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Housing programs forced to cut back

By [Megan Rolland](#)
Staff writer

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At a time when the nation's housing crisis is slowly improving, Alachua County's housing programs have suffered drastic cuts in state funding that will result in layoffs and a reduction in services.

The Gainesville Housing Division, which constructs affordable housing and provides funding and counseling for first-time home buyers, foreclosure intervention and home rehabilitation for low-income residents, faced a budget reduction from the state this year of \$960,000.

Alachua County's smaller counterpart suffered \$908,000 in state funding cuts.

"In this market, we've seen a lot of people ask for services," Gainesville Assistant City Manager Fred Murry said. "They ask us how to repair credit or prevent foreclosure. It's also a prime time to purchase a home, but the credit criteria has increased."

All those services provided by the city and county have been reduced.

And two longtime city employees in the housing division will lose their jobs in December unless alternative funding is discovered - the only two layoffs in the city government so far in a tight fiscal year.

"We help these people. We change people's lives. We bolster communities," said Judy Raymond, a housing rehabilitation specialist with the Housing Division, who has been notified that she will be laid off in December. "We also keep neighborhoods stable by not allowing that roof to fall in on that family."

Raymond's position is being cut in addition to a filled housing finance coordinator position and one unfilled housing finance coordinator position in which the employee was fired this summer.

Tom Webster, Alachua County's housing manager, said he avoided potential layoffs in his program by personally taking a 20 percent cut in pay and working partial weeks for three months.

"That saved us funds that we really needed in order to keep everybody whole," Webster said. "I have a great staff, and I'd do it again."

Murry said the city investigated means of meeting budget other than layoffs but decided that the cuts were unavoidable.

The cuts leave seven people in the department, including one director and two supervisors.

"We are going to look at restructuring the department," Murry said. "The mission will still be the same, and we are going to do the best of our ability with the funding available."

Murry said the city has applied for two federal grants that if obtained will allow the department to remain whole.

Alachua County isn't the only housing program in the state to face cuts, as the Florida Legislature capped the State Housing Initiatives Partnership program and mandated that 90 percent of the fund allocations go to down-payment assistance loans for first-time home buyers.

Cecka Rose Green, communications director for the Florida Housing Finance Corp., said the mandated allocation for the Florida Home Buyer Opportunity Program was set up to help Floridians take advantage of the federal \$8,000 tax benefit.

"We know that there's going to be a bit of an impact there," Green said. "We are hopeful that the governor and the Legislature will understand the importance of home ownership, first-time homeowners and preserving housing that is already there and will be able to allocate appropriate funds."

Green said her department is in the process of making budget requests for fiscal years 2010 and 2011.

"Statewide, it makes sense that with a reduction in the funding that there will be some local programs that will be adversely impacted," Green said. "I think there's a concern, especially in a time where you have a lot of communities with hurricanes that have come through in the previous years. Home ownership and the buying of homes stimulates the economy."

Webster said that in Alachua County, the housing programs fuel real estate agents, housing inspectors, loan agencies and countless other industries that are struggling now and could use a stimulus.

"When you take basically \$900,000 out of the local economy, that's going to have an economic impact on Alachua County," Webster said. "The ripple effect is way beyond a few people who aren't going to buy a home."
