

Florida Supportive Housing Resource Inventory



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Prepared by the Technical Assistance Collaborative (TAC) for the:
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FLORIDA SUPPORTIVE HOUSING RESOURCE INVENTORY

Introduction

Researchers and practitioners have demonstrated repeatedly that people with disabilities and other people who may have special needs can live successfully in homes of their own in the community. To succeed, they need decent, safe, affordable, and accessible housing as well as access to the supports and services they want and need to live as independently as possible. In other words, they need decent, safe, and affordable supportive housing.

The Technical Assistance Collaborative (TAC) has prepared this Supportive Housing Resource Inventory (the Inventory) in order to help the Florida Supportive Housing Coalition identify the array of affordable housing resources potentially available in Florida, which could be used to expand supportive housing across the state. Identifying these resources is an important first step towards creating new policies and a more systematic approach to supportive housing in Florida. This Inventory illustrates that new policies specifically targeting housing resources currently available in Florida could lead to a significant and sustained expansion of supportive housing across the state.

The Inventory focuses only on the housing capital and housing subsidy resources needed to expand supportive housing. It is intended to complement TAC's support service resource mapping and recommendations for the "target populations" selected by the Florida Supportive Housing Coalition including:

- Adults with serious mental illness;
- Adults with co-occurring serious mental illness and substance use disorders;
- Adults with substance use disorders;
- Adults with mental retardation and/or developmental disabilities; and
- Young people ages 18-22 transitioning out of foster care.

The Supportive Housing Resource Inventory is presented in three parts. Part One includes a discussion of relevant policy issues, including housing affordability, housing supply, and housing policy decision-making. Part Two contains the actual housing resource analysis, including federal discretionary supportive housing programs, federal housing funding controlled by state and local housing officials and Public Housing Agencies (PHAs), as well as housing programs funded by the State of Florida. Part Three draws some preliminary conclusions concerning the potential utilization of these resources to expand supportive housing activity in Florida.

Part One - Relevant Policy Issues

There are three key housing policy issues relevant to the creation of supportive housing including:

- Housing Needs and Affordability
- Housing Supply
- Housing Policy and Resource Decision-Making

Each of these topics is discussed separately in the sections that follow.

Before discussing these specific policy issues, it is important to note that, unlike supportive services funding streams, most government housing programs do not differentiate among disability sub-populations. As a result, the housing affordability, housing supply, and housing decision-making analysis presented here is relevant to *any* household with disabilities with an income at or below 30 percent of Area Median Income (AMI), including federal Supplemental Security Income, other disability income, employment income, etc. Although an analysis of the current housing needs and conditions of the universe of people in need of supportive housing in Florida is beyond the scope of this report, various studies indicate that the majority of people who need supportive housing are likely to have one of the following housing conditions:¹

- Living in a restrictive congregate setting;
- Living in seriously substandard housing;
- Living in a public institution or nursing home;
- Paying more than 50 percent of income for housing;
- Living at home with aging parents; or
- Living on the streets or in a homeless shelter.

A recent Urban Institute study on homelessness found that of the 800,000 people who are homeless on any given night, 46 percent of adults have some type of disability.² Experts suggest that as many as 200,000 of these individuals may be “chronically” homeless (defined as an unaccompanied adult who has been consistently homeless for more than one year or homeless four or more times during the past three years). Studies completed

¹ ■ U.S. Social Security Administration Office of Research, Evaluation, and Statistics. *State Assistance Programs for SSI Recipients*, 2002.
■ U.S. Department of Housing and Urban Development. *A Report on Worst Case Housing Needs in 1999: New Opportunity Amid Continuing Challenge*, 2001.
■ Martha Burt, Laudan Y. Aron, and Edgar Lee. *Helping America’s Homeless: Emergency Shelter or Affordable Housing*. The Urban Institute Press. Washington, DC: 2001.
■ The ARC of the United States. *The Housing Needs of People with Disabilities: The Crisis Continues*. The ARC of the United States Government Affairs Conference. 3 March 2003.
² Martha Burt, Laudan Y. Aron, and Edgar Lee. *Helping America’s Homeless: Emergency Shelter or Affordable Housing*. The Urban Institute Press. Washington, DC: 2001.

by Dennis Culhane and others at the University of Pennsylvania³ found that while chronically homeless people in New York City make up only 10 percent of the people who are homeless during the course of a given year, as a group, they consume 50 percent of the resources used to support homeless programs. Culhane's study also found that permanent supportive housing was a cost-effective solution to homelessness among people with disabilities who otherwise rely on costly public facilities such as emergency rooms, jails, and other publicly funded settings. Largely as a result of these studies, current federal initiatives have called for the creation of 150,000 units of permanent supportive housing to address the needs of chronically homeless adults with disabilities.⁴

Section One – Supportive Housing Needs and Affordability Analysis

For both policy and underwriting purposes, national supportive housing organizations such as TAC and the Corporation for Supportive Housing (CSH) use federal Supplemental Security Income (SSI) as the best proxy for the income of people in need of supportive housing. In Florida in 2003, the monthly SSI benefit for a person with a disability living independently was equal to \$552. [NOTE: Individuals living in certain settings – such as assisted living facilities, adult family care homes, or Medicaid facilities – may benefit from an additional state supplemental benefit ranging from \$5 to \$78, which may not continue if the person moves into supportive housing.⁵ This supplement is typically given to the operators of the residential setting, and is not available to the SSI recipient.]

In May of 2003, TAC published *Priced Out in 2002*,⁶ a national analysis of housing affordability for individuals receiving SSI benefits. This edition of *Priced Out* documents that in Florida during 2002, people receiving SSI benefits had incomes equal to 18 percent of the median one-person household income. The percentage of median income represented by SSI varied across Florida depending on location, with the lowest percentage (13.4 percent) found in the Naples Metropolitan Statistical Area (MSA) and the highest (23.2 percent) found in the non-metropolitan areas of the state. Information on all of Florida's MSAs is provided in Table 1 on page 4.

At these SSI income levels, people in need of supportive housing in Florida cannot afford even modestly priced housing without on-going housing assistance. This finding is also documented in the *Priced Out in 2002* data. Table 1 indicates that a person receiving SSI in Florida in 2002 needed to spend over 108 percent of their monthly SSI benefit to pay

³ Dennis Culhane, Stephen Metraux, and Trevor Hadley. *The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of the Public Health, Corrections, and Emergency Shelter Systems: The New York-New York Initiative*. Center for Mental Health Policy and Services Research, University of Pennsylvania. 2001.

⁴ U.S. Interagency Council on Homelessness. Press release: *Bush Administration Unlocks \$140 million to Help Provide Emergency Food and Shelter for Local Homeless Programs*. www.ich.gov. December 5, 2002.

⁵ U.S. Social Security Administration Office of Research, Evaluation, and Statistics. *State Assistance Programs for SSI Recipients*. Page 22. January 2002.

⁶ Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force. *Priced Out in 2002*, May 2003.

for a modest one-bedroom apartment priced at the HUD Fair Market Rent. When broken down by MSA, nine of Florida's 21 MSAs had one-bedroom Fair Market Rents that were 100 percent or more of monthly SSI amounts. Even in the lowest cost MSA (Lakeland/Winter Haven), an SSI recipient needed to spend 83 percent of their monthly income to rent a decent one-bedroom apartment.

Table 1
Data from *Priced Out in 2002*

Statistical Area	SSI Monthly Payment ⁷	% SSI for 1-Bedroom	% SSI for Efficiency	SSI as % of Median Income
Daytona Beach	\$545.00	89.9%	76.7%	20.0%
Fort Lauderdale,	\$545.00	118.2%	100.4%	15.5%
Fort Myers-Cape Coral	\$545.00	94.7%	82.4%	17.9%
Fort Pierce/Port Lucie	\$545.00	100.4%	91.6%	17.8%
Fort Walton Beach	\$545.00	87.2%	79.8%	18.5%
Gainesville	\$545.00	87.2%	79.8%	19.4%
Jacksonville	\$545.00	102.6%	91.6%	16.8%
Lakeland/Winter Haven	\$545.00	83.9%	76.7%	19.9%
Melbourne/Titusville/Palm Bay	\$545.00	89.7%	76.7%	17.7%
Miami	\$545.00	119.6%	95.0%	19.4%
Naples	\$545.00	120.4%	85.3%	13.4%
Ocala	\$545.00	87.2%	79.8%	22.5%
Orlando	\$545.00	125.7%	110.8%	17.1%
Panama City	\$545.00	87.2%	79.8%	20.2%
Pensacola	\$545.00	87.2%	79.8%	20.6%
Punta Gorda	\$545.00	91.7%	79.8%	20.8%
Sarasota-Bradenton	\$545.00	101.8%	80.2%	17.5%
Tallahassee	\$545.00	90.6%	81.7%	16.4%
Tampa/St. Petersburg/Clearwater	\$545.00	110.3%	92.7%	18.5%
West Palm Beach/Boca Raton	\$545.00	121.7%	104.2%	14.9%
Statewide Non-Metropolitan Areas	\$545.00	89.3%	79.8%	23.2%
Statewide	\$545.00	108.8%	92.6%	18.0%

These data help to illustrate why people with disabilities who rely on SSI payments have the highest incidence of “worst case” housing needs of any group in the United States as defined by HUD⁸ and why people who need supportive housing should be considered within the 30 percent and below AMI category. In HUD’s last two worst case housing needs reports to Congress, non-elderly people receiving SSI made up 25 percent of all renter households with worst case needs.

⁷ Some states provide SSI supplements for people with specific types of disabilities and/or people residing in specific housing arrangements (such as congregate living or structured residential settings). Only those supplements uniformly applied to all people with disabilities living independently in the community were included as part of the *Priced Out in 2002* analysis.

⁸ Worst case housing needs are defined by the federal government as: (1) paying more than 50 percent of income for housing; (2) living in seriously substandard housing; or (3) having both of these housing conditions. As a group, non-elderly people with disabilities make up 25 percent (1.4 million households) of the 4.9 million households with worst case housing needs.

HUD's data is only a partial estimate of the housing needs of people with disabilities at or below 30 percent of Area Median Income (AMI). Because they are not current renters, people with disabilities who are homeless, people with disabilities living in institutions or nursing homes, and people with disabilities living with aging parents are not included in HUD's "worst case" housing needs estimates. It is reasonable to assume that many of these people could benefit from supportive housing that would cost much less than what is currently being spent on institutionalized settings and public facilities that serve homeless people.

Two federal policy initiatives, the Chronic Homeless Initiative and the President's *New Freedom Initiative*, underscore the importance of addressing these needs. The goal of the Chronic Homeless Initiative is to end chronic homelessness by 2012 through an expansion of permanent supportive housing. The *New Freedom Initiative* is focused on assisting people with disabilities, including those living in restrictive settings, to live as independently as possible in the community. Both initiatives are prompting an expansion of supportive housing in states and localities across the country.

It is important for supportive housing funders, advocates, and developers responding to these policy initiatives to ensure that the housing being created meets federal standards of affordability. Those standards suggest that people with incomes at or below 30 percent of AMI pay no more than 30 percent of their adjusted gross monthly income for housing costs – including any tenant-paid utilities.⁹ Using this affordability standard, a person receiving SSI in Florida should pay no more than \$150-\$175 per month for rent and utilities in a supportive housing unit. Unfortunately, this amount of rent represents only a fraction of the typical monthly housing operating cost for a studio or one-bedroom rental unit, which can range from \$400 - \$800 or more, depending on debt-service requirements. Without a tenant-based or project-based subsidy to make up the difference, it is impossible to create a unit of affordable supportive housing for people with SSI level incomes in Florida.

Even with a rent or operating subsidy, supportive housing projects cannot afford to carry as much debt as projects targeted to higher-income households. Depending on the level of subsidy and the type of project, some supportive housing projects cannot carry any debt at all. While debt-free capital sources alone may be sufficient to reduce rents to levels affordable to households at 30 percent of AMI, rental subsidies, or funds routinely provided from a capitalized operating reserve, are still necessary to make units affordable to people with SSI level incomes.

Section Two – Housing Supply

Theoretically, if there was a sufficient supply of decent, safe and affordable housing available to people with disabilities and other people with special needs at or below 30

⁹ HUD's "worst case" housing needs reports state that very low-income households paying between 31 and 50 percent of monthly income for rent are "rent burdened" and that those paying over 50 percent of monthly income are "severely rent burdened."

percent of AMI in Florida, supportive housing would be much less difficult to implement. With an adequate supply of housing, the only remaining issue (albeit a major one) would be the financing and delivery of supportive services to people who were already living in housing that was affordable. Unfortunately, like many other states at the present time, Florida has a serious shortage of housing that is affordable to households at or below 30 percent of AMI.

The Florida Housing Finance Corporation Report

A recent report, *Analysis of Florida's Affordable Housing Rental Supply and Remaining Need* published by the Florida Housing Finance Corporation (FHFC)¹⁰ confirms that the greatest unmet need for affordable housing in Florida is in the group of extremely low-income households at 30 percent of AMI and below – an income category that includes all Florida SSI recipients and most other people needing supportive housing. Specifically, according to FHFC, there are 131,210 units with rents that are affordable to extremely low-income households and a total remaining need of 217,315 households at this income level. As a percentage of overall need, the 30 percent and below AMI group makes up 60.1 percent of the total of the 361,384 Florida households with remaining rental needs. In comparison, in the 31-50 percent AMI category, there are 109,886 households with remaining rental needs (30.4 percent of the total) and 33,725 households with remaining rental needs (9.3 percent) in the 51-120 percent AMI category.

The FHFC report also highlights the factors that have affected affordable housing income targeting during the past 15-20 years, including the difficulties associated with financing units for households with incomes below 30 percent of AMI. These difficulties are related to the lack of rent or operating subsidy funding that is directly available to FHFC. While not specifically stated, the FHFC report makes it clear that this barrier must be overcome in order to expand the supply of supportive housing in Florida.

The FHFC report makes note of the federal policies of the 1960s and 1970s that led to the creation of affordable housing for the lowest-income households, including the creation of approximately 3,000,000 “deeply subsidized” public housing units and Section 8 rental vouchers¹¹ nation-wide. Section 8 project-based rent subsidies linked to private market housing production produced another one million units during that time period. During the 1970s and early 1980s, programs such as the Section 8 New Construction/Substantial Rehabilitation program provided developer/owners with long-term rental assistance contracts to ensure affordability for the lowest-income households.

Unfortunately, the federal project-based subsidies needed to produce “deeply subsidized” housing affordable to any household at or below 30 percent of AMI began to disappear in the 1980s. By the end of the decade, with the elimination of most new public housing

¹⁰ Florida Housing Finance Corporation. *Analysis of Florida's Affordable Rental Supply and Remaining Housing Need*, 2003.

¹¹ Section 8 rental vouchers refers to both Section 8 certificates and Section 8 vouchers. These two Section 8 tenant-based programs were combined into the Section 8 Housing Choice Voucher program by the Quality Housing and Work Responsibility Act of 1998.

funding and all project-based Section 8 funding, the Section 8 voucher program became the primary federal mechanism to assist the lowest-income households obtain affordable housing.

During this time of significant federal housing policy changes, Florida, as well as most other states, began using resources such as bond financing, federal Low Income Housing Tax Credits, state housing trust funds, and the federal HOME program to create affordable housing. These programs promote the leveraging of private capital investment in affordable housing but did not include any rent subsidy funding. As stated in the FHFC report:

These newer programs have provided more housing to Floridians at a lower cost to the government because: (1) less subsidy is needed for families that earn a higher income because those families are not as cost burdened; and (2) these programs have typically leveraged more private capital into each development. *Unlike Section 8 vouchers or public housing, these developments do not have a flexible income safety net available if tenants are unable to pay rent monthly.*¹² [Emphasis added.]

Implied, although not specifically stated, is the fact that owners of these affordable housing developments typically do not accept households below 30 percent of AMI as tenants because they do not have sufficient income to pay the monthly rent. Prospective tenants with incomes below 20 percent of AMI are even less desirable to owners. Only if a prospective tenant has a Section 8 voucher can owners be assured that they will receive the rents they need to cover project operating and debt service costs.

The data in the FHFC report make it clear that the agency is beginning to make some progress in targeting households at or below 30 percent of AMI. At the end of 2002, a total of 1,695 units (1.3 percent of total units) were targeted to households at 0-30 percent of AMI. All of these were funded between 1999 and 2002. FHFC does not indicate how many of these units have a commitment of on-going rental assistance (nor the type of rental assistance) to ensure affordability for people with incomes at or below the SSI level.

The FHFC report states that “as currently structured, state administered programs alone cannot be used to meet the remaining need in the lowest AMI category.” This statement also has important implications for the future of supportive housing in Florida because the supportive housing needed by the target populations must be targeted to this income level. The report goes on to say:

The analysis illustrates the policy tension that the affordable housing delivery system faces in the foreseeable future. An important result of providing more affordable units to serve Florida’s lowest-income residents will likely be the allocation of more resources per unit, thus resulting in

¹² Florida Housing Finance Corporation. *Analysis of Florida’s Affordable Rental Supply and Remaining Housing Need*, 5, 2003.

fewer overall affordable units being constructed each year. While this change in policy would benefit that portion of the population that has the greatest absolute need...it would mean that if current resources were reallocated, overall production of units that currently serve residents with somewhat higher incomes would slow down.¹³

The FHFC report concludes that a demographic analysis of those extremely low-income people is needed to determine more about the characteristics of this group. A demographic analysis may be appropriate to learn more about the characteristics of certain households that make up the 30 percent of AMI and below category (i.e. the need for certain size units, accessibility requirements, geographic distribution etc.). However, many of the characteristics of households in need of supportive housing – particularly those receiving state funded support services – are already well-known to advocates and to many state policy makers. From TAC’s analysis of housing affordability and housing supply, it can also be determined that more capital resources per unit, as well as linkages to rent subsidy resources and/or the capitalization of an operating reserve fund will be needed to expand the supply of supportive housing targeted to households at or below 30 percent of AMI in Florida.

Other Housing Supply Issues

In addition to the resource allocation issues identified in the FHFC report, there are three additional housing supply issues that potentially can affect the supply of supportive housing in Florida including:

- Loss of subsidized housing opportunities, particularly for non-elderly people with disabilities;
- The shortage of barrier-free and accessible housing; and
- Stigma and housing discrimination

Loss of Subsidized Housing

For several reasons, the number of affordable and accessible housing units currently available to the target populations continues to decline. According to HUD’s 2000 *Worst Case Housing Needs* report, between 1997 and 1999 there was a 13 percent (or 750,000 units) reduction in units affordable to the poorest of the nation’s citizens, including people with disabilities.¹⁴ These losses are important to document because any loss of affordable and accessible housing – particularly federally subsidized housing with long-term affordability contracts – has an impact on the supply of housing available for people with disabilities with incomes below 30 percent of AMI.

¹³ Florida Housing Finance Corporation. *Analysis of Florida’s Affordable Rental Supply and Remaining Housing Need*, 6, 2003.

¹⁴ U. S. Department of Housing and Urban Development. *Rental Housing Assistance — The Worsening Crisis: A Report to Congress on Worst Case Housing Needs*, March 2000.

Unfortunately, there has been a considerable loss of deeply subsidized and affordable units through private owners prepaying or “opting out” of their long-term contracts with HUD and converting to market rate housing. Although some of these developments may be preserved as “affordable” housing, the rents are often not affordable to extremely low-income people below 30 percent of AMI.

People with disabilities below 30 percent of AMI have also been negatively affected by the designation of “elderly only” housing by public and private federally subsidized housing providers. Since 1992, federal law has permitted public and private HUD-assisted housing providers to restrict or exclude people with disabilities under age 62 from residing in certain studio and one-bedroom apartments. Prior to 1992, these units were legally available on an equal basis to both elderly and disabled applicants. In most communities, the housing opportunities lost by non-elderly people through designation have not been replaced. [NOTE: Replacement occurs through the development of more housing targeted to non-elderly people with disabilities or through the targeting of rental assistance vouchers.] Currently, over 3,600¹⁵ public housing units and perhaps as many as 40,000¹⁶ HUD-assisted units in Florida have been designated as “elderly only.” Nationally, as many as 400,000 efficiency and one-bedroom units of subsidized housing are no longer available to non-elderly people with disabilities as subsidized housing providers and PHAs continue to implement elderly only housing policies.¹⁷

Supportive housing advocates should also be aware of the potential affect that “elderly only” laws have on the supply of subsidized housing that is now available exclusively to elderly households. Anecdotal data and information collected by TAC from around the United States indicates that, at least in some localities, there is a growing surplus of subsidized elderly housing units. [NOTE: This assessment can be more precisely done by analyzing public and assisted elderly housing vacancy data and waiting list data. Waiting list data can provide information on exactly how long applicants remain on the list before an offer of housing is made.] Because of the number of retirees living in Florida, the demand for affordable elderly housing may very well be higher than in most other states.

Barrier-Free and Accessible Housing

This loss of public and privately owned HUD subsidized housing discussed above has also had a devastating impact on the supply of affordable, barrier-free and accessible housing available to people with disabilities. These properties often are the only

¹⁵ U.S. Department of Housing and Urban Development. *Designated Housing Plan Status Report as of November 20, 2003*. <http://www.hud.gov/offices/pih/centers/sac/designated/dhplansbydate112003.pdf>.

¹⁶ This estimate is derived from *An Inventory of HUD Assisted Housing* which appeared on HUD’s website for a short period of time in 2003 and is now being updated. TAC’s analysis of this Inventory, which was based on national data, along with HUD data from *The Geographic Distribution of Federally HUD Assisted Housing* (www.huduser.org/Publications/pdf/fahtable.pdf), leads TAC to conclude that over 40,000 units of federally assisted housing in Florida (primarily one-bedroom units) are available solely to elderly households aged 62 and older.

¹⁷ Technical Assistance Collaborative and the Consortium for Citizens with Disabilities Housing Task Force, *Opening Doors*,. Issue 15, September 2001.

subsidized housing units in a locality that are barrier-free or otherwise accessible to people with physical or sensory impairments. In most communities, there has been little or no new development of supportive housing with accessible units that could begin to replace some of the housing lost through pre-payments or opt outs.

Federal fair housing laws require that new multi-family rental housing first made available for occupancy after October, 1991 have at least 5 percent of units as barrier-free and 2 percent for people with sensory impairments. These requirements also apply to rental housing developed with federal or state funding. However, without some sort of interactive system for linking owners of vacant accessible units to people with disabilities that need them, the units are frequently rented to non-disabled households.

Stigma and Housing Discrimination

Until 15 years ago, when the protections of the Fair Housing Act (FHA) were extended to people with disabilities, it was legal in the United States to discriminate against a person with a disability attempting to rent or buy a home. Federal laws now protect people with disabilities from housing discrimination but these legal protections are often not well understood or utilized. For example, supportive housing developers commonly encounter Not In My Back Yard (NIMBY) attitudes when attempting to site new projects. Public Housing Agencies (PHAs) may discriminate against people with disabilities if they do not provide “reasonable accommodation” in their PHA and Section 8 policies, including Section 8 “Special Housing Type” policies that facilitate access to supportive housing. A recent HUD-funded report by Abt Associates also documented repeated patterns of housing discrimination against people with disabilities in federally subsidized housing programs.¹⁸ Unless housing discrimination issues are addressed in a systematic manner, housing discrimination patterns and practices will continue to be a formidable barrier to identifying, accessing, and creating new supportive housing opportunities.

Housing resource discrimination can also prevent new supportive housing from being developed. Housing resource discrimination may occur when those groups most in need of housing assistance routinely do not benefit from the housing funding decisions made by housing officials. This “discrimination by omission” may be an unintended outcome of housing policy decision-making, and therefore should not be considered within the legal context of discrimination. Nonetheless, it is often the biggest barrier to expanding supportive housing and can be more difficult to address.

Section Three - Housing Policy and Resource Decision-Making

During the 1990s, the federal government increasingly gave state and local government housing officials – including PHA officials – more control over how federal housing funds are used in their jurisdictions. This policy direction began with the enactment of the National Affordable Housing Act of 1990 and was extended with the Quality Housing and Work Responsibility Act of 1998. These policies have fundamentally altered the

¹⁸ Abt Associates, prepared for the U. S. Department of Housing and Urban Development. *Report to Congress: Assessment of the Loss of Housing for Non-Elderly People with Disabilities*, 2000.

landscape of affordable housing decision-making. Now state and local housing officials and PHAs – not the federal government – decide which of the many categories of low and moderate income households (e.g., low-income renters below 60 percent of AMI, people with disabilities who need supportive housing below 30 percent of AMI, etc.) will benefit from federally funded housing activities.

Like other states, Florida’s affordable housing programs are not organized or delivered systematically, but rather through a myriad of programs and housing agencies that have little relationship to one another. Because there is no coordinated affordable housing “system” per se in Florida (or in any other state for that matter), the federal government’s policy to “devolve” housing decision-making to state/local housing officials makes it much more difficult to implement a state-wide supportive housing agenda.

For example, in Florida there is no state housing agency that acts as a state-wide PHA. There are, however, 97 local PHAs that operate a Section 8 Housing Choice Voucher rental assistance program. Each of these PHAs may have different policies, preferences, and screening criteria for their Section 8 vouchers, which make it difficult to implement systematic strategies to expand supportive housing using the Section 8 program. Similarly, each of the 35 HOME participating jurisdictions in Florida, and FHFC at the state level, can decide individually whether they are willing to invest HOME funds to expand supportive housing development, and, if so, whether they would be willing to link these funds to Section 8 vouchers made available by PHAs.

This level of complexity makes it more difficult to coordinate and link the capital and subsidy resources needed to advance a supportive housing agenda. Until recently, even though most of the resources potentially available to expand supportive housing are all federally funded (e.g., HOME, Section 8 vouchers, etc.), little guidance had been provided by HUD to help promote coordination efforts among state and local housing officials. Federally sponsored state Policy Academies are now working with states to foster and promote coordination efforts, although the emphasis has been primarily at the state government level.

From an advocacy perspective, it is a daunting task for Florida supportive housing advocates to individually engage all of the PHAs, as well as all of the state/local community development officials, to determine (1) their willingness to expand supportive housing; (2) how much capital and rent/operating subsidy funding could be made available; and (3) how the various capital and rent/operating subsidy funding streams could be coordinated so that more supportive housing can be provided. However, a state-level policy framework or supportive housing “agenda” could help to facilitate important linkages between federal and state housing capital and subsidy funding streams needed to expand supportive housing.

The purpose of the Resource Analysis provided in Part Two of this report is to highlight the potential availability of both capital and rent/operating subsidy funding that – *if targeted appropriately by state and local housing officials in a more coordinated and systematic way* – could facilitate an expansion of supportive housing in Florida. These

housing programs are not all controlled by one entity (e.g., FHFC), so the issues of coordination and linkage are critical, as is the issue of financial modeling to make the most effective use of capital funding.

Part Two - Analysis of Housing Resources in Florida Potentially Available to Expand Supportive Housing

For the ease of the reader, TAC has divided the affordable housing resources available in Florida to expand supportive housing into four sections:

Section One includes the federal “discretionary” subsidized housing resources/programs specifically targeted to expand supportive housing. These HUD programs are accessed by non-profit supportive housing organizations that can apply annually for funding and include:

- The Section 811 Supportive Housing for Persons with Disabilities Program and
- The HUD McKinney/Vento Homeless Assistance Programs

Section Two includes federal affordable housing and community development resources that are “block granted” or otherwise allocated to state and local housing officials. These officials, and not the federal government, develop the policies and make the decisions that determine how these funds are used and which populations will benefit. The federal programs and policies covered in this section include:

- The HOME Program
- The Community Development Block Grant Program
- The Emergency Shelter Grant Program
- The Housing Opportunities for Persons with AIDS Program
- The Consolidated Plan
- The federal Low Income Housing Tax Credit Program
- Mortgage Revenue Bonds

Section Three includes federal programs administered by Public Housing Agencies in Florida and covers:

- Public Housing Agencies (PHAs)
- The Section 8 Voucher Program
- Section 8 vouchers set aside for people with disabilities by Congress
- PHA Plans

Section Four describes five important housing programs funded by the State of Florida including:

- The State Housing Initiatives Partnership Program
- The State Apartment Incentive Loan Program
- Homeless Housing Assistance Grants
- The Predevelopment Loan Program

Section One – Federal Discretionary Resources Targeted to Supportive Housing

Section 811 Supportive Housing for Persons with Disabilities Program

HUD’s Section 811 Supportive Housing for Persons with Disabilities program (Section 811) is the oldest federal housing program dedicated exclusively to the expansion of supportive housing for persons with disabilities. There are two separate components of the Section 811 program. The first component, the Section 811 Capital Advance/Project Rental Assistance Contract (PRAC) program, provides capital funding to acquire, rehabilitate or newly construct permanent supportive housing for persons with disabilities along with a five year renewable PRAC to ensure affordability for the lowest-income households. The second component of the Section 811 Program is the tenant-based rental assistance program administered by HUD, known as the Section 8 Mainstream Housing Opportunities for Persons with Disabilities Program.

Section 811 Capital Advance/PRAC

For more than 13 years, the Section 811 Capital Advance Program has funded the creation of supportive housing through local non-profit organizations, called sponsors, who apply directly to HUD for these funds through an annual Notice Of Funding Availability (NOFA)¹⁹. The Section 811 Capital Advance program is referred to as the “one stop shopping” program because it provides both a capital grant and a project rental assistance contract (PRAC) to successful applicants that, in many instances, may not need any additional funding to make the project feasible. The PRAC provides for long-term affordability for tenants who pay only 30 percent of their income toward rent. Shortfalls in capital funding (which can occur if HUD cost limits are too low in certain areas) can usually be made up through local “gap” financing strategies. Although the Section 811 program does not fund supportive services per-se, HUD does require Section 811 grantees to have a supportive services plan that addresses the needs of tenants. Through the Section 811 program, the housing must be available for very low-income persons with disabilities for a minimum of 40 years and is renewable subject to the availability of funds.

Florida has had a “mixed” track record with respect to new Section 811 resources during the past three years. Approximately 70 units are allocated to Florida each year by HUD, (The exact number is based on the Section 811 appropriation.) However, these units are not actually awarded to Florida non-profits unless there are enough competitive applications. If not, some units allocated to Florida can be re-allocated by HUD to other states. In Fiscal Year (FY) 2001, Florida was awarded 68 new Section 811 units; in FY 2002, Florida was awarded 48 new units. Unfortunately, according to HUD data, in 2003 Florida was awarded only seven units of new Section 811 funding, which means that the funding for 63 additional units may have been re-allocated by HUD to other states. TAC has learned that only 2 Section 811 applications were submitted to HUD and

¹⁹ Prior to 1990, the Section 811 Capital Advance Program was known as the Section 202 Supportive Housing Program for Persons with Disabilities

that one was subsequently withdrawn. TAC estimates the value of these re-allocated funds to be approximately \$6 million, although the exact amount was not available from the HUD's Section 811 award information.

Section 811-funded Section 8 Mainstream Housing Opportunities for Persons with Disabilities Program

Since 1997, 25 percent of Section 811 funding has been competitively awarded as tenant-based rental assistance through the Section 8 Mainstream Housing Opportunities for Persons with Disabilities program (Mainstream vouchers). These funds, which can be awarded to either a non-profit disability organization or to a PHA, must also be used to expand supportive housing. Since 1999, when non-profit organizations were first eligible to apply along with PHAs, Florida non-profits have successfully competed for these funds, including three separate awards totaling 181 vouchers to Boley Centers for Behavioral Health Care Inc., one award for 75 vouchers to the Housing Partnership Inc. in FY 2000, and a FY 2003 award of 50 tenant-based rent subsidies to Carrfour Supportive Housing Inc. Overall, Florida has obtained over 650 Section 8 Mainstream vouchers (which is approximately 6 percent of the total distributed nationally). Table 2 provides additional details.

Table 2
Public Housing Agencies Administering Mainstream Vouchers

Housing Agency	City	# Vouchers	Year Funded
Alachua County Housing Authority	Gainesville	75	2001
Boley Centers for Behavioral Health Care, Inc.*	St. Petersburg	181	1999/2001/ 2003
Broward County Housing Authority	Lauderhill	50	2003
Carrfour Supportive Housing*	Miami	50	2003
Clearwater Housing Authority	Clearwater	75	1997
Housing Partnership, Inc.*	West Palm Beach	75	2000
Miami-Dade Housing Authority	Miami	75	1999
Tallahassee Housing Authority	Tallahassee	75	2000

*denotes non-profit disability organization

Assessment of Future Section 811 Opportunities in Florida

Unfortunately, while Section 811 is a valuable supportive housing program, the program is funding fewer and fewer new units of housing nationwide each year. Federal funding for this program was cut by 50 percent in 1995 and has never been restored, making it a limited resource. At best, future Section 811 appropriations from Congress are expected to be “flat,” and with rising program costs, this means fewer new units funded every year. For example, in 2003, Carrfour Supportive Housing was extremely fortunate to receive 50 units of Mainstream tenant-based rental assistance from a national pool of only 1,336 total subsidies. The Jacksonville HUD office noted that “gap” financing is now needed

to supplement most Section 811 projects in Florida – which may be one reason why the traditional 811 non-profit developers are less interested in competing for these funds.

The long-term future availability of Section 811 funding is uncertain. TAC projections indicate that unless Section 811 appropriations are increased substantially to fund PRAC and Mainstream voucher renewals, by 2009 the Section 811 Capital Advance program will no longer be funding any new housing development. Between 2004 and 2009, TAC estimates that fewer than 1,500 units of new tenant-based rental assistance will be available nationally. These projections are based on the modest level of funding (approximately \$251 million for FY 2003 and FY 2004) provided by Congress. Because of these funding limitations, TAC believes that the Section 811 program must be a supplementary, rather than a core element, of state strategies to expand supportive housing in Florida.

Before the FY 2004 Section 811 Notice Of Funding Availability is published by HUD, it would be helpful to obtain more information from HUD about the quantity and quality of competitive applications from Florida non-profits in the FY 2003 funding competition.

McKinney/Vento Homeless Assistance Programs

The HUD McKinney/Vento Homeless Assistance programs have formed the backbone of local efforts intended to address the needs of homeless individuals and families in Florida, including the creation of new supportive housing. In 1994, HUD introduced the Continuum of Care model to encourage communities to address the problem of homelessness in a more coordinated, comprehensive, and strategic fashion. With the introduction of Continuum of Care planning, communities were encouraged to envision, organize, and plan comprehensive, long-term solutions to address the problem of homelessness. HUD Continuum of Care policies strongly emphasize the expansion of permanent supportive housing, with incentives that included up to \$750,000 in bonus funding in the FY 2003 competition for new permanent supportive housing projects selected as the Continuum of Care system's number one priority project.

HUD's McKinney/Vento Homeless Assistance Programs include the Shelter Plus Care (S+C) program, Section 8 Moderate Rehab Single Room Occupancy (Section 8 SRO) program, and the Supportive Housing Program (SHP). All of these programs provide valuable rental assistance funding for supportive housing for homeless people with disabilities. The SHP program can also provide up to \$400,000 in capital funding for permanent supportive housing, but it must be "matched" with at least an equal amount of non-McKinney/Vento capital funding. Sources of match funding in Florida include any of the capital programs described in Section Two below. It is important to note that HUD McKinney/Vento programs can only assist people with disabilities who meet HUD's restrictive definition of "homeless" and cannot be used for those at risk of homelessness.

Federal officials are continuing to direct more HUD McKinney/Vento funding towards new permanent supportive housing by increasing permanent housing "bonus" funding and through permanent housing scoring incentives. As a result, fewer funds are

available for the renewal of non-permanent housing projects, including some existing transitional housing and supportive services projects. In “mature” Continuums of Care that have successfully competed for HUD funding for many years, the “renewal burden” to sustain existing projects may mean that little or no funding for new permanent housing or other initiatives. Homeless advocates in Florida should anticipate that these trends in HUD McKinney/Vento funding will continue and that additional emphasis on permanent supportive housing, particularly for chronically homeless individuals, will be included in this year’s HUD competitive application.

Fortunately, Florida has been increasingly successful in competing for HUD McKinney/Vento Homeless Assistance funds, including the permanent housing bonus funding. For example, in FY 2003, 20²⁰ Continuum of Care applications were funded in Florida for a total of over \$51.3 million. In FY 2003, only three Continuums in Florida did not receive the permanent housing bonus. It appears that the availability of Florida’s Homeless Housing Assistance Grants program described later in Section Three (which began in 2002) could account for some of Florida’s recent success in leveraging these McKinney/Vento funds.

Assessment of McKinney/Vento Opportunities

Florida should continue to anticipate that HUD McKinney/Vento funding will be available to expand permanent supportive housing, including bonus funding for new permanent supportive housing projects. The federal government’s current policy agenda to end chronic homelessness in ten years means that these funds are likely to be protected in any future Congressional appropriations battles – at least for the near future. Shelter Plus Care rent assistance program renewals also seem secure, as members of Congress have appropriated separate funding for these renewals since FY 2001. In order to successfully leverage HUD’s permanent housing bonus funding, each Continuum of Care in Florida should receive the technical assistance it needs to ensure that one new permanent supportive housing project is submitted to HUD each year during the Continuum of Care competition. In order to add to the permanent supply of supportive housing, Continuums should be encouraged to use these funds for new housing production activities, including project-based Shelter Plus Care and new Supportive Housing Program capital and renewable operating subsidy funding.

²⁰ Information from the Florida Coalition for the Homeless indicates that there are currently 28 Continuum of Care planning groups in Florida. It should be noted that not all of these Continuums submitted applications to HUD for McKinney/Vento funding. In addition, of those Continuums that did submit applications to HUD, some were not successful in the competition and did not receive funding.

Section Two – Resources Controlled by State and Local Housing and Community Development Officials and PHAs

State and local housing community development officials are key players in the affordable housing delivery system in every state. Each year, Congress appropriates more than \$6 billion dollars that goes directly to all states, most urban counties, and certain communities “entitled” (through a formula established by Congress) to receive federal funds directly from HUD for new affordable housing and community development activities. In FY 2003, HUD distributed over \$312 million of these federal “block grant” funds to Florida.

These funds are provided through four separate programs, including:

- HOME Program
- Community Development Block Grant Program
- Emergency Shelter Grant Program
- Housing Opportunities for Persons with AIDS Program

A specific breakdown of FY 2004 funding for each of these programs by locality is provided in Appendix A.

HOME Program

The HOME program is a formula grant to states and local jurisdictions that can be used for: rental housing production and rehabilitation loans and grants; acquisition of rental housing; first-time homebuyer assistance; rehabilitation loans for homeowners; and tenant-based rental assistance. In FY 2003 Florida received a total of \$84.2 million in HOME funding, including \$23.4 million provided by HUD directly to the State of Florida and administered by FHFC and \$60.8 million in HOME funding provided by HUD directly to 35 separate HOME participating jurisdictions across the state that qualify under the HOME funding formula. Local community development officials control the use of HOME funds in these 35 participating jurisdictions.

The HOME program is an extremely important resource in any effort to expand supportive housing. The most simple and most direct way to use HOME funds for households below 30 percent of AMI is the tenant-based rental assistance option. Tenant-based rental assistance requires a two-year commitment of HOME funds “up front” that can be renewed if the participating jurisdiction agrees. HOME funding can also be a core component of supportive housing development strategies because it can provide some or all of the capital funding needed to buy, rehabilitate or newly construct the housing. Advocates have suggested that, because the State of Florida’s HOME funds are currently undersubscribed, this may be an ideal time to target them for supportive housing. Officials that control HOME funds typically adopt policies that encourage HOME funding to be leveraged with other sources of capital funding (e.g. McKinney

SHP funding or funding from the federal Low Income Housing Tax Credit program, etc.). Developers of HOME funded supportive housing projects typically need to identify these and other major sources of capital funding in order to complete the development financing package.

Community Development Block Grant Program (CDBG)

CDBG is a formula grant provided to “entitlement communities” (typically municipalities with populations of over 50,000 and urban counties with populations of over 200,000) and to all 50 states for housing as well as for community development activities benefiting low and moderate-income people. These funds can be used for housing rehabilitation; new housing construction; purchasing land and buildings; construction of public facilities, such as shelters for homeless persons; construction of neighborhood service centers or community buildings; code enforcement, demolition, and relocation funds for people displaced because of CDBG projects; making buildings accessible to the elderly and handicapped; and public services such as employment services and health and child care. In FY 2003 Florida received a total of \$190.8 million in CDBG funding, including \$32.8 million in CDBG funding provided directly to the state and administered by the Department of Community Affairs (DCA) and approximately \$157.9 million in CDBG funding provided to 67 local entitlement communities that receive CDBG funding directly from HUD. DCA’s funding must be used in “non-entitlement communities”.

Because of their flexibility, many CDBG grantees across the country spend most or all of their CDBG funds on community development and community services and relatively little on housing, particularly rental housing. Because CDBG funding patterns may date back to the early days of the program in the 1970s, changing CDBG funding policies can be extremely difficult. The program is extremely popular with elected officials who have long established policies for the use of these funds.

Nonetheless, CDBG can be a valuable resource to help expand supportive housing. Supportive housing advocates and developers in some states rely on CDBG funding for numerous supportive housing activities, including using CDBG as “match” for certain HUD McKinney/Vento projects, using CDBG as “gap” financing for Section 811 projects, or as the final “layer” in a supportive housing development financing scheme with multiple funding sources.

Emergency Shelter Grant Program (ESG)

ESG is a formula grant to states and localities to address the needs of homeless individuals and families. In FY 2003 Florida received a total of \$6.2 million in ESG funding. The following activities can be paid for with ESG funds: renovation, major rehabilitation, or conversion of buildings for use as emergency shelter; essential services for the homeless; homeless prevention efforts; and shelter operating costs, such as maintenance, insurance, utilities, rent, and furnishings. These funds are already 100 percent invested to assist homeless people. In Florida, ESG funds are administered at the

state level by the Department of Children and Families (DCF). In FY 2003, DCF received \$2.3 million in ESG funding. There are also 21 Florida communities that in the aggregate received \$3.8 ESG funding directly from HUD in FY 2003. It should be noted that because the eligible activities under ESG are related to emergency responses to homelessness, it rarely (if ever) can be used to expand supportive housing.

Housing Opportunities for Persons with AIDS Program (HOPWA)

HOPWA is a formula block grant distributed to states and larger metropolitan areas based on the incidence of HIV/AIDS. In FY 2003, Florida received a total of \$31.7 million in HOPWA funding, including approximately \$4 million provided directly to the state and administered by the Florida Department of Health and \$27.7 million provided to seven localities. The majority of the funding was allocated to Miami and Fort Lauderdale. At the state level, HOPWA funds are administered by the Florida Department of Health. The HOPWA program funds both housing and services for people with HIV/AIDS including: housing information and coordination services; acquisition, rehabilitation and leasing of property; project-based or tenant-based rental assistance; homeless prevention activities; supportive services; housing operating costs; technical assistance; and administrative expenses. The HOPWA program receives broad Congressional support that has translated into increased appropriations for the past several years.

HOPWA is one of the most targeted federal housing programs because only people who have HIV/AIDS can benefit from HOPWA funds. However, within this targeting, it is an extremely flexible supportive housing resource. Because of the scarcity of other funding, HOPWA grantees have begun investing HOPWA dollars in projects that are targeted to people with a dual or triple diagnosis (e.g., people with HIV/AIDS as well as co-occurring mental illness and substance use, people with HIV/AIDS and mobility impairments, etc.).

The Consolidated Plan

The Consolidated Plan (ConPlan)²¹ is the federally mandated “master plan” for affordable housing in local communities and states. The ConPlan is a HUD planning requirement imposed on state and local housing officials by HUD in exchange for the flexibility that these officials now have to decide how HOME, CDBG, ESG, and HOPWA federal funds are used. By law, the ConPlan is intended to be a comprehensive, long-range strategic planning document that describes housing needs, market conditions, and housing strategies, and outlines an action plan for the use of the four federal housing programs referenced above. Decisions about how the \$312 million in annual federal funding in HOME, CDBG, ESG, and HOPWA will be invested across Florida are contained in state and local Consolidated Plans (ConPlans). The State of Florida and every entitlement community receiving these funds must submit a ConPlan and have it approved by HUD before any of these funds can be awarded or spent.

²¹ The ConPlan is legally referred to in federal law as the Comprehensive Housing Affordability Strategy or CHAS. The term ConPlan is now commonly used to refer to that document

The federal government created the ConPlan based on the idea that local and state government and its citizens were in a better position than HUD to make affordable housing and community development decisions. However, in order to ensure that there is community participation in these decisions, Congress established requirements regarding citizen participation, consultation with public and private agencies serving people with disabilities and other groups, and solicitation of public input from citizens. In both the ConPlan regulations and HUD memos, HUD has specifically encouraged housing officials to involve people with disabilities and organizations serving people with disabilities in housing strategies that are incorporated in the ConPlan.

There are currently 67 ConPlans submitted to HUD from communities in Florida – including 49 cities and 18 counties – as well as a ConPlan from DCA that covers those parts of the state that do not qualify under federal formulas to receive these funds directly from HUD. *There is a required component in each of these ConPlan housing needs assessments that requires housing officials to describe the needs for supportive housing²² in the jurisdiction. In addition, there is a requirement that each ConPlan include an analysis of impediments to fair housing opportunities. These requirements can be used as leverage with housing officials to encourage more investment in supportive housing, including advocating for specific financing strategies that utilize the funding controlled by the ConPlan (i.e., HOME and CDBG funding).*

TAC Review of Selected ConPlans in Florida

A truly comprehensive picture of affordable housing activities in Florida would require in-depth discussions with many state and local housing officials that control these resources – an activity far beyond the scope of this Inventory. However, TAC did review a sample of Florida ConPlans in order to gather potentially useful anecdotal data. This sample included 8 ConPlans submitted to HUD from Florida cities, counties, and the State that were readily available.²³ TAC's ConPlan review found that – with several exceptions – the ConPlans did not include a specific commitment of resources to expand supportive housing.

Most of the Florida ConPlans did contain some information regarding the housing needs of people with disabilities and/or homeless people. However, in most instances, this need was not addressed through a specific allocation of HOME or CDBG resources. Communities that did target some funding to people with disabilities and/or homeless people often used this funding to support community services or as a match for Section 811 or McKinney/Vento Continuum of Care projects. Although this investment in matching funds is extremely helpful to non-profit supportive housing providers and should be encouraged, it does not result in the creation of additional new units beyond those that the Section 811 or McKinney/Vento project will create.

²² Defined as housing linked with services for homeless and/or disabled populations

²³ Appendix B includes a list of those ConPlans included in TAC's assessment.

In addition to providing a match for McKinney/Vento programs and Section 811 projects, there are other ways that HOME and CDBG resources can be used to expand supportive housing. For example, the HOME program can be a core resource for the financing of supportive housing for people with disabilities with SSI-level incomes. However, information from the sampling of ConPlans suggests that HOME jurisdictions that use HOME funding to develop new rental housing do not currently create housing affordable to households with SSI level incomes.

These policy changes alone would not be sufficient to bring HOME affordability levels down below 30 percent of AMI. Without a link to on-going subsidy funding through programs like Section 8 rental assistance or HUD McKinney/Vento Homeless Assistance programs, it is virtually impossible to use HOME funds alone to develop and finance supportive housing for people with extremely low-incomes. As mentioned earlier, only HOME tenant-based rental assistance can achieve this goal. For this reason, an important element of Florida's future supportive housing development strategy should be to foster linkages between housing officials who control HOME funds and PHAs that control the use of Section 8 vouchers. Of the sample of ConPlans reviewed by TAC, only one jurisdiction, Orange County, used HOME for tenant-based rental assistance for people with disabilities. TAC's analysis found that the majority of CDBG funding was invested in community and economic development activities – such as sidewalk repair and parks – rather than for housing. Orange County did use CDBG for minor accessibility modifications for people with mobility impairments.

By adopting specific policies for the prioritization of ConPlan resources for supportive housing, state and local housing officials could significantly expand the number of units available to the target population. For example:

- If only 10 percent of the HOME funds in Florida were invested in supportive housing, approximately \$8.4 million per year would be available for supportive housing capital funding and/or tenant-based rental assistance.
- Un-utilized HOME funds could be re-prioritized for a tenant based rental assistance supportive housing initiative;
- If only 2.5 percent of the CDBG funds in Florida were invested in supportive housing, then approximately \$4.8 million per year would be available for supportive housing capital funding or accessibility modifications.

Federal Low Income Housing Tax Credit Program

The federal Low Income Housing Tax Credit (LIHTC) program is one of the most important affordable housing programs available in Florida for supportive housing development. The program provides competitive awards of federal tax credits (so-called 9 percent credits) to developers to assist in the creation of affordable rental housing including supportive housing. Because the program is based on a federal tax credit rather than direct federal funding (e.g. HOME, CDBG, McKinney-Vento, etc.), it is more complicated and technical than most affordable housing financing tools.

The basic framework of the LIHTC program involves three sequential transactions. First, the federal government annually allocates a formula amount of LIHTC to each state. Next, states competitively award these tax credits to affordable housing developers. Developers then sell these credits to investors who then have an ownership interest in the project for tax purposes. The proceeds of this sale are referred to as “tax credit equity” and can provide the housing developer with a significant percentage of the funding needed to develop the project. By law, at least 10 percent of tax credits must be awarded to non-profit organizations, which, on a national basis, has helped open the door for supportive housing developers to compete for these funds.

In Florida, the FHFC administers the LIHTC program – or Housing Credit program, as FHFC refers to it. In FY 2003, Florida received an allocation of \$30.7 million in LIHTC from the U.S. Department of the Treasury – an increase of \$8.1 million from 2001 due to the increased per-capita allocation enacted by Congress in 2002. This 40 percent increase in Florida’s LIHTC allocation (as well as potential future increases indexed to population growth) provides an opportunity to expand the focus of the program in Florida to include supportive housing development. As a policy, FHFC currently provides 12 percent (rather than the minimum 10 percent) of the tax credit allocation it receives to non-profit organizations, which could be an additional incentive for supportive housing developers.

The LIHTC program income targeting requires that 20 percent of LIHTC units be made available for households at or below 50 percent of AMI or that 40 percent of LIHTC units be made available for households at or below 60 percent of AMI. These federal rules on their own do not promote the creation of units affordable to households at or below 30 percent of AMI. In fact, according to FHFC’s report, the LIHTC program has produced only 1,090 units targeted to this extremely low income group out of 59,843 total units funded. Most of these targeted units have been produced during the past few years.

However, the LIHTC statute does require that each state agency administering the program give preference in the competitive process for allocating credit amounts to “projects serving the lowest income tenants”²⁴. States must develop a Qualified Allocation Plan (QAP) that outlines their priorities for awarding credits in the annual competition, and must seek public comments during the preparation of the QAP. The QAP must be approved by the federal government before any tax credits can be allocated.

Because of their potential value to affordable rental housing developers, the FHFC application process for tax credits is extremely competitive and is always oversubscribed. Under the IRS code, up to 65 percent of the total development cost of a rental housing project can be provided through an allocation of tax credits, although that amount may be somewhat less under the Florida program. With this amount of capital funding provided through one program, it becomes relatively easy for developers to secure the additional amounts of capital financing from other programs (e.g. HOME, SAIL, etc.) needed to proceed with a project. As a result of these funding dynamics, developers seek to maximize the number of points they can receive in the LIHTC application scoring

²⁴ Section 42(m)(1)(B)(I)

criteria. Because of the competition for these resources, the program can easily be incentivized to accomplish state policy goals.

While the LIHTC program can facilitate the development of “affordable” housing that may cost less than market rate housing, “affordable” LIHTC rents (which may be as high or higher than HUD Fair Market Rents in some areas) are not affordable to households with incomes at or below 30 percent of AMI. To encourage the development of housing with lower rents, the FHFC does provide additional points for deeper affordability targeting by region. In addition, Florida’s QAP contains a number of set-asides or targeting to include rural development projects, projects located in the Florida Keys, elderly projects, projects sponsored by a non-profit developer, and projects for homeless people. To facilitate the linkage of LIHTC with other affordable housing funding, Florida’s annual LIHTC funding cycle also includes Mortgage Revenue Bonds and the State Apartment Incentive Loan program.

As the FHFC has learned, the difficulty is turning these policies into units affordable to the lowest-income households at or below 30 percent of AMI, including those who typically live in supportive housing units. As discussed earlier, deep affordability targeting simply cannot be accomplished without some type of linkage to on-going rent subsidies to ensure affordability for tenants or through the “up-front” capitalization of an operating reserve fund to cover shortfalls in rental income. Fortunately, creating an operating reserve is considered an eligible cost under the tax credit program rules used to calculate the amount of the tax credit award. Both these strategies that have been used successfully in several other states to promote the use of LIHTC resources to expand supportive housing.

To attract the additional capital and/or rent subsidy funding needed for supportive housing development, it is also possible to create scoring preferences within the LIHTC program. These preferences could provide developers with the appropriate incentives to work with local housing departments that receive HOME funds, PHAs interested in project-basing Section 8 vouchers, and local Continuums of Care developing permanent supportive housing projects using HUD bonus funding. These incentives can also work to promote the creation of a set-aside of supportive housing units within larger rental housing development projects typically developed using the LIHTC program.

Mortgage Revenue Bonds for Rental Housing (MRBs)

FHFC also administers the multifamily Mortgage Revenue Bond program authorized by federal law. The MRB program provides below market-rate loans financed through the sale of tax-exempt and taxable bonds to encourage the development of affordable rental housing. Projects receiving this tax exempt financing may also receive non-competitive 4 percent housing tax credits, assuming the development meets certain threshold requirements.

FHFC sponsors an annual competitive funding cycle for the MRB program as well as 9 percent housing credits and SAIL funds. Typically, the MRB program supports large

scale rental projects of 200 units or more. The term of the loan is 45 years. For tax-exempt bond financing, a project must target a minimum of 20 percent of the total units for households at 50 percent AMI or less or 40 percent of the total units for households at 60 percent AMI or less. For taxable bond financing, a project must target at least 20 percent of the total units to low-income households with incomes at or below 80 percent AMI.

The MRB program is the least targeted affordable housing program in Florida. The cost of using bonds is also higher than any other program, even though it is offset to some extent by the value of the 4 percent tax credit. Without some type of rental subsidy commitment, it would be extremely difficult to use MRB financing to create housing affordable to homeless people or other groups whose incomes fall well below 30 percent of AMI. According to FHFC's report, *Analysis of Florida's Affordable Rental Supply and Remaining Housing Need*, the MRB program has supported 67 units for extremely low-income households (less than 1 percent) out of a total of 56,766 units.

For some housing finance agencies, including FHFC, MRBs are the most plentiful resource available to create affordable housing. The challenge is combining them successfully with other sources of capital and subsidy funding to ensure affordability for people with incomes at or below 30 percent of AMI. Connecticut's housing finance agency is attempting to overcome this challenge by targeting the Section 8 project-based program. In some housing markets areas, the Section 8 project based program rents (which can be as high as 110 percent of FMR) may be able to support some debt, thus creating an opportunity to use MRBs in combination with other sources of debt-free capital funding. Developing supportive housing using this approach would likely require a highly structured financial model created at the state level.

Section Three – Housing Resources Controlled by Public Housing Agencies

A Public Housing Agency is a unique governmental body that may administer federal public housing units owned by the PHA and the Section 8 Housing Choice Voucher program. Together, the public housing and voucher programs now account for more than two-thirds of the “deeply subsidized” housing in the United States affordable to households at or below 30 percent of AMI. Both programs provide subsidized housing for households below 50 percent of median-income and target households below 30 percent of AMI. Public housing units are subsidized through a federal public housing operating subsidy that ensures that tenants pay no more than 30 percent of their income for housing. The Section 8 voucher program provides financial assistance to help households afford decent and safe housing in the community through a monthly housing assistance (subsidy) payment. PHAs in Florida are critically important to the future of supportive housing because they control more than two-thirds of the subsidized housing resources available in the state.

At the present time, there are 118 PHAs²⁵ in Florida. Approximately half of Florida’s PHAs administer both Section 8 and public housing, while the rest administer only one of the two programs. Specifically, of the 118 PHAs in Florida:

- 35 PHAs administer a Section 8 program only;
- 21 PHAs administer a public housing program only; and
- 62 PHAs administer both Section 8 and public housing programs

Unlike many other states, there is no state housing agency within Florida that acts as a PHA and, as a result, there is no state role in the Section 8 voucher program.

PHAs are governed by a Board of Commissioners and administered by an Executive Director. These players typically establish PHA policies. A list of Florida PHAs – and the resources they control – is included in Appendix C.²⁶

Florida’s PHAs administer approximately 41,000 units of federally funded public housing. The federal public housing program in Florida is shrinking, as PHAs proceed to demolish substandard public housing units that are not cost-effective to rehabilitate. While a few Florida PHAs may be willing to use vacant federal public housing units to implement supportive housing, public housing units are not generally used for this purpose.

The Section 8 Housing Choice Voucher Program

As the federal public housing program has declined, the Section 8 Housing Choice Voucher program has become the major federal program for assisting low-income families, the elderly, and people with disabilities to obtain decent, safe, and sanitary

²⁵ Includes three non-profit organizations that only administer vouchers targeted to people with disabilities through the Mainstream program.

²⁶ Based on data available on HUD’s website (www.hud.gov) as of 9/1/03.

housing in the community, especially households below 30 percent of AMI. In fact, Section 8 income targeting requires that at least 75 percent of a PHA's vouchers be given to households at or below 30 percent of AMI.

Vouchers are commonly referred to as tenant-based rent subsidies because they are provided to eligible applicants to use in private market rental housing of their choice that meets the Section 8 program requirements. Once a rental unit is selected and approved, the Section 8 applicant (who then becomes a Section 8 participant) pays a limited percentage of the household's income (generally 30 to 40 percent) as rent, with the balance of the rent (up to a certain "payment standard") being paid by the PHA through the voucher program.

According to the FHFC report, Florida PHAs had a total of 79,861 Section 8 vouchers leased in 2003.²⁷ This statistic comes from a HUD website that aggregates data on vouchers that are currently leased by households in the community. Additional data available through HUD's website indicates that Florida PHAs have Section 8 Annual Contribution Contracts that would support a total of 91,394 vouchers.²⁸ This discrepancy is likely the result of variations in PHA Section 8 "payment standards" across the state and the fact that the FHFC 79,861 figure does not include any unleased vouchers held by PHAs.²⁹

Despite its primary use for tenant-based rental assistance, Section 8 vouchers can also be used to develop affordable housing. Modifications to the Section 8 voucher program statute now allow PHAs to use up to 20 percent of their Section 8 funds to provide project-based assistance. Under this program option, vouchers are committed to a specific unit or units in a property for periods up to 10 years. Households who reside in these units must meet Section 8 eligibility criteria and pay only 30 percent of their income for rent.

With project-based assistance, the owner of the housing has the guarantee of a long-term on-going rental subsidy. And, unlike the "old" project based program, new HUD rules allow people living in Section 8 project-based housing to move from the unit after one year and receive a priority for a tenant-based voucher. The project-based assistance continues to be committed to the unit, and new tenants are referred from the waiting list.

Section 8 project-based assistance is a valuable resource for creating new supportive housing. It can also be used successfully as a strategy to help PHAs use their un-leased vouchers. Project-based vouchers can be combined with federal and state capital funding resources for housing development (e.g., the HOME program, the Low Income Housing

²⁷ Florida Housing Finance Corporation. *Analysis of Florida's Affordable Rental Supply and Remaining Housing Need*. 8, September 2003.

²⁸ Based on data from HUD's Public and Indian Housing Information Center website: <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>.

²⁹ HUD estimates the number of Section 8 vouchers which can be funded in a voucher Annual Contributions Contract. Because PHAs have some flexibility to establish their own "payment standards" for the voucher program, the number of vouchers actually administered can vary from the ACC estimate.

Tax Credit program, CDBG, State Housing Initiatives Partnership (SHIP), State Apartment Incentive Loan (SAIL), etc.). They can also be committed fairly quickly to “existing” units of housing. Non-profit organizations trying to develop or expand affordable housing – including supportive housing – for households below 30 percent of AMI are looking to the project-based voucher program to provide the rent subsidy needed to ensure affordability. *Other than the HUD McKinney/Vento Homeless Assistance programs and the Section 811 program, Section 8 project-based assistance is the only resource in the affordable housing “tool box” available to provide this all-important rental subsidy.* It should be noted that PHA project-based assistance commitments are subject to annual Section 8 appropriations. Nonetheless, national underwriters like the National Equity Fund now view the Section 8 project-based assistance program as a secure source of subsidy funding for supportive housing.

Section 8 Vouchers Set Aside for People with Disabilities and People with Special Needs

Most Section 8 vouchers are regular or “incremental” Section 8 vouchers that can be given to any eligible household on the Section 8 waiting list. However, there are some Congressional set-asides exclusively for people with disabilities within the Section 8 program that can be used to expand supportive housing. For example, they are currently being targeted for supportive housing initiatives in the State of Connecticut, the State of Washington, St. Paul, Minnesota, and Boston, Massachusetts.

Since 1997, Congress has been funding one or more Section 8 set-aside voucher programs for people with disabilities. Approximately 2,600 of these set-aside vouchers have been awarded in Florida to 19 PHAs and three non-profit disability organizations. Because of various requirements imposed on these vouchers by law and by Congressional appropriations language, they must continue to be set aside for people with disabilities even when the vouchers turn-over and are re-issued.³⁰ A list of PHAs in Florida that have received these Section 8 vouchers is included in Appendix D.

The Section 8 voucher set-asides for people with disabilities are provided through the following programs:

- **Section 8 Mainstream Housing Opportunities for Persons with Disabilities program vouchers with five-year renewable Annual Contributions Contracts.** The five-year Section 8 Mainstream Housing Choice Vouchers set aside exclusively for people with disabilities are actually funded through the Section 811 tenant-based rental assistance program.[NOTE: This program is also highlighted in the Section 811 discussion on page 13.] Initially funded in 1997 for PHAs, non-profit

³⁰ FY 2003 Congressional appropriations language for the HUD budget states the following with regards to special Section 8 vouchers set aside for people with disabilities: “...*incremental vouchers...for non-elderly disabled families shall, to the extent practicable, continue to be provided to non-elderly disabled families upon turnover.*”

disability organizations as well as PHAs have been eligible to apply for these Mainstream vouchers since 1999. In Florida, five PHAs and three non-profit disability organizations currently administer a total of 656 five-year Mainstream vouchers. *It is important to note that these Mainstream vouchers are renewed every five years through the Section 811 appropriation, and therefore, should never be used for any other purpose or target population. Unfortunately, anecdotal evidence suggests that some PHAs with these vouchers no longer maintain them as set-asides.* A further assessment of the status of these vouchers in Florida may help to identify future resources for supportive housing.

- **Section 8 Mainstream Housing Opportunities for Persons with Disabilities program vouchers with one-year renewable Annual Contributions Contracts.** The one-year Section 8 Mainstream Housing Choice Vouchers set aside exclusively for people with disabilities are funded through the Section 8 appropriation and not the Section 811 appropriation. Set-asides of these vouchers were funded by Congress from 1997-2002, and can only be administered by PHAs and not by non-profit organizations. These vouchers must also continue to be set aside for people with disabilities when they turn-over. *It is extremely important to note that under current Section 8 appropriation language, PHAs are required to maintain these vouchers for their “intended purpose” even after the Annual Contributions Contract is renewed and the vouchers are all initially leased-up. HUD has yet to provide PHAs with notice of this Congressional requirement.* Because they can only be issued to people with disabilities, these vouchers are a potential source of funding for supportive housing. In Florida, nine PHAs administer a total of 825 one-year Mainstream Vouchers.
- **Section 8 “Designated Housing” Vouchers.** The Section 8 Designated Housing program provides Section 8 vouchers to PHAs that have an approved HUD Allocation Plan for their federal public housing units to: (1) implement “elderly only” housing policies; (2) implement “disabled only” housing policies; or (3) implement “mixed elderly/disabled” housing policies. Only non-elderly people with disabilities (under 62 years old) can receive vouchers from this set-aside, which are intended to expand the supply of Section 8 housing opportunities for non-elderly people with disabilities who may have been negatively impacted by PHA designation policies. *It is extremely important to note that under current Section 8 appropriation language, PHAs are required to maintain these vouchers for their “intended purpose” even after the Annual Contributions Contract is renewed and the vouchers are all initially leased-up. HUD has yet to provide PHAs with notice of this Congressional requirement.* Because they can only be issued to people with disabilities, these vouchers are a potential source of funding for supportive housing. Eight Florida PHAs currently administer a total of 930 Designated Housing vouchers.

- **Section 8 “Certain Developments” Vouchers.** The Section 8 “Certain Developments” program provided PHAs with housing vouchers for non-elderly people with disabilities who are not eligible for HUD assisted privately owned developments because the developments are “elderly only” – meaning that the owner has adopted tenant selection policies that restrict or prohibit occupancy by people with disabilities under age 62. Certain Development vouchers were made available by HUD to PHAs from 1997-2002. Only one PHA in Florida – the Orlando Housing Agency – currently administers a total of 200 Certain Development vouchers. *It is extremely important to note that under current Section 8 appropriation language, PHAs are required to maintain these vouchers for their “intended purpose” even after the Annual Contributions Contract is renewed and the vouchers are all initially leased-up. HUD has yet to provide PHAs with notice of this Congressional requirement.* Because they can only be issued to people with disabilities, these vouchers are a potential source of funding for supportive housing.

In addition to those set asides described above, PHAs may administer additional Section 8 set asides that are targeted to specific populations such as families wanting to reunify with children who are in custodial care. Through the Family Unification Program (FUP) PHAs provide vouchers to families for whom the lack of adequate housing is a primary factor in the separation, or threat of imminent separation, of children from their families or in the prevention of reunifying the children with their families. Except for the target population, FUP vouchers are administered as regular Section 8 vouchers. In Florida at least 6 PHAs administer 600 FUP vouchers. A list of those Florida PHAs that administer FUP vouchers is included in Appendix D.

All of the 1,774 targeted vouchers in the four programs described above are considered part of the Section 8 program and are included in the figures in Appendix D. Of these four programs, only the Section 8 Mainstream five year renewal program will have new funding in 2004, and, unfortunately, this funding is highly competitive. This year, less than 10 percent of the applications submitted to HUD were funded, and Florida was fortunate to receive 2 new awards (Carrfour Supportive Housing and Boley Behavioral Health Care). The other three voucher set-aside programs have not had new vouchers appropriated by Congress since FY 2002, although renewal funding for the 1,774 vouchers previously awarded is provided each year as part of the Section 8 appropriation. As noted in the *italics* above, because of either statutory provisions or appropriations language, these set-aside vouchers must continue to be used by people with disabilities upon turn-over, and could theoretically be used for supportive housing. Of course, in addition to these vouchers, Florida PHAs have the discretion to implement special set-asides or initiatives that target regular Section 8 vouchers to expanding supportive housing.

PHA Plans

Beginning in 2000, each PHA has been required by the federal government to create a five-year comprehensive document known as the Public Housing Agency Plan (PHA Plan). Similar to the ConPlan in its structure, the PHA Plan describes the agency's overall mission for serving low-income and very low-income households, and the activities that will be undertaken to meet their housing needs. The PHA Plan includes a statement of the housing needs of low- and very low-income people in the community, and PHA strategies to use Section 8 and public housing resources to meet those needs. According to federal law and HUD regulations, the PHA Plan should be consistent with the needs and strategies in the ConPlan. In practice, this consistency is not always achieved.

To begin to determine how Section 8 and public housing resources are being used throughout Florida, TAC briefly reviewed 24 PHA Plans³¹ – representing approximately 20 percent of Florida's PHAs, including those PHAs administering the greatest number of vouchers/units. TAC found that, in general, the PHA Plans reviewed lacked data regarding the housing needs of people with disabilities. Although this data is a required component of the needs assessment section of the PHA Plan, half of the plans reviewed did not include this information. This type of information is critically important since housing policy decisions at all levels are driven by data. In the absence of good data to defend high priority needs, it is difficult for housing officials to allocate resources – especially when there is never enough funding to assist everyone in need.

Section 8 Preferences

The review of PHA Plans also included an analysis of PHA's use of tenant selection preferences in the administration of its Section 8 and public housing programs. PHAs have the discretion to establish local tenant selection preferences, subject to HUD approval, to reflect needs of their particular community. In selecting applicants from its waiting list, a PHA may give priority to an applicant who meets one or more of these preferences. Applicants who qualify for these preferences may be able to move ahead of other applicants on the waiting list that do not qualify for any preference. Nineteen of the 24 PHA Plans reviewed indicated that some type of preference system for organizing their Section 8 waiting lists was used. Examples of some types of preferences include: residency preferences for people living in the PHA jurisdiction; rent-burdened (e.g., paying more than 50 percent for housing costs); involuntarily displaced by disaster; homeless; veterans; etc.

Approximately half of the PHA Plans reviewed documented a preference for “working families and those unable to work because of age or disability.” This type of preference could be an important housing policy tool to help target housing resources to people with

³¹ Appendix B includes a list of those PHA Plans included in TAC's assessment.

disabilities and frail elders. However, as documented below, despite these preferences, people with disabilities still may face difficulty in utilizing Section 8 vouchers.

Florida PHA Section 8 Waiting Lists and Voucher Utilization

Data from the 24 PHA Plans reviewed by TAC indicate that, in general, people with disabilities make up a significant portion of PHA's Section 8 waiting lists – an average of 19.7 percent according to the PHA Plans. PHAs in the City of Lakeland, Pasco County, Delray, and Pensacola had the largest number of people with disabilities on their Section 8 waiting lists – ranging from 26 percent to 37 percent. However, PHAs in other large cities had fewer disabled households on their Section 8 waiting lists. For example, the data indicate that less than one percent of the Housing Authority of Fort Lauderdale's Section 8 waiting list may be comprised of disabled households. Although this data is anecdotal, it shows the range among PHAs of waiting list penetration by people with disabilities. It should be noted that PHA waiting list data typically understates housing needs. Often people with disabilities, as well as non-disabled households, have a hard time getting their name on the Section 8 waiting list because of PHA application policies or because the waiting lists are closed.

Waiting list data is only one indicator of a PHA's success in reaching the target populations. Another important indicator is the number of disabled households who are successful in receiving vouchers and using them to rent a housing unit in the community. Nationwide, approximately 22 percent of Section 8 households are non-elderly and disabled. According to HUD data, 16.8 percent of all Section 8 participant households in Florida are non-elderly disabled households, significantly less than the national average. Florida has two of the nation's largest PHAs, with regards to the number of Section 8 vouchers: Jacksonville PHA and Miami-Dade PHA. The data indicates that neither of these PHAs assist a large number of non-elderly disabled households (14.3 percent and 12.3 percent, respectively).³² In fact, the Miami-Dade PHA ranked 48th out of the largest 50 PHAs in the nation in assisting non-elderly disabled households in the Section 8 program.

As mentioned earlier, as a result of devolution, PHAs are given considerable flexibility by HUD to design Section 8 programs that respond to local needs. There are some discretionary Section 8 policies that can facilitate the use of vouchers to implement supportive housing. For example, the Section 8 project-based assistance program is perhaps one of the most useful policies that a PHA can use to expand supportive housing. A PHA could also create a Section 8 preference for people on the waiting list who want to live in supportive housing, or who are already living in supportive housing – perhaps with S+C or SHP rent subsidies. By moving these households to the Section 8 program, the S+C or SHP subsidies can be re-used by people with disabilities who are currently homeless. These strategies are all permitted under the Section 8 and S+C/SHP program rules and could also help with PHA voucher utilization problems.

³² U.S. Department of Housing and Urban Development. *Housing Choice Voucher Location Patterns: Implications for Participant and Neighborhood Welfare*, January 2003.

Section 8 Funding Issues

During the past federal fiscal year, the future funding for the Section 8 program was the subject of much discussion among federal officials. Proposals to modify the program and create a Housing Assistance for Needy Families block grant were soundly defeated in Congress, but may be re-introduced in the FY 2005 budget debate. In addition, for FY 2004, it appears that Congress will only appropriate sufficient Section 8 funding for about 97 percent of all vouchers administered by PHAs. As a result, PHAs – as well as housing advocates – are appropriately concerned about the viability of Section 8 funding over the long term.

That being said, it is critically important that supportive housing advocates continue to target the Section 8 program. As mentioned earlier, the new project-based assistance program holds great promise for new supportive housing development. The Section 8 set-asides for people with disabilities mentioned earlier are also an important resource because they must continue to be used for people with disabilities as directed by Congress. Because PHAs typically have at least 5 percent of their leased vouchers “turnover” during the course of a year, there should still be opportunities to engage PHAs with these vouchers and ensure that they are being used for their intended purpose.

Section Four – State-Funded Housing Resources

As federal funding for affordable housing has declined, some states have created state funded housing programs to try and fill this gap. The State of Florida funds four housing programs that are relevant to expanding supportive housing:

- State Housing Initiatives Partnership Program (SHIP)
- State Apartment Incentive Loan Program (SAIL)
- Homeless Housing Assistance Grants (HHAG)
- Predevelopment Loan Program (PLP)

State Housing Initiatives Partnership (SHIP)

The SHIP program provides approximately \$130 million a year to support local city and county affordable housing efforts. Created in 1992 as part of the Sadowski Act, the SHIP program may be used for a variety of purposes including:

- Emergency repairs,
- New construction, rehabilitation, acquisition of property in order to develop affordable housing,
- Special needs housing development,
- Down payment assistance, and
- Homeownership counseling.

Funds for the SHIP Program are raised from the collection of documentary stamp tax revenues and are placed into a Local Government Housing Trust Fund. SHIP funds are then distributed by the state on an entitlement basis to all 67 counties and 48 Community Development Block Grant entitlement cities. The minimum allocation is \$350,000 and the maximum allocation is \$9 million. Because SHIP funding is derived from a dedicated revenue source related to real estate transactions, the amount available from year to year can fluctuate. The Florida Legislature also has the authority to “sweep” money from the Trust Fund to be used for other purposes. Recently, this practice has reduced SHIP funding availability.

Through the development of a Housing Assistance Plan, localities determine selection criteria and the application process to distribute the SHIP funds. SHIP funds can be awarded either as grants or as loans. However, according to the Sadowski Act, which authorized the program, each local government must use at least 65 percent of its annual distribution of SHIP funds on homeownership activities. In addition, localities must use at least 75 percent of their allocated funds for construction-related activities. Finally, the program requires localities to use at least 30 percent of its annual distribution for serving households at 50 percent AMI or less. Because of these criteria, localities have historically utilized a large percentage of SHIP funds to support homeownership activities.

There is no targeting in the SHIP program for extremely low-income households at or below 30 percent AMI, nor are there mandated set-asides to encourage the development of supportive housing. Despite this lack of income targeting, according to the FHFC report, the SHIP program has developed 6,021 rental units for extremely low-income households representing 32 percent of the total number of SHIP supported rental units. This statistic appears to indicate a willingness on the part of some local and county governments in Florida to support housing targeted to the lowest-income households.

State Apartment Incentive Loan (SAIL)

Florida's SAIL Program is also authorized by the Sadowski Act and supported by funds raised from the collection of documentary stamp tax revenues through the State Housing Trust Fund. Unlike the SHIP program, which can be used for either homeownership or rental housing, the SAIL program provides low-interest loans solely to support the development of affordable rental housing. The program is currently funded at \$43 million. FHFC administers the SAIL program through an annual competitive cycle that also includes housing credits and mortgage revenue bonds. This "one-stop shopping" approach can encourage developers to use several sources of financing to achieve lower-income targeting.

The term of SAIL loans are typically 15 years to coincide with LIHTC affordability requirements, but may be longer depending upon the project. Interest rates are set at 3 percent and 1 percent for projects targeting 80 percent of the units to farmworkers, commercial fishing workers, and/or homeless people. Interest rates for non-profit developers are typically set at a 0 percent with the loan principal due at maturity. Consistent with LIHTC policy, the SAIL program requires that a minimum of 20 percent of the units in a project must be affordable to households with incomes at 50 percent AMI or less. Projects using housing credits may use a minimum set-aside of 40 percent of the units for residents with incomes 60 percent AMI or less. There is no deep targeting requirement for extremely low-income households or persons with disabilities. However, when SAIL funds were used by FHFC in 2003 in combination with MRB financing or LIHTC awards, deeper income targeting was a requirement.

According to the Florida Housing Finance Corporation's report, *Analysis of Florida's Affordable Rental Supply and Remaining Housing Need*, the SAIL program has developed 629 units for extremely low-income households (1.6 percent of the total SAIL supported units) out of a total of 39,286 units. A project by project analysis would be needed to determine how this level of affordability was achieved and whether project-based rent subsidies (perhaps under the HUD McKinney/Vento programs) have ever been used in combination with SAIL program financing.

Homeless Housing Assistance Grants (HHAG)

Florida's Office of Homelessness administers the HHAG Program. This program offers capital grants through the designated lead agency of a Continuum of Care for the construction of new or repair of existing housing for the homeless. The program can be

used for both permanent and transitional housing for homeless persons and is currently funded at \$5 million through documentary stamp tax revenue. No more than two projects from a Continuum of Care can be funded annually and the award limit is \$750,000 per project.

According to FHFC's report, in 2002, which was the first year of the program, half of HHAG program funds were used to support the development or rehabilitation of 227 units of permanent housing. The other half of the funds went to support transitional housing. The program appears to be very compatible with HUD's McKinney/Vento SHP program in terms of providing "matching" funds under HUD's permanent housing bonus. A more detailed analysis of the actual projects funded would determine the extent to which these funds have actually leveraged new SHP capital and operating subsidy grants for permanent supportive housing. The HHAG program has great potential to expand permanent supportive housing for homeless persons and should continue to be used to leverage valuable operating subsidy funding from HUD's SHP program. To maximize the effectiveness of this program, some portion of the funding could also be coordinated with other capital funding streams, such as the FHFC annual LIHTC/MRB/SAIL competition. However, it may also be important to ensure that some of HHAG funds remain accessible to less sophisticated providers who may not be "tax credit ready".

Predevelopment Loan Program (PLP)

FHFC also administers the Predevelopment Loan Program (PLP) which is funded by revenues derived from documentary stamp revenues through the State Housing Trust Fund. The program is currently funded at \$2 million. The PLP provides below market-rate forgivable loans to non-profits, local governments or public housing authorities for predevelopment activities associated with the planning, financing and development of affordable housing.

In order to receive assistance, the program requires that the rental project must set aside a minimum of 60 percent of its units for persons earning 60 percent AMI or less. FHFC provides individualized technical assistance to accompany these loans and accepts applications on an on-going basis. In order to further support supportive housing development using the Section 811 program and McKinney/Vento funding, FHFC could aggressively market and offer PLP resources to potential Section 811 grantees and/or Continuum of Care permanent housing grantees.

Part Three – Conclusions Regarding Inventory

Supportive housing advocates are often surprised – and also discouraged – when they recognize that there is a very “short list” of government housing programs available to create supportive housing. Florida is indeed fortunate to have state housing capital programs such as SHIP, SAIL, and the Homeless Housing Assistance Grants program that can supplement and complement the federal housing resources authorized to expand affordable housing, including supportive housing. Unfortunately, the “remaining renter affordable housing need” in Florida identified in the FHFC report far exceeds all the federal and state resources that TAC can anticipate being available in the foreseeable future. These affordable housing resource constraints – which all states currently face – are a major reason why the housing component of supportive housing is such a challenge.

Other challenging issues that the Inventory confirms include:

- The shortage of dedicated rental/operating subsidy funding for supportive housing;
- The need to involve PHAs in the creation of supportive housing through the Section 8 program;
- The importance of maximizing the coordination of the various sources of capital funding potentially available for supportive housing;
- The need to develop models of supportive housing financing that incentivize the linkage between capital and rent/operating subsidy funding or that include a capitalized operating reserve to ensure affordability for the lowest income households.

Despite these challenges, some states are making real progress expanding supportive housing, and are doing so by targeting the very same housing resources outlined in this Housing Resource Inventory. The key to success in these states has been the creation of a policy environment in which the difficult choices and decisions concerning the allocation of scarce housing resources for supportive housing become possible.

It is clear from the data in this Inventory that federal discretionary supportive housing programs – specifically Section 811 Supportive Housing for Persons with Disabilities program and the HUD McKinney/Vento Continuum of Care programs – do not have sufficient funding to be the “core” components of a significant supportive housing expansion in Florida. This funding assessment is likely to remain valid for the foreseeable future. At best, approximately 250-300 units per year could be obtained through these two programs for the entire state, and that estimate assumes that appropriations continue to rise with inflation and program renewal costs. [Note: In both Section 811 and HUD McKinney/Vento programs, renewals of existing projects are accounting for a higher and higher percentage of the federal appropriation each year.]

It is important, however, that every effort be made to ensure that Florida continues to take advantage of what ever resources are available through these two federal discretionary programs. Unfortunately, from HUD’s November 2003 Section 811 press release, it

appears that Florida only received seven of the approximately 70 units allocated to the HUD Jacksonville Field Office jurisdiction for FY 2003. The remaining 63 units were awarded to projects in other states – and that this occurred because of a lack of competitive applications from Florida. A de-briefing from the HUD Jacksonville staff could help to determine reasons for this outcome, and assess what steps could be taken by state policy makers and by the non-profit community to improve the quantity and/or the quality of Section 811 applications for the FY 2004 funding round, which will occur shortly.

Florida did much better in the HUD 2003 McKinney/Vento competition, where the top federal priority was funding new permanent supportive housing projects. HUD offered up to \$750,000 to each Continuum of Care system in Florida as an incentive to submit a new project as their top priority – even above renewal of existing transitional housing and supportive services projects. On December 19, 2003, HUD announced that Florida had received 20 new permanent supportive housing grants as an outcome of this federal policy initiative. Only two Continuums of Care in Florida did not receive these bonus funds. Again, an analysis of these Continuums could be done to determine what technical assistance could be provided to improve outcomes in the FY 2004 competition.

Targeting Mainstream Housing Resources for Supportive Housing

In addition to assessing federal discretionary programs, this Resource Inventory provides information on so-called “mainstream housing resources,” which – if properly aligned with the correct policy incentives – can also be used to sustain an expansion of supportive housing. The term “mainstream housing resources” is increasingly used by federal policy makers and advocates to describe certain affordable housing resources (including but not limited to Section 8 vouchers, HOME funds, and Low Income Housing Tax Credits) not specifically targeted for supportive housing but that could be made available for supportive housing.

For the past several years, HUD Continuum of Care policies have emphasized the use of mainstream housing resources to expand supportive housing. And while homeless and supportive housing advocates have been aware of this HUD policy, until recently, HUD had not directly communicated this policy message to state and local housing and community development officials who, as highlighted in Part 2 of this Inventory, actually control how these funds are used.

Fortunately for supportive housing advocates, that situation has now changed. In order to advance President Bush’s policy goal of ending chronic homelessness, during the past six months, HUD has issued three important policy Notices to state and local housing officials and PHAs. The Notices specifically highlight how “mainstream housing resources” such as the HOME program and Section 8 vouchers can be deployed to address homelessness and are an important indication of HUD’s support for local supportive housing efforts. TAC has recommended that supportive housing advocates use these Notices as a means to engage state and local housing and community development officials and PHAs on these issues. A summary of these Notices is

provided below. A copy of each Notice can be obtained on HUD's website at www.hud.gov

- **HUD Notice CPD 03-08 Issued July 30, 2003** – This Notice is intended to provide guidance to HUD Field Offices, HOME Participating Jurisdictions and HOME grantees in the use of HOME Program funds to assist individuals and families who are homeless or at risk of homelessness. It refers directly to President Bush's goal to end chronic homelessness nationwide in ten years and the greater emphasis HUD is placing on coordinating federal assistance in an effort to prevent homelessness. The Notice specifically states that "*HUD's HOMEProgram is an important resource for state and local governments in their efforts to provide transitional and permanent housing to individuals experiencing homelessness...resulting in innovative initiatives that help local communities meet the needs of the homeless population.*"
- **HUD Notice PIH 2003-25 Issued October 3, 2003** – This Notice provides suggestions on how PHAs can help support the President's initiative to end chronic homelessness. The Notice specifically states that "*PHAs should work with other local governmental and non-governmental agencies....serving the homeless in setting policies and sharing resources.*"
- **HUD Notice CPD-02-14 Issued December 29, 2003** – This Notice outlines strategies for using CDBG funds to address the challenges of homelessness. The Notice specifically states: *A critical component of addressing the needs of homeless families and individuals is the availability of affordable housing opportunities for those who are homeless or at risk of homelessness.... CDBG is an important resource for local governments in their efforts to provide both transitional and permanent housing, as well as supportive service, to families and/or individuals experiencing homelessness.* The Notice includes specific ideas for the use of CDBG to expand permanent housing, including acquiring property, installing or reconstructing public improvements related to the development of permanent housing, as well as covering the costs of housing rehabilitation.

During the coming year, it is important for supportive housing advocates in Florida to capitalize on these HUD policy recommendations to promote a more coordinated approach to the creation of new supportive housing.

Mainstream Capital Resources

Capital resources are those affordable housing programs that can provide the one-time funded needed to newly construct, acquire and/or rehabilitate properties to create new supportive housing. With respect to capital resources, the Inventory shows that there is sufficient renewable capital funding available at both the state and local level in Florida – whether through the HOME program, bond financing, LIHTC equity, CDBG, SAIL, SHIP, and Homeless Housing Assistance Grants – to support a continuous and sustained expansion of supportive housing across the state. For example, funds that are controlled

locally, such as local HOME and SHIP funds could be leveraged with capital funding controlled by the state (e.g., HOME funds, SAIL funds, bond financing, Low Income Housing Tax Credits etc.) to produce a “package” of capital financing, which would be feasible for developers of supportive housing.

However, the challenges inherent within this strategy are also obvious. Simply put, there needs to be a policy mechanism, ideally at the state level, to create the proper incentives to promote the leveraging of local capital funding with state capital resources. Such policies would ensure that the most efficient and effective capital financing strategy is deployed and could include relatively simple “models” of capital financing that are most feasible for supportive housing development.

The financial modeling is very important, because the amount of debt-free capital needed to develop financially feasible supportive housing projects is higher than for other “affordable” housing financing models typically used by state housing agencies. Simple models – meaning no more 3-4 sources of financing – are much more efficient, and therefore more cost effective, because of the time that it otherwise takes to aggregate five, six or seven separate sources of capital funding.

Alternatively, blending multiple sources of capital funding at the administrative/policy level can also help make the development of supportive housing less burdensome and ensure the most effective use of capital funding programs. By sequencing the timing/availability of different sources of capital funding (as well as subsidy funding) and structuring “compatible” rules among the various financing programs, costly project delays can be minimized. This more structured approach to supportive housing financing also helps streamline the pre-development process, and thus helping build the capacity of supportive housing developers. There are some promising efforts and past practices in other states (i.e., Massachusetts, Connecticut, Minnesota and Washington State)³³ that could be useful for Florida housing officials to review to determine the more effective and efficient use of capital funding.

Rent Subsidy Funding

In addition to the challenge of developing policies that leverage state and local capital funding, there is the additional challenge of ensuring affordability in supportive housing by obtaining the necessary rent subsidies. As mentioned earlier in this report, because of the extremely low incomes of supportive housing tenants, the affordability of supportive housing can only be assured if (1) a project-based or tenant-based rental subsidy is provided or (2) an adequate operating reserve fund is capitalized as part of the project’s financing. In Florida, with the exception of HUD McKinney/Vento funding, Section 811 funding, and HOME funds that could be used for tenant-based rental assistance, virtually

³³

Boston: Contact Elizabeth Doyle, City of Boston DND, 617-635-0247

Connecticut: Contact Janice Elliott, Corporation for Supportive Housing, 203-789-0826

Minnesota: Contact George Stone, Corporation for Supportive Housing, 612-721-3700

Washington State: Contact Paul Carlson, Interagency Council on Homelessness, 206-220-5362

all of the rent subsidy funding needed to expand supportive housing is administered by local PHAs in the form of Section 8 vouchers.

TAC's Housing Resource Inventory supports the conclusion that, to achieve an expansion of supportive housing in Florida beyond the 250-300 units that can be obtained through the Section 811 and McKinney/Vento programs, the Section 8 voucher program must be targeted. As noted earlier, several non-profit organizations in Florida, including Carrfour Supportive Housing in 2003, have obtained Section 8 Mainstream vouchers sometime during the past four years. Although under current HUD policy these vouchers can only be used for tenant-based rental assistance, they offer an excellent opportunity for supportive housing non-profits to begin to "get into the Section 8 business". Every effort should be made to use these Mainstream vouchers for supportive housing – as they were intended by Congress³⁴. One promising tenant-based supportive housing program that could serve as a model is the Housing and Integrated Services Network program implemented by the Corporation for Supportive Housing in California.³⁵ Another is the Housing Support Team approach used by the Hawaii Adult Mental Health Division and recently documented in TAC's December 2003 issue of *Opening Doors*.³⁶

The new Section 8 project-based assistance program also provides a new opportunity to expand the production of supportive housing. PHAs are now permitted to "project base" up to 20 percent of their vouchers – either unused vouchers or vouchers that "turnover" and would otherwise be issued to a new household. In combination with debt free capital or very low interest capital leveraged from both state and local sources, Section 8 project-based assistance can be used as the rental subsidy component for new units of supportive housing for people with incomes below 30 percent of median. Several relatively simple financing models using both federal and state resources available in Florida as well as Section 8 project-based assistance are included as Appendix E.

Of course, targeting Section 8 vouchers administered by Florida PHAs for project-based assistance is not an easy task. Under pressure from both Congress and HUD, PHAs have improved their utilization of Section 8 vouchers during the past two years, which means that fewer unused vouchers are available to target to supportive housing initiatives. PHAs with management problems, and more conservative PHAs, may not be willing to expand their priorities to include supportive housing activities.

Nonetheless, PHAs remain the primary source of new project-based rent subsidy funds for supportive housing. Some PHAs may have unused vouchers they could commit to supportive housing activities. PHAs that have leased all their vouchers will have "turnover" vouchers that could be re-allocated to expand supportive housing. [NOTE: PHA annual voucher "turnover rates" vary from 5 percent to 10 percent of all vouchers leased in a given year.]

³⁴ PHAs administering Mainstream vouchers simply use them to assist people with disabilities who are on their Section 8 waiting lists. While all these people undoubtedly need housing assistance, they may not need supportive housing.

³⁵ Contact Carol Wilkins, Corporation for Supportive Housing, 510-251-1910

³⁶ Contact Bernie Miranda, Hawaii Adult Mental Health, 808-733-9362

What is needed in Florida (as well as in most other states) to expand supportive housing is a systematic approach to better coordinate and leverage these capital and rent subsidy resource opportunities. For example, if a small number of Section 8 vouchers available in Florida through “turnover” every year were used for project-based assistance in supportive housing, and then linked through a policy initiative to capital funds provided at both the state and local level, a pipeline of new projects could be established that would significantly expand the supply over time. Incentives linked to state capital funding could be the key element to leverage the necessary local capital and rent subsidy funding, including developing partnerships with willing PHAs. For example, FHFC could consider linking certain bond financing, HOME, and/or tax credit awards to a minimum threshold percentage of extremely low-income households linked with Section 8 project-based subsidies provided by a local PHA and local SHIP and/or HOME funding. This model would promote new supportive housing development as well as other rental housing opportunities for households at or below 30 percent of AMI.

In addition to aggregating capital funding at the state and local level with rent subsidy funding, the Section 8 project-based program can also be used to commit rent subsidies to what HUD calls “existing” units – meaning units that are not in the process of being developed or rehabilitated but units that are simply available in the housing market. In particular, units owned by non-profit housing organizations are excellent targets for an investment of Section 8 project-based assistance funding. This strategy can also be used in lieu of or in addition to the strategy linking capital funding to vouchers.

Capitalizing Operating Reserves

In lieu of rent subsidy funding, another strategy to ensure affordability in supportive housing projects is to provide sufficient capital for the project to support the costs of an operating reserve fund. This fund is then used as needed over the life of the project’s financing (typically 15 years) to cover the difference between rents (set at 30 percent of income) for the deeply targeted units and the cost of operating those units. This strategy has been pursued by supportive housing providers and underwriters when anticipated rental subsidy funding commitments have fallen through or when additional units of deeply subsidized housing above and beyond rent subsidy commitments were desirable. Capitalizing an operating reserve account requires that additional capital funding be provided over and above that needed for the actual cost of developing the housing. This supportive housing development strategy may be needed if on-going rental subsidy funding cannot be identified.

Final Thoughts

This Inventory of housing resources in Florida illustrates that there are both capital and rent subsidy funding streams that can be targeted to expand supportive housing. Because of the fragmentation of the affordable housing delivery system, and the flexibility that local housing officials have to set priorities for the use of these funds, systematizing and streamlining the use of these resources becomes critical. Because of the capital resources

that it controls, and the leadership that state housing officials can provide, the state is well-positioned to undertake this task.

There are several strategies that could be used to promote local investment of capital and rent subsidy funding in combination with state funds targeted or set aside for this purpose, including those that have proven successful in other states. For example, state officials could seek to establish partnerships with high performing PHAs willing to convert under-utilized Section 8 vouchers to project-based assistance. State officials could also begin work on models of financing supportive housing that include a capitalized operating reserve fund for some or all of the supportive housing units. Supportive housing financing models which take advantage of MRB's have been developed in other states and could be analyzed by state housing officials to determine their feasibility in certain Florida housing markets.

Since it is clear that more supportive housing is needed in Florida, this work at the state level to develop specific supportive housing financing strategies could begin immediately and proceed in parallel with the FHFC's assessment of the needs of extremely low-income households. By following this timetable, the state may be more prepared to implement new supportive housing approaches in the near term, and thus leverage more federal funding that might be made available for this purpose.

Appendix A
Fiscal Year 2003 Consolidated Plan Allocations

Jurisdiction	CDBG	HOME	ESG	HOPWA	Total
Boca Raton	\$551,000	\$0	\$0	\$0	\$551,000
Boynton Beach	\$645,000	\$0	\$0	\$0	\$645,000
Bradenton	\$595,000	\$0	\$0	\$0	\$595,000
Brevard County	\$1,997,000	\$1,709,613	\$0	\$0	\$3,706,613
Broward County	\$5,732,000	\$5,059,408	\$170,000	\$0	\$10,961,408
Cape Coral	\$744,000	\$0	\$0	\$0	\$744,000
Clearwater	\$1,180,000	\$592,679	\$0	\$0	\$1,772,679
Cocoa	\$286,000	\$0	\$0	\$0	\$286,000
Collier County	\$2,637,000	\$793,929	\$0	\$0	\$3,430,929
Coral Springs	\$1,102,000	\$0	\$0	\$0	\$1,102,000
Davie	\$776,000	\$0	\$0	\$0	\$776,000
Daytona Beach	\$1,028,000	\$636,954	\$0	\$0	\$1,664,954
Deerfield Beach	\$750,000	\$0	\$0	\$0	\$750,000
Delray Beach	\$714,000	\$0	\$0	\$0	\$714,000
Deltona	\$596,000	\$0	\$0	\$0	\$596,000
Escambia County	\$2,610,000	\$1,875,644	\$97,000	\$0	\$4,582,644
Fort Pierce	\$851,000	\$0	\$0	\$0	\$851,000
Fort Walton Beach	\$182,000	\$0	\$0	\$0	\$182,000
Ft Lauderdale	\$2,398,000	\$1,100,834	\$93,000	\$5,515,000	\$9,106,834
Ft Myers	\$830,000	\$0	\$0	\$0	\$830,000
Gainesville	\$1,530,000	\$863,360	\$0	\$0	\$2,393,360
Hialeah	\$5,261,000	\$2,381,786	\$189,000	\$0	\$7,831,786
Hillsborough County	\$7,168,000	\$2,712,841	\$223,000	\$0	\$10,103,841
Hollywood	\$1,887,000	\$800,972	\$0	\$0	\$2,687,972
Jacksonville-Duval	\$8,344,000	\$3,824,743	\$295,000	\$1,518,000	\$13,981,743
Lake County	\$986,000	\$0	\$0	\$0	\$986,000
Lakeland	\$912,000	\$470,923	\$0	\$0	\$1,382,923
Largo	\$583,000	\$0	\$0	\$0	\$583,000
Lauderhill	\$1,012,000	\$0	\$0	\$0	\$1,012,000
Lee County	\$2,587,000	\$814,053	\$75,000	\$0	\$3,476,053
Manatee County	\$1,831,000	\$657,079	\$0	\$0	\$2,488,079
Margate	\$523,000	\$0	\$0	\$0	\$523,000
Marion County	\$2,091,000	\$656,073	\$0	\$0	\$2,747,073
Melbourne	\$692,000	\$0	\$0	\$0	\$692,000
Miami	\$10,132,000	\$5,140,914	\$440,000	\$10,617,000	\$26,329,914
Miami Beach	\$2,163,000	\$1,292,021	\$95,000	\$0	\$3,550,021
Miami-Dade County	\$24,113,000	\$7,826,586	\$777,000	\$0	\$32,716,586
Miramar	\$880,000	\$0	\$0	\$0	\$880,000
Naples	\$141,000	\$0	\$0	\$0	\$141,000
North Miami	\$1,539,000	\$574,567	\$0	\$0	\$2,113,567

Jurisdiction	CDBG	HOME	ESG	HOPWA	Total
Ocala	\$592,000	\$0	\$0	\$0	\$592,000
Orange County	\$7,441,000	\$2,911,071	\$207,000	\$0	\$10,559,071
Orlando	\$2,711,000	\$1,474,151	\$84,000	\$2,520,000	\$6,789,151
Palm Bay	\$729,000	\$0	\$0	\$0	\$729,000
Palm Beach County	\$8,392,000	\$2,951,321	\$245,000	\$0	\$11,588,321
Panama City	\$482,000	\$0	\$0	\$0	\$482,000
Pasco County	\$2,996,000	\$1,057,565	\$102,000	\$0	\$4,155,565
Pembroke Pines	\$1,093,000	\$0	\$0	\$0	\$1,093,000
Pensacola	\$1,122,000	\$0	\$0	\$0	\$1,122,000
Pinellas County	\$3,818,000	\$1,862,562	\$126,000	\$0	\$5,806,562
Plantation	\$650,000	\$0	\$0	\$0	\$650,000
Polk County	\$3,769,000	\$1,249,758	\$141,000	\$0	\$5,159,758
Pompano Beach	\$1,187,000	\$499,098	\$0	\$0	\$1,686,098
Port St Lucie	\$711,000	\$0	\$0	\$0	\$711,000
Punta Gorda	\$96,000	\$0	\$0	\$0	\$96,000
Sarasota	\$707,000	\$1,015,303	\$0	\$500,000	\$2,222,303
Sarasota County	\$1,795,000	\$0	\$0	\$0	\$1,795,000
Seminole County	\$2,935,000	\$1,261,833	\$92,000	\$0	\$4,288,833
St Petersburg	\$2,800,000	\$1,458,051	\$103,000	\$0	\$4,361,051
Sunrise	\$914,000	\$0	\$0	\$0	\$914,000
Tallahassee	\$2,369,000	\$1,237,683	\$0	\$0	\$3,606,683
Tamarac	\$519,000	\$0	\$0	\$0	\$519,000
Tampa	\$4,663,000	\$2,208,711	\$167,000	\$2,993,000	\$10,031,711
Titusville	\$418,000	\$0	\$0	\$0	\$418,000
Volusia County	\$2,734,000	\$1,118,946	\$93,000	\$0	\$3,945,946
West Palm Beach	\$1,329,000	\$709,404	\$0	\$4,045,000	\$6,083,404
Winterhaven	\$329,000	\$0	\$0	\$0	\$329,000
Florida State Program	\$32,882,000	\$23,425,000	\$2,381,000	\$3,985,000	\$62,673,000
TOTAL	\$190,762,000	\$84,225,436	\$6,195,000	\$31,693,000	\$312,875,436

Appendix B

Consolidated Plans reviewed by TAC

Jurisdiction	CDBG	HOME	ESG	HOPWA	Total
Florida State Program	\$32,882,000	\$23,425,000	\$2,381,000	\$3,985,000	\$62,673,000
Lakeland	\$912,000	\$470,923	\$0	\$0	\$1,382,923
Miami Beach	\$2,163,000	\$1,292,021	\$95,000	\$0	\$3,550,021
Orange County	\$7,441,000	\$2,911,071	\$207,000	\$0	\$10,559,071
Orlando	\$2,711,000	\$1,474,151	\$84,000	\$2,520,000	\$6,789,151
Palm Beach County	\$8,392,000	\$2,951,321	\$245,000	\$0	\$11,588,321
Pinellas County	\$3,818,000	\$1,862,562	\$126,000	\$0	\$5,806,562
Sarasota County	\$1,795,000	\$0	\$0	\$0	\$1,795,000

PHA Plans reviewed by TAC

Public Housing Agency	City
Brevard County Housing Authority	Merritt Island
Broward County Housing Authority	Lauderhill
City of Ft. Myers Community Redevelopment Agency	Ft. Myers
City of Pensacola	Pensacola
Clearwater Housing Authority	Clearwater
Delray Housing Authority	Delray Beach
Hialeah Housing Authority	Hialeah
Hillsborough County	Tampa
Housing Authority of the City of Ft. Lauderdale	Ft. Lauderdale
Housing Authority of the City of Homestead	Homestead
Housing Authority of the City of Lakeland	Lakeland
Housing Authority of the City of St. Petersburg	St. Petersburg
Housing Authority of the City of Tampa	Tampa
Jacksonville Housing Authority	Jacksonville
Miami Beach	Miami Beach
Ocala Housing Authority	Ocala
Orange County Housing and Community Development	Orlando
Orlando Housing Authority	Orlando
Palm Beach County	West Palm Beach
Pasco County Housing Authority	Dade City
Pinellas County Housing Authority	Largo
Pompano Beach	Pompano Beach
Tallahassee Housing Authority	Tallahassee
West Palm Beach Housing Authority	West Palm Beach

Appendix C

Public Housing Resources³⁷

Public Housing Agency	# Section 8 Vouchers	# Low Rent Units
Alachua County Housing Authority	472	276
Area Housing Commission	0	603
Baker County Board of Commissioners	147	0
Bay County Housing Agency (Housing Authority of Springfield)	106	0
Boley Center For Behavioral Healthcare*	150	0
Brooksville Housing Authority	0	126
Broward County Housing Authority	5,105	775
Carrfour Supportive Housing*	50	00
Chipley Housing Authority	0	88
Citrus County Division of Housing Services	101	0
City of Bradenton	519	0
City of Fort Myers Community Redevelopment Agency	1,500	0
City of Leesburg Section 8 Rental Program	202	0
City of Pensacola	2,055	0
Clearwater Housing Authority	981	583
Collier County Housing Authority	440	0
Columbia County Housing Authority	68	80
County of Volusia Dept of Community Services	322	0
Crestview Housing Authority	40	273
Defuniak Springs Housing Authority	0	50
Deland Housing Authority	549	200
Delray Beach Housing Authority	906	199
Dunedin Housing Authority	0	50
Fort Walton Beach Housing Authority	657	174
Gainesville Housing Authority	32	635
Gilchrist County Housing Authority	0	10
Haines City Housing Assistance	92	0
Hendry County Housing Agency	43	0
Hernando County Housing Authority	285	0
Hialeah Housing Authority	4,305	1,117
Hillsborough County-BOCC	1,993	0
Holmes County Rental Assistance Program	194	0
Housing Authority of Avon Park	25	129
Housing Authority of Bartow	55	82
Housing Authority of Boca Raton	571	95
Housing Authority of Brevard County	1,912	626
* Indicates non-profit disability organization		

³⁷ Based on data from HUD's Public and Indian Housing Information Center website: <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>.

Public Housing Agency	# Section 8 Vouchers	# Low Rent Units
Housing Authority of Hollywood	597	120
Housing Authority of Lee County	211	138
Housing Authority of New Smyrna Beach	253	126
Housing Authority of Pompano Beach	829	118
Housing Authority of Springfield	446	40
Housing Authority of the City of Apalachicola	0	54
Housing Authority of the City of Arcadia	0	105
Housing Authority of the City of Bradenton	99	431
Housing Authority of the City of Cocoa	149	426
Housing Authority of the City of Dania	499	40
Housing Authority of the City of Daytona Beach	772	1,106
Housing Authority of the City of Deerfield Beach	482	195
Housing Authority of the City of Eustis	0	60
Housing Authority of the City of Fernandina Beach	62	57
Housing Authority of the City of Fort Lauderdale	2,124	887
Housing Authority of the City of Fort Pierce	709	826
Housing Authority of the City of Green Cove Spring	148	0
Housing Authority of the City of Homestead	1,618	0
Housing Authority of the City of Key West	254	574
Housing Authority of the City of Lakeland	1,243	747
Housing Authority of the City of Live Oak	0	104
Housing Authority of the City of Miami Beach	2,639	200
Housing Authority of the City of Mulberry	0	26
Housing Authority of the City of Orlando	2,789	1,607
Housing Authority of the City of Sanford	89	483
Housing Authority of the City of Sarasota	728	559
Housing Authority of the City of St. Petersburg	2,310	489
Housing Authority of the City of Stuart	77	70
Housing Authority of the City of Titusville	392	255
Housing Authority of the City of Winter Park	0	171
Housing Authority of the County of Flagler	180	132
Housing Authority of the City of Fort Myers	0	965
Housing Partnership Inc.*	75	0
Indian River County Board of County Commissioners	345	0
Jacksonville Housing Authority	6,718	3,138
Jefferson County Board of County Commissioners	129	0
Lake County Board of County Commissioners	40	0
Lake County Housing Agency	282	0
Lake Wales Housing Authority	72	240
Leon County Section 8 C/O Tallahassee Housing Authority	36	0
Levy County Housing Authority	142	124
Macclenny Housing Authority	0	80
* Indicates non-profit disability organization		

Public Housing Agency	# Section 8 Vouchers	# Low Rent Units
Manatee County Housing Authority	707	80
Marianna Housing Authority	117	80
Melbourne Housing Authority	0	261
Miami Housing Conservation	415	0
Miami-Dade Housing Authority	16,401	10,395
Milton Housing Authority	0	89
Monroe County Housing Authority	200	50
Nassau County Housing Authority	25	0
Niceville Housing Authority	0	111
Northwest Florida Regional Housing Authority	821	370
Ocala Housing Authority	1,146	189
Okaloosa Board of County Commissioners	154	0
Orange County Housing & Community Development Department	1,173	0
Ormond Beach Housing Authority	193	41
Osceola County	193	0
Pahokee Housing Authority	36	515
Palatka Housing Authority	295	484
Palm Beach County Housing Authority	2,595	543
Panama City Housing Authority	418	450
Pasco County Housing Authority	1,424	208
Pinellas County Housing Authority	2,737	585
Plant City Housing Authority	187	200
Polk County Housing Agency	110	0
Punta Gorda Housing Authority	141	184
Riviera Beach Housing Authority	425	155
Santa Rosa/Milton Housing Authority	90	0
Sarasota Board of Count Commissioners	434	0
Seminole County Housing Authority	334	30
Sumter County Public Housing Agency	178	0
Suwanee County Housing Authority	0	20
Tallahassee Housing Authority	1,835	641
Tampa Housing Authority	4,263	3,414
Tarpon Springs Housing Authority	0	225
Union County Housing Authority	0	122
Venice Housing Authority	0	49
Wakulla County Housing	250	0
Walton County Housing Authority	364	0
Washington Co Board of Commissioners	155	0
West Palm Beach Housing Authority	1,994	712
Winter Haven Housing Authority	88	229
118 Public Housing Agencies	91,394	41,296

* Indicates non-profit disability organization



Appendix D

Florida PHAs with vouchers set aside for people with disabilities

Public Housing Agency	City	5-year Mainstream	1-year Mainstream	Certain	Designated	Total
Alachua County Housing Authority	Gainesville	75	0	0	0	75
Boley Centers for Behavioral Health Care, Inc.*	St. Petersburg	181	0	0	0	150
Broward County Housing Authority	Lauderhill	50	75	0	0	75
Carrfour Supportive Housing*	Miami	50	0	0	0	50
City of Pensacola	Pensacola	0	50	0	0	50
Clearwater Housing Authority	Clearwater	75	0	0	0	75
Hialeah Housing Authority	Hialeah	0	150	0	148	298
Hillsborough County-BOCC	Tampa	0	100	0	0	100
Housing Authority of Boca Raton	Boca Raton	0	75	0	0	75
Housing Authority of Brevard County	Merritt Island	0	0	0	200	200
Housing Authority of the City of Cocoa	Merritt Island	0	75	0	0	75
Housing Authority of the City of Daytona Beach	Daytona Beach	0	0	0	30	30
Housing Authority of the City of Deerfield Beach	Deerfield Beach	0	0	0	52	52
Housing Partnership, Inc.*	West Palm Beach	75	0	0	0	75
Jacksonville Housing Authority	Jacksonville	0	0	0	75	75
Miami-Dade Housing Authority	Miami	75	0	0	200	275
Orlando Housing Authority	Orlando	0	100	200	0	300
Punta Gorda Housing Authority	Punta Gorda	0	25	0	0	25
Tallahassee Housing Authority	Tallahassee	75	0	0	0	75
Tampa Housing Authority	Tampa	0	0	0	150	150
Titusville Housing Authority	Titusville	0	0	0	75	75
West Palm Beach Housing Authority	West Palm Beach	0	175	0	0	175
Totals		656	826	200	930	2,611

* Denotes non-profit disability organization

Florida PHAs with Family Unification Program (FUP) Vouchers

Public Housing Agency	FUP Vouchers
Hialeah Housing Authority	100
Housing Authority of Brevard County	100
Miami-Dade Housing Authority	100
Orlando Housing Authority	100
Tampa Housing Authority	100
Pasco County Housing Authority	100
Total	600

Appendix E

Financial Models

High - Cost Area Model (Large County Example) - 40 unit mixed income project (22 at 60%, 10 at 30%, 8 market units)

Tampa, FL

Sources

		Per unit	
FHLB AHP Direct Subsidy	200,000	5,000	(Deferred Loan)
TC Equity	\$2,100,000	52,500	(78 cent yield)
SHIP Loan	\$355,000	8,875	
HOME	625,000	19,531	(Deferred Loan)
SAIL Loan	360,000	9,000	
Private Loan	1,136,762	28,419	
<i>Subtotal Sources</i>	<i>3,640,000</i>	<i>91,000</i>	
Gap Surplus	0		

Uses

New Construction Costs	Avg. Costs	# units	Total
1 Bedroom	88,000	20	1,760,000
2 Bedroom	94,000	20	1,880,000
<i>Total Development Cost</i>			<i>3,640,000</i>

Operating Costs

Rental Income	
30% of 60% AMI	173,316
30% 40% AMI	80,760
Market	71,088
<i>Total Income</i>	<i>325,164</i>
Vacancy (5%)	16,258
<i>Total Income</i>	<i>308,906</i>
Expenses	
1 bedroom	80,000
2 bedroom	100,000
Services:	20,000
<i>Subtotal Expenses</i>	<i>200,000</i>
NOI	108,906
Available for Debt Service Coverage	90,755
Private Debt	1,136,762
Required DSC (Lender Requirement)	1.20

Appendix E

Financial Models

Operating Assumptions

Bed Room Type:	1	2	1	2
	Rental Income		# units	
60% AMI	\$596	\$717	11	11
Homeless/Disabled Units w/ PBA assistance	\$601	\$745	5	5
Market (set at 110% of FMR)	\$661	\$820	4	4
			<i>Total:</i> 20	20
Expenses Assumptions				
1 BR	\$4,000			
2 BR	\$5,000			

(Rents set at current FMR)

Low - Cost Area Model (Small County Example) - 20 unit mixed income project

Baker County, FL

Sources

		Per unit	
FHLB AHP Direct Subsidy	100,000	5,000	(Deferred Loan)
SHIP Loan	405,000	20,250	(78 cent yield)
HOME	400,000	20,000	
SAIL Loan	225,000	11,250	(Deferred Loan)
Private Loan	305,527	15,276	
<i>Subtotal Sources</i>	<i>1,435,527</i>	<i>71,776</i>	
Gap Surplus	-1,973		

Uses

New Construction Costs	Avg. Costs	# units	Total
1 Bedroom	65,000	9	585,000
2 Bedroom	77,500	11	852,500
<i>Total Development Cost</i>			<i>1,437,500</i>

Operating Costs

Rental Income	
30% of 60% AMI	86,484
30% 40% AMI	29,064
Market	0
<i>Total Income</i>	<i>115,548</i>
Vacancy (5%)	5,777
<i>Total Income</i>	<i>109,771</i>
Expenses	
1 bedroom	27,000
2 bedroom	38,500
Services:	15,000
<i>Subtotal Expenses</i>	<i>80,500</i>
NOI	29,271
Available for Debt Service Coverage	24,392
Private Debt	305,527
Required DSC (Lender Requirement)	1.2

Operating Assumptions

Bed Room Type:	1	2	1	2
	Rental Income		# units	
60% AMI	449	508	7	8
Homeless/Disabled Units w/ PBA assistance	449	508	2	3
Market (set at 110% of FMR)	494	559	0	0
			<i>Total:</i> 9	11
Expenses Assumptions				
1 BR	3,000			
2 BR	3,500			

(Rents set at current FMR)