



## FLORIDA HOUSING FINANCE CORPORATION OVERVIEW

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### *Agency Responsibilities*

The Florida Housing Finance Corporation, a public corporation located within the Department of Community Affairs, is the state's affordable housing finance agency. The corporation's goal is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes by stimulating investment of private capital and encouraging public and private sector housing partnerships. To do this, the corporation uses federal and state resources to finance the development of affordable homes and rental housing and assist first-time homebuyers through various programs.

The 1997 Legislature created the corporation as a public private entity to replace the Florida Housing Finance Agency, with the purpose of reducing bureaucracy and streamlining administrative processes.<sup>1</sup>

While the corporation is not a department of the executive branch of state government, it is subject to various state laws including the Government in the Sunshine Law, the Public Records Act, the Administrative Procedure Act, and audits by the Chief Financial Officer for the State of Florida and the State Auditor General.

### *Agency Organization*

Although the Florida Housing Finance Corporation is a public corporation within the Department of Community Affairs, it is a separate budget entity and is not subject to the department's control, supervision, or direction. The corporation is governed by a nine-member

board of directors, which includes the Secretary of the Department of Community Affairs as an ex officio and voting member, and eight members appointed by the Governor. The corporation is managed by an executive director appointed by the Secretary of the Department of Community Affairs, with the advice and consent of the corporation's board.

The corporation administers various affordable housing programs, including those described below.

- **First Time Homebuyer Program.** Under this program, the corporation issues tax exempt mortgage revenue bonds and uses the proceeds to originate 30- and 40-year fixed-rate mortgage loans for first-time homebuyers. Homebuyers benefit from lower mortgage interest rates due to the tax exempt status of the bonds. Eligible first time homebuyers may earn up to 115% of the area median income or 140% of area median income in targeted areas. The corporation reported that \$634.4 million in first mortgages for 4,699 households were funded through this program in 2007. The corporation further reported that the program had a loan foreclosure rate below 2% as of December 31, 2008.
- **Down Payment Assistance.** The corporation provides funds for down payment assistance and closing costs in conjunction with the First Time Homebuyer Program through several down payment assistance programs. These include the state funded Homeownership Assistance Program, the Florida Housing-funded Homeownership Assistance for Moderate Income Program, and indenture-funded 4% cash assistance payments. The

<sup>1</sup> Chapter 97-167, *Laws of Florida*.

corporation reported that 2,445 households were provided with down payment assistance in 2007.

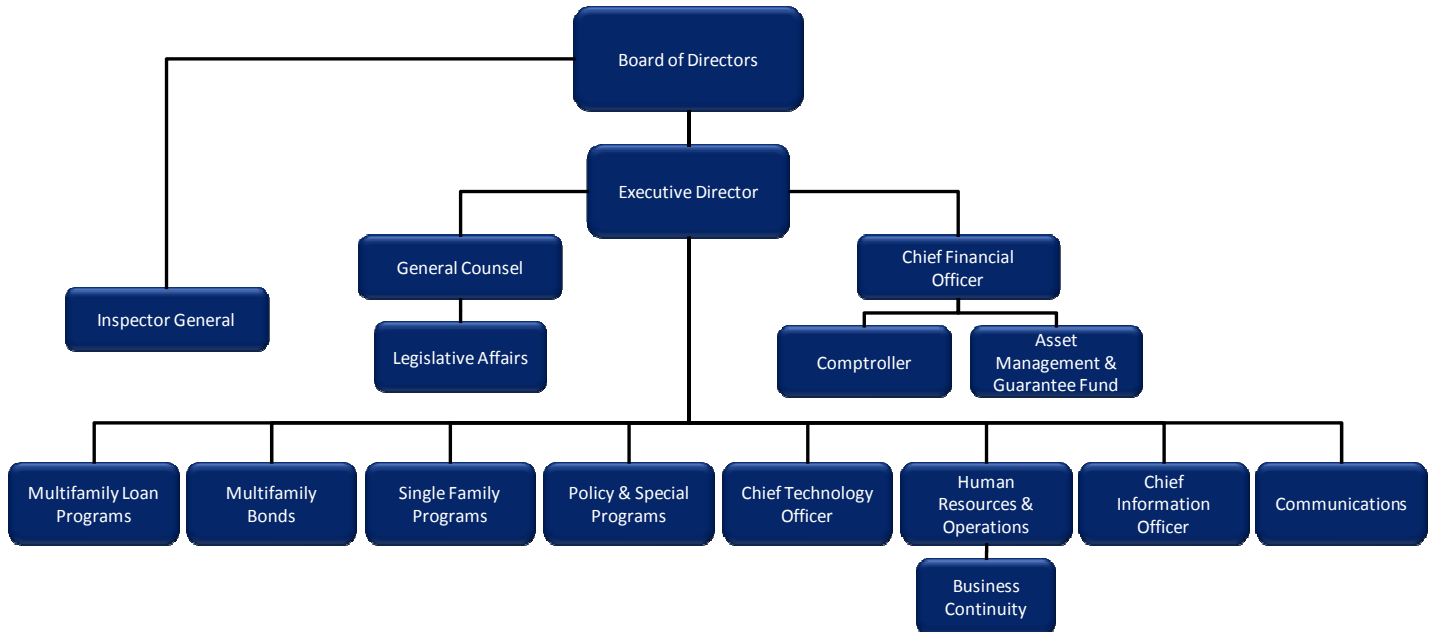
- **Multifamily Mortgage Revenue Bonds.** This program uses both taxable and tax exempt bonds to provide below market rate loans to nonprofit and for-profit developers that set aside a certain percentage of their apartment units for low-income families. Proceeds from the sale of these bonds are used to construct or acquire and rehabilitate multifamily rental properties. The program's application, scoring and ranking criteria encourage increased set-asides for low-income households. The corporation reported that \$162.3 million in loans were provided through this program in 2007.
- **State Apartment Incentive Loan Program (SAIL).** This program is state-funded and provides low-interest loans on a competitive basis to developers of affordable rental housing. Program funds provide gap financing that leverages federal mortgage revenue bonds and helps developers to obtain needed financing for constructing affordable multifamily housing units. Funds are available to individuals, public entities, and nonprofit or for profit organizations for the construction or substantial rehabilitation of multifamily units. Statutory changes and specific appropriations over the last three years have allowed the corporation to begin serving extremely low

income households through this program. The corporation reported that \$123.5 million in loans were provided through this program in 2007.

- **State Housing Initiatives Partnership (SHIP).** The SHIP Program provides state funds to local governments to produce and preserve affordable housing for very low-, low-, and moderate-income families. SHIP funds can be used for a variety of purposes. These include paying for emergency repairs, new construction, housing rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, property acquisition for affordable housing, matching funds for federal housing grants and programs, and homeownership counseling. This program is funded through documentary stamp tax revenues deposited in the Local Government Housing Trust Fund. Program funds are distributed to Florida counties and 51 Community Development Block Grant entitlement cities. The corporation reported that it distributed \$166 million in SHIP funds to local governments in Fiscal Year 2007-08, the last full year for which this information was available.

For a chart of the corporation's structure, see Exhibit 1.

**Exhibit 1**  
**The Florida Housing Finance Corporation Organization of Programs**



Source: Florida Housing Finance Corporation.

*Agency Resources*

The corporation's total financing resources for Fiscal Year 2008-09 is \$716 million, of which \$294 million was from state funds, \$363 million was from revenue bonds, and \$59 million was from other federal programs.<sup>2</sup> Major sources of state funding for the corporation include the William E. Sadowski Housing Act, which earmarks a portion of documentary stamp tax revenues for deposit in the State Housing and

Local Government Housing Trust Funds and additional documentary stamp tax revenues provided to the State Housing Initiatives Partnership (SHIP) Program. Federal funding sources include revenue bonds, housing credits, and grants.

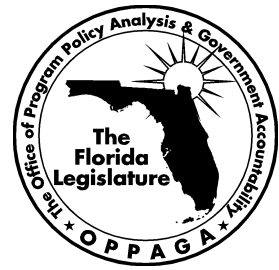
As a public corporation, the corporation is not appropriated any FTE (full time equivalent) positions. However, in the Fiscal Year 2008-09, the corporation had 127 filled full-time positions.

<sup>2</sup> Amounts shown do not reflect adjustments made during the 2009A Special Legislative Session.

# *The Florida Legislature*

## *Office of Program Policy Analysis and Government Accountability*

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### *The Florida Government Accountability Act Sunset Reviews*

The 2006 Legislature passed the Florida Government Accountability Act (Ch. 2006-146, *Laws of Florida*) to create a Sunset review process. The act

- establishes the process, criteria, and schedule for the Legislature to assess whether state agencies and advisory committees need to continue to exist;
- provides for the creation of a Legislative Sunset Advisory Committee and describes the membership and organization of the committee and committee duties; and
- requires reports and assistance from state agencies and the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA).

Using these reports and other information, the Sunset Advisory Committee is to produce a report that includes recommendations to abolish, continue, or reorganize an agency or advisory committee under review.

### *Second Year Schedule for Agency Reviews*

Agencies to be reviewed by July 1, 2010:

- (a) Department of Children and Family Services
- (b) Department of Community Affairs
- (c) Department of Management Services
- (d) Department of State

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Project conducted by Kent Hutchinson (850/487-9164)

Tom Roth, Staff Director

Cover photo by Kent Hutchinson

Gary R. VanLandingham, Ph.D., OPPAGA Director

**The Office of Program Policy Analysis and Government Accountability**

111 W Madison Street, Room 312 ■ Claude Pepper Building ■ Tallahassee, Florida 32399-1475

(850) 488-0021 Fax: (850) 487-3804

[www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)