



Community Workforce Housing Innovation Pilot (CWHIP) Program: A Model for Replication

July 2009



**Urban Land
Institute**

Terwilliger Center for Workforce Housing

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The Urban Land Institute is a 501(c) (3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has more than 38,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Members say that ULI is a trusted idea place where leaders come to grow professionally and personally through sharing, mentoring, and problem solving. With pride, ULI members commit to the best in land use policy and practice.

About the ULI Terwilliger Center for Workforce Housing

The ULI Terwilliger Center for Workforce Housing was established by J. Ronald Terwilliger, chairman and CEO of Trammell Crow Residential, to expand housing opportunities for working families. The mission of the center is to serve as a catalyst in increasing the availability of workforce housing in high-cost communities by harnessing the power of the private sector. The center supports the development of mixed-income communities close to employment centers and transportation hubs. Through a multifaceted approach, it facilitates research, advocates for public policy change, publishes examples of best practices, convenes housing experts, and works to eliminate regulatory barriers to the production of workforce housing.

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EXECUTIVE SUMMARY: The CWHIP Program

Purpose of the Study

Founded in 1936, the Urban Land Institute (ULI) is a worldwide, multidisciplinary real estate forum with more than 38,000 members. The mission of ULI is to provide leadership in the responsible use of land and in creating and sustaining thriving communities. As a 501(c)(3) nonprofit research and education organization, the institute facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places.

The J. Ronald Terwilliger Center for Workforce Housing was created by ULI in February 2007 to address one of the most critical issues facing this country: workforce housing. The Terwilliger Center supports the development of housing affordable to moderate-income workers, including teachers, nurses, firefighters, government workers, and police officers. As part of its overall program of work, the Terwilliger Center identifies barriers to workforce housing production, advocates for changes in public policy, highlights best practices, and develops plans for the production of housing oriented toward people typically making between 60 percent and 120 percent of the area median income.

This research paper will be used by the Terwilliger Center for educational purposes, in particular, to assess the impact of Florida's Representative Mike Davis Community Workforce Housing Innovation Pilot (CWHIP) Program, identify best practices in workforce housing, and replicate the program at the state and national levels.

Summary of the CWHIP Program

The Representative Mike Davis CWHIP Program was created by the Florida legislature in 2006 as a catalyst for public/private partnerships to develop workforce housing. The program encouraged local government to provide regulatory and financial incentives, forge public/private partnerships, and expand affordable rental and homeownership opportunities for Florida's workforce.

Funding could be used to support "workforce housing" and housing for "essential service personnel" earning up to 140 percent of the area median income (and up to 150 percent in the Florida Keys). Previously, Florida's programs served only moderate-income families earning less than 120 percent of the area median income.

In its first year, the legislature appropriated \$50 million to the CWHIP Program. The following fiscal year, funding was increased to \$62.4 million. In all, the state of Florida

ULI Terwilliger Center for Workforce Housing

The ULI Terwilliger Center for Workforce Housing, established by former ULI Chairman J. Ronald Terwilliger, is addressing one of the most critical issues facing this country today by supporting the development of housing affordable to moderate-income workers, including teachers, nurses, firefighters, government workers, and police officers. Terwilliger, chairman and chief executive officer of Atlanta-based Trammell Crow Residential, committed \$5 million to the creation of the center.

"I CREATED THIS CENTER BECAUSE I BELIEVE IN THE URGENCY OF PROVIDING WORKFORCE HOUSING. IN COMMUNITIES NATIONWIDE, MODERATE-INCOME WORKING FAMILIES ARE BEING PUSHED FARTHER AND FARTHER AWAY FROM EMPLOYMENT CENTERS, ADDING TO TRAFFIC CONGESTION, AIR POLLUTION, AND SPRAWL. WITH THIS CENTER, WE ARE AIMING TO TURN THIS SITUATION AROUND. OUR ULTIMATE GOAL IS TO ACHIEVE A MEASURABLE INCREASE IN MIXED-INCOME WORKFORCE HOUSING IN COMMUNITIES ACROSS THE NATION."

—J. RONALD TERWILLIGER

The center will mobilize the private sector to work toward the production of workforce housing. In so doing, it will develop plans for the production of housing oriented toward people typically making between 60 and 120 percent of the median income for a specific market. As part of its overall program, the center will work to eliminate barriers to workforce housing production (such as exclusionary zoning and inflexible building codes) by advocating changes in public policy.

provided \$112.4 million for workforce housing in 2006 and 2007—a substantial commitment for a pilot program. Each workforce housing development project that applied to the program was eligible for up to \$5 million in low-interest or forgivable loans from the state. In turn, the participants pledged to leverage local public and private sector resources.

Successful applicants had to illustrate a combination of cooperation, capacity, and creativity among its partners. Projects were evaluated on a number of criteria, including partnerships, experience, need, affordability, feasibility, leveraging, and innovation. Emphasis was placed on funding “high cost” and “high growth” counties as well as “innovative” projects. Innovations ranged from sustainable design (such as green building and mixed-use development) to regulatory reforms (including fee waivers and expedited permitting). Often a combination of several “land use strategies,” “local financial strategies,” and “other innovative strategies” was applied to each project.

Critical Findings

The CWHIP Program accomplished the following primary objectives:

- Increased affordable housing opportunities for Florida’s workforce;
- Provided a variety of housing options across the state;
- Encouraged the formation of new development, financing, and cross-sector public/private partnerships;
- Developed broader community-wide support for workforce housing;
- Motivated local government to provide regulatory relief and financial incentives;
- Leveraged state and local funds with additional public and private resources;
- Maximized the affordability of workforce housing;
- Expanded funding opportunities for “essential service personnel” and middle-income households;
- Targeted priority areas with acute housing market challenges while allocating funds throughout the state; and
- Promoted new innovations in the land use, financing, and design of workforce housing.

The Creation of the CWHIP Program

History of Housing in Florida

As Florida entered statehood in 1845, it consisted of little more than swampland and small trading-post towns. The population was less than 66,000. By the turn of the 21st century, Florida had grown from one of the smallest states on the eastern seaboard to the fourth most populous state in the country. By 2005, the population had increased to 17.9 million. The rate of growth was substantial. The population has doubled over the past 30 years, with approximately 2 million people added from 2000 to 2005.

As populations expanded, communities had to determine ways to house new families and to manage their own growth. In 1985, the state mandated that each local jurisdiction complete a Comprehensive Plan to guide its growth and development.¹ Each Comprehensive Plan addressed a number of “elements,” including future land use, transportation, infrastructure, coastal management, conservation, recreation and open space, intergovernmental coordination, capital improvements, and housing. Within the housing element, local governments identified goals, objectives, and policies to meet the housing needs of both current and future populations.

Although jurisdictions were required to provide housing for all of their residents, including low-income and special-needs families and individuals, no dedicated revenue source existed to fund the housing strategies proposed by each city and county. Without funding or enforcement, little publicly supported affordable housing was built in Florida prior to 1992.

The Sadowski Fund

In the early 1990s, a broad-based coalition of homebuilders, real estate professionals, growth management advocates, government agencies, and low-income housing advocates joined forces to advocate for affordable housing in the state of Florida.

They ceded their individual interests to develop an all-inclusive housing system that supports construction and rehabilitation, rental and homeownership, and extremely low-income and moderate-income housing. Their consensus became the basis for the William E. Sadowski Affordable Housing Act.

With the passage of the Sadowski Act in 1992, Florida established one of the largest dedicated trust funds for affordable housing. Revenues are generated through a documentary stamp tax, a real estate transfer fee levied when registering a deed or mortgage in the public records. The Sadowski Act increased the existing documentary stamp tax by 10 cents per \$100 (from 60 cents to 70 cents) for the purpose of funding housing programs in the state. Three years later, the bill allocated an additional 10 cents to the housing trust. The funds are uniquely tied to the real estate

market so that revenues increase as housing prices (and the subsidy required to house Florida's workforce) increase.

The Sadowski Act not only funded existing state housing programs such as the Predevelopment Loan Program, the State Apartment Incentive Loan (SAIL), and the Homeownership Assistance Program but also established several new initiatives, including the Low-Income Emergency Home Repair Program, the HOME Investment Partnerships Program, the HOPE Program, the Florida Affordable Housing Guarantee Program, the Affordable Housing Catalyst Program for Technical Assistance and Training, and the State Housing Initiatives Partnership Program (SHIP). Programs ranged from rental housing, homeownership, and special needs to, more recently, disaster relief and workforce housing.

The Florida Housing Finance Corporation (Florida Housing) was designated as the administrator for all of the programs, directing 30 percent of the revenue into a statewide trust and the other 70 percent into a local housing trust. The local funds are distributed to all 67 counties and 48 entitlement cities in the state through the SHIP Program. The SHIP Program ensures both accountability and flexibility.

■ **Accountability:** To receive funding, each local government must adopt a SHIP Plan in accordance with state guidelines and local comprehensive plans.

■ **Flexibility:** Local jurisdictions are able to direct money toward the specific needs of their community. Locally adopted strategies set aside funding for extremely low-income to moderate-income households and support a variety of services, including new construction, rehabilitation, downpayment assistance, homebuyer education, and foreclosure prevention.

Onset of the Housing Crisis

In the first half of this decade, the entire nation witnessed an unprecedented housing boom, with appreciation in Florida outpacing other regions of the country. As property values soared, the median price for a single-family home in the state doubled in five years, reaching \$235,200 in 2005.² Similarly to the price increase in the homeownership market, the median rental rate in the state rose from \$641 in 2000 to \$809 in 2005—a 26 percent increase in five years.³

The increase drastically affected families. To purchase a median-priced single-family home, a household needed an annual income of at least \$67,000—nearly 130 percent of the state's family median income in 2005. Only about 30 percent of the market would have qualified for a traditional mortgage at that time. The remaining 70 percent of households remained priced out of the market.

The rental market provided little relief to those struggling to afford homes. Households needed to earn at least \$15.56/hour or \$32,360/year to afford the median rent in 2005. However, the median wage in Florida was only \$26,600 in 2005, which meant that half the workforce earned more, and half earned less than that amount.⁴

Housing Florida's Workforce

Although Florida has a strong employment base (more than 7.6 million jobs in 2005), the majority of the occupations are within low-paying service sector industries. The occupations that employ the greatest number of persons in the state—retail salespersons, cashiers, office clerks, waiters and waitresses, and food preparation and serving workers—all earn less than the median wage.⁵ As single wage earners, most of Florida's workforce could be considered the working poor, earning only about half of the area median income. Nevertheless, these jobs are critical to the economy.

With the rapid rise in housing costs, a substantial portion of the workforce had difficulty finding housing near employment opportunities. The problem affected not only entry-level or low-wage occupations but also many of the jobs considered essential to the local economy, such as nurses, teachers, firefighters, and police. Because of a lack of housing in their price range, many employees were forced to commute long distances. The result was added pressure on the transportation infrastructure, increased congestion on the roadways, and longer travel times. Some workers lived in substandard conditions or spent a disproportionate amount of their income on housing. Many other essential employees left the state for less expensive parts of the country.

The loss of the workforce has already affected the business community's ability to recruit and retain its employees. Although initially affecting lower-paid staff, employers have also documented difficulty in recruiting and retaining mid- to upper-level management. Job growth is tied to economic stability and is generally considered an indicator of a growing economy. If companies relocate to other areas of the country, the state could experience a dramatic economic impact.

Political Climate in Tallahassee

With affordable housing at the forefront of discussion, the political climate was ripe for new housing legislation. More than 20 affordable and workforce housing bills were filed at the beginning of the 2006 legislative session. A variety of new legislation was introduced, from revising existing housing programs for those with extremely low incomes to creating new policies assisting medium-income workers. Ultimately, many of the policies were combined into House Bill 1363, introduced by Rep. Mike Davis (R-Naples).

Representative Davis was a well-respected member of the Florida legislature. First elected to the Florida House of Representatives in 2002, his district (District 101) covered both Collier County and the western sections of Broward County. A former member of the U.S. Coast Guard and veteran of the Vietnam War, Representative Davis quickly rose through the ranks of the House, eventually becoming the majority whip. In his third term, Representative Davis led the effort to consolidate all affordable and workforce housing bills into Florida's most comprehensive housing legislation this decade: House Bill 1363.

The bill was inspired in part by a landmark affordable housing conference held by the Broward Housing Partnership in October 2005. More than 500 participants from the public, private, and community sectors attended the conference in Fort Lauderdale, Florida. The purpose was twofold: to educate stakeholders and to develop new strategies. Twelve nationally recognized speakers discussed successful affordable housing initiatives and programs from across the country, and participants built consensus on key tools and approaches to implement at the local level. Representative Davis combined these national models and local recommendations in the CWHIP Program.

Legislative Intent

As a retired businessman, Representative Davis kept a close watch on the pulse of local commerce. Within his district, he often met with the Chamber of Commerce and local business leaders. Their top concern was housing their workforce. Businesses throughout Collier County, including the Hospital District and School Board, reported difficulty hiring staff caused by a lack of housing affordable to the workforce. Subsidized housing was available for the poor; new luxury high rises were being built for wealthier buyers; but there was virtually no product available for middle-income workers.

Representative Davis presented these findings within House Bill 1363, stating that “recent rapid increases in the median purchase price of a home and the cost of rental housing have far outstripped the increases in median income in the state, preventing essential services personnel from living in the communities where they serve.” He also committed himself to designing a program that would provide workforce housing.

Some advocates and politicians began using the term “workforce housing” loosely as a way to depart from the negative connotations sometimes associated with affordable housing and to appeal to the needs of a larger constituency. Although typically “workforce” has been used to describe nurses, teachers, firefighters, and police officers, using a limited definition can be misleading. Florida's workforce comprises a variety of essential service personnel. House Bill 1363 clarified the expression, defining workforce housing as housing for “persons or families whose total annual household income does not exceed 140 percent of the area median income.” In areas

of critical state concern, such as the Keys, workforce housing is expanded to cover up to 150 percent of the area median income. Counties and eligible municipalities defined “essential services personnel” according to the affected occupations and professions in their individual community.

Representative Davis’s bill dedicated state funding to support both “workforce housing” and housing for “essential service personnel.” Its intent was to “provide affordable rental and homeownership community workforce housing for essential services personnel affected by the high cost of housing, using regulatory incentives and state and local funds to promote local public/private partnerships and leverage government and private resources.”

CWHIP Program Legislation

The CWHIP Program was the centerpiece of House Bill 1363. As the bill moved through the legislative process, it quickly began to grow and incorporate housing initiatives from other bills. Policies ranged from those serving extremely low-income populations to those assisting middle-income workers. The legislation included revisions to existing policies (i.e., special districts, tax exemptions, property assessments, interest and cap rates, and excise taxes); new mandates to encourage the development of additional workforce housing (including density bonuses, conveyance of government properties, and of course, the CWHIP Program); and appropriations for sustainability, disaster relief, and workforce housing. In its final version, House Bill 1363 grew from 11 to 36 sections and was 72 pages long.

Nonetheless, its intent remained: to provide additional workforce housing opportunities. Only slight variations were made to the CWHIP Program during the legislative process. Some of the revisions were intended to make the program more inclusive (i.e., funding projects in not only high-cost but also high-growth and innovative communities); others were to reduce public/private partnership requirements (i.e., encouraging regulatory incentives rather than mandating expedited permitting, fee waivers, and concurrency waivers).

Early revisions to the bill included “scrap the cap” legislation, a term coined by Representative Davis to fully fund the State Housing Trust Fund and eliminate the arbitrary cap of funds allocated to housing through the Sadowski Act. However, the proposal was highly contentious and last-minute changes struck the amendment from the bill.

Overall, House Bill 1363 received widespread support from both parties in both the House and Senate. The original proposal unanimously passed through the committee structure, and the final version was sponsored not only by Representative Davis but also by 62 other cosponsors. House Bill 1363 was signed by Governor Jeb Bush on June 1, 2006, and became effective July 1, 2006.

Perhaps the biggest accomplishment of the bill was the establishment of the first workforce housing program: the CWHIP Program. Because of its initial success, the pilot program was reappropriated the following year in House Bill 1375 (also sponsored by Representative Davis). Appropriately, the CWHIP Program is now named in recognition of its chief legislative proponent, Representative Mike Davis, who passed away on September 12, 2007.

Developing the Workforce Housing Model

CWHIP Program Allocation

In 2006 and 2007, the state of Florida funded one of the most inclusive, innovative workforce housing programs in the country, the Representative Mike Davis Community Workforce Housing Innovation Pilot Program (CWHIP Program). In its first year, the legislature appropriated \$50 million for the CWHIP Program. The following fiscal year funds were increased to \$62.4 million. In all, the state provided \$112.4 million for workforce housing in 2006 and 2007—a substantial amount for a pilot program. Each workforce housing development that applied to the program was eligible for up to \$5 million in low-interest or forgivable loans from the state. In turn, the participants pledged to leverage local public and private sector resources.

Program Administration

Like other housing programs in the state, the CWHIP Program was administered by Florida Housing. The Florida legislature created Florida Housing in 1980 to help Floridians obtain safe, decent, affordable housing that might otherwise be unavailable to them. Florida Housing is an independent agency within the Department of Community Affairs. The organization oversees a variety of rental housing, homeownership, technical assistance, and disaster recovery programs in the state. By assisting low-, moderate-, and now middle-income families, Florida Housing has created affordable housing opportunities that have stimulated Florida's economy.

In 2006, Florida Housing held a series of public meetings and workshops to solicit input from the business community, housing advocates, and local government on the interpretation of House Bill 1363 and the implementation of the CWHIP Program. More than 200 persons from the public and private sectors attended the three meetings (held in Fort Lauderdale, Tallahassee, and Tampa). Participants discussed a variety of topics, providing suggestions on funding goals, innovation, setaside levels, affordability periods, loan terms, credit underwriting criteria, and monitoring requirements. Similar sessions were held in 2007 prior to the release of the updated rule and request for proposal (RFP).

Rules and Regulations

After receiving feedback, Florida Housing established the procedures to “administer the Application process, credit underwriting and loan servicing of the Community Workforce Housing Innovation Pilot (CWHIP) Program.” The CWHIP Rule set forth the application and selection process, procedures and restrictions, and loan terms and disbursement criteria.

Many of the rules established eligibility requirements for qualified persons, beneficiaries, and applicants. First, eligible persons must occupy the unit as their principal residence for the entire affordability period. Second, all beneficiaries must be in good standing with Florida Housing and limit their developer or contractor fees to 16 or 14 percent, respectively, of the total project (minus land value) or actual construction cost. Third, applicants must ensure the long-term affordability of housing for Florida's workforce by providing set-asides and deed restrictions within their project. Finally, applicants must limit the rental rate and sales price for each workforce housing unit. Gross rent cannot exceed 30 percent of a household's income for rent-restricted units. For homeownership, the purchase price cannot exceed the appraised value, and sale and resale prices were limited to 90 percent of the median price for that type of unit in that county, or the statewide median sales price. (In 2006, the CWHIP Rule required units to be sold at only 80 percent of the median price.)

In 2007, Florida Housing updated several criteria within the CWHIP Rule. Most notably, the new rule allowed individual applications to be cured within 14 days of a notice sent by Florida Housing. (In the first year, several projects were not funded because of minor inconsistencies in their proposals.) Applicants could now provide additional documents, revised pages, and other information to address issues raised that could result in failure to meet threshold requirements or a score less than the maximum available. Cures were intended to illustrate, explain, or substantiate portions of the proposal and could not change, add, or modify any project specifics. The updated rule also established an appeal process to contest final scores and funding recommendations.

Other minor changes in the Florida Administrative Code affected project funding. While rule changes allowed applicants to receive a supplemental loan (above the amount requested from the CWHIP Program) for green building, the rule limited other funding programs that could be applied to the project. For example, CWHIP Program loans could not be combined with Florida Housing's SAIL, SHIP, or downpayment assistance programs. Applications were also limited to one submission per property, and projects that had already received a CWHIP Program commitment could not apply for a second allocation.

Finally, the new rules clarified program definitions, including the description of an applicant. An "applicant" was now defined as the financially responsible entity within the public/private partnership. Previously, the entire partnership was held accountable.

Application Process

In developing the RFP, Florida Housing moved away from the rules of the Universal Application Cycle (used for the corporation's HOME, tax credits, multifamily mortgage revenue bonds, and SAIL programs). The Universal Application Cycle has been criticized for being arduous, complicated, and rigid. In contrast, the CWHIP application was intended to be simple, straightforward, and flexible. The hope was to encourage new developers and partnerships to participate and to support project innovation and creativity. The 2006 application contained 12 sections, A through L: Contact Information, Project Description and Detailed Plan, Public/Private Partnership, Experience, Innovation, Finance, Affordability Period, Setasides, Site Control, Infrastructure Availability, Demand and Need, and Certification. In 2007, the application consisted of five primary components: Certification Statement, Applicant and Project Team, Project Contributions, and Financing.

- **Certification Statement:** In the first section, applicants agreed to limit the sales price or rental rate, complete their projects within the submitted budget and timeline, and comply with the rules and requests of Florida Housing.
- **Applicant and Project Team:** Applicants were asked to identify the public and private sector partners and to describe the project team's experience with projects of comparable size and scope.
- **Project:** Applicants provided general project information on the name, location, project category (i.e., new construction or rehabilitation), construction type (i.e., single family, townhouse, or condominium), and unit type (i.e., homeownership or rental). In addition, applicants described the project's innovative strategies. In 2007, this section included a mandatory commitment to green building practices.
- **Commitments:** Applicants identified grants, donations, and other contributions that provided tangible economic benefits and cost reductions to the project.
- **Financing:** Within the final section, applicants submitted their financing request, project pro forma, and financing commitments.

Applicants were required to provide proof of public/private partnership, site control, infrastructure availability, finance documents, and demand and need for workforce housing within the local market. In addition, they must commit to the threshold requirements described below:

- **Setasides:** Applicants must, at a minimum, set aside 50 percent of the units in the project for workforce housing and 30 percent of the units in the project for essential services personnel.
- **Affordability Period:** Applicants must maintain the rental or homeownership units as workforce housing for a minimum of 20 years.

■ Contributions: Applicants must have grants, donations of land, or contributions totaling at least 10 percent (15 percent in the 2006 allocation round) of the total development cost of the project, or \$2 million, whichever is less.

■ Leveraging: Funding requests by the applicant may not exceed \$5 million or 50 percent of the total project cost, whichever is less.

Scoring and Evaluation

Commitments above and beyond the minimum increased an applicant's final score, which, in 2007, was based on a 200-point scale. Each project received an overall score out of 100 points and an innovation score out of 100 points. Both objective and subjective criteria were used to score CWHIP Program applications. A range of points was awarded for each of the previously mentioned categories (setasides, affordability period, contributions, and leveraging) to determine the applicant's overall score. Although the overall score was based on a measurable scale, reviewers were also asked to determine criteria to evaluate proposals based on innovation. Projects received up to 40 points for land use strategies, 40 points for local financial strategies, and 20 points for other innovative strategies. At a minimum, applicants needed to receive an innovation score of 60 points to be considered.

In 2006, applicants could score a total of 215 points. Projects were evaluated on description and plan (20 points), experience (10 points), contribution (35 points), affordability period (30 points), and setasides (30 points). Potential award winners were required to achieve a minimum of 150 points within these categories. A project's innovation score was based on land use strategies (35 points), finance strategies (35 points), and other innovative strategies (20 points).

In the event two projects received the same total score, a tiebreaker could be determined by applying the following criteria, in order:

1. The lowest amount of CWHIP Program funding requested per workforce housing unit;
2. The highest tier based on project's location in a high cost county⁶; and
3. The lowest lottery number randomly assigned by Florida Housing at or prior to issuance of the final scores.

Prioritization of Funds

Florida Housing set a goal to fund projects in as many counties and regions as possible while prioritizing high-cost and high-growth areas of the state. In 2006, Florida Housing committed to funding at least 10 projects: four within high-cost, three within high-growth, and three within innovative counties. In 2007, Florida Housing pledged to fund three eligible projects in high-cost counties and three in high-growth counties. All remaining funds would be awarded to innovative projects.

For purposes of the CWHIP Program, “high cost,” “high growth,” and “innovation” were defined by Florida Housing as follows:

■ **“High Cost means counties where the disparity between AMI [area median index] and median sales prices for a single family home is more than the disparity between the state of Florida’s AMI and median sales price for a single family home.”** The affordability gap—the difference between what a household can afford and the actual cost of the housing—for each county was determined by multiplying the median income (for a family of four) by three and subtracting the product from the median sales price. Florida Housing then prioritized each county into three tiers based on the difference. The highest-cost counties (Tier I) had affordability gaps twice the state’s affordability gap. In 2007, Tier I included the following high-cost counties: Monroe, Collier, Palm Beach, Martin, and Miami-Dade. In 2006, Walton and Broward counties were also included in the top tier.

■ **“High Growth means counties where population growth as a percentage rate of increase is more than the state of Florida’s population growth as a percentage rate increase.”** To rank each county, Florida Housing analyzed the population growth rates over a five-year period. Counties with twice the population growth rate of the state were placed into the top tier. In 2007, Tier I included Flagler, Sumter, Osceola, Walton, St. Lucie, and Lee counties. In 2006, Collier and Lake were also included as high-growth counties.

■ **“Innovation means utilization of construction, design, financing, development, land use, or regulatory practices which have not previously been in common use, using existing practices in innovative ways, such as green building, storm-resistant construction, or other elements that reduce long-term costs relating to maintenance, utilities, or insurance.”** Innovative projects were based on the partnership’s ability to apply “land use strategies,” “local financial strategies,” and “other innovative strategies” to its project.

Implementation of the CWHIP Program

CWHIP Program Funding Requests

The CWHIP Program generated strong interest across the state. In its first year, the pilot program received 33 responses. The following year, 49 applicants applied. In all, Florida Housing received requests for \$350 million to subsidize more than 7,000 workforce housing units. Each workforce housing development was eligible for up to \$5 million, as long as the funding did not exceed 50 percent of the total project cost. Actual requests for funding ranged from \$125,000 to \$5,000,000, with 70 percent of the applicants requesting the full subsidy.

In the second year, applicants were eligible for additional funds. All applicants in the 2007 funding cycle had to commit to some type of green building certification (LEED, Florida Green Building Coalition, Energy Star, or an alternative features list of green products). Supplemental loans (above the amount requested from the CWHIP Program) were automatically available for CWHIP Program award winners that achieved Florida Green Building Coalition or LEED certification. A total of \$500,000, \$5,000 per setaside unit, was available for new construction. For rehabilitation projects, the amount increased to \$7,000 per unit, up to \$700,000. Seven of the 24 CWHIP Program award winners met the initial criteria for the supplemental loan. Each of those seven projects will be certified as green buildings and will receive an additional \$2.1 million to build 814 green homes.

Analysis of Award Winners

Given the program's popularity, Florida Housing received requests for more than three times the amount of available financing. Ultimately, funding was awarded to the top 24 projects only. Successful proposals all illustrated a combination of cooperation, capacity, and creativity. Each award winner developed its own unique approach to house Florida's workforce.

New public/private partnerships formed throughout the state to address the shortage of workforce housing. Within its application, each CWHIP project demonstrated the involvement of both the public and private sectors. Generally, a partnership was forged between a developer (for profit or nonprofit) and the local government (city or county). However, CWHIP participants also formed partnerships with other entities, including businesses and government organizations that have not traditionally participated in affordable housing programs. Collaborators included community redevelopment agencies (tax increment finance agencies), community land trusts, community development corporations (CDCs), local housing finance agencies, housing authorities, property

appraisers, regional planning councils, school boards, sheriff's offices, health care industries, universities, and other private sector employers.

Combined, the CWHIP award winners from both funding rounds will build nearly 2,000 workforce housing units, including single-family houses, townhouses, condominiums, and multifamily rentals. Most of the projects (over 80 percent) will provide homeownership opportunities. On the basis of the original award winners, a total of 1,589 homeownership units are expected to be built. The remaining four rental developments will provide multifamily housing for 337 households.

The workforce housing developments will be dispersed throughout every region in the state. Six developments will be built in the south, including three in Miami-Dade and one each in Broward, Collier, and Monroe counties. In the north, Lee, St. Johns, and Walton counties each received an award. Martin, Orange, Osceola, and Palm Beach counties received allocations in the east, with multiple awards in Orange and Palm Beach. In the western part of the state, two developments will be built in Sarasota and Hillsborough, and one in Highlands, Lee, and Pasco counties.

In all, 11 projects were funded in 2006 and 13 in 2007. A profile of each award winner is in appendix A. (Although Verde originally received an allocation, it withdrew its application. The project was replaced with The Preserve at Boynton Beach.)

Distribution of Funds

Financing for the CWHIP Program is in the form of a low-interest loan. One percent simple interest per annum, nonamortizing, will accrue on loans for projects that maximize setaside requirements (by reserving at least 80 percent of the units for workforce housing and 50 percent for essential service personnel) and extend the project's affordability period (at least 30 years for homeownership and 50 years for rental units). The entire loan, including interest, will be forgiven at the end of the compliance period. A 3 percent fully amortized loan will be applied to CWHIP projects that are not eligible for forgiveness (i.e., those that do not meet the setaside and affordability period requirements).

Loans will be disbursed during the construction period. To receive funding, each project must first be approved by a credit underwriter and Florida Housing's board of directors. The applicant has 14 months from the date of the acceptance of the letter of invitation to complete credit underwriting, unless an extension of up to 10 months is approved by the board. Because of challenges in the process, the underwriting deadline was extended to October 2008 for all of the 2006 award winners.

To date, only four developments from the 2006 funding cycle have completed the underwriting process: Las Villas at Kenilworth, Merry Place at Pleasant City, The Preserve at Boynton Beach, and Westshore Landings.

Achieving Workforce Housing

Defining New Objectives

The original legislation states, “The Community Workforce Housing Innovation Pilot Program is created to provide affordable rental and home ownership community workforce housing for essential services personnel affected by the high cost of housing, using regulatory incentives and state and local funds to promote local public private partnerships and leverage government and private resources.” The legislative bill (and the resulting rules and RFP) then continued to outline specific goals and objectives to govern the program and its outcomes. Goals included priority funding areas, targeted populations, and new innovations. Based on these goals, the CWHIP Program is considered a success.

In summary, the CWHIP Program accomplished the following objectives:

■ **Increased affordable housing opportunities for Florida’s workforce.**

Based on the original award winners, the CWHIP Program will fund nearly 2,000 workforce housing units.

■ **Provided a variety of housing options across the state.** CWHIP developments range from homeownership to rental, from single-family to multifamily, and from new construction to rehabilitation.

■ **Encouraged the formation of new development, financing, and cross-sector public/private partnerships.** More than 80 applicants forged partnerships between governmental entities and local developers. Generally, a partnership was formed between the developer (for profit or nonprofit) and the local government (city or county). However, collaborators also included land trusts, redevelopment areas, housing finance agencies, housing authorities, property appraisers, regional planning councils, school boards, sheriff’s offices, health care industries, universities, and other local employers.

■ **Developed broader community-wide support for workforce housing.** The CWHIP Program model generated support not only from housing advocates, developers, and local government but also from those who have not traditionally participated in affordable housing programs, including local businesses. Partnerships formed between a diverse cross section of public entities and private businesses, and for the first time in many areas, workforce housing gained community-wide support.

■ **Motivated local government to provide regulatory relief and financial incentives.** Almost every local jurisdiction involved with the CWHIP Program provided incentives beyond those they have traditionally offered for workforce housing. The remaining authorities already had innovative programs in place to support the development of affordable housing. The CWHIP Program not only offered a financial incentive (\$5 million) but also provided political protection for municipalities supporting workforce housing. Cities could “test the waters” with one-time waivers or variances without creating binding policies. Other districts received enough support to implement the incentives across the board.

■ **Leveraged state and local funds with additional public and private resources.** Based on the anticipated allocations, the state’s \$112 million program will leverage \$400 million worth of workforce housing construction (more than three and half times the state’s investment).

■ **Maximized the affordability of workforce housing.** The CWHIP Program set restrictions and offered incentives to developers to increase the number of setaside units for workforce housing, limit the sales and rental price of units, and ensure the long-term affordability of developments.

■ **Expanded funding opportunities for “essential service personnel” and middle-income households.** For the first time, a housing program used state funds to target not only particular income groups but also specific occupations essential to local economies. It extended funds to meet the needs of middle-income workers, who have not traditionally received housing support from the state.

■ **Targeted priority areas with acute housing market challenges while allocating funds throughout the state.** New workforce housing developments will be dispersed throughout every region in Florida. The CWHIP Program funded projects in nearly a quarter of the counties in the state. Successful counties included Broward, Collier, Highlands, Hillsborough, Lee, Leon, Martin, Miami-Dade, Monroe, Orange, Osceola, Palm Beach, Pasco, Sarasota, St. Johns, and Walton. The program reserved funding for seven projects in high-cost counties and six from high-growth areas. All remaining funds were awarded to innovative projects.

■ **Promoted new innovations in the land use, financing, and design of workforce housing.** Innovations ranged from sustainable design features (such as green building and mixed-use development) to regulatory reforms (including fee waivers and expedited permitting) to nontraditional financing sources (like tax increment financing and employer-assisted housing).

CWHIP Program: A Change in Thinking

By defining new goals and objectives, the CWHIP Program represented a fundamental shift in thinking about affordable housing: the model transformed the perception, process, and players of workforce housing in the state of Florida.

Through the years, affordable housing has had a negative connotation. The term has falsely invoked thoughts of derelict housing projects, high-crime slums, and blighted communities. Statistics have proved that these negative perceptions are false; architects have showcased examples of attractive affordable housing; and numerous developments have illustrated the success of mixed-income communities. Nevertheless, the stereotype has lingered.

As legislators began crafting the CWHIP Program legislation, many started to use a new term: workforce housing. The hope was to change the public's perception of affordable housing. "Workforce" had none of the negative connotations associated with "affordable." It also extended assistance to households earning up to 140 percent of the area median income.

The process also was a programmatic shift for Florida Housing. The corporation was no longer simply distributing funds for an existing program; it was developing a new program, with a different set of goals and objectives. The architects of the program began to ask fundamental questions:

- How do you encourage the development of public/private partnerships?
- How do you encourage partners to build workforce housing?
- How do you prioritize statewide funding to address the needs of particular communities?
- How do you establish target income groups, occupations, and geographic locations?
- How do you leverage a limited amount of resources?

The CWHIP Program model generated interest from housing advocates, developers, municipalities, and counties across the state. More important, it caught the attention of others, including local businesses, who have not traditionally participated in affordable housing programs. Partnerships formed between a diverse cross section of public entities and private businesses, and for the first time in many areas, affordable housing gained community-wide support.

Participation in the CWHIP Program expanded to include new developers, many of which had built only market-rate and luxury products. Their inclusion represented a departure from other state programs, in particular low-income housing tax credits,

in which the same few developers participated. Their involvement also increased the state's ability to produce more affordable housing opportunities.

The Impact of the CWHIP Program

Carras Community Investment, Inc. (CCI, Inc.), recently administered a questionnaire to the participants of the CWHIP Program. All applicants were asked to provide a brief project update, identify impacts and innovations, and comment on their overall experience. During the months of September and October, CCI, Inc., received responses from half the applicants. In general, participants (including both successful and unsuccessful applicants) had positive feedback about the CWHIP Program. Of those that responded to the survey, 84 percent reported that the CWHIP Program encouraged them to forge new partnerships, leverage funding, and be more innovative. In addition, 76 percent reported that local government was more likely to provide financial and regulatory incentives based on their CWHIP Program application. One of the successful applicants noted that the CWHIP Program subsidy also made qualifying for conventional financing easier.

Most important, the CWHIP Program encouraged developers to build workforce housing. Nearly half the applicants reported they would not have considered developing affordable or workforce housing without the CWHIP Program incentive, and one award winner acknowledged that “CWHIP is the catalyst for the overall project.” Furthermore, 96 percent stated that their project could not be completed as proposed without the funding. Most noted that without the subsidy, developers would have to scale back the quantity or quality of affordable housing. Other projects would no longer be able to reach targeted income groups or achieve completion within the proposed timeline.

Best Practices in Workforce Housing

According to Florida Housing, “One of the main goals of the CWHIP Program was to encourage public and private sector entities to partner together and create innovative ways to meet the challenges of developing affordable housing.” In this respect, the CWHIP Program was a success. In the words of the applicants, their “eyes were opened to the possibilities” of new incentives and innovations, and the CWHIP Program encouraged participants “to think outside the box” and form “meaningful, consequential, and substantive” partnerships to provide workforce housing.

For purposes of scoring the application, innovations were divided into three categories: “land use strategies,” “local financial strategies,” and “other innovative strategies.”

Land use strategies were intended to alleviate regulatory barriers that may have stood in the way of workforce housing production. Following are some of the recommendations provided by Florida Housing and the Department of Community Affairs:

- Provide a variety of housing types.
- Build housing near employment centers.
- Create transit-oriented developments.
- Reduce site requirements.
- Allow mixed land uses.
- Promote live/work designations.
- Mitigate permit fees.
- Increase density.
- Reserve infrastructure capacity.
- Expedite review.
- Consolidate permitting processes.

Applicants addressed each with a variety of innovations, including the following:

- Flexible design standards (i.e., mixed use, flexible lot configurations, and clustering);
- Preservation of affordability (i.e., land trusts);
- Targeted locations (i.e., redevelopment areas and business districts); and
- Regulatory reductions (i.e., density bonuses, fee waivers, payment deferrals, and exemptions).

Applicants also used a variety of local financing strategies to achieve affordability. Both public and private entities contributed to the project, providing

- Employer-assisted housing;
- Tax increment financing;
- Land donation;
- In-kind services;
- Low- or no-interest loans;
- Downpayment and closing cost assistance;
- Credit and homebuyer counseling;
- Land trusts;

- Expedited reviews;
- Fee waivers;
- Linkage fees; and
- Other locally derived revenues.

Other innovative strategies in the projects' design and construction included the following:

- Green building;
- Universal design;
- Hurricane-resistant features;
- Modular construction;
- Social services; and
- User amenities.

In summary, the CWHIP Program encouraged a variety of partnerships and innovations. Each proposal was different and special, but all had a strong focus on innovation. The responses not only presented individual best practices but also represented the overall best practice from each community.

Program Challenges and Lessons Learned

Changes in Market Realities

One of the key findings within this analysis is that none of the developments has been completed. In fact, less than half of the award winners have begun construction, and only Las Villas at Kenilworth and The Preserve at Boynton Beach have received their CWHIP Program allocation. For a project to take more than two years to complete is not unreasonable; however, the process has been plagued by challenges from the start, including changes in market realities and the persistence of underwriting difficulties.

When the program was initiated, housing had reached its pricing apex. Across the state, housing values were more than 4.5 times the median income. The disparity was even greater in high-cost areas of the state, the most extreme of which was Monroe County (the Keys), where the ratio of median home value to median household income was 11:1. By the end of the second quarter of 2008, the median sales price for a single-family home in the state had dropped to \$205,500, a 13 percent decline in three years.⁷ Sales also slipped, and soon a large inventory of homes was available on the market. The change in market conditions made it extremely difficult for CWHIP Program units to be competitive. All CWHIP Program units carried deed restrictions, which limited the resale value of the home or restricted the sale of rental property. Although the restrictions are valuable in maintaining long-term affordability, purchasers generally have the advantage of an extremely discounted rate to justify the constraint. Unfortunately, the drop in the market made sales prices (in many instances) almost comparable to the existing inventory of homes. Furthermore, banks were hesitant to lend money to developers adding new product to an already flooded market.

Market realities also made the underwriting process more difficult. Credit underwriters must ensure the economic viability of the project, the ability of the development team to proceed, and the need for workforce housing. The extensive review includes appraisals, market studies, and audited financial statements. Once the loan is approved by the underwriter, it must then be authorized by Florida Housing's board of directors.

To date, only four projects have completed the underwriting process: Las Villas at Kenilworth, Merry Place at Pleasant City, The Preserve at Boynton Beach, and Westshore Landings. The final deadline for 2006 award winners to complete underwriting was October 11, 2008.

In the instance that a project does not meet the underwriting deadline, an offer letter will be sent to the highest-ranked project on the waiting list. Rankings will no longer take into account priority areas of the state (i.e., high-cost or high-growth coun-

ties) or whether another project has already been funded in that county. Funding will be based strictly on the highest score. If the available funds are less than the amount requested by the applicant, the applicant may choose to either accept the lesser amount or reject the offer. If rejected, the funds will then be offered to the next eligible unfunded application.

Underwriting for the 2007 applications has been postponed until pending litigation has been resolved. Currently, three developers have challenged the scoring. A resolution is expected in the upcoming months. At that point, all award winners will be sent an invitation to enter credit underwriting.

Internal Challenges

In addition to market realities, internal shortcomings have delayed the development of workforce housing. In some instances, award winners had limited capacity or experience, which made meeting major milestones difficult for them. In other developments, projects had not yet received zoning, site plan, or permit approvals—a process that can take several months to complete. Some have suggested that priority be given to projects that are ready to proceed and that, in the future, applicants be scored on their ability and capacity. (Although a threshold requirement for the applicant and/or developer was to have built at least one similar project, no score for experience was given in the 2007 round.) Other applicants felt the program should be opened up to a wider audience, including developers who have not traditionally had experience with workforce housing.

In general, a lot of work went into each CWHIP Program application. Applicants spent considerable time and money to prepare their proposal. Many participants suggested that the process should be simplified and streamlined and that technical assistance should be made available to all applicants.

Most of the comments from participants dealt with the scoring process and results. All proposed a fair and equitable grading system, but each had different opinions on how to accomplish it. Some felt the grading should be more subjective, allowing for “truly innovative and unique development” to score highly. Others proposed more objective criteria, especially within the innovation categories. Several participants advocated for new definitions of high-cost and high-growth counties, while others felt that Florida Housing should “let the best projects win on their merits.” In general, participants were satisfied with the application and scoring process and felt the program had been vastly improved from 2006 to 2007.

Maximizing Returns

One of the final lessons learned from the CWHIP Program is the need to maximize public resources and leverage private capital. The state's program did successfully leverage 3.6 times its overall investment, but the leveraging capacity of each project varied greatly. The state provided an average of \$56,000 per workforce housing unit on projects that were awarded funding. However, awards for individual projects ranged from a low of \$20,661 to a high of \$156,250 per unit. One could assume that the disparity reflects the difference between high- and low-cost areas or single-family and multifamily units. Then again, Palm Beach was awarded two allocations in 2006, one for \$43,860 per unit, the other for \$156,250 per unit. Participants suggested adding a ceiling to the amount of CWHIP Program funds given per unit, stating that "too much assistance (or windfall) may have prevented other projects from having any benefit from the program."

The Future of Workforce Housing

CWHIP Program Funding

The CWHIP Program was created as a pilot program. The initiative was originally funded on a one-time basis but was reallocated for a second year due to its popularity. Nonetheless, the program was not funded in 2008 because of changes in the economy, budget shortfalls, and political struggles.

Economic Shift

As described in the previous chapter, the housing market quickly changed after implementation of the CWHIP Program. Market stabilization began in 2006, and housing sales and prices have fallen through 2008. Sales have dropped 95 percent since their 2005 peak. Home prices are 13 percent lower than they were three years ago. And as the total number of homes on the market continues to grow, prices continue to falter.

Several markets were overbuilt during the boom, leaving both developers and investors with a sizable inventory of unoccupied housing. Individual homeowners also began to suffer. The infusion of credit during the housing boom spurred the subprime lending market and encouraged aggressive and often unscrupulous lending practices. Families who could not qualify for standard mortgages were the primary victims of predatory lending. As the interest rates on adjustable-rate loans reset, many are having difficulty affording the inflated payments. The result has been a significant increase in the number of foreclosures. According to RealtyTrac, statewide foreclosures have risen over 180 percent since the second quarter of last year. One of every 78 households is now in foreclosure, the fourth-highest state rate in the country.

As a result, the industry shifted its focus from production to preservation. Developers are concentrating on inventory reduction. Politicians are reacting to the foreclosure crisis. Advocates are dedicating their time to those most in need. In general, attention has been transferred from housing the workforce to healing the homeowner and fixing the marketplace. In some areas of the state, home prices have fallen within reach of the “workforce.” In others, especially within high-cost counties, essential service personnel are struggling now more than ever to find affordable housing.

Change in Political Climate

When the Florida House and Senate entered the 2008 session, they were confronted with a major budget shortfall. The current fiscal year faced a deficit of over \$1 billion and estimates for 2009 were upward of \$3 billion. Legislators were forced to cut programs, limit spending, and search for other sources of revenue. Consequently, the Florida legislature transferred \$250 million from dedicated affordable housing trust funds to general revenue. It also implemented a \$243 million cap on existing and fu-

ture funding for affordable housing. Funds generated through the Sadowski Act above that amount will automatically be deposited into general revenue. As a result of the cap, an estimated additional \$185 million in housing funds will be lost over the next two years (FY 07–08 and FY 08–09).

Although the budget cuts took place in the 2007–2008 fiscal year, they were originally authorized three years earlier (before the budget crisis) under Governor Jeb Bush. The cap was approved after attempts to completely remove the housing trust fund failed in the 2003 and 2004 legislative sessions. The governor decided to “maintain trust fund spending at levels consistent with historical expectations while using windfall revenues to fund other priorities.” Housing advocates argued that this view was misleading. They claimed that while revenues coming into the housing trust funds had grown substantially since their creation, funding was purposely tied to documentary stamp tax revenues so that subsidies for affordable housing would rise as the cost of land, construction, and housing increased.

Death of a Champion

After sponsoring Florida’s major housing legislation for two years in a row, Representative Davis became the legislature’s point man on affordable housing. In 2007, he chaired the House of Representatives’ first Workgroup on Affordable Housing, and he continued to advocate for workforce housing until his untimely death in September of that year. His death was a major loss. Throughout his political career, he championed important issues such as housing and transportation. His district linked the southeast and southwest coasts, and his policies united the entire state. His legacy will be remembered.

Without an advocate in the legislature, a comprehensive housing bill in 2008 had no champion to sponsor it. In the final hours of the session, House Bill 699/Senate Bill 482 died on the floor. Policy changes would have included property tax relief for community land trusts; density bonuses for land donation; and an amendment to the SHIP statute that would allow the program to use funding for preservation, manufactured housing, and households earning up to 140 percent of area median income in high-cost areas (a remnant of the CWHIP Program legislation). Legislation to remove the cap of the Sadowski fund also failed, leaving no funding available for the CWHIP Program.

Future of Workforce Housing

Given current market conditions and state revenue projections, reauthorization of the CWHIP Program in the near future is doubtful. However, many legislators are considering incorporating aspects of the CWHIP Program in other housing-related bills. For example, some existing programs could be targeted to higher income brackets, serving households earning up to 140 percent of the area median income. Other programs could encourage innovative strategies or partnerships, or require local governments to offer regulatory relief for workforce housing developments.

Replicating the CWHIP Program Model

CWHIP Program: A Unique Model

The CWHIP Program is a truly unique effort to address workforce housing within Florida. It may serve as a model for other states.

- First and foremost, the program provided affordable rental and homeownership opportunities for Florida's workforce, targeting both essential occupations and middle-income groups. No other program in the state has made that distinction, and for the first time, households earning up to 140 percent of the area median income (150 percent in the Keys) received assistance.
- Second, funding was concentrated within the areas of greatest need, in particular, high-cost and high-growth counties in Florida.
- Third, the initiative encouraged a range of innovations, from public/private partnerships and sustainable design to regulatory incentives and financial contributions.
- Finally, the size and breadth of the pilot program were considerable. The state committed more than \$112 million over a two-year period. The funds provided each workforce housing development with a substantial source of flexible financing up to \$5 million.

Currently, no other program like the CWHIP Program exists. However, some states have implemented housing trust funds that could ultimately support a similar initiative. In fact, 38 states and 550 cities and counties have already established housing trust funds. According to the Center for Community Change, the trust funds generate more than \$1.6 billion each year for housing. Other communities have addressed workforce housing through employer-assisted housing. On the statewide level, Maryland offers a dollar-for-dollar match (up to \$10,000 for priority areas) of an employer's downpayment assistance. Illinois has established a statewide tax credit to companies that offer downpayment assistance to their employees. Similar legislation has been proposed at the national level.

Workforce Housing Program Guidelines

As states and municipalities develop workforce housing programs, they can draw on the CWHIP Program experience for guidance, benefiting from both its successes and lessons learned. First, they need to determine the specific workforce housing needs of their community and establish a dedicated source of revenue to support affordable housing. When an understanding of the problem and a means to fund the solution are established, they can begin to create an initiative to provide affordable rental and

homeownership opportunities for the local workforce. Workforce housing programs should consider the following lessons learned from the Florida experience:

Program Design

1. Include stakeholders who have not traditionally been involved in workforce housing advocacy. For the first time in Florida, the local business community became involved in affordable housing. Local chambers of commerce, workforce agencies, and businesses helped define the issue, assess the need, and stimulate discussion on solutions. New partnerships formed across the state to provide affordable housing opportunities for the local workforce. Organizations such as the Broward Housing Partnership, the Greater Miami Chamber of Commerce, the Housing Leadership Council of Palm Beach County, the Regional Business Alliance, the Tampa Bay Partnership, and ULI Southwest Florida led efforts in their communities. Ultimately, the presence of the business community and the influence of corporate leaders initiated the legislative response and the creation of the CWHIP Program.

2. Encourage the formation of public/private partnerships between developers, nonprofits, businesses, and government to increase housing opportunities for the local workforce. CWHIP Program collaborators included local governments, developers, land trusts, redevelopment areas, housing finance agencies, housing authorities, property appraisers, regional planning councils, school boards, sheriff's offices, health care industries, universities, and other local employers—each of which contributed to the workforce housing development. For example, over a dozen entities are involved in the development of Hammon Park, a condominium and townhouse development in downtown Lake Worth, Florida. Local companies, including the School Board, Romano Law Group, and Living Designs Group, are offering downpayment assistance to employees who move into the development. The local redevelopment agency is using its tax increment financing to grant additional homebuyer assistance and ensure sustainable green building design. The Lake Worth CDC is providing homebuyer education. The city and county are offering parking waivers and expedited permitting.

3. Require regulatory incentives for workforce housing. Local jurisdictions involved with the CWHIP Program provided incentives beyond those they have traditionally offered for workforce housing, including flexible land use and zoning requirements, fee waivers, and expedited permitting. Within Sarasota, the county donated the land, expedited the permitting, and increased the density for both the Boulevard of the Arts and Hatton Street Houses.

4. Leverage public and private sector financial resources. Florida's CWHIP Program leveraged over \$400 million worth of workforce housing construction. Individual project subsidies went beyond traditional government programs (i.e., SHIP,

HOME, and community development block grants [CDBGs]) and included a variety of financial strategies, ranging from tax increment financing to employer-assisted housing to developer contributions. The Village of Quillen partnership used a combination of resources. The developer voluntarily set aside 50 workforce housing units, which represented 20 percent of the master-planned community in Indiantown, Florida, and agreed to donate land for a local school. In turn, the local government provided concurrent reviews, flexible design standards, mixed land uses, and density bonuses; the Martin County Community Redevelopment Agency (CRA) offered tax increment financing, and the School Board established an Employee Assistance Home Ownership Program for teachers moving into the development.

5. Support innovative land uses. All of the developments involved with the CWHIP Program were encouraged to use smart growth principals, create transit-oriented developments, and build mixed-use, mixed-income communities. In Miami Beach, the Lowenstein Building is directly across from Mount Sinai Hospital, allowing employees to walk to work. Village Center Homes is immediately adjacent to the Brownsville Metrorail Transportation Hub in Miami, providing premier access to local transportation systems, including the Metrorail, Metrobus, and Metromover. Miramar's Town Center development will include City Hall, a local library, two universities, a cultural arts facility, and local offices.

6. Promote new building techniques and design of workforce housing. A number of CWHIP Program awardees incorporated hurricane-resistant features, green building components, and modular design. In Tallahassee, the All Saints Square building will include solar panels along the roof. In Key West, the Roosevelt C. Sands Jr. Housing Complex will use modular construction to build new, hurricane-resistant multifamily homes.

Program Administration

7. Simplify and streamline the application process. The CWHIP application was intended to be simple, straightforward, and flexible. The hope was to encourage new developers and partnerships to participate and to support project innovation and creativity.

8. Develop a fair and equitable grading system. Florida Housing, which oversaw the CWHIP Program, carefully balanced subjective and objective scoring criteria. The goal was to allow enough flexibility to encourage innovation while providing standards to quantify and accurately rate each project.

9. Prioritize funding to address the targeted, locally defined needs of your community. Noting that employees were struggling to afford homes particularly within high-cost areas of the state, the CWHIP Program targeted counties

where the disparity between the cost of housing and household income was greatest. Other program considerations could include targeting rental or homeownership projects, revitalization or redevelopment areas, or developments near transit and employment centers.

10. Score projects based on their capacity, ability, and readiness to proceed. Although encouraging new developers and new innovations in workforce housing is important, ensuring that the development can be completed as proposed is also essential. Applications can require proof of zoning, permitting, and landownership as well as evidence of capacity and experience.

Notes

1. Although previous growth management legislation existed, policies were not enforceable until the passage of the 1985 Growth Management and Land Development Regulation Act.
2. Florida Association of Realtors.
3. 2000 U.S. Census and U.S. Census Bureau, 2005 American Community Survey.
4. Florida Agency for Workforce Innovation Labor Market Statistics (2005).
5. Ibid.
6. The project's location was not part of the tiebreaker criteria in 2006.
7. Florida Association of Realtors.

Appendix A: Profiles of Award Winners

All Saints Square

Tallahassee, Florida (Leon County)

Total CWHIP Units: 42 Homeownership

Total Project Cost: \$12,249,536

Total CWHIP Award: \$5,000,000 (2007) + \$210,000 (Supplemental Green Building)

Partners: All Saints Square, LLC; City of Tallahassee; City County Community Redevelopment Area; Leon County School Board

Description: The All Saints Square condominium building is located in Tallahassee's Community Redevelopment Area, Enterprise Zone, and Multimodal Transportation District and is in line for all of the benefits associated with each target area. As part of the CWHIP partnership, the development will receive incentives from the city, including fee waivers and expedited permitting, generally reserved for projects targeting lower-income households. In addition, Tallahassee has started one of the state's first solar net metering programs, paying buildings that produce more energy than they consume. All Saints Square will participate in the "greenovation" by installing solar panels on the roof of the building. In addition to lower energy bills, families will receive a reduced rate for school and after-school programs at the neighboring private school, Pivotal Point Enterprises.

Bayou Pass Village, Phase III

Ruskin, Florida (Hillsborough County)

Total CWHIP Units: 160 Homeownership

Total Project Cost: \$27,190,410

Total CWHIP Award: \$5,000,000 (2007) + \$500,000 (Supplemental Green Building)

Partners: Florida Home Partnership; Hillsborough County

Description: Located within a rural portion of the Tampa Bay area, Bayou Pass Village will provide single-family homes for low-income families. As part of the USDA Self-Help Housing Program, each resident is required to provide 600 hours of sweat equity. Residents build both their neighbors' and their own homes while gaining essential construction training and developing a sense of community. To make the project affordable, Florida Home Partnership waived all contractor and developer fees and purchased the land at below market value.

Boulevard of the Arts

Sarasota, Florida (Sarasota County)

Total CWHIP Units: 28 Homeownership

Total Project Cost: \$8,277,357

Total CWHIP Award: \$2,560,000 (2006)

Partners: Community Housing Trust of Sarasota; City of Sarasota

Description: Located in downtown Sarasota, the Boulevard of the Arts condominiums are within walking distance of a number of businesses, retail establishments, and neighborhood services, including a public transit station. The green building design is expected to lower each household's monthly expenses. Other project savings include land donation, expedited permitting, and increased density—all made possible by the county. Affordability will be maintained through a community land trust.

Carver Park Workforce Housing

Orlando, Florida (Orange County)

Total CWHIP Units: 21 Homeownership

Total Project Cost: \$5,463,549

Total CWHIP Award: \$2,520,000 (2007) + \$105,000 (Supplemental Green Building)

Partners: Housing Authority of the City of Orlando; Carver Workforce Housing, LLC

Description: Carver Park is located within Carver Estates, a 17-acre HOPE VI project. A formerly thriving African American community, the neighborhood had fallen into disrepair and was characterized by high crime and blighted conditions. To revitalize the community, the neighborhood has joined the Safe City program, a partnership between local police and the Target Corporation. The city received funding from Target to install crime prevention video surveillance. The surveillance system, in conjunction with increased police patrols, is expected to significantly lower crime. Other neighborhood services include after-school programs, job training, and mentoring opportunities. The workforce housing units, which will include duplexes, rowhouses, and townhouses, will be dispersed throughout the mixed-income development. Residents will receive downpayment assistance from the city's housing programs, which support certain income groups (low to moderate), specific occupations (public safety officers, teachers, and city employees), and targeted locations (including Carver Estates).

Fountain Lakes Residential Cooperative

Naples, Florida (Collier County)

Total CWHIP Units: 147 Homeownership

Total Project Cost: \$30,254,782

Total CWHIP Award: \$5,000,000 (2007)

Partners: Fountain Lakes Residential Cooperative Corporation (MDG Capital Corporation); City of Naples; School District of Collier County; Sheriff's Office of Collier County; NCH Healthcare System, Inc.; Physicians Regional Medical Center

Description: Fountain Lakes Residential Cooperative is a highly amenitized mid-rise building equipped with a fitness center, playground, pool, library, and lounge. Social services, ranging from financial counseling to daycare and after-school programs, will be provided to residents by the local church and the development corporation. Fountain Lakes' cooperative model provides households with all the advantages typically associated with homeownership (i.e., tax breaks and equity building), while allowing them also to benefit from lower mortgage payments and relaxed credit standards. The development is made possible, in large part, by a \$25 million Single-Family Revenue Bond from the Housing Authority. As each household moves into the development, it has the option to absorb 1/147th of the 30-year bond (at less than 5.25 percent interest) or purchase its own mortgage. The below-market-rate loan will be layered with other sources of downpayment assistance.

Hammon Park

Lake Worth, Florida (Palm Beach County)

Total CWHIP Units: 117 Homeownership

Total Project Cost: \$22,635,967

Total CWHIP Award: \$5,000,000 (2007) + \$500,000 (Supplemental Green Building)

Partners: New Urban/RFC Lake Worth LLC; City of Lake Worth; Palm Beach County; School Board of Palm Beach County; Lake Worth CRA; Lake Worth CDC; Lake Worth Chamber; Romano Law Group; Living Designs Group

Description: Hammon Park is one of the first transit-oriented redevelopment projects in Lake Worth. Residents will be close to both employment and retail centers. The new development will encourage residents to use alternative forms of transportation by offering all residents a one-year Palm Tran pass, a one-year Tri-Rail pass, or a new bicycle. Furthermore, Hammon Park will provide the local workforce with affordable condominiums and townhouses in downtown Lake Worth. Local companies, including the School Board, Romano Law Group, and Living Designs Group, will offer downpayment assistance to employees that move into the development. In addition, the local redevelopment agency has agreed to use its tax increment financing to grant additional homebuyer assistance and ensure sustainable green building design. The funds will be matched with SHIP, HOME, and other sources of financing located by the

Lake Worth CDC. As a nonprofit co-developer on the project, the CDC not only will have access to additional funding sources but also will offer its expertise in homebuyer education, income qualification, and marketing.

Hatton Street Houses

Sarasota, Florida (Sarasota County)

Total CWHIP Units: 40 Homeownership

Total Project Cost: \$10,401,648

Total CWHIP Award: \$2,440,000 (2006)

Partners: Community Housing Trust of Sarasota; Sarasota County

Description: Hatton Street Houses are within a few miles of Sarasota County's three largest employers and across the street from the local public school, daycare center, and bus line. The property was donated to the Community Housing Trust of Sarasota (the local community land trust) by the county. The county also deferred development fees for the townhouse development.

Homes of West Augustine

West Augustine, Florida (St. Johns County)

Total CWHIP Units: 111 Homeownership

Total Project Cost: \$18,434,544

Total CWHIP Award: \$5,000,000 (2006)

Partners: Housing Finance Authority of St. Johns County; St. Johns County; St. Johns County Community Redevelopment Agency; Habitat for Humanity; Bruson Custom Homes; Central Florida Community Development Corporation; Cope Homes; Covenant Homes; E&C Construction; Gemini Development; Pennyworth Homes; Storm Safe Homes/High Strength Structures

Description: Homes of West Augustine will construct 111 single-family homes within West Augustine Community Redevelopment Area in St. Johns County. The project will qualify for the county's Affordable Housing Economic Incentive Program, which provides waivers, expediting, and density bonuses and allows mixed uses for affordable housing developments. In addition to affordably priced homes, residents will receive free lawn care and income tax preparation.

Lowenstein Building Workforce Housing Rental Rehabilitation

Miami Beach, Florida (Miami-Dade County)

Total CWHIP Units: 76 Rental

Total Project Cost: \$11,550,600

Total CWHIP Award: \$5,000,000 (2007)

Partners: Mount Sinai Medical Center; City of Miami Beach

Description: For years, Mount Sinai Medical Center had offered new employees incentives, including subsidized rental housing, to encourage them to move to Miami Beach. As recruitment grew more difficult, the employer looked to do more. Therefore, Mount Sinai entered into partnership with the city to rehabilitate the Lowenstein Building. When completed, the multifamily rental development will provide housing for 76 essential service personnel and their families. To encourage employers to provide affordable housing, the city of Miami Beach offers density bonuses in the form of additional office space for affordable housing development (one square foot of office for every 0.25 square feet of housing). The hospital also took advantage of surplus funds from the Health Facility Authority. In return, the hospital is waiving all developer and contractor fees. Residents will benefit not only from extremely discounted rents but also from a premier location (South Beach), free citywide Wi-Fi, and homeownership programs offered through the Miami Beach CDC.

Marsh Pointe

Fort Myers, Florida (Lee County)

Total CWHIP Units: 66 Homeownership

Total Project Cost: \$15,118,470

Total CWHIP Award: \$3,400,000 (2007) + \$330,000 (Supplemental Green Building)

Partners: Lee County Partnership for Affordable Workforce Housing LLC (Primerica Group One); City of Fort Myers

Description: Marsh Pointe South, which includes 66 single-family homes for middle-income and essential service personnel, represents over a third of the Michigan Court and Marsh Pointe development project. The HOPE VI project will transition the formerly blighted public housing community into a thriving mixed-income neighborhood. A number of services for seniors and families will be offered by the local nonprofits, including job training, credit counseling, homeownership training, and child care. The Housing Authority donated the property and the city has agreed to fund infrastructure improvements throughout the neighborhood using its Section 108 loan guarantee. All new residences will be component, component steel, or modular construction, which will decrease expenses while maintaining sustainability.

Merry Place at Pleasant City

West Palm Beach, Florida (Palm Beach County)

Total CWHIP Units: 114 Homeownership

Total Project Cost: \$24,295,034

Total CWHIP Award: \$5,000,000 (2006)

Partners: West Palm Beach Housing Authority; Bank of America Community Development Corporation; City of West Palm Beach; West Palm Beach Community Redevelopment Agency; School District of West Palm Beach

Description: Merry Place at Pleasant City is a 14.67-acre urban infill project within an aging African American community in West Palm Beach. The development will provide 52 condominiums, 46 townhouses, and 16 single-family detached homes (some with accessory dwelling units) for the local workforce. The Housing Finance Authority will use a revolving loan to fund the development and necessary infrastructure improvements, and the local school board will provide downpayment assistance to individual homeowners. Seminars on foreclosure prevention and energy efficiency will be provided to future residents.

Midtown Delray

Delray Beach, Florida (Palm Beach County)

Total CWHIP Units: 32 Homeownership

Total Project Cost: \$12,835,815

Total CWHIP Award: \$5,000,000 (2006)

Partners: Midtown Delray, LLC; City of Delray Beach; Delray Beach Community Land Trust (CLT); Delray Beach Chamber of Commerce

Description: Midtown Delray townhouses are part of a larger mixed-use development that will include additional residential housing and a 20,000-square-foot medical facility. The 32 affordably priced units will be part of a community land trust operated by the Delray Beach CLT. The city developed an affordable housing policy that allows fee waivers for a savings of \$1,200 per unit. The incentives will be combined with other existing programs, including SHIP and CDBGs.

Miramar Town Center

Miramar, Florida (Broward County)

Total CWHIP Units: 70 Homeownership

Total Project Cost: \$26,054,392

Total CWHIP Award: \$5,000,000 (2007)

Partners: City of Miramar; Rock/Kim Miramar, LLC (RG-Kim Block 3 Residential SW, LLC)

Description: The workforce housing condominium is a part of the city's 54-acre mixed-use development in Miramar's Town Center. The new urbanist community will include City Hall, a local library, two universities, a cultural arts facility, and local offices.

The Preserve

St. Cloud, Florida (Osceola County)

Total CWHIP Units: 120 Rental

Total Project Cost: \$15,390,000

Total CWHIP Award: \$5,000,000 (2006)

Partners: The Foundation for Osceola Education, Inc.; Osceola County School Board

Description: The Preserve's garden-style apartments offer a number of services and amenities, including a swimming pool and a clubhouse, as well as Energy Star appliances and financial counseling. The development is structured as a lease-to-own homeownership opportunity in which up to 5 percent of the household's rent over three years may be applied toward downpayment costs. Both the county and the school board have contributed grants, impact fee waivers, and other cost savings to the project.

The Preserve at Boynton Beach*

Boynton Beach, Florida (Palm Beach County)

Total CWHIP Units: 60 Homeownership

Total Project Cost: \$9,919,779

Total CWHIP Award: \$5,000,000 (2006)

Partners: Cornerstone Group; CRA of Boynton Beach

Description: The Preserve at Boynton Beach is part of a master-planned community with amenities such as pool, clubhouse, and open green space. The development will provide 60 affordably priced townhouses and villas. By layering a number of financing sources, including CWHIP, SHIP, homebuyer assistance from the CRA, and developer contributions, the cost of some of the units will be reduced from \$279,990 to \$119,990.

*The development was awarded funding after Verde withdrew its application.

Ridgeview Subdivision and Villas at Kenilworth

Sebring, Florida (Highlands County)

Total CWHIP Units: 100 Homeownership

Total Project Cost: \$16,803,930

Total CWHIP Award: \$5,000,000 (2006)

Partners: Highlands County Commission; Caribbean Group Real Estate Developers; National Development Foundation; Neighborhood Lending Partners; Bill Daley Construction; SunTrust Bank

Description: The Ridgeview Subdivision and Villas at Kenilworth mixed-income community will provide 100 single-family homes in Sebring, Florida. Florida Housing's Homeownership Pool Program and local SHIP dollars will be used to reduce prices, and impact fees will be paid using ad valorem funds rather than developer dollars. In addition to using the county's recommended land use strategies for affordable housing (i.e., locating near schools, health centers, shopping, and employment), the project will include a number of energy-efficient features in both design and construction.

Roosevelt C. Sands, Jr., Housing Complex

Key West, Florida (Monroe County)

Total CWHIP Units: 44 Rental

Total Project Cost: \$13,038,230

Total CWHIP Award: \$5,000,000 (2007)

Partners: Housing Authority of the City of Key West; City of Key West; William P. Horn Architect, PA

Description: Within the Roosevelt C. Sands, Jr., Housing Complex, the Housing Authority of the City of Key West is replacing substandard public housing with new Key West-style, multifamily homes. A portion of the 1.65-acre site was demolished in 2001, leaving only four occupied structures. The phased development will allow residents to move into the new development without being displaced. The timeline will be expedited by the partnership with the city and the use of modular construction. A variety of funding sources will be combined to finance the project, including dollars from the city's Section 108 loan guarantee, tax increment financing, disaster relief, and Affordable Housing Trust Fund (funded by in lieu fees from the city's 30 percent inclusionary zoning ordinance). The development will also benefit from the Housing Authority's Self-Insurance Fund.

Solabella

Miami Gardens, Florida (Miami-Dade County)

Total CWHIP Units: 50 Homeownership

Total Project Cost: \$11,955,890

Total CWHIP Award: \$4,552,000* (2007)

Partners: Legacy Pointe; Inc.; Miami-Dade County; City of Miami Gardens; South Florida Regional Planning Council; Aventura Hospital

Description: The Solabella townhouse development will benefit from a combination of subsidies, including CDBG, SHIP, and the county surtax program. To keep the homes affordable, the development will be structured as a shared-equity homeownership program in which the value of each townhouse may increase at a fixed rate of only 2.5 percent over 50 years.

*Partial Allocation. Requested \$5,000,000.

The Village at Portofino Meadows

Orlando, Florida (Orange County)

Total CWHIP Units: 50 Homeownership

Total Project Cost: \$13,977,285

Total CWHIP Award: \$5,000,000 (2007)

Partners: Prime Homebuilders; Orange County; Orange County School Board; University of Central Florida

Description: The Village at Portofino Meadows is a highly amenitized townhouse development equipped with clubhouse, fitness center, wi-fi, pool, and daycare services. To maintain long-term affordability, the 50 workforce housing units will be part of a community land trust. Orange County has agreed to match any local employer's contribution of at least \$3,000 with a dollar match of downpayment assistance.

Village Center Homes

Miami, Florida (Miami-Dade County)

Total CWHIP Units: 32 Homeownership

Total Project Cost: \$7,179,876

Total CWHIP Award: \$3,575,000 (2007) + \$160,000 (Supplemental Green Building)

Partners: Carlisle Group V; Miami Dade County

Description: Village Center Homes is immediately adjacent to the Brownsville Metrorail Transportation Hub. The transit-oriented development will offer residents a six-month pass for the Metrorail, Metrobus, and Metromover and will purchase an electric car for community use. Residents will also receive homebuyer counseling and mortgage qualification through the project's nonprofit partner, Neighborhood Housing Services. Located within a targeted revitalization area, the condominium workforce housing development and its neighboring tax credit development are eligible for CDBG

infrastructure improvements and affordable housing subsidies from the county. Miami-Dade County is the only county in Florida with an additional surtax on development. The funds are used for affordable housing. Within the condominium project, they will provide direct subsidies to the homebuyers: up to \$60,000 in forgivable 30-year interest-free loans. Households that require deeper assistance will qualify for shared-equity mortgages from the developer. The development is also seeking New Markets Tax Credits to subsidize the project.

Village Green with Ten Oaks

Pasco County, Florida (Pasco County)

Total CWHIP Units: 60 Homeownership

Total Project Cost: \$13,151,287

Total CWHIP Award: \$5,000,000 (2007) + \$300,000 (Supplemental Green Building)

Partners: Pasco CWHIP Partners, LLC; School District of Pasco County; Pasco County

Description: Two cross-town developments, the Town Houses of Village Green and the Homes of Ten Oaks, will set aside all of their 39 townhouse and 21 single-family homes for Pasco County's essential workforce. The county's Housing Assistance Program will provide downpayment, closing cost, and gap assistance to households moving into the developments. Targeted employees, including firefighters, law enforcement personnel, teachers, and nurses, will receive additional assistance from their employers (i.e., the county and hospital). The monthly cost of each home will be reduced through a pooled property insurance program and community land trust model. All land trust residents will be encouraged to convert their monthly savings into a long-term investment for their next home purchase.

Village of Quillen

Indiantown, Florida (Martin County)

Total CWHIP Units: 50 Homeownership

Total Project Cost: \$15,400,455

Total CWHIP Award: \$5,000,000 (2006)

Partners: Indiantown Holdings, LLC; Martin County; Treasure Coast Regional Planning Council; Western Martin County Indiantown Chamber of Commerce

Description: Village of Quillen is part of a large master-planned community in Indiantown, Florida. The 50 units set aside for workforce housing represent 20 percent of the housing within the Development of Regional Impact (DRI), a voluntary contribution to the overall need for affordable housing. In addition to residential and commercial development, the DRI will include a new school. As a result, the local school board has established an Employee Assistance Home Ownership Program. Those subsidies will be combined with SHIP funds and tax increment financing as well as a number of land use strategies.

Westshore Landings One

Tampa, Florida (Hillsborough County)

Total CWHIP Units: 57 Homeownership

Total Project Cost: \$10,941,207

Total CWHIP Award: \$4,000,000 (2006)

Partners: Westshore Community Development Corporation; Hillsborough County

Description: Westshore Landings One is located close to major employers, local parks, and public schools. The 5.98-acre property was donated by Hillsborough County in exchange for the development of 57 affordably priced single-family homes. The county also agreed to fee waivers, density bonuses, and expedited review.

Wolf Creek

Freeport, Florida (Walton County)

Total CWHIP Units: 242 Homeownership

Total Project Cost: \$29,342,500

Total CWHIP Award: \$5,000,000 (2006)

Partners: Walton County Workforce Housing Corporation; Walton County

Description: Wolf Creek is a 68.53-acre development that will include residential, commercial, and open-space uses. Among the amenities will be a local daycare center and convenience store. All 242 single-family homes will be set aside as workforce housing. A combination of local government incentives were provided by the county, including land donation, school fee waivers, in-kind predevelopment, exemptions, and expedited review.

Appendix B: CWHIP Program Survey

CWHIP PROGRAM: Survey Results

METHODOLOGY

Carras Community Investment, Inc. (CCI, Inc.) created a Community Workforce Housing Innovation Pilot (CWHIP) Program questionnaire and administered the survey to the program's participants during the months of September and October 2008. The purpose was to obtain an update on each participant's project, identify the benefits of the CWHIP Program, and receive feedback on the applicant's experience. The CWHIP Survey is an integral component of the overall report, which is intended to provide an understanding of the CWHIP Program, its implications, and its future replication.

CCI, Inc., solicited responses from all 60 organizations that applied for funding in 2006 and 2007. (Some organizations applied multiple times, which resulted in a total of 82 applications.) Each organization was contacted a minimum of five times, three times by e-mail and twice by phone. A total of 30 responses were obtained, representing half the applicants and a 50 percent response rate.

The CWHIP Survey was performed using an online survey. The survey instrument was designed to elicit both closed and open-ended responses from all CWHIP applicants (successful and unsuccessful). Each participant was asked to complete a brief, 28-question survey. A copy of the survey is attached.

KEY FINDINGS

Survey Respondents

The survey results included a broad-based representation of CWHIP applicants, including the following cross section of the community:

- The 30 survey respondents represented 36 projects from across Florida.
- Of the applicants surveyed, 17 were awarded CWHIP funding, and the remaining 13 participants interviewed did not receive an allocation.
- Of the projects surveyed, 18 applied for funding in 2006; 20 requested funds in 2007. One-quarter of the applicants applied in both 2006 and 2007.

Project Update

Within the survey, the applicants provided a brief update on each of their projects, including the following information:

- Only four of the successful applicants indicated they received their CWHIP award. The remaining award winners noted that they were either in the final stages of the

underwriting process (2006 award winners) or awaiting the final appeal process before they are invited to underwrite (2007 award winners).

- Without the CWHIP award, four unsuccessful applicants indicated that their project is no longer scheduled for completion.
- Thirty percent of the applicants indicated that they have made slight changes to their projects since they originally applied for funding. Seven applicants noted they had to adjust the final price of their product after they did not receive funds. One of the award winners noted a delay in the timeline caused by market conditions; another mentioned a slight change to its partnership structure.
- Twenty of the applicants (67 percent) are still in predevelopment, while four have begun to prepare their site and six have started construction. None of the CWHIP projects has been completed.
- Half the successful applicants are still in the predevelopment stages; the remaining 50 percent are either in the site preparation or construction stage of development.
- Most projects are expected to be completed within the next 12 to 18 months. Sixty percent of the developments should be completed by the end of 2010. The remaining units are scheduled for completion over the next three to four years.

CWHIP Impact

According to the participants, the CWHIP Program greatly affected their projects and workforce housing in general, including the following achievements:

- The CWHIP Program encouraged new developers to build affordable housing. Fifty-two percent of the respondents would not have considered building affordable or workforce housing without the CWHIP incentive.
- Eighty-four percent of those that responded reported that the CWHIP Program encouraged them to forge new partnerships, leverage funding, and be more innovative. In particular, 60 percent indicated that the CWHIP program encouraged them to form new “partnerships” beyond those they would have made without the incentive. Seventy-two percent indicated that the CWHIP Program encouraged them to be more “innovative” than they would have been without the incentive. Sixty-four percent indicated that the CWHIP Program encouraged them to “leverage” funding beyond the amount they would have without the incentive.
- Seventy-six percent indicated that local government provided additional incentives, beyond those typically provided to projects, for purposes of the CWHIP Program.

- The effects of the CWHIP Program will continue into the future. Eighty-four percent of respondents indicated that the incentives or innovations will be replicated on future workforce housing projects.
- Only one participant responded that its project could be completed as proposed without the CWHIP funding, whereas the remaining 96 percent noted that their project would not be feasible without the subsidy.

Applicant Experience

Participants provided feedback on the CWHIP Program, including the following:

- Ninety-six of the respondents indicated a need still existed for workforce housing, even with the recent changes in market conditions.
- All but one participant thought the CWHIP Program should be funded in the future.
- Applicants spent hundreds of hours and thousands of dollars to prepare their proposal. Eight of the survey respondents, including half of the successful applicants, hired outside consultants to complete their application.
- In general, participants were pleased with the application and scoring process and felt the program had been vastly improved from 2006 to 2007. Suggestions for improvements ranged the spectrum but mostly dealt with the scoring process.

CWHIP PROGRAM: Survey of Participants

Contact

1. Project Name: _____

2. Development organization: _____

3. Contact Person: _____

4. Phone: _____

5. E-mail: _____

Project Update

6. Please identify each year that you applied for CWHIP funding and indicate whether or not you received an allocation.

a) 2006 (i) Successful (ii) Unsuccessful (iii) Did Not Apply

b) 2007 (i) Successful (ii) Unsuccessful (iii) Did Not Apply

7. If you were a successful applicant, have you received your funding award?

(a) Yes (b) No

If not, what stage of the underwriting process are you in? When do you expect funds to be awarded?

8. If your application was unsuccessful, is your project still scheduled for completion?

(a) Yes (b) No

Comments: _____

9. Have there been any changes to your project since you submitted the CWHIP application?

- (a) Yes
- (b) No

If yes, please describe any changes (i.e., number of units, pricing, targeting, leveraging, innovation, timeline).

10. Where is your project in the development process?

- (a) Predevelopment ___
- (b) Site Preparation ___
- (c) Construction ___
- (d) Completion ___

Comments: _____

11. What is the expected timeline for project completion?

CWHIP Impact

12. How did your community define “essential workforce” personnel?

Please describe: _____

13. Would you have considered doing affordable/workforce housing for this project without the CWHIP incentive?

- (a) Yes
- (b) No

Please describe: _____

14. Did the CWHIP Program encourage you to form new “partnerships” beyond those you would have done without the incentive?

- (a) Yes
- (b) No

Please describe: _____

15. Did the CWHIP Program encourage you to be more “innovative” than you would have without the incentive?

(a) Yes (b) No

Please describe: _____

16. Did the CWHIP Program encourage you to “leverage” funding beyond the amount you would have done without the incentive?

(a) Yes (b) No

Please describe: _____

17. Did local government provide additional incentives, beyond those typically provided to projects, for purposes of the CWHIP Program?

(a) Yes (b) No

Please describe: _____

18. Will any of the incentives or innovations be replicated on future workforce housing projects?

- (a) Yes (b) No

Please describe: _____

19. Could your project be completed as proposed in your application without CWHIP funding?

- (a) Yes (b) No

Please describe: _____

Applicant Experience

20. Approximately how many hours did you spend preparing the CWHIP application?

Please describe: _____

21. Did you hire an outside consultant to help you prepare the CWHIP application?

Please describe: _____

22. What was the approximate cost to prepare the application?

Please describe: _____

23. Given the changes in market conditions, do you still think there is a need for workforce housing?

(a) Yes (b) No

Comments: _____

24. Do you think the CWHIP Program should be funded in the future?

(a) Yes (b) No

Comments: _____

25. Please comment on the application process.

Please describe: _____

26. Please comment on the scoring process and criteria.

Please describe: _____

27. Please list any changes you would propose to the CWHIP Program.
(Please limit to three).

Please describe: _____

28. Please provide any additional comments/suggestions/recommendations.

Please describe: _____



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