



# AFFORDABLE HOUSING RESOURCE GUIDE



**Prepared by the Florida Housing Coalition**  
MAY 2017



**The Florida Housing Coalition, Inc.**

is a nonprofit, statewide membership organization, whose mission is to bring together housing advocates and resources so that everyone has a quality affordable home and suitable living environment. The Coalition has seven offices throughout Florida and has been providing training, technical assistance, and consulting services since 1982, both in Florida and nationally.

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# INTRODUCTION

This Affordable Housing Resource Guide was developed by the Florida Housing Coalition as a quick reference source for affordable housing providers, administrators of local government housing and human service programs, and other professionals with an interest in affordable housing. This guide is particularly geared toward nonprofit organizations that currently provide affordable housing, or are considering becoming affordable housing developers and/or owners.

The guide is organized into two main sections followed by a Glossary of Terms:

- Funding Resources suitable for homeownership purchase, rehabilitation and development
- Funding Resources suitable for rental rehabilitation, acquisition and development including special needs housing and energy retrofit funds.
- Funding Resources and programs for rental assistance and ending homelessness.

The resources outlined in this guide include public and private sources. Public sources may be local, state or federal. Each funding source has an entry that briefly describes the program, including the types of housing it supports, eligible applicants, the forms of subsidy it provides, and which organizations administer the funds. It is important to note that funds for many federal programs are passed through to state and/or local governments, which are often given wide latitude in designing programs to administer the funds. The same is true for many State programs.

Some of the funding sources are most accessible to small-scale developers, such as State Housing Initiatives Partnership (SHIP) Predevelopment Loan Program, and Community Development Block Grant (CDBG) funds. These are also often used by developers of large projects. Additionally, some funding sources that are traditionally used for large-scale multifamily developments may be available for small-scale developers in some circumstances. For example, the Florida Housing Finance Corporation (FHFC) targets some of the Low Income Housing Tax Credit (LIHTC) and State Apartment Incentive Loan (SAIL) funds it administers to small-scale projects.

The information in this guide is not comprehensive, but rather is meant as a starting point for the prospective applicant to search for more information. Applicants should contact the agencies listed at the end of each entry to learn more about available funds and project priorities in their geographic area. In addition, applicants should be aware that regulations and funding priorities for some programs may have changed since this guide was published.

For an affordable housing developer, building even one house can be a difficult and complex effort requiring multiple funding sources. Providing affordable housing is not a casual undertaking—it is a commitment of staff and board time, money, and relationship-building over a span of years or even decades. However, to effectively develop, own, and/or manage high-quality housing for low-income Floridians seeking a better life is one of the most fulfilling endeavors you can embark on.

# ACRONYMS

AHP	Affordable Housing Program (Federal Home Loan Bank of Atlanta)
ALF	Assisted Living Facility
AMI	Area Median Income
CCTC(P)	Community Contribution Tax Credit (Program)
CDBG	Community Development Block Grant
CHDO	Community Housing Development Organization
DEO	Department of Economic Opportunity
FCLF	Florida Community Loan Fund
FHFC	Florida Housing Finance Corporation (or "Florida Housing")
FSS	Family Self-Sufficiency Program
FTHB	First-Time Homebuyer Program
FY	Fiscal Year
HCV	Housing Choice Voucher (also known as a "Section 8 Voucher")
HFA	Housing Finance Agency
HOME	HOME Investment Partnerships Program
HUD	U.S. Department of Housing and Urban Development
IDA	Individual Development Account
LHAP	Local Housing Assistance Plan
LIHTC	Low Income Housing Tax Credits (or "Housing Credits")
LTV	Loan-to-Value Ratio
MMRB	Multifamily Mortgage Revenue Bond Program
NOFA	Notice of Funding Availability

NSP	Neighborhood Stabilization Program
PBRA	Project-Based Rental Assistance (acronym generally used for HOME and Section 8)
PBV	Project-Based Voucher
PHA	Public Housing Authority
PJ	Participating Jurisdiction
PLP	Predevelopment Loan Program
PRA	Project-based Rental Assistance (acronym generally used for Section 202 and Section 811)
RA	Rental Assistance
RFA	Request for Applications
SAIL	State Apartment Incentive Loan Program
SHIP	State Housing Initiatives Partnership Program
SPRAC	Senior Preservation Rental Assistance Contract
TA	Technical Assistance
TBRA	Tenant-Based Rental Assistance
TBV	Tenant-Based Voucher
USDA	U.S. Department of Agriculture
WAP	Weatherization Assistance Program

# FUNDING SOURCES SUITABLE FOR HOMEOWNERSHIP

Homeownership housing assistance can be direct to the buyer, as in down payment or purchase assistance or construction financing for developers of single family housing. Single family development typically requires funding for predevelopment, site acquisition and construction. Permanent financing flows to the homebuyer through financial institutions which pays off the construction loan and costs. Subsidies enable the home to be sold at an affordable price to the low or moderate income buyer. Thus, to be successful in developing affordable single family housing, the developer must be able to provide construction financing and market the homes to eligible buyers. It is important that the local housing assistance programs can provide homebuyer training for prospective homeowners and to conduct the proper income compliance procedures. Successful programs make use of community land trusts, surplus land and development incentives to make the homes affordable for not only the first, but subsequent buyers.

# STATE HOUSING INITIATIVES PARTNERSHIP- Ownership

SHIP funds may be provided to developers or individuals to rehabilitate owner occupied residences or for down payment and closing costs.

<b>Applicants:</b> For-Profit, Nonprofit, Public Agencies, Individuals	<b>Housing Type:</b> Ownership
<b>Cycle:</b> Local Government Control Based on Annual Legislative Appropriation	<b>Primary Uses:</b> GAP Financing, Repairs, Rehabilitation, Acquisition

Created in 1992 as part of the William E. Sadowski Affordable Housing Act, the State Housing Initiatives Partnership (SHIP) Program’s mission is threefold: (1) provide funding to eligible local governments for the implementation of programs that create and preserve affordable housing; (2) foster public-private partnerships to create and preserve affordable housing; and, (3) encourage local governments to implement regulatory reforms and promote the development of affordable housing in their communities by using funds as an incentive for private development. Funds are allocated to every Florida county, as well as municipalities, which receive CDBG entitlement funds.

SHIP homeownership funds may be used for emergency repairs, rehabilitation, gap financing, mortgage buy-downs, acquisition of owner occupied property for affordable housing, and match for federal housing loans and grants. A minimum of 65 percent of a local government’s total annual distribution of SHIP funds must be used for home ownership. A minimum of 75 percent of a local government’s total annual distribution of SHIP funds must be used for construction-related activities, including rehabilitation, emergency repairs, or financing for a newly constructed or rehabilitated unit. Ownership units subsidized with SHIP must be sold to income eligible households at maximum price determined by the local government.

At least 30 percent of a local government’s total annual distribution of SHIP funds must be reserved for awards to very low-income persons (50 percent AMI), and an additional 30 percent of funds must be awarded to low-income persons (80 percent AMI). The remainder may serve any combination of very low, low- or moderate-income persons (120 percent AMI).

**Eligible Applicants:** Individuals, nonprofit organizations, and for-profit developers must apply to local government for funding. Each local government receives an annual allocation, which is appropriated by the Florida Legislature. To participate, a local government must establish a Local Housing Assistance Program; submit and receive approval of a Local Housing Assistance Plan to the Florida Housing Finance Corporation; adopt and incorporate Local Housing Incentive Strategies; establish or amend local land development regulations, policies, and procedures in order to implement incentive strategies; submit an annual report of the housing program’s accomplishments; and encourage public and private sector involvement in the form of a partnership to further program goals and reduce housing costs.

Each locally administered SHIP Program determines the process of awarding and distributing funds within its community and is required to establish selection criteria to identify eligible applicants and the application process in their local Housing Assistance Plan.

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# HOME INVESTMENTS PARTNERSHIP PROGRAM (HOME) Ownership

HOME is a HUD-administered federal program that provides funding for local communities to provide affordable housing for low- and very low-income residents. HOME funds can provide construction or acquisition/rehabilitation subsidies for affordable housing developers, purchase assistance and gap financing for homebuyers, rehabilitation assistance for homeowners, and tenant-based rental assistance.

<p><b>Applicants:</b> Low- and very low-income households; Nonprofit and for-profit affordable housing developers</p>	<p><b>Housing Type:</b> Homeownership, Lease Purchase, Rental</p>
<p><b>Application Cycle:</b> Varies by Participating Jurisdiction</p>	<p><b>Primary Uses:</b> Acquisition, Purchase assistance, Rehabilitation, Gap financing, Rental assistance</p>

**Homeownership:** HOME funds can be used for property acquisition, new construction, and rehabilitation of housing to be owner-occupied. Funds may be provided to developers to subsidize construction or acquisition/rehabilitation, allowing the homes to be sold at a lower price. Rehabilitation assistance can also be provided directly to eligible homeowners.

HOME may also be used to provide down payment and closing cost assistance to homebuyers, as well as gap financing to reduce monthly mortgage payments. Assistance is provided in the form of grants, low-interest loans, deferred-payment loans, loan guarantees, and interest buydowns. Long-term affordability is achieved by the use of either a recapture mechanism or a resale requirement recorded as a deed restriction or covenant.

**Eligible Applicants:**

HOME funds are provided directly to local government Participating Jurisdictions (PJs) on a formula basis, and PJs award the funds to developers, homeowners, homebuyers, and renters according to a locally determined process. The State of Florida also receives a HOME allocation, and awards funds to local governments, housing developers, nonprofits, and Public Housing Authorities in competitive solicitations.

Fifteen percent of HOME funds awarded to State governments and local PJs are reserved for projects by Community Housing Development Corporations (CHDOs). CHDOs are community-based nonprofit housing providers that meet certain HUD criteria for geographic and programmatic focus and board structure. PJs, not HUD, are responsible for certifying organizations seeking CHDO status.

**Program Contact:**

**Local HOME (Participating Jurisdictions)**

You can identify your local PJ by going to the web page below, and by selecting Florida as the location, and HOME Investments Partnership as the program

<https://www.hudexchange.info/grantees/>

If your city or county is not listed as a local Participating Jurisdiction, HOME funding for your area is allocated through the State HOME PJ- Florida Housing Finance Corporation.

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# COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

## Ownership

The Community Development Block Grant is a HUD-administered federal program. Funds may be provided as a subsidy to housing developers, or directly to homeowners or homebuyers. HUD provides CDBG grants on a formula basis directly to urban counties and larger cities (called Entitlement Communities), and to state governments to award on a competitive basis to non-entitlement communities.

<b>Applicants:</b> Affordable housing developers, Individuals	<b>Housing Type:</b> Homeownership, Rental
<b>Application Cycle:</b> State or local government control based on annual Congressional appropriation	<b>Primary Uses:</b> Gap financing, Emergency repairs, Acquisition, Rehabilitation, Slum and blight clearance, Infrastructure, Public Services

CDBG funds can be used for a wide range of programs that meet at least one of three National Objectives: 1) Benefit to low- and moderate-income\* persons, 2) Prevent or eliminate slums and blight, or 3) Meet urgent community needs (e.g. for infrastructure). At least 70% of a local government’s CDBG award must benefit low- and moderate-income persons. A community’s housing activities using CDBG funds often qualify under the low/moderate-income national objective, but can qualify under the other two national objectives in some cases.

**Homeownership Assistance:** CDBG allows two broad categories of homeownership assistance: homeowner rehabilitation and home purchase activities. Homeowner rehabilitation programs provide homeowners with funds for moderate and substantial rehabilitation, energy efficiency improvements, accessibility modifications, and demolition and reconstruction of a home on the same property.

Home purchase assistance programs are limited to low- and moderate-income homebuyers in most cases, and may include assistance with down payments and closing costs, principal write-downs, interest rate subsidies, loan guarantees, and subsidies for homebuyers’ Individual Development Accounts (IDAs). CDBG funds may also be provided to affordable housing developers to subsidize the cost of property acquisition and rehabilitation for sale to eligible families. New construction of ownership housing is allowed only in limited circumstances.

**Eligible Applicants:** For Florida Small Cities CDBG (administered by the Florida Department of Economic Opportunity) – Non-Entitlement cities and counties apply for funds through an annual competitive process, and then award funds to local agencies, homeowners, and homebuyers. For Entitlement Communities – Housing developers, property owners, and homebuyers need to contact their respective city or county to ask how the CDBG entitlement funds are being used in their community. There is wide variation among cities and counties as to how they use these funds.

**Program Contact:** For Local Entitlement Communities – HUD, Local Government Housing and Community Development departments. The contact information for the cities and counties that receive CDBG funds directly from HUD is listed at the following website:

<http://portal.hud.gov/hudportal/HUD?src=/states/florida/community/cdbg>

For Non-Entitlement Communities – Contact the Florida Small Cities Program at <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/florida-small-cities-community-development-block-grant-program>.

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\*Note that CDBG regulations have a different definition for the term “low-income” than the one used in Florida Statutes. CDBG defines a low-income household as having an income at or below the “very low-income” threshold established by HUD for the Section 8 program, and a moderate-income household as having an income at or below the Section 8 “low-income” threshold but above the “very low-income” threshold. The Florida Statutes use the Section 8 definitions of low-income ( $\leq 80\%$  of area median) and very low-income ( $\leq 50\%$  of area median). HUD updates Section 8 income limits on an annual basis, with some mathematical adjustments made for geographic areas where housing costs or incomes are exceptionally low or high.

## USDA RURAL HOUSING SERVICE – Ownership

The USDA Rural Housing Service has various programs available to assist low income homebuyers, public agencies, for-profit and nonprofit organizations with the purchase and repair of homes in rural areas.

<b>Applicants:</b> Nonprofits, Public agencies, Individuals, Lenders	<b>Housing Type:</b> Homeownership
<b>Application Cycle:</b> Year-round	<b>Primary Uses:</b> Acquisition, Rehabilitation, New construction, Program administration

The Florida State Office, located in Gainesville, administers USDA Rural Development programs for Florida through six area offices. Detailed information and applications for financial assistance are available through these offices.

**Section 502 Direct Loan Program:** Provides loans to very low- (50% or less of AMI) and low-income (80% or less of AMI) rural residents to purchase, construct, repair, reconstruct, relocate or, in limited circumstances, refinance a dwelling and related facilities. Up to 100 percent of the value may be financed; however, leveraging with other subsidies (such as SHIP and HOME) and private lenders is encouraged. The maximum loan term is 33 years and 30 for manufactured homes. Terms may go to 38 years for those with incomes at less than 60% of area median. Maximum eligible mortgage amounts are calculated for multiple areas in a state, and reflect the value of a modest home. Certain applicants receive priority, including existing Rural Housing Service customers seeking to eliminate health and safety hazards.

The number of Section 502 Direct Loan originations has declined significantly in recent years, as USDA has increasingly used Section 502 funds for loan guarantees, described below.

**Section 502 Single Family Housing Guaranteed Loan Program:** Encourages lenders to make mortgage loans for modest homes to families with low and moderate incomes (up to 115 percent of AMI) by guaranteeing the loan against default. Guaranteed Rural Housing Loans may be made up to 100 percent of the market value or acquisition costs, whichever is less, which eliminates the need for both a down payment and mortgage insurance. Lenders apply to their local Rural Development office to become approved to originate RHS Guaranteed Rural Housing loans, and eligible homebuyers then apply to approved lenders.

**Section 504 Loan and Grant Program:** Provides home improvement and repair loans (with a 1 percent interest rate) and grants to enable very low-income (50% or less of AMI) rural homeowners to remove health and safety hazards or make general repairs and improvements. Grants are also available for persons 62 years of age and older who need to make health, safety, and/or accessibility improvements. The maximum loan amount is \$20,000 and the maximum grant an elderly person can receive is \$7,500. Priority is given to applicants seeking to eliminate health and safety hazards.

**Rural Housing Site Loans:** Provide financing for public and nonprofit agencies to purchase and develop sites for low- and moderate-income ownership housing. Section 523 loans are available at 3 percent interest to agencies that work with homebuyers to construct homes using the self-help method. Section 524 loans are available for agencies that serve low- and moderate-income homeowners without the self-help method; for the interest rate, the agency may select the market rate at the time of loan approval or closing. However, funding for these loans has been limited and sporadic in recent years.

**Technical Assistance Grants:** The Section 523 Technical Assistance Grant is available specifically for public and nonprofit agencies (including state and local governments) that operate the self-help homeownership programs for low-income families. USDA also has a Technical and Supervisory Assistance Grants program for nonprofit organizations (both public and private) that operate homeownership programs for low-income families in rural areas. However, it has not been funded in recent years.

**Housing Preservation Grants (Section 533):** Provide qualified non-profit organizations and public agencies with grant funds to administer programs that assist very low- and low-income rural homeowners with the repairs and/or rehabilitation of their homes. Owners of rental properties occupied by low- and very low-income tenants are also eligible beneficiaries.

**Mutual Self-Help Housing Loans (Section 502):** Are generally administered by nonprofits or municipalities that assist groups of six to eight low-income families, helping each other to build homes. The loans are limited and competitive, and nonprofits or municipalities must apply to their local RHS office. Funds may be used for materials and construction activities not conducted by the homebuyers, including site preparation and skilled labor. The families must agree to work together until all homes are finished. Self-Help Housing Loans are provided as part of the 502 Direct Loan Program.

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## PREDEVELOPMENT LOAN PROGRAM (PLP) Ownership

The predevelopment process is vital to developing successful affordable housing properties. However, funding for predevelopment activities is difficult to obtain, especially for small nonprofit developers. Florida Housing Finance Corporation fills this gap with the Predevelopment Loan Program, which offers technical assistance and low-interest loans of up to \$750,000 for site acquisition and other common predevelopment expenses.

<b>Applicants:</b> Nonprofit and community-based organizations, Units of government, Public housing authorities	<b>Housing Type:</b> Rental, Homeownership
<b>Application Cycle:</b> Year-round	<b>Primary Uses:</b> Predevelopment costs, including site acquisition

PLP has two stages for a successful applicant. In the first stage, the applicant submits an application with information about the organization and the development. The applicant should have a site in mind and provide as much detail about the proposed development as possible, but plans may be tentative at this stage. If the application is accepted, Florida Housing will assign a technical assistance (TA) provider to work with the applicant to draft a predevelopment budget and a development plan. As part of this process, the TA provider assists the applicant in assembling the development team, developing operating pro formas, selecting appropriate funding sources, and analyzing the overall feasibility of the project.

The next stage begins with submission of a TA-provider-approved PLP budget and development plan to FHFC. The PLP loan, if approved, covers a wide range of activities, including:

- Land Acquisition
- Appraisals
- Title Searches
- Legal Fees
- Architectural and Engineering Fees
- Market Studies
- Permit fees
- Impact fees
- Site plan approval fees
- Environmental reviews

The PLP loan has a 1% interest rate and is non-amortizing. The loan matures three years after closing, or once construction or permanent financing is obtained, whichever comes first. For rental developments, the borrower must commit to setting aside at least 20% of units for households at or below 50% of AMI, over a 15-year affordability period. For homeownership

developments, 50% of the homes must be sold to buyers whose incomes do not exceed 80% of AMI, and the remaining units sold to buyers at or below 120% of AMI.

**Eligible Applicants:** PLP is available to nonprofit and community-based organizations, units of government, and public housing authorities. Limited liability companies and limited partnerships that are controlled by nonprofits are also eligible.

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## FLORIDA COMMUNITY LOAN FUND

The Florida Community Loan Fund (Loan Fund), an independent, privately supported financial intermediary, provides capital and technical assistance to qualifying organizations with insufficient access to capital from conventional lending sources throughout the state of Florida. The Loan Fund seeks low-interest loans and equity capital contributions from socially concerned institutions and individuals. Contributions are then used to make below market interest rate loans to eligible nonprofits to support economic development, affordable housing and social services in urban and rural, low-income communities.

<b>Applicants:</b> Non-profit sponsors, mission focused for-profits	<b>Housing Type:</b> Rental, Home Ownership, Supportive Housing
<b>Cycle:</b> Open	<b>Primary Uses:</b> GAP Financing, New Construction, Rehabilitation, Acquisition

The Loan Fund provides various types of financing to meet the needs of non-profit organizations and mission-based for-profit organizations that develop affordable housing, supportive housing, community facilities, and economic development projects. This financing can include loans for new construction, preservation, rehab, acquisition, lines of credit, and/or longer term permanent financing. Loans from \$20,000 to \$400,000, with variable terms and interest rates are made for the following: (1) low-income (persons at 80 percent or less of the area median income) housing development or improvement; (2) job creation (one job created or retained per \$10,000 borrowed) for low-income individuals; and, (3) social service loans, as long as the loan will positively impact the economic stability of a community.

The Florida Community Loan Fund is also a sponsor for Florida applications to the Federal Home Loan Bank- Atlanta for the Affordable Housing Program (AHP) annual grants cycle.

**Eligible Applicants/Application Process:** Nonprofit, 501(c)(3) organizations that have a strong community base and serve low income communities within the state of Florida may either complete a pre-application by mail or online.. If all criteria are met (management capacity, financial capacity and development impact, support and feasibility) and the Loan Fund’s Board of Directors approves the request, a loan agreement is executed between the borrower and the Loan Fund. The Loan Fund provides flexibility in its loan products in an effort to meet borrower needs.

### Program Contact:

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# FEDERAL HOME LOAN BANK AFFORDABLE HOUSING PROGRAM (AHP)- Ownership

The AHP Competitive Program is a flexible source of funding designed to help member financial institutions and their community partners develop affordable owner-occupied and rental housing for very low- to moderate-income families and individuals.

<b>Applicants:</b> Nonprofits and for-profits through FHLBank members or the Florida Community Loan Fund	<b>Housing Type:</b> Rental or Ownership
<b>Cycle:</b> Annual, Competitive	<b>Primary Uses:</b> New Construction, Rehabilitation, Acquisition

The Affordable Housing Program (AHP) provides direct subsidies (grants) and below interest rate loans to Federal Home Loan Bank members (financial institutions) engaged in lending to local governments and for- and nonprofit corporations for the creation of affordable housing. Generally, AHP funds are leveraged with other sources of funds for construction, rehabilitation, or development of housing that may be either rental or ownership. Housing providers request member banks in their community to sponsor their application in the once per year competitive cycle. The bank actually makes the application and the funds are passed through to the nonprofit to contribute to the development of the project. The funds are usually in a grant form so the end cost of the housing can be affordable to low or moderate income households.

AHP subsidized units must serve households earning 80% or less of the area median income. Subsidies under AHP must be used to finance the purchase, construction, and/or rehabilitation of the owner occupied and rental housing. Rental projects are required to insure that 20 percent of the total units are for very low income (50% or less of AMI) families.

**Eligible Applicants/Application Process:** Member Banks hold at least one competitive application cycle annually. Project sponsors must register through the FHLBank website in order to obtain a user ID and password (required to access the AHP application). Once the sponsor completes an application, it must be approved and submitted for review through a FHLBank member financial institution. Applications are ranked by score, in descending order, and funds are awarded until the available subsidies are exhausted.

**Program Contact:**

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## COMMUNITY CONTRIBUTION TAX CREDIT (CCTC)

This program is a state tax incentive that allows businesses a tax credit on Florida corporate income tax, insurance premium tax, or sales tax refund for donations made to local community development projects. Businesses and Affordable housing projects are not required to be located in an enterprise zone to be eligible for the credit.

<b>Applicants:</b> Corporations that make donations to Community Development and Affordable Housing nonprofits or government agencies	<b>Application Cycle:</b> Year round
<b>Housing Type:</b> Rental and Homeownership	<b>Primary Use:</b> Acquisition, Construction, Rehabilitation

The Community Contribution Tax Credit Program (CCTCP) allows businesses that donate cash, property or goods to an approved community based organization or government agency to take a credit against Florida corporate income tax, insurance premium tax or sales tax refund. Approved sponsors of a project may construct, improve, or substantially rehabilitate housing, commercial, industrial or public facilities or promote entrepreneurial or job development opportunities for low income (at or below 80% of area median income) persons.

For each dollar donated, business may receive \$0.555 and the donation may also be deducted from Federal taxable income. The annual amount of the credit granted is limited to \$200,000 per firm and \$14,000,000 for the state. Unused credits may be carried forward for up to 5 years. Prior to making a donation, approval must be obtained by the Division of Strategic Business Development, which is part of the State's Department of Economic Opportunity (DEO).

The most successful beneficiary for this program in the past decade has been local affiliates of Habitat for Humanity. Habitat affiliates seek approval under the program as community based organizations and solicit and receive donations from qualified corporations who then make use of the tax credit. Each donor can give up to \$200,000 per year. The funds raised from the donations are used to purchase materials and supplies for the construction of affordable homes.

### **Program Contact:**

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# FIRST TIME HOMEBUYER – SINGLE FAMILY MORTGAGE REVENUE BOND

The Florida Housing Finance Corporation administers a single family bond program that provides low-interest financing to participating lenders. Applicants may apply for home loans from these lenders and receive a lower interest rate plus down payment assistance.

<b>Applicants:</b> Individuals	<b>Housing Type:</b> Homeownership
<b>Application Cycle:</b> Year-round	<b>Primary Uses:</b> Gap financing, Acquisition of new or existing single family homes or condos

Florida Housing’s First Time Homebuyer Program (FTHB) offers 30-year fixed-interest mortgage loans to first-time homebuyers through its network of participating lenders and lending institutions. Applicants who are not first-time homebuyers may still be eligible for this program if the home being purchased is in a federally designated targeted area or the applicant is qualified Veteran. This program uses income and purchase price limits to determine eligibility. Additionally a potential homebuyer must complete a 6-8 hour face-to-face homebuyer education class, be able to qualify for a mortgage, and have a minimum credit score of 640.

In conjunction with the FTHB program, Florida Housing offers up to \$10,000 in down payment and closing cost assistance for families with incomes up to 120 percent of AMI. Assistance is given as a second mortgage loan. Note that this source of down payment assistance is only available to homebuyers receiving a FTHB loan; it is not a stand-alone product.

Income and purchase price limits vary by county, and may be viewed on the First Time Homebuyer Wizard on Florida Housing’s website at <http://apps.floridahousing.org/StandAlone/FTHBWizard/FTHBWizardForm2.aspx>. The Wizard will also provide contact information for participating lenders in your county.

**Eligible Applicants:** First-time Homebuyers, qualified veterans, persons purchasing a home in a federally designated target area.

**Program Contact:**

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# WEATHERIZATION ASSISTANCE PROGRAM (WAP)

The Weatherization Assistance Program provides grants to Community Action Agencies, local governments, Indian tribes, and non-profit organizations to provide specific program services for low-income families in Florida.

<b>Applicants:</b> Individuals, Property owners or managers	<b>Housing Type:</b> Homeownership, Rental
<b>Cycle:</b> Year-round	<b>Primary Uses:</b> Grant for weatherization upgrades

WAP's mission is to reduce the monthly energy burden on low-income households by improving the energy efficiency of the home. The program offers free weatherization services to homeowners and renters including upgrades of air infiltration with weather stripping, caulking, thresholds, minor repairs to walls, ceilings, and floors, and window and door replacement. Other actions may include installation of attic ventilation, solar reflective coating to manufactured homes, solar screens, repairs or replacement of inefficient heating and cooling units, and the repair or replacement of water heaters.

### Eligible Applicants:

To qualify for the Weatherization Program, the total household income may not be more than 200 percent of the national poverty level. Preference is given to owner-occupied homes, elderly, or physically disabled residents, families with children under 12 and households with a high energy burden (repeated high utility bills).

### Program Contact:

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## NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

At the height of the recession, Congress created the Neighborhood Stabilization program to help communities arrest and reverse blight and property value decline in neighborhoods most impacted by foreclosures and predatory lending. NSP funds were provided in three rounds in 2008, 2009, and 2010, known as NSP1, NSP2, and NSP3, respectively. Although the expenditure deadlines for NSP have passed, many grantees have and are continuing to earn program income.

<b>Applicants:</b> Nonprofit and for-profit housing developers, Individuals	<b>Housing type:</b> Homeownership, Rental
<b>Application Cycle:</b> Varies	<b>Primary Use:</b> Acquisition, Rehabilitation, Demolition, Reconstruction, Gap financing

NSP has five eligible uses of funds:

- A) Establish financing mechanisms for purchase and redevelopment of foreclosed-upon homes and residential properties.
- B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop these properties.
- C) Establish and operate land banks for homes and residential properties that have been foreclosed upon.
- D) Demolish blighted structures.
- E) Redevelop demolished or vacant properties as housing.\*

Except as provided in the statutes that created the NSP funding rounds, the program is generally governed by Community Development Block Grant (CDBG) regulations. One key difference is that all NSP funds were required to benefit low-, moderate- and middle-income families (up to 50%, between 50% and 80%, and between 80% and 120% of AMI, respectively).\*\* Moreover, grantees were required to use at least 25% of their NSP funds to provide housing for families at or below 50% of AMI.

NSP1 allocated \$3.92 billion to HUD to distribute to state governments and local CDBG entitlement communities (see p. 18), using a formula that accounted for the prevalence of foreclosures and subprime loans. NSP2 provided \$1.93 billion on a competitive basis to entitlement communities, nonprofits, and consortia of nonprofits. For NSP3, HUD awarded \$970 million on a formula basis to state and local governments. The formula was somewhat different from that of NSP1, and some non-entitlement communities received direct allocations from HUD.

Depending on the NSP funding round, grantee type, and other factors, some program income must be spent on NSP-eligible activities. Some communities also have land banks, and properties may be used by public and private agencies to develop housing, public facilities, businesses, and other uses that benefit low-, moderate-, and middle-income people and neighborhoods. (In most cases, disposition of land bank properties for uses other than housing is an eligible end use, but must be paid for by funds other than NSP.) Land bank properties may also be available to low-, moderate, and middle-income homeowners as side lots. Contact NSP grantees in your area to determine whether they have program income and/or land bank properties available.

**Eligible Applicants for NSP program income funds:** Varies by NSP grantee, but may include nonprofit and for-profit housing developers, homebuyer counseling agencies, and individual homebuyers.

**Program Contact:**

**Local Government, Nonprofit, and Consortium Grantees** – Search for NSP grantees on the HUD website:

<https://hudnsphelp.info/index.cfm?do=granteeSearch&prmsearchinfo=1&granteetype=&keyword=&stateID=FL%5EFlorida&granteetypeall=&granteename=&x=31&y=12>

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\*NSP1 allows vacant and demolished properties to be redeveloped for public facilities and economic development, as well as for housing.

\*\*NSP uses the same definitions of low- and moderate-income as CDBG. One way that NSP eligible activities differ from the CDBG national objective of benefitting people with low and moderate incomes is that, in NSP, middle-income households (between 80% and 120% of AMI) are eligible.

# FUNDING SOURCES SUITABLE FOR RENTAL REHABILITATION OR DEVELOPMENT

Funding for rental housing is available in a variety of loans, bridge loans and grants. It is likely that one project may rely on several sources which presents challenge in both timing and targeted income setasides. The most significant sources in Florida are administered by the Florida Housing Finance Corporation. A Request for Application process takes place at several times during the year with solicitations for a variety of types of rental housing including permanent supportive housing, multifamily, elderly, and energy retrofits. Each RFA has specific rules on eligible applicants, project size and type and financing limitations. All projects that receive an award are invited to credit underwriting where the feasibility of the project is carefully examined prior to closing on the award.

Households may find low-cost rental housing, the Florida Housing Finance Corporation's "Florida Housing Search" website ([www.floridahousingsearch.org](http://www.floridahousingsearch.org)). Florida Housing Search provides information on assisted and market-rate rental housing, assisted living facilities, and adult family care homes. Users can search for apartments by community, rent range, accessibility features, pet policies, and other characteristics. The website also provides links to information on tenant rights and responsibilities, fair housing, and rent and utility assistance.

In addition to Florida Housing Search, consumers may also seek rental assistance through a variety of housing voucher programs. These are provided first in this series of program descriptions.

There are now more resources are dedicated to ending homelessness in Florida than ever before. These programs are included in this section as well.

## STATE HOUSING INITIATIVES PARTNERSHIP - Rental

SHIP funds may be provided as development subsidy for rental housing in exchange for a requirement to offer lower, more affordable rents. SHIP funds may also be used for eviction prevention, rental deposits, and up to twelve months of ongoing rent subsidies.

<p><b>Applicants:</b> For-profit, Nonprofit, Public Agencies, Individuals</p>	<p><b>Housing Type:</b> Rental rehab or development Rental Assistance Security Deposits</p>
<p><b>Cycle:</b> Local Government Control Based on Annual Legislative Appropriation</p>	<p><b>Primary Uses:</b> GAP Financing, New Construction, Repairs, Rehabilitation, Acquisition, Eviction Prevention, Rent Subsidies</p>

Created in 1992 as part of the William E. Sadowski Affordable Housing Act, the State Housing Initiatives Partnership (SHIP) Program’s mission is threefold: (1) provide funding to eligible local governments for the implementation of programs that create and preserve affordable housing; (2) foster public-private partnerships to create and preserve affordable housing; and, (3) encourage local governments to implement regulatory reforms and promote the development of affordable housing in their communities by using funds as an incentive for private development. Funds are allocated to every Florida county, as well as municipalities, which receive CDBG entitlement funds.

SHIP rental funds may be used for emergency repairs, new construction, rehabilitation, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, special needs housing, and match for federal housing loans and grants. A minimum of 65 percent of a local government’s total annual distribution of SHIP funds must be used for home ownership. A minimum of 75 percent of a local government’s total annual distribution of SHIP funds must be used for construction-related activities, including rehabilitation, new construction, emergency repairs, or financing for a newly constructed or rehabilitated unit. Rental units subsidized with SHIP must be rented at affordable rates as determined annually by the Florida Housing Finance Corporation.

SHIP funding may also be used to prevent an individual household stay in or move into rental housing. First, the funding can keep an eligible household from being evicted by paying past-due rent of no more than six months’ rent. Second, funds may help an eligible household by paying a rental deposit. Third, SHIP may be used to assist very-low-income households that meet the Florida definition of “homeless” or “special needs” by paying up to 12 months of rent subsidy assistance.

At least 30 percent of a local government’s total annual distribution of SHIP funds must be reserved for awards to very low-income persons (50 percent AMI), and an additional 30 percent of funds must be awarded to low-income persons (80 percent AMI). The remainder may serve any combination of very low, low- or moderate-income persons (120 percent AMI).

**Eligible Applicants:** Individuals, nonprofit organizations, and for-profit developers must apply to local government for funding. Each local government receives an annual allocation, which is appropriated by the Florida Legislature. To participate, a local government must establish a Local Housing Assistance Program; submit and receive approval of a Local Housing Assistance Plan to the Florida Housing Finance Corporation; adopt and incorporate Local Housing Incentive Strategies; establish or amend local land development regulations, policies, and procedures in order to implement incentive strategies; submit an annual report of the housing program's accomplishments; and encourage public and private sector involvement in the form of a partnership to further program goals and reduce housing costs.

Each locally administered SHIP Program determines the process of awarding and distributing funds within its community and is required to establish selection criteria to identify eligible applicants and the application process in their local Housing Assistance Plan.

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Contact information for local community SHIP offices can be found at:

[http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/AppPage\\_SHIPLGContacts.aspx](http://apps.floridahousing.org/StandAlone/FHFC_ECM/AppPage_SHIPLGContacts.aspx)

# HOME INVESTMENTS PARTNERSHIP PROGRAM (HOME)

## Rental

HOME is a HUD-administered federal program that provides funding for local communities to provide affordable housing for low- and very low-income residents. HOME funds can provide construction or acquisition/rehabilitation subsidies for affordable housing developers, purchase assistance and gap financing for homebuyers, rehabilitation assistance for homeowners, and tenant-based rental assistance.

<p><b>Applicants:</b> Low- and very low-income households; Nonprofit and for-profit affordable housing developers</p>	<p><b>Housing Type:</b> Homeownership, Lease Purchase, Rental</p>
<p><b>Application Cycle:</b> Varies by Participating Jurisdiction</p>	<p><b>Primary Uses:</b> Acquisition, Purchase assistance, Rehabilitation, Gap financing, Rental assistance</p>

**Rental Development:** HOME can be used for property acquisition, new construction, and rehabilitation of non-luxury rental housing with suitable amenities. The funds are provided in exchange for a long-term (at least 15 years) commitment to primarily assist persons or households at 60% or less of area median income. HOME can also be used to fund an initial operating reserve for up to 18 months. Owners of HOME assisted rental property must rent the units at rates set by HUD, which are adjusted annually. Depending on the agency distributing the funds, HOME may be provided as a low-interest loan, a deferred-payment forgivable loan or a grant.

**Tenant-Based Rental Assistance (TBRA):** Under this program, a PJ or its subrecipient makes rental subsidy payments directly to landlords on behalf of a very low- or low-income tenant. TBRA can be used for rental subsidy payments, security deposits and (in some cases) utility deposits. The program may be administered by a local government department or agency, a Public Housing Authority (PHA) or a nonprofit organization.

TBRA is similar to a Housing Choice Voucher in that it provides monthly rental subsidies to private landlords to help defray the cost of the rental unit for a low-income tenant. Local Governments may choose to make the TBRA available to the general population or designate it to specific population segments, such as persons with disabilities, victims of domestic violence, youth aging out of foster care or homeless individuals and families. Units are selected by the tenant and are generally eligible if they meet certain housing quality standards and the rent is considered to be reasonable.

**Eligible Applicants:**

HOME funds are provided directly to local government Participating Jurisdictions (PJs) on a formula basis, and PJs award the funds to developers, homeowners, homebuyers, and renters according to a locally determined process. The State of Florida also receives a HOME allocation, and awards funds to local governments, housing developers, nonprofits, and Public Housing Authorities in competitive solicitations.

Fifteen percent of HOME funds awarded to State governments and local PJs are reserved for projects by Community Housing Development Corporations (CHDOs). CHDOs are community-based nonprofit housing providers that meet certain HUD criteria for geographic and programmatic focus and board structure. PJs, not HUD, are responsible for certifying organizations seeking CHDO status.

In most cases, new applicants for TBRA must be considered very low-income (50% or less of AMI); however, there may be instances where a low-income family (80% or less of AMI) can receive assistance.

**Program Contact:****Local HOME (Participating Jurisdictions)**

You can identify your local PJ by going to the web page below, and by selecting Florida as the location, and HOME Investments Partnership as the program

<https://www.hudexchange.info/grantees/>

If your city or county is not listed as a local Participating Jurisdiction, HOME funding for your area is allocated through the State HOME PJ- Florida Housing Finance Corporation.

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# COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

## Rental

The Community Development Block Grant is a HUD-administered federal program. Funds may be provided as a subsidy to housing developers, or directly to homeowners or homebuyers. HUD provides CDBG grants on a formula basis directly to urban counties and larger cities (called Entitlement Communities), and to state governments to award on a competitive basis to non-entitlement communities.

<b>Applicants:</b> Affordable housing developers, Individuals	<b>Housing Type:</b> Homeownership, Rental
<b>Application Cycle:</b> State or local government control based on annual Congressional appropriation	<b>Primary Uses:</b> Gap financing, Emergency repairs, Acquisition, Rehabilitation, Slum and blight clearance, Infrastructure, Public Services

CDBG funds can be used for a wide range of programs that meet at least one of three National Objectives: 1) Benefit to low- and moderate-income\* persons, 2) Prevent or eliminate slums and blight, or 3) Meet urgent community needs (e.g. for infrastructure). At least 70% of a local government’s CDBG award must benefit low- and moderate-income persons. A community’s housing activities using CDBG funds often qualify under the low/moderate-income national objective, but can qualify under the other two national objectives in some cases.

**Rental Housing:** CDBG may also be used to subsidize the cost of developing rental housing. Eligible activities include acquisition, rehabilitation and, in limited circumstances, new construction. Grantees may provide assistance in the form of loans, grants, loan guarantees, and interest subsidies.

**Eligible Applicants:** For Florida Small Cities CDBG (administered by the Florida Department of Economic Opportunity) – Non-Entitlement cities and counties apply for funds through an annual competitive process, and then award funds to local agencies, homeowners, and homebuyers. For Entitlement Communities – Housing developers, property owners, and homebuyers need to contact their respective city or county to ask how the CDBG entitlement funds are being used in their community. There is wide variation among cities and counties as to how they use these funds.

\*Note that CDBG regulations have a different definition for the term “low-income” than the one used in Florida Statutes. CDBG defines a low-income household as having an income at or below the “very low-income” threshold established by HUD for the Section 8 program, and a moderate-income household as having an income at or below the Section 8 “low-income” threshold but above the “very low-income” threshold. The Florida Statutes use the Section 8 definitions of low-income (≤80% of area median) and very low-income (≤50% of area

median). HUD updates Section 8 income limits on an annual basis, with some mathematical adjustments made for geographic areas where housing costs or incomes are exceptionally low or high.

**Program Contact:** For Local Entitlement Communities – HUD, Local Government Housing and Community Development departments. The contact information for the cities and counties that receive CDBG funds directly from HUD is listed at the following website:

<http://portal.hud.gov/hudportal/HUD?src=/states/florida/community/cdbg>

For Non-Entitlement Communities – Contact the Florida Small Cities Program at <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/florida-small-cities-community-development-block-grant-program>.

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## USDA RURAL HOUSING SERVICE – Rental

Rural Housing loans provide financing for multifamily properties and group homes in rural areas in exchange for ensuring the units are affordable to low- and moderate-income families. Project-based rental assistance may also be provided.

<p><b>Applicants:</b> For-profit, Nonprofit, Public agencies, Individual landlords, Farmers and farm Organizations</p>	<p><b>Housing Type:</b> Rental</p>
<p><b>Application Cycle:</b> Annual Notice of Funding Availability (NOFA) contingent on Congressional appropriation</p>	<p><b>Primary Uses:</b> Acquisition, Rehabilitation, New construction, Project-based rental assistance</p>

**Rural Rental Housing Loans (Section 515):** Financing for development and rehabilitation of rental housing that serves very low-, low-, and moderate-income families, including but not limited to the elderly, persons with disabilities, and farmworkers. These Section 515 loans are offered on a competitive basis under a NOFA (Notice of Funding Availability) process, which usually opens in November of each year. In exchange for a low-interest loan, the owner must agree to rent the units to income-qualified households. The loans are primarily used as a direct mortgage, but the funds may also be used to buy and improve land and to provide water and waste disposal systems. However, Section 515 funding has dropped sharply in recent years. Since FY 2012, funds have been used exclusively to preserve existing units.

**Guaranteed Rural Rental Housing Program (Section 538):** Encourages lenders to make mortgage loans for rental housing serving families with low and moderate incomes (up to 115 percent of AMI), by guaranteeing the loan against default. The maximum loan to value is 90% for for-profit entities and 97% for non-profit entities. Lenders apply to their local Rural Development office to become approved to originate RHS Guaranteed Rural Housing loans, and eligible property owners/developers then apply to approved lenders.

**Housing Preservation Grants (Section 533):** Provide qualified non-profit organizations and public agencies with grant funds to administer programs that assist in the preservation of rental and ownership housing for very low- and low-income families. USDA issues a NOFA (Notice of Funding Availability) annually, generally in late fall or early spring.

**Rental Assistance (RA):** RA is available mainly to housing financed with Rural Rental Housing (Section 515) or off-farm housing (Section 516(1)) loans or grants, and provides the difference between established rents and a very low- or low-income tenant's affordable level of rent contribution. Availability of RA is contingent on funding and the level of need among the development's tenants.

**Farmworker Housing Loans and Grants:** Available to individuals and/or entities involved in the provision of affordable housing for farmworkers. Section 516(1) loans and grants are available to public and broad-based nonprofit agencies for off-farm housing. Section 514 loans are available to farmers, family farm partnerships and corporations, and farmers' associations to develop on-farm housing. Loans are for 33 years at 1% interest, while grants may cover up to 90% of development costs.

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## PREDEVELOPMENT LOAN PROGRAM (PLP)- Rental

The predevelopment process is vital to developing successful affordable housing properties. However, funding for predevelopment activities is difficult to obtain, especially for small nonprofit developers. Florida Housing Finance Corporation fills this gap with the Predevelopment Loan Program, which offers technical assistance and low-interest loans of up to \$750,000 for site acquisition and other common predevelopment expenses.

<b>Applicants:</b> Nonprofit and community-based organizations, Units of government, Public housing authorities	<b>Housing Type:</b> Rental, Homeownership
<b>Application Cycle:</b> Year-round	<b>Primary Uses:</b> Predevelopment costs, including site acquisition

PLP has two stages for a successful applicant. In the first stage, the agency submits an application with information about the organization and the development. The applicant should have a site in mind and provide as much detail about the proposed development as possible, but plans may be tentative at this stage. If the application is accepted, Florida Housing will assign a technical assistance (TA) provider to work with the applicant to draft a predevelopment budget and a development plan. As part of this process, the TA provider assists the applicant in assembling the development team, developing operating pro formas, selecting appropriate funding sources, and analyzing the overall feasibility of the project.

The next stage begins with submission of a TA-provider-approved PLP budget and development plan to FHFC. The PLP loan, if approved, covers a wide range of activities, including:

- Land Acquisition
- Appraisals
- Title Searches
- Legal Fees
- Architectural and Engineering Fees
- Market Studies
- Permit fees
- Impact fees
- Site plan approval fees
- Environmental reviews

The PLP loan has a 1% interest rate and is non-amortizing. The loan matures three years after closing, or once construction or permanent financing is obtained, whichever comes first. For rental developments, the borrower must commit to setting aside at least 20% of units for households at or below 50% of AMI, over a 15-year affordability period. For homeownership

developments, 50% of the homes must be sold to buyers whose incomes do not exceed 80% of AMI, and the remaining units sold to buyers at or below 120% of AMI.

**Eligible Applicants:** PLP is available to nonprofit and community-based organizations, units of government, and public housing authorities. Limited liability companies and limited partnerships that are controlled by nonprofits are also eligible.

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## FLORIDA COMMUNITY LOAN FUND

The Florida Community Loan Fund (Loan Fund), an independent, privately supported financial intermediary, provides capital and technical assistance to qualifying organizations with insufficient access to capital from conventional lending sources throughout the state of Florida. The Loan Fund seeks low-interest loans and equity capital contributions from socially concerned institutions and individuals. Contributions are then used to make below market interest rate loans to eligible nonprofits to support economic development, affordable housing and social services in urban and rural, low-income communities.

<b>Applicants:</b> Non-profit sponsors, mission focused for-profits	<b>Housing Type:</b> Rental, Home Ownership, Supportive Housing
<b>Cycle:</b> Open	<b>Primary Uses:</b> GAP Financing, New Construction, Rehabilitation, Acquisition

The Loan Fund provides various types of financing to meet the needs of non-profit organizations and mission-based for-profit organizations that develop affordable housing, supportive housing, community facilities, and economic development projects. This financing can include loans for new construction, preservation, rehab, acquisition, lines of credit, and/or longer term permanent financing.

Loans from \$20,000 to \$400,000, with variable terms and interest rates are made for the following: (1) low-income (persons at 80 percent or less of the area median income) housing development or improvement; (2) job creation (one job created or retained per \$10,000 borrowed) for low-income individuals; and, (3) social service loans, as long as the loan will positively impact the economic stability of a community.

**Eligible Applicants/Application Process:** Nonprofit, 501(c)(3) organizations that have a strong community base and serve low income communities within the state of Florida may either complete a pre-application by mail or online.. If all criteria are met (management capacity, financial capacity and development impact, support and feasibility) and the Loan Fund's Board of Directors approves the request, a loan agreement is executed between the borrower and the Loan Fund. The Loan Fund provides flexibility in its loan products in an effort to meet borrower needs.

### Program Contact:

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# FEDERAL HOME LOAN BANK AFFORDABLE HOUSING PROGRAM (AHP)- Rental

The AHP Competitive Program is a flexible source of funding designed to help member financial institutions and their community partners develop affordable owner-occupied and rental housing for very low- to moderate-income families and individuals.

<b>Applicants:</b> Nonprofits and for-profits through FHLBank members or the Florida Community Loan Fund	<b>Housing Type:</b> Rental or Ownership
<b>Cycle:</b> Annual, Competitive	<b>Primary Uses:</b> New Construction, Rehabilitation, Acquisition

The Affordable Housing Program (AHP) provides direct subsidies (grants) and below interest rate loans to Federal Home Loan Bank members (financial institutions) engaged in lending to local governments and for- and nonprofit corporations for the creation of affordable housing. Generally, AHP funds are leveraged with other sources of funds for construction, rehabilitation, or development of housing that may be either rental or ownership. Housing providers request member banks in their community to sponsor their application in the once per year competitive cycle. The bank actually makes the application and the funds are passed through to the nonprofit to contribute to the development of the project. The funds are usually in a grant form so the end cost of the housing can be affordable to low or moderate income households.

AHP subsidized units must serve households earning 80% or less of the area median income. Subsidies under AHP must be used to finance the purchase, construction, and/or rehabilitation of the owner occupied and rental housing. Rental projects are required to insure that 20 percent of the total units are for very low income (50% or less of AMI) families.

**Eligible Applicants/Application Process:** Member Banks hold at least one competitive application cycle annually. Project sponsors must register through the FHLBank website in order to obtain a user ID and password (required to access the AHP application). Once the sponsor completes an application, it must be approved and submitted for review through a FHLBank member financial institution. Applications are ranked by score, in descending order, and funds are awarded until the available subsidies are exhausted.

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## COMMUNITY CONTRIBUTION TAX CREDIT (CCTC)

This program is a state tax incentive that allows businesses a tax credit on Florida corporate income tax, insurance premium tax, or sales tax refund for donations made to local community development projects. Affordable housing projects are not required to be located in an Enterprise Zone or Front Porch Community to be eligible for the credit, but other CCTC project types must be located in these areas.

<b>Applicants:</b> Corporations that make donations to Community Development and Affordable Housing nonprofits or government agencies	<b>Housing Type:</b> Rental, Homeownership
<b>Application Cycle:</b> Year-round	<b>Primary Use:</b> New construction, Acquisition, Rehabilitation

The Community Contribution Tax Credit Program (CCTCP) allows businesses that donate cash, property or goods to an approved community-based organization or government agency to take a credit against Florida corporate income tax, insurance premium tax or sales tax refund. Approved sponsors of a project may construct, improve, or substantially rehabilitate housing, commercial, industrial or public facilities or promote entrepreneurial or job development opportunities for low-income (at or below 80% of AMI) persons.

For each dollar donated, businesses may receive up to \$0.50 in tax credits, and the donation may also be deducted from federal taxable income. The annual amount of the credit granted is limited to \$200,000 per firm and \$21,900,000 for the state. Unused credits may be carried forward for up to 5 years. Before making a CCTCP donation, a business should contact the Department of Economic Opportunity to confirm that the project is eligible for a tax credit.

The most successful beneficiaries for this program in the past decade have been local affiliates of Habitat for Humanity. Habitat affiliates seek approval under the program as community-based organizations, and solicit and receive donations from qualified corporations. The funds raised from the donations are used to purchase materials and supplies for the construction of affordable homes.

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## LOW INCOME HOUSING TAX CREDITS (LIHTC)

Low Income Housing Tax Credits are provided by the federal government to rental housing developers in exchange for a commitment to provide affordable rents, and are usually sold to investors to raise project equity.

<b>Applicants:</b> Nonprofit, For-profit developers	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Varies; Credits are awarded in one or more RFAs	<b>Primary Uses:</b> New construction, Rehabilitation

The Low Income Housing Tax Credit (LIHTC) program is governed by the U.S. Department of the Treasury, and Florida’s allocation is administered by the Florida Housing Finance Corporation. Under the LIHTC Program, successful applicants are provided with a dollar-for-dollar reduction in federal tax liability in exchange for the development or rehabilitation of units to be occupied by very low- and low-income households. In practice, developers usually sell credits to investors in exchange for equity to the development, with syndicators as intermediaries.

Two types of housing credits are available:

- 1) “9% credits” for new construction and substantial rehabilitation projects without other direct federal subsidies. For investors, these credits are worth up to 9% of eligible development costs annually for the first ten years of the project’s life\*. A state’s annual allocation of 9% credits is based on population and awarded competitively.
- 2) “4% credits” for projects that entail moderate rehabilitation, are financed by tax-exempt bonds, and/or receive certain other federal subsidies. The credits are worth up to 4% of eligible development costs annually for a decade. There is no statewide limit on the number of 4% credits that can be awarded, and projects receiving tax-exempt bond financing are automatically eligible for these credits. Because 4% credits provide less equity than 9% credits, projects with 4% credits tend to need much more gap financing.

**Eligible Activities/Beneficiaries:** LIHTC-funded developments must set aside at least 20% of units for households earning up to 50% of AMI, or at least 40% of units for households with incomes at or below 60% of AMI. Rent, including utilities, for all tax credit-assisted units may not exceed 30 percent of the applicable income limitation.

Developers can sell tax credits only for income-restricted units, and in practice they usually designate most or all units in a project as income-restricted.

**Eligible Applicants/Application Process:** The Florida Housing Finance Corporation awards the state’s annual 9% credit allocation in one or more RFAs over the course of a year. Each RFA may be targeted to a specific development type and/or beneficiary group. Florida

Housing also issues RFAs for projects to be financed with 4% credits, tax-exempt bond financing, and other funding sources (i.e. HOME and SAIL).

Applications reviewed, scored and ranked according to such items as funding, ability to proceed, leveraging and experience of development team.

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\*The actual value of 4% and 9% credits to investors is less than 4% or 9%, respectively, since it is indexed to 10-year U.S. Treasury bond yields. The value of “9% credits” ranges from about 7.5% to 9%, and the value of “4% credits” ranges from about 3% to 4%.

# STATE APARTMENT INCENTIVE LOAN (SAIL) PROGRAM

SAIL is administered by the Florida Housing Finance Corporation, and provides low-interest loans on a competitive basis to affordable housing developers each year. This money often serves to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available for developers proposing to construct or substantially rehabilitate affordable multifamily rental housing.

<b>Applicants:</b> For-profit and nonprofit housing developers, Public agencies	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Annual funding is made available in one or more RFAs	<b>Primary Uses:</b> Gap financing, Construction, Rehabilitation, Acquisition

Created in 1992 as part of the William E. Sadowski Affordable Housing Act, SAIL provides first, second, or other mortgage loans or loan guarantees to developers of multifamily rental units that are affordable to very low-income households (up to 50% of AMI). At a minimum, developments financed by SAIL must set aside 20% of units for households at or below 50% of AMI or, if the development also receives Housing Credits, 40% of units for households up to 60% of AMI. In general, SAIL loans cover 25 to 35 percent of development costs. Individual Requests for Applications (RFAs) for SAIL funds often require applicants to apply for tax-exempt bond financing (see p. 32) and non-competitive Housing Credits (see p. 29).

For the first six months after the first RFA for SAIL is published, Florida Housing is required to reserve a portion of its annual SAIL funds for five categories of tenants: 1) Commercial farmworkers and fishing workers, 2) Families, 3) People experiencing homelessness, 4) Persons with special needs, including domestic violence survivors, the homeless, people with disabilities, and youth aging out of foster care, and 5) Elderly persons. Additionally, individual SAIL RFAs may require set-asides for specific demographic groups and/or Extremely Low-Income (ELI) households.

**Eligible Applicants:** For-profit, nonprofit, and public entities are eligible for SAIL funds, although Florida Housing may specify additional eligibility criteria in individual RFAs.

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# MULTIFAMILY MORTGAGE REVENUE BOND PROGRAM

The Multifamily Mortgage Revenue Bond (MMRB) Program utilizes funds generated from the sale of both taxable and tax-exempt bonds to make low-interest loans to non-profit and for-profit developers of rental housing so lower rents can be charged.

<b>Applicants:</b> For-Profit and nonprofit developers	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Consult Florida Housing Finance Corporation for current application procedures	<b>Primary Uses:</b> Gap financing, Acquisition, Rehabilitation, New construction

The Multifamily Mortgage Revenue Bond program (MMRB) uses both taxable and tax-exempt bonds to provide low-interest loans to non-profit and for-profit developers who set aside a certain percentage of their units for low income families. These bonds are sold through either a competitive or negotiated method of sale or private placement. The program requires that at least 20 percent of the units be set aside for households earning at or below 50 percent of AMI. The developer may also opt to set aside 40 percent of the units for households earning at or below 60 percent of AMI.

The total value of tax-exempt bonds that governmental entities in each state can issue is based on population and capped annually by Federal law, but there is no limit on the value of taxable bonds that state and local governments can issue. Developers may apply for tax-exempt bond financing separately at any time, but preference is given to developers who apply for bond financing in conjunction with an application for state HOME or SAIL funds and non-competitive Low Income Housing Tax Credits (see pp. 16, 29, 31). Applications are reviewed, scored and ranked according to such items as funding, ability to proceed, leveraging and experience of development team.

**Eligible Applicants:** For-profit and nonprofit organizations and public agencies may apply for MMRBs on a competitive basis.

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# FINANCING TO BUILD OR REHAB SMALLER PERMANENT SUPPORTIVE HOUSING FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

Florida Housing Finance Corporation (the Corporation) was appropriated \$10 million in grant funds by the 2017 Legislature for housing for Persons with Developmental Disabilities as defined in Section 393.063, F.S. These funds can be used by existing eligible properties for renovation or for the development of new housing that will serve persons with developmental disabilities in small group homes or community based settings. This is an excellent funding source that can be used in conjunction with SHIP funds that are set aside for special needs housing, with the priority for serving residents with a developmental disability.

<p><b>Applicants:</b> Non-Profit organizations that have a primary mission which includes serving Persons with Developmental Disabilities.</p>	<p><b>Housing Type:</b> Rental</p>
<p><b>Application Cycle:</b> Request for Application Cycle</p>	<p><b>Primary Uses:</b> New Construction, Rehabilitation, or Renovation - Up to 6 Residents with DD in CRHs - Up to 10 Residents with DD in SLUs - May include 1 bedroom/bath for caretaker/family/visitors</p>

This Request for Applications (RFA) provides financing for small Permanent Supportive Housing Developments consisting of no more than six (6) Units. The legislation specifies that the Corporation will offer the funding through a competitive grant program to private Non-Profit organizations that have a primary mission which includes serving Persons with Developmental Disabilities.

The Corporation is required to consider the extent to which funds from local and other sources will be used by Applicants to leverage these grant funds; employment opportunities and supports that will be available to Residents of the proposed housing; a plan for Residents to access community-based services, resources, and amenities; and partnerships with supportive services agencies.

This RFA is open to Applicants proposing the development of Permanent Supportive Housing for Persons with Developmental Disabilities, either Community Residential Homes or Supported Living Units. Community Residential Homes (i) must be single family homes; (ii) must be licensed by the Florida Agency for Persons with Disabilities to serve no more than six (6) Residents; (iii) must serve no more than six (6) Residents; and (iv) must demonstrate at credit underwriting that they are adhering to licensing standards related to location, design, construction features and other requirements.

Supported Living Units (i) must consist of no more than six (6) Units; (ii) must serve no more than 10 Residents if the proposed Development consists of new construction or Acquisition

with Rehabilitation, or 12 Residents if the proposed Development consists of Renovation of an existing Development serving Persons with Developmental Disabilities; and (iii) the Supported Living provider must conduct a housing setting survey per Rule 65G-5.004, F.A.C. Applicants may propose the development of Shared Housing Units, as defined in Exhibit C, to allow unrelated Persons with Developmental Disabilities the choice to share Units. For purposes of this RFA, Community Residential Homes are considered Shared Housing. Applicants may propose to build Supported Living Units as either non-Shared Housing or Shared Housing.

**Eligible Applicants:** Small Permanent Supportive Housing for DD financing is available to Non-Profit organizations that have a primary mission which includes serving Persons with Developmental Disabilities.

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# MULTIFAMILY ENERGY RETROFIT PROGRAM

Florida Housing received a grant of just over \$7.5 million from the Florida Office of Energy (housed within the Department of Agriculture and Consumer Services) to create a revolving loan fund to carry out energy retrofits on older rental apartment properties.

<b>Applicants:</b> Property Owners of affordable rental housing over 20 years old	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Annual RFA	<b>Primary Uses:</b> \$15,000 max loan for energy retrofit of p

The goal of this program is to reduce energy use and cost at rental properties by updating and replacing old, inefficient building components with energy efficient components. Loans will finance energy efficient improvements identified in an energy audit for each eligible property. The energy audit must show a projected energy savings for each recommended measure.

Florida Housing has partnered with the Program for Resource Efficient Communities at the University of Florida to track utility data on properties that undergo a MERP retrofit. This will allow Florida Housing to measure energy performance improvements at the property and inform future programs.

The maximum funding amount will be \$15,000 per unit (including soft costs/fees), with the actual amount based on recommended measures in the energy audit. A portion of the funding may be in the form of a grant; most of the funding will be a loan.

**Eligible Applicants:** Owners of affordable rental properties.

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# WEATHERIZATION ASSISTANCE PROGRAM (WAP)

The Weatherization Assistance Program provides grants to Community Action Agencies, local governments, Indian tribes, and non-profit organizations to provide specific program services for low-income families in Florida.

<b>Applicants:</b> Individuals, Property owners or managers	<b>Housing Type:</b> Homeownership, Rental
<b>Cycle:</b> Year-round	<b>Primary Uses:</b> Grant for weatherization upgrades

WAP's mission is to reduce the monthly energy burden on low-income households by improving the energy efficiency of the home. The program offers free weatherization services to homeowners and renters including upgrades of air infiltration with weather stripping, caulking, thresholds, minor repairs to walls, ceilings, and floors, and window and door replacement. Other actions may include installation of attic ventilation, solar reflective coating to manufactured homes, solar screens, repairs or replacement of inefficient heating and cooling units, and the repair or replacement of water heaters.

### Eligible Applicants:

To qualify for the Weatherization Program, the total household income may not be more than 200 percent of the national poverty level. Preference is given to owner-occupied homes, elderly, or physically disabled residents, families with children under 12 and households with a high energy burden (repeated high utility bills).

### Program Contact:

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## NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

At the height of the recession, Congress created the Neighborhood Stabilization program to help communities arrest and reverse blight and property value decline in neighborhoods most impacted by foreclosures and predatory lending. NSP funds were provided in three rounds in 2008, 2009, and 2010, known as NSP1, NSP2, and NSP3, respectively. Although the expenditure deadlines for NSP have passed, many grantees have and are continuing to earn program income.

<b>Applicants:</b> Nonprofit and for-profit housing developers, Individuals	<b>Housing type:</b> Homeownership, Rental
<b>Application Cycle:</b> Varies	<b>Primary Use:</b> Acquisition, Rehabilitation, Demolition, Reconstruction, Gap financing

NSP has five eligible uses of funds:

- A) Establish financing mechanisms for purchase and redevelopment of foreclosed-upon homes and residential properties.
- B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop these properties.
- C) Establish and operate land banks for homes and residential properties that have been foreclosed upon.
- D) Demolish blighted structures.
- E) Redevelop demolished or vacant properties as housing.\*

Except as provided in the statutes that created the NSP funding rounds, the program is generally governed by Community Development Block Grant (CDBG) regulations. One key difference is that all NSP funds were required to benefit low-, moderate- and middle-income families (up to 50%, between 50% and 80%, and between 80% and 120% of AMI, respectively).\*\* Moreover, grantees were required to use at least 25% of their NSP funds to provide housing for families at or below 50% of AMI.

NSP1 allocated \$3.92 billion to HUD to distribute to state governments and local CDBG entitlement communities (see p. 18), using a formula that accounted for the prevalence of foreclosures and subprime loans. NSP2 provided \$1.93 billion on a competitive basis to entitlement communities, nonprofits, and consortia of nonprofits. For NSP3, HUD awarded \$970 million on a formula basis to state and local governments. The formula was somewhat different from that of NSP1, and some non-entitlement communities received direct allocations from HUD.

Depending on the NSP funding round, grantee type, and other factors, some program income must be spent on NSP-eligible activities. Some communities also have land banks, and properties may be used by public and private agencies to develop housing, public facilities, businesses, and other uses that benefit low-, moderate-, and middle-income people and neighborhoods. (In most cases, disposition of land bank properties for uses other than housing is an eligible end use, but must be paid for by funds other than NSP.) Land bank properties may also be available to low-, moderate, and middle-income homeowners as side lots. Contact NSP grantees in your area to determine whether they have program income and/or land bank properties available.

**Eligible Applicants for NSP program income funds:** Varies by NSP grantee, but may include nonprofit and for-profit housing developers, homebuyer counseling agencies, and individual homebuyers.

**Program Contact:**

**Local Government, Nonprofit, and Consortium Grantees** – Search for NSP grantees on the HUD website:

<https://hudnsphelp.info/index.cfm?do=granteeSearch&prmsearchinfo=1&granteetype=&keyword=&stateID=FL%5EFlorida&granteetypeall=&granteename=&x=31&y=12>

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\*NSP1 allows vacant and demolished properties to be redeveloped for public facilities and economic development, as well as for housing.

\*\*NSP uses the same definitions of low- and moderate-income as CDBG (see p. 18). One way that NSP eligible activities differ from the CDBG national objective of benefitting people with low and moderate incomes is that, in NSP, middle-income households (between 80% and 120% of AMI) are eligible.

# RENTAL ASSISTANCE AND PROGRAMS TO END HOMELESSNES

There are a variety of programs that provide monthly rental payment assistance to low and very low income households, some reserved for veterans or others who are experiencing homelessness. The following program descriptions include direct to household assistance as well as program funding.

# HOUSING CHOICE VOUCHER (HCV) PROGRAM

A federal rental subsidy program supported by HUD funds and administered by local Public Housing Authorities (PHAs). PHAs provide payments to private landlords and to reduce rental housing costs for low and very low income voucher holders. This is a direct assistance program where the applicant is also the beneficiary.

<b>Applicants:</b> Very low- and low-income households	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Varies with each Public Housing Agency	<b>Primary Uses:</b> Rental assistance

Housing Choice Vouchers (HCVs; sometimes referred to as Section 8 Vouchers) provide ongoing rental subsidies, known as Housing Assistance Payments, directly to private landlords on behalf of their low- and very low-income tenants. Funds for this program are appropriated by Congress to HUD, which disburses them to PHAs according to pre-established contracts.

HCVs are “tenant-based”: when a household receives an HCV, it is responsible for finding a rental unit that meets PHA standards (developed according to HUD guidelines) for housing quality and rent reasonableness. Many PHAs provide voucher recipients with a list of landlords in their community that participate in the HCV program. HCVs are portable; a household may move to another community and use its voucher if it meets certain residency requirements in the PHA’s jurisdiction and notifies the PHA before moving.

The PHA also administers the Family Self-Sufficiency (FSS) program, which is voluntary for voucher recipients. The goal of FSS is to promote the development of local strategies for coordinating the use of Housing Choice Vouchers with public and private resources to help eligible families achieve economic independence. The objective of the program is to create an individualized five-year plan to assist these families in obtaining employment that will allow them to become self-sufficient and not dependent on future rental assistance.

**Eligible Household Applicants:** In most cases, new applicants must be considered Very low-income (50% or less of AMI), although there may be instances where the PHA is able to assist a low income family (80% or less of Area Median Income). In general, at least 75% of households admitted to a PHA’s voucher program each year (including both HCVs and Project-Based Vouchers) must be extremely low-income (up to 30% of AMI).

**Program Contact:**

Contact PHAs in the area you wish to live.

<http://www.hud.gov/offices/pih/pha/contacts/states/fl.cfm>

## HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating Veterans at VA medical centers (VAMCs) and community-based outreach clinics.

<b>Project Applicants:</b> Public Housing Agencies	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Varies with each participating public housing agency	<b>Primary Uses:</b> Rental assistance

The HUD-VASH Program is a joint effort between HUD and VA to move Veterans and their families out of homelessness and into permanent housing. HUD provides housing assistance through its Housing Choice Voucher Program (Section 8) that allows homeless Veterans to rent privately owned housing. VA offers eligible homeless Veterans clinical and supportive services through its health care system across the 50 states, the District of Columbia, Puerto Rico and Guam.

HUD-VASH provides permanent housing for eligible homeless Veterans who are single or eligible homeless Veterans with families. The program is developed for the homeless Veteran, so eligible Veteran families must include the Veteran.

**Eligible Household Applicants:** VA determines clinical eligibility for the program. The Veteran must be VA healthcare eligible. The PHA determines if the Veteran participant meets HUD’s regulations for this program. The PHA will determine eligibility based on income limits. Also, the PHA will determine if any member of the household is required to maintain Lifetime Sexual Offender Registry status – those who do are not eligible to participate in this program.

**Program Contact:**  
 National Call Center for Homeless Veterans  
 1-877-4AID-VET

For further program information visit the VA’s website:  
<https://www.va.gov/homeless/hud-vash.asp>

## PROJECT BASED VOUCHERS – Section 8

A federal rental subsidy program supported by HUD funds and administered by local Public Housing Authorities (PHAs). PHAs provide payments to private landlords to reduce rental housing costs for low and very low income voucher holders.

<p><b>Applicants:</b> Housing developers apply for project based vouchers which are available to eligible tenants</p>	<p><b>Housing Type:</b> Rental</p>
<p><b>Application Cycle:</b> Variable</p>	<p><b>Primary Uses:</b> Rental assistance</p>

A Public Housing Authority (PHA) may choose to use up to 20% of the Housing Choice Voucher funding it receives from HUD to support Project-Based Vouchers (PBVs) instead of tenant-based vouchers. The PHA contracts with owners of specific rental housing developments to subsidize monthly rents for a certain percentage of their units, making them affordable to low-income tenants. The developments may be existing housing, or may be newly constructed or rehabilitated to standards agreed upon with the PHA. Note that Project Based Vouchers do not subsidize construction or rehabilitation, and developments with certain federal subsidies (including HUD’s Sections 202 and project-based Section 811) are ineligible for PBVs.

The property owner enters into a Housing Assistance Payment (HAP) contract with the PHA for an initial term of up to 10 years. Thereafter, the owner may choose to renew the contract with the PHA in increments of up to 5 years.

**Eligible Applicants:** In most cases, new applicants must be considered Very Low Income (50% or less of area median income), although there may be instances where the PHA is able to assist a low income family (80% or less of Area Median Income). In general, at least 75% of households admitted to a PHA’s voucher program each year (including both HCVs and Project-Based Vouchers) must be extremely low-income (30% or less of area median income).

**Program Contact:**

Local HUD offices, Local Public Housing Authorities, Local Housing Finance Agencies, Nonprofit housing organizations

# CONTINUUM OF CARE PROGRAM

The HUD Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. Continuum of Care funds may be used to establish and operate projects under five program components: permanent housing; transitional housing; supportive services only; HMIS; and, in some cases, homelessness prevention.

<p><b>Project Applicants:</b> States, local governments, private nonprofit organizations</p> <p><b>Beneficiaries:</b> Homeless households</p>	<p><b>Housing Type:</b> Rental, with lease in name of tenant household.</p>
<p><b>Application Cycle:</b> Annual, but variable.</p>	<p><b>Primary Uses:</b> Permanent housing, transitional housing, supportive services, HMIS, and homelessness prevention</p>

After HUD issues a Notice of Funding Availability (NOFA) for an annual competition, Project Applicants submit project applications to the local Continuum of Care (CoC) Lead Agency. The CoC then ranks applications received according to objective criteria. The applications and rankings are submitted to HUD for approval. Below are the five eligible program components.

## 1. Permanent Housing (PH)

Permanent housing is community-based housing, the purpose of which is to provide housing without a designated length of stay. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services. PH includes:

- (i) Permanent supportive housing for persons with disabilities (PSH). PSH can only provide assistance to individuals with disabilities and families in which one adult or child has a disability. Supportive services designed to meet the needs of the program participants must be made available to the program participants.
- (ii) Rapid rehousing. Continuum of Care funds may provide supportive services, and/or short-term (up to 3 months) and/or medium-term (for 3 to 24 months) tenant-based rental assistance as necessary to help a homeless individual or family, with or without disabilities, move as quickly as possible into permanent housing and achieve stability in that housing.

## **CONTINUUM OF CARE PROGRAM Continued**

### **2. Transitional Housing (TH)**

Transitional housing facilitates the movement of homeless individuals and families to PH within 24 months of entering TH. Grant funds may be used for acquisition, rehabilitation, new construction, leasing, rental assistance, operating costs, and supportive services.

### **3. Supportive Service Only (SSO)**

Funds may be used for acquisition, rehabilitation, relocation costs, or leasing of a facility from which supportive services will be provided, and supportive services in order to provide supportive services to unsheltered and sheltered homeless persons for whom the recipient or subrecipient is not providing housing or housing assistance. SSO includes street outreach.

### **4. Homeless Management Information System (HMIS)**

HMIS is the information system designated by the Continuum of Care to comply with the HMIS requirements prescribed by HUD. See HEARTH Act for regulation on eligible costs.

### **5. Homelessness Prevention**

Funds may be used by recipients in Continuums of Care-designated high-performing communities for housing relocation and stabilization services, and short- and/or medium-term rental assistance that are necessary to prevent an individual or family from becoming homeless.

**Eligible Household Applicants:** Household eligibility will be determined by the terms of the HUD contract with the Project Applicant.

#### **Program Contact:**

##### **Local Continuums of Care (CoC)**

You can identify your local CoC by going to the web page below, and by selecting Florida as the location, and Continuum of Care as the program <https://www.hudexchange.info/grantees/>

In Florida, you can find your local CoC by visiting The Office on Homelessness website:

<http://www.myflfamilies.com/service-programs/homelessness/local-homelessness-contacts>

Further Continuum of Care program information and regulations can be found at:

<https://www.hudexchange.info/programs/coc/>

## EMERGENCY SOLUTIONS GRANT – Homelessness Prevention

Homelessness Prevention is one of five eligible program components of the Emergency Solutions Grant under HUD. Homelessness Prevention is utilized for (1) housing relocation and stabilization services and/or (2) short and/or medium-term rental assistance necessary to prevent the individual or family from moving into an emergency shelter or becoming homeless.

<b>Project Applicants:</b> Metropolitan cities, urban counties and territories (may subgrant) States (must subgrant)	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Annual	<b>Primary Uses:</b> Rental assistance to prevent homelessness

The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their current housing or move into other permanent housing and achieve stability in that housing.

Eligible costs include:

- Rental Assistance: rental assistance and rental arrears
- Financial assistance: rental application fees, security and utility deposits, utility payments, last month's rent, moving costs
- Services: housing search and placement, housing stability case management, landlord-tenant mediation, tenant legal services, credit repair

The only entities that may submit an application for the Emergency Solutions Grant shall be the lead agencies of the CoC, as designated pursuant to section 420.624(6), Florida Statutes, by the Office on Homelessness (Office) for specified catchment areas within the state.

Nonprofits may apply to the local city and/or county government in metropolitan and urban areas which receive ESG money directly from HUD.

**Eligible Household Applicants:** Very Low Income individuals and families who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in § 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD.

### Program Contact:

To find an ESG grantee, visit HUD’s website: <https://www.hudexchange.info/grantees/contacts/>

To contact a state ESG grantee, visit The Office on Homelessness website:

<http://www.myflfamilies.com/service-programs/homelessness/local-homelessness-contacts>

## EMERGENCY SOLUTIONS GRANT – Rapid Re-Housing

Rapid Re-Housing is one of five eligible program components of the Emergency Solutions Grant under HUD.

<p><b>Project Applicants:</b> Metropolitan cities, urban counties and territories (may subgrant) States (must subgrant)</p>	<p><b>Housing Type:</b> Rental</p>
<p><b>Application Cycle:</b> Annual</p>	<p><b>Primary Uses:</b> Rental assistance to assist households quickly exit homelessness</p>

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair. For specific requirements and eligible costs, see 24 CFR 576.104, 576.105, and 576.106.

The only entities that may submit an application for the State of Florida Emergency Solutions Grant are the lead agencies of the homeless Continuum of Care, as designated pursuant to section 420.624(6), Florida Statutes, by the Office on Homelessness (Office) for specified catchment areas within the state.

Nonprofits may apply to the local city and/or county government in metropolitan and urban areas which receive ESG money directly from HUD, unless otherwise determined by that local government

**Eligible Household Applicants:** Individuals and families currently experiencing homelessness who meet the criteria under paragraph (1) of the "homeless" definition in § 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition.

**Program Contact:**

To find an ESG grantee, visit HUD's website:

<https://www.hudexchange.info/grantees/contacts/>

To contact a state ESG grantee, visit The Office on Homelessness website:

<http://www.myflfamilies.com/service-programs/homelessness/local-homelessness-contacts>

## SUPPORTIVE SERVICES FOR VETERAN FAMILIES (SSVF) – Rapid Re-Housing

Through the SSVF Program, the VA aims to improve the housing stability of very low-income Veteran families. Towards this end, SSVF grantees provide a set of required SSVF services and have the option of providing additional SSVF services. The following are required SSVF services: (1) Outreach; (2) Case management; (3) Connection to VA benefits and programs (4) Connection to public benefits and mainstream, community resources; and (5) Temporary Financial Assistance.

<b>Project Applicants:</b> Private non-profit organizations and consumer cooperatives	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Annual	<b>Primary Uses:</b> See above listed required SSVF services

Grantees must use a **minimum** of 60 percent of the temporary financial assistance (TFA) portion of their supportive services grant funds to serve very low-income Veteran families who either (i) are homeless and scheduled to become residents of permanent housing within 90 days pending the location or development of housing suitable for permanent housing or (ii) have exited permanent housing within the previous 90 days to seek other housing that is responsive to their needs and preferences. Grantees should establish the appropriate level of rapid rehousing assistance within the context of the overall community plan, crafted in collaboration with their partners in the CoC and the VA. Frequently grantees will target use of TFA well in excess of 60 percent to meet the needs of homeless Veterans and ensure no gaps in the availability of rapid re-housing assistance. Determinations regarding the allocation of funds are announced in the SSVF Notice of Fund Availability (NOFA).

VA policy supports a “Housing First” approach in addressing and ending homelessness. Housing First establishes housing stability as the primary intervention in working with homeless persons.

**Eligible Applicants:** Very Low Income individuals who are either (a) a Veteran (A person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable); or (b) a member of a family in which the head of household, or the spouse of the head of household, is a Veteran.

### **Program Contact:**

To find a SSVF grantee, visit the VA’s website:

[https://www.va.gov/homeless/ssvf/?page=/home/general\\_program\\_info\\_regs](https://www.va.gov/homeless/ssvf/?page=/home/general_program_info_regs)

# HOMELESS HOUSING ASSISTANCE LOAN (HHAL)

The Florida Housing Finance Corporation created the Homeless Housing Loan Demonstration as a strategy to help build the capacity of non-profit applicants to develop, own and operate rental housing to meet the needs of their communities. HHAL is a forgivable loan to help finance the development of Permanent Rental Housing for Homeless individuals and families that is appropriate for small and rural communities.

<b>Project Applicants:</b> Non-Profits in counties with up to 250,000 population size	<b>Housing Type:</b> Rental
<b>Application Cycle:</b> Pilot program	<b>Primary Uses:</b> Permanent rental housing for homeless households

It is the Corporation’s goal to help build the capacity of Non-Profit Applicants in small and rural communities to serve Homeless households. To accomplish this, the HHAL is only open to Non-Profit Applicants that (i) are “100 percent non-profit”; (ii) demonstrate that they are active members of the eligible Continuum of Care, and are current providers of services or housing for Homeless households in the county of the proposed Development that are funded by federal, state or local governments; and (iii) can demonstrate that the proposed Development is intended for a priority Homeless population according to the Continuum of Care plan. Applicants must agree and adhere to Housing First Principles in operating and managing Developments.

The HHAL consists of two loans: a Preconstruction Loan to assist Applicants with the predevelopment costs, which includes technical assistance with the predevelopment process, and a Construction Loan to help with acquisition and rehabilitation or construction costs.

**Eligible Applicants:** Homeless households that have been determined by the Local Homeless Assistance Continuum of Care as a priority Homeless population in the proposed Development’s community.

**Program Contact:**

**Rob Dearduff, Administrator, Florida Housing Finance Corporation**

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# GLOSSARY OF TERMS

## **Affordable Housing**

The rule of thumb used by the federal government is that housing should cost no more than 30 percent of a household's gross income. Housing costs include rent or mortgage payments, property taxes (for homeowners), renter's or homeowner's insurance, and utility costs. Many, though not all, federal, state, and local funding programs require affordable housing providers to use this standard when setting rents or purchase prices for their units. Depending on the program, the rent or purchase price of a unit may be set at 30 percent of a specific income level (e.g. 50 percent of Area Median Income), or at 30 percent of the applicant household's income.

One example of a program that does not have a specific definition of affordability is the Community Development Block Grant (CDBG). In practice, many CDBG grantees use the 30-percent standard.

## **Affordability Period**

The period during which a subsidized owner-occupied or rental unit must be kept affordable to households at designated income levels. Affordability periods vary widely among subsidy programs, generally ranging from 15 to 40 years. This period is sometimes also referred to as a "compliance period".

## **Amortizing Loan**

A loan where the principal of the loan is paid down over the life of the loan (that is, amortized) according to an amortization schedule, typically through equal payments.

## **Area Median Income (AMI)**

The median household or family income in a designated geographic area, usually a metropolitan area or a county. Every year, the U.S. Department of Housing and Urban Development (HUD) calculates "Median Family Incomes" for designated geographic areas around the country, using data from the U.S. Census Bureau and the Consumer Price Index. State and local housing programs generally use HUD's Median Family Income calculations for their own definitions of Area Median Income.

Note that in any given year, HUD's Median Family Incomes are different than median family incomes and median household incomes calculated by the Census Bureau, due to differences in calculation methods.

## **Deferred-Payment Loan**

A loan to a homebuyer or affordable housing developer that does not have to be repaid until a later date, when or if certain conditions are met. For example, if a homebuyer receives a deferred-payment loan for down payment assistance or mortgage principal reduction, he or she may have to pay back all or part of the loan if he or she sells the home during the

affordability period (see **Recapture**). Depending on the program, deferred-payment loans may be forgivable under certain circumstances.

### **Extremely Low-Income (ELI) Household**

A household with an income up to 30 percent of the Area Median Income (AMI).

### **Forgivable Loan**

A loan to a homebuyer or affordable housing developer for which repayment is not required if certain conditions are met. For example, in some homebuyer subsidy programs, the homebuyer is assisted with a loan that is forgiven if he or she lives in the home for a certain minimum amount of time.

### **Gap Financing**

Gap financing generally refers to a grant or loan that covers the difference between the cost of developing and operating an affordable housing project, and the funding sources that the developer has already obtained or is likely to obtain.

### **Guarantee**

In the affordable housing field, a guarantee usually refers to a pledge from a funding agency to repay a mortgage or other loan if the borrower (an income-qualified homebuyer or affordable housing developer) defaults. Loan guarantees encourage private lenders, such as banks, to make loans to individuals and organizations who would otherwise be considered too risky.

### **Joint Venture**

A legal entity created by two or more organizations to undertake a specific project, sharing the benefits and risks according to a specified agreement. In affordable housing, a joint venture generally refers to a development project undertaken by two or more organizations working in partnership. The parties of a joint venture may be an inexperienced and experienced housing developer, a housing developer and a social service agency, or other configuration. A joint venture may consist of nonprofit organizations, for-profits, or both.

### **Loan-to-Value (LTV) Ratio**

The ratio of a mortgage loan for a homebuyer or rental housing developer to the total value of the property. Some funding programs have a maximum loan-to-value ratio used to determine the maximum amount of subsidy to award to an applicant.

### **Low-Income (LI) Household**

The most commonly used definition of a low-income household is one whose annual income is no more than 80 percent of Area Median Income (AMI). The entries in this Guide use this definition of low-income unless otherwise stated. One program that uses a different definition

is the Community Development Block Grant. Under CDBG regulations, a low-income household is one whose income is up to 50 percent of AMI.

### **Moderate-Income Household**

Under Florida Statutes, a moderate-income household does not exceed 120 percent of the Area Median Income (AMI). Under the CDBG and Neighborhood Stabilization Programs (NSP), a moderate-income household has an income greater than 50 percent of AMI but no more than 80 percent of AMI. Some programs, such as those administered by the United States Department of Agriculture's Rural Housing Service (USDA RHS), have their own definitions of moderate-income.

### **Non-Amortizing Loan**

A loan in which payments on the principal are not made on a regular basis. As a result, the value of principal does not decrease at all over the life of the loan. The principal is then paid as a lump sum at the maturity of the loan. Examples of non-amortizing loans include balloon mortgages and deferred interest programs.

### **Participating Jurisdiction**

Any State or unit of local government that has been designated by HUD to administer a HOME Investments Partnerships program grant.

### **Recapture**

A recapture provision is one way to ensure that a subsidy for an owner-occupied home remains available for future low-income homebuyers. A recapture provision is triggered if a low-income homeowner who benefited from a subsidy chooses to sell the house during the affordability period. Depending on the specific program guidelines, the homeowner may have to pay back all or part of the original subsidy using proceeds from selling the house. The entity that administers the program can reinvest these recaptured funds to help future homebuyers.

The term "recapture" can also refer to a funding agency requiring a beneficiary (a public or private entity or an individual) to pay back funds, if the beneficiary used them for inappropriate activities, failed to spend them by an agreed-upon deadline, or otherwise failed to comply with the program.

### **Resale Requirement**

If an affordable home sold to an income-qualified homebuyer has a resale requirement, the homeowner is legally required by a deed restriction or land covenant to sell the home to another income-qualified household at an affordable price (when/if the first homeowner chooses to sell.)

### **Very Low-Income (VLI) Household**

A household with an income up to 50 percent of the (Area Median Income).

ACCESS AN ELECTRONIC VERSION OF THE

# **AFFORDABLE HOUSING** FUNDING SOURCES

AND OTHER VALUABLE RESOURCES UNDER THE PUBLICATIONS TAB  
ON THE FLORIDA HOUSING COALITION'S WEBSITE AT:

[WWW.FLHOUSING.ORG](http://WWW.FLHOUSING.ORG)



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