

THINKING OUTSIDE THE TRADITIONAL AFFORDABLE HOUSING “BOX”:

AFFORDABLE HOUSING FOCUS GROUP REPORT
AND
BEST PRACTICE RESEARCH FINDINGS

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EXECUTIVE SUMMARY

The lack of adequate affordable housing makes it difficult and burdensome for a significant number of Broward County residents to meet their basic need of shelter. The housing affordability problem has been perennial for some time, but its indomitable nature became more acute with the advent of recent events in the housing market. Considerably low interest rates triggered a buying frenzy that sent already unaffordable housing prices into the stratosphere.

During the decade from 1990 - 2000, Broward County population grew at an average annual rate of 2.9%, with the Decennial Census tabulating year 2000 population at 1,623,018. Today, Broward's population is estimated at 1.675 million and growing, with almost 1 million more residents projected to be added by 2030. Given the current costly housing market and the difficulty of providing affordable housing for the existing population, the challenge of meeting future need requires a robust and strategic response.

The gravity of the situation captured the attention of the Broward County Board of County Commissioners, who recognized the need to commit considerably more focus on dissecting the problem and crafting an effective solution. In June 2003, the Commission held an affordable housing workshop where they raised a number of issues, articulated the need for specific approaches, and directed staff to pursue a number of strategies. The Commission confirmed their commitment to eradicating the problem by elevating affordable housing to its own status as a Challenge Goal.

As an outgrowth of this June 2003 workshop, the Human Services Department initiated a countywide series of five facilitated Affordable Housing Focus Groups beginning in the fall of 2003 and concluding in early 2004. The complex and intractable nature of the affordable housing problem requires a collaborative approach with input from a wide cross-section of interested parties united in a single goal, to meet the housing needs of Broward County residents. Stakeholders in attendance at these focus groups included representatives from the development community, both for profit and non-profit, lenders, service providers and staff from federal, state and local government agencies.

Participants at the focus groups considered a number of issues/problems impeding affordable housing development, and deliberated on the most strategic approach to eradicating or, at least, mitigating them. Attendees shared their vision of an affordable housing "victory" for Broward County, as well as the barriers and solutions/preliminary recommendations for achieving the victory. The nine broad categories of barriers the focus groups identified were:

- 1) Funding/Finance;
- 2) Acquisition and Development Impediments;
- 3) Policy, Program and Process Fragmentation;
- 4) No Developer Mandates;
- 5) Consumer/Cultural/Financial/Educational Challenges;
- 6) Lack of Political Will/Vision/Politics;
- 7) NIMBY-ism;
- 8) At-Risk Populations ;
- and 9) Fraud.

Focus group participants also committed to serving in various roles and bringing their resources to collaboratively address the problems. Commitments included providing consumer and general public education, advocacy, technical assistance, forming a speakers' bureau, streamlining government processes, developing one-stop shopping, seeking additional funding streams and rehabilitation of the housing stock.

Based upon stakeholder input and further analysis of the growing affordable housing gap in Broward County, the following recommendations emanated from the process:

1. **Increase and maximize resources.** Develop an inventory of resources (including developable land), consider the resources currently available and determine additional resource needs.
2. **Update land use policies to support affordable housing.** Review the requirements in zoning and land use policies which impede effective and efficient production.
3. **Streamline the development process.** Comprehensively review the current development process, consulting with developers and consumers, to determine potential efficiencies, while maintaining the integrity of the process. Consider using best practice models for guidance in making process changes.
4. **Develop a multifaceted education campaign.** Target an affordable housing social marketing campaign to legislators and community leaders. Offer renter and homebuyer education to expand knowledge about available options. Engage civic and neighborhood associations to dispel fears and combat irrational NIMBY responses.
5. **Promote "Smart Growth" principles.** Consider developing or redeveloping sites which are proximate to jobs, schools, shopping and community facilities. Promote a living wage to foster sustainable communities.
6. **Plan and manage for growth.** Collaboratively develop a long range plan which incorporates strategies for deploying resources to insure the best possible affordable housing outcomes.

The willingness of stakeholders to participate in forums to jointly develop solutions to the County's affordable housing problem is a testament to their commitment, and the realization that a cohesive approach is essential to achieving the goal of meeting the affordable housing needs of Broward County residents.

INTRODUCTION

It is unquestionable that the need for affordable housing in Broward County far outstrips its availability. Traditional approaches have proven extremely limited in bridging the gap between affordable housing need and the ability to satisfy that need. Government programs, such as CDBG, HOME, SHIP and others, have had some positive impact on the problem, however, the affordable housing gap that remains requires specific approaches with proven effectiveness designed to overcome barriers and divergent interests endemic to the County. Hence nothing short of a carefully mapped strategy, tailored specifically for Broward County, will successfully resolve or begin to mitigate its affordable housing problem.

Based on Florida Statutes Chapter 420, and consistent with other public guidelines, housing is considered affordable when the monthly rent or mortgage payment does not exceed 30% of the median adjusted gross annual income for very low, low, and moderate income households. The 2004 median adjusted gross income for Broward County is \$57,700, based on information from the U.S. Office of Housing and Urban Development. Affordable housing is similar to market rate housing, except that it costs less because financing strategies make it possible to pass the savings on to lower income residents.

The severity of the affordable housing problem in Broward County is best depicted by considering the situation that currently exists for a significant number of residents. The “housing wage” is defined as the “amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area’s Fair Market Rent.”¹ Fair Market Rent, FMR, for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. The 2004 Fair Market Rent for a two bedroom apartment is \$742 per month. Broward County’s 2003 housing wage was \$15.90 per hour. Thus, an individual earning minimum wage would need to work 124.5 hours per week in order to afford this apartment. This poses a problem for housing affordability which, as indicated, is supposed to consume no more than 30% of household income.

In 2003, Broward County had an estimated 200,000 renter households (31% of total households), and of this number 49% were categorized as unable to afford a two bedroom apartment at the Fair Market Rent.² Projected population growth, new household formation, and upward pressure on housing and land costs for the next several decades, will only exacerbate the shortage of affordable housing. In fact, even with accelerated production, if no revisions are made to the Land Use Plan, the Broward County Office of Urban Planning and Redevelopment projects a net shortfall of almost 190,000 units, which would leave an estimated 461,770 individuals without housing.³

This adverse situation would disproportionately impact individuals and families with low to extremely low income, that is those earning less than 80% of area median income, including the working poor who, despite working at least 40 hours per week, are unable to meet their basic needs. To avoid such a situation, urgent action is required to ensure a wide range of housing opportunities and availability, including supportive housing and subsidized housing. It is already evident that the gravity of the situation has been discerned, and the need for urgent action grasped.

The Commission workshop on affordable housing reflected this awareness. Commissioners highlighted a number of issues, and reinforced the need for more concentrated effort to effectively address the problem. The Commission's commitment to this issue was also reflected in their decision to elevate affordable housing as one of its Challenge Goals. The workshop also served as a springboard for the Human Services Department (HSD) to solicit community input on the seemingly intractable affordability problem. The Human Services Department, as the organization responsible for providing affordable housing in the County, realized a problem of such magnitude would be more adequately addressed with a broad cross-section of stakeholder input and participation, and decided to obtain their input to determine and define the issues, and develop workable solutions.

The Department decided to obtain input through a series of facilitated focus groups, with representative stakeholders. Attendees included representatives from community development corporations, developers, lenders, the U.S. Department of Housing and Urban Development, the State of Florida Department of Financial Services, municipalities, public housing authorities, service providers, and Broward County Schools. Staff from various Broward County government offices also attended and participated in all the focus group meetings. The three hour facilitated forums were held December 2003 to January 2004. Professionally trained facilitators conducted each of the five focus groups, that intentionally comprised a diverse group of participants representing different interests.

Human Services Department and Broward County Planning Council staff, as a part of the proceedings, made informational presentations, at each meeting, on affordable housing communities in the County, affordable housing programs, and policies and regulations designed to promote affordable housing. The structure of the forums was based on identifying barriers to affordable housing, solutions to overcoming these barriers, and determining affordable housing priorities. The brainstorming format of each focus group meeting began with an "ice breaker" to stimulate participation, in which attendees were asked to share their vision of affordable housing victory for the County. Attendees were grouped to facilitate discussion on focus group agenda topics, and the presentation of organized thoughts at the plenary sessions. Participants were also asked at the end of each focus group forum to indicate the role they were prepared to undertake in implementing the solutions/recommendations presented.

The report also presents, for consideration in finding potential solutions to the County's affordable housing problem, proven practices that are being effectively used in other jurisdictions. In concluding the report, the essence of the focus group forums is presented, along with recommendations that represent a focused, determined and aggressive approach to develop or adopt measures and programs, that hold the key to mitigating, if not eradicating, Broward County's affordable housing problem.

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RESULTS/FINDINGS

Victory

Participants, in response to the facilitators, shared their vision of affordable housing “Victory” in Broward County. Notwithstanding the diversity of the attendees, a consensus quickly emerged in each of the focus groups, as to what would characterize a “Victory” in meeting the County’s affordable housing needs. The general portrayal was that there would be an adequate, attractive, well-constructed and well-maintained affordable housing supply. There would be mixed income and mixed use developments proximately located to transportation, public facilities, services, and amenities. Residents would experience an improved quality of life, health and family stability, and homelessness, blight and substandard housing would no longer exist. In accomplishing this, Broward County would become a national benchmark for successful affordable housing programs.

Barriers

Stakeholders were divided into groups to discuss and determine among themselves the most formidable barriers to developing an adequate supply of affordable housing in the County. They identified a number of obstacles that frequently reflected their particular interests/persuasions. Three themes emerged from this discussion.

The first theme on barriers centered around lack of resources, particularly funding, and included the lack of developable land and concomitantly high land costs, unaffordable property taxes and insurance, lack of living wages, lack of code enforcement and fair housing law enforcement, and the lack of a developer mandate to construct affordable housing. The lack of a developer mandate to build affordable housing was a grave concern. Many stakeholders noted that despite the County’s existing density bonus program, there is scant evidence that it has produced much affordable housing. In fact, despite the best efforts to obtain historical data on how much affordable housing the current density bonus has produced, it appears that the County does not track this information. Developers, and even planning staff, noted that the current program is difficult to use and, until changes are made, will continue to be of limited value in solving Broward County’s affordable housing crisis.

In some cases the restrictions imposed by federal and state funding streams have also acted as an impediment to greater production. Other participants felt strongly that the lack of code enforcement and enforcement of fair housing laws, while not the sole reasons for the serious lack of affordable housing, were nonetheless important contributors. These concerns coincide with the need to maximize existing resources and proactively seek additional resources. High property taxes and insurance, coupled with lack of living wages, were also identified as major hurdles facing lower income consumers. It was noted that many times a homeowner can make the mortgage payments, but it is the escrow

requirements which effectively keep affordable housing out of reach. Renters also experience this problem, as landlords pass these costs on to them in the form of rent increases.

The second theme pertaining to barriers raised issues concerning complex and fragmented government processes and outdated land use policies. Advocates of a “one-stop shopping” approach for both consumers and developers were common in the focus groups. Many felt the development process disregards users, and that there is little sharing of information in the initial stages which, almost without exception, results in sequential delays and, unnecessarily, drives up housing costs. Aside from the fragmentation and complexity, some participants observed that existing zoning laws, many enacted decades earlier, are a grossly inadequate vehicle to address the exponential population increase which Broward County has experienced in the last ten years, and which is expected to continue for the foreseeable future.

As in almost every problem area, the need for partnerships was also stressed. Participants articulated that while strong partnerships were not a sufficient solution on their own, that successful collaborations were definitely going to be an important aspect of a multi-pronged approach to affordable housing development.

The third theme related to barriers addressed attendees’ perceptions of a lack of political will on the part of elected officials and lack of understanding about affordable housing, both of which promote a “Not in My Backyard” (NIMBY) neighborhood syndrome. The need for officeholders to become effective and forceful affordable housing advocates was seen as a critical element in an overall strategy. Failing this, many participants felt the best redress would be the power of the ballot to elect representatives with vision and conviction.

Solutions/Preliminary Recommendations

The identification of solutions and formulation of recommendations to mitigate, if not resolve, the affordable housing problem was also a group activity. Each focus group offered solutions and preliminary recommendations for ways to overcome the obstacles which had been identified. Attendees also suggested ways in which each of the stakeholder groups could participate, however, governmental action was believed to be most critical to fomenting changes, which will ultimately produce the needed inventory of affordable housing.

The emphasis on home ownership has been stymied, to a great degree, by the unaffordability of the area’s housing, and the inability of the system to produce enough affordable housing to meet the ever increasing demand. The median price of a single family home in Broward County is currently \$254,400, which is far beyond the reach of the average person seeking to purchase a house here.⁴

The Focus Groups helped crystallize the reality that Broward County needs to drastically change its approach to the issues impacting housing affordability, if we are to stimulate affordable housing production that will even come close to meeting the growing need. Staff was, therefore, directed to research best practices to identify effective approaches in other jurisdictions that could be adopted, with the necessary modifications, to meet local housing needs. Discussion of each Focus Group recommendation is presented below and followed by a synopsis of the best practice research findings, which appear potentially beneficial in addressing Broward County's affordable housing problem.

Recommendation 1: Inclusionary zoning was a frequently mentioned solution. Participants discussed its effectiveness in stimulating affordable housing production in a number of other cities and counties. Inclusionary zoning is, briefly, a government regulation that requires housing developers to build "affordable" units along with market rate units, most often in exchange for an increased density allowance. The objective is that both types of units be built simultaneously and, where feasible, in the same location. Additional suggestions which related to the inclusionary zoning option included the need for an effective density bonus policy, consideration of in-lieu fees as opposed to a requirement to build affordable units, and creating other developer incentives to produce affordable housing.

The existing affordable housing provisions in the Broward County Land Use Plan (BCLUP) address density bonuses for affordable housing developers. The provisions, however, are quite complex and even seasoned developers have been unwilling to avail themselves fully of this opportunity. Policy 1.07 of the Broward County Land Use Plan addresses the creation of affordable housing programs in Broward County, mandating that by June 1996, all municipalities with a planned population in excess of 15,000 were to have such a plan in place. Article 8 of the Administrative Rules Document addresses a three-tiered density bonus density allocation based upon income categories (low, moderate and very low, in this order).

Qualifying parcels must be zoned to permit densities of at least 5 dwelling units per gross acre and may not exceed 50 units per gross acre. The bonus of 10% for moderate income persons may reach a maximum of 25% if the bonus is linked to the construction of an equal or greater number of bonus units for low or very low income housing. Combinations of bonus units, within the same development for different income targets, may not exceed 150% of the density of the underlying land use designation. Because a single database has not been maintained which tracks the usage of bonus density allocations, the County does not have an accurate accounting of how many affordable units have been produced under this program. The general consensus, however, both among County staff and the public, is that the density bonus program is not being adequately utilized as a tool in developing affordable housing.

Best Practice Research on Inclusionary Zoning: The literature on inclusionary zoning, almost unanimously, declares that voluntary inclusionary zoning does not work. The majority of governments which impose mandatory inclusionary zoning requirements also provide density bonus incentives to the developer, (and many provide additional benefits) to mitigate the financial impact of the requirement to build affordable units. Beyond this, there are many different variations on the same theme.

Mandatory inclusionary zoning has limitations, but yields the most affordable housing in a high demand, high volume market, which has developments of substantial size. Similarly, there does not appear to be any other mechanism currently or previously in use with the power to generate ample amounts of affordable housing with little or no cost to the local government. Today, several hundred local governments stretching from Burlington, Vermont, to San Diego, California, have some form of mandatory inclusionary zoning. Tallahassee, Florida, is expected to pass an updated mandatory inclusionary zoning ordinance before year's end. Montgomery County, Maryland however, is considered both the birthplace and the showplace of mandatory inclusionary zoning. The country's first mandatory inclusionary zoning ordinance was adopted there in 1973 and, after some internal wrangling, the first units were built in 1976. Since that time, over 10,000 affordable units, both rental and home ownership, have been produced.⁵

Florida Statute 125.01055 authorizes counties to enact legislation, with specific mention of "inclusionary housing" [zoning], for the purpose of increasing the supply of affordable housing. Inclusionary zoning practice is consistent with Policy 6.16 of the South Florida Regional Planning Council's Strategic Regional Policy Plan "Explore the development of inclusionary housing programs throughout the Region that encourage an affordable housing set aside in all mixed-use and large-scale market rate housing developments." Policy 6.15 recommends: "Promote regional incentives for the provision of affordable housing, including development of regional affordable housing production goals."⁶

A corollary to inclusionary zoning, "Smart Growth" principles, are rapidly gaining currency among planners in urban areas. Smart growth is generally considered growth that uses land more efficiently, preserves open space, promotes more affordable housing and creates walkable neighborhoods. These principles are being employed to guarantee concurrent development of infrastructure and amenities, as well as to maintain and improve quality of life and "sense of place." The basics of Smart Growth are highlighted in Goal 11 of the Strategic Regional Policy Plan. Specifically, the elements of that goal are: "Encourage and support the implementation of development proposals that conserve the Region's natural resources, rural and agricultural lands, green infrastructure and:

- utilize existing and planned infrastructure where most appropriate in urban areas;
- enhance utilization of regional transportation systems;

- incorporate mixed-land use developments;
- recycle existing developed sites; and
- provide for the preservation of historic sites.”⁷

Recommendation 2: Land banking, including the reutilization of escheated, vacant, abandoned and foreclosed properties was also proposed in the focus group forums as part of the solution to delivering more affordable housing. Land banking is the process of acquiring and holding land for revitalizing neighborhoods; and for preservation of open space, environmentally sensitive lands, and agricultural acreage; as well as for various types of development. Participants felt that a relatively low cost approach could be employed by inventorying available land and working with not-for-profits to develop these parcels. Some of the stakeholders felt that land assembly should be facilitated and that unused public land be included also. Others noted that it might be possible to convey foreclosed property, specifically to non-profits.

Best Practice Research on Land Banks: This strategy, which is being used throughout the United States and in other countries, has become a powerful tool in community efforts to eliminate slum and blight conditions and to produce affordable housing. Redevelopment of existing neighborhoods can be more cost effective when adequate infrastructure is already in place. When a jurisdiction agrees to waive liens, other cost savings may be realized. Such savings can be passed along to the buyers of home ownership or rental properties.⁸

St. Petersburg, Florida has realized success on several levels in their reuse program. In 1995, confronted with over 850 derelict properties, city officials began systematically redeploying escheated and abandoned properties back into the housing inventory. This simultaneously increases the supply of affordable housing and expands the tax base. In one case, the city waived \$13,600 in liens on a property, which was redeveloped with the construction of a single family home. The new property is expected to generate \$2,800 per year in property taxes, as opposed to the previous \$436 per year, which was nonetheless going unpaid. Thus, the payback period for the lien waiver was just under 6 years.⁹

Community Land Trusts are tangentially related to land banking and offer another strategy for developing and preserving affordable housing. Just as land banks can have a variety of purposes, community land trusts serve multiple needs. They may “build new homes, rehabilitate older homes, or acquire existing housing that requires little or no renovation. Some have bought mobile home parks to provide long-term security for mobile home owners. They may also make land available for community gardens, playgrounds, economic development activities, or open space, and may provide land and facilities for a variety of community services.”¹⁰

Best Practice Research on Community Land Trusts: Although generally thought of as vehicles for enabling lower income residents to obtain and maintain affordable housing, Key West’s Bahama Conch Community Land Trust (BCCLT)

has as its primary mission, the preservation of an historic neighborhood and way of life, in addition to job creation to help keep young adults in Key West. This vehicle offers the dual benefit of preventing the displacement of current residents as well as ensuring that the significant architecture of this area remains intact.¹¹ Begun as a grass roots community initiative in 1996, the BCCLT today owns outright a variety of properties, including single family homes, apartments, a Single Room Occupancy complex, and commercial developments. BCCLT also holds title to underlying land of single family homes and apartments.

Created as not-for-profit corporations, community land trusts retain perpetual title to the land, while individuals and organizations may own the structures on this land, thus enabling the trust to maintain significant control over affordability. This is particularly important in areas with very high housing costs. Community land trusts can be found throughout the country today in communities as diverse as Jackson Hole, Wyoming; Rochester, Minnesota; State College, Pennsylvania; Albuquerque, New Mexico; Portland, Oregon; Cleveland, Ohio; Boulder and Colorado Springs, Colorado; Burlington, Vermont; and Washington State's San Juan Islands.

Recommendation 3: Streamlining the development process for affordable housing developers proved to be another popular area mentioned for reform. Suggestions ranged from reviewing the current expedited permitting and inspections processes for greater efficiencies along with developing one-stop shopping for both affordable housing developers and consumers. Builders and developers across the nation have long been critical of the fragmented, complex, time-consuming and costly processes associated with residential and commercial development. One early 1980's study determined that the price of a unit increased by 1 to 2 percent for each additional month the development approval process takes.¹² It is not surprising, then, that many jurisdictions have taken steps to simplify and speed up these processes.

Broward County is not an exception in that regard. Efforts to streamline the development process date back to 1996, with the subsequent implementation, in February 1998, of new procedures to expeditiously handle developers' permit applications for affordable housing projects. The streamlined process included the coordination of activities among a number of County agencies that included the Development Management, Community Development, Engineering, Building and Permitting, Code and Zoning Enforcement and Traffic Engineering divisions, the Department of Natural Resource Protection, the Office of Environmental Services, the Fire Marshall, and the School Board.

The process, however, still has flaws that diminish its effectiveness. There is a lack of consistency, for example, with entities outside the County government system, such as the School Board. The School Board only waives fees for affordable units earmarked for very low income dwellers, whereas other entities in the process provide waivers for all three affordable housing categories --- very low,

low and moderate. The approval process is also slower with agencies external to the system, because it is not handled at the staff level. It is evident, therefore, that although some progress may have occurred in streamlining the development process, these and other critical defects impede its effectiveness and negatively impact housing affordability.

Best Practice Research on Streamlining the Development Process: Challenged by a growing shortage of affordable housing and the need to redevelop certain areas of the city, Dallas, Texas Mayor, Laura Miller, formed the Task Force on Affordable Workforce Housing in 2002. Assisted by a consulting firm, which provided *pro bono* services in developing the task force's final report, city officials earnestly began to implement the recommendations. Proposals included changing width requirements for residential streets, revising the process for utility hook-ups, modifying regulations concerning alleyways and improving coordination of the approval process among various city departments. One outcome of implementing the recommendations was that the time for making lots available for development was shortened to 60 days from 2 1/2 years.

By the spring of 2003, Dallas had 3,700 affordable housing units in the pipeline for the southern area of the city, and estimated that this number could almost double by year's end. Given that, prior to the adoption of the task force recommendations, a maximum of 50 affordable units would have been built in this sector in a full year, the exponential increase is testimony to the potential benefits of streamlining.¹³

In 1999, Debra Bassert, then Senior Land Use Planner for the National Association of Homebuilders, presented a paper on streamlining at the American Planning Association's National Planning Conference. Many of her 22 recommendations echoed those of the Human Services Department Focus Groups, which included the establishment of measures such as "a central permit information desk/one-stop permitting process; permit expediting/tracking; concurrent rather than additive or sequential reviews, wherever possible; the planning staff's handling of more decisions administratively; clearly specified time frames/limits for reviews and approvals, to ensure timely decisions; combined inspections; and regularly updated/reevaluated ordinances."¹⁴

While some of these changes would require legislative action, others could be approved and implemented administratively. Recently, the County's Community Development Division (CDD) and the Office of Housing Finance (OHF) embarked on a project to develop a universal funding cycle, and 2005 marks the first year that the requests for proposals for affordable housing development will be coordinated. This amendment will streamline the process and allow developers to plan their affordable housing projects, based on a better awareness of available funding, and make their development applications accordingly. It is anticipated that this change will be the first step in the ultimate goal of "one-stop shopping" for affordable housing developers.

Recommendation 4: Revision of land use policies was an area which participants felt was long overdue. Viable land use policies are critical for fomenting affordable housing development. The Focus Groups' consensus was that Broward's zoning policies "are broken" and need to be fixed. Participants recommended an increase in density; the encouragement of development in proximity to transit, amenities and services; as well as promoting mixed-use and mixed-income projects.

Best Practice Research on Land Use Policies and Zoning: A Harvard Institute of Economic Research 2002 study approached the concept of housing affordability in the context of the relationship of housing prices to the costs of production, and the authors found a "strong correlation between heavily regulated areas and high prices."¹⁵ Contemporary innovations in land use and zoning policies have shown that it is possible to build in flexibility without sacrificing integrity.

Smart growth, because of its emphasis on maximizing developable land, is also a feature of land use policies. The "smart neighborhoods" plan includes many of the principles of Traditional Neighborhood Development (TND), such as compact, mixed-use development. It also stresses the importance of different housing choices and transit that goes beyond the automobile to include provisions for bicycle and pedestrian traffic. The infill design incorporates elements of streamlining, which allow planning staff to approve the use of undersized parcels via administrative action.¹⁶

Columbus, Ohio, passed a TND ordinance in 2001, which utilizes a "point system" to rate how well a proposed development complies with the TND requirements, with the intent of providing guideposts for developers. Plymouth, Minnesota modified the required street width for a 627 unit development. The resulting savings, estimated at \$450,000, was so impressive, that the City anticipates the narrower width will become the norm, in those venues where this can be accomplished without a negative impact on public safety.¹⁷ Likewise, another similar area initiative known as the Marshall project, brought about a reduction in infrastructure costs of \$1,600 per unit.¹⁸

Recommendation 5: Create a locally dedicated funding source for affordable housing. It is axiomatic that without sufficient funding to provide an adequate supply, the acquisition of affordable housing will elude Broward County residents. However, our neighbor to the south, Miami-Dade County offers examples of such highly successful programs.

Best Practice Research on Dedicated Local Funding: Miami-Dade County's Documentary Stamp Surtax program generates approximately \$12 million each year to support the development of low-income and first time homebuyer affordable housing. Since its inception in 1984, proceeds from this surtax have totaled over \$275 million, providing funds to build over 12,000 rental units, as well

as providing second mortgages and housing rehabilitation financing for over 7,400 units.¹⁹ Many other local jurisdictions such as Chicago and Cook County, Illinois have locally dedicated funding sources to support affordable housing.

This is consistent with South Florida Regional Planning Council's Strategic Regional Policy Plan Policy 6.10: "Encourage local governments to identify and adopt new revenue sources to provide funds earmarked for use by eligible families to provide low-interest mortgages and down payment assistance."²⁰

Recommendation 6: Coordinate efforts between and among the County, cities and other entities to create a synergistic approach. Several observations touched on the lack of coordination and collaboration among governmental entities, and the perceived relative absence of private and not-for-profit sector participation, particularly community development corporations. Others lamented what they saw as the absence of long-term planning and vision.

Best Practice Research on Coordination: A current approach to dealing with what, in many communities, has become an affordable housing crisis, has been to hold housing summits. In 2002, the City of Los Angeles, California convened a Mayoral Housing Summit with stakeholders in attendance from business, academia, city staff and the non-profit developer community. The purpose was to engage all sectors in the effort to produce affordable housing in Los Angeles and, toward that end, develop an Action Plan with specific, measurable, achievable and time-bound steps.²¹

One of the first goals of the Los Angeles Mayoral Housing Summit was to review the city's Housing Trust Fund operations and make recommendations on strengthening this Trust Fund as a tool for affordable housing development. In November 2002, the Housing Trust Fund Advisory Committee issued its Report to the Mayor. Recommendations included developing a dedicated local revenue source to fund this trust, as well as securing private sector funding to generate additional resources and to "engender community-wide support for affordable housing."²² In order to increase momentum in affordable housing development, the city is also currently engaged in the process of passing an inclusionary housing policy.²³

Other communities, such as a consortium of eight counties in Colorado, have focused on the development of workforce housing, and this summit was targeted more directly to regional employers. This "dollars and sense" approach highlighted the employee turnover cost that the absence of affordable housing spurred, as well as various employer housing assistance options.²⁴

Community Development Corporations, or CDCs as they are referred to, are non-profit corporations with a primary mission of revitalizing blighted and failing neighborhoods. CDCs typically focus on real estate development, redevelopment or re-adaptive use, although some, such as the Philadelphia Association of

Community Development Corporations (PACDC), also undertake major job training programs. In the decade of the 1990's, PACDC developed over 1 million square feet of commercial space; 3,650 units of housing; created parks and community gardens from 750 vacant parcels of land; and provided job training to 7,000 local residents.²⁵

A 2002 Urban Institute study found that "Policy interventions of the sort represented by CDCs' community development investments can produce real results that are scientifically measurable."²⁶ In Portland, Oregon, the REACH Community Development Corporation helped catalyze improvements within the business district, resulting in an estimated 60% greater increase in property values than would have occurred without this intervention. A similar result was achieved in Denver, Colorado where a major housing rehabilitation produced neighborhood property value increases of 50% more than would have been posted without the HOPE Housing, Inc. project.²⁷

This story is replicated in New York City. Christopher Walker of the Urban Institute found that by 1991, CDCs were effective housing producers as a result of the continuous stream of city-owned (*in rem*) properties and financing from the city's Department of Housing Preservation and Development (HPD), which strongly supported nonprofit participation. As a result of the *in rem* program, funds flowed to the CDCs from several other sources, creating a highly structured financing system with established roles for the city, state, private lenders, CDCs, intermediaries and investors.

Broward County has the basic tool in place in Florida Statute 173 which provides for the foreclosure of municipal tax and special assessment liens through *in rem* proceedings against real property. This statute authorizes special procedures regarding the naming of parties to the actions and service of process, which may be conducted by certified mail to the last known address of title holders on record and other parties with a legal interest.²⁸

These are examples from but a few of the country's many successful CDCs. Walker concludes that the future, while potentially bright, will continue to pose challenges: "Over the coming decade CDCs will remain vulnerable to shifts in funding policies that could make it more difficult for them to carry out their traditional community development activities... That said, it is more likely that CDCs will diversify their agendas further ... Production, capacity building and leadership systems will support this diversification, which may include the creation of new relationships among city agencies, foundations, corporations, and financial institutions within community development, and in other policy areas as well."²⁹

Recommendation 7: Develop a Long Range Plan. An additional recommendation from the Affordable Housing Focus Groups was that Broward County needs to develop a long range plan to address the mounting shortage of affordable housing. If findings from other jurisdictions can be

generalized to Broward County, the inescapable conclusion is that government is not going to solve the affordable housing problem alone. A workable plan will involve commitment from all stakeholder groups. This will necessitate reaching out, inviting them to take a seat at the table and harnessing the collective creativity, energy and determination to bring about an affordable housing “Victory,” consistent with the vision articulated in the focus group forums.

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Additional Best Practice Affordable Housing Research:

Employer-Assisted Housing

The following table, reproduced in part, from a Rutgers University White Paper published in 2000, and attributed to David C. Schwartz, lists a variety of employer-assisted programs and some information about each: ³⁰

Types of Employer-Assisted Housing Programs

Types of benefit	Remarks
1. Group Mortgage Origination	Costs are shared with mortgage capital lender
2. Closing Costs Assistance	Can save worker up to \$3,000
3. Mortgage Guarantees	Low cost/low risk for employers
4. Group Mortgage Insurance	Relieves firms of contingent liability incurred with guarantee programs
5. Down payment loan a) Forgivable loans b) Reduced interest rates	Costs are pegged at or below recruitment or retention costs. Overcomes down payment problems for workers
6. Mortgage Buy Down Programs	Especially attractive to employers in banking and insurance.
7. Purchase of Securities	Reduces or eliminates need for a down payment. Employer can make a modest profit from a personnel benefit. Employee receives lower rate mortgage for down payment loan.
8. Purchase Guarantees	This benefit can be achieved by guaranteed purchase and volume discount arrangements between employers and developers
9. Housing Site Subsidy	Attractive to land rich employers. Can be structured as a land lease.
10. Construction Financing or Guarantees	Enables developers to save on construction financing costs in single and multi-family housing
11. Housing Trust Fund	A funding method particularly for unionized employees. It can fund many housing activities

According to Schwartz, “high housing costs are creating and/or exacerbating labor shortages; the loss of key personnel (to lower housing cost areas); diminished productivity (due to lateness, absenteeism and other commutation-related problems), unacceptable recruitment, retention and wage cost distortions; slowdowns in the growth of regional economies ...” ³¹

Fannie Mae has helped lead the way in Employer-Assisted Housing, having provided technical assistance to over 500 employers, both private and public. In the summer of 2003, Orange County and Orlando, Florida, together with Fannie Mae, the Orlando Regional Chamber of Commerce and the Florida Association of Realtors, rolled out a new employer-assisted housing program which was created to target homeownership in Central Florida. Earlier in the year, a Tampa Bay area health care corporation worked with Fannie Mae to design a forgivable down payment loan program for their employees. ³²

It is not known if this approach would be productive in Broward, as so many of the area's employers, other than governmental or health care organizations, are small businesses and may be unable to undertake the cost burden. However, it may be worthwhile to look further into this option for Broward.

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AFFORDABLE HOUSING PRIORITIES

Facilitators provided three categories – urgent, important, optional – and asked focus group participants to prioritize the recommended solutions they had articulated to address the lack of affordable housing. “Urgent” was defined as those actions which were absolutely and unequivocally required in order for the victory to be realized. “Important” was characterized as actions which were very desirable, and which would significantly enhance the ability to deliver affordable housing. “Optional,” as one might surmise, was determined to be those actions which would be helpful, but not categorically required. Predictably, there was no consensus among the focus groups regarding the level of priority to be given to addressing affordable housing issues and/or implementing recommendations presented. It was necessary, therefore, for reporting purposes, to summarize this information, and provide the essence of what emerged, in the major categories created below. A matrix of these priorities is also attached as Appendix 1.

Funding/Finance

While there was diversity of opinion on how to go about increasing funding, the groups were unanimous in their conviction that more financial resources must be brought to bear if we are to generate additional affordable housing. Suggestions ranged from creating a locally dedicated funding source for affordable housing development to providing additional tax incentives for developers and additional tax exemptions for low income buyers. Other creative possibilities included developing a co-op for building materials and using lower cost alternatives. The need to collaborate, layer funding streams and integrate funding sources was another common theme.

Acquisition and Development Impediments

While these barriers to developing affordable housing are somewhat related to those in the policy, program and process fragmentation section, participants broke these out somewhat differently, with a greater emphasis on use of existing resources. There were strong opinions about the need to develop an inventory of available land, create a land bank and encourage effective public/private partnerships to develop this land. Mixed-use and mixed-income developments were also advocated, together with the possibilities for adaptive re-use of existing structures such as hospitals, which were no longer in service for their original purposes.

Policy, Program and Process Fragmentation

The need to streamline, simplify, expedite, and coordinate were common threads in this category in all of the focus groups. Most participants felt that the development process is almost impossible for relatively inexperienced non-profit housing developers to navigate, and that it acts as a substantial deterrent to those with some experience. Participants also took aim at the County’s zoning laws and the need to amend them to accommodate the needs of a growing population.

“One-stop shopping” was frequently advocated as a way to help both the developers and consumers.

No Developer Mandates

Some participants saw a partial solution in creating developer mandates - if you require it, they will build. If you don't, they won't. There was general agreement that if developers are required to build affordable housing, such as with a mandatory inclusionary zoning program, that it must be paired with incentives such as density bonuses and expedited permitting. Some participants advocated for an “in-lieu” system, whereby a developer would be permitted to pay a pre-determined fee into a trust fund rather than having to actually build the units.

Consumer/Cultural/Financial/Educational Challenges

As with several of the other categories, education figured prominently as an important consumer issue. Participants acknowledged that low income individuals, in particular, oftentimes face multiple barriers ranging from credit issues to lack of information on homeownership. There was strong support in all focus groups for the school system and non-profits to play a larger role in this education component. Lenders were also prominently mentioned as needing to be more proactive in community education, particularly related to available products. Finally, a number of participants felt that despite Broward County government's commitment to paying a living wage, for too many workers, low wages will continue to be an obstacle to their ability to obtain and maintain affordable housing and, on that premise, advocated for a living wage ordinance for all of Broward County.

Lack of Vision/Political Will/Politics

Despite a lack of consensus on the level of importance regarding having political leadership with the vision, will and commitment to positively impact the affordable housing landscape, it was unanimous, however, that stakeholders should be educated about the problem. Participants from all the focus groups also opined that a collaborative effort was needed to establish goals, enhance lobbying efforts, and procure additional resources, but again there was no consensus on prioritization.

NIMBY-ism

NIMBY is an acronym which stands for “Not in My Backyard,” and is synonymous with negative stereotypes of affordable housing. There was substantial agreement on the need to combat these stereotypes with social marketing campaigns, enforcement of fair housing laws and showcasing of existing, attractive affordable housing developments. In addition to the need for marketing and vigilance in the legal aspects of affordable housing, focus group participants commented on the need for affordable housing to be well constructed, attractive and commensurate with the neighborhoods in which it is to be built.

At-Risk Populations

While this category was not uniformly addressed in each focus group, there was at least agreement with the importance of not leaving this population cohort behind in any affordable housing initiative. One group, in particular, made an effort to emphasize the point that at-risk populations, particularly those with disabilities, need special attention. The recommendation was made to maintain and expand supportive services within an affordable housing venue for these individuals.

Fraud

Consistent with the idea of making better use of existing resources, one focus group proposed better monitoring and financial auditing of organizations which receive public funding. It was also suggested that where criminal activities were determined to have occurred, well-publicized prosecutions would be justified.

Participants were also asked to indicate which of these potential solutions represented the likelihood of generating an immediate impact. Based on this, the following items emerged:

- Streamline access to additional local, State and Federal funding
- Provide a dedicated funding source (doc stamps)
- Develop an affordable housing marketing campaign
- Establish a broad outreach program
- Implement affordable housing education programs
- Publicize outreach activities
- Enhance outreach

ROLES AND RESPONSIBILITIES

Each Focus Group also had a session in which participants articulated actions that individuals/consumers, the private and non-profit sectors could take. The following is a summary:

Citizens - Consumers: Take action to fix faulty credit; participate in the political process to mandate affordable housing; utilize renter, buyer education programs; develop job skills; participate in the community education process; and learn how to “network” with other stakeholders.

Private Sector: Commit to provide affordable housing as developers, lenders, realtors; provide technical assistance and help capacity building of not-for-profits; develop and promote more effective consumer education, outreach and diversity programs; advocate for and pay a living wage; provide more affordable child care; become a “champion” of affordable housing and carry the message to public and elected officials countywide; and attack predatory lending.

Not-for-Profits: Request and utilize private sector technical assistance to build capacity; become educated and advocate for the use of “Best Practices” in affordable housing; participate in the education of affordable housing consumers, the general public, the private sector and government entities as to the benefits of affordable housing; lobby elected officials to develop mandates for affordable housing; focus on extremely low income and other at-risk/special needs populations and seek additional federal, state and private funding streams.

Participants showed their commitment to become involved in shaping the county’s affordable housing landscape, in their response to the facilitators request to indicate the role they were willing to play and the resources they had to offer.

COMMITTED ROLES AND RESOURCES:

Affiliation	Potential Resources
Lenders	Assist in development of land bank; increase affordable housing lending; provide additional grants; banks mentoring in high schools; facilitate financial literacy programs with not-for-profits; leverage existing subsidy; lobbying
Developers/Realtors	Homebuyer education courses; educating and lobbying elected officials on affordable housing; promote fair housing; donate time
Community Development Corporations	Work toward process simplification; create “showpiece” developments; lobbying; identify additional funding sources; consumer education; develop affordable rental housing for special needs; market affordable housing through publications.
Municipalities	Education on NIMBY-ism; deeper homebuyer subsidies; coordinate countywide growth management effort; reduce or waive impact

	fees; implement mixed use zoning; coordinate transit and redevelopment efforts; undertake municipal beautification programs; identify available land; provide stakeholder education;
Not-for-Profits/Service Providers	Offer to partner with for-profits; research innovative programs and strategies; provide life skills training; seek philanthropic contributions; increase community awareness of homelessness; advise homeless on available resources; establish partnerships; provide quality supportive services; implement physical rehabilitation of housing stock;
Public Housing Authorities	Set aside additional extremely low income funding; develop consortium for funding, marketing, supportive services, credit and housing counseling; advocacy, education
Others	Advocacy; speakers bureau; develop presentations for various segments of community; community education
County staff	Streamline relevant processes; use of County-owned property for affordable housing development; seek additional funding streams; facilitate a universal application for funding; develop "one stop" shopping; publicize fair housing plan; stress the importance of planning for continued population growth and housing affordability; encourage transit near affordable housing; research and propose strategies to generate affordable housing units;

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CONCLUSION AND RECOMMENDATIONS

The facilitated focus groups, that the Human Services Department sponsored, brought considerable enthusiasm and a wealth of ideas toward discussing and developing solutions to address Broward County's seemingly intractable affordable housing problem. The focused half-day deliberations shed light on a number of issues, and each of the five groups jointly crafted and prioritized strategies it believed offered the most effective approach. Although some of the suggestions reflected individual affiliations, common threads were evident and sufficient unanimity emerged to reach a consensus on several issues. The incorporation of information from the South Florida Regional Policy Plan (SFRPP) strengthened the report and publicized the measures being considered in another arena to address the County's and the Region's affordable housing problems. Despite the broader focus of the South Florida Regional Policy Plan, there was no apparent divergence from ideas presented in the focus groups, and the report cited several consistent approaches to dealing with the lack of affordable housing. The South Florida Regional Policy Plan may be viewed online at <http://www.sfrpc.com/srpp.htm>

It is evident from the focus groups and the South Florida Regional Policy Plan that stakeholder collaboration is indispensable to successfully resolving, or even mitigating, the affordable housing problem. Collaboration provides the opportunity to distill ideas and potential solutions from different sources, representing a variety of interests, and increases the likelihood of greater effectiveness. It also allows an examination of the problem through a wider lens, reduces fragmentation, diminishes duplication, and facilitates the maximization of available resources. It is a behemoth too large and complex for any one entity operating singularly to effectively tackle. The focus groups, therefore, represent the first step in reaching out and soliciting broader participation to accomplish the affordable housing goal. Key stakeholders are needed at the helm to steer the process, maintain focus, and ensure the adoption of the most effective approaches.

Broward County is in a period of extraordinary challenges to meet not only the affordable housing needs of its existing residents, but the projected, exponential housing need of the next two and a half decades. The lack of developable land, and associated prohibitive land costs, has created a dire situation that requires immediate and appropriately crafted responses to counteract the consequences. Based on the information gathered in the focus group meetings, the material presented from the South Florida Regional Policy Plan, and staff's best practice research incorporated in the report, the following recommendations emerged:

1. **Increase and maximize resources.**
2. **Update land use policies to support affordable housing.**
3. **Streamline the development process.**
4. **Develop a multifaceted education campaign.**
5. **Promote "Smart Growth" principles.**

6. **Plan and manage for growth.**

Working together, taking bold steps, and believing in the goal of affordable housing for all Broward County residents, we **will** achieve the “Victory.”

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FOOTNOTES

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APPENDIX 1

Affordable Housing Focus Groups Priorities Matrix

Issue/solution	Urgent	Important	Optional
<u>Funding/Finance</u>	<ul style="list-style-type: none"> ●Generation of additional resources ●Universal funding ●Provide deeper subsidies (homebuyers) ●Provide deeper subsidies ●Dollars incentives housing assistance ●Collaboration of funding sources ●Financial incentives ●Collaborate between cities on housing assistance ●Improve formula/subsidy levels ●Fair and targeted distribution of funds ●Develop consortium funding ●Involve the private sector in affordable housing and dollars for affordable housing ●Create local innovative programs with existing funds ●Legislation allowing creation of local funds for affordable housing 	<ul style="list-style-type: none"> ●More funds allocated to new homeowners and those who rehab homes ●Devote more federal money to affordable housing ●Seek philanthropic contributions ●Acquire sources of additional funding for affordable housing ●Support transitional housing projects ●Provide consistent municipal funding to programming with proven results ●Integrate sources of funds ●Increase down payment assistance ●Emphasize very low income housing ●Use sections for home ownership ●Waive development fees for concessions ●Integrate sources of funds ●Emphasize very low income housing ●Provide a dedicated funding source (doc stamps) 	<ul style="list-style-type: none"> ●Create tax exemptions for low income buyers ●Identify funding sources ●Create co-op for building materials ●Seek alternative low cost housing construction methods ●Increase housing rehab funding for clients ●Reduce administrative costs and increase program funds ●Increase available funding ●Provide tax credits for developers ●Provide set aside for ELI (ordinance) mandate ●Funding layering ●Provide incentive for owner-occupied vs. investors ●Streamline grant process ●Reduce up front development impact fees ●Coordinate funding distribution ●Increase funding sources ●Increase public funding ●Emphasize housing for very low income
<u>Acquisition and Development Impediments</u>	<ul style="list-style-type: none"> ●Establish land bank for affordable housing ●Provide inventory and land assembly ●Non-profit/ for profit partnerships ●Encourage public/private partnering ●Effective use of developer incentives ●Develop mechanism to effectively deploy resources ●Inventory and evaluate use of existing resources ●Provide incentives for mixed-income development 	<ul style="list-style-type: none"> ●Facilitate land assembly ●Increase densities for affordable housing ●Land bank ●Technological advancement ●Promote creative housing alternatives (mixed use) ●Promote mixed income housing projects ●Encourage "mixed use" projects ●Public/private partnerships to reduce housing costs ●Build more apartments higher - transportation ●Encourage "smart growth" projects Encourage "smart growth" projects ●Use public land for affordable housing ●Government acquire land for affordable housing ●Use empty hospitals ●Collaboration - better access to land surplus (government owned) 	<ul style="list-style-type: none"> ●Develop incentives for building/rehab of affordable housing ●Build up ●Redevelop at higher density ●Create a land bank ●Accelerate vacant land acquisition and development ●Encourage public/private partnerships ●Aggregate land parcels ●Convey foreclosed property ●Utilize eminent domain ●Improve infrastructure in selected corridors ●Improve utilization of density bonus program
<u>Policy, Program and Process Fragmentation</u>	<ul style="list-style-type: none"> ●Streamline all relevant processes ●Local government: dialogue with lenders/developers/non-profits ●Increased public/private collaboration ●Facilitate information sharing (governments and non-profits) 	<ul style="list-style-type: none"> ●Develop one-stop shopping for affordable housing ●Streamline process ●Create one-stop shopping for developers ●Coordinate, simplify, cooperate ●Expedite permitting process 	<ul style="list-style-type: none"> ●Create incentive for demolition ●Create one stop processing/permitting ●Create one stop shop for affordable housing developers ●Simplify development processes ●Accelerate movement through processes

	<ul style="list-style-type: none"> ●Eliminate poor performers ●Establish benchmarks, report and measure results ●De-Balkanize Broward ●Expedite approval process ●Expedite demolition process for blight 	<ul style="list-style-type: none"> ●Private/public partnerships to reduce housing costs ●Simplify the development process ●Coordinate efforts between county and cities ●Improve/Implement effective plan ●Improve zoning laws ●Redistribute Broward ●County land use plan housing capacity ●Improve mass transit ●Involve private sector in decision making ●Provide adequate planning 	<ul style="list-style-type: none"> ●Code enforcement (selective) ●Simplify government processes ●Partnerships ●Add flexibility to zoning rules ●Fix zoning ●Develop a long range plan ●Develop and implement action plan with timetable for addressing affordable housing barriers ●Authorize administrative abilities ●Develop cohesive partnerships among key stakeholders ●Create a coordinating agency
No Developer Mandates	<ul style="list-style-type: none"> ●Universal Funding ●Provide deeper subsidies (homebuyers) ●Mandate fee by developers for affordable housing ●Involve the private sector in affordable housing and dollars for affordable housing ●Non-profit organizations to develop housing for at-risk population ●Enact inclusionary zoning with buy-out ●Adopt requirements for affordable housing 	<ul style="list-style-type: none"> ●Legislate inclusionary zoning ●Develop/implement density bonus program ●Require set-asides, eg, inclusionary zoning ●Provide incentives to developers ●Increase developer participation ●Enact mandates for mixed-use residential developments 	<ul style="list-style-type: none"> ●Aggressively implement density bonus program ●Develop and implement inclusionary zoning (land) ●Research density programs ●Encourage affordable housing with incentives ●Implement inclusionary zoning ●Government require affordable housing ●Strengthen legislation (require it)
Consumer/ Cultural/ Financial/ Educational Challenges	<ul style="list-style-type: none"> ●Financial literacy programs in schools (local lenders) ●Effective job-training and educational assistance ●Provide more and better job training ●Increased consumer education forums ●Attack predatory lending ●Financing and education savings ●Banking presence in underserved areas ●Provide "Money Smart" facilitators (FDIC program) ●Form commission for affordable housing for stakeholder education ●Local corporations provide outreach/diversity programs ●Develop programs to educate immigrant populations ●Train homeowners and renters on fair housing and realtors ●Provide affordable housing services continuum ●More accessible community forums ●Develop/promote marketing campaigns (education) ●Diversify the economy ●Explore mechanism to incentivize living wage in Broward ●Implement living wage 	<ul style="list-style-type: none"> ●Diversity training - everyone ●Form commission for affordable housing ●Extend living wage ●Legislation for better living wage ●Go into homeowners associations and town meetings to educate people on what is available and the process of purchasing homes ●Home buyers workshop ●Form Speakers Bureau ●Prevent bankruptcy credit issues ●Consumers availability ●Bankers ●Create more certified non-profits to do consumer education ●Develop programs in the education system ●Educate the public about affordable housing programs (housing assistance) ●Educate financial community on available assistance ●Provide homebuyer workshops ●Homebuyers workshop to include credit managers, knowledgeable bank employees and speakers on creative funding ●Develop affordable housing marketing campaign ●Develop consumer education workshops ●Develop/promote marketing campaigns (education) ●Educate the community about existing affordable housing grant programs ●Establish a broad outreach program 	<ul style="list-style-type: none"> ●Begin consumer education in schools ●Provide credit solutions with bureaus ●Involve local lenders in an education campaign ●Increase accessibility to consumer education workshops ●Provide workplace education ●Publicize education programs ●Consumer education. ●More outreach to consumers ●Expand outreach efforts ●More qualified trainers ●Involve clients in resolving their credit issues ●Counsel consumers on credit ●Increase earning power ●Provide more affordable child care ●Develop better job training ●Expand living wage throughout Broward ●Propose 3 year insurance policies ●Create stable jobs with income growth ●Network (stakeholders) ●Involve stakeholders collaboratively

		<ul style="list-style-type: none"> ●Implement affordable housing education programs ●Publicize outreach activities ●Enhance outreach ●Public relations, telethon, adopt family or individual, go give awards above and beyond. 	
<u>Lack of Vision/Political Will/Politics</u>	<ul style="list-style-type: none"> ●Elect a real visionary ●Politicians required to live in poorest Community in district for 30 days ●Educate officials on benefits of Affordable housing ●Government: tell the development community what your target area and projects are and then stick with them long enough to get them done ●Hold symposium for elected officials' education ●Set vision plan for growth 	<ul style="list-style-type: none"> ●Elect visionaries ●Create political will to change status quo (Elections) ●Coordinate political process into growth management process ●Educate decision makers on benefits of affordable housing ●Form commission for affordable housing 	<ul style="list-style-type: none"> ●Elect and support good visionaries ●Expand public evaluations of officials in the areas they propose to support ●Establish commitment guidelines to community services for politicians ●Lobby for affordable housing needs ●Monitor community treatment to affordable housing ●Hold government accountable for specific housing goals ●Create specific goals for government ●Develop priorities for housing ●Gather information about your elected official's affordable housing policies ●Enhance lobbying efforts ●Create/Develop legislation (up, down and across) ●Establish common goals and common definitions ●Advocacy ●Partnerships
<u>NIMBY-ism</u>	<ul style="list-style-type: none"> ●Create mixed income communities ●Develop social marketing campaign ●Develop/promote marketing campaign ●Launch marketing efforts on benefits of mixed-income housing ●Enforce fair housing laws ●Enforce fair housing ●Demonstrate attractiveness of affordable housing ●Show examples of existing successful programs ●Demonstrate successful projects ●Encourage existing homeowners to participate in development process ●Show reduction of transportation costs by siting affordable housing near work sites. ●Make affordable housing the "norm" ●Change name to Workforce Housing ●Encourage neighborhood associations 	<ul style="list-style-type: none"> ●Create a showpiece ●Create a showpiece ●Create a showpiece ●Fair Housing: Compliance and Strength ●Conduct social marketing campaign ●Showcase affordable housing developments ●Showcase Best Practices ●Develop "PR" for public on "good" affordable housing projects ●Develop affordable housing marketing campaign 	<ul style="list-style-type: none"> ●Enforce fair housing laws ●Enforce fair housing laws (education) ●Develop model affordable program - i.e., model homes quality ●Eliminate stigma of affordable housing ●Quality housing match neighborhood ●Offer neighborhood incentives, dollars ●Education for politicians/applicants ●Personalize application process (housing assistance) ●Advertise public incentives ●Start financial education early (high school) ●Trained consumer/politician ●Find a champion ●Provide education ●Provide more affordable child care ●Organize public involvement groups ●Educate the NIMBIES ●Enforce fair housing laws ●Construct quality housing
<u>At-Risk Population</u>	<ul style="list-style-type: none"> ●Increase long term hospitals for mental health ●Develop more services for at-risk population 	<ul style="list-style-type: none"> ●Renovate old hotels or build bigger shelters while educating 	<ul style="list-style-type: none"> ●Provide/maintain supportive services
<u>Fraud</u>		<ul style="list-style-type: none"> ●Better auditing agencies/organizations ●"Splashy" prosecutions ●Better financial monitoring 	

APPENDIX 2

A GLOSSARY OF AFFORDABLE HOUSING TERMS PUBLISHED BY THE FLORIDA HOUSING FINANCE CORPORATION AT <http://www.flhousing.org/glossary.asp>

501(c)(3) - Section of the Internal Revenue Code that addresses the requirements that an organization must meet in order to be considered a tax exempt organization. Many people refer to agencies that have obtained a tax exempt status as a “501(c)(3).”

ADA - Americans with Disabilities Act—Provides federal civil rights protection to individuals who are physically or mentally disabled. The ADA prohibits discrimination against the disabled in employment, public services, public accommodations, and telecommunications. Entities that are covered by the ADA must make reasonable accommodation which involves adapting programs, facilities, or work places to allow disabled individuals to participate in the program of services. (HUD’s Access to Housing for Persons with Disabilities, (202) 708-3287).

Adjusted for Family Size - Income limits that are either increased or decreased based on the number of persons in the household being assisted. For most housing programs, U.S. HUD determines the income limit for a family of four, and then increases the limit by a fixed amount for each additional person over four, or subtracts that fixed amount for each person less than four.

Affordability Period - The time period for which rent restrictions or resale restrictions apply to housing that has been assisted by government funding.

Affordable Housing - Housing is considered to be affordable if monthly housing cost does not exceed a certain percentage of a family’s monthly income. The acceptable percentage usually ranges from 30-35 percent of a family’s monthly income.

Amortization - A plan for paying off a financial obligation by making periodic installment payments over a set period of time, at the end of which the loan balance is zero. Often mortgages have a 30 year amortization, requiring the borrower to make 360 equal monthly payments.

Annual (Gross) Income - Total income (earned, unearned and asset income) anticipated to be received by all persons who currently reside or intend to reside in a program assisted-unit for the coming 12-month period. When determining whether a household is income eligible, local governments, participating jurisdictions and project owners must use one of the following three definitions of annual income: (1) annual income as defined at 24 CFR section 5.609 (except

when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's primary residence may be excluded from the calculation of net family assets); or (2) annual income as reported under the Census long-form for the most recent available decennial Census; or (3) adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

Annual Report - A yearly report of an organization's or government's financial statements and accomplishments.

Appraisal - In real estate, the estimate of the value of real property. The most common method for single family units is the sales-comparison approach in which the estimate of value is obtained directly from experiences in the real estate market (see "comparable" below).

Appreciation - Increase in the value of property due to improvements made to the property or surrounding area/neighborhood by the owner or other parties, including the government and/or more general market forces. Commonly, and incorrectly, used to describe an increase in value through inflation.

Articles of Incorporation - Legal document submitted to a designated officer of the state for permission to commence business as either a for-profit or non-profit corporation. The articles of incorporation, or charter, state the purpose, rights and duties of the corporation.

Assets - Cash or non-cash item that can be converted to cash. Under most federally and state funded housing programs, the income from an asset, either actual or imputed, is included in a family's total household income.

Audit - An examination of the financial or administrative records of an organization or governmental entity to ensure that they are complete and accurate.

Back-End Ratio - (i.e., debt ratio) A calculation used by the lender to determine if the amount of income less debt is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (PITI) and dividing it by the sum of the gross monthly income minus the total monthly debt payments of the applicant. The maximum ratio varies from 32% to 40%, depending on the loan and program applied for. In other words, no more than 40% of the applicant's income less debt should be set aside for the monthly mortgage payment.

Balance Sheet - A financial statement showing a "snap-shot" of the assets, liabilities and net worth (fund balance) of an organization on a given date.

Bond Money or Bond Program - See "MRB – Mortgage Revenue Bonds."

Bylaws - The rules governing the internal affairs of an organization or governmental entity.

CAA - Community Action Agency - CAAs were organized in the 1970s with the goal of eliminating the causes, conditions, and effects of poverty. A CAA may be a private, non-profit, tax-exempt corporation or a department within local government. CAAs may operate a variety of programs that serve low income and elderly residents of the community, including emergency home repair, weatherization, food distribution, employment counseling, homeless assistance, transportation and Headstart. CAAs generally receive funding from a variety of federal, state, local, and private sources. Sometimes referred to as CAP (Community Action Program) agencies.

Cash Flow - Revenue less expenditures over a set period of time.

Catalyst Program - Affordable Housing Catalyst Program - The Catalyst Program, administered by the Florida DCA, Bureau of Community Development, provides training and technical assistance to local governments and community-based organizations to assist in developing capacity to undertake affordable housing and specifically in the implementation of the CDBG Small Cities, HOME and SHIP programs. (Catalyst Program, DCA, (850) 488-3581).

CDBG - Community Development Block Grant - The U.S. Department of Housing and Urban Development (HUD) administers two CDBG programs. Under the CDBG Entitlement Program, HUD provides funds directly to urban counties and metropolitan cities based on a population-based formula. The CDBG Small Cities Program, administered by the Florida DCA, Bureau of Community Development, awards grants on a competitive basis to non-entitlement counties, cities, and towns in Florida.

CDC - Community Development Corporation - A CDC is usually a local, non-profit entity organized to address long-term community revitalization by building affordable housing, assisting or starting small businesses, and creating jobs.

CHDO - Community Housing Development Organization - Under the HOME Program, a CHDO is a private, non-profit, 501(c)(3) tax exempt organization that has, among its purposes, the provision of decent, affordable housing to low- and moderate-income persons. CHDOs must, among other things, have demonstrated capacity for carrying out activities funded with HOME funds, and must maintain at least one-third of its governing board's membership for residents of low income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations. Further information can be found in the HOME Rule, 24 CFR, Parts 91 and 92.

Closing - The final procedure in a real estate sale, in which property ownership is transferred in exchange for an agreed upon payment.

Collateral - Assets pledged to secure a loan.

Comparable - In the sales-comparison appraisal method, a property that closely resembles the property for which a value is being estimated. A comparable should closely resemble the subject property with respect to property rights, conditions of sale, market conditions, financing terms, location, and physical characteristics.

Compliance - The act of meeting requirements and conditions specified in statutes, rules and/or federal laws regarding the CDBG Small Cities, HOME, SHIP, or other state and federal housing programs.

Consolidated Plan - A plan developed by a local government which describes the needs, resources, priorities, and proposed activities to be undertaken with funds provided under various federal programs. A consolidated plan is required for all participating jurisdictions.

CRA - Community Reinvestment Act - enacted by Congress in 1977, states that banks and savings institutions have an affirmative obligation to serve the public, and especially to help meet the deposit and credit needs of local communities in which they are chartered, including the needs of residents in low- and moderate-income neighborhoods. Failure of an institution to meet these needs can result in a financial institution being unable to expand or merge with another lender.

Credit Underwriting - A process used by lenders (including government lenders) to evaluate the feasibility of a rental development, i.e., whether project income will be sufficient to pay the loan and operating expenses.

DCA - Department of Community Affairs - DCA fulfills three major roles in developing and implementing policy in the State of Florida which are: housing and community development, emergency management, and resource planning and management. DCA's activities are accomplished through the following: providing technical assistance; planning projects; administering grant programs; reviewing plans, programs and developments; intergovernmental coordination; and, fostering public/private partnerships.

Debt Service - Loan principal and interest payments.

Deed - A legal instrument that transfers property ownership from one party to another.

Deferred Payment Loan - Funds provided to a borrower under terms that calls for repayment to be delayed for a certain length of time, until certain circumstances change, or a certain threshold is met. In housing programs, deferred payment loans are often used as a recapture mechanism. In home ownership programs the loans often become due when the assisted family sells the home. Under rental programs the loans often become due if the affordability requirements are breached. In most housing programs these loans have an interest rate of zero percent; in some communities interest does accrue.

Demographic Data - Information about the characteristics of human populations, including size, income, age, wealth, race, ethnicity, gender, housing conditions, etc.

Developmental Disability - Florida Statute 393 defines “developmental disability” as a disorder or syndrome which is attributable to retardation, cerebral palsy, autism, or spina bifida and which constitutes a substantial handicap that can be reasonably be expected to continue indefinitely.

DRI - Development of Regional Impact - Large-scale developments that are required to undergo a comprehensive regional impact review prior to local government approval. The review process is coordinated by a regional planning council (RPC). Among other considerations, the RPC must consider whether nonresidential DRIs ensure the availability of accessible housing for use by the employees of the development. The Adequate Housing Standard Rule, 9J-2.048 F.A.C. was adopted by DCA in 1993.

DSM - Demand Site Management - DSM programs are implemented by several utility companies in Florida and across the country to help commercial and residential utility customers improve the energy-efficiency of their homes and businesses. By reducing some demand for energy, these conservation programs help utilities avoid the costly production of new power plants. Florida’s private investor-owned utility companies (Gulf, Florida Power, Florida Power & Light, Tampa Electric) and several municipal utilities are required by regulation to offer DSM programs to their customers. They commonly offer educational materials, rebates on efficient materials like insulation, and load management programs.

EAR - Evaluation and Appraisal Report - This is a report that each local government must initially prepare five years after the adoption of its local government comprehensive plan to look at how the plan is working. It is required to be reviewed periodically thereafter. The EAR is intended to reflect changes in state policy on planning and growth management. The EAR must set forth the “actions” or “plan amendments” that are necessary to respond to changes in growth policies and updated information on local conditions.

Eligible Household - An individual, family or group of individuals living together as a unit, determined to be of very low- to low-income for participation in the CDBG Small Cities or HOME programs and ranging from very-low up to moderate-income for participation in the SHIP Program.

Engauge - The Energy Gauge - A Florida specific energy rating system that relies on computer software to calculate the energy-efficiency level of a building. Engauge estimates the annual energy costs of a house and suggests specific home improvements to increase the house's level of efficiency.

Equity - The market value of real property, less the amount of existing debt or liens.

Fair Housing Act - The Fair Housing Act makes it illegal to deny housing, refuse to rent, sell, or negotiate, or offer different terms and considerations because of race, color, religion, sex, national origin, handicap, or familial status. If you suspect violation of the Fair Housing Act or want more information, you may contact the U.S. Department of Housing and Urban Development, Fair Housing, 451 7th Street, SW, Washington, D.C. 20410, 1-800-669-9777.

FHFC – Florida Housing Finance Corporation - The FHFC's mission is as follows: (1) finance affordable housing for very low-, low-, and moderate-income people; and, (2) to stimulate the home building industry. The FHFC obtains funds through program revenues and by issuing bonds that are secured by mortgages taken in exchange for the FHFC's loans. The FHFC also receives appropriations of federal grants and tax credits as well as Sadowski Act documentary stamp tax revenues to finance affordable single- and multi-family housing to be occupied by very low-, low-, and moderate-income persons (FHFC, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329 (850) 488-4197).

FHO - Fair Housing Ordinance - A FHO is required of all localities participating in federal programs. It makes illegal any discrimination based on race, color, ancestry, religion, sex, national origin, familial status or handicap.

Financial Statements - Written record of the financial status of an individual, organization or governmental entity. Statements commonly include income statement, balance sheet, cash flow statement, and if the organization is a non-profit, a funds balance statement.

Financing Fee - money charged by a lender to originate a loan. The fees are based on a percentage of the loan amount, and one point is equivalent to 1 percent.

Foreclosure - The legal process a lender uses to exercise its right to force the sale of a property to gain repayment of mortgage debt. Generally, lenders exercise this right when a borrower has failed to make timely payments.

Front-End Ratio - (i.e., income ratio) A calculation used by the lender to determine if an applicant's income is sufficient to afford the monthly payment. It is calculated by taking the monthly mortgage payment (principal, interest, taxes and insurance) and dividing it by the gross monthly income of the applicant. The acceptable ratio for affordable housing is between 30-35%. In other words, no more than 30-35% of the income should be set aside for the monthly mortgage payment.

Grants - Gifts of money given by foundations, or federal or state government, without expectation of repayment.

Gross Income - See Annual (Gross) Income.

HOME - HOME Investment Partnerships Program - The Home Investment Partnerships Program was enacted in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act. HOME funds are allocated on a needs-based formula to state and local governments designated participating jurisdictions (PJs) and require non-federal match of HOME dollars. The Florida Housing Finance Corporation (FHFC) administers the state's HOME program. (HOME, FHFC, (850) 488-4197).

Household - Individual, family, or group of individuals living together in a unit.

HUD - U.S. Department of Housing and Urban Development - The department within the federal government that is mandated by Congress to create conditions for every family to have decent and affordable housing, to ensure equal housing opportunities for all, and to strengthen and enrich the nation's communities. Offices are located at the national and state levels. HUD Locator for general information: (202) 708-1422; Affordable housing information center: (800) 998-9999. The State Coordinators' Office (serves South Florida): José Cintrón, Director, 1320 South Dixie Highway, 5th Floor, Coral Gables, Florida 33146-2911; (305) 662-4510; fax: (305) 662-4519; e-mail: Jose_Cintron@hud.gov; web site: http://www.hud.gov/local/fso/fso_home.html. The Jacksonville office (serves North and Central Florida: 301 West Bay Street, Suite 2200, Jacksonville, Florida 32202; (904) 232-2627; fax: (904) 232-3759; web site: http://www.hud.gov/local/jkv/jkv_home.html).

Income Statement (Profit and Loss) - Summary of revenues, costs and expenses for a business over a period of time.

Ineligible Household - An individual, family or group of individuals whose household characteristics or income prevent it from meeting the eligibility requirements of a program.

Interest - The financing fee for a loan, usually calculated on a percentage of the amount loaned spread over the term of the loan.

Investor - An organization, corporation, individual or other entity that acquires an ownership position in a project, thus assuming risk of loss in exchange for anticipated returns.

Lease-up Period - The amount of time it takes for a building, such as multi-family housing, to reach a stable occupancy rate and income stream.

Leveraging - Using a small amount of funds to attract other funds, including loans, grants and equity investments. The premise of leveraging is to use public dollars in conjunction with private dollars to increase the number of affordable housing units that can be produced.

Liabilities - A general term encompassing all types of debts and obligations.

Lien - Recorded claim against a property whereby the property is security for a debt. Under certain circumstances, the holder of the lien is entitled to have the property sold to satisfy the debt. A lien is an encumbrance against the property.

LIHTC - Low Income Housing Tax Credit - A competitive federal program administered by the state which grants income tax credit to developers who build or substantially rehabilitate affordable rental housing. The tax credits are used to raise project equity.

Load Management Programs - Load management programs can contribute to affordable housing by reducing the customers monthly utility bill, thereby creating more disposable household income. Some electric utilities use load management programs to reduce “peak demand” and work as follows: (1) certain times of the day and year, “peak demand” occurs, defined as a majority of utility customers simultaneously demanding a great deal of energy (such as on a weekday morning when households prepare for work and school); (2) using radio controllers, the appliances (i.e. water heaters, air conditioners) of program participants are turned off for fifteen minutes during peak demand periods; and lastly, (3) customers experience a reduction in their utility bill as a reward for program participation.

Loan - Loans are often referred to as debt financing and must be repaid according to a fixed payment schedule, generally with interest. Use of a deferred payment loan is common in affordable housing. In a deferred payment loan, funds provided to a borrower under terms that calls for repayment to be delayed for a certain length of time, until certain circumstances change, or a certain threshold is met. In housing programs, deferred payment loans are often used as a recapture mechanism. In home ownership programs the loans often become

due when the assisted family sells the home. Under rental programs the loans often become due if the affordability requirements are breached. In most housing programs these loans have an interest rate of zero percent; in some communities interest does accrue.

Loan Guarantees - A pledge by a third party that, in case of default by the borrower, promises to repay all or a portion of the borrowed amount. State and local governments and non-profit intermediaries are often sources of loan guarantees, with the Federal Housing Administration (FHA) being one of the most well known.

Loan-To-Value Ratio - The loan amount(s) as a percentage of the property's appraised value or sales price, whichever is less. For example, a loan amount of \$57,000 on a home that has a sales price of \$60,000 has a 95 percent loan-to-value ratio (57,000/60,000). A lender will use a loan-to-value ratio to determine the maximum amount it will lend on a property.

Low-Income Person or Household - A person or household whose annual (gross) income does not exceed 80 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

Market Value - The price a property would sell for in a competitive market when there has been a normal offering time, no coercion, arms-length bargaining, typical financing, and informed buyer and sellers.

Match - The commitment of non-federal funds to supplement HOME Investment Partnerships Program funds for affordable housing.

Median Income - A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups: one group having income above the median and the other group having income below the median.

Mission Statement - A statement of purpose, or the assignment the organization or governmental entity is to carry out.

Moderate-Income Person or Household - A person or household whose annual (gross) income does not exceed 120 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

Mortgage - A temporary and conditional pledge of property to a creditor as

security for the repayment of a debt. The borrower (mortgagor) retains possession and use of the property.

MRB - Mortgage Revenue Bonds - State and local housing finance agencies (HFAs) sell tax-exempt bonds and use the money that is raised to lend to first-time homebuyers. Because buyers of these bonds accept a lower rate of return on their investment than if the bonds were taxable, HFAs can lend proceeds to the homebuyers at interest rates below conventional mortgage rates.

NAHA - Cranston-Gonzalez National Affordable Housing Act—In October 1990, Congress approved the National Affordable Housing Act, the most comprehensive housing legislation since 1974. The legislation evolved from a process that began in September 1987, when Congress created the National Housing Task Force. The Task Force was charged with the responsibility of conducting a thorough study of the nation's housing needs and injecting life back into federal housing policy. The HOME Investment Partnerships Program was enacted as a result of NAHA.

NHS - Neighborhood Housing Services - NHS is a national network of locally-funded and operated, autonomous, self-help programs which are revitalizing declining neighborhoods. NHSs are non-profit corporations which: operate housing rehabilitation programs; offer financial counseling; refer residents to lenders or others about home improvement financing; conduct new construction and home repair inspection monitoring to assist homeowners in working with contractors; and, encourage community involvement to strengthen neighborhood pride through work with local organizations.

NOI - Net Operating Income - Gross profits minus operating expenses and taxes.

Non-profit Corporation - A corporation established under state law for purposes other than making profits that would be distributed to the owners, directors, members or officers.

PHA - Public Housing Authority—Created by local governments pursuant to Chapter 421, Florida Statutes, local PHAs develop, own, and operate public housing and administer Section 8 programs.

PJ - Participating Jurisdiction - The term given to any state or local government that HUD has designated to administer an allocation of HOME Investment Partnerships Program funds. There are currently 29 PJs throughout Florida in addition to the state PJ, the Florida Housing Finance Corporation (FHFC).

PMI - Private Mortgage Insurance (also referred to as MI)—Coverage that, in instances of default, guarantees a lender the partial payment of an outstanding

loan balance. Traditionally, lenders require PMI in instances where the loan to value ratio is higher than 80 percent, however, lenders have been known to waive this requirement under their affordable housing programs. PMI premiums are included in a borrower's monthly mortgage payments. The amount can range anywhere from \$30-\$50 per month, depending in the loan amount. The insurance can be discontinued when an appraisal shows that the loan to value ratio has dropped below 80 percent. The cost of such an appraisal is the responsibility of the borrower.

Principal - The currently unpaid balance of a loan, not including interest.

Pro Forma - Projected annual income and expenses for a rental development for a given period (usually 15 years).

Property Tax Abatement - Reduction or exemption from ad valorem tax for a specified time period.

Purchase Option - The right to buy a property at a specified price within a specified time. A purchase option or "option to purchase" is different from a purchase and sale contract in that the option money is not refundable and is usually not credited toward the purchase price at closing.

RD- Rural Development (formerly known as Farmers Home Administration (FmHa)) - Provides funding for mainly rural housing programs. Sometimes used by local governments to supplement CDBG projects. The state RD office is located in Gainesville. Initial inquiries should be made at the local RD office. See federal government listing in local telephone directory for U.S. Department of Agriculture or resources section of handbook.

Real Property - Land, including all things permanently attached to the land, such as buildings and infrastructure, commonly referred to as appurtenances.

Reconstruction - Rebuilding of a structure, usually on the same foundation as the existing housing which will be demolished.

Rehabilitation - The alteration, improvement or modification of an existing structure.

REO - Real Estate Owned - Property that is owned by a lender, usually acquired through a foreclosure, or through a deed in lieu of foreclosure.

Reserves - Funds held to pay future liabilities. Typical reserves include replacement reserve for major repairs, operating reserve for covering negative cash flow and contingency funds.

RESPA - Real Estate Settlement Procedures Act - RESPA requires that lenders give all borrowers of federally related mortgage loans an estimate of settlement costs and a HUD-prepared booklet with information about real estate transactions, settlement services, cost comparisons, and relevant consumer protection laws.

RPC – Regional Planning Council - RPCs provide planning and technical assistance to local governments on federal and state issues such as housing, growth management, emergency management, and intergovernmental coordination. The State of Florida has 11 RPCs.

Secondary Market - Markets into which originating lenders sell their loans to investors who are seeking longer term investments (such as Fannie Mae).

Section 504 - Section of the Handicapped Accessibility/Architectural Barriers Act that requires all public buildings to be designed, constructed, or renovated to provide access for physically handicapped persons.

SHIP - State Housing Initiatives Partnership Program - SHIP was the centerpiece of the William E. Sadowski Affordable Housing Act of 1992. SHIP is administered by the Florida Housing Finance Corporation (FHFC) and channels documentary stamp revenue to Florida's counties and CDBG entitlement cities for the express purpose of creating and preserving affordable housing. (SHIP, FHFC, (850) 488-4197).

SRO - Single Room Occupancy - SROs provide housing for elderly, disabled, the working poor and others who, without SROs might otherwise be homeless. An SRO room typically has a sink, closet, and sleeping space. Bathroom, shower and kitchen spaces are generally shared with others.

Strategic Plan - A plan of action that guides how a goal, such as developing affordable housing, will be accomplished.

Subordinated (Secondary or Tertiary) Debt - If more than one lender has a lien on a property, the subordinated debt is paid after the debt of lien holders in superior (or first) positions.

Subsidy - Financial assistance in the form of government loans, grants, or other contributions that are used to make housing affordable.

Sweat Equity - The value of volunteer labor in producing affordable housing.

Targeting - Federal, state or local requirements of the CDBG Small Cities, HOME or SHIP Programs relating to the use of funds for units that assist certain income groups or fund particular activities (i.e. home ownership, hard

construction costs, etc.). Can also be used to refer to a situation where funds are spent only in a specific geographic area.

Title Insurance Policy - Insurance paying monetary damages for loss of property from superior legal claims not excepted by the policy.

Unsecured - A loan that has no collateral pledged as security.

VA - Veterans Administration - A mortgage guaranty program begun after World War II to enable returning service personnel to purchase homes, offering 100 percent financing and requiring no down payment or insurance premium on the loan.

Very Low-Income Person or Household - A person or household whose annual (gross) income does not exceed 50 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. Florida publishes these figures annually, and updated charts may be obtained from the Florida Housing Finance Corporation (FHFC).

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