

FREQUENTLY ASKED QUESTIONS HOUSING TAX CREDIT APPLICATIONS FLORIDA HOUSING FINANCE CORPORATION (FHFC)

WHAT IS THIS REQUEST FOR APPLICATIONS (RFA)?

Developers are applying for the competitive 9% or 4% Tax Credits with Bond or State Apartment Incentive Loan (SAIL) funding through the FHFC to develop family or elderly units in Escambia County. These developments are competing against each other and against developments in other medium sized Counties across the State of Florida for this funding. The number of developments that will receive funding from a medium sized county will be limited (usually 2-3) depending on the RFA issued by FHFC.

<https://www.floridahousing.org/programs/developers-multifamily-programs/low-income-housing-tax-credits>

WHAT DO DEVELOPERS WANT FROM THE COUNTY?

Developers are required to receive a Local Government contribution form from the County in order to secure maximum points on their application for funding to the State. If approved by the BCC, the County is committing \$37,500 in State Housing Initiatives Partnership (SHIP) funding toward the development. This is the minimum amount required by FHFC.

WHAT ELSE CAN SHIP FUNDS BE USED FOR?

SHIP funding can only be used for affordable housing activities per Florida Statute. Currently the only activities under SHIP that are approved by the BCC and City Council (these funds are jointly shared with the City) are:

1. Purchase Assistance (downpayment/closing cost for buyers)
2. Housing Repair Assistance (for low income owners)
3. Replacement Housing (for low income owners with severely substandard housing)
4. New Construction (for the benefit of homeowners—through developers)
5. Rental Development/Preservation
6. Disaster Mitigation (only used in the case of a declared disaster)

A copy of the County/City LHAP is available online at: <http://myescambia.com/docs/default-source/neighborhood-human-services/ned/2017-2019-local-housing-assistance-plan.pdf?sfvrsn=0>

WHO WILL THIS HOUSING SERVE?

Each development is required to have minimum percentages of their units set aside for low or very low income residents—at least 20 percent of the units must be set aside for households earning 50% or less of the area median income [*Household of 1=\$21,700 or Household of 4: \$31,000*] OR at least 40% of the units must be set aside for households earning 60% or less of the area median income [*Household of 1=\$26,040 or Household of 4 \$37,200*]. *All tenants must have some income to lease units.*

HAS THE SALE OF THESE PROPERTIES ALREADY OCCURRED?

Generally, no. These properties are under a sales contract that is contingent on the developer receiving the funding from the State in order for the sale to proceed.

WHAT AMENITIES WILL BE AT THESE DEVELOPMENTS?

Each family development is required to provide at least 3 of the following 4 program offerings at no cost to residents: After School Programs, Literacy Training, Employment Assistance, or Family Support Coordinator. Other amenities (club house, pool, playground, etc) will vary by development. Each elderly development is required to provide at least 3 of the following 5 program offerings: Literacy Training, Computer Training, Assistance with Daily activities, Resident Assurance Check-In, or Assistance with light housekeeping, laundry or grocery.

ARE THESE PROPERTIES REVIEWED OR MONITORED REGULARLY?

Yes. These properties (if funded) are monitored by Florida Housing Finance Corporation annually for occupancy and rent as well as for physical condition. Furthermore, the investors in these properties monitor annually (sometimes quarterly depending on the development). Developers not providing amenities as promised can be penalized financially by FHFC.

Florida Housing puts reports online regarding properties in non-compliance. These can be found at the following location:

NON-COMPLIANCE REPORT:

<https://www.floridahousing.org/data-docs-reports/noncompliance-reports>

If the County invests any of its SHIP funding in a property, the County is required to monitor the property for a minimum of 15 years for rent, occupancy, and property condition (and other terms as may be dictated in an Agreement between the County and the Developer). Inspections are carried out by the County’s Neighborhood Enterprise Division.

DOES THE COUNTY NEED AFFORDABLE HOUSING?

2017 Fair Market Rents:	1 Bedroom=\$749
	2 Bedroom=\$897
	3 Bedroom=\$1243

*Minimum annual income needed to afford a one bedroom unit: \$29,960

*Minimum annual income needed to afford a two bedroom unit: \$35,880

*Minimum annual income needed to afford a three bedroom unit: \$49,720

Housing costs are defined as affordable when a household pays 30% or less of its monthly income on housing. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payments, taxes, insurance, and utilities.

Those at the lowest end of the economic scale will have the most difficult time finding affordable rental units. The City of Pensacola Housing Division currently reports that they have over 1300 applicants on their Section 8 voucher wait list. The Area Housing Commission reported over 400 applicants on their wait list for public housing in August 2015.

The Affordable Housing Summit held in 2015 estimated that the area is short 3000 housing units of demand.

The 2016 HOME Matters report (flhousing.org) prepared by the Florida Housing Coalition notes the following affordable/available units for every 100 renters:

- *23 units affordable/available per 100 households at or below 30% AMI
- *36 units affordable/available per 100 households at or below 50% AMI
- *84 units affordable/available per 100 households at or below 80% AMI



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