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How Will Fiscal Impact Analysis Impact Affordable Housing?

BY MICHAEL DAVIS

All development requires a variety of infrastructure and public services such as roads, sewer, utilities, schools, fire and police protection. Some of these costs are borne by the developer or its customers directly and others are shared by the taxpayers in general. Development generally generates revenue to pay for these costs, mostly in the form of ad valorem taxes and impact fees.



THE ORIGIN OF THE FISCAL IMPACT ANALYSIS MODEL IN FLORIDA

On July 3, 2000 Governor Bush created the Growth Management Study Commission to address the fact that, although the processes established by existing growth management laws were well intended, the quality of growth had not met expectations and the strains on infrastructure had been only marginally reduced. In February 2001, the Growth Management Study Commission, under the Chairmanship of then Orange County Commissioner, Mel Martinez, (now the Secretary of the Department of Housing and Urban Development), turned in its Final Report "A Livable Florida for Today and Tomorrow". One of the main recommendations to the Governors Office was for the State to develop a uniform model, a FIAM (Fiscal Impact Analysis Model) for evaluating the true cost of new development. This report can be found on the Internet at <http://www.dca.state.fl.us/growth>.

Fiscal Impact Analysis, also known as "full cost accounting", uses a computer model to assist local governments in determining whether the revenues generated by a proposed development would be adequate to cover "all" of the costs associated with providing the necessary infrastructure and public service costs generated by the development. Sounds pretty straight forward and the average citizen might expect this type of analysis to be done in association with good stewardship of public resources. But fiscal impact analysis, if not crafted and implemented in a manner that promotes affordable housing, could have a disastrous effect on affordable housing.





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

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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.



WACHOVIA

In 2002, the Florida Legislature appropriated a half million dollars to fund the development of a Fiscal Impact Analysis Model. A twenty one member workgroup was appointed to provide input into the development of the FIAM, many having served on the Governor's Growth Management Study Commission. Together with seven pilot communities, staff from numerous state agencies, and Hank Fishkind, Ph.D, of Fishkind and Associates in Winter Park, Florida, as primary contactor to develop the model, a prototype was developed. The prototype FIAM, can be viewed at <http://www.fishkind.com/dep/home.html>. The seven pilot communities, (Orange County, City of Orlando, Sumter County, City of Hollywood, Sarasota County, Panama City Beach, and Palm Beach County), were chosen to encompass geographic diversity, a wide range of growth related issues, substantial variations in resources and sophistication, and differences in size.

THE POTENTIAL IMPACT ON AFFORDABLE HOUSING

The purpose of developing a FIAM is to improve land use decision-making at the local level. Underlying the FIAM is the understanding that local governments should not make land use decisions that have a negative fiscal impact. But if the model treats affordable housing in the same manner as any other development, it is a foregone conclusion that affordable housing would fail the fiscal or full cost accounting test. Affordable housing developments will not generate enough ad valorem revenues to offset the costs of infrastructure and local government services. Nor was it ever meant to. Indeed, some affordable housing may be exempt from ad valorem taxation and may also require federal, state, and local government concessions to ensure long-term affordability. This leads many affordable housing advocates to justifiably assume that the fiscal impact analysis could serve as a tool in denying affordable housing developments. Opposition to affordable housing which is botomed on NIMBYism may be cloaked in the fiscal impact analysis argument.

FITTING AFFORDABLE HOUSING INTO THE FIAM

Because affordable housing will fail the standard FIAM test, many affordable housing advocates are insistent that the final version of the FIAM not include affordable housing on the development side, but rather on the infrastructure side

of the balance sheet. This position is supported by the Governor's Affordable Housing Study Commission in its 2000 Final Report. In that report, the Study Commission recommends:

Affordable housing should be treated as infrastructure for purposes of planning and permitting within the Growth Management Act, subject to locally determined levels of service, flexibility in timing, and exemptions where appropriate. Every local government in Florida has a deficit of affordable housing. Even with the substantial infusion of housing dollars from federal and state sources, the Commission's most recent evaluation of progress toward the 2010 goal reveals that the state is still unable to meet the projected housing needs of Floridians. Treating affordable housing as infrastructure which, by definition, must be in place, or planned and funded to be in place within a reasonable time to develop nonresidential properties, will enable local governments to meet the housing goals in their comprehensive plans.

Those public facilities and services which are integral to the operation of a healthy community are treated as infrastructure in the capital improvements element (Section 163.3177(3)(a), F.S., and Chapter 9J-5.016, F.A.C.) and are subject to concurrency affordable housing should be similarly treated, because every community needs a workforce to function well, including police officers, firefighters, teachers, sanitation workers, construction workers, cashiers, clerks, retail employees, service industry employees, domestic employees, and others. The workforce is required for the benefit of every person living in the community, and this workforce must be housed. This recommendation applies to new developments which will generate employees who need housing.

The full Affordable Housing Study Commission 2000 Report can be viewed at <http://www.floridacommunitydevelopment.org/ahsc>.

Lee County recently commissioned a groundbreaking study, reported in the Housing News Network Journal, Vol 18, No 3, Page 11. It asked and answered the question "What are the public costs of not providing affordable housing?" There are costs to the citizens of each county that result from an inadequate supply of affordable housing. In the FIAM currently being developed these are not taken into account. Various indicators derived from existing research in the areas of housing, transportation, infrastructure and social policy need to play a part in determining the "true cost" of not having enough affordable housing.



THE RESULTS OF THE LEE COUNTY STUDY ARE STUNNING AND INCLUDE:

The need for more affordable housing costs Lee County citizenry over \$249 million annually and is expected to rise with growing unmet need.

- \$240.7 million per year in lost economic opportunity
- \$158.8 million - lost jobs and wages as a result of not developing needed housing
- \$78.6 million - lost economic opportunity as a result of families spending too much money on housing
- \$3.3 million - lost property tax revenue
- \$3.2 million per year in transportation infrastructure
- \$5.4 million per year in education and health care social indicators
- \$4.4 million - education indicators
- \$1 million - health care indicators

The Lee County study of the public cost of inadequate affordable housing published September, 2002 can be viewed at <http://lee-county.com/dcd/AffordableHousing/HousingMain.htm>. If the costs of not having adequate affordable housing were to be part of the formula for fiscal impact analysis, affordable housing developments might not fail the full cost accounting test.

JOB CREATION CAN EXAGGERATE AFFORDABLE HOUSING NEED

Unfortunately, many planners, government officials, and citizens throughout the state are simply unaware of the housing crises that Florida's workforce is in. Some still believe that economic business growth equals jobs for employees and that, in and of itself, would guarantee any full-time employee the ability to rent an apartment at the area's fair market rent. There is a misguided notion that economic growth will cure the housing crises. Sadly, the opposite is true. The majority of jobs created in Florida pay very low wages. The more jobs created increases the need for housing that is affordable for the workforce. The fact is that there is not a single county in Florida where an employed full-time worker at minimum wage can afford to rent a home at the area's fair market rent. The average wage per hour needed for a single parent, employed full time, to afford a modest two bedroom place to rent in Florida and not be severely "cost burdened" is \$13.98. So if development corporations, their consultants, and planners want to embrace such a philosophy at the very least they would need to ensure that those businesses were paying all their employees a "housing wage"- the amount needed to afford a home within the county in which they work. Otherwise, Florida's workforce earn-

The Florida Legislature has recognized the public purpose in ensuring housing affordability and furthering affordable housing as a compelling state interest in a number of ways.

- In 1988, the Legislature adopted a housing goal to "ensure that decent and affordable housing is available for all its residents" by 2010.
- Chapter 163, Part II, Florida Statutes, requires local governments to plan for the housing needs of the entire current and anticipated population within their jurisdiction. The Housing Element in local plans must include an analysis of current population and income trends, housing-unit costs, vacancy rates, and housing demand accommodating a variety of densities and housing types. The Housing Element sets forth goals, objectives, and policies for how the local government is going to meet the housing needs of its entire current and anticipated population including low, very low income, special needs populations, farm worker housing, group homes and foster care facilities. It also requires that adequate sites be available for affordable housing
- Chapter 380, Florida Statutes requires developers of Developments of Regional Impact to ensure that affordable housing is available to the workforce generated by the development within a reasonable distance from the development.
- Section 196.1978, Florida Statutes gives exemption from ad valorem taxation for affordable housing.
- Chapter 420.9079 Florida Statutes requires all local governments receiving SHIP funds to expedite, for all affordable housing developments, all development orders, building permits, zoning permits, subdivision approvals, rezoning, certifications, special exceptions, variances, or any other official action of local government having the effect of permitting the development of land. It also requires local governments to have an ongoing process of review of all land development regulations, comprehensive plan amendments, and ordinances that increase the cost of housing, prior to their adoption.

ing less must have housing that is affordable within the communities in which they work. These are the only two options available. (See www.nlihc.org Out of Reach report published September 2002 to view the "housing wage" for every county in the country)

WORKFORCE HOUSING MUST BE A PRIORITY

Currently it is estimated that Florida needs an additional one million affordable housing units. According to the Growth Management Study Commission's Report, the population is expected to increase by more than six million over the next twenty five years, further compounding the affordable housing crises. With that in mind, there needs to be a massive focused effort to ensure that the elderly on fixed

incomes, the nurses who take care of us when we are sick, the teachers who educate our children, as well as police officers and firefighters who risk their lives to keep our families safe, can afford to live within the communities they serve.

In the process of designing a Fiscal Impact Analysis Model, it is important that everyone involved recognize that there are many social and economic benefits to creating inclusive, healthy communities and ensuring that housing for the community's workforce remains affordable. By ensuring that the state's workforce pays less in rent, quality of life factors are increased and more disposable income is circulated back into the community. Successful models must coordinate the provision of affordable housing within capital budgets and urban infrastructure, including schools, water and sewer, employment centers, and transportation facilities. The development of land for employment-generating activities creates the need for housing those employees. So when determining if a



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development would trigger the need for an additional fire station or school based upon the amount of work force generated, we need systems in place that ensures housing affordability goals are met as well. In our noble pursuit to make land use decisions in a fiscally sound manner, we need to be mindful not to set in place methodologies that produce negative consequences to the production of affordable housing, thereby delivering a devastating blow to the state's economic workforce. Ensuring housing affordability and the fulfillment of Florida's "New Economy" Vision, as listed in the Sates Comprehensive Plan, go hand in hand.



Michael Davis is the manager of the Sumter County Department of Housing and Veteran Services. He is a NAHRO designated Senior Professional Housing Manager, and oversees Sumter County's SHIP, HUD, CDBG and Veterans Department. Sumter County is one of the seven pilot communities used in the development of the Fiscal Impact Analysis Model. Mr. Davis is a newly elected member to the Board of the Florida Housing Coalition.

FROM THE EDITOR: JAIMIE ROSS

The issue foremost on the minds of housing advocates as we enter the 2003 Legislative Session is full funding for the Sadowski Act (see article on pages 20 - 21). But there is a growth management issue likely to be afoot this session that could have serious negative consequences for affordable housing. On January 13th, Representative Sorensen, Chairman of the House Committee on Local Governmental and Veterans' Affairs outlined his committee's agenda for this session. It included an evaluation of the "Fiscal Impact Analysis Model" to address growth management. This follows on the heels of the appointment of Colleen Castille, as the new Secretary of the Department of Community Affairs, charged with transferring the growth management functions of the DCA to the Department of State. The newly constituted Department of State, now a non-elected Governor's agency, will be headed by Orlando Mayor, Glenda Hood.

Florida's growth management laws play a pivotal role in the delivery of affordable housing. Fiscal Impact Analysis may be a wise tool for certain purposes, but if not tailored to address affordable housing, or not coupled with land use laws of equal strength that require the development of affordable housing, is likely to have the unintended consequence of thwarting affordable housing.

Hank Fishkind, Ph.D. recommends that the FIAM be required by the state. "Purely voluntary and advisory programs of fiscal impact

assessment, even if the state provides FIAM for free, are unlikely to impact decision-making in a meaningful manner". (See Fishkind Memorandum, January 2, 2003 "Options for Integrating Use of a Fiscal Impact Assessment Model into Land Use Decision-Making in Florida"). Although no legislation currently mandates the use of the FIAM, at least one local government has already incorporated the concept of fiscal neutrality into its growth management plan. Sarasota County has adopted its "2050 Plan" with a requirement that certain areas of development be fiscally neutral. "Fiscal Neutrality/Fiscally Neutral" is defined as follows:

"New development within the Village/ Open Space RMA and Urban/Suburban Settlement Area is required to pay the full costs of all public facilities and services that are necessary to support the development and that are required to meet or exceed the level of service standards adopted by the County. This requirement includes the initial construction of all infrastructure including schools as well as on-going costs of maintenance."

Whether this policy will adversely affect affordable housing will depend upon how affordable housing is treated in the model used by Sarasota County; whether it is put on the development or on the infrastructure side of the balance sheet, or whether other land use policies are in place, such as inclusionary zoning, to offset the requirement of fiscal neutrality.





Affordable Housing Benefits from Fair Housing Advocacy

BY B.J. OWENS

Housing advocates across Florida are reporting that affordable housing is thwarted by zoning and land use decisions made in increasingly political environments. Fueled by NIMBYism (the Not in My BackYard syndrome) and NIMTOOism (the Not In MY Term of Office syndrome), the politicization of these decisions places a serious obstacle in the path of affordable housing. It is critical to the future success of affordable housing that advocates be primed to defeat this challenge.

Effective advocacy for affordable housing requires that those who are primarily responsible for housing production learn to recognize acts which may appear to be based on lawful concerns but which are in fact bottomed on denial of civil rights.

FAIR HOUSING LAW

In recognition of the deep divide separating Americans from one another by race and color, most vividly apparent from segregation in residential neighborhoods, the federal

Fair Housing Act of 1968 was enacted. Two goals were articulated by Congress for this civil rights legislation: to provide housing opportunities for minorities and to promote integration.



The Federal Fair Housing Act, 42 U.S.C. §§3601-3631, and the companion Florida Fair Housing Act, §§760.20-760.37, Florida Statutes, prohibit discrimination in virtually any aspect of a housing transaction where discriminatory treatment is based on:

- race,
- color,
- national origin,
- religion,
- sex,
- handicap, or
- familial status.

The law has been interpreted to prohibit not only different treatment of a member of a protected class but acts which impose a disparate effect on members of the protected classes, as well.



Effective advocacy for affordable housing requires that those who are primarily responsible for housing production learn to recognize acts which may appear to be based on lawful concerns but which are in fact bottomed on denial of civil rights.

ADDITIONAL PROTECTION IN FLORIDA

Affordable housing advocacy in Florida is empowered by a vehicle unique in the nation to fair housing law. By amendment in 2000, the Florida Fair Housing Act now includes a provision specifically drawn to create a bridge between fair housing and affordable housing. Section 760.20 of the Florida Statutes sends a powerful message in the promotion of affordable housing.

It is unlawful to discriminate in land use decisions or in the permitting of development based on race, color, national origin, sex, disability, familial status, religion, or, except as otherwise provided by law, the source of financing of a development or proposed development.

Two remarkable accomplishments are provided by this amendment. First, the legislature has explicitly directed that zoning and land use decisions are housing activities which are included within the reach of the Florida Fair Housing Law. And by enumerating "the source of financing" with the listing of the traditional fair housing classifications, an additional class of protections has been created.

HOW TO RECOGNIZE A FAIR HOUSING VIOLATION

In most cases, different treatment is synonymous with intentional discrimination. It is the "whites only" or "no Irish need apply" variety where persons identified by race or national origin are treated differently from members of a favored group. Intentional discrimination can be shown by direct evidence (the fact points to the conclusion) and by circumstantial evidence (the fact infers or implies the conclusion). It is important to keep in mind that discrimination will infrequently be of the obvious type. →



But just as veiled discrimination is no less harmful than explicit prejudice, advocates must be no less virulent in exposing the "pretextual" character of discrimination disguised as concern over crime, traffic, or property values. Circumstantial evidence of intent can be provided from any willfully negligent or wrongful effort to exclude affordable housing depending on particular facts: for example, a highly publicized opposition based on diminished property values, traffic, or crime, when there is no evidence to support those claims.

DISPARATE EFFECT provides an alternative method for establishing discrimination. Using this theory, a fair housing violation can be proven where the impact of a particular act is disproportionately borne by members of a protected class. This is frequently done with statistical evidence. For example, rejection of a low-income tax credit housing development which would disproportionately exclude blacks. Disproportionate impact can also be used as circumstantial evidence of a discriminatory intent.

Keeping in mind these two vehicles by which discrimination can be shown, evaluate a recent decision you have encountered which has resulted in the denial of affordable housing. If you suspect discrimination, identify which protected class was harmed by the suspect act. Identify the discriminatory method: by an intentional act or as a result of a disproportionate impact on the protected group. Who was responsible for the discrimination?

FAIR HOUSING VIOLATIONS CARRY SUBSTANTIAL SANCTIONS

Fair Housing violations can result in:

- compensatory damages,
- punitive damages,
- penalties,
- injunctive relief, and
- attorneys fees.

Do not assume that the public is familiar with fair housing law. Make fair housing education a regular component of affordable housing advocacy. Remind your audience that the sanctions can be severe.

FAIR HOUSING VIOLATIONS REACH A BROAD RANGE OF DEFENDANTS

Anyone who violates fair housing laws can be a defendant subject to these sanctions, such as:

- local governments,
- government officials in their official and in their individual capacities,
- organizations and associations, and
- individuals.



A basic working knowledge of fair housing laws is powerful protection against discriminatory land use decisions.

Within the reach of fair housing law is any person who furthers a discriminatory housing practice. In the context of the typical affordable housing case, this includes the local government which wrongfully denies housing; the neighborhood associations which specifically organizes to unlawfully defeat housing opportunities; the elected officials who adopt their positions in denying housing; and any of the above as individuals acting in a manner which violates fair housing laws.

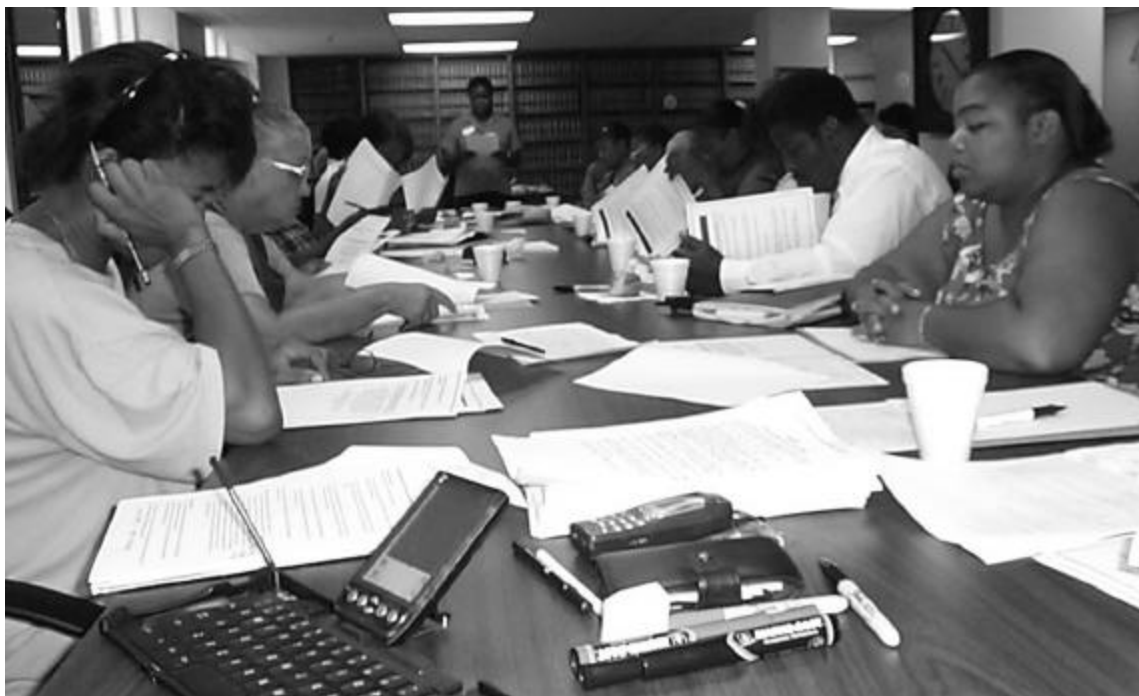
YOU DON'T NEED TO BE A FAIR HOUSING EXPERT

A basic working knowledge of fair housing laws is powerful protection against discriminatory land use decisions. It has proven to turn vigorous opposition against affordable housing into homes for families who would otherwise remain in standard housing at excessive cost.

It is not necessary for the affordable housing advocate to feel confident that there is a fair housing violation. It is enough to feel that there is discrimination underlying a particular government act. Take your reasoned suspicions to a fair housing advocate and ask for an opinion at the earliest time possible.



B.J. Owens is General Counsel for the Fair Housing Continuum, Inc. and Managing Attorney for Central Florida Legal Services, Inc. She made presentations at two sessions on Fair Housing Law at the Florida Housing Coalition's 15th Statewide Annual Conference.



Preservation Policy: It's Not Just Historic Landmarks Anymore

BY MELANIE GREENE
FLORIDA HOUSING COALITION

In the past 24 months, interest in the preservation of existing, affordable, multi-family housing units has increased dramatically across the nation. Low-Income Housing Tax Credit deals with 15 year use agreements, Section 515 Rural Housing, Section 231(d)3, and Section 236 properties that can pre-pay their mortgages and convert to market rate, Project Based Section 8 properties with expiring contracts, and Public Housing earmarked for destruction with HOPE VI are representative of the types of publicly financed housing at risk of being lost to the affordable housing stock. Many states and local governments no longer are waiting for HUD and the federal government to step up with a preservation plan for hundreds of thousands of units at risk. Instead, states and local jurisdictions are taking matters into their own hands and attempting to stop the bleeding. For



some areas, a Band Aid is being applied and may be enough. For others a tourniquet approach has been employed where losses of units exceed capacity to replace them. This article will introduce highlights of preservation policies and strategies in place around the country and hopefully spark enthusiasm for local governments and the State of Florida to discuss further our own preservation efforts.

In a recent draft article by the National Housing Trust, Michael Bodaken, Executive Director, reported that in 2000, "fewer than six states were concerned enough about the loss of federally assisted housing to set aside or prioritize their most plentiful housing resources, i.e., low income housing tax credits, to preserve and improve affordable, multi-family homes". Today, Bodaken reports, 34

Melanie Greene provides training to leaders of several resident associations based in Jacksonville.



states or metropolitan areas now perceive the need to preserve federally assisted or insured multi-family homes. The report measures this awareness of need in QAPs that reflect a priority, set-aside, or points allowance for preservation activities under LIHTC. Bodaken estimates that over 3.8 million units of multi-family housing is at risk of being lost in the next 10 years making state and local preservation policy across funding sources a must.

THE PRESERVATION TOOLS

So what are the preservation tools being used across the country? Typically, they can be divided into three categories: federal incentives, state and local financial priorities, and state and local preservation policies.

FEDERAL INCENTIVES

Federal incentives are described in a number of publications. A very fine and thorough review is found in LISC's "Stemming the Tide: A Handbook on Preserving Subsidized Multi-family Housing". Author Emily P. Achtenberg describes the various federal tools such as those found in the project based section 8 properties that include Mark-up-to-Market, Mark-up-to-Budget, and Interest Reduction Payments retention. These tools typically are used when own-

ers wish to keep the property as affordable but need additional subsidy to do so and when buyers wish to make a purchase financially feasible. Negotiating these tools with local HUD officials can be time consuming as HUD staff are just now becoming familiar with the tools themselves. Having a knowledgeable consultant and/or attorney is much advised. Basic technical assistance in understanding these federal preservation tools is made available under the Outreach and Technical Assistance Grant program and is provided in Florida by the Florida Housing Coalition.

STATE AND LOCAL FINANCIAL PRIORITIES

A second preservation tool is state and local financial priorities. This tool requires that funders at the state and local level acknowledge preservation as a priority and structure funding strategies accordingly. In Florida, this might include a revised Local Housing Assistance Plan (LHAP) that included a multi-family strategy so that owners and/or buyers could use local resources for acquisition and rehab. In California, localities are required to conduct a 10 year analysis of at risk properties as part of their state funded local housing plan. Each locality is required to state its preservation goals and objectives, and define a 5 year action plan and how local resources may be ascribed to it. Other local fund-

ing sources including those passed down from the federal government also may include priority or preference toward preservation in the allocation of funds.

On the state level, there are examples from across the country reflecting the assumed impact of the expected loss of units as well as the political climate regarding resource allocation. Some states employ set-asides of their Housing Credits and other "high demand" resources while some award additional points in the application processes and still others have established a bond issue specifically devoted to multiple preservation projects.

Financial incentives include charitable contribution programs such as Florida's Charitable Contribution Tax Credit (CCTC) whereby owners could benefit from donating property or selling it at a below market value. Also in the incentive category are property tax exemptions for low-income housing projects funded with state resources and special loan programs for rehab and acquisition costs related to preservation.

Beyond state or local financial priorities are the priorities of CDFI organizations, regional banks, and other non-governmental funders that are often required in any housing development.

STATE AND LOCAL PRESERVATION POLICIES

The third preservation tool is preservation policies. While the financial tools above are part of an overall preservation policy, there are a number of tools that are not finance related and are being implemented around the country - some with great success in preserving properties for extended periods of time. These include notice requirements, tenant impact statements, existing use restrictions, fees, right of first refusal, pre-emptive purchase rights, eminent domain and other legal claims.

To be effective, this type of preservation policy generally comes in the form of laws, regulations, and ordinances and vary widely from simple, non-restrictive requests like notice requirements to more restrictive tactics including eminent domain. While it is difficult to develop more restrictive approaches that avoid legal challenges, it is often the case that such approaches bring parties to the table for an equi-

table solution and avoids "arm twisting" which tends to ruffle the feathers of property rights advocates.

Notice requirements are a fundamental element of preservation policy. The federal government requires very little notice be given by owners when choosing among their many options. Project based Section 8 property owners must notify HUD of their intentions 120 in advance of expiration of their contract. Opting out of a Section 8 contract requires owners to give a one year notice to tenants and an elected official in the community where the property is located. HUD does not require owners to notice any other entities, nor do they readily furnish information when requested by outside parties.

A number of states and localities have designed laws and ordinances requiring owners to extend the time frame of the notice (some up to two years) and include other interested parties such as Housing Finance Agencies, interested preservation purchasers, tenant associations, various departments of local and state government, etc. These extended notice requirements provide necessary time to structure preservation strategies and seek funding necessary to purchase the property or relocate existing tenants where required.

Regardless of the program under which a property was developed, the constant between them is tenancy. In addition to basic notices, some jurisdictions also require a tenant impact statement. This is of particular importance and often is required at the time notice is made and requires owners to provide evidence of how tenants will be impacted so that communities can prepare a response. In the case of a project based section 8 property where the owner wishes to opt-out and convert to market, it would be important to know what options the tenants will have in finding safe, suitable, and affordable housing. Where tenants may be receiving vouchers, it is important to know how successful other PHA voucher holders have been in finding housing in the area. Costs associated with displacement should be estimated and a timetable for tenant transition calculated. In areas where a particularly large property is converting, it can be devastating to a locality's resources to have 250 families seeking new housing all at once. Increased pressures on social services, economic losses, and impact on schools and other public resources can be chaotic.



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The worst case scenario would be in a city where there is a HOPE VI project that relies heavily on vouchers for its replacement housing coming through at the same time a large project based section 8 property is opting out and a Tax Credit deal's land use requirement is coming to an end - oh, and don't forget the section 515 property that was built in the rural section of the community but has since been engulfed in the community's growth - is that owner planning to pre-pay as well? Because each of these properties was funded under a different program, and each program has different notification requirements (if any), tenants and the community at large could suffer greatly and without the opportunity to plan accordingly.

One of the most overlooked preservation tools is that of existing use restrictions. These restrictions were often placed on a property when it was developed or added when public funds were used to rehabilitate a property or make improvements. Unfortunately, these restrictions were not always recorded but in some file within the office or department of government which imposed the restriction. Massachusetts has saved a number of properties from conversion simply by uncovering forgotten use restrictions.

Some jurisdictions require a fee when owners no longer keep their properties in the affordable housing stock. These fees may be compensatory or mitigation fees for relocation costs, discovery costs, etc. Portland Oregon charged owners \$30,000 per unit if an owner rejected the city's offer to purchase the property at fair market value. This provision was pre-empted by state law in exchange for longer notice periods and authorization of local eminent domain powers.

Some jurisdictions require a right of first refusal for itself or for preservation purchasers it assigns. This opportunity gives the buyer an opportunity to match any private offer to purchase from a willing seller. The difficulty for preservation purchasers comes in the time it takes to assemble financing when they generally rely on public funding.

A Pre-emptive purchase right gives preservation purchasers an exclusive window of opportunity during the notice period that can extend to a right of first refusal that matches a private offer - giving preservation purchasers additional time.

Eminent Domain is a preservation strategy that while not highly used, often brings all the interested parties to the table and is often reserved as a tool of last resort. Examples of how eminent domain is used can be found in "Stemming the Tide" and also on the web site of the National Housing Law Project (<http://www.nhlp.org>) .



Using available technical assistance from the Florida Housing Coalition and a number of nationally recognized experts across the nation can make preservation policy development doable.

Other legal resources that can be considered in challenging conversions may include, depending on circumstances, owners' failure to comply with existing notice requirements, land use restrictions, or Fair Housing violations.

There are many strategies, case studies, and sample laws available for review. With a number of states and communities around the country already in action, there are plenty of resources that can help avoid the reinvention of preservation policy. Cities, Counties, and the State of Florida must determine the value of this existing housing and plan, if desired, for its preservation. Using available technical assistance from the Florida Housing Coalition and a number of nationally recognized experts across the nation can make preservation policy development doable. The State of Florida, its cities and counties, cannot afford to wait for federal intervention that is not likely to come. Twentyfive percent of Florida's 15,000 units of project based section 8 were lost to opt-outs and pre-pays between 1998 and 2000. If Florida lost only 20% of the remaining assisted units described in this article (PHA/HOPE VI figures excluded), that would mean a loss of over 9,000 units within a relatively short period of time.



Let's start by finding out what your community already is doing to preserve housing. Please forward a summary of your jurisdiction's housing preservation policy including any of the tools listed above that have been implemented. I would like to post them on our web site for others to see and use as catalysts for getting started. Send your summaries to:

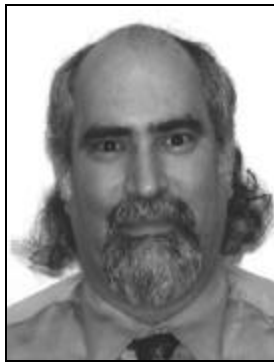
For additional information on Preservation Policy, contact Melanie Greene at 941-922-9074. 2630 Parma St. • Sarasota Florida 34231 mjgreene@comcast.net



Purchase Assistance Programs: The Role of Housing Costs and Area Incomes in Determining Subsidy

BY STAN FITTERMAN & WIGHT GREGER
FLORIDA HOUSING COALITION

In 1992 the Florida Legislature enacted the William E. Sadowski Affordable Housing Act, establishing a statewide affordable housing trust fund funded by an increase in the documentary stamp tax. The centerpiece of the act is the State Housing Initiatives Partnership program (SHIP), which provides housing funds directly to every county and Community Development Block Grant entitlement city in the state. The act currently authorizes funding to 115 local governments.



tion of data, fiscal year 1999-2000 was closed out; therefore most of the data showed that all funds were expended, activities completed, and beneficiaries (units) counted. For fiscal year 2000-2001, data included projected spending as well as funds spent and activities completed. For this study, the projected activities were counted as com-

pleted and funds expended. One limitation of this study is that we relied on the accuracy of the data reported by each community.

To receive funds each local government must develop and implement a Local Housing Assistance Plan that details how affordable housing dollars are to be spent on locally designed activities¹. Annual funding for local governments is based on population, and each jurisdiction is required to develop its plan through a local partnership, which may include area lenders, builders, developers, real estate agents, and other providers of affordable housing support services. In theory each local SHIP program should be designed to meet the specific affordable housing needs of the jurisdiction. The role that local data play in influencing the design of a community's local housing assistance plan is the focus of a study currently underway by the authors. This article reports on our preliminary findings.

Most SHIP communities offer some type of purchase assistance to home buyers, but categorize it locally as "down payment assistance," "gap financing," "first-time home buyer assistance," etc. We made some assumptions (informed by our field work) about these strategies in order to lump them together into the single category of purchase assistance programs.

HOW FUNDS ARE BEING SPENT:

The SHIP program is primarily designed to encourage home ownership and so it was no surprise to learn that only 12.5% of SHIP funds are being spent to produce rental housing. Our experience in the field has shown us that most of these funds are being spent by larger jurisdictions and are leveraged with other forms of subsidy to produce newly constructed multi-family units. A little over 34% of local SHIP dollars are spent on purchase assistance programs, 29.6% spent on rehabilitation of owner-occupied units, and 13.9% spent on constructing

THE DATA

The initial data compiled for this study were collected from the SHIP Annual Reports from fiscal Years 1999-2000 and 2000-2001. At the time of the initial examina-

HOME OWNERSHIP UNITS



new homeownership units. Land acquisition accounts for approximately 5% of spending, Impact Fee Assistance comes in at 1.9%, and funds spent on Counseling are less than 1% of all SHIP funds spent. The remaining funds are spent on Foreclosure Prevention programs and Emergency Assistance, with a very small percentage devoted to funding Disaster Relief and Mitigation.

The most frequently funded strategy is purchase assistance; 91% of SHIP communities have this strategy. The second most common strategy is owner-occupied rehabilitation with 77% of all jurisdictions listing this activity. Rehab has been a longstanding component of local government housing programs. It is the main strategy for addressing the housing needs for very low income homeowners.

Interestingly, 44% of our SHIP jurisdictions list new construction home ownership as a strategy, and 11% use SHIP funds to offer impact fee relief to developers of home ownership units. This, combined with the large number of rehabilitation programs, appears to be good news for the construction industry and homebuilders, long time supporters of the SHIP program.


Because purchase assistance programs are the most frequently implemented strategy, we explored the role housing costs and area incomes play in determining subsidy levels. All SHIP assistance must be targeted to families earning below 120 percent of median, and portions of it targeted to households with lower incomes. One could hypothesize that the greater the difference between housing prices and median income, the greater the per unit subsidy will be. In other words, the difference between housing cost and median income should be a predictor of the per-unit amount of subsidy.

One measure of an area's housing affordability is the comparison of housing prices to median incomes. Sales price data for both new and existing homes for many Florida communities have been compiled by the Florida Housing Finance Corporation (FHFC). Median income information is also available from FHFC. By dividing sales price by income, an affordability index can be calculated. The higher the number, the larger the difference between sales prices and median income.

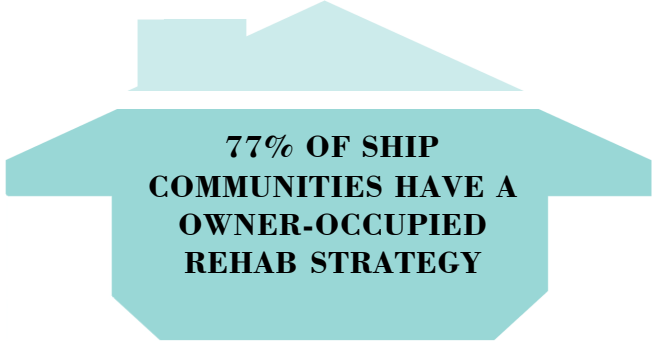
For new construction, an affordability index was calculated for most of the communities that reported spending money on a purchase assistance strategy (sales price data was not available for 14 of the communities). We used linear regression statistical techniques to determine that only 8 percent of the variation in the per unit SHIP assistance for new construction can be explained by the variations in the sales price to median income index².

For existing homes, an affordability index was also calculated for most of the communities that reported spending money on a purchase assistance strategy. Only 9 percent of the variation in the per unit SHIP assistance for existing construction can be explained by the variations in the sales price to median income index. For both new and existing homes the affordability index is not an accurate predictor of per unit subsidy.

Why doesn't the per unit subsidy amount increase as the gap between housing prices and incomes widen? There are several possible explanations. One possibility is that local governments are not considering the difference between housing cost and incomes when setting per unit subsidy amounts for purchase assistance programs. Another reason might be that the affordability index does not measure affordability. The sales price used is 90 percent of the average area purchase price. In some commu-



**91% OF SHIP
COMMUNITIES HAVE A
PURCHASE ASSISTANCE
STRATEGY**



**77% OF SHIP
COMMUNITIES HAVE A
OWNER-OCCUPIED
REHAB STRATEGY**

nities the "average" price may be skewed considerably by sales of some extremely high or low-priced homes. (Consider, for example, nine homes sold for \$75,000 and one sold at \$1 million. The average price for the 10 homes is \$167,500). There may be similar problems in using an average subsidy amount. The per unit subsidy amount is the total funds spent for a purchase assistance strategy divided by the total number of units reported. It is possible that local governments are providing deep subsidies to very low income applicants and more modest subsidies to low and moderate income applicants. This issue will be addressed at a later date when we examine the maximum assistance levels outlined in each community's Local Housing Assistance Plan.

WHAT WILL THE SUBSIDY AMOUNT BUY?

Regardless of the accuracy of the affordability measure, it is possible to determine what percentage of the average purchase price can be bought at various income levels. We found that a family earning 80 percent of median income could qualify for a home at 76 percent of the average purchase price for new homes and 96 percent of the average purchase price for existing homes. Families earning 60 percent of median income could qualify for a home at just 41 percent of average purchase price for new homes and 62 percent of average purchase price for existing homes. Families earning 45 percent of median income could only qualify for homes at 32 percent of average area purchase price for new homes and 40 percent for existing homes³.

More detailed research is needed on the structure of SHIP funded purchase assistance programs. Preliminary results suggest that subsidy amounts are not based on the difference between housing cost and the mortgage

amount for which the target population can qualify. It also appears that households earning 80 percent of median have a much wider choice of houses and neighborhoods than those earning 60 percent and especially 45 percent of median. Many communities will be submitting new Local Housing Assistance Plans in May. We strongly recommend that these communities take the time to determine the price of available housing stock in their community, decide what income levels they want their purchase assistance program to reach, and set their subsidies accordingly.



- 1. There are some statutory restrictions on how the money may be spent. At least 65 percent of a community's SHIP funds must be spent on home ownership activities, 75 percent must be spent on construction related activities. In addition, 30 percent of a community's funds must be used to assist households with incomes less than 50 percent of the area's median, another 30 percent must be used to assist households earning less than 80 percent of median. No SHIP funds may be used to assist households earning more than 120 percent of area median income.*
- 2. Linear regression was used to determine the reliability of using an affordability index to predict per unit subsidy amount. The purpose of linear regression is to estimate the relationship between variables, or more specifically how a change in an independent variable (such as housing price) affects the value of the dependent variable (such as subsidy amount). The coefficient of determination or r^2 measures the relationship between the predicted and actual values of the dependent variable. An r^2 of +/- 1 is a perfect predictor. An r^2 of 0 means no correlation. If the affordability index is an accurate predictor of per unit subsidy amounts, the r^2 would be close to 1. In our study, the r^2 for new homes was 0.08, for existing homes 0.09*
- 3. The amount of house that could be purchased at 80, 60 and 45 percent of median was calculated for each community in the study. The average per unit subsidy amount was added to this amount to arrive at the sales price for which the household could qualify. The percentage included here represents the median for the entire state and is based on a 30 year term, \$500 down, 7.5 percent interest rate, 31/41 ratios, and \$300 per month in long term debt..*



What is a Developmental Disability: What Housing Providers Need to Know

BY MIKE SHAFER
FLORIDA HOUSING COALITION

WHAT IS A DEVELOPMENTAL DISABILITY?

"Developmental Disability" is a broad term that refers to a variety of conditions that interfere with a person's ability to function in everyday activities. Chapter 393, Florida Statutes, defines developmental disabilities as spina bifida, autism, cerebral palsy, Prader-Willi syndrome and mental retardation. See Section 393.062, F.S. for complete definitions. All the causes of developmental disabilities are not known. Most developmental disabilities are present at birth, but others may not be recognized and identified for several months. Disabilities challenge the people who have them because they can change the way people grow, learn, and function.



supports and services they need. Together a plan of supports and services will be developed to assist people with developmental disabilities. Developmental Services/Home and Community-Based Services (DS/HCBS) Waiver is a Medicaid program that provides home and community-based supports and services to eligible persons with developmental disabilities living at home or in a home-like setting, as an alternative to living in an Intermediate Care Facility for the Developmentally Disabled.

The DS waiver is funded by the Federal Centers for Medicare and Medicaid Services and matching state dollars. In Florida, the DS waiver is operated by the Department of Children and Families Developmental Disabilities Program and under the authorization of the Agency for Health Care Administration's Division of Medicaid.

WHAT IS THE DEVELOPMENTAL DISABILITIES PROGRAM?

The Developmental Disabilities Program is a part of the Florida Department of Children and Families. The program assists people who have developmental disabilities and their families. It also provides assistance to identify the needs of people with developmental disabilities and funding to purchase supports and services. Although the Program Office is in Tallahassee, the supports and services for people with developmental disabilities are provided through district offices throughout the state.

The Department of Children and Family Services plans, develops, organizes, and implements its programs of services and treatment for persons who are developmentally disabled along district lines. The goal of such programs, according to Florida Statute 393.066, is to allow clients to live as independently as possible in their own homes or communities and to achieve productive lives as close to normal as possible.

WHAT SERVICES CAN A PERSON RECEIVE FROM THE DEVELOPMENTAL DISABILITIES PROGRAM?

The Developmental Disabilities Program can arrange for a support coordinator to assist individuals in identifying the

Florida Statute also provides for the department to prioritize increased appropriations provided for community-based services for developmentally disabled individuals toward individualized, community-based supports and services for consumers and their families. Further, the department's 5-year plan for Developmental Services reflects a priority toward individualized, community-based supports and services for consumers and their families.

COMMUNITY-BASED SERVICES SHALL, TO THE EXTENT OF AVAILABLE RESOURCES, INCLUDE :

- (a) Day services, including developmental training services.
- (b) Family care services.
- (c) Guardian advocate referral services.
- (d) Medical/dental services.
- (e) Parent training.
- (f) Recreation.
- (g) Residential services.
- (h) Respite services.
- (i) Social services.
- (j) Specialized therapies.
- (k) Supported employment, including enclave, job coach, mobile work crew, and follow-along services.
- (l) Supported living.
- (m) Training, including behavioral programming.
- (n) Transportation.
- (o) Other habilitative and rehabilitative services as needed.

HOUSING

Many individuals with developmental disabilities rely on services and supports provided by the state. The intent of the Medicaid Home and Community Based Waiver is to allow persons with developmental disabilities access to supports and services which allow them to live in their own homes or in their communities. The use of government funds often comes with certain restrictions. The Waiver moneys are barred from use in institution-like settings. A person with developmental disabilities may choose to live in a variety of inclusive settings and continue to access these funds. Choice and control is still available to the consumer, however waiver funds should be used to best promote true inclusion in one's community.

In order to qualify for services under the Developmental Services Home and Community Based Services Waiver (DS/HCBS Waiver): 1) No more than 3 persons with a developmental disability may occupy a house or apartment. 2) there cannot be greater than ten percent concentration of people with disabilities in a single building, or concentrated in a neighborhood, and; 3) it must be at least 1,000 feet from another facility. Florida Statute Section 419.001(2) states that "homes of six or fewer residents which otherwise meet the definition of a community residential home shall be allowed in single-family or multifamily zoning without


approval by the local government, provided that such homes shall not be located within a radius of 1000 feet of another existing such home with six or fewer residents."

SUPPORTIVE HOUSING

Supportive housing is an outcome of efforts to link permanent housing with supports for people with developmental disabilities. In the "support/empowerment" paradigm advanced by the developmental disability community, housing is unbundled from services and emphasizes normal, integrated, scattered site settings to reduce stigma. Support services are coordinated through a "coach" or "support Coordinator", who works with the individual to coordinate individualized services. One of the important principles of the supportive housing model is separation of landlord from the service provider.

The challenge to providing the decent affordable housing envisioned by the model is affordability of housing units for this extremely low-income population. A person with developmental disabilities on SSI in Florida makes only \$545 per month. Assuming that rent should not exceed 30% of a person's income, as a typical standard, a person with SSI as their only source of income can only afford approximately \$160 per month for rent. It is apparent that rental subsidies are necessary to make any housing affordable for this population.

SHARED HOUSING

Shared housing, in which 2-3 people live together in a house or an apartment is one model which has made recent inroads into increasing the affordability level of housing. Because the shared living model serves more than one household, each bedroom is considered a unit. Also, a bedroom that will be used to house a caretaker is also considered a separate unit. Therefore a house or apartment shared by 3 individuals with developmental disabilities, or two persons with disabilities and a caretaker, would qualify as three units, each responsible for 1/3rd of the scheduled rent. In a true shared housing situation, each individual would receive a separate lease making them responsible for only their portion of the rent. Since most private landlords require that all tenants agree to be responsible for the whole rent, non-profit groups are stepping in to act in the role of benevolent landlord, or guaranteeing rents to landlords through master leases or subsidizing vacancies. 



Frequently asked SHIP questions

Q: *An applicant is separated, but not divorced. Do I count the income of the estranged spouse who is no longer living in the house as part of household income?*

A: Florida law does not legally recognize separation. When an applicant is married and separated, count the estranged spouse's income as part of the annual household income. Consult with your city or county attorney to determine if the spouse should sign any SHIP recapture provisions. This is the rule that also applies to cases of temporary separation when a spouse does not live in the house due to military service, attendance in college, offshore work, or other instances where a family member is temporarily residing in another location.

In some situations, it seems clear that the applicant has no plan to reunite with the estranged spouse and the separation is permanent. In such a case, the applicant is essentially divorced for purposes of SHIP income eligibility determination. The spouse's income should not be counted as part of the annual household income, and the spouse should not be counted as a household member.

The Florida Housing Finance Corporation's compliance division has noted that local housing administrators have the discretion to determine if an applicant's separation is permanent. In making this determination, the administrator should obtain as many details as possible to document that the SHIP

recipient's separation is permanent. In cases of permanent separation, for example, the applicant and the estranged spouse maintain separate residences and file separate tax returns. Documentation that the separation has been ongoing for a long time further strengthens the case that the separation is permanent. The Florida Housing Coalition and the compliance division at the Florida Housing Finance Corporation (call 850 488-4197) are available for consultation on this subject.

In cases where a separated applicant is requesting SHIP assistance with purchasing a house, Florida's joint property laws should be considered. Unless legally divorced, the State's laws will likely entitle the estranged spouse to legal claim of ownership of the new house being purchased. SHIP administrators should ensure that applicants are aware of this.

Q: *In a recent SHIP Clip answer, you outlined a scenario when an administrator learns that an applicant's income has changed after a letter of commitment was provided but before the applicant received SHIP assistance. You noted that a SHIP administrator is obligated to re-verify and re-certify the applicant's income to determine if the household is still eligible for assistance. What about the letter of commitment in such a case? Does this letter legally require a SHIP jurisdiction to provide assistance even if the applicant's change in income now places him or her above the level of income eligibil*

ity? After all, the applicant was income eligible for SHIP assistance on the date when the letter of commitment was signed and mailed.

A: The Florida Housing Finance Corporation's legal counsel has concluded that SHIP jurisdictions should deny assistance to applicants discovered to be income ineligible after a Commitment Letter has been issued. Ultimately, it is most important for administrators to ensure that all households receiving SHIP assistance are income eligible. This is stated in section 420.9075 (4)(j) of the SHIP Statute, which notes that "the benefit of assistance provided through the State Housing Initiatives Partnership Program must accrue to eligible persons occupying eligible housing."

Even after you have signed an income certification form and issued an award letter indicating that an applicant is income eligible, you may receive new information indicating that household income has changed. An applicant may inform you that she has just received a raise or lost her job. The applicant's first mortgage lender may inform you that the applicant has a second job that you did not know about. In all such cases, you must document the new income information with a verification form and re-calculate income eligibility if you learn about a change in household income before the applicant has been assisted with SHIP funds (i.e. before the applicant has signed a rehabilitation contractor's construction con-



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 1 (800) 677-4548.



Michael Chaney

tract, or the applicant has closed on a loan, or before SHIP funds have been provided for some other form of assistance to the household). This is not to say that a SHIP administrator needs to actively look for changes in an applicant's income once the income certification form is signed. Rather, the administrator must act on any information that is brought to him or her from any source.

The Florida Housing Finance Corporation's legal counsel has reviewed a sample letter of commitment and has concluded that such a letter could not legally force a SHIP jurisdiction to provide assistance to a household that is discovered to be income ineligible before assistance is provided. The legal counsel does, however, recommend that SHIP administrators add a sentence to the letter to give applicants notice of this aspect of the income qualification process. The letter should note that a household's annual income will be re-calculated based on changes all the way up until the date when assistance is provided.

Q: *During an initial house inspection, we determined that a house being considered for SHIP rehabilitation was not eligible for assistance. The repair costs far exceed our maximum rehabilitation award amount. Normally, I pay for the housing inspector's initial inspection with SHIP program dollars; this is one of many repair costs associated with the applicant being assisted. Can I pay for this house inspection with program dollars?*

A: No. You cannot charge this expense to SHIP program funds if you ultimately decide not to provide assistance to the unit. Program funds must assist eligible people living in eligible housing. In your case, the house that was inspected is not eligible for assistance. You cannot legitimately assign the inspection cost to any household that received assistance, as you are required to do for all SHIP program funds. Therefore, you must cover the inspection cost with SHIP administrative funds or a non-SHIP funding source.

Q: *My community uses its purchase assistance program to help many homebuyers purchase existing houses. Do we have to devote SHIP dollars to repairing these homes in order to count SHIP funds used to purchase existing houses towards our 75% construction/rehabilitation set-aside requirement?*

A: Not necessarily. The seller can pay for home repairs and you can still count all the SHIP funds used to purchase that house toward the 75% set-aside requirement. Remember, it is possible to meet the construction/rehabilitation set-aside requirement whenever repairs are made 12 months before or after an existing house is purchased no matter who pays for the repairs. Repairs can be financed by the seller, with federal housing dollars like CDBG... or even with donations from the applicant's church, friends or family. Just make sure to include a copy

of the repair receipts in the applicant's file to properly document that repairs were made.

Of course, several communities devote SHIP funds to the repair of existing houses in their purchase assistance program. Remember to include repairs that increase the energy efficiency of a house, since this will decrease the monthly utility bill for the new home owner. Some communities have used SHIP dollars solely for energy improvements on existing houses that are otherwise livable and in good condition.

Q: *Is combat pay counted as part of household income?*

A: It is not counted. This issue is address in Chapter 25, Part 5 of the Code of Federal Regulations, commonly referred to as "24CFR". The Code is used by almost all SHIP communities to outline the income sources that are and are not included in the calculation of annual household income when calculating SHIP income eligibility. Section 5.609 (b)(8) specifically notes that household income must include "all regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section). Paragraph (c)(7) then outlines that "the special pay to a family member serving in the Armed Forces who is exposed to hostile fire" is not included as part of household income.






Preparing for the 2003 Legislative Session: Securing Full Appropriation of Sadowski Funds


BY JAIMIE ROSS

The 2003 Legislative session begins on March 4th. We anticipate this session to present an enormous budget challenge. The deficit pressure means potential raids on trust funds. Here in Tallahassee, the Sadowski Act Coalition, comprised of the Florida Housing Finance Corporation, the Florida Department of Community Affairs, the Florida Home Builders Association, the Florida Association of Realtors, the Florida Association of Counties, the Florida League of Cities, 1000 Friends of Florida, the Florida Housing Coalition, Florida Legal Services, Florida Catholic Conference, and Florida Impact is preparing for the session with a joint letter to the Florida Legislature urging full appropriations of Sadowski funding. (See opposite page). Although the diverse bipartisan support of the Sadowski Coalition is a powerful and unique force, it may not be as influential as you.




value that SHIP money plays in your community. Here are some tips on how to spread the word.

 Invite your local and state elected officials to ribbon cuttings for SHIP homes. Include all your SHIP partners in ribbon cuttings, such as builders and lenders- And don't forget an invitation to the media.

 Send a thank you letter to local and state officials whenever you have a SHIP closing. The Florida Housing Coalition has prepared a model letter for you to use at SHIP closings. If

you have not received one, please contact the Florida Housing Coalition at info@flhousing.org and one will be emailed to you.

 Set up a meeting with your state representatives in their district offices during January or February. Bring an album with you with pictures of new SHIP homes, before and after pictures of SHIP rehabs, pictures of the families whose lives have been touched by SHIP, thank you letters from SHIP recipients, and clippings from local papers covering SHIP success stories. Please thank your representative for his or her support of full funding.

The members of the House and Senate are primarily concerned with their constituents - the voters at home. You who are serving the needs of low income families at the local level and the first time homebuyers in your community are key to ensuring the continuation of SHIP funding. Now is the time for you to meet with your elected representatives in the House and Senate in their district offices, before they leave for Tallahassee.

SPREAD THE WORD

SHIP Administrators and providers of affordable housing, whether in production, or counseling, are well aware of the profound impact that SHIP funds make in the lives of individual low income families and communities. But it is probably wrong to assume that others are aware of your success. Your elected representatives need to know the substantial

If you don't have a SHIP album, now is the time to begin making one. In the meanwhile, make an appointment to sit down and talk with your state representative about the importance of the SHIP program in your community. Take along a SHIP recipient if you can, as well as other local SHIP partners. You need no knowledge of the state process, just a local story to share.

The Florida Housing Coalition will email legislative updates and alerts to our members during the session. Please provide us with feedback you receive from your legislative visits and feel free to contact me if you would like any additional information at jaimieross@aol.com





SADOWSKI ACT COALITION

January, 2003



Dear Legislator:



In 1992, the Florida Legislature adopted landmark legislation for affordable housing known as the William E. Sadowski Affordable Housing Act, providing funding for affordable housing to all 67 counties and an additional 48 cities. Since its inception, the Sadowski Act has assisted more than 130,000 families with affordable home ownership or rental housing through programs such as the State Housing Initiatives Partnership (SHIP) program, the State Apartment Incentive Loan (SAIL) program, and the Florida Affordable Housing Guarantee Fund. In addition, the Sadowski Act has enabled local governments and the state to bring over \$620 million in federal HOME monies to Florida by providing local match funds. Anticipating the exponential growth of Florida's population and housing costs, the Sadowski Act uses a portion of the state real estate documentary transfer fee to fund the state and local housing trust funds.



Florida League of Cities



The Sadowski Act was, and continues to be, supported by a broad bipartisan coalition of statewide interests including the Florida Home Builders Association, the Florida Association of Realtors, the Florida League of Cities, the Florida Association of Counties, the Department of Community Affairs, the Florida Housing Finance Corporation, Florida Legal Services, Inc., 1000 Friends of Florida, the Florida Housing Coalition, Florida Catholic Conference, and Florida Impact.



Sadowski Act funds enable local governments to implement local housing programs and housing partnerships. Sadowski Act funds are highly leveraged: for every dollar of Sadowski funds, the public and private sector invests at least six dollars. To date, Sadowski Act funding has brought over an estimated \$3 billion in other public and private sector investments. Sadowski Act funding provides ongoing technical assistance to local governments and nonprofit organizations and is used to respond to emergencies by providing relief after natural disasters. Sadowski Act funds have also created thousands of jobs in the construction industry.



FLORIDA LEGAL SERVICES, INC.



Equal Access to Justice

Florida serves as the national model for effectively funding flexible and productive programs for affordable housing. It is in this spirit of cooperation that the Sadowski Act Coalition is pleased to maintain its role of oversight and support for the continuation of full funding for the Sadowski Act; we pledge to assist the Legislature in meeting its goal of ensuring that every Floridian has safe, decent, and affordable housing.



Florida Catholic Conference



For more information about the Sadowski Act, or how these funds specifically benefit your district, please contact the executive directors of either the Florida Housing Coalition at (850) 878-4219 or the Florida Housing Finance Corporation at (850) 488- 4197.



Over 500 people enjoyed the Florida Housing Coalition's 15th Annual Statewide Affordable Housing Conference at the Sarasota Hyatt.

Highlights included:

Keynote Speaker- Cushing Dolbeare, Founder of the National Low Income Housing Coalition

Distinguished Guest- Mary Brooks, Housing Trust Fund Project for the Center for Community Change

The Sadowski Act Coalition

Legislative Reception honoring past and present legislators, with the Housing Champion Award going to Senator Ken Pruitt and the Special Friend to Housing Award going to Jennifer Goen

SHIP Breakfast Roundtable

Advanced Housing Track

Special Needs Housing Track

Workshops on Smart Growth, Economic Development, Media Relations, Housing Basics, Credit Issues, and much more...

Networking and Fun Galore







COALITION NEWS

The Florida Housing Coalition Welcomes New Board Members



Ed Busansky

ED BUSANSKY has over 17 years of real estate expertise including both market rate and affordable multifamily housing

transactions. Mr. Busansky has worked for Citibank, GMAC, and the Community Development Group of Bank of America. Currently, he is employed by First Housing Development Corporation as a Senior Vice President in charge of its Affordable Housing Real Estate Group.

First Housing is a full service mortgage banking firm, specializing in financing multifamily affordable housing in the state of Florida. The firm is an FHA mortgagee, a Fannie Mae and Freddie Mac approved Seller/Service. First Housing advises housing finance agencies and other governmental lenders so that sound financing decisions can be made and provides underwriting and analysis under such government programs as Florida's State Apartment Incentive Loan (SAIL), Multifamily Tax-Exempt Housing Revenue Bond, State Housing Initiatives Partnership (SHIP) and Home Investment Partnership (HOME) programs and the federal Housing Credit (HC) program.

Mr. Busansky is a graduate of The Wharton School at the

University of Pennsylvania, with a bachelor's degree in Finance. Mr. Busansky currently serves on the Board of Hillsborough County Finance Authority.



Schonna Green

SCHONNA GREEN is the Founder and Executive Director of the M.I.S.S. (Mothers and Infants Striving for Success) Inc. of the

Treasure Coast. M.I.S.S. is the first and only women's homeless shelter in Martin County, Florida. Her personal outreach to improve conditions for women has helped change the lives of the less privileged.

Ms. Green has more than 15 years of experience managing nonprofit program development. Her accomplishments have earned her the Hobe Sound Community Chest Award of Distinction. As founder of the Martin County Homeless Coalition, Ms. Green was instrumental in the merger of the Martin and Indian River County Homeless Coalitions, now known as the Treasure Coast Homeless Services Council, on which she serves as a board member. This council is a five county-wide initiative that advocates for housing and other home-

less issues. She is committed and determined in her advocacy of affordable housing for very low income and homeless individuals.

Ms. Green grew up in Suffolk County, Long Island New York. She received her associate's degree from Suffolk Community College and attended John Jay University majoring in criminal justice.



MICHAEL W. DAVIS is employed by the Sumter County Board of Commissioners and serves as manager of the Sumter County Department of Housing and Veteran Services. Mr. Davis has



Micheal Davis

16 years of progressive experience within multifamily rental development/management, residential mortgage banking, sales, marketing, and management organizations. Mr. Davis is one of only 126 of 12,633 PHMs nationwide who has received the National Association of Housing and Redevelopment Officials highest executive level designation, Senior Professional Housing Manager. Mr. Davis oversees the counties award winning SHIP, HUD, CDBG and Veterans Department programs.

ANTHONY RIGGIO is the Florida Community Development Manager for Wachovia Bank. This department pursues public/private partnerships and identifies subsidy programs to expand lending opportunities to low and moderate-income individuals, small businesses and to developers of affordable housing.



Anthony Riggio

Prior to this position, Mr.

Riggio served as the Florida Sales Leader for Wachovia Bank's Community Development Lending Department. This group focuses on lending to non-profit and for-profit groups whose mission is the development of affordable housing, economic development and community services. Both his prior and current areas are responsible for investments in non-profit groups established for housing, business, and economic revitalization. Mr. Riggio began his 25-year banking career with First Union in 1978 and has held positions in both the consumer and commercial lending divisions. Since he began specializing in the Community Development area in 1991, Mr. Riggio has created new housing and business programs and has

established partnerships with new and established community development groups.

Mr. Riggio is a founding member of the Affordable Housing Task Force in Broward County. He is also a founder of the CRA Roundtables for both Broward County and Palm Beach County.

He is a Board Member of the Florida Community Loan Fund, and a Board Member of the Florida Association for Micro Enterprise, Inc.

Mr. Riggio earned his B.A. degree in Finance from Stetson University in 1977. He earned his M.A. degree in Business from Nova University in 1988.



New Advisory Council Member

CATHERINE BROZOWSKI is the corporate giving fund manager for Washington Mutual located

in Plantation, Florida. She manages the bank's charitable giving in the Southeast, including Florida, Georgia, and



Catherine Brozowski

South Carolina. Previously, she worked with the Group Health Community Foundation and the National Network of Grantmakers. Ms. Brozowski holds a bachelor's degree from the University of California, San Diego. She received her master's degree in public administration from the University of Washington in 1997.



2003 CONFERENCE

SAVE THESE DATES

The 16th Annual Statewide Affordable Housing Conference will be at the Radisson Deauville Resort Miami, **OCTOBER 26-28, 2003**. The record number of participants at the 15th annual conference has caused us to change the location of the 2003 conference. *Please save these dates.*

We look forward to seeing you in Miami.

THANK YOU

Our annual conference would not be possible without our Partners for Better Housing at all levels. We especially recognize our Platinum Sponsor: **WASHINGTON MUTUAL**, and our Gold Sponsors: **AM SOUTH BANK, BANK OF AMERICA, SUNTRUST, AND WACHOVIA BANK.**

FREE TECHNICAL ASSISTANCE FOR NONPROFITS TO BUILD ORGANIZATIONAL CAPACITY

With the support of **WASHINGTON MUTUAL**, the Coalition is continuing its work with the nonprofit development community to build organizational capacity. The Coalition is seeking 8 agencies during the next few months to receive technical assistance to improve the agencies' fiscal soundness. Selected organizations will have their financial statements and systems of internal controls evaluated, will receive training on record keeping and reporting systems, and will receive recommendations for making improvements in these areas. Our TA staff will meet with agency staff and key Board members to discuss the organization's strengths and weaknesses, and to provide specific recommendations which will enhance the agency's operations. If you would like your organization to be considered for this project, please contact us at (800) 677-4548.



NEW WEBSITE FOR THE NEW YEAR

The Florida Housing Coalition plans to launch its new website in early February. The new, user friendly site will provide a library of affordable housing resources; up to date legislative issues and events; information on technical assistance and training workshops; and quick links for advocates to contact government officials. Users will now be able to register for Catalyst workshops online.

The new site is keeping the same address as our current site. In February you can access the new site at www.flhousing.org.



Florida Supportive Housing Coalition Hosts First Annual "Toolkit Conference"

BY JENNIFER CONNORS HILL

After a year in the making, the Florida Supportive Housing Coalition hosted its first annual "Supportive Housing Toolkit Conference" on October 23, as a post conference event to the Florida Housing Coalition's 15th Annual Conference. The idea for the coalition was born at a Supportive Housing Summit two years ago, also a post-conference event. A year later, the new coalition incorporated and began building a board and membership that represents the variety of special needs populations that benefit from supportive housing.

Distinguished keynote speaker, Philip Mangano of the U.S. Interagency Council on Homelessness, started out the day with a lively presentation on how systems of care for homelessness, mental health, substance abuse, foster care, corrections, public health and more, must work in concert to link housing opportunities with needed services.

Supportive housing may take the form of an apartment building with services available on-site, or perhaps a flexible service coordination program linked with portable housing subsidies. Several "best practices" case studies were presented in the morning session, including Carrfour's Rivermont House in Miami, Lee County's Living Independently For Today (LIFT) program, Coastal Behavioral Health Care's community support program, and Sarasota's Coalition to Assist Supported Living (CASL) homes for people with developmental disabilities.

Blending services with housing requires an ongoing commitment of funds at several levels, as well as reliable systems of collaborative planning and partnerships. Panels in the afternoon discussed how an organization pieces together housing resources with supportive services funds. Though time was short, participants got an introduction to some of the building blocks, and then continued to explore these strategies in "Resource Roundtable" discussions.

A special thanks goes to Washington Mutual, the Florida Department of Health's Bureau of HIV/AIDS, and all the sponsors of the toolkit conference. We are proud to have the Florida Housing Coalition as a founding member of the Supportive Housing Coalition.

If you or your organization would like to join the growing membership of the Florida Supportive Housing Coalition, please contact Jennifer Connors Hill at (305)371-8300 Ext. 322 or info@flshc.org.



Keynote speaker Philip Mangano, U.S. Interagency Council on Homelessness



Staff of the Florida Department of Health, Bureau of HIV/AIDS were on hand with this fun and informative display.



Participants in a "Resource Roundtable" discuss strategies for using ADM resources in supportive housing.



Kathy Spearman, Pam Baker and Fran Pasetti formed a supportive services panel moderated by Mark Engelhardt.



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. Partners also receive recognition at the conference, in all conference-related publications, the Coalition’s Webpage and in each quarterly issue of *Housing News Network*.

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BASIC MEMBERSHIP

Basic membership is for those who wish to subscribe to *Housing News Network*, post job vacancy announcements free of charge on the Coalition’s web page and receive membership rate registrations at the annual conference. An individual member receives one subscription and one member rate registration. Organizational members receive up to five subscriptions and five member rate registrations. (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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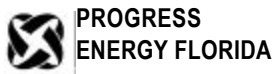


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