The State of Florida's Assisted Rental Housing

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Major funding for this report provided by the State of Florida.

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June 2009

The Shimberg Center for Housing Studies was established at the University of Florida in 1988 to promote safe, decent and affordable housing and related community development throughout the state of Florida. The Florida Housing Data Clearinghouse, located within the Shimberg Center, provides public access to data on Florida's housing needs and supply, subsidized rental housing, and household demographics at **http://flhousingdata.shimberg.ufl.edu**. The Clearinghouse is jointly funded by the Florida Housing Finance Corporation and the Shimberg Center.

The State of Florida's

Assisted Rental Housing

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Executive Summary

I. Introduction

This report examines the characteristics of Florida's stock of assisted rental housing: privately owned rental housing that receives public subsidies in exchange for affordability restrictions. It traces some of the changes in Florida's assisted housing stock since the 1960s and examines the preservation risks to older assisted housing properties.

The report is based on analysis of data from the Florida Housing Data Clearinghouse's Assisted Housing Inventory (AHI), which tracks properties in Florida with funding from HUD, U.S. Department of Agriculture Rural Development (RD), Florida Housing Finance Corporation (Florida Housing), and Local Housing Finance Authorities (LHFAs).

II. Overview of Florida's Assisted Housing

Florida has 2,250 assisted housing properties with 253,826 income- and rent-restricted units. While property characteristics vary widely, the bulk of the units are:

1. **Located in large metropolitan areas.**

   More than two-thirds (69 percent) of assisted units are located in the state's four major metropolitan areas: Miami/Fort Lauderdale/Pompano Beach, Orlando, Tampa/St. Petersburg/Clearwater, and Jacksonville.

2. **Occupied by tenants with incomes below 60 percent of the area median income (AMI).**

   Seventy-six percent of HUD units are occupied by households with incomes at or below 30 percent of area median income (AMI). Similarly, 86 percent of RD units are occupied by households with incomes below 50 percent of AMI. The vast majority of Florida Housing-funded units (92 percent) are restricted to households with incomes of no more than 60 percent of AMI.

3. **Open to the general low-income population, rather than specific groups.**

   More than 195,000 assisted housing units are "family" units, which may house single persons and unrelated individuals as well as related adults and children. Almost 46,000 are reserved for the elderly. Less than five percent of assisted housing units are reserved for other populations.

4. **Relatively new.**

   More than two-thirds of today's assisted units were built in 1990 or later. Florida added almost 170,000 assisted housing units in the 1990s and 2000s.

5. **Owned by for-profit corporations.**

   Nearly four out of five assisted units are in properties owned by profit-motivated corporations, either traditional for-profits (72 percent of units) or limited dividend corporations (7 percent). Non-profits own 21 percent of assisted housing units.

III. Evolution of Assisted Housing Production: A Generational Shift from Federal to State/Local Initiatives

The history of Florida's assisted housing stock reflects a national generational shift in how assisted housing is produced: from federal programs in the 1960s to mid-1980s to state and local initiatives today. While HUD and RD initiated Florida's assisted housing stock, Florida Housing now funds far more units, either with direct state dollars or via federal resources allocated by the states. Almost 174,000 housing units now in operation have received financing from Florida Housing, compared to approximately 76,000 HUD-funded units and 21,000 RD-funded units.

One effect of the shift to state allocation of resources has been a growing emphasis on family housing. Early HUD programs emphasized elderly housing. More than half (58 percent) of assisted housing units built in the 1960s are reserved for elderly households. However, state and local programs strongly emphasize the less restrictive family units, with 87 percent of Florida Housing-sponsored units in family developments. Thus, only 2 percent of all new assisted units built since 2000 are reserved for the elderly.

A second, parallel effect has been the predominance of for-profit ownership of Florida's assisted housing. In the early years of assisted housing, HUD directed more subsidies to non-profit than for-profit developers in Florida. In contrast, 89 percent of Florida Housing-assisted units and 92 percent of LHFA-funded units are owned by for-profits. As a result, older housing is much more likely to be owned by non-profits than newer developments.

A third presumed effect is a move away from the production of affordable housing for the lowest income tenants, due to the shift from older HUD and RD deep subsidy programs to more shallow state-allocated subsidies such as mortgage revenue bonds and the Low-Income Housing Tax Credit (LIHTC). For example, 64 percent of units developed before 1990 receive operating subsidies through federal rental assistance contracts, making them affordable to the lowest income tenants. Only 8 percent of units produced since 1990 receive this assistance.

IV. Preservation of At-Risk Assisted Housing

Even as assisted housing production continues to grow, the older assisted housing stock faces two countervailing pressures that may result in losses of affordable housing. First, owners of many older properties may opt out of income and rent restrictions by prepaying subsidized mortgages or terminating rental assistance contracts. In the near term, opt-outs may become less likely than in the past, as the soft housing market makes condominium conversion or marketing to higher-income tenants less attractive to property owners. Second, aging properties risk "fail-out" when their physical and financial condition deteriorates, resulting in default on subsidized mortgages or loss of habitability.

The Shimberg Center has created profiles of the characteristics of properties at each type of risk. Statewide, there are 133 properties with 7,179 assisted units at heightened opt-out risk. There are 42 properties with 3,856 units at heightened fail-out risk; 12 of these properties with 926 units also show heightened opt-opt risk.

V. Conclusion

In the near future, the state will continue its strong involvement in the allocation of housing funding, but the sources of that funding are shifting. Florida's housing trust fund has been reduced significantly due to lower collection of revenues and use of trust fund monies for the state's general fund. Also, federal housing tax credits are generating less equity than in the past, and few investors are purchasing mortgage revenue bonds. However, state agencies are now responsible for allocating funds from new federal housing programs, including the Neighborhood Stabilization Program, the TCAP and tax credit exchange programs, and potentially, the National Housing Trust Fund.

Another trend will be an increased emphasis on preservation of assisted housing. Florida Housing's recent preservation efforts include a $4 million annual set-aside of its LIHTC allocation for preservation and a three-county pilot program to provide preservation bridge loans. Most recently, the MacArthur Foundation awarded $1 million to Florida Housing, the Shimberg Center, and the Florida Housing Coalition to build the capacity of non-profits to acquire and preserve at-risk assisted housing and to develop enhanced rental market data. Future *State of Florida's Assisted Rental Housing* reports will focus on the units and tenants most affected by the preservation of at-risk housing.

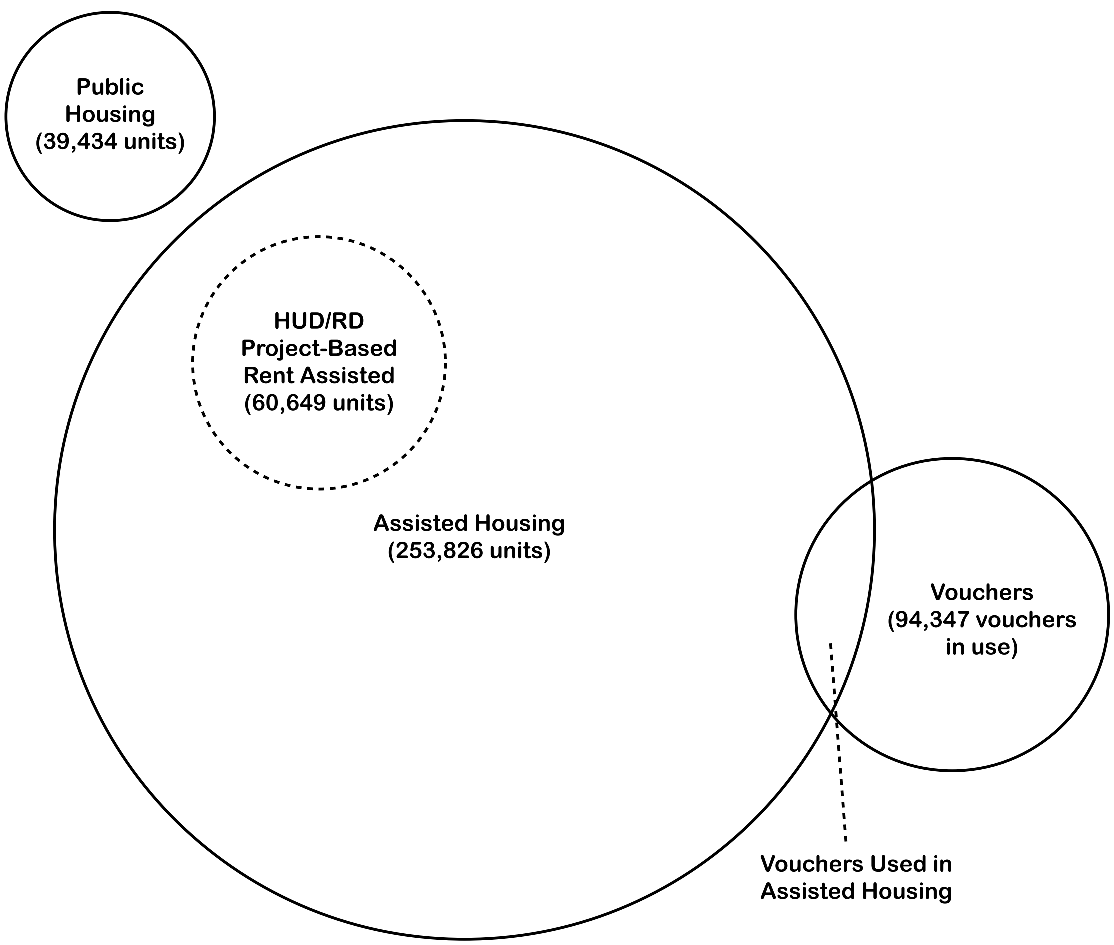
I. Introduction

Florida's assisted housing supply consists of more than 250,000 units of privately owned, publicly subsidized rental housing for low-income individuals and families. The for-profit and non-profit owners of assisted housing accept restrictions on tenant incomes and rents in exchange for government subsidies such as low-cost loans, grants, and rent subsidies.

The privately owned assisted housing stock forms one branch of a three-part system of subsidized rental housing. The second branch is public housing, which refers to rental housing that is both publicly funded and publicly owned. Local public housing authorities own and manage public housing, with funding from the federal Department of Housing and Urban Development (HUD). The third branch is Housing Choice Vouchers, monthly rent subsidies that are provided to individual tenants so that they can afford housing available on the private market. Vouchers are funded by HUD and administered by public housing authorities. Figure 1.1 shows the relationships among the different types of subsidized rental housing. Appendix 1, "Rent-Subsidized Units," discusses public housing and vouchers more fully.

This report examines the characteristics of the privately owned assisted housing portion of this system in Florida. The report is based on analysis of data from the Florida Housing

Figure 1.1. Relationship between Rent-Subsidized and Assisted Housing



Data Clearinghouse's Assisted Housing Inventory (AHI).[1] The AHI database tracks rental housing properties in Florida subsidized by one or more of four public sources: U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture Rural Development (RD), Florida Housing Finance Corporation (Florida Housing), and Local Housing Finance Authorities (LHFAs).[2]

Since the 1960s, these agencies have initiated numerous programs to encourage production of affordable rental housing by the private sector. Types of subsidies include:

- Capital financing: Agencies have offered below interest mortgages, mortgage insurance, interest-free capital advances, tax-exempt bond financing, loan guarantees and pre-development financing to reduce the cost of producing rental housing.
- Rental subsidies: HUD and RD provide monthly rent subsidies to property owners to bridge the gap between the amounts low-income tenants can pay for rent and the actual operating costs or other agreed-upon unit rent. Under these programs, tenants pay 30 percent of their income for rent, with the federal agencies paying the difference between this amount and the actual unit rent.
- Tax credits: The Low-Income Housing Tax Credit provides private investors in affordable rental housing with a credit against their federal tax liability. Developers use the credits to raise equity for new construction or acquisition and rehabilitation of rental housing developments.

The assisted housing programs included in the AHI are described in detail in Appendix 3.[3]

Each decade, Florida has added an increasing number of units to its assisted housing inventory, particularly following the founding of Florida Housing in 1981. At the same time, the older assisted housing stock faces significant challenges: pressure for strong properties to "opt-out" of the subsidized housing inventory, thus removing affordability restrictions, as well as the potential for weaker properties to "fail-out" of the system through deterioration and default. Using data from the AHI, this report traces some of the changes in Florida's assisted housing stock since the 1960s and examines the preservation risks to older assisted housing properties.

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1 Data from the Assisted Housing Inventory are as of August 2008.

2 There are 23 LHFAs in Florida that have issued multifamily mortgage revenue bonds for the construction or rehabilitation of rental housing.

3 Note that the AHI does not track units funded by HUD's Section 8 Mod Rehab program or by HOME funds allocated by local governments. The AHI does track projects funded by HOME dollars allocated by the State of Florida.

II. Overview of Florida's Assisted Housing

Florida has 2,250 assisted housing properties with 274,104 total units, according to the Assisted Housing Inventory. Of these units, 253,826 are considered assisted units in that they carry income and rent restrictions associated with public subsidy.[4] The assisted units are the basis for analysis in this report.

The assisted housing supply substantially outnumbers the state's 39,434 public housing units and 94,347 vouchers; because vouchers may be used in many assisted housing developments, there is overlap between the number of assisted units and vouchers. By way of comparison, an estimated 907,000 renter households in Florida have incomes below 60 percent of the area median income (AMI), a common target market for assisted rental housing.[5]

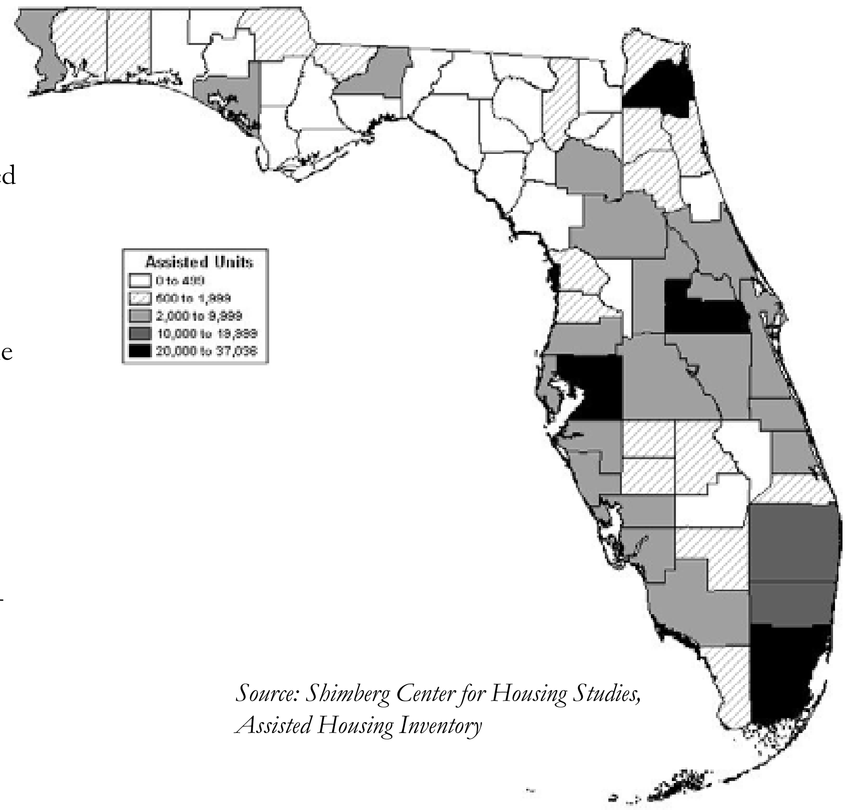
While characteristics of Florida's assisted housing properties vary widely, the bulk of the units are:

- Located in large metropolitan areas;
- Occupied by tenants with incomes below 60 percent of the area median income;
- Open to the general low-income population, rather than specific groups such as the elderly;
- Relatively new; and
- Owned by for-profit corporations.

Assisted Housing Location

Florida's assisted housing stock is concentrated in and around the state's urban centers. More than two-thirds (69 percent) of assisted units are located in the state's four major metropolitan areas. These areas contain most of the state's population (62 percent). They also contain most of its low-income, cost-burdened renter households (70 percent); that is, households with incomes at or below 60 percent of AMI and paying more than 40 percent of their income for rent.

Figure 2-1. Assisted Rental Housing Units by County, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Assisted housing properties appear in every Florida county except Liberty County. The Rural Development program in particular ensures that assisted housing properties are located in small- and medium-sized counties throughout the state. Figure 2-1 and Table 2-2 show the distribution of assisted rental housing units by county.

Some areas of the state have a particularly large number of assisted units. These geographic concentrations vary by funder. The concentration is most striking in the Orlando

Table 2-1. Assisted Housing Units in Florida's Largest Metropolitan Statistical Areas, 2008

Metropolitan Statistical Area	Assisted Housing Units	Share of State's Assisted Housing Units	Share of State's 2008 Population	Share of State's Low-Income, Cost-Burdened Renters
Miami-Fort Lauderdale-Pompano Beach	65,263	26%	29%	37%
Orlando	49,198	19%	11%	12%
Tampa-St. Petersburg-Clearwater	35,048	14%	15%	15%
Jacksonville	26,584	10%	7%	6%
Total	**176,093**	**69%**	**62%**	**70%**

Sources: Shimberg Center for Housing Studies, Assisted Housing Inventory; Shimberg Center for Housing Studies, 2007 Rental Market Study, September 2007; U.S. Census Bureau, 2008 American Community Survey

4 With the exception of the tax-exempt bonds issued by LHFAs, the Assisted Housing Inventory does not contain information about local programs that fund affordable rental housing.

5 Based on Shimberg Center analysis of data from the 2007 American Community Survey.

Table 2-2. Assisted Rental Housing by MSA and County, 2008

		Assisted Properties	Assisted Units	Share of State's Assisted Units
Jacksonville, FL MSA	Baker County	2	102	0.04%
	Clay County	15	1,514	0.60%
	Duval County	148	22,765	8.97%
	Nassau County	17	786	0.31%
	St. Johns County	18	1,519	0.60%
	MSA Total	200	26,686	10.52%
Miami-Fort Lauderdale-Pompano Beach, FL MSA	Broward County	108	15,292	6.02%
	Miami-Dade County	301	37,036	14.59%
	Palm Beach County	98	12,935	5.10%
	MSA Total	507	65,263	25.71%
Orlando-Kissimmee, FL MSA	Lake County	65	5,148	2.03%
	Orange County	171	31,923	12.58%
	Osceola County	36	5,962	2.35%
	Seminole County	34	6,165	2.43%
	MSA Total	306	49,198	19.39%
Tampa-St. Petersburg-Clearwater, FL MSA	Hernando County	16	1,231	0.48%
	Hillsborough County	150	21,416	8.44%
	Pasco County	45	2,787	1.10%
	Pinellas County	94	9,614	3.79%
	MSA Total	305	35,048	13.81%
Major Metropolitan Area Total		**1,318**	**176,195**	**69.43%**

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Table 2-2. Assisted Rental Housing by MSA and County, 2008 *(continued)*

		Assisted Properties	Assisted Units	Share of State's Assisted Units
Cape Coral-Fort Myers, FL MSA	Lee County	53	5,886	2.32%
Deltona-Daytona Beach-Ormond Beach, FL MSA	Volusia County	61	6,447	2.54%
Fort Walton Beach-Crestview-Destin, FL MSA	Okaloosa County	17	1,199	0.47%
Gainesville, FL MSA	Alachua County	43	3,597	1.42%
	Gilchrist County	2	60	0.02%
	MSA Total	45	3,657	1.44%
Lakeland, FL MSA	Polk County	72	5,720	2.25%
Naples-Marco Island, FL MSA	Collier County	44	6,235	2.46%
Ocala, FL MSA	Marion County	33	2,849	1.12%
Palm Bay-Melbourne-Titusville, FL MSA	Brevard County	59	5,623	2.22%
Palm Coast, FL MSA	Flagler County	5	268	0.11%
Panama City-Lynn Haven, FL MSA	Bay County	28	2,450	0.97%
Pensacola-Ferry Pass-Brent, FL MSA	Escambia County	48	3,759	1.48%
	Santa Rosa County	15	725	0.29%
	MSA Total	63	4,484	1.77%
Port St. Lucie-Ft. Pierce, FL MSA	Martin County	17	1,221	0.48%
	St. Lucie County	19	2,619	1.03%
	MSA Total	36	3,840	1.51%
Punta Gorda, FL MSA	Charlotte County	16	2,074	0.82%

Table 2-2. Assisted Rental Housing by MSA and County, 2008 *(continued)*

		Assisted Properties	Assisted Units	Share of State's Assisted Units
Sarasota-Bradenton-Venice, FL MSA	Manatee County	36	4,421	1.74%
	Sarasota County	23	2,437	0.96%
	MSA Total	59	6,858	2.70%
Sebastian-Vero Beach, FL MSA	Indian River County	29	3,144	1.24%
Tallahassee, FL MSA	Gadsden County	18	1,068	0.42%
	Jefferson County	4	171	0.07%
	Leon County	40	4,269	1.68%
	Wakulla County	2	64	0.03%
	MSA Total	64	5,572	2.20%
Remaining Metropolitan Area Total		**684**	**66,306**	**26.14%**
Northeast Non-Metropolitan Area	Bradford County	10	486	0.19%
	Columbia County	10	657	0.26%
	Dixie County	1	32	0.01%
	Hamilton County	5	147	0.06%
	Lafayette County	1	36	0.01%
	Levy County	14	445	0.18%
	Madison County	7	337	0.13%
	Suwannee County	8	457	0.18%
	Taylor County	5	237	0.09%
	Union County	2	80	0.03%
	Northeast Non-Metropolitan Total	63	2,914	1.14%
Northwest Non-Metropolitan Area	Calhoun County	2	88	0.03%
	Franklin County	4	121	0.05%
	Gulf County	3	113	0.04%
	Holmes County	4	81	0.03%
	Jackson County	18	821	0.32%
	Liberty County	0	0	0.00%
	Walton County	6	205	0.08%
	Washington County	5	110	0.04%
	Northwest Non-Metropolitan Total	42	1,539	0.59%

Table 2-2. Assisted Rental Housing by MSA and County, 2008 *(continued)*

		Assisted Properties	Assisted Units	Share of State's Assisted Units
Central Non-Metropolitan Area	Citrus County	24	920	0.36%
	Putnam County	26	1,164	0.46%
	Sumter County	13	485	0.19%
	Central Non-Metropolitan Total	63	2,569	1.01%
South Non-Metropolitan Area	DeSoto County	12	632	0.25%
	Glades County	1	28	0.01%
	Hardee County	10	665	0.26%
	Hendry County	10	572	0.23%
	Highlands County	25	1,200	0.47%
	Monroe County	16	879	0.35%
	Okeechobee County	6	327	0.13%
	South Non-Metropolitan Total	80	4,303	1.70%
Non-Metropolitan Area Total		**248**	**11,325**	**4.44%**
State Total		**2,250**	**253,826**	**100%**

area, which is home to a large share of Florida's state- and locally-financed assisted housing. The Orlando metropolitan area is home to nearly one-fourth of units financed by Florida Housing and LHFAs (23 percent for each) but just 11 percent of the state's population and 12 percent of Florida's low-income, cost-burdened renters.

The Miami and Jacksonville metropolitan areas have relatively high concentrations of HUD-assisted housing. More than one-fourth (29 percent) of HUD units are located in the Miami-Fort Lauderdale-Pompano Beach metropolitan area. This is comparable to the area's share of the state's population but lower than the area's 37 percent share of Florida's low-income, cost-burdened renters. In contrast, Jacksonville's share of HUD units is relatively high compared to its share of renters in need. Thirteen percent of the state's HUD units are in the Jacksonville area, compared to seven percent of the state's population and six percent of the state's low-income, cost-burdened renters.

RD units are by definition located in less populous rural areas, although some of the counties with RD units also include large urban areas. RD units are located in 60 of Florida's 67 counties. Thirteen counties have more than 500 RD units: Lake, Polk, Miami-Dade, Palm Beach, Collier, Pasco, Citrus, Highlands, Nassau, Orange, Volusia, Gadsden and Putnam.

Appendix 2 includes tables showing the number of assisted units by funder for each metropolitan area and county.

Tenant Incomes in Assisted Housing

The purpose of assisted housing is to provide affordable housing for lower income tenants. In Florida, the vast bulk of assisted housing units serve tenants with incomes at or below 60 percent of the area median income (AMI).

There are two ways to measure tenant incomes in assisted housing: target incomes, which are the maximum tenant incomes allowed by the subsidy programs associated with the units, and actual tenant incomes, which may be lower than what the restrictions allow. The AHI contains estimates of actual tenant incomes for units funded by HUD and RD, target income data for Florida Housing-assisted units that do not also have HUD or RD funding, and no direct information on incomes for units that are exclusively LHFA-funded. Therefore, while we cannot make direct comparisons for all assisted housing units, we can describe income characteristics for the federal and state-funded units in different ways.

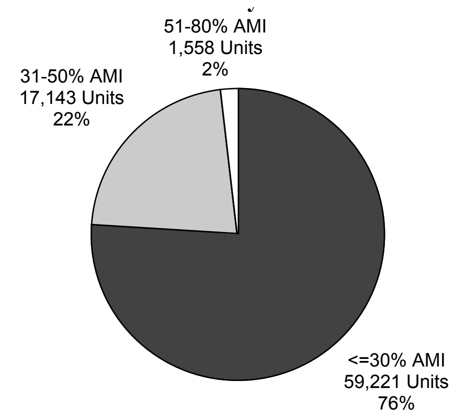
HUD: Actual Tenant Incomes and Rents

Most HUD units house "extremely low-income" households, those with incomes at or below 30 percent of AMI. Using data from HUD's *Picture of Subsidized Households—2000*, we estimate that 76 percent of households in HUD units are extremely low-income, and that the average tenant household in a HUD unit has an income of just 23 percent of AMI.

HUD properties target tenants at the lowest end of the income spectrum, often through monthly rent subsidies. The estimated average rent paid by tenants in HUD properties is $214.[6] This does not include any amount paid to the property owner through rent subsidies from HUD. Only an estimated 13 percent of units are located in properties where the average tenant-paid rent exceeds $250.

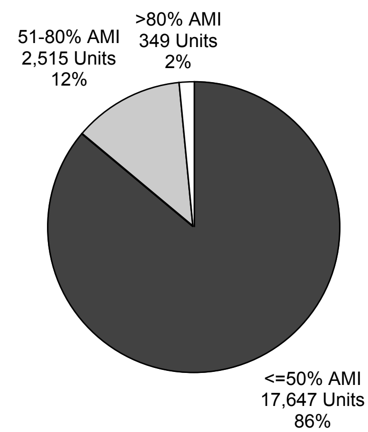
Figure 2-2 shows the estimated breakdown of households in HUD units by tenant income.

Figure 2-2. Estimated Number of HUD Units by Tenant Income Level, 2008[7]



Source: U.S. Department of Housing and Urban Development, Picture of Subsidized Households—2000*, 2006; Shimberg Center for Housing Studies, Assisted Housing Inventory*

Figure 2-3. Estimated Number of RD Units by Tenant Income Level, 2008



Source: U.S. Department of Agriculture, 2008 Rural Development Multi-Family Housing Annual Occupancy Report, May 2008. Includes units in properties subsidized by RD's Section 515 and Section 514/516 programs.

RD: Actual Tenant Incomes

Most RD units also serve tenants with the lowest incomes. For the Section 515 program, which subsidizes 79 percent of Florida's RD units, the average annual household income in April 2008 was less than $13,000. In units where tenants receive rental assistance, 58 percent of all Section 515 units, average annual household income was just over $10,000 (Dept. of Agriculture 2008).

6 Rent data are from 2000, the most recent year for which data are available, updated to 2008 dollars.

7 Year 2000 data from HUD's *Picture of Subsidized Households* report, published in 2006, are the most recent tenant rent and income data available. We matched the 2000 data for households by income level as a percentage of AMI to the properties that are currently in the AHI to create the 2008 estimated distribution.

Eighty-six percent of RD units are occupied by tenants with household income below 50 percent of AMI. RD does not break out households below 30 percent AMI from this total. Twelve percent of households have incomes from 51 to 80 percent of AMI, and only 2 percent exceed 80 percent of AMI.

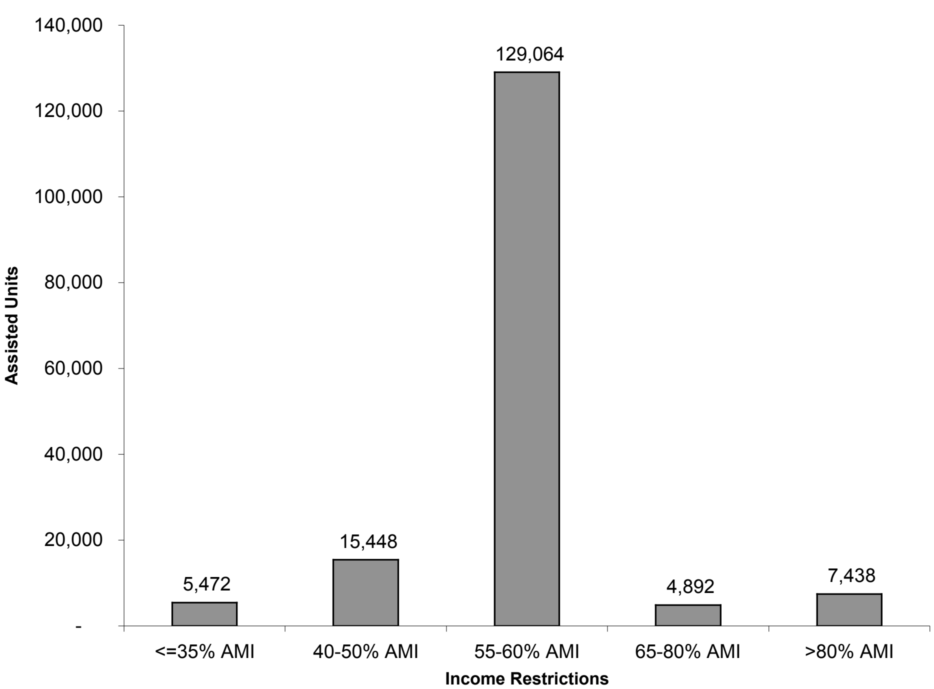
Figure 2-3 shows the breakdown of households in Florida's RD-assisted housing by tenant income level.

Florida Housing: Target Incomes

While the AHI does not contain actual tenant income information for Florida Housing properties unless they also have HUD funding, we can determine the maximum tenant incomes for assisted units based on the income restrictions imposed by Florida Housing's programs.

The vast majority of Florida Housing units—92 percent—are available to households with incomes of no more than 60 percent of AMI. Most of these are directed at the higher end of this scale. Eighty percent of Florida Housing units target households with incomes of 55-60 percent of AMI, while 3 percent are reserved for households earning 35 percent of AMI or less.

Figure 2-4. Florida Housing Units by Target Income Category, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

These target incomes are maximums. Tenants may have lower incomes than these levels and still be eligible for a unit. For example, program restrictions would not prohibit a household with an income of 30 percent of AMI from living in a unit with a 40 percent AMI income limit. However, because rent restrictions are tied to the level of income restriction, tenants with lower incomes may end up paying more in rent than is affordable to them unless they have additional assistance such as a rent voucher.

Figure 2.4 shows the breakdown of Florida Housing-assisted units by tenant income restrictions. Each income restriction category may contain units with different income restrictions within the range. For example, the 40-50 percent AMI category includes units with restrictions of 40 percent, 45 percent, and 50 percent of AMI.

Target Populations in Assisted Housing

Most assisted housing in Florida is family housing. In this case, "family" is a catch-all term that can include single persons and unrelated individuals as well as related adults and children. Therefore, family housing is the least restrictive type of assisted housing; while it is open to populations such as elderly people or people with disabilities, it is not restricted to them. More than 195,000 assisted housing units—over three-fourths of the state's total—are family units.

The second most common target population is elderly households. For most programs, an elderly household is defined as one in which the head of household is age 62 or older. For Florida Housing's State Apartment Incentive Loan (SAIL) program, the householder must be 55 or older. Nearly 46,000 (18 percent) assisted units are reserved for elderly households.

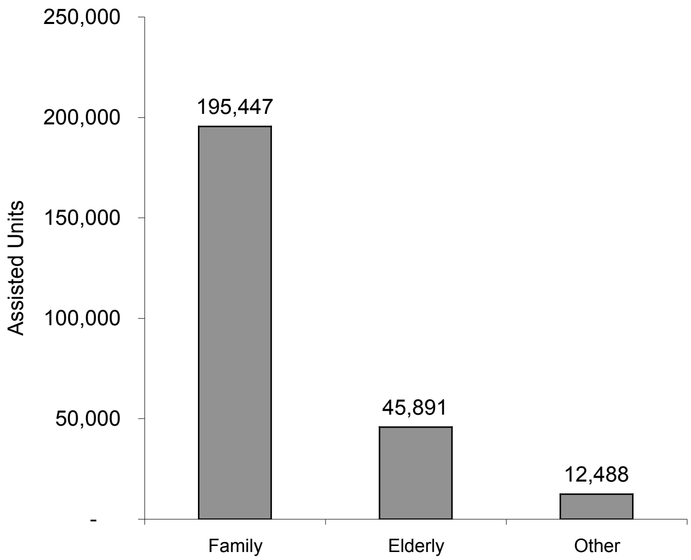
Less than five percent of assisted housing units are reserved for other populations, such as persons with disabilities, farmworkers, homeless persons, or commercial fishing workers, although these still total more than 6,000 units. Figure 2.5 shows the breakdown of assisted units by target population.

Age of Assisted Housing[8]

Contrary to the stereotype of aging low-income housing, more than two-

[8] The analysis in this section is based on the following data variables: for HUD and LHFA developments, the year is the approximate year that the development was originally constructed; for FHFC developments, it is the funding year of the earliest Florida Housing program that currently assists a property, which may be the year of new construction or year of rehabilitation; and for RD developments, it is the year in which the RD loan closed. Note that some properties listed with early year built/funded dates also have later financing from other sources, which may indicate that the property was rehabilitated or was acquired by a new owner in later years.

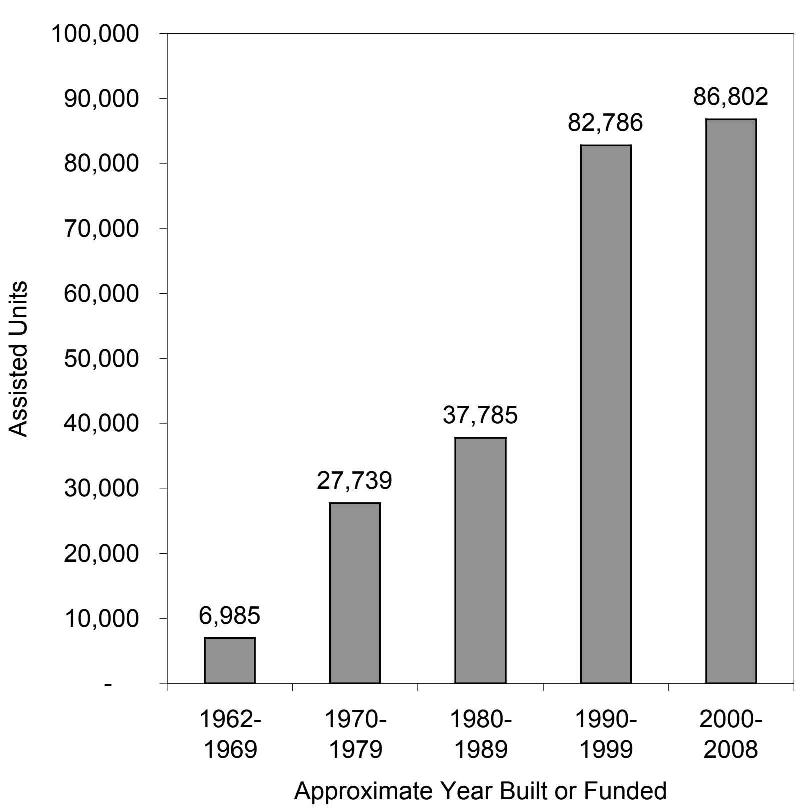
Figure 2-5. Assisted Units by Target Population, 2008



Other: Persons with Disabilities, Farmworker, Homeless, Fishing Worker; also includes more than 5,000 units in "Elderly/Family" developments.

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 2-6. Assisted Units by Approximate Year Built or Funded, 2008[10]



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

thirds of today's assisted units were built in 1990 or later. The spike in assisted housing production occurred alongside two phenomena: 1) the founding of the Florida Housing Finance Corporation in 1981, and 2) dramatic growth in the state's population, increasing from about 10 million people in 1980 to nearly 19 million in 2008.[9]

With a state-level mechanism for assisted housing production in place and the need to house a growing population, Florida added almost 170,000 assisted housing units in the 1990s and 2000s, as shown in Figure 2-6.

Ownership Type

Nearly four out of five assisted units are in properties owned by profit-motivated corporations, either traditional for-profits (72 percent of units) or limited dividend corporations (7 percent).

Non-profit corporations own 21 percent of assisted housing units. Non-profits focus on elderly housing development to a much greater extent than do for-profits; 60 percent of units developed by non-profits are reserved for the elderly.

Figure 2.7 shows the predominance of for-profits compared to other types of ownership entities. It also shows the non-profit focus on elderly housing, in contrast to the for-profit and limited dividend corporations' heavy concentration of family units.

Appendix 2 includes a table of assisted units by ownership type, Metropolitan Statistical Area and county.

9 Based on data from the 2000 Decennial Census and the 2008 American Community Survey.

10 See note 8 for meaning of "Approximate Year Built or Funded." This chart does not include 11,729 units for which year built/funded data are not available, largely from properties built with multifamily bond financing from an LHFA.

Florida Compared to Other States

Federal funding is a major source of support for subsidized housing, whether via mortgages and rent subsidies allocated directly by HUD and RD or by federal tax credits and mortgage revenue bonds allocated by Florida Housing.

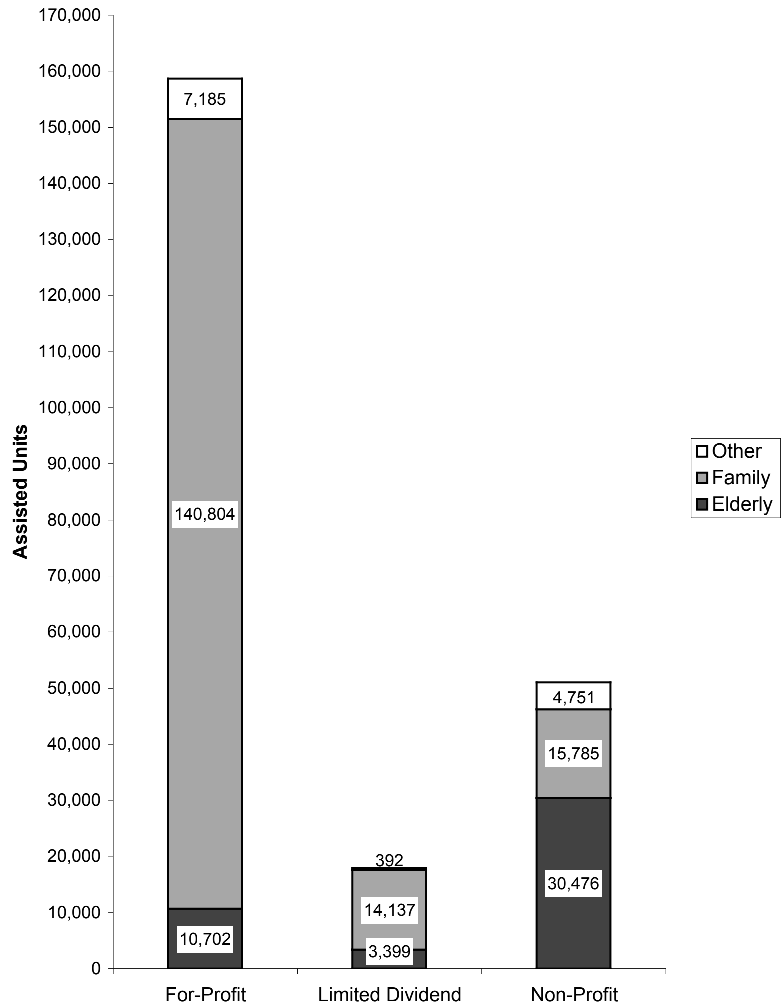
Florida ranks fourth nationally in population. The state has the third largest number of housing units funded by the Low-Income Housing Tax Credit, which typically provides affordable rental units for households with incomes up to 50-60 percent of AMI. Florida also has the third highest concentration of HUD Section 202 and Section 811 units, which serve households headed by elderly persons or persons with disabilities. The state has the fourth highest number of units receiving funding from RD, which finances affordable rental housing in rural areas.

However, other than Section 202/811 units, Florida's concentration of HUD-funded units is small relative to its population size. The state ranks seventh in the number of units financed by HUD mortgages and tenth in the number of units with HUD project-based rental assistance. One reason for this is that Florida Housing was one of the last housing finance agencies created around the country. This gave Florida only one year to participate in a HUD program that provided the states with Section 8 contracts to use in properties financed by mortgage revenue bonds before the program ended.

Table A2.3 in Appendix 2 compares the number of HUD, RD, and Low Income Housing Tax Credit units in each state.

While available data do not allow us to make a direct comparison of Florida's state-funded housing initiatives to other states' initiatives, historically Florida's housing trust fund has been the largest in the country. Florida Housing administers several affordable rental housing programs that have been funded by the trust fund, most notably the State Apartment Incentive Loan (SAIL) program (Muller 2008).

Figure 2.7 Assisted Housing Units by Ownership Type and Target Population, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

III. Evolution of Assisted Housing Production: A Generational Shift from Federal to State/Local Initiatives

The history of Florida's assisted housing stock reflects a national generational shift in how assisted housing is produced: from federal programs in the 1960s through mid-1980s to state and local initiatives in the 1990s and beyond. While HUD and RD initiated Florida's assisted housing stock, Florida Housing Finance Corporation now funds far more units than its federal counterparts.

Today, most assisted housing units in Florida have received financing from Florida Housing, either using direct state dollars or via federal resources that are now allocated by the states. Figure 3.1 shows the number of assisted units in the inventory receiving financing from each source. The numbers add up to more than the total assisted units in the state because properties often receive subsidies from more than one funding source.

Roots of the Generational Shift

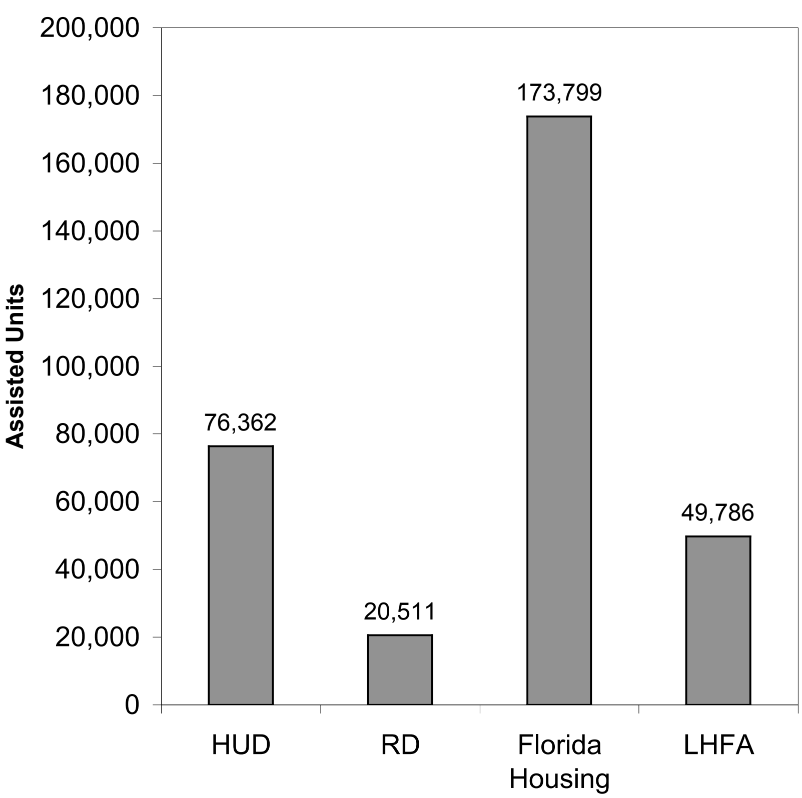
One cause of the shift from federal- to state-sponsored initiatives was HUD and RD's pullback from housing production.

In the 1960s and 1970s, assisted housing production was primarily driven by the federal government. HUD's Section 202, Section 221(d)(3) and Section 236 programs provided favorable financing for assisted housing development. Later, the Section 8 program provided ongoing rent subsidies to bridge the gap between what tenants could afford to pay for rent and real operating costs or unit rent. Similarly, RD provided low-interest loans through its Section 515 and Section 514/516 programs and rent subsidies through its Section 521 program.

In the 1980s, however, the federal government began to move away from widespread involvement in assisted housing production. HUD began offering housing vouchers in 1974; these provide rent subsidies to individual tenants for use on the market rather than subsidizing the production of specific properties. Ten years later, HUD stopped funding new production of units under the project-based Section 8 program but continued to provide vouchers (Khadduri and Wilkins 163, 2008). HUD's direct subsidies to new production are now confined to its Section 202 elderly housing program and Section 811 program for people with disabilities. These produce far fewer units than the peak of HUD-funded housing in the 1960s-1980s.[11]

RD funding of housing production peaked later, during the 1980s. Unlike HUD, RD continues to provide direct subsidies for family housing, but at a far slower rate than during its peak.

Figure 3.1 Assisted Units by Funder, 2008 (Duplicated Count)



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 3.2 shows the rise and fall of federally subsidized housing production in the past four decades. Note that this figure excludes state-financed properties that received credit enhancement under HUD's Section 542 program (see note 11) but no direct capital or operating subsidies such as HUD mortgages or rental subsidies. This figure also excludes assisted units that have been lost to the subsidized housing stock for reasons such as conversion to market-rate housing or physical deterioration.

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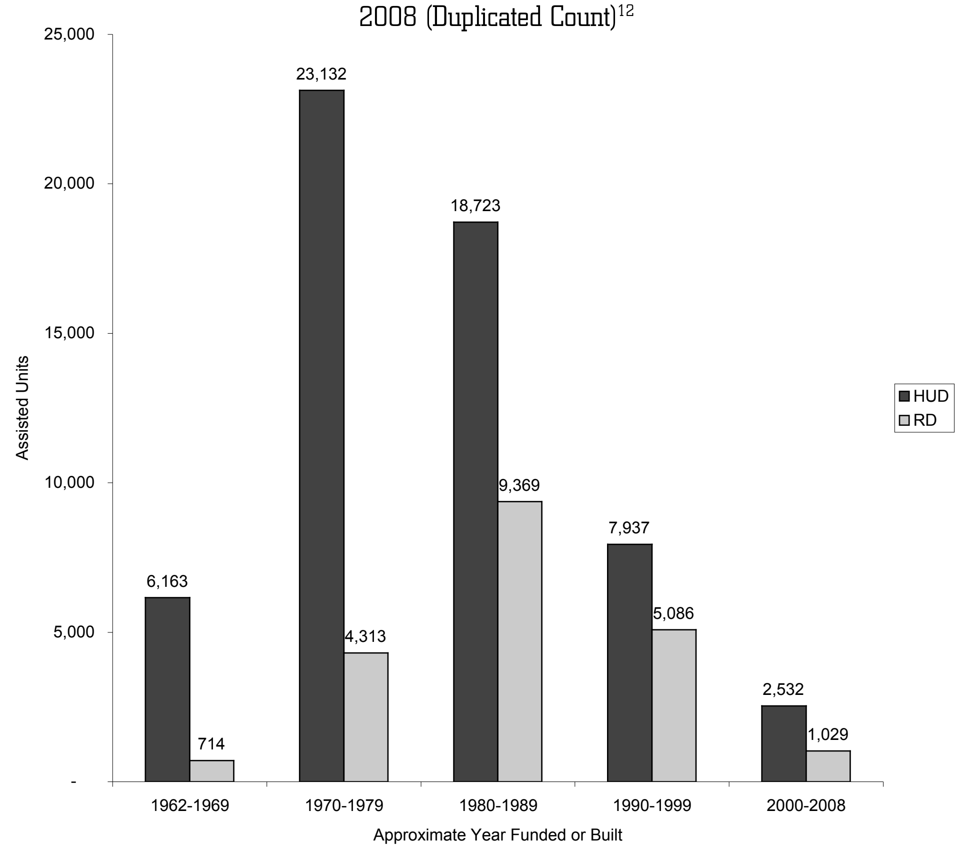
[11] In addition, HUD's Section 542 program provides credit enhancement through mortgage insurance for new state- and local-sponsored housing developments. In Florida, HUD provides this assistance through a risk-sharing agreement with Florida Housing, which also guarantees the loans to new projects. The credit enhancement provided by the two agencies lowers the risk on loans to new affordable housing projects, leading to lower interest rates. Since 1990, 17,877 units have received subsidies from the Section 542 program—nearly two-thirds of units receiving any kind of HUD funding during that time.

As HUD and RD were pulling back from widespread subsidies for affordable housing production, state housing finance agencies (HFAs) took center stage in the sponsorship of new rental housing. These agencies are responsible for allocating federal resources and often their own states' funding for affordable rental housing.

Florida Housing was founded in 1981 and began issuing tax-exempt bond financing for assisted housing developments that year. Two events greatly increased the state's involvement in affordable housing:

- Creation of the Low-Income Housing Tax Credit (LIHTC) under the 1986 Tax Reform Act. This program provides federal income tax credits in exchange for investment in affordable rental housing. State HFAs are responsible for allocating the credit to housing developments, giving Florida Housing control over what has become the primary federal funding tool for new affordable rental housing.
- The Florida legislature's passage of the William E. Sadowski Act in 1992, dedicating a portion of the state's taxes on real estate transactions to affordable housing and creating Florida's state housing trust fund. As noted earlier, this was the largest state housing trust fund in the country, although in 2009 trust fund revenues have been transferred to the state's general fund.

Figure 3.2 HUD- and RD-Financed Assisted Housing Units by Decade Built or Funded, 2008 (Duplicated Count)[12]



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Similarly, involvement of local housing finance authorities increased dramatically after 1990. These agencies offer tax-exempt bonds for new affordable housing projects, thus providing below-market financing.

Despite this shift, the federal government continues to provide the majority of resources for affordable rental housing. While states now retain far more control and responsibility in the allocation of assisted housing funding, they do so with a combination of state dollars and federal resources such as the LIHTC and mortgage revenue bonds. Moreover, there is an implicit state-federal partnership in tenants' use of HUD vouchers in assisted housing units receiving Florida Housing financing. A 2006 study found that nearly 11,000 tenants in Florida use Housing Choice Vouchers in LIHTC units. This represents almost 16 percent of the vouchers and nine percent of the LIHTC units in the state. Over 63 percent of LIHTC projects have at least some voucher holders (Smith et al. 2006). Use of vouchers helps make units funded by the LIHTC, a shallow subsidy program compared to earlier HUD-assisted programs, affordable to tenants with the lowest incomes.

Figure 3.3 shows the sharp growth in state and local financing for assisted rental housing since 1990. This includes all of Florida Housing's assisted rental housing programs, including those funded by federal resources.

Note that some Florida Housing-funded properties are shown in Figure 3.3 as having been funded or built before 1981, the year in which Florida Housing Finance Corporation was founded. These properties all have HUD or RD funding and were likely constructed with federal assistance and later received additional financing from Florida Housing. Similarly,

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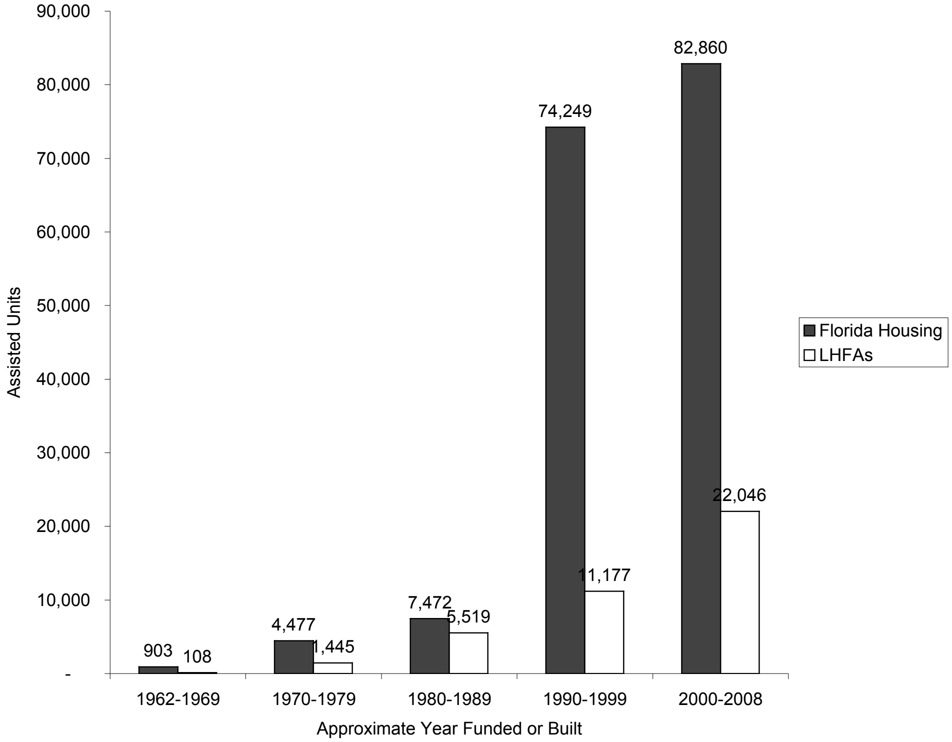
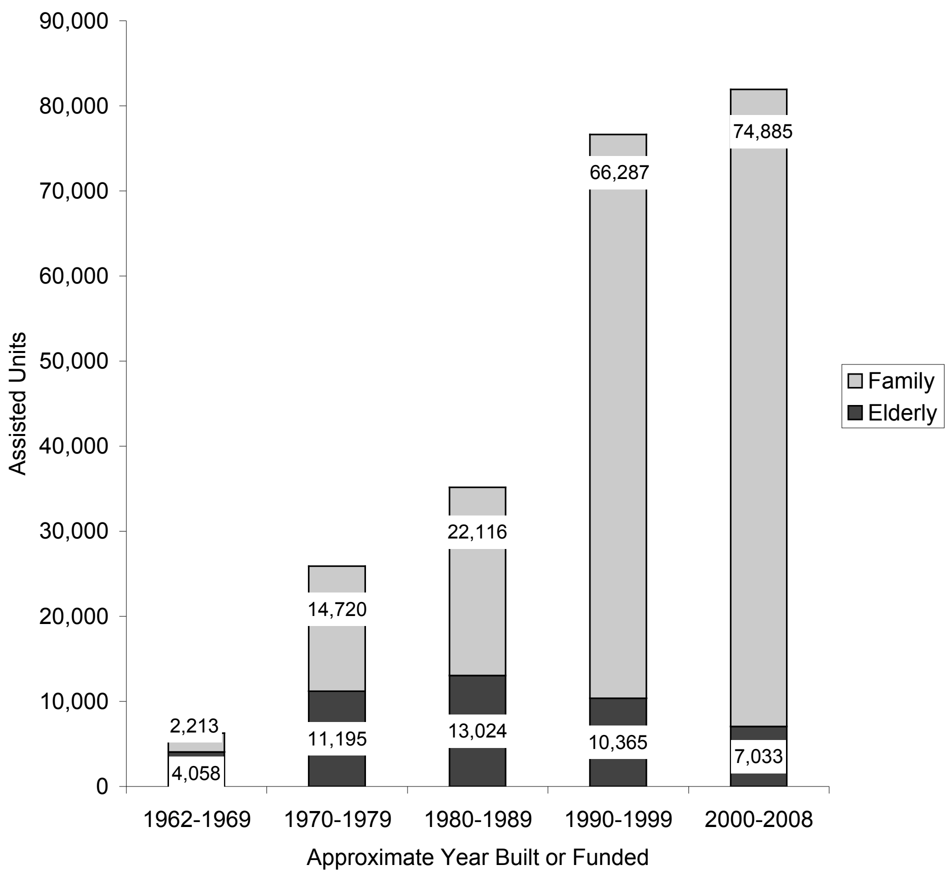
12 See note 8 for the meaning of "Approximate Year Built or Funded." "Duplicated Count" indicates that some units are in properties receiving both HUD and RD funding. A small number of units statewide, less than 1,000, are in properties with capital funding from the RD Section 515 program but rental assistance contracts from HUD. Note that some units are in properties that also received funding from Florida Housing or LHFAs.

Figure 3.3. Florida Housing- and LHFA-Financed Assisted Housing Units by Decade Built or Funded, 2008 (Duplicated Count)[13]



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure 3.4. Elderly and Family Assisted Housing Units by Decade Built or Funded, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

while LHFAs largely became involved in multifamily bond financing after 1982, some properties with earlier federal assistance are shown as having been built or funded in the 1960s and 1970s. Also, note that this chart does not include units for which data regarding the year built or funded are not available, including nearly 10,000 LHFA-funded units. It also excludes units with expired or terminated use restrictions, which are considered lost to the assisted housing stock.

Implications of the Shift from Federal to State/ Local Resource Allocation

One effect of the federal-to-state/ local generational shift has been the long-term, growing emphasis on family housing; that is, units that serve the general tenant population rather than a specific demographic group. As Figure 2-2 in the previous section showed, a large majority of Florida's assisted housing units are designated as family units, meaning that anyone – families with children, elders, persons with disabilities, single persons and others – may live in these units.

Early in its history, the subsidized housing stock was primarily directed toward elderly households, but this focus soon changed. More than half (58 percent) of assisted housing units built in the 1960s are reserved for elderly households. Elderly housing does not constitute more than 15 percent of units built in any other decade, and only 2 percent of new assisted units built since 2000 are reserved for the elderly. Figure 3.4 shows the shift in emphasis from elderly to family housing over time.

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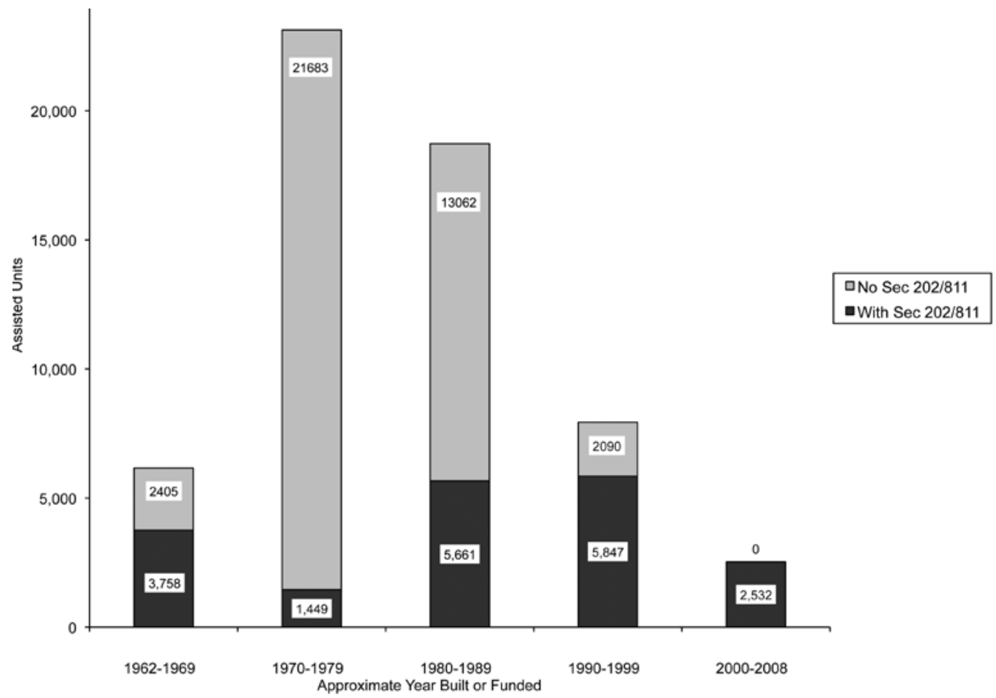
13 See note 8 regarding the meaning of "Approximate Year Funded or Built." "Duplicated Count" indicates that some units are in properties with funding from both Florida Housing and an LHFA. Note that some units are in properties that also have HUD or RD funding.

HUD's own relatively brief focus on family housing led off the trend toward family housing development in the 1970s. During that decade, HUD was still the predominant assisted housing funder, providing subsidies to 70 percent of all new units. After funding mostly Section 202 housing for elderly households and persons with disabilities in the 1960s, however, HUD shifted its funding into programs that funded both family and elderly housing in the 1970s. Only 13 percent of HUD-subsidized units in the 1970s received funding from the Section 202 program. As a result, 58 percent of assisted housing units built in the 1970s were family units.

After the 1980s, HUD resumed its emphasis on units for elderly households and persons with disabilities. The older Section 202 program, which funded housing for both populations, was replaced in 1990 by a newer Section 202 program for elderly housing and the Section 811 program for housing for persons with disabilities.

Figure 3.5. HUD-Funded Assisted Units by Presence of Section 202/811 Funding and Decade Built or Funded, 2008



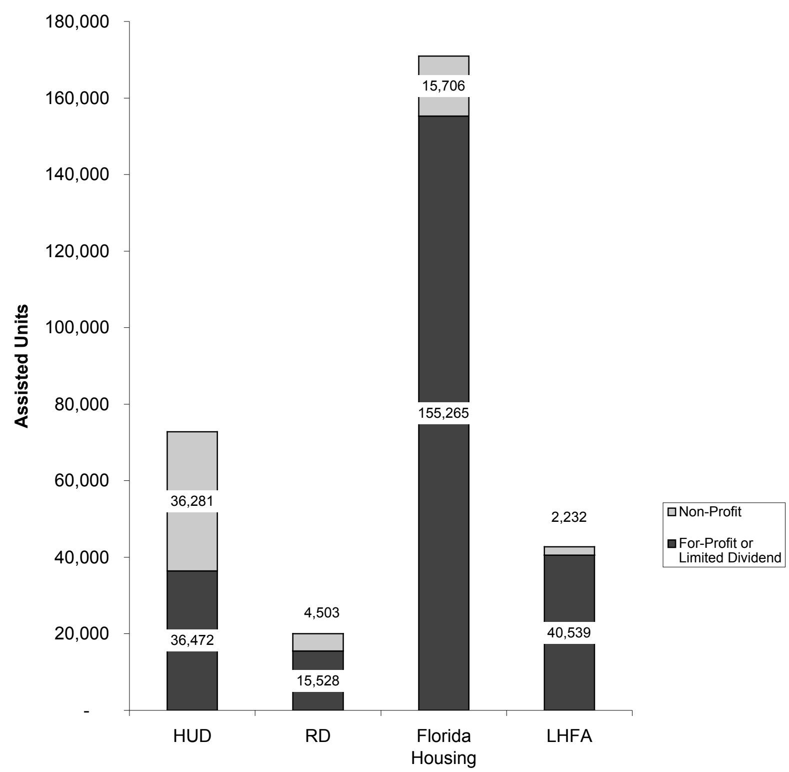
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Excludes units whose only HUD funding comes from the Section 542 credit enhancement program; includes units with rent subsidies or HUD mortgages.

Figure 3.5 shows the initial predominance of Section 202 units in the HUD inventory in the 1960s, HUD's focus on family units in the 1970s and 1980s, and its return to an emphasis on Section 202/811 units in recent years, even as overall funding for these programs declined.

Even as HUD moved its emphasis away from family housing in later decades, the shift in housing production from the federal government to states solidified the predominance of family housing in Florida's assisted inventory. Florida Housing's production dwarfed that of HUD, and 87 percent of Florida Housing-sponsored units are in family developments. Increasing production by RD in the 1980s and 1990s and the emergence of LHFAs in the 1990s underscored this family emphasis. Historically, these funders have always directed most of their resources toward family housing.

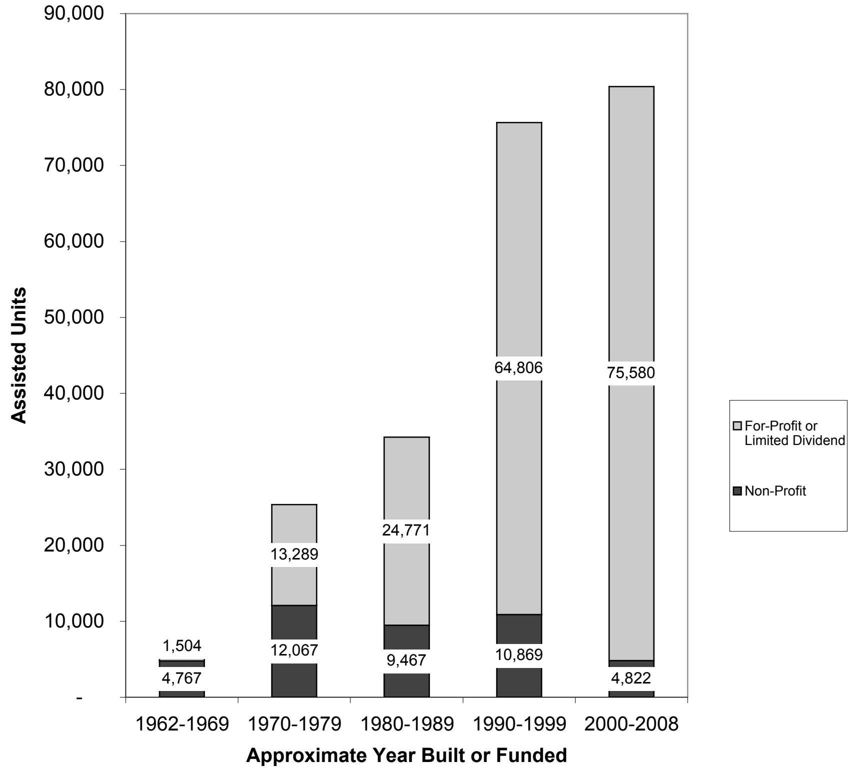
A second, parallel effect of the federal-to-state/local shift has been the predominance of for-profit ownership of Florida's assisted housing. In the early years of assisted housing, HUD directed more subsidies to non-profit than for-profit developers in Florida. In fact, HUD requires non-profit owner-

Figure 3.6. Ownership Type by Funder, 2008 (Duplicated Count)



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. The bar representing HUD excludes units whose only HUD funding comes from the Section 542 credit enhancement program. It includes units with rent subsidies or HUD mortgages.

Figure 3.7. Ownership Type for All Assisted Units by Decade Built or Funded, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory.

ship for its Section 202 elderly housing program and Section 811 program for housing for people with disabilities. In all, 63 percent of HUD-assisted units are owned by non-profits, excluding those whose only HUD funding is Section 542 credit enhancement. In contrast, 89 percent of Florida Housing-assisted units are owned by for-profits. Similarly, 92 percent of LHFA-funded units are owned by for-profits, and 78 percent of RD units are owned either by limited dividend corporations (57 percent) or for-profits (21 percent). Figure 3.6 shows the balance of non-profit- and for-profit-owned units for each funder.

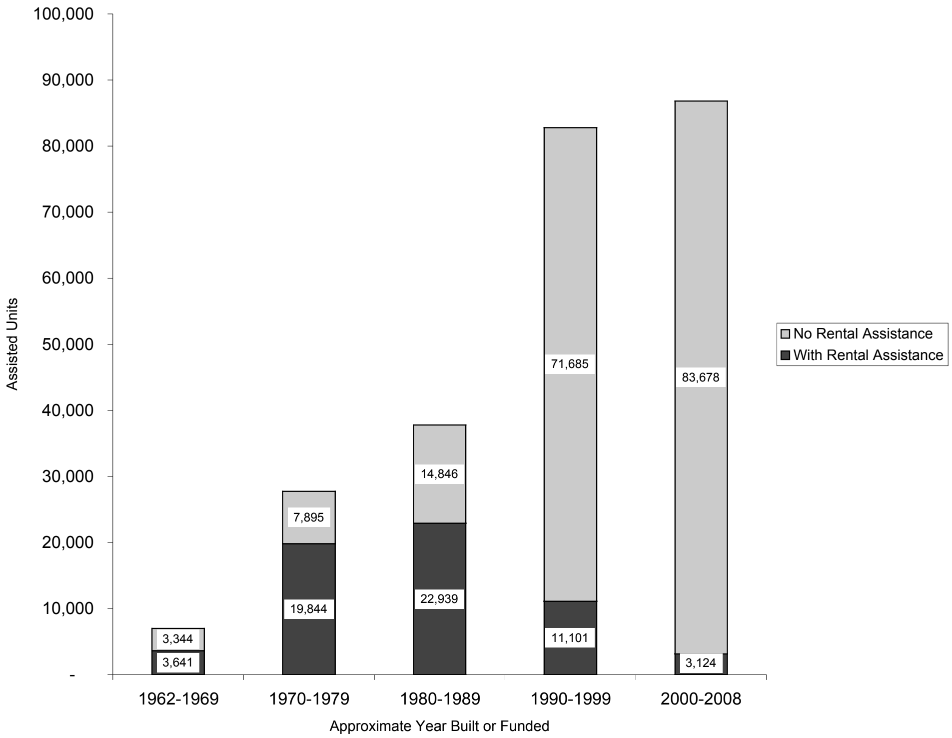
As a result, older housing is much more likely to be owned by non-profits than newer developments. The proportion of assisted housing units owned by non-profits has dropped from 78 percent of units built in the 1960s to just 9 percent of all assisted units built since 2000. Although there are thousands of non-profit-owned units that were built in the 1970s-1990s, this production level was overwhelmed by the tens of thousands of units built by for-profits following the founding of Florida Housing in the early 1980s.

Figure 3.7 shows the change in the ownership type over time for assisted units.

A third presumed effect of this generational shift is a move away from the production of housing that is affordable to tenants with the lowest incomes, due to the shift from older HUD and RD deep subsidy programs to more shallow subsidies such as mortgage revenue bonds and the LIHTC. For example, a national study found that only four percent of units receiving LIHTC assistance in 2004 were affordable to households with incomes of 30 percent of the area median income (Mueller and Schwartz 2008). As noted earlier, more than three-fourths of HUD-funded units serve households at this income level.

The current Assisted Housing Inventory does not allow us to provide an overall comparison of tenant incomes and rents among different assisted housing properties. We expect to add this capacity and to evaluate whether newer assisted housing developments do in fact provide higher income, higher rent housing compared to older developments.

Figure 3.8. Assisted Units by HUD/RD Rental Assistance Status and Decade Built or Funded, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory.

However, the current AHI can measure the drop in production of assisted units with project-based rental subsidies. For practical purposes, ongoing rent subsidies are necessary in most markets to make units affordable for tenants with extremely low incomes. In Florida, only slightly over two percent of the 145,103 assisted units produced under the LIHTC program have HUD rent subsidies. As noted earlier, a 2006 study found that an additional nine percent of LIHTC units are occupied by tenants with vouchers, which provide the same benefit.

As HUD and RD have pulled back from deep housing subsidies and other state and locally allocated resources have greatly expanded, the share of new assisted units with rental assistance has fallen. Sixty-four percent of units developed before 1990 have rental assistance; only 8 percent of units developed since then do. Figure 3.8 shows the drop in rental assistance units produced and the concurrent, far larger increase in units without rent subsidies in the past four decades.

Appendix 1, "Rent-Subsidized Units," more fully describes the type and location of Florida's stock of units with HUD and RD rental assistance, as well as the state's public housing and voucher inventories.

IV. Preservation of At-Risk Assisted Housing

Even as assisted housing production continues to grow in the state, the older assisted housing stock faces two countervailing pressures that may result in losses to the subsidized housing inventory: "opt-out" or "time-out" risks, and "fail-out" risks.

Owners of many older properties may opt out of subsidy programs and their income and rent restrictions by prepaying subsidized mortgages or terminating rental assistance contracts. Those units that could command higher rents or might be more profitable if converted to condominiums face this opt-out risk. A related risk, time-out risk, refers to properties whose subsidies and use restrictions have expired, and which have not been preserved as assisted housing through subsidized refinancing.

Properties at opt-out or time-out risk include those located in strong rental housing markets, with low project rents compared to surrounding properties. Others may be at risk simply because the owners of the properties no longer want to work within the administrative or financial constraints of government programs.

In the near term, opt-outs may become less likely than in the past. The soft housing market makes conversion of rental properties to condominiums much less attractive than in the past. Owners also may not want to risk losing current tenants by converting properties to market-rate rental housing. Moreover, it is difficult for owners to secure credit for the rehabilitation required to market the properties to higher-income tenants.

In contrast, aging properties may fail-out from the assisted housing inventory when their physical and financial condition deteriorates. These projects may default on subsidized mortgages because of inability to pay debt service, unacceptable physical conditions, or both. Alternatively, they may continue as assisted housing but in such poor condition as to threaten tenants' well-being and safety.

The Shimberg Center has created two profiles of the characteristics of properties at each type of risk. Properties in the AHI are identified as at heightened risk for opt-out or time-out if they are eligible to end subsidies by the end of 2020 and meet some or all of these conditions:

- Smaller: less than 50 units;
- Family target population;
- For-Profit or limited dividend ownership;
- Older: assisted under an older HUD program, or built or funded before 1975 if a non-HUD property;
- Not fully funded: with at least two market-rate units;
- Substantially below market-rate: with a project rent-HUD Fair Market Rent (FMR) ratio < 80%;[14]
- Low poverty neighborhood: poverty rate in surrounding Census block group declined 1990-2000 and is below average for all AHI properties.

Properties are considered at heightened risk of fail-out if they meet some or all of these conditions:

- Family target population;
- Older: built or funded before the end of 1987;
- Serving the lowest income tenants: with an average tenant income at or below 15 percent of AMI (HUD properties only);
- In poor condition: with a REAC physical inspection score below 60.[15]

The AHI contains data regarding the latter two variables only for properties with HUD assistance, either alone or in combination with funding from another government agency. Therefore, we are able to assess fail-out risk only for HUD-funded properties. In particular, this excludes most RD-funded properties, as only five percent of RD properties in Florida also have funding from HUD.

A full discussion of the methodology used to identify at-risk properties is included as Appendix 3.

Statewide, there are 133 properties with 7,179 assisted units at heightened opt-out/time-out risk. There are 42 properties with 3,856 units at heightened fail-out risk; 12 of these properties with 926 units also show heightened opt-opt/time-out risk.

Tables 4.1 and 4.2 show the county locations of at-risk assisted housing.

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[14] HUD assigns Fair Market Rents (FMRs) to metropolitan areas to determine allowable payment amounts for Housing Choice Vouchers and several other housing programs. FMRs are estimates of the 40th percentile of gross rents for standard quality units in the private market for the metropolitan area. U.S Department of Housing and Urban Development, *Fair Market Rents for the Section 8 Housing Assistance Payments Program*, July 2007.

[15] Physical inspection score as assigned by HUD's Real Estate Assessment Center (REAC). A score of 60 and above is considered a passing score. A property with a score below 60 is considered to be in poor physical condition.

Table 4.1. Assisted Housing Properties with Elevated Opt-Out/Time-Out Risk by County, 2008

County	Properties	Assisted Units
Alachua	4	157
Bay	2	46
Bradford	2	65
Brevard	5	52
Broward	6	869
Charlotte	1	44
Citrus	4	147
Clay	2	49
Collier	1	100
Duval	12	1,413
Escambia	6	170
Gadsden	1	70
Hernando	1	47
Highlands	2	71
Hillsborough	7	305
Jefferson	1	75
Lake	9	414
Lee	2	122
Leon	2	126
Levy	4	62
Marion	2	72
Miami-Dade	7	338
Monroe	1	59
Nassau	5	173
Okaloosa	2	84
Okeechobee	1	26
Orange	5	255
Osceola	3	102
Palm Beach	7	235
Pasco	7	364
Pinellas	3	323
Polk	2	68
Putnam	1	32
Santa Rosa	1	46
Seminole	1	108
St. Johns	2	120
Union	2	80
Volusia	7	290
Total	**133**	**7179**

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Table 4.2. Assisted Housing Properties with Elevated Fail-Out Risk by County, 2008

County	Properties	Assisted Units	Share of State's At-Risk Units
Alachua	4	401	10.4%
Bay	1	72	1.9%
Bradford	1	60	1.6%
Brevard	2	153	4.0%
Broward	1	96	2.5%
Collier	1	100	2.6%
Duval	13	1,333	34.6%
Gadsden	1	100	2.6%
Highlands	1	36	0.9%
Hillsborough	2	152	3.9%
Jackson	1	100	2.6%
Lee	1	42	1.1%
Leon	1	99	2.6%
Marion	2	244	6.3%
Miami-Dade	3	357	9.3%
Orange	1	24	0.6%
Pasco	1	69	1.8%
Polk	1	132	3.4%
St. Lucie	1	60	1.6%
Taylor	1	100	2.6%
Volusia	2	126	3.3%
Total	**42**	**3,856**	**100.0%**

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

As these tables show, the units at opt-out risk are spread widely throughout the state, with higher concentrations in Broward and Duval Counties. The units at fail-out risk are more concentrated, with more than half (54 percent) located in just three counties: Duval, Alachua, and Miami-Dade. This geographic concentration may be in part due to the method of counting properties at fail-out risk. The method requires that properties be part of the HUD inventory and excludes nearly all RD-funded properties, thus heavily weighting the properties found toward urban areas.

The Shimberg Center also has begun to create an inventory of properties that have already left the assisted housing stock due to expiring use restrictions, mortgage prepayments and foreclosures, and rental assistance contract opt-outs. To date, this inventory includes 396 formerly subsidized properties in Florida.[16] These include 172 properties that were developed using state or local mortgage revenue bonds; 86 properties receiving tax credits; 60 properties that formerly had HUD rental assistance; 45 properties with HUD mortgages that have expired, been prepaid, or been terminated by HUD; 28 properties with RD Section 515 mortgages; and 37 properties held by FDIC and monitored by Florida Housing. Note that some properties fall into more than one of these categories. Also, a small number of properties were not subsidized by any of these programs but did receive subsidies from other programs such as Florida Housing's SAIL and Elderly Housing Community Loan programs.

[16] We cannot yet identify the number of assisted units that were in these properties. The total number of units is 55,877, but these include a number of market-rate units that did not have income or rent restrictions even when the properties were still under subsidy programs. For example, many of the local bond projects likely contained 80 percent market-rate units and 20 percent income-restricted units.

V. Conclusion

AHI data show large changes in the way affordable multifamily housinghas been created in Florida over the forty-year history of assisted housing programs. There has been a significant shift from federal allocation of housing resources to strong state and local involvement.

In the near future, the State of Florida will continue its strong involvement in the allocation of housing funding, but the sources of that funding are shifting back to the federal government. Florida's housing trust fund has been reduced because of lower revenue collection due to the real estate slowdown and because of transfer of trust fund monies to the state's general fund. The federal Low-Income Housing Tax Credit, another major source of housing funding that is allocated by the state, is generating less equity per credit due to the credit crisis and recession; very few buyers are purchasing credits, and those that are sold generate less equity. Similarly, few investors are interested in purchasing mortgage revenue bonds, reducing the resources available to both Florida Housing and local housing finance authorities.

However, the federal government is making a number of new affordable housing resources available for allocation by state and local governments through the Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 ("Recovery Act"). First, state and local agencies will allocate new federal housing funds from the Neighborhood Stabilization Program (NSP). NSP provides funds for acquisition and redevelopment of abandoned and foreclosed properties. NSP funding may be used to construct housing for low-income households, including multifamily rental housing. In Florida, NSP funds are being allocated by the state Department of Community Affairs, Florida Housing, and local governments. Second, Florida Housing will allocate funds from the Tax Credit Assistance Program (TCAP), created by the Recovery Act. TCAP provides grant funding for capital investment in LIHTC projects that require additional funding to be placed in service. Third, the Recovery Act created the tax credit Exchange Program, which allows states to swap LIHTC for direct grants. Florida Housing will allocate funds to developments under this program. Finally, Florida Housing will administer any funding that becomes available via the National Housing Trust Fund, established by HERA. The trust fund will create a dedicated source of funding that will be used primarily to produce and preserve assisted rental housing.

In addition to these infusions of federal funding into state housing programs, another trend will be an increased emphasis on the preservation of existing at-risk assisted housing. Beginning in 2007, Florida Housing has set aside $4 million each year from its Low Income Housing Tax Credit allocation for preservation. Florida Housing has launched a pilot program in three counties to provide bridge loans for the preservation of assisted housing, with an emphasis on non-profit organizations' acquisition of properties with project-based rental assistance. Most recently, the John D. and Catherine T. MacArthur Foundation awarded $1 million to a partnership between Florida Housing, the Shimberg Center, and the Florida Housing Coalition to encourage preservation in the state. The partners will use the funds to build the capacity of non-profits to acquire and preserve at-risk assisted housing and to develop enhanced rental market data. Future *State of Florida's Assisted Rental Housing* reports will focus on the units and tenants most affected by the preservation of at-risk housing.

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Appendix 1. Rent-Subsidized Units

In rent-subsidized housing, tenants are expected to pay 30 percent of their household income for rent, with the federal government paying the difference between this amount and monthly operating costs for the unit. In many markets, these ongoing, deep operating subsidies are the only way to make housing affordable to "extremely low-income" households: those with incomes below 30 percent of the area median income.

The two federal rental housing agencies, HUD and RD, provide rent subsidies in three ways:

- Project-based rental assistance: HUD or RD enters into a contract with a private owner of an assisted housing property to provide monthly rent subsidies for tenants in some or all units. The property may also have other subsidies in place, such as a HUD or RD mortgage, state funding, or local funding.
- Public housing: These developments are owned by local public housing authorities and receive ongoing rent subsidies and capital assistance from HUD. All units in public housing developments are rent-subsidized.
- Tenant-based vouchers. Public housing authorities provide vouchers to individual households that they can take to landlords on the private market. When the tenant finds a unit, the housing authority enters into a contract with the landlord to provide monthly rent subsidies funded by HUD.

Thus, the rent-subsidized housing stock overlaps with the privately owned, assisted housing stock described elsewhere in the report, but is not identical to it. All units with project-based rental assistance are considered assisted units and are counted in the HUD- and RD-funded inventories described in the main report. Also, some tenant-based vouchers are used in assisted housing units that have received capital funding from HUD, RD, Florida Housing or LHFAs but do not have project-based rental assistance from HUD or RD. Public housing units are considered separate from the assisted housing stock. Figure A1.1 shows the relationship between the rent-subsidized and assisted housing stock.

Statewide, there are 194,430 rent-subsidized units. Vouchers are the largest source of rent-subsidized units, with 94,347 in use. There are 60,649 assisted housing units with project-based rent subsidies, and there are 39,434 public housing units.

Florida's largest counties—Miami-Dade, Duval, Broward, Hillsborough, Pinellas, Palm Beach and Orange—are home to two-thirds of the state's rent-subsidized units. Miami-Dade County has a large concentration of rent-subsidized units, especially public housing units and vouchers, The county contains 13 percent of the state's population but 30 percent of its public housing units and 27 percent of its vouchers.

Thus, rent-subsidized units are concentrated in Florida's four major metropolitan areas. Vouchers in particular are concentrated in the major metropolitan areas: Jacksonville, Miami, Orlando, and Tampa-St. Petersburg, which contain 75 percent of the state's vouchers. Similarly, 68 percent of public housing units are concentrated in major metropolitan areas. Because RD units are located in rural areas, the HUD- and RD-funded project-based rental assistance units are less heavily concentrated in major metropolitan areas, with just 60 percent of units.

Table A1.1 and Figures A.1.2-A.1.5 show the county locations of rent-subsidized housing.

Figure A1.1. Relationship between Rent-Subsidized and Assisted Housing

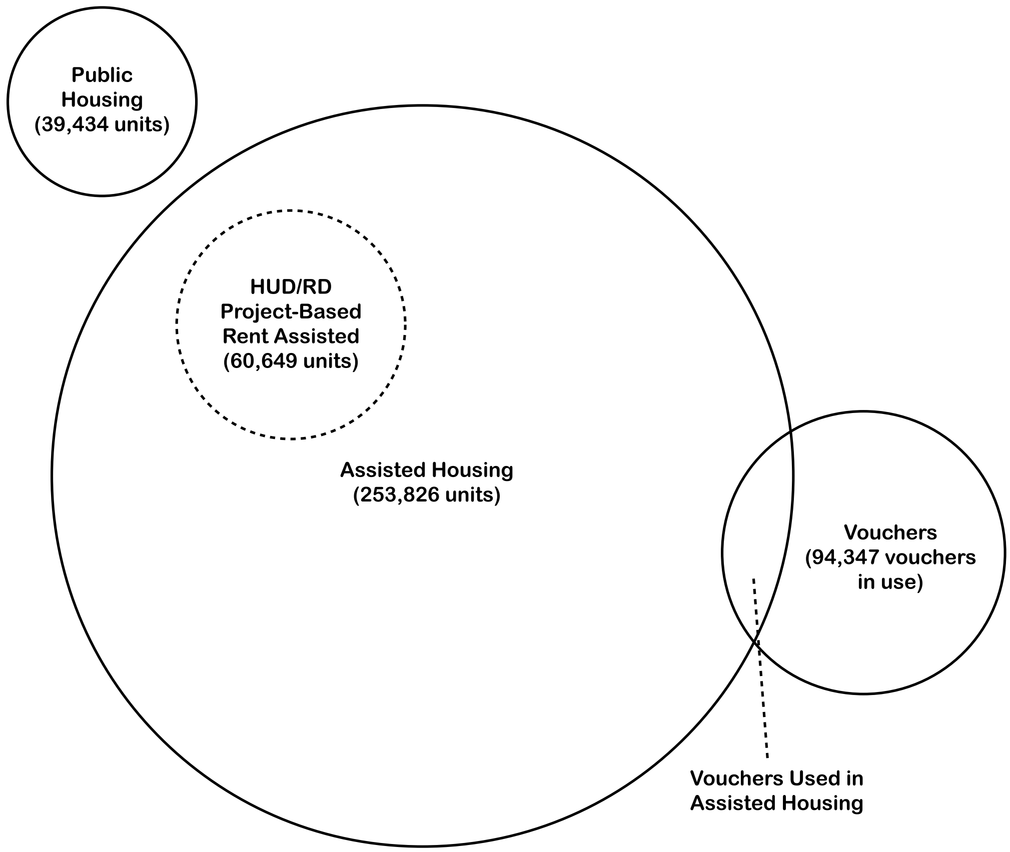


Table A1.1. Project-Based Rental Assistance, Public Housing, and Vouchers by County, 2008

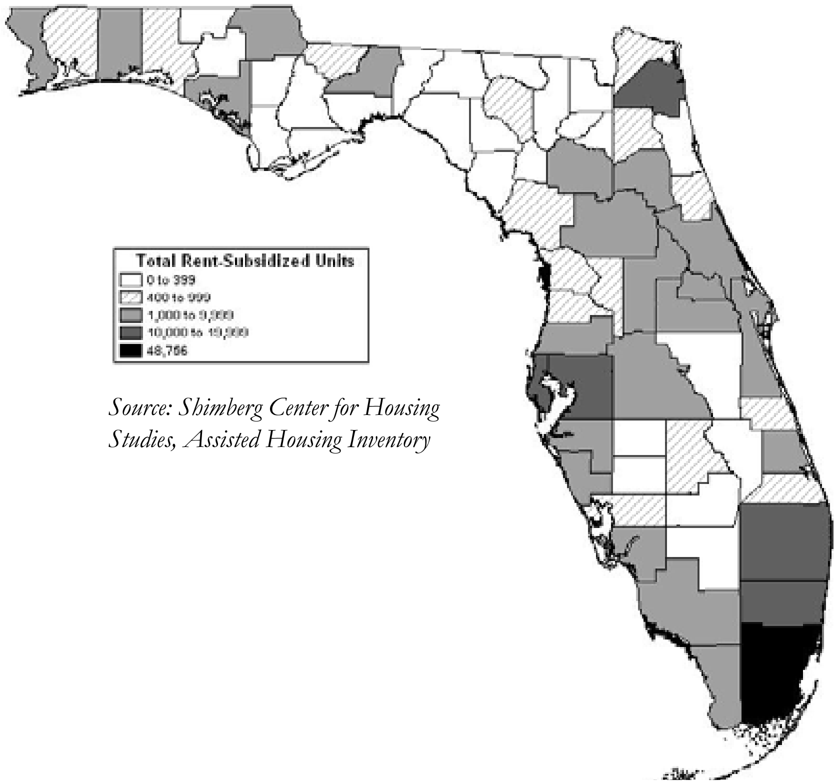
		HUD & RD Project-Based Rental Assistance Units	Share of State Total	Public Housing Units	Share of State Total	Vouchers	Share of State Total	Total	Share of State Total
Jacksonville, FL MSA	Baker County	102	0.17%	80	0.20%	147	0.16%	329	0.17%
	Clay County	304	0.50%	0	0.00%	148	0.16%	452	0.23%
	Duval County	7,255	11.96%	3,240	8.22%	6,698	7.10%	17,193	8.84%
	Nassau County	360	0.59%	57	0.14%	62	0.07%	479	0.25%
	St. Johns County	205	0.34%	0	0.00%	0	0.00%	205	0.11%
	MSA Total	8,226	13.56%	3,377	8.56%	7,055	7.48%	18,658	9.60%
Miami-Fort Lauderdale-Pompano Beach, FL MSA	Broward County	3,302	5.44%	1,657	4.20%	10,135	10.74%	15,094	7.76%
	Miami-Dade County	11,248	18.55%	11,848	30.05%	25,660	27.20%	48,756	25.08%
	Palm Beach County	2,002	3.30%	2,086	5.29%	6,955	7.37%	11,043	5.68%
	MSA Total	16,552	27.29%	15,591	39.54%	42,750	45.31%	74,893	38.52%
Orlando-Kissimmee, FL MSA	Lake County	1,142	1.88%	60	0.15%	485	0.51%	1,687	0.87%
	Orange County	2,280	3.76%	1,614	4.09%	3,962	4.20%	7,856	4.04%
	Osceola County	321	0.53%	0	0.00%	0	0.00%	321	0.17%
	Seminole County	210	0.35%	510	1.29%	424	0.45%	1,144	0.59%
	MSA Total	3,953	6.52%	2,184	5.54%	4,871	5.16%	11,008	5.66%
Tampa-St. Petersburg-Clearwater, FL MSA	Hernando County	161	0.27%	126	0.32%	285	0.30%	572	0.29%
	Hillsborough County	3,813	6.29%	3,681	9.33%	7,209	7.64%	14,703	7.56%
	Pasco County	929	1.53%	208	0.53%	1,424	1.51%	2,561	1.32%
	Pinellas County	2,830	4.67%	1,733	4.39%	7,022	7.44%	11,585	5.96%
	MSA Total	7,733	12.75%	5,748	14.58%	15,940	16.90%	29,421	15.13%
Major Metropolitan Area Total		**36,464**	**60.12%**	**26,900**	**68.22%**	**70,616**	**74.85%**	**133,980**	**68.91%**
Cape Coral-Fort Myers, FL MSA	Lee County	1,136	1.87%	1,113	2.82%	211	0.22%	2,460	1.27%
Deltona-Daytona Beach-Ormond Beach, FL MSA	Volusia County	1,463	2.41%	874	2.22%	2,366	2.51%	4,703	2.42%
Fort Walton Beach-Crestview-Destin, FL MSA	Okaloosa County	399	0.66%	558	1.42%	854	0.91%	1,811	0.93%
Gainesville, FL MSA	Alachua County	1,358	2.24%	911	2.31%	1,699	1.80%	3,968	2.04%
	Gilchrist County	58	0.10%	10	0.03%	0	0.00%	68	0.03%
	MSA Total	1,416	2.33%	921	2.34%	1,699	1.80%	4,036	2.08%
Lakeland, FL MSA	Polk County	2,230	3.68%	1,083	2.75%	1,780	1.89%	5,093	2.62%
Naples-Marco Island, FL MSA	Collier County	922	1.52%	0	0.00%	440	0.47%	1,362	0.70%
Ocala, FL MSA	Marion County	1,092	1.80%	185	0.47%	1,146	1.21%	2,423	1.25%
Palm Bay-Melbourne-Titusville, FL MSA	Brevard County	1,336	2.20%	1,480	3.75%	2,523	2.67%	5,339	2.75%
Palm Coast, FL MSA	Flagler County	101	0.17%	132	0.33%	180	0.19%	413	0.21%
Panama City-Lynn Haven, FL MSA	Bay County	951	1.57%	490	1.24%	864	0.92%	2,305	1.19%
Pensacola-Ferry Pass-Brent, FL MSA	Escambia County	1,989	3.28%	603	1.53%	2,288	2.43%	4,880	2.51%
	Santa Rosa County	169	0.28%	91	0.23%	292	0.31%	552	0.28%
	MSA Total	2,158	3.56%	694	1.76%	2,580	2.73%	5,432	2.79%
Port St. Lucie-Ft. Pierce, FL MSA	Martin County	397	0.65%	70	0.18%	77	0.08%	544	0.28%
	St. Lucie County	276	0.46%	831	2.11%	709	0.75%	1,816	0.93%

Table A1.1. Project-Based Rental Assistance, Public Housing, and Vouchers by County, 2008 *(continued)*

		HUD & RD Project-Based Rental Assistance Units	Share of State Total	Public Housing Units	Share of State Total	Vouchers	Share of State Total	Total	Share of State Total
	MSA Total	673	1.11%	901	2.28%	786	0.83%	2,360	1.21%
Punta Gorda, FL MSA	Charlotte County	350	0.58%	30	0.08%	341	0.36%	721	0.37%
Sarasota-Bradenton-Venice, FL MSA	Manatee County	477	0.79%	488	1.24%	1,475	1.56%	2,440	1.25%
	Sarasota County	525	0.87%	575	1.46%	1,198	1.27%	2,298	1.18%
	MSA Total	1,002	1.65%	1,063	2.70%	2,673	2.83%	4,738	2.44%
Sebastian-Vero Beach, FL MSA	Indian River County	454	0.75%	0	0.00%	345	0.37%	799	0.41%
Tallahassee, FL MSA	Gadsden County	693	1.14%	14	0.04%	143	0.15%	850	0.44%
	Jefferson County	160	0.26%	0	0.00%	129	0.14%	289	0.15%
	Leon County	1,499	2.47%	538	1.36%	1,908	2.02%	3,945	2.03%
	Wakulla County	48	0.08%	0	0.00%	250	0.26%	298	0.15%
	MSA Total	2,400	3.96%	552	1.40%	2,430	2.58%	5,382	2.77%
Remaining Metropolitan Area Total		**18,083**	**29.82%**	**10,076**	**25.55%**	**21,218**	**22.49%**	**49,377**	**25.40%**
Northeast Non-Metropolitan Area	Bradford County	206	0.34%	0	0.00%	0	0.00%	206	0.11%
	Columbia County	273	0.45%	80	0.20%	0	0.00%	353	0.18%
	Dixie County	29	0.05%	26	0.07%	44	0.05%	99	0.05%
	Hamilton County	133	0.22%	86	0.22%	44	0.05%	263	0.14%
	Lafayette County	36	0.06%	0	0.00%	0	0.00%	36	0.02%
	Levy County	255	0.42%	124	0.31%	142	0.15%	521	0.27%
	Madison County	243	0.40%	0	0.00%	0	0.00%	243	0.12%
	Suwannee County	321	0.53%	124	0.31%	0	0.00%	445	0.23%
	Taylor County	217	0.36%	0	0.00%	0	0.00%	217	0.11%
	Union County	77	0.13%	122	0.31%	0	0.00%	199	0.10%
Northeast Non-Metropolitan Total		1,790	2.95%	562	1.43%	230	0.24%	2,582	1.33%
Northwest Non-Metropolitan Area	Calhoun County	88	0.15%	34	0.09%	40	0.04%	162	0.08%
	Franklin County	117	0.19%	64	0.16%	32	0.03%	213	0.11%
	Gulf County	103	0.17%	40	0.10%	48	0.05%	191	0.10%
	Holmes County	75	0.12%	56	0.14%	261	0.28%	392	0.20%
	Jackson County	593	0.98%	179	0.45%	306	0.32%	1,078	0.55%
	Liberty County	0	0.00%	10	0.03%	23	0.02%	33	0.02%
	Walton County	182	0.30%	50	0.13%	364	0.39%	596	0.31%
	Washington County	104	0.17%	88	0.22%	155	0.16%	347	0.18%
Northwest Non-Metropolitan Total		1,262	2.08%	521	1.32%	1,229	1.30%	3,012	1.55%
Central Non-Metropolitan Area	Citrus County	491	0.81%	0	0.00%	101	0.11%	592	0.30%
	Putnam County	589	0.97%	484	1.23%	295	0.31%	1,368	0.70%
	Sumter County	310	0.51%	0	0.00%	132	0.14%	442	0.23%
Central Non-Metropolitan Total		1,390	2.29%	484	1.23%	528	0.56%	2,402	1.24%
South Non-Metropolitan Area	DeSoto County	121	0.20%	130	0.33%	0	0.00%	251	0.13%
	Glades County	26	0.04%	0	0.00%	0	0.00%	26	0.01%
	Hardee County	218	0.36%	0	0.00%	0	0.00%	218	0.11%
	Hendry County	284	0.47%	0	0.00%	43	0.05%	327	0.17%
	Highlands County	687	1.13%	129	0.33%	27	0.03%	843	0.43%
	Monroe County	265	0.44%	632	1.60%	454	0.48%	1,351	0.69%
	Okeechobee County	59	0.10%	0	0.00%	0	0.00%	59	0.03%
South Non-Metropolitan Total		1,660	2.74%	891	2.26%	524	0.56%	3,075	1.58%
Non-Metropolitan Area Total		**6,102**	**10.06%**	**2,458**	**6.23%**	**2,511**	**2.66%**	**11,071**	**5.69%**
State Total		**60,649**		**39,434**		**94,345**		**194,428**	

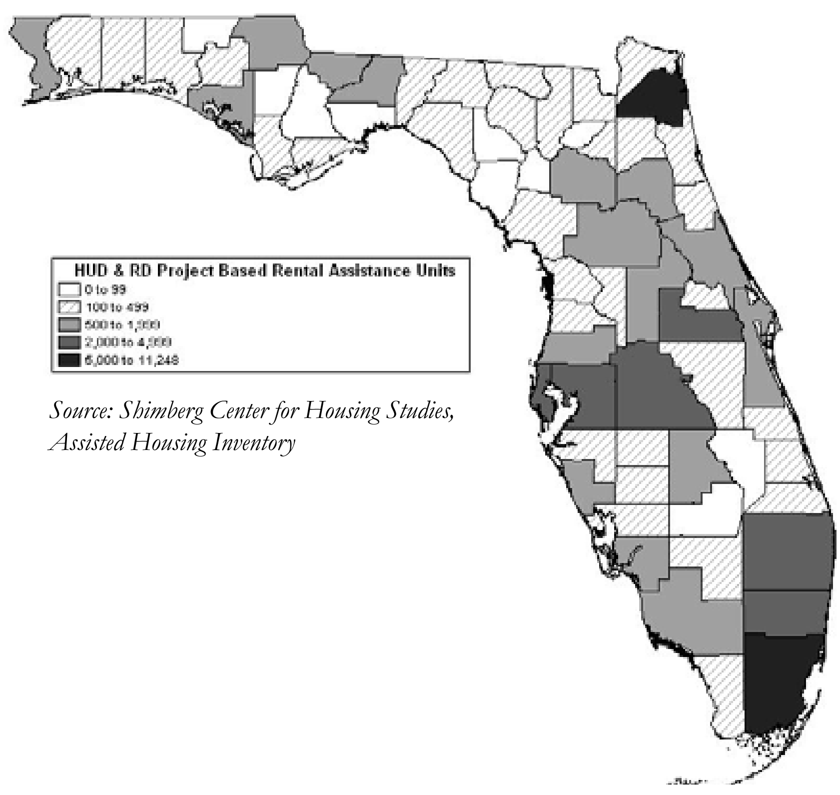
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A1.2. Total Rent-Subsidized Units by County, 2008



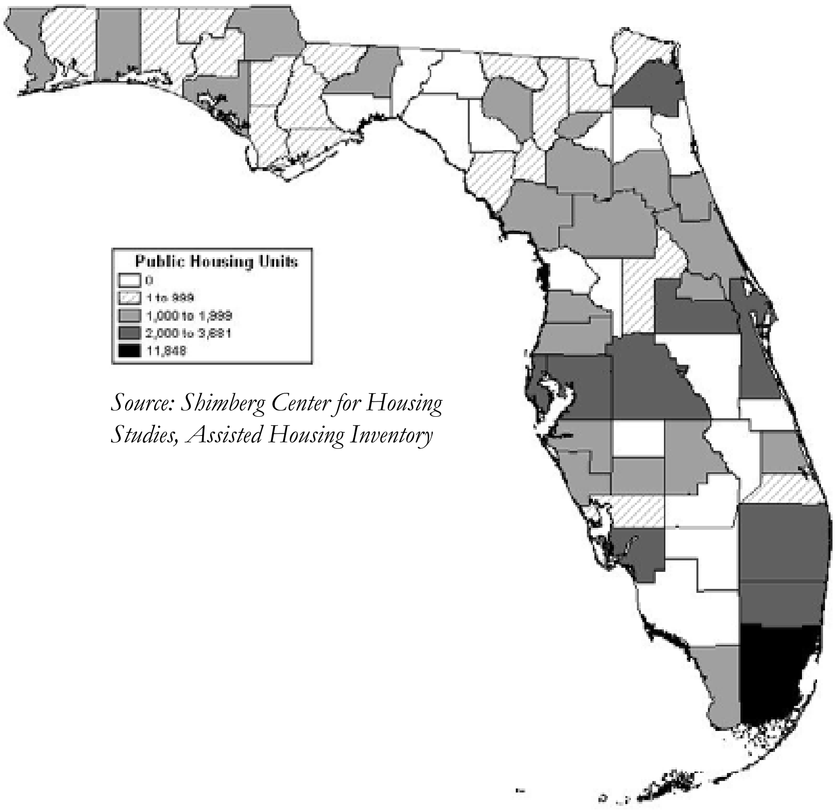
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A1.3. HUD and RD Project-Based Rental Assistance Units, 2008



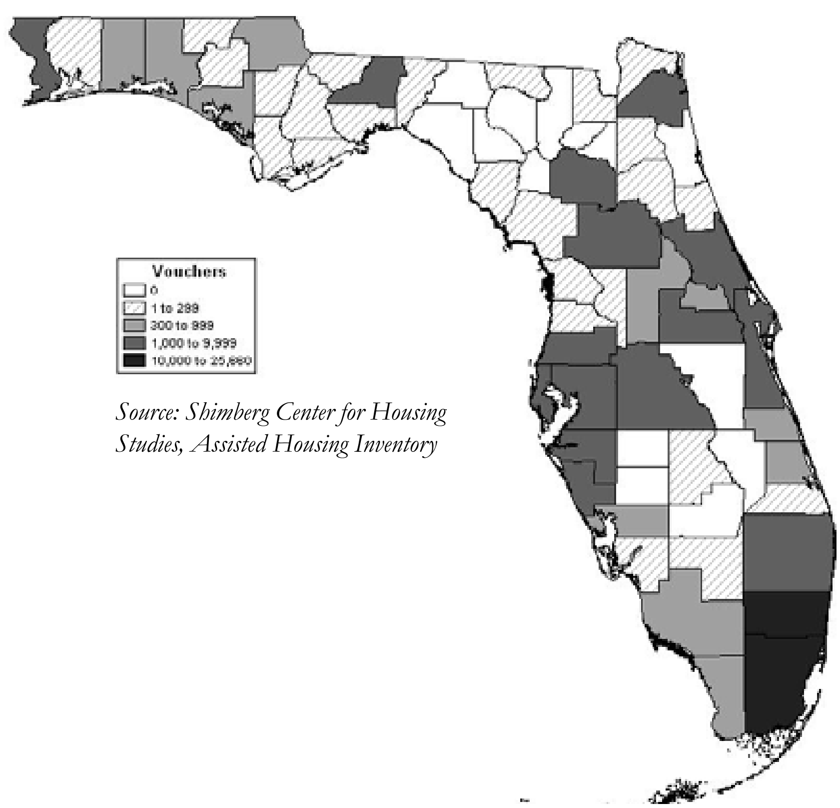
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A1.4. Public Housing Units by County, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A1.5. Vouchers in Use by County, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Appendix 2. Data Tables

Table A2.1. Assisted Housing Units by Funder, MSA and County, 2008 (Duplicated Count)

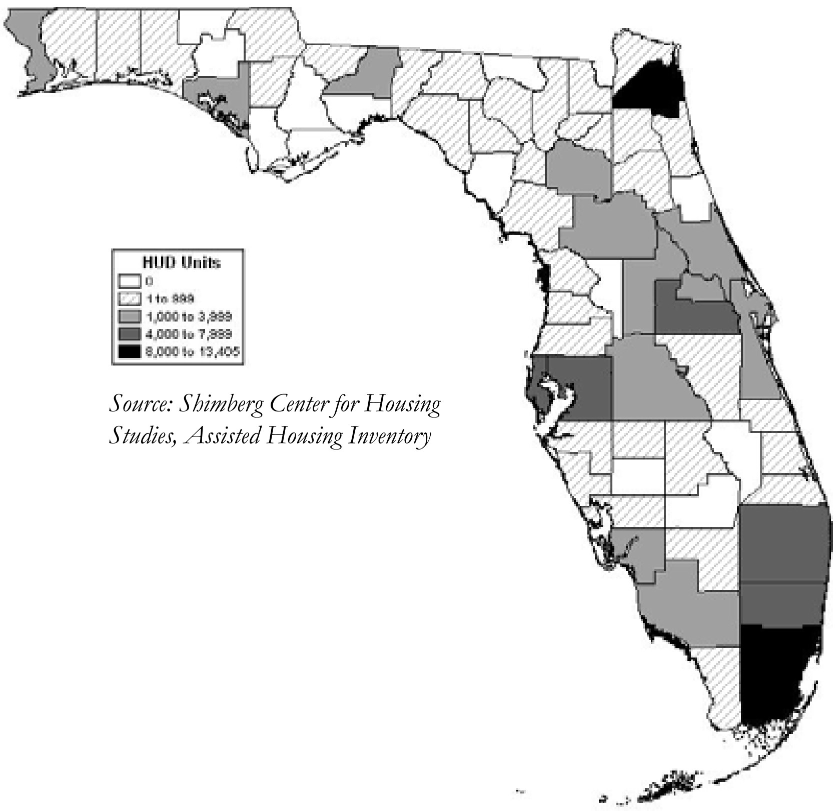
		HUD	RD	Florida Housing	LHFA
Jacksonville, FL MSA	Baker County	102	0	50	0
	Clay County	367	403	1,201	260
	Duval County	8,859	139	13,926	3,364
	Nassau County	44	576	333	192
	St. Johns County	448	118	1,107	560
	MSA Total	9,820	1,236	16,617	4,376
Miami-Fort Lauderdale-Pompano Beach, FL MSA	Broward County	4,685	176	10,181	7,503
	Miami-Dade County	13,405	1,117	24,638	7,944
	Palm Beach County	4,296	1,105	9,356	3,626
	MSA Total	22,386	2,398	44,175	19,073
Orlando-Kissimmee, FL MSA	Lake County	1,076	1,547	3,446	632
	Orange County	5,279	555	25,423	6,970
	Osceola County	435	488	5,389	1,333
	Seminole County	1,341	0	4,951	2,541
	MSA Total	8,131	2,590	39,209	11,476
Tampa-St. Petersburg-Clearwater, FL MSA	Hernando County	30	297	1,014	0
	Hillsborough County	5,901	318	17,167	3,912
	Pasco County	697	929	1,357	440
	Pinellas County	5,227	0	4,096	2,346
	MSA Total	11,855	1,544	23,634	6,698
Major Metropolitan Area Total		**52,192**	**7,768**	**123,635**	**41,623**
Cape Coral-Fort Myers, FL MSA	Lee County	1,863	137	4,099	775
Deltona-Daytona Beach-Ormond Beach, FL MSA	Volusia County	2,182	553	4,399	1,450
Fort Walton Beach-Crestview-Destin, FL MSA	Okaloosa County	196	365	670	0
Gainesville, FL MSA	Alachua County	1,863	180	2,106	866
	Gilchrist County	36	60	0	0
	MSA Total	1,899	240	2,106	866
Lakeland, FL MSA	Polk County	2,169	1,538	2,880	712
Naples-Marco Island, FL MSA	Collier County	1,624	959	4,964	546
Ocala, FL MSA	Marion County	1,016	299	1,674	344
Palm Bay-Melbourne-Titusville, FL MSA	Brevard County	1,536	0	3,947	924
Palm Coast, FL MSA	Flagler County	0	140	216	0
Panama City-Lynn Haven, FL MSA	Bay County	1,345	397	1,300	320
Pensacola-Ferry Pass-Brent, FL MSA	Escambia County	2,116	303	1,819	160
	Santa Rosa County	50	350	375	0
	MSA Total	2,166	653	2,194	160
Port St. Lucie-Ft. Pierce, FL MSA	Martin County	124	361	886	0
	St. Lucie County	882	0	2,381	71
	MSA Total	1,006	361	3,267	71
Punta Gorda, FL MSA	Charlotte County	717	70	1,571	264
Sarasota-Bradenton-Venice, FL MSA	Manatee County	929	198	3,057	1,093
	Sarasota County	990	80	1,931	296
	MSA Total	1,919	278	4,988	1,389

Table A2.1. Assisted Housing Units by Funder, MSA and County, 2008 (Duplicated Count) *(continued)*

		HUD	RD	Florida Housing	LHFA
Sebastian-Vero Beach, FL MSA	Indian River County	412	474	2,609	0
Tallahassee, FL MSA	Gadsden County	404	526	432	0
	Jefferson County	75	96	36	0
	Leon County	1,422	238	2,474	342
	Wakulla County	0	64	64	0
	MSA Total	1,901	924	3,006	342
Remaining Metropolitan Area Total		**21,951**	**7,388**	**43,890**	**8,163**
Northeast Non-Metropolitan Area	Bradford County	106	269	157	0
	Columbia County	85	240	397	0
	Dixie County	0	32	0	0
	Hamilton County	0	147	109	0
	Lafayette County	36	36	0	0
	Levy County	54	223	233	0
	Madison County	148	117	116	0
	Suwannee County	212	167	210	0
	Taylor County	100	137	37	0
	Union County	48	80	0	0
Northeast Non-Metropolitan Total		789	1,448	1,259	0
Northwest Non-Metropolitan Area	Calhoun County	50	88	0	0
	Franklin County	0	121	85	0
	Gulf County	0	113	0	0
	Holmes County	0	81	38	0
	Jackson County	320	438	338	0
	Liberty County	0	0	0	0
	Walton County	98	157	51	0
	Washington County	0	110	33	0
Northwest Non-Metropolitan Total		468	1,108	545	0
Central Non-Metropolitan Area	Citrus County	49	656	452	0
	Putnam County	260	524	525	0
	Sumter County	0	353	262	0
Central Non-Metropolitan Total		309	1,533	1,239	0
South Non-Metropolitan Area	DeSoto County	0	171	598	0
	Glades County	0	28	0	0
	Hardee County	95	197	559	0
	Hendry County	126	185	329	0
	Highlands County	153	625	584	0
	Monroe County	279	0	860	0
	Okeechobee County	0	60	301	0
South Non-Metropolitan Total		653	1,266	3,231	0
Non-Metropolitan Area Total		**2,219**	**5,355**	**6,274**	**0**
State Total		**76,362**	**20,511**	**173,799**	**49,786**

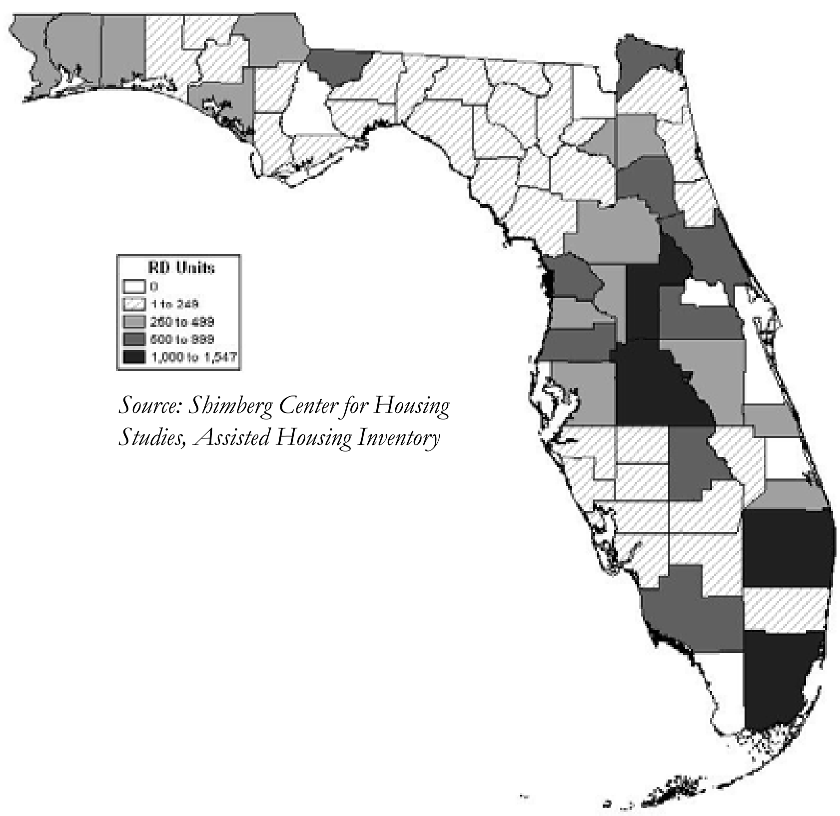
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. "Duplicated count" means that units appear in more than one column if they receive funding from more than one source. Therefore, the sum of the total units for all funders is higher than the total number of units in the inventory.

Figure A2.1. HUD-Funded Units by County, 2008



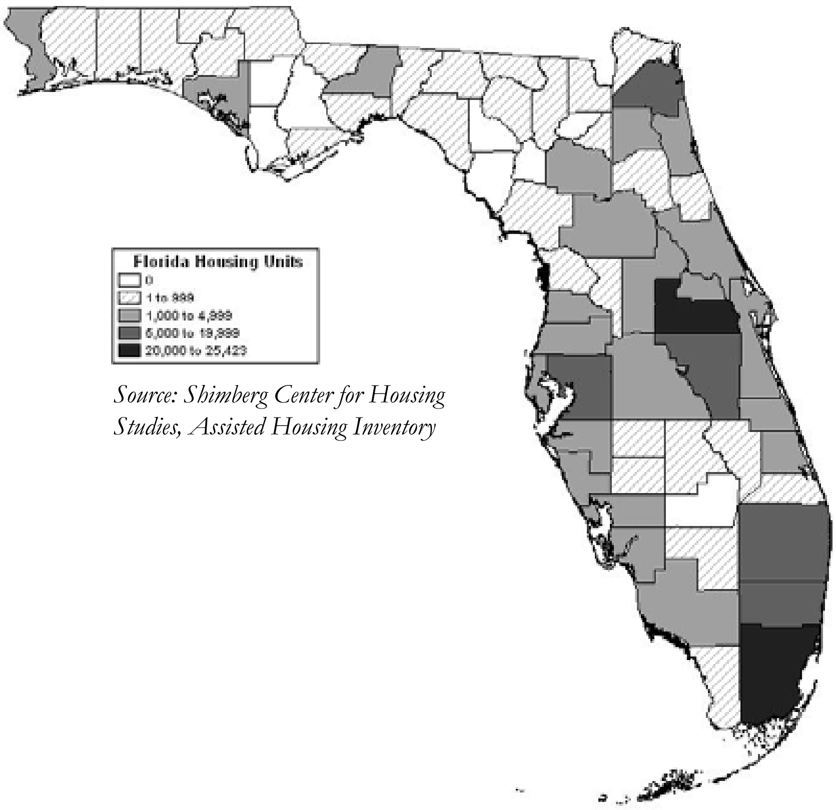
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A2.2. RD-Funded Units by County, 2008



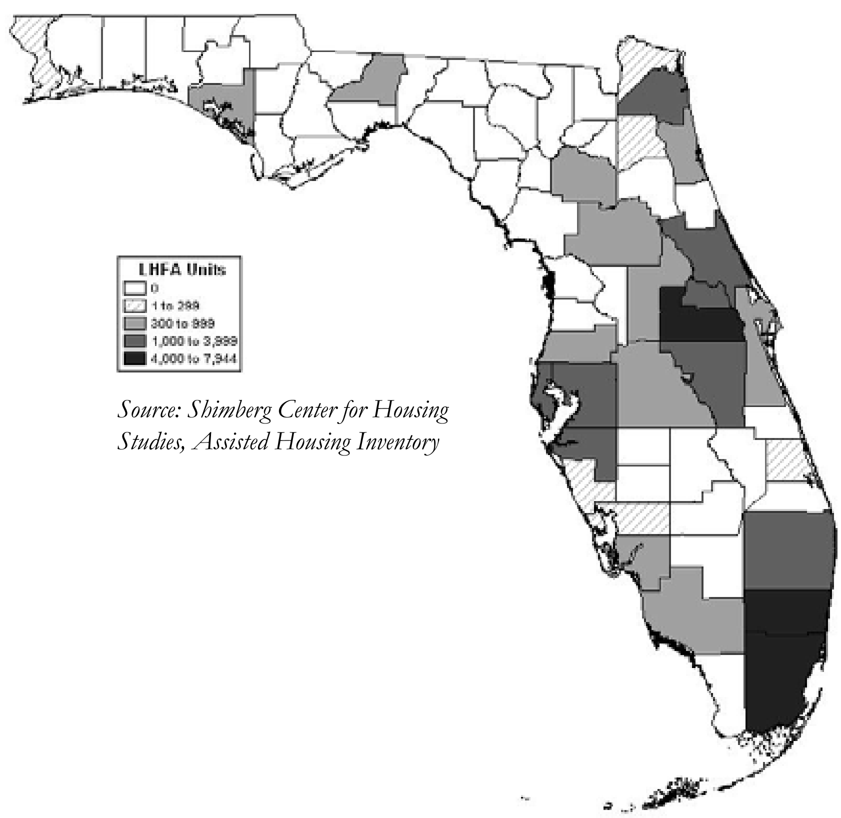
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A2.3. Florida Housing-Funded Units by County, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Figure A2.4. LHFA-Funded Units by County, 2008



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Table A2.2. Assisted Housing Units by Ownership

		For-Profit	Limited Dividend	Non-Profit	Other/Not Available	Total
Jacksonville, FL MSA	Baker County	52	0	50	0	102
	Clay County	1,166	348	0	0	1,514
	Duval County	16,710	1,018	4,836	201	22,765
	Nassau County	377	409	0	0	786
	St. Johns County	1,409	68	42	0	1,519
	MSA Total	19,714	1,843	4,928	201	26,686
Miami-Fort Lauderdale-Pompano Beach, FL MSA	Broward County	9,749	773	2,848	1,922	15,292
	Miami-Dade County	21,899	691	12,755	1,691	37,036
	Palm Beach County	8,150	570	2,906	1,309	12,935
	MSA Total	39,798	2,034	18,509	4,922	65,263
Orlando-Kissimmee, FL MSA	Lake County	3,334	1,279	205	330	5,148
	Orange County	27,092	570	3,729	532	31,923
	Osceola County	5,162	488	312	0	5,962
	Seminole County	5,801	108	256	0	6,165
	MSA Total	41,389	2,445	4,502	862	49,198
Tampa-St. Petersburg-Clearwater, FL MSA	Hernando County	999	202	30	0	1,231
	Hillsborough County	16,305	676	3,798	637	21,416
	Pasco County	1,213	745	656	173	2,787
	Pinellas County	3,222	490	4,082	1,820	9,614
	MSA Total	21,739	2,113	8,566	2,630	35,048
Major Metropolitan Area Total		**122,640**	**8,435**	**36,505**	**8,615**	**176,195**
Cape Coral-Fort Myers, FL MSA	Lee County	3,875	80	1,821	110	5,886
Deltona-Daytona Beach-Ormond Beach, FL MSA	Volusia County	4,275	422	1,321	429	6,447
Fort Walton Beach-Crestview-Destin, FL MSA	Okaloosa County	718	333	148	0	1,199
Gainesville, FL MSA	Alachua County	2,436	380	627	154	3,597
	Gilchrist County	36	24	0	0	60
	MSA Total	2,472	404	627	154	3,657
Lakeland, FL MSA	Polk County	2,964	1,158	1,304	294	5,720
Naples-Marco Island, FL MSA	Collier County	4,945	436	822	32	6,235
Ocala, FL MSA	Marion County	1,397	604	765	83	2,849
Palm Bay-Melbourne-Titusville, FL MSA	Brevard County	4,534	14	980	95	5,623
Palm Coast, FL MSA	Flagler County	216	52	0	0	268
Panama City-Lynn Haven, FL MSA	Bay County	1,547	651	252	0	2,450
Pensacola-Ferry Pass-Brent, FL MSA	Escambia County	2,178	504	1,077	0	3,759
	Santa Rosa County	425	300	0	0	725
	MSA Total	2,603	804	1,077	0	4,484
Port St. Lucie-Ft. Pierce, FL MSA	Martin County	736	211	274	0	1,221
	St. Lucie County	2,201	0	154	264	2,619
	MSA Total	2,937	211	428	264	3,840
Punta Gorda, FL MSA	Charlotte County	1,540	0	534	0	2,074
Sarasota-Bradenton-Venice, FL MSA	Manatee County	3,153	106	593	569	4,421
	Sarasota County	1,705	38	694	0	2,437
	MSA Total	4,858	144	1,287	569	6,858
Sebastian-Vero Beach, FL MSA	Indian River County	2,377	50	528	189	3,144
Tallahassee, FL MSA	Gadsden County	636	245	187	0	1,068

Table A2.2. Assisted Housing Units by Ownership *(continued)*

		For-Profit	Limited Dividend	Non-Profit	Other/Not Available	Total
	Jefferson County	111	60	0	0	171
	Leon County	2,847	581	771	70	4,269
	Wakulla County	64	0	0	0	64
	MSA Total	3,658	886	958	70	5,572
Remaining Metropolitan Area Total		**44,916**	**6,249**	**12,852**	**2,289**	**66,306**
Northeast Non-Metropolitan Area	Bradford County	263	223	0	0	486
	Columbia County	469	175	13	0	657
	Dixie County	0	32	0	0	32
	Hamilton County	109	38	0	0	147
	Lafayette County	0	36	0	0	36
	Levy County	233	212	0	0	445
	Madison County	264	73	0	0	337
	Suwannee County	142	135	180	0	457
	Taylor County	137	100	0	0	237
	Union County	48	32	0	0	80
Northeast Non-Metropolitan Total		1,665	1,056	193	0	2,914
Northwest Non-Metropolitan Area	Calhoun County	50	38	0	0	88
	Franklin County	85	36	0	0	121
	Gulf County	0	113	0	0	113
	Holmes County	38	43	0	0	81
	Jackson County	570	163	40	48	821
	Liberty County	0	0	0	0	0
	Walton County	149	56	0	0	205
	Washington County	33	77	0	0	110
Northwest Non-Metropolitan Total		925	526	40	48	1,539
Central Non-Metropolitan Area	Citrus County	402	419	99	0	920
	Putnam County	399	421	344	0	1,164
	Sumter County	262	223	0	0	485
Central Non-Metropolitan Total		1,063	1,063	443	0	2,569
South Non-Metropolitan Area	DeSoto County	534	34	64	0	632
	Glades County	0	28	0	0	28
	Hardee County	516	51	98	0	665
	Hendry County	329	0	243	0	572
	Highlands County	478	330	392	0	1,200
	Monroe County	384	130	365	0	879
	Okeechobee County	214	26	87	0	327
South Non-Metropolitan Total		2,455	599	1,249	0	4,303
Non-Metropolitan Area Total		**6,108**	**3,244**	**1,925**	**48**	**11,325**
State Total		**173,664**	**17,928**	**51,282**	**10,952**	**253,826**

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory

Table A2.3. Assisted Housing Properties and Units by Program and State

	HUD									Florida Housing			RD		
	Project-Based Rental Assistance Programs			Mortgage Interest Subsidy Programs, Section 236 and 221(d)(3)BMIR			HUD Elderly and Disabled Programs: Section 202 and 811			Low Income Housing Tax Credit Program			Section 515 and 514/516		
	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units
Alabama	367	18,544	25	29	3,318	23	162	6,297	18	558	25,633	17	480	15,698	8
Alaska	61	1,644	52	3	174	53	35	348	52	66	2,352	51	40	894	50
Arizona	165	9,522	37	15	1,324	39	96	4,225	29	268	21,098	22	126	3,880	36
Arkansas	345	13,017	32	19	1,588	36	231	5,136	22	317	14,407	31	509	10,457	19
California	1,656	109,699	2	313	29,053	2	621	32,105	1	1,824	135,848	1	497	23,708	2
Colorado	324	17,727	26	27	3,521	22	94	3,078	33	325	19,360	25	141	3,957	35
Connecticut	380	25,267	20	54	7,240	13	118	4,424	26	190	9,782	37	65	2,482	42
Delaware	89	5,269	43	2	286	52	41	1,321	43	91	5,551	44	55	1,683	47
District of Columbia	99	10,611	36	19	2,880	27	29	1,733	39	66	10,588	36	0	0	54
Florida	**660**	**48,740**	**10**	**72**	**11,895**	**7**	**333**	**21,851**	**3**	**773**	**114,262**	**3**	**458**	**20,637**	**4**
Georgia	447	29,956	16	72	7,753	12	192	6,925	15	534	36,365	12	452	15,798	7
Guam	1	49	54	0	0	54	0	0	54	0	0	54	1	49	53
Hawaii	95	3,680	47	16	2,830	28	55	1,079	44	41	3,346	50	28	996	49
Idaho	134	4,170	46	15	602	45	29	918	48	157	6,183	42	190	4,772	33
Illinois	820	70,212	4	74	11,393	8	265	11,957	7	852	42,595	8	622	10,929	18
Indiana	498	32,100	15	82	8,876	10	174	6,620	16	695	19,759	23	556	14,135	11
Iowa	283	13,460	31	23	2,076	32	116	4,391	27	455	14,610	30	546	10,230	23
Kansas	300	12,178	33	33	2,001	33	109	3,010	34	382	18,999	27	362	6,552	29
Kentucky	488	25,004	21	52	5,668	15	170	4,662	25	526	13,832	32	448	12,129	15
Louisiana	265	16,736	28	33	4,066	21	128	5,150	21	515	24,685	19	395	12,590	14
Maine	292	8,912	38	8	521	46	70	1,608	41	192	5,927	43	355	8,232	25

Table A2.3. Assisted Housing Properties and Units by Program and State *(continued)*

	HUD									Florida Housing			RD		
	Project-Based Rental Assistance Programs			Mortgage Interest Subsidy Programs, Section 236 and 221(d)(3)BMIR			HUD Elderly and Disabled Programs: Section 202 and 811			Low Income Housing Tax Credit Program			Section 515 and 514/516		
	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units
Maryland	410	27,503	19	55	7,055	14	200	8,790	12	457	25,339	18	169	5,392	32
Massachusetts	827	62,014	6	129	20,207	4	283	9,317	10	456	30,061	14	68	2,007	45
Michigan	680	59,393	7	172	22,584	3	189	11,563	8	1,086	54,341	6	697	18,679	5
Minnesota	658	33,282	12	50	4,801	19	171	6,611	17	594	21,860	21	632	11,607	17
Mississippi	319	17,591	27	21	2,176	31	114	3,793	31	465	14,957	29	539	15,483	9
Missouri	498	28,645	18	47	5,301	18	202	8,797	11	1,462	41,758	9	777	18,176	6
Montana	114	4,765	44	17	1,494	37	27	1,023	45	143	*3,942*	48	160	2,546	41
Nebraska	230	7,307	39	17	1,427	38	87	2,373	35	335	8,857	38	253	3,730	37
Nevada	54	3,535	49	5	497	47	25	1,001	46	144	12,129	33	70	2,062	44
New Hampshire	180	6,791	40	9	975	41	58	1,531	42	135	*4,843*	46	88	2,549	40
New Jersey	619	51,875	9	87	10,813	9	254	10,586	9	279	19,008	26	101	3,357	38
New Mexico	121	6,143	41	6	622	43	54	1,689	40	222	11,790	34	114	4,116	34
New York	1,379	119,597	1	217	45,528	1	555	28,869	2	1,896	69,398	5	464	13,148	12
North Carolina	850	29,503	17	26	2,719	29	369	7,181	14	1,554	*37,845*	11	633	22,501	3
North Dakota	137	3,477	50	7	616	44	19	439	51	122	3,473	49	218	3,086	39
Ohio	1,198	77,935	3	131	13,644	6	471	19,929	4	1,278	70,085	4	399	14,755	10
Oklahoma	251	14,755	30	34	3,121	25	116	3,947	30	377	19,702	24	294	8,081	26
Oregon	334	11,737	34	37	1,947	34	104	3,552	32	453	22,909	20	208	6,248	31
Pennsylvania	914	65,582	5	131	15,520	5	385	19,343	5	1,331	34,271	13	311	10,314	21
Puerto Rico	194	19,852	23	19	4,568	20	63	4,299	28	128	8,039	39	111	6,497	30
Rhode Island	213	16,565	29	25	2,434	30	68	2,077	36	132	6,885	41	12	421	52
South Carolina	384	20,059	22	15	1,597	35	188	5,014	24	441	18,349	28	334	11,951	16

Table A2.3. Assisted Housing Properties and Units by Program and State *(continued)*

	HUD									Florida Housing			RD		
	Project-Based Rental Assistance Programs			Mortgage Interest Subsidy Programs, Section 236 and 221(d)(3)BMIR			HUD Elderly and Disabled Programs: Section 202 and 811			Low Income Housing Tax Credit Program			Section 515 and 514/516		
	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units	Properties	Assisted Units	Rank by Units
South Dakota	213	6,110	42	14	655	42	17	441	50	189	5,427	45	413	6,641	28
Tennessee	524	32,216	14	42	5,584	16	244	7,810	13	676	26,926	16	390	12,852	13
Texas	787	56,326	8	76	7,875	11	297	14,486	6	1,435	126,013	2	767	25,748	1
Utah	105	4,701	45	8	476	48	41	1,823	37	208	10,666	35	86	2,126	43
Vermont	153	3,662	48	3	356	50	28	465	49	185	4,335	47	140	1,687	46
Virgin Islands	16	1,460	53	4	472	49	5	129	53	21	628	53	18	452	51
Virginia	463	32,687	13	49	5,448	17	188	5,097	23	672	49,586	7	263	10,313	22
Washington	446	19,127	24	45	3,057	26	144	5,218	20	676	41,478	10	323	9,497	24
West Virginia	219	11,447	35	9	1,035	40	60	1,798	38	196	7,059	40	245	7,100	27
Wisconsin	661	33,519	11	40	3,271	24	216	5,547	19	778	27,219	15	511	10,347	20
Wyoming	69	2,402	51	6	310	51	32	931	47	57	2,247	52	56	1,539	48
Total	**21,989**	**1,368,060**		**2,514**	**305,250**		**8,342**	**332,307**		**27,410**	**1,386,607**		**16,190**	**454,816**	

Notes:
These are NOT unduplicated counts. A property or unit may receive funding under more than one of the five program categories.

The HUD Project-Based Rental Assistance category includes the various HUD Section 8 project-based programs (e.g., LMSA, S.8 New Construction), older Rent Supplement contracts, Project Rental Assistance Contracts (PRACs, the rental assistance component of Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities), and Project Assistance Contracts (PACs, rental assistance that can be attached to units in properties with Section 202 Direct Loans).

The HUD Elderly and Disabled Programs category includes Section 202 Direct Loans and the Section 202 and 811 Capital Advance programs. The Low Income Housing Tax Credit Program category includes properties placed in service between 1987 and 2005. For three of the states, the number of assisted units appears to be in error; these figures appear in italics.

Sources:
HUD Project-Based Rental Assistance Programs: U.S. Department of Housing and Urban Development. 2008. Multifamily Assistance and Section 8 Contracts Database as of 12/04/2008. *http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm*

HUD Mortgage Interest Subsidy Programs: U.S. Department of Housing and Urban Development. 2008. Insured Multifamily Mortgages Database as of 09/30/2008. *http://www.hud.gov/offices/hsg/comp/rpts/mfh/mf_f47.cfm; U.S. Department of Housing and Urban Development. 2006. Active Section 236 Projects as of 06/20/2006. http://www.hud.gov/offices/hsg/mfh/map/actloan/activesec236proj.cfm*

HUD Elderly and Disabled Programs: U.S. Department of Housing and Urban Development. 2006. Active Section 202 Loans as of 06/20/2006. *http://www.hud.gov/offices/hsg/mfh/map/actloan/activesec202loans.cfm*

Low Income Housing Tax Credit Program: U.S. Department of Housing and Urban Development. 2008. LIHTC Database. *http://lihtc.huduser.org/*

Section 515 and 514/516: U.S. Department of Agriculture Rural Development. 2008. Results of the 2008 Multi-Family Housing Annual Fair Housing Occupancy Report. *Unnumbered Letter May 2008. http://www.rurdev.usda.gov/regs/ul/ulmay08.pdf*

Appendix 3. Descriptions of Assisted Housing Programs

This description of assisted housing programs is taken from the AHI User Guide at **http://flhousingdata.shimberg.ufl.edu/AHI_User_Guide_2008.html**.

Programs Administered by the U.S. Department of Housing and Urban Development

- Rental Assistance/HUD: HUD provides project-based rental subsidies for units in multifamily developments under programs such as the Section 8 Loan Management Set-Aside, Section 8 New Construction and Substantial Rehabilitation programs. Rental assistance is typically restricted to households with incomes at or below 50 percent of the area median income. It provides a subsidy so that income-qualified households do not spend more than 30 percent of their monthly gross income on rent and utilities. Many rental assistance contracts now have a one year term and are typically renewed annually, subject to Congressional appropriation.
- Section 202 Capital Advance: The Section 202 Supportive Housing for the Elderly program started in 1991 and provides a 40-year interest-free capital advance to private, nonprofit sponsors to finance development, rehabilitation or acquisition of supportive housing for very low-income elderly persons (at least 62 years of age) at or below 50 percent of the area median income. The program also has a project-based rental assistance component that limits the rent payments of residents to 30 percent of income; in the Assisted Housing Inventory this is categorized as 'Rental Assistance/HUD'.
- Section 202 Direct Loan: The Section 202 Direct Loan Program for the Elderly or Handicapped provided direct loans to private developers for the construction of housing for the elderly or persons with disabilities. In 1990, this program was replaced by the Section 202 Capital Advance and Section 811 Capital Advance programs. Florida still has many properties that were originally funded under the Section 202 Direct Loan program. Many of these properties also receive HUD project-based rental assistance that limits the rent payments of residents to 30 percent of income; in the Assisted Housing Inventory this is categorized as 'Rental/Assistance/HUD'.
- Section 221(d)(3) BMIR: The Section 221(d)(3) Below Market Interest Rate program provided below market interest rate mortgages to private for-profit and non-profit developers during the 1960s. The mortgage term was 40 years with the option for many for-profit developers to prepay after 20 years. Income limits are set at 80 percent of area median income, although the majority of units serve households at or below 50 percent of area median income. Many properties built under this program also receive HUD project-based rental assistance; in the Assisted Housing Inventory this is categorized 'Rental/Assistance/HUD'.
- Section 236: The Section 236 program provided mortgages at a one percent interest rate to private for-profit and non-profit developers during the late 1960s to early 1970s. The mortgage term was 40 years with the option for many for-profit developers to prepay after 20 years. Income limits are set at 80 percent of area median income, although the majority of units serve households at or below 50 percent of area median income. Many properties built under this program also receive HUD project-based rental assistance; in the Assisted Housing Inventory this is categorized as 'Rental Assistance/HUD'.
- Section 542: Section 542 is a risk-sharing program that provides credit enhancement through mortgage insurance for multifamily housing developments. HUD enters into risk-sharing agreements with state and local housing finance agencies and with Qualified Participating Entities. This program has no income or rent restrictions and is therefore only reported in the Assisted Housing Inventory if a development is also funded under programs that do impose restrictions.
- Section 811 Capital Advance: The Section 811 Supportive Housing for Persons with Disabilities program started in 1991 and provides a 40-year interest-free capital advance to nonprofit organizations for construction, rehabilitation or acquisition of rental housing with the availability of supportive services for adults with disabilities at or below 50 percent of the area median income. Section 811 also has a project-based rental assistance component that limits the rent payments of tenants to 30 percent of income; in the Assisted Housing Inventory this is categorized as 'Rental/Assistance/HUD'.

Note that the AHI does not track properties subsidized by HUD's Section 8 Moderate Rehabilitation (Mod Rehab) program or for properties receiving HOME funding allocated by city or county governments. These properties are not tracked in HUD's regular multifamily databases. The AHI does include properties funded by HOME dollars allocated by the state of Florida.

Also, several HUD mortgage, insurance, and refinancing programs do not impose income or rent restrictions and therefore are only reported in the AHI if the property also has HUD project-based rental assistance. These include Refi Section 221(d)(3) MR, Refi Section 221(d)(4), Section 207, Section 221(d)(3) MR, Section 221(d)(4), Section 223(f) Refi/Purchase, and Section 231.

Programs Administered by the U.S. Department of Agriculture Rural Development

- Rental Assistance/RD: Section 521 Rental Assistance is a project-based tenant subsidy program that is used in conjunction with Section 515 and Section 514/516. It imposes both income and rent restrictions.
- Section 514/516: Section 514/516 can be used to finance on-farm rental housing as well as off-farm rental housing outside rural areas where needed to house those who work on nearby farms. Loans and grants are provided to farm workers, family farm organizations, state and local public agencies, and non-profit and for-profit organizations. This program can be combined with Section 521 Rental Assistance. Tenants must be income eligible. They receive priority based on the proportion of income received from farm work.
- Section 515: Section 515 is a direct loan program that provides mortgages at a one percent interest rate to non-profit and for-profit developers to build rural multifamily rental housing. Loans currently have 30 year terms and an amortization period of 50 years. Eligible tenants include very low, low and moderate-income households, with priority to families living in substandard housing. More than 94 percent of residents have incomes at or below 50 percent of the area median income and more than half are elderly or persons with disabilities. Tenants can receive rental assistance to restrict their rent payments to 30 percent of their gross household income under the Section 521 Rental Assistance program.

Programs Administered by the Florida Housing Finance Corporation

- Demonstration Project: A development is designated a Demonstration Project to provide funds for housing of various special needs groups, including persons with disabilities, farm workers, extremely low-income or homeless Floridians, and elders in need of assisted living.
- Elderly Housing Community Loan Program: The Elderly Housing Community Loan (EHCL) program provides loans to developers that are making improvements to elderly housing. These include sanitation repairs or improvements required by federal, state or local regulation codes, as well as life safety or security-related improvements.
- Farmworker Housing Supportive Housing: Farmworker Housing Supportive Housing (FHSH) refers to two programs: The Farmworker Housing Recovery Program (FHRP) and the Special Housing Assistance and Development Program (SHADP). FHRP provides flexible funding toward the construction or rehabilitation of housing in the form of loans. The program targets agricultural areas impacted by the 2004 and 2005 storms. It prioritizes rental housing solutions for migrant farmworkers. SHADP makes flexible funding available for smaller rental developments for hard-to-serve populations such as persons with a disability, frail elders and people who are homeless. It targets areas impacted by the 2004 and 2005 storms.
- Federal Deposit Insurance Corporation (FDIC): The developments under FDIC were part of the remaining balance of real estate assets of the Resolution Trust Corporation. These developments have 40 year use restriction periods and are monitored by the Florida Housing Finance Corporation.
- Guarantee: The Florida Affordable Housing Guarantee Program is a credit enhancement program that works in concert with federal, state and local government financing sources, as well as other qualified lending institutions. The Guarantee effectively lowers the overall cost of borrowing capital for the construction and rehabilitation of affordable multifamily rental housing by guaranteeing payment of mortgages that secure multifamily mortgage revenue bonds.
- Housing Credits 4%: The Low Income Housing Tax Credit Program - 4% provides a dollar-for-dollar tax credit over ten years against federal tax liability in exchange for the new construction or acquisition and substantial rehabilitation of affordable rental housing units by nonprofit and for-profit organizations. This is a non-competitive allocation of tax credits paired with state and local bonds. At least 20 percent of units are to be set aside for households at or below 50 percent of AMI, or at least 40 percent of units are to be set aside for households at or below 60 percent AMI. Rent restrictions are also in place.
- Housing Credits 9%: The Low Income Housing Tax Credit Program - 9% provides a dollar-for-dollar tax credit over ten years against federal tax liability in exchange for the new construction or acquisition and substantial rehabilitation of affordable rental housing units by nonprofit and for-profit organizations. This is a competitive allocation of tax credits. At least 20 percent of units are to be set aside for households at or below 50 percent of AMI, or at least 40 percent of units are to be set aside for households at or below 60 percent AMI. Rent restrictions are also in place.
- Predevelopment Loan Program (PLP): The Predevelopment Loan Program (PLP) provides below-market interest rate financing and technical assistance to non-profit organizations for pre-development activities to plan, finance and develop affordable housing. This program has no income or rent restrictions and is therefore only reported in the Assisted Housing Inventory if a development is also funded under programs that do impose restrictions.

- Rental Recovery Loan Program (RRLP): Funding under the Rental Recovery Loan Program leverages available state and local bonds and private capital to build and rehabilitate affordable rental housing to help communities respond to their hurricane recovery needs. The funds provide gap financing to help create rental communities that will be affordable for at least 50 years and will include a meaningful percentage of units that are set aside for those with extremely low incomes. Twenty-five percent of the program funds is targeted to developments serving elders.
- SAIL: The State Apartment Incentive Loan (SAIL) program provides low-interest loans on a competitive basis to affordable housing developers to bridge the gap between the development's primary financing and the total cost of the development. SAIL is funded through the State Housing Trust Fund. A minimum of 20 percent of units must be set aside for families earning 50 percent or less of area median income. Developments that also have housing credits may use a minimum set-aside of 40 percent of the units for residents earning 60 percent of area median income. There are no rent restrictions.
- State Bonds: The Multifamily Mortgage Revenue Bond program (MMRB) uses both taxable and tax-exempt bonds to provide below market rate loans to nonprofit and for-profit developers who set aside a certain percentage of their apartment units for low-income families. The program requires that at least 20 percent of the units be set aside for households earning at or below 50 percent of the area median income. The developer may also opt to set aside 40 percent of the units for households earning at or below 60 percent of area median. There are no rent restrictions.
- State HOME: The HOME Investment Partnerships Program provides non-amortized, low interest loans to developers for acquisition and/or new construction or rehabilitation of affordable rental housing to low-income families. Twenty percent of the units are occupied by families with annual incomes at or below 50 percent of area median income; the balance of the units must be occupied by families with income that do not exceed 60 percent of area median. Rent restrictions are also in place.

Program Administered by Local Housing Finance Authorities

- Local Bonds: Local housing finance authorities may issue tax-exempt Multifamily Mortgage Revenue Bonds. These tax-exempt bonds provide financing at lower-than-market rates for affordable multifamily housing developments. Income restrictions are imposed, but no rent restrictions.

Appendix 4. Preservation Risk Assessment Methodology

This description of the Shimberg Center's method for assessing opt-out and fail-out risks for properties in the AHI is adapted from the 2008 report, *A Risk Assessment Method for Preservatio of Assisted Rental Housing*, prepared by the Shimberg Center with support from the John D. and Catherine T. MacArthur Foundation's Window of Opportunity initiative. The full report is available at **http://flhousingdata.shimberg.ufl.edu/docs/Risk_Assessment_Final_052608.pdf**.

Opt-out Risk Analysis Process

Opt-out risk refers broadly to the risk of loss due to mortgage prepayment, rental assistance contract opt-out and use restriction expiration. We developed a three-step method to analyze an inventory of properties for their risk of opt-out: 1) screen for eligibility, 2) flag for likelihood, and 3) sort by imminence.

1. Screen for eligibility of opt-out. The first step in creating a list of at-risk properties is to filter out those that cannot be converted to market-rate through prepayment, contract termination, or subsidy expiration, or that are not eligible to do so for a predetermined period of time (e.g. 10 years). First, some properties were funded under one or more programs that do not allow for opt-outs or prepayment. For example, properties receiving subsidies from the HUD Section 202 program after 1990 received grants rather than loans, so prepayment is not possible. Second, and more difficult to determine, a property may have long-term use restrictions placed upon it beyond the statutory requirements of the funding program. For instance, starting in projects funded in the early 1990s, recipients of Low Income Housing Tax Credits from Florida Housing must agree to an affordability period of 50 years, well beyond the 15-year period originally required by federal law. Where these restrictions are placed upon projects as part of an individual negotiation between the funder and the owner, they are very difficult to track for an entire inventory. However, when these restrictions exist as a matter of policy for a particular funding source and program, as in the Florida Housing tax credit example, they can be tracked for properties if the funding program information is in the database.
2. Flag for likelihood of opt-out. Properties can be flagged, ranked or clustered by the presence of factors that have been shown to make opt-outs more likely. The Shimberg Center identified the factors in Table A4.1 based on reviews of numerous risk assessment processes. The factors are limited to those that are already in the AHI or can be derived from existing AHI and Census data.
3. Sort for imminence of opt-out. A list of properties that are at some higher of conversion can be sorted by the date of possible mortgage prepayment, contract termination, or subsidy expiration. This allows those using the target inventory to prioritize properties that will reach the decision point the soonest. Some users may feel that imminence takes precedence over likelihood. That is, the user may choose to focus on properties with fewer risk factors pointing toward an opt-out decision, but on which immediate action would be needed in case the owner did decide to convert to market-rate rents.

Fail-Out Risk Analysis Process

Because any property can be at risk of deterioration and default regardless of use restrictions, eligibility and imminence are not relevant to an analysis of deterioration risk. Therefore, rather than the three-step process used for assessing opt-out risk, the fail-out risk analysis process consists of a single step: flagging properties with factors indicating increased likelihood of deterioration or default. As Table A4.2 shows, these factors include family population, year built before 1987, low tenant household incomes, and poor physical condition.

The AHI contains data regarding the latter two variables only for properties with HUD assistance, either alone or in combination with funding from another government agency. The source of data for tenant household income is HUD's *Picture of Subsidized Households* from 2000, which provides tenant characteristics for individual HUD properties. The source of data on the physical condition of properties is scores from physical inspections conducted by HUD's Real Estate Assessment Center (REAC), also available only for HUD properties. In effect, this limits our ability to assess properties' deterioration risk to those with HUD funding, either alone or in combination with other funding sources.

Application of Risk Analysis Tool

To apply this tool, we performed the three-step opt-out analysis and single-step deterioration/default analysis on the 2,256 properties funded by HUD, RD, Florida Housing Finance Corporation, and local housing authorities in the AHI database.

Opt-Out Analysis

STEP 1: Screen for Eligibility. We screened out any properties whose affordability restrictions, to the extent they can be determined through the AHI, cannot end until after 2020. This left 987 properties with 78,017 units.

Table A4.1. Variables Indicating Opt-Out Risk, Shimberg Method

Variable	Direction Signaling Risk
Development Size	< 50 units
Population Served	Family
Ownership Type	For-Profit/Limited Dividend/Other; i.e., not Non-Profit
Older/Newer Assisted or Year Built	Older subsidies or properties
Fully Funded?	No[17]
Project Rent to Fair Market Rent ratio	<80%
Neighborhood poverty rate	Low and declining; i.e., Census block group poverty rate declined 1990-2000 and is below average for all assisted properties statewide

Note that the absence of these factors does not mean a property is completely safe from market-rate conversion, and the presence of these factors does not automatically predict an opt-out. Rather, these factors are red flags that help to prioritize a longer list of properties eligible for conversion.

Table A4.2. Variables Indicating Deterioration and Default Risk, Shimberg Method

Variable	Direction Signaling Risk
Population Served	Family
Year Built	Pre-1987
Tenant Household Income	Lowest; i.e., 0-15% of HUD Area Median Family Income
Physical Condition	Poor; i.e., REAC score <60

Table A4.3. Florida Assisted Housing Properties by Opt-Out Risk Score

Opt-Out Score	Properties	Assisted Units
0	33	3,448
1	174	16,764
2	359	31,917
3	288	18,709
4	**83**	**2,964**
5	**50**	**4,215**
Total	**987**	**78,017**

17 The extent to which a project is "Fully Funded" refers to the number of units affected by the relevant subsidy program(s) and income and rent restrictions. We define a project as "Fully Funded" if no more than two units are excluded from subsidies and restrictions. Allowing for two unfunded units permits projects with, for example, a manager's unit and unit used as an office to qualify as fully funded.

Table A4.4 Properties at Opt-Out Risk by Expiration Year of Subsidies

Expiration Date	Properties	Assisted Units
2008	23	1,663
2009	24	1,420
2010	12	1,302
2011	8	316
2012	1	34
2014	1	160
2015	1	48
2016	2	214
2019	3	130
2020	1	64
Date not available	57	1,828
Total	**133**	**7,179**

Table A4.5. Florida Assisted Housing Properties by Deterioration Risk Score

Deterioration Risk Score	Properties	Units
0	452	30,041
1	1,351	184,224
2	411	35,958
3	**38**	**3,575**
4	**4**	**281**
Total	2,256	254,079

STEP 2: Flag for Likelihood. We assigned one of three scores for each of the seven opt-out risk variables to the 987 properties: 0 indicating the risk factor was not present, 1 indicating the risk factor was present, or a null value indicating lack of data for that variable. Each property was then assigned an opt-out risk score as the sum of the individual factor scores. While property scores of 0 to 7 were possible, in practice no property scored higher than 5. We set scores of 4-5 as indicating heightened risk. We also assigned a score of 5 to any HUD property with a rent to FMR ratio less than 80 percent and for-profit/limited dividend ownership, even if no other risk factors were present. In addition, Florida Housing Finance Corporation projects with a Derived FHFC Rent to FMR ratio less than 80 percent, 2000 Median Gross Rent for Block Group greater than 2000 two-bedroom FMR, and for-profit ownership received two points for this variable.

In total, this yielded 101 developments at risk before the end of 2020 in Florida, with 6,016 assisted rental units. Table A4.3 shows the properties and units by each risk score. Rows in bold indicate properties considered as heightened opt-out risks.

[18] See Step 1 above for a description of the Overall Expiration of Governing Program field. If there had been properties with potential mortgage prepayment risk before the expiration of other subsidies, the date of prepayment eligibility would have been used rather than mortgage maturity date.

STEP 3: Sort for Imminence. With the at-risk list in place, we then sorted for the Overall Expiration of Governing Program field to show the imminence of potential loss to the inventory.[18] Table A4.4 shows the number of properties with a risk score of 4 or 5 by year of expiration of subsidies.

Fail-Out Analysis

We assigned a 0, 1, or null (blank) score for each of the four fail-out risk variables for the 2,256 properties in the AHI. Each property was then assigned a fail-out risk score on a scale of 0-4 consisting of the sum of the individual factor scores. Properties with scores of 3 or 4 were considered to be at heightened risk. In total, this yielded 42 properties with 3,856 assisted units.

Table A4.5 shows the deterioration/default risk scores for the properties in the AHI, with higher risk scores indicated in bold.

Of the properties scoring 3 or 4, 12 properties with 926 assisted units also appeared on the list of properties at heightened opt-out risk.

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