

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2014-15 POS	AMOUNT	AGY REQ N/R FY 2014-15 POS	AMOUNT	AG REQ ANZ FY 2014-15 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>FLA HOUSING FINANCE CORP</u>							40300600
<u>ECONOMIC OPPORTUNITIES</u>							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
AFFORDABLE HOUSING FINANCING							6500000
AFFORDABLE HOUSING PROGRAMS							6507400
SPECIAL CATEGORIES							100000
G/A-HFC-AFFORD HSNB PRGM							105035
STATE HOUSING TF	-STATE	78,140,000					2255 1

AGENCY ISSUE NARRATIVE:

2014-2015 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

State Housing Trust Fund

Florida Housing Finance Corporation requests a special category appropriation of \$78,140,000 from the State Housing Trust Fund. This request amount represents the available funds in the State Housing Trust Fund, including deposits of documentary stamp tax collections and investment income earned by the trust fund. These monies will be used to fund the Sadowski programs. The William E. Sadowski Affordable Housing Act authorized the use of documentary stamp tax revenues within the State Housing Trust Fund for certain affordable housing programs. The Sadowski affordable housing programs include:

State Apartment Incentive Loan (SAIL) Program - The State Apartment Incentive Loan (SAIL) Program provides low-interest loans on a competitive basis to developers of affordable rental housing. SAIL funds provide gap financing that allows developers to obtain the full financing needed to construct or rehabilitate affordable multifamily units. Special consideration is given to properties that target specific demographic groups such as the elderly, homeless people, farmworkers and commercial fishing workers.

Homeownership Assistance Program (HAP) - This program, established pursuant to section 420.5088, F.S., provides funds to eligible borrowers for down payment and closing costs or for permanent financing related to the purchase of a borrower's primary residence.

Predevelopment Loan Program (PLP) - PLP assists nonprofit and community based organizations, local governments and public housing authorities with planning, financing and developing affordable housing. Eligible organizations may apply for a loan of up to \$500,000 for predevelopment activities including impact fees, appraisals, feasibility analyses, insurance fees, marketing expenses commitment fees, and property acquisition expenses. Technical assistance is also provided. Florida Affordable Housing Guarantee Program - The Florida Affordable Housing Guarantee Program encourages affordable housing lending by issuing guarantees on financing for affordable housing. Debt issued to establish or recapitalize the guarantee fund shall be primarily payable from and secured by annual debt service reserves, from interest earned on funds on deposit in the Guarantee Fund, from fees for the issuance of affordable housing guarantees, and from any other revenue sources received by Florida Housing and deposited into the Guarantee Fund for the issuance of affordable housing guarantees. To the extent such primary revenue sources are considered insufficient to fully fund the annual debt service reserve, the deficiency, certified to the state's Chief Financial Officer, shall be additionally payable from documentary stamp tax revenues. First proceeds of the documentary stamp tax moneys deposited into the State Housing Trust Fund may also be used to support the Guarantee Fund in the event of a potential reduction of its claims paying rating. In March

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ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>FLA HOUSING FINANCE CORP</u>				40300600
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
AFFORDABLE HOUSING FINANCING				6500000
AFFORDABLE HOUSING PROGRAMS				6507400

2009, the Board of Directors suspended issuance of additional guarantees by the Guarantee Program due to adverse market conditions. The suspension remains in effect today. As of July 31, 2103, the program provided guarantees for 14,254 units in 62 multifamily developments throughout the state that were guaranteed prior to 2005.

Catalyst Program - The Affordable Housing Catalyst Program is designed to provide technical assistance and training to local government housing departments and not for profit organizations that are participating in SHIP, State HOME, and other affordable housing programs. There is no cost to participants in the Catalyst Program.

Florida Housing's mission is to help Floridians obtain safe, decent housing that might otherwise be unavailable to them. To do this, we must maximize the capacity of local governments and the private sector, both for-profit and nonprofit, to develop and preserve affordable housing.

In 2012, the most recent year for which we have data, over 7.5 million households resided in Florida and the average household size was 2.48 persons. While population growth has recently been below one percent, state demographers expect to see growth slowly swing upwards to a rate of approximately 1.2 to 1.4 percent between now and 2030. The number of cost burdened households will likely grow as the population increases.

Demand for these programs continues to outpace available funding; in the last funding cycle for Florida Housing's competitive rental programs, funding requests were six times the amount of funding available. Even though the state's population is growing at a slow rate right now, national and state demographers and market analysts indicate that the need for rental housing will be stronger in the coming years as fewer people choose to purchase homes and some families move out of homeownership due to foreclosures. The requested funding in the State Housing Trust Fund will allow Florida Housing to continue the effort to address the needs of the targeted populations, work towards the goal to help fellow Floridians obtain safe, decent housing that might otherwise be unavailable to them, and at the same time provide an economic boost to the construction industry.

Florida Housing Finance Corporation is a public corporation of the state, which allows flexibility of use of state resources to better leverage private and federal housing financing, while still holding Florida Housing accountable for the outcomes of the state programs, thus supporting the Scott Administration's priority of accountability budgeting. This also supports the Civic and Governance Systems strategy of the state's five year strategic plan for economic development. Florida Housing's programs are designed to provide only what is needed to encourage private investors, including banks, insurance companies and others, to participate in affordable housing financing transactions. This ensures that public financing can be used to leverage development of more housing units and that the private sector is bringing its investment and management expertise into every development, thus supporting the Scott Administration's priority of reducing government spending. This also supports the Business Climate and Competitiveness strategy of the state's five year strategic plan for economic development.

Florida Housing's programs are flexible enough that they can be utilized in any area of the state, no matter the 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, thus supporting the

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ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>FLA HOUSING FINANCE CORP</u>				40300600
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
AFFORDABLE HOUSING FINANCING				6500000
AFFORDABLE HOUSING PROGRAMS				6507400

Scott administration's priority of regulatory reform.

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 funnel millions of dollars into the construction industry, promoting a more stable business climate in Florida. The most recent available analysis shows that in 2012 the total economic impact to the state of Florida Housing programs was \$3.094 billion in output or industry revenues, 24,515 jobs and \$1.772 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). Florida Housing awarded financing to 88 multifamily developments in 2012. This translated into approximately \$2.76 billion in total economic activity and over 21,900 jobs. As shown by these results, the strategies of Florida Housing's programs are aligned with the Innovation and Economic Development and Infrastructure and Growth Leadership strategies of the state's five year strategic plan for economic development.

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. This supports the Talent Supply and Education and Quality of Life and Quality Places strategies of the state's five year strategic plan for economic development.

STATE HOUSING INITIATIVES				
PARTNERSHIP (SHIP) PROGRAM				6507600
SPECIAL CATEGORIES				100000
G/A-HFC-SHIP PROGRAM				105045
LOCAL GOV HOUSING TF	-STATE	183,635,000		2250 1

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AGENCY ISSUE NARRATIVE:
 2014-2015 BUDGET YEAR NARRATIVE:
 SHIP

IT COMPONENT? NO

Florida Housing Finance Corporation requests a special category appropriation of \$183,635,000 within the Local Government Housing Trust Fund for the State Housing Initiatives Partnership (SHIP) Program. This request amount represents the available funds in the Local Government Housing Trust Fund, including deposits of documentary stamp tax collections and investment income earned by the trust fund.

Created in 1992 by the William E. Sadowski Affordable Housing Act, the State Housing Initiatives Partnership (SHIP)

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				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>FLA HOUSING FINANCE CORP</u>				40300600
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
AFFORDABLE HOUSING FINANCING				6500000
STATE HOUSING INITIATIVES				
PARTNERSHIP (SHIP) PROGRAM				6507600

Program provides funds to local governments on a population-based formula as an incentive to produce and preserve affordable housing for very low, low and moderate income families. SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida. SHIP funds may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisitions of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. A minimum of 65 percent of a local government's SHIP funds must be targeted to homeownership. Over \$2 billion in state funds that have gone into this program since 1992 have supported homeownership; more than 175,000 households in Florida have been served by SHIP over this period.

Florida Housing's main priority is to help Floridians obtain safe, decent housing that might otherwise be unavailable to them. To do this, we must maximize the capacity of local governments and the private sector, both for-profit and nonprofit, to develop and preserve affordable housing. Local governments play a vital role in the development and preservation of affordable housing in their communities for very low and low income families and other targeted populations. SHIP funding allocated to local governments is a primary source that allows local governments to carry out these activities.

Florida Housing Finance Corporation is a public corporation of the state, which allows flexibility of use of state resources to better leverage private and federal housing financing, while still holding Florida Housing accountable for the outcomes of the state programs, thus supporting the Scott Administration's priority of accountability budgeting. This also supports the Civic and Governance Systems strategy of the state's five year strategic plan for economic development.

Florida Housing's programs are designed to provide only what is needed to encourage private investors, including banks, insurance companies and others, to participate in affordable housing financing transactions. This ensures that public financing can be used to leverage development of more housing units and that the private sector is bringing its investment and management expertise into every development, thus supporting the Scott Administration's priority of reducing government spending. This also supports the Business Climate and Competitiveness strategy of the state's five year strategic plan for economic development.

Florida Housing's programs are flexible enough that they can be utilized in any area of the state, no matter the 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, thus supporting the Scott administration's priority of regulatory reform.

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 funnel millions of dollars into the construction industry, promoting a more stable business climate in Florida. The most recent available analysis shows that in 2012 the total economic impact to the state of Florida Housing programs was \$3.094 billion in output or industry revenues, 24,515 jobs and \$1.772 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). Florida Housing awarded financing to 88 multifamily developments in 2012. This

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				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>FLA HOUSING FINANCE CORP</u>				40300600
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
AFFORDABLE HOUSING FINANCING				6500000
STATE HOUSING INITIATIVES				
PARTNERSHIP (SHIP) PROGRAM				6507600

translated into approximately \$2.76 billion in total economic activity and over 21,900 jobs. As shown by these results, the strategies of Florida Housing's programs are aligned with the Innovation and Economic Development and Infrastructure and Growth Leadership strategies of the state's five year strategic plan for economic development.

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. This supports the Talent Supply and Education and Quality of Life and Quality Places strategies of the state's five year strategic plan for economic development.

TOTAL: COMMUN DEV/REVITALIZATION				<u>1104.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....	261,775,000			2000
	=====	=====	=====	