



# HOUSING NEWS NETWORK

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Rep. Davis (R) and Rep. Henriquez (D), joined by Senator Bennett (R) and about 15 other lawmakers held a bipartisan press conference on March 14th to call for "scrapping the cap" and using all the funds (approximately \$945 million) in the state and local housing trust funds for affordable housing.

## It's Shaping up to be a Banner Legislative Session for Housing

**A**ffordable housing has moved front and center for the 2006 Legislative Session. In addition to the movement for full funding and repeal of the cap, lawmakers from both parties have filed a variety of affordable housing bills.

More than twenty housing bills were filed by the start of the legislative session, in both houses and by both parties. Housing initiatives range from serving the extremely low income to housing for teachers and others earning up to 150 percent of area median income.

### WHAT'S IN A NAME?

"Affordable housing" has given way to "workforce housing" and similar terms such as "attainable housing" or "community housing."

So what does this change in terminology mean? Is workforce housing something different or apart from affordable housing?

Some say no. They readily acknowledge that lesser-educated or unskilled, low-income people often work two and three jobs, and are clearly members of the workforce. But is "workforce housing" code for affordable housing to serve the needs of the low-paid professional, a person who actually earns quite a bit more money than the average Floridian?

Of course, low-paid professionals are currently served by affordable housing, both in our local SHIP programs and our tax credit developments. But the combination of reduced housing appropriations and the hyper-appreciation in

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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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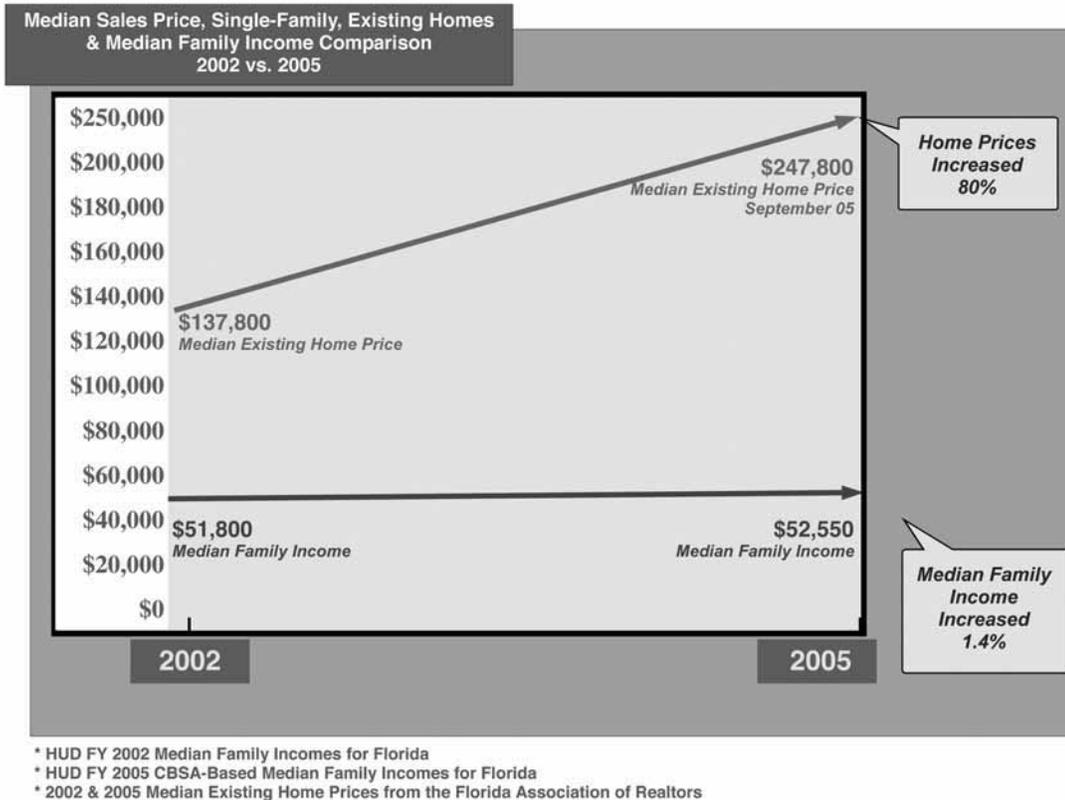


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housing prices over the last three years leaves low-paid professionals, who traditionally expect to be homeowners, finding it almost impossible to realize homeownership. That's especially true in high-cost parts of the state: along the coast and in south Florida.

that all the monies in the state and local housing trust funds are, indeed, appropriated for that very purpose.

### BUT WHAT ABOUT THE EXTREMELY LOW INCOME WORKFORCE?



And what about those too old or sick to work? Will they benefit from a portion of what is almost \$1 billion in state and local housing trust fund monies? The Governor's proposal of \$302 million for housing hurricane relief will focus on the extremely low income, building on the successful and vastly over-subscribed Rental Housing Recovery Program, which targets monies to developments that provide 25 percent of the units for families earning 30 percent or less of area median income. It is also likely that we will see a

definition for "extremely low income" put into statute this session, as well as an effective mechanism to fund extremely low income units through the State Apartment Incentive Loan Program. Provided there is a commensurate appropriation to fund the development of these units,

### SILVER LINING: "SCRAP THE CAP" AND FULL APPROPRIATION

None of us are pleased about this housing crisis. But the silver lining may be that affordable housing, whether it is named workforce housing or not, is now a major item on almost every lawmaker's agenda.

Recognizing that funds for new programs to serve specific target groups such as teachers or "essential services personnel" will be unavailable if the "cap" on the Sadowski trust fund goes into effect, Rep. Mike Davis, R-Naples, coined the phrase "scrap the cap." Rep. Davis, charged by the House leadership with crafting a legislative response to Florida's housing crisis, is sponsoring a bill to fund a program to provide homeownership opportunities for families earning as much as 150 percent of area median income. And in addition to scrapping the cap, he and others are asking

IN THE 2005 LEGISLATIVE SESSION, A BILL WAS PASSED TO CAP THE DISTRIBUTIONS INTO THE STATE AND LOCAL HOUSING TRUST FUNDS AT \$243 MILLION PER YEAR. THAT "CAP" DOES NOT ACTUALLY GO INTO EFFECT UNTIL 2007, BUT THERE IS A COMMON MISCONCEPTION THAT THE CAP IS IN EFFECT FOR THIS SESSION -- MOST LIKELY DUE TO THE GOVERNOR'S HAVING RECOMMENDED AN APPROPRIATION OF \$243 MILLION FOR THE STATE AND LOCAL HOUSING TRUST FUNDS THIS YEAR.

Florida can boast full funding from a dedicated revenue source that meets the needs of all Floridians, from the extremely low income to the lower-paid professionals. If our legislators are given the information they need to understand the importance of full appropriation, we may

end up with an affordable housing success story this year that will rival the 1992 session, when Florida became the national leader with a combination of creative and effective programs funded by a dedicated revenue source. 



CALL 1-800-677-4548 FOR TECHNICAL ASSISTANCE

SEARCH

ABOUT US: ADVOCACY, WORKFORCE TRAINING & TECHNICAL ASSISTANCE, LOCAL GOVERNMENT & NON-PROFIT DEVELOPER TOOLS, LISTING FOR HOUSING DATA, PUBLICATIONS, RESOURCES, PARTNER FOR BETTER HOUSING

LEGISLATIVE ADVOCACY

CONTACT YOUR ELECTED OFFICIALS & MEDIA

ADVOCACY TALKING POINTS

ECONOMIC IMPACT OF PROPOSED HOUSING TRUST FUND RAID

SAMPLE LOCAL GOVERNMENT RESOLUTION

ACTION ALERTS STATE FEDERAL

AFFORDABLE HOUSING DAY AT THE CAPITOL

SHOWING ACT COALITION/WORKFORCE HOUSING COALITION

NLHC ADVOCATES GUIDE

AFFORDABLE HOUSING ADVERTISING RESOURCES

*If she can't afford a place to live, she can't afford to teach your kids.*

*If she can't afford a place to live, she can't afford to care for your kids.*

*If they can't afford a place to live, they can't afford to save your home.*

Visit the Florida Housing Coalition's Website for comprehensive information on the state and local housing trust funds. [www.flhousing.org](http://www.flhousing.org)

You will easily access:

- contact information for your elected officials
- data on housing need and the importance of housing dollars to your local economy
- sample/model resolutions calling for full funding and repeal of the cap
- sample talking points

Join the Florida Housing Coalition and the entire Sadowski/Workforce Housing Coalition for Housing Day at the Capitol on April 19th. A press conference will be held at 1:00pm outside between the old and new capitol buildings. Call the Florida Housing Coalition at 850/878/4219 for more information.

### Does Florida Need Full Appropriation of its State and Local Housing Trust Fund Monies?

By the most conservative estimate of the Shimberg Center of Affordable Housing, over 730,000 Florida families are both low income (less than 80 percent of area median income) and severely cost burdened (pay more than 50 percent of their income towards housing costs). Today's programs produce new rental units at a subsidy level of approximately \$30,000 per unit, while it costs up to \$50,000 of subsidy to assist each family buying a home. Using a \$40,000 average cost, it would take \$29.2 billion to serve each of the 730,000 families in need. If only one-third of these families actually need assistance, the need for state subsidy would still exceed \$9.7 billion (and growing, as construction and land costs continue to escalate).

### Does Florida have the Capacity to Utilize Almost One Billion Dollars for Housing?

- Funding over the last three years has been \$56 million per year less than the funding level of FY02-03—a year when all funds were easily spent and a year before the explosion in housing costs.
- Florida Housing programs have many more applicants than can be funded. For example, a recent hurricane rental cycle had requests for \$131.6 million, while only \$42 million was available. This cycle was limited to counties impacted by 2004 hurricanes—and does not include the major south Florida counties that have been impacted by Wilma. Florida Housing SAIL Program funds are routinely oversubscribed by a 2-1 margin; improvements being made to the program will increase the usefulness and demand for SAIL funds significantly.
- Local governments need 4-5 times as much subsidy per homebuyer as was required five years ago. As a result, it takes that much more money just to serve the same number of homebuyers as was served in the past.

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