



# Florida

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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The 2011 draft QAP includes an increased 50% set-aside for preservation developments. Preservation projects are defined as rehabilitation of existing project based rental assistance developments and are required to have construction costs of at least \$10,000 in qualified basis per unit.

There is a required 30-year period of occupancy restriction (includes 15 year federal requirement). A commitment to waive the option to convert after year 14 and to set-aside units beyond the required 30-year period is awarded up to 5 points on a pro-rata basis. Minimum extension period is 1 year and the max is 20 years, for a maximum total length of 50 years.

There are separate points for new construction and rehab projects under "optional features and amenities."

#### **Allocations (2003-2009)**

*Properties Preserved:* 17

*Apartments Preserved:* 1,608

*Additional Info:* While preserving only one property with 9% tax credits in 2009, Florida used 4% tax credits to preserve nine properties with than 1,400 units that same year.

### Private Activity Bonds with 4% Tax Credits

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Applications for 4% credits must meet a separate set of threshold criteria, including a minimum of 3 green features, minimum design features and amenities, demographic commitment (Elderly, Homeless, Family, or Farmworker/Commercial Fishing Worker), and at least one resident program.

#### **Allocations (2003-2009)**

*Properties Preserved:* 32

*Apartments Preserved:* 6,010

### Housing Trust Funds

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The William E. Sadowski Affordable Housing Act of 1992 directs a portion of the revenue generated by the real estate transfer documentation stamp tax to affordable housing ventures. The Sadowski Act provides funding for several existing state affordable housing programs including the Predevelopment Loan Program (PLP), the State Apartment Incentive Loan (SAIL) program, and the Homeownership Assistance Program (HAP). Several new state affordable housing initiatives were also established, such as the Low-Income Emergency Home Repair Program, the HOME Investment Partnerships Program, the HOPE Program, the Florida Affordable Housing Guarantee Program, the Affordable Housing Catalyst Program for Technical Assistance and Training, and the State Housing Initiatives Partnership Program (SHIP).

**PLEASE NOTE:** *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

## Other Preservation Incentives

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With the state's rapid growth and available land, Florida's affordable housing focus has historically been on new construction, yet most of these newer units have rents that are not affordable to the lowest income families. Florida Housing, the Coalition, and the Shimberg Center for Housing Studies were awarded a \$1 million grant from the national John D. and Catherine T. MacArthur Foundation to carry out a three-year demonstration related to preservation of existing affordable rental housing that is aging and has expiring affordability periods. This \$1 million was used in conjunction with Florida Housing Finance Corporation to create the Florida Preservation Fund with the goal to: grow a statewide affordable multifamily rental preservation program, deploy and resolve \$25m in capital across the 3 target counties by 2013, and achieve minimum levels of lending. The max loan size is \$5m.

Through individualized technical assistance and flexible below market interest financing for predevelopment activities, the Predevelopment Loan Program (PLP) helps nonprofit and community based organizations, local governments, and public housing authorities plan, finance, and develop affordable housing. Eligible organizations may apply for a loan of up to \$750,000. The loan carries a non-amortizing one to three percent interest rate, with principal and interest deferred until maturity. The loan generally matures either upon the closing of construction/permanent financing or three years after the original PLP loan closed, whichever occurs first.

The State Apartment Incentive Loan Program (SAIL) provides low-interest loans on a competitive basis to affordable housing developers. This money often serves to bridge the gap between the development's primary financing and the total cost of the development – typically those transactions using tax-exempt bonds. SAIL dollars are available to individuals, public entities, and not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily apartments affordable to very low income individuals and families. Under SAIL, a minimum of 20% of the development's apartments must be set aside for families earning 50% or less of the area median income. Developments that use housing credits in conjunction with this program may use a minimum set-aside of 40% of the apartments for residents earning at or below 60% of the area median income. Developments in the Florida Keys Area may use a minimum set-aside of 100% of the apartments for residents with annual household incomes at or below 120% of the state or local median income, whichever is higher.

In May 2009, Florida Housing issued a Request for Qualifications (RFQ) to solicit a small group of nonprofit development organizations that are interested in taking on preservation of affordable rental housing in Florida as part of their mission and want to receive up to 500 hours of direct technical assistance for this purpose from the Coalition over a three-year period. The objective is to create nonprofit capacity to carry out preservation transactions in Florida.

In the 2008 legislative session, \$10,000,000 were approved in non-recurring funds in the State Housing Trust Fund for a preservation rehabilitation pilot program in Pasco, Palm Beach and Orange Counties targeting rental housing that receives or has received funding from any federal or state housing funding program.

## Green Multifamily Preservation Initiatives

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### *Green Incentives in State Tax Credit Allocation Plan*

Florida's threshold requirements stipulate that projects must use healthy building materials, such as low VOC paints, energy efficient water fixtures, and EnergyStar appliances. Preservation projects can earn 10 green building points. There is a separate green points scoring criteria for new construction.

### *Other Green Incentives Relevant to Preservation*

The Florida Dept. of Community Affairs plans to significantly increase multifamily weatherization and has tentatively set aside 25% of recovery weatherization funds for multifamily housing. For complete information on FL's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other programs include a sales tax exemption for solar energy systems and two rebate programs for the installation of solar systems.

*For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.*

## Sustainable Communities & Transit-Oriented Development Incentives

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Florida's 2009 QAP requires that public transportation be located within 1/2 mile of Single Room Occupancy developments. Tie breaking points for proximity to bus and/or rail stations.

Florida's 2011 draft QAP sets a goal for funding at least 3 TOD projects and at least one public housing development that is part of a community revitalization plan or qualifies for HOPE VI. There are 7 tie-breaking points for proximity to bus and/or rail stations.