

LONG RANGE PROGRAM PLAN

Florida Housing Finance Corporation
Department of Economic Opportunity

Tallahassee

September 30, 2013

Jerry L. McDaniel, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, Florida 32399-0001

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

Mike Hansen, Staff Director
Senate Budget Committee
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Florida Housing Finance Corporation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2014-15 through Fiscal Year 2018-19. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://www.floridahousing.org/AboutUs/LongRangeProgramPlan/>. This submission has been approved by Stephen P. Auger, Executive Director.



Angeliki G. Sellers
Comptroller

Rick Scott, Governor

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

Executive Director: Stephen P. Auger



Long Range Program Plan

September 30, 2013

State Fiscal Years 2014-15 through 2018-19

AGENCY MISSION

Access to Affordable Housing

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

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

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

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

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

Baseline/ Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
64.8%/1999	96%	96%	96%	96%	96%

Objective 1B: To maximize leveraging of state resources

Outcome: Ratio of nonstate resources to state-appropriated dollars

Baseline/ Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
2.69:1/1999	2:1	2:1	2:1	2:1	2:1

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

Outcome: Percent of units exceeding statutory set asides

Baseline/ Year	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
105%/1999	105%	105%	105%	105%	105%

LINKAGE TO THE GOVERNOR'S PRIORITIES

FLORIDA HOUSING FINANCE CORPORATION'S GOAL

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

ALIGNMENT WITH THE GOVERNOR'S PRIORITIES

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

Accountability Budgeting

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

Historically, the Legislature and Governor appropriated funding from the State Housing Trust Fund to Florida Housing, allowing the Corporation's nine-member Board of Directors to direct this funding into statutory programs based on market conditions at the time. The flexibility of use of these resources allowed the state to better leverage private and federal housing financing over time, while still holding Florida Housing accountable for the outcomes of state programs.

Reduce Government Spending

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

Regulatory Reform

Florida Housing's programs are flexible enough that they can be utilized in any area of the state, no matter the local regulatory framework in place. Florida Housing operates within the financial and real estate markets,

working to align programs with private investor interests to ensure that public resources leverage private financing.

Focus on Job Growth and Retention

Florida Housing's programs are intended to boost the state's construction industry, assist in mitigating periodic economic dislocations in the construction and building trade industry and provide better access to federal housing initiatives. Florida Housing's programs annually channel millions of dollars into the construction industry, providing a level of support that positively impacts the business climate in Florida. In 2012, the most recent year for which we have analysis, the total economic impact to the state from Florida Housing programs was \$3.256 billion in output or industry revenues, 24,518 jobs and \$1.773 billion in value added. The value added impact represented a 0.23 percent contribution to the state's 2012 Gross Domestic Product (\$777.164 billion).¹

Businesses are looking for communities with the right mix of housing to meet the needs of their workforce. This includes decent, affordable rental housing and single family homes that are affordable for a range of incomes. When housing is located near jobs and amenities such as schools and grocery stores, employers are more likely to have a workforce available.

¹ Hodges Ph.D, Alan, et al, Economic Contributions of Florida Housing Finance Corporation in 2012, University of Florida, 2013.

TRENDS AND CONDITIONS

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

AFFORDABILITY

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

Over 7.5 million households resided in Florida in 2012, and the average household size was 2.48 persons. In 2007-08 the state's population growth rate dipped below one percent for the first time in more than 60 years. However, state demographers expect to see average growth of 1.2 percent between 2012 and 2015, and then 1.4 percent between 2015 and 2020. Florida's older population (age 60 and older) will account for most of the population growth between 2010 and 2030.

Statewide in 2013, an estimated 737,435 renter households with incomes at or below 60 percent of area median income are paying more than 40 percent of their income for rent in Florida. This represents an increase of 79 percent since 2000. Sixty-one percent of these cost burdened households are comprised of 1-2 persons.

To provide perspective, the National Low Income Housing Coalition estimates the average 2013 wage for a Florida renter at \$13.50 an hour, a slight increase over 2012. This single worker would have to work 57 hours per week, 52 weeks a year, to afford a typical market rate rent of \$995 per month for a two-bedroom apartment in Florida. While many households include second earners, renter households in particular often are comprised of single earners with dependents. Since 2000, while rents have increased, median renter incomes in Florida have decreased. Between 2000 and 2011, median gross rents increased from \$816 to \$950. In contrast, median renter income was \$34,480 in 2000, and had dropped to \$30,343 in 2011.

HOUSING CONDITION

In 2011, Florida's housing stock was estimated at approximately 9.0 million units. Many housing units are 30-40 years old, at a point when rehabilitation and remodeling are required to maintain the life of the unit. Based on past estimates by the Affordable Housing Study Commission, more than 667,000 single and multifamily units that house lower income families are 50 or more years old and require reinvestment to maintain their viability as affordable housing.

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

- To carry out analyses of housing needs within the state and ways of meeting those needs;
- To participate in federal housing assistance and federal community development, insurance, and guarantee programs, including the provision of the match requirement for the HOME Investment Partnerships Program federal funding;
- To develop and administer the State Apartment Incentive Loan Program, which offers low interest first, second or other mortgage loans to developers who build or rehabilitate affordable rental properties;

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

From 1992, when the SHIP program was established by the Florida Legislature, through June 2011 (the last year for which reporting is complete), more than 190,000 households have been assisted by this program, with approximately 88 percent of these funds going for homeownership assistance.

On the rental side, with financing from federal and state programs administered by Florida Housing Finance Corporation, 175,125 rental units statewide are currently available to residents or in the construction pipeline. Most of these units are targeted to households at or below 60 percent of area median income. Figure 1 shows the breakdown of these units by county. The oversupply of homes for sale of the past few years is largely gone in most areas of Florida. However, the state still does not have enough housing that is decent, safe and affordable for many residents – particularly on the rental side, and especially for extremely low income (ELI) renters. For households in Florida earning 80% or less of AMI, there is a deficit of over 1.1 million affordable, available rental units. For every 100 ELI households, there are only 23 affordable, available units for rent.

FLORIDA'S ECONOMIC RECOVERY

Florida is recovering from the economic recession. Per capita personal income declined in 2009, but has continued to increase each year since 2010. Job losses have decreased, with unemployment down to an estimated 7.1 percent in August 2013 from a high of over 11 percent in July 2011. In the single family housing market, the number of closed sales and median sales prices have increased in most markets around the state for the past two years; and the oversupply of caused by the housing boom is steadily declining.

From 2007 through 2010, homelessness was on the rise, but Florida's homeless counts from 2011 through 2013 showed a decline, from 56,771 in 2011 down to 42,476 in 2013. This includes both data from the 2013 HUD Point in Time Count, carried out by local homeless coalitions, and the Florida Department of Education (FDOE). The counts by local coalitions, which are carried out annually, count homeless people on the street and in emergency shelters. FDOE collects data on homeless students and includes an estimate of families and unaccompanied youth who are doubled up with friends or family or living in hotels and motels. Some communities reported increases, while others reported declines in the number of persons who are homeless. In some cases, the local homeless coalitions reported that successful programs implemented in the county over the last two years have helped lower the homeless count. Others cite stricter enforcement of trespass ordinances, which make the street homeless less visible and harder to find and count. Another factor contributing to a decreased count was that fewer emergency shelters that serve and target homeless people were identified in 2013 than in prior years.

MARKET FORCES CHALLENGE AFFORDABLE HOMEOWNERSHIP EFFORTS

Many homes purchased during the boom years are now worth much less than the mortgages held on these homes. According to CoreLogic, Inc, in the first quarter of 2013, 38.1 percent of Florida homeowners were estimated to be "under water" – that is, their current mortgage balances are higher than their homes are now worth. This is down from close to 50 percent several years ago.

On the homeownership side, the overall decline in housing prices and high number of foreclosed properties on the market means that Floridians interested in homeownership have more opportunities now than anytime over the last few years. From a median high of approximately \$250,800 in July of 2006, existing home sales prices fell below \$130,000 in January 2012 before starting to rise again. As of July 2013, the statewide median sales price for single family homes had increased to \$177,500.

Access to mortgage financing has changed over the past few years, as private sector liquidity has decreased and the majority of mortgages are now government insured loans. In order to qualify for a mortgage, a typical homebuyer now must have a minimum FICO (credit) score in excess of 640 for FHA, VA, and USDA-Rural Development (RD) loans. Florida Housing also requires a minimum of 640 for homebuyers accessing the state's First Time Homebuyer Program. Conventional loans insured by the GSEs, Fannie Mae and Freddie Mac, require a minimum 660-680 FICO, down from 720 two years ago. However, Fannie Mae is increasing its required down payment from three percent to five percent in November 2013. Additionally, many lenders have imposed their own credit overlays such as limiting borrower debt ratios, minimum employment requirements, and other requirements that they believe will enhance the long term performance of their loans. Most of the loans being financed through Florida Housing are government insured loans (FHA, VA, and USDA-RD).

HOME FORECLOSURES STILL HIGH

Nationally, the number of properties with foreclosure filings has decreased over the last year. Foreclosure starts have also been decreasing steadily since peaking in 2009. However, in Florida, the foreclosure rate remains high. In the first half of 2013, the number of foreclosure filings was up 12 percent from the previous year. According to

RealtyTrac, Florida was ranked highest in the nation for foreclosures in the first half of 2013. In August, Florida dropped to number two, behind Nevada. For August 2013, RealtyTrac reported that one in every 383 Florida households received a foreclosure filing. In addition, Florida cities accounted for six out of the ten highest metropolitan foreclosure rates.

The table below breaks out foreclosure data by key years for all loans, prime loans and subprime loans. In addition to the substantial increase in foreclosures, the table shows the precipitous rise in the number of subprime loans from 2000 to 2007. The table shows that the actual number of all types of residential loans declined between late 2007 and late 2011, even as the percentage of foreclosures increased. From late 2011 to 2012, the percent of loans in foreclosure decreased for all loans. The First Time Homebuyer Program has consistently outperformed the market. As of March 31, 2013, 9.12 percent of the loans originated by Florida Housing were in foreclosure, a slight decrease from 10.35 percent in 2012 and lower than all loans in Florida, as reported by the Mortgage Bankers Association.

Florida demographers note that during the boom, Florida’s homeownership rate, which was at 66.3 percent for many years, increased because financing was so easy for homebuyers to obtain. As a result, the homeownership rate soared to 72.4 percent. This rate could not be sustained, both because it was derived from financing tools that are not now available to homebuyers, and because the number of foreclosures has lowered the rate over time. Florida’s rate is shifting downward, dropping back down to 66 percent in the second quarter of 2013.

Status of All Residential Loans in Florida, Fourth Quarter of 2000, 2007, 2011 and 2012

Loan Type	Year	Number of Loans	% In Foreclosure
All Loans	2000	2,216,625	1.37
	2007	3,585,614	3.22
	2011	3,236,222	14.27
	2012	3,015,476	12.15
Prime Loans	2000	1,572,064	0.7
	2007	2,774,981	1.63
	2011	2,237,341	11.54
	2012	2,049,471	9.52
Subprime Loans	2000	62,578	8.86
	2007	573,562	11.36
	2011	474,246	32.91
	2012	488,084	26.60

Source: Mortgage Bankers Association

HELPING HOMEOWNERS STAY IN THEIR HOMES

To address the foreclosure crisis, Florida Housing is currently serving as an intermediary for 32 local housing counseling agencies throughout Florida under the National Foreclosure Mitigation Counseling Program. Through this program, troubled homeowners statewide access federally approved housing counseling agencies and legal assistance to help them determine available options regarding their homes. Through six rounds of federal funding since 2008, Florida Housing has received \$9.49 million which has supported counseling agencies and legal aid to fund more than 30,500 counseling events for homeowners. In 2013, Florida Housing was awarded \$1.8 million in a seventh round of funding for another 6,841 counseling events.

In early 2013, Florida Housing also received \$10 million through a legislative appropriation of National Mortgage Settlement funds to fund a foreclosure counseling program. This program provides foreclosure counseling services throughout the state to: help homeowners avoid foreclosure; provide good financial management education to help families better manage their money; and assist families with credit problems to become financially stable. Foreclosure counseling services are provided at no cost to at risk homeowners through a network of U.S. Department of Housing and Urban Development-approved nonprofit housing counseling agencies throughout the state.

In addition, the federal government made funding available to the hardest hit housing markets in the states that have been hit with foreclosures, housing price declines and unemployment. Florida is one of 18 states and the District of Columbia participating in the \$7.6 billion Hardest Hit Fund (HHF) program. Florida and the other participating states worked with US Treasury, major loan servicers and other stakeholders to standardize plans for four programs, the latter two of which were recently approved. The Principle Reduction Program started in September 2013, and the Elderly Mortgage Assistance Program will be starting up in late 2013. The programs are summarized below:

- **The Unemployment Mortgage Assistance Program (UMAP)** provides payments to the mortgage lender to assist unemployed/underemployed borrowers with their first mortgage until they can resume payments on their own (for 12 months or a maximum of \$24,000, whichever comes first).
- **The Mortgage Loan Reinstatement Program (MLRP)** provides up to \$18,000 to bring a delinquent mortgage current for a homeowner who has returned to work or recovered from unemployment/underemployment (provides up to \$25,000 to homeowners who do not need monthly payment assistance through UMAP).
- **The Principle Reduction Program** provides up to \$50,000 to “underwater” homeowners who have made their mortgage payments on time for the last 24 months but who have mortgage balances higher than their homes are now worth. The homeowner’s principle balance must be at least 125 percent of the current value of their home, and the program will reduce the principle to 100 percent of its current value or up to \$50,000, whichever is lower.
- **The Elderly Mortgage Assistance Program** provides assistance to elderly homeowners who are in default under their Reverse Mortgages.

CHALLENGES FACING RENTAL HOUSING PROGRAMS

The recession has strongly impacted the market for housing related investments. Because of low bond yields, investors have limited their appetite for Mortgage Revenue Bonds. This was also true of federal Low Income Housing Tax Credits for several years, but investors throughout the country have come back to this affordable housing finance vehicle. During the recession, the apartment industry was impacted by the homeownership decline and high number of foreclosures, which led to a glut of single family homes and condominium units on the market. In response, many homeowners put their homes up for rent to wait out the sales price decline. These additional rental units competed with market rate multifamily rental units, and apartment owners responded

with lowered rents and special offers, thus competing with the subsidized rental market. However, in most areas this is not the case any longer. Occupancies across Florida Housing's portfolio have increased as the housing crisis comes to an end.

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

HOW STATE FUNDING CAN ADDRESS CURRENT NEEDS

Homeownership. Florida Housing uses the federal First Time Homebuyer Program to originate 30-year, fixed-rate, high loan-to-value mortgage loans for eligible first-time homebuyers who meet credit worthiness tests, have incomes within federal program limits and receive homebuyer education. The proceeds from Tax Exempt Mortgage Revenue Bonds issued by Florida Housing are used by participating private lenders to originate mortgage loans through this program. What really makes this program work is that Florida Housing generally pairs some type of second mortgage purchase assistance with these mortgages to assist homebuyers, either through state or federal funding if available, or uses these funds to reduce the overall cost of the mortgage loan to the borrower. The state Homeownership Assistance Program (HAP) Program provides critical resources for this purpose. The average purchase price during 2012 was \$102,250, and the average loan amount was \$97,757.

This program provided an important strategy to lower the oversupply of for-sale homes on the market of recent years, which is now balancing out in many areas. Approximately 88 percent of the 2,187 homes financed in 2012 (totaling \$213.8 million in first mortgage volume) were existing single family homes.

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

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

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

repayment of the underlying mortgage collateralizing the bonds, the program lowered overall borrowing costs and improved the economic viability of affordable housing.

In many cases, the Guarantee Program partnered with the HUD Risk Sharing program, allowing each party to assume 50 percent of the default risk of the mortgage. As of July 31, 2013, the program provided guarantees for 14,254 units in 62 multifamily developments throughout the state that were guaranteed prior to 2005. New guarantees were suspended in 2005 primarily based on the availability of credit enhancement in the market, but also because of a reassessment of the projected financial condition of the Guarantee Fund under more stressful market conditions. In March 2009, the Board of Directors confirmed the suspension of the issuance of additional guarantees by the Guarantee Program due to adverse market conditions. The suspension remains in effect today.

There are two provisions in the statutory language [Section 420.5092 (6)(a) and (b)] which describe the circumstances under which documentary stamp taxes distributed to the State Housing Trust Fund may be used to support the Guarantee Program. In the event that the Guarantee Fund is rated less than in the top three claims-paying ratings by any of the rating agencies or there is a projected deficiency in the debt service reserve, the state would be required to use documentary stamp tax collections distributed to the State Housing Trust Fund to replenish the Guarantee Fund at the amount necessary to maintain the minimum claims-paying rating or to pay the fund's debt service. There is no capitalizing debt outstanding as of December 31, 2012.

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

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

A total of 2,268 privately-owned subsidized multifamily developments are found in Florida, with 246,712 units targeted to low income families. Of these, approximately 175,000 are Florida Housing financed units. In addition, there are over 34,000 public housing units, generally the state's oldest affordable housing stock; 77 percent of the public housing units are at least 30 years old. While some of these units may be functionally obsolete, many are worth saving but need more rehabilitation funding than is appropriated by the federal government. Public housing units are another important source of low cost housing for extremely low income households.

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

These older properties were financed into the 1980s through U.S. HUD or USDA Rural Development. They are particularly critical to preserve, because they serve extremely low income renters with federal project-based rental assistance (PBRA). Most developments in both the 30 year and older and 15-29 year old categories have at least some PBRA units on-site. The oldest developments have particularly high concentrations of PBRA units; 70 percent of units in these developments have PBRA. In the 15-29 year old category, 29 percent of units have PBRA

associated with them. Many of the developments with PBRA in the 15-29 year old category are relatively small (50 units or less) developments subsidized by the U.S. Department of Agriculture Rural Development program (RD). In contrast, only 10 percent of units developed in the last 15 years have project-based rental assistance. Florida Housing has chosen to target more financing to units for these lowest income residents in the past few years because the need is so extraordinary for these units. This strategy has resulted in financing fewer new affordable rental units each year. In part this is because additional costs to develop units targeted to these residents consumes a greater portion of resources per unit in order to minimize long term debt on these units in order to make rents more affordable. This means that existing federal rental subsidies are precious to maintain.

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

Serving Lower Income Floridians. Florida Housing has been working to reshape its rental programs to better meet state housing needs. Florida has been successful in financing thousands of rental housing units to meet the needs of households above 45 percent of area median income. However, federal programs that have traditionally served 0-50 percent area median income households (considered very low income) have not kept pace, creating a much greater need at the lowest income levels.

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

Florida Housing works with state agencies, including the Department of Children and Families, the Department of Elder Affairs and the Florida Department of Veterans Affairs to carry out the “Link Initiative,” an integrated housing strategy to link affordable housing with supportive services. The initiative incentivizes affordable housing developers to set aside a few rental units in each apartment complex for persons with special needs, such as persons with disabilities and youth aging out of foster care. The idea is to provide residents who are receiving supportive services with an opportunity to live in an affordable independent community setting. Florida Housing began implementing this strategy with its 2009 rental development cycle. To date, 1,132 units in funded multifamily developments have been committed to serve persons with special needs.

GREEN BUILDING

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

Studies have shown that building green adds 2-5 percent to the total development cost of a property. So while there is a “premium” up front, with these practices becoming more common, initial costs are not as high as many

people believe. Over time, the savings make up for this premium through lower operational costs. Green features typically have a longer useful life than conventional features, so replacement costs also decrease. In addition, Florida (among other states) has raised the bar for energy efficiency in its building code, so many of these “improvements” are now required in the state energy code.

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

THE FLORIDA HOUSING DATA CLEARINGHOUSE

Florida Housing’s decisions on how to target scarce federal and state resources are based on housing, demographic and market data. Through the Florida Housing Data Clearinghouse free website, a variety of data is also available to the public. The Clearinghouse provides the state with a one-stop data source for all of the programs – federal, state and local – providing affordable housing in Florida. Clearinghouse staff also responds to one-time requests for housing data from Florida Housing and other entities. The website address is: <http://flhousingdata.shimberg.ufl.edu/index.html>

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

Florida Housing also provides free, web-based affordable housing locator services to assist individuals and families in their search for affordable rental housing across Florida. Florida Housing's web-based locator is a one-stop clearinghouse of up-to-date information about available rental units throughout the state. The locator provides detailed information on units, amenities, accessible features and rents, along with mapping capabilities that allow prospective tenants to search for housing near schools, community services and places of employment. Florida Housing also provides a toll-free call center that helps people without computer access to conduct rental searches. Both services are available to Spanish speaking people. The locator has become an important resource to Florida's citizens in normal times, as well as in response to economic crises and natural disasters. Nearly 164,000 affordable rental units statewide are registered with the locator. In 2012, more than 1 million affordable rental searches were conducted on the locator website. The call center handled more than 25,500 calls during this time.

EXISTING TASK FORCES

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

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

Florida Housing is functionally related to the Department of Economic Opportunity (DEO) through a performance contract. The DEO Executive Director’s designee sits as an ex officio, voting member on Florida Housing’s Board of Directors. With Florida’s Statewide 5-Year Strategic Plan for Economic Development now completed, Florida

Housing has begun to work with DEO and other agencies to determine how we can support economic development efforts, whether by providing financing for workforce housing in key areas of the state where new businesses are locating, or by connecting current housing financing programs to economic development initiatives – for example, building relationships between developers of affordable housing and local education efforts (including workforce programs) to ensure that lower income tenants have the opportunity to pursue training and education to develop skills and knowledge in high need industries. Florida Housing is working with DEO to prepare tactics and metrics to align with the state economic development plan.

FLORIDA HOUSING FINANCE CORPORATION'S JUSTIFICATION OF PROJECTED OUTCOMES

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

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

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

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

Objective 1B: To maximize leveraging of state resources.

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

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

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

Outcome: Percent of units exceeding statutory set asides.

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

PERFORMANCE MEASURES AND STANDARDS LRPP EXHIBIT II

LRPP Exhibit II - Performance Measures and Standards

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

NOTE: Approved primary service outcomes must be listed first.

Approved Performance Measures for FY 2012-13 (Words)	Approved Prior Year Standard FY 2012-13 (Numbers)	Prior Year Actual FY 2012-13 (Numbers)	Approved Standards for FY 2013-14 (Numbers)	Requested FY 2014-15 Standard (Numbers)
Percent of targeted dollars that are allocated to the targeted population	96%	--	96%	96%
Ratio of non-state funding to state appropriated dollars	2:1	--	2:1	2:1
Percent of units exceeding statutory set-asides	105%	--	105%	105%
Number of applications processed	563	1,784	563	563
Number of affordable housing loans funded	540	1,780	540	540
Number of local governments under compliance monitoring for the State Housing Initiatives Partnership (SHIP) program	115	119	115	115
Number of local governments served (SHIP) program (incentive funds)	115	119	115	115

ASSESSMENT OF PERFORMANCE FOR APPROVED PERFORMANCE MEASURES – LRPP EXHIBIT III

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

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

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

This performance measure is based on SAIL and no funds were appropriated for SAIL in 2012-13.

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

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

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

The outcome of this performance measure is dependent upon an appropriation of funds from the State Housing Trust Fund. No funding was appropriated in 2012-13. Therefore, no Sadowski funds were available for awards to multifamily developments in this timeframe.

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

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

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

This measure is calculated based on SAIL set-aside units. No SAIL funds were appropriated in 2012-13; therefore, there were no units on which to calculate the measure.

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

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

Recommendations:

PERFORMANCE MEASURE VALIDITY AND RELIABILITY LRPP EXHIBIT IV

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

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

Action (check one):

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

Data Sources and Methodology:

This performance measure evaluates the SAIL program. The data are tracked and maintained by Florida Housing staff based on applications received and funded and may be aggregated at state and county levels. Data tracked include total dollars available, targeted goals and dollars allocated.

Data are collected by Florida Housing staff based on the approved allocations for the SAIL application cycle and application requests for funding.

The total amount allocated to developments that serve families, elderly, and farm workers/fishing workers and persons with special needs is divided by the total amount targeted to these populations.

In addition, the measure evaluates success in targeting funding specifically allocated for extremely low income households as appropriated in some legislative sessions.

Validity:

Florida Housing is always striving to meet the need of hard to reach populations through the use of targeting. These targets are statutorily defined, and quantifying the success in targeting those populations helps Florida Housing efficiently focus its marketing efforts.

This measure is valid because it quantifies the targeting efforts of the SAIL program.

Reliability:

The targeting is determined prior to application and the percentage of units targeted is readily identifiable through evaluation of funded applications. The calculation may be duplicated and has been tested.

The measure has readily determinable inputs. While the targeting and available funds may vary year to year, the calculation methodology remains constant.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

Measure: Ratio of nonstate resources to state appropriated dollars

Action (check one):

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

Data Sources and Methodology:

The data are obtained from appropriate allocation, application and closing documents maintained by program staff and are tracked as required by the Affordable Housing Services contract with the Department of Economic Opportunity.

The measure is calculated as the ratio of Sadowski funds used versus non-state funds used.

Validity:

This measure was determined to be valid because it quantifies Florida Housing's efforts to encourage investment of nonstate funding in affordable housing.

Reliability:

This measure is reliable because it includes data for all state-funded programs and is regularly tested through internal auditing.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

Measure: Percent of units exceeding statutory set-asides

Action (check one):

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

Data Sources and Methodology:

Florida Housing staff gathers the required data from development closing documents. The minimum set-asides are specified by statute and rule.

The actual set-aside commitments in each development are counted and then compared to the minimum required by statute and rule.

Validity:

This measure was determined to be valid because it quantifies Florida Housing's efforts to encourage affordable housing above and beyond minimums dictated by statute with an understanding that actual success will change as market conditions and development feasibility change.

Reliability:

The inputs to the calculation are clearly outlined in the closing documents and by statute, thus the calculation yields consistent results.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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

Action (check one):

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

Data Sources and Methodology:

The data are tracked by Florida Housing staff from applications received in each application cycle using an internal project database and, where necessary, Excel spreadsheets.

The results for each Sadowski program are added together in a single database to determine a total number of applications processed.

Validity:

This measure was determined to be valid because it is a simple count of applications received.

Reliability:

The measure was determined to be reliable because subsequent counts yield identical results.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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

Action (check one):

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

Data Sources and Methodology:

Data are collected by Florida Housing staff based on the number of applications approved for funding for the SAIL, Predevelopment Loan and Homeownership Assistance Programs.

For multifamily development, Florida Housing staff track the status of developments from the receipt of the application to the closing of the loan. For single family down payment assistance, each loan is tracked. Data on the number of loans funded are provided by program and entered into a single spreadsheet that totals the count.

Validity:

This measure was determined to be valid because it is a simple count of the number of loans funded.

Reliability:

The measure has readily determinable inputs and subsequent counts yield identical results. While the number of loans funded may vary year to year, the calculation methodology remains consistent.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

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

Action (check one):

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

Data Sources and Methodology:

The data are tracked by Florida Housing staff and are based on the number of counties and eligible municipalities with approved local housing assistance plans.

The number of counties and eligible municipalities is determined at the beginning of each state fiscal year. Any newly eligible municipalities are included.

The result will always be equal to the current number of counties and eligible municipalities.

Validity:

This measure is valid because it represents the actual number of SHIP fund recipients that are monitored.

Reliability:

This measure is reliable because it is based on the actual number of counties and approved municipalities that receive SHIP funding.

Office of Policy and Budget – July 2013

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Economic Opportunity

Program: Florida Housing Finance Corporation

Service/Budget Entity: Affordable Housing Finance

Measure: Number of local governments served through the SHIP program

Action (check one):

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

Data Sources and Methodology:

The data are tracked by Florida Housing staff and are based on the number of counties and eligible municipalities with approved local housing assistance plans.

The number of counties and municipalities is determined at the beginning of each state fiscal year. Any newly eligible municipalities are added.

The result will always be equal to the current number of counties and eligible municipalities.

Validity:

This measure is valid because it represents the actual number of SHIP fund recipients participating in the program.

Reliability:

This measure is reliable because it is based on the actual number of counties and eligible municipalities.

Office of Policy and Budget – July 2013

ASSOCIATED ACTIVITIES CONTRIBUTING TO PERFORMANCE MEASURES – LRPP EXHIBIT V

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

Measure Number	Approved Performance Measures for FY 2013-14 (Words)		Associated Activities Title
1	Percent of targeted dollars that are allocated to the targeted population		Sadowski Programs (SAIL only)
2	Ratio of non-state funding to state appropriated dollars		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
3	Percent of units exceeding statutory set-asides		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
4	Number of applications processed		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
5	Number of affordable housing loans funded		Sadowski Programs (SAIL, HAP, PLP, Guarantee Program, and HOME Match)
6	Number of local governments under compliance monitoring for the State Housing Initiatives Partnership (SHIP) Program		State Housing Initiatives Partnership Program Compliance Monitoring
7	Number of local governments served (in the SHIP program)		SHIP Program

Office of Policy and Budget – July 2013

AGENCY-LEVEL UNIT COST SUMMARY LRPP EXHIBIT VI

GLOSSARY OF TERMS AND ACRONYMS

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

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

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

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

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

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

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

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

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

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

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

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

Essential services personnel – Persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel by the county or municipality, including but

not limited to, local school and college educators, police and fire employees, health care personnel and skilled building trades personnel.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FREQUENTLY USED ACRONYMS

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