

LONG RANGE PROGRAM PLAN

Florida Housing Finance Corporation  
Department of Economic Opportunity

Tallahassee

September 30, 2014

Cynthia Kelly, Director  
Office of Policy and Budget  
Executive Office of the Governor  
1701 Capitol  
Tallahassee, Florida 32399-0001

JoAnne Leznoff, Staff Director  
House Appropriations Committee  
221 Capitol  
Tallahassee, Florida 32399-1300

Cindy Kynoch, Staff Director  
Senate Committee on Appropriations  
201 Capitol  
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Florida Housing Finance Corporation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2015-16 through Fiscal Year 2019-20. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://www.floridahousing.org/AboutUs/LongRangeProgramPlan/>. This submission has been approved by Stephen P. Auger, Executive Director.



Angeliki G. Sellers  
Comptroller

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Rick Scott, Governor

Board of Directors: Bernard "Barney" Smith, Chairman • Natacha Munilla, Vice Chairman  
Ray Dubuque • John David Hawthorne Jr. • Brian Katz • Leonard Tylka • Howard Wheeler  
Bill Killingsworth, Florida Department of Economic Opportunity

Executive Director: Stephen P. Auger



# **Long Range Program Plan**

**September 30, 2014**

**State Fiscal Years 2015-16 through 2019-20**

# AGENCY MISSION

## Access to Affordable Housing

To help our fellow Floridians obtain safe, decent housing that might otherwise be unavailable to them.

### GOALS, OBJECTIVES, OUTCOMES AND PROJECTION TABLES IN AGENCY PRIORITY ORDER

**Goal 1:** To maximize the capacity of local governments and the private sector, both for profit and nonprofit, to develop and preserve affordable housing

**Objective 1A:** To maximize targeted dollars that are allocated to the targeted populations

*Outcome:* Percent of statutorily targeted dollars that are allocated to the targeted populations

Baseline/ Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
64.8%/1999	96%	96%	96%	96%	96%

**Objective 1B:** To maximize leveraging of state resources

*Outcome:* Ratio of nonstate resources to state-appropriated dollars

Baseline/ Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
2.69:1/1999	2:1	2:1	2:1	2:1	2:1

**Objective 1C:** To maximize the percentage of set-aside units at designated percentages of median income to total units

*Outcome:* Percent of units exceeding statutory set asides

Baseline/ Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
105%/1999	105%	105%	105%	105%	105%

## LINKAGE TO THE GOVERNOR'S PRIORITIES

### FLORIDA HOUSING FINANCE CORPORATION'S GOAL

To maximize the capacity of local governments and the private sector, both for profit and nonprofit, to develop and preserve affordable housing.

### ALIGNMENT WITH THE GOVERNOR'S PRIORITIES

Florida Housing's work aligns with and supports a number of the Governor's priorities, as described below.

#### **Improving Education**

According to housing policy research, affordable housing may provide children with enhanced opportunities for educational success. While schools and teachers bear principal responsibility for children's education, research shows that a supportive and stable home environment can complement the efforts of educators, leading to better student achievement. Florida Housing's mission facilitates the establishment of such supportive and stable home environments.

Studies have found an association between overcrowding in housing and reduced academic performance for children. Affordable housing can reduce overcrowding in housing and other sources of housing-related stress that lead to poorer educational outcomes by allowing families to afford decent-quality homes of their own. In addition, affordable housing developments can often function as a platform for educational improvement by providing a forum for residential-based afterschool programs or, more broadly, by anchoring a holistic community development process that includes new or improved schools.

#### **Economic Development and Job Creation**

##### Focus on Job Growth and Retention

Florida Housing's programs are intended to boost the state's construction industry, assist in mitigating periodic economic dislocations in the construction and building trade industry and provide better access to federal housing initiatives. Florida Housing's programs annually channel millions of dollars into the construction industry, providing a level of support that positively impacts the business climate in Florida. In 2012, the most recent year for which we have analysis, the total economic impact to the state from Florida Housing programs was \$3.094 billion in output or industry revenues, 24,515 jobs and \$1.772 billion in value added impact to the state's Gross Domestic Product.

Businesses are looking for communities with the right mix of housing to meet the needs of their workforce. This includes decent, affordable rental housing and single family homes that are affordable for a range of incomes.

##### Regulatory Reform

Florida Housing's programs are flexible enough that they can be utilized in any area of the state, no matter the local regulatory framework in place. Florida Housing operates within the financial and real estate markets, working to align programs with private investor interests to ensure that public resources leverage private financing.

## **Maintaining Affordable Cost of Living in Florida**

### Accountability Budgeting

When Florida Housing Finance Corporation was created in the early 1980s, it was a division of the Department of Community Affairs. The 1997 Legislature privatized Florida Housing, turning it into a public corporation of the state, now with a functional relationship with the Department of Economic Opportunity (the successor to the Department of Community Affairs). The 1997 changes were made to reduce bureaucracy, streamline many administrative processes and allow Florida Housing to operate more effectively within the real estate and financial markets. Two changes were particularly important in this regard: accelerated disbursement of trust fund dollars to the private sector and local governments, and elimination of duplicative services in the issuance of bonds. Funds disbursed by Florida Housing in loan closings for developments and homeowner mortgages, which took up to six weeks before Florida Housing became a public corporation, were processed through both DCA (now DEO) and the Comptroller (now the Chief Financial Officer). The lengthy process was costly to private sector partners, created construction delays and slowed down implementation of local housing programs. The 1997 legislative changes authorized Florida Housing to disburse funds directly, typically within five business days. The bond issuance process also was streamlined by authorizing Florida Housing to issue bonds.

### Reduce Government Spending

Florida Housing's programs are set up to leverage private resources to meet affordable housing objectives. For example, over the last three full years of State Housing Initiatives Partnership (SHIP) funding, for every \$1 million in SHIP funds spent, an estimated \$2.95 million in other funding was brought to the table to construct, rehabilitate and sell homes and apartments. Today's housing programs are designed to provide only what is needed to encourage private investors, including banks, insurance companies and others, to participate in these transactions. This ensures that public financing can be used to leverage development of more units and that the private sector is bringing its investment and management expertise into every development.

## TRENDS AND CONDITIONS

An adequate supply of affordable housing is the foundation of healthy communities because people vital to these communities, such as teachers, nurses and firefighters, are able to live in the same area where they work. Living in decent housing provides a safe environment and an opportunity for people to hold jobs, excel in school and contribute to their communities.

### STATUTORY RESPONSIBILITIES

Chapter 420, Florida Statutes, assigns the following responsibilities to Florida Housing Finance Corporation:

- To carry out analyses of housing needs within the state and ways of meeting those needs;
- To participate in federal housing assistance and federal community development, insurance, and guarantee programs, including the provision of the match requirement for the HOME Investment Partnerships Program federal funding;
- To develop and administer the State Apartment Incentive Loan Program, which offers low interest first, second or other mortgage loans to developers who build or rehabilitate affordable rental properties;
- To develop and administer the State Housing Initiatives Partnership (SHIP) program, which provides funding to all 67 counties and 52 cities to finance affordable housing based on locally determined needs;
- To develop and administer the Florida Homeownership Assistance Program, which provides down payment assistance, construction financing and permanent loans for construction and rehabilitation of affordable single family homes;
- To develop and administer competitive solicitations for the allocation of competitive state and federal funding resources to developers of affordable housing;
- To develop and administer the Florida Affordable Housing Guarantee Program, which creates security mechanisms to allow lenders to sell affordable housing loans in the secondary market and encourages affordable housing lending opportunities that would not have taken place otherwise, or that serve persons who would not have been otherwise served;
- To develop and administer the Predevelopment Loan Program, which provides technical advisory services and below market interest rate financing for preliminary activities necessary to obtain the financing to construct or rehabilitate affordable housing;
- To designate and administer private activity allocation for tax-exempt mortgage revenue bonds received by Florida Housing pursuant to Part VI of Chapter 159 between single family homes and multifamily developments;
- To establish procedures necessary for proper allocation and distribution of federal low income housing tax credits;
- To set standards for residential housing financed by Florida Housing and to provide for inspections to determine compliance with those standards;
- To provide for the development of infrastructure improvements and rehabilitation primarily in connection with residential housing consistent with the applicable local government comprehensive plan;
- To establish subsidiary corporations for the purpose of taking title to and managing and disposing of property acquired by Florida Housing;
- To adopt rules for the intervention and negotiation of terms or other actions on properties to further program goals or avoid default of a program loan;
- To conduct demonstration programs and projects which further the statutory purposes of Florida Housing;
- To administer the Affordable Housing Catalyst Program;

- To establish requirements for periodic reporting of data and for participation in a housing locator system; and
- To provide assistance to the Affordable Housing Study Commission when it is funded.

### **HOUSING AFFORDABILITY**

Millions of low income households in the United States lack decent and affordable housing. More households are plagued by the high cost of housing, but substandard housing conditions also exist. Households that rely on income from service sector jobs are the most likely to have housing affordability problems, but other factors may come into play, such as low fixed incomes. This is true in Florida.

The University of Florida's Bureau of Economic and Business Research reports that over 7.6 million households resided in Florida in 2013, and the average household size was 2.48 persons. In 2007-08, the state's population growth rate dipped below one percent for the first time in more than 60 years. However, state demographers expect to see average growth of 1.3 percent between 2013 and 2015, and then 1.4 percent between 2015 and 2020. Florida's older population (age 65 and older) is already greater than any other state's and will account for 55 percent of the population growth between 2010 and 2030. This so-called "senior tsunami" is forecasted to result in 24.1 percent of all Floridians being 65 or older by 2030.

According to the most recent Rental Market Study by the Shimberg Center for Housing Studies, statewide in 2013, an estimated 737,435 renter households with incomes at or below 60 percent of area median income were paying more than 40 percent of their income for rent in Florida. This represents an increase of 79 percent since 2000. Sixty-one percent of these cost burdened households are comprised of 1-2 persons.

To provide perspective, the National Low Income Housing Coalition estimates the average 2014 wage for a Florida renter at \$13.73 an hour, a slight increase over 2013. This single worker would have to work 56 hours per week, 52 weeks a year, to afford a typical market rate rent of \$1,008 per month for a two-bedroom apartment in Florida. While many households include second earners, renter households in particular often are comprised of single earners with dependents. Since 2000, while rents have increased, median renter incomes in Florida have decreased. The 2013 Rental Market Study found that, between 2000 and 2011, median gross rents increased from \$816 to \$950. In contrast, median renter income was \$34,480 in 2000, and had dropped to \$30,343 in 2011.

### **HOUSING CONDITION**

In 2012, Florida's housing stock was estimated at approximately 9.0 million units. Many housing units are 35-45 years old, at a point when rehabilitation and remodeling are required to maintain the life of the unit. Based on past estimates by the Affordable Housing Study Commission, more than 667,000 single and multifamily units that house lower income families are 50 or more years old and require reinvestment to maintain their viability as affordable housing.

From 1992, when the SHIP program was established by the Florida Legislature, through June 2013 (the last year for which reporting is complete), more than 190,000 households have been assisted by this program, with approximately 88 percent of these funds going for homeownership assistance.

On the rental side, with financing from federal and state programs administered by Florida Housing Finance Corporation, 180,968 rental units statewide are currently available to residents or in the construction pipeline. Most of these units are targeted to households at or below 60 percent of area median income. Figure 1 shows the breakdown of these units by county. As an alternative to rental units, for a period of time, there was an oversupply of affordable homes for sale; however, that oversupply is largely gone in most areas of the state.

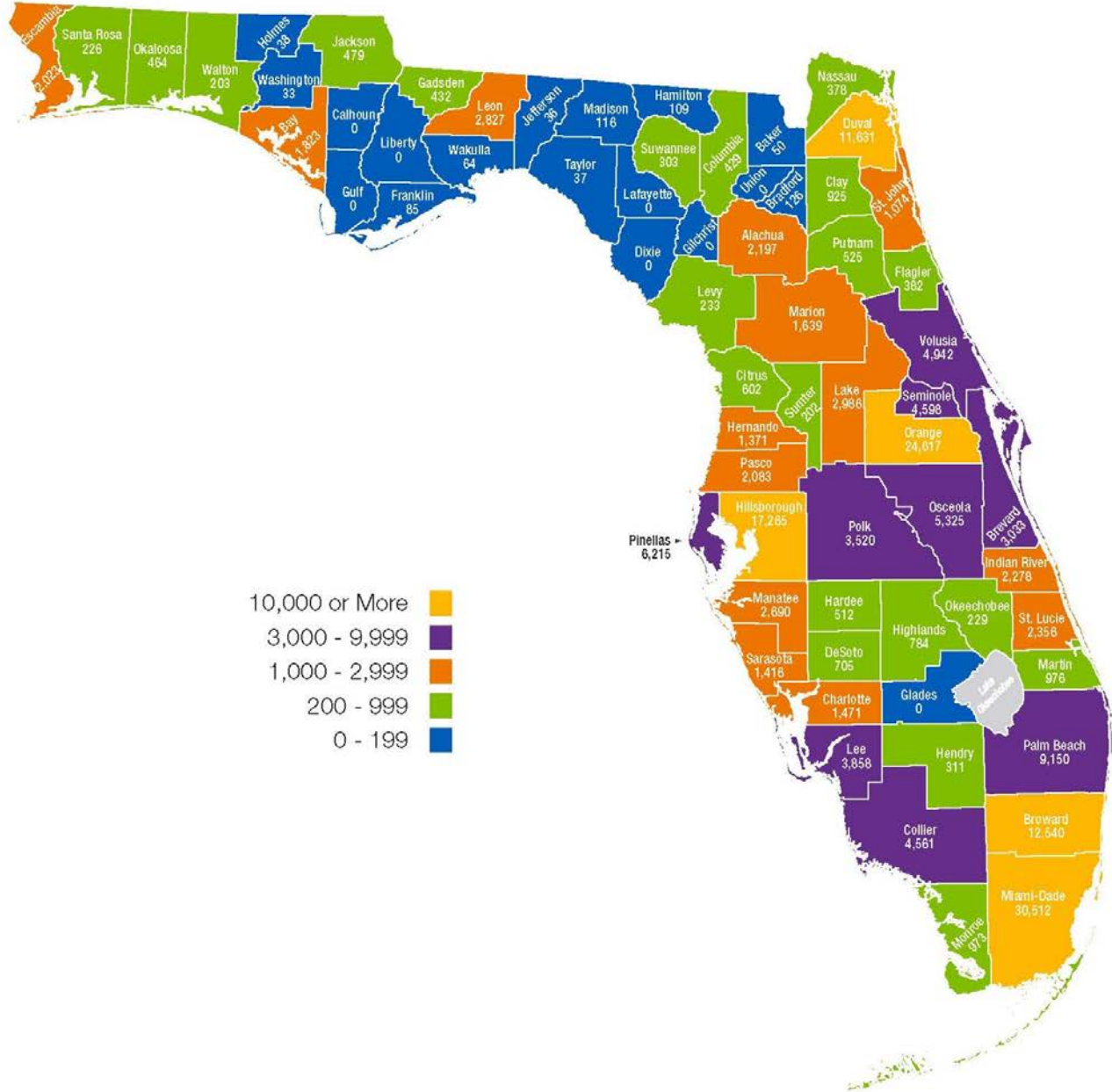
However, the state still does not have enough housing that is decent, safe and affordable for many residents – particularly on the rental side, and especially for extremely low income (ELI) renters. For households in Florida earning 80 percent or less of AMI, there is a deficit of over 1.1 million affordable, available rental units. For every 100 ELI households, there are only 23 affordable, available units for rent.



**FIGURE 1.**

**TOTAL ACTIVE RENTAL UNITS FINANCED BY FLORIDA HOUSING SINCE 1982**

This map is shaded to display a by-county count of all the currently active rental units that have received an allocation of resources through Florida Housing's rental programs since 1982. These 180,968 units currently provide affordable housing or are in the construction pipeline. A majority of these units serve households earning 60% of area median income (AMI) or less.



## **FLORIDA'S ECONOMIC RECOVERY**

Florida continues to recover from the economic recession. Per capita personal income declined in 2009, but has continued to increase each year since 2010. Job losses have decreased, with unemployment down to an estimated 6.2 percent in July 2014 from a high of over 11 percent in July 2011. In the single family housing market, the number of closed sales and median sales prices have increased in most markets around the state for the past three years; and the oversupply caused by the housing boom is steadily declining.

From 2007 through 2010, homelessness was on the rise, but Florida's homeless counts since then have shown a decline. However, the Shimberg Center's 2013 Rental Market Study on the Housing Needs of Homeless Families and Individuals provides some additional context to traditional estimates of the number of homeless individuals and families in Florida. The report includes an estimate of homeless families and unaccompanied youth who were doubled up with friends or family or living in hotels and motels during 2012, based on data on homeless students collected by the Florida Department of Education (FDOE). This information was combined with counts by local coalitions, which are carried out annually, and count homeless people on the street and in emergency shelters. Utilizing these sources, Shimberg estimated counts of 42,476 homeless individuals and 31,148 homeless families with children in the 2013 report. The incidence of homelessness varies by location with some communities reporting increases, while others report declines in the number of persons who are homeless. In some cases, the local homeless coalitions have reported that successful programs implemented in the county have helped lower the homeless count. Others cite stricter enforcement of trespass ordinances, which make the street homeless less visible and harder to find and count. Another factor contributing to decreased counts is that fewer emergency shelters that serve and target homeless people were identified in 2013 than in prior years.

## **MARKET FORCES CHALLENGE AFFORDABLE HOMEOWNERSHIP EFFORTS**

Many homes purchased during the boom years are now worth much less than the mortgages held on these homes. According to CoreLogic, Inc., in the first quarter of 2014, 26.9 percent of Florida homeowners were estimated to be "under water" – that is, their current mortgage balances are higher than their homes are now worth. This is down from close to 50 percent several years ago.

On the homeownership side, the overall decline in housing prices and high number of foreclosed properties on the market means that Floridians interested in homeownership have more opportunities now than anytime over the last few years. From a median high of approximately \$250,800 in July of 2006, existing home sales prices fell below \$130,000 in January 2012 before starting to rise again. Florida Realtors® data shows that, as of July 2014, the statewide median sales price for single family homes had increased to \$185,000.

Access to mortgage financing has changed over the past few years, as private sector liquidity has decreased and the majority of mortgages are now government insured loans. In order to qualify for a mortgage, a typical homebuyer now must have a minimum FICO (credit) score in excess of 640 for FHA, VA, and USDA-Rural Development (RD) loans. Florida Housing also requires a minimum of 640 for homebuyers accessing the state's First Time Homebuyer Program. Conventional loans insured by the GSEs, Fannie Mae and Freddie Mac, require a minimum 640-680 FICO, down from a previous high of 720. However, in November 2013, Fannie Mae increased its required down payment from three percent to five percent for its conventional loans. Additionally, many lenders have imposed their own credit overlays such as limiting borrower debt ratios, minimum employment requirements, and other requirements that they believe will enhance the long term performance of their loans. The majority of loans being financed through Florida Housing are government insured loans (FHA, VA, and USDA-RD).

## **HOME FORECLOSURES STILL HIGH**

Nationally, the number of properties with foreclosure filings has decreased over the last few years. Foreclosure starts have also been decreasing steadily since peaking in 2009. However, in Florida, the foreclosure rate remains high. The Office of Economic and Demographic Research's September 2014 Economic Overview reports that in the first six months of 2014, Florida was the state with the highest foreclosure rate and the highest number of foreclosure filings. For August 2014, RealtyTrac reported that one in every 400 Florida households received a foreclosure filing. In addition, Florida cities accounted for nine out of the ten highest metropolitan foreclosure rates.

Florida demographers note that during the boom, Florida's homeownership rate, which was at 66.3 percent for many years, increased because financing was so easy for homebuyers to obtain. As a result, the homeownership rate soared to 72.4 percent. This rate could not be sustained, both because it was derived from financing tools that are not now available to homebuyers, and because the number of foreclosures has lowered the rate over time. Florida's rate is shifting downward, dropping to 65.3 percent in the second quarter of 2014.

## **HELPING HOMEOWNERS STAY IN THEIR HOMES**

To address the foreclosure crisis, Florida Housing served as an intermediary for 37 local housing counseling agencies throughout Florida under the National Foreclosure Mitigation Counseling Program. Through this program, troubled homeowners statewide accessed federally approved housing counseling agencies and legal assistance to help them determine available options regarding their homes. Through seven rounds of federal funding since 2008, Florida Housing received \$12.1 million which supported counseling agencies and legal aid to fund more than 37,000 counseling events for homeowners.

In 2013, Florida Housing also received \$10 million through a legislative appropriation of National Mortgage Settlement funds to administer a foreclosure counseling program. This program provides foreclosure counseling services throughout the state to: help homeowners avoid foreclosure; provide good financial management education to help families better manage their money; and assist families with credit problems to become financially stable. Foreclosure counseling services are provided at no cost to at risk homeowners through a network of 50 U.S. Department of Housing and Urban Development-approved nonprofit housing counseling agencies throughout the state. Thus far, nearly \$1.2 million of the funding had been reserved for people applying to the program. Until recently, Florida Housing's counseling assistance was first prioritizing the use of the time-limited federal funds from the National Foreclosure Mitigation Counseling Program. With these federal funds now exhausted, we anticipate that the number of at-risk homeowners applying to and assisted by this state-funded program will accelerate.

In addition, the federal government made funding available to the hardest hit housing markets in the states that have been hit with foreclosures, housing price declines and unemployment. Florida is one of 18 states and the District of Columbia participating in the \$7.6 billion Hardest Hit Fund (HHF) program through 2017. Florida and the other participating states worked with U.S. Treasury, major loan servicers and other stakeholders to standardize plans for the assistance programs summarized below:

- **The Unemployment Mortgage Assistance Program (UMAP)** provides assistance with payments to the mortgage lender (for up to 12 months or a maximum of \$24,000, whichever comes first) to assist unemployed/underemployed borrowers with their first mortgage until they can resume payments on their own. Additionally, for homeowners who are delinquent on the first mortgage at the time they qualify for the UMAP, up to \$18,000 can be paid to assist in bringing the past due first mortgage current; this assistance will fully or partially reinstate the first mortgage prior to the beginning of UMAP payments.

- **The Mortgage Loan Reinstatement Program (MLRP)** provides up to \$25,000 as a one-time payment to assist in bringing a delinquent mortgage current for a homeowner who has returned to work or recovered from unemployment/underemployment.
- **The Principal Reduction (HHF-PR)** program provides up to \$50,000 to assist eligible Florida homeowners who owe at least 125 percent more on their home than its current market value, commonly referred to as the home being “underwater.” The funding is paid directly to the mortgage loan servicer to help reduce the principal balance of the first mortgage.
- **The Modification Enabling Pilot (MEP)** program provides direct assistance to eligible borrowers to permanently modify and reduce the borrower’s loan amount to an affordable level to achieve a monthly total housing payment that does not exceed 35 percent of the borrower’s monthly income.
- **The Elderly Mortgage Assistance Program (ELMORE)** provides up to \$25,000 to assist senior homeowners with a reverse mortgage to remain in their homes by bringing current past due property taxes, homeowner's insurance, flood insurance and/or homeowners’/condo association dues (property charges), to the extent that these property charges have been paid on behalf of the senior homeowner by the servicer of the reverse mortgage. The senior homeowner may also be eligible to have up to 12 months of future property charges paid on his/her behalf, as well.

#### **CHALLENGES FACING RENTAL HOUSING PROGRAMS**

The recession has strongly impacted the market for housing related investments. Because of low bond yields, investors have limited their appetite for Mortgage Revenue Bonds. This was also true of federal Low Income Housing Tax Credits for several years, but investors throughout the country have come back to this affordable housing finance vehicle. During the recession, the apartment industry was impacted by the homeownership decline and high number of foreclosures, which led to a glut of single family homes and condominium units on the market. In response, many homeowners put their homes up for rent to wait out the sales price decline. These additional rental units competed with market rate multifamily rental units, and apartment owners responded with lowered rents and special offers, thus competing with the subsidized rental market. However, in most areas this is not the case any longer. Occupancies across Florida Housing’s portfolio have strongly increased as the housing crisis comes to an end.

Current expectations are that Florida’s rental market will slowly tighten over the next 3-5 years. As always, Florida Housing carefully targets any new rental construction to those areas of the state where there is investor interest and demand for such housing. Moreover, we consider the impacts of new construction on Florida Housing’s existing portfolio of privately owned properties that have loans or guarantees through Florida Housing. In particular, properties in the Guarantee Program portfolio, which carry the greatest financial risk to the state, must be considered as Florida Housing awards funding for new construction. Florida Housing works to ensure that properties are financed only in areas where the need for new rental housing is strong.

#### **HOW STATE FUNDING CAN ADDRESS CURRENT NEEDS**

*Homeownership.* Florida Housing uses the federal First Time Homebuyer Program to originate 30-year, fixed-rate, high loan-to-value mortgage loans for eligible first-time homebuyers who meet credit worthiness tests, have incomes within federal program limits and receive homebuyer education. The proceeds from the sale of Tax Exempt Mortgage Revenue Bonds, use of the To Be Announced market or the specified pool market are all means used by Florida Housing to purchase loans originated by participating private lenders through this program. What really makes this program work is that Florida Housing generally pairs some type of second mortgage purchase assistance with these mortgages to assist homebuyers, either through state or federal funding if available, or uses these funds to reduce the overall cost of the mortgage loan to the borrower. The state Homeownership

Assistance Program (HAP) Program provides critical resources for this purpose. The average purchase price during 2013 was \$113,697, and the average loan amount was \$108,277.

This program provided an important strategy to lower the oversupply of for-sale homes on the market of recent years, which is now balancing out in many areas. Approximately 89 percent of the 1,517 homes financed in 2013 (totaling \$164.3 million in first mortgage volume) were existing single family homes.

In addition, SHIP is important to support efforts to ensure that the housing stock that is standing empty as a result of foreclosures can be rehabilitated, if necessary, and sold to eligible homebuyers. SHIP provides a flexible source of funding that allows local governments to respond to the particular needs of their communities. For example, in areas where there remains a high number of housing units in foreclosure and standing empty, local governments can use SHIP funds to rehabilitate these units for homebuyers, and provide down payment assistance. This funding generates construction jobs, supports Florida's strong Realtor® network and helps to maintain the stability of neighborhoods at risk because of high vacancies.

*Rental Housing.* With lower market rents and additional units available for rent in some areas right now, the need for new affordable rental housing is uneven throughout Florida. Some areas continue to have strong need, especially in southeast Florida where households often stand in line when a new affordable housing property opens. Even with homes for sale at more reasonable prices, most low income Floridians do not have the credit score or savings to buy a new home. These families who are working in a range of lower paying occupations – for example, child care workers, tellers, entry-level teachers, sales clerks – simply desire a decent place to live with their children that is close to schools and work.

*Florida Affordable Housing Guarantee Program.* The Florida Affordable Housing Guarantee Program was implemented from legislation passed in 1992. The program encouraged affordable housing lending by issuing a form of repayment guarantee on the financing of affordable housing. Typically, these were rental housing transactions primarily funded through the issuance of tax-exempt and taxable bonds. By guaranteeing the repayment of the underlying mortgage collateralizing the bonds, the program lowered overall borrowing costs and improved the economic viability of affordable housing.

In many cases, the Guarantee Program partnered with the HUD Risk Sharing program, allowing each party to assume 50 percent of the default risk of the mortgage. As of August 31, 2014, the program provided guarantees for 7,529 units in 32 multifamily developments throughout the state that were guaranteed prior to 2005. New guarantees were suspended in 2005 primarily based on the availability of credit enhancement in the market, but also because of a reassessment of the projected financial condition of the Guarantee Fund under more stressful market conditions. In March 2009, the Board of Directors confirmed the suspension of the issuance of additional guarantees by the Guarantee Program due to adverse market conditions. The suspension remains in effect today.

There are two provisions in the statutory language [Section 420.5092 (6)(a) and (b)] which describe the circumstances under which documentary stamp taxes distributed to the State Housing Trust Fund may be used to support the Guarantee Program. In the event that the Guarantee Fund is rated less than in the top three claims-paying ratings by any of the rating agencies or there is a projected deficiency in the debt service reserve, the state would be required to use documentary stamp tax collections distributed to the State Housing Trust Fund to replenish the Guarantee Fund at the amount necessary to maintain the minimum claims-paying rating or to pay the fund's debt service. The final payment on the capitalizing debt was made in December 2012. The Guarantee Program currently has no outstanding debt.

*Aging Affordable Rental Housing Stock.* With rapid growth and available land, Florida was in a perpetual land boom for 30 years; most of the state's development occurred over this time. Historically, Florida Housing's primary rental goal was to finance as many new multifamily units as possible to keep up with the state's burgeoning population. The state has now reached the point that the rental units financed by Florida Housing need reinvestment in order to maintain them in good condition for our residents.

Housing units financed over the last 30-40 years are aging and many are in need of rehabilitation. This is especially true of the subsidized affordable multifamily stock. Many of the oldest assisted properties have expiring affordability periods, and for a variety of reasons these properties may go market rate. These older properties require rehabilitation to maintain them as decent housing for low income renters.

In the privately owned assisted stock (some of which is in Florida Housing's portfolio), nearly 110,000 units (1,230 properties) are 15+ years old, 45 percent of the assisted units in the state. Of these, 41,443 units are at least 30 years old. In Florida Housing's portfolio alone, nearly 42,000 units are 15-29 years old, and another 3,700 units are 30+ years old. In addition, 77 percent of the 34,000+ public housing units in the state are at least 30 years old. While some of these units may be functionally obsolete, many are worth saving but need more rehabilitation funding than is appropriated by the federal government. Public housing units are another important source of low cost housing for extremely low income households.

While two-thirds of subsidized rental units are no more than 20 years old (many of which are financed by Florida Housing), more than 69,000 units are over 20 years old and almost half of these units are more than 30 years old. The oldest of these units are the ones most likely to have precious federal rental assistance and be serving Florida's lowest income renters. Most of these units are deteriorating – they have never been rehabilitated.

These older properties were financed into the 1980s through U.S. HUD or USDA Rural Development. They are particularly critical to preserve, because they serve extremely low income renters with federal project-based rental assistance (PBRA). Most developments in both the 30 year and older and 15-29 year old categories have at least some PBRA units on-site. The oldest developments have particularly high concentrations of PBRA units; 70 percent of units in these developments have PBRA. In the 15-29 year old category, 29 percent of units have PBRA associated with them. Many of the developments with PBRA in the 15-29 year old category are relatively small (50 units or less) developments subsidized by the U.S. Department of Agriculture Rural Development program (RD). In contrast, only 10 percent of units developed in the last 15 years have project-based rental assistance. Florida Housing has chosen to target more financing to units for these lowest income residents in the past few years because the need is so extraordinary for these units. This strategy has resulted in financing fewer new affordable rental units each year. In part this is because additional costs to develop units targeted to these residents consumes a greater portion of resources per unit in order to minimize long term debt on these units in order to make rents more affordable. This means that existing federal rental subsidies are precious to maintain.

We also find that, in the long run, it is less costly per unit to rehabilitate older properties than to build new ones. Even if this is a less expensive, more sustainable alternative, it means diverting resources to this preservation effort from the construction of new units. Florida Housing is working to develop an array of strategies to preserve the existing rental stock. Implementation of these strategies will also provide an important economic benefit to the state – keeping Florida's construction engine moving, while keeping the addition of new units to just those locations in the state where strong enough growth is occurring to warrant the addition of new rental housing.

*Serving Lower Income Floridians.* Florida Housing has been working to reshape its rental programs to better meet state housing needs. Florida has been successful in financing thousands of rental housing units to meet the needs of households above 45 percent of area median income. However, federal programs that have traditionally

served 0-50 percent area median income households (considered very low income) have not kept pace, creating a much greater need at the lowest income levels.

As the federal government has decreased funding to serve these lower income households, Florida Housing programs have been updated to help meet these housing needs. It is difficult to work within federal and state parameters to serve these lowest income Floridians while maintaining economic feasibility. However, with additional state funding targeted to extremely low income residents in the last decade, Florida Housing has been able to target a small portion of units to these lower income Floridians.

Florida Housing works with state agencies, including the Department of Children and Families, the Department of Elder Affairs and the Florida Department of Veterans Affairs to carry out the “Link Initiative,” an integrated housing strategy to link affordable housing with supportive services. The initiative incentivizes affordable housing developers to set aside a few rental units in each apartment complex for persons with special needs, such as persons with disabilities and youth aging out of foster care. The idea is to provide residents who are receiving supportive services with an opportunity to live in an affordable independent community setting. Florida Housing began implementing this strategy with its 2009 rental development cycle. To date, 1,513 units in funded multifamily developments have been committed to serve persons with special needs.

### **GREEN BUILDING**

“Green building” is a whole-systems approach to the design, construction and operation of buildings from the early stages of development through to operation and maintenance of a property. The objectives of this approach are to increase building longevity, reduce utility and maintenance costs and enhance comfort, health and livability. Homes built with funds from Florida Housing’s Homeownership Pool Program are required to achieve certification from a green building certification program. For multifamily rental housing, Florida Housing requires energy efficient building features based on the U.S. EPA and U.S. Department of Energy’s Energy Star program, and incentivizes certification from one of three different green building certification programs.

Studies have shown that building green adds 2-5 percent to the total development cost of a property. So while there is a “premium” up front, with these practices becoming more common, initial costs are not as high as many people believe. Over time, the savings make up for this premium through lower operational costs. Green features typically have a longer useful life than conventional features, so replacement costs also decrease. In addition, Florida (among other states) has raised the bar for energy efficiency in its building code, so many of these “improvements” are now required in the state energy code.

One recent study by The Enterprise Foundation related to affordable housing that uses life cycle cost analysis is called “Incremental Cost, Measurable Savings.” This study evaluated affordable housing developments that incorporated green and energy efficient building features and found that over time, these features save money. For example, the average cost per dwelling unit to incorporate the energy and water criteria was \$1,917, returning \$4,851 in predicted lifetime utility cost savings (discounted to 2009 dollars). This means that the energy and water conservation measures paid for themselves and produced another \$2,900 in projected lifetime savings per unit. The study estimated that the water cost savings were likely under reported, because the researchers were unable to obtain complete data on sewer fee savings. This is both good for the development and has long term benefits for the environment.

### **THE FLORIDA HOUSING DATA CLEARINGHOUSE**

Florida Housing’s decisions on how to target scarce federal and state resources are based on available housing, demographic and market data. Through the Florida Housing Data Clearinghouse free website, a variety of data is also available to the public. The Clearinghouse provides the state with a one-stop data source for all of the

programs – federal, state and local – providing affordable housing in Florida. Clearinghouse staff also responds to one-time requests for housing data from Florida Housing and other entities. The website address is: <http://flhousingdata.shimberg.ufl.edu/index.html>

#### **WEB-BASED AFFORDABLE RENTAL LOCATOR FOR THE PUBLIC (FLORIDAHOUSINGSEARCH.ORG)**

Florida Housing also provides free, web-based affordable housing locator services to assist individuals and families in their search for affordable rental housing across Florida. Florida Housing's web-based locator is a one-stop clearinghouse of up-to-date information about available rental units throughout the state. The locator provides detailed information on units, amenities, accessible features and rents, along with mapping capabilities that allow prospective tenants to search for housing near schools, community services and places of employment. Florida Housing also provides a toll-free call center that helps people without computer access to conduct rental searches. Both services are available to Spanish speaking people. The locator has become an important resource to Florida's citizens in normal times, as well as in response to economic crises and natural disasters. Nearly 164,000 affordable rental units statewide are registered with the locator. In 2013, nearly 1 million affordable rental searches were conducted on the locator website. The call center handled more than 22,000 calls during this time.

#### **EXISTING TASK FORCES**

Florida Housing is responsible for providing administrative support for the Affordable Housing Study Commission, a standing commission made up of 21 gubernatorial appointees. The Commission, which was created in 1986, examines affordable housing issues and recommends policy and program changes to the Governor and Legislature. Due to a lack of state funding, the Commission is currently dormant.

#### **WORKING WITH THE DEPARTMENT OF ECONOMIC OPPORTUNITY AND OTHER AGENCIES ON STATE ECONOMIC DEVELOPMENT COLLABORATION EFFORTS**

Florida Housing is functionally related to the Department of Economic Opportunity (DEO) through a performance contract featuring quarterly performance measures and targets. The DEO Executive Director's designee sits as an ex officio, voting member on Florida Housing's Board of Directors. Florida Housing works closely with DEO and other agencies to support and enhance the economic development efforts outlined in Florida's Statewide 5-Year Strategic Plan for Economic Development. This support takes many forms whether by providing financing for workforce housing in key areas of the state where new businesses are locating, or by connecting current housing financing programs to economic development initiatives – for example, building relationships between developers of affordable housing and local education efforts (including workforce programs) to ensure that lower income tenants have the opportunity to pursue training and education to develop skills and knowledge in high need industries.



## FLORIDA HOUSING FINANCE CORPORATION'S JUSTIFICATION OF PROJECTED OUTCOMES

To maximize the funding that Florida Housing administers out of the State Housing Trust Fund, Florida Housing has set three objectives with corresponding outcomes.

**Objective 1A:** To maximize targeted dollars that are allocated to the targeted population.

Outcome: Percent of statutorily targeted dollars that are allocated to the targeted population.

*Justification:* The final projection for this outcome is based on current efforts of Florida Housing in making affordable housing available to hard-to-serve populations. Safe, decent affordable housing is a critical issue for all Floridians, including farmworkers, homeless people, elders and persons with special needs. In light of the Legislature's goal to ensure that decent and affordable housing is available for all residents, continued appropriation of available documentary stamp tax collections is required in order to meet the need as indicated by the most recent rental and homeownership studies.

**Objective 1B:** To maximize leveraging of state resources.

Outcome: Ratio of nonstate resources to state-appropriated dollars.

*Justification:* The final projection for this outcome is based on historical Affordable Housing Services contracts between Florida Housing and the Department of Economic Opportunity. The outcome represents Florida Housing's target in leveraging private, federal and local resources.

**Objective 1C:** To maximize the percentage of set-aside units at designated percentages of median income to total units.

Outcome: Percent of units exceeding statutory set asides.

*Justification:* The final projection is based on historical Affordable Housing Services contracts between Florida Housing and the Department of Economic Opportunity. The outcome represents Florida Housing's target in maximizing the percentage of set-aside units affordable to households at designated percentages of median income compared to total units funded.

# **PERFORMANCE MEASURES AND STANDARDS LRPP EXHIBIT II**

## LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF ECONOMIC OPPORTUNITY	Department No.: 400000
Program: Florida Housing Finance Corporation	Code: 40840100
Service/Budget Entity: Affordable Housing Finance	Code: 40300600

**NOTE: Approved primary service outcomes must be listed first.**

Approved Performance Measures for FY 2014-15 (Words)	Approved Prior Year Standard <b>FY 2013-14</b> (Numbers)	Prior Year Actual <b>FY 2013-14</b> (Numbers)	Approved Standards for <b>FY 2014-15</b> (Numbers)	Requested <b>FY 2015-16</b> Standard (Numbers)
Percent of targeted dollars that are allocated to the targeted population	96%	---	96%	96%
Ratio of non-state funding to state appropriated dollars	2:1	---	2:1	2:1
Percent of units exceeding statutory set-asides	105%	---	105%	105%
Number of applications processed	563	1,349	563	563
Number of affordable housing loans funded	540	1,345	540	540
Number of local governments under compliance monitoring for the State Housing Initiatives Partnership (SHIP) program	115	119	115	115
Number of local governments served (SHIP) program (incentive funds)	115	119	115	115

# **ASSESSMENT OF PERFORMANCE FOR APPROVED PERFORMANCE MEASURES – LRPP EXHIBIT III**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Economic Opportunity

**Program:** Florida Housing Finance Corporation

**Service/Budget Entity:** Affordable Housing Finance

**Measure:** Percent of targeted dollars that are allocated to the targeted population

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
96%	0%	-96%	-100%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission |  |

**Explanation:**

This performance measure is based on SAIL funds appropriated from the State Housing Trust Fund. No funds were appropriated from the Trust Fund for SAIL in 2013-14, therefore a percentage cannot be computed.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Economic Opportunity  
**Program:** Florida Housing Finance Corporation  
**Service/Budget Entity:** Affordable Housing Finance  
**Measure:** Ratio of non-state funding to state appropriated dollars

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
2:1	N/A	-2:1	-100%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission |  |

**Explanation:**

The outcome of this performance measure is dependent upon an appropriation of Sadowski funds to the State Housing Trust Fund. No Sadowski funds were appropriated in 2013-14. Therefore, no Sadowski funds were available for awards to multifamily developments in this timeframe. The ratio is incalculable if there are no funds appropriated.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Economic Opportunity  
**Program:** Florida Housing Finance Corporation  
**Service/Budget Entity:** Affordable Housing Finance  
**Measure:** Percent of units exceeding statutory set-asides

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
105%	N/A	-105%	-100%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission |  |

**Explanation:**

This measure is calculated based on SAIL set-aside units made possible through funding from the State Housing Trust Fund. No SAIL funds were appropriated from the Trust Fund in 2013-14, therefore, there were no units on which to calculate the measure.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

# **PERFORMANCE MEASURE VALIDITY AND RELIABILITY LRPP EXHIBIT IV**



**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**

**Program: Florida Housing Finance Corporation**

**Service/Budget Entity: Affordable Housing Finance**

**Measure: Percent of targeted dollars that are allocated to the targeted population**

**Action (check one): N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

*Office of Policy and Budget – July 2014*

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**

**Program: Florida Housing Finance Corporation**

**Service/Budget Entity: Affordable Housing Finance**

**Measure: Ratio of nonstate resources to state appropriated dollars**

**Action (check one): N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

*Office of Policy and Budget – July 2014*

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**

**Program: Florida Housing Finance Corporation**

**Service/Budget Entity: Affordable Housing Finance**

**Measure: Percent of units exceeding statutory set-asides**

**Action (check one): N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**  
**Program: Florida Housing Finance Corporation**  
**Service/Budget Entity: Affordable Housing Finance**  
**Measure: Number of applications processed**

**Action** (check one): **N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department:** Department of Economic Opportunity  
**Program:** Florida Housing Finance Corporation  
**Service/Budget Entity:** Affordable Housing Finance  
**Measure:** Number of affordable housing loans funded

**Action** (check one): **N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**

**Program: Florida Housing Finance Corporation**

**Service/Budget Entity: Affordable Housing Finance**

**Measure: Number of local governments under compliance monitoring for the State Housing Initiatives Partnership (SHIP) Program**

**Action (check one): N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

*Office of Policy and Budget – July 2014*

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department: Department of Economic Opportunity**

**Program: Florida Housing Finance Corporation**

**Service/Budget Entity: Affordable Housing Finance**

**Measure: Number of local governments served through the SHIP program**

**Action (check one): N/A**

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

*Office of Policy and Budget – July 2014*

# **ASSOCIATED ACTIVITIES CONTRIBUTING TO PERFORMANCE MEASURES – LRPP EXHIBIT V**



**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

Measure Number	Approved Performance Measures for FY 2014-15 (Words)		Associated Activities Title
1	Percent of targeted dollars that are allocated to the targeted population		Sadowski Programs (SAIL only)
2	Ratio of non-state funding to state appropriated dollars		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
3	Percent of units exceeding statutory set-asides		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
4	Number of applications processed		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
5	Number of affordable housing loans funded		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
6	Number of local governments under compliance monitoring for the State Housing Initiatives Partnership (SHIP) Program		State Housing Initiatives Partnership Program Compliance Monitoring
7	Number of local governments served (in the SHIP program)		SHIP Program

Office of Policy and Budget – July 2014

# **AGENCY-LEVEL UNIT COST SUMMARY LRPP EXHIBIT VI**



## GLOSSARY OF TERMS AND ACRONYMS

Affordable – For housing to be affordable, monthly rents or monthly mortgage payments including taxes and insurance can not exceed 30 percent of that amount which represents the percentage of the median annual gross income for very low-, low- and moderate-income persons or households.

Affordable Housing Catalyst Program – This program provides staff of state and local governments and community based organizations with training and technical assistance on federal, state and local affordable housing programs.

Affordable Housing Study Commission (AHSC) – Created by the Legislature in 1987, the Commission evaluates affordable housing programs for people with very low to moderate incomes and recommends public policy changes that will ensure that Floridians have access to decent, affordable housing. The Governor appoints 21 commissioners who are required to represent various interests pursuant to Section 420.609, F.S. Each year, the Commission makes recommendations to the Governor and Legislature.

Area median income – The amount that divides the income distribution in a locale or region into two equal groups, one having incomes above the median and the other having incomes below the median. Median income figures are published each year by the U.S. Department of Housing and Urban Development and housing programs target households based on these figures.

Commercial Fishing Worker – A laborer who is employed on a seasonal, temporary, or permanent basis in fishing in salt water or fresh water and who derived at least 50 percent of her or his income in the immediately preceding 12 months from such employment.

Community Housing Development Organization – An organization that is organized pursuant to the definition in 24 CFR Part 92.

Community Workforce Housing Innovation Pilot (CWHIP) Program – Established in 2006 pursuant to Section 420.5095 F.S., the program provides forgivable loans to public-private partnerships that are developing homeownership and/or rental housing for essential services personnel at or below 140 percent of area median income.

Compliance – The act of meeting the requirements and conditions specified under the law, specific program rules and/or loan documents. Each program has specific compliance period requirements.

Consolidated Plan – The plan prepared in accordance with U.S. Department of Housing and Urban Development (HUD) regulations, 24 CFR Section 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to certain HUD programs, including the HOME program.

Credit Underwriting – The loan pre-approval process where it is determined whether a project is feasible given the financing mechanisms available.

Development – Also known as a project or property, a development is any work or improvement located or to be located in the state, including real property, buildings, and any other real and personal property designed and intended for the primary purpose of providing decent, safe, and sanitary residential housing for persons or families, whether new construction, the acquisition of existing residential housing, or the remodeling, improvement, rehabilitation, or reconstruction of existing housing, together with such related non-housing facilities as Florida Housing determines to be necessary, convenient, or desirable.

Elderly – Persons 62 years of age or older. With respect to the State Apartment Incentive Loan and HOME programs, persons meeting the Federal Fair Housing Act requirements for elderly are considered elderly.

Essential services personnel – Persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel by the county or municipality, including but not limited to, local school and college educators, police and fire employees, health care personnel and skilled building trades personnel.

Extremely low income – When one or more natural persons or a family has a total annual gross income that does not exceed 30 percent of the median annual adjusted income for households within the state; Florida Housing Finance Corporation may adjust this amount annually by rule to provide that in lower income counties, extremely low income may exceed 30 percent of area median income and that in higher income counties, extremely low income may be less than 30 percent of area median income.

Farmworker – A laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting, or processing of agricultural or aquacultural products and who derived at least 50 percent of her or his income in the immediately preceding 12 months from such employment.

Florida Affordable Housing Guarantee Program – Established pursuant to Section 420.5092 F.S., the program provides credit enhancement to affordable housing developments.

Florida Homeownership Assistance Program (HAP) – The program established pursuant to section 420.5088, F.S. for the purpose of providing subordinated loans to eligible borrowers for down payment or closing costs or for permanent loans related to the purchase of the borrower's primary residence. The program also provides subordinated loans to nonprofit sponsors or developers for construction financing of housing to be offered for sale to eligible borrowers as a primary residence at an affordable price.

Green building – A whole-systems approach to the design, construction and operation of buildings from the early stages of development through to operation and maintenance of a property. The objectives of this approach are to increase building longevity, reduce utility and maintenance costs and enhance comfort and livability.

HOME Investment Partnerships Program – A federally funded rental and homeownership program administered in accordance with the goals of the Consolidated Plan. Funds are provided to local participating jurisdictions and the state, and may be used for acquisition, construction, rehabilitation, conversion and reconstruction of low income single- and multifamily housing.

Homeless – An individual or family who lacks a fixed, regular and adequate nighttime residence, or an individual or family with a residence that: is a supervised shelter or institution that provides temporary living accommodations, or is a public or private place not designed for, or ordinarily used as, as regular sleeping accommodation for human beings. The term does not refer to any individual imprisoned or otherwise detained pursuant to state or federal law.

Loan – For the purpose of the Housing Assistance Program, State Apartment Incentive Loan Program, and HOME Investment Partnership Program, any direct loan or loan guaranty issued or backed by such funds.

Local Government Housing Trust Fund – The trust fund established pursuant to Section 420.9079 F.S.

Local Housing Assistance Plan - A concise description of the local housing assistance strategies and local housing incentive strategies adopted by local government resolution with an explanation of the way in which the program meets the requirements of sections 420.907-420.9079, F.S. and Florida Housing rule. Local governments applying for SHIP funding are required to submit an annual Local Housing Assistance Plan to Florida Housing for review and approval.

Low income person or household – When one or more natural persons or a family has a total annual gross income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the metropolitan median for the state, whichever amount is greatest.

Land use restriction agreement – An agreement between Florida Housing, the trustee and the developer restricting the use of the development (e.g., maintaining the affordability of the units for low income households for a certain number of years).

Moderate income person or household – When one or more natural persons or a family has a total annual gross income that does not exceed 120 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the metropolitan median for the state, whichever amount is greatest.

Predevelopment Loan Program (PLP) – The program established pursuant to Section 420.523 F.S. for the purpose of providing financial and technical assistance to local governments, housing authorities, and not-for-profit organizations that will provide for the sponsorship of housing to be financed by federal, state, local or private resources.

Rehabilitation – Repairs or improvements to an existing structure which are needed for safe or sanitary habitation, correction of substandard code violations or the creation of additional living space.

Real property – All lands, including improvements and fixtures thereon and property of any nature appurtenant thereto or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including terms of years and liens by way of judgment, mortgage, or otherwise and the indebtedness secured by such liens.

Single room occupancy (SRO) – Housing consisting of single room dwelling units that is the primary residence of its occupant(s). An SRO does not include facilities specifically designed for students.

State Apartment Incentive Loan Program (SAIL) – The program established pursuant to Section 420.5087 F.S. for the purpose of providing first, second or other subordinated mortgage loans or loan guarantees to sponsors, including for-profit, non-profit, and public entities, to provide housing affordable to very low income persons.

State Housing Initiatives Partnership Program (SHIP) – The program established pursuant to Section 420.9072 F.S. for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand the production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related jobs.

State Housing Trust Fund – The trust fund established pursuant to Section 420.0005 F.S.

Substandard – Any unit lacking complete plumbing or sanitary facilities for the exclusive use of the occupants; a unit which is in violation of one or more major sections of an applicable housing code and where such violation poses a serious threat to the health of the occupant; or a unit that has been declared unfit for human habitation but that could be rehabilitated for less than 50 percent of the property value.

Technical assistance – The PLP Program provides technical advisory services through third party contracts. These services include formulation of a Development Plan consisting of a preliminary budget, timeline, and predevelopment activities necessary to obtain construction and permanent financing for the development, and a determination to the extent possible, the amount of PLP funds expected to be needed.

Very low income person or household – When one or more natural persons or a family has a total annual gross income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the metropolitan median for the state, whichever amount is greatest.

Workforce housing – Housing affordable to natural persons or families whose total annual household income does not exceed 140 percent of area median income, adjusted for household size, or 150 percent of area median income in the Florida Keys.

## FREQUENTLY USED ACRONYMS

AHSC – Affordable Housing Study Commission  
AMI – Area median income  
ARRA – American Recovery and Reinvestment Act  
CFR – Code of Federal Regulations  
CHDO – Community housing development organization  
CWHIP – Community Workforce Housing Innovation Pilot Program  
DEO – Florida Department of Economic Opportunity  
FHFC – Florida Housing Finance Corporation  
FMR – Fair market rent  
ELI – Extremely low income  
ESP – Essential services personnel  
HAP – Florida Homeownership Assistance Program  
HHF – Hardest Hit Fund (federal TARP funds from U.S. Treasury)  
HOME – HOME Investments Partnership Program  
HUD – U.S. Department of Housing and Urban Development  
LHAP – Local housing assistance plan  
LURA – Land use restriction agreement  
MSA – Metropolitan statistical area  
NFMC – National Foreclosure Mitigation Counseling Program  
PHA – Public housing authority  
PJ – Participating jurisdiction  
PLP – Predevelopment Loan Program  
RD – Rural Development (section of U.S. Department of Agriculture)  
SAIL – State Apartment Incentive Loan Program  
SHIP – State Housing Initiatives Partnership Program  
SRO – Single room occupancy  
TA – Technical assistance  
TCAP – Tax Credit Assistance Program  
TCEP – Tax Credit Exchange Program (also called “Exchange”)