

# FLORIDA HOUSING PARTNERSHIP: CONCEPT PAPER

August 1, 2006

## ***Mission/Goals of Florida Housing Partnership***

**Florida Housing Partnership will create permanently affordable rental housing for Floridians through partnerships with local organizations, public agencies and the private sector. The intent is to lend development expertise to organization that will then own and operate the property.**

1. Add development capacity and resources for mission-driven housing in joint venture with non-profits and public agencies throughout the state.
2. Financially balance the difficult developments with easier affordable and workforce housing
3. Create a financially sound, stable, non-profit organization for Florida

## ***The Need/The Opportunity***

Over the past 25 years, the field of affordable housing development has become increasingly sophisticated requiring a team of experienced professionals. At the same time, the government and foundation grants that sustained non-profit organizations through their infancy in the past have been replaced by the expectation of organizational self-sufficiency. The result has been the emergence of larger regional and statewide development non-profits able to achieve sustainability through a substantial project pipeline.

In a number of states, statewide and regional non-profit housing developers have emerged or been created specifically to assemble resources and provide development expertise to local non-profit organizations. While Florida Housing Coalition provides state-funded technical assistance to organizations, they do not participate in formulating funding applications or the actual development.

Although Florida has the largest housing trust fund in the nation, the state's affordable housing efforts have been dominated by private developers, resulting in a concentration of resources at the higher end of the income range (50% to 60% of Area Median Income) and the development of many large-scale suburban complexes that met the need of both housing developers and the state to produce as many units as possible with the available resources.

Although the tide is now beginning to turn with the recognition that the housing needs of very low income, extremely low income and special needs populations must be met as well, there is a lack of development capacity in the non-profit sector within the state.

The proposed statewide development entity will assemble and lend development expertise and resources to local non-profits in order to increase the State's capacity to develop and operate mission-driven affordable housing.

A combination of a construction boom, continued population growth and hurricane damage has pushed housing prices up dramatically while incomes have remained relatively flat. The median existing home price increased by 77% between 2002 and 2005 while median family income increase 1.4% over the same period.

Florida has the largest housing trust fund in the nation, but in recent years ('04-'06) actual appropriations for housing have been capped and the balance "swept" to balance the state budget. The number of units produced dropped by 50% from 15,000 per year to 7,500 per year. Now that the budget climate has improved and the lack of housing is in the headlines, there is growing momentum to return the housing funds. In the last legislative session, a workforce housing program that extends assistance to higher income households, up to 140% AMI, was created. Modifications were also made that enables projects to target a portion of units to Extremely Low Income (ELI) households. Special programs and cycles have been created to serve special needs populations and hurricane-impacted areas.

***Organizations that could benefit from such a partnership include:***

- Service providers, including mental health centers, community action organizations, those working with the homeless, the developmentally disabled, the elderly
- Neighborhood revitalization and community development organizations
- Faith-based organizations
- Housing Authorities
- Employers

***Who is Involved/Current Status***

Maria Pellerin Barcus, former President & CEO of Carrfour Supportive Housing and founder of the Florida Supportive Housing Coalition, is spearheading this initiative. During her eleven years at Carrfour, Ms. Barcus assembled \$70 million to develop and/or operate 700 dwellings housing over 1,000 formerly homeless people. Discussions are underway with national intermediaries, state organizations and regional non-profit development organizations to provide the start-up capital to launch the Partnership. The next step is to identify an initial group of potential projects around which to formulate more specific plans.

***Ideal Project and Sponsor***

The ideal project sponsor is a stable organization, financially and in terms of leadership and personnel, committed to the project at all levels of the organization with the capacity and desire to operate the project once the development phase is completed. Site control is highly desired as is local government support.

Projects should be appropriately scaled to the locality, its resources and the target population. Initially, medium sized projects in the range of \$10 to \$20 million in total development cost are preferred.

Joint venture partners can expect to be reimbursed for site acquisition and pre-development costs. Their participation in the development fee will be negotiated based on the specific project. To the maximum extent permitted by funding sources, the sponsor organization will own and operate the finished product.

### ***How to Submit a Project Concept***

Organizations interested in exploring a joint venture with the Partnership should submit the following information by August 30, 2006:

1. Sponsor organization
2. Contact person, their position in the organization, contact information (e-mail, telephone, and address)
3. Project description – number of units, type of units, target population
4. Site information and status of site control
5. Funding commitments to date and target funding cycles

There is no cost and no obligation created by submitting a project.

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