



Housing Finance and Community Development Division

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VIA EMAIL: comments@floridahousing.org

January 22, 2014

Ms. Sheila Freaney
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: 2014 Strategic Planning Process

Dear Ms Freaney,

Per your request, enclosed are comments for consideration with regard to the questions proposed within the Florida Housing Finance Corporation ("FHFC") 2014 Strategic Planning Stakeholder Community letter.

Let me start by providing some alarming information for you regarding affordable housing in Broward County. According to the Center for Housing Policy, Broward County resides in a "metro" **area that is the worst in the nation for severely cost burdened households** (i.e. those spending more than 50% of household income on housing). This population has increased from 47,000 households to over 107,000 households in Broward since the real estate recession. Again based on Center for Housing Policy research, Broward and South Florida are **the worst in the nation for moderate income cost burdened households** when combined with transportation costs, with over 70% of those households being cost burdened. In terms of resources, during the past seven years funding from the three key historic **entitlement grants for affordable housing have decreased** in Broward County (including all 15 entitlement communities) by a total of 60% as follows:

CDBG FY 2006=\$14.4M reduced in FY 2013 to \$10.3M
HOME FY 2006=\$6.1M reduced in FY 2013 to \$3.3M
SHIP FY 2006=\$14.5M reduced in FY 13 to \$0.685M

Finally, Meridian Appraisal Group, in 2011, estimated that Broward County had deficiency (demand) for over 45,000 units of multifamily affordable housing.

As is evident from the comments Broward County has submitted over the past several years, Broward County stakeholders have been extremely concerned that FHFC's funding methodology and procedures do not place enough emphasis on housing needs thereby disproportionately awarding funding to areas of the state with much less demand and need than Broward County.

Listed below are three comments which are intended to address current impediments to the development of additional affordable housing units within Broward County. Additionally, implementation of these comments would provide greater linkage between FHFC's Strategic Plan and Goal #1 of the Long Range Program Plan dated September 30, 2013 which reads as follows: "To maximize the capacity of **local governments** and the private sector, both for profit and nonprofit, to develop and preserve affordable housing." (*Emphasis added.*)

Comment #1 – Local HFAs Should Be Granted Greater Access to Non-Traditional Housing Funding Sources

Over the past five years there have been significant non-traditional housing resources directed to the State of Florida (the "State") for distribution via FHFC. These resources have included funding via the American Recovery and Reinvestment Act as well as the National Mortgage Settlement Funds. FHFC should develop procedures that assure local governments have greater access to these resources via local Housing Finance Authorities. In addition to more expeditious and equitable allocation of resources, this change will provide greater flexibility in tailoring the resources to needs and/or initiatives which may be unique for a given geographic region of the State.

Comments provided by Broward County with regard to the ARRA initiatives suggested two established methodologies for the allocation of such resources. Proposed methodologies include: 1) a process similar to what is outlined within the Private Activity Bond Allocation Act Chapter 159, Part VI, Florida Statutes or 2) an allocation formula similar what has been established for the allocation of HOME funds. (*Please refer to Public Comments submitted to FHFC on March 18, 2009; May 11, 2009; May 18, 2009; July 16, 2009; and May 18, 2009.*)

Comment #2 – Award Methodology Should Include More Needs Base Criteria

FHFC award methodology should be expanded to include a needs based component which incorporates a concept similar to the level of effort as described within the Section 3.3.3 of the 2007 Rental Market Study prepared for FHFC by the Shimberg Center for Affordable Housing.

To substantiate the premise of inequitable distribution of housing units within the State, Broward County has previously provided data which demonstrated that the FHFC housing resources directed to the County were significantly less than housing resources directed to comparable communities within the State. The data further demonstrated that communities which are substantially smaller than Broward County have received housing resources significantly exceeding what has been committed to Broward County. (*Please refer to Public Comments submitted to Steve Auger on June 5, 2008; July 30, 2008; April 23, 2010; May 4, 2010; August 11, 2010 and October 15, 2010.*)

Comment #3 – Local Government Contributions

Budget issues are being aggressively addressed at both the state and local levels and resources are being stretched much further than in prior years. FHFC should take a fresh look at the local government contribution requirements specifically with

regard to the Universal Cycle application process. This requirement places a tremendous financial and administrative burden on local governments which are working diligently to maximize the leveraging that can be achieved with very limited resources; while also trying to get the funding to the areas of need within the community as quickly as possible given program parameters.

Procedurally it would benefit local governments if FHFC requirements allowed for: 1) non- monetary ways to demonstrate local government commitment for proposed developments, or 2) eliminated the requirement for a local government contribution, particularly within counties with high housing costs or a low level of effort. ***(Please refer to Public Comments submitted to Steve Auger on June 5, 2008; July 30, 2008; January 21, 2009; April 23, 2010; May 4, 2010 and August 11, 2010.)***

In summary, affordable housing resources need to be applied on a needs basis. I appreciate the opportunity to submit these comments. Please do not hesitate to contact me should you require any additional information.

Sincerely,



Ralph Stone, Director
Housing Finance and Community Development