

Transportation & Economic Development Appropriations Subcommittee

**Tuesday, January 25, 2011
9:00 AM - 12:00 PM
Reed Hall**

Meeting Packet

**Dean Cannon
Speaker**

**Mike Horner
Chair**



The Florida House of Representatives

Appropriations Committee

Transportation & Economic Development Appropriations Subcommittee

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January 25, 2011

AGENDA
9:00 AM – 12:00 PM
Reed Hall

I. Call to Order/Roll Call

II. Agency Introduction and Overviews

Office of Tourism, Trade, and Economic Development
Chris Hart, Director

Agency for Workforce Innovation
Kevin Thompson, Administrative Services Director

Department of Community Affairs
Billy Buzzett, Secretary

Division of Emergency Management
Dave Halstead, Division Director

Florida Housing Finance Corporation
Steve Auger, Executive Director

III. Agencies' Schedule VIII-B Presentations

Office of Tourism, Trade, and Economic Development
Chris Hart, Director

Department of State
John Boynton, Director of Administrative Services

III. Agencies' Schedule VIII-B Presentations Cont'd

Department of Community Affairs

Annette Kittrell, Fiscal Management Administrator

Division of Emergency Management

Dave Halstead, Division Director

Florida Housing Finance Corporation

Steve Auger, Executive Director

Department of Transportation

Lora Hollingsworth, Assistant Secretary for Finance & Administration

Department of Military Affairs

Lieutenant Colonel Glenn Sutphin, Director of Legislative Affairs

Agency for Workforce Innovation

Kevin Thompson, Administrative Services Director

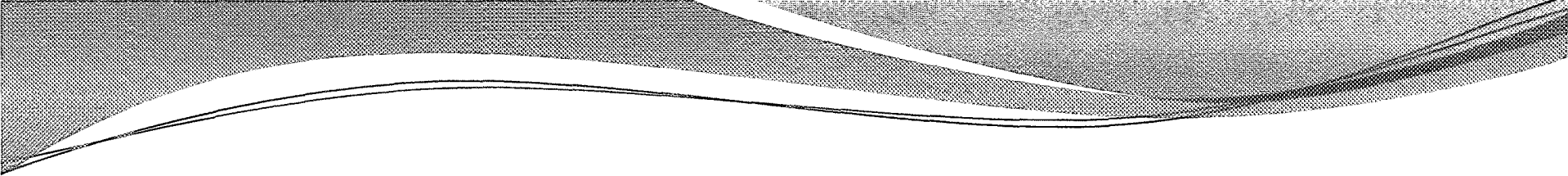
Department of Highway and Safety Motor Vehicles

Diana Vaughn, Director of Administrative Services

IV. Adjourn

Executive Office of the Governor: Office of Tourism, Trade & Economic Development





What is OTTED?

- The Office of Tourism, Trade & Economic Development (OTTED) formulates policies and strategies designed to promote economic growth and diversify the state's economic base.
- OTTED provides executive direction, develops policies and advocates for economic diversification and improvements in Florida's business climate infrastructure by:
 - Encouraging innovation and productivity as the foundation for global competitiveness & economic prosperity.
 - Breaking down the silos of government so all agencies find their role in economic development
 - Balancing recruitment efforts with nurturing of home-grown businesses in high growth sectors.



OTTED at a Glance

- OTTED implements economic development programs through public/private partnerships that OTTED directly oversees by:
 - Maintaining extensive interaction with business, economic development, and community leaders to advocate on their behalf to the Governor and Legislature;
 - Serving as the state point on rural development issues in part through oversight of Rural Economic Development Initiative (REDI), rural infrastructure loans and grants;
 - Administering military and defense retention, expansion and grant programs, and oversees bi-annual Base Commanders Forums, as well as Governor's BRAC Advisory Council activities and the Florida Council on Military Base & Mission Support quarterly meetings;
 - Administering international trade programs through the oversight of international trade and investment, diplomacy and consular affairs;
 - Approving and certifies business expansion and retention incentive programs (QTI, QDC, HIPI, bond financing, and defense grant programs); and
 - Managing community development programs such as enterprise zones, community contribution tax credits and the urban and rural job tax credit programs.
- OTTED focuses on policies and strategies to further build critical or transitioning industries (e.g. IT, Space, Defense, Biotech) as well as focuses on transportation, infrastructure, workforce development and other significant business climate issues.



OTTED Key Florida Incentives

- ❖ **Qualified Target Industry Tax Refund Program (QTI)** – Encourages targeted industries to create high-skilled jobs and locate new facilities in Florida or expand existing facilities within Florida.
- ❖ **Quick Action Closing Fund (QAC)** – Used to recruit businesses for the State of Florida, at the discretion of the Governor and Legislative leaders.
- ❖ **Innovation Incentive** – Ensures sufficient resources are available to allow the state to compete effectively for high-value research and development projects and major innovation business projects.
- ❖ **Qualified Defense Contractors Tax Refund Program (QDC)** – A tool to preserve and grow Florida’s high technology employment base, giving Florida companies a competitive edge as defense contractors consolidate defense contracts, acquire new contracts, or convert to commercial production.
- ❖ **Economic Development Transportation Fund (“Road Fund”)** – Provides up to \$2 million to local governments for the constructions or improvement of transportation infrastructure needed to accommodate new or existing industry.
- ❖ **Capital Investment Tax Credit (CITC)** – Used to attract and grow capital-intensive industries in Florida. It is an annual credit against the corporate income tax which is available for up to 20 years in an amount equal to 5% of the eligible capital costs generated by a qualifying project.
- ❖ **Rural Community Development Revolving Loan Program** – Promotes the economic viability of rural communities and creates jobs for residents of Florida’s rural areas by leveraging the use of existing federal, state, and local financial resources.

OTTED Key Florida Incentives (cont.)

- ◆ **Florida First Business Bond Pool** – Reserves 20% of Florida’s total annual private activity bond allocation for large industrial projects making significant contributions to Florida’s economy.
- ◆ **High Impact Performance Incentive Grants (HIPI)** – Used to attract and grow major high-impact facilities in Florida.
- ◆ **New Markets Development Program** – Encourages capital investment in low-income communities by allowing taxpayers to earn credits by investing in qualified Community Development Entities that in turn make investments in businesses located in low-income communities.
- ◆ **Rural Infrastructure Fund** – Facilitates the planning, preparing, and financing of infrastructure projects in rural communities which will encourage job creation, capital investment, and the strengthening of rural economies.
- ◆ **Rural and Urban Job Tax Credits** – An incentive for eligible businesses located within one of 36 rural areas or 13 urban areas to create new jobs. These tax credits encourage meaningful employment opportunities that improve quality of life of those employed and encourage economic expansion.
- ◆ **Semiconductor, Space and Defense Sales and Use Tax Exemption** – Used to attract and grow businesses in these sectors by providing an exemption for all sales and use taxes on investments in machinery and equipment used in manufacturing and research.

OTTED Key Florida Incentives (cont.)

- ❖ **Enterprise Zone Program** – Encourages the revitalization of economically distressed areas in Florida by providing credits against Florida’s sales tax or corporate income tax to businesses located in an enterprise zone for hiring zone residents.
- ❖ **Brownfield Redevelopment Bonus** – Encourages development of abandoned, idled or underused industrial and commercial sites where expansion or development is complicated by actual or perceived environmental contamination.
- ❖ **The Community Contribution Tax Credit Program** – Encourages private sector donations to community redevelopment projects in enterprise zones and to low-income housing projects. A tax credit of 50% of the donation is allowed.
- ❖ **Jobs for the Unemployed Tax Credit Program (JUTC)** – Provides incentives to businesses throughout Florida to hire qualified employees who were previously unemployed. The business may receive a tax credit of \$1,000 for every employee hired as of July 1, 2010.
- ❖ **Local Government Distressed Area Matching Grant Program (LDMG)** – Stimulates investment in Florida’s economy by assisting Local Governments in attracting and retaining targeted businesses. The amount awarded by the State of Florida will equal \$50,000 or 50% of the local government’s assistance amount, whichever is less.
- ❖ **Manufacturing and Spaceport Investment Incentive Program (MSII)** – Encourages capital investment and job creation in manufacturing and spaceport activities in Florida. A tax refund up to \$50,000 will be given on the State Sales and Use Tax paid for eligible equipment purchases.



OTTED Key Partnerships

- ◆ **Enterprise Florida** is a partnership between Florida's business and government leaders and is the principal economic development organization for the State of Florida. Its mission is to increase economic opportunities for all Floridians by supporting the creation of quality jobs, a well-trained workforce, and globally competitive businesses. The organization pursues this mission in cooperation with its statewide network of economic development partners.
- ◆ **The Florida Commission on Tourism** is the public/private partnership responsible for the vitality and growth of Florida's tourism industry. Promoting Florida as the premier travel destination, both domestically and internationally, is the major focus of the Commission's direct support organization, VISIT FLORIDA. VISIT FLORIDA creates and implements advertising, sales, promotional, and public relations activities to increase vacation, business, conference, and incentive travel to Florida. It also assists in the development of nature-based, historical, and cultural tourism.
- ◆ **The Florida Sports Foundation** is the official sports promotion and development organization for the State of Florida. It is charged with the promotion and development of professional, amateur, recreational sports, and physical fitness opportunities that produce a thriving Florida sports industry and environment. With a seemingly endless list of sporting ventures and venues, the Florida Sports Foundation strives to promote Florida's unique sports industry.



OTTED Key Partnerships (cont.)

- ◆ **Space Florida (SF)** was created in 2006 as an independent special district to foster the growth and development of a sustainable and world-leading aerospace industry in this state. SF promotes aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs. SF is the single point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector. SF also works to develop the nation's space tourism industry.
- ◆ The **Florida Black Business Investment Board, Inc. (FBBIB)** provides assistance to encourage the growth of black-owned businesses in Florida. Through a network of regional Black Business Investment Corporations (BBICs), the BBICs provide technical assistance, loan guarantees, and direct lending products to Florida's black-owned businesses in all 67 counties.
- ◆ The **Office of Film & Entertainment** within the Office of Tourism, Trade, and Economic Development is charged to provide wholesale service and support to promote and build the Film and Entertainment Industry in Florida. From facilitating a request from a production company to film on state-owned lands, to recruiting film and entertainment companies to produce in Florida, the Office of Film & Entertainment strives to be the one-stop shop to serve all of the industry's needs in the State of Florida.

Positions = 22.00

Salary Rate = \$1,349,877

	General Revenue	Trust	Total
Executive Direction and Support Services (Totals)	1,781,472	1,454,494	3,235,966

OTTED Operations – 17 Positions

942,917

1,454,494

2,397,411

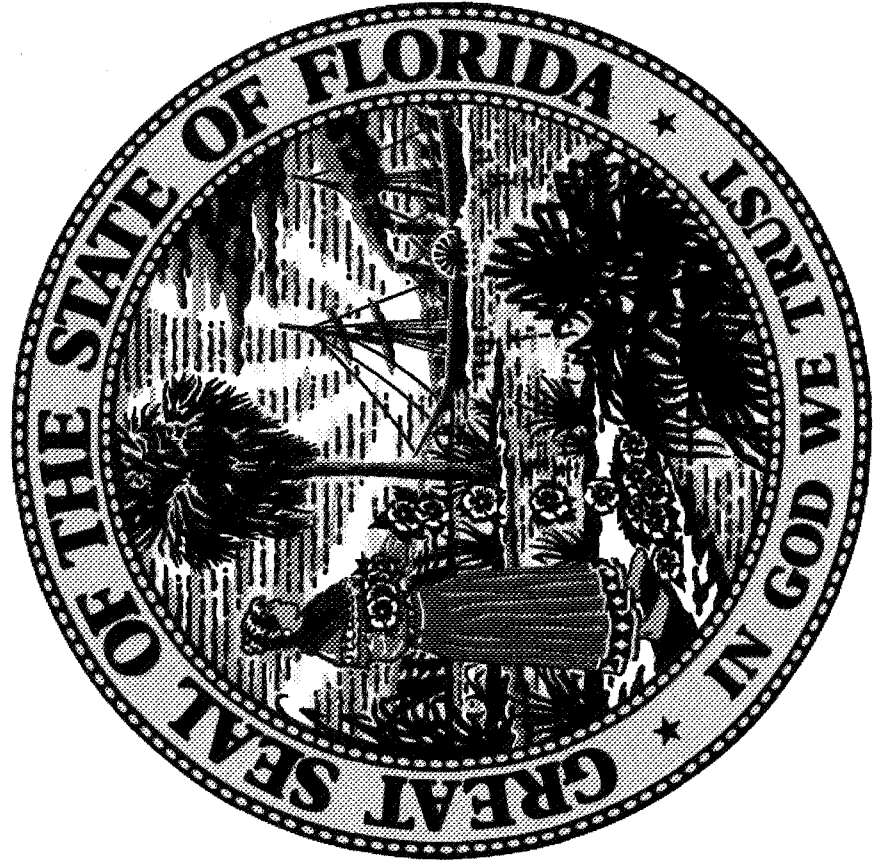
FILM Office Operations – 5 Positions

838,555

-

838,555

Thank You!

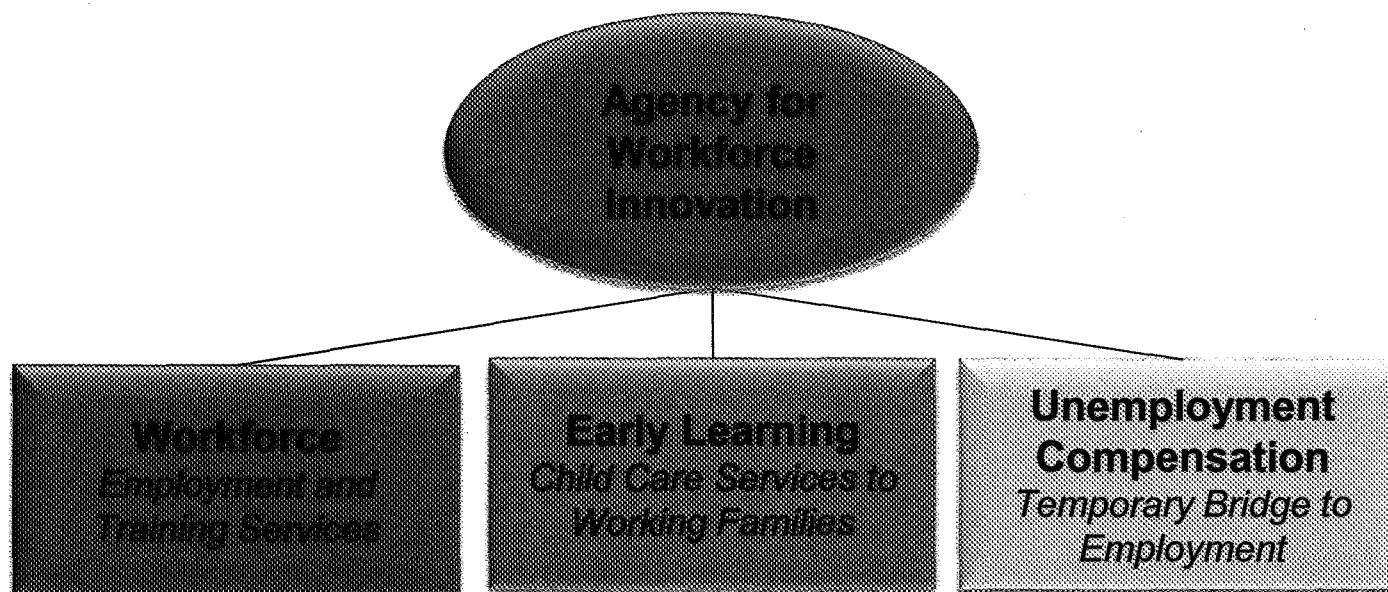




Agency Overview

January 25, 2011

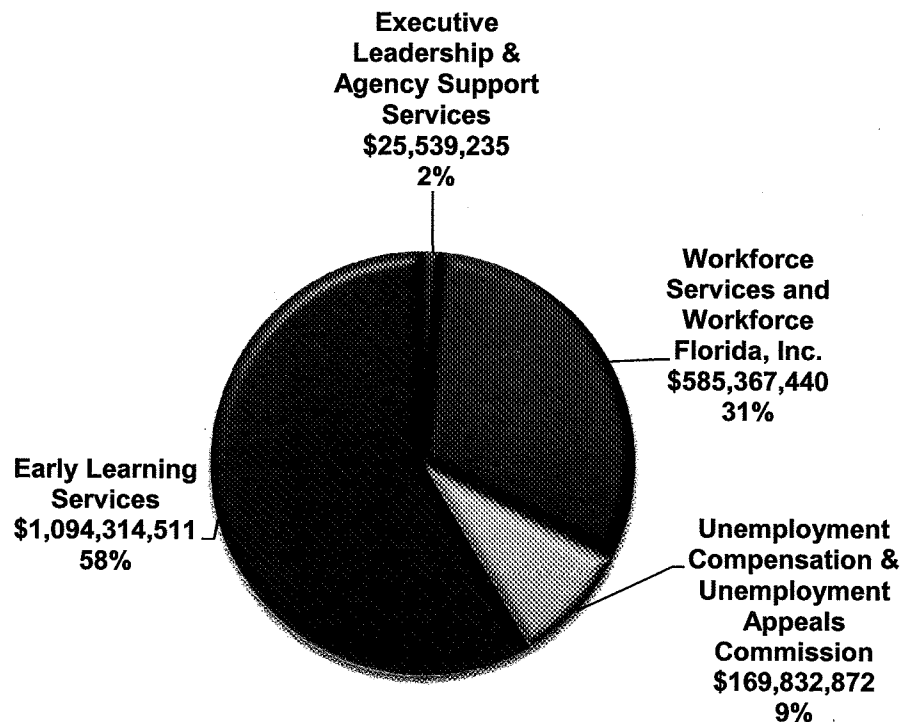
Core Customer Services



The Agency for Workforce Innovation is dedicated to advancing the economic well-being and self-sufficiency of all Floridians through premier early learning, workforce and unemployment compensation services.



AWI Operating Budget

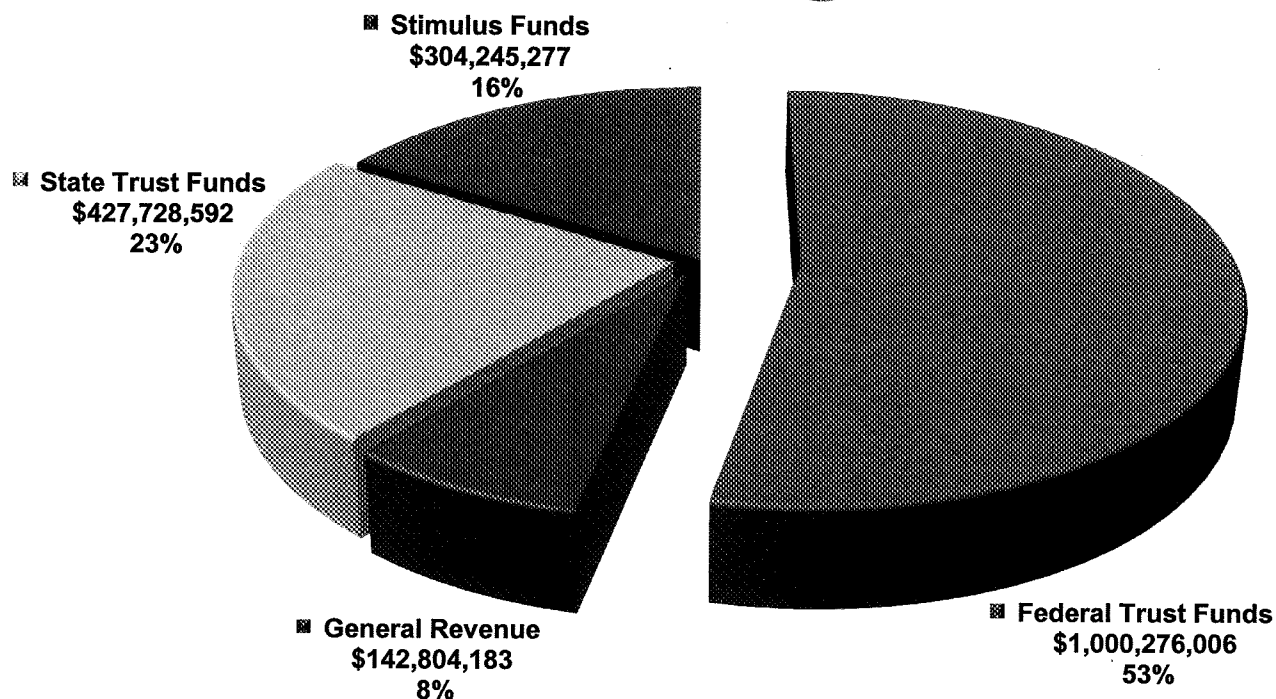


\$1,875,054,058 Total Operating Budget
1,575 Full Time Equivalent Positions

Source – FY 2010-11 General Appropriations Act



AWI Operating Budget by Funding Source



\$1,875,054,058 Total Operating Budget

Source – FY 2010-11 General Appropriations Act



Overview of Florida's Workforce System

Workforce Florida, Inc.

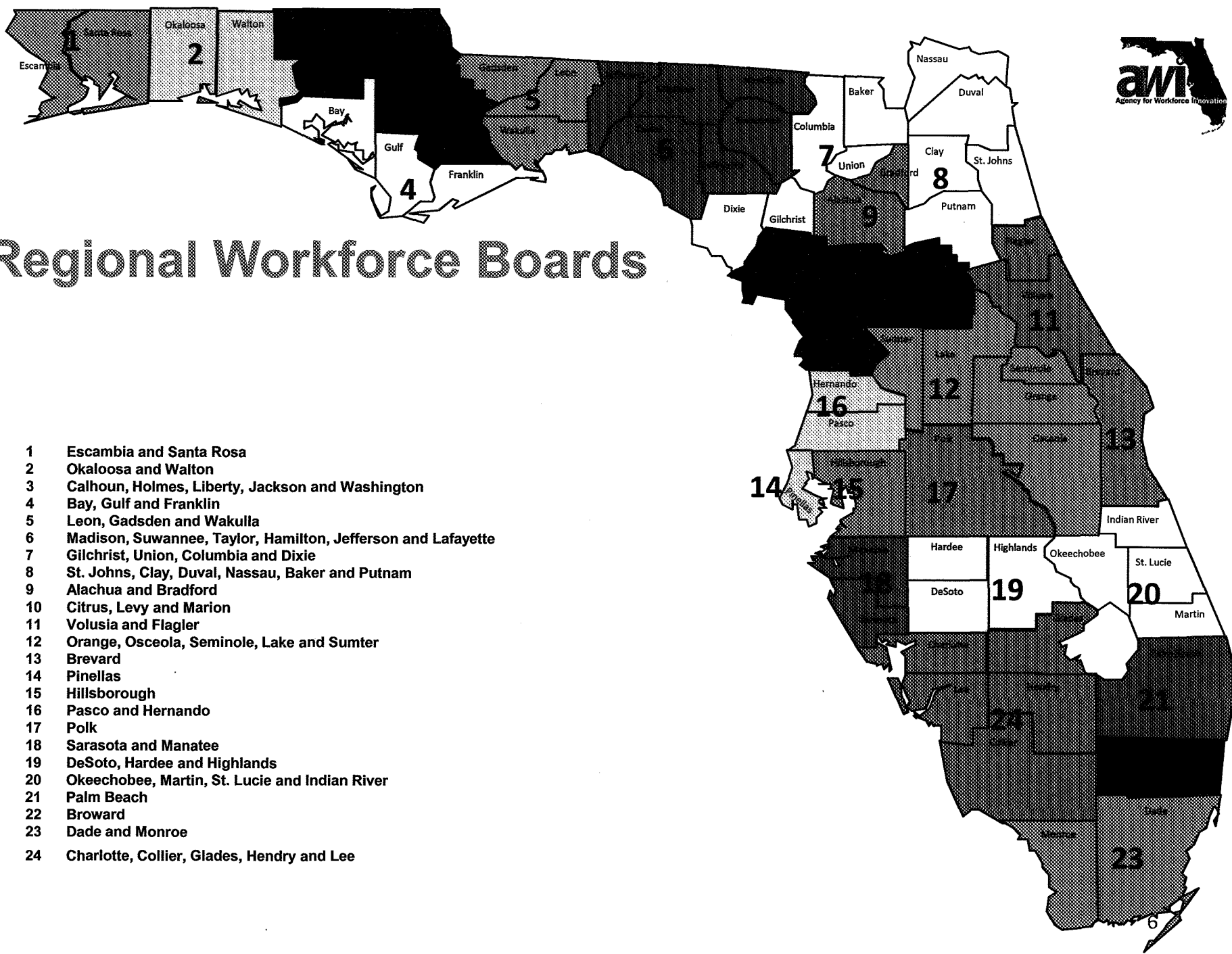
- Strategic Planning
- Research & Development
- Policy Direction
- Budget Approval
- Funding Allocations
- Chartering Regional Boards
- Local Workforce Board Plan Approval

Agency for Workforce Innovation

- Program Development & Guidance
- Performance Management & Oversight
- Federal Performance & Financial Reporting
- Compliance & Financial Monitoring
- Technical Assistance & Support
- Workforce Staff Training & Development
- Labor Market Information

24 Regional Workforce Boards

- Operation of local One-Stop Career Centers
- Workforce Service Delivery to Job Seekers and Employers
- Local Workforce Plan Development & Implementation
- Local Compliance & Financial Oversight and Accountability
- Local Workforce Performance & Financial Tracking and Reporting



Regional Workforce Boards

- 1 Escambia and Santa Rosa
- 2 Okaloosa and Walton
- 3 Calhoun, Holmes, Liberty, Jackson and Washington
- 4 Bay, Gulf and Franklin
- 5 Leon, Gadsden and Wakulla
- 6 Madison, Suwannee, Taylor, Hamilton, Jefferson and Lafayette
- 7 Gilchrist, Union, Columbia and Dixie
- 8 St. Johns, Clay, Duval, Nassau, Baker and Putnam
- 9 Alachua and Bradford
- 10 Citrus, Levy and Marion
- 11 Volusia and Flagler
- 12 Orange, Osceola, Seminole, Lake and Sumter
- 13 Brevard
- 14 Pinellas
- 15 Hillsborough
- 16 Pasco and Hernando
- 17 Polk
- 18 Sarasota and Manatee
- 19 DeSoto, Hardee and Highlands
- 20 Okeechobee, Martin, St. Lucie and Indian River
- 21 Palm Beach
- 22 Broward
- 23 Dade and Monroe
- 24 Charlotte, Collier, Glades, Hendry and Lee



Workforce Services Fast Facts

- Nearly 100 One-Stop Career Centers statewide.
- From October 1, 2009 - September 30, 2010, Florida's workforce system provided services to:
 - 3.1 million job seekers
 - 33,600 employers
- Employ Florida Marketplace – employflorida.com – had nearly 227,000 job openings listed for the week ending January 8, 2011.



Early Learning Services

School Readiness

- Child care financial assistance for low income working families with children, primarily between the ages of birth to five.

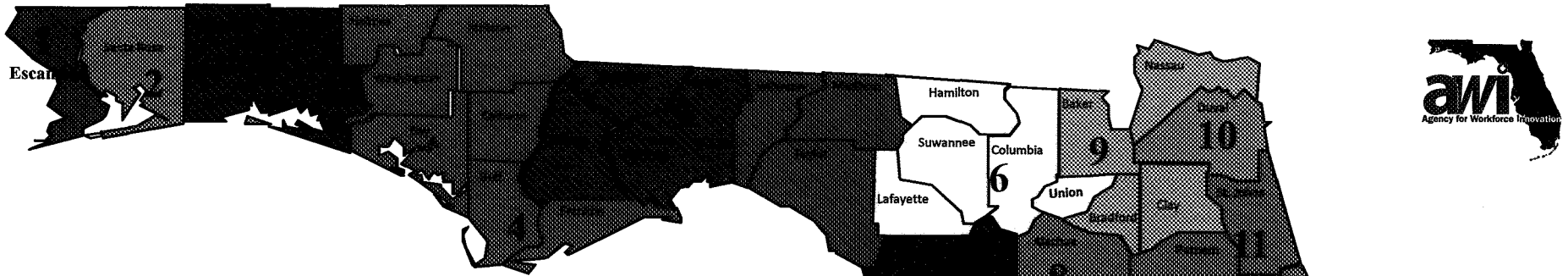
Voluntary Prekindergarten (VPK)

- Free high-quality education program to prepare every four-year-old child in Florida for kindergarten.

Child Care Resource & Referral

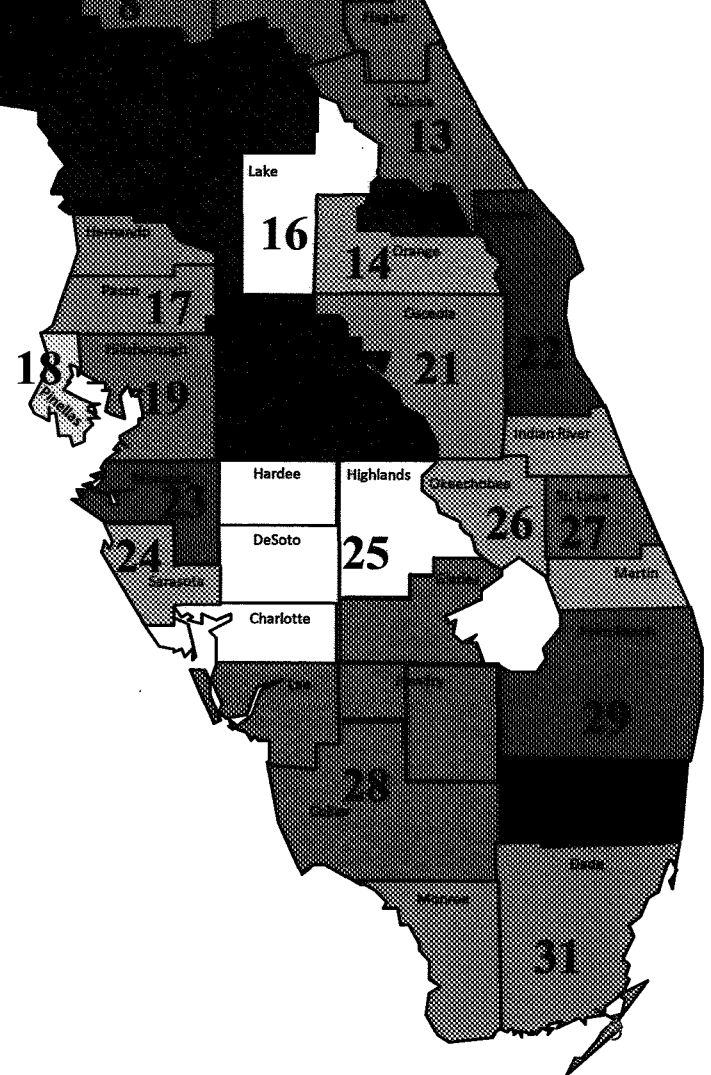
- Information and referral services for families seeking child care.
- Training and technical assistance for providers to enhance quality of care or expand capacity for services.

Florida Statutes:
Chapter 411 (School Readiness)
Chapter 1002, Part V (Voluntary Prekindergarten)



Early Learning Coalitions

- 1 ELC of Escambia
- 2 ELC of Santa Rosa
- 3 ELC of Okaloosa & Walton Counties
- 4 ELC of North West Florida
- 5 ELC of the Big Bend Region
- 6 ELC of Florida's Gateway
- 7 ELC of the Nature Coast
- 8 ELC of Alachua
- 9 ELC of CNBB
- 10 ELC of Duval
- 11 ELC of St. Johns & Putnam
- 12 ELC of Marion
- 13 ELC of Flagler & Volusia Counties
- 14 ELC of Orange
- 15 ELC of Seminole
- 16 ELC of Lake
- 17 ELC of Pasco & Hernando Counties
- 18 ELC of Pinellas
- 19 ELC of Hillsborough
- 20 ELC of Polk
- 21 ELC of Osceola
- 22 ELC of Brevard
- 23 ELC of Manatee
- 24 ELC of Sarasota
- 25 ELC of Florida's Heartland, Inc.
- 26 ELC of Martin, Okeechobee, Indian River
- 27 ELC of St. Lucie
- 28 ELC of Southwest Florida
- 29 ELC of Palm Beach
- 30 ELC of Broward
- 31 ELC of Miami/Dade & Monroe



Early Learning Fast Facts



School Readiness

- 2009-10 School Readiness Program - Enrollment: 240,912; Wait list: 88,979
- Typical family served – Family of three, average income of \$19,000
 - Child care cost with School Readiness - \$1,330 (7% of annual income)
 - Child care cost without School Readiness - \$10,000 (53% of annual income)
- \$1.00 investment in School Readiness = \$8.00 savings in other mandatory governmental assistance.

Voluntary Prekindergarten

- 2009-10 VPK enrollment: 156,867 four-year-old children (67% of all Florida four-year-olds).
- According to Department of Education kindergarten readiness rates, children who complete VPK are significantly better prepared for kindergarten.



Unemployment Compensation Services

Core Processes

- Process initial and continued claims
- Administer benefit payments
- Administer appeals process

Tax Collection

- Unemployment Tax collection by contract with Florida Department of Revenue

Unemployment Compensation Fast Facts



	<u>2007</u>	<u>Now</u>
Unemployment rate	4.7% (Dec 2007)	12.0% (Dec 2010)
Customers	587,956	1.3 million (Calendar 2010)
Benefits paid	\$1.1 billion	\$7.1 billion (Calendar 2010)
Calls to Call Center	137,000 (per month)	543,000 (per month)
Total employees	535	1,630
Total phone lines	736	2,093
Call Center hrs/wk	45 hours	73 hours



Kevin Thompson

Administrative Services Director

245-7335

Kristin Pingree

Budget Director

245-7119

Curt Siegmeister

Legislative Affairs Director

245-7148

Florida Department of Community Affairs Agency Overview

MISSION

The mission of the Department of Community Affairs (DCA) is to meet the needs of Floridians by working with local governments to create more livable, economically viable, and sustainable communities. The Department carries out its mission by encouraging well-planned growth and development that is consistent with Florida's planning goals and requirements; promoting and providing support for economic development; working with local, regional, and state agencies to provide intergovernmental coordination in addressing growth and development issues; and protecting the lives of Floridians. All of the Department's complementary divisions and programs provide technical and/or economic assistance to local governments in addressing a wide range of community development issues: land use planning and growth management; economic development; infrastructure; neighborhood revitalization; land acquisition for parks, recreation, and environmental preservation; home energy assistance; housing rehabilitation; low-income assistance; disaster recovery; special districts; and building codes and standards.

Regarding local comprehensive planning and growth management, DCA is not a permitting agency. It does not issue development orders or grant permits or approvals for rezonings, subdivision plats, site plans, or building permits. Development permitting is handled by local governments. While DCA does have the authority to review and approve or disapprove local comprehensive plan amendments, the agency's decisions are subject to review by administrative law judges, the Administration Commission (Governor and Cabinet), and the district courts of appeal.

OFFICE OF THE SECRETARY

The Office of the Secretary guides the key programmatic and administrative functions of the Department of Community Affairs, including legislative, intergovernmental, and public affairs; fiscal and resource management; personnel; information technology; inspector general; and legal. It sets policy direction for the programs within the Division of Housing and Community Development and Division of Community Planning, while serving as the central point of contact for the public and elected officials at all levels of government. Located within the Office of the Secretary is also the Florida Communities Trust Program.

Florida Communities Trust

The Florida Communities Trust is a land acquisition and growth management grant program that helps communities strengthen local comprehensive plans through two competitive grants.

- Furthers local government comprehensive plans and fosters public and public-private partnerships in land acquisition.

- Improves the quality of life in Florida's communities through acquisition of land for parks; public access to the waters of the state; and preservation of Florida's seafood and aquaculture industries.
- Preserves cultural and historic locations important to communities throughout Florida and the state as a whole.
- Promotes economic growth and revitalization in local communities through nature-based tourism.
- Provides Florida's citizens and visitors with increasing opportunities for recreational activity.
- Provides local governments the opportunity to leverage local dollars with state dollars, optimizing conservation benefits.

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

The Division of Housing and Community Development provides formula-based grants to eligible local governments for infrastructure, community improvements, revitalization of commercial areas, housing rehabilitation, and economic development projects.

The Division also provides funding to communities to assist persons with critical needs such as food, clothing, housing, health care, and utilities, and administers the statewide building code.

Community Development Block Grants

The Small Cities Community Development Block Grant Program, funded through the U.S. Department of Housing and Urban Development, provides grant funding to small municipalities and counties to build the public infrastructure needed to attract investment and promote economic growth.

- Awards grants for local projects that rehabilitate and preserve housing; improve water, sewer, drainage, and streets; stimulate economic development including the creation and retention of jobs; revitalize downtowns; and create parks and recreational opportunities.
- Administers the Disaster Recovery Program, which has provided more than \$280 million to help Florida's communities continue to recover from the 2004 and 2005 hurricane seasons and almost \$106 million for the 2008 storms that impacted Florida.
- Administers the new, federally-authorized Neighborhood Stabilization Program, providing almost \$100 million to assist local governments with acquiring and rehabilitating foreclosed or abandoned property.
- Administers \$7.5 million in federal Stimulus funding, providing grant awards to small local governments for "shovel-ready" revitalization projects.

Community Assistance

The Community Assistance Section administers federally-funded programs that serve the most vulnerable citizens of our state. These are formula-based funds and are allocated according to low-income eligible populations within the state.

- **Community Services Block Grant Program**

- Provides a wide range of anti-poverty programs based upon the specific needs and resources of the community.
- Assists low-income individuals in becoming self-sufficient. Local service agencies provide assistance such as tuition, books, literacy classes, job readiness preparation, child day care, transportation assistance, and job counseling, placement, and training services.
- Provides meals, food, rent or mortgage assistance, medicine, and transportation to the elderly.
- Administers \$29.1 million in federal Stimulus funding, with a heavy focus on employment-related assistance for low-income individuals.

- **Low-Income Home Energy Assistance Program**

- Meets the costs of home heating and cooling for eligible low-income consumers through grants to local governments and non-profit agencies.
- Administers \$70 million in supplemental federal funding.

- **Weatherization Assistance Program**

- Performs energy saving repairs and/or replacement of inefficient energy consumption appliances on eligible low-income homes.
- Reduces the monthly energy burden on low-income households by improving the energy efficiency of the home, including modular and mobile homes.
- Administers \$175.9 million in federal Stimulus funding, as well as \$7 million in supplemental federal funding.

Front Porch Florida Program

The Front Porch Florida program provides distressed communities the opportunity to renew and revitalize their neighborhoods while becoming self-sufficient within their respective communities.

- Educates, trains, and provides technical assistance and access to resources for the residents of these distressed communities.

Codes and Standards

The Codes and Standards Section provides administrative support to the Florida Building Commission. The Commission updates and amends the Florida Building Code, evaluates local amendments, maintains consistent interpretation of the Code, and conducts product approval.

- Protects the residents of this natural-disaster prone state through the replacement of Florida's patchwork of codes and regulations with a statewide, unified building code.
- Makes the local building process more efficient, increases accountability, brings new and safer products to the market, and increases consumer confidence.
- Furthers the Governor's and Legislature's global climate change initiatives, including improving the efficiency of new buildings through revisions to the Florida Energy Code and adoption of a model Green Building ordinance.
- Enhances the quality of life for seniors and persons with disabilities by adopting standards for architectural accessibility of facilities and buildings through the Florida Accessibility Code.

Special District Information

The Special District Information program administers the Uniform Special District Accountability Act of 1989 (Chapter 189, F.S.), which provides the general operating provisions for special districts and permits municipalities and counties to establish special districts to address community needs and issues.

- Improves governmental efficiency by continuously collecting, categorizing, updating, and disseminating information about Florida's 1,620-plus special districts to more than 685 state and local agencies through the Official List of Special Districts Online.
- Helps special districts comply with their accountability requirements for state and local agencies and the public.

DIVISION OF COMMUNITY PLANNING

The Division of Community Planning is a vital component of Florida's integrated framework for comprehensive planning. The Division establishes administrative rules to carry out legislative requirements, provides technical assistance and guidance to local governments and citizens seeking to plan for the future of their community, and exercises an oversight and quality control function that protects Florida's communities against poorly planned development that would debilitate the future of the state.

Comprehensive Planning

Florida Statutes provide a framework for comprehensive planning to encourage the most appropriate use of land, water, and resources consistent with the public interest; facilitate the adequate and efficient provision of transportation, water, sewerage, schools, parks, recreational

facilities, housing, and other services; conserve, develop, utilize, and protect natural resources; encourage cooperation and coordination among local governments and state and regional agencies to plan effectively for the future; and ensure opportunities for public participation.

- Since 2007, the Department reviewed approximately 71,199 comprehensive plan amendments.
- Enhances economic development and positions local governments to take advantage of employment-related development opportunities by targeting lands appropriate for business and industry and coordinating necessary infrastructure and marketing. Since January 2007, the Department has approved comprehensive plan amendments that allow for 558,400 additional residential units and 1.4 billion square feet of non-residential space.
- Creates healthy and viable communities while reducing greenhouse gas emissions through mixed land use patterns that reduce vehicle miles traveled to shop and work, enables the economical delivery of public facilities and services, and allows citizens to live, work, and shop in their communities.
- Prevents the premature conversion of agricultural land, preserves open space and rural character, and avoids environmental damage and degradation of quality of life for Florida's citizens by directing growth to appropriate locations.
- Discourages sprawl by directing development to urban areas served by existing infrastructure thereby maximizing the use of public facilities and saving taxpayer dollars.
- Coordinates growth and development with the availability of public facilities, such as roads, water, sewer, and schools, for the benefit of Florida's residents and visitors.
- Protects life and property in coastal areas by directing population concentrations away from coastal high hazard areas.
- Promotes the availability of affordable and workforce housing and improves the quality of life for lower-income families by requiring local government housing policies and programs.
- Encourages citizen engagement in deciding the future of their communities.

Developments of Regional Impact (DRI)

The DRI process provides for state, regional, and local review of large scale development proposals which, because of their character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens in more than one county. There are over 842 approved DRIs in the state.

- Serves to protect regionally significant natural resources.
- Mitigates impacts on regionally significant public facilities and affordable housing.
- Provides a collaborative, coordinated, practical, and meaningful intergovernmental review by focusing the experience and resources of federal, state, and regional agencies to help local governments address extra-jurisdictional impacts.

Areas of Critical State Concern (ACSC)

Through the vitally important ACSC program, the Division works to protect natural resources of regional or statewide importance including those within the Big Cypress Swamp, Green Swamp, City of Apalachicola, and Key West and the Florida Keys.

- Protects tropical hardwood hammocks; provides adequate wastewater treatment; and maintains safe hurricane evacuation time in the Florida Keys.
- Maintains natural areas and groundwater quality and recharge in the Green Swamp.
- Provides much needed planning assistance to the cities of Key West and Apalachicola.
- Ensures proper implementation of plans and land development regulations within each of the ACSCs.

State Planning Initiatives

The Division directs planning expertise toward state planning initiatives as identified below. Personnel in this area provide support for the core oversight responsibilities, implement multiple planning initiatives, and work to assist local governments and the public.

- **Transportation and Land Use Planning**
 - Provides technical expertise to determine future mobility needs for communities and to identify the specific impacts from development proposals.
 - Helps coordinate land use and transportation decision-making at state, regional, and local levels of government.
 - Promotes strategies to reduce greenhouse gas emissions through compact, mixed-use land use patterns and travel alternatives.
- **Hazard Mitigation Planning**
 - Helps reduce a community's vulnerability to natural disasters by increasing understanding of the hazards and providing technical assistance to plan for long term recovery following a disaster.
 - Coordinating land use with evacuation capacity.
- **Waterfronts Florida**
 - Provides intensive technical assistance to waterfront communities to revitalize, renew, and promote interest in their waterfront districts.
 - Furthers local government comprehensive plans and creates local visions that emphasize protection of environmental resources, promote public access, retain viable traditional waterfront economies, and address hazard mitigation.
 - Brings community members together and builds local capacity.

- **Military Base Encroachment**
 - Promotes coordination between military installations and host communities to ensure that development is compatible with the mission of military installations.
 - Ensures economic vitality by minimizing the likelihood of future base realignment and closures due to incompatible urban encroachment.
 - Avoids threats to public safety that could occur due to the possibility of accidents occurring within the areas surrounding a military installation.

- **Rural and Natural Resource Planning**
 - Promotes sound land use planning and economic development in rural communities.
 - Provides assistance to local governments and the public to reduce the impacts of development on groundwater and to protect the quantity and quality of Florida's spring systems.
 - Coordinates with federal, state, and local agencies on environmental protection, and the development and use of natural resource data.
 - Provides technical assistance to rural communities.
 - Assists with implementation of the Comprehensive Everglades Restoration Plan.
 - Works with water management districts, local governments, and utility providers to plan for future water supply.
 - Assists with state decision-making on the siting of electrical generation plants.

- **Plan Processing**
 - Maintains a publicly accessible data base and record keeping system for comprehensive planning and developments of regional impact.
 - Assists local governments with statutorily required procedures.
 - Provides Web-based information on comprehensive plan and plan amendments.

FLORIDA DIVISION OF EMERGENCY MANAGEMENT

The Department of Community Affairs provides administrative, legal, and inspector general services to the Florida Division of Emergency Management to ensure that the hundreds of millions in federal emergency management funds are properly contracted and disbursed to local governments each year to help them prepare for, respond to, and recover from disasters.

DIVISION OF EMERGENCY MANAGEMENT

FY 2010-11 Funding: \$461,309,977 136 FTE

FY 2011-12 Funding: \$235,719,977 136 FTE

The Division of Emergency Management's mission is working together to ensure that Florida is prepared to respond to emergencies, recover from them, and mitigate against their impacts.

The Division of Emergency Management administers five major programs:

- **Policy & Financial Management**
 - **Budget** – develops and allocates division budget, obtains budget authority for state/federal programs and coordinates with other state finance officers during activations.
 - **Finance** – prepares and submits grant applications, reconciles close outs of grant awards, creates funding codes for identification of each award, monitors and tracks division expenditures and provides financial management technical assistance to division program managers.
 - **Procurement/Travel** – processes division requisitions for purchases within MyFloridaMarketplace, assists program staff in obtaining quotes, coordinates the advertising of formal solicitations, handles travel reimbursements for all division staff, manages contracts/sub grant agreements related to local base grants, fixed capital outlay projects, Civil Air Patrol and the Commission on Community Service.
 - **Domestic Preparedness** – administers the Department of Homeland Security Grant Programs which include:
 - **State Homeland Security Grant Program**
 - **Urban Area Security Initiative Grant Program**
 - **Community Emergency Response Team Grant Program**
 - **Metropolitan Medical Response System Grant Programs**
 - **Transit Security Grant Program**
 - **Law Enforcement Terrorism Prevention Grant Program**
 - **Interoperable Communication Grant Programs**
 - **Non-Profit Security Grant Program**
 - **Buffer Zone Grant Program**

- **Preparedness** – DEM’s Bureau of Preparedness is responsible for implementation of:
 - **Natural Hazards** – ensures that the State Emergency Response Team is prepared for prompt, efficient response and recovery to protect the lives and property affected by natural disasters. Planning programs administered are the Comprehensive Emergency Management Planning, Continuity of Operations, Hurricane Program (Regional Evacuation Studies), and Catastrophic Planning.
 - **Technological Hazards** – serves as staff support to the State Emergency Response Commission which administers the federal Emergency Planning and Community Right-To-Know Act, Florida Hazardous Materials Emergency Response and Community Right-To-Know Act and the Florida Accidental Release Prevention and Risk Management Planning Act. Additionally, is responsible for coordination of the planning and response for nuclear power plant emergencies with federal, state and local agencies for the three Florida sites and one Alabama site.
 - **Training and Exercise** –coordinates the delivery of training and exercises in the field for primarily county and municipal responders, division staff, and members of the State Emergency Response Team.
- **Response** – DEM’s Bureau of Response is responsible for implementation of:
 - **Logistics** – responsible for division communications, alert and notifications, radio frequencies and satellite systems, Statewide Interoperable Communications, property accountability, fleet management, facilities and Mutual Aid/Emergency Management Assistance compact (EMAC), and the State Logistics Response Center.
 - **Operations** – monitors the day to day incidents, activities, and events within the State of Florida that could require a State response, operational readiness of the State Emergency Operations Center, meteorology, and the State Watch Office operations. The State Watch Office is a 24 hour/365 day a year operation that provides the people of the State of Florida and the division with efficient and effective communications during normal periods as well as pre-and-post disaster periods and to serve as the contact point in Florida for communications between local governments and emergency agencies, state government agencies and the federal government..
 - **Regional Coordination** – supports the activities of the seven regions using regional coordinators as division liaisons to the local governments and communities. Provides the first line of support to the community on all emergency management issues including local plan development, contract, grant and mitigation information.
 - **Infrastructure** – provides technical assistance to county governments with locating, identifying and retrofitting hurricane shelters, responsible for the state shelter deficit reduction project, statewide emergency shelter plan and the Homeland Security Emergency Operations Center Grant projects.

- **Recovery** – DEM’s Bureau of Recovery is responsible for the implementation of:
 - **Public Assistance** – provides assistance to state, tribal and local governments and certain types of private non-profit organizations so that communities can quickly response to and recover from major disaster or emergencies declared by the president. The state manages this program as the grantee from the Federal Emergency Management Agency (FEMA) for all subgrants awarded to local eligible jurisdictions and agencies within the State of Florida.
 - **Individual Assistance** – coordinates assistance provided to individuals, households, and businesses recovering from disaster or emergency impacts.
 - **Environmental and Debris** – educates stakeholders in debris and environmental issues, conducts outreach to encourage preparedness and to provide technical assistance with regulatory compliance during all phases of the emergency management process.
 - **Florida Recovery Office** – The Florida Recovery Office was established in 2005 due to the large number of disaster events (9) that occurred between 2004 and 2005. It is staffed by FEMA and State personnel. The purpose of the FRO is to manage the public assistance grants for the open 2004 and 2005 disaster events.
- **Mitigation** – DEM’s Bureau of Mitigation is responsible for the implementation of:
 - **Hazard Mitigation** – provides assistance to state, local governments, private non-profit organizations and Indian Tribes in implementing long-term hazard mitigation measures following a major disaster.
 - **National Flood Insurance** – coordinates floodplain management and development. The program helps state, county and municipalities and agencies to develop, implement, and maintain appropriate floodplain management regulations.
 - **Non-Disaster Mitigation** – administers the following state and federal mitigation assistance grant programs:
 - **Pre Disaster Mitigation Grant Program**
 - **Residential Construction Mitigation Grant**
 - **Flood Mitigation Assistance Grant Program**
 - **Repetitive Flood Claims Grant Program**
 - **Severe Repetitive Loss Grant Program**

FY 2010-11 Division Budget

Total Budget: \$461,309,977
 Federal Trust Funds: \$418,025,325
 State Trust funds: \$43,284,652
 No General Revenue

89% - Pass Through to local governments, state agencies, non-profits, and municipalities
 91% - Federal Funding
 90% - Federally Declared Disaster funding (non-recurring)
 3% - Recurring administrative funding

**FY 2011-12
Recurring "Start-Up" (Base) Budget**

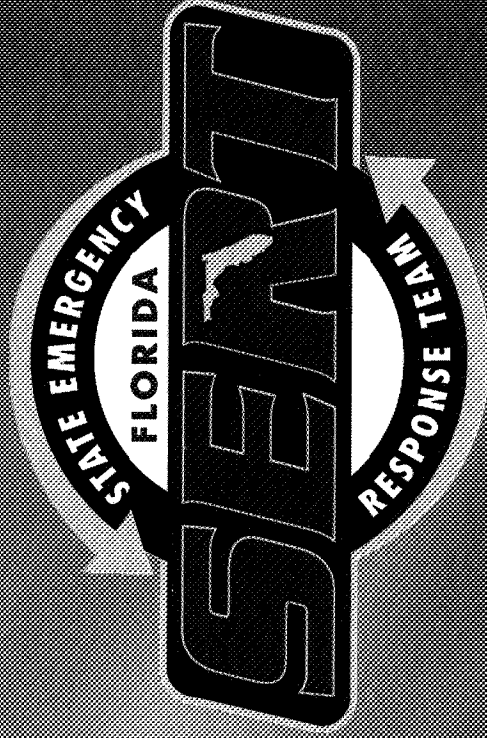
Budget Entity	FTE	GENERAL REVENUE FUND	STATE TRUST FUNDS	FEDERAL TRUST FUNDS	TOTAL FUNDS
EMEGENCY MANAGEMENT	136.00	0	21,327,513	10,823,632	32,151,145
Division Total	<u>136.00</u>	<u>0</u>	<u>21,327,513</u>	<u>10,823,632</u>	<u>32,151,145</u>

AGENCY TRUST FUND OVERVIEW

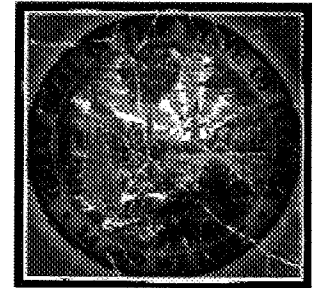
A	B	C	D
Trust Fund Title/ FLAIR #	Authorized Uses & Statutory References	Revenue Sources	Estimated Expenditures FY 10-11
EMERGENCY MANAGEMENT PREPAREDNESS & ASSISTANCE TRUST FUND (2191)	This trust fund supports division operations and provides funds for local base grants, the Commission on Community Service, the Civil Air Patrol and the State Logistics Response Center. Section 252.371, Florida Statutes	The receipts in this fund come solely from a surcharge on residential and commercial insurance policies in the state, collected by the Department of Revenue (DOR) which is then transferred to the Department of Community Affairs (DCA). DOR distributes the \$3,000,000 to DCA quarterly and then provides a "true up" distribution once the revenues have been finalized.	\$13,398,368
GRANTS & DONATIONS TRUST FUND (2339)	This trust fund supports division operations and provides state match for federally declared disasters, Radiological Emergency Preparedness, Residential Construction Mitigation and Hurricane Shelter Retrofits. Sections 252.60, 252.37 and 215.559, Florida Statutes	Receipts from Progress Energy, Florida Power and Southern Nuclear for radiological emergency preparedness, Hurricane Catastrophe Fund and state match appropriated in administered funds	\$33,894,928 (this includes federal funding that has been moved to the Federal Grants Trust Fund for FY 2011-12)
OPERATING TRUST FUND (2510)	This trust fund supports division operations and provides pass through funding related to implementation of the Community Right to Know Act and the Accidental Release Prevention and Risk Management	The receipts in this fund come solely from fees collected from industry per Section 252.85 and 252.939, Florida Statutes	\$1,969,537

	<p>Planning Act.</p> <p>Sections 252.84 and 252.938, Florida Statutes</p>		
<p>U.S. CONTRIBUTIONS TRUST FUND (2750)</p>	<p>This trust fund supports division operations and provides pass through funding for federally declared disasters. Section 252.37, Florida Statutes.</p>	<p>The primary source of funding is Federal Emergency Management Agency (FEMA) grant revenues from the Public Assistance Grant Program and the Hazard Mitigation Grant Program</p>	<p>\$386,669,430</p>
<p>FEDERAL GRANTS TRUST FUND (2261)</p>	<p>This trust fund supports division operations and provides pass through for non-disaster mitigation programs, domestic preparedness programs and other federal emergency management programs.</p> <p>Chapter 2010-21, Laws of Florida</p>	<p>The primary source of revenue is federal grant revenues from the following grants: Flood Mitigation Assistance Program, Repetitive Flood Claim Program, Severe Repetitive Loss Program, Pre-Disaster Mitigation Program, Emergency Management Performance Grant, State Homeland Security Grant Program, Urban Area Security Initiative Grants, Non-Profit Urban Area Security Initiatives, Community Assistance Program, Bufferzone Grant Program, Citizen Corps Grant Program, Emergency Operations Center Grant Program, Operation Stonegarden Grant, Transit Security Grants, Interoperable Communication Grants and Hazardous Materials Emergency</p>	<p>\$0 (fund will not be used until FY 2011-12)</p>

		Preparedness Grants.	
FEDERAL EMERGENCY MANAGEMENT PROGRAM SUPPORT TRUST FUND (2525)	This trust fund support division operations and provides pass through for non-disaster mitigation programs and federal emergency management programs. This trust fund was replaced with the Federal Grants Trust Fund for FY 2011-12.	The primary source of revenue is federal grant revenues from the following grants: Flood Mitigation Assistance Program, Repetitive Flood Claim Program, Severe Repetitive Loss Program, Pre-Disaster Mitigation Program, Emergency Management Performance Grant, and the Community Assistance Program.	\$25,377,714



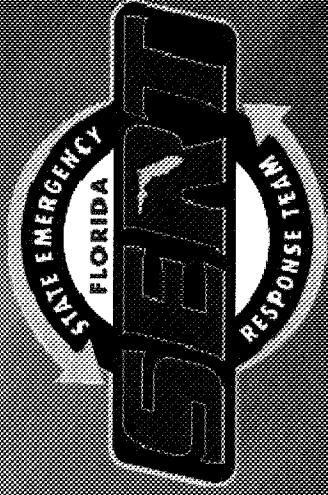
STATE OF FLORIDA
DIVISION OF
EMERGENCY MANAGEMENT
AGENCY OVERVIEW



Section 252.32, Florida Statutes authorizes the *creation of a state emergency management agency to be known as the "Division of Emergency Management,"* to authorize the creation of local organizations for emergency management in the political subdivisions of the state, and to authorize cooperation with the Federal Government and the governments of other states

Mission Statement

Working together to ensure that Florida is prepared to respond to emergencies, recover from them, and mitigate against their impacts.



Florida Division of Emergency Management



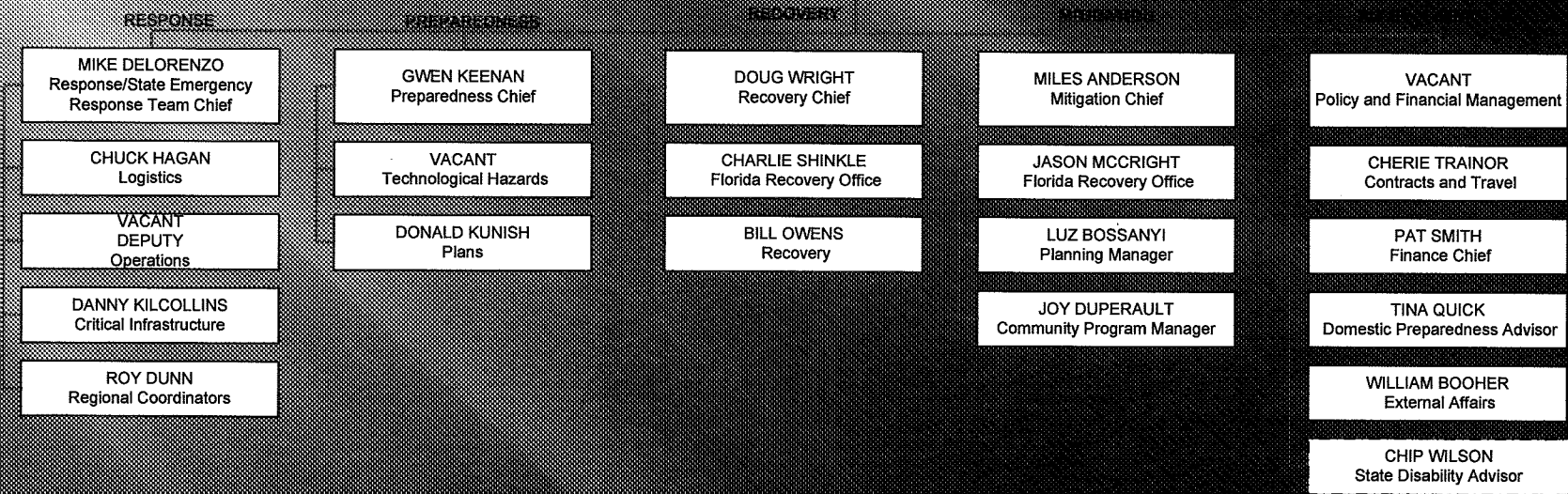
THE PEOPLE OF FLORIDA

RICK SCOTT
GOVERNOR

DAVID HALSTEAD
DIRECTOR

BUTLER STRAIN
Military Liaison

TONY ETTORE
Legal Affairs



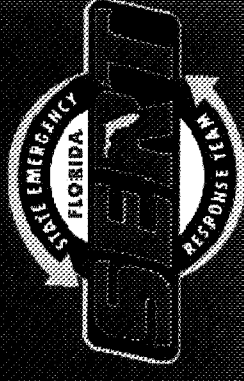
Office of the Director

- Director of the Florida Division of Emergency Management
 - 3 Staff (1 SMS, 1 CS, 1 OPS)
 - Legal Affairs Advisor (DCA employee)
 - National Guard Liaison
- Office of Policy and Financial Management
 - 48 Staff (8 SES, 24 CS, 16 OPS)
 - Budget and Finance
 - Office of External Affairs
 - State Disability Coordinator (AWI employee)
 - Information Management
 - Domestic Preparedness
 - Travel and Procurement/Contracts



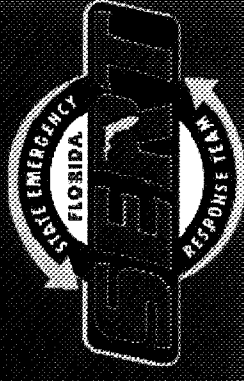
Bureau of Preparedness

- Office of the Bureau Chief
- 36 staff (8 SMS/SES, 23 CS, 5 OPS)
- Technological Hazards
- Natural Hazards
- Training and Exercise



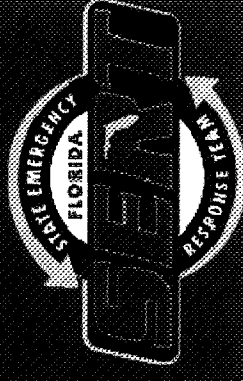
Bureau of Response

- Office of the Bureau Chief
- 42 Staff (10 SMS/SES, 23 CS, 9 OPS)
- State Watch Office
- Regional Coordination
- State Meteorology
- Logistics
- State Logistics Response Center
- Infrastructure



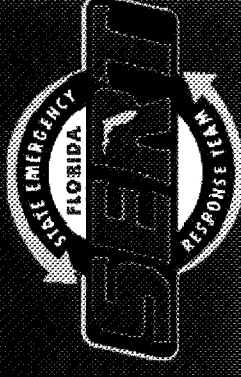
Bureau of Recovery

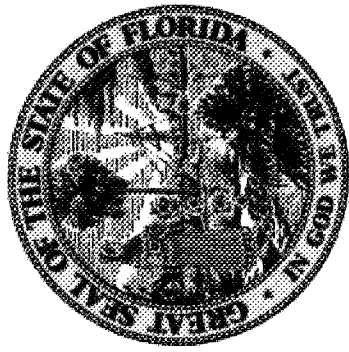
- Office of the Bureau Chief
- 112 Staff (11 SMS/SES, 7 CS, 94 OPS)
- Public Assistance
- Individual Assistance
 - Damage Assessment Teams
 - Essential Services Centers
 - Disaster Recovery Centers
 - Unmet Needs
- Environmental and Debris Section
- Florida Recovery Office



Bureau of Mitigation

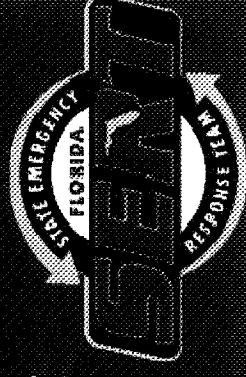
- Office of the Bureau Chief
- 58 Staff (8 SMS/SES, 12 CS, 38 OPS)
- Hazard Mitigation Grant Program
- National Flood Insurance Program
- Non-Disaster Programs





The Division's FY 2010-11 Budget

- ❖ \$461,309,977 = Total Budget
- \$418,025,325 = Federal Trust Fund
- \$43,284,652 = State Trust Fund
- \$0 = General Revenue
- 89% of the Division's budget is pass-thru
- 91% of the Division's budget are federal dollars
- 90% of the Division's budget is for federally declared disaster funding
- 3% of the Division's budget is for recurring administrative funding



Federal Disaster Declarations

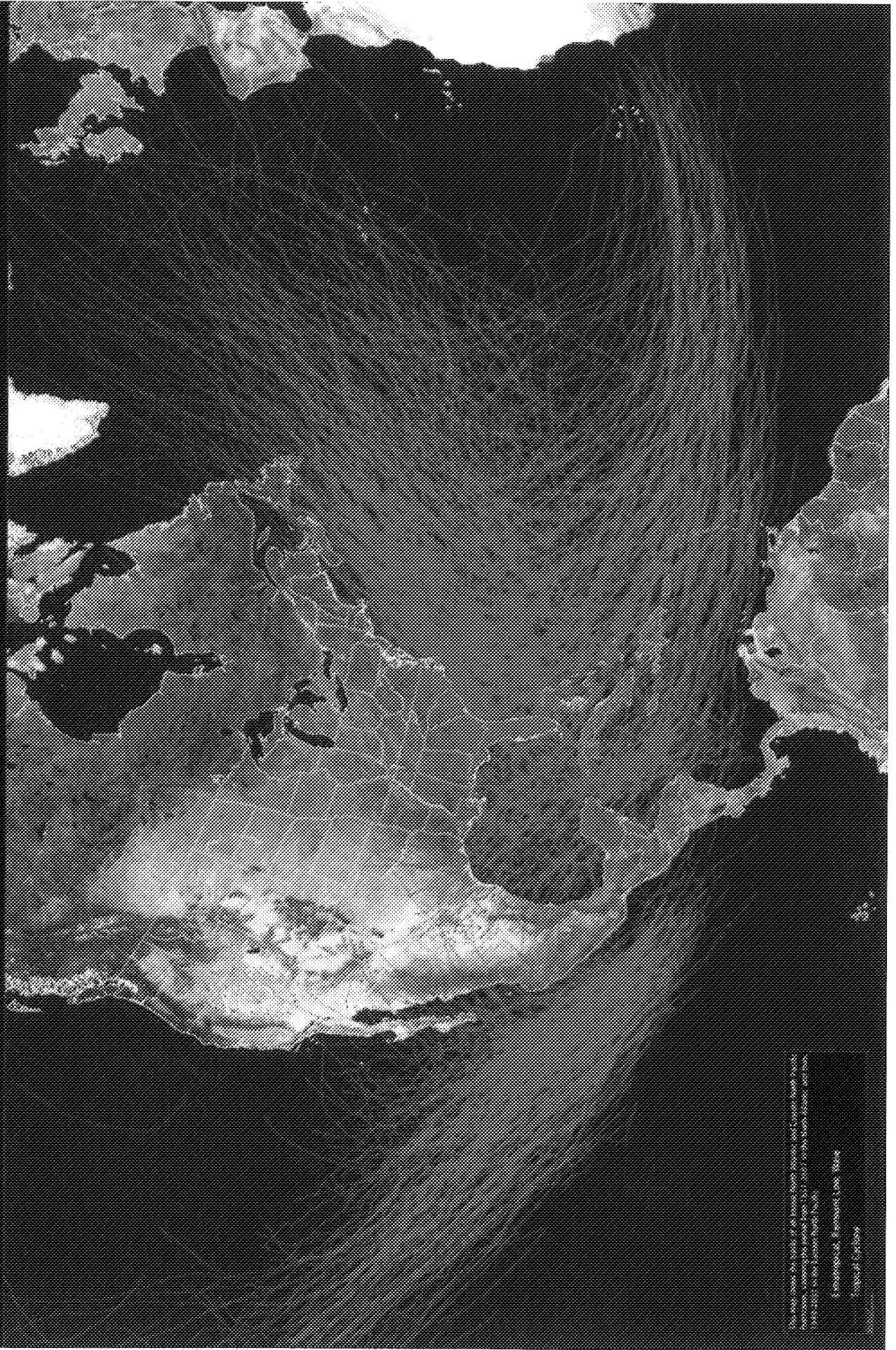
- ▣ Past 3 Years
 - 2007
 - ▣ Tornado, Groundhog Day
 - ▣ Tornado, Christmas Day
 - ▣ Okeechobee Fire Complex
 - ▣ Caloosahatchee Fire Complex
 - ▣ Black Creek Fire
 - ▣ Suwannee Fire Complex
 - ▣ Deland Fire Complex
 - ▣ 53 Big Pine Fire
 - 2008
 - ▣ Tropical Storm Fay, Statewide
 - ▣ Hurricane Ike, Panhandle
- 2008 Continued.....
 - ▣ Hurricane Gustav, Panhandle
 - ▣ Brevard Fire Complex
- 2009
 - ▣ Floods, North Florida
 - ▣ Floods, Volusia County
 - ▣ Martin County Fire Complex
 - ▣ H1N1 PanFlu
- 2010
 - ▣ Operation Haiti Relief, Earthquake *
 - ▣ Deepwater Horizon Response, Oil Spill *

*Non-Stafford Act



Hurricane History

Data from 1949 in the Pacific, from 1851 in the Atlantic



This map shows the tracks of tropical cyclones and low-pressure systems, showing the data from 1851 to 1997 in the Atlantic and from 1949 to 1997 in the Pacific. The tracks are shown in black, and the intensity of the storms is indicated by the size of the circular markers. The map is based on data from the National Hurricane Center and the National Oceanic and Atmospheric Administration.



State Emergency Operations Center Tallahassee, Florida

State Logistics Warehouse Orlando, Florida



**FLORIDA DIVISION OF
EMERGENCY MANAGEMENT**



2008 – 2013 STRATEGIC PLAN

*Florida Division of Emergency Management
2555 Shumard Oak Blvd.
Tallahassee, Florida 32309-2100
Phone: (850) 413-9969 Fax: (850) 488-1016
Adapted: July 1, 2008
Modified: December 2, 2008*

Top Strategic Objectives

- Maintain local funding.
- Enhance response capabilities.
- Increase training.




Personal Preparedness




www.FloridaDisaster.org

Build Your Own
DISASTER
Supply Kit
















MY SUPPLIES 

01:29

☆ = Required Item
⊗ = Remove Item



5/5
Taylor's Family's disaster supply kit
Finish

	All-Hazards Weather Radio	⊗
	Pillow & Blanket	⊗
	Toothbrush & Toothpaste	⊗
	Battery Powered Radio	☆
	Small Fire Extinguisher	⊗
	Important Papers	⊗
	Emergency Contact List	⊗
	Water	☆
	Flashlight	☆
	Can Opener	⊗
	Soap & Hand Sanitizer	⊗
	Local Map	⊗
	Canned Food & Snacks	☆
	First Aid Kit	⊗
	Batteries	☆

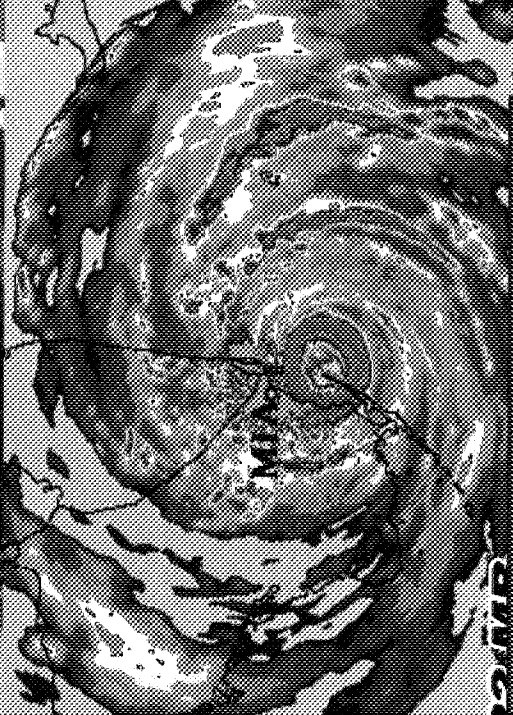
15 of 15

www.KidsGetAPlan.com

Response

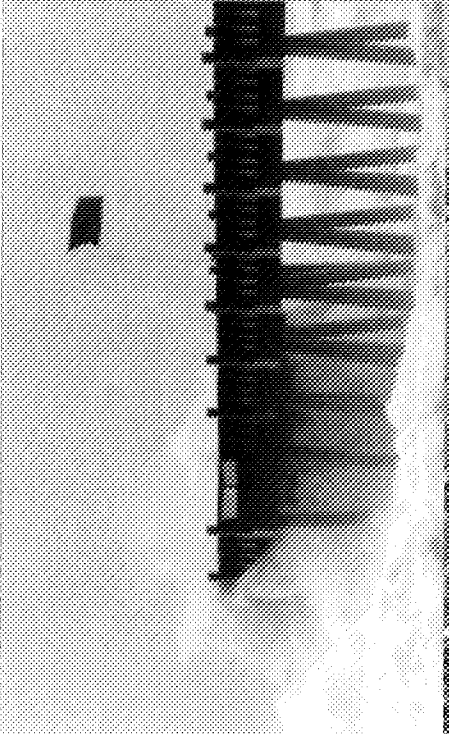
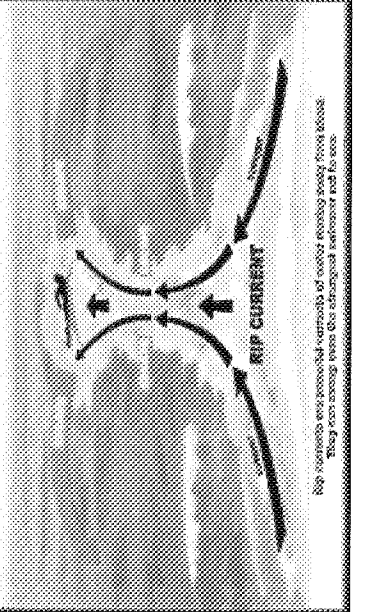


Recovery



RIP CURRENTS

Break the Grip of the Rip!



December 2010



Overview of Florida Housing Finance Corporation



227 N. Bronough St., Ste 5000 • Tallahassee, FL 32301 • 850.488.4197 • Fax 850.488.9809 • www.floridahousing.org

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Background Materials (Links)

2009 Annual Report

Chapter 420, Part V, Florida Statutes (2010) – Florida Housing Finance Corporation

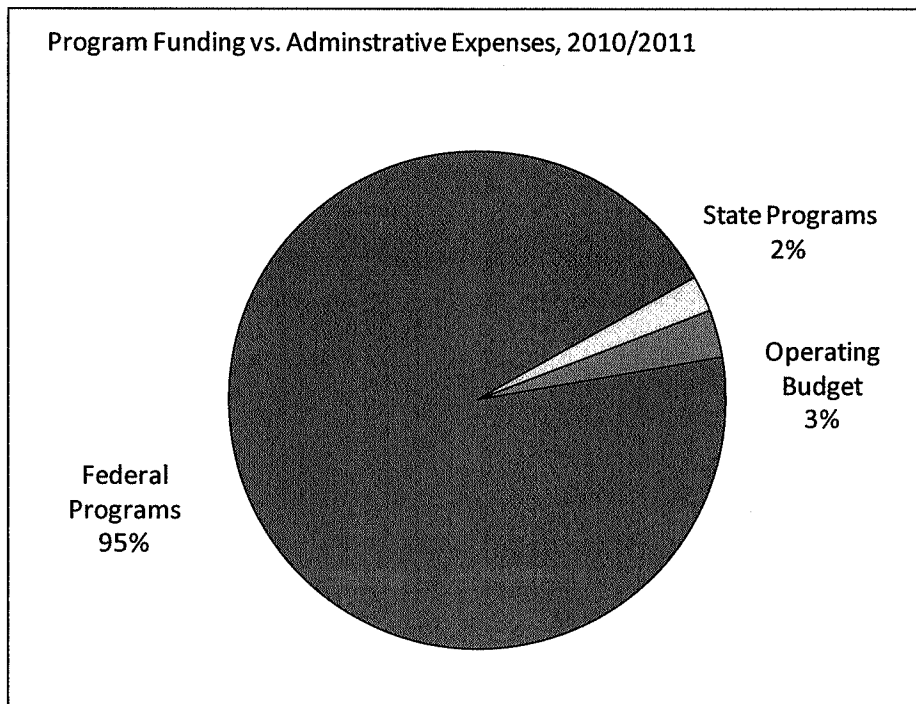
Florida Administrative Rules that Apply to Florida Housing Programs

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Overview of Florida Housing Finance Corporation's Mission and Programs

Quick Facts

- **Florida Housing Finance Corporation** (Florida Housing) is a public corporation of the State of Florida and is the state's housing finance agency. As a financial institution, Florida Housing administers federal and state resources to provide low interest financing to homebuyers and to finance the development and preservation of affordable homeowner and rental housing.
- Florida Housing is not a department of the executive branch of state government, but is an instrumentality of the State.
- Amount of state General Revenue appropriated to Florida Housing annually: None.
- Number of state employees working at Florida Housing: None.



Introduction

Florida Housing Finance Corporation is a public corporation of the State of Florida and is the state's housing finance agency. Florida Housing is a financial institution that administers federal and state resources to finance the development and preservation of affordable homeowner and rental housing and assist homebuyers with financing and down payment assistance. When the 1980 Legislature created Florida Housing's precursor, Florida Housing Finance Agency, the Agency was an arm of the Florida Department of Community Affairs (DCA) and its purpose as outlined in Section 420.502, F.S., was to:

- Better access federal housing initiatives;
- Stabilize the flow of funds for affordable housing;
- Promote affordable housing; and
- Boost Florida's construction industry.

As a result of revisions made by the 1997 Legislature, on January 1, 1998, Florida Housing became a public-private entity to reduce bureaucracy, streamline many administrative processes and operate more effectively within the real estate and financial markets. Two changes were particularly important in this regard: accelerated disbursement of trust fund dollars to the private sector and local governments, and elimination of duplicative services in the issuance of bonds. Funds disbursed by Florida Housing in loan closings for developments and homeowner mortgages, which took up to six weeks before Florida Housing became a public corporation, were processed through both DCA and the Comptroller (now the Chief Financial Officer). The lengthy process was costly to private sector partners, created construction delays and slowed down implementation of local housing programs. The 1997 legislative changes authorized Florida Housing to disburse funds directly, typically within five business days. The bond issuance process also was streamlined by authorizing Florida Housing to issue bonds directly. Prior to this change, the Division of Bond Finance issued these bonds, requiring both agencies to provide staff for this purpose. The statute still requires the State Board of Administration to approve a fiscal determination for each bond issue carried out by Florida Housing.

Florida Housing is also subject to the Government-in-the-Sunshine Law, the Public Records Act, the Administrative Procedure Act, audits by the Chief Financial Officer for the State of Florida and the State Auditor General, and various other state and federal entities.

Florida Housing is not a department of the executive branch of state government within the scope and meaning of Section 6, Article IV of the State Constitution, but is an instrumentality of the State. Florida Housing is functionally related to DCA; Sections 420.0006 and 420.504, F.S., require Florida Housing and DCA to sign a performance contract outlining the conduct of business by the Corporation.

Section 420.507, F.S., assigns responsibilities to Florida Housing, which are summarized below:

- To carry out analyses of housing needs within the state and ways of meeting those needs;
- To participate in federal housing assistance and federal community development, insurance and guarantee programs;
- To develop and administer the state rental and homeownership programs as outlined by statute;

-
- To designate and administer private activity tax exempt bond allocation received by Florida Housing pursuant to Part VI of Chapter 159 between the single family and multifamily programs;
 - To set standards for and monitor compliance of residential housing financed by Florida Housing; and
 - To conduct demonstration programs and projects which further the statutory purposes of Florida Housing.

Florida Housing is governed by a nine member Board of Directors appointed by the Governor and subject to Senate confirmation, with the following interests represented pursuant to Section 420.504 (3), F.S.:

- Residential home building industry;
- Commercial building industry;
- Banking or mortgage banking industry;
- Home building labor representative;
- Low income advocate with experience in housing development;
- Former local government elected official;
- Two Florida citizens who are none of the above; and
- The Secretary of the Florida Department of Community Affairs (ex officio).

The Board typically meets eight times per year. Day to day operations are managed by Florida Housing's executive director, who is appointed by the DCA Secretary with the advice and consent of the Board, and a staff of about 120.

As a financial institution, Florida Housing works with a variety of entities to finance affordable housing: private lenders and investors, mortgage and bond insurers, the Federal Home Loan Banks, liquidity facility providers, government sponsored enterprises (GSEs), federal agencies, for profit and nonprofit developers and property managers, local governments, public housing authorities and local housing finance authorities. In developing and implementing program priorities, the Florida Housing Board and staff must balance financial and market forces with our mission of serving Floridians who need well maintained, affordable housing. With more than 185,000 rental units currently financed and on the ground or in the construction pipeline, Florida Housing has nearly \$6.2 billion in assets. These assets are primarily in the form of loans receivable and securities resulting from single family loan transactions and are restricted by various bond indentures or by statute.

What Is Affordable Housing?

Affordable housing is defined in terms of the income of the household living in the housing. Housing is generally said to be affordable when a family is spending no more than 30 percent of its income on housing. On the rental side, this includes utilities, while on the homeownership side, principal, interest, taxes and insurance are all part of the equation. A household is said to be severely cost burdened if it is paying 50 percent or more of its income for housing. The federal and state programs administered by Florida Housing define incomes as follows:

- Extremely low income – at or below 30 percent of area median income (AMI);
- Very low income – at or below 50 percent of AMI;
- Low income – at or below 80 percent of AMI; and
- Moderate income – at or below 120 percent of AMI.

The U.S. Department of Housing and Urban Development (HUD) sets income levels annually throughout the country. Florida's 2010 state median family income is \$59,400 for a family of four (incomes increase or decrease based on family size).

Board Members and Terms

Pursuant to section 420.504(3), F.S., Florida Housing's Board of Directors is composed of eight members appointed by the Governor and subject to confirmation by the Senate; also, the Secretary of the Florida Department of Community Affairs serves on the Board as an ex officio and voting member.

APPOINTMENTS EXPIRING IN NOVEMBER 2012

Len Tylka, West Palm Beach (*Board Chair*)
Residential Home Building Industry Representative

Marilyn Carl, Boca Raton
Banking or Mortgage Banking Industry Representative

Lynn Hanfman, Tallahassee
Citizen Representative

Cliff Hardy, Tampa
Low Income Advocate with Experience in Housing Development Representative

APPOINTMENTS EXPIRING IN NOVEMBER 2014

Mary Demetree, Winter Park
Home Building Labor Representative

Will Lenihan, Apopka
Citizen Representative

Michael McLean, Lake Mary
Former Local Government Elected Official

Joseph Stadlen, Hollywood
Commercial Building Industry Representative

EX OFFICIO

Secretary, Florida Department of Community Affairs

Key Staff Contacts

Executive Director, Steve Auger

Chief Financial Officer, Barbara Goltz

General Counsel, Wellington Meffert

Multifamily Development Programs, Kevin Tatreau

- Low Income Housing Tax Credits
- State Apartment Incentive Loan Program
- Elderly Housing Community Loan Program
- Tax Credit Exchange and Assistance Programs

Homeownership Programs, David Westcott

- First Time Homebuyer Program
- Down Payment Assistance Programs
- Hardest Hit Fund
- National Foreclosure Mitigation Counseling Program
- Community Workforce Housing Innovation Program
- HOME Program

Multifamily Mortgage Revenue Bonds, Wayne Conner

Policy and Special Programs, Nancy Muller

- State Housing Initiatives Partnership Program
- Predevelopment Loan Program
- Demonstration Loans
- Affordable Housing Catalyst Program

Asset Management and Guarantee Program, Laura Cox

Inspector General, Stephanie Sgouros

Legislative Officer, Rebecca DeLaRosa

Communications, Cecka Rose Green

Affordable Housing in Florida and Florida Housing Finance Corporation's Role in the Delivery System

Brief History of the Affordable Housing Delivery System

Government involvement in affordable housing began in the 1930s in response to the lack of decent housing during the Depression. Congress funded public housing initially as a source of short term rental housing for poor families. In Florida, more than 115 local and regional public housing authorities manage over 38,000 units, which today serve our lowest income Floridians.

In the late 1950s and 1960s, Congress created a series of housing programs administered by HUD and the U.S. Department of Agriculture's Office of Rural Development (USDA-RD). These programs marked the rise of private sector development of government-funded rental housing. While most of these programs do not fund new units today, there are some 98,000 units existing statewide financed by these programs, often serving some of the state's lowest income households. These early programs were capable of supporting such low incomes, because the federal programs provided both capital funds and continuing operating subsidies to pay the difference between what a household can afford and the cost to operate the units.

The 1970s saw the creation of tenant-based rental vouchers that can be used by families to find housing wherever they choose. This federal program still operates today, providing funding for approximately 75,000 "Section 8" or "Housing Choice" vouchers in Florida each year. Local public housing authorities and other entities administer these programs.

The 1980s and '90s marked a deliberate shift in Congress's strategy to finance affordable housing. The federal Low Income Housing Tax Credit (LIHTC) Program was created and the Mortgage Revenue Bond program was modified to attract private investment in affordable housing rather than simply layering more government funding into developments. In Florida, the LIHTC Program is administered at the state level and the Mortgage Revenue Bond Program is administered at both the state and local level. Both programs are critical components of today's affordable housing framework.

The 1980s also saw the rise of state housing finance agencies throughout the country, and today all 50 states have housing finance agencies.

Florida Funds Affordable Housing

In the first years of its operation, Florida Housing accessed only federal resources to finance housing, but these proved difficult to use on their own. To leverage and augment these programs, the Florida Legislature began appropriating some funding for state programs in the late 1980s. However, it was the enactment of the William E. Sadowski Affordable Housing Act in 1992 that created a dedicated source of revenue for affordable housing from a portion of documentary stamp taxes on the transfer of real estate. Supported by

a coalition of interest groups, including home builders and Realtors®, this landmark legislation provided both the funding mechanism for state and local programs, as well as a flexible, but accountable framework for local programs to operate. The dedicated revenue comes from:

- A ten-cent increase to the documentary stamp tax paid on the transfer of real estate, which began in August 1992; and
- A re-allocation of ten cents of existing documentary stamp tax revenues from general revenue to the affordable housing trust funds, which began in July 1995.

Approximately 30 percent of these revenues flow into the State Housing Trust Fund and 70 percent flow into the Local Government Housing Trust Fund. The 2005 Legislature adopted a cap restricting the amount of revenue that may flow into the housing trust funds to \$243 million per year, with a mechanism for a small increase over time. The cap went into effect July 1, 2007. At this time all of Florida Housing's state funds are appropriated through the trust funds created by the Sadowski Act; no appropriations are made to us from general revenue.

Sadowski Act funds support a number of state and local programs that operate alongside federal housing programs. Key programs include the State Housing Initiatives Partnership (SHIP) Program, which traditionally receives approximately two-thirds of the funding; the State Apartment Incentive Loan Program, which receives about 20 percent of the funding, and other programs, including the Predevelopment Loan Program, the Homeownership Assistance Program, the Affordable Housing Guarantee Program and the Catalyst Training and Technical Assistance Program.

Sadowski funds also support homeless housing programs administered by the Florida Department of Children and Families, compliance monitoring for the SHIP Program, the Florida Housing Data Clearinghouse and the Affordable Housing Study Commission. Program descriptions can be found later in this document.

Today, several state agencies in Florida operate smaller housing programs, but Florida Housing administers the bulk of affordable housing resources available at the state level. In addition to the 115 public housing authorities in Florida, there are 17 local housing finance authorities that issue Mortgage Revenue Bonds similarly to Florida Housing. All 67 counties and many cities also administer federal and state funds for housing.

Florida Housing Finance Corporation's Role in the Financial Market

Florida Housing uses state and federal resources to make loans and guarantees of loans to further our mission. Each resource for financing brings with it certain financial risks. Every bond transaction is structured to provide an array of protections to assure that the mortgage and the bonds will be paid. Bond insurance and credit enhancement are the two primary means of protection.

As an issuer of hundreds of millions of dollars of tax exempt bonds each year, Florida Housing understands the necessity of effecting efficient transactions in the bond market to achieve the best interest rate for the bonds sold. These transactions require Florida Housing to establish and maintain good working relationships with the following financial entities:

- The State Board of Administration;
- The Division of Bond Finance;

-
- The three major rating agencies;
 - Credit enhancers;
 - Investment bankers;
 - Tax credit syndicators; and
 - Bond investors.

Each one of these parties plays a pivotal role in financing affordable housing and bringing tax exempt bond transactions to completion.

The Guarantee Program provides credit enhancement for mortgages resulting from Florida Housing and local tax exempt bond transactions. The following descriptions further explain Florida Housing's role in bond sales and the protections against risk employed for multifamily and single family transactions.

For multifamily Mortgage Revenue Bonds used for rental developments, Florida Housing acts only in the capacity of the issuer of the bonds. The transaction is structured so that the development is collateral for and is responsible for the payment of the mortgage, which supports the debt service on the bonds. The transaction may include a credit enhancer, which guarantees the payment of the loan, and a bond insurer, which guarantees the payment of debt service on the bonds.

Since 2002, the Single Family Homeowner Mortgage Revenue Bond Program has been structured as a mortgage backed securities (MBS) program. Through their guarantees of the loans, Fannie Mae, Freddie Mac and Ginnie Mae assure the bondholders of principal and interest payments. The Florida Housing single family bond indentures own the Ginnie Mae, Freddie Mac and Fannie Mae securities. From 1985 through 2001, this program was a whole loan program with the various indentures bearing the risk of the loans generated from the bond proceeds. The 1995 indenture is comprised of approximately 90 percent MBS and 10 percent whole loans. A new single family indenture was created in 2009 for the sole purpose of implementing the federal New Issue Bond Program.

Florida Housing has never participated in subprime lending; see the First Time Homebuyer program description later in this document for more information on program requirements. The First Time Homebuyer Program has consistently outperformed the market. As of December 31, 2009, 5.93 percent of the active loans originated by Florida Housing were in foreclosure, compared to the 13.44 percent of all loans statewide in foreclosure at that time. Florida Housing recognizes that not all Floridians are candidates for homeownership. Our affordable housing programs provide a range of housing types, both rental and homeowner, to ensure that residents have decent, affordable housing options that are appropriate for them.

Funding Housing Leads to Economic Benefits for Florida

Every dollar from the housing trust funds that is appropriated to affordable housing programs provides economic benefit to the State of Florida. The last year before the Legislature swept revenues from the housing trust funds to address state budget deficits was 2008. In that year when funds were utilized from the State and Local Government Housing Trust Funds across all of Florida's Sadowski Act housing programs,

for every \$1 million of Sadowski funding for housing, an estimated \$4.62 million of housing was built, rehabilitated and/or sold. In addition, the following economic impacts were created.

Total Economic Impact: The total economic activity far exceeds the value of housing built. As a result of the multiplier effect and leveraging, for every \$1 million of state funding, \$7.66 million of economic activity was generated. As part of this economic activity, each \$1 million of state funds generated more than \$2.98 million of earnings/income and 77 jobs.

Tax Revenues: Every \$1 million of Sadowski Act funding for housing generated more than \$298,000 of state and local tax revenue, with \$73,000 in sales tax revenue attributable to purchase of construction materials going directly to the state. Other revenues included corporate income tax, documentary stamp tax and sales tax paid on purchases from income derived from housing activities.

Total Economic Impact and Tax Revenues in 2008 from Sadowski Funding for Housing

Sadowski Funding to Housing	Total Housing Value Constructed and/or Sold	Total Jobs Created	Total Economic Impact	Earnings (Income) Generated	Total Local Tax Revenues Generated	Total Sales Tax Revenues Directed to State
\$273.2 million	\$1.262 billion	21,021	\$2.091 billion	\$813.5 million	\$61.4 million	\$19.9 million

Lost Federal Resources: Florida uses housing trust fund appropriations in part to leverage federal funds available to the state. The major federal housing resource that is lost without adequate state funding is private activity tax exempt bonds. Florida is permitted by the federal government to sell a limited amount of Mortgage Revenue Bonds for housing activities, but the bonds must be sold within three years or the allocation is forfeited. However, bonds by themselves are not sufficient to make construction or rehabilitation of apartments economically feasible or a home affordable to a buyer. While an extremely valuable resource, they must have some additional subsidy to work. The state funding typically provides down payment assistance and gap financing necessary for this purpose.

Florida Housing Finance Corporation's Programs and Initiatives

ONGOING PROGRAMS

Homeownership Programs

First Time Homebuyer Program

Pursuant to Chapter 159, Part VI, F.S., Florida Housing receives approximately 24 percent of the state private activity bond volume to be used for multifamily and single family Mortgage Revenue Bonds for housing. On the homeownership side, Florida Housing issues tax exempt Mortgage Revenue Bonds, and the proceeds from these bonds are used by participating private lenders to originate 30-year, fixed-rate mortgage loans through the First Time Homebuyer Program. First-time homebuyers then benefit from lower mortgage interest rates due to the tax-exempt status of the bonds. Eligible borrowers must meet certain criteria such as the first-time homebuyer requirement, as defined by the Internal Revenue Code, credit worthiness, and an income level not to exceed program limits. Florida Housing requires documentation of the borrower's income and credit, and we require homebuyers to attend homebuyer education classes before loan closing. We encourage interested homebuyers who don't have acceptable credit to obtain credit counseling that will help prepare them for homeownership.

Down Payment Assistance Programs

Funds for down payment assistance and closing costs are often provided in conjunction with the First Time Homebuyer Program through the state funded Homeownership Assistance Program or the Florida Housing-funded Homeownership Assistance for Moderate Income Program.

Homeownership Pool Program

The Homeownership Pool (HOP) Program, using federal HOME funds, was created to enhance the ability of builders to match qualified homebuyers with purchase assistance. The HOP Program is designed to be noncompetitive, and developers have the ability to reserve funds online on a first-come, first-served basis to provide eligible homebuyers with purchase assistance. Currently the program is only available to "self help" programs such as those run by Habitat for Humanity.

Rental Development Programs

Low Income Housing Tax Credits

Through a federal population-based allocation to all states, the competitive Low Income Housing Tax Credit (LIHTC) Program provides a dollar-for-dollar reduction in federal tax liability in exchange for the acquisition and rehabilitation, rehabilitation alone or new construction of affordable rental housing units. Affordable housing developers sell these LIHTC to large, private investors and use the cash from the sale to infuse equity into the construction of the property, lessening the need for additional debt. Florida also receives

non-competitive LIHTC that are awarded to developments financed with tax exempt multifamily Mortgage Revenue Bonds. Florida Housing gives special consideration in its application process to properties that target specific demographic groups such as homeless people, persons with special needs, elders and farmworkers. Consideration is also given to properties that target geographic designations such as the Florida Keys, rural areas, urban infill areas and preservation of existing affordable housing.

Multifamily Mortgage Revenue Bonds

The multifamily Mortgage Revenue Bond Program uses both taxable and tax exempt bonds to provide below market rate loans to developers who set aside a certain percentage of their apartment units for low income families. Proceeds from the sale of these bonds are used to construct or acquire and rehabilitate multifamily rental properties. The Program's application, scoring and ranking criteria encourage increased set-asides for low-income households.

HOME Investment Partnerships Program

The federal HOME Program provides non-amortizing, low interest rate loans to developers of affordable housing who acquire, rehabilitate or construct rental housing for low income families. When available, loans are offered at the simple interest rate of zero percent to nonprofit applicants and three percent to for profit applicants. Florida Housing's HOME program is designed for smaller developments in rural areas, but also targets such special needs as migrant farmworker housing, housing for those with special needs and the preservation of existing affordable housing.

Florida Affordable Housing Guarantee Program

The Florida Affordable Housing Guarantee Program encourages affordable housing lending by issuing a form of repayment guarantee on the financing of affordable housing. Typically, these transactions have been new construction and/or rehabilitation of multifamily rental housing primarily funded through the issuance of tax exempt and taxable bonds. By guaranteeing the repayment of the underlying mortgage collateralizing the bonds, the Guarantee Program lowers overall borrowing costs and improves the economic viability of affordable housing. In most cases, the Guarantee Program partners with the HUD Risk Sharing program, allowing each party to assume 50 percent of the default risk of the mortgage, and ultimately encourages affordable housing lending activities that may not otherwise have taken place. Documentary stamp tax collections distributed to the State Housing Trust Fund have been used for debt service payment on the bonds issued to capitalize the Guarantee Program. Additionally, documentary stamp tax collections distributed to the State Housing Trust Fund may be used for the Guarantee Program as identified in Section 420.5092 (6)(a) and (b), F.S. In March 2009, the Florida Housing Board of Directors confirmed the suspension of new guarantees from this program because of the market availability of such guarantee instruments and the reassessment of the financial capacity and condition of the Guarantee Fund.

State Apartment Incentive Loan Program

The State Apartment Incentive Loan (SAIL) Program is state-funded and provides non-amortizing, low-interest loans on a competitive basis to developers of affordable rental housing. When appropriated by the Legislature, SAIL funds provide gap financing that leverages federal Mortgage Revenue Bonds and LIHTC, allowing developers to obtain the full financing needed to construct affordable multifamily units. SAIL dollars are available to individuals, public entities and nonprofit or for profit organizations for the

construction or rehabilitation of multifamily units. Special consideration is given to properties that target specific demographic groups such as elders, homeless people, farmworkers and commercial fishing workers. Statutory changes and specific appropriations in the past have allowed Florida Housing to serve extremely low income households with this program.

Elderly Housing Community Loan Program

A portion of SAIL funds is used to fund the Elderly Housing Community Loan Program. This program provides loans of up to \$750,000 to make improvements to existing affordable elderly rental housing. The program generally has one competitive funding cycle each year. These funds are available for the purpose of making building preservation, sanitation repairs or improvements required by federal, state or local regulation codes, and for life safety and security related improvements.

Homeownership and Rental Programs

State Housing Initiatives Partnership Program

The SHIP Program provides state funds to local governments on a population-based formula as an incentive to produce and preserve affordable housing for very low, low and moderate income families. These funds are derived from the collection of documentary stamp tax revenues which are deposited into the Local Government Housing Trust Fund and then appropriated by the Legislature. SHIP funds are distributed on an entitlement basis to all 67 counties and 53 Community Development Block Grant entitlement cities in Florida. To obtain SHIP funding, a local government must prepare and adopt a local housing plan that specifies the strategies that will be employed to allocate funding in the community. The minimum allocation per county is \$350,000, and at least 65 percent of funds must be used for homeownership. SHIP dollars may be used to fund such strategies as emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, property acquisition, matching dollars for federal programs and homeownership counseling. Each participating local government may use up to ten percent of its SHIP funds for administrative expenses.

Predevelopment Loan Program

The state funded Predevelopment Loan Program assists nonprofit and community based organizations, local governments and public housing authorities with planning, financing and developing affordable housing. Eligible organizations may apply for a loan of up to \$750,000 for predevelopment activities, such as rezoning, title searches, engineering and legal fees, impact fees, appraisals, feasibility analyses, earnest money deposits, commitment fees and land acquisition expenses. Technical assistance is also provided.

SPECIAL INITIATIVES AND SHORT TERM PROGRAMS

Hardest Hit Fund

In February 2010, the federal government announced \$1.5 billion in funding to the hardest hit housing markets in the states that have been hit with foreclosures, housing price declines and unemployment. Florida was one of these states and received \$418 million. In mid-April, Florida submitted its plan to the U.S.

Treasury specifying how the funds would be used. In late June, Treasury gave Florida the authority to move ahead, starting with an August pilot in Lee County to test the strategy. In August, Treasury announced additional funding and added more states to the group. Florida received an additional \$238.8 million, but was informed that its originally approved mortgage intervention strategy was ineligible for use with the new funds. As a result, Florida postponed the rollout of the pilot program in Lee County in order to amend its program to meet newly created Treasury guidelines. During this time, Florida and the other participating states also found that major mortgage loan servicers were unwilling to participate in the states' strategies, because they were not uniform.

In September, Treasury held a meeting with the states, six major loan servicers and others to standardize plans for the Unemployment Mortgage Assistance and Mortgage Loan Reinstatement programs. In early October a standardized Servicer Participation Agreement and term sheets for the programs were circulated by Treasury. Florida Housing is currently working with servicers to get as many signed up as possible for Florida's pilot program in Lee County, which launched in late October. There are now 18 states and the District of Columbia participating in the \$7.6 billion HHF program. Florida's final share of these funds totals more than \$1 billion. Florida's targeted unemployment programs, summarized below, are expected to be available statewide in early 2011 after the pilot program concludes:

- **Unemployment Mortgage Assistance Program** – Will provide up to 18 months of payments to the mortgage lender to assist unemployed/underemployed borrowers with their first mortgage until they can resume payments on their own; and
- **Mortgage Loan Reinstatement Program** – Will be used to bring a delinquent mortgage current for a homeowner who has returned to work or recovered from unemployment/underemployment.

National Foreclosure Mitigation Counseling Program

Florida Housing is currently serving as an intermediary for 33 local housing counseling agencies throughout Florida under the National Foreclosure Mitigation Counseling (NFMC) Program. In the first three application rounds, the state received \$19.6 million to help keep more than 81,000 families out of foreclosure and in their homes. Florida Housing secured over \$5.1 million of this funding to support counselors in serving over 17,000 families. In addition, Florida Housing and Florida Legal Services received funding under this program to provide homeowners with legal representation in their fight against foreclosure. In a fourth round of funding in 2010, the state was awarded \$3.4 million to assist more than 18,000 families. Florida Housing received about \$1 million of this funding to assist an additional 3,800 families.

Tax Credit Assistance Program (Rental Development)

Through the American Recovery and Reinvestment Act (ARRA), Florida Housing received more than \$101 million in federal stimulus funding for rental developments that had already received an allocation of LIHTC. The financing was helpful because over the past two years, there were very few LIHTC investors in the market. This meant that very few developers allocated funding in Florida and other states were able to find investors for their developments. Moreover, LIHTC prices on the dollar have been extremely low during this time, so developers have not always been able to obtain the equity needed to fund their developments. Florida Housing awarded this funding by February 2010, as required by ARRA, and credit underwriting and construction are now underway.

Section 1602 Tax Credit Exchange Program (Rental Development)

Also included in ARRA was “exchange provision” language that authorized state LIHTC allocating agencies to trade in up to 40 percent of their 2009 LIHTC authority and up to 100 percent of any unused or returned 2007 or 2008 LIHTC for 85 cents on the dollar. This exchange option allowed states to receive more funds in exchange for the LIHTC than developers were able to obtain from private investors. Because the exchange rate of 85 cents on the dollar was above the unsustainable market price of about 70 cents on the dollar, the Exchange Program provided more funds for affordable housing development than investors were willing to pay for LIHTC. Additionally, as indicated above, the investment market for LIHTC was very limited over the past two years. Florida Housing is required to award this funding by the end of 2010, and these transactions will be under construction over the next 12-18 months before they are ready for occupancy.

New Issue Bond Program (Homeownership and Rental)

In October 2009, Treasury and HUD, together with the Federal Housing Finance Agency, Fannie Mae and Freddie Mac, announced the New Issue Bond Program (NIBP) as a short term response to the credit and liquidity crisis that has created extremely high interest rates on tax exempt bonds, making them difficult to use for affordable housing programs. To maintain the viability of state and local housing finance agency lending programs and infrastructure, the NIBP lowers debt service costs on tax exempt bonds. For single family transactions, the program provides for the federal purchase of 60 percent of tax exempt bond sales at lower than market interest rates, while the other 40 percent of a tax exempt bond sale is at market rate. For multifamily tax exempt bond sales, 100 percent of the bonds are purchased through this federal program at lower than market interest rates. Under NIBP, Florida Housing received \$248.5 million in authority for multifamily bonds and \$547.2 million for single family bonds. The NIBP authority terminates on December 31, 2011.

Public Housing Mitigation Initiative

The 2009 Legislature appropriated \$1 million to Florida Housing to fund the Public Housing Mitigation Initiative. The purpose of the funding is to assist in the rehabilitation of dwellings that are 30 years or older under the control of public housing authorities (PHAs) operating in cities across the state. Florida Housing awarded this funding to 13 PHAs through a Request for Proposals process, and rehabilitation is underway.

Community Workforce Housing Innovation Pilot Program

The 2006 and 2007 Legislatures provided \$112.4 million in funding for the Community Workforce Housing Innovation Pilot Program (CWHIP) during the period when the housing bubble was at its height and communities were concerned about losing essential workers, such as nurses and fire fighters, as a result of being priced out of the market. CWHIP was created to promote public-private partnerships to finance, build and manage workforce housing, requiring the coordinated efforts of all levels of government as well as private sector developers, financiers, business interests and service providers. As a result of Senate Bill 2A, requiring Florida Housing to pay back \$190 million in previously awarded financing, over \$84.4 million of this funding was returned to the State Treasury in January 2009. The remaining \$28 million funded 480 units – 430 homeownership units and 50 rental units targeted to essential workforce personnel.

Hurricane Housing Recovery Programs

The eight hurricanes that hit Florida in 2004 and 2005 damaged approximately one million homes. In 2005 and 2006, the Florida Legislature appropriated a total of \$358 million to fund many of the recommendations from the Governor's Hurricane Housing Work Group. These initiatives funded repairs and long term housing recovery over several years at the local and state level, and across all affordable housing types.

Demonstration Loans

From time to time in the past, Florida Housing issued demonstration loans under the authority of Section 420.507(41), F.S. If funding was available, demonstration loans were issued through a request for proposals (RFP) process. Each RFP was developed to address a certain population that was not often served through Florida Housing's general programs, or to carry out a new approach to financing housing to see how we might integrate such an approach into our programs. Demonstration loans have been approved for housing for such populations as homeless people, frail elders, farmworkers, people with disabilities, youth aging out of foster care and survivors of domestic violence.

Preservation Rehabilitation Pilot Program

The 2008 Legislature appropriated funding for a preservation rehabilitation pilot to target rental properties in Pasco, Orange and Palm Beach counties that receive or have received funding from any federal or state housing program. The legislation calls for the funding to be leveraged by intermediaries by at least 4:1, as feasible. Through a Request for Proposals process, Florida Housing awarded the approximately \$5 million to the Florida Community Loan Fund, a nonprofit community development financial institution, to create a revolving preservation bridge loan fund targeted to nonprofits for acquisition and preservation of existing affordable rental housing. The Loan Fund offers three-year bridge loans to provide acquisition financing, as well as the time to stabilize and position a property for more favorable, permanent financing. As loans are repaid, the funds will recycle to other preservation transactions.

OTHER ONGOING INITIATIVES

Affordable Housing Catalyst Program

The Affordable Housing Catalyst Program provides on-site and telephone technical assistance and training statewide on state and federal affordable housing programs being implemented in Florida. This technical assistance includes assisting organizations in leveraging program dollars with other public and private funding sources, financing and developing affordable housing, working effectively with lending institutions, implementing regulatory reform, training for boards of directors, implementing rehabilitation and emergency repair programs, assisting with the creation of fiscal and program tracking systems, and compliance requirements of state and federally funded housing programs. Workshops are conducted throughout the year at locations around the state. The program is targeted to local governments and nonprofit organizations.

Affordable Housing Study Commission

In 1986, the Affordable Housing Study Commission was statutorily created as a standing commission to evaluate affordable housing policy issues and programs. The Commission recommends public policy changes to the Governor and Legislature to stimulate community development and revitalization and promote the production, preservation and maintenance of decent, affordable housing for all Floridians. Section 420.609, F.S., specifies the make-up of the commission, whose 21 members are appointed by the Governor. Florida Housing provides administrative support to the commission.

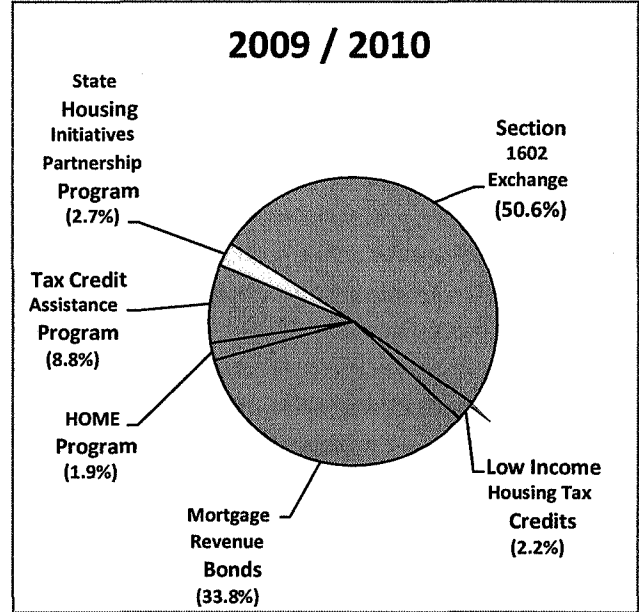
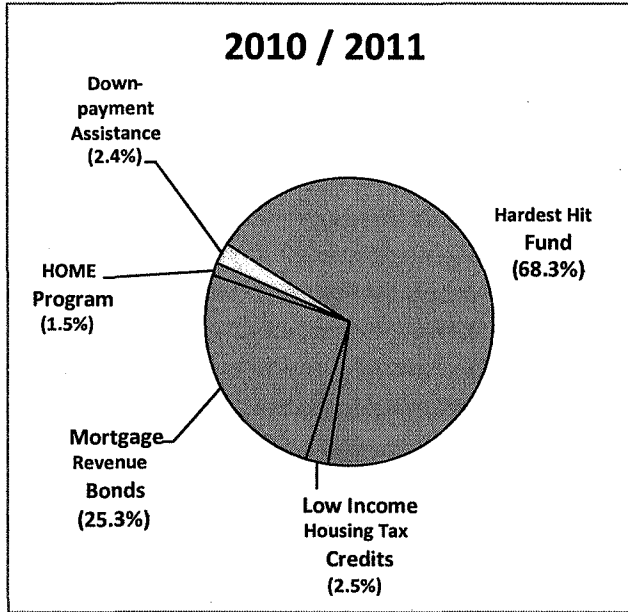
The Florida Housing Data Clearinghouse (flhousingdata.shimberg.ufl.edu)

The Housing Data Clearinghouse was created in 2001 to provide the public with free, web-based access to data on housing need and supply from a variety of sources. The Clearinghouse generally accomplishes this through two main functions: providing housing data and reports using data; and building and maintaining a “data warehouse” to store collected information. The Clearinghouse is managed by the Shimberg Center for Housing Studies at the University of Florida under contract with Florida Housing and is funded through allocations from the State Housing Trust Fund and the Local Government Housing Trust Fund. A range of data and reports are available to a variety of users, including local governments, community-based organizations, developers and state government.

Web-Based Affordable Rental Locator for the Public (FloridaHousingSearch.org)

Florida Housing contracts with a service provider to create and manage a web-based affordable rental housing locator free to the public that provides easy, one-stop search capacity for affordable rental housing in Florida. The site provides detailed information on units, amenities, accessible features and rents, along with mapping capabilities that allow prospective tenants to search for housing near schools or places of employment. The site is also an important resource in times when natural disasters, such as hurricanes, leave thousands of people searching for available, affordable housing.

State and Federal Affordable Housing Resources Administered by Florida Housing Finance Corporation



	2010 / 2011		2009 / 2010	
State Funded Programs				
Downpayment Assistance	\$ 37,500,000		\$ -	
State Housing Initiatives Partnership Program	-		31,110,000	
Total State Funded Programs	37,500,000	2.4%	31,110,000	2.7%
Federally Funded Programs				
Hardest Hit Fund*	1,057,839,136		-	
Section 1602 Exchange*	-		580,416,761	
Tax Credit Assistance Program*	-		101,134,952	
Mortgage Revenue Bonds	392,729,302		388,012,650	
Low Income Housing Tax Credits**	38,929,735		25,539,227	
HOME Program	22,660,919		22,395,379	
Total Federally Funded Programs	1,512,159,092	97.6%	1,117,498,969	97.3%
Total All Programs	\$ 1,549,659,092	100.0%	\$ 1,148,608,969	100.0%

* One-time federal stimulus program

** Low Income Housing Tax Credits provide a dollar-for-dollar reduction in federal tax liability to an investor over 10 years. In today's market, investors are paying an average of 72¢ on the dollar for LIHTC, which equals approximately \$280.3 million in financing for the 2010/11 allocation of LIHTC. (\$38,929,735 x 0.72 = \$28,029,409, over 10 years = \$280,294,092)

Florida Housing Documentary Stamp Tax Appropriations

	1992 / 1993	1993 / 1994	1994 / 1995	1995 / 1996	1996 / 1997	1997 / 1998	1998 / 1999	1999 / 2000	2000 / 2001	2001 / 2002
State Housing Trust Fund										
State Apartment Incentive Loan (SAIL)	\$ 11,500,000	\$ 14,800,000	\$ 15,200,000	\$ 23,323,550	\$ 26,600,000	\$ 24,230,629	\$ 30,783,734	\$ 30,085,000	\$ 36,470,000	\$ 48,308,010
Homeownership Assistance (HAP)	2,000,000	3,000,000	3,000,000	3,588,400	4,000,000	3,000,000	6,221,600	5,000,000	6,000,000	5,000,000
HOME Investment Partnerships (HOME)	2,000,000	2,950,000	2,000,000	744,200	2,000,000	1,500,000	2,488,800	2,000,000	2,000,000	2,000,000
Predevelopment Loan (PLP)	750,000	500,000	500,000	1,794,200	2,000,000	1,000,000	1,244,000	1,000,000	1,500,000	2,000,000
Guarantee Fund Debt Service	1,100,000	750,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	3,865,000
Housing Data Clearinghouse	-	-	-	-	-	-	-	-	-	221,990
Project Independence	-	-	-	750,000	-	-	-	-	-	-
Soldiers to Scholars	-	-	-	300,000	-	-	-	-	-	-
Guarantee Program Feasibility Study	100,000	-	-	-	-	-	-	-	-	-
SHP Compliance Monitoring	-	-	-	-	-	200,000	-	-	-	-
Administration	-	-	1,174,008	1,283,279	1,538,279	1,503,001	1,351,276	1,501,276	1,501,276	1,426,212
TOTAL SHTF Appropriations	\$ 17,450,000	\$ 22,000,000	\$ 23,874,008	\$ 33,783,629	\$ 38,138,279	\$ 33,433,630	\$ 44,089,410	\$ 41,586,276	\$ 49,471,276	\$ 62,821,212
Sweep SHTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000
Local Government Housing Trust Fund										
SHP	\$ 18,750,000	\$ 25,000,000	\$ 26,500,000	\$ 79,000,000	\$ 86,581,488	\$ 86,700,000	\$ 124,200,000	\$ 143,890,000	\$ 136,100,000	\$ 126,600,000
Department of Children & Families	-	-	-	-	900,000	900,000	900,000	900,000	900,000	5,900,000
Hurricane Opal Disaster Relief	-	-	-	-	1,750,000	-	-	-	-	-
SHP Compliance Monitoring	-	-	-	-	-	-	200,000	200,000	200,000	200,000
TOTAL LGHTF Appropriations	\$ 18,750,000	\$ 25,000,000	\$ 26,500,000	\$ 79,000,000	\$ 89,231,488	\$ 87,600,000	\$ 125,300,000	\$ 144,990,000	\$ 137,200,000	\$ 132,700,000
Total SHTF & LGHTF Appropriations	\$ 36,200,000	\$ 47,000,000	\$ 50,374,008	\$ 112,783,629	\$ 127,369,767	\$ 121,033,630	\$ 169,389,410	\$ 186,576,276	\$ 186,671,276	\$ 195,521,212
Total Sweep SHTF & LGHTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000

PROGRAM NAME	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006	2006 / 2007	2007 / 2008	Reallocated	2008 / 2009 (incl. SB 2A & shortfall)	2009/2010	2010/2011
State Housing Trust Fund										
State Apartment Incentive Loan (SAIL)	\$ 66,048,812	\$ 43,978,769	\$ 46,658,090	\$ 48,411,461	\$ 55,102,200	\$ 115,000,000	\$ (101,500,900)	\$ 41,090,714	\$ -	\$ -
Homeownership Assistance (HAP)	-	3,000,000	3,000,000	-	8,000,000	18,087,200	88,500,900	10,000,000	-	37,500,000
Predevelopment Loan (PLP)	4,000,000	2,000,000	-	-	-	-	-	-	-	-
Guarantee Fund Debt Service	5,400,000	5,400,000	5,400,000	6,400,000	6,400,000	6,400,000	-	17,609,940	-	-
Affordable Housing Study Commission	-	-	48,100	280,000	175,000	175,000	-	175,000	-	-
Catalyst Program	-	-	672,800	672,800	672,800	672,800	-	826,200	-	-
Housing Data Clearinghouse	126,455	129,498	127,633	142,362	150,000	165,000	-	330,000	-	-
Hurricane Funding	-	-	-	74,500,000	17,000,000	-	-	-	-	-
Farmworker & Special Needs	-	-	-	-	15,000,000	-	-	(9,846,695)	-	-
ELI	-	-	-	-	30,000,000	15,000,000	13,000,000	4,619,790	-	-
Technical Assistance	-	-	-	-	100,000	-	-	-	-	-
Transfer to Community Contribution Tax Credit	-	-	-	-	-	-	-	2,330,011	169,989	-
SHP	-	-	-	-	-	-	-	23,244,086	-	-
Administration	1,354,901	677,450	-	-	-	-	-	-	-	-
TOTAL SHTF Appropriations	\$ 78,930,168	\$ 55,185,717	\$ 55,906,623	\$ 130,406,623	\$ 132,600,000	\$ 155,500,000	\$ -	\$ 90,379,046	\$ 169,989	\$ 37,500,000
Sweep SHTF	\$ -	\$ 57,282,937	\$ 67,800,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 36,830,000	\$ 25,921,198
Local Government Housing Trust Fund										
SHP	\$ 163,443,545	\$ 130,756,501	\$ 130,758,367	\$ 130,726,637	\$ 166,250,000	\$ 166,018,500	\$ -	\$ 158,040,024	\$ 30,110,000	\$ -
Department of Children & Families	5,900,000	5,900,000	5,900,000	5,900,000	7,900,000	5,900,000	-	5,436,805	-	-
SHP Compliance Monitoring	200,000	200,000	200,000	200,000	200,000	416,500	-	383,802	-	-
Housing Data Clearinghouse	126,455	129,499	127,633	159,363	150,000	165,000	-	165,000	-	-
Hurricane Funding	-	-	-	175,500,000	75,900,000	-	-	-	-	-
Community Workforce Housing Initiative (CWHIP)	-	-	-	-	50,000,000	62,400,000	-	-	-	-
Preservation Pilot Program	-	-	-	-	-	-	-	4,899,900	-	-
SAIL	-	-	-	-	-	-	-	-	-	-
Public Housing Mitigation Initiative	-	-	-	-	-	-	-	-	1,000,000	-
TOTAL LGHTF Appropriations	\$ 169,670,000	\$ 136,986,000	\$ 136,986,000	\$ 312,486,000	\$ 300,400,000	\$ 234,900,000	\$ -	\$ 168,925,531	\$ 31,110,000	\$ -
Sweep LGHTF	\$ -	\$ 83,814,000	\$ 163,000,000	\$ -	\$ -	\$ -	\$ -	\$ 236,000,000	\$ 55,070,000	\$ 148,388,802
Total SHTF & LGHTF Appropriations	\$ 248,600,168	\$ 192,171,717	\$ 192,892,623	\$ 442,892,623	\$ 433,000,000	\$ 390,400,000	\$ -	\$ 259,304,577	\$ 31,279,989	\$ 37,500,000
Total Sweep SHTF & LGHTF	\$ -	\$ 120,996,937	\$ 220,900,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000,000	\$ 91,900,000	\$ 174,310,000

How Florida Housing Finance Corporation Makes Resource Allocation Decisions

Florida Housing targets funding to specific populations and geographic areas of the state based on a number of factors. Federal and state programs target all or a portion of funds to households at or below income levels set by each program. On the homeownership side, Florida Housing follows federal income targeting requirements, allowing us to provide financing to households with incomes as high as 115 percent of AMI.

On the rental side, targeted program incomes are generally lower to assist families that are unlikely to be able to afford homeownership. For example, the federal LIHTC Program requires that a minimum of 40 percent of rental units in an apartment complex be set aside for families with incomes at or below 60 percent of AMI, or 20 percent of units at 50 percent of AMI. Other federal rental programs are similar.

Based on state housing need data, Florida Housing may adopt stricter set-asides and require even lower income households to be targeted. Moreover, Florida Housing targets funds to geographic areas of particular concern, such as the Florida Keys, where workers find it extremely difficult to find an affordable apartment because resort rents drive up prices; urban infill and rural areas, and locations near public transit and grocery stores. These targets change over time based on need and state priorities.

Statutory requirements for the state-funded SAIL Program specify how funds will be distributed across counties by population size and across demographic populations, including homeless people, elders, farmworkers, commercial fishing workers and families. The SAIL statute requires Florida Housing to carry out a rental market study every three years to make the above determinations, and Florida Housing has also found the study useful in setting funding priorities for other rental programs.

Florida Housing also receives external and staff-generated studies to continually measure needs and impacts across the state. For example, data compiled by the Shimberg Center for Housing Studies at the University of Florida were analyzed by Florida Housing staff to assess households' abilities to purchase homes in each county throughout the state. This information helped Florida Housing establish areas of the state where the disparity between Floridians' incomes and housing prices were particularly high, allowing us to target these areas in the Community Workforce Housing Innovation Pilot Program as required by statute.

Along with the Governor, Legislature and others, Florida Housing also receives in-depth studies of state policy concerns that are carried out by Florida's Affordable Housing Study Commission. Commission reports include analysis along with policy and program recommendations for local and state legislative and administrative implementation.

Continuing input from stakeholders provides context and direction to Florida Housing's Board and staff. Interested parties are encouraged to provide comments and critiques of our programs by mail, phone, personal contact and public meetings that are held regularly each year as we modify programs to respond to changing policies and market conditions.

Florida Housing's Board and staff are constantly analyzing data, seeking input on financial and economic conditions and trends, and weighing this information with the range of changing housing needs to provide a set of balanced programs to finance affordable housing in an economically feasible manner.

The Florida Housing Board and staff strive to allocate resources in a fair, open and rational way that is stable, predictable and user-friendly for the many participants in our programs and processes.

On the rental side, Florida Housing generally allocates competitive funding each year through a universal application process. To respond to changing priorities, market conditions and financing needs, the staff holds 3-5 public workshops and takes hundreds of written public comments before program rules are finalized. Once the Board of Directors approves modifications to program rules and attendant funding application forms, they are filed with the Department of State and become formal administrative rules of the corporation.

The competitive rental application and scoring process are designed to be transparent and to ensure that applicants have an opportunity to comment on and participate in the scoring process as it moves forward, pursuant to Chapter 120, F.S. While the opportunities for applicants to comment on and challenge scoring at various stages throughout the process have created a longer scoring period, the result has been that the overall process is less likely to be impacted by administrative hearings on the back end. Typically Florida Housing's Universal Application Cycle for its primary rental programs opens in February and final awards are made by the Board in September or October each year.

On the homeownership side, participating private lenders throughout the state originate mortgages through the First Time Home Buyer Program to homebuyers on a first come, first served basis according to federal and state regulations and indenture criteria. Through Florida Housing's Home Ownership Pool Program, builders may apply to reserve down payment assistance on a first come, first served basis for their homebuyers when funding is available.

The allocation process for the state-funded SHIP Program is spelled out in statute. SHIP funds are distributed to counties and eligible cities on a population-based formula. Local governments must follow statutory and administrative rule requirements in the disbursement of funds, but the program's premise is to allow them to set their own priorities within these guidelines according to local need as outlined in a locally adopted plan.

From time to time, Florida Housing also uses a Request for Proposals process to award funding to develop housing. This process is used most often when the need arises to fund housing that is not traditionally served through mainstream funding channels.

All of these allocation processes are set up to meet statutory and administrative rule requirements, taking public comment into consideration on the front end and providing the opportunity for applicants to comment on and even challenge the scoring process and funding awards on the back end.

Florida Housing Finance Corporation

Operations

Florida Housing's Operating Budget

Florida Housing's annual operating budget is approved by Florida Housing's Board of Directors. Typically, Florida Housing's operating budget is approximately two percent of the total program amounts administered. No state appropriations are currently used for administration, other than the funds used for compliance monitoring for the SHIP program (when SHIP funding is appropriated). Statutorily, this may be up to one quarter of one percent of the SHIP appropriation. In 2009/2010, the last year SHIP was appropriated, this amount was \$75,275. Florida Housing's operations are reimbursed by federal administrative funds or program fees (mainly from bond issuer fees). Almost 58 percent of all expenses are direct program administration, including loan servicing and compliance monitoring.

Accountability – How Florida Housing Finance Corporation Ensures Program Resources Are Appropriately Used

Multifamily Rental Process

The rental funding process begins with rule making and then is followed by application submission, scoring, applicant appeals and, finally, approval of final scores and rankings by Florida Housing's Board of Directors.

After the Board approves the final scores and rankings, developments are invited to enter the credit underwriting process. Developments are assigned to one of three independent credit underwriters under contract with Florida Housing. The credit underwriter provides a comprehensive analysis of:

- The applicant;
- The real estate;
- The economics of the development;
- The ability of the applicant and the development team to proceed; and
- The evidence of need for affordable housing in order to determine that the development meets the program requirements.

The underwriter then determines a recommended loan amount or LIHTC allocation amount, if any.

At the beginning of the credit underwriting process, a full appraisal is ordered by Florida Housing's underwriter or by third party credit enhancers, first mortgagors or syndicators from an independent

appraiser qualified for the geographic area and development type. The underwriter reviews the appraisal to evaluate the proposed property's financial feasibility.

A separate market study is also completed by a disinterested party who is approved by the underwriter. The underwriter considers the market study, the development's financial impact on developments in the area previously funded by Florida Housing, and whether the market exists to support both the demographic and income restriction set-asides committed to in the application when making their recommendation.

Independent professionals approved by the credit underwriter complete necessary environmental studies. In addition, a construction consultant with construction, architectural and engineering experience is engaged by the underwriter to independently review the construction contract, plans, specifications and costs to determine whether the costs are reasonable and that the developer intends to provide features and amenities committed to in the application.

The general contractor for the proposed development is required to provide a guaranteed maximum price or stipulated sum construction contract, which may include change orders for changes in costs or changes in the scope of work, or both, if all parties agree. All change orders are reviewed and approved by Florida Housing's servicer prior to disbursement of funds. Payment and performance bonds (or approved alternate security for the general contractor's performance, such as a letter of credit) are issued in the name of the general contractor, from a company rated at least "A" by A.M. Best Company.

Credit underwriting report drafts are reviewed and approved by Florida Housing staff and applicants are allowed to comment prior to finalization of the report. Final credit underwriting reports are approved by Florida Housing's Board of Directors before loan closing may proceed.

Prior to loan closing, the underwriter provides a letter to Florida Housing indicating that all loan closing conditions listed in the credit underwriting report have been met. Attached to the letter are an approved final sources and uses and a draw schedule. At loan closing, Florida Housing receives construction completion guarantees and operating deficit guarantees. The developer signs personal guarantees for these.

Florida Housing's servicer performs construction loan servicing duties and verifies that the developer is in compliance with all provisions of the construction loan documents. A physical inspection of the development is conducted by the servicer or their construction consultant prior to approval of each draw request. All draw requests from developers for loan proceeds are reviewed and approved by Florida Housing's servicer prior to disbursement of funds by the bond trustee or Florida Housing.

Once the development is completed, Florida Housing's compliance monitoring agents visit every development at least every year for the portion of our portfolio with state funds, and at least once every three years (as required by federal regulations) for those properties with LIHTC only that are in their first 15 years of the LIHTC compliance period. (Note that the private investors in these developments monitor these properties more often to ensure compliance with Section 42 of the Internal Revenue Code to protect against recapture of the LIHTC by the IRS.) The monitors ensure compliance with applicable federal and state statutes and rules, and with the loan closing documents.

If problems are found, Florida Housing works with the developments until the problems are cured. If exigent health and safety issues are not promptly cured, Florida Housing notifies local code enforcement. Chronic noncompliance of a property may result in the suspension of the developer's ability to participate in Florida Housing's funding application cycles. Moreover, Florida Housing reports LIHTC properties that are in noncompliance and that have not cured these deficiencies to the IRS, which places the development's LIHTC at risk of recapture, as noted above.

Florida Housing's staff and servicers also receive and review audited financial statements for each property annually as a part of our permanent loan servicing and asset management processes.

State funds are used to leverage other federal resources, such as LIHTC and tax exempt Mortgage Revenue Bonds. When these federal resources are brought into a transaction, they bring additional investor oversight – primarily through the tax credit syndicators and credit enhancers who bear a significant amount of risk in these transactions and who also engage in their own credit underwriting and monitoring process.

Single Family Homeownership Process

In Florida Housing's Single Family construction programs, the process for credit underwriting and construction loan servicing works in the same way that it does for our multifamily process. Applications for Florida Housing's down payment assistance loans by builders on behalf of homebuyers are also reviewed by our servicers who verify income and purchase price limits. Funds are not released until Florida Housing has sign-off from the servicer.

In Florida Housing's down payment assistance programs which are coupled with the First Time Homebuyer Program, our Master Servicer provides our "bond compliance" function. They review each loan made by participating lenders to make sure that it complies with federal and state income and purchase price limits as well as the requirement that the borrower be a first time homebuyer.

State Housing Initiatives Partnership Program

Local jurisdictions submit their Local Housing Assistance Plans (LHAPs) to Florida Housing for review to ensure that they meet the broad statutory guidelines and the requirements of the program rules. Florida Housing must approve an LHAP before a local government may receive any SHIP funding.

Local jurisdictions are required by rule to send Florida Housing annual reports of how they have spent their money or how they have encumbered it to be spent. Each annual report is reviewed by Florida Housing staff to ensure compliance with statute and rule. Local jurisdictions are also required to send Florida Housing their annual audited financial statements and their Florida Single Audit Act reports. These are reviewed by Florida Housing staff and the compliance monitors.

Compliance monitoring agents visit every local government at least once every three years for jurisdictions receiving smaller allocations, and at least every other year for the jurisdictions that get about \$500,000 or more. The compliance monitoring reviews include a sampling of files and physical properties, a review of the local jurisdictions' processes for income qualification and an audit of their processes for tracking SHIP funds.

If problems are found during a review, the monitors do follow-up reviews and annual reviews again the next year. In many instances, Florida Housing also sends in technical assistance providers to assist the local jurisdiction with formulating and implementing a corrective action plan. When funds have been found to have been misused, the local jurisdiction has reimbursed that amount of funds. If technical assistance and/or training fail to correct the problems and a pattern of violations is established, Florida Housing has statutory authority to suspend or possibly terminate disbursement of funds to the local jurisdiction.

Technical assistance visits, phone consultation or training can be triggered either by Florida Housing, its compliance monitors or the local jurisdiction at any time during this entire process. The nonprofit Florida Housing Coalition is under contract to provide technical assistance to local governments. Florida Housing's Inspector General may also audit local governments at any time.

Quality Assurance Reviews

Quality Assurance Reviews are performed by Florida Housing to determine compliance with contract requirements for credit underwriting, loan servicing, compliance monitoring and bond trustee services. Reviews of other programs are also performed to determine compliance with program criteria.

Inspector General Audits

Florida Housing's Inspector General oversees the internal audit and investigative functions for all aspects of the Corporation's programs and operations. This includes audits, investigations, reviews, assurance and consulting activities. Audits or other engagements can be initiated by internal audit risk assessments, the Board, Executive Director and internal or external complaints.

Audited Financial Statements

Florida Housing contracts with an independent audit firm to carry out annual audits of the financial statements. The independent auditor opines on the financial statements, internal control over financial reporting and on compliance and other matters, and compliance and internal controls applicable to each major federal award program.

Other Oversight

Florida Housing is also subject to audits by the Auditor General, the State of Florida Chief Financial Officer, DCA, the Office of Program Policy Analysis and Government Accountability (OPPAGA), HUD, U.S. Treasury, the Internal Revenue Service and other state and federal entities at their discretion.

Background Materials

The following materials provide more information about Florida Housing Finance Corporation and its programs. Florida Housing's website address is www.floridahousing.org.

2009 Annual Report

[http://www.floridahousing.org/FH-](http://www.floridahousing.org/FH-ImageWebDocs/Newsroom/Publications/AnnualReports/2009AnnualReport_FHFC.pdf)

[ImageWebDocs/Newsroom/Publications/AnnualReports/2009AnnualReport_FHFC.pdf](http://www.floridahousing.org/FH-ImageWebDocs/Newsroom/Publications/AnnualReports/2009AnnualReport_FHFC.pdf)

Chapter 420, Part V, Florida Statutes [pertaining to Florida Housing Finance Corporation]

http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0400-0499/0420/0420PARTVContentsIndex.html

Florida Administrative Code Rules that Apply to Florida Housing Programs

<http://www.floridahousing.org/BusinessAndLegal/Rules/>

Acronyms Used in this Document

AMI	Area Median Income
ARRA	American Recovery and Reinvestment Act
CWHIP	Community Workforce Housing Innovation Pilot Program
DCA	Florida Department of Community Affairs
ELI	Extremely Low Income
GF	Guarantee Fund
GSE	Government Sponsored Enterprises
HAP	Homeownership Assistance Program
HOP	Homeownership Pool Program
HUD	U.S. Department of Housing and Urban Development
IFS	Insurer Financial Strength
LGHTF	Local Government Housing Trust Fund
LHAP	Local Housing Assistance Plan
LIHTC	Low Income Housing Tax Credit
MBS	Mortgage Backed Securities Program
NFMC	National Foreclosure Mitigation Counseling Program
NIBP	New Issue Bond Program
OPPAGA	Office of Program Policy Analysis and Government Accountability
PHA	Public Housing Authority
PLP	Predevelopment Loan Program
SAIL	State Apartment Incentive Loan Program
SHIP	State Housing Initiatives Partnership Program
SHTF	State Housing Trust Fund
TCAP	Tax Credit Assistance Program
TCEP	Section 1602 Tax Credit Exchange Program
USDA-RD	U.S. Department of Agriculture's Office of Rural Development

**OTTED Schedule VIII-B-2
Reductions**

Schedule VIII-B Reductions	2011-12			Comments
Major Categories	15% Recurring Reductions			
	GR	Trust	Total	
102003 Enterprise Florida	0	735,000	735,000	Enterprise Florida: Reductions in contracts for International representatives and business recruitment activities. In order to maintain a balanced program for economic development, the use of the International Trade and Promotions Trust Fund will need to be expanded. This reduction would decrease Enterprise Florida's efforts in recruitment, expansion and retention of business and industry in Florida.
105703 Florida Commission on Tourism	0	2,744,881	2,744,881	Florida Commission on Tourism/VISIT FLORIDA: Tourism marketing efforts are critical to the stabilization and growth of the Florida tourism industry. Reducing tourism marketing efforts adversely impacts revenues and reduces matching funds invested by the private sector.
101485 Florida Sports Foundation	0	375,000	375,000	Florida Sports Foundation (FSF): Decrease funding in the major and regional grant programs. These programs have generated over 600 events creating \$2 billion in economic impact. Many of those events would not have come to Florida if the grant programs had not been in place to assist communities in securing bids for those events. Without this funding, the State could potentially lose numerous events.
Operations Cuts-Salaries & Lump Sum	161,210	172,892	334,102	Reduction in 2 FTE and \$161,210 in Salaries from General Revenue Fund and \$172,892 in trust funds from the EOG OTTED Lump Sum. This reductions will result in the severe impairment of OTTED ability to manage the billions of dollars under its management.
Target Total	161,210	4,027,773	4,188,983	

**Department of State
FY 2011-12 15% Reduction Plan (8B-2)**

Priority # 1- Assistant Director of Elections

Total Reduction - \$118,366 (GR)
-1.00 FTE (Vacant)

This budget reduction issue eliminates the Assistant Director position within the Division of Elections. This is the only remaining assistant director position within the Department.

Priority #2- Fund Shift from GR to Federal Grants TF (National Endowment for the Arts)

Total Reduction - \$121,244 (GR)

This budget reduction issue will fund shift \$121,244 in Salaries and Benefits, including two (2) FTE from General Revenue to the Federal Grants Trust Fund. These positions will be funded with federal funds from the National Endowment for the Arts.

Priority #3- Fund Shift from GR to Federal Grants TF (National Park Service)

Total Reduction- \$265,162 (GR)

This budget reduction issue will fund shift \$265,162 in Expenses for Rent from General Revenue to the Federal Grants Trust Fund. These expenses will be funded with federal dollars from the National Park Service.

Priority #4- Fund Shift from Conservation and Recreational Lands (CARL) to Federal Grants TF (NEA)

Total Reduction- \$118,752 (CARL)

This budget reduction issue will fund shift three (3) FTE and associated expenses from the Grants and Donations Trust Fund (CARL) to the Federal Grants Trust Fund. These positions will be funded with federal funds from the National Endowment for the Arts.

Priority #5- Fund Shift from GR to Federal Grants TF (LSTA) for Database Subscriptions

Total Reduction- \$47,901 (GR)

This budget reduction issue will fund shift \$47,901 from General Revenue to Federal Grants Trust Fund. Funding for four database resources will be fund shifted: three history, genealogy, and American culture databases and one library and information services database that are available for onsite use at the State Library of Florida.

Priority #6- Flag and Audio Visual Program

Total Reduction- \$47,261 (GR and RMTF)

-1.00 FTE (Vacant)

This budget reduction issue eliminates the Flag Collection and Audio Visual Collection Program. Collections of flags of all UN countries, all states and all old and current Florida state flags will be phased out. Collection of educational audio visual materials will be phased out. Public libraries use the collection of educational audio visual materials for programming and the collection will not be available for inter-library loan.

Priority #7- Grove (Operations)

Total Reduction- \$261,296 (CARL)

This budget reduction issue reduces funding for The Grove. This reduction will reduce funding of \$261,296 in Expenses, OPS, and Contracted Services for The Grove. The Department took possession of The Grove in November 2009 upon the passing of former First Lady Mary Call Darby Collins. This transition was pursuant to 267.075(4)(a), F.S. and requires the Division to maintain the structure, style, character, and landscaping of The Grove, its grounds and private cemetery consistent with the character and design of The Grove. These reductions will slow efforts to stabilize and modernize the structure and grounds. This reduction will delay the opening of the site as a public museum.

Priority #8- Elimination of Databases Purchased With Library Resources

Total Reduction- \$75,000 (GR)

This budget reduction issue reduces funding for the Library Resources appropriation category. This includes the cancellation of commercial databases that the State Library offers to state employees. These databases were selected specifically to assist state employees with their work related research.

Priority #9- Landscaping Elimination (Martin House and Mission San Luis)

Total Reduction- \$30,000 (CARL)

This budget reduction issue reduces the Contracted Services appropriation category within the Division of Historical Resources and will eliminate the landscaping and mowing contracts at the Martin House and Mission San Luis.

Priority #10- Reduce Voter Fraud

Total Reduction- \$430,660 (GR)

This budget reduction issue reduces the appropriation for the Voter Fraud Program. The FY 2010-2011 appropriation was \$445,379. The Voter Fraud Program is used by the Department to maintain the Voter Fraud Hotline and provide election fraud education; both of which are statutorily required responsibilities as stated in Sec 97.012(12), F.S. This reduction impacts the Division of Elections' ability to meet its Maintenance of Effort that is required by the Help America Vote Act.

Priority #11- Historical Resources OPS Reduction

Total Reduction- \$133,915 (CARL)

This budget reduction issue reduces funding for Other Personal Services in the Bureau of Archeological Research. These reductions will impact the Division's ability to document, protect and preserve archaeological resources throughout the State. Programs affected are Archeological Programs, Underwater Archaeology Programs, and the Collections and Conservation Program. In addition, these reductions impact Mission San Luis and other significant archaeological sites in Florida.

Priority #12- Conservation and Preservation of Archival Materials

Total Reduction- \$50,000 (CARL)

This budget reduction issue reduces funding for the conservation and preservation of archival materials. The State Archives has a collection of special highly sensitive archival objects such as Florida's Ordinance of Secession from the United States during the Civil War and the only known copy of the 1838 Florida Constitution that require more than basic preservation techniques.

Priority #13- Eliminate Computer Output Microfilm Program

Total Reduction- \$156,690 (RMTF)

-3.50 FTE (All Filled)

This budget reduction issue eliminates the Computer Output Microfilming Section of the Florida Records Management Program. With the advent of more agencies digitizing information, this operation is no longer viable.

Priority #14- Legislative Library Consolidation

Total Reduction- \$269,000 (GR)

-1.00 FTE (1 Filled)

This budget reduction issue consolidates and relocates the Legislative Library that is currently located on the seventh floor of the Capitol with the State Library that is housed within the R.A. Gray Building. This relocation will move all services of the Legislative Library to the R.A. Gray Building with a few exceptions. Those exceptions are the elimination of one FTE of the Legislative Library and the elimination of the Westlaw account which currently serves most members of the legislature and their staff. The consolidation of the Legislative Library is also estimated to cost \$10,000.

Priority #15- Eliminate Desktop Support

Total Reduction- \$224,496 (GR)

-4.00 FTE (4 Filled)

This budget reduction issue eliminates desktop support and service request functions. Currently, the Office of Technology Services offers IT desktop support that troubleshoots and corrects desktop computer issues for the department. If this reduction is taken, the Divisions would manage their own desktop support.

Priority #16- Museum Development Activities

Total Reduction- \$40,000 (GR)

-1.00 FTE (Filled)

This budget reduction issue eliminates one FTE that provides support for the Museum of Florida History's development activities.

Priority #17- Museum Exhibit and Fabrication

Total Reduction- \$28,765 (CARL)

-1.00 FTE (Two, 0.50 FTE Filled)

This budget reduction issue eliminates two (2) half-time FTE Museum Curator positions. The elimination of these positions would reduce staffing for the preservation of permanent historical collections and the preparation of exhibitions for the public. Because both positions involve unique specialized expertise, technical functions performed by these staff members would be lost entirely because they cannot be replaced by other existing staff or contractors in the vicinity.

Priority #18- Close Knott House

Total Reduction- \$56,474 (GR and CARL)

-1.00 FTE (Filled)

This budget reduction issue will close the Knott House to the public. The Knott House is currently open for tours every Wednesday through Saturday. During the year, the Knott House also produces an array of special programs, including: poetry workshops for teen-aged students; Emancipation Day Celebration; Historic Walking Tour programs; Holiday Open House; and other community based events.

Priority #19- Bureau of Departmental Services Consolidation

Total Reduction- \$268,110 (GR)

-4.00 FTE (3 Filled, 1 Vacant)

This budget reduction issue will reassign the functions of the Bureau of Departmental Services. This reduction issue would eliminate the Bureau Chief position who is the Department's human resource professional. If this reduction is taken, human resource duties would be reassigned under the Division Director. Human Resource interpretative decisions and actions would be addressed by the General Counsel's office.

Priority #20- Eliminate History Fair

Total Reduction- \$50,489 (CARL and GR)

-1.00 FTE (Vacant)

This budget reduction issue eliminates funding for the Florida History Fair. The Florida History Fair is part of National History Day, a nationwide program designed to teach history and the use of primary sources to middle and high school students. If this elimination is taken, the Museum of Florida History's accreditation status may be

affected.

Priority #21- Consolidation of Archaeology Programs

Total Reduction- \$100,215 (CARL)

-2.00 FTE (2 Filled)

This budget reduction issue reduces funding in the Division of Historical Resources, Bureau of Archaeological Resources. This reduction will eliminate the exploration and recovery of historic shipwrecks function currently governed by Rule 1A-31. All archaeological review functions will be consolidated into one section, as opposed to the two as presently organized - underwater and public lands.

Priority #22- Eliminate Cultural Program Manager

Total Reduction- \$42,764 (GR)

-1.00 FTE (Filled)

This budget reduction issue eliminates a Cultural Grants Program Manager position. Recent consolidation of the grants program and reduced funding for grant programs accommodates the elimination of 1.0 FTE.

Priority #23- External Exhibit Program

Total Reduction- \$60,451 (GR)

-1.00 FTE (Filled)

This budget reduction issue eliminates the Capitol Complex Exhibition Program. This program showcases Florida artists and arts organizations through a series of visual art exhibitions in the Capitol Complex which includes the 22nd floor of the Florida Capitol, the Cabinet Meeting Room of the Capitol Building, and the Gallery for Innovation and the Arts in the R.A. Gray Building.

Priority #24- Consolidate Archives and State Library

Total Reduction- \$437,876 (GR and RMTF)

-7.50 FTE (5.50 Filled, 2 Vacant)

This budget reduction issue will create one public access point allowing for the consolidation of the State Library of Florida with the State Archives of Florida. A consolidated staff would provide face-to-face services in the State Archives on the first floor of the R.A. Gray Building. This consolidation will reduce the number of professional librarians and materials to serve state government and the public. If this reduction issue is taken, the State Library facility will be closed on July 1, 2011.

Priority #25- Corporations Reduction

Total Reduction- \$1,168,752 (GR)

-18.00 FTE (All Filled)

This budget reduction issue will eliminate the Certifications, Apostille, Service of Process, Notary Commission and Civil Law Notary programs. These reductions remove

the State's ability to certify documents utilized in the business community and the legal process. Eliminating the Apostille program removes the State's ability to authenticate records in accordance with the Hague Convention which are utilized internationally. Further, the State will no longer accept Substitute Service of Process which is utilized by the judicial system. It also removes the State's ability to commission notaries public and civil law notaries. This reduction issue would eliminate 18 currently filled FTE. These programs generated a combined total of \$15,165,133 in revenue for FY 09/10.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
COMMUNITY AFFAIRS, DEPT OF				52000000
PGM: COMMUNITY PLANNING				52500000
<u>COMMUNITY PLANNING</u>				52500100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
REDUCTION OF REGIONAL PLANNING				
COUNCILS (RPCS)				33B9140
SPECIAL CATEGORIES				100000
G/A-REG PLNG COUNCILS				103056
GENERAL REVENUE FUND				1000 1
-STATE		2,500,000-		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:

IT COMPONENT? NO

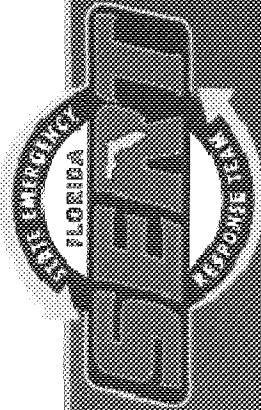
Regional Planning Councils (RPCs) receive support from a variety of revenue sources, including membership fees from local governments, application fees from developments of regional impact, contracts, grants, and state funding. State funding is provided to RPCs to help pay the cost of performing statutorily required activities, including review of proposed comprehensive plan amendments, evaluation and appraisal reports, and the review and update of strategic regional policy plans. A \$2.5 million reduction in Fiscal Year 2011-12 funding to the RPCs could result in them devoting fewer staff resources to perform these statutory duties.

Emergency

Manufacturing

Fiscal Year 2010 -11 & Fiscal Year 2011-12
Schedule VIIIB-2

Budget Issues for Possible Reduction
House Transportation & Economic Development
Appropriations Sub-Committee



“Failure is not an option.”

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FY 2010-11/2011-12 Schedule VIIB-2 Reductions

- Annual Hurricane Loss Mitigation Funding
 - Pursuant to Section 215.559, Florida Statutes, \$10 million is annually appropriated from the Florida Hurricane Catastrophe (CAT) Fund to be used for the Hurricane Loss Mitigation Program.
 - \$7 million is to be used for programs to improve the wind resistance of residences and mobile homes, public education and outreach, and other efforts to prevent or reduce losses or reduce the cost of rebuilding after a disaster.
 - \$3 million, of which \$1.25 million in FY 2010-11 is to be used to retrofit existing facilities used as public hurricane shelters as identified in the most current version of the Shelter Retrofit Report prepared in accordance with section 252.385, Florida Statutes.



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FY 2010-11 and FY 2011-12 Schedule VIIB-2 Reductions

- Annual Hurricane Loss Mitigation Funding
 - Of the \$7 million appropriation,
 - 40 percent is allocated to Tallahassee Community College to be used to inspect and improve tie-downs for mobile homes
 - 10 percent is to be allocated to the Florida International University center dedicated to hurricane research
 - 50 percent is allocated toward a competitive grant program to improve the wind resistance of residences with State/Regional Agencies, Local Governments, Private Non-Profits and Educational Institutions



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FY 2010-11 Schedule VIII B-2 5% Reduction

- Budget Issue for Potential Reduction
 - (\$1,304,852)
 - \$379,952 from the funding allocated for competitive Residential Construction Mitigation Grant Program
 - The impact of this reduction is a 15% decrease in funding which results in fewer projects awarded
 - \$925,000 from the funding allocated for the retrofit of existing facilities to be used as public hurricane shelters
 - The impact of this reduction is a 53% decrease in funding which results in approximately 5,000 shelter spaces being created instead of 10,947 shelter spaces being created



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FY 2011-12 Schedule VIIB-2

15% Reduction

- Budget Issue for Potential Reduction
 - (\$3,185,788)
 - \$1,274,315 from the funding allocated for the inspection and improvement of tie-downs for mobile homes
 - The impact of this reduction will be a 46% decrease in funding to Tallahassee Community College
 - \$318,579 from the funding allocated for hurricane research
 - The impact of this reduction will be a 46% decrease in funding to Florida International University
 - \$1,592,894 from the funding allocated for the competitive Residential Construction Mitigation Grant Program
 - The impact of this reduction will be a 47% decrease in funding which results in fewer projects



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FLORIDA BUSINESS PLAN CENTER

Get a Family Plan | Get a Business Plan | Meet GENE

FLORIDA BUSINESS PLAN CENTER
Florida Division of Emergency Management

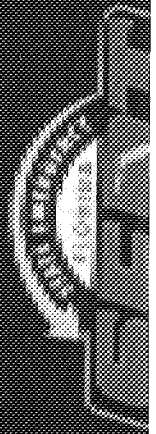
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Get a FAMILY Plan



Get a BUSINESS Plan





2011/2012 Schedule VIII B Reduction Proposal

Affordable Housing Programs:

State Apartment Incentive Loan (SAIL), Homeownership Assistance (HAP),
Predevelopment (PLP), HOME Match, Guarantee Fund Debt Service,
Housing Data Clearinghouse, Affordable Housing Study Commission,
Catalyst Program

\$ (295,000)

State Housing Initiatives Partnership (SHIP)

(590,000)

Transfer to DCF for Homeless Programs

-

Total Florida Housing Schedule VIII B Reduction Proposal

\$ (885,000)

***Department of Transportation
Overview of Schedule VIII B-2
Program Reduction Exercise***



***House Transportation and Economic Development
Appropriations Subcommittee
January 25, 2011***



MISSION AND VISION

OUR MISSION

The department will provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity and preserves the quality of our environment and communities.

OUR VISION

Serving the people of Florida by delivering a transportation system that is fatality and congestion free.



Overview

- ◆ FDOT has a cost effective mix of in-house and contracted forces to deliver the work program

- ◆ Highly Privatized
 - Construction 100%
 - Toll Collections 99%
 - Design 83%
 - Maintenance 80%
 - Planning 74%



Overview

◆ Three Categories of Budget

- Operating
- Work Program
- Fixed Capital Outlay Buildings and Grounds

◆ Effective Budget Reduction Considers All Categories

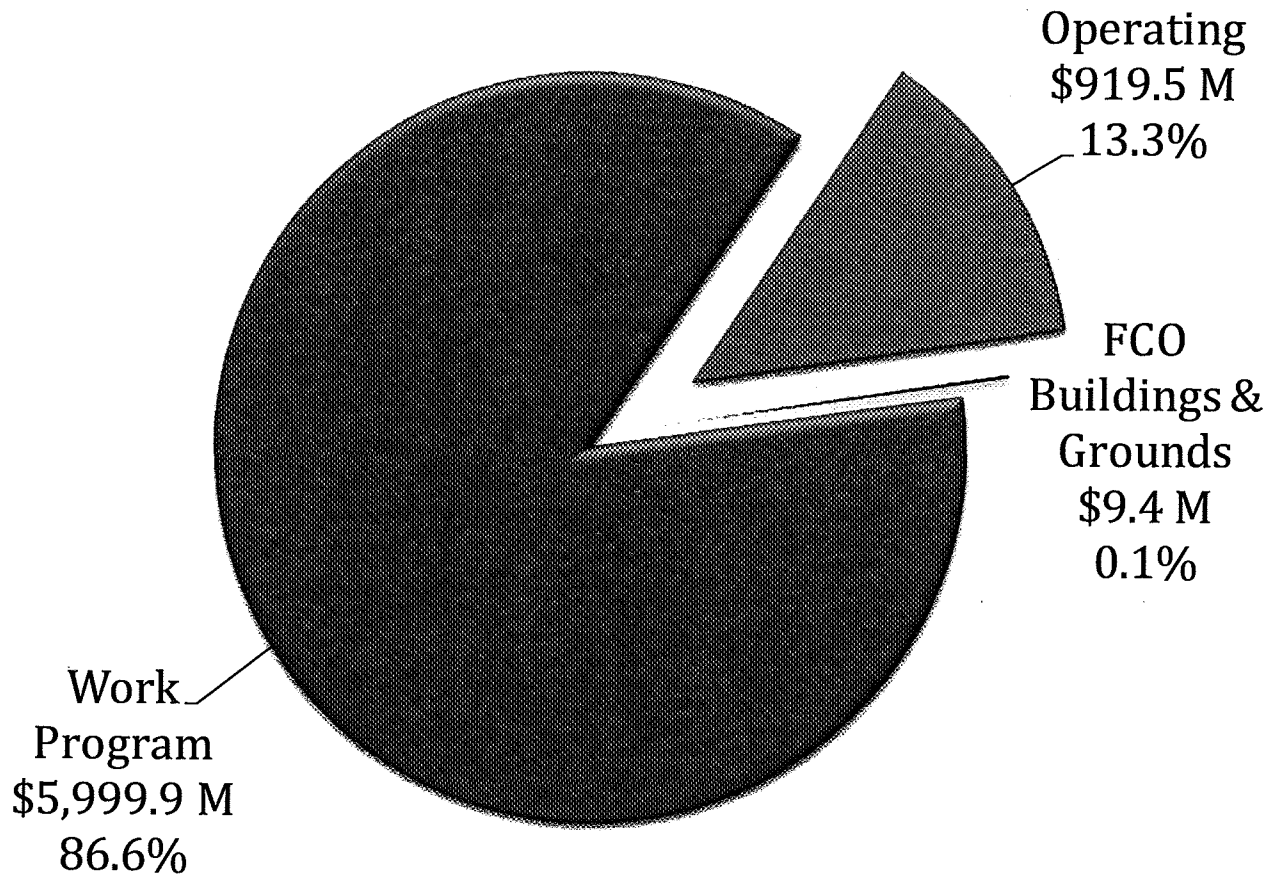
- Allocate resources in a manner that most effectively accomplishes mission
- Minimize impacts to projects
- Avoid inefficiencies (some activities funded by more than one category)



Overview

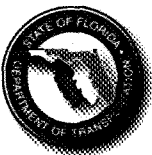
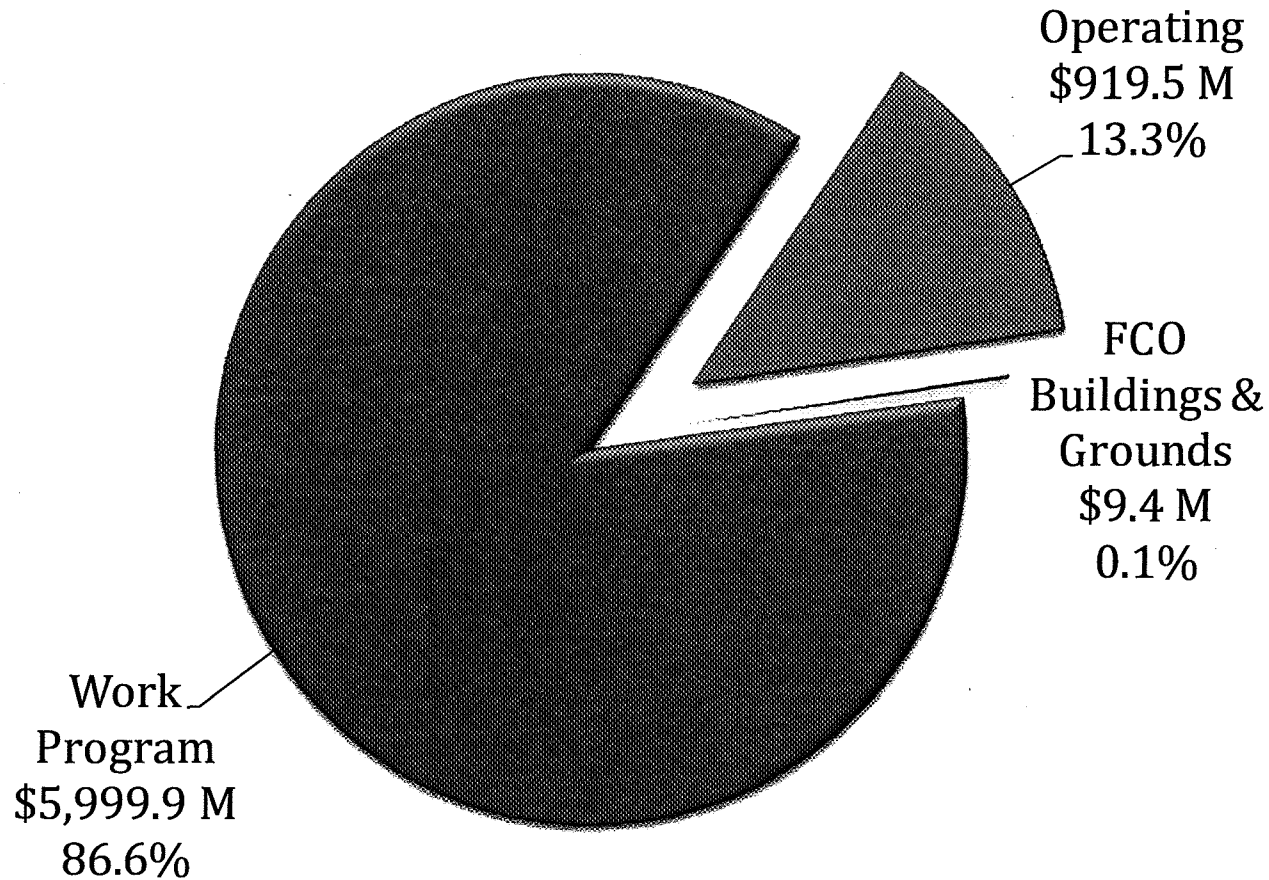
- 2011/12 VIIIIB-2 Exercise is based on 2010/11 Program

2010-11 Appropriation \$6.9288 Billion



Schedule VIII B-2 Exercise

2010-11 Appropriation \$6.9288 Billion

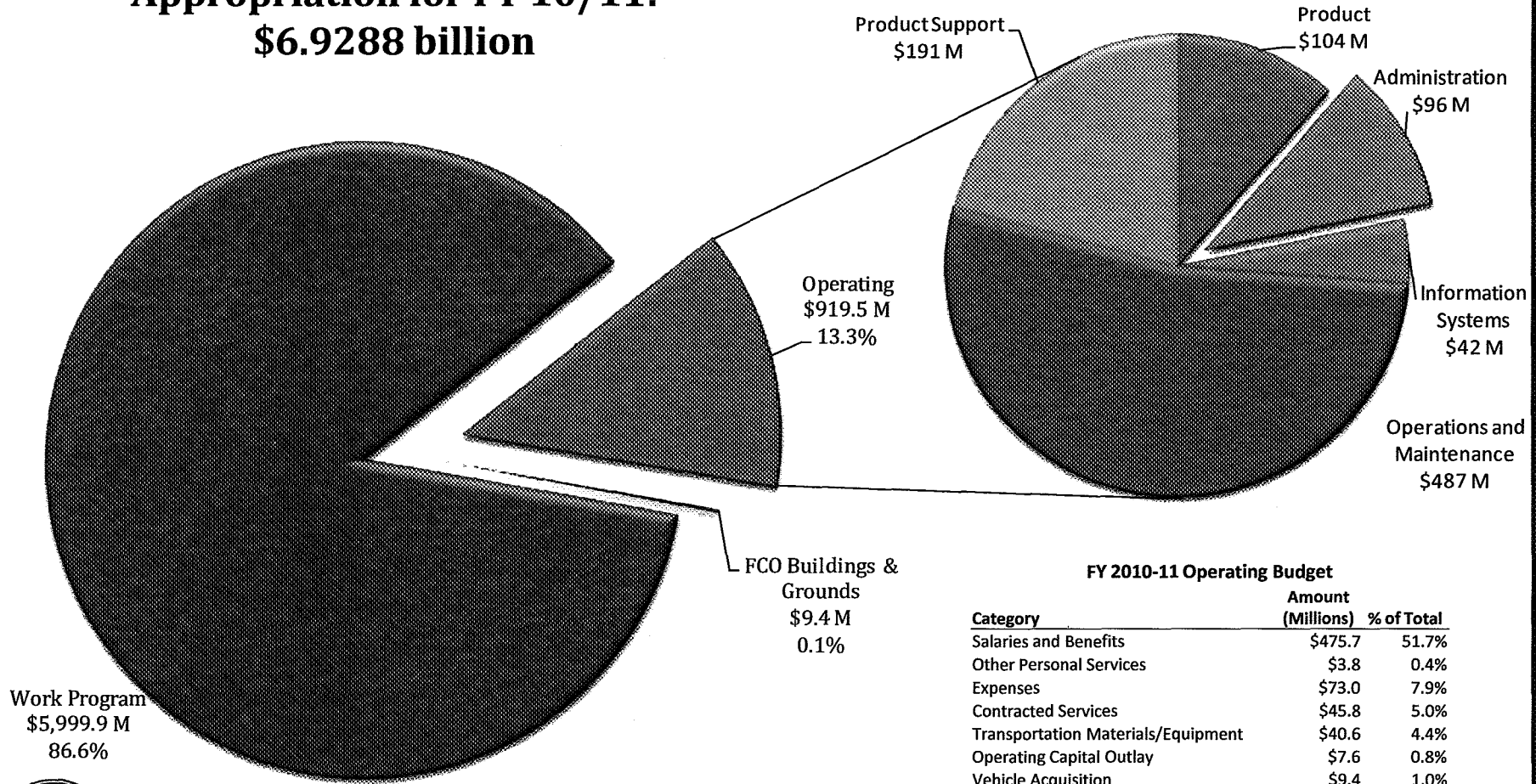


Limited to the Recurring Base Budget (Operating Budget)

Schedule VIII B-2 Exercise

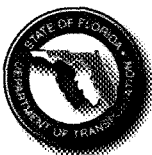
Operating Portion of the Budget:
\$919.5 million

Appropriation for FY 10/11:
\$6.9288 billion



FY 2010-11 Operating Budget

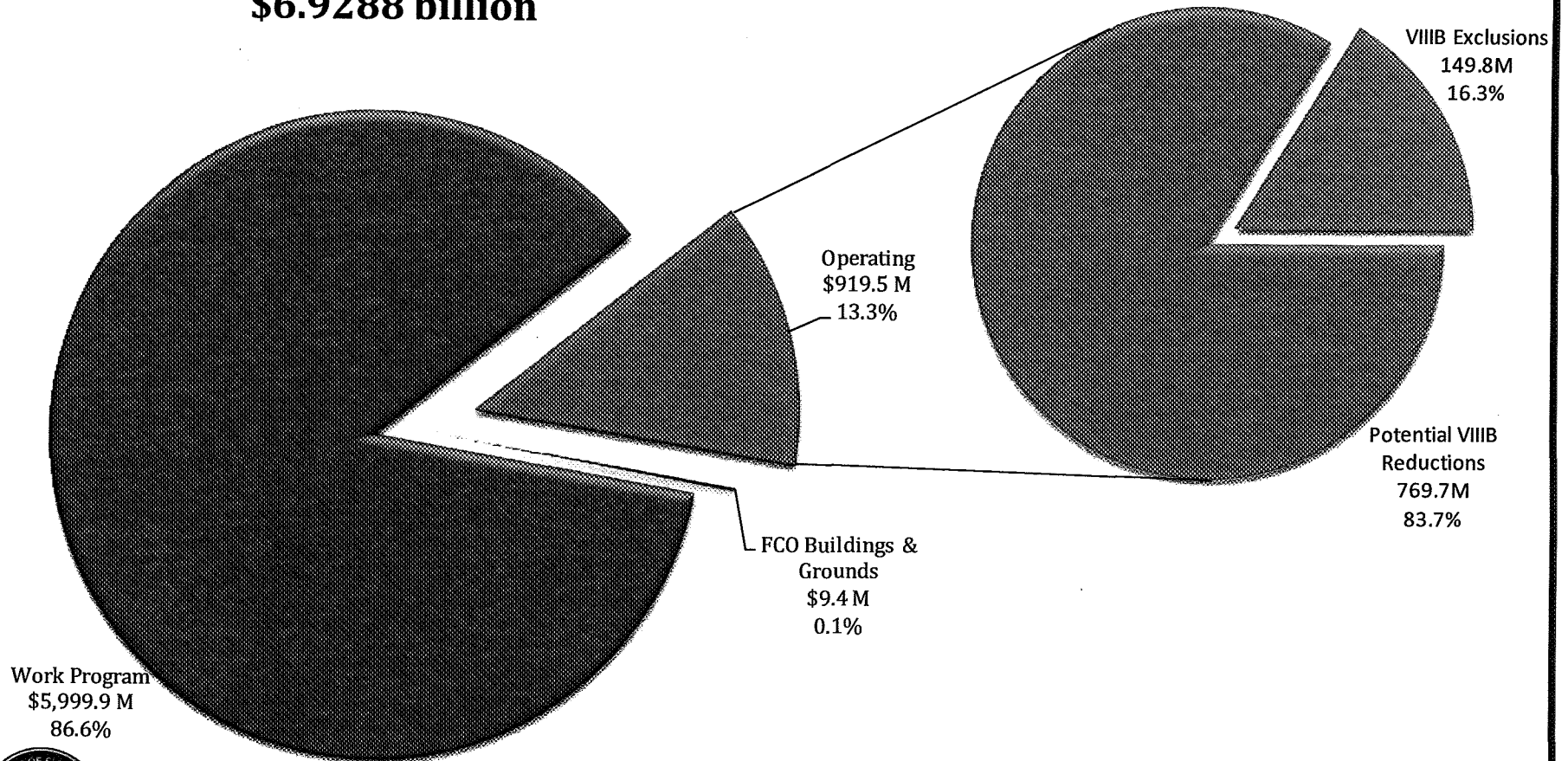
Category	Amount (Millions)	% of Total
Salaries and Benefits	\$475.7	51.7%
Other Personal Services	\$3.8	0.4%
Expenses	\$73.0	7.9%
Contracted Services	\$45.8	5.0%
Transportation Materials/Equipment	\$40.6	4.4%
Operating Capital Outlay	\$7.6	0.8%
Vehicle Acquisition	\$9.4	1.0%
Toll Contracts/Expressway Payments	\$88.5	9.6%
Transportation Disadvantaged	\$103.9	11.3%
Other Special Categories	\$51.6	5.6%
Transfers to Other Agencies	\$19.6	2.1%
Total Operating Budget	\$919.5	100.0%



Schedule VIII B-2 Exercise

Appropriation for FY 10/11:
\$6.9288 billion

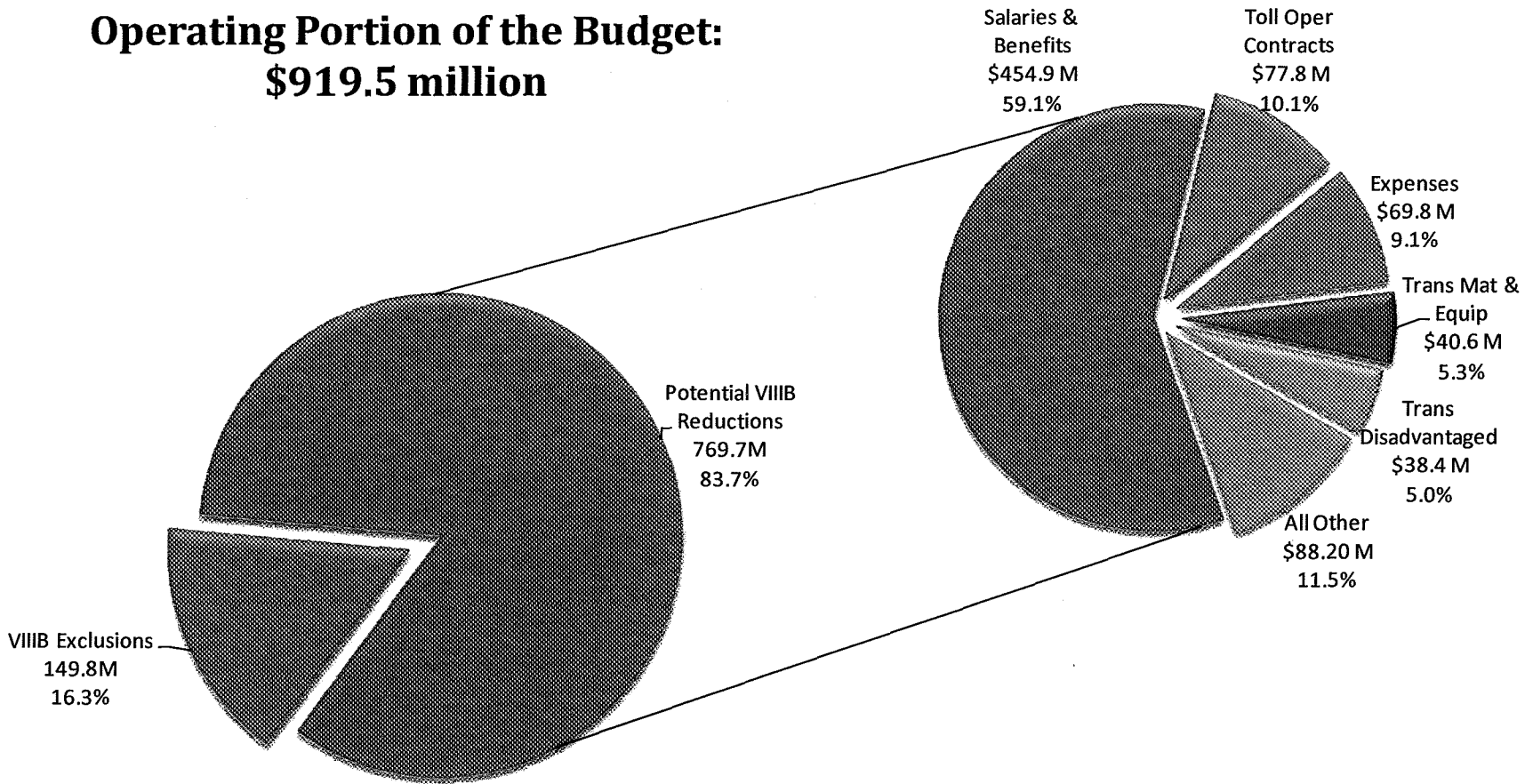
Operating Portion of the Budget:
\$919.5 million



Schedule VIII-B-2 Exercise

**Potential VIII-B Reductions:
\$769.7 million**

**Operating Portion of the Budget:
\$919.5 million**



Schedule VIII-B-2 Exercise

Category	2010-2011 Recurring Base Budget Net of VIII-B Exclusions	Percentage of Recurring Base Budget Net of VIII-B Exclusions	2011-2012 Schedule VIII-B Proposed Reduction	Percentage Reduction to Recurring Base Budget
Other Personal Services	3,731,259.00	0.48%	2,500,000.00	67%
Human Resource Development	3,037,616.00	0.39%	2,000,000.00	66%
Operating Capital Outlay	5,048,810.00	0.66%	2,500,000.00	50%
Overtime	3,461,961.00	0.45%	2,000,000.00	58%
Acquisition of Motor Vehicles	6,376,289.00	0.83%	2,000,000.00	31%
Transfer to DHSMV - Contracted Dispatch Services	818,831.00	0.11%	122,824.65	15%
DP Services - Southwood SRC	5,609,620.00	0.73%	841,443.00	15%
Consultant Fees	10,975,816.00	1.43%	2,000,000.00	18%
Expenses	69,819,021.00	9.07%	25,000,000.00	36%
Contracted Services	27,213,633.00	3.54%	5,000,000.00	18%
Transportation, Materials and Equipment	40,558,884.00	5.27%	5,000,000.00	12%
Toll Operation Contracts	77,774,257.00	10.10%	15,000,000.00	19%
G/A - Transportation Disadvantaged	38,404,800.00	4.99%	5,760,720.00	15%
Florida Highway Patrol Services	19,311,625.00	2.51%	5,000,000.00	26%
Fairbanks Hazardous Waste	180,600.00	0.02%	-	-
Risk Management Insurance - Other	1,838,903.00	0.24%	-	-
Salary Incentive Payments	221,360.00	0.03%	-	-
Deferred-Payment Commodity Contracts	386,890.00	0.05%	-	-
Salaries and Benefits	454,937,181.00	59.11%	40,731,115.00	9%
Total	769,707,356.00	100.00%	115,456,102.65	15%



Schedule VIII B-2 Exercise

- ◆ Schedule VIII B-2 Exercise (15%)
 - Translates into \$115.5 Million
 - 12.5% of the Operating Budget

- ◆ Development of the Work Program is ongoing

- ◆ We look forward to the opportunity to provide a more comprehensive overview of the Department







Department of Military Affairs

FY 2011-2012

Priority Listing for Possible Reduction

Major General Emmett Titshaw

The Adjutant General

Florida National Guard

January 25, 2011



Department of Military Affairs

Mission Statement



To provide Florida National Guard units and personnel ready to support national security objectives; to protect the public safety of citizens; and to contribute to national, state and community programs that add value to the United States of America and to the State of Florida.



Department of Military Affairs Goals



Goal 1: Military Readiness - Provide military organizations that are trained and ready to meet the needs of national, state and local authorities.

Goal 2: Military Response - Provide military organizations that are trained and equipped to protect life and property and preserve peace, order, and public safety.

Goal 3: Drug Interdiction and Prevention - Provide Guard-unique assistance to law enforcement agencies and community based organizations to counter illegal drug use.

Goal 4: Assistance to Floridians at Risk - Provide training assistance to those at risk via About Face, Forward March and Youth Challenge Programs.

Goal 5: Federal/State Cooperative Agreements - Process federal funds in strict compliance with applicable regulations and guidelines.

Goal 6: Executive Direction and Support Services - Provide effective executive direction and support services.



Department of Military Affairs



Acquisition of Motor Vehicles

<i>General Revenue</i>	- \$ 40,000
<i>Camp Blanding MTF</i>	- 113,678

Issue supports the operation of the Florida National Guard

- **Reduction will degrade the Department's ability to replace vehicles which have become disabled or have surpassed replacement guidelines.**
- **Reduction will increase maintenance and repair expenses.**
 - Extend life expectancy of vehicles.
- **May severely impact our ability to perform our mission.**



Department of Military Affairs



Contracted Services

<i>General Revenue</i>	- \$ 353,955
<i>Camp Blanding MTF</i>	- 25,000

Issue supports the operation of the Florida National Guard

- **Contract labor is used to perform a myriad of tasks at Camp Blanding Joint Training Center.**
- **A significant portion of this contracted manpower accounts for the Cadre of the Florida Youth Challenge program**
- **Reduction will severely impact our capabilities to perform our full time mission.**



Department of Military Affairs

Other Personal Services (OPS)

General Revenue

- \$ 54,533



Issue supports the operation of the Florida National Guard

- **OPS positions perform administrative duties, freeing critical staff members to perform essential office functions.**
 - OPS personnel are often used to supplement in many areas due to shortfall in FTE positions.
 - Less than full funding will result in layoffs of state employees.



Department of Military Affairs

Operating Capital Outlay

General Revenue

- \$ 101,526



Issue supports the operation of the Florida National Guard

- **Funds are used to purchase & replace equipment**
 - Copy machines
 - Commercial Lawn Mowers
 - HVAC systems
- **Reductions in funding will postpone purchases for one year.**

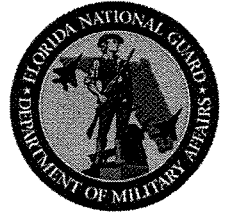


Department of Military Affairs

National Guard Tuition Assistance Program

General Revenue

- \$ 1,056,107



- **Provides financial assistance to eligible Florida National Guard soldiers for undergraduate level education.**
 - Program is a major recruiting tool.
 - Current turnover rate is 11%.
 - This issue affects the readiness of our military forces in training highly qualified soldiers.
- **Significant deployment activities will have ended by this budget year.**
 - Department may be requiring an increase in funding.



Department of Military Affairs

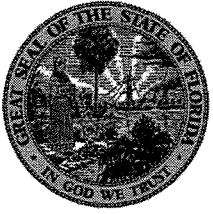
Maintenance & Operations Contracts

<i>General Revenue</i>	- \$ 6,480
<i>Camp Blanding MTF</i>	- 25,000



Issue supports the operation of the Florida National Guard

- **Funds are used to maintain and repair:**
 - Motor Vehicles, i.e; Cars, Trucks, Tractors
 - Machinery, i.e; Lawn Mowers, Office machines
- **These funds are also used to cover service contracts**
 - Garbage Pick-up, Pest Control
- **Reduction in funding will curtail the ability to purchase replacement parts and equipment.**
 - May impact our ability to perform our mission in the future.



Department of Military Affairs



Operating Expenses

<i>General Revenue</i>	- \$ 722,140
<i>Camp Blanding MTF</i>	- 43,010

Issue supports the operation of the Florida National Guard

- **The cost to operate and maintain the State's armories and military training centers has increased in recent years.**
 - Maintenance funds have been diverted to pay for expanding energy bills.
 - As Camp Blanding has increased training opportunities the need to repair and maintain buildings has increased.
- **A reduction of funding will severely hinder**
 - Maintenance and repair of our buildings.
 - Our capability to perform our full-time mission.
 - Maintain class size for at risk youth attending the Florida Youth Challenge Academy.



**Agency Reduction Analysis
Presented to the House
Transportation and Economic Development
Appropriations Committee
January 25, 2011**

Core Customer Services

- Workforce Services
 - Employment & Training Programs in Partnership with Workforce Florida, Inc. and Regional Workforce Boards
 - Labor Market Information Services

- Early Learning Services
 - School Readiness Program
 - Voluntary Prekindergarten Program
 - Child Care Resource & Referral

- Unemployment Compensation Services
 - Benefit Payments
 - Appeals
 - Unemployment Tax Collection by contract with Department of Revenue

Reduction Targets

The Agency's Schedule VIII-B reduction targets (15%) included in the FY 2011-12 Legislative Budget Request submitted in October, 2010:

General Revenue -	\$20,714,491
State Trust Funds -	\$51,059,446
Welfare Transition Trust Fund -	<u>\$30,194,620</u>
Total -	\$101,968,557



AWI's Base ("Start-Up") Budget

PROGRAMS:	State Funds		Federal Funds		Total
	General Revenue	State Trust Funds	TANF	Other Federal Trust Funds	
Early Learning Services	\$ 136,911,783	\$336,416,660	\$ 116,618,345	\$ 358,340,653	\$ 948,287,441
Workforce Services & Workforce Florida, Inc.	\$ -	\$ 4,865,813	\$ 84,696,131	\$ 234,569,215	\$ 324,131,159
Unemployment Compensation & Unemployment Appeals Commission	\$ -	\$ -	\$ -	\$ 121,456,252	\$ 121,456,252
Executive Leadership & Agency Support Services	\$ 1,217,984	\$ 116,600	\$ -	\$ 21,522,519	\$ 22,857,103
AGENCY TOTALS:	\$ 138,129,767	\$341,399,073	\$ 201,314,476	\$ 735,888,639	\$ 1,416,731,955

\$1,416,731,955 Total Base Budget
1,575 Full Time Equivalent Positions

Proposed Reduction Summary

EARLY LEARNING SERVICES	General Revenue	State Trust Funds	TANF Funds
Administrative Operations	\$104,108	\$12,665	
Early Learning Coalitions - School Readiness Services	\$20,610,383	\$570,962	\$17,492,752
Early Learning Coalitions - Voluntary Prekindergarten		\$49,741,537	
Early Learning Services - Total	\$20,714,491	\$50,325,164	\$17,492,752
WORKFORCE SERVICES			
Administrative Operations - AWI		\$35,086	\$401,878
Administrative Operations - Workforce Florida, Inc.		\$26,978	\$156,516
Displaced Homemakers Program		\$672,218	
Non-Custodial Parent Program			\$212,408
Regional Workforce Boards - Workforce Services			\$11,931,066
Workforce Services - Total		\$734,282	\$12,701,868
REDUCTION TOTALS BY FUND	\$20,714,491	\$51,059,446	\$30,194,620
AGENCY FOR WORKFORCE INNOVATION - REDUCTION TOTAL		\$101,968,557	

Impacts on Early Learning Services

- **General Revenue Reduction - \$20,714,491**

- **\$44.9 million – Total School Readiness Funds Lost**

- \$20.6 million reduction in the School Readiness Services category results in the inability to draw down \$24.3 million of available federal funding due to reduced state match funding.
- The combined reduction to the School Readiness Program would be \$44.9 million.
- The result is **11,213 fewer children** served.

- **Potential Loss of School Readiness Stimulus Funds**

- Reduction may jeopardize all or part of \$105 million of federal stimulus funding which must be used to “supplement, not supplant State general revenue funds for child care assistance to low-income families.”

Impacts on Early Learning Services (continued)

■ State Trust Fund Reduction - \$50,325,164

- **\$1,270,962 – Total School Readiness Funds Lost**
 - \$570,962 reduction in the School Readiness Services category results in the inability to draw down \$700,000 of available federal funding due to reduced state match funding.
 - The combined reduction to the School Readiness Program would be \$1,270,962.
 - The result of the reduction is **317 fewer children** served.

- **\$49,741,537 – Reduction of the Voluntary Prekindergarten Education (VPK) Program**
 - The program must already address \$72 million of non-recurring stimulus funding and the need for \$4.8 million to address the projected enrollment increase.
 - The cumulative impact to the VPK Program would be **\$127.3 million**.
 - To implement this funding reduction, the Base Student Allocation (BSA) paid to providers must be reduced:
 - Current BSAs – School Year - \$2,562, Summer - \$2,179
 - Potential BSAs – School Year - \$1,765, Summer - \$1,498
 - Significant reductions to the Base Student Allocation for the VPK Program could have a negative impact on:
 - Program quality and parental choice
 - Small businesses – the majority of the 5,915 VPK providers are small businesses

Impacts on Early Learning Services (continued)

■ TANF Reduction - \$17,492,752

- The result of the reduction is **4,373 fewer children** served in the School Readiness Program.
- The School Readiness program is a critical component of Florida's welfare to work strategy and is essential to Florida meeting the federal Participation Rate requirements.

Impacts on Workforce Services

- **State Trust Fund Reduction - \$734,282**
 - Reductions in the Displaced Homemakers program will result in fewer participants being served.
 - The Displaced Homemaker program provides job training, support services and education services to individuals who have been dependent on the income of another family member but are no longer supported by such income.
 - Reductions in AWI's and WFI's administrative operating categories will reduce the amount of oversight and monitoring performed on programs which cannot be charged directly to federal funding sources.

Impacts on Workforce Services (continued)

■ **TANF Reduction - \$12,701,868**

- **\$12,143,474 – Reduction of Regional Workforce Board funding (including the Non-Custodial Parent Program)**
 - Reductions will likely be implemented by :
 - Closure of One-Stop service centers and reduced hours of operation
 - Reduction in staff providing services to clients
 - Reduction of employment and training services
 - This reduction could result in the state not meeting federal participation rate requirements for the TANF program which would result in the loss of federal funding.
 - The Workforce program is the only program in the state providing qualified work activities to cash assistance recipients enabling the state to meet the federal TANF participation rate requirements to qualify for federal TANF funding.
- **\$558,394 – Reduction of administrative funding**
 - Will be accomplished through staff reductions and reduced accountability, oversight and monitoring of the Workforce Services program.



Kevin Thompson

Administrative Services Director

245-7335

Kristin Pingree

Budget Director

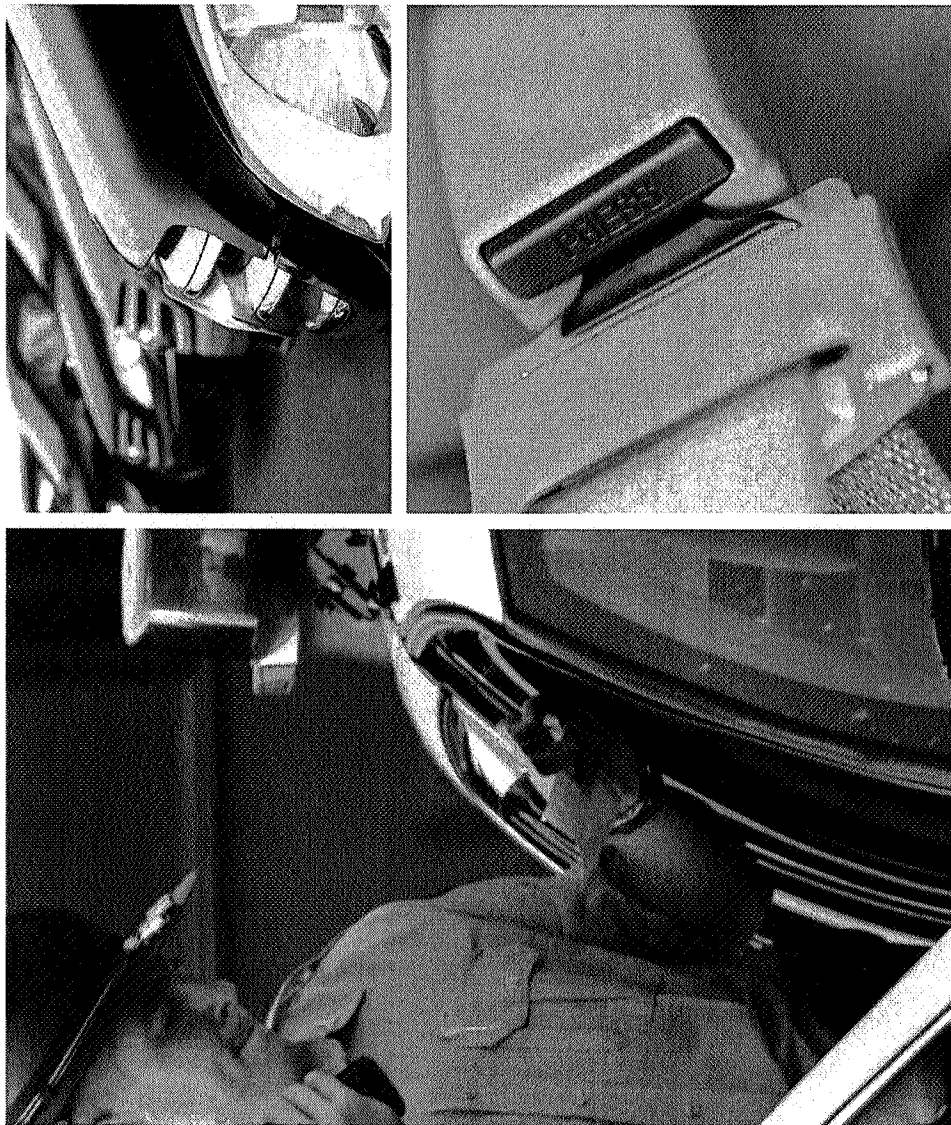
245-7119

Curt Siegmeister

Legislative Affairs Director

245-7108

Department of Highway Safety and Motor Vehicles



Executive Direction and Support Services

- Reduce Staff for Executive Direction/Support Services in Accounting, Finance, Purchasing, Personnel, Safety and the General Counsel's Office (7.5 positions at \$432,434)
- Reduce Office of Performance Management – Service Improvement and Grants Administration Office (5 positions at \$306,454)
- Reduce Highway Safety Specialists in the Hearing Office (1 FTE at \$56,447)

Executive Direction and Support Services

- Outsource Crash Records Program (\$250,000)
- Reduce Crash Analysis Office Staffing (2 positions at \$129,306)
- Eliminate Newspaper Advertisement Requirement and Utilize Agency Website Advertisements (\$26,000)

Division of Driver Licenses

- Reduce Purchase of Driver Licenses (\$700,000)
- Eliminate Vacant Support Positions in various Driver License Areas (11 positions at \$382,768)
- Close 5 State Owned Driver Licenses Offices Bureaus(28 positions at \$1,227,332)
- Close 4 Leased Driver License Offices (23 positions at \$1,697,954)
- Realign the Bureau of Administrative Reviews from 4 Regions to 3 (1 position at \$67,956)
- Annualize Previous Driver License Office Closures (\$843,140)

Division of Motor Vehicles

- Eliminate Positions Due to Redistribution of Workload (4 positions at \$146,828)
- Eliminate Dealer Site Inspections (4 positions at \$163,460)
- Eliminate Quality Review of Titles (6 positions at \$209,607)
- Outsource Rebuilt Inspection Program (21 positions at \$798,860)

Florida Highway Patrol

- Eliminate Support Positions (4 positions at \$139,738)
- Close 10 FHP Field Offices (15 positions at \$709,333)
- Online Mandatory Training Savings (\$35,823)
- Reclassify Vacant Traffic Homicide Investigator Positions as Troopers Due to Reduction in Traffic Homicides (\$67,593)
- Reduce Kirkman Building Security Staff (4 positions at \$124,463)

Florida Highway Patrol

- Eliminate Community Service Officers Program (22 positions at \$899,031)
- Reduce Sworn Recruiter Positions (4 at \$204,665)
- Eliminate Court Overtime (\$1,000,000)
- Reduce Statewide Overtime Action Response (\$3,500,000)
- Reduce Incidental Overtime Through Changing the Work Cycle to 160 Hours (\$2,000,000)

Other Options

- Elimination of the Bureau of Administrative Reviews (119 positions at \$5,848,237)
- Reduction in Law Enforcement Officer Positions (425 positions at \$31,078,379)