



BOARD OF DIRECTORS

STRATEGIC PLANNING TRENDS AND CONDITIONS

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**Tallahassee City Hall Commission Chambers
300 South Adams Street
Tallahassee, FL 32301**

Trends and Conditions Impacting Affordable Housing in 2014 and Beyond

Statewide Demographic and Economic Conditions

Each year, the Legislative Budget Commission is required to issue a *Long Range Financial Outlook* for the state which covers the upcoming three fiscal years.¹ While the *Outlook* is primarily a tool to assist the Legislature in setting fiscal and budgetary strategies, its economic and demographic analysis sections provide a summary of current and projected conditions in these areas. The fall 2013 Report concludes that, while a Florida recovery has been underway since the late spring of 2010, the state still has several years to go to return to more typical economic conditions. Some of the findings relevant to Florida Housing from the most recent report include:²

- **The current economic recovery is expected to continue.** The latest baseline forecast is optimistic that the recovery will steadily continue, with a strong caveat that the effects of a continuing federal Sequester may have greater than currently anticipated dampening effects on the economy.
- **A return to “normal” conditions in three years.** In the forecast, normalcy will be largely achieved by state Fiscal Year 2016-17 with indicators suggesting that the construction and real estate sectors will take longer to reach these normal conditions.
- **Steady but modest job growth predicted to persist.** Florida’s annual job growth rate has been positive for many months however it is still much below its peak during the economic boom. This indicates that simple rehiring, while necessary, will not be sufficient to trigger a robust recovery.³
- **State wages remain below the national average.** Florida’s average annual wage has typically been below the national average and recently further declined to 87.7 percent of the average for the United States as a whole. Although Florida’s wage level has actually increased, the national average annual wage has increased more.
- **Moderate population growth over the next few years.** Florida’s population growth slowed substantially as a result of the recent economic recession, mostly related to the recession’s impact on job creation and the ability of people to migrate into the state. Population growth is anticipated to rebound, but with more moderate levels of growth.⁴
- **The share of residents over 65 years of age will continue to grow.** In 2010, 17.3 percent of Floridians were 65 years of age and older, greater than in any other state. This percentage is forecast to rise to 24.1 percent by 2030.⁵

Homeownership Landscape

The presentation on homeownership programs at the January Strategic Planning Retreat highlighted a number of housing-related signals echoing the state’s *Long Range Financial Outlook* recovery

¹ See Article III, Section 19(c)(1) of the Florida Constitution. The Legislative Office of Economic and Demographic Research takes a lead role in preparing the *Outlook*.

² Legislative Budget Commission, *State of Florida Long-Range Financial Outlook Fiscal Year 2014-15 through 2016-17* (Fall 2013), available at http://www.edr.state.fl.us/Content/long-range-finacial-outlook/3-Year-Plan_Fall-2013_1415-1617.pdf.

³ It is estimated that about 419,700 jobs have been lost since the most recent peak. It would take the creation of about 850,000 jobs for the same percentage of the total population to be working as was the case at the peak.

⁴ Growth is expected to average 1.4% between 2015 and 2020.

⁵ Florida’s older population will account for most of the state’s population growth through 2030, representing 56.9 percent of the gains.

prognosis.⁶ These signs included a return to historical mortgage delinquency averages, home prices consistent with affordable mortgage payment-to-income ratios and home sales in the range of historical norms. Below are current homeownership trends featured in the retreat presentation, the *Long Range Financial Outlook* and other germane sources.

- **Florida’s homeowners are decreasing, especially among younger households and families with children.** According to the Shimberg Center’s *2013 Rental Market Study*, the state’s overall homeownership rate is down to 68 percent.⁷ The drop has been particularly acute for young households and families with children. In 2005, 42 percent of households headed by someone age 34 or under owned their homes, a rate that fell to 35 percent in 2011. During that same time, homeownership by families with children fell from 66 to 60 percent.
- **State home sales and prices are improving though remain below peak levels.** Multiple sources cite significant gains in existing home sales and median price over the past year with a Florida Realtors statewide median sales figure of \$168,000 for single family homes in 2013. Still, the Legislative Budget Commission found that recent single family private housing starts came in at approximately 27 percent of their peak level in 2005-06.
- **Florida’s foreclosure rate remains high though it is ebbing.** Private sector data for 2013 shows that Florida was the highest state in the country for both the number of foreclosure filings and the rate of foreclosure. More optimistically, the front end of the foreclosure stream, comprised of mortgages newly falling into delinquency, has steadily declined recently. At the end of the third quarter of 2013, 8.90 percent of the active loans originated by Florida Housing were in foreclosure, compared to the 9.48 percent of all loans statewide in foreclosure at that time.
- **“Underwater” homes appear to be declining.** Various reports show a decline in the state’s homes deemed underwater (more is owed than the property is worth) from previous highs of 50% to slightly below 30% more recently.⁸ Absent some intervention, these homeowners were the most likely to move into or already be in seriously delinquent status (generally a precursor to foreclosure).
- **Cash sales of bank-owned properties are a concern.** Florida’s rate of cash sales for single family homes (upwards of 60%) far exceeds the national average. Lenders willing to sell to cash buyers for less rather than waiting for a buyer with a mortgage impacts entry-level homebuyer opportunities.
- **Pressure of tightened homeowner credit standards.** Credit standards for homeowners have tightened as a result of the economic crisis. A senior loan officer survey finds that banks are still less likely than in prior years to originate mortgages to most borrowers apart from those with the strongest credit profiles.
- **Institutional investing purchases are rising.** Institutional purchases of homes accounted for 7.9% of all U.S. residential sales in December of 2013 with rates in Jacksonville (38.7%) and Cape Coral-Fort Meyers (24.9%) among the highest in the country.⁹
- **Key housing market metrics in the state do not show a return to their peak levels until 2020-21.** This prediction from the state’s *Long Range Financial Outlook* includes measures related to

⁶ See Citi, Morgan Stanley and RBC Capital Markets, *Homeownership: The Current and Future of Affordable Housing* (Jan. 30, 2014).

⁷ See The Shimberg Center for Housing Studies at the University of Florida, *2013 Rental Market Study: Affordable Rental Housing Needs* (April 7, 2013), available at http://www.shimberg.ufl.edu/publications/Full_RMS_Needs.pdf.

⁸ Based on third quarter 2013 reports by Core Logic and Florida’s Office of Economic and Demographic Research.

⁹ See Citi, Morgan Stanley and RBC Capital Markets, *Homeownership: The Current and Future of Affordable Housing* (Jan. 30, 2014).

construction employment, multifamily starts, private housing starts, and median price. Single family starts are not predicted to return to peak levels until 2022-23.

Rental Housing Landscape

Various housing policy groups envision a growing need for all types of rental units in the future. Demographic trends, the after-effects of the foreclosure crisis and the conversion of single family homes to rental stock are just a few of the pressures that will impact rental stock going forward. These overall forces will affect the affordable rental market served by Florida Housing. Already worsening state statistics related to cost burdened renters and the actual availability of affordable units could cause a greater squeeze than already exists. Additionally, the unique challenges related to providing affordable housing for persons who are homeless or who have special needs bears close monitoring.

- **Demand for all types of rental units is anticipated to grow over the next 20 years.** According to the Bipartisan Policy Center, four groups are predicted to drive the rising demand: 1) baby boomers looking to downsize; 2) echo boomers¹⁰ moving out on their own; 3) post foreclosure homeowners who prefer to rent or need time to rebuild credit; and 4) recent immigrants.¹¹
- **Forces impacting overall rental stock supply:**¹²
 - **Conversion of single family homes** - Single family homes have been the fastest growing segment of the rental stock since 2005.
 - **Multifamily construction** - While rental starts have picked up post-recession, it will take time before apartments are ready for occupancy.
 - **Losses** - Over the past decade, an average of 240,000 units were lost nationwide due to conversion from rental to owner-occupied units (in Florida, this primarily occurred as multifamily rental properties were transformed into condominiums), through demolition and other causes. In addition, physical deterioration and obsolescence may be factors. Florida Housing has lost 1,980 Florida Housing units since July 2005.¹³
- **Florida's renters are increasing.** As a result of the economic downturn, the increase in foreclosures, and difficulty obtaining mortgage credit, more Floridians are turning to rental housing. According to the Shimberg Center, the number of renters in the state increased by 10 percent between 2005 and 2011, a period during which the total number of households barely grew.
- **Rents in Florida are increasing, even as incomes are decreasing.** Figures from the *Rental Market Study* show that the median rent in Florida increased from \$816 to \$950 per month from 2000 to 2011. During the same period, median renter income fell from \$34,480 to \$30,343 (all in 2011 dollars).
- **Growing pressure for all rental housing may push rents even higher for low-income households.** The combined impact of echo boomers forming their own households and baby

¹⁰ Baby boomers typically describes persons born between the years of 1946 and 1964. Echo boomers, also known as Generation Y or Millennials, are generally understood to mean persons born between 1980 and 1995. These persons currently range in age from roughly 20-35.

¹¹ Bipartisan Policy Center, *Rental Housing Market Trend* (May 30, 2013), available at <http://bipartisanpolicy.org/sites/default/files/files/bpc-housing-infographic3-v7.pdf>.

¹² *Ibid.*

¹³ Florida Housing unit losses include: 184 - LURA/EUA Expiration; 93 - HC Qualified Contract; 1,659 - Foreclosure/Deed-in-Lieu; and 44 - Released due to involuntary noncompliance upon destruction by Hurricane Charley.

boomers downsizing from their current homes may push rents further out of reach for low-income households least able to afford them.

- **Physical occupancy rates in Florida Housing’s portfolio are on the rise.** At the end of 2011, the statewide occupancy rate was 91.9 percent; by the end of 2013, the rate had risen to 94.5 percent. This does not measure the “economic” occupancy rate, which would include rent specials to encourage people to rent units at a property in exchange for lower rent payments, a move-in special or another perk, and typically economic occupancy is at least somewhat lower than physical occupancy. Some counties have overall lower occupancy rates than the state, and other counties make up for that with higher rates.

Cost Burdened Renters Continue to Grow

Cost burdened households pay more than 40 percent of income for rent and utilities.¹⁴ Low income households make less than or equal to 60 percent of area median income. In a December 2013 report from the Joint Center for Housing Studies of Harvard University, Florida ranked as the state with the highest percentage of residents experiencing some form of renter housing cost burden.¹⁵ The following conditions from the *2013 Rental Market Study* highlight specifics surrounding the growing ranks of these households.

- **More Florida renter households are facing a housing cost burden.** The number of renter households enduring the double whammy of being both cost burdened *and* low income rose from 553,035 in 2005 to 710,790 in 2011, a 29 percent increase. In 2013, an estimated 737,435 renter households in the state were cost burdened. While 38 percent of all renter households are currently cost burdened, 70 percent of renter households at incomes served by Florida Housing’s programs are cost burdened.
- **Extremely low-income renter households have the most severe needs.** Renter households are considered to be “extremely low-income” (ELI) if their incomes are at or below 30 percent of the area median. Nearly two-thirds of these ELI renter households pay more than 60 percent of their incomes for rent and utilities.
- **The share and sheer number of cost burdened, extremely low-income renters continues to rise.** The percentage of cost burdened ELI renter households rose from 64 percent in 2005 to 72 percent in 2011. Moreover, the total number of cost burdened ELI renter households stood at greater than 317,000 in 2011 and increase of over 100,000 from the year 2000.

Affordable and Available Gap Exacerbates Difficulties

An important metric in affordable housing analysis is the correlation between affordability and availability.¹⁶ Many affordable units are unavailable to low-income households because they are already occupied by higher income households. When higher income renters occupy lower rent units, lower income renters are essentially crowded out of units they *could* afford. An affordable *and available* unit at a particular income threshold is: 1) affordable at that income

¹⁴ Sixty-one percent of cost burdened households are 1-2 person households.

¹⁵ Joint Center for Housing Studies of Harvard University, *America’s Rental Housing: Evolving Markets and Needs* (Dec. 9, 2013), available at <http://www.jchs.harvard.edu/research/publications/americas-rental-housing-evolving-markets-and-needs>.

¹⁶ In this type of analysis, an affordable unit is any market rate, subsidized or public housing unit for which a household at a given income limit would pay no more than 30 percent of income for gross rent. These include apartments, condominiums for rent or single family homes for rent.

threshold and 2) either vacant or occupied by a household with an income at or below the threshold.

- **Florida is among the states with the most severe affordable and available gap.** Considering families with incomes at or below 50% of median income, there is a deficit of over 240,000 affordable and available rental units in Florida:¹⁷
 - **Only 38 affordable, available units per 100 VLI households.**¹⁸
 - **Only 23 affordable, available units per 100 ELI households.**¹⁹
- **The consequences of this gap is borne by the most vulnerable.** When ELI renter households spend the majority of their income on rent and utilities, this leaves them with little money for other necessities such as food, medicine, transportation, and childcare. These are the households that are most vulnerable to becoming homeless if their incomes decrease or they have unexpected expenses.

Households with Special Needs and Others Facing Additional Housing Challenges

As a result of the 2011 Legislature's inclusion of persons with special needs as a demographic group in the State Apartment Incentive Loan Program (SAIL) statute (s. 420.5087, F.S.), the *2013 Rental Market Study*, provided data identifying the affordable rental housing needs for persons with special needs.²⁰ Persons who are elderly and those who are homeless also often encounter additional challenges in accessing affordable housing. While people represented in the above demographics encounter obstacles unique to their circumstances, they share a tendency to greatly benefit from various forms of supportive housing. Pairing additional services with affordable housing in a supportive housing framework is a proven successful delivery model for helping persons with special needs, people who become homeless and elders who wish to "age in place."

- **Affordable housing is a real issue for special needs households.** The *2013 Special Needs Households Study* estimates more than 90,000 low-income, cost burdened renter households in Florida include a person with a disability and receive Social Security Disability Insurance, Supplemental Security Income, or veterans' disability benefits. In addition, nearly 8,500 households used domestic violence emergency shelters in state fiscal year 2011-2012 and in 2012 over 5,000 young people aged out of foster care but were still attending school or vocational training; these households also are likely to need safe, affordable housing.²¹
- **The special needs household count likely understates the prevalence.** In the *Study*, the Shimberg Center acknowledges their household counts likely do not encompass the full spectrum of persons receiving disability-related benefits or requiring independent living services in order to maintain housing.
- **More than one-fourth of low income, cost burdened renters are elderly.** Of all cost burdened renter households, 20 percent are headed by someone age 55-74, and nine

¹⁷ Based on an analysis originally carried out as part of NLIHC's *HOUSING SPOTLIGHT: The Shrinking Supply of Affordable Housing*, (Vol. 2 Issue 1, Feb. 2012).

¹⁸ \$23,350 for a 2-person very low income (VLI) family based on the NLIHC's analysis.

¹⁹ \$15,000 for a 2-person extremely low income (ELI) family based on the NLIHC's analysis.

²⁰ See s. 420.0004(13), F.S., for specific state statute definitions of persons with special needs including persons with a disabling condition, former foster care participants, survivors of domestic violence and veterans.

²¹ Shimberg Center for Housing Studies, *2013 Rental Market Study: Special Needs Households* (Apr. 16, 2013) available at <http://www.shimberg.ufl.edu/publications3.html>.

percent are headed by someone age 75 or older. As the share of residents 65 years and older grows, the challenges of aging in place will also increase.

- **Homelessness continues to be a serious problem.** The Shimberg Center study finds 42,476 homeless individuals in Florida, including single adults, married adults without children, and unaccompanied youth. There are also 31,148 homeless families made up of adults and their children. This includes families in shelters, unsheltered locations, hotels and motels, and those who are doubled up with other family members or friends. Assuming an average family size of 2.9 (based on national statistics from HUD), that means that *over 130,000 Floridians are experiencing homelessness.*

Green Building Initiatives

Florida Housing has incorporated requirements and incentives in several of its programs to encourage green building.²² Continuing to foster such practices in affordable housing specifically will likely occur within a larger state and national commitment to energy efficiency of all kinds generally. The recent launch of the Multifamily Energy Retrofit Program via funding from the U.S. Department of Energy Program, though small in size, may portend additional, larger green building financing opportunities in coming years.

Affordable Housing Supply and Preservation

Summary information on Florida Housing-generated ownership housing and rental unit supply and location as well as supply figures on rental units financed through other subsidy programs is provided below. In addition, preservation data and trends are also highlighted. Florida Housing's preservation funding programs currently prioritize developments with U.S. Department of Housing and Urban Development (HUD) or U.S. Department of Agriculture (USDA) Rural Development rental assistance which largely serve extremely low income households. These households are the ones most negatively impacted by losses of assisted housing developments both now and into the future.

Supply Data

- **Homeownership impact.** Since 1980, Florida Housing has financed the construction or provided the funding for mortgage loans to nearly 65,400 units of ownership housing. Once these homes are sold to eligible buyers, and assuming all loan criteria are met, these units do not come back to Florida Housing for use by another income-eligible homebuyer. In 2013 alone, the following demographics show who was served:
 - The average loan amount in the First Time Homebuyer Program was \$108,277.
 - The average acquisition price was \$113,697.
 - The average household income was \$46,548, or 82.5 percent of area median income.
- **State Housing Initiatives Partnership Program impact.** Since 1992, the State Housing Initiatives Program (SHIP) has facilitated the creation, rehabilitation or homebuyer purchase of more than 185,000 homeownership and rental units, with almost 90% of SHIP funding going for homeownership. Given that SHIP has not been fully funded since 2008-2009, its recent impact has been muted.
- **Rental impact.** Combined with affordable rental units financed through HUD, USDA Rural Development and Local Bond programs, the state of Florida currently has approximately 246,000 privately owned affordable rental units and another

²² This whole-systems approach to the design, construction and operation of buildings is intended to increase building longevity while reducing utility and maintenance costs.

approximately 34,000 public housing units. Of this total, Florida Housing has participated in financing 181,026 currently active units or 230,118 active and inactive units over time. Maps displaying by-county depictions of Florida Housing's currently active and pipeline rental units are provided in the attachments section of this document.

- For perspective, Florida household incomes and rents paid in rental housing:
 - **Incomes:**
 - Average household income in all rental units (including market rate): \$30,209.
 - Average household income across all Florida Housing units: \$22,861.
 - Average household income in all assisted and public housing units with rental assistance: \$10,000-16,000.
 - **Rents:**
 - Average rent paid by ALL Florida renters: \$1,030/month.
 - Average rent across all Florida Housing units: \$705/month.
 - Average tenant rents paid in rental assistance units: under \$300/month.
- Comparing the number of current cost burdened households to the number of rent restricted units financed by Florida Housing across small, medium and large counties (i.e., by population), the proportion of units to cost burdened households is fairly even. Since 2002 when the allocation system changed, the small county and large county groups (overall) have received a slightly higher proportion of units compared to the proportion of current cost burdened households in these counties, and the medium county group has received slightly less in proportion to the current count.
- **Age of the Affordable Housing Supply**
 - 77 percent of the 34,000+ public housing units are at least 30 years old.
 - In the privately owned assisted stock (some of which is in Florida Housing's portfolio), nearly 110,000 units (1,230 properties) are 15+ years old, 45 percent of the assisted units in the state. Of these, 41,443 units are at least 30 years old.
 - In Florida Housing's portfolio alone, nearly 42,000 units are 15-29 years old, and another 3,700 units are 30+ years old.
- **Expiring Affordability Periods and Subsidies**
 - **Affordable developments are being lost.** According to the Shimberg Center, since 1993, Florida has lost more than 52,000 assisted housing units in 600+ properties. Causes include subsidy expirations, conversion to market-rate housing, deterioration, and foreclosure.²³
 - **Losses of assisted housing have come in waves.** Florida began to lose larger numbers of assisted units in 2002, as early tax credit and bond-financed developments met their subsidy expiration dates. Condo conversions spiked in the mid-2000s. Other waves of losses were linked to recession driven foreclosures and financial distress.
 - **Extremely low income households are most affected by losses.** While 70 percent of formerly assisted developments still offer rental housing, most provide apartments

²³ See Shimberg Center for Housing Studies Research Website, *Preserving Affordable Rental Housing*, and *Preserving Affordable Housing: Research and Data Presentation* (Jun. 28, 2013) available at http://www.shimberg.ufl.edu/preserving_aff_rental_housing.html (last visited Feb. 24, 2014). The additional bulleted information on preservations data also comes from these sources.

affordable to low income households at 60% of area median income (AMI). *None* offer units affordable for extremely low-income households with incomes at or below 30% of AMI.²⁴

- **Least likely to remain affordable post-subsidy.** Small complexes, developments in neighborhoods with higher rents, and developments that are well connected to bus transit are least likely to remain affordable post-subsidy. As the economy recovers, losses will increase, particularly in higher market, robust growth areas of the state.
- **In Florida Housing’s portfolio, the number of expiring properties is modest over the next five years, then increases significantly.** There are 392 expiring affordable rental units of all types in Florida Housing’s portfolio within years 2015-2019. The number of expiring rental units increases to 8,074 within years 2020 - 2024 and to 11,438 within years 2025 – 2029.
 - The share of expiring 9% and 4% Low Income Housing Tax Credits (Housing Credits) financed rental units is evenly split. Of the 19,900+ rental units set to expire over the next 15 years, just over half of them were originally financed using competitive 9% Housing Credits; 41 percent utilized non-competitive 4% Housing Credits and Bonds, and the rest used a combination of Housing Credits or other financing.
- **Across the entire assisted rental housing supply in Florida, over 14,000 units have federal rental assistance contracts expiring before 2021.** These owners have the option to terminate these contracts once the expiration date is reached. These units are most likely to serve extremely low income elders and persons with disabilities.
- **Housing credit affordability periods vary from state to state.** Housing Credit properties are required by federal law to be affordable for up to 30 years, with an “opt out” possibility in the second half of this period under certain circumstances. For both new construction and rehabilitation developments, Florida Housing requires a total affordability period of 50 years for 9% Housing Credits and 30 years for 4% Housing Credits (the latter go with tax-exempt bonds), and applicants waive their right to opt out. For 9% Housing Credits, affordability periods in other state Housing Credit programs show that 31 states either require or incentivize an affordability period of greater than 30 years (14 of these are at 50 or more years) for 9% Housing Credits. For 4% Housing Credits, a few states require more than 30 years, but the majority of states do not require anything beyond 30 years.

Affordable Housing Trust Funds

At this time, Florida Housing’s state funds are generally appropriated through the trust funds created by the Sadowski Act. No appropriations are made to Florida Housing from general revenue. From the inception of the trust funds in 1992 through Fiscal Year 2000-01, the Legislature appropriated all documentary stamp tax distributed to the trust funds for affordable housing programs greatly enhancing the impact and reach of Florida Housing. The Legislature has chosen to sweep at least some of the trust fund distributions in eight out of the last 13 years for the purpose of meeting state budget deficits or for other purposes. Future trust fund sweeps would continue to impact Florida Housing’s ability to carry out its statutorily defined mission and purpose.

- **Total documentary stamp collections are increasing.** According to the state *Long Range Financial Outlook*, while documentary stamps are nowhere near their prior peak, they have

²⁴ *Ibid.*

increased over the past three years a trend expected to continue. This forecast, combined with projected general revenue improvements for the state, suggests that future monies will be available from trust funds should the Legislature choose to appropriate them.

- **“Legacy” Environmental Spending Constitutional Amendment is on the November ballot.** This proposed amendment mandates that 33% of future documentary stamp revenues be spent on environmental and land purchase programs. The Revenue Estimating Committee has stated that this requirement may result in reductions to existing programs currently funded by the revenues, or in the replacement of those dollars with other state funds at a loss to other programs.
- **Renewed appropriations of Housing Trust Fund dollars would make a difference.** Florida Housing estimates that every \$1 million appropriated to SAIL would create approximately 33 units, leverage \$3.31 million in private and other public investments and generate approximately 70 jobs and \$8.89 million in economic benefit. Every \$1 million appropriated to SHIP would create approximately 56 units, leverage \$4.39 million in private and other public investments and generate approximately 103 jobs and \$13.02 million in economic benefit.

Markets and Methods related to Housing Related Investments

Recent Moody’s and Standard and Poor’s nationwide analyses of state Housing Finance Agencies (HFAs) are cautiously optimistic regarding their future, acknowledging that HFAs have evolved to meet the demands of the new lending environment.²⁵ These nationwide evaluations viewed HFA asset positions and profitability as solid during the downturn with signs of renewed strength now emerging. While HFA delinquencies are still seen as relatively high from an historical perspective, analysts believe balance sheets are strong enough to absorb them going forward. Below are some relevant investment market predictions, conditions and approaches specifically related to Florida Housing.

- **Issues impacting national origination volume of homeownership loan programs.** Current pressures affecting origination volume include higher credit standards, competition from investors buying homes as rental properties and a shrinking supply of affordable homes due to investors and cash buyers. While the Mortgage Bankers Association expects a slight increase in year-over-year originations in 2014, it recently lowered a previously rosier projection.²⁶ Forecasted refinance originations were also revised downward to roughly 60 percent of 2013 totals.
- **Movement away from traditional mortgage revenue bonds.** Annual issues of single family mortgage bonds declined significantly as a result of the financial crisis. A return to pre-crisis levels is unlikely in the near future. Recent reports suggest bond dealers expect 2014 to be the second-worst year for municipal issuance in a decade with some predicting the lowest volume since 2000, as the Federal Reserve’s tapering program pushes interest rates higher.²⁷
- **Financing flexibility will be critical going forward.** Diversified loan strategies including Mortgage Backed Security (MBS) pass-through bonds, MBS sales in the secondary market and

²⁵ See Moody’s Investor Service, *2014 Outlook: US State Housing Finance Agencies* (Nov. 25, 2013), available at <http://www.ncsha.org/resource/moodys-2014-hfa-outlook> and Standard & Poor’s Ratings Services Ratings Direct, *Housing Finance Agency Loan Delinquencies Remain High But Should Not Affect Ratings* (Nov. 18, 2013), available at <http://www.ncsha.org/resource/sp-report-hfas-1113>.

²⁶ Press Release, Mortgage Bankers Association, *MBA Lowers 2014 Mortgage Originations Forecast* (Jan. 14, 2014) available at <http://www.mbaa.org/NewsandMedia/PressCenter/86781.htm>.

²⁷ The Bond Buyer, *Low 2014 Issuance Will Rival Worst in Decade, Dealers Say* (Jan. 16, 2014) available at http://repubhub.icopyright.net/freePost.act?tag=3.7745?icx_id=1059043.

direct loan sales to Government Sponsored Entities provide much needed flexibility to react in future markets. The success of Florida Housing's recent entry into the To Be Announced market supports the continuous lending concept during a time when use of traditional mortgage revenue bond strategies are not as useful.

- **Pricing on Housing Credits has strengthened.** After dropping precipitously, average Housing Credit pricing increased by over 30% from the 2009 to the 2011 funding cycle, a trend making development financing more possible.²⁸ According to investors, the current Florida locations that will demand higher pricing are Miami-Dade and Broward counties; following those areas, urban locations within Tampa, Orlando, and Jacksonville MSAs along with Palm Beach County. Good developments in other areas of the state will be able to find investors, but pricing will be slightly less. The highest pricing is usually offered by direct investors (i.e., banks) for specific locations to meet Community Reinvestment Act (CRA) needs, with the lowest pricing typically offered by national investors in a pooled-asset investment strategy (i.e., they aren't buying particular properties to meet location needs, but are choosing to invest in a broader Housing Credit investment that includes multiple properties).
- **The Guarantee Program portfolio is stable.** The risk-to-capital ratio of the program has continued to improve and stood at 1.80:1 at the end of February 2014. Prudent and forward-thinking decisions and actions have stabilized the Guarantee Program thereby enhancing Florida Housing's rental financing position for future years.

Federal and State Legislative Issues/Trends related to Housing

Florida Housing's administration of resources to finance affordable housing requires adherence to numerous laws, rules and regulations. Federal and state legislative mandates impact, and often dictate, Florida Housing's programs and priorities. Below are some current legislative issues and trends that may be relevant to the future of affordable housing in the state. As with any proposed or potential legislation, the specifics are fluid and unpredictable.

- **Congress may re-envision the roles of Fannie Mae and Freddie Mac.** Legislation filed in 2013 contemplates consolidating the multifamily mortgage lending programs of Fannie Mae and Freddie Mac and transferring these activities to a newly created Federal Mortgage Insurance Corporation (FMIC) whose risk would be shared by the private sector. Competing legislation essentially eliminates most taxpayer support for the housing market and pushes out the government. This route would wind down both Fannie and Freddie over five years and severely shrink FHA's footprint in the mortgage market.²⁹
- **Potential 'blank slate' approach to federal tax reform is being discussed.** In an effort to balance the national budget and reduce the national debt, this approach would overhaul the U.S. tax code by taking all current tax deductions off the table and demand compelling justifications to renew them. The mortgage interest deduction, tax exempt private activity bonds and the Housing Credit program could be vulnerable in any deficit-reduction proposals.³⁰
- **Modifications in the allocation decision process are being implemented.** Chapter 2013-83, Laws of Florida, clarified Florida Housing's ability to allocate financial resources, such as Housing Credits, through a competitive solicitation process. Florida Housing has chosen to use a

²⁸ See Florida Housing Finance Corporation, *Financing Multifamily Rental Housing* (Nov. 1, 2013).

²⁹ See Joint Center for Housing Studies of Harvard University, *The Changing Landscape for Multifamily Finance* (Dec. 2013), available at http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/rhb01_apgar_lajeunesse.pdf. Known respectively as the Corker-Warner proposal and the PATH Act.

³⁰ *Ibid.* The Senate Budget and the House Ways and Means Committees are taking the lead on any tax reform.

“Request for Applications” (RFA) process for this purpose and has begun implementing the procedure. This more flexible process better enables Florida Housing to react to changing markets and needs and may also result in less litigation. Further modifications of this procedural change may be worth pursuing as Florida Housing and its partners become more conversant with it.

- **The continuation of the state Legislature’s recent targeted non-recurring appropriations may drive future programmatic priorities.** Chapter 2013-106, Laws of Florida, included a number of specifically defined and targeted affordable housing appropriations. A continuation of explicitly designated state appropriations will put a premium on Florida Housing’s ability to quickly develop, process and award funding per statutory requirements. Any long range programmatic priorities of Florida Housing would be affected by a continuation of more, and possibly more varied, annual legislatively-driven priorities.

Additional Links to Relevant Sources

[State of Florida Long Range Financial Outlook Fiscal Year 2014-15 through 2016-17](#)

[2013 Rental Market Study: Affordable Housing Needs \(The Shimberg Center for Housing Studies\)](#)

[Bipartisan Policy Center Rental Housing Market Trends](#)

[Rental Housing Markets and Needs Study: Joint Center for Housing Studies at Harvard University](#)

[Changing Landscape for Multifamily Finance: Joint Center for Housing Studies of Harvard University](#)

[Moody's 2014 Outlook for State Housing Finance Agencies](#)

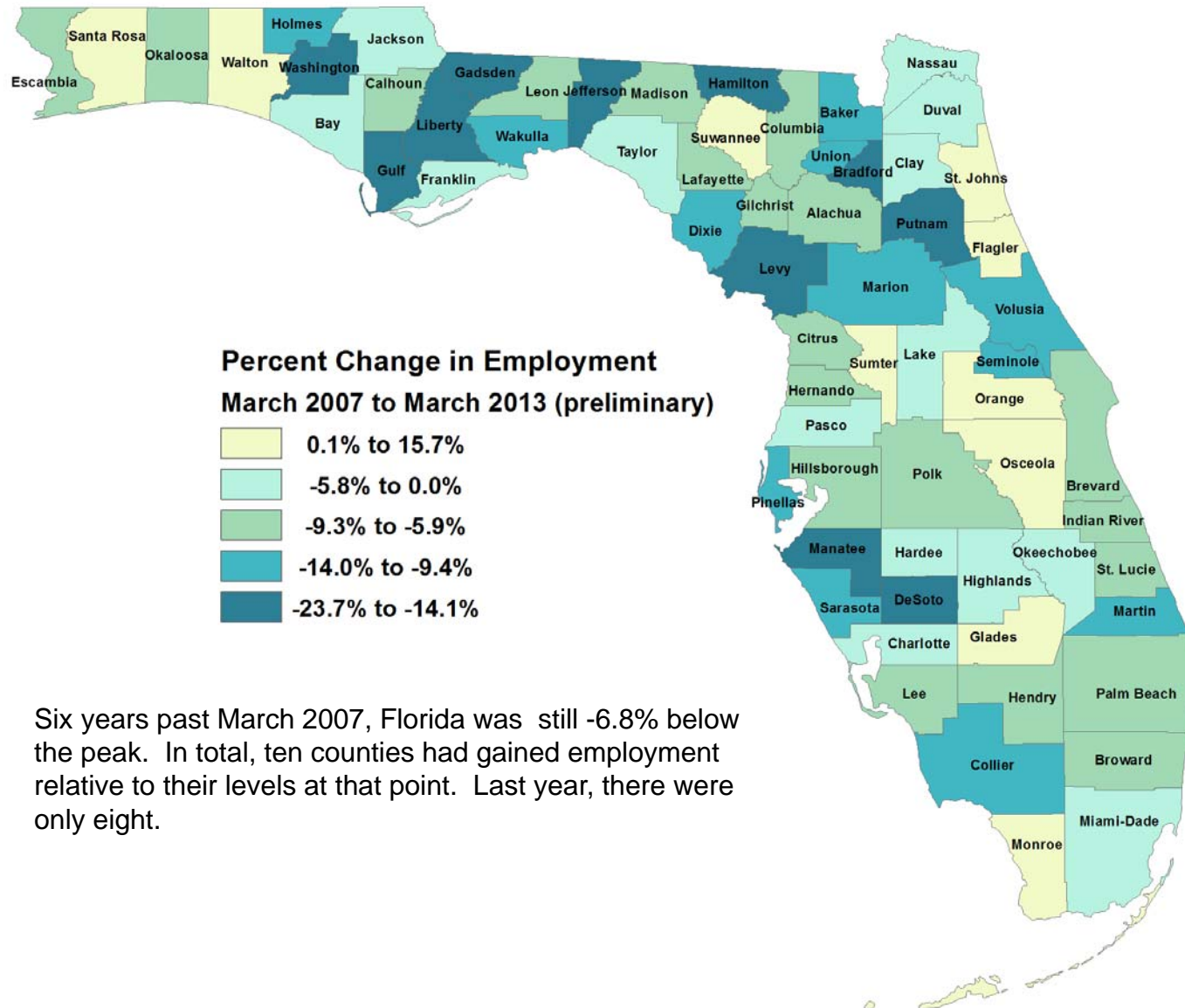
[Standard & Poor's Report on HFAs](#)

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Statewide Demographic and Economic Conditions Attachments

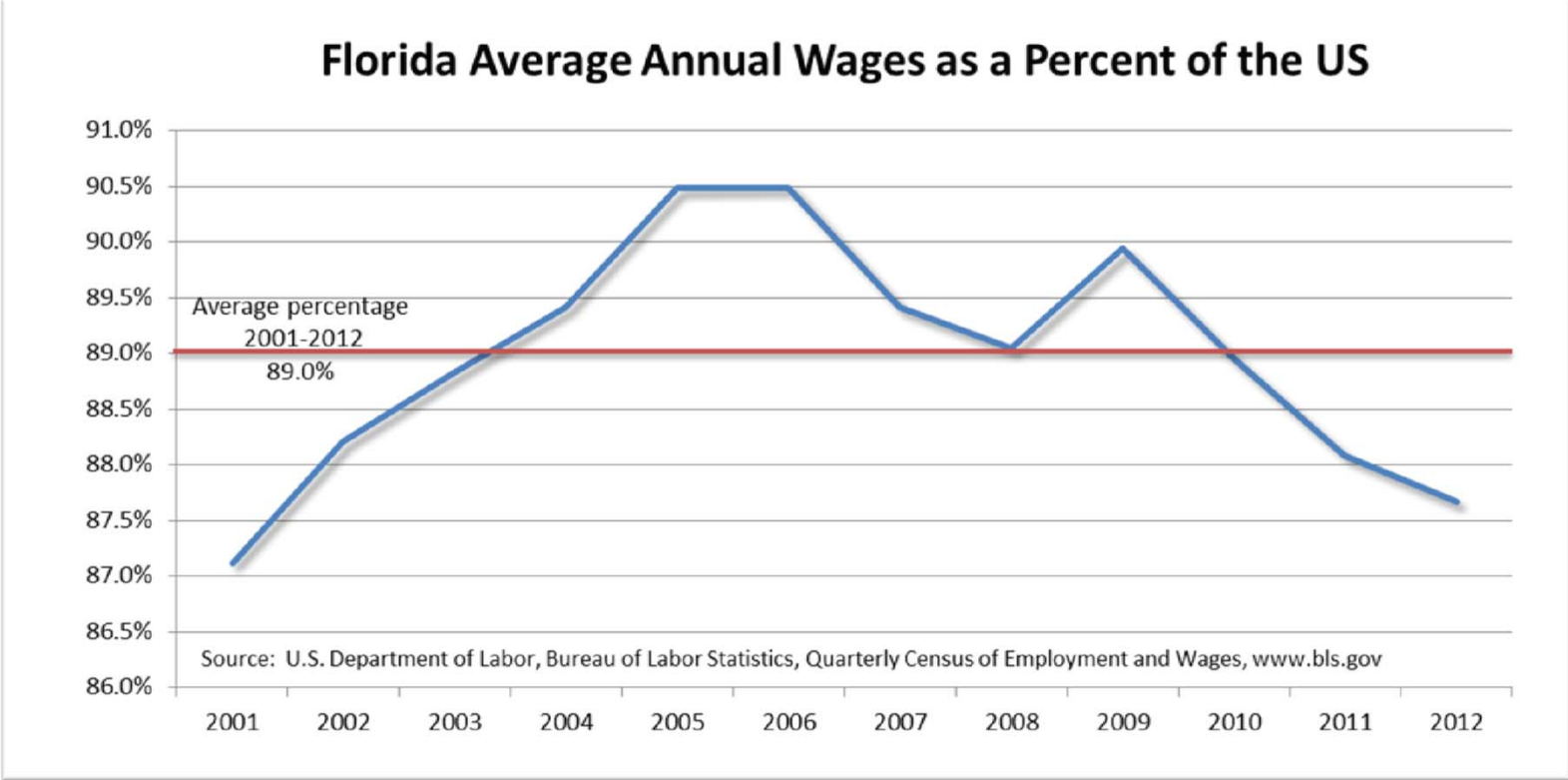
Employment Still Down from Peak Levels, But Improving...



Six years past March 2007, Florida was still -6.8% below the peak. In total, ten counties had gained employment relative to their levels at that point. Last year, there were only eight.

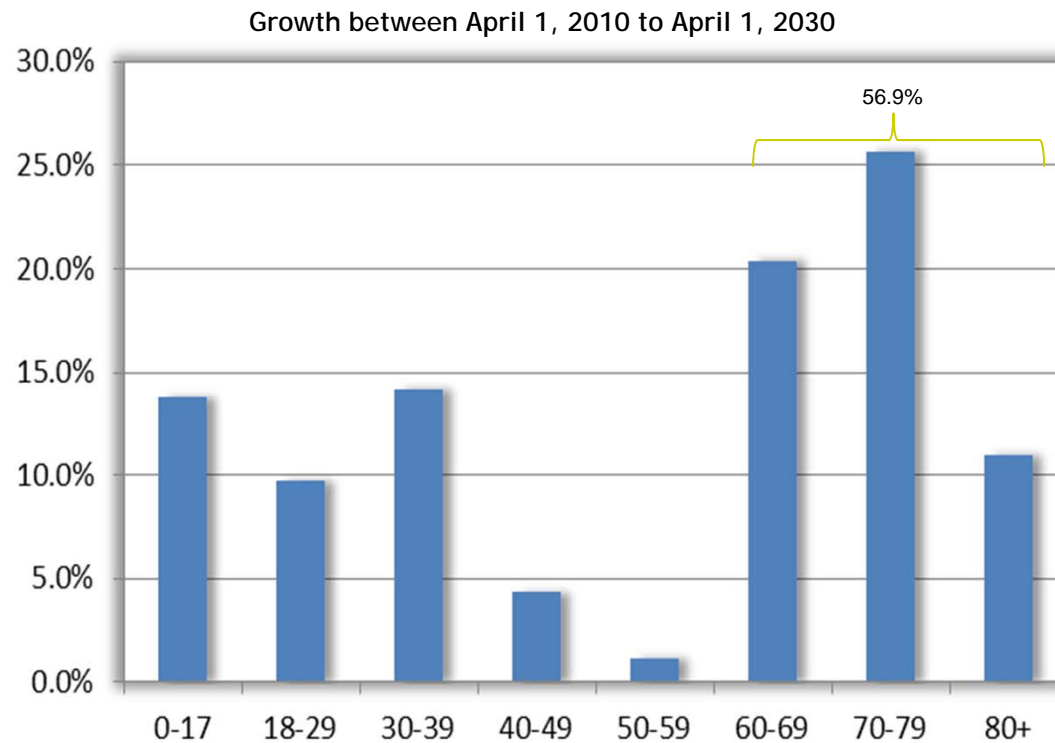


Wage Gap Increases in 2012



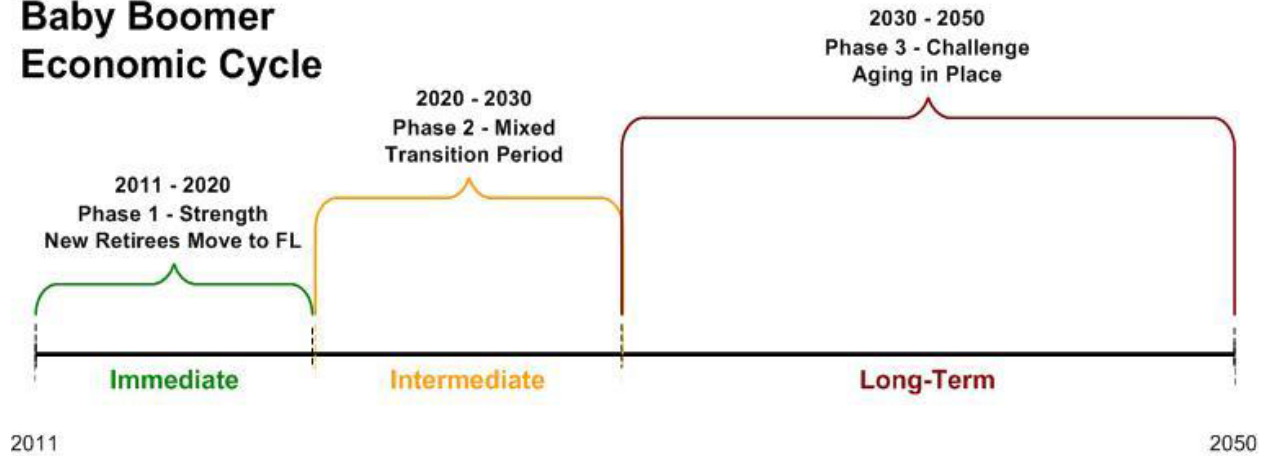
Florida's average annual wage has typically been below the US average. The preliminary data for the 2012 calendar year showed that it further declined to 87.7% of the US. Although Florida's wage level actually increased over the prior year, the US average annual wage increased more.

Population Growth by Age Group



- Between 2010 and 2030, Florida's population is forecast to grow by almost 4.8 million.
- Florida's older population (age 60 and older) will account for most of Florida's population growth, representing 56.9 percent of the gains.
- Florida's younger population (age 0-17) will account for 13.8 percent of the gains.

Baby Boomer Economic Cycle



OVER THE SHORTER-TERM ... (between now and 2020)

The Baby Boomers retiring to Florida will generally be financially better off than the average retiree; most will come with assets (at least from the sale of their homes).

Many will buy new homes in Florida and then outfit them --- generating additional tax revenues, largely as a result new money coming in to Florida from outside the state (earned elsewhere). New infusion of dollars has the greatest multiplier effect.

They will also tend to be younger retirees, and therefore healthier and more active --- meaning their demand for consumer services will be higher, strengthening the economy, while their demand for government services will be at its minimum.

OVER THE LONGER-TERM ... (between now and 2030)

As the Baby Boomers retire, they will be leaving vacant more jobs than there are workers to fill them.

The ability to create new jobs will be constrained by the numbers of qualified workers available to fill those jobs.

Both of these factors will lead to increased demand for workers and upward pressure on wages as the skilled supply of workers fails to keep pace with the demand.

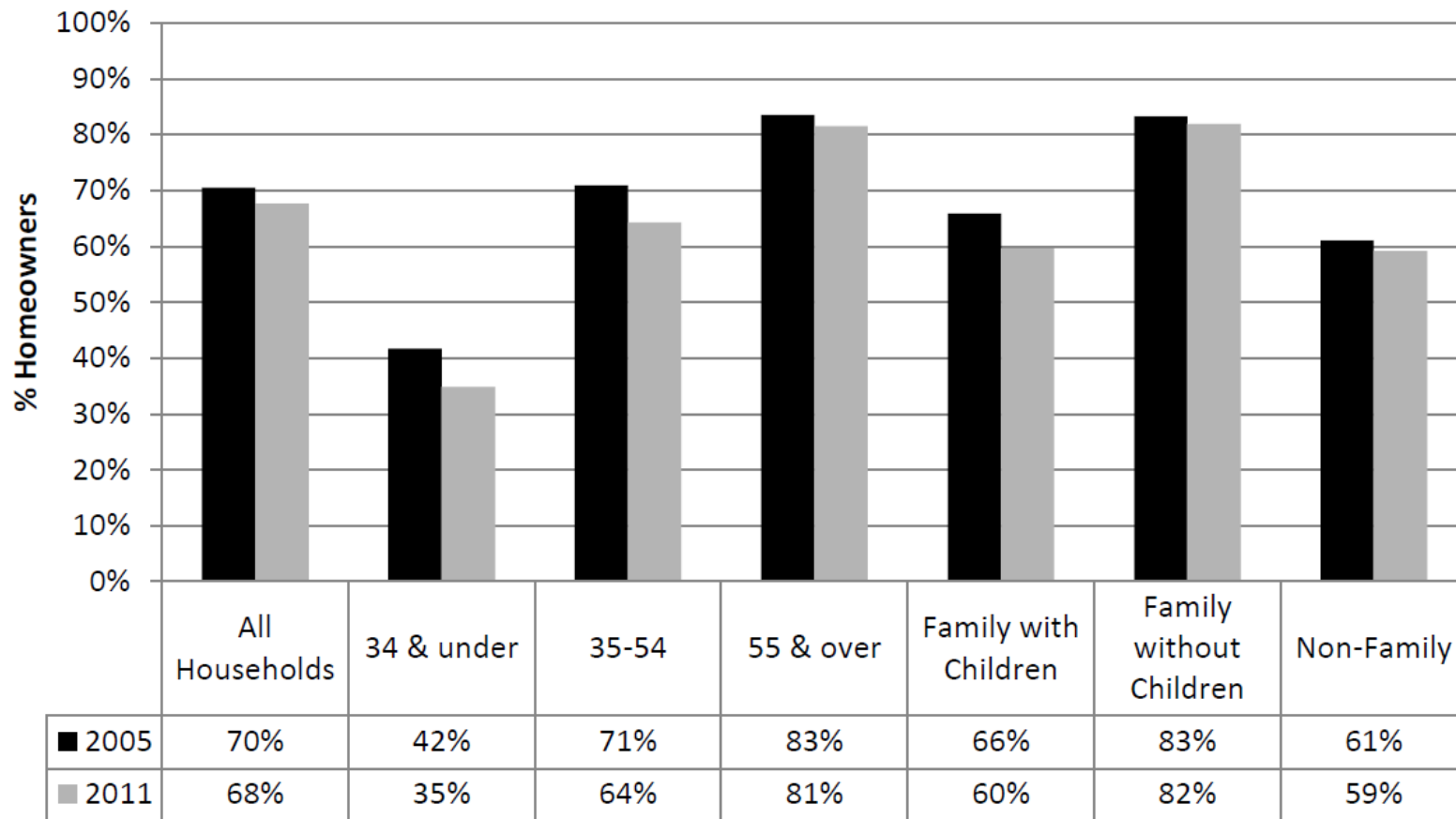
Inflated wages will hurt economic growth, as well as make government services more costly to provide—just as the Boomers increase their need for government-supported services.

The increased cost of government services (due to higher prices and larger caseloads) and suppressed economic growth will make budget gaps worsen (diminished revenues and higher costs for the same services and more services being demanded). This situation will be exacerbated by the fact that retirees tend to spend more on services and less on taxable goods.

Note: Information from The Legislative Office of Economic and Demographic Research, *State of Florida Long-Range Financial Outlook Fiscal Year 2014-15 through 2016* (Fall 2013 Report).

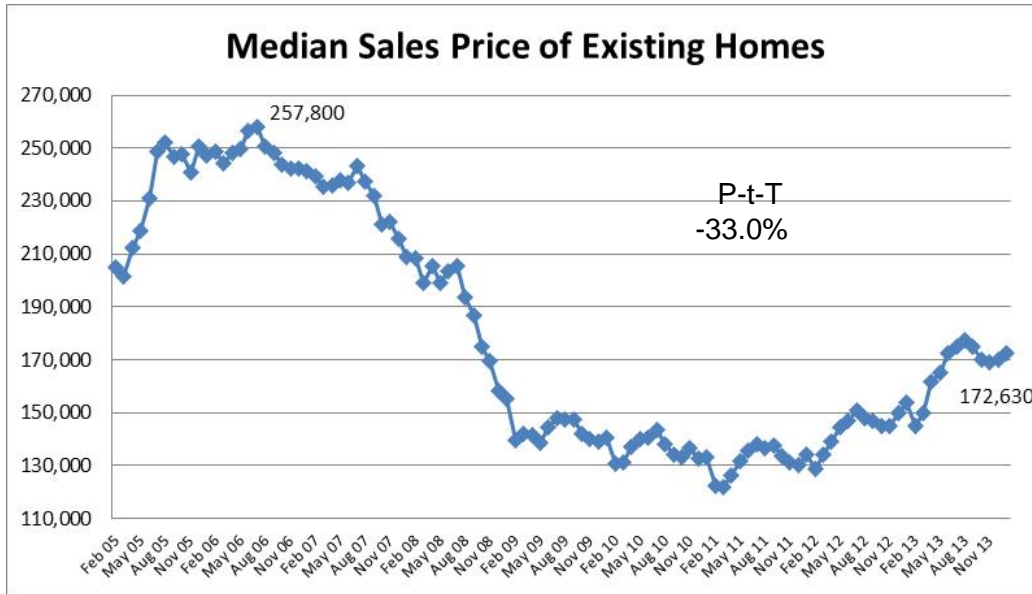
Homeownership Landscape Attachments

Figure 2.2. Homeownership Rate by Household Type, Florida, 2005-2011

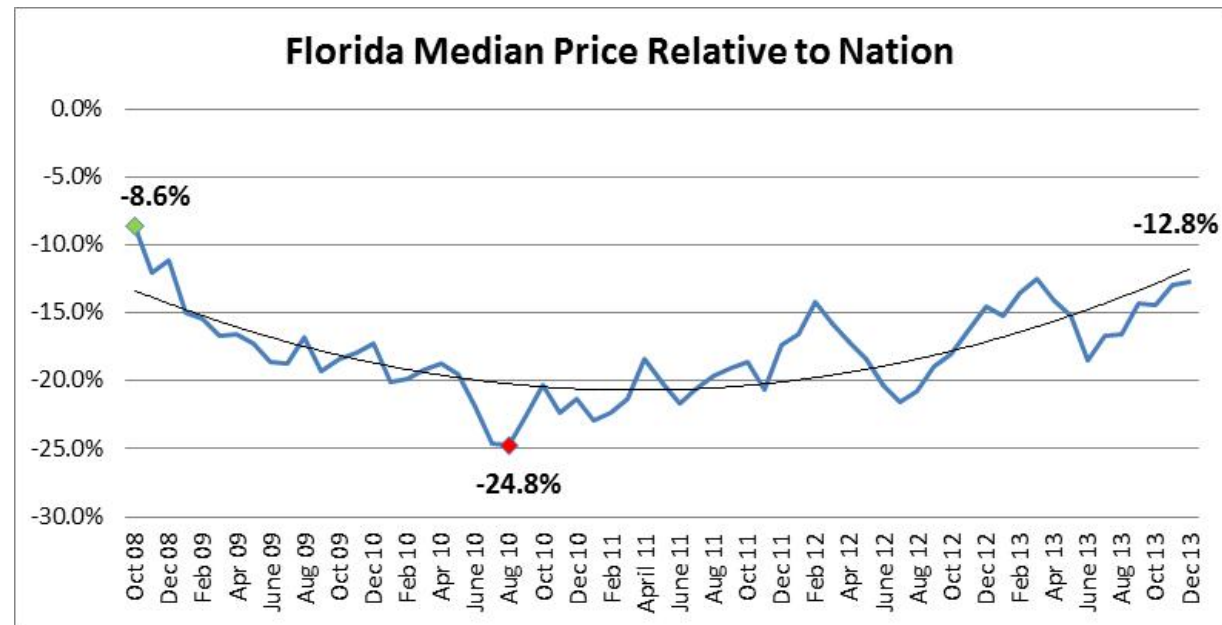


Source: U.S. Census Bureau, 2005 and 2011 American Community Survey

Existing Home Price Gains Have Slowed...

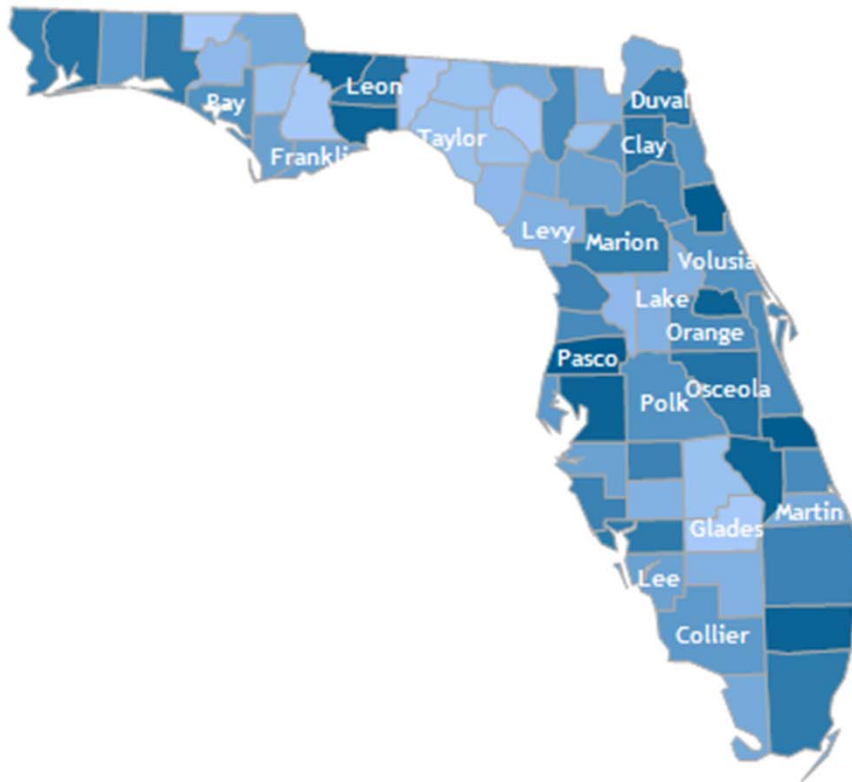


Median Sales Prices for Existing Homes drifted slightly downwards in the Summer and Fall and are still substantially below the nation as a whole.



Data through December 2013

Foreclosure Activity Remains Daunting



2013 Calendar Year...

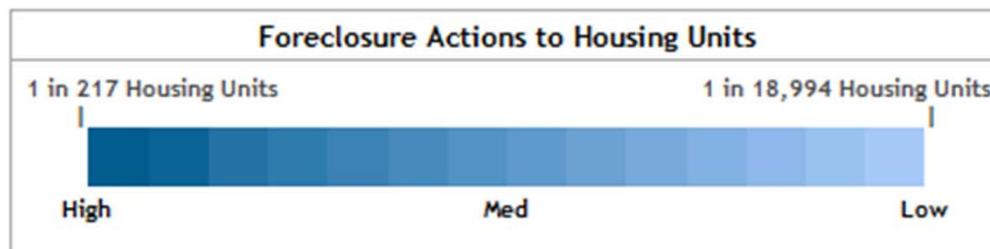
Florida had highest Foreclosure Rate in the US for the second year in a row: (3.01% of housing units received at least 1 filing).

- Highest State for # of Filings
- Highest State for Foreclosure Rate
- Among US Metro Area rates: 8 of the top 10 highest metro rates in the nation were in Florida.

- Miami #1
- Jacksonville #2
- Orlando #3
- Palm Bay-Melbourne #4
- Port St. Lucie #5
- Tampa #6
- Ocala #7
- Sarasota #10

At December 2013:

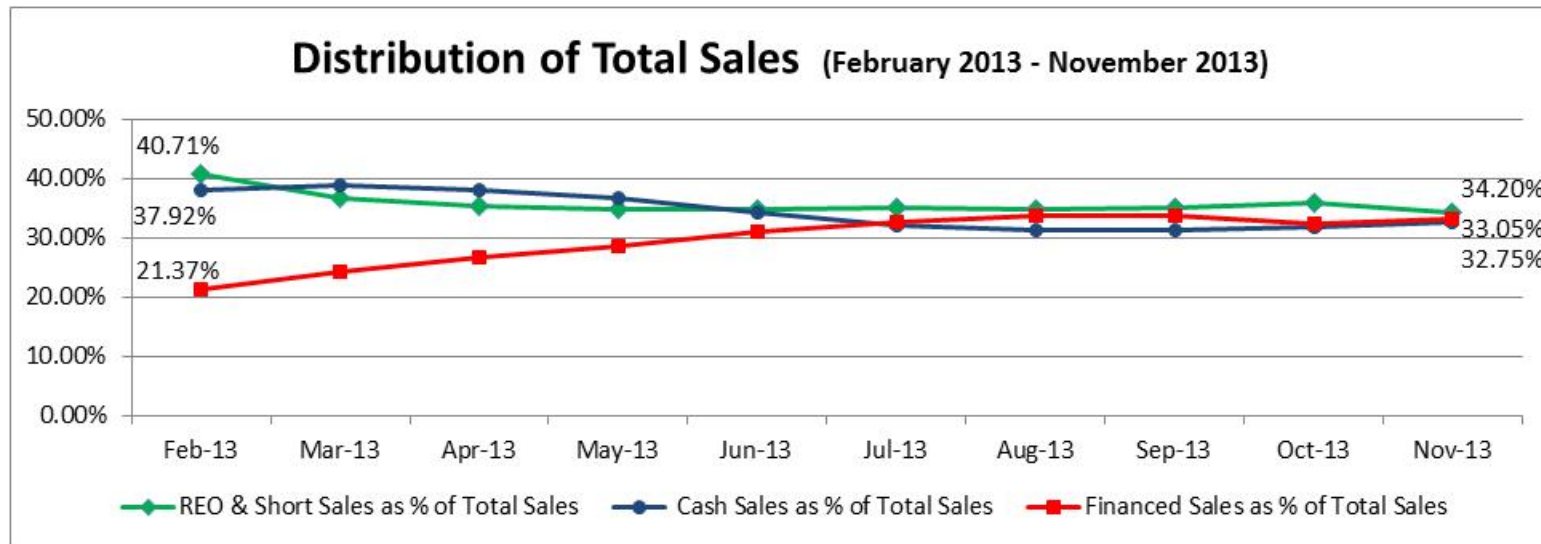
“Florida accounted for the biggest share of U.S. foreclosure inventory, with 306,018 properties in some stage of foreclosure or bank owned — 25 percent of the national total. Florida foreclosure inventory was virtually unchanged from a year ago, although down 18 percent from the peak of 371,216 in November 2010.” *RealtyTrac*



Data from RealtyTrac

Sales Mix Still Points To Lower Prices

**Foreclosure Discount
37.5%**



Data from LPS: Lender Processing Services

- Financed sales have been growing as percentages of all sales, cash sales have declined slightly in recent months—and the percentage for REO & Short Sales has essentially stabilized after declining in earlier months. The three data points have nearly converged during the past five months.
- While short sales have been significantly increasing in some states, that is not yet the case in Florida. There were 5,892 short sales in November 2012, and 3,979 in November 2013. To the extent short sales increase, the foreclosure pipeline will be reduced.

FIRST TIME HOMEBUYER PROGRAM SUMMARY

	2013 FTHB Program Totals	2014 FL Government Loan Program	2014 FL HFA Preferred Conventional Loan Program	2014 Mortgage Credit Certificate (MCC) Program
Average Loan Amount	\$108,277	\$116,695	\$113,836	\$160,837
Average Acquisition Price	\$113,697	\$123,172	\$120,000	\$170,317
Average Household Income	\$46,548	\$41,000	\$60,450	\$53,220
Statewide Area Median Income %	82.53%	73.08%	107.75%	94.87%
Total # of Units	1,517	287	1	47
Total \$ Volume	\$164,256,571	\$33,491,360	\$113,836	\$7,559,318

2014 TOP 10 COUNTIES FOR FTHB LOAN ORIGINATIONS

Counties	Total # of Loans	Total \$ Volume
Duval	52	\$6,329,551.52
Brevard	23	\$2,390,019.70
Orange	22	\$3,014,013.77
Lee	21	\$2,195,057.99
Hillsborough	20	\$2,103,376.89
Manatee	16	\$2,021,525.88
Volusia	14	\$1,446,425.37
Polk	12	\$1,559,281.63
Clay	11	\$1,320,021.56
Leon	9	\$976,436.94

Summary of Homebuyer Incomes Served by the First Time Homebuyer Program, 2013 and Early 2014

Indicator	2013 FTHB Program Totals	2014 FL Government Loan Program	2014 FL HFA Preferred Conventional Loan Program	2014 Mortgage Credit Certificate (MCC) Program
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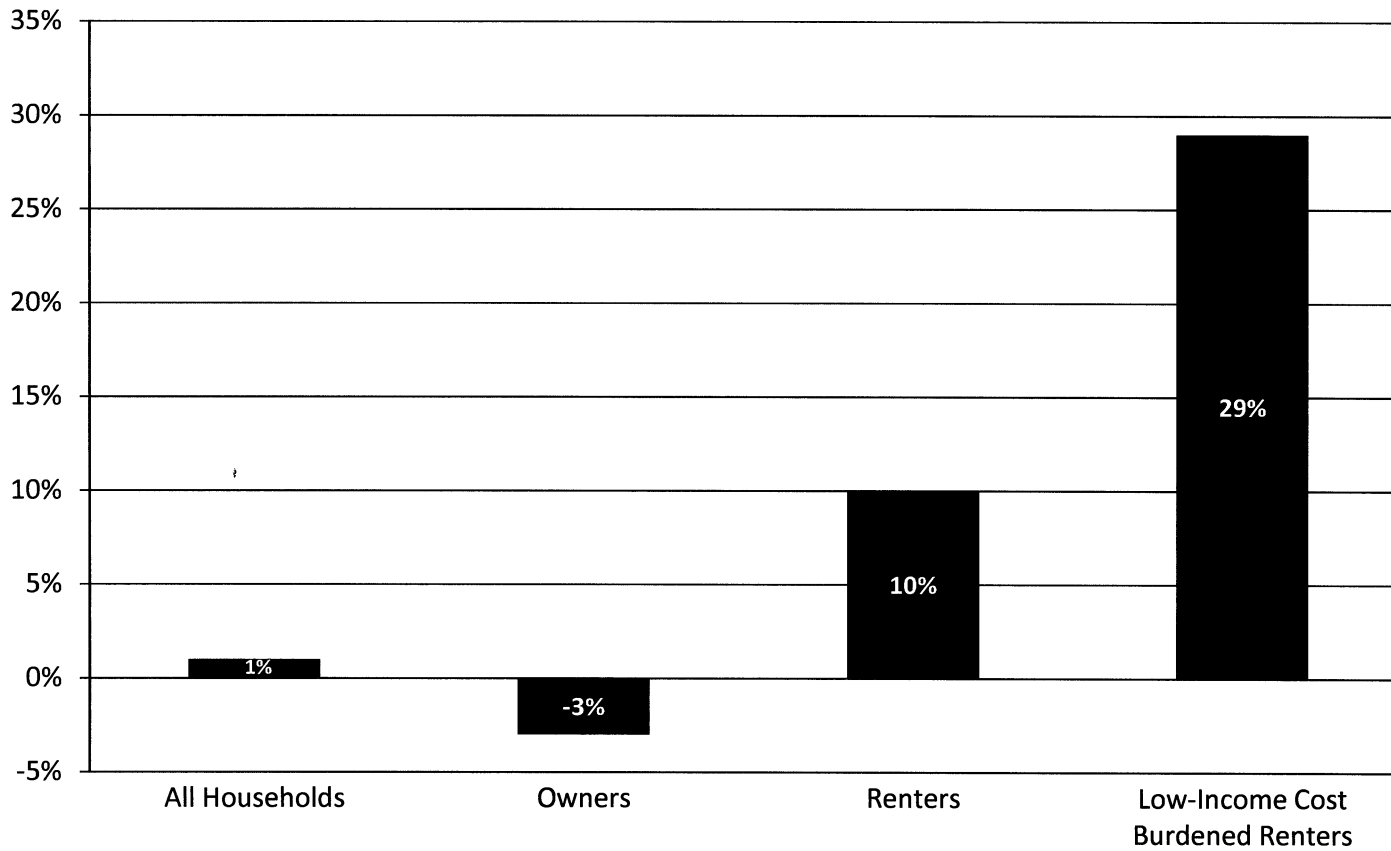
2013 FTHB Program Totals by Income Range Served

Average Area Median Income %	# of Loans	% of 2013 Total Loans
0-30%	58	3.8%
30.01-50%	457	30.1%
50.01-80%	827	54.5%
80.01-100%	175	11.5%
Total # of Units	1,517	100.0%

Rental Housing Landscape Attachments

More households are renting

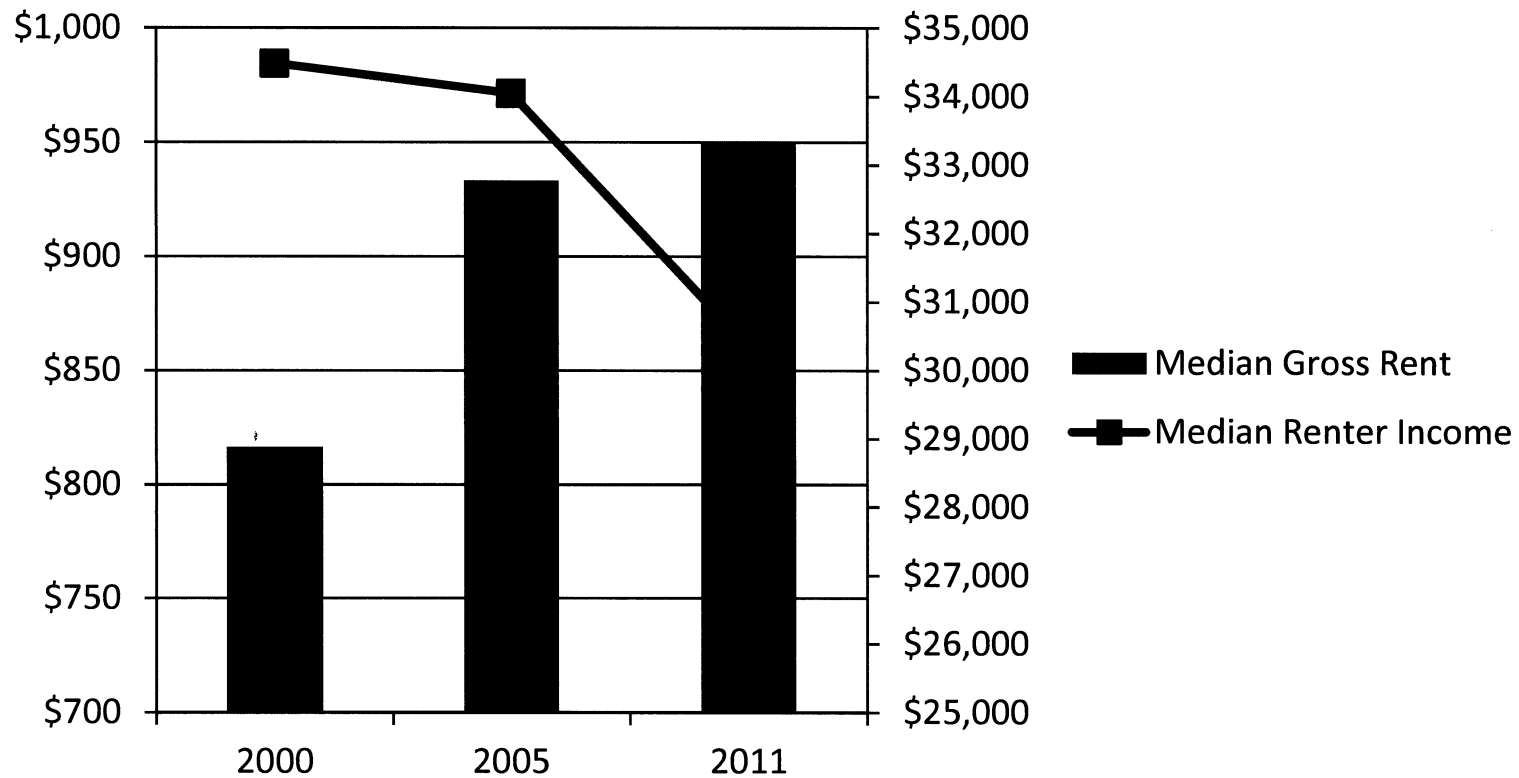
Changes in Florida Households, 2005-2011



Source: U.S. Census Bureau, 2005 and 2011 American Community Survey

Rents are up, incomes are down

Real Median Gross Rent and Median Renter Income (2011 \$), Florida, 2000-2011



Source: U.S. Census Bureau, 2000 Census and 2005 and 2011 American Community Survey

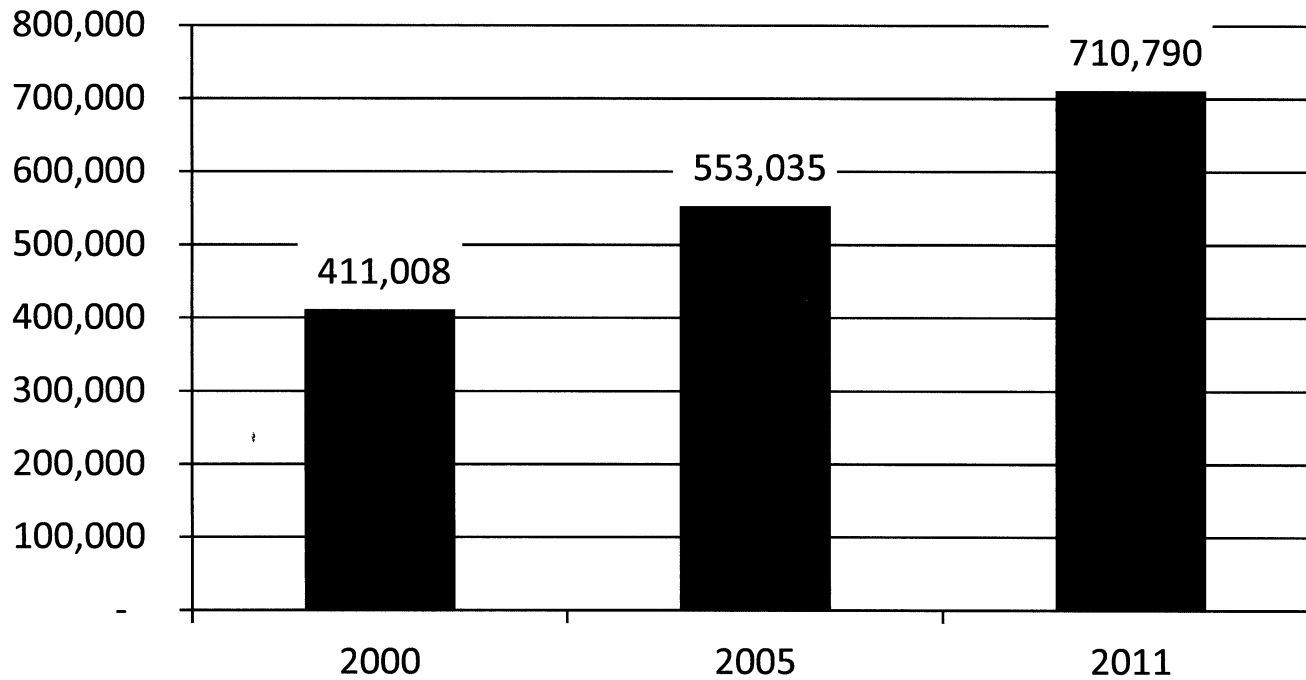
Comparison of 2011, 2012 and 2013 Physical Occupancy Rates for Active Reporting Units in Florida Housing's Portfolio

Data compiled from properties during the period of November 2011, and October–December of 2012 and 2013. Between each year, the total unit counts may differ slightly for each county due to additional units coming on line or less/more reporting information. In 2011, 156,404 active units reported information. In 2012, 167,888 active units reported information. In 2013, out of a total 176,675 active and pipeline units, 170,293 units were actively operating and reported information.

County	2013 Total Active Units	2011 % of Reporting Units Occupied	2012 % of Reporting Units Occupied	2013 % of Reporting Units Occupied	County	2013 Total Active Units	2011 % of Reporting Units Occupied	2012 % of Reporting Units Occupied	2013 % of Reporting Units Occupied
Alachua	2,127	88.6%	91.9%	93.3%	Levy	233	97.4%	95.9%	92.1%
Baker	50	100.0%	98.0%	97.3%	Madison	116	92.3%	93.1%	94.0%
Bay	1,704	93.1%	92.4%	96.6%	Manatee	3,061	90.5%	92.5%	94.0%
Bradford	120	74.5%	86.7%	83.3%	Marion	1,651	79.2%	83.6%	91.6%
Brevard	2,967	89.3%	93.3%	91.9%	Martin	826	94.7%	95.8%	95.3%
Broward	11,601	93.1%	94.1%	94.2%	Miami-Dade	28,210	95.4%	94.0%	95.7%
Charlotte	1,471	89.2%	93.1%	94.9%	Monroe	926	98.4%	98.8%	97.6%
Citrus	477	94.7%	94.6%	94.5%	Nassau	378	89.2%	92.3%	95.1%
Clay	919	94.8%	94.5%	94.7%	Okaloosa	360	96.1%	93.8%	93.1%
Collier	4,431	90.6%	92.3%	91.1%	Okeechobee	229	87.2%	94.8%	95.1%
Columbia	429	86.3%	94.5%	90.5%	Orange	23,851	93.0%	94.6%	95.9%
DeSoto	655	87.1%	89.2%	88.6%	Osceola	4,853	93.4%	96.9%	97.4%
Duval	10,712	90.4%	90.1%	91.2%	Palm Beach	8,548	89.0%	90.8%	93.5%
Escambia	1,869	91.9%	90.0%	89.1%	Pasco	2,014	85.6%	92.6%	90.8%
Flagler	322	94.0%	93.5%	96.9%	Pinellas	5,184	91.6%	94.5%	96.6%
Franklin	85	92.5%	92.9%	94.9%	Polk	2,941	90.6%	94.2%	95.0%
Gadsden	432	90.3%	86.3%	92.3%	Putnam	525	95.0%	93.5%	94.3%
Hamilton	109	-	91.4%	90.5%	Santa Rosa	226	84.5%	93.9%	89.8%
Hardee	459	81.7%	86.8%	89.3%	Sarasota	898	91.0%	96.6%	97.8%
Hendry	311	81.9%	85.2%	91.2%	Seminole	4,466	92.3%	95.3%	94.8%
Hernando	1,263	88.7%	93.5%	93.3%	St. Johns	1,064	86.3%	88.8%	93.6%
Highlands	783	90.4%	88.6%	93.8%	St. Lucie	2,350	90.0%	91.7%	94.0%
Hillsborough	16,326	93.6%	95.3%	96.3%	Sumter	202	95.2%	98.3%	95.7%
Holmes	38	95.0%	94.4%	93.9%	Suwannee	197	89.1%	99.1%	95.8%
Indian River	2,269	90.2%	90.1%	94.1%	Taylor	37	-	98.2%	99.1%
Jackson	479	92.2%	91.7%	95.9%	Volusia	4,862	91.6%	94.0%	93.0%
Jefferson	36	97.2%	82.4%	100.0%	Wakulla	64	93.3%	92.2%	96.4%
Lake	2,878	86.7%	90.3%	92.1%	Walton	203	86.3%	92.3%	95.4%
Lee	3,646	87.2%	91.7%	92.6%	Washington	33	90.9%	-	93.9%
Leon	2,817	90.4%	92.1%	92.4%	STATEWIDE	170,293	91.9%	93.3%	94.5%

Affordable housing needs are increasing

Low Income (<60% AMI), Cost Burdened (>40%) Renters, 2005-2011



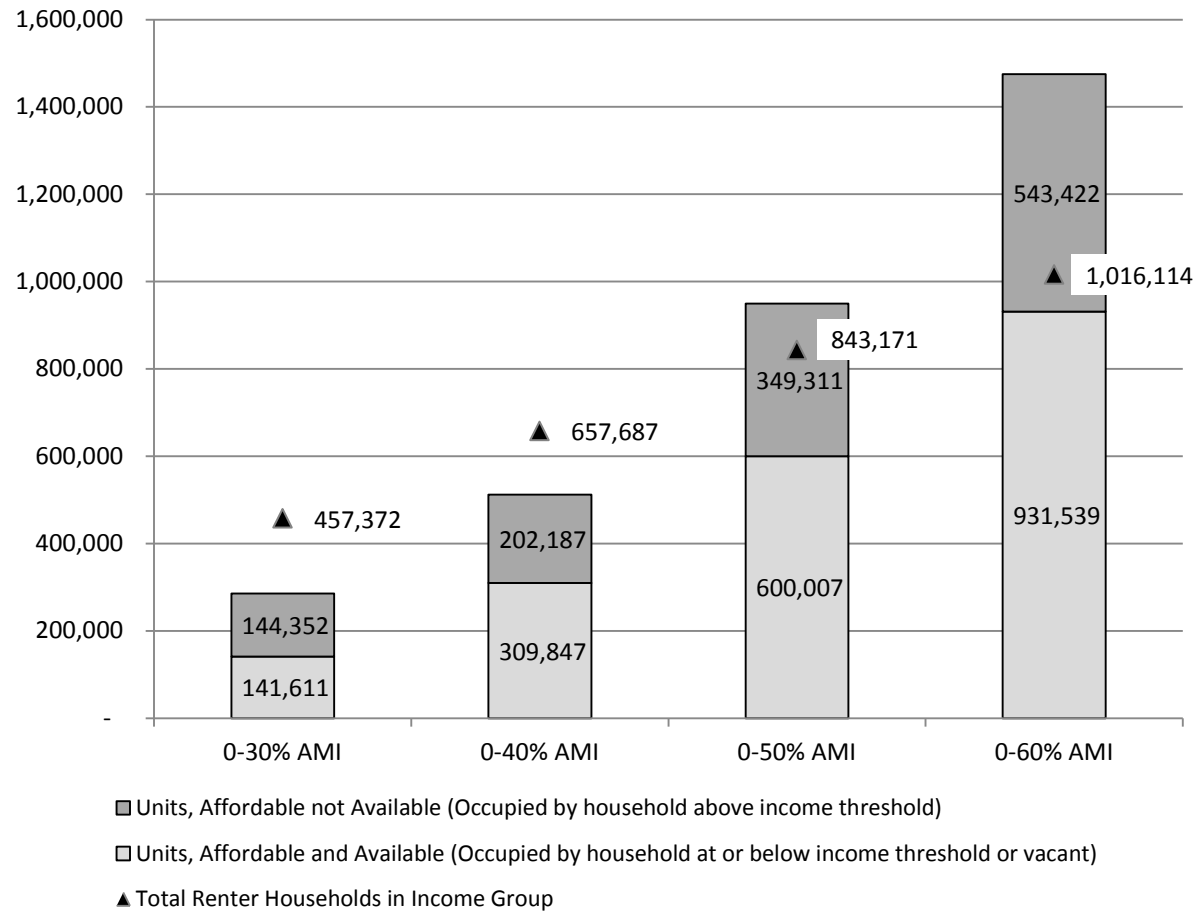
Source: U.S. Census Bureau, 2000 Census and 2005 and 2011 American Community Survey

Renter Household Cost Burden by County and by Area Median Income Level in Florida, 2013

	All Households		30% or Less of AMI			30.01 to 60% of AMI			Greater than 60% AMI		
	Total Households	% of Households w/ a >40% Cost Burden	Total Households	40.01 to 60% Cost Burden	60.01% or More Cost Burden	Total Households	40.01 to 60% Cost Burden	60.01% or More Cost Burden	Total Households	40.01 to 60% Cost Burden	60.01% or More Cost Burden
Large Total	1,376,873	40.3%	264,604	6.7%	65.2%	327,343	37.8%	36.8%	784,926	12.8%	2.6%
Alachua	33,037	34.1%	7,807	6.3%	60.3%	7,769	37.9%	18.8%	17,461	7.4%	2.1%
Bay	24,712	31.8%	3,780	5.1%	64.1%	6,278	45.2%	21.9%	14,654	6.5%	0.5%
Brevard	60,261	33.5%	11,603	7.9%	62.3%	16,409	35.6%	21.0%	32,249	7.5%	1.0%
Charlotte	15,166	36.4%	2,651	3.8%	67.7%	3,619	39.0%	31.4%	8,896	9.9%	2.3%
Citrus	11,474	33.2%	2,205	6.9%	56.7%	3,612	32.0%	26.3%	5,657	4.2%	1.2%
Clay	16,857	33.3%	2,987	3.5%	68.7%	3,314	51.8%	24.6%	10,556	7.0%	1.8%
Collier	38,126	35.7%	7,582	12.2%	61.3%	10,081	33.8%	22.1%	20,463	9.2%	2.6%
Escambia	39,220	35.8%	9,450	8.1%	64.8%	10,036	37.0%	21.7%	19,734	6.0%	0.4%
Hernando	14,576	41.3%	4,041	9.0%	75.9%	3,166	48.0%	24.1%	7,369	4.1%	0.0%
Indian River	15,643	37.0%	2,595	7.2%	67.7%	4,887	41.5%	20.6%	8,161	6.7%	3.2%
Lake	29,960	40.2%	4,883	10.3%	67.0%	8,585	40.5%	26.8%	16,492	12.9%	2.2%
Lee	78,435	36.5%	12,460	8.7%	67.2%	20,879	48.6%	20.5%	45,096	8.8%	1.7%
Leon	38,118	34.3%	11,168	7.4%	56.6%	8,473	37.2%	19.5%	18,477	5.4%	0.6%
Manatee	39,576	36.2%	7,139	8.7%	68.5%	11,031	34.3%	26.1%	21,406	8.3%	1.8%
Marion	33,329	37.4%	5,597	3.9%	68.8%	9,304	33.1%	34.9%	18,428	10.2%	1.0%
Martin	14,554	34.0%	2,728	14.7%	71.2%	3,432	20.9%	29.5%	8,394	8.7%	1.8%
Okaloosa	24,690	29.1%	4,248	7.9%	62.5%	6,079	36.9%	20.5%	14,363	5.0%	0.0%
Osceola	34,455	41.7%	5,878	4.9%	81.9%	9,648	48.4%	28.2%	18,929	9.4%	0.5%
Pasco	44,955	35.7%	8,377	7.5%	67.0%	13,419	35.7%	21.1%	23,159	8.5%	1.0%
Polk	68,651	36.8%	13,015	6.7%	61.3%	18,639	37.5%	31.2%	36,997	7.7%	2.0%
Santa Rosa	14,110	24.8%	2,103	4.9%	63.2%	3,199	30.3%	19.3%	8,808	4.0%	1.4%
Sarasota	43,900	37.3%	7,019	5.7%	69.3%	10,671	35.9%	36.2%	26,210	9.6%	3.5%
Seminole	53,558	31.7%	6,700	7.8%	63.9%	10,970	38.7%	35.9%	35,888	9.5%	1.6%
St. Johns	18,070	33.8%	3,280	4.0%	61.4%	4,046	43.8%	28.6%	10,744	6.4%	3.3%
St. Lucie	29,014	43.7%	5,952	5.0%	67.8%	7,682	42.1%	33.2%	15,380	15.6%	1.1%
Sumter	4,605	33.2%	885	6.9%	56.7%	1,450	32.0%	26.3%	2,270	4.2%	1.2%
Volusia	55,304	37.6%	11,902	4.3%	63.2%	14,133	34.5%	31.6%	29,269	8.2%	3.5%
Medium Total	894,356	35.8%	168,035	7.2%	65.1%	230,811	38.6%	26.1%	495,510	8.3%	1.7%
Baker	2,014	26.7%	412	0.7%	57.5%	459	25.3%	26.4%	1,143	4.8%	0.5%
Bradford	2,238	26.8%	458	0.7%	57.6%	510	25.3%	26.5%	1,270	4.8%	0.6%
Calhoun	1,185	29.4%	298	5.0%	55.7%	337	26.7%	18.7%	550	2.2%	0.4%
Columbia	6,808	26.7%	1,393	0.7%	57.6%	1,551	25.2%	26.4%	3,864	4.8%	0.5%
DeSoto	3,249	33.0%	427	14.8%	63.0%	911	28.8%	29.1%	1,911	7.8%	3.3%
Dixie	1,154	27.7%	264	5.3%	48.5%	337	28.5%	13.4%	553	5.4%	1.3%
Flagler	9,955	36.4%	2,863	15.7%	49.0%	2,506	29.8%	24.1%	4,586	9.3%	0.0%
Franklin	1,074	29.4%	270	4.8%	55.9%	305	26.9%	18.7%	499	2.2%	0.4%
Gadsden	3,411	34.3%	999	7.4%	56.7%	758	37.2%	19.5%	1,654	5.4%	0.6%
Gilchrist	1,011	27.8%	232	5.6%	48.3%	295	28.5%	13.6%	484	5.4%	1.2%
Glades	1,031	33.0%	135	14.8%	63.0%	289	28.7%	29.1%	607	7.9%	3.3%
Gulf	1,323	29.5%	332	4.8%	56.0%	377	26.8%	18.8%	614	2.1%	0.5%
Hamilton	1,145	27.8%	262	5.3%	48.5%	334	28.4%	13.5%	549	5.5%	1.3%
Hardee	2,524	33.0%	332	14.8%	63.0%	708	28.8%	29.1%	1,484	7.8%	3.3%
Hendry	3,707	33.0%	487	14.6%	63.0%	1,039	28.8%	29.1%	2,181	7.8%	3.3%
Highlands	9,965	33.0%	1,309	14.7%	63.0%	2,794	28.8%	29.1%	5,862	7.8%	3.3%
Holmes	1,619	32.4%	427	9.6%	53.2%	338	15.1%	32.8%	854	5.7%	5.3%
Jackson	4,463	32.4%	1,179	9.7%	53.2%	932	15.1%	32.8%	2,352	5.7%	5.2%
Jefferson	1,279	29.5%	322	5.0%	55.9%	363	26.7%	18.7%	594	2.2%	0.5%
Lafayette	641	27.8%	147	5.4%	48.3%	187	28.3%	13.4%	307	5.5%	1.3%
Levy	3,329	27.8%	763	5.5%	48.4%	971	28.4%	13.5%	1,595	5.5%	1.3%
Liberty	647	29.5%	163	4.9%	55.8%	184	26.6%	19.0%	300	2.3%	0.3%
Madison	1,767	29.4%	444	5.0%	55.9%	502	26.7%	18.7%	821	2.2%	0.5%
Monroe	13,471	44.4%	2,633	6.9%	57.1%	3,209	28.7%	51.3%	7,629	18.4%	4.2%
Nassau	6,323	34.6%	1,477	7.7%	60.9%	1,487	44.4%	14.8%	3,359	7.9%	1.0%
Okeechobee	3,875	37.0%	642	7.2%	67.8%	1,211	41.5%	20.6%	2,022	6.7%	3.2%
Putnam	7,070	36.4%	2,033	15.7%	49.0%	1,780	29.8%	24.0%	3,257	9.3%	0.0%
Suwannee	4,103	27.8%	940	5.4%	48.4%	1,198	28.5%	13.5%	1,965	5.4%	1.3%
Taylor	1,839	29.5%	462	5.0%	55.8%	523	26.8%	18.7%	854	2.2%	0.5%
Union	1,153	26.8%	236	0.8%	57.6%	262	25.2%	26.3%	655	4.9%	0.6%
Wakulla	2,099	29.4%	528	4.9%	55.9%	597	26.8%	18.8%	974	2.2%	0.4%
Walton	6,281	32.4%	1,660	9.7%	53.2%	1,310	15.1%	32.8%	3,311	5.7%	5.2%
Washington	1,930	32.3%	509	9.6%	53.2%	403	15.1%	32.8%	1,018	5.7%	5.2%
Small Total	113,683	33.5%	25,038	9.0%	55.0%	28,967	28.5%	26.7%	59,678	7.9%	2.3%
State Total	2,384,912	38.3%	457,677	7.0%	64.6%	587,121	37.7%	32.1%	1,340,114	10.9%	2.2%

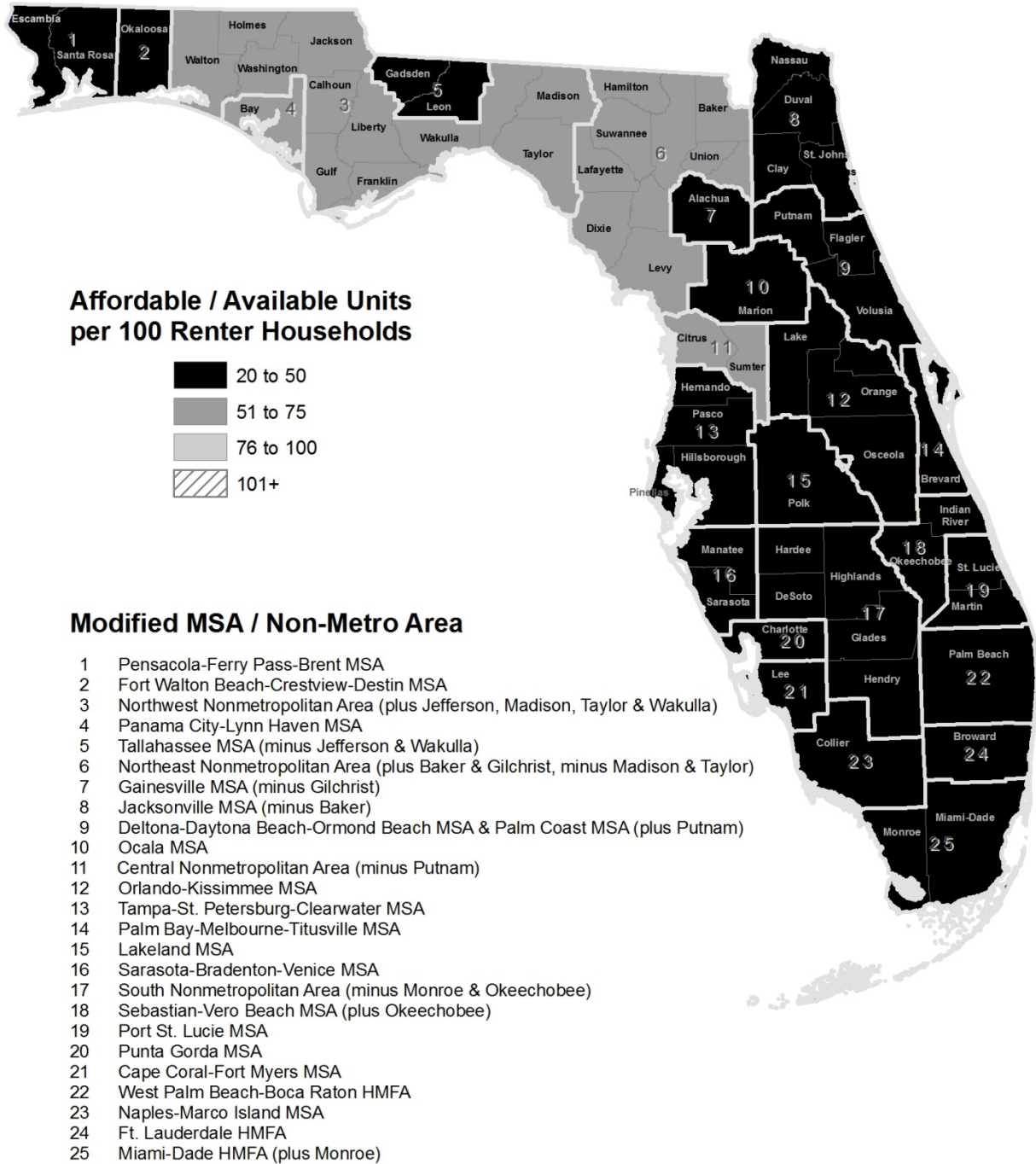
Affordable / Available

Number of Affordable Units, Affordable/Available Units, and Renter Households by Income, Florida, 2009-2011



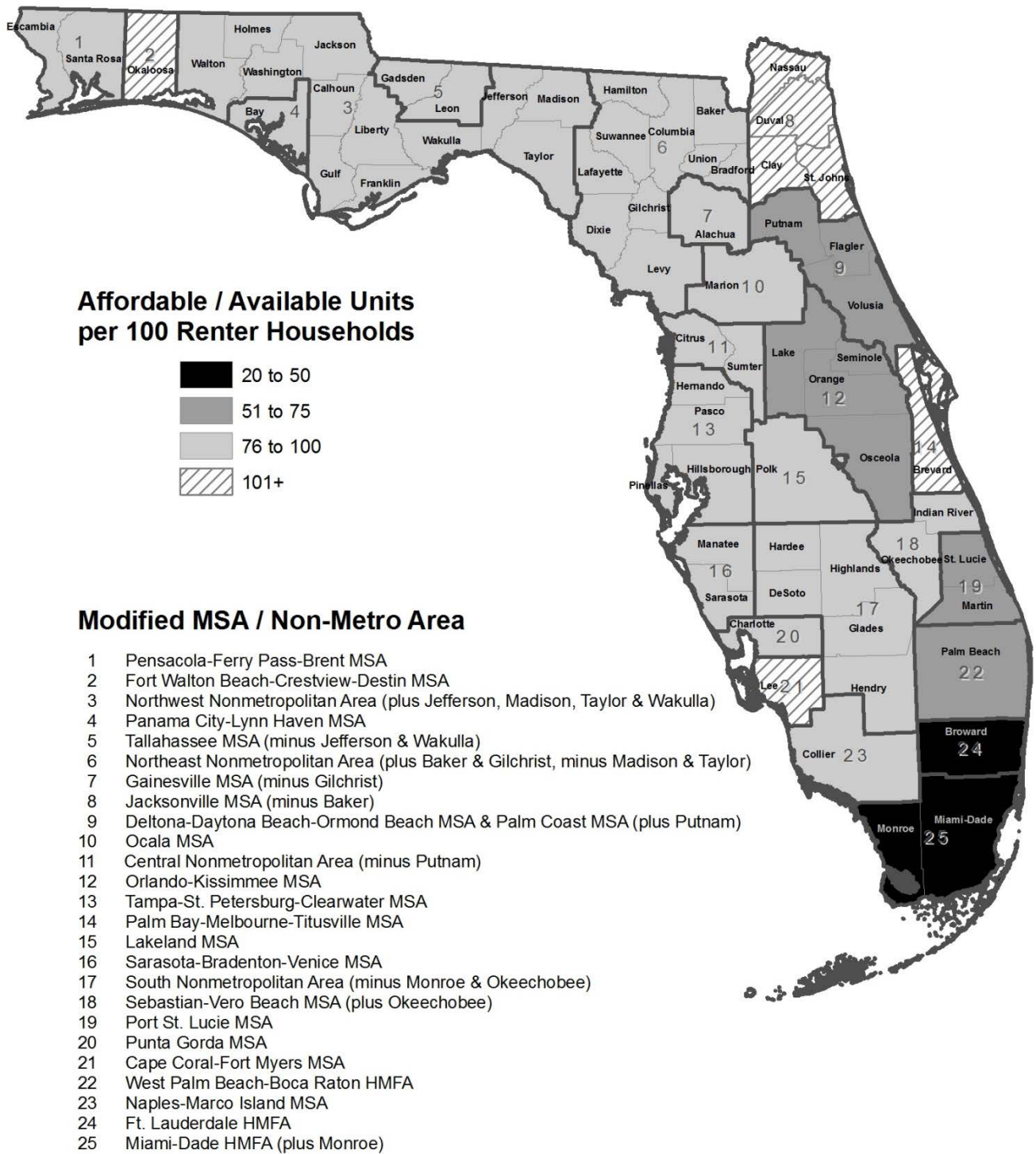
Source: U.S. Census Bureau, 2009-2011 American Community Survey

Figure 4.2. Affordable and Available Housing Units per 100 Renter Households at 0-30% AMI, Modified MSA and Non-Metropolitan Areas, 2009-2011



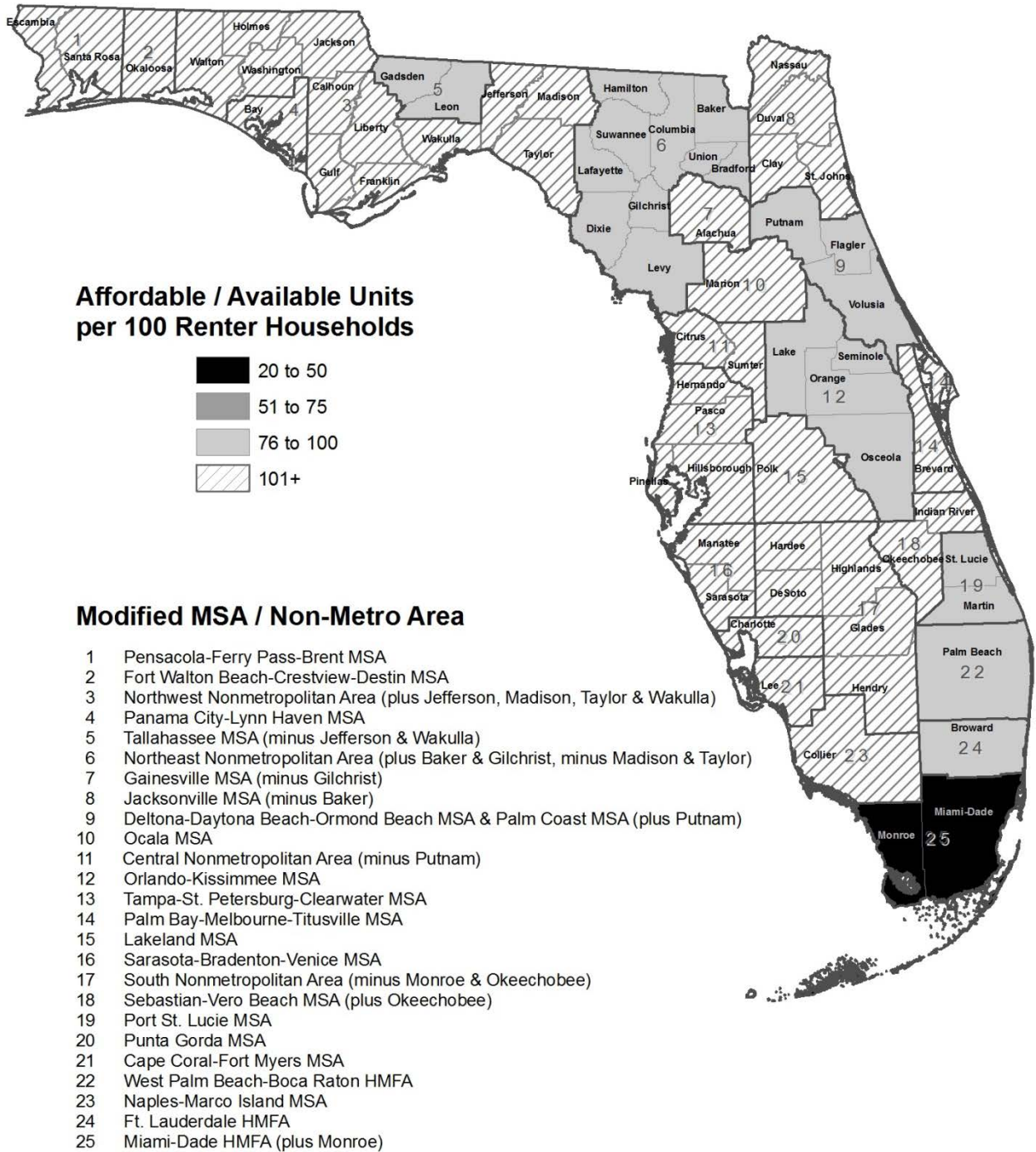
Source: U.S. Census Bureau, 2009-2011 American Community Survey

Figure 4.4 Affordable and Available Housing Units per 100 Renter Households at 0-50% AMI, Modified MSA and Non-Metropolitan Areas, 2009-2011



Source: U.S. Census Bureau, 2009-2011 American Community Survey

Figure 4.5. Affordable and Available Housing Units per 100 Renter Households at 0-60% AMI, Modified MSA and Non-Metropolitan Areas, 2009-2011

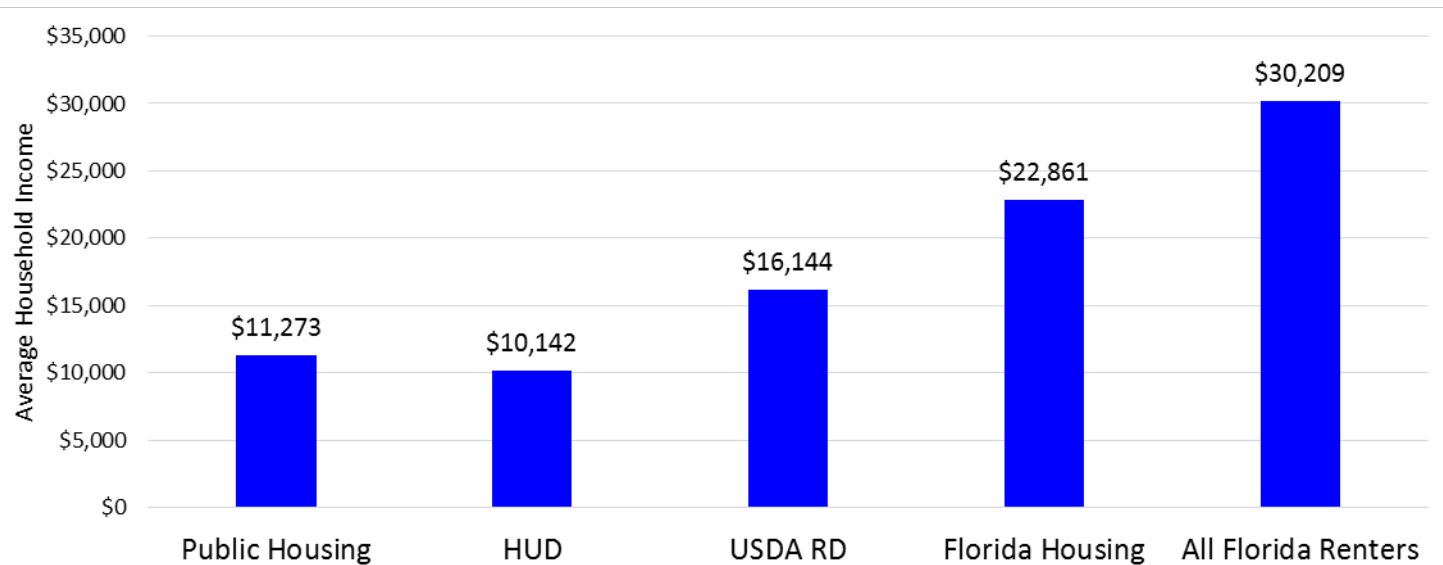


Source: U.S. Census Bureau, 2009-2011 American Community Survey

Affordable Housing Supply and Preservation Attachments

Tenant characteristics: Income

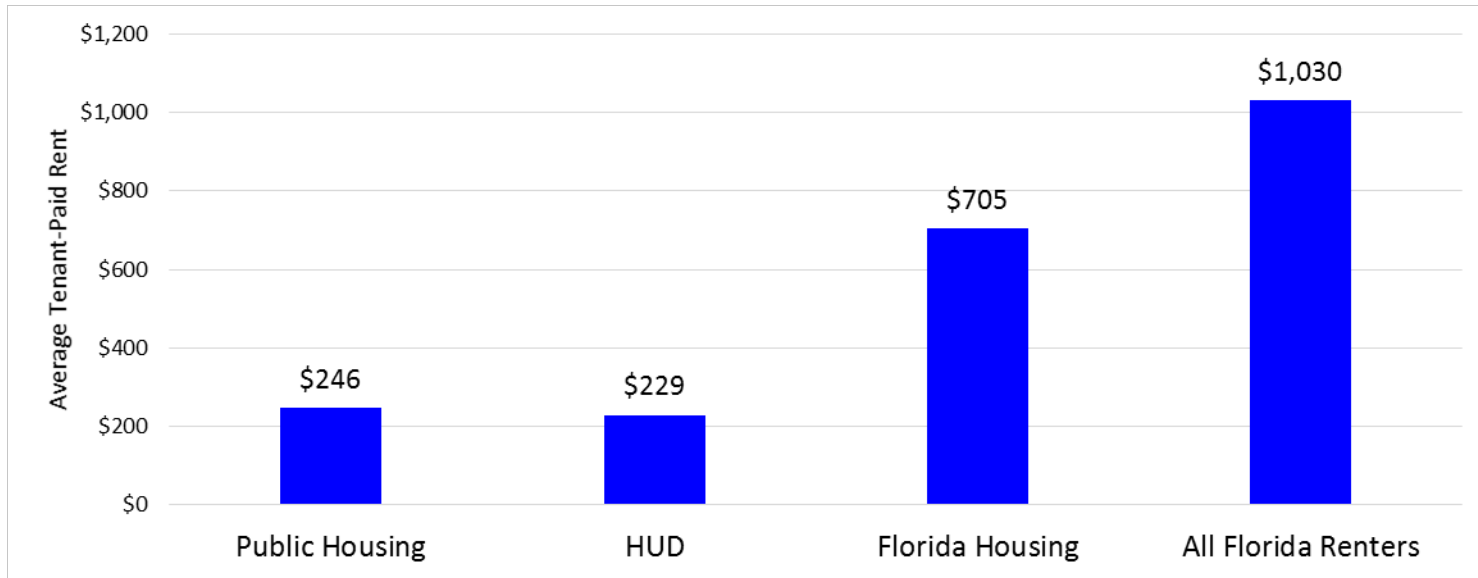
Average Household Income



Source: U.S. Department of Housing and Urban Development, 2012 Picture of Subsidized Households; Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2011 American Community Survey

Tenant Characteristics: Rent

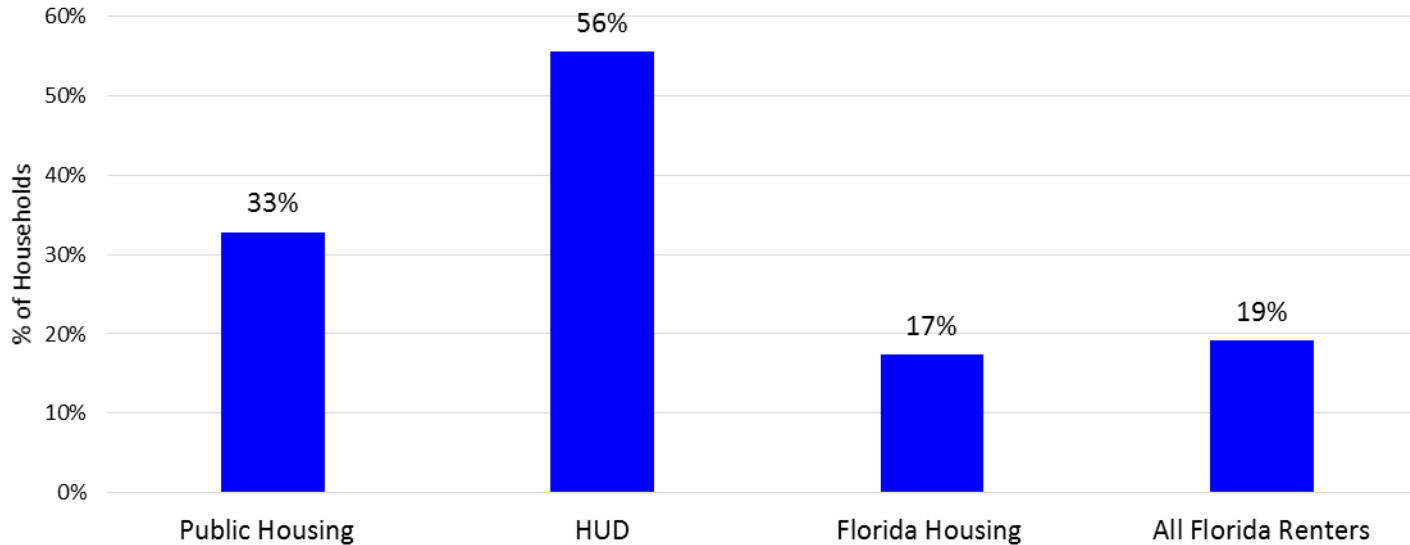
Average Tenant-Paid Gross Rent



Source: U.S. Department of Housing and Urban Development, 2012 Picture of Subsidized Households; Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2011 American Community Survey

Tenant Characteristics: Elderly

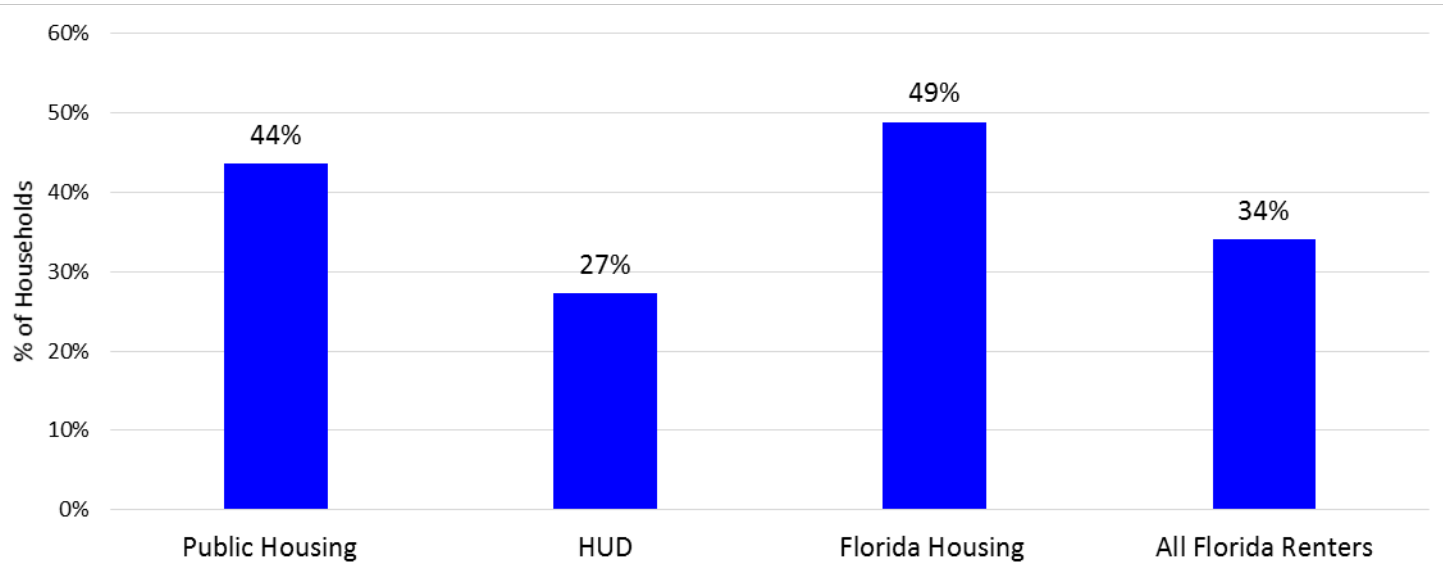
Percentage of Households Age 62 and older



Source: U.S. Department of Housing and Urban Development, 2012 Picture of Subsidized Households; Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2011 American Community Survey

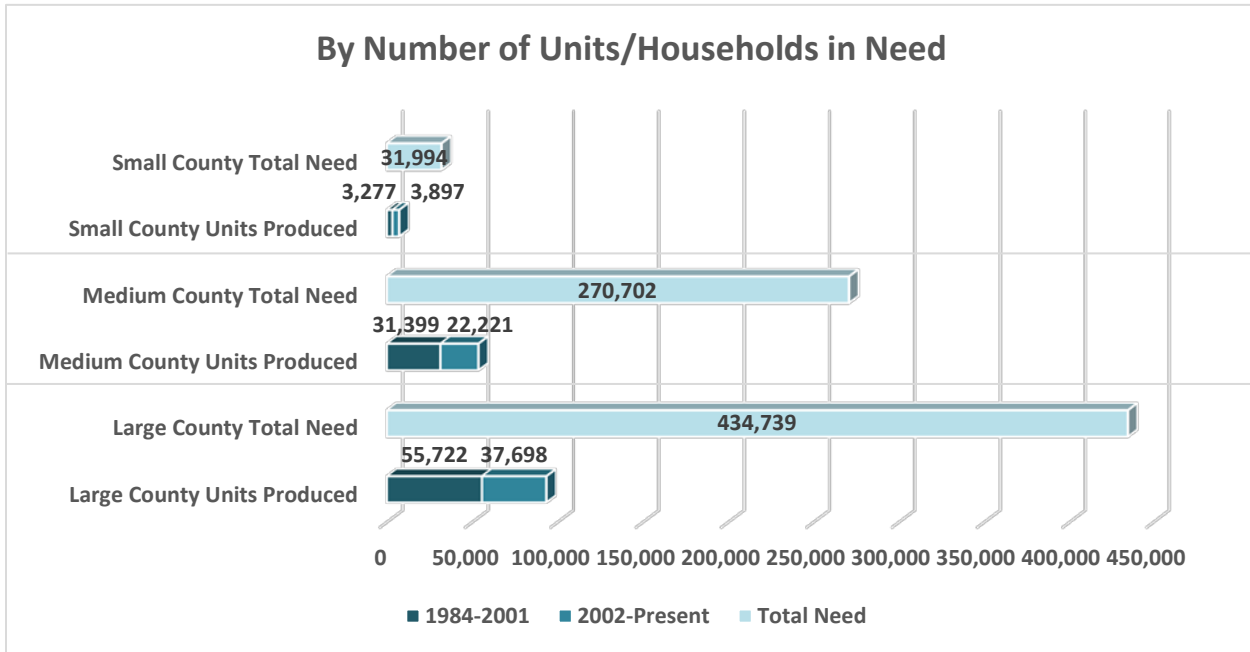
Tenant Characteristics: Children

Percentage of Households with Children Present

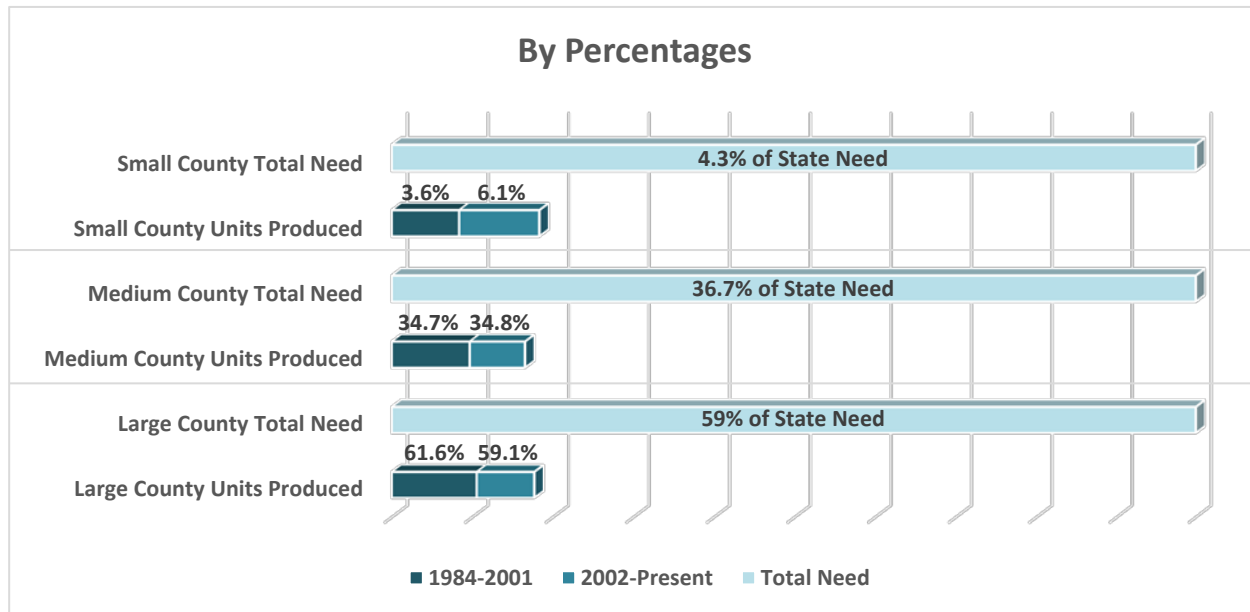


Source: U.S. Department of Housing and Urban Development, 2012 Picture of Subsidized Households; Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2011 American Community Survey

Comparison of Cost Burdened Households (Need) to Rent Restricted Units Produced from FHFC's Competitive Allocation Processes



This table shows the number of units financed by Florida Housing relative to the need in small, medium and large counties



This table shows the percentage of units financed within each county size for each period of years, 1984 - 2001 and 2002 - present, relative to the proportion of state need in each county size. For example, during 2002 - present, 6.1% of the units funded were in small counties, 34.8% were in medium counties, and 59.1% were in large counties.

* Total Need is equal to the number of cost burdened renter households in each county group as compiled by the Shimberg Center for Housing Studies, 2013. Number of units produced by FHFC as compiled by FHFC, February 2013. Cost burden means a household is paying over 40% of its income for rent and utilities.

ALL YEARS

County	Units for All Active Developments Funded with Competitive Awards for All Years (02/01/13)			Cost Burden* (>40%)		Level of Effort* (Units/CB'D Hhds)		Determination of Level of Effort - Unit Allocations		
	A	B	C	D	E	F	G	H	I	J
	All Years Total Units	All Years Restricted Units	% of Total Statewide Units	Total # of CB'D Hhds	% of State Total	Level of Effort Total Units (Col A/Col D)	Level of Effort Restricted Units (Col B/Col D)	Restricted Units Needed to Equal Statewide Level of Effort	County Service Gap (Col H - Col B)	% of Total Service Gaps
<i>(Large County)</i>										
<i>(Medium County)</i>										
<i>(Small County)</i>										
STATE TOTAL	162,167	154,214	100.00%	737,435	100.0%	22.0%	20.9%	154,214		
Broward	10,679	10,357	6.59%	72,330	9.8%	14.8%	14.3%	15,126	4,769	20.05%
Pinellas	4,764	3,838	2.94%	38,122	5.2%	12.5%	10.1%	7,972	4,134	17.38%
Palm Beach	8,053	7,824	4.97%	51,703	7.0%	15.6%	15.1%	10,812	2,988	12.57%
Sarasota	1,254	992	0.77%	12,953	1.8%	9.7%	7.7%	2,709	1,717	7.22%
Polk	2,941	2,941	1.81%	21,656	2.9%	13.6%	13.6%	4,529	1,588	6.68%
Lee	3,746	3,499	2.31%	23,906	3.2%	15.7%	14.6%	4,999	1,500	6.31%
Pasco	1,998	1,899	1.23%	13,864	1.9%	14.4%	13.7%	2,899	1,000	4.21%
Okaloosa	360	360	0.22%	6,481	0.9%	5.6%	5.6%	1,355	995	4.19%
Escambia	2,017	1,882	1.24%	12,782	1.7%	15.8%	14.7%	2,673	791	3.33%
Marion	1,390	1,389	0.86%	10,391	1.4%	13.4%	13.4%	2,173	784	3.30%
Brevard	2,866	2,890	1.77%	17,437	2.4%	16.4%	16.6%	3,646	756	3.18%
Santa Rosa	226	226	0.14%	3,019	0.4%	7.5%	7.5%	631	405	1.70%
Flagler	322	316	0.20%	3,201	0.4%	10.1%	9.9%	669	353	1.49%
Citrus	477	452	0.29%	3,508	0.5%	13.6%	12.9%	734	282	1.18%
Alachua	2,135	1,784	1.32%	9,606	1.3%	22.2%	18.6%	2,009	225	0.95%
Leon	2,502	2,314	1.54%	11,957	1.6%	20.9%	19.4%	2,500	186	0.78%
Walton	203	203	0.13%	1,672	0.2%	12.1%	12.1%	350	147	0.62%
Clay	919	879	0.57%	4,689	0.6%	19.6%	18.7%	981	102	0.43%
Sumter	202	202	0.12%	1,408	0.2%	14.3%	14.3%	294	92	0.39%
Gulf	0	0	0.00%	374	0.1%	0.0%	0.0%	78	78	0.33%
Nassau	378	318	0.23%	1,892	0.3%	20.0%	16.8%	396	78	0.33%
Washington	33	33	0.02%	513	0.1%	6.4%	6.4%	107	74	0.31%
Taylor	37	37	0.02%	519	0.1%	7.1%	7.1%	109	72	0.30%
Calhoun	0	0	0.00%	334	0.0%	0.0%	0.0%	70	70	0.29%
Wakulla	64	64	0.04%	593	0.1%	10.8%	10.8%	124	60	0.25%
Baker	50	40	0.03%	477	0.1%	10.5%	8.4%	100	60	0.25%
Dixie	0	0	0.00%	283	0.0%	0.0%	0.0%	59	59	0.25%
Union	0	0	0.00%	273	0.0%	0.0%	0.0%	57	57	0.24%
Glades	0	0	0.00%	272	0.0%	0.0%	0.0%	57	57	0.24%
Gilchrist	0	0	0.00%	249	0.0%	0.0%	0.0%	52	52	0.22%
Holmes	38	38	0.02%	430	0.1%	8.8%	8.8%	90	52	0.22%
St. Johns	1,070	1,017	0.66%	5,074	0.7%	21.1%	20.0%	1,061	44	0.19%
Jefferson	36	36	0.02%	361	0.0%	10.0%	10.0%	75	39	0.17%
Liberty	0	0	0.00%	183	0.0%	0.0%	0.0%	38	38	0.16%
Lafayette	0	0	0.00%	157	0.0%	0.0%	0.0%	33	33	0.14%
Okeechobee	229	229	0.14%	1,233	0.2%	18.6%	18.6%	258	29	0.12%
Suwannee	197	197	0.12%	1,009	0.1%	19.5%	19.5%	211	14	0.06%
Madison	116	116	0.07%	498	0.1%	23.3%	23.3%	104	(12)	-0.05%
Franklin	85	85	0.05%	303	0.0%	28.1%	28.1%	63	(22)	-0.09%
Monroe	926	917	0.57%	4,254	0.6%	21.8%	21.6%	890	(27)	-0.12%
Bradford	157	157	0.10%	531	0.1%	29.6%	29.6%	111	(46)	-0.19%
Putnam	525	525	0.32%	2,274	0.3%	23.1%	23.1%	476	(49)	-0.21%
Hamilton	109	109	0.07%	281	0.0%	38.8%	38.8%	59	(50)	-0.21%
Levy	233	233	0.14%	818	0.1%	28.5%	28.5%	171	(62)	-0.26%
Martin	922	917	0.57%	4,071	0.6%	22.6%	22.5%	851	(66)	-0.28%
Hernando	1,263	1,263	0.78%	5,713	0.8%	22.1%	22.1%	1,195	(68)	-0.29%
Columbia	429	429	0.26%	1,613	0.2%	26.6%	26.6%	337	(92)	-0.39%
Manatee	2,717	2,642	1.68%	12,178	1.7%	22.3%	21.7%	2,547	(95)	-0.40%
Hendry	341	329	0.21%	979	0.1%	34.8%	33.6%	205	(124)	-0.52%
Gadsden	432	422	0.27%	1,070	0.1%	40.4%	39.4%	224	(198)	-0.83%
Jackson	479	470	0.30%	1,188	0.2%	40.3%	39.6%	248	(222)	-0.93%
St. Lucie	2,350	2,348	1.45%	10,122	1.4%	23.2%	23.2%	2,117	(231)	-0.97%
Highlands	784	784	0.48%	2,633	0.4%	29.8%	29.8%	551	(233)	-0.98%
Bay	1,704	1,704	1.05%	6,831	0.9%	24.9%	24.9%	1,429	(275)	-1.16%
Hardee	512	512	0.32%	668	0.1%	76.6%	76.6%	140	(372)	-1.57%
DeSoto	575	575	0.35%	859	0.1%	66.9%	66.9%	180	(395)	-1.66%
Charlotte	1,471	1,469	0.91%	4,442	0.6%	33.1%	33.1%	929	(540)	-2.27%
Volusia	4,648	4,220	2.87%	17,376	2.4%	26.7%	24.3%	3,634	(586)	-2.47%
Lake	2,722	2,598	1.68%	9,558	1.3%	28.5%	27.2%	1,999	(599)	-2.52%
Seminole	3,838	3,747	2.37%	12,989	1.8%	29.5%	28.8%	2,716	(1,031)	-4.33%
Osceola	3,848	3,807	2.37%	12,501	1.7%	30.8%	30.5%	2,614	(1,193)	-5.02%
Indian River	2,323	2,321	1.43%	4,980	0.7%	46.6%	46.6%	1,041	(1,280)	-5.38%
Collier	3,869	3,858	2.39%	11,210	1.5%	34.5%	34.4%	2,344	(1,514)	-6.37%
Duval	10,304	9,473	6.35%	37,979	5.2%	27.1%	24.9%	7,942	(1,531)	-6.44%
Miami-Dade	27,366	27,028	16.88%	121,390	16.5%	22.5%	22.3%	25,385	(1,643)	-6.91%
Hillsborough	15,287	14,052	9.43%	56,015	7.6%	27.3%	25.1%	11,714	(2,338)	-9.83%
Orange	22,646	20,848	13.96%	57,200	7.8%	39.6%	36.4%	11,962	(8,886)	-37.37%
Large County Total	99,099	93,420	61.11%	434,739	59.0%	22.8%	21.5%	90,914	(2,506)	-10.54%
Medium County Total	55,778	53,620	34.40%	270,702	36.7%	20.6%	19.8%	56,610	2,990	12.57%
Small County Total	7,290	7,174	4.50%	31,994	4.3%	22.8%	22.4%	6,691	(483)	-2.03%

Source: Cost burden data compiled by the Shimberg Center for Housing Studies, 2013; funding and unit totals compiled by FHFC, February 2013.

* Cost burden means a household is paying over 40% of its income for rent and utilities. Level of Effort compares the number of units to the number of cost burdened households; a higher LOE means that there are more units relative to the number of cost burdened households; a lower LOE means there are fewer units compared to the number of such households.

Level of Effort <= State Avg

Level of Effort > State Avg

2002 - PRESENT

County	Units for All Active Developments Funded with Competitive Awards for 2002-Present (02/01/13)			Cost Burden* (>40%)		Level of Effort* (Units/CB'D Hhds)		Determination of Level of Effort - Unit Allocations		
	A	B	C	D	E	F	G	H	I	J
	2002-Present Total Units	2002-Present Restricted Units	% of Total Statewide Units	Total # of CB'd Hhds	% of State Total	Level of Effort Total Units (Col A/Col D)	Level of Effort Restricted Units (Col B/Col D)	Restricted Units Needed to Equal Statewide Level of Effort	County Service Gap (Col H - Col B)	% of Total Service Gaps
<i>(Large County)</i>										
<i>(Medium County)</i>										
<i>(Small County)</i>										
STATE TOTAL	67,432	63,816	100.00%	737,435	100.0%	9.1%	8.7%	63,816		
Palm Beach	2,301	2,301	1.42%	51,703	7.0%	4.5%	4.5%	4,474	2,173	23.43%
Pinellas	3,075	2,267	1.90%	38,122	5.2%	8.1%	5.9%	3,299	1,032	11.13%
Lee	1,236	1,236	0.76%	23,906	3.2%	5.2%	5.2%	2,069	833	8.98%
Sarasota	649	588	0.40%	12,953	1.8%	5.0%	4.5%	1,121	533	5.75%
Duval	3,290	2,776	2.03%	37,979	5.2%	8.7%	7.3%	3,287	511	5.51%
Osceola	672	633	0.41%	12,501	1.7%	5.4%	5.1%	1,082	449	4.84%
Manatee	730	655	0.45%	12,178	1.7%	6.0%	5.4%	1,054	399	4.30%
Polk	1,501	1,501	0.93%	21,656	2.9%	6.9%	6.9%	1,874	373	4.02%
Martin	36	36	0.02%	4,071	0.6%	0.9%	0.9%	352	316	3.41%
Clay	102	102	0.06%	4,689	0.6%	2.2%	2.2%	406	304	3.28%
Pasco	925	915	0.57%	13,864	1.9%	6.7%	6.6%	1,200	285	3.07%
Okaloosa	328	328	0.20%	6,481	0.9%	5.1%	5.1%	561	233	2.51%
Brevard	1,362	1,295	0.84%	17,437	2.4%	7.8%	7.4%	1,509	214	2.31%
Seminole	994	949	0.61%	12,989	1.8%	7.7%	7.3%	1,124	175	1.89%
Marion	747	746	0.46%	10,391	1.4%	7.2%	7.2%	899	153	1.65%
Broward	6,144	6,126	3.79%	72,330	9.8%	8.5%	8.5%	6,259	133	1.44%
St. Lucie	749	748	0.46%	10,122	1.4%	7.4%	7.4%	876	128	1.38%
Columbia	32	32	0.02%	1,613	0.2%	2.0%	2.0%	140	108	1.16%
Collier	890	879	0.55%	11,210	1.5%	7.9%	7.8%	970	91	0.98%
Alachua	758	747	0.47%	9,606	1.3%	7.9%	7.8%	831	84	0.91%
Putnam	120	120	0.07%	2,274	0.3%	5.3%	5.3%	197	77	0.83%
Citrus	275	250	0.17%	3,508	0.5%	7.8%	7.1%	304	54	0.58%
Sumter	72	72	0.04%	1,408	0.2%	5.1%	5.1%	122	50	0.54%
Flagler	234	228	0.14%	3,201	0.4%	7.3%	7.1%	277	49	0.53%
Taylor	0	0	0.00%	519	0.1%	0.0%	0.0%	45	45	0.48%
Washington	0	0	0.00%	513	0.1%	0.0%	0.0%	44	44	0.48%
Baker	0	0	0.00%	477	0.1%	0.0%	0.0%	41	41	0.45%
Holmes	0	0	0.00%	430	0.1%	0.0%	0.0%	37	37	0.40%
Santa Rosa	226	226	0.14%	3,019	0.4%	7.5%	7.5%	261	35	0.38%
Hendry	64	52	0.04%	979	0.1%	6.5%	5.3%	85	33	0.35%
Gulf	0	0	0.00%	374	0.1%	0.0%	0.0%	32	32	0.35%
Jefferson	0	0	0.00%	361	0.0%	0.0%	0.0%	31	31	0.34%
Calhoun	0	0	0.00%	334	0.0%	0.0%	0.0%	29	29	0.31%
Franklin	0	0	0.00%	303	0.0%	0.0%	0.0%	26	26	0.28%
Dixie	0	0	0.00%	283	0.0%	0.0%	0.0%	24	24	0.26%
Hamilton	0	0	0.00%	281	0.0%	0.0%	0.0%	24	24	0.26%
Union	0	0	0.00%	273	0.0%	0.0%	0.0%	24	24	0.25%
Glades	0	0	0.00%	272	0.0%	0.0%	0.0%	24	24	0.25%
Gilchrist	0	0	0.00%	249	0.0%	0.0%	0.0%	22	22	0.23%
Wakulla	34	34	0.02%	593	0.1%	5.7%	5.7%	51	17	0.19%
Liberty	0	0	0.00%	183	0.0%	0.0%	0.0%	16	16	0.17%
Lafayette	0	0	0.00%	157	0.0%	0.0%	0.0%	14	14	0.15%
Walton	152	152	0.09%	1,672	0.2%	9.1%	9.1%	145	(7)	-0.08%
Madison	72	72	0.04%	498	0.1%	14.5%	14.5%	43	(29)	-0.31%
Nassau	294	236	0.18%	1,892	0.3%	15.5%	12.5%	164	(72)	-0.78%
Levy	144	144	0.09%	818	0.1%	17.6%	17.6%	71	(73)	-0.79%
Okeechobee	180	180	0.11%	1,233	0.2%	14.6%	14.6%	107	(73)	-0.79%
Bradford	120	120	0.07%	531	0.1%	22.6%	22.6%	46	(74)	-0.80%
Orange	5,578	5,051	3.44%	57,200	7.8%	9.8%	8.8%	4,950	(101)	-1.09%
Leon	1,325	1,137	0.82%	11,957	1.6%	11.1%	9.5%	1,035	(102)	-1.10%
Jackson	212	212	0.13%	1,188	0.2%	17.8%	17.8%	103	(109)	-1.18%
Suwannee	197	197	0.12%	1,009	0.1%	19.5%	19.5%	87	(110)	-1.18%
Escambia	1,251	1,235	0.77%	12,782	1.7%	9.8%	9.7%	1,106	(129)	-1.39%
St. Johns	610	604	0.38%	5,074	0.7%	12.0%	11.9%	439	(165)	-1.78%
Monroe	535	535	0.33%	4,254	0.6%	12.6%	12.6%	368	(167)	-1.80%
Gadsden	316	316	0.19%	1,070	0.1%	29.5%	29.5%	93	(223)	-2.41%
Volusia	1,799	1,740	1.11%	17,376	2.4%	10.4%	10.0%	1,504	(236)	-2.55%
DeSoto	329	329	0.20%	859	0.1%	38.3%	38.3%	74	(255)	-2.75%
Indian River	699	697	0.43%	4,980	0.7%	14.0%	14.0%	431	(266)	-2.87%
Highlands	526	526	0.32%	2,633	0.4%	20.0%	20.0%	228	(298)	-3.21%
Charlotte	695	693	0.43%	4,442	0.6%	15.6%	15.6%	384	(309)	-3.33%
Hardee	412	412	0.25%	668	0.1%	61.7%	61.7%	58	(354)	-3.82%
Hernando	1,144	1,144	0.71%	5,713	0.8%	20.0%	20.0%	494	(650)	-7.00%
Bay	1,404	1,404	0.87%	6,831	0.9%	20.6%	20.6%	591	(813)	-8.76%
Lake	1,785	1,661	1.10%	9,558	1.3%	18.7%	17.4%	827	(834)	-8.99%
Miami-Dade	12,110	11,984	7.47%	121,390	16.5%	10.0%	9.9%	10,505	(1,479)	-15.95%
Hillsborough	7,997	7,193	4.93%	56,015	7.6%	14.3%	12.8%	4,847	(2,346)	-25.29%
Large County Total	40,495	37,698	24.97%	434,739	59.0%	9.3%	8.7%	37,621	(77)	-0.83%
Medium County Total	22,964	22,221	14.16%	270,702	36.7%	8.5%	8.2%	23,426	1,205	12.99%
Small County Total	3,973	3,897	2.45%	31,994	4.3%	12.4%	12.2%	2,769	(1,128)	-12.17%

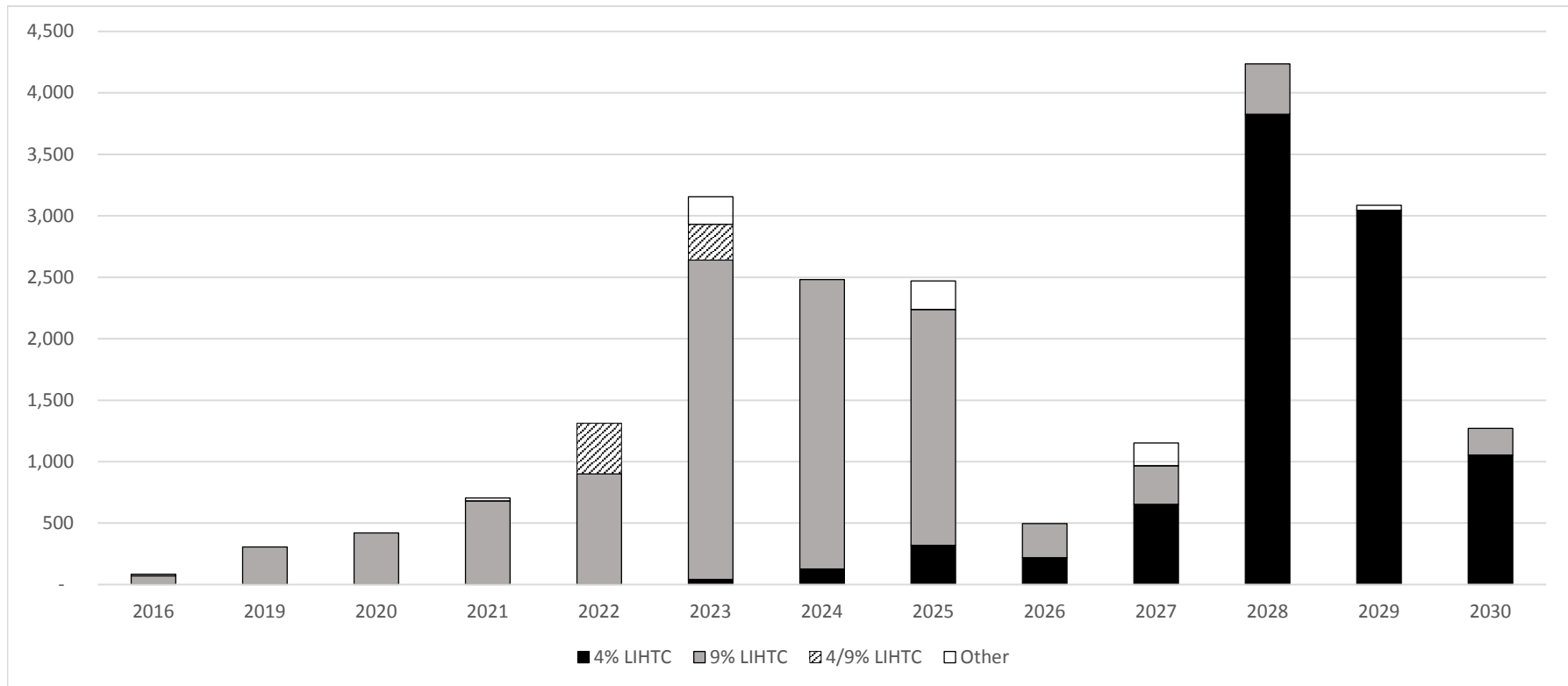
Source: Cost burden data compiled by the Shimberg Center for Housing Studies, 2013; funding and unit totals compiled by FHFC, February 2013.

* Cost burden means a household is paying over 40% of its income for rent and utilities. Level of Effort compares the number of units to the number of cost burdened households; a higher LOE means that there are more units relative to the number of cost burdened households; a lower LOE means there are fewer units compared to the number of such households.

Level of Effort <= State Avg

Level of Effort > State Avg

Units with Expiring Florida Housing Programs, 2016-2030



Notes: Units in the 4% LIHTC, 9% LIHTC and 4/9% LIHTC categories may also have funding from SAIL, MMRB, the Guarantee program and HOME, as well as HUD Section 542 Risk Sharing, HUD or RD Rental Assistance, RD Section 515, and local bonds. Units in the 4/9% LIHTC category are in developments receiving both types of tax credits. "Other" properties include those with SAIL, MMRB and/or HOME funding but no tax credits. Excludes units in developments where non-Florida Housing funding (local bonds, HUD Rental Assistance contract) expires after 2030.

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

State HFA Affordability Periods for LIHTC

Based on the Internal Revenue Code, Section 42, Housing Credit properties are required to be affordable for a 15-year compliance period, followed by a 15-year extended use period. Per IRC 42, during the 15-year extended use period, properties are allowed to “opt out” if they have a Qualified Contract. This means that at any time after the 14th year of the 15-year compliance period, the owner can request the state housing agency to find a buyer who will operate the building as a LIHTC property. If the housing agency is unable to find a qualified buyer within a year, the land use restrictions terminate. The owner is free to operate the building at market rate subject to a three year period that caps rents for exiting tenants at LIHTC rent levels and prohibits eviction except for good cause.

Some states require or incentivize property owners to waive their right to opt out for the entire 15 year extended use period, or for a specific number of years, e.g., they waive their right for the first 5 years, but after that they can opt out. Some states require or incentivize properties to maintain affordability beyond the 15-year compliance period and 15-year extended use period, thus the property will be affordable for more than 30 years, depending on the requirement or incentive.

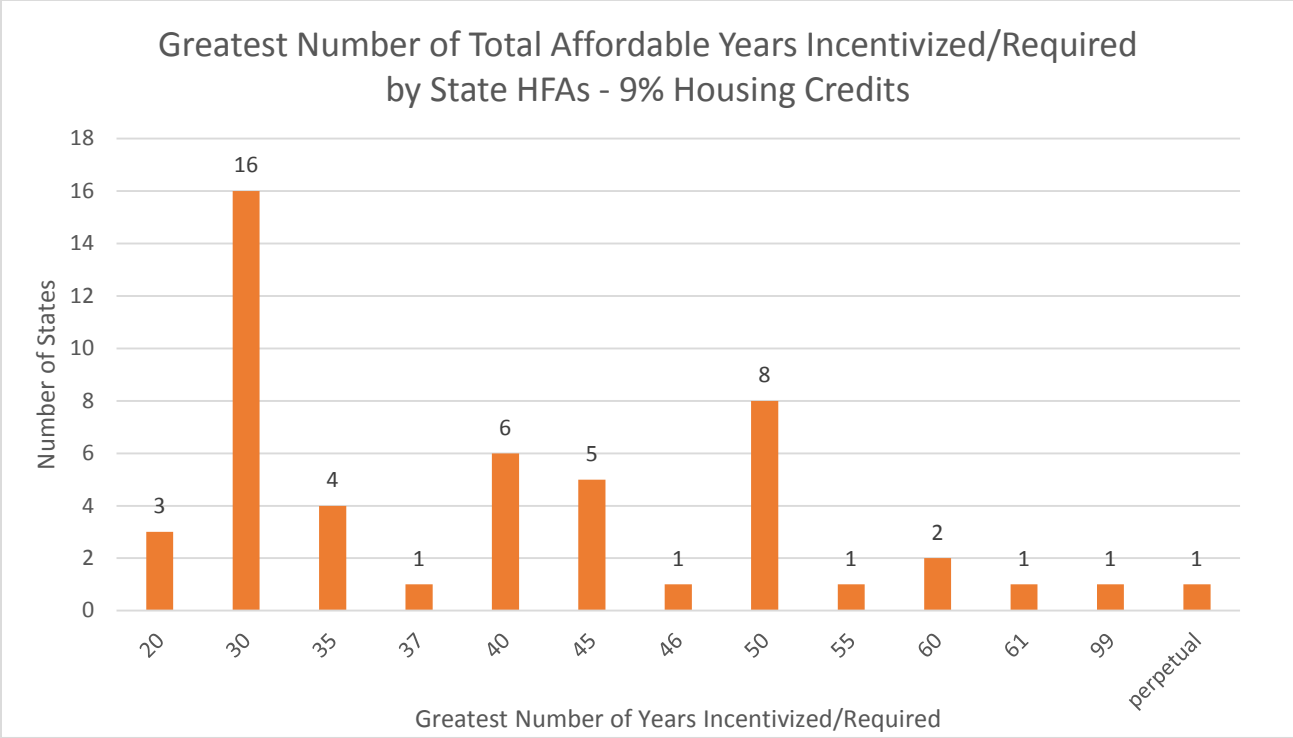
State Policies -- 9% Housing Credits

For both new construction and rehabilitation developments, Florida Housing requires a total affordability period of 50 years, and applicants waive their right to opt out during this period.

The following is a summary of the affordability periods required or incentive by state Housing Credit programs:

- 31 states either require or incentivize an affordability period of greater than 30 years;
 - Of those 31, 14 require or incentivize an affordability period of 50 or more years;
- 16 states use the standard 30 year requirement;
 - 6 out of those 16 offer an incentive for waiving the right to opt out for either a portion of, or the entire 15-year extended use period (1 additional state incentivizes opt out for new construction, but not preservation);
 - 7 out of the 16 require owners to waive their right to opt out during the extended use period;
- 3 states require or incentivize waiving the right to opt out for the first 5 years of the extended use period—i.e., guaranteed 20 years of affordability.

The chart below shows the greatest number of years states incentivize, e.g., Connecticut gives 2 points for 40-49 years of affordability and 4 points for 50 or more years. They are in the 50 year bar.



State Policies -- 4% Housing Credits

For developments financed with 4% Housing Credits (these are properties finance with tax-exempt bonds), Florida Housing requires a total affordability period of 30 years. Similarly, most states require shorter affordability periods for developments financed with 4% Housing Credits compared to 9% Housing Credits. There are a few states that require more than 30 years, but the majority of states do not require anything beyond the federal standard affordability period of 30 years (15-year compliance period + 15-year extended use period). There are a few states that incentivize a longer affordability period with points, however the minimum point threshold for applicants is lower than it is for 9% applicants, so the incentive is not as strong. It is important to note that these properties are subject to the affordability period required by their state for developments financed with bonds. This may result in a longer affordability period than what is required for the Housing Credits alone.

Affordable Housing Trust Funds Attachment

Florida Housing Documentary Stamp Tax Appropriations

	1992 / 1993 through 1996 / 1997	1997 / 1998	1998 / 1999	1999 / 2000	2000 / 2001	2001 / 2002	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006
State Housing Trust Fund										
State Apartment Incentive Loan (SAIL)	\$ 91,423,550	\$ 24,230,629	\$ 30,783,734	\$ 30,085,000	\$ 36,470,000	\$ 48,308,010	\$ 66,048,812	\$ 43,978,769	\$ 46,658,090	\$ 48,411,461
Homeownership Assistance (HAP)	15,588,400	3,000,000	6,221,600	5,000,000	6,000,000	5,000,000	-	3,000,000	3,000,000	-
HOME Investment Partnerships (HOME)	9,694,200	1,500,000	2,488,800	2,000,000	2,000,000	2,000,000	-	-	-	-
Predevelopment Loan (PLP)	5,544,200	1,000,000	1,244,000	1,000,000	1,500,000	2,000,000	4,000,000	2,000,000	-	-
Guarantee Fund Debt Service	8,275,269	2,000,000	2,000,000	2,000,000	2,000,000	3,865,000	5,400,000	5,400,000	5,400,000	6,400,000
Affordable Housing Study Commission	-	-	-	-	-	-	-	-	48,100	280,000
Catalyst Program	-	-	-	-	-	-	-	-	672,800	672,800
Housing Data Clearinghouse	-	-	-	-	-	221,990	126,455	129,498	127,633	142,362
Project Independence & Soldiers to Scholars	1,050,000	-	-	-	-	-	-	-	-	-
Hurricane Funding	-	-	-	-	-	-	-	-	-	74,500,000
Guarantee Program Feasibility Study	100,000	-	-	-	-	-	-	-	-	-
SHIP Compliance Monitoring	-	200,000	-	-	-	-	-	-	-	-
Administration	3,995,566	1,503,001	1,351,276	1,501,276	1,501,276	1,426,212	1,354,901	677,450	-	-
TOTAL SHTF Appropriations	\$ 135,671,185	\$ 33,433,630	\$ 44,089,410	\$ 41,586,276	\$ 49,471,276	\$ 62,821,212	\$ 76,930,168	\$ 55,185,717	\$ 55,906,623	\$ 130,406,623
Sweep SHTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ -	\$ 37,282,937	\$ 67,800,000	\$ -
Local Government Housing Trust Fund										
SHIP	\$ 235,831,488	\$ 86,700,000	\$ 124,200,000	\$ 143,890,000	\$ 136,100,000	\$ 126,600,000	\$ 163,443,545	\$ 130,756,501	\$ 130,758,367	\$ 130,726,637
Department of Children & Families	900,000	900,000	900,000	900,000	900,000	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000
Hurricane Opal Disaster Relief	1,750,000	-	-	-	-	-	-	-	-	-
SHIP Compliance Monitoring	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Housing Data Clearinghouse	-	-	-	-	-	-	126,455	129,499	127,633	159,363
Hurricane Funding	-	-	-	-	-	-	-	-	-	175,500,000
TOTAL LGHTF Appropriations	\$ 238,481,488	\$ 87,600,000	\$ 125,300,000	\$ 144,990,000	\$ 137,200,000	\$ 132,700,000	\$ 169,670,000	\$ 136,986,000	\$ 136,986,000	\$ 312,486,000
Sweep LGHTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,614,000	\$ 153,000,000	\$ -
Total SHTF & LGHTF Appropriations	\$ 374,152,673	\$ 121,033,630	\$ 169,389,410	\$ 186,576,276	\$ 186,671,276	\$ 195,521,212	\$ 246,600,168	\$ 192,171,717	\$ 192,892,623	\$ 442,892,623
Total Sweep SHTF & LGHTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ -	\$ 120,896,937	\$ 220,800,000	\$ -

PROGRAM NAME	2006 / 2007	2007 / 2008	Reallocated	2008 / 2009 (incl. SB 2A & shortfall)	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
State Housing Trust Fund									
State Apartment Incentive Loan (SAIL)	\$ 55,102,200	\$ 115,000,000	\$ (101,500,900)	\$ 41,090,714	\$ -	\$ -	\$ -	\$ -	\$ -
Homeownership Assistance (HAP)	8,000,000	18,087,200	88,500,900	-	-	37,500,000	-	-	-
Guarantee Fund Debt Service	6,400,000	6,400,000	-	17,609,940	-	-	-	-	-
Affordable Housing Study Commission	175,000	175,000	-	175,000	-	-	-	-	-
Catalyst Program	672,800	672,800	-	826,200	-	-	-	-	-
Housing Data Clearinghouse	150,000	165,000	-	330,000	-	-	-	-	-
Hurricane Funding	17,000,000	-	-	-	-	-	-	-	-
Farmworker & Special Needs	15,000,000	-	-	(9,846,695)	-	-	-	-	-
ELI & Special Needs	30,000,000	15,000,000	13,000,000	4,619,790	-	-	-	10,000,000	-
Technical Assistance	100,000	-	-	-	-	-	-	-	-
Transfer to Community Contribution Tax Credit	-	-	-	2,330,011	169,989	-	-	-	-
SHIP	-	-	-	33,244,086	-	-	-	-	-
TOTAL SHTF Appropriations	\$ 132,600,000	\$ 155,500,000	\$ -	\$ 90,379,046	\$ 169,989	\$ 37,500,000	\$ -	\$ 10,000,000	\$ -
Sweep SHTF	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 36,830,000	\$ 25,921,198	\$ 56,343,754	\$ 29,815,000	\$ 52,730,000
Local Government Housing Trust Fund									
SHIP	\$ 166,250,000	\$ 166,018,500	\$ -	\$ 158,040,024	\$ 30,110,000	\$ -	\$ -	\$ -	\$ -
Department of Children & Families	7,900,000	5,900,000	-	5,436,805	-	-	-	-	-
SHIP Compliance Monitoring	200,000	416,500	-	383,802	-	-	-	-	-
Housing Data Clearinghouse	150,000	165,000	-	165,000	-	-	-	-	-
Hurricane Funding	75,900,000	-	-	-	-	-	-	-	-
Community Workforce Housing Innovation Pilot (CWHIP)	50,000,000	62,400,000	-	-	-	-	-	-	-
Preservation Pilot Program	-	-	-	4,899,900	-	-	-	-	-
SAIL	-	-	-	-	-	-	-	-	-
Public Housing Mitigation Initiative	-	-	-	-	1,000,000	-	-	-	-
TOTAL LGHTF Appropriations	\$ 300,400,000	\$ 234,900,000	\$ -	\$ 168,925,531	\$ 31,110,000	\$ -	\$ -	\$ -	\$ -
Sweep LGHTF	\$ -	\$ -	\$ -	\$ 235,000,000	\$ 55,070,000	\$ 148,388,802	\$ 133,187,355	\$ 66,845,000	\$ 151,400,000
Total SHTF & LGHTF Appropriations	\$ 433,000,000	\$ 390,400,000	\$ -	\$ 259,304,577	\$ 31,279,989	\$ 37,500,000	\$ -	\$ 10,000,000	\$ -
Total Sweep SHTF & LGHTF	\$ -	\$ -	\$ -	\$ 250,000,000	\$ 91,900,000	\$ 174,310,000	\$ 189,531,109	\$ 96,660,000	\$ 204,130,000

Markets and Methods related to Housing Related Investments Attachment

Low Income Housing Tax Credit Investor Interests in Florida

Florida Housing allocates both competitive (9%) and non-competitive (4%) housing credits as the state's housing finance authority. The applicants that receive an award of housing credits sell them directly to an investor or to a syndicator to raise equity for their rental developments. The price paid for the housing credits will depend on the location, economic viability, and sponsor of the development as well as the investment requirements of the investor. Below are some of the current factors impacting Florida.

- **Location.** The various investors of housing credits have a broad scope of criteria that drive their investment decisions but the primary one is location due to the Community Reinvestment Act (CRA) that governs regulated financial institutions. Due to competing demand for credits in certain locations, the highest price for housing credits are typically paid for developments in Miami-Dade and Broward counties and, for 9% housing credits, can exceed \$1.00 for each dollar of housing credits. The pricing for credits in the urban areas of Jacksonville, Orlando and Tampa MSAs as well as Palm Beach County are typically slightly less, but can reach the high 90's. Other large-county areas should see pricing in the low 90s with medium and small counties showing pricing of up to about \$0.90.
- **Investor Participation.** There are a variety of housing credit investors and they can participate in multiple settings. Investors can buy housing credits directly from the applicant or through a syndicator. Those which buy directly are typically regulated financial institutions attempting to meet their CRA goals and the housing credit development will most likely benefit with the highest pricing available. However, regulated financial institutions can also go through a syndicator. Other investor types include non-CRA driven investors and/or national investors. Syndicators have the ability to pool housing credit developments together to form a pool of assets as well as combining multiple investors together to form a pool of investors. This broadens the market for both supply and demand, but it is usually at the expense of a lower housing credit price.
- **Development Viability.** In addition to location, pricing can be impacted by the financial strength of the developer as well as the development's reliability on rental assistance. Both of these factors can have risks mitigated by structuring various operating deficit reserves, but this involves additional resources because these reserves are funded up-front. Each development's ability to leverage housing credit equity is dependent upon several factors, but it should be mentioned that some developments will be limited in their leveraging capacity in an effort to meet investor requirements.
- **Non-competitive Housing Credits.** Four percent credits are allocated in conjunction with tax-exempt bond financing and often have higher leveraging than 9% housing credit developments. This creates various financial risk parameters that reduce the interested investor pool which leads to slightly lower pricing relative to 9% pricing. However, a new accounting rule that changes the method of recognizing losses generated by these developments is expected to increase the investor appetite for this product, but may not increase pricing for 4% credits.