



SPRING 2005

HOUSING NEWS

Volume 21, Number 1

The Journal of the Florida Housing Coalition, Inc. NETWORK

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Recommendations of the Hurricane Housing Work Group

BY LT. GOVERNOR TONI JENNINGS

The four hurricanes that hit Florida in 2004 damaged more than 700,000 homes. For many of the affected Floridians, the markets will respond naturally to meet the housing needs that the storms created. Those families had appropriate levels of insurance and are able to pay for or finance the necessary repairs or rebuilding efforts, or they can find suitable and affordable replacement housing.

For many other Floridians, often the elderly, people with disabilities, and the poor, the markets will require additional incentives to respond. More than 15,000 Florida families are living in travel trailers and mobile homes that FEMA has provided, roughly 400,000 of those affected by the hurricanes have annual incomes below \$30,000, and the housing stock that served the state's elderly population suffered disproportionate levels of damage.



As part of Florida's response, Governor Jeb Bush and I have recommended that the Florida Legislature appropriate \$354.4 million in one-time hurricane housing recovery funds, above and beyond the \$192.9 million in recurring state affordable housing funds that we have recommended in the traditional Florida programs, and above and

beyond the supplemental \$100.9 million in disaster recovery CDBG funds that the Department of Community Affairs will start to distribute soon. To recommend the most effective ways to leverage these one-time hurricane housing funds to best help the markets respond, Governor Bush created the Hurricane Housing Work Group and asked me to serve as its chair.

The Work Group included seventeen others, representing state and local governments, those involved in the financing, production, and repair of



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

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

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The Florida Housing Coalition expresses its gratitude to our Gold Sponsor, WACHOVIA BANK for its ongoing sponsorship of our Board conference calls — a substantial savings to our statewide nonprofit.



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housing, and various stakeholder and advocacy groups. Among our members was Florida Housing Coalition Board member Gus Dominguez. We also received a lot of information and input from many interested stakeholders throughout Florida.

The Work Group believes it is critical to provide funding quickly through existing delivery channels to stimulate the repair and replacement of affordable home owner and rental housing in the communities that were hardest hit by the hurricanes. The hurricane recovery resources should not merely be expansions of existing programs, but should be specially targeted to allow communities to more flexibly address their myriad housing recovery needs.

OUR RECOMMENDATIONS INCLUDE:

- A locally-administered Hurricane Housing Recovery Program (HHRP) that would accommodate the different housing needs of different communities. The HHRP, for which the Work Group recommended \$208 million, would provide special incentives and requirements to focus on home ownership, community collaborations and recovery plans, and helping those with extremely low incomes. Local governments that choose to assist residents in manufactured housing would have the ability to do so. The Work Group recommends an allocation formula that weighs both the extent and the intensity of housing damage in a county.
- A Rental Recovery Loan Program (RRLP) that would leverage available federal resources and private capital to build and rehabilitate affordable rental housing to help communities respond to their hurricane recovery needs. The Work Group recommended \$95.5 million to provide gap financing to help create rental communities that would be affordable for at least 50 years, and that would include a meaningful percentage of units that are set aside for those with extremely low incomes. Twenty-five percent of the program funds would be targeted to developments serving elders.
- A Farmworker Housing Recovery Program (FHRP) that would leverage other resources to finance quality housing options in the areas where farmworker housing was devastated by the storms. This program, for which the Work Group recommended \$20 million, would encourage creative partnerships among nonprofit providers and the agricultural community and the development of innovative housing models that recognize the unique housing needs of Florida's migrant farmworkers.
- A Special Housing Assistance and Development Program (SHADP) that would offer repair funds and development

financing for housing that serves some of Florida's most vulnerable residents, including frail elders, people with disabilities, and homeless families. The Work Group recommended \$20.5 million for this highly flexible, targeted program.

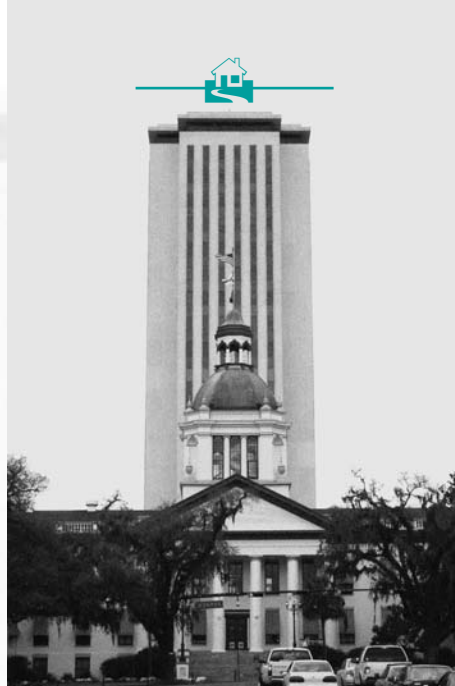
- An additional allocation to the Community Contribution Tax Credit program of \$10 million. These tax credits encourage contributions and volunteer labor from Florida businesses to support such community development and housing programs as Habitat for Humanity. This supplemental appropriation would be in addition to the \$10 million appropriation that is recommended in the executive budget recommendations.
- Additional Training and Technical Assistance for local governments, nonprofit and faith based organizations, and others on ways to effectively use the various tools available to respond to the housing needs that the hurricanes created. This training should include appropriate hazard mitigation strategies and techniques to reduce or eliminate the exposure of lives or property to harm from a disaster. The Work Group also recommended the creation of a clearinghouse to provide information on the various financial assistance and financial literacy programs that are available throughout Florida, with the goal to improve public outreach and the ability to reach end consumers. The Work Group recommended an additional \$400,000 to the state's Affordable Housing Catalyst Program for these purposes.

Other than the funding recommendations, the Work Group also called for further work on pre-disaster planning for data collection, distribution, and analysis in the aftermath of state disasters to remedy some of the information barriers that the Work Group found.

Finally, the Work Group made several recommendations to communities on local planning and development procedures to speed recovery efforts. Critical among these is a recommendation to local governments to evaluate local staffing levels for permitting and inspection functions to determine whether increases are necessary to expedite rebuilding. Shifting resources toward support of the rebuilding process over the next few years may help communities to better respond to their redevelopment needs. Over the coming months, the public and private sectors must sustain a sense of urgency to repair and rebuild the housing throughout our state.

The Work Group's recommendations are subject to legislative action. We look forward to working with the legislature and interested stakeholders throughout the session to make the resources available to help the markets respond to the housing needs that last summer's hurricanes created.





2005 Legislative Session: A Message from the Florida Housing Coalition

The Florida Housing Coalition applauds the Governor's proposal that the Florida Legislature appropriate \$354.4 million in one-time hurricane housing recovery funds and supports the recommendations of the Hurricane Housing Work Group, chaired by Lt. Governor Toni Jennings. We are, however, distressed by the Governor's proposal to permanently divert more than half of the annual recurring trust fund monies away from housing beginning in 2006.

The Governor is asking the Legislature to permanently cap the state and local housing trust funds, including appropriations for affordable housing, at \$193 million beginning in FY 06-07. His rationale for such a move: "To maintain trust fund spending at levels consistent with historical expectations while using windfall revenues to fund other priorities."

Such a rationale is ill advised and unsound. A level of \$193 million is not consistent with "historical expectations," and the amount above \$193 million is not a "windfall." The William E. Sadowski Affordable Housing Act dedicated 20 cents of documentary tax revenue to the housing trust funds—at whatever dollar amount that 20 cents generated

in a given year. The funding is tied to documentary tax revenues precisely because they rise as the cost of land, construction, and the price of housing increases. Therefore, affordable housing funding increases as the need for subsidy to house Florida's workforce rises.

The Legislature appropriated the full 20 cents of documentary tax revenue every year from FY 92-93 through FY 02-03. Full funding is the historical expectation. Only in FY 03-04 and FY 04-05 did the Legislature, at the request of the Governor, appropriate at a level below full funding—the \$193 million level that is now touted as "permanently adequate." The move to cap the housing trust funds comes after unsuccessful attempts to eliminate the trust funds entirely (2003 Legislative Session) or to prevent their reauthorization (2004 Legislative Session).

The move to cap the trust funds beginning in FY 06-07 is particularly ironic in that the \$354.4 million in the governor's proposed FY 05-06 budget for hurricane housing would not be available for housing efforts if the cap were in effect. Should a funding cap be enacted and Florida experience hurricane housing damage in the future, monies would not be available to assist future hurricane victims.

Continued on page 30



Housing Costs Increase Outpaces Income

BY STAN FITTERMAN
FLORIDA HOUSING COALITION

Between 2000 and 2004 increases in housing sales prices outpaced increases in income in Florida's metropolitan areas. At the state level Florida's 19.60 percent increase in housing costs between Sept. 30, 2003, and Sept. 30, 2004, make it the seventh fastest appreciating housing market in the country.¹



Table 1 shows the one year, one quarter, and four year increases for Florida's Metropolitan Statistical Areas (MSA's) that are included in the Housing Price Index. Increases in housing costs from 2000 to 2004 ranged from 26.03 percent in Lakeland to 84.68 percent in Fort Pierce-Port St. Lucie. During this same time period median income increases ranged from 2.42 percent (Fort Pierce-Port St. Lucie) to 19.01 percent (Pensacola). ➔

Table 1 HOUSING PRICE INDEX					
MSA	National Ranking*	% Change in Housing Costs			% Change in Median Income 2000-2004
		9/30/2003-9/30/2004	3rd Quarter 2004	9/30/2000-9/30/2004	
Daytona Beach	34	21.10	6.19	58.62	13.02
Fort Myers-Cape Coral	44	18.47	4.85	63.40	14.38
Fort Pierce-Port St. Lucie	10	28.15	7.70	84.68	2.42
Fort Walton Beach	18	23.94	7.14	50.10	17.89
Jacksonville	65	14.16	4.33	44.05	10.12
Lakeland	81	12.83	5.42	26.03	7.60
Melbourne-Titusville-Palm Bay	12	28.06	9.22	71.96	10.06
Miami-Ft Lauderdale-Miami Beach	21	23.55	7.74	76.28	3.89
Naples	43	18.77	6.05	62.20	7.11
Ocala	75	13.24	4.14	38.03	10.70
Orlando	56	16.01	6.20	45.00	10.28
Panama City-Lynn Haven	29	22.34	7.64	51.84	15.49
Pensacola	66	13.80	4.24	32.14	19.01
Punta Gorda	19	23.84	8.58	69.97	14.42
Sarasota-Bradenton	37	19.69	6.59	61.33	13.84
Tallahassee	61	14.76	3.52	41.81	9.50
Tampa-St. Petersburg-Clearwater	47	17.72	6.00	53.16	7.79
West Palm Beach	17**	16.16	3.71**	61.06	9.72

* Rankings based on annual percentage change for the 220 MSA's containing at least 15,000 transactions over the last 10 years. The Housing Price Index is based on transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. Only mortgage transactions on single-family properties are included. Conforming refers to a mortgage that both meets the underwriting guidelines of Fannie Mae or Freddie Mac and that doesn't exceed the conforming loan limit, a figure linked to an index published by the Federal Housing Finance Board. The conforming limit for single-family homes in 2004 is \$333,700. Conventional means that the mortgages are neither insured nor guaranteed by the FHA, VA, or other federal government entity.

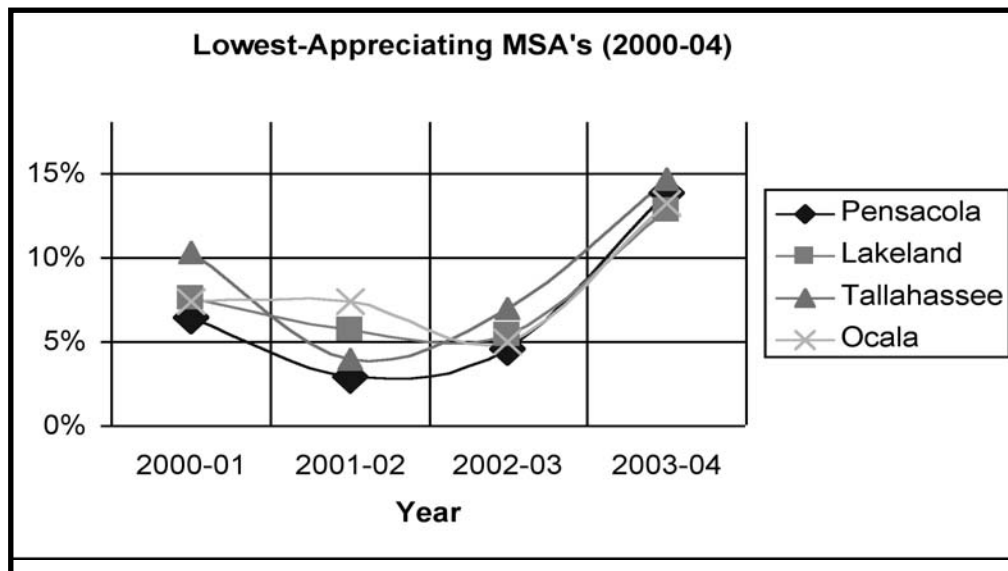
**Data from 2nd Quarter, 2004

Sources: Office of Federal Housing Enterprise Oversight (OFHEO) Housing Price Index September 2004, U.S. Department of Housing & Urban Development Income Data 2000 & 2004

STRAGGLERS ARE CATCHING UP

While some communities experienced lower appreciation rates than others over the past four years, every community in the study experienced double-digit appreciation from Sept. 30, 2003, to Sept. 30, 2004. **Figure 1** shows the annual appreciation in housing costs for the four communities with the lowest four year appreciation rates. **Table 2** shows the percent change in median income from 2003 to 2004 compared to the percent change in the HPI from 2003 to 2004 in each of these four communities.

FIGURE 1



EVERY COMMUNITY

IN THE STUDY

EXPERIENCED

DOUBLE-DIGIT

APPRECIATION

FROM SEPT. 30,

2003, TO

SEPT. 30, 2004.

Table 2

% Change in Median Income vs. % Change in HPI 2003-2004
For Selected MSA's

MSA	Median Income		Median Income % Change	HPI % Change
	2003	2004		
Pensacola	\$47,400	\$50,700	6.96%	13.8%
Lakeland	\$45,300	\$46,700	3.09%	12.8%
Tallahassee	\$54,500	\$56,500	3.67%	14.7%
Ocala	\$40,600	\$42,400	4.43%	13.2%

Housing costs in Florida's metropolitan areas are growing at a faster rate than incomes. As housing prices rise working families need ever increasing subsidies to be able to afford home ownership.



The top six are 1. Nevada, 2. Hawaii, 3. California, 4. District of Columbia, 5. Rhode Island and 6. Maryland

According to the U.S. Department of Labor, Bureau of Labor Statistics, the costs associated with materials needed for construction have risen significantly between January of 2003 and November of 2004. The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services. The materials and components for construction index has risen from 151.4 in January of 2004 to 170.7 in October of 2004. This index includes over 175 items, ranging from architectural coatings to treated wood to steel nails and spikes. Individual item indexes have also shown an increase over the last two years. The PPI for lumber has risen from 169.9 in January of 2003 to 183.6 in December of 2003. The treated wood and contract wood preserving index has risen from 150.5 in January of 2003 to 171.4 in November of 2004. The PPI for builders hardware has risen from 170.3 in January of 2004 to 175.2 in November of 2004. The PPI for plumbing fixtures and brass fittings has risen from 184.3 in January of 2004 to 192.2 in November of 2004.

More information about the PPI can be found at www.bls.gov/ppi/ppiover.htm.



From the left: Corey Mathews, FAHRO; Ellen Ramsey, Jacksonville Housing Authority; Michael Davis, Florida Housing Coalition; Jaimie Ross, Florida Housing Coalition; Charles Elssesser, Florida Legal Services; Mitch Ritchie, Jacksonville Legal Aid; and Greg Mellowe, Florida Coalition for the Homeless.

Section 8 Housing Choice Voucher Funding Saga Continues Through FY 2005 and FY 2006 Budgets

BY CHARLES ELSSESER

The struggle by Public Housing Authorities and affordable housing advocates to maintain funding for Section 8 Housing Choice Vouchers, described in the last issue of this journal, continues into the new year as HUD implements the FY 2005 budget and Congress begins consideration of the proposed FY 2006 HUD budget. Public Housing Authorities and other advocates closed out last year's advocacy believing that Congress had "fully funded" the Section 8 Housing Choice Voucher program in the FY 2005 HUD budget. They had hoped that, while the program would not expand, the FY 2005 budget would at



least result in sufficient funds to renew all of the outstanding Section 8 housing subsidy contracts.

Unfortunately, HUD's recently announced implementation of the FY 2005 budget included an additional across the board reduction in every Housing Authority's Section 8 funding, as well as, in many cases, a further reduction caused by HUD's failure to fully pay for the increase in Section 8 voucher subsidies. While

the bases for these calculations are hidden in the obscure HUD budgeting process, the resulting loss of affordable housing will be obvious and draconian. The Washington,



November 2004 meeting of advocates for full funding of the Section 8 Housing Choice Voucher program.

D.C. based Center for Budget and Policy Priorities calculates that Public Housing Authorities in Florida will lose funding for over 6,000 Section 8 Housing Choice vouchers this year. To put that number in perspective, it is only slightly less than the total number of rental units created each year by the Florida Sadowski Act SAIL rental unit production program. And the SAIL units, as valuable as they are, cannot reach households at the level of poverty served by the Section 8 vouchers.

Many public housing authorities have undertaken superhuman efforts to deflect the impact of these cuts on their constituency. These housing authorities are struggling to maintain their core mission of serving the very lowest income households, despite enormous financial and policy pressures by HUD to shift their focus to a higher income clientele. In November 2004, in an unprecedented advocacy effort, FAHRO, the Florida Public Housing Authority organization, convened a meeting with the Florida Housing Coalition, the Florida Homeless Coalition and legal services advocates to explore a common effort to demonstrate to the public and Congress that full funding of the Section 8 Housing Vouchers is, to use the President's recent phrase, an example of "taxpayer dollars... spent wisely."

The attention of these advocates must now turn to the President's proposed FY 2006 HUD Budget, released on



February 7, 2005. While the budget does not specifically target the Section 8 Housing Choice voucher program for significant cuts, HUD's funding overall was cut by more than 11 percent. Thus, in the ensuing budget discussions, Section 8 vouchers, as well as many other important HUD housing programs, will likely be in play. Moreover, the budget indicates that the administration will be proposing significant substantive changes in the Section 8 program to lessen its focus on the poorest households. Given the enormous pressures on the budget as a whole, and on discretionary spending in particular, affordable housing advocates have their work cut out for them.



Charles Elseser is an attorney with Florida Legal Services, specializing in affordable housing litigation and policy advocacy. His work is focused on protecting low income homeowners and tenants against displacement and protecting existing affordable housing from loss through the expiration of rent restrictions, the loss of subsidy contracts or demolition. Charles serves on the board of the National Low-Income Housing Coalition and the Advisory Council for the Florida Housing Coalition.



Seaside, Florida

The Seaside Institute

Balanced Residential Communities: Including Affordable Housing in Smart Growth and New Urbanist Development

BY JAIMIE ROSS

Growth management and smart growth principles can result in historic and open space preservation, and new towns built with traditional neighborhood design, complete with mixed uses and new schools. Smart growth and new urbanism advocates avow affordable housing integral to their models of development.¹ According to the Smart Growth Network and the National Neighborhood Coalition, “smart growth is not achieved if new developments feature a town square, mixed uses, grid street networks, and front porches in the “new urbanist” tradition, but fail to plan for affordable housing opportunities”² Unfortunately, the reality is that Florida’s large scale developments and new urbanist communities can boast little or no affordable housing.³

Development patterns throughout Florida continue to result in large tracts of land in suburban or rural areas developed in a manner that creates small towns or villages to the exclusion of low to moderate income families and the



working poor. This means the workforce must commute to the new community from outside, and the schools within the new community do not have the benefit of diversity. It also means that local governments (which permitted the development of a new community without inclusion of affordable housing) have fallen behind in meeting their growth management responsibility for affordable housing.⁴

Large scale developers and the developers of new urbanist communities assure local government elected officials, staff, and the public, that the entire spectrum of income groups will be able to live in the new community. They intend to do this by including residential units that range from luxury single-family homes to modest townhouses and apartments. But those smaller detached homes, townhomes, and apartments that started out as “affordable” become unaffordable in short order due to rapidly appreciating land values. ➔

What should local governments do to address the issue of producing and preserving affordability in the context of smart growth and new urbanism? The answer lies in a complement of financing and land use tools to develop and preserve affordable, or what is now often referred to as “workforce,” housing. At the forefront for large scale development should be a balanced residential ordinance, commonly known as inclusionary zoning. Inclusionary zoning is a land use tool that uses the opportunity of growth and a strong real estate market to obtain private sector participation in its efforts to produce and preserve affordable housing and create balanced residential communities.

A VICTIM OF THEIR OWN SUCCESS

New urbanism and traditional neighborhood design have been a marketing success story. This is a win for smart growth—open space is preserved, less land is used per family, and pedestrian friendly neighborhoods are created where families are in walking or biking distance to shopping, parks, and schools. But the very success of traditional neighborhood design and its desirability results in the failure to meet its stated goal of providing affordable housing.

Robert Davis, pioneer of new urbanism and traditional neighborhood design, thought he was including affordable housing within Seaside, a beautiful award-winning neo-traditional new urbanist development in the Florida Panhandle. In addition to large homes, his Seaside development included tiny bungalows, which were intended to provide workforce housing. But the desirability of the new town resulted in those bungalows being sold and rented at astronomical prices, in reach of only the wealthy.

More than 20 years after Seaside, large scale residential developments, including those developed in the style of new urbanism, continue to make the mistake of trying to address affordability by providing a mix of unit types, including townhomes and apartments or smaller single-family units with the expectation that these units will serve lower income families. It won't work. Density does not equate to affordability. Unless a certain percentage of the residential units are set aside for serving

lower income families, with long term land use restriction agreements to ensure those homes remain affordable, we will

continue to see large scale development, especially those developed using the model of new urbanism and traditional neighborhood design, exacerbating the need for affordable housing.

Large scale developments that fail to include affordable housing make the local government's job of meeting its housing element requirements even more difficult, as developers of large tracts of land use up sites, which could otherwise be available for affordable housing and create greater demands for housing the employees needed to serve the businesses, entertainment facilities, and public services required by the residents in the new community.

The deficit of affordable housing plaguing virtually every local government in Florida is a result of market failure. For the most part, employment in Florida is high. It is an unfortunate fact that many mothers and fathers in Florida are holding multiple jobs to make ends meet. So why do over 730,000 low-income hard working Florida families pay more than half their income on housing?⁵ It is a combination of factors, but most directly it is that jobs, including low paid professional jobs, do not pay a wage high

enough to meet housing costs associated with real property values that are escalating at a stupendous rate.

A LAND USE REMEDY LONG OVERDUE IN FLORIDA

Inclusionary zoning is gaining interest from local governments throughout Florida.⁶ Most are looking at models from around the nation that apply to developments with units of 25 or 50 as a threshold. Over 30 years old, and certainly the most well known inclusionary zoning ordinance is the Moderately Priced Dwelling Unit ordinance of Montgomery County, Maryland. There are over 100 inclusionary zoning ordinances in California. Inclusionary zoning ordinances in the northeast part of the nation apply to urban developments with as few as six units. In Aspen,

Although some Floridians are reluctant to believe it, we need only look to California to understand the imminent affordability crisis our state is facing. Florida is a sunshine state surrounded by water on three sides. It is amazing that our land costs have remained as low as they have for so long. The change is happening at lightening speed. An ever increasing number of local governments and housing advocates are abandoning the goal of meeting the needs of the very low income population because they just can't see how it is possible. They reluctantly opine that the best they can hope for is to house the low paid professionals, such as teachers and firefighters. Many have given up on housing for service workers, who make up the bulk of Florida's workforce.

Colorado, the development of even one market rate unit requires the development of one affordable unit. A number of local governments throughout Florida are in the process of studying, drafting, or adopting inclusionary zoning ordinances based upon these existing models.

Inclusionary zoning is not a zoning category; it is a land use regulation that requires a certain number of affordable housing units to be built in conjunction with the development of market rate units. “Inclusionary zoning” was coined to reflect the intent of the ordinance: to counteract the effects of exclusionary zoning. Exclusionary zoning is historically characterized by large lot subdivisions and minimum square foot ordinances that make it difficult to develop affordable housing. Affordable housing is defined in terms of the income of the families buying or renting the housing and the percentage of their income spent for mortgage or lease payments. It is generally accepted that low-income families (those earning less than 80 percent of the area median income) should not have housing costs that exceed 30 percent of their income.

A more appropriate term for an ordinance requiring a certain percentage of the units developed in a large scale or new urbanist community is a “balanced residential ordinance.” The ordinance is not intended to counteract the exclusionary zoning described above; indeed, new urbanist communities are characterized by high density and a mix of unit types, which would be conducive to providing affordability. Many of the considerations in a typical inclusionary zoning ordinance (*see sidebar*) which apply to a smaller development would not apply to large scale or new urbanist development.

The key ingredients in a typical inclusionary zoning ordinance that would apply to large scale and new urbanist

Although inclusionary zoning ordinances must be tailored at the local level to reflect the development patterns, market conditions, and affordable housing needs in a particular jurisdiction, all inclusionary zoning ordinances have certain common elements—at a minimum, they address the following:

- A **threshold number of market rate units** that activates the inclusionary requirement, with a corresponding percentage of affordable units (at varying degrees of affordability) required;
- A requirement that the affordable units are **comparable in quality and aesthetics** to the market rate units;
- **Incentives** to assist the private sector in providing the affordable units, such as a density bonus;
- A provision for **payment in-lieu** when the nature of the development makes it practicably infeasible to include affordable units;
- A housing trust fund as the **depository for the payments in-lieu**, and a mechanism for using those dollars to promote affordable housing;
- An affordability period. One of the most critical elements in an inclusionary housing ordinance is **long term affordability**; and
- Policies for **administration** of the program.

these lovely new communities is not being realized.

The St. Joe Company is one of Florida’s largest real estate operating companies and the state’s largest private landowner. St. Joe is currently developing “Southwood” (to include at build-out over

communities are long term affordability and administration. When an affordable product is included in an otherwise unaffordable area, appreciation inflates at a substantially greater rate. Once a local government has adopted and implemented a balanced residential ordinance, it is imperative that a long-term period of affordability accompany the development of the home. Long term affordability requirements call for administration; it is usually incumbent upon the local government to income certify potential renters or home buyers, enforce the resale restrictions (usually a formula which provides a fair and reasonable appreciation to protect the wealth building facet of home ownership, but avoids windfall), and provide a pipeline of qualified home buyers for the affordable units.

IN CONCLUSION

There is no doubt that land development regulations that permit smart growth and new urbanist communities is a good and positive thing. Developers are creating beautiful built environments, that emphasize old fashioned neighborhoods with a mix of uses, built around parks and pedestrian friendly spaces. But their promise to include affordable housing in



4,700 homes), referred to by the Florida Sustainable Communities Center as:

“a New Urbanist development.... Quality, affordability, and mix are all part of the New Urbanist formula. Home prices will range from \$80,000 to \$500,000.... There has been remarkable (and rare) outpouring of support from public officials, citizens, and media for the Southwood project.”⁷

But just five years later, in 2004, the most modest two bedroom townhome (without refrigerator, washer or dryer) starts at \$153,900.

The time is long overdue for those charged with land development permitting at the local level to bring the large scale private sector developers into full partnership in producing and preserving affordable housing. In exchange for the land development flexibility and increased profitability, which accompanies large scale and new urbanist development, local governments must ensure that these developments include housing for the people who work in the shops, restaurants, grocery stores, dry cleaners, hospitals, and schools, and generally support the quality of life that higher income families want and need to have in their community.



Jaimie Ross is the Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit growth management organization. She is president of the Florida Housing Coalition, chair of the Affordable Housing Committee of the Real Property Section of the Florida Bar, and a Fannie Mae Foundation James A. Johnson Community Fellow.

¹“New Urbanism is an urban design movement that burst onto the scene in the late 1980s and early 1990s. New Urbanists aim to reform all aspects of real estate development.... In all cases, New Urbanist neighborhoods are walkable, and contain a diverse range of housing and jobs. New Urbanists support regional planning for open space, appropriate architecture and planning, and the balanced development of jobs and housing. They believe these strategies are the best way to reduce how long people spend in traffic, to increase the supply of affordable housing, and to rein in urban sprawl.” Congress for New Urbanism <http://www.cnu.org>

² *Affordable Housing and Smart Growth, Making the Connection*, Smart Growth Network, <http://www.nnc.org>

³ See case studies of 56 out of 66 new urbanist projects identified in Florida in *A Guidebook to New Urbanism in Florida*, Florida Atlantic University’s Cantanese Center and the University of Miami School of Architecture, June 2002.

⁴ The Housing Element requirements of the 1985 Growth Management Act include that every local government have adequate sites for affordable housing and provide for housing all its current and future anticipated populations, including special needs populations. See Chapter 163.3177 (6) (f), Florida Statutes, 9J-5, FAC.

Florida has broad local home rule powers. Florida statutes give all counties the power to adopt comprehensive plans, establish zoning regulations, establish housing programs and perform any other acts not inconsistent with law. Section 125.01 (1), Florida Statutes.

In addition to the affirmative duty to provide for adequate housing for their present and future residents under the Housing Element requirements of Chapter 163 Part II, all entitlement communities have an affirmative duty to further fair housing under the Federal and state Fair Housing Act. See 42 U.S.C. Sections 3601-3631, and Sections 760.20-760.37, Florida Statutes. An inclusionary housing ordinance is the optimum way to provide housing choice.

⁵ Shimberg Center for Affordable Housing, University of Florida, <http://www.shimberg.ufl.edu>

⁶ Over the past several years, the following local governments have commissioned task forces, or are in the process of drafting or adopting inclusionary zoning ordinances: Alachua County, Miami-Dade County, Leon County, Tallahassee, Palm Beach County, Collier County, Sarasota County.

⁷ FSCC Local News Services: ‘New Urbanist’ Development Approved for Florida’s Capital, <http://sustainable.state.fl.us/fdi/fsc/news/local/9902/southwd.htm>.

COMMUNITY LAND TRUST TECHNICAL ASSISTANCE

The Florida Housing Coalition and 1000 Friends of Florida can provide information, education and technical assistance to Florida’s communities on creating a local Community Land Trust. While Florida’s land values continue to climb, and as communities grapple with the complex issues of sustainable affordability, local governments and their nonprofit partners are examining alternative models for addressing the long term needs of residents least served by the prevailing market. A community land trust can benefit low-income families by providing access to affordable housing in high cost, service-industry dependent areas, while keeping housing affordable for future residents. Just as importantly, the CLT model can be used to capture the value of public investment for long-term community benefit. If you would like to learn more about whether the Community Land Trust model is an appropriate tool for sustaining affordability in your community, call the Florida Housing Coalition at (850) 878-4219.





Demonstration Project Offers People with Disabilities More Housing Freedom

BY MICHAEL CHANEY
FLORIDA HOUSING COALITION

Florida's Agency for Persons with Disabilities is working on a new initiative that may serve as an additional resource to provide affordable housing options for individuals with disabilities. The Florida Freedom Initiative is a demonstration program that encourages a limited number of individuals with disabilities to generate and save their own income, which can in turn be spent on a rent deposit, a down payment on a home, or other housing or service expenses that lead to successful inclusive community living. The agency's goal is always to enhance the inclusion of individuals with developmental disabilities in all facets of community life.

The Florida Freedom Initiative (FFI) is a demonstration program designed to determine the effect of removing real and perceived barriers for persons with disabilities who want to earn more money to become increasingly self sufficient, but depend on Medicaid and Social Security benefits. FFI participants are able to protect the first \$280 of monthly earned income and half of anything over \$280 from being counted as an asset in the determination of SSI and Medicaid benefits. Currently, SSI recipients can exempt only the first \$65 of earned income and half of everything earned over the \$65.

Participants can generate income from a part-time job or by owning a micro enterprise business. An interest-bearing Freedom Savings Account can be established to save toward specific approved targeted goals. Eligible expenses include a rent deposit or a home purchase down payment, along with other items like the purchase of transportation, additional education, or a small business. The FFI participant not only benefits from the ability to create real assets, they also have the



opportunity to establish a credit history with a financial institution.

The emergence of the new Florida Freedom Initiative is directly connected to Florida's "Consumer Directed Care Plus" (CDC Plus) program. This pilot program provides funds directly to consumers who are empowered to spend these funds to pay for the services they need to live in the community. The program

offers an incentive to be thrifty with these funds; any money that is saved by the budget-conscious purchase of affordable services can be kept by the consumer. At this time, only CDC Plus participants may join the Florida Freedom Initiative. The FFI demonstration project will enhance their efforts to save money and to help pay for the cost of living in the community. Shelly Brantley, director of the Agency for Persons with Disabilities, explains the benefits of this initiative by saying: "It is our intent to create a prototype to transform health, and human services as currently practiced in order to promote employment, home ownership, and provide incentives for all individuals with disabilities served to generate income and assets without current regulatory restrictions."



*Agency for Persons with Disabilities
Director Shelly Brantley recently served on the Governor's Developmental Disabilities Blue Ribbon Task Force.*

The Agency is now working with lenders to set up the Freedom Savings Account where participants will save the income they generate. If you know of a lending institution interested in working with this initiative, call Renee Whaley at (850) 510-0754 for more information.





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Historic Buildings: A Powerful Tool for Addressing the Nation's Housing Crisis

BY RICHARD MOE

We've all heard the myths and false assumptions about the problems involved in rehabilitating an older house: Rehab is always more expensive than new construction; regulations are difficult to meet – or downright unfair; most historic properties are located in high-income neighborhoods; new construction is “better” in the long run.



Current research debunks these widely-held misconceptions, and what's left is a simple, unassailable fact: Historic properties can be a valuable tool in efforts to address our nation's critical need for affordable housing.

America cannot build itself out of the affordable-housing crisis through new construction alone. In most parts of the United States, construction costs have risen so dramatically in recent years that the overall average price of a new house is \$185,000 – an amount that puts new houses out of reach for more than 60 percent of American households. The subsidies required to make these units affordable to low- and very low-income households would far exceed our annual national budget. In addition, the vacant land needed for construction of thousands of new homes is in increasingly short supply, and the issue is further complicated by the direct and indirect costs of sprawl, which impacts not only our economy but also our environment and quality of life.

Rehabilitating older buildings for housing makes sense in every way. First, it's generally cost-effective: Studies show that the average cost of rehabbing existing housing units ranges from \$25,000 for a unit in relatively good condition to \$75,000 for a unit with “severe physical problems” — a category that, according to the American Housing Survey, includes only 3 percent of currently occupied housing that was built prior to 1950. What's more, the majority of

these older units that are prime candidates for rehab are located in the very neighborhoods where affordable housing is needed most.

The more than 11,000 historic districts in the country comprise over 850,000 buildings, and about 60 percent of these structures are in census tracts with a poverty level of 20 percent or more. Since older buildings tend to be located near existing transportation corridors and in areas where infrastructure is already in place and paid for, rehabilitating them helps combat sprawl and allows people to live closer to where they work. It also puts properties back on the local tax rolls and can help spark additional investment in neighborhood revitalization.

In city after city, older buildings are valuable assets going to waste. Philadelphia has more than 54,000 abandoned or



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The above affordable rental developments serve as examples in Florida of historic buildings that were rehabilitated and preserved with subsidies generated by both the Historic Rehabilitation Tax Credit and the Low-Income Housing Tax Credit:

1: Riveria, Boston Capital Properties, 56 Units, 10 percent at 40 percent AMI, 10 percent at 50 percent AMI, 80 percent at 60 percent AMI • 2: London Arms/Lynmar, Landmark Companies & Boston Capital Properties, Inc., 58 units, 100 percent at 60 percent AMI • 3: Congress Building, Related Group of Florida, 129 Units, 15 percent at 35% AMI, 36 percent at 50 percent AMI, 49 percent at 60 percent AMI • 4: Harris Building, Gatehouse Group, 38 Units, 20 percent at 40 percent AMI, 80 percent at 60 percent AMI • 5: Olympia Building, Cornerstone Group, 80 Units, 20 percent at 40 percent AMI, 20 percent at 50 percent AMI, 60 percent at 60 percent AMI.

underutilized housing units; Baltimore has 40,000; Kansas City, 5,000. Moreover, the number of older buildings that could be reclaimed for affordable housing increases enormously if we add properties not originally built for residential use. Old schools, factories, office buildings, hotels, mills, upper floors of main street commercial properties—these and many other building types can and should be put to good use sheltering people instead of pigeons.

One of the key tools facilitating the rehab of historic properties has been the Historic Rehabilitation Tax Credit (HRTC), the federal government's largest incentive that promotes revitalization through private investment in reusing historic buildings. This program offers a dollar-for-dollar reduction of federal income taxes owed by owners who rehabilitate eligible types of historic buildings. Since its inception in 1976, HRTC has helped generate approximately \$31 billion in investment in the rehab of more than 31,000 historic properties. HRTC projects have created more than 181,000 units of housing, of which 40 percent were affordable to low- and moderate-income households. This approach to community revitalization has been so successful that 24 states now have similar state tax incentives for rehab. Although the Historic Rehabilitation Tax Credit has proven to be an enormously effective tool for community revitalization, it needs improvement. In the 108th Congress,

The U.S. Department of the Interior, National Park Service, publishes a booklet that describes the general terms of the HRTC program. That publication, *Preservation Tax Incentives for Historic Buildings*, can be obtained from the Florida Department of State's Bureau of Historic Preservation, which administers the program in Florida, in partnership with the National Park Service and the Internal Revenue Service.

According to that publication:

- A tax credit may be obtained for 20 percent of the amount spent in the certified rehabilitation of a certified historic structure;
- The rehabilitation must be a substantial one and must involve a depreciable building;
- The credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential properties, but not for privately owned homes; and
- Owners of subject properties are encouraged to apply before they start work.

Technical assistance, application forms, regulations, and other program information may be obtained from the Florida Department of State, Bureau of Historic Preservation, by calling (850) 245-6333.

Other helpful national links include:

<http://www2.cr.nps.gov/tps/tax/index.htm>
<http://www2.cr.nps.gov/e-rehab/>
<http://www2.cr.nps.gov/tps/Affordable/index.htm>
<http://www.housingonline.com>

Representatives Rob Portman (R-OH) and William Jefferson (D-LA) sponsored the Community Restoration and Revitalization Act, which would help HRTC realize its full potential for bringing new economic life to older neighborhoods. The measure, which will be reintroduced early in the 109th Congress, places particular emphasis on housing as a key element in community revitalization. In addition to facilitating the use of HRTC in smaller, main street-type projects, the Community Restoration and Revitalization Act would make it easier to combine the historic rehab credit with the Low-Income Housing Tax Credit to produce affordable housing.

The National Trust for Historic Preservation developed this legislation in close collaboration with preservation organizations, developers, tax-credit users and the financing community. It enjoys broad bipartisan support in Congress and has been endorsed by the American Institute of Architects. For more information on this legislation and how you can encourage Congress to support it, go to www.capwiz.com/nthp2.




Richard Moe is the President of the National Trust for Historic Preservation.



Demographics: Illuminating the Path, or Just Another Three-Ring Circus?

BY ROBERT VON

 In the beginning there was the Tax Reform Act of 1986. Back then you could literally drop affordable housing units out of the sky with the guarantee of hitting your target because the demand for affordable housing was so deep and wide. Fast forward 19 years and over 200,000 units later, and we are starting to see pockets of saturation in some markets. We need to move away from the carpet-bombing approach to a laser-guided missile approach. If we do, then the question becomes how are we going to guide the missiles? We are going to guide the missiles with data: Tenant characteristic data, occupancy rate data, and demographic data.



Why use demographics? Demographics are a key component of the market studies we perform for each affordable housing project funded through the Universal Application cycle. Demographics are a useful tool in defining the relationship between supply and demand.

The four most reliable and relevant demographic factors are defined below. These factors provide important information about the markets we are trying to serve. Some say this is too obscure or too difficult to understand. You judge for yourself.

1. Level of Effort (LOE) is supply divided by demand. If the supply of affordable housing within a defined geographic area is equal to 500 and the potential demand within that same defined geographic area equals 2,000, then the Level of Effort is $500/2,000$ or 25 percent. Level of Effort defines how much of the potential demand has already been satisfied.

2. Capture Rate (CR) is just the individual subject units divided by demand. If the subject contains 100 units and the potential demand is 2,000, then the Capture Rate is $100/2,000$ or 5 percent. Capture Rate helps to define the size of the subject relative to the size of the market.

3. Remaining Potential Demand (RPD) is equal to demand minus supply. If the potential demand is 2,000 and the supply is 500, then the RPD is 2,000 minus 500, or 1,500. RPD helps to define how deep the remaining market is.

4. Growth of Income-Qualified Renter Households (DIQRH). Potential demand currently is 2,000; however, five years from now the potential demand will grow to 2,500, indicating growth of 500, over the five-year period or an annual growth of potential demand of 100.

That's it. Those are the four factors that you need to know regarding demographics. These factors are highly correlated to project performance as measured by occupancy rate. The correlations are analyzed in depth in the Guarantee Fund Ring Study that I performed for the Florida Housing Finance Corporation one year ago. The entire study is available on the corporation's Web site (www.floridahousing.org/Home/Newsroom/Publications/guaranteefunddemographicringstudy.htm); a summary follows.

A word of caution: some choose to utilize data like a drunk uses a lamppost, for support instead of illumination. Prepare for bright light.

GUARANTEE FUND RING STUDY

The purpose of the study was to analyze demographic patterns within three, five and 10-mile rings surrounding each Guarantee Fund project. These multifamily projects are financed with Tax-Exempt Bonds and are credit enhanced by the Guarantee Fund. We analyzed data for 110 projects, 73 of which were operating at stabilized occupancy.

The only data set available to measure the performance of the Guarantee Fund projects is occupancy rate. The occupancy rates used in this study are based on a six-month average of the most recent data provided to the corporation. All of the demographic indicators have been tested against the occupancy rate data to determine which demographic indicators have the highest correlation to project performance.

Level of Effort and Capture Rate have negative correlation to occupancy, so the higher the Level of Effort and the higher the Capture Rate, the lower the likely stabilized occupancy rate. Conversely, Remaining Potential Demand and Growth have positive correlation to occupancy rate.

RESULTS

The chart illustrates the results of the Guarantee Fund Ring study. We grouped the 73 stabilized projects into 12 categories. First, each of the Large Counties (as defined by Section 420.5087(1), Florida Statutes, based on 2004 population statistics) has its own category. Next, all Medium County projects are grouped as one category, except Seminole County. Seminole County is one of the most saturated counties, so its demographic results are important to illustrate individually. The final categories include the well-occupied projects (96 percent or above), and poorly occupied projects (less than 92 percent), which are isolated in order to detect any differences in their performance as measured by demographic indicators defined in the study.

GUARANTEE FUND RING STUDY FINAL RESULTS

Category	# of Stab. Projects	Capture Rate		LOE		Avg. # Of Units	Avg. Occ. Rate	Annual Growth IQRH			Level of Effort			Remaining Potential Demand		
		3 mile	10 mile	3 mile	10 mile			3 mile	5 mile	10 mile	3 mile	5 mile	10 mile	3 mile	5 mile	10 mile
Miami-Dade Averages	11	5.2%	22.1%			265	98.4%	114	300	988	46.6%	34.2%	22.1%	2,720	9,390	39,618
Occ.>95.9% Averages	24	6.3%	24.7%			240	98.2%	78	210	653	44.8%	33.3%	24.7%	2,107	6,975	25,818
Broward Averages	9	3.9%	22.2%			199	95.2%	79	218	626	28.6%	25.0%	22.2%	3,652	10,254	30,891
Hillsborough Averages	3	16.1%	48.0%			311	93.0%	61	161	413	84.9%	59.7%	48.0%	294	1,926	6,758
Pinellas Averages	1	10.6%	22.2%			232	92.7%	39	89	301	22.9%	10.1%	22.2%	1,688	4,493	11,622
Stabilized Project Averages	73	9.6%	34.1%			262	92.6%	70	175	500	57.5%	42.7%	34.1%	1,154	4,142	14,467
Medium County Averages	26	25.6%	45.5%			277	91.3%	27	66	165	90.6%	61.9%	45.5%	102	982	3,568
Orange Averages	11	8.5%	54.2%			284	91.1%	126	279	822	84.7%	61.0%	54.2%	513	3,411	12,298
Palm Beach Averages	6	7.0%	46.6%			202	89.6%	93	238	525	42.7%	40.7%	46.6%	1,666	4,691	9,246
Duval Averages	5	13.0%	40.6%			299	89.5%	60	158	448	50.4%	45.5%	40.6%	1,143	3,306	11,603
Occ.< 92.0% Averages	30	12.8%	50.0%			283	86.4%	73	166	461	78.1%	58.0%	50.0%	482	2,313	7,963
Seminole Averages	5	34.7%	72.6%			318	83.3%	31	78	239	163.3%	122.6%	72.6%	(580)	(527)	2,209
Correlation		-68.9%	-85.2%			-45.9%	100.0%	41.3%	51.6%	60.0%	-67.9%	-71.9%	-85.2%	74.0%	79.7%	81.0%

Categories are sorted by Occupancy Rate
 IQRH = Income-Qualified Renter Households
 Capture Rate = # of Subject Property Units Only/IQRH
 LOE = Level of Effort = Supply of Affordable Units/IQRH
 Remaining Potential Demand = IQRH - Supply of Affordable Units

The Miami-Dade projects had the highest average occupancy rate resulting in the second lowest three-mile Capture Rate, lowest 10-mile LOE and highest 10-mile Remaining Potential Demand. By contrast, Seminole County, which had the lowest average occupancy rate, had the highest average three-mile Capture Rate, highest 10-mile LOE and lowest 10-mile Remaining Potential Demand. In addition, Miami-Dade had the highest 10-mile annual growth in Income-Qualified Renter Households compared to Seminole County, which had the second lowest 10-mile annual growth in Income-Qualified Renter Households.

In addition, the well-occupied projects had Levels of Effort and Capture Rates half that of the poorly occupied projects. Also look at the level of annual growth of Income-Qualified Renter Households (IQRH) within the 10-mile ring relative to the average size of the project. Only in Medium County do we see project size being larger than the amount of annual growth. Clearly the average project size within Medium Counties is too large.

The average occupancies in each of the 12 categories range significantly, from a high of 98.4 percent in Miami-Dade County to a low of 83.3 percent in Seminole County. Seventy-three of the 110 Guarantee Fund projects are operating at a stabilized occupancy rate. Seventeen of the top 20 highest occupied projects are located in either Miami-Dade or Broward Counties, illustrating the strength

of the south Florida market. By contrast, 11 of the 20 lowest occupied projects are located within Orange, Seminole, or Lake Counties, illustrating the softness of the central Florida market. (These markets have recovered significantly since the completion of the study).

LEVEL OF EFFORT

The correlation is evident from a comparison of the 10-mile LOE for projects with occupancy rates below 92 percent (50.0 percent), which is about twice as high as projects with occupancy rates of 95.9 percent or above (24.7 percent). The correlation is also supported by the significant difference in average LOE between Miami-Dade County with an average stabilized occupancy of 98.4 percent and an LOE of 22.1 percent, compared to Seminole County at 83.3 percent average occupancy and an LOE of 72.6 percent.

CAPTURE RATE

This demographic indicator helps to measure if the subject properties are appropriately sized relative to the size of their markets. The higher the Capture Rate the greater the probability that the project is too large for the market, which may result in longer absorption periods and lower stabilized occupancy rates.

The Capture Rates range from a low of 3.9 percent in Broward County to a high of 34.7 percent in Seminole County; occupancies for these categories are 95.2 percent and 83.3 percent, respectively.

There are 26 stabilized projects located within the Medium Counties category, which has a relatively low average occupancy of 91.3 percent. Thirteen of the projects in this category have three-mile Capture Rates over 25 percent. Only one of the properties in this category has a three-mile Capture Rate below 10 percent: River Trace in Manatee County has the lowest Capture Rate at 8.8 percent, which suggests that it is “capturing” a proportionate share of the market. Occupancy figures bear this out, as the property is 95.1 percent occupied. It is clear from this data that the typical project size in Medium Counties is too large for the size of their markets.

REMAINING POTENTIAL DEMAND

The size of the RPD is a key indicator of a project’s chance of success. The larger the RPD, the more likely a project will be able to capture enough tenants to maintain a high level of stabilized occupancy. A low RPD can result from either a sparsely populated market or from a large existing supply of affordable housing. Either would result in a lower probability of achieving a high stabilized occupancy rate.

In the most obvious example, the category of projects with high occupancy rates (95.9 percent and above) has a much higher level of RPD compared to the category of poorly occupied projects (less than 92 percent). The strongest market (Miami-Dade County) has the highest RPD of 39,618 in the 10-mile ring, while the weakest market (Seminole County) actually has a negative RPD within the three- and five-mile rings. The Medium Counties have very low RPD within the 10-mile ring and a corresponding low average occupancy of 91.3 percent, as do Hillsborough and Orange Counties (with 93.0 percent and 91.1 percent occupancies).

The RPD demographic indicator category illustrates the significant differences even between the Large Counties, with Miami-Dade and Broward having much larger remaining pools of potential tenants compared to the other Large Counties. In fact, Miami-Dade and Broward combined have over 36 percent more RPD than the

other five Large Counties combined.

DIQRH

The higher the DIQRH relative to the project size, the less the project has to rely on cannibalizing tenants from existing projects. If the DIQRH is less than the project size, then the project must rely on tenants moving from existing projects, which would lower the overall occupancy rate of the entire market and lower the expected stabilized occupancy rate of the project.

Of the Large Counties, projects within Miami-Dade County had the highest average DIQRH (988), followed by Orange County (822). Of the Large Counties, Pinellas had the least

“RANKING THE COUNTIES WILL INSURE THAT THE FUNDED PROJECTS WILL GO WHERE THEY ARE NEEDED MOST....I BELIEVE THE DEVELOPERS SHOULD HAVE TO PROVE THERE IS A MARKET FOR THEIR PRODUCT THROUGH UPFRONT DUE DILIGENCE....”

Continued on page 20

Demographics: An Update from Florida Housing Finance Corporation Staff

By Rachael Fink

Building on the work done by Robert Von in the Guarantee Fund Ring Study, Florida Housing Finance Corporation is currently running an expanded test to determine whether any of the indicators might be used to assist us in making funding awards for rental developments through our annual Universal Cycle. For our test, we have increased the number of indicators and the number of Florida Housing financed developments to determine if the correlations presented in the Guarantee Fund Ring Study hold true for a larger, more diverse group of developments. We have collected occupancy rates for January through June of 2004 for 575 developments and are running correlation and regression calculations with seven different demographic indicators to determine which indicators have the closest correlation to occupancy. In addition to the four indicators highlighted by Robert, we are testing the number of income qualified renter households, which is a measure of demand for housing; median income as reported by the U.S. Census; and the number of renter

households with incomes between \$45,000 and \$70,000. We are running the calculations for each of the indicators in three, five and 10-mile rings around each of the 575 developments.

While Florida Housing hopes to use one or more of these indicators in the scoring process for the 2006 Universal Cycle, there are several concerns which must be addressed before a system can be put into place. First, market driven information like demographics may have to take second place to the pressing issue of land availability. In some areas of the state, development is happening at such a furious pace that land available for affordable housing is disappearing rapidly, and it may be necessary to fund a development in an area with a less than ideal demographic profile simply because there are few available locations remaining in a community that still needs affordable housing. Secondly, there is some evidence to suggest that developments in certain locations, such as waterfront or vacation destinations, perform very well, despite demographic evidence to the contrary.

Destination locations often have very little housing available for low wage earners and a household may be willing to relocate from considerable distance to be closer to jobs. An affordable development in a destination location may draw residents from many miles away, rendering inaccurate a demand number based on current demographics in a three, five or 10-mile ring around the development. Finally, a method for providing the development community with access to the data and methodology to be used in the scoring process must be established.

Florida Housing will be engaging the community in this discussion as part of the 2006 Universal Application development process. The ultimate goal is to develop a system that incorporates relevant demographic indicators into the scoring process to ensure that Florida Housing financed developments are well positioned to compete in the market place.

Rachael Fink is Housing Policy Senior Analyst for the Florida Housing Finance Corporation.

projected annual growth at 301. The Medium County projects had an DIQRH of less than half the typical Large County; the average occupancy in this category is also relatively low at 91.3 percent. The DIQRH of markets for the well-occupied projects (>95.9 percent) was 42 percent higher than the projects that were poorly occupied (<92.0 percent).

Only two categories had a DIQRH within the 10-mile ring that was less than the average project size: Medium County and Seminole County. The DIQRH for the Medium County category was 165, compared to an average project size of 277. In Seminole County, the DIQRH was 239, compared to an average project size of 318. As a result, the Medium County projects have an average occupancy rate of 91.3 percent, while the Seminole County projects have an average occupancy rate of only 83.3 percent.

THE ROAD AHEAD

The question now becomes how do we apply this information to the process? A few years ago, the concept of proximity was added to the Universal Application. For the first time, the application recognized that all sites are not created equal and proximity to certain services was utilized to help rank the applications. We now have new tools to assist in this important task. The demographic factors, LOE, CR, RPD, and Growth, are knowable, objective, and relevant.

The demographic factors can be utilized in another important way: to rank the counties. The order in which projects are funded should not be left to chance. Ranking the counties will insure that the funded projects will go where they are needed most.

If you rank the counties and the applications utilizing the demographic factors illustrated in the Guarantee Fund study, the Corporation could eliminate the concept of "Location A," that essentially tells the development community where not to build, which in my opinion is a seriously flawed policy. I believe the developers should have to prove there is a market for their product through upfront due diligence, which would eliminate ill-conceived projects before they reach the underwriting process.

Now you know all that you need to know about demographics and can be your own Lord of the Rings!



Robert Von is a principal of REALVEST Appraisal Services, Inc. Prior to joining REALVEST, Von was commercial manager at Pardue, Heid, Church, Smith & Waller, Inc., a Review Appraiser for Barnett Bank, and a Senior Review Appraiser for Home Federal Bank. Von has over 15 years of real estate appraisal experience and has completed over 300 market studies and appraisals on proposed and existing affordable multifamily developments throughout the state of Florida. Von serves on the Advisory Council for the Florida Housing Coalition.

THE HOMELESS: AWAITING A HOME IN LIBERTY CENTER IV



Rev. Langford, Executive Director for Liberty Center for the Homeless, Inc., in front of Liberty Center IV.

Liberty Center IV was awarded Predevelopment funds, Housing Credits, and LSAIL program funds to substantially rehabilitate an old office building on the banks of the St. Johns River in Jacksonville for conversion to a 100-unit SRO facility to house homeless persons. On a cold day in January 2005, Wight Greger went to the site to take a few pictures to show how construction was progressing. While taking pictures from one vantage point near the overpass, Greger was approached by a homeless man who expressed an interest in the project. While the man did not wish to give his name or have his picture taken, he did state that he was anxiously awaiting the completion of the facility so that he could move in and had already spoken to Rev. Langford, Executive Director for Liberty Center for the Homeless, Inc., for assurance that space would be available for him.



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Cora Fulmore of the Mortgage and Credit Center provides classroom training.



Resources for Financial Literacy and Homebuyer Education

BY WIGHT GREGER AND DAYATRA URDUNA
FLORIDA HOUSING COALITION

This year the Florida Housing Coalition, in partnership with Wachovia Bank, has begun to compile and catalog a list of online resources for furthering financial literacy and homebuyer readiness. This resource list includes information on Internet sites where individual consumers can access information on credit and preparing to purchase a home, as well as information on training available to homebuyer counselors and products developed specifically for use in the classroom and in one-on-one training with consumers. Many of the products offered online for consumers are somewhat generic in their approach to building an understanding of what is required to qualify for a mortgage. Housing professionals who work directly with borrowers and potential borrowers of public and private funds should work closely with their local lending



community to make sure that the consumer counseling and homebuyer readiness training compliments the loan products that are offered.

As part of our research, we interviewed housing professionals about some of the products in the resource list. Cora Fulmore, president of the Mortgage and Credit Center, particularly liked the Freddie Mac product Credit Smart. "This is a good module. The module is consistent within its delivery, it's a colorful and engaging presentation and it provides everything a nonprofit would need to deliver a complete financial literacy course," Fulmore said. One added benefit to the Credit Smart curriculum is that the materials are free to nonprofit organizations. Fulmore also liked the Jumpstart program, Personal Financial Literacy.



FINANCIAL LITERACY RESOURCES

PRODUCT	TYPE	PRICE	SPECIAL FEATURES	CONTACT
Neighborhood Reinvestment Training Institute (NRC) <i>Neighborworks</i> Training	Homebuyer Education Program Training - <i>Train the Trainer</i>	Varies	A comprehensive classroom training program covering a number of topics for Homebuyer program workers. Includes train the trainer sessions. Training held regularly throughout the United States.	http://www.nw.org/network/homeframex.asp?searchfor=08
Fannie Mae <i>Home Counselor Online</i>	Homebuyer-owner Counseling Program management software to be used by counseling professionals when working one on one with homebuyers	Free	Client and data management, Course management, reporting tools, transfer of data to lenders, credit agency account set-up, online immediate help function.	http://www.efanniemae.com/hcd/single_family/tools_apps_services/apps/hco.html
FDIC <i>Money Smart</i>	Homebuyer Readiness and Credit Counseling	Free	A curriculum intended to help consumers understand the basics of banking, with modules on topics such as bank services, credit, budgeting, savings, credit cards, loans and homeownership. The program can be taught in its entirety, or specific modules can fill in the gaps in other financial education programs.	http://www.fdic.gov/consumers/consumer/moneysmart/index.html
Freddie Mac <i>Your Route to Homeownership and Credit Smart</i>	Self Study Homeownership Training	Free online	On line curriculum to help consumers with understanding the process for buying and owning a home.	http://www.freddiemac.com/homebuyers/
Jump Start Coalition <i>Personal Financial Literacy</i>	How to Raise a Money Smart Child: A Parent's Guide & Best Practice Guidelines	Free	This helps individuals including students with getting on the right path to financial literacy. This program is for parents, the classroom, online, or self-study.	www.jumpstart.org
Community Housing and Development Corporation Online Homebuyer Education Course	Self Study Homeownership Training	Free online	Designed for use by the homebuyer to complete education requirement for certain loans in an online setting. Calculator, budget developer, certification.	http://www.responsiblehome.com/page1.htm
Nehemiah Online Homeownership Course	Self Study Homeownership Training	Free	Online self-study course for new homeowners with online knowledge testing. Users must score an 85 in order to receive certification for completion and be eligible for custom or commercial loans offered through Nehemiah. Curriculum is made up of 10 chapters and generally takes 4-10 hours to complete. Includes glossary of terms with each chapter, links to additional information, and a notes and storage section that lets students go through the program in multiple settings. Also includes data storage space for students to keep information while looking for housing.	http://www.getdownpayment.com/buyers/hec.asp
New Horizons Unlimited Inc. Wisconsin <i>Guide to Buying a Home of Your Own for People with Disabilities</i>	Information and referral	Free	Web site developed to provide information and referral for people with disabilities who wish to be homeowners. Site is full of links, referrals, Legislation, helpful tips, etc. Website owner is out of Wisconsin so it also contains information specific to WI.	http://www.new-horizons.org/gdebah.html
National Foundation of Credit counselors <i>DebtAdvice.Org</i>	Information and referral service	Free online	A referral source for Credit, Money Management, and Homebuyer Education resources. Chatrooms, online calculators, budgets, and links to FreddieMac's "Your Route to Homeownership"	http://www.debtadvice.org/
Enterprise Foundation <i>Essential Elements of Counseling and Training Programs for the Home Owner and Home Buyer</i>	Information	Free	Simple outline of Homebuyer Counseling elements	http://www.enterprisefoundation.org/resources/dss/singlefam/sf&24&in&nc&oomoc1.htm

FINANCIAL LITERACY RESOURCES

PRODUCT	TYPE	PRICE	SPECIAL FEATURES	CONTACT
"Enterprise Foundation <i>Sample Home-Buyer Training Curricula: Expert Course Offerings</i> "	Information	Free	A comparative list of HEC programs from a number of well respected HEC providers.	http://www.enterprisefoundation.org/resources/ERD/resource.asp?id=1323&c=6&a=view&f=browse
National Council of Economic Education <i>Financial Fitness for Life</i>	An education program for Youth	\$7.95 to \$79.95 for various materials and curriculum	Helps students apply economics and decision-making skills to the real world of earning and spending an income, savings, using credit, investing, and managing money. This comprehensive K-12 program consists of teacher resource manuals, student workbooks, parent guides, interactive activities, and a CD-ROM. Modules are available for each age group.	http://www.ncee.net/
Neighborhood Assistance Corporation <i>Ten Steps</i>	A Homebuyer education program including credit counseling	Free	This 62 page manual is an example of a program outline of the 10 Steps NACA uses to move people to homeownership. It includes forms and other materials used to manage the Homebuyer counseling program.	http://www.naca.com/content/home_ownership/10steps/ten_steps.pdf
American Center for Credit Education <i>Credit When Credit is Due and Make Your Move</i>	Homebuyer Education and financial literacy	Info available by email	Financial Literacy program for classroom, online, or self-study.	http://www.creditwhencreditisdue.com/docs.htm#
National Endowment for Financial Education <i>Financial Education Clearinghouse</i>	Information and referral for Homebuyer and Financial Literacy programs	Free	List and links to over 70 Homebuyer and Financial Literacy programs including summaries of programs, email addresses, and websites, as well as costs when programs are not free.	http://www.nefe.org/amexec/onfund/about.html



Participants in recent training session

new products online. We are excited to be able to refer people to their site.”

Barbara Taylor, SHIP administrator for Clay County and former counselor and educator for the Jacksonville Housing Partnership, liked the Jump Start Coalition’s module: “It is a good tool for families to use with their children. The program provides illustrations and games to help teach financial literacy.” Taylor also

likes the training offered by the Neighborhood Reinvestment Corporation, as well as the materials offered by the FDIC. “The FDIC Money Smart module is a good tool to be incorporated into your current one-on-one training or for a classroom setting. It is interactive and useful.”



Julie Nolan, vice president of Keystone Challenge Fund, stated a preference for the Nehemiah program, but also has her clients go to the Internet to supplement the training they receive in Keystone’s classes: “It is our understanding that the National Foundation for Credit Counseling is going to have

The BorrowSmart Public Education Foundation is a national initiative to educate home equity borrowers. BorrowSmart’s purpose is to educate the consumer on the ins and outs of equity borrowing and how to avoid the pitfalls that can result in the consumer getting a loan that can end in a family losing their home. BorrowSmart works with sponsoring partners, including Wachovia Bank, and housing professionals to get information and educational materials to the consumer. More information can be found at www.borrowsmart.org.

CREATING INCLUSIVE COMMUNITIES IN FLORIDA



A GUIDEBOOK FOR LOCAL ELECTED OFFICIALS
AND STAFF ON AVOIDING AND OVERCOMING THE
NOT IN MY BACKYARD SYNDROME

CREATING INCLUSIVE COMMUNITIES IN FLORIDA

A GUIDEBOOK FOR LOCAL
ELECTED OFFICIALS AND
STAFF ON AVOIDING AND
OVERCOMING THE NOT IN
MY BACKYARD SYNDROME

ABOUT THIS BOOK:

A Message to Local Elected Officials and Their Staff

The Not In My Backyard Syndrome (NIMBYism) presents a particularly pernicious obstacle to producing affordable housing. Local elected officials are regularly barraged by the outcry of constituents' concerns over siting and permitting affordable housing. Consequences of NIMBYism include lengthy, hostile and unpleasant public proceedings, frustration of local comprehensive plan implementation, increased costs of development, property rights disputes, and inability to meet local housing needs. Local government elected officials are the linchpin in the NIMBY battle; it is essential that you get the information you need to avoid and overcome the negative impacts of NIMBYism.

The book also includes a comprehensive compilation of financial resources/subsidies for affordable housing in Florida with contact information and a bibliography of property value studies provided by the National Low Income Housing Coalition.

The Florida Housing Coalition, in conjunction with its primary subcontractor, 1000 Friends of Florida, has produced this guidebook pursuant to the Catalyst Program for Training and Technical Assistance, administered by the Florida Housing Finance Corporation and funded under the William E. Sadowski Affordable Housing Act.

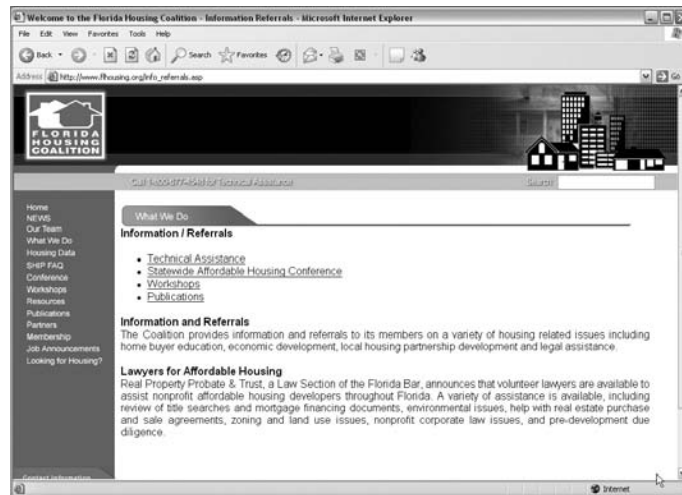
This 100-page book is filled with color photos of affordable housing in Florida and covers the following topics:

CHAPTER ONE	What is Affordable Housing?
CHAPTER TWO	Who Lives in Affordable Housing?
CHAPTER THREE	Why Include Affordable Housing in Your Community?
CHAPTER FOUR	How is Affordable Housing Developed?
CHAPTER FIVE	How Should Neighbors be Included in the Process?
CHAPTER SIX	What Role does Design Play?
CHAPTER SEVEN	What is the Connection Between Affordable Housing and Fair Housing?
CHAPTER EIGHT	How can Local Government Avoid Legal Liability from NIMBYism?

This book is free to local governments.

Contact Sheila Freaney at the Florida Housing Finance Corporation (850) 488-4197; or sheila.freaney@floridahousing.org to obtain a copy.





Resource Information on Mortgage Products

BY MICHAEL CHANEY
FLORIDA HOUSING COALITION

The Florida Housing Coalition is pleased to unveil another Web site resource to assist its members and those in its network. With sponsorship from Wachovia Bank, the Coalition has compiled a summary of the affordable mortgage products offered by major lenders in Florida. This survey of lenders focuses on end financing for homebuyers. The summary of each mortgage product offered by 12 lenders is available for your review on the Housing Coalition's Web site, www.flhousing.org. The Coalition anticipates that this new Web site resource will assist housing professionals as a first step to determining the best mortgage products for the homebuyers that they assist.



Many details of each type of mortgage are included to provide a helpful summary and comparison of financial products. The Coalition asked lenders to provide information about front and back-end ratios, loan-to-value, and whether or not mortgage insurance is required. Each lender provided information about the required amount of down payment, and whether the down payment money may be a gift or subsidy, or if the money must come directly from the buyer. In some cases, the Coalition's survey indicates that certain products are only available to first-time homebuyers. The summary of each product outlines whether it is available throughout Florida, or only in a more

limited service area. Several of the lenders have provided contact names and phone numbers of the primary loan officer in each community from whom you may learn more.

In all, the survey features 48 distinct mortgage products offered by lenders including Wachovia, Countrywide Mortgage, Washington Mutual and nine other lenders.

Some commonalities emerge when the products are considered as a whole. It is not common, for example, that these products are only available to first-time homebuyers. Most have a loan-to-value ratio above 95 percent. Front and back-end ratios, on the other hand, vary significantly between products and among lenders. Some products only

indicate that the maximum level of a back-end ratio cannot exceed a specified level.

Review the results of the Coalition's lender product survey for yourself. Visit www.flhousing.org and choose "What We Do" and then "Information and Referrals" from the list of menu items.

The Coalition thanks Wachovia for its financial support in producing this survey. Call the Coalition's staff at (850) 878-4219 if you have questions after reviewing the product information.





Frequently Asked SHIP Questions

Q: *At your conference, I met another SHIP administrator who has used the fairly new “safe harbor limits” provided by the U.S. Department of Treasury to set a \$220,000 maximum sales price or value limit for her community. How can a SHIP jurisdiction justify setting such a high price? It’s just not affordable.*

A: In recent years, many communities have increased the maximum sales price or value limit for their SHIP programs. As Stan Fitterman’s article in this journal indicates, housing prices have risen dramatically in recent years. Your question illustrates a common misconception of the maximum limit, which is not intended to represent an “affordable” home value. Instead, it indicates the house sales price at and below which SHIP eligible homebuyers may find an adequate supply of homes to purchase.

First, some background information is needed. The SHIP Statute requires jurisdictions to set an upper limit on the value of a home that will be considered “eligible housing” for purposes of SHIP assistance. This requirement is outlined in section 420.9075 (4)(c) of the SHIP Statute: “The sales price or value of new or existing eligible housing may not exceed 90 percent of the average area purchase price in the statistical area in which the eligible housing is located.” The SHIP Rule further addresses this topic in section 67-37.007 (4)(d) 6: “The local government at its discretion may set the sales price or value below the 90 percent benchmark. The maximum area purchase price used must be that established by the U.S. Department of Treasury or that calculated in accordance with Section 420.9075(4)(c), F.S.”, which states that the “average area

purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs.” A SHIP jurisdiction, therefore, has the flexibility to justify its maximum purchase price or value based on one of three sources: A local study of sales price levels in the past 12 months, Florida Housing’s bond study—which reports recent price levels for Florida’s metropolitan statistical areas, or the U.S. Department of Treasury’s data, called the “safe harbor limits.” If a SHIP jurisdiction needs a copy of either of the latter two studies, they can request them from the coalition by calling (850) 878-4219.

A community’s maximum sales price or value should be set at a realistic level to represent the sales price at which there are an adequate number of homes to buy. Affordable housing professionals do not have the power to control the sales price of homes—housing prices are established by the interaction of buyers and sellers in the open market. For the most part, we rely on the private sector to build the single family houses that low-income buyers will purchase with assistance. There must be an adequate supply of homes for these buyers to purchase, and so the actual price of available homes for sale must be considered when setting the maximum sales price or value.

As housing prices rise, communities must increase their maximum sales prices. If they do not raise this price to keep up with the market, SHIP eligible buyers will not be able to find any homes to purchase. The market is not producing houses at a price that SHIP eligible buyers can afford. This is why the SHIP subsidy is needed. It is the combination of a buyer’s first mortgage money and this subsidy that makes the equation of home purchase truly

affordable. As housing prices continue to outpace the annual increase in household incomes, it will take larger levels of subsidy to keep this equation affordable. Call the Florida Housing Coalition for additional assistance on considering the level at which to set your community’s maximum sales price or value.

Q: *SHIP’s definition of “affordable” is confusing to me. Does it state that housing costs must be less than 30 percent of the homebuyer’s monthly income?*

A: The answer to this question is no, and it reveals a lesson about a central concept defined in the SHIP Statute. The definition of “affordable” is in the definition section of the SHIP Statute. It means that “monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28).” This definition makes reference to the 19th, 20th and 28th definitions in the SHIP Statute, which respectively address the definitions of a low-income, a moderate-income and a very low-income household. Each definition cites a percentage—80 percent in the case of low-income, for example—that represents the maximum percentage of the area median income that a household can earn and still qualify to be in that income category.

Now reconsider the definition of “affordable.” When addressing a low-income household, for example, affordable means that housing costs do not exceed 30 percent of that amount which represents 80 percent of area



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



Michael Chaney

median income. This definition is similar but distinct from another way that housing professionals commonly talk about affordable. We commonly talk about devoting up to 30 percent of a household's income to housing costs. We might, for example, discuss the mortgage payment of a low-income family earning 60 percent of the area median income. If we know that 60 percent of the monthly area median income is \$1500, we would calculate that monthly housing cost of no more than about \$450 is affordable for the family under consideration.

Using the SHIP definition of affordable, however, we would conclude that an even higher housing cost is consistent with the definition in the statute. Considering the income of the same family, the SHIP definition would conclude that a housing cost of up to \$600 is affordable. Although the household in this example has income equivalent to 60 percent of the area median income, SHIP's definition of affordable housing for a low-income family means that housing costs do not exceed 30 percent of that amount which represents 30 percent of area median income. In this example, 80 percent of the monthly area median income is \$2,000 and 30 percent of this income is \$600.

Q: *Follow-up question:*


I understand what you are saying. In fact, SHIP's definition of "affordable" continues on with an additional sentence that notes that "it is not the intent to limit an individual household's ability to devote more than 30 percent of its income for housing." How does this second half of the definition relate to what you are saying above about affordability?

A: The final part of the definition notes that "housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark." This brings up the other important lesson in the definition. It indicates that a SHIP administrator may rely on the guidance of a mortgage officer who concludes that a specific buyer can afford monthly payments that are higher than 30 percent. After all, lenders are in the business of assessing risk on the loans they offer. It is conceivable that a lender could approve a mortgage payment representing 32 percent, 34 percent or maybe 36 percent of a buyer's monthly income; some buyers can demonstrate that they have consistently and successfully made high rent payments for years. They can now do the same with a mortgage.

SHIP staff must also assess risk, however. There is risk involved with simply relying on a first mortgage lender to tell you what is a truly affordable payment. When the Florida Legislature modified the SHIP definition of affordable in 1994, there were few examples of lenders engaging in "predatory practices." It seemed more reasonable to solely rely on a lender's assessment of risk. In recent years, we are increasingly faced with lenders who provide unfavorable lending terms and conditions that can set up a buyer to fail.

To protect the interests of SHIP-assisted homebuyers, a growing number of SHIP administrators have worked with their most active lenders to establish local "lenders guidelines." These guidelines define the terms of what would locally be considered an acceptable first mortgage for a SHIP-assisted buyer. The lenders

guidelines in most communities set an upper limit for the front-end ratio, the percentage of monthly income devoted to a mortgage payment. Guidelines may also set an upper limit for the mortgage interest rate and for the closing fees associated with the loan. In this way, lenders guidelines provide the protection needed to ensure that SHIP buyers do not over-commit themselves to mortgage payments. The guidelines supplement SHIP's definition of affordability to avoid the need for SHIP administrators to rely on the assessment of lenders in each individual case.

Now consider the SHIP definition of "affordable" as a whole. What implications do these lessons about this definition have for our work? On the positive side, housing administrators may have more flexibility than they may have originally thought to help applicants purchase houses. On the other hand, the definition could possibly set up homebuyers to fail by allowing them to take on unaffordably high mortgage payments. SHIP administrators reduce the risk of foreclosure by working with the buyer and the lender to discuss the reality of what maximum mortgage payment is affordable for each buyer. If desired, a local SHIP jurisdiction can add language to its local housing assistance plan stating the percentage of each specific household's monthly income that housing costs cannot exceed. In addition, lenders guidelines can provide the formal written guidance that establishes the true definition of affordability for a specific community. The Coalition can provide you with additional direction on how to address this issue in your SHIP program. 



COALITION NEWS

NEW BOARD OF DIRECTORS MEMBERS



SCHONNA GREEN

is the founder and Executive Director of Mothers and Infants Striving for Success (M.I.S.S.) of the Treasure Coast,

which is the first and only women's homeless shelter in Martin County. She is also founder of the Martin County Continuum of Care Council, a coalition of agencies that maximize services for the homeless, which is now known as the Treasure Coast Homeless Services Council, on which she serves as a board member. In December 2004, Schonna was the recipient of an "Unsung Hero Award" from the Dwight Allison Fellows Program. Soon, Schonna hopes to break

ground for Butterfly Gardens, a 20-unit apartment complex in Martin County that will provide mothers and children with on-site medical, dental, educational and daycare services.



GRACE MIRANDA

provides consulting services for small nonprofit organizations and is pursuing her doctoral degree in organization

management at Capella University. She currently manages the Center for Affordable Homeownership of the Tampa

Housing Authority and is a member of the Tampa Bay Faith Alliance Coalition. She previously served as the Housing Manager for the CDC of Tampa, Inc. Grace holds a bachelor's degree in Human Services, master's degree in Organizational Management and Leadership, and a professional certification in Affordable Housing Development from the Neighborhood Reinvestment Corporation. She is board chair for the Governor's Front Porch Council, Inc., and previously served on the Neighborhood Lending Partners' Homeownership Center Board of Directors, Tampa Housing Authority Hope VI Advisory Board, Florida IDA Coalition, Tampa Mayor's Enterprise Development Project and the Youth Education Training Program Advisory Board.



NEW FLORIDA HOUSING COALITION ADVISORY COUNCIL MEMBER

RICARDO "RICK" SOTO-LOPEZ

Rick has worked with a diverse range of planning and community development organizations in New York, New Jersey, California and more recently Central Florida. Rick holds a bachelor of science in Urban and Regional Studies from the State University of New York, as well as a master's degree in Urban Planning from the City University of New York. He is a Ph.D. candidate at the Milano Graduate School of Management and



Urban Policy at New School University. He has also been an Adjunct Assistant Professor of Public Policy and Planning for the Graduate Program in Urban Studies at Long Island University. Currently Rick is the Senior Planner for Housing and Community Development with the City of Winter Park, where he has facilitated the development of Hannibal Square Community Land Trust to foster long-term affordable housing in that city.



And the comment heard most often "This is the best conference yet... I don't know how you will ever top this one." But somehow we do, so...

SAVE THIS DATE

The Florida Housing Coalition's
18TH ANNUAL STATEWIDE AFFORDABLE HOUSING CONFERENCE
September 12-14, 2005

Omni Orlando Resort at ChampionsGate

NEW COALITION FINANCIAL SERVICES COUNCIL MEMBERS



JANICE BOONE is the Vice President and Regional Community Development Manager for AmSouth Bank. She has over 30 years of banking experience

and has devoted the last four years to community development activities in South Alabama and Florida. She serves on the board of directors and advisory boards of several organizations, including the Escambia County Enterprise Zone

Development Agency, Community Enterprise Investments (Pensacola), City of Pensacola/Escambia County SHIP Advisory Committee, CIRCLE, Inc. (Pensacola), Lifelines Family Counseling (Mobile), and North Florida Fannie Mae.



DEANA L. LEWIS is the First Vice President and Florida Community Development Manager at SunTrust Bank and is a graduate of ABA National Compliance School at the University of Oklahoma. Deana serves on many state



and local civic organizations and boards including The Florida Community Loan Fund, Escambia County Housing Partnership Council, Pensacola

Enterprise Zone Advisory Board, Greater Pensacola Front Porch Housing Council, Community Enterprise Investments, Inc., and The Institute on Urban Policy and Commerce at FAMU.



NEWS ABOUT FLORIDA HOUSING COALITION BOARD AND STAFF MEMBERS



FAREWELL TO CATHERINE BROZOWSKI

Catherine has been a member of the Coalition's Advisory Council and has represented the Washington Mutual Bank as its Corporate Giving Fund Manager. Located in Plantation, Florida, she managed the bank's charitable giving activities in the Southeast, including Florida, Georgia, and South Carolina. An avid traveler, Catherine is leaving for a year-long traveling adventure around the world. *We wish her the very best wherever she goes!*



DAN HORVATH of Community Enterprise Investments, a long-time member of the FHFC Board of Directors, has recently been elected to a one-year term as Chairperson for the Florida Community Loan Fund Board of Directors. The FCLF provides loans to Florida nonprofits for affordable housing, economic development and social services projects. As chair, Dan will assist FCLF in its new strategic planning process and in implementing its recent New Markets Tax Credit initiative.



MELVIN A. PHILPOT, the chairman of the Florida Housing Coalition Board of Directors, was recently selected to be Chairman of the Board for Homes in Partnership, a successful nonprofit organization that builds affordable housing throughout Central Florida.



NEW COALITION STAFF MEMBER



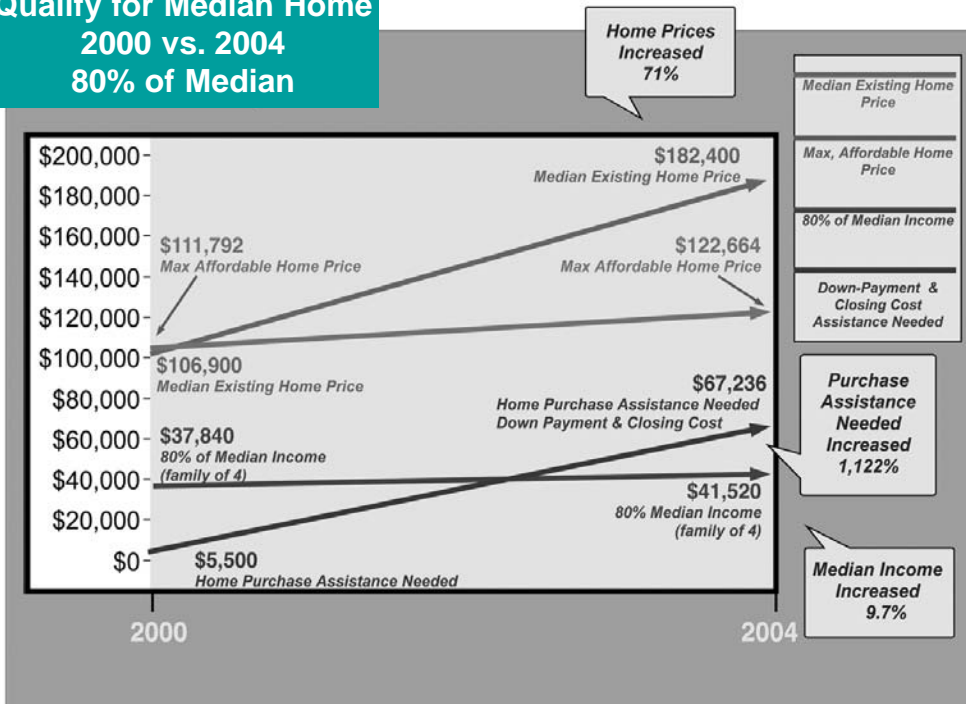
STEVEN CUMBO came to work for the Florida Housing Coalition in the fall of 2004. Steve is

a technical assistance provider for the Coalition. Mr. Cumbo has over six years of experience working in City government with affordable housing programs. He has served as a member of the City of Miami's HOPWA Board in numerous capacities; and he has served on the Miami-Dade HIV/AIDS Partnership and the Housing Committee of the Miami-Dade HIV/AIDS Partnership. In addition, he has worked as a mental health professional for nonprofit organizations prior to working with affordable housing. Steve will be focusing primarily on providing assistance to fund recipients of the HOME, SHIP & CDBG programs.



2005 Legislative Session: *Continued from page 4*

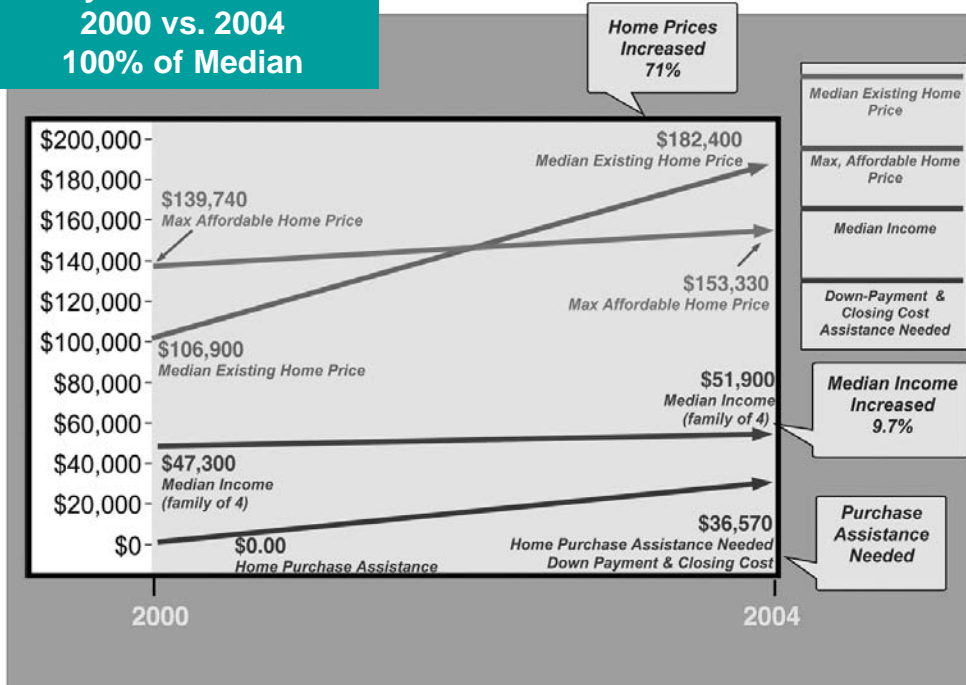
Subsidy Needed to Qualify for Median Home 2000 vs. 2004 80% of Median



Florida needs increased funding for workforce affordable housing, not static funding at an arbitrarily established \$193 million level. According to the Florida Association of Realtors, existing home prices rose by 71 percent from 2000 to 2004. At the same time, the average household income in Florida during that same period rose less than 10 percent (*see tables*). Our workforce needs substantially more money to bridge the gap between income and housing prices—not less.

Nearly every day in every newspaper around the state there is a story about the affordable housing crisis—how communities cannot house their own lower paid but essential workforce. Real property prices have been skyrocketing while average incomes grow minimally. Following the four hurricanes Florida experienced in 2004, housing advocates thought we would see an end to the notion that the state and local housing trust funds should be eliminated or capped.

Subsidy Needed to Qualify for Median Home 2000 vs. 2004 100% of Median



Capping the Sadowski Act state and local housing trust funds would break a trust at the expense of Florida's teachers, police officers, firefighters, hospital employees, and service workers throughout the state; it would be a huge step backwards for working families struggling to find housing within their means in the communities they serve. If a cap is ultimately to be enacted, there is no rationale for it to be at \$193 million. If a cap were to begin at an amount that is so far below today's need for funding the difference between income and housing prices, we would continue to fall deeper into the housing crisis that is now affecting every large county and urban/suburban city in Florida in which essential workforce housing is scarce or nonexistent. 🏠



MEMBERSHIP APPLICATION

PARTNERS FOR BETTER HOUSING MEMBERSHIP

Partners for Better Housing Membership is for those who wish to support the work of the Florida Housing Coalition by making a tax deductible donation of \$500 or more. Partners for Better Housing members receive subscriptions to *Housing News Network*, free job vacancy posting service on the Coalition's web page and unlimited membership rates for registration at the conference. Partners at the Patron Level or higher receive one or more complimentary conference registrations (comp, indicated below). Partners also receive recognition at the conference, in all conference-related publications, the Coalition's Web page and in each quarterly issue of *Housing News Network*.

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|-----------------------------------|-----------------------------|----------------------------------|----------------------|
| <input type="checkbox"/> \$20,000 | Platinum Sponsor (20 comps) | <input type="checkbox"/> \$2,500 | Co-Sponsor (3 comps) |
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BASIC MEMBERSHIP

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

- | | |
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| Student | <input type="checkbox"/> \$25 |
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PARTNERS FOR BETTER HOUSING

The Florida Housing Coalition thanks the following organizations and individuals for their commitment to improving housing conditions in the state of Florida.

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