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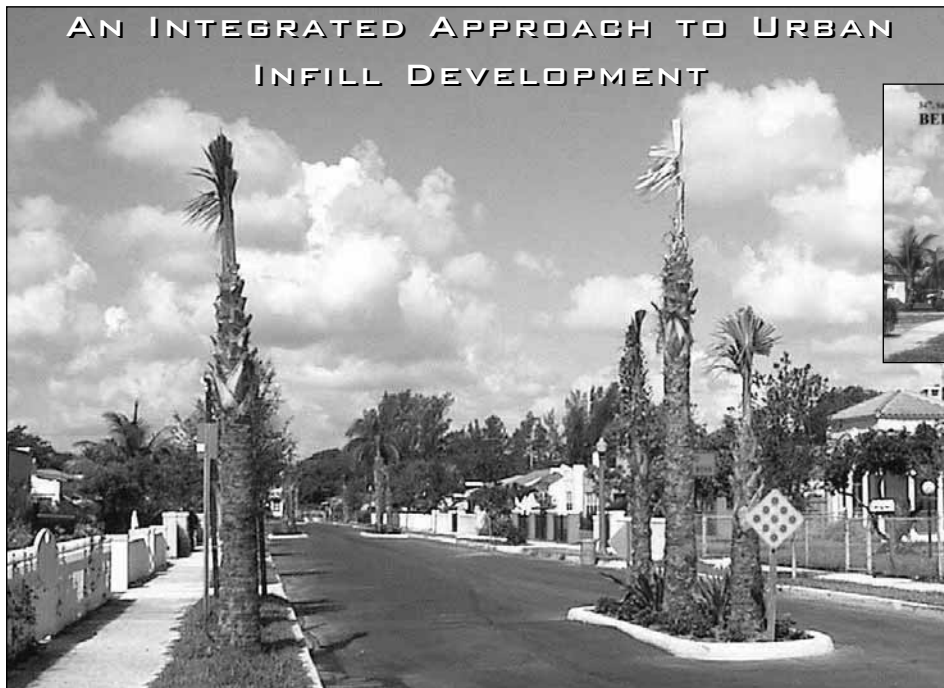
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“Miracle on 34th Street”

This Model Block Project in Palm Beach County has drawn national attention for its methodology, collaboration, and replicability. The LISC Center for Home Ownership, based in Washington DC, has chosen it as a national Best Practice



Before and After pictures

BY ANNETTA JENKINS

Ten years ago, Palm Beach County saw its first efforts to develop a Model Block get started on Northwest 5th Avenue in Delray Beach. The Delray Beach Center for Technology, Enterprise and Development (The TED Center), had a groundbreaking for its first homes. Volunteers had spent countless hours knocking on doors, connecting neigh-



bor to neighbor, trying to foster a sense of community. It worked. The prostitutes and drug dealers fled. Dilapidated houses were condemned and demolished; neighbors painted and planted; brave souls took those scary, first steps towards homeownership. Today homeowners live happily on those two blocks where kids walk to nearby schools and parks. →



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

The Housing News Network is published by the Florida Housing Coalition as a service to its members and for housing professionals and others interested in affordable housing issues. Address questions and comments to: Jaimie Ross, Editor, Florida Housing Coalition, Inc., 1367 E. Lafayette Street, Suite C, Tallahassee, FL 32301.

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The Florida Housing Coalition would like to recognize WASHINGTON MUTUAL for its partnership leadership and support as our PLATINUM SPONSOR. *We are deeply appreciative.*



Washington Mutual

The Florida Housing Coalition expresses its gratitude to our Gold Sponsor, WACHOVIA BANK for its ongoing sponsorship of our Board conference calls — a substantial savings to our statewide nonprofit.



WACHOVIA



A few examples of the improved neighborhood.

Flash forward almost ten years later. Community development corporations (CDCs), along with Local Initiatives Support Corporation, (LISC), local lenders, Palm Beach County Housing and Community Development, and various other local governments, have produced in excess of 2,300 homes on infill lots, from Limestone Creek to the north, to Delray Beach to the south and west to the Glades. This was all done one house at a time. Although very time and labor intensive, it was very difficult to achieve scale and impact. It was also very difficult to maintain momentum in revitalizing the neighborhoods.

Several years ago, the LISC program adjusted its strategy toward our work in Palm Beach County. We moved to a more comprehensive approach—we sought to achieve that scale and impact in the neighborhoods by bringing together:

1. CDCs that have business plans that include development.
2. Intense technical assistance, including project development consultation.
3. Coordinated debt and equity pools of financing.
4. Market feasibility and analysis.
5. Homebuyer education and credit counseling.
6. Development teams with frequent, scheduled project meetings.
7. Neighborhood planning processes.
8. Good design and site plans.
9. Public/private partnerships.
10. Meaningful involvement by neighbors.

We call this concept our Signature Projects Portfolio, a comprehensive approach to revitalizing neighborhoods bringing together mixed use, mixed income projects involving housing, commercial/retail/office, educational, community and child care facilities. The Model Block Program is part of this strategy.

In the Model Block Program, we try and mitigate for the lack of large parcels of land in neighborhoods by identifying a neighborhood with a high ratio of renters to homeowners, usually with an ageing infrastructure of roads; sidewalks, if any; sparse greenscape; vacant lots. The CDC is simultaneously doing a property/ownership survey and looking at assessed values, title status, code enforcement history, and criminal activity. Once this research is done, a likely block or two is identified to this comprehensive approach, with an end to purchase properties to rehabilitate or construct new houses, improve the infrastructure, add attractive lighting and greenscape, organize the neighbors, encourage others to do façade and yard work and then make the properties available for sale to new homeowners. We outline a profile below of successful efforts in Palm beach County.

PROFILE - “THE MIRACLE ON 34TH STREET”

Northwood Business Development Corporation, (NBDC), under the leadership of Executive Director, Terri Murray, brought together LISC, the City of West Palm Beach and developer, Complete Property Management Inc., to collaborate on the first comprehensive Model Block Project in Palm Beach. Investment in nine 9 homes coupled with façade improvements to 14 neighboring homes, along with street improvements, traffic calming, lush landscaping, and attractive lighting, resulted in a project that has catalyzed surrounding areas. Other neighborhoods are now clamoring for their own model block. This Northwood neighborhood had strong assets - excellent location, close to downtown, near to a beautiful historic neighborhood, diverse neighbors, a nearby homeowners' association - as well as strong liabilities - absentee landlords, homes with deferred maintenance, lack of greenscape, perceived and real crime, and few nearby services.





NBDC had recently expanded its mission and geographic barriers beyond a commercial district to include distressed blocks bordering a healthy residential area and neighborhood business district, which is showing signs of coming back to life.


NBDC, LISC, the City of West Palm Beach and Harris Trust Bank/Bank of Montreal invested a total of \$1.6 million in the project which involved the acquisition and rehabilitation of nine, (9), investor-owned properties, which were later sold to low- and moderate-income families, façade improvements to fourteen (14) additional homes, streetscape and lighting. LISC provided acquisition financing, the City of West Palm Beach provided rehabilitation dollars and façade grants, and Harris Trust provided permanent mortgages to the homeowners. Complete Property Management, Inc., Joe Crossen, President, completed the rehabilitation. NBDC provided project management support and homebuyer marketing and counseling. The project was completed in 2001.

NBDC held a holiday block party in December 2000, that was attended by hundreds of neighbors and city officials; local design firms decorated and furnished each house for the tour of homes; the local media featured the event, and dubbed the transformation, "The Miracle on 34th Street." This neighborhood went from a rental base to 90% homeownership, the project eliminated slum and blight, neighbors accessed façade grants to install irrigation and sodding, landscape and trees, and exterior painting.

The City of West Palm Beach had initially encouraged razing the neglected homes, NBDC insisted on preserving the architecturally interesting houses with the hidden character, maintaining the fabric of the neighborhood. The success of Model Block I has led to Model Block II, which is nearby and under development; the next block or MB III, as we call it, is in predevelopment.

We have learned that the Model Block Concept can be replicated. The neighborhood must have strong assets, along with the liabilities. Essential elements are:

- Flexible sources of financing that can underwrite the cost of rehabilitation while keeping the homes affordable to first time homebuyers.
- Positive public relations to draw attention to the successes of the model block project and help change perceptions about the neighborhood.
- The commitment of the local government and an intermediary like LISC to provide financial assistance and make the improvements to the block infrastructure.
- A strong nonprofit with a dedicated board and staff that has at least some background in housing development and rehabilitation.
- An active and energized neighborhood that is willing to help sell the positive changes taking place in the neighborhood.
- A willingness among all partners to negotiate and a willingness of the CDC to be flexible and change plans to accommodate funding partners.
- A comprehensive approach to meeting the needs of the residents and ensuring a quality project.

It is truly a way to reach scale on a neighborhood level and have an impact that will serve to synergize future revitalization efforts in our neighborhoods. 

For More Information:

- LISC's website at www.liscnet.org
- Terri Murray, Northwood Business Development Corporation (WPB) 561.832.6776
- Lynda Charles, Senior Program Officer, LISC, lcharles@liscnet.org

About the Author:

Annetta Jenkins is a Senior Program Director for Local Initiatives Support Corporation. LISC is the nation's largest community development support organization, with more than \$8 billion invested in urban and rural neighborhoods across the country. Annetta, a Florida Housing Coalition board member, has her office in West Palm Beach. She can be reached at ajenkins@liscnet.org.



Patti Lind and Tamara Bibb Allen addressing the 16th Annual Statewide Conference workshop: [Micro-Enterprise Loans for People with Disabilities to Start Businesses.](#)

Self-Employment Offers Unique Employment Opportunities for Persons with a Disability

BY MIKE SHAFER
FLORIDA HOUSING COALITION

Entrepreneurship enables many people with disabilities to circumvent artificial barriers to career advancement in the workplace, and enables them with a proven, effective route to social and economic empowerment. Patti Lind and Tamara Bibb Allen of The Abilities Fund introduced Iowa's Entrepreneurs with Disabilities (EWD) technical assistance and loan program at The Florida Housing Coalition's Conference in September.

Unemployment among people with disabilities hovers at an astonishing rate of about 70%. One out of three disabled adults earn less than \$15,000 per year. Of those employed, people with disabilities earn approximately 72% of their non-disabled counterparts.

Often, the difficulties people with disabilities have in obtaining and sustaining employment is due to stereotypical discrimination, and inflexibility in the workplace to adapt to peoples needs. One of the approaches being applied to increase opportunities to economic self-sufficiency is through self-employment. For many, self-employment offers unmatched flexibility to work around medical routines, transportation, and other barriers that may prevent traditional employment.

When given the opportunity and appropriate tools people with disabilities are proving that they can be tremendously suc-

cessful in entrepreneurial business ventures. Iowa's Entrepreneurs with Disabilities program combines skill development and equity grants to help disabled entrepreneurs develop a sustainable business. Now in it's seventh year, the program boasts an 87% success rate. Of these successful businesses, 30% now employ other people with disabilities.



*Dan Horvath,
President of CEII.*

Patti Lind who designed and led implementation of Iowa's Entrepreneurs with Disabilities (EWD) Program, launched the Abilities Fund in an effort to transfer lessons learned from Iowa's EWD Program to the rest of the Country. Community Enterprise Investments, Inc. (CEII), a Florida non-profit organization that provides small and micro business development loans to low to moderate income people, is working with The Abilities Fund to begin a similar program in Florida. The Florida Developmental Disabilities Council

(FDDC) is also interested in the self determination potential of self-employment. FDDC recently put out a request for proposals to provide funding for a micro-enterprise training and technical assistance project, in which individuals with developmental disabilities would receive the training and technical assistance necessary to set up very small businesses, known as micro-enterprises.





SADOWSKI ACT COALITION



2004 Legislative Session

Dear Legislator:



FLORIDA BANKERS ASSOCIATION



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In 1992, the Florida Legislature adopted landmark legislation for affordable housing known as the William E. Sadowski Affordable Housing Act, providing funds for affordable housing to all 67 counties and an additional 48 cities. Since its inception, the Sadowski Act has assisted more than 150,000 families with affordable home ownership or rental housing through programs such as the State Housing Initiatives Partnership (SHIP) program, the State Apartment Incentive Loan (SAIL) program, and the Florida Affordable Housing Guarantee Fund. In addition, the Sadowski Act has enabled local governments and the state to bring over \$620 million in federal HOME monies to Florida by providing local match funds. Anticipating the exponential growth of Florida's population and housing costs, the Sadowski Act uses a portion of the state real estate documentary transfer fee to fund the state and local housing trust funds.

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

Sadowski Act funds enable local governments to implement local housing programs and housing partnerships. Sadowski Act funds are highly leveraged: for every dollar of Sadowski funds, the public and private sector invests at least six dollars. To date, Sadowski Act funding has brought over an estimated \$9 billion in other public and private sector investments. Sadowski Act funding provides ongoing technical assistance to local governments and nonprofit organizations and is used to respond to emergencies by providing relief after natural disasters. Sadowski Act funds have also created thousands of jobs in the construction industry.

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

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



Sadowski Act Funding: Legislative Update

BY JAIMIE ROSS



Pictured: At center, Mark Hedrickson, moderator, from left to right: presenters, Michael Davis, Edie Ousley, Jaimie Ross, and Senator Ken Pruitt, the “Stayin’ Alive” panel that spoke at the plenary session on what it took to keep Sadowski Act funding in the 2003 Legislative Session and what it will take in 2004.

The Sadowski Coalition had its first meeting for the 2004 Legislative Session in September. The Sadowski Coalition, which now formally includes the Florida Bankers Association, is firmly committed to full implementation of the Sadowski Act; this means full funding in accordance with the dedication of doc stamp revenues to the state and local housing trust funds. The diversion of Sadowski Act funding made in 2003 cost the state over 8,800 units of affordable housing, over 14,000 jobs, and over 1 billion dollars in lost economic activity. We cannot afford to have a similar loss in 2004. A copy of the Sadowski Coalition's letter to the 2004 Legislature is reprinted on the opposite page.

The 16th Annual Statewide Conference focused on what housing advocates did in the 2003 session and what needs to be done in the 2004 session to protect Sadowski Act funding. About ten days prior to the conference, House Speaker Johnnie Byrd announced the appointments to his Select Committee on Affordable Housing. See page 8 for a listing of the Representatives appointed to the Select Committee.

The House Select Committee on Affordable Housing had its first meeting on October 1st in Tallahassee. House Speaker Byrd began the meeting with his charge to the Committee to conduct a comprehensive review of the state's affordable housing goals, programs, strategies, and funding and to recommend any changes warranted as a result of this review.

The Statement of Committee Charge is specifically to:


- (1) Review the appropriateness, relevance, and clarity of state affordable housing goals and policies, and progress in achieving these goals;
- (2) Examine the cost effectiveness, efficiency, and accountability of state affordable housing programs and associated revenues;
- (3) Explore ways to expand home ownership opportunities under affordable housing programs;
- (4) Examine existing standard and priorities for participation in affordable housing programs;
- (5) Examine regulatory impediments to the availability of affordable housing; and
- (6) Explore opportunities for increasing the flow of private capital into affordable housing programs and creating a stable long-term partnership with the private sector.


The Committee, Chaired by Representative Randy Johnson, heard from panels representing the public sector and the private sector, followed by another information gathering meeting in Tallahassee on October 20th. The Committee was provided with considerable evidence about the housing need in Florida and the excellent delivery system in place for meeting that need through substantial private sector development highly leveraging government funds. The Committee also heard about housing need and demand and the economic challenges in providing housing for families who earn less than \$15,000 per year. The House Select Committee discussed the possibility of better collaboration



between housing agencies and social service agencies to better serve the needs of the extremely low income.


During the 2003 Legislative Session, OPPAGA¹ conducted an examination of Florida Housing Finance Corporation programs. A few of OPPAGA's findings were presented to the House Select Committee at its initial meeting. Some of the findings that may be of particular interest to housing advocates are that:

 Although 65% of SHIP monies are statutorily required to be spent on homeownership activities, the percentage of SHIP monies actually spent on home ownership activities is more like 90%; and

 Although 85% of FHFC rental units were set-aside for households earning 60% of area median income, the average FHFC unit is serving households earning 46.8% of area median income.

In other words, most all the local SHIP money is going toward home ownership and most all the FHFC money is going toward a much lower income household than previously thought. Both of these findings should be helpful to housing advocates as we press for full funding of Sadowski Act programs.

The balance of the House Select Committee meetings will be on the road, with a final meeting in Tallahassee in January. The dates and places for the House Select Committee as it travels the state, along with recaps from each meeting can be found at www.flhousing.org.

If you plan to provide testimony at any of these public meetings around the state or to discuss your local housing program and use of SHIP funds with Select Committee Members, and would like to include information on the impact of cuts to the housing budget in your presentation (impact on units lost, jobs lost, and economic activity lost, both statewide and by county), you can go to www.flhousing.org and click on the House Representatives name to access the .pdf file which you can then print. Please let us know if any questions arise to which we may be able to help provide accurate responses. It is critical to provide clear and accurate information to the members of this Committee. 

Jaimie Ross is the Affordable Housing Director at 1000 Friends of Florida, a statewide nonprofit growth management organization, and is the President of the Florida Housing Coalition. She can be reached at jaimieross@aol.com

¹OPPAGA (Office of Program Policy Analysis and Government Accountability) is a special staff unit of the Florida Legislature designed to examine agencies and programs to improve services and cut costs.

HOUSE SELECT COMMITTEE ON AFFORDABLE HOUSING

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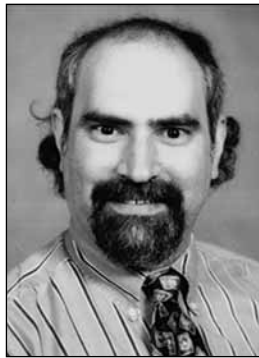
Structuring Your Purchase Assistance Program to Meet Your Target Market

BY STAN FITTERMAN
FLORIDA HOUSING COALITION

The goal of many local housing programs is to increase home ownership rates for very low, low and moderate income families. These programs are designed to provide assistance to eligible applicants who earn too little to qualify for a mortgage and/or whose income is too low to accumulate the savings needed for down payment and closing costs. The amount of subsidy provided under these programs varies greatly from community to community.

Most housing programs set a maximum income for program eligibility, and purchase assistance programs are no different. Local program designers sometimes fail to recognize, however, that they effectively set a minimum income requirement as well when they determine the amount of subsidy available. If the subsidy is too low, there may be a substantial gap between the mortgage amount an applicant can qualify for and the mortgage amount really needed to purchase housing in that community. This article will explore how subsidy amount determines minimum income requirements, and how local government and nonprofit staff can evaluate whether their programs are structured to meet their target market.

Local housing programs must evaluate the cost of housing stock and the availability and condition of units at various price levels. Data from the county's Property Appraiser can be used to obtain information on recent sales, by neighborhood. This information can be supplemented by reviewing entries in the Multiple Listing Service. An analysis of this data will provide the number of units sold or listed for sale at or below various prices.



Once housing cost data has been collected, it is possible to calculate the minimum household income needed to qualify for various mortgage amounts that are high enough to purchase homes within that community. The Florida Housing Coalition has developed a spreadsheet that calculates maximum mortgage amount based on an applicant's income and the mortgage terms. This spreadsheet is an easy way for local housing programs to take into account the capacity of their target market. Capacity is one of three factors lenders use to evaluate a potential borrower's ability to pay. These factors are often referred to as the "three C's" -credit, collateral and capacity.

Credit is an evaluation of a borrower's history of paying off previous debts. Collateral is the value of the property being purchased. Loans usually cannot exceed a certain percentage of the sales price or appraisal of the property (this number ranges from 80 percent to 95 percent of the lesser of the sales price or appraised value). Capacity is the borrower's ability to repay the mortgage. Lenders have determined the maximum percentage of a family's monthly income that can be allocated to housing cost (principal, interest, taxes, and insurance - PITI). This percentage usually ranges from 28-31 percent and is typically set by each individual lender. Lenders have also determined the maximum percentage of a family's monthly income that can be spent on housing plus long term debt. This percentage ranges from 36-41 percent and is known as the back ratio. Again, this percentage can vary from lender to lender. The maximum mortgage amount a borrower can qualify for is the lesser of the front and back ratio.



Sales Price	Down Payment	Mortgage Amount	Annual Interest	Term (Months)	Monthly Payment	T&I	Total Monthly Payment without subsidy
\$90,000	\$500	\$89,500	6.00%	360	\$536.60	\$ 200.00	\$736.60

Table 1 shows an example of a family earning \$26,000 per year. In this case, a subsidy of just over \$20,000 is needed for this family to qualify for the \$89,500 mortgage. If a community's housing market has units available for sale for less than \$90,000, and the program's goal is to enable families earning \$26,000 and above

to achieve home ownership, then the maximum subsidy amount needs to be at least \$20,000 in order to reach this goal. In the same example, if the annual interest rate increases from 6 percent to 7 percent, the same family would need \$26,871 in subsidy to qualify for the same \$89,500 mortgage.

Applicant Information:			
Annual Income	\$	26,000	Monthly Debt \$ 250
Monthly Income	\$	2,166.67	
Front Ratio	31%		Total \$ 250
Back Ratio	40%		
Max Front Ratio	\$	671.67	Max Mortgage amount \$69,497.06
Max Back Ratio	\$	616.67	Deferred Loan Needed \$20,002.94
Max Monthly PITI	\$	616.67	

Maximum purchase amounts cannot be set in a vacuum. Housing costs and available mortgage terms directly affect the income needed to qualify for a mortgage. Local governments, working with their partners, including lenders, real estate agents and nonprofits, should determine the minimum family income they wish to target for

their purchase assistance programs and set their subsidy amounts accordingly.



For a family earning \$2,000 per month applying for a loan with a front ratio of 30 percent, the maximum amount available for PITI based on the front ratio alone is \$600 (\$2,000.30). If this same mortgage has a 40 percent back ratio, the maximum available for housing plus long term debt is \$800. Given a \$350 per month car payment, this family would have \$450 per month available for housing cost (\$800-\$350 = \$450, which is the lesser of the front and back ratios).*



Andrew O'Malley, Chair — Real Property, Probate & Trust Law Section of the Florida Bar, at the Florida Housing Coalition's 16th Annual Conference.

Lawyers for Affordable Housing

A partnership between the Florida Housing Coalition and the Real Property Probate & Trust Law Section of the Florida Bar makes available volunteer lawyers to assist nonprofit affordable housing developers throughout Florida.

A variety of assistance is available, including review of title searches and mortgage financing documents, environmental issues, help with real estate purchase and sale agreements, zoning and land use issues, nonprofit corporate law issues, and pre-development due diligence. For a referral, contact Dayatra Orduña at the Coalition 850-878-4219 or email orduna@flhousing.org.



Using SHIP Reporting Data to Explore Program Policies and Outcomes for Owner-Occupied Rehabilitation Programs

BY WIGHT GREGER
FLORIDA HOUSING COALITION

Over the last 12 months, Coalition staff has collected and analyzed data reported in the SHIP Annual Reports. Through this analysis we have been able to explore the relationship between local policies and expected outcomes in locally designed owner-occupied rehabilitation strategies. During fiscal year 2000-2001, 102 SHIP jurisdictions reported spending a total of \$31.5 million in SHIP funds alone to repair homes. This number represents approximately 21% of the total statewide SHIP expenditures for that year, falling into second place behind funds spent on purchase assistance strategies.



outcomes are. Elected officials, community development staff and community partners must take into consideration whether the goal is to clean up neighborhoods by eliminating slum and blight, help low income people eliminate substandard and unhealthy living conditions, or assist families to improve the value of their primary asset to perhaps provide security for their future. Often the vision is a blended one, and the specific policies adopted at the local level, such as per unit maximum award amounts, recapture provisions, and targeted funds to specific demographic categories or neighborhoods, can have an impact on those outcomes.

To get answers about how programs are designed, we first need to look at why rehabilitation programs exist. When both the SHIP and HOME programs came on line in the early 1990s, they offered communities funding to respond to community needs through their unprecedented and more flexible regulatory structure. Prior to the enactment of these two programs, communities had access primarily to the Community Development Block Grant (CDBG) program for performing repairs on dwelling units. The CDBG program, complete with very specific rules and regulations on how to rehabilitate units for low income persons, was familiar to community development and housing staff. So it is not surprising that, particularly in the early years of the SHIP program, rehabilitation of owner-occupied units was a common strategy for jurisdictions. Consequently, many of the features of the CDBG-funded program were incorporated into SHIP-funded programs.

When a community designs and implements a rehabilitation program, it is necessary to decide early on what the expected

One of the pivotal issues in locally designed rehabilitation programs is the amount of SHIP funds a community decides to use when repairing a home. Our data analysis showed a wide range of per unit expenditures for rehabilitating owner-occupied units. Statewide, the average per unit award was higher in urban areas, for example, than in rural areas. So, how do SHIP jurisdictions decide how much per unit subsidy to provide? We used linear regression to test several hypotheses.¹

DO SHIP COMMUNITIES RECEIVING GREATER SHIP FUNDS EXPEND MORE DOLLARS PER UNIT?

In our first hypothesis, we posited that the larger jurisdictions which receive higher annual allocation amounts would have more SHIP funds available for all strategies, including rehab, and would tend to set higher maximum awards as a result. The results of our analysis showed that for the year reviewed this was not the case; the average award in jurisdictions

receiving \$350,000 or less averaged \$17,651 per unit while those in the \$351,000 to \$999,999 category only averaged \$15,368 per unit.

DO COMMUNITIES WITH OLDER HOUSING STOCK SPEND MORE SHIP FUNDS FOR REPAIRS?

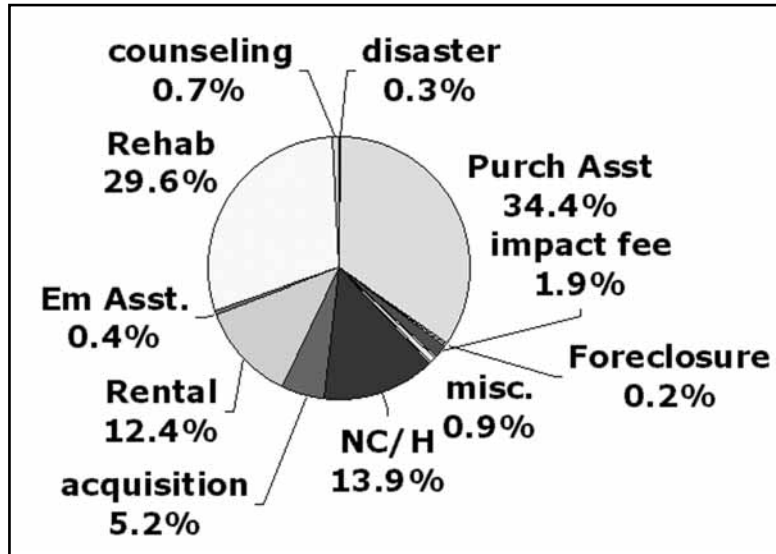
Florida is a relatively "young" state, and consequently the statewide average age of our housing stock is 25 years. If we assume that most systems in a home last from 20-30 years from the time the home was originally built, we would conclude that the older homes would likely require more repairs. Using the regression analysis, we tested to see if communities with older housing stock² (65% of the housing stock older than 25 years) spent more SHIP funds to repair units than those communities with less stock older than 25 years. Our analysis showed that for the year reviewed this was also not the case.

DO COMMUNITIES WITH LOWER MEDIAN INCOMES SPEND MORE PER UNIT TO REPAIR HOME THAN THOSE WITH HIGHER MEDIAN INCOMES?

In our third hypothesis, we wanted to see if there was a relationship between per unit award amounts and median area income. Our hypothesis was that in communities where median incomes were lower (where there were more households with less access to funds for repairs and improvements to their homes) that the local jurisdictions would attempt to address their families' needs for repair funds by adopting and awarding higher subsidies. Surprisingly, the regression analysis showed that this was also not the case. Anecdotally, , one south Florida

community with a very high median area income of \$60,000 (family of four) provided \$20,000 per unit in SHIP subsidy, while another north Florida community with a median area income of \$33,600 ALSO provided \$20,000 in SHIP subsidy for home repairs.

IF COMMUNITIES ARE NOT DEVELOPING POLICIES ON HOW MUCH PER UNIT SUBSIDY TO SPEND BASED ON FAMILY INCOME, AGE OF HOUSING STOCK, OR AVAILABILITY OF RESOURCES, HOW ARE THESE DECISIONS BEING MADE?



Through our on-site work in the field and in our Catalyst workshops, Coalition staff are continuing to surface these questions with housing administrators, community development staff, elected officials, and local partners. Many communities have designed their programs solely on the basis of perceived political feasibility. However, this approach will not necessarily result in the stated outcomes which are articulated in the overall vision. There are some limited examples of maximum per unit rehab amounts increasing when elected officials are presented with data on the condition of housing and the cost of the repairs needed to make each unit standard. Our experience is that this data driven approach enables communities to set goals for their owner-occupied rehab program and develop program parameters tailored to meeting these goals.

Our experience is that this data driven approach enables communities to set goals for their owner-occupied rehab program and develop program parameters tailored to meeting these goals.

If you would like assistance in this area, or in any area related to developing policies which will enhance your community's vision, please call our toll-free number at (800) 977-4748 to speak with a Technical Advisor.

²Housing supply characteristics were derived from the Affordable Housing Needs Assessment, Florida Housing Data Clearinghouse, www.flhousingdata.shimberg.ufl.edu

SEPTEMBER 20 - 22, 2004 - MARK YOUR CALENDARS FOR NEXT YEAR

The Florida Housing Coalition's 17th Annual Statewide Affordable Housing Conference

Marriott Waterside Resort Tampa, FL

CONFERENCE HIGHLIGHTS

FLORIDA HOUSING COALITION'S 16TH ANNUAL STATEWIDE
AFFORDABLE HOUSING CONFERENCE

"Stayin' Alive" 2003



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



Angela Glover-Blackwell, the founder and president of PolicyLink received a standing ovation after delivering her eloquent speech about equitable development.



Over 530 participants enjoyed the 16th Annual Statewide Conference, with over 25 workshops covering the "meat and potatoes" of Housing 101 to the controversy of Fiscal Impact Analysis

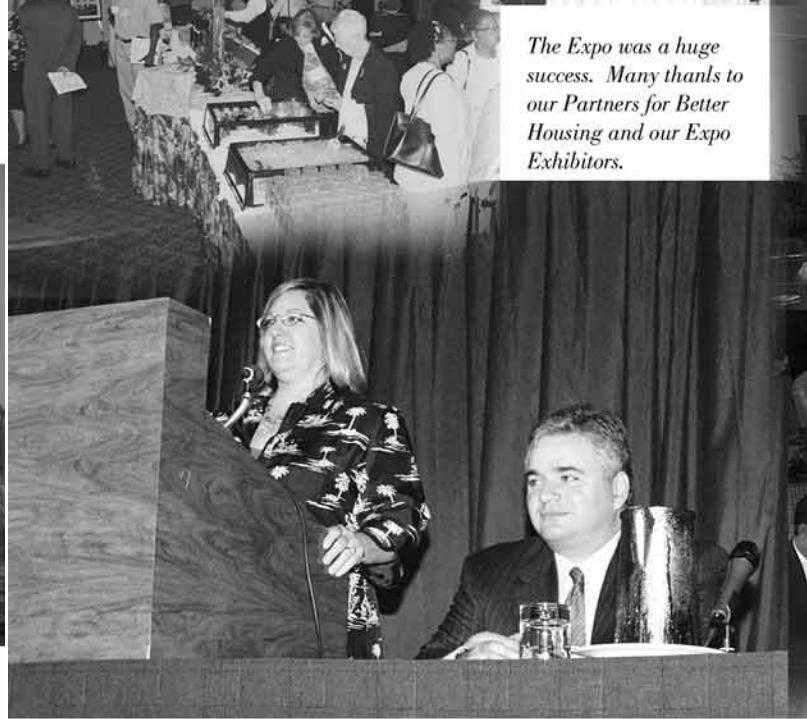


Raffle Buddy extraordinaire, Michael Chaney, entertained the crowd with a homemade medley of disco hits, based on "Stayin' Alive" and "I Will Survive", while he handed out prizes donated by our Partners for Better Housing.





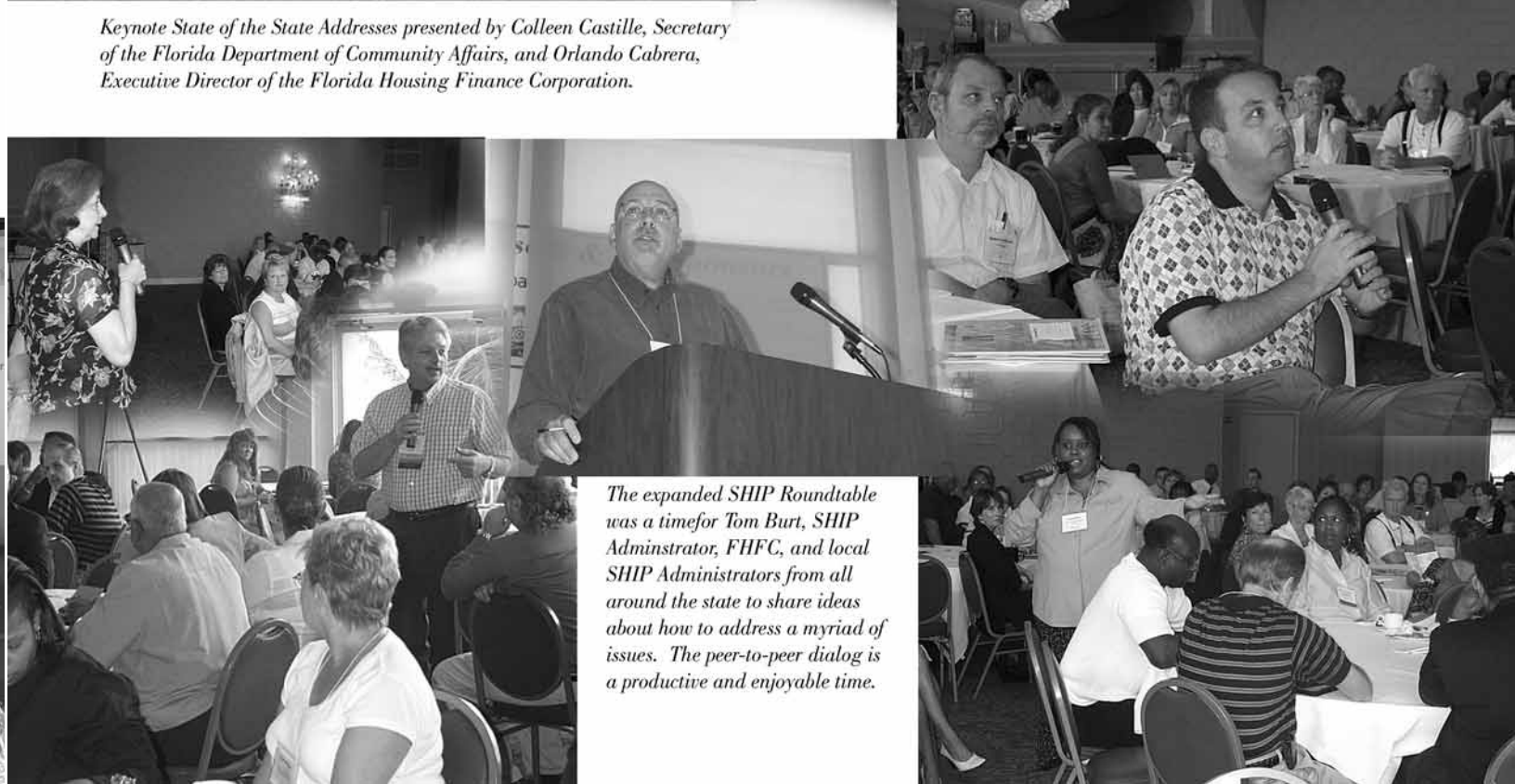
The Expo was a huge success. Many thanks to our Partners for Better Housing and our Expo Exhibitors.



Keynote State of the State Addresses presented by Colleen Castille, Secretary of the Florida Department of Community Affairs, and Orlando Cabrera, Executive Director of the Florida Housing Finance Corporation.



When housing advocates come together from all around the state, it is always a terrific networking opportunity.



The expanded SHIP Roundtable was a time for Tom Burt, SHIP Administrator, FHFC, and local SHIP Administrators from all around the state to share ideas about how to address a myriad of issues. The peer-to-peer dialog is a productive and enjoyable time.



At the Annual Legislative Awards Reception, Legislative Honorees, Representative Nancy Detert, Senator Ken Pruitt, Representative Bill Galvano, and Representative Ed Jennings receive their Florida Housing Coalition Legislative Housing Champion Awards from Board Member, Mark Hendrickson.

The 2003 Legislative Awards Reception was co-sponsored by by the Coalition of Affordable Housing Providers and Stearns, Weaver, Miller, Weissler, Alhadeff & Sitterson, P.A. And Sponsored by: The Carlisle Group, Cornerstone Group Development, Florida Association of Realtors, Florida Manufactured Homes Assoc., The Gatehouse Group, The Hendrickson Company, LCA Development, Inc., Pinnacle Housing Group, Richman Group of Florida, Wendover Housing Partners.

The Legislative Reception was its usual bit hit, with a remarkable band, fabulous food, and a spectacular view. While some left after a couple of hours, others danced into the night.





RAYOS DEL SOL

A SPECIAL CONFERENCE TREAT

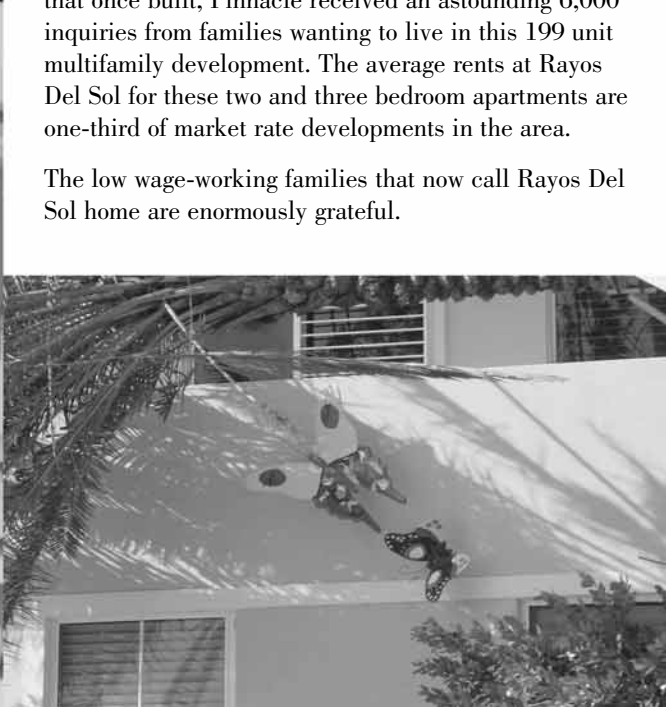
Courtesy buses took conference participants from the hotel to the heart of East Little Havana on Tuesday evening to join in a grand opening block party at Rayos Del Sol, a Pinnacle Housing Group development.

After the dedication by Pinnacle Chairman, Louis Wolfson III, pictured here with partners, Michael Wohl, Mitchell Friedman, and David Deutch and joined by local and state dignitaries, we enjoyed tours of the development. In addition to the amenities that have come to typify all Florida Housing Finance Corporation tax credit and SAIL funded developments, such as community rooms, fitness centers, a swimming pool, and computer labs, Rayos Del Sol, boasts something that is "signature Pinnacle"-ART.

Rayos Del Sol stands out immediately for its design beauty, topped off by vibrant colored metal butterflies and a fiber optics lighting sculpture depicting the rays of the sun atop this 13 story Spanish- flavored building. Pinnacle commissioned two renowned local artists to create unique daytime and night time sculptures.

We learned that even this jewel in an otherwise declining area had to overcome substantial NIMBY opposition that caused significant construction delays. And that once built, Pinnacle received an astounding 6,000 inquiries from families wanting to live in this 199 unit multifamily development. The average rents at Rayos Del Sol for these two and three bedroom apartments are one-third of market rate developments in the area.

The low wage-working families that now call Rayos Del Sol home are enormously grateful.





Civic Engagement Campaign for Voter Registration, Education, and Mobilization in Florida

CAMPAIGN GOALS

The National Low Income Housing Coalition (NLIHC) has initiated a campaign in Florida to encourage community-based organizations-such as tenant organizations, affordable housing providers, and other entities that interact regularly with low-income people-to make civic engagement through voter registration, voter education, and voter mobilization an integral part of their programs.

By November 2004, it is the hope of NLIHC that our members and affiliates in Florida will have registered 75% of their clients/constituents/residents/members to vote as a result of the campaign, and all of them will have attended events in order to educate themselves and the candidates on the importance federal policy has on their lives. While registering and educating voters is essential, the most challenging of our goals is that 60% of them show up at the polls on Election Day.

WHY CIVIC ENGAGEMENT IS IMPORTANT

Although elected officials are obligated to represent everyone in their districts, the nature of politics is that they tend to listen more closely to the people who put them in office. The 2000 Census data listed above gives a clear picture of why many elected officials do not listen to the needs of our poorest citizens.

The huge disparity between the percentage of voters from high-income households and low-income households is a major part

of why low-income citizens' needs aren't being met. Therefore, it is the obligation of non-profits dedicated to serving low-income Americans to ensure that everyone, regardless of income, is engaged in the political process.

CIVIC ENGAGEMENT AND 501 (C)3

ANNUAL INCOME	% REGISTERED VOTERS	% REGISTERED VOTERS VOTING IN 2000
Below \$5,000	53.1%	34.2%
\$5,000-9,999	57.1%	40.6%
\$10,000-14,999	58.6%	44.3%
\$15,000-24,999	65.0%	51.3%
\$25,000-34,999	69.0%	57.3%
\$35,000-49,999	72.3%	61.9%
\$50,000-74,999	77.9%	68.7%
\$75,000 and over	82.1%	74.9%

Moreover, the participation rate of homeowners in 2000 was twice that of renters (84.7% vs. 43.8%).

ORGANIZATIONS

Federal law bars 501 (c)3 charitable organizations from endorsing electoral candidates and participating in any partisan activities. However, 501 (c)3 organizations may lawfully register, educate, and mobilize voters. In fact, working to ensure that as many people as possible are part of the electoral process is generally complimentary to the mission of all 501 (c)3 organizations. When implemented in the right way, a civic engagement program is effective, doesn't drain resources, and benefits all involved.

For More Information or to Get Involved

If you are interested in hearing more about our campaign or want to commit to participating Katie Fisher at katie@nlihc.org or 202-662-1530, ext. 222.



At the 16th Annual Statewide Conference, Jaimie Ross moderated "Nonprofit Lobbying". The panel included John Little, senior attorney with Legal Services of Greater Miami and head of the Community Development unit which provides legal assistance to CDCs, and Isabel Cassio Cabayo, Legislative and Public Affairs Coordinator for the South Florida Regional Planning Council, and veteran of the political process. "Nonprofit Lobbying" addressed grassroots lobbying and advocacy by 501(c)(3) organizations. The panel explained the parameters of lobbying for nonprofits and the do's and don'ts for successful advocacy.



The Florida Housing Coalition brought in Pat Rafter, President of Creative Housing, Inc. in Columbus Ohio, to make a presentation at the 16th Annual Statewide Conference in Miami. He shared with the participants his recommendations for Florida, as outlined in a report prepared for The Center for Self Determination called a Blueprint for Self Determination in Florida. The following are excerpts from that report, reprinted with his permission.

Thinking About Housing

EXCERPTS FROM

A BLUEPRINT FOR SELF DETERMINATION IN FLORIDA

PREPARED FOR THE CENTER FOR SELF DETERMINATION

BY PATRICK RAFTER

Florida finds itself in a similar position to most states as it moves from a congregate care residential system for people with disabilities to one in which people with disabilities choose where they live and the necessary supports follow them. In the congregate system housing subsidies were embedded in the fees paid to providers. As support services and housing have been de-coupled, housing subsidies have evaporated as we have relied on Medicaid waiver programs that have traditionally not provided for housing subsidies. As new waivers are made available, the question that begs asking is "Where are we going to find safe, accessible and affordable housing for individuals whose main income is a social security check?"

FLORIDA'S NEEDS WELL DOCUMENTED

The Housing Crisis for individuals with significant disabilities are well documented in the Florida's Housing Coalition/DD Council's previous reports. Individuals with significant disabilities are basically frozen out of the housing market and the gap between their ability to pay and the cost of housing is widening rather than diminishing. Furthermore, even when housing subsidies are available, fully accessible rental properties often are not.



WAITING FOR HUD TO DO SOMETHING

DD Council and Housing Coalition previous reports have served as a mechanism to educate the DD community about existing federal low income housing programs and the important politics of making our constituency's needs known to Public Housing Authorities. In some parts of the state inroads have been made and PHA's have provided increased housing options for individuals with disabilities. While there is some anecdotal evidence to show that these educational efforts have yielded more individuals with disabilities accessing low income housing, there is nothing to show a systemic response that could serve as a parallel development for the creation of additional waiver slots. This should not be a surprising development given that HUD's only new construction/ Supportive Housing Program for people with disabilities (Section 811 Program) has not only been drastically reduced in recent years, but also requires significant "up front" investment. Finally efforts to use the 811 program to develop the low-density housing that provides true community integration are particularly problematic.

Assuming that existing HUD programs represent, at best, a partial answer to the housing needs for individuals with significant disabilities, what is the DD community in Florida pro-



posing as a supplemental program that meets the articulated needs of people with disabilities? If we do not develop a supplement to HUD programs, do we believe 10 years from now we will have moved much further down the road of solving our housing crisis? Will most individuals with significant disabilities continue to be relegated to congregate care facilities?

PROMISING BEGINNINGS: PRIVATE AND NON PROFIT SECTOR

Florida has the groundwork in place in existing funding streams to develop a strong response to the neglected housing needs of individuals with disabilities. Several regional centers have established rent subsidy programs for very low income individual with disabilities. With additional funding and a statewide commitment, rent subsidies can enable very low-income individuals to live in existing market rate rental units. This approach provides a wide array of housing options and by passes what is often a multiyear development process. The recommendation in other portions of this report to develop a Medicaid Waiver that allows for funding of rent subsidies has enormous potential as a needed rent subsidy funding source.

Rent subsidies utilized in the private market will not be the sole solution to the housing shortage. The existing CASL program offers an example of a non-profit housing corporation offering housing at below market rates with a special sensitivity to the needs of people with disabilities. The CASL approach with its separation of housing and support systems particularly empowers people with disabilities in the hiring and firing of support providers.

The SHIP program represents an excellent conduit for funding existing non-profit housing corporations or developing new non-profit housing infrastructures. Our national experience has shown that the development of housing for individuals with disabilities requires deep subsidies and the avoidance of debt service. SHIP funds have potential as a funding source for non-profit housing corporations that are focusing on serving very low-income individuals with disabilities.

RECOMMENDATIONS

Our recommendations focus on two areas:

1. Expansions of rent subsidy programs to increase access to market rate rental properties and encourage landlord participation.
2. The need to develop a non-profit housing corporation infrastructure sensitive to the needs of individuals with significant disabilities.

RENT SUBSIDY EXPANSION

BREAKING INTO SECTION 8 (SPECIAL ACCOMMODATIONS)

Across the country most communities have lengthy Section 8 rent subsidy waiting lists or are not even accepting new applications because the waiting lists are so extensive. For many individuals with significant disabilities the application process itself represents a significant barrier. After the Public Housing Authority's (PHA) public notification that it is opening the application process, candidates must get to the Section 8 office, complete an application and have ancillary documentation such as bank statements, pay stubs, and social security cards. Even if the agencies supporting the individual with disabilities are aware of a sign up period, the necessary documents may not be readily available and application windows are missed.

In Columbus Ohio, Creative Housing Inc., a non-profit housing corporation worked with the local PHA to point out that, while not intended, the result of the Section 8 sign up process



discriminated against individuals with significant disabilities since they were not accessing Section 8 vouchers. The local PHA designated Creative Housing as a "partner" and has initially assigned 180 project based housing choice vouchers to Creative Housing for use for individuals with significant disabilities.

Creative Housing was able to assist the tenants in the application process and coordinate the collection of required documentation. These vouchers enabled Creative Housing to attach a subsidy stream to 180 property units. In the project-based program after the tenants live in the property for a year, their voucher becomes portable and they can move and rent from any landlord willing to accept their voucher. In addition, if the tenants choose to leave, the Section 8 subsidy to the property is maintained. Creative Housing provides apartment finding assistance to those individuals who prefer to use their vouchers to find housing elsewhere. The program enables a non-profit housing corporation to maintain a subsidy to units that have a waiting list of applicants while at the same time giving existing tenants the freedom to move on and rent from other land lords.

Local chapters of Arcs in Anne Arundel County, Maryland and Hennepin County Minnesota aided by a grant from the Joseph P. Kennedy Foundation have established partnerships with their local PHA with a focus on pairing up Section 8 rent subsidies with individuals receiving HCBS Waivers.

BENEFITS FOR THE PHA

Getting a PHA to focus on providing housing for individuals with significant disabilities is not readily accomplished and often requires a lengthy local political and educational process. Once a PHA is focused, "partnering" with a disability service group offers an approach to efficiently concentrate providing housing services. The Columbus Ohio PHA notes in its publications that partnering allows the PHA to:

- *Target housing to the "neediest of the needy"*
- *Decrease the number of no-shows for applications and re-certifications*
- *Reduce the number of terminations for program violations*
- *Reduce landlord and neighbor complaints*

In short, the partnership provides a mechanism for the PHA to target particularly needy individuals and also reduce

their administration expenses. For disability organizations the Section 8 revenues represent a solid funding stream to support individuals who wish to reside in private market apartments. Section 8 can be an important funding stream for non-profit organizations that are developing housing, which requires deep subsidies for individuals with significant disabilities.

Creating a Subsidy Program: Some regions in Florida have taken the initiative to develop their own rent subsidy programs. The strategy proposed elsewhere in this report regarding the use of waiver funds to subsidize housing offers the possibility of expanding existing rent subsidy programs as well as initiating subsidies in those regions where they are non-existent.

However as these subsidy programs are implemented we would recommend building in flexibility to allow for the following:

BRIDGE SUBSIDIES WITH SECTION 8: Even if you are more successful in accessing Section 8 rent subsidies, it will be a rare occurrence when waiver supports and Section 8 funding becomes simultaneously available to an individual. It is important that supported housing and support services converge simultaneously. Subsidy funds can be used on short-term basis with the understanding that the individual will apply for Section 8 subsidies and when those funds are received the rent subsidy dollars will be used to support another individual.

DEPOSIT ASSISTANCE: Many of the low income individuals that you will be serving will not have enough money to pay the expected security deposits after other move in expenses are incurred. We would recommend that you allow yourself the flexibility to pay security deposits when necessary.

EXTRAORDINARY DAMAGES: There will be occasions when individuals in your subsidy program damage a property beyond their limited ability to compensate a landlord. Many apartments are under the umbrella of large property management companies, which have hundreds of units. Your ability to "step up to the plate" and compensate a landlord for extraordinary damages will go a long way to establishing successful partnerships with property management companies.



RENT PAYMENT GAP FUNDING: Inevitably some individuals are either going to choose not to pay their rent or run into financial difficulties that prevents them from doing so. While some landlords may exhibit patience in this situation, others will move quickly to eviction proceedings. Allowing you the flexibility to step into some situations and pay a tenants portion of the rent can avoid an unwanted eviction.

It is important to remember that once an individual has an eviction on their record they will be screened out of decent apartment communities and often relegated to substandard and unsafe housing.

GROWING A NON-PROFIT HOUSING INFRASTRUCTURE

In *Priced Out in 2000: The Crisis Continues* the most comprehensive report of the housing crisis facing people with disabilities the Consortium for Citizens with Disabilities (CCD) Housing Task Force recommended that efforts be made to strengthen the role and housing capacity of non-profit disability organizations. CCD is a Washington based coalition of approximately 100 consumer, advocacy groups, providers and professional organizations who advocate with and on behalf people with disabilities and their families. Working in partnership with the Technical Assistance Collaborative (TAC) CCD has created the "Opening Doors" web site, which provides a useful and ongoing analysis of federal housing programs for disability organizations. Used in tandem with previously published Housing Coalition/DD Council reports, TAC/CCD reports present a comprehensive overview of relevant housing programs that is extremely useful and does not need to be repeated here.

What does need to be stressed here is that accessing these federal housing programs in a manner that is sensitive to the needs of the disability community requires expertise and up front funding. In short accessing these federal programs is beyond the capabilities of disability organizations that dabble with housing on the side.

It is important to realize that in the words of TAC/CCD congressional testimony, "most Public Housing Authorities do not see people with disabilities as an important constituency". As it currently stands the ingredients of disability groups inexperienced in the creation of housing and inattentive PHA's is a recipe for, at best, maintaining the status quo that is the current housing crisis for people with disabilities.

NON-PROFIT HOUSING CORPORATIONS: A Catalyst for Change: Non-Profit Housing Corporations are playing a central role where disability organizations have moved from a role of passive bystander to the housing crisis to an active participant in creating housing for people with disabilities. The corporations serve as an important resource in assisting supportive living coaches in putting together a package for private market housing. The housing corporations also take the lead in implementing a housing development plan to serve those not readily served by the private market. They become the center of concentrated housing expertise for serving people with disabilities. Successful non-profit housing corporations have several common characteristics:

1. **START UP GRANTS:** Whether the corporation is founded from scratch or an existing low-income housing provider is persuaded to develop a disability sensitive focus, start up funds will be needed. Staff salaries for the non-profit housing corporation are primarily supported by management fees from rental properties. Initial start grants serve to support the non-profit during an "incubation period" until the organization achieves a critical mass that allows management fees to support needed in house expertise.
2. **MULTI-DISABILITY FOCUS:** Housing corporations that have confined themselves to serving a restricted niche (i.e. Housing for individuals with Down's Syndrome) limit their growth potential and have minimal system wide impact. Organizations that we have served a broad cross section of disabilities and have also included individuals with Mental Health issues and the elderly.
3. **WORK IN TANDEM WITH SUPPORT SYSTEM:** It is important that Florida hold to its policy of separating housing and supports. This approach truly empowers people with disabilities in the process of selecting and maintaining service providers. However, a successful housing program for people with significant disabilities can only work if the necessary services are in place to support the tenants.

Housing development should function as a subset of an overall system plan, which is driven by stated customer preference. Development of specific numbers of single-family homes, duplexes or apartments buildings should occur as a result of an assessed need. It is our customers who should be telling us whether if we should emphasize developing single-family homes for shared living or apartments for those who want to live alone.

Most importantly, guarantees of tenant selected support services must be in place before any development proceeds.



4. **ACCESSIBILITY EXPERTISE:** Apartments developed that meet basic ADA requirements still may not allow an individual in a motorized wheelchair to enter a bath room and transfer to a shower chair. The successful housing corporation needs to develop in-house expertise to meet extraordinary accessibility needs. These can run the gamut from bathroom lift systems to smoke detectors for the hearing impaired. The development of this housing reduces the cost of support care as well as provides an opportunity for individuals with disabilities to move out of congregate a setting. Often these individuals are left in congregate settings for no other reason than lack of accessible housing.

In addition to functioning as the DD community workhorse to push system change the non-profits are best positioned to work within the complex governmental funding and regulatory environment and produce the low rents needed to provide housing to individuals living primarily on social security. Moreover, non-profits are not going to convert properties to market rents once use restrictions have expired. The conversions currently being exercised by for profit developers are one of the main causes of the current reduction in affordable housing stock.

Listed below are some non-profit housing corporations worth contacting. All are from Ohio where the state has made capital funding available to non-profits for supported housing acquisitions:

Preferred Properties (Toledo) www.preferred-properties.org
This organization has been extremely successful in developing HUD Section 811 projects. Preferred Properties has two projects operational with three more in development. Current new developments have involved the use of low income tax credits made available through the Ohio Housing Finance Agency,

Northcoast Community Homes (Cleveland) www.ncch.org
Provides housing to over 800 individuals in over 200 locations in a four county area. The housing serves individuals with developmental disabilities as well as mental health issues. The organization has a strong fund raising arm. Northcoast is completing a textbook to assist families in developing properties for a son/daughter with disabilities with or without the assistance of a non-profit housing corporation.

Creative Housing Inc. (Columbus) www.creativehousing.org
Provides housing to over 900 individuals in over 450 locations including over 300 Creative Housing owned properties. Creative Housing also has an extensive renovation for accessibility program renovating homes for people with disabilities and the elderly in a seven county area in Central Ohio. This organization has grown its renovation expertise into a "for profit" income stream, which helps to subsidize renovations for low-income individuals.



About the Author:

Patrick Rafter is the founding President/CEO of Creative Housing Inc.; a nationally recognized non-profit corporation that has involved people with disabilities and their families in the development of over 37 million dollars in neighborhood based housing options. In addition to housing programs Mr. Rafter has developed programs to modify privately owned family homes and the homes owned by the elderly for accessibility in order to avoid or delay placements into the long-term care system.

Mr. Rafter also consults with community agencies as well as state and local governments in housing development in a number of states. He currently serves on the Huntington National Bank Community Development Advisory Council. Mr. Rafter holds Bachelor and Masters degrees from the University of Notre Dame as well as a Masters degree from the University of Toledo. He has also studied at the Kennedy School of Government at Harvard University

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Annual WAMU Raffle to Build Nonprofit Capacity

Pat Braaf of Washington Mutual presents a check at the Florida Housing Coalition's 16th Annual Statewide Conference for \$2,500 to the winner of the WAMU Raffle to Build Nonprofit Capacity. This year the winner was Greater Miami Neighborhoods, who, in keeping with the spirit of the raffle, has donated the money to the Doreen Flummer Scholarship Fund for future housing



Frequently asked SHIP questions

Q: *One of my rehabilitation applicants owns a second home that she rents out. I know that this second home is considered an asset and that the rent she collects is the actual income derived from this asset. Should I deduct any expenses from the rent that she receives and only count the net income after expenses?*

A: Yes. HUD has recently provided clarification on how to treat income from rental property. Appendix 15 of the newly revised HUD Handbook 4350.3 addresses this issue. It notes that you can use the IRS's Schedule E of the 1040 form as a guide for subtracting expenses from gross rent. Schedule E outlines a variety of expenses that can be deducted from gross rent payments, including mortgage interest paid to banks, taxes, insurance, cleaning and maintenance, repairs, advertising, utilities and depreciation. These are, therefore, the expenses that can be deducted from gross rent payments to be received in the 12 months.

Refer to section 15-C (M) of the Handbook appendix for a list of acceptable documents to collect to verify this asset income. These materials will document the applicant's recent rental expenses and help estimate expenses for the next 12 months. It is likely that the largest expense will be mortgage interest that is paid to banks. Look at the bank amortization schedules provided by your applicant to calculate the exact amount of interest that will be

paid in the next 12 months. Rely on reasonable estimates to calculate the deductions for taxes, insurance, repairs and other expenses.

The income from rental properties should be handled in a different manner if the applicant receives a majority of her income from rental property management. Exhibit 5-2 in Chapter 5 of the HUD Handbook addresses this scenario, "NOTE: If the person's main business is real estate, then count any income as business income under paragraph 5-6 G of the chapter. Do not count it both as an asset and business income." (HUD Handbook 4350.3, Ch. 5, Exhibit 5-2 (A)(3)).

Remember, once you have calculated the actual income from the rental property asset, you will have to compare this to the "imputed income" if the total value of the applicant's assets exceed \$5,000. The cash value of a rental property asset is its market value minus reasonable costs that would be incurred in selling or converting the asset to cash. You must also subtract the remaining mortgage on the rental property to derive the cash value.

Q: *Several of my applicants are supposed to receive child support, but do not actually receive any funds. Many have initiated files with the Office of Child Support Enforcement, which provides a letter indicating that no child support is being received. Once I receive this letter, I do not count child support in my calcula-*

tion of household income in the next 12 months. In one case, however, the Child Support Office has provided a print out of the "partial payments" that one applicant has received in the past three months. There is a different amount of payment each month. How should I count this child support income for the upcoming 12 months?

A: It is good that you are following the right process for verifying and estimating child support. You must count the full amount of the child support that is outlined in an applicant's court order that requires payment of support unless the applicant is actively working to get this support through the legal means available. In Florida, an applicant can work to get child support by initiating a file with the Office of Child Support Enforcement or filing for a contempt of court hearing. In the particular case you mention, the applicant is doing all that he or she can to receive the support—a file has been initiated with the Child Support Office. Once you confirm that an applicant has taken the legal steps to get the child support that is owed to him or her, you can count any amount of support actually received. You can handle this as you would any periodic payment to the household. Take an average of the amount of money received in the last three months and use this to calculate the estimated amount of support to be received in the next 12 months.



Have you got a question about the SHIP program? Free telephone technical assistance is available to help you successfully implement your SHIP funded work. Call the Florida Housing Coalition's SHIP telephone line at 1 (800) 677-4548.



Michael Chaney

Q: *We have a nonprofit sponsor that administers the city's purchase assistance strategy. The City SHIP program pays this nonprofit group an annual service fee to perform applicant intakes and work with the applicant all the way through to the purchase of a home. The nonprofit is now saying that the service fee it receives does not cover its costs, so it would like to charge each homebuyer an application fee. Does the SHIP program permit this?*

A: No. In October, 1994, the legal counsel at the Florida Housing Finance Corporation issued a legal opinion that addresses this matter. It states, "Nowhere in the SHIP Legislation is there authorization to charge any fee to applicants. Local governments are permitted to use up to ten percent of their distributions for program administration according to Section 420.9075 (6) of the Florida Statutes."

It is good and necessary that the nonprofit wants to charge enough for its services to cover all of its costs. Staff from the City's SHIP program should negotiate a suitable fee with nonprofit staff. In this way, you will be supporting a local partner and helping ensure the nonprofit's long-term viability. To determine the exact amount of this fee, review the nonprofit's costs of delivering assistance and help identify any costs or unessential activities that can be eliminated.

Once an appropriate service fee has been established, there are several methods you can use to pay the fee. Some SHIP offices provide their nonprofit sponsors with an upfront budget at the beginning of the year. Many other SHIP administrators have their sponsors invoice them right before each buyer's closing date. This process will allow you to review an applicant's file, confirm that the household is eligible for assistance, examine the details of the first mortgage and the home being purchased, and ask for any needed corrections before you pay the fee.

Q: *A nonprofit sponsor implements my purchase assistance program. I pay them a fee for every application that results in a closed loan. How do I account for this fee?*

A: This fee can be paid with either program or administrative dollars. If program dollars are used, it must be deducted from the maximum per unit amount available to an applicant. In many communities the nonprofit's fee is not included on the lien that is placed on the applicant's unit. Some administrators argue that it is not fair for the service fee to be passed on to the applicant. Furthermore, increasing the amount of a SHIP loan by including the service fee may negatively affect the combined loan to value ratios established by a lender or another source of funding provided to the applicant. As a solution, your community may consider a policy that

states that all such fees will be provided as grants. In this way, the amount of the fee will not be considered part of the loan secured by a recapture agreement.

Q: *The county wants to use SHIP funds to pay for the development of a housing needs study. Do I have to create a new LHAP housing strategy for this purpose?*

A: SHIP direct assistance dollars cannot be used for this purpose, since the development of a housing needs study is not listed among the eligible uses of funds in Section 67-37.007 of the SHIP Rule, which outlines the "Uses of and Restrictions Upon SHIP Local Housing Distribution Funds for Local Housing Assistance Plans". However, item 4 (c) of this section indicates that SHIP administrative dollars can pay for "studies conducted by the county or eligible municipality or by consultants selected by the county or eligible municipality to provide data on affordable housing need and demand in the area". When spending administrative funds, you do not need to create a new LHAP housing strategy for this purpose. As an alternative, some communities have used general revenue to develop needs studies. You may be able to reduce the cost of a housing study by relying on annual housing need data generated by the Shimberg Center.





The Coalition Welcomes New Board Members



JACK HUMBURG is the Director of Housing Development and Americans with Disabilities Act Services with Boley Centers for Behavioral Health Care, Inc. Boley Centers now owns and operates over 350 units of affordable housing, manages another 70 units, and administers 250 Section 8 vouchers for individuals with disabilities in the Tampa Bay area.

In addition to his housing responsibilities, Mr. Humburg serves as the State Network Administrator for the Florida Americans with Disabilities Act (ADA) Leadership Network. This network is the state affiliate of the Southeast Disability and Business Technical Assistance Center, a program of the National Institute on Disability and Rehabilitation Research under the U. S. Department of Education.

Mr. Humburg holds a Master of Arts degree from Ball State University.



DENISE FREEDMAN is Senior Vice President and Community Development Market Manager for Bank of America. Denise focuses on increasing access to credit and financial services and the availability of affordable housing for individuals and families of modest means. Bank of America Community Development Banking provides financing to non-profit and for-profit multi-family affordable housing developers, participates in low-income housing and historic tax credit investments, and develops affordable housing.

Denise's career with Bank of America spans 16 years.

She has a sociology degree from the University of Illinois, with advanced training in organizational development. Denise has been the instructor in Residential Lending for Florida Banker's Association Florida Banking School at University of Florida for the past 7 years. Denise also currently serves on the local advisory committee for the newly formed Tampa Bay Local Initiatives Support Corporation, (LISC).



ROBERT ANSLEY is president of ONIC, (Orlando Neighborhood Improvement Corporation) a nonprofit development company that operates in Central Florida. ONIC has developed 11 communities since 1989 and has four underway. The programs ONIC has used include LIHTC, bonds, HOME, SHIP, CDBG, RTC, TIF and AHP.

In the 1980's, Mr. Ansley was chief of housing for the City of Orlando and manager of downtown planning.

Mr. Ansley is a certified planner by the American Institute of Certified Planners. He is a member of the American Planning Association and the Urban Land Institute. Mr. Ansley has a bachelor's degree in economics from Duke University; a master's degree from the University of North Carolina Department of City and Regional Planning, and in 2001 completed the program for Senior Executives in State and Local Government at the JFK School of Government at Harvard



SOPHIA SOROLIS is the SHIP Administrator/Housing Coordinator for the City of St. Petersburg. She has 20 years experience in the public sector with city government, educational institutions, and the creation of public-private partnerships. Her career track includes small business consulting with the Small Business Development Center, and economic development and housing development experience with the City of St. Petersburg.

During her tenure at the city, she obtained Enterprise Zone designation for the city; secured over \$13 million in donations for 24 city and non-profit community development projects under the Community Contribution Tax Incentive Program (CCTIP), including the Allstate Police Training Center; and 9.7 acre housing subdivision site, which was later developed by the city as affordable housing.

Sophia has a Master of International Business Studies (MIBS), from University of South Carolina, and a B.A. in Marketing, University of South Florida.





MEMBERSHIP APPLICATION

PARTNERS FOR BETTER HOUSING MEMBERSHIP

Partners for Better Housing Membership is for those who wish to support the work of the Florida Housing Coalition by making a tax deductible donation of \$500 or more. Partners for Better Housing members receive subscriptions to *Housing News Network*, free job vacancy posting service on the Coalition's web page and unlimited membership rates for registration at the conference. Partners at the Patron Level or higher receive one or more complimentary conference registrations (comp, indicated below). Partners also receive recognition at the conference, in all conference-related publications, the Coalition's Webpage and in each quarterly issue of *Housing News Network*.

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BASIC MEMBERSHIP

Basic membership is for those who wish to subscribe to *Housing News Network*, post job vacancy announcements free of charge on the Coalition's web page and receive membership rate registrations at the annual conference. An individual member receives one subscription and one member rate registration. Organizational members receive up to five subscriptions and five member rate registrations. All memberships are on a unified membership cycle and are due on August 1st, and expire on July 31st of each year. (Please indicate additional names, addresses and phone numbers on an attached sheet.) Each membership is entitled to be represented by one voting member at the annual meeting as designated below.

- | | |
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