



# Florida Housing's Affordable Housing Programs

## HOMEOWNERSHIP PROGRAMS

### First Time Homebuyer Program

Florida Housing issues bonds under the Single Family Mortgage Revenue Bond Program and the proceeds from these bonds are used to originate 30-year mortgage loans through the First Time Homebuyer Program. First-time homebuyers then benefit from lower mortgage interest rates due to the tax-exempt status of the bonds. Eligible borrowers have to meet certain criteria such as the first-time homebuyer requirement, as defined by the Internal Revenue Code, credit worthiness, and an appropriate income level, not exceeding program limits.

### Down Payment Assistance Programs

Funds for down payment assistance and closing costs are often provided in conjunction with the First Time Homebuyer Program through the Homeownership Assistance Program (HAP), the HOME Investment Partnerships program, the Homeownership Assistance for Moderate Income (HAMI) program and Three Percent Cash Assistance.

### Homeownership Pool Program

Florida Housing Finance Corporation, in response to the recognized need to enhance the ability and process of Developers to match qualified homebuyers with purchase assistance, has created the HOMEOWNERSHIP POOL ("HOP") PROGRAM. The "HOP" Program is designed to be a noncompetitive and on-going program, where Developers, by way of an online system have the ability to reserve funds for eligible homebuyers to provide purchase assistance on a first-come, first-served basis.

### Mortgage Credit Certificate

A Mortgage Credit Certificate (MCC) allows the homebuyer to claim a tax credit for some portion of the mortgage interest paid per year. It is a dollar for dollar reduction against their federal tax liability. An MCC may be issued to homebuyers at tax credit rates varying from 10 percent to 50 percent based on the mortgage interest paid per year capped at \$2,000 annually. Florida Housing determines the tax credit rate. The credit is non-refundable but may be carried forward for a period up to three (3) years.

## MULTIFAMILY DEVELOPMENT PROGRAMS

### Multifamily Mortgage Revenue Bonds

The Multifamily Mortgage Revenue Bond program uses both taxable and tax-exempt bonds to provide below market rate loans to nonprofit and for-profit developers who set aside a certain percentage of their apartment units for low income families. Proceeds from the sale of these bonds are used to construct or acquire and rehabilitate multifamily rental properties. The Bond program's application scoring and ranking criteria encourage increased set asides for low-income households. Special consideration is given to properties that target specific geographic areas such HOPE VI communities.

### Florida Affordable Housing Guarantee

The Florida Affordable Housing Guarantee Program encourages affordable housing lending by issuing guarantees on financing for affordable housing. This program provides guarantees on taxable and tax-exempt bonds, and creates a security mechanism that allows lenders to sell affordable housing loans in the secondary market. It also encourages affordable housing lending activities that would not otherwise have taken place.

### HOME Investment Partnerships

The HOME program provides non-amortizing, low interest rate loans to developers of affordable housing who acquire, rehabilitate, or construct housing for low income families. Loans are offered through the annual Universal Cycle at the simple interest rate of zero percent to nonprofit applicants and three percent to for-profit applicants. Florida Housing's HOME program is designed for smaller developments in rural areas.



## Florida Housing's Affordable Housing Programs

### Elderly Housing Community Loan

A portion of State Apartment Incentive Loan funds is set aside to fund the Elderly Housing Community Loan (EHCL) program. This program provides up to \$750,000 in loans to make substantial improvements to existing affordable elderly rental housing. The EHCL program generally has one competitive funding cycle each year and the application period is open for a minimum of 60 days. These funds are available for the purpose of making building preservation, sanitation repairs or improvements required by federal, state or local regulation codes, and for life safety or security related improvements.

### Low Income Housing Tax Credits

The competitive Housing Credit program provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for the acquisition and substantial rehabilitation, substantial rehabilitation or new construction of affordable rental housing units. Special consideration is given to properties that target specific demographic groups such as the elderly, homeless people, farmworkers and commercial fishing workers. Consideration is also given to properties that target specific geographic areas such as the Florida Keys, rural areas, urban infill areas, and Front Porch Florida communities.

### State Apartment Incentive Loan Program

The State Apartment Incentive Loan (SAIL) program provides low-interest loans on a competitive basis to developers of affordable rental housing each year. SAIL funds provide gap financing that allows developers to obtain the full financing needed to construct affordable multifamily units. SAIL dollars are available to individuals, public entities, and nonprofit or for-profit organizations for the construction or substantial rehabilitation of multifamily units. Special consideration is given to properties that target specific demographic groups such as the elderly, homeless people, farmworkers, and commercial fishing workers.

## SPECIAL PROGRAMS

### Predevelopment Loan Program

The Predevelopment Loan Program (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 such as rezoning, title searches, legal fees, impact fees, administrative costs, soil tests, engineering fees, appraisals, feasibility analyses, audit fees, earnest money deposits, insurance fees, commitment fees, administrative costs, marketing expenses, and acquisition expenses. Technical assistance is also provided.

### State Housing Initiatives Partnership

The State Housing Initiatives Partnership (SHIP) 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. These funds are derived from the collection of documentary stamp tax revenues, which are deposited into the Local Government Housing Trust Fund. SHIP funds are distributed on an entitlement basis to all 67 counties and 50 Community Development Block Grant entitlement cities in Florida. The minimum allocation per county is \$350,000. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, downpayment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. Each participating local government may use up to ten percent of their SHIP funds for administrative expenses.

### Demonstration Loans

Florida Housing issues Demonstration Loans under authority of 420.507, F.S. Demonstration Loans are issued through a request for proposals (RFP) process one or more times throughout the year. Each RFP is developed to address a certain type of special needs housing. Demonstration Loans have been approved for housing for homeless people and elders, farmworkers, persons with disabilities and victims of domestic violence.

### Affordable Housing Catalyst Program

The Affordable Housing Catalyst Program provides on-site and telephone technical assistance and training on the State Housing Initiatives Partnership Program (SHIP), the HOME Investment Partnerships Program and other affordable housing programs. This technical assistance includes assisting agencies in leveraging those dollars with other public and private funding sources, training on forming local and regional public/private partnerships, working effectively with lending institutions, implementing regulatory reform, training for boards of directors, implementing rehabilitation and emergency repair programs, developing volunteer programs, assisting with the design and establishment of fiscal and program tracking systems, and compliance requirements of state and federally funded housing programs. Workshops are conducted throughout the year at locations around the state.



# Florida Housing's Affordable Housing Programs

## HURRICANE HOUSING RECOVERY PROGRAMS

The eight hurricanes that hit Florida in 2004 and 2005 damaged approximately one million homes. As part of Florida's response, Governor Bush created the Hurricane Housing Work Group, which made recommendations in February 2005 for the appropriation of hurricane housing recovery funds. During the 2005 legislative session, the Florida Legislature approved \$250 million in funding for some of these recommendations, including a locally-administered Hurricane Housing Recovery Program (HHRP), funded at \$208 million, and the Rental Recovery Loan Program (RRLP), funded at \$42 million.

In 2006, the legislature appropriated another \$92.9 million for RRLP and \$15 million to fund two additional hurricane housing recovery programs recommended by the Hurricane Housing Work Group, the Farmworker Housing Recovery Program (FHRP) and the Special Housing Assistance and Development Program (SHADP).

### Hurricane Housing Recovery Program

The \$208 million Hurricane Housing Recovery Program was established to enable local governments impacted by the 2004 hurricanes to develop and implement long-term affordable housing strategies for their communities. The Work Group identified 28 counties that would be eligible for funding through this program and recommended various funding levels for each of those counties. The Legislature made those funds available on July 1, 2005. Local governments developed and submitted disaster recovery plans to Florida Housing that outlined how their funding would be spent. Local governments are currently in varying stages of rebuilding and recovery using HHRP funds.

#### Hurricane Housing Recovery Program Fast Facts:

- HHRP was developed to assist households earning incomes up to 120% of area median income (AMI), with 30 percent of program funds reserved for extremely low-income households.
- Eligible Activities include:
  - ▶ Repair and replacement of site built housing;
  - ▶ Land acquisition;
  - ▶ Construction and development financing;
  - ▶ Down payment, closing costs, and purchase price assistance for site-built and post-1994 manufactured homes where the wind load rating is sufficient for the location;
  - ▶ The acquisition of building materials for home repair and construction;
  - ▶ Housing re-entry assistance, such as security deposits, utility deposits, and temporary storage of household furnishings, rental assistance; and
  - ▶ Community collaboration activities to develop affordable housing.

### Rental Recovery Loan Program

The Rental Recovery Loan Program has made funds available to affordable housing developers in 2005 and 2006 as a means of leveraging existing federal rental financing programs, such as Multifamily Mortgage Revenue Bonds. One of the goals of this program is to facilitate the production of additional affordable rental housing stock in areas hurt by the hurricanes.

#### Rental Recovery Loan Program Fast Facts:

- At least 70% of the units must be set aside for those at or below 60% of area median income (AMI), and a minimum of 15% set-aside for extremely low income (ELI).
- Units must be set aside as affordable for at least 50 years.
- There is a supplemental forgivable loan provided for each ELI unit that a developer commits to set aside for at least 20 years.
- Rents for all units financed through this program are restricted at the appropriate income level using the restricted rents applicable for the Low Income Housing Tax Credit program.



## Florida Housing's Affordable Housing Programs

### Farmworker Housing Recovery Program

The Farmworker Housing Recovery Program (FHRP) provides one-time funds to finance the construction and/or rehabilitation of housing for farmworkers, with special targeting to migrant farmworkers. Funds will be awarded on a competitive basis through an application process to finance housing provided by non-profits, public housing authorities and other housing providers. Based on the Hurricane Housing Work Group's recommendations, the FHRP encourages partnerships with nonprofits, farmers, growers, local governments, trade associations or other organizations that can share in the cost of providing this housing. For farmworkers unaccompanied by their families, rents may be based on "beds" as necessary and paid daily, weekly, or monthly. Loans may be forgivable in certain situations. FHRP is targeted to agricultural areas of the state impacted by the 2004 and 2005 storms and proximate to services.

### Special Housing Assistance and Development Program

The Special Housing Assistance and Development Program (SHADP) is designed to target smaller rental developments for hard-to-serve populations such as persons with a disability, frail elders and people who are homeless. Funds will be awarded on a competitive basis through an application process to finance housing provided by non-profits, public housing authorities and other housing providers. Based on the Hurricane Housing Work Group's recommendations, SHADP provides flexible loans which may be forgivable in certain situations.

The Hurricane Housing Work recommended that funding be targeted to developments in Tier I and II counties. Based on combined impacts from the 2004 and 2005 storms, those counties are:

- Tier I: Brevard, Broward, Charlotte, DeSoto, Escambia, Hardee, Hendry, Indian River, Martin, Miami-Dade, Monroe, Okeechobee, Palm Beach, Polk, St. Lucie and Santa Rosa.
- Tier II: Collier, Franklin, Glades, Highlands, Lee, Orange, Osceola and Volusia.

## WORKFORCE HOUSING

### Community Workforce Housing Innovation Pilot Program

The 2006 Florida Legislature passed House Bill 1363 (Ch. 2006-69, s. 27, Laws of Fla.), a housing bill focused on addressing some of the affordable housing challenges the State currently faces. HB 1363 includes \$50 million for an affordable housing pilot program called the Community Workforce Housing Innovation Pilot Program (CWHIP). Florida Housing will administer CWHIP, and these funds will be awarded on a competitive basis through a Request for Proposals (RFP) process to public-private entities seeking to build affordable housing for Florida's workforce.

CWHIP promotes the creation of public-private partnerships to finance, build and manage workforce housing and requires the coordinated efforts of all levels of government as well as private sector developers, financiers, business interests and service providers. The program requires that 50 percent of the units built using CWHIP funds be targeted to "essential services personnel," to be defined in local SHIP plans. In addition, 80 percent of the units built using CWHIP must be available to households earning incomes up to 140 percent of area median income (AMI). This program may serve a broad range of incomes up to 140 percent of AMI.

#### Eligible Counties:

- High cost counties (relative cost to purchase home compared to incomes).
- High growth counties.
- Counties willing to make regulatory changes and financial investments in affordable housing.

#### Eligible Developments:

- Homeownership and rental housing, which may be in a mixed use and/or scattered site setting.
- Developments that have at least 15 percent of the total development costs granted or donated.
- Developments in neighborhoods close to employers, services, transportation.