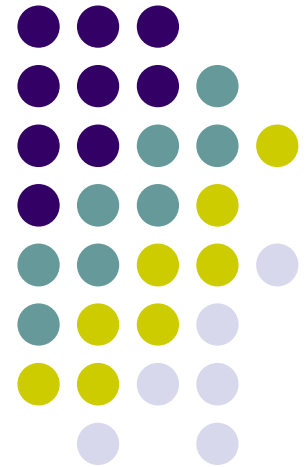




Financing Rental Housing in Areas of Opportunity

Presentation to the Board
May 2016



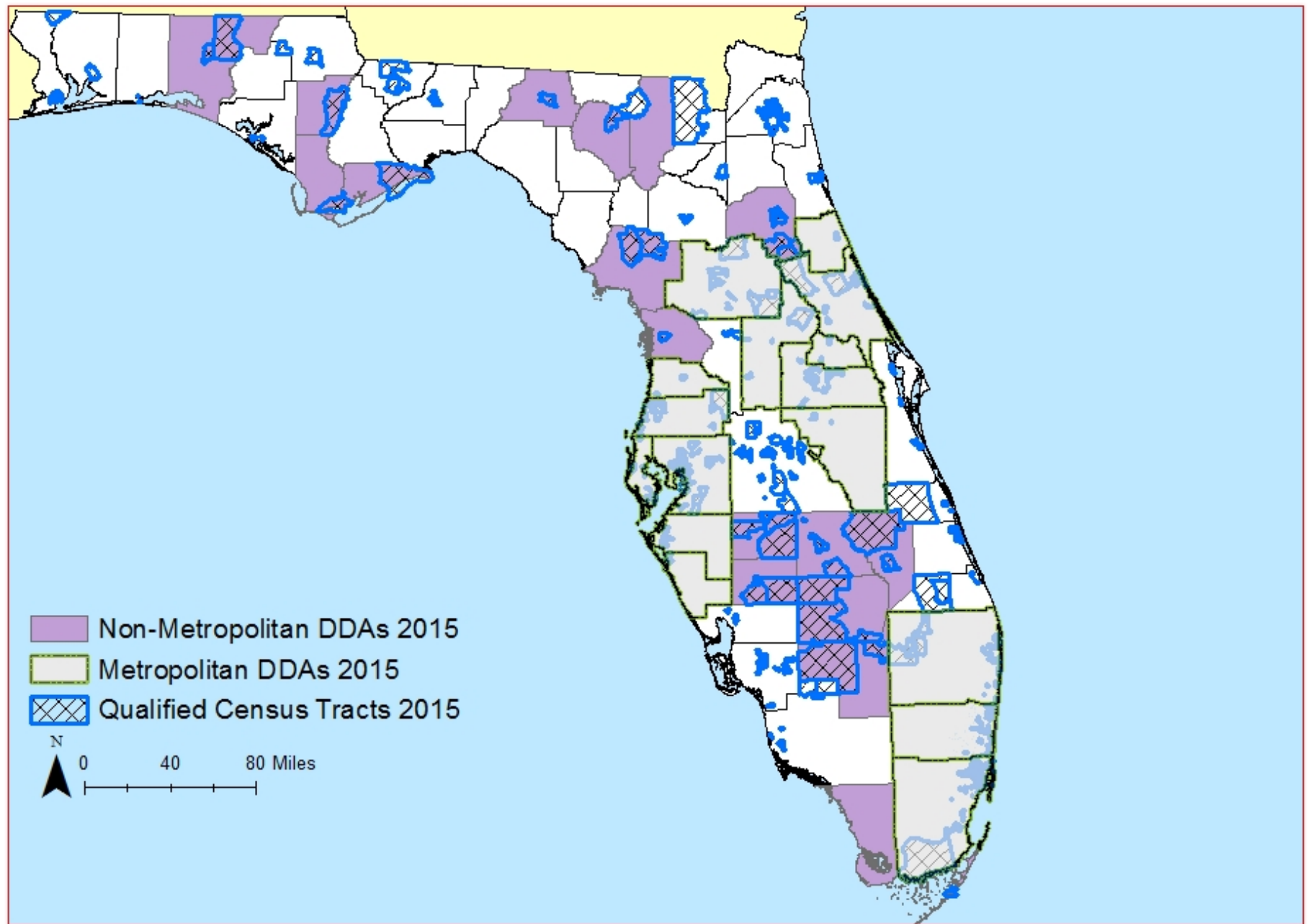
Why “Areas of Opportunity”?

- **Supreme Court Decision** *Tx Dept of Housing & Community Affairs v. The Inclusive Communities Project*
- **HUD’s Affirmatively Furthering Fair Housing Rule** *requires public entities, including HFAs to further fair housing*
- **New HUD DDA methodology** *to designate metropolitan Difficult Development Areas*

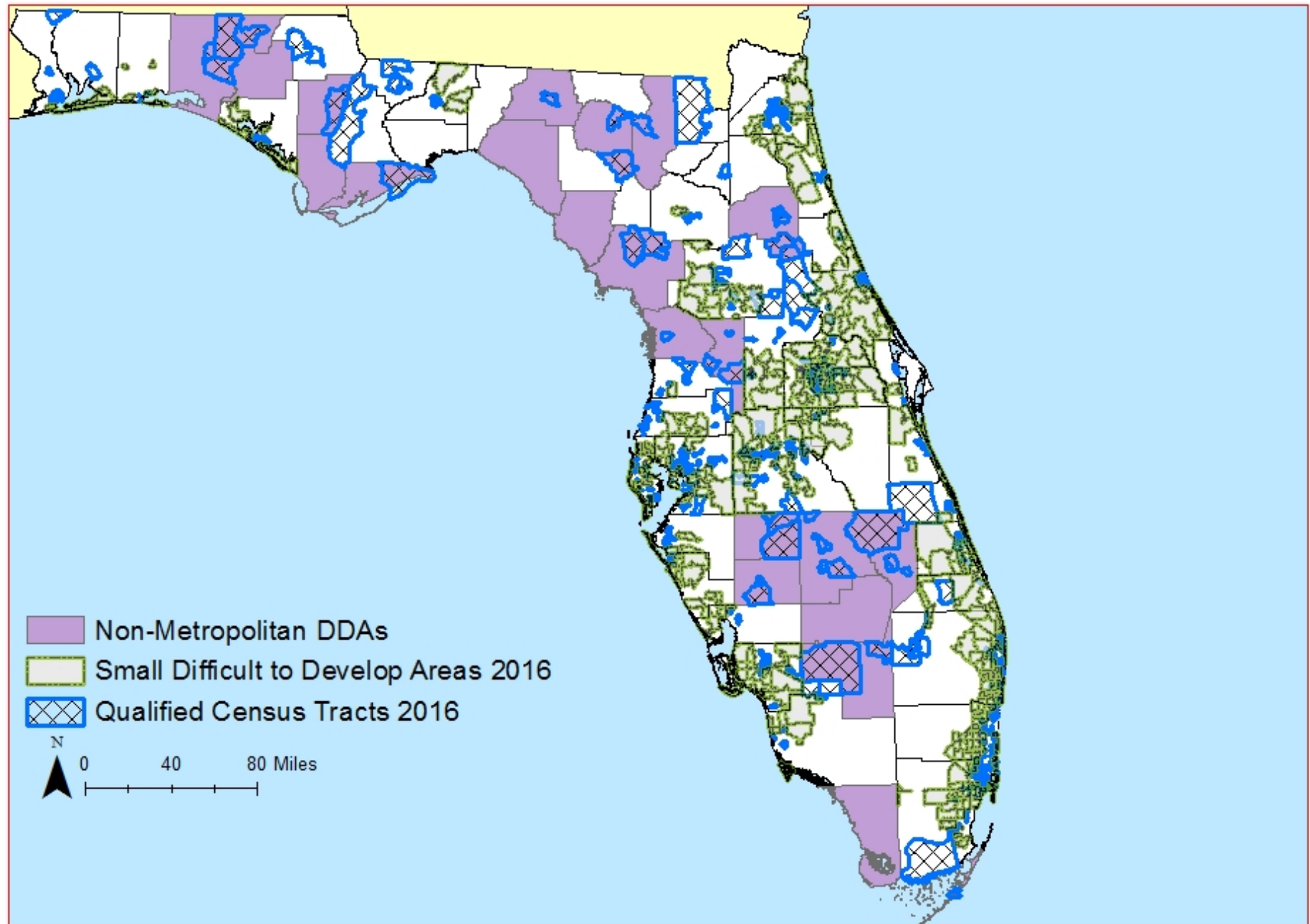
QCTs and DDAs get a “Boost”

- QCTs = Qualified Census Tracts – lowest income areas of MSAs
- DDA = Difficult Development Areas – higher cost areas
 - Will change to “Small Area” DDAs
 - Prior to change, Florida DDAs often covered metro entire counties
 - Change means boost will be available in fewer areas

State of Florida 2015 DDAs and QCTs



State of Florida 2016 DDAs and QCTs



Does the Boost Matter?

- Historically significant in developers' determination of where to locate transactions
- 2009-2015: ~90% of all awarded HC properties in DDAs or QCTs
 - 54% in DDAs alone
 - 14% in QCTs alone
 - 21% in both DDA/QCTs
- This means 75% of all awards made in DDAs

How FHFC Properties Stack Up

in the 7 Large Counties

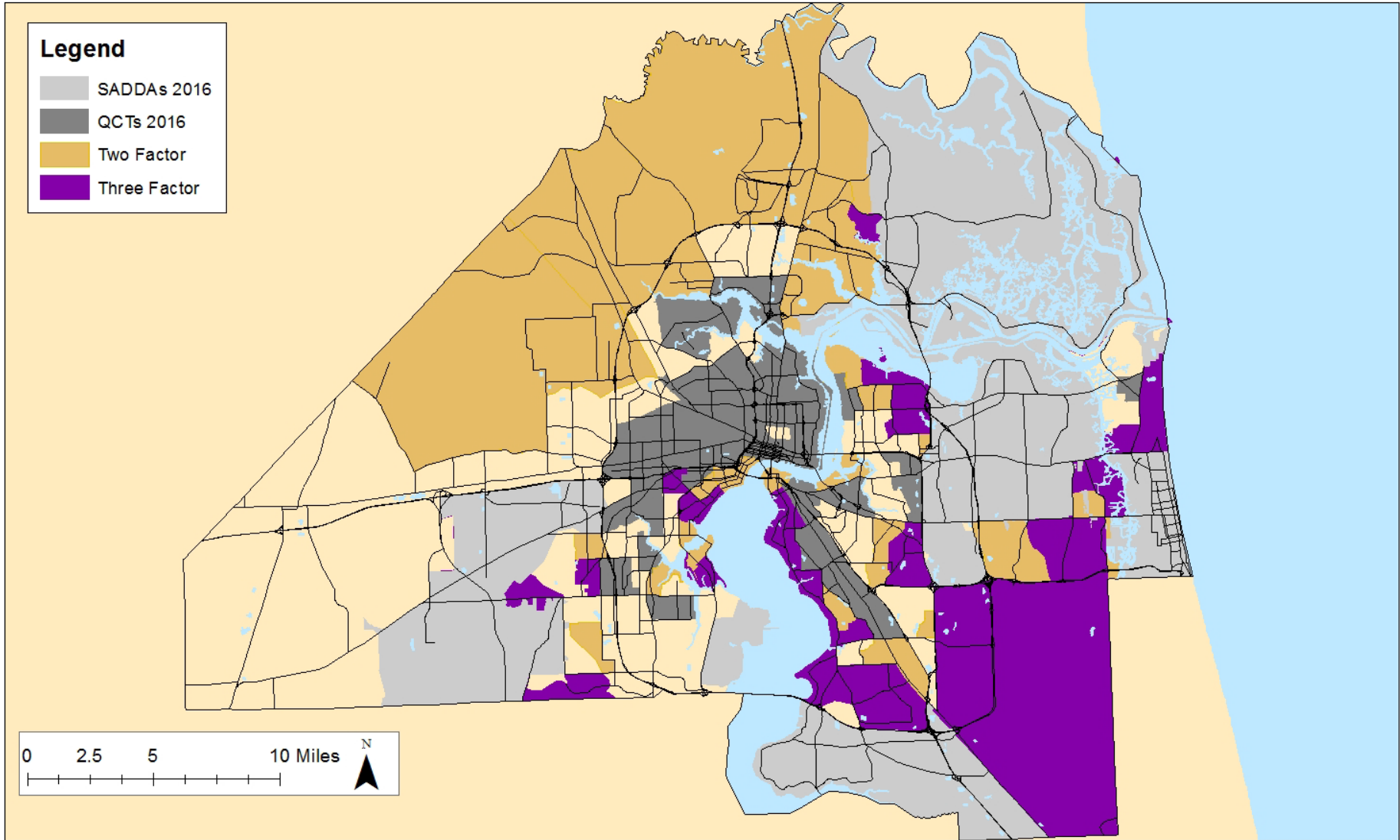
- Median income in our areas is, overall, higher than average of the QCT median
- Median income in our areas is lower than overall average for the county
- New small DDAs have 20% higher average income than county average medians

Areas of Opportunity

3 Variables Combined

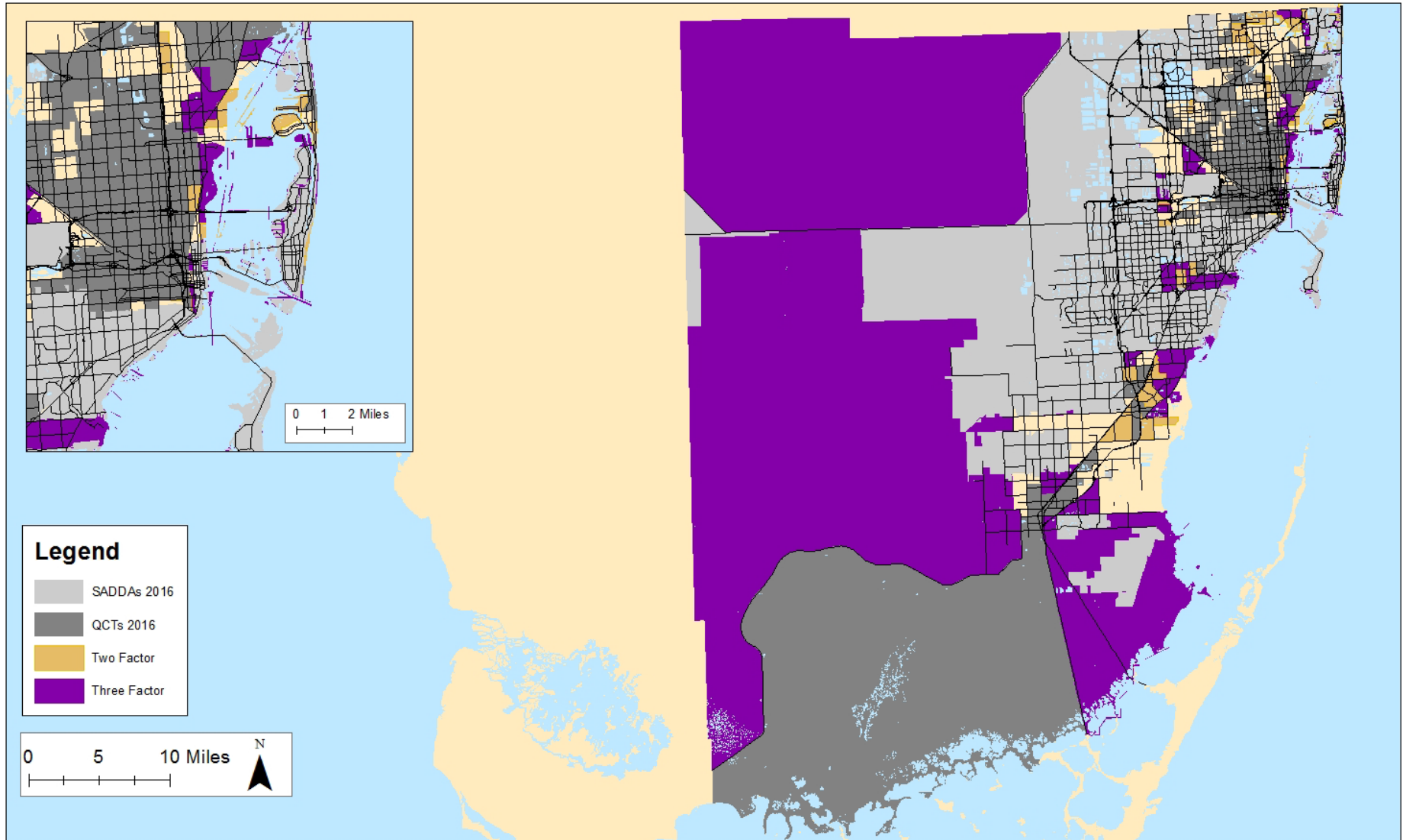
- Median income greater than the average for the county
- Educational attainment in the top half of the county
- Employment rate greater than statewide rate

Duval County



By: FHFC Date: March 17, 2016

Miami-Dade County



By: FHFC Date: March 16, 2016

Disincentives to Develop in Some QCTs

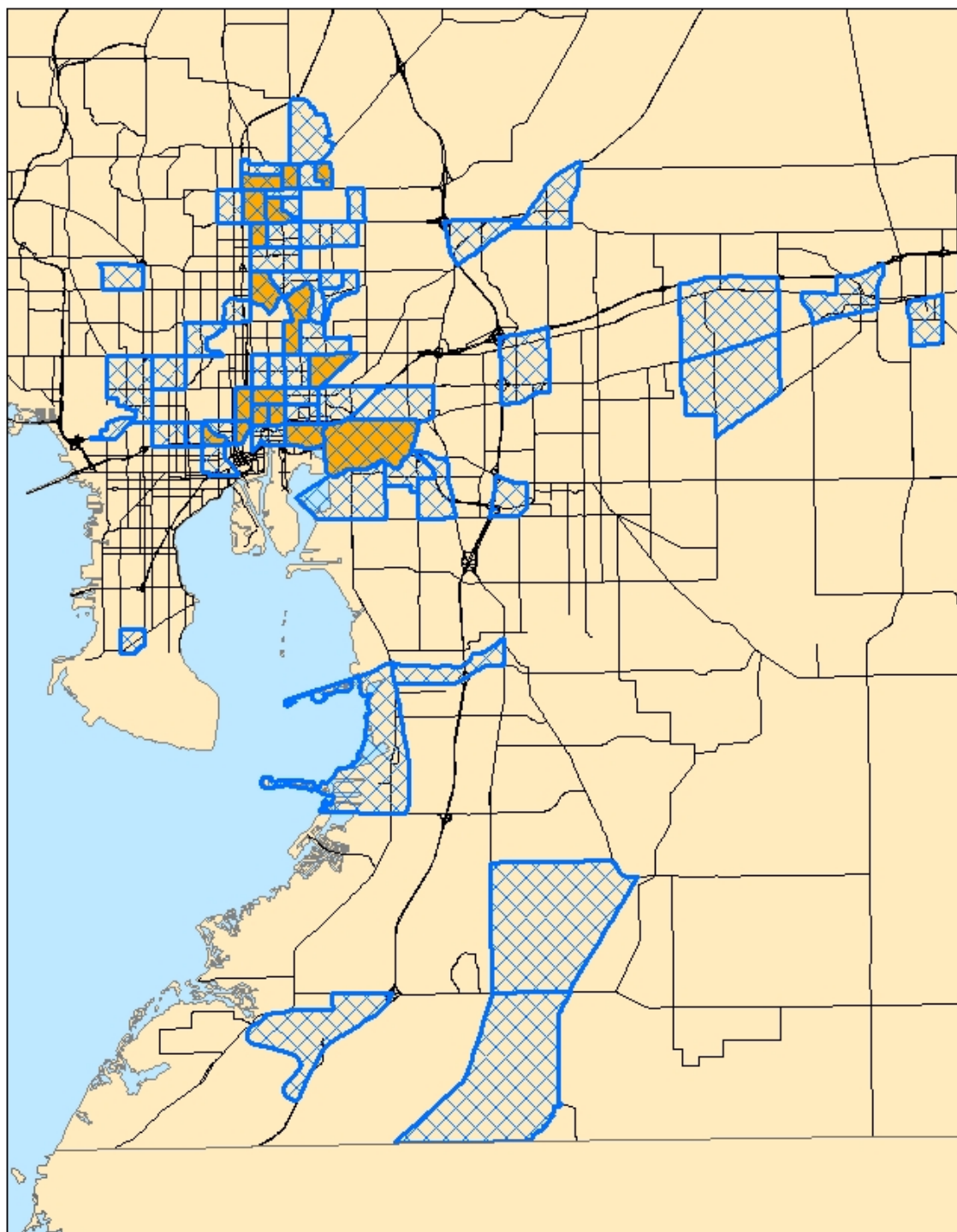
- **Focus on QCTs with:**

- High poverty level (greater than 40% of households – ~\$16K for family of 2)

AND

- High minority concentration (greater than 50%)

- HUD calls these areas **“RECAPs”** –
Racially/Ethnically Concentrated Areas of
Poverty



Hillsborough County QCTs and RECAP QCTs

Allowable Development in RECAPs

- Preservation of existing affordable housing
- Redevelopment of old affordable housing
- New construction via Revitalization RFA
- New construction with local government preference



The End!