDetails&resourceID=803 HNN

Florida Housing Coalition's Expertise Tapped Across the Nation

The Florida Housing Coalition's (FHC) Technical Advisors' expertise continues to be tapped, most recently for the Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) Problem Solving Clinics in Detroit, Los Angeles, Atlanta, Washington, DC, and Orlando. The Clinics target NSP1, NSP2 and NSP3 grant recipients to obtain clear program technical assistance with one-on-one consultations and workshops.

Stan Fitterman assisted people on NSP Requirements and Rules during the one-on-one consultations. Questions included eligible uses and activities, record keeping, and how grantees may blend funds when receiving multiple NSP funding. Gladys Schneider's assistance on Program Income and Fi-

nancial Management was sought out during the Los Angeles Clinic. Schneider explained procurement, cost reasonableness, documentation and reporting. Lisa Hoffmeyer's expertise focused on construction and rehabilitation activities surrounding implementing housing standards, reviewing inspections, resolving construction disputes, green practices, and managing their construction programs. Aida Andujar provided guidance on Program Income and Financial Management at the Orlando clinic.

Hoffmeyer also presented a workshop on Structuring Single-Family Projects and Fitterman presented a workshop on Sustainable Multi-Family Underwriting for the Detroit and Orlando Clinics. The team was also on hand at the

Atlanta and Washington DC clinics.

In addition, Fitterman and Schneider continue to review answers to questions submitted on the HUD Web-based Resource Center Ask A Question Web site. Fitterman and Schneider have been assisting since the Web site went live; each handles two days per week, and between the two of them they have answered more than 600 questions.

If you or your organization needs assistance with any affordable housing issue, FHC is your solution. The FHC Technical Advisors' breadth of knowledge spans from concept to a resident-occupied development. The FHC Technical Advisor team is available to help your project succeed.



This Collier County house was completely rehabilitated by Habitat for Humanity to be a safe, affordable home for a loving family, and they were able to move into their newly rehabilitated home by Christmas thanks to the efforts of Habitat for Humanity and NSP funding.

Habitat for Humanity and NSP: Finding the Formula for Success



Lori Pampilo Harris

Habitat for Humanity has a simple formula for success: build simple and decent homes for families with volunteers, sweat equity and community support. Zero percent interest loans make the house affordable and Habitat affiliates can continue to grow and help others by servicing these

mortgages. What happens when new construction becomes less cost effective than buying foreclosed and abandoned homes that need rehab? Habitat affiliates took the challenge and trained their volunteers to clean up and rehab these homes but capital for acquisition was not readily available. The Neighborhood Stabilization Program (NSP) would seem the perfect fit with its 25% low income setaside and funding available to purchase the units and rehab materials. Could Habitat for Humanity receive NSP funding to buy and rehab and then hold the first mortgages of its buyers? Would the mortgage income be considered program income under HUD rules? Would the NSP grantee be satisfied with no takeout on their expenditures to replenish with program income? How would Habitat homebuyers meet the sweat equity facet of being a Habitat homeowner when many homes just needed minor repairs, a new air

conditioner, appliances and copper piping? Could Habitat for Humanity negotiate purchases from the bank sellers?

Florida's NSP communities operating under the Department of Community Affairs (DCA) were advised initially that the Habitat model would not be allowed under DCA's rules because all program income had to be returned to DCA. How could Habitat affiliates' return NSP funding when there was no financial institution providing a first mortgage? Fortunately, DCA revised its position on program income and Habitat for Humanity affiliates in the 24 communities receiving NSP funds from DCA could become eligible to participate.

The "Habitat question" became part of a national debate and while the NSP 1 obligation clock ticked on, decisions and opinions formed to guide local grantees. If Habitat held the mortgages meeting all other requirements, they could use the program income received from mortgage payments on CDBG eligible activities in the future, such as buying more foreclosed properties. Hundreds of Habitats nationwide are able to mobilize an estimated 1,000,000 volunteers as they combine this donated labor with contributions of materials and funds to participate in

returning foreclosed and abandoned properties to homeownership. The faith-based support systems, along with zero percent interest mortgages, have given Habitat for Humanity an enviable 1% foreclosure rate.

If faith was starting to weaken among Habitat affiliates, it was restored when three Florida affiliates were awarded \$74 million in NSP 2 funds as part of a \$137 million NSP 2 allocation to Habitat for Humanity International. In Florida, the Miami-Dade, Collier County and Escambia County (Pensacola) Habitat for Humanity affiliates will buy, rehab, build or demolish over 400 homes statewide under this program.

Spotlight on Habitat for Humanity of Collier County

Habitat for Humanity of Collier County plans to work in three high risk census tracts which include the neighborhoods of Naples Manor, Trail Acres and Airport Road. These neighborhoods have exhibited the conditions of greatest need including high crime, high rates of foreclosed and abandoned homes, unemployment at over 9%, and affordability issues. Even with these conditions, in 2009, the average home sales price in Collier County was \$383,000. Predatory lending practices including subprime loans and ballooning home equity loans have led to decreasing property values and blighted conditions. The Collier County Foreclosure Task Force has been an active participant in addressing these issues and the Code Enforcement Department has been proactive in working with neighborhood associations, property managers for lenders, and public agencies to clean up neighborhoods and prevent further blight from occurring.

Habitat for Humanity of Collier County is one of the largest and most successful affiliates in the country. Using NSP2 funds, they intend to buy and rehab 90 homes and to build 10

new homes where dilapidated homes have been demolished. At this time, 22 properties have been acquired or are pending purchase and three homes are completed with new families becoming homeowners.

In Miami-Dade, Habitat is working in one of the most devastated communities, Liberty City, to acquire 70 or more dilapidated homes for demolition and new construction. In addition, the goal is set to build 90 new homes on vacant

sites. In this urban core neighborhood, over 51% of homes have been affected by foreclosure resulting from overpriced real estate and the proliferation of subprime loans. Many homes in this community are beyond rehab as they have been subject to a series of storms.

The Pensacola Habitat for Humanity which covers Escambia and Santa Rosa counties will

target areas with high rates of abandoned and dilapidated properties that have been the victim to storms as well as foreclosure. Population levels have decreased in these neighborhoods because of those factors which has greatly de-stabilized the community. Habitat intends to acquire and demolish 195 properties for the construction of new homes as well as purchase and rehab 45 properties.

As the first mortgage holder in these NSP2 projects along with other areas in Florida working with Neighborhood Stabilization Program homeowners will not only have affordable new homes that are energy efficient, but the support system to assist families in maintaining successful homeownership. Habitat for Humanity will be able to use the program income from mortgage payments to continue purchasing and rehabilitating foreclosed or abandoned properties for years to come. This formula for success, for Habitat for Humanity and Florida, will create stronger and healthier communities for families to thrive in. [HNN](#)



Gladys Schneider presents how NSP funds provided home ownership and rental housing highlighting the level of expenditures needed for future months.



Lake Worth NSP

By Suzanne Cabrera

The quaint intra-coastal city of Lake Worth, Florida was hit hard by the foreclosure wave. The city, founded in 1912, has many older, small homes owned by investors and landlords. When the crash in home values occurred, the city was overwhelmed with foreclosed, vacant, and abandoned properties. Within Lake Worth's downtown area almost 40% of all homes were in foreclosure.

Where others saw a disaster, some dedicated community leaders saw opportunity. A group of 21 partners came together to form the Lake Worth CRA Consortium with the common goal of bringing Lake Worth back to life. They saw this as the perfect opportunity to revitalize the neighborhood using a number of strategies to ensure affordability and sustainability.

The Planning

Most plans for revitalizing an area depend on one or two key strategies to ensure initial and long-term affordability. This group also wanted to make sure they could meet the needs of potential homeowners while taking into account the concerns of current residents and city officials. City officials wanted a plan to guard against another foreclosure wave and guard against gentrification. Current residents were tired of absentee landlords and declining property val-



ues. Potential homeowners were concerned about costs because most homes in the area, especially the ones under foreclosure, needed substantial rehabilitation. The lack of energy efficiency in these older homes, leading to higher utility bills, was also a concern.

To address the needs of all stakeholders, the group decided to employ a variety of strategies as part of an overall plan to include land trusts, land banking, shared appreciation loans, homebuyer counseling and subsidies, and offering Individual Development Accounts (IDA) to all qualified buyers.

The first hurdle was getting the funding. The group determined it would need to purchase and rehabilitate more than 130 properties in the target area to make an impact. This first hurdle was overcome when the group applied for and was awarded \$23.3 million dollars in Neighborhood Stabilization Program 2 (NSP2) funding. This provided enough capital to acquire and rehabilitate the properties, while also adding green technology to make homes more sustainable.

Strategies at Work

The key to making the plan work was getting partners who were committed to providing and maintaining a stock of safe, decent, and affordable housings. Habitat for Humanity is using its tried and tested model of having families

invest “sweat equity” in return for a 30 year, no interest loan on their homes. Their model uses shared appreciation loans to encourage long-term stability. The Lake Worth CRA will use subsidy and deed restrictions to accomplish these goals.

The Land Trust Model

Adopt-A-Family (AAF) of the Palm Beaches is using its Community Land Trust Program to ensure homes are affordable to its buyers. This model, which separates the land from the improvements, is well known in Palm Beach County where six local land trusts are operating. The land trust model is an increasingly important strategy in areas with high land cost such as Palm Beach County.

The AAF will hold all the land and give homeowners 99 year renewable leases costing \$25 per month. Here is an example of how the land trust, plus additional subsidy, can substantially reduce the monthly payment for homebuyers on a 3-bedroom home in Lake Worth:

	Monthly Payment	
Home Price	\$150,000	\$960
Minus Land	(\$ 60,000)	
Land Trust Program Price	\$ 90,000	\$640
Additional Subsidy	(\$ 25,000)	
Down Payment (IDA Account)	\$ 4,000	
1st Mortgage after subsidy	\$ 61,000	\$485

Once homeowners add the \$25 land lease fee, they end up with a payment of \$505 per month, which is substantially lower than the average monthly rental for a 3-bedroom apartment currently over \$1,800 per month. All rehabilitation uses Florida Green Building standards with the expectation that monthly utility charges be reduced by \$50-100 per month. The AAF strategy also ensures these homes remain affordable over the long term. The buyers benefit as well. Under the

program, homeowners recoup their original investment, plus 5% of the equity per year up to a full 25%. With the typical rental scenario, the most renters can hope for is their security deposit to be returned and that is only if they leave the apartments in spotless condition. Community Land Program participants have a partial share in equity, plus the benefits of home ownership with a lower monthly payment.

A Good Foundation

The Community Land Program also provides an effective program to prevent foreclosures. Another Consortium Partner, Housing Partnership, is offering homebuyer education and counseling for all

homebuyers. National studies show that homebuyers who receive counseling and subsidy are much less likely to default on their mortgages. All potential homebuyers are also offered an IDA where funds can be matched on a 3 to 1 basis, which can help homeowners turn \$2,000 in savings into a \$6,000 down payment. This also gets future homebuyers in the habit of saving money. Homebuyers in this situation are much less likely to fall into foreclosure but if they do, the Community Land Program has the first option to purchase the home further guarding against foreclosure.

The true test of this ambitious plan will come February 2013 when 100% of the funds must be expended. The Consortium is off to a great start having acquired 35 properties and expended over \$2,485,091 in just six months

since the funding agreements were signed. All signs are heading toward a bright future for the city of Lake Worth. [HNN](#)

SUZANNE CABRERA is the President/CEO of the Housing Leadership Council (HLC) of Palm Beach County. With over 25 years experience in the field, she has a wealth of experience and knowledge in the area of affordable housing.





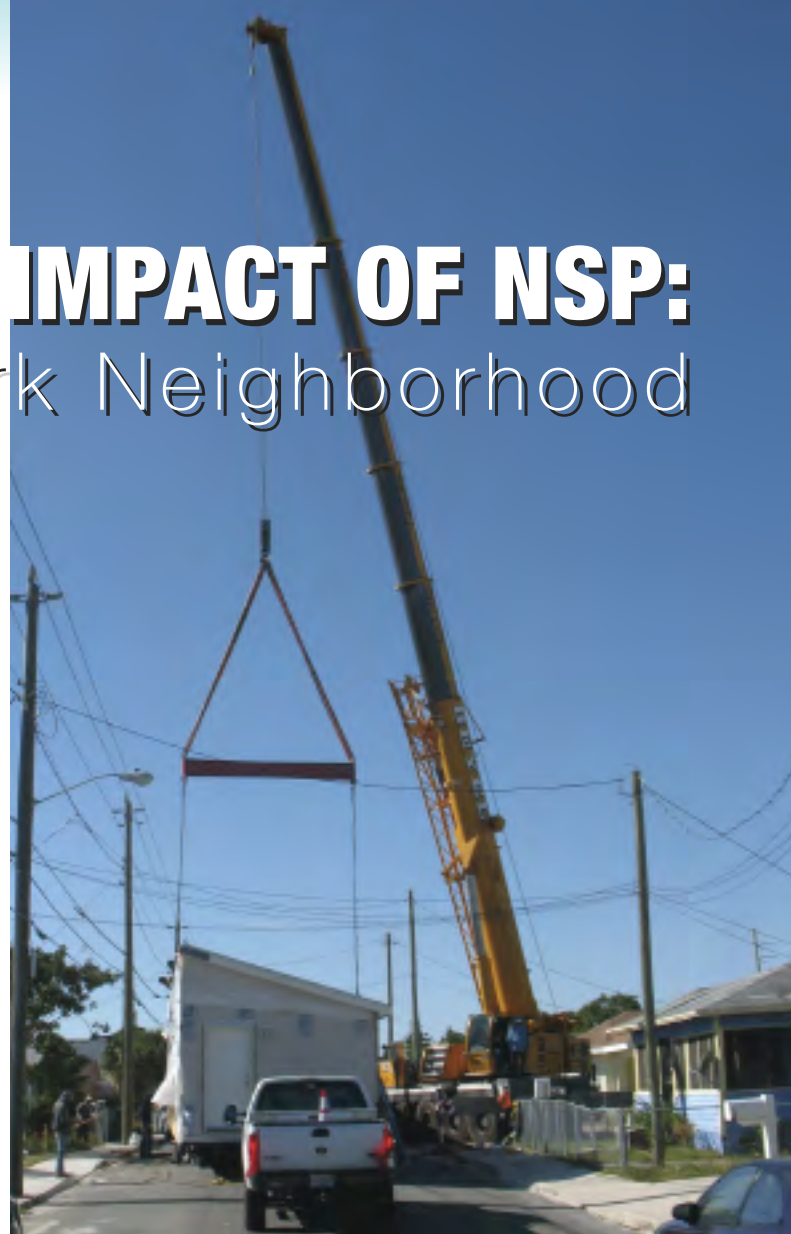
MEASURING THE IMPACT OF NSP: The Coleman Park Neighborhood

By Gladys Schneider

When Congress enacted the Housing and Economic Recovery Act in 2008 authorizing the Neighborhood Stabilization Program (NSP), the intent was to aid U.S. cities and towns to arrest the blighting decay of neighborhoods brought on by the abandonment of homes and apartment buildings that had undergone foreclosure and were now vacant. The vitality of people living, playing and learning in American neighborhoods that once hummed with activity and investment was ebbing. The affordable housing industry, both private and public sectors, got right to work purchasing homes for rehabilitation and resale or rental to lower income families. NSP burst forth with mega dollars that by Congressional mandate had to be invested immediately.

Given this massive investment, can we understand the forces at work that lead to genuine stabilization in any given area? Can we ensure that NSP is not just a Band-Aid: that it will lead to sustainable vitality in neighborhoods where the housing market becomes balanced and the external effects of foreclosure and abandonment are treated and eliminated? Does increasing homeownership stop decline and lead to improved values and a stable market? These questions are the subject of a collaborative study, combined with technical assistance by the Florida Housing Coalition and the Shimberg Center for Affordable Housing. With funding from the Bank of America Foundation, and the participation of NSP grantee West Palm Beach, we are studying the impact of NSP funded homeownership on the Coleman Park neighborhood to understand and evaluate the effectiveness of various strategies and develop models that can be beneficial to other lower income neighborhoods.

Coleman Park is the historically black community where 1920's bungalows lined streets and baseball greats like



Hank Aaron and Jackie Robinson played ball for fun. Today the neighborhood has high crime, vacant lots, and collapsed property values. The City has made efforts to clear dilapidated buildings and fight crime but the foreclosure crisis exacerbated problems and the neighborhood was in need of serious investments. There are health care services, transit, and schools in the area, but without decent and affordable housing, along with a balanced housing market, desirable living conditions would not be realized. Dunbar Village, owned by the West Palm Housing Authority, provides good rental housing for the lowest income and Habitat for Humanity homes are an opportunity for ownership, true neighborhood stability would require more housing for both owners and renters.

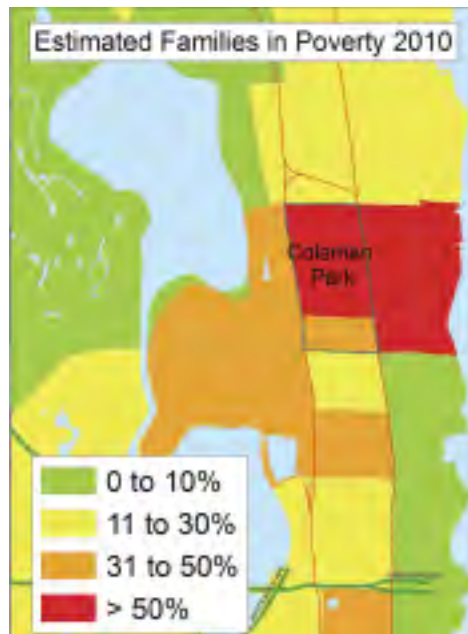
This fall, 18 new homes were built in Coleman Park for low income households. These homes are funded by NSP dollars and the City is working to finance-qualify interested buyers to purchase the homes with affordable mortgages.

The City plans to rehabilitate six more homes in the neighborhood. This infusion of investment is the largest in many years and the new homes replace demolished dilapidated and vacant housing. NSP funds will be used to subsidize the total per unit cost of \$60,000 to \$130,000 for very low and low income buyers.

The Coleman Park Neighborhood experience is being used as a pilot to develop programs that focus on stabilizing and preserving low and moderate income neighborhoods and communities through a strong emphasis on technical assistance and strategic planning to restore the homeownership market. The Coleman Park Neighborhood pilot study is underway with data collection on historical demographic and community measures. The preliminary review of findings below lay the groundwork for understanding prior conditions and help inform future investments and programming that will stabilize the neighborhood through homeownership and community development activities such as neighborhood associations, code enforcement, and public safety.

Preliminary analysis of historical patterns in the Coleman Park Neighborhood prepared by the research team headed by William O'Dell at the Shimberg Center for Affordable Housing based at the University of Florida is nearing completion. Although the study primarily focuses on Coleman Park, which is the main target area for NSP funding in West Palm Beach, data for two adjacent neighborhoods and Palm Beach County as a whole are being compiled for comparison purposes. Northwood and Pleasant City are contiguous to Coleman Park but show wide variations in characteristics being used to study the areas.

The initial findings of the study indicate that since 1980, poverty has become more concentrated in Coleman Park as



the population has decreased by 52%. The number of school-aged children has remained steady as the proportion of single female heads of households with children has increased from 24% in 1980 to 35% in 2010. While the racial composition of the total study area has become more diverse over time, in Coleman Park the percentage of black persons has remained constant. Coleman Park has a much higher ratio of renters to owners with 78% renting as opposed to the study area with 60% renters. Coleman Park also had the highest concentration of families living in poverty with 52% in 2010 compared to Northwood with 13%. It is notable that the number of families living in poverty in Northwood increased from 3% in 1980 to 13% in 2010. While the percentage of women in the labor force with children has been increasing in Coleman Park from 45% in 1980 to 53% in 2000, unemployment among women in Coleman Park experienced a large increase from 5% in 1980 to 27% in 2000. In the total study area, the percentage of females in the labor force who were unemployed was 8%.

The investment of new homes in Coleman Park will indeed increase the homeownership level and could possibly bring stability and permanence to

buyers who are female heads of household. The challenge is to target the marketing of the new homes to current residents but also to augment the housing influx with employment and social services to ensure sustainability for the increase in investment.

Over the next year, the Florida Housing Coalition will continue to provide technical assistance for the NSP activities and the Shimberg Center will use the baseline data collected to measure changes over time.

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Preservation of Federally Subsidized Project Based Housing in Florida



By Anne Ray

2011 could shape up to be the biggest year yet for the preservation of affordable rental housing in Florida. Florida Housing Finance Corporation, following through with its strategic plan adopted in 2009, is poised to adopt a 50% set aside of Low Income Housing Tax Credits for the purpose of preserving

federally subsidized housing that serves Florida's most vulnerable populations. The timing is right for preservation. Success stories like the Viridian, publicized by the Florida Housing Coalition and the Sadowski Coalition, shined the spotlight on preservation. The Viridian is a project-based property preserved in 2010 by Sage Partners that saved housing for a population that would otherwise be homeless, while creating hundreds of jobs. Meanwhile, the Shimberg Center and the Florida Housing Coalition are working closely with a statewide group of legal services lawyers funded by the Florida Bar Foundation to preserve project based properties.

These successes come as the Shimberg Center, Florida Housing Coalition, and Florida Housing Finance Corporation complete the second year of a three-year, \$1 million project funded by the MacArthur Foundation to preserve Florida's assisted rental housing. These "assisted" housing developments are owned by for-profit corporations, non-profits or public entities and receive subsidies from

HUD, USDA Rural Development (RD), Florida Housing Finance Corporation, or local housing finance authorities. In return, they provide affordable rental housing for low-income tenants.

As part of the MacArthur project, the Shimberg Center has been collecting data on property and tenant characteristics in Florida's at-risk assisted housing. We have also taken a look at subsidized rental housing lost in Florida in the last two decades. Our research is intended to help affordable housing supporters understand the risks to Florida's assisted housing stock and to provide practical resources for policymakers, developers, and advocates interested in preservation.

What is Preservation?

Assisted housing comes under threat from two directions. Properties in strong rental markets may be converted to condos or market-rate rentals. Owners of these properties have an incentive to prepay subsidized mortgages or opt out of ongoing rental assistance contracts to end rent and income restrictions. In some cases, these subsidies and rental restrictions are on the verge of expiring regardless of the owner's actions.

On the other hand, weaker properties may be deteriorating physically and financially, threatening their ability to pass funders' inspections and to provide safe and decent housing

for their tenants. More than a third of Florida's assisted housing units are 15 years old or more, and a third of these are more than 30 years old. Without reinvestment, these properties can become physically and financially distressed. We have also heard anecdotally that the owners of aging properties may be ready to retire, or may be small non-profits that are no longer up to the complex task of managing subsidized housing.

Preservation keeps affordable rental housing viable for the long haul. Preservation usually involves transferring the ownership of the property to an entity with the capacity and mission to keep the housing affordable and in good condition. It typically involves bringing in new subsidies to rehab the property, with a commitment to maintain or extend the rent and income restrictions.

The current weak rental housing market has slowed the conversion of assisted housing to market-rate properties, so preservation supporters are increasingly turning their attention to aging and distressed properties. The proposed rules for Florida Housing's set-aside of tax credits require the properties to be preserved to be at least 20 years old, with priority given to properties at least 30 years old.

The proposed rules also prioritize developments with project-based rental assistance from HUD or RD. In these units, tenants pay 30% of their income for rent. HUD or RD pays the owner the difference between that amount and the rent level needed to operate the building. Apartments with project-based assistance provide affordable housing to some of Florida's poorest families and seniors. Average income in Florida's HUD-assisted housing is \$10,000 per year, and tenants pay an average of just \$232 per month in rent.

Florida's "Lost" Properties

Since 1993, Florida has lost 432 assisted housing properties with over 38,000 affordable rental units. Most of these were early Low Income Housing Tax Credit and mortgage revenue bond developments that are no longer under income and rent restrictions. The state has also lost over 7,000 units of HUD- and RD-subsidized housing during that time, including over 2,000 units with project-based rental assistance.

Our 2009 survey of 227 formerly subsidized complexes found that most were still operating as rental housing, although 48 had been converted to condos and 18 had been demolished,

became vacant, or were converted to mixed use. Of 137 rental properties, just over 60% were providing rents affordable to low-income tenants (defined as tenants with income at or below 60% of area median income). Almost all of the formerly HUD-subsidized developments were providing rents affordable at this level; just over half of the former tax credit and bond developments were. However, none of the properties were now providing rents affordable to tenants with extremely low incomes—those at 30% of area median income or lower.

In 2009 alone, 21 assisted properties with 3,700 affordable apartments exited subsidy programs in Florida. About a third of these developments were foreclosed multifamily properties with state funding. Another third were developments subsidized by HUD and RD's rental assistance programs, including housing for the elderly and persons with disabilities. In all, the state lost over 400 units with project-based rental assistance that year.

Rental Market Study Highlights Aging Housing

The 2010 Rental Market Study takes a close look at preservation needs of aging properties that are still in the assisted housing stock. The study is produced every three years by the Shimberg Center for Housing Studies at University of Florida on behalf of Florida Housing. Some key findings:

Florida's affordable rental housing is aging. Over 1,100 developments with nearly 98,000 affordable rental units in Florida are 15 years old or older. More than 33,000 of these units are in complexes that are 30 years old or older.

Most tenants in aging affordable housing have very low incomes. The average tenant income in 30+ year old assisted housing is just \$11,335 per year, or 24% of the area median income (AMI). Tenant incomes in 15-29 year old housing are somewhat higher, but still low. Average tenant income is just \$16,584 per year, or 40% of AMI.

Housing with project-based rental assistance is most at risk. Two-thirds of the 30+ year old units have project-based rental assistance.

Nearly half of the oldest units serve elderly tenants. Over 15,000 elderly housing units statewide are more than 30 years old. Most of these are in HUD-subsidized properties and are owned by non-profits.

Most of the oldest housing is located in urban areas. The largest share of 30+ year old housing is located in Duval, Miami-Dade, and Hillsborough counties. Each of these counties has more than 3,000 assisted units that are at least 30 years old (see Map 1).

Most 15-29 year old housing is located in urban areas too, but there are many smaller properties in rural locations. Miami-Dade, Orange, and Duval counties have the most 15-29 year old affordable rental units. There are also a number of apartment complexes subsidized by USDA Rural Development built at that time that are scattered throughout the smaller counties (see Map 2).

The Rental Market Study also looks at affordable rental developments whose subsidies are set to expire from 2010 to 2017. Most of these are properties with HUD rental assistance contracts expiring during this time: 220 properties with 21,998 units. The rental assistance contracts may be renewed by HUD and the property owner, usually on a year-to-year basis, so the expiration date does not mean the automatic end of rent and income restrictions. Rather, the expiration of the current contract provides the owner an opportunity to opt out of future contracts and associated income and rent restrictions and reporting requirements.

A far smaller number of HUD-subsidized units face a more serious threat: they are subsidized by HUD mortgages that will mature in the next few years, but do not have ongoing rental assistance to protect tenants. Rent limits will end for over 3,000 of these units in Florida between now and 2017.

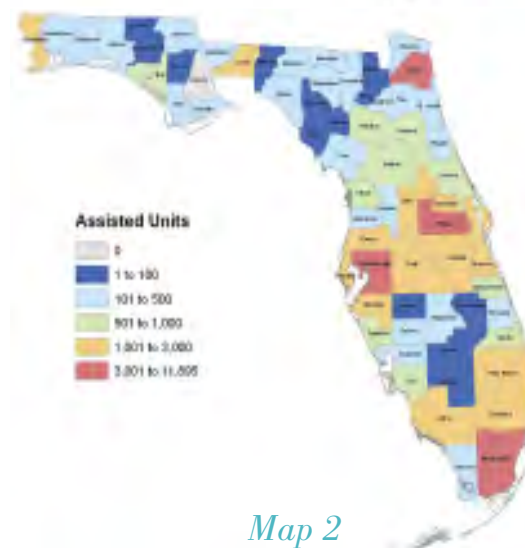
See the full study online at www.flhousingdata.shimberg.ufl.edu/shimberg_pub_presentation.html.

Information Resources for Preservation

The first step to preserving a property is to gather information



Map 1



Map 2

about it. What subsidy programs are involved in the development, and when do they expire? Who owns the property now? How old is it? Does it serve families or elderly tenants?

The Shimberg Center's online Assisted Housing Inventory (AHI) provides quick answers to these types of questions. The AHI is a database of nearly 2,300 affordable rental housing properties in Florida with federal, state, or local subsidies. Users can search the database by city, county or individual property name.

The AHI contains several types of data that are useful for preservation:

- **Basic information:** property address, phone number, owner and management contact information, number of units, year built
- **Subsidy information:** funders, subsidy programs, subsidy expiration dates, number of units with project-based rental assistance, physical inspection scores (HUD properties only)
- **Tenant data:** target population, household incomes, household size, elderly status
- **Risk assessment tools:** Web applications that flag properties at risk of failing (e.g. older properties, failing inspection scores) or of conversion to market rate (e.g. low rents compared to market, in neighborhoods with low poverty levels)

The AHI data is available at www.flhousingdata.shimberg.ufl.edu/AHI_introduction.html. If you need assistance using the AHI, e-mail fhdc-comments@shimberg.ufl.edu or call Anne Ray at 352-273-1195. [HNN](#)

ANNE RAY, Researcher with the Shimberg Center, works on the development of the Florida Housing Data Clearinghouse. She has performed research on preservation of assisted rental housing, public housing, housing needs of persons with disabilities, farmworker housing, and the states' implementation of the Low-Income Housing Tax Credit.



How Housing Construction and Rehabilitation Creates Jobs

By Mark Hendrickson

In today's environment, every interest group pursuing government funds claims that their programs create jobs. The difference between many of these claims and housing construction and rehabilitation is that housing really does create jobs—in fact, more jobs per million of state expenditures than any other program.

For every \$1 million of state funding for housing, 77 jobs are created and the total economic impact is \$7.66 million. As part of that activity, the \$1 million of state funding generates over \$2.98 million of income/earnings.

Housing Created Jobs When Job Creation Wasn't Politically Fashionable

The analysis that proves that housing funding creates jobs was performed well before today's tough economic times, when it became politically fashionable to be job creating. The initial White Paper detailing the Economic Impact of housing funding, including job creation, was written in March 2007, when the housing boom and the economy were still in full swing—and job creation was not the claim du jour.^[i]

Why is Housing Funding Such an Effective Job Creator?

First, the state's housing programs are well designed and bring private sector loans and equity to the table. The State of Florida is not footing the entire tab—in fact the state's share of the housing produced or sold is less than \$1 of every \$4.

Second, like any economic activity, there is a multiplier effect where the total economic impact of an activity is greater than the basic cost of the activity. For new construction and rehabilitation in Florida, the multiplier is approximately 1.8-1.0.

Therefore, the key point is that the total economic impact is the leveraging of the state funds with private sector loans and equity PLUS the economic multiplier effect—creating the total economic impact of \$7.66 million and 77 jobs for every \$1 million of state funds.

What does that mean? If government funded 100% of the cost of the housing produced with the state's programs, the total

economic impact of \$1 million of state funding would be only \$1.8 million, rather than \$7.66 million, and the number of jobs created would be 12 instead of 77.

This is exactly why housing creates more jobs than any other state expenditure of funds—because it combines creative leveraging of private sector investment with a healthy multiplier effect.

Is Job Creation the Same for New Construction and Rehabilitation?

There is a misconception that new construction creates more jobs than rehabilitation. That is not true. Data for Florida from a national economic modeling firm shows that slightly more jobs are created for every \$1 million spent on rehabilitation activities than new construction (0.8 jobs per million). Therefore, there is no loss of job creation if state funds are targeted to rehabilitation activities.

Conclusion

If Florida wants to create jobs and move to a new reality of a healthy economy and more robust state revenues, it must fully fund its housing programs. An economically healthy Florida needs increased construction jobs. The documentary tax on deeds was increased in 1992 to fund housing programs, and the investment of those Housing Trust Funds monies today is a necessity for job creation. **HNH**

MARK HENDRICKSON is the President of The Hendrickson Company, which specializes in assisting for profit and nonprofit clients in all areas of affordable housing, including finance and related legislative issues. Hendrickson is the author of an economic benefits WhitePaper produced for the for the Federal Home Loan Bank of Atlanta in 2009.

Prior to forming the Hendrickson Company in 1994, Hendrickson served as the Executive Director of the Florida Housing Finance Agency from 1981 to 1994, and previously as the Executive Director of the Arkansas Housing Development Agency from 1978 to 1981. During his tenure at the FHFA, the landmark Sadowski Affordable Housing Act was enacted, and he was responsible for the oversight of all state-administered affordable housing programs, including SHIP, HOME, SAIL, HAP, the Single-family and Multifamily Mortgage Revenue Bond Programs, Housing Credit, and the Florida Affordable Housing Guarantee program. As Executive Director of two different State HFA's, Hendrickson served under six Governors, including two Republicans and four Democrats.

[i] See full Economic White Paper prepared for the Florida Legislature at www.flhousing.org click on trust fund advocacy.



Relief for Florida's Hardest Hit Homeowners



By Michael Chaney

The Housing Finance Agency Innovation Fund for the Hardest Hit Housing

Markets (Hardest Hit Fund or HHF) is a new program to assist Floridians

facing foreclosure. Currently being piloted in Lee County, it is anticipated to begin statewide the first quarter of 2011. The HHF was established by President Obama last February to target aid to families in states hit hardest by the housing downturn. Arizona, California, Florida, Michigan, and Nevada were the first five states allocated funds because of the excessive housing market depreciation. In March 2010, the U.S. Treasury allocated a second disbursement of \$600 million to five additional states housing finance agencies (HFA) based on high unemployment rates. The U.S. Treasury expanded the HHF August 11 to include a total of 18 states and the District of Columbia with an additional \$2 billion. For each state, Hardest Hit

assistance is expected to help unemployed homeowners and others. This will be welcomed relief for states like Florida, with its current 11.6% unemployment rate representing 1,100,000 people jobless out of a labor force of 9,242,000.

The Florida Housing Coalition has been working on

Florida's Hardest Hit program for over half the year.

In August, Coalition staff provided a full day workshop to many of the agencies currently working on the Lee County pilot. Once the pilot began in October, the Coalition offered a week of webinars to prepare agencies on program requirements.

Since then, Coalition staff has been regularly answering questions from agencies involved in the pilot, and coordinating a weekly meeting for the advisors.

FLORIDA'S PROGRAMS

Florida's HH allocation is over \$1 billion, second only to California. So far, Florida has developed two strategies. The first program, the Unemployment Mortgage Assistance Program (UMAP), provides funds to make monthly payments on the first mortgage, including escrowed mortgage-related expenses like property taxes, homeowner insurance, and mortgage insurance. Monthly assistance is available until the homeowner can resume making payments, for up to 18 months or until the maximum amount of assistance is reached. To be eligible, the borrower or co-borrower must be unemployed or underemployed and must be no more than 180 days delinquent on their mortgage. By contrast, the second program



Several participating agencies in the Hardest Hit pilot received training last August in Ft. Myers.

called the Mortgage Loan Reinstatement Payment Program (MLRP) helps homeowners who can afford their monthly mortgage, but because of difficulties with unemployment or underemployment were previously delinquent. The MLRP provides funds to bring a past-due first mortgage current.

In many cases, it is expected that these programs will offer a homeowner a combination of assistance. For example, an applicant who is currently unemployed first benefits from UMAP monthly payments. Upon getting a job—perhaps after nine months of UMAP assistance, for example—this applicant can afford to pay the mortgage payment. At this point, the applicant receives MLRP assistance to pay for arrearages and make the first mortgage current. Assistance is limited to a maximum of \$35,000, and an assistance lien is recorded as a five-year forgivable loan.

ELIGIBILITY DETAILS

Florida Housing enlisted more than 50 Florida housing agencies to identify eligible homeowners at risk of foreclosure. Fourteen agencies are participating in the Lee County pilot. Each agency receives ‘Fee-for-Service’ payments for assisting HHF applicants. Each agency’s staff focuses on all aspects of the applicant’s eligibility.

The homeowner’s income, assets, and current situation are examined, as well as the mortgage and property. It is important to note that Florida’s HHF program is a pilot, and the following details may change. For now, applicants must be legal US residents or legal aliens owning a primary residence and earning 140% or less of the area median income. They must document that the housing costs—including PITI, association fees, and condo dues—exceed 31% of the monthly household income. To be eligible, household unencumbered assets cannot exceed three times the

List of Hardest Hit Allocations in 18 States and DC.

Alabama	\$162,520,874
Arizona	\$267,766,006
California	\$1,975,334,026
Florida	\$1,057,839,381
Georgia	\$339,255,832
Illinois	\$445,603,831
Indiana	\$221,694,280
Kentucky	\$148,901,825
Michigan	\$498,606,179
Mississippi	\$101,888,373
Nevada	\$194,026,659
New Jersey	\$300,548,507
North Carolina	\$482,781,565
Ohio	\$570,395,235
Oregon	\$220,042,571
Rhode Island	\$79,351,803
South Carolina	\$295,431,200
Tennessee	\$217,315,333
Washington DC	\$20,697,520



Florida Housing Finance Corporation's David Westcott has been central to crafting Florida's Hardest Hit program

The combined total of mortgages on the property must have a loan to value of no more than 200%.

PARTICIPATING SERVICERS

One of the most important criteria of eligibility is central to the homeowner's mortgage. The borrower's servicer must sign up as a participating servicer and agree to accept HHF payments. The Florida Housing Finance Corporation's staff is joining with other HHF states to add more participating servicers. The list of lenders has grown steadily since the beginning of the pilot with several others expected to sign servicer agreements. An increased rate of participation is expected to follow the late October notices from Fannie Mae and Freddie Mac requiring their servicers to work closely with state housing finance agencies to provide mortgage assistance to unemployed homeowners.

total monthly mortgage payment (including tax and insurance payments) or \$5,000, whichever is greater.

The property may be a single family home, townhome, manufactured home permanently affixed to real estate, or multifamily dwelling of up to four units (with one of the units the homeowner's primary residence). Condos on a Fannie Mae or FHA approval list are also eligible.

The first mortgage must also be eligible for a homeowner to receive assistance. It must be from a financial institution, and no seller-financed mortgages are eligible. The outstanding balance on the mortgage must be \$400,000 or less at the time of application.

PROGRAM IN PILOT DEVELOPMENT

The Hardest Hit program is just beginning and lessons are being learned from the current pilot. Training will be provided regionally around the state in advance of the statewide rollout of Hardest Hit in 2011. Contact the Florida Housing Coalition if you have questions to help you prepare your community for this foreclosure prevention assistance.

Lee County is the Hardest Hit pilot primarily because it is considered the one of the epicenters of the foreclosure crisis. This is a partly developed and now partly overgrown neighborhood in Lee County north of Lehigh Acres



Frequently Asked Questions about Eligibility

The pilot program is helping Florida Housing develop a large and helpful list of common questions about program eligibility. Here are some sample questions and answers:

What is the Hardest Hit Debt to Income (DTI) test for eligibility determination?

An applicant must have monthly housing debt of more than 31% of the gross monthly income. The combined monthly dollar cost of the mortgage principal, interest, taxes, insurance, and association dues of all secured mortgages must be greater than 31% of the total household's gross income after the financial hardship event.

How should one document that an applicant is underemployed? Do we compare former full employment income with current lower employment income?

No, do not collect documentation of former full employment. Unemployment is documented by way of the 31% debt to income test. Document the total household income for an applicant and compare it to the PITI and association/condo fees that the applicant pays. If these housing costs exceed 31% of monthly income, an employed borrower is considered underemployed. At the time when application is made, an applicant must be underemployed, but there is no time limit for how long ago they started being underemployed.

Are applicants eligible if they own other property?

The program eligibility rules indicate a homeowner cannot have more than one property other than their primary residence, and this property is not counted for the asset test. If an applicant owns a duplex or quadplex and lives in one of the units, this is not

considered owning more than one property. Vacant land is considered a property, while time shares are not.

What "Best Practices" for Eligibility Determination have emerged so far from the Lee County Hardest Hit pilot?

One best practice involves a team of advisors who determine eligibility. Once the team makes its determination, there is only one person that verifies application information, sends the file for Florida Housing approval and requests advisor payment. This helps ensure only eligible files are submitted for approval.

Is an applicant with a Habitat for Humanity mortgage eligible for Hardest Hit assistance?

Yes, Habitat mortgages would qualify as eligible mortgages. [HNN](#)



Capacity Corner



Which of the following words come to mind when you hear "Non Profit Agency?"
Commitment to the Cause • Business minded • Fiscally Responsible
Mission Driven • Passion for the Work • Sustainable

If you answered "all of the above," good for you! A successful non profit organization combines a passionate commitment to their stated mission with fiscally sound, sustainable business practices.

Remember "supply and demand" from Econ 101? Non profits fill a need or demand long unmet within their community. There is a constant supply of clients that need services, BUT they cannot pay for them. A seemingly endless supply of non paying customers is not a business model that any profit minded company would be even remotely interested in. Enter the non profit. You all go where no for profit business would dare to go just because it's the right thing to do. And if there were an unlimited supply of free money available to non profits to carry out their missions, we'd all be golden. Sadly,

that's not the case, so non profits must have the capacity to combine their commitment to the cause with a viable and sustainable business model that keeps your agency's doors open so you can continue to serve your community.

To help you do just that, we are introducing "Capacity Corner," a recurring feature in the Housing News Network Journal. If there are any specific capacity building topics that you would like to see addressed in upcoming issues, send an email to Hoffmeyer@flhousing.org. Some ideas may include financial recordkeeping systems, knowing when a deal will be financially feasible, board of directors strategic planning, maintaining good relationships with partners, and managing multiple projects. We look forward to hearing from you!



By Michael Chaney

Q: *I learned that Senate Bill 360 was recently ruled unconstitutional and it contained a number of SHIP related updates. Are these SHIP updates*

no longer considered rule and law? Please provide guidance on proper SHIP compliance.

A: Yes, the bill has been declared unconstitutional, but while the matter is in appeal the bill remains in effect. On August 26, 2010, SB 360 was declared unconstitutional by the Leon County Circuit Court in the case of City of Weston v. Crist, et. al. After the Circuit Court denied a motion for rehearing, the Speaker of the Florida House and the President of the Senate appealed the decision to the First District Court of Appeals on September 24, 2010. This appeal stays the effect of the Circuit Court's decision, according to Florida Rule of Appellate Procedure 9.310(b)(2). As a result, Senate Bill 360 is in effect.

This matter does indeed significantly affect the SHIP program. Passed during the 2009 legislative session, Senate Bill 360 contains many SHIP updates. For example, it permits SHIP funds to be spent on manufactured housing. It requires additional Local Housing Assistance Plan information about green housing and special needs assistance. It also redefines recaptured funds and potentially redefines moderate income households.

Local governments may rely on the SHIP provisions of Senate Bill 360 so long as it remains in effect. The Florida Housing Coalition and Florida Housing Finance Corporation are monitoring this case and will provide updates.

Low on Admin Funds

Q: *In the absence of the most recent SHIP distribution, my jurisdiction is running low on funds to pay for administration. Please provide guidance on how to maximize the SHIP funds that may be spent on administrative costs.*

A: Administrative costs—including salary, travel, advertising, and much more—are the expenses that may be paid with the 10 percent administrative budget you receive with each SHIP distribution. In addition, a portion of the program income you receive may also pay for administrative expenses. During the 10/11 State Fiscal Year, every SHIP jurisdiction will receive less than \$350,000 in SHIP funding. As a result, every jurisdiction may spend up to 10% of the program income collected in 10/11 on administrative expenses.

This is the limit of the SHIP funds available to pay for administration. Research your recent distributions to confirm for each non-closeout distribution if the maximum amounts have been dedicated to administrative costs. Look at the administrative expenses for your interim 08/09 report, since your most recent annual reports show exactly what was expended on administration. If these expenses are far below the maximums allowable, and if you have not yet fully expended this distribution, it may be worthwhile to update this report in a fashion that re-assigns more recent administrative costs to this distribution from the next most recent distribution. Updating your reports will essentially free up administrative funds from the 09/10 distribution that may then be spent on administration in the next year or beyond. The Coalition can provide guidance on the details of how to update your reports to reflect that the maximum possible amounts of a distribution have been expended on administration. Naturally, any updates to your tracking

spreadsheets and reports must be consistent with the expenses shown on your general ledger.

Finally, after working to maximize the SHIP funds available for administration, consider the benefits of leveraging with other affordable housing programs. When serving households below 80% of the area median income, leverage SHIP funds with HOME or CDBG or other housing funds, since these programs have ongoing administrative funding. To be clear, HOME and CDBG cannot pay for the administration of your SHIP program. But leveraging two or more types of funds on a house will reduce the amount of SHIP admin funds that must be expended to complete assistance on a house. In this way, you can stretch out your SHIP administrative funds.

Purchase Price 2010

Q: *How often should we re-set the Maximum Purchase Price established in our Local Housing Assistance Plan?*

A: The maximum purchase price in your community may have to change, if it is based on the maximum prices allowable according to U.S. Treasury data. This August, the U.S. Treasury issued its Proclamation 2010-25. This is the most updated version of the "Safe Harbor Limits," which provides updated data about the average area purchase price in many regions of Florida and the rest of the country.

Florida Housing has posted a one page summary of Florida data on the SHIP portion of its website. The SHIP statute indicates that ***"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. Such average***

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

area purchase price may be that ... established by the United States Department of the Treasury."

Therefore, this summary indicates the price that represents 90% of the sales price in 33 counties or metropolitan statistical areas. There is a final category, "All Others," which should be used by all other unlisted county and city SHIP programs.

These Treasury limits now replace the next most recent numbers, which the Treasury had released in early 2009. Although the home prices for most jurisdictions have increased, the amount listed for "All Others" has decreased by almost \$25,000. If the purchase limit for your jurisdiction has decreased and if your LHAP had previously set the SHIP maximum purchase price according to the previous Treasury limit, then you must re-adjust your LHAP maximum purchase price.

New Program Income

Q: *I have a question about the SHIP program income received during the 10/11 state fiscal year. Typically, we apply program income received to current fiscal year's distribution. Yet since we did not receive a 10/11 distribution, should we do something different when we next turn in annual reports?*

A: Any program income received between July 1, 2010, and June 30, 2011, should be reported on a 10/11 annual report even though you did not receive a 10/11 distribution. On this report, you will need to demonstrate how the expenditure of these program income funds comply with only the income set aside, but not with the homeownership or construction/rehab set-asides. Program Income is not considered in the compliance calculation of the latter two set-asides.

Determining Income Sources

Q: *I have an applicant with several cash deposits made into her bank account. When we asked her to explain, she stated that some of the deposits were gifts from family members. Other deposits are loans from her parents to help cover monthly expenses and bathroom repairs. Still other deposits are from a car payment that she gets from an ex-roommate. These car payments do not seem to be for a consistent amount. Finally child support deposits also seem inconsistent. Which of these types of deposits are considered part of household income?*

A: Consider one deposit type at a time. GIFTS: One time gift received by the applicant are not counted as part of household income. PARENT LOANS: Regular contributions received that are not sporadic are counted as monthly income. If her parents are providing her with regular monthly contributions to pay expenses then count this as income and document this with third party verifications signed by the parents. CAR PAYMENTS: If the money received from the car payment is for a car she sold, this is also monthly income. Determining the agreed upon monthly car payment and annualize this amount. CHILD SUPPORT: If any court ordered child support being received is inconsistent, obtain a print out from the child support enforcement office. Use the year to date income received to project income for the next 12 months.

Self Employment Income

Q: *I have a question about calculating self-employment income. The profit and loss statement for the applicant's business shows that he and his wife each draw a salary. This is one of the expenses listed before the net profit from the business. Is this income counted?*

A: Yes, according to the HUD Handbook 4350.3, Chapter 5, section 5-5 (G), you must "include the net income from operation of a business or profession including self-employment income. Net income is gross income less business expenses.... In addition to net income, owners must count any salaries or other amounts distributed to family members from the business, and cash or assets withdrawn by family members, except when the withdrawal is a reimbursement of cash or assets invested in the business." The sum total of this household's income from self-employment is the salary expenses listed plus the net profit from the business.

Co-Signer Question

Q: *Do we have to include the income of a co-signer?*

A: If the co-signer is not going to reside in the home being purchased, then he or she is not considered a household member for purposes of determining household size or annual income. Check who owns the home once it is purchased. Naturally, the co-signer's name and signature will be included on the first mortgage, since the co-signer is assuring the first mortgage provider that he or she will assume mortgage payments if the applicant fails to stay current on the mortgage. However, the co-signer should not be included on the title to the house. Ownership of the house must be fully in the SHIP applicant's name. You do not have to include the income of a co-signer, but you do have to include the income of a co-borrower. Co-signers are not listed on the warranty deed but co-borrowers are. This will help you determine if it is a co-borrower or co-signer. Also, review your program guidelines as some communities do not allow co-signers under their housing programs. **HNN**

ABOUT THE COALITION



FHC Welcomes New Board, Advisory Council Members, and Staff

DOROTHY INMAN-JOHNSON was the first black woman elected to the Tallahassee City Commission, serving two four-year terms, and two terms as Mayor. Dot is the Executive Director of the Capital Area Community Action Agency and was recognized for her strong advocacy on behalf of the poor, receiving the 2006 Champion for Kids Award and 100 Black Men of America/Tallahassee Advocate of the Year Award.



She was a national finalist for the Nefertiti award in 2008 and was named the Lifeline Leader in 2009. Her service includes Affordable Housing Advisory Committee; Leon County Affordable Housing Advisory Committee; Chairman of the Home Rehabilitation and Development Corporation Board of Directors; United Way of the Big Bend Board of Directors; and sits on many other state and national advocacy committees.

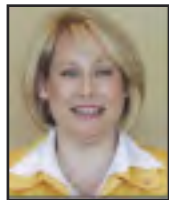
LORI PAMPILO HARRIS has served the Habitat for Humanity ministry for more than nine years. Harris is the first Executive Director of Habitat for Humanity of Florida, which is the statewide association of the 63 affiliates. Her first role with HFHI was an affiliate support manager in the MidAmerica region, serving affiliates in Indiana, Ohio, Tennessee and Kentucky. Over the years, Harris took on increased re-



sponsibility and contributed her numerous talents, including serving as an organizational development consultant for urban affiliates and field operations manager for state support organizations.

Before Habitat, Harris was an executive director of an Indianapolis social justice organization; spent two years as a state legislative lobbyist; and engaged in Native peoples' initiatives and advocacy, promoting self-determination.

DEANA L. LEWIS has been with SunTrust Bank for 26 years and has her background in Loan Operations, Regulatory Compliance and Community Reinvestment. She currently serves as First Vice President and Florida Community Development Manager, managing a team of Regional Community Development/CRA Managers across the state. She is a graduate of ABA National Compliance School at the University of Oklahoma. Lewis serves on several state and local boards for civic and non-profit organizations that focus on affordable housing, economic development, financial literacy and other community activities including the following: The Florida Community Loan Fund (CDFI), Pensacola Enterprise Zone Advisory Board, Community Enterprise Investments, Inc. (CDC/CDFI), Financial Advisory Council for Florida Housing Coalition, and Corporate Board for the Florida State Conference of NAACP.



Deana L. Lewis is a graduate of ABA National Compliance School at the University of Oklahoma. Lewis serves on several state and local boards for civic and non-profit organizations that focus on affordable housing, economic development, financial literacy and other community activities including the following: The Florida Community Loan Fund (CDFI), Pensacola Enterprise Zone Advisory Board, Community Enterprise Investments, Inc. (CDC/CDFI), Financial Advisory Council for Florida Housing Coalition, and Corporate Board for the Florida State Conference of NAACP.

AILEEN M. PRUITT is the Florida Market Manager for Community Development Banking for PNC Bank.



PNC is devoted to improving low-to-moderate income neighborhoods by offering and delivering financial education courses, consumer products, community development lending products and direct investments within these communities. Pruitt's community service includes: serving as Treasurer and Board Member of the Governor's; Board Member for the Governor's Foundation for Volunteerism; Advisory Board member for the St. Lucie County Volunteer Center; Board member for the Florida Community Development Association; Advisory Board member for the Treasure Coast Children's Home Society and periodically volunteers for various other organizations. A University of Florida graduate, Pruitt resides in Port St. Lucie with her husband, former Senate President Ken Pruitt.

Advisory Council

BEVERLY DABNEY, a 30-year banking veteran, is Vice President, Community Relations with JP Morgan Chase



Community & Co. covering Georgia and Central Florida. She is responsible for identifying and building strong community partnerships that will promote affordable housing, and financial empowerment. Dabney has

been instrumental in the development, application and monitoring of innovative programs that focus on the credit needs of low-to moderate-income individuals in the areas of housing and small minority business development. She has also worked with youth, adults and senior citizens in wealth building.

Dabney began her career as a Bank Examiner with the Federal Reserve Bank of Atlanta. She has been actively involved with community development organizations and recognized with many leadership and work performance awards. Dabney has a Business Administration degree with a Minor in Accounting from Winston Salem State University.

Staff



Christine Call is the new Communications Manager with the Florida Housing Coalition. Call's primary responsibilities are

website management and assisting the Editor of the *Housing News Journal*. Prior to joining the Coalition, she served as Communications Specialist with Accenture and Assistant Director for Communications and Publications with the Association for Institutional Research. Her background is public relations, publications and project management. She holds a Master's degree in Interactive Communications from Florida State University and a Bachelor's degree in Communications from Youngstown State University. [HNN](#)

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

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