

**HOUSING OPPORTUNITIES IN FLORIDA:
THE STATE HOUSING TRUST FUND**

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I. INTRODUCTION

This article examines the emerging role of the states in the face of federal devolution by testing the degree to which state housing trust funds meet legislated goals and target identified local housing needs. After outlining defining characteristics based on a review of the literature, this article assesses implementation of the largest housing trust fund in the country. Florida's State Housing Initiatives Partnership (SHIP) program represents a noteworthy model due to its relative longevity, significant level of assistance, and legislated commitment to flexibility and to coordination with housing planning. Do local governments effectively target housing needs given specific trust fund characteristics: facilitating public-private partnerships, particularly with non-profits; flexibly meeting critical housing needs, and informing funding decisions based on local housing plans?

Based on the assessment of state housing trust funds across the country, Florida has not only the largest but also the only such form of housing assistance available as a guaranteed block grant to

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local governments throughout the state. After defining the term and outlining housing needs in Florida, this study reviews a qualitative analysis of 30 local governments in the state undertaken to determine the type and nature of certain trends in implementing SHIP during the program's first 10 years.

A. State Housing Trust Funds Defined

Since Delaware established the first state housing trust fund in 1968, the number of states adopting this flexible form of assistance has grown considerably, especially given the federal government's declining support of affordable housing. In addition to the social benefits associated with addressing lower income households' housing needs, such assistance contributes to economic health in several ways: leveraging public assistance with private funds, creating jobs, paying for goods and services associated with the development of such housing, and increasing property values and thus local tax revenue. A national study conducted in 2001 estimates that on average every dollar of housing assistance leverages nine times that amount from private and other governmental sources and that a \$5 billion construction and rehabilitation program would generate approximately 184,300 jobs.¹

Due in part to their touted flexibility and the resources they provide, housing trust funds have been accepted across the nation as a powerful tool to augment federal programs and attract private sector partners. Statewide oversight offers the opportunity to more effectively address local resistance to affordable housing programs and to require that adopted comprehensive plans and housing needs assessments inform implementation of local housing strategies. Currently, thirty-nine states maintain housing trust funds, and several of these have multiple statewide programs.²

1. Center for Community Change, *Home Sweet Home: Why America Needs a National Housing Trust Fund* 19 (2001).

2. The author is working on a related study that assesses state housing trust funds across the country. Mary Brooks at the Center for Community Change completed a study in January 2007 that assesses state, regional, and local housing trust funds. While the author and Brooks include both funded and unfunded state trust funds in their respective studies, Brooks includes Washington, D.C. as a state housing trust fund while this author does not. Further, this author includes New York, which has had a consistently funded state housing trust fund program since 1985, while Brooks does not because New York's fund receives revenue from appropriations instead of a dedicated funding source. This author maintains that unlike several states, such as California, that have housing trust funds without any current revenue, New York has been funded throughout its history and should be included. Further, New York's situation is not unique. For instance, Georgia's constitution prohibits use of dedicated funding sources, so the state appropriates general revenue every year to its state housing trust fund. With the exception of Delaware's program, the next state housing trust fund was not established until 1982. In fact, the majority (61%) of state housing trust

Further, efforts continue to establish such a program at the national level.³

Housing trust funds should be understood as just one incentive-based strategy that in combination with other forms of assistance and regulatory tools represent an effective comprehensive approach. Though substantive differences exist among state housing trust funds, the term is generally defined based on the following characteristics: maintaining permanency, providing a critical match for federal assistance, offering flexibility, facilitating public-private partnerships, and choosing funding targets based on local housing plans.⁴

After reviewing housing needs in Florida, a comparative case study analysis is conducted of 30 randomly selected eligible cities and counties to assess whether local governments effectively meet housing needs given these defining characteristics. In addition, this study includes a temporal component to determine how implementation within each of these communities has changed during the first 10 years of the program. These findings suggest issues and opportunities associated with this increasingly popular form of housing assistance and pave the way for a more detailed survey of Florida and a broader understanding of state housing trust funds across the country.

B. Current Conditions in Florida

Among households earning 80% or less of area median income,

funds have been established over the past 17 years.

3. See Nancy Bernstine & Irene Basloe Saraf, *New Rental Production and the National Housing Trust Fund Campaign*, 12 *Journal of Affordable Housing* 389 (2003). Bernstine and Saraf provide a detailed account of efforts to establish a national housing trust fund from an initial campaign in the mid-1990s to more recent efforts beginning with legislation introduced in 2000. While various bills have moved forward since that time in both the House and the Senate, they have never been approved. The National Low Income Housing Coalition is currently advocating passage of legislation that, like previous proposals, creates a national trust fund that targets extremely low income households (those earning 30% or less of area median income) and that is funded through government sponsored enterprise legislation. The Federal Housing Finance Reform Act of 2007, H.R. 1427, includes language for such a fund and recently was discussed at a hearing of the House Financial Services Committee. See National Low Income Housing Coalition, *Memo to Members*, 2007(11), http://www.nlihc.org/detail/article.cfm?article_id=3992&id=40.

4. Mary E. Brooks, *Housing Trust Fund Progress Report 2007* (2007); Mary E. Brooks, *Housing Trust Fund Progress Report 2002* (2002); Mary E. Brooks, (1997) *Housing Trust Funds: A New Approach to Funding Affordable Housing*, in: W. van Vliet (Ed) *Affordable Housing and Urban Redevelopment in the United States* 229 (1997); Justin Linker, Chris Shay, & Christine Hall, *Affordable Housing Trust Funds*, November Fannie Mae Foundation Issue Brief (2001); Michael A. Stegman, *State and Local Affordable Housing Programs: A Rich Tapestry* (1999); Charles E. Connerly, *A Survey and Assessment of Housing Trust Funds in the United States*, 59 *Journal of the American Planning Association* 306 (1993); David Rosen, *Housing Trust Funds* (1987).

Florida's 2005-2010 statewide Consolidated Plan projected housing needs across the state based on cost burden as 769,977 units for renter households, with 60.1% of extremely low income households (earning 0-30% of area median income) in need of rental housing, and as 711,048 units for owner households.⁵ The 2004 hurricanes significantly exacerbated these conditions with 708,631 primary residences (roughly 10% of the non-seasonal housing stock) in the state sustaining some kind of damage.⁶ Almost 36% of these households had incomes of \$20,000 or less with 57% at incomes of \$30,000 or less.⁷

While the need is more critical among the lowest income households, even working class households (those earning up to 120% of area median income) are struggling with housing payments. In some parts of the state, the median value of a home has increased in recent years ten times as fast as the area's median income. A 2005 study ranks several of the state's metropolitan areas as some of the most price-inflated housing markets in the country, among them Naples, Port St. Lucie, Miami, West Palm Beach, Sarasota, and Fort Lauderdale.⁸

The situation is worse for low-income renters. In Florida, the fair market rent (FMR) for a one-bedroom unit is \$687, meaning that a wage earner would have to earn \$13.21 per hour — much more than the minimum wage — in order to afford a standard rental unit in Florida.⁹ Over 60% of extremely low income households (those earning 0-30% of area median income) lack affordable rental housing.¹⁰ Further, the state is losing affordable rental units. During the next 15 years, over 17% of Florida's assisted rental units are expected to be lost.¹¹

5. Florida Department of Community Affairs, *State of Florida Consolidated Plan, Federal Fiscal Years 2005-2010 23* (2004).

6. Florida Hurricane Housing Work Group, *Recommendations to Assist in Florida's Long Term Housing Recovery Efforts*, 9, 32 (2005), <http://www.floridahousing.org/Home/Newsroom/Publications/Hurricane+Housing+Work+Group.htm>.

7. Florida Hurricane Housing Work Group, *Recommendations to Assist in Florida's Long Term Housing Recovery Efforts*, 9, 12 (2005), <http://www.floridahousing.org/Home/Newsroom/Publications/Hurricane+Housing+Work+Group.htm2005>. Compare these incomes with the median income for the state in 2004, which was \$49,461.

8. R. J. DeKaser & J. G. Charamonde, *House Prices in America: Valuation Methodology and Findings*, (2005), <http://www.nationalcity.com/corporate/EconomicInsight/default.asp>.

9. National Low Income Housing Coalition, *Out of Reach 2005*, (2005), <http://www.nlihc.org/oor2005/data.php?getstate=on&state%5B%5D=FL>. As defined by the U.S. Department of Housing and Urban Development (HUD) for purposes of its rental programs, FMR reflects rent and utilities for a modest unit based on local conditions.

10. Florida Department of Community Affairs, *State of Florida Consolidated Plan, Federal Fiscal Years 2005-2010*, (2004).

11. Florida Affordable Housing Study Commission, *Final Report — 2005*, (2005). The majority of this loss among assisted units will occur due to the expiration of affordability

What solutions are available to address these challenges? Adequate, affordable housing should be considered essential to accommodate Florida's growing population, just like adequate roads, sewer, water, and schools. This approach "makes provision of affordable housing an explicit responsibility of local governments, with such responsibility tied to a local comprehensive plan prepared under a set of rules and regulations established by the state."¹² Thus the state maintains oversight, but the local government designs the specifics of the program and implements it so that sufficient affordable housing is in place as new residents arrive. Florida's housing trust fund, SHIP, is intended to function in this fashion.

II. FLORIDA'S HOUSING TRUST FUND

In 1988, the Florida Legislature stated — "[b]y the year 2010, this state shall ensure that decent and affordable housing is available for all of its residents."¹³ Four years later, they adopted the SHIP program.¹⁴ As a housing production program that meets the needs of lower income households,¹⁵ the dual purposes of the program were clear from the outset — creating jobs while striving to meet the state's housing mandate.

The State Housing Initiative Partnership Program is created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.¹⁶

All 67 counties and entitlement cities, which are the largest cities in the state and receive federal housing assistance directly, are eligible.¹⁷ Monies in the trust fund are generated by an in-

periods associated with various state and federal housing programs.

12. Marc Smith & Ruth Steiner, *Affordable Housing as an Adequate Public Facility*, 36 Valparaiso University Law Review 443, 444 (2002).

13. FLA. STAT. § 420.0003(2) (1988). This goal remains in the 2006 Florida Statutes.

14. FLA. STAT. § 420.907 (1992).

15. SHIP assists very low- (earning 50% or less of area median income), low- (earning 80% or less of area median income), and moderate- (earning 120% or less of area median income) income households. See FLA. STAT. § 420.9071 (2006).

16. FLA. STAT. § 420.9072 (1992, 2006).

17. Entitlement cities are cities that receive Community Development Block Grant and HOME funds directly from the federal government. In 1992, 40 communities in the

crease in the state documentary stamp tax on deeds, and the program was fully funded in May 1995.¹⁸ Funding is allocated on a per capita basis with the exception that smaller counties, some with under 10,000 residents, are guaranteed a minimum of \$350,000 annually.¹⁹

Program requirements reflect the broad coalition of housing advocates, realtors, home builders, bankers, and city and county officials that came together to provide the non-partisan support for its passage. This coalition has been challenged recently by an unsuccessful proposal in 2004 to sunset the program entirely, by the recapture over the past three years of a portion (39%) of the trust fund, and the 2005 legislative decision to make these cuts permanent as of fiscal year 2007-2008.²⁰ Currently the amount of funding available annually through SHIP is \$166.4 million.²¹

Funds must be used as follows: 30% must assist very-low income households, another 30% must assist low income households, 65% must target homeownership strategies, and 75% must be used for new construction or rehabilitation.²² Assistance towards the purchase of a home (downpayment assistance) qualifies under new construction or rehabilitation if the household receives the funding to move into a recently constructed or rehabilitated home.²³ A small percentage of funds can be used for program administration.²⁴ The legislation also includes restrictions on the timeline for

state were entitlement communities. In 2007, the total is 51.

18. With passage of the Sadowski Act in 1992, an additional ten-cent tax per \$100 was collected as part of the documentary stamp tax with 50% designated to the state for a variety of housing initiatives and the remaining 50% designated through SHIP to local governments. As of July 1995, an existing 10 cents of the tax was redirected from general revenue to the trust fund. This additional dime was split with 12.5% going to the state and 87.5% to local governments, resulting in an overall split of the housing trust fund of 31% to the state and 69% to local governments in the form of the SHIP program. See FLA. STAT. § 201.15 (2006).

19. FLA. STAT. § 420.9073(3) (2006). This guaranteed amount for smaller counties was initially \$250,000.

20. Jaimie Ross & Mark Hendrickson, *What Happened to Housing in the 2006 Session?* 22 (2) Housing News Network 1 (2006).

21. *Id.* Please note that the total amount of funding available in fiscal year 2006-2007 through the state's housing trust fund is \$433 million. The remainder of the funding goes to ongoing statewide programs such as the State Apartment Incentives Loan program (\$42.4 million with a one-time additional \$30 million targeting extremely low income households) and temporary programs such as those targeting hurricane relief (\$92.9 million). This article focuses on the SHIP program, which represents the majority of this funding and whose structure and targets have remained virtually unchanged since passage of the trust fund legislation in 1992.

22. FLA. STAT. § 420.9075(5) (2006).

23. F.A.C. 67-37.007(3)(f) (2006).

24. FLA. STAT. § 420.9075(7) (2006). Up to 5% of the amount received can be used for administrative expenses except that cities and counties receiving \$350,000 or less can use up to 10% for such purposes as can those local governments whose governing boards

encumbering (targeting) and expending these funds.²⁵

To receive SHIP assistance, all participating local governments must submit a Local Housing Assistance Plan (LHAP). In addition to specifying housing strategies and income groups targeted, the LHAP also identifies participating private sector partners, especially non-profits, and outlines the ways in which the program “furthers” the local Housing Element.²⁶ Thus a critical component of the LHAP is its consistency with and its implementation of the adopted Housing Element, the community’s housing plan.

Since 1985, Florida has been a model of state-mandated planning, requiring each local government to adopt a Housing Element, with objectives and polices based on data outlining local housing needs, as part of its broader Growth Management Plan. Beginning in 1993, the state required all local governments to apply a “uniform approach to identifying local housing needs in the context of projected growth.”²⁷ This top-down, one-size-fits-all approach to growth management in Florida has been rightly criticized.²⁸ Further, to be effective these plans must also contribute to a broader, integrated local and regional planning strategy.²⁹ Still, the LHAP together with the local Housing Element and the Consolidated Plan, which is required of all local governments receiving direct federal assistance from HUD, outline housing needs, policies, and funding targets and thus meet many of the criteria for useful local housing plans.³⁰ Thus, the SHIP program’s touted flexibility is intended to be responsive to distinct and divergent local housing needs and to implement or “further” adopted policies.

III. DESCRIPTION AND ANALYSIS OF THE THIRTY SAMPLED LOCAL GOVERNMENTS

Given the climate of increasing housing needs across Florida,

adopt a resolution allowing up to 10% to be used for administration.

25. F.A.C. 67-37.005(6)(f)1 (2006). Local governments must encumber SHIP funds within one year of receiving them and expend those funds within another two years.

26. FLA. STAT. § 420.9072(2)(a)1 (2006).

27. Paul F. Noll et al., *Florida’s Affordable Housing Needs Assessment Methodology*, 63 *Journal of the American Planning Association* 495, 507 (1997).

28. See *Id* and Judith E. Innes, *Group Processes and the Social Construction of Growth Management: Florida, Vermont, and New Jersey*, 58 *Journal of the American Planning Association* 440 (1992).

29. See Philip R. Berke & Maria M. Conroy, *Are We Planning for Sustainable Development? An Evaluation of 30 Comprehensive Plans*, 66 *Journal of the American Planning Association* 21 (2000) and Dennis E. Gale, *Eight State-Sponsored Growth Management Programs. A Comparative Analysis*. 58 *Journal of the American Planning Association* 425 (1992).

30. See David P. Varady & Charlotte T. Birdsall, *Local Housing Plans*, 6 *Journal of Planning Literature* 115 (1991).

especially among the lowest income households,³¹ in the face of continuing reductions in federal dollars,³² alternative forms of assistance, such as state housing trust funds, offer a particularly critical resource. A comparative qualitative study of program implementation was conducted to gain a greater understanding of key issues and to determine how local governments have adjusted their strategies and targets over time. The methodology involved analyzing material based on the defining characteristics of trust funds in general and the requirements of the SHIP program in particular for fiscal year 1992-1993 (FY 92-93), the first year of the program, and fiscal year 2001-2002 (FY 01-02). This material included the following documents:

- the LHAPs,
- Annual Reports that document how the funding was actually expended,
- Housing Elements, and
- Consolidated Plans, only available if the local government receives direct federal assistance — some of the smaller counties do not.

For this study, 30 Florida cities and counties that participate in the SHIP program were randomly selected. The sample is representative of the range of funding distributions — small, medium and large — and the percentage of cities and counties that participate in the program. The mandated \$350,000 minimum for rural counties establishes the limit for the small category, which includes cities that fall at or below this amount; distributions of \$1 million or more represent the large cities and counties with medium communities falling in between.

A. Overview of Comparative Findings

Based on analysis of the sample data, certain trends are evident when comparing percentage of funds expended in FY 92-93 to

31. In assessing progress toward meeting the state's 2010 goal of ensuring decent and affordable housing is available for all its residents, the 1999 Florida Affordable Housing Study Commission noted that "the additional 22,134 housing units provided with 1998 program funds allowed Florida to keep up with only two-thirds of the growth of cost burdened households during that year, and did not provide for the backlog of 1.35 million cost burdened households." See Florida Affordable Housing Study Commission, *Final Report — 1999 13* (1999), http://www.dca.state.fl.us/fhcd/ahsc/1999%20Report/99_ahsc_rep.pdf.

32. The amount of federal assistance declined from \$83.6 billion in 1976 to \$34.3 billion in 2002. See Cushing Dolbeare & Sheila Crowley, *Changing Priorities: The Federal Budget and Housing Assistance, 1976-2007* (2002).

FY 01-02 (see Figure 2). Owner strategies are consistently the primary focus, with well over the 65% minimum devoted to these types of assistance. Due to the significant increase in total distributions that the communities realized with the designation of the additional dime from general appropriations to the trust fund in 1995, the slight decrease in percentages for FY 01-02 versus FY 92-93 masks practically a tenfold increase in SHIP dollars between the two periods. Among the thirty communities, rental strategies increased slightly during the 10-year period, because less funding is devoted to SHIP administration, but still lie well below the maximum possible. The percentage of funds targeting the strategy "Rehabilitation or Construction" remained steady. A much higher percentage of very-low income units were assisted relative to moderate income units in FY 92-93 as compared to percentage of funds targeting strategies for very-low relative to moderate income in FY 01-02.³³ Thus the relative emphasis on very-low income has declined somewhat, which is not surprising given the focus on homeownership.

While SHIP might be the sole source of guaranteed assistance many rural counties receive, the entitlement cities and larger counties all receive federal assistance in the form of CDBG and HOME program funds. Developers in all these communities also can apply for the competitive federal Low Income Housing Tax Credits (LIHTC) and State Apartment Incentive Loan (SAIL) funds. As noted in the introduction to this article, SHIP represents just one incentive-based strategy that can be combined with other forms of assistance and regulatory tools to establish a more comprehensive approach to local housing needs. Those communities receiving HOME funds that target ownership strategies use SHIP as the required match for this federal program. Further, SHIP can be combined with LIHTC or SAIL, both of which target construction and rehabilitation of lower income rental housing, to augment the smaller percentage of SHIP funding that can be used for rental strategies. In fact, based on this sample, local governments (22 in FY 92-93, 21 in FY 01-02) appear to be using SHIP with a broad range of other housing programs so that they leverage SHIP funds to make these housing strategies viable. The federal HOME and CDBG programs are the most commonly used out-

33. In FY 92-93, income targets were measured based on units assisted. In FY 01-02, income targets were measured based on percentage of funds devoted to strategies targeting very-low, low, and moderate income households respectively. Due to this change in program requirements tying income targets to funding expended (FY 01-02) rather than units assisted (FY 92-93), it is difficult to clearly compare this data between the two years. Thus this discussion compares the very-low income to moderate income ratio for each of the two program years.

side sources of assistance. None of these programs specifically target extremely low income households — those earning 30% or less of area median income.

B. Income Targets

Based on this sample, while the legislation allows all the funds to be targeted at very-low and low-income households, quite a few local governments target moderate income households — serving those who earn above 80% to 120% of median income. In FY 92-93, 57% of the sampled communities assisted moderate income households; in FY 01-02, that percentage had risen to 80%. Further in FY 01-02 only seven of the thirty sampled governments targeted a majority of their funds at very-low income housing assistance. Another study of twenty-two local governments found a significant lack of SHIP assistance committed to extremely low-income households.³⁴

C. Homeownership Strategies

Given the emphasis on homeownership, it is not surprising that so many local governments target moderate income households. In FY 01-02, with the exception of two counties — both of them large — all sampled local governments spent significantly more than the 65% minimum on homeownership activities with almost half (13 out of 30) targeting all their funding on such strategies. Overall, 83.9% of the SHIP funding among the sampled governments benefits homeownership, down slightly from FY 92-93 when 86.5% of the funding was devoted to homeownership (see Figures 2 and 3). The number of assisted owner units has fallen more dramatically from 94.4% in FY 92-93 to 75.6% in FY 01-02.

In FY 92-93, 73.3% had offered downpayment or purchase assistance, and all had offered some form of owner rehabilitation. By FY 01-02, all of the thirty sampled local governments funded purchase assistance and owner rehabilitation. Targeting downpayment assistance exclusively at first-time homebuyers was a common strategy in FY 01-02 used in ten of the thirty communities, and in most cases, this assistance could be combined with repairs to existing homes under contract. Further, half of the local governments (15 of the 30 sampled) offered or required housing counseling as part of the purchase assistance strategy.

34. Stanley Fitterman, (2004) *Serving the Extremely Low Income with SHIP*, 20 (2) Housing News Network 13 (2004).

Downpayment and rehabilitation incentives were often in place prior to passage of SHIP, so local governments simply used the trust fund to augment these ongoing strategies. The emphasis on these two resident-based strategies translates into the majority of FY 01-02 SHIP funds (63%) directly benefiting eligible households — providing a dollar-for-dollar reduction in costs directly to the eligible household — as opposed to targeting developers, where a percentage of the funding provides an incentive for developer participation.

D. Rental Strategies

Despite the emphasis on homeownership, the number of communities among the random sample targeting rental strategies has increased 62.5% since FY 92-93 (from 8 to 13). While practically half devoted less than 10% of their FY 01-02 funds to these housing strategies, the percentage of funds targeting these strategies still reflected a slight increase from that in FY 92-93 (see Figures 2 and 3). Once again, the significant increase in total funds available for participating local governments in 1995 and thereafter translated into greater absolute amounts distributed to each government and often a much higher number of units assisted. In addition, more local governments reported the use of LIHTC and SAIL funds with SHIP to assist low income rental units. Still, only one local government among the 30 in FY 01-02 began to approach the maximum percentage allowable, devoting 32.2% of its funding to rental housing strategies.

E. Depth of Subsidy

In its LHAP, each local government must indicate the maximum amount of assistance per unit available under each housing strategy. Given the increase in housing costs across the state, this amount, which reflects depth of subsidy for strategies such as downpayment assistance and owner rehabilitation, was expected to be higher among the 30 sampled communities in FY 01-02 as compared to FY 92-93. Instead the maximum amount of assistance per unit designated for particular strategies did not change or fell among the 30 communities when comparing the first year of the program, FY 92-93, and FY 01-02. A recent study of FY 99-00 and FY 00-01 SHIP assistance also assessed depth of subsidy.³⁵

35. Stanley Fitterman & Wight Gregor, *Purchase Assistance Programs: The Role of Housing Costs and Area Incomes in Determining Subsidy*, 19(1) Housing News Network 13

The authors specifically focused on one strategy — purchase (downpayment) assistance — and examined whether a relationship exists between the depth of subsidy for the purchase assistance offered and the affordability index they constructed for that area based on sales price data and median income. Using regression analysis they found that the subsidy amount did *not* vary based on widening gaps between house prices and incomes.³⁶ These findings indicate that local governments have tended not to adjust depth of subsidy sufficiently as housing costs have increased.³⁷

F. Implementation of the Ship Program

In their LHAPs for FY 01-02, only two of the sampled local governments clearly outlined how their Housing Element and/or Consolidated Plan, the two planning documents that outline local housing needs and the resulting policy directions, informed their SHIP funding targets. Another two communities referred to general housing needs assessments. Of the remaining 26 sampled local governments, 20, or over 66% of the total, made no mention of the Housing Element or Consolidated Plan. Of the six that did, in most cases the relevant policies were simply listed with no discussion of how these policies, some quite broad and vague, informed targeting and expenditure of SHIP funds. This is not a significant improvement from the first year of program implementation when administrators were still trying to ascertain exactly what the program required. For FY 01-02, most of the communities did discuss their partnerships with private sector housing agencies, many of them nonprofits, as a means to implement the program, so that this goal of the legislation was much more clearly implemented.

IV. FINDINGS AND IMPLICATIONS

Study findings suggest that within the broad parameters of their defining characteristics, housing trust funds can offer a wide variety of housing assistance. Local housing administrators have clearly used SHIP consistently with program requirements, assisting a total of 141,324 eligible housing units to date.³⁸ As a produc-

(2003).

36. *Id.*

37. Reviews of more recent SHIP LHAPs indicate that many communities have increased their depth of subsidy significantly.

38. Governor's Affordable Housing Study Commission, *Draft of the 2007 Report on the SHIP Program*, (2007).

tion program targeting home ownership and augmenting construction related employment in the state, SHIP been particularly effective. In addition, it is providing a critical match for the HOME program, a federal mandate. While the diversity of homeowner rehabilitation and downpayment assistance strategies has increased since FY 92-93, other strategies are rarely implemented, or if they are, funded at minimal rates. Minimal evidence exists to indicate that local administrators are informing their expenditure of SHIP funds based on local goals, objectives, and policies as outlined in planning documents such as the Housing Element. Further, the focus on assisting moderate income households has increased since the inception of the program, raising the question of whether these funds target a local community's most critical housing needs. Altogether, these findings suggest a more narrow local focus than that encouraged by the legislation.

The increasing number of state housing trust funds attests to the federal devolution of housing programs in the face of ongoing, and often increasing, housing need at the state and local levels and the adaptability of this program type. Yet, lack of resources, political constraints, and in many cases failure to address the most pressing housing challenges continue to characterize these programs, despite their flexible program design. Specifically in Florida, though the state housing trust fund accommodates a range of housing strategies, local governments often narrowly focus the program, failing to implement housing plans and needs assessments in their funding decisions. While Florida's program could be amended to create greater assurances that the most pressing housing challenges are addressed, local governments can make significant adjustments within the program's existing parameters to more successfully target these needs. As certain states have realized, state housing trust funds that mandate coordination with and implementation of relevant housing plans while accommodating local flexibility benefit from the strengths of both levels of government. The proposal for a national housing trust fund, which is gaining strength, should adopt this approach.

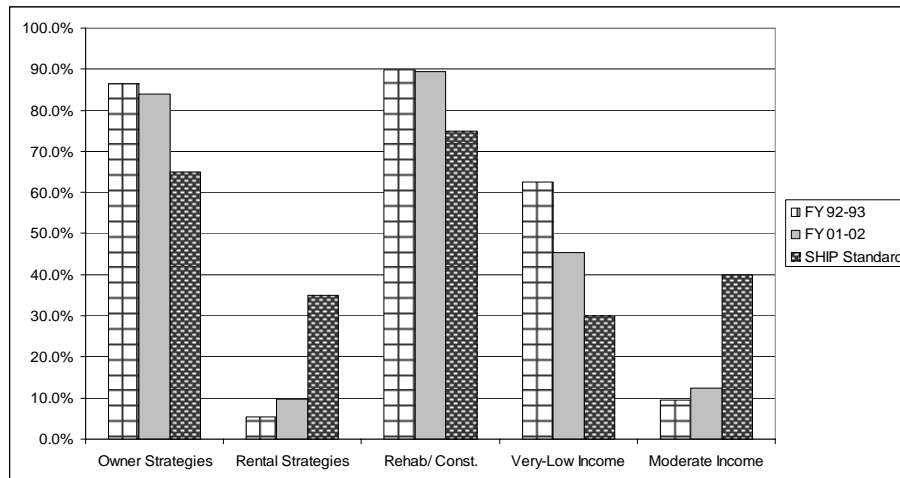


Figure 1. Comparison of Percentages of SHIP Funding Expended among the 30 Sample Communities, FY 92-93, FY 01-02, and the Standards Established in the SHIP Legislation.

Please note: During this 10-year period, the absolute amount of SHIP dollars expended increased dramatically due to the additional funding committed to the SHIP program in 1995. For this reason, the bar chart here shows percentages expended not absolute dollar amounts. The “SHIP Standard” for each housing strategy or income target group reflects the minimum percentage of overall funding that must be devoted to this activity or group, with the exception of Rental Strategies and the Moderate Income category. These two standards reflect the maximum percentage of funding allowed. While Owner Strategies and Renter Strategies cannot overlap, Rehabilitation or Construction (Rehab/Const) can in fact be for rental or owner occupied units.

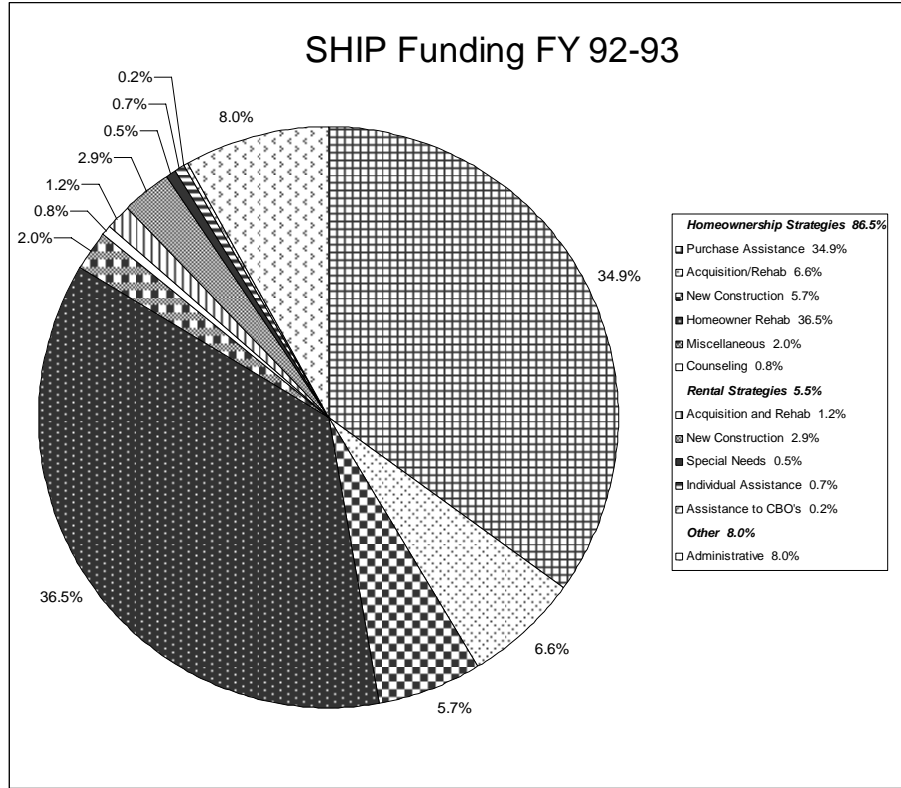


Figure 2. Percentage of Funding for SHIP strategies in Fiscal Year 1992-1993 for the 30 sampled local governments.

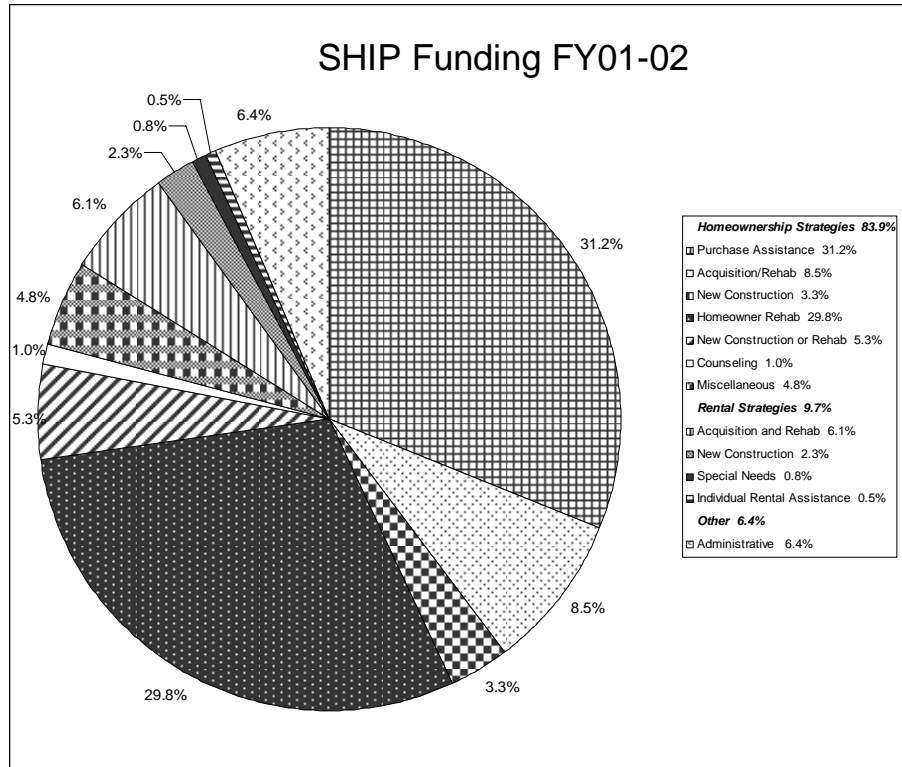


Figure 3. Percentage of Funding for SHIP strategies in Fiscal Year 2001-2002 for the 30 sampled local governments.