

HOLD THE LINE
Density and Workforce Housing Position Paper
February 7, 2006

I. Introduction

Hold The Line Campaign (HTL) is a loose affiliation of more than 80 homeowner, civic, and conservation organizations in Miami-Dade County who have come together to advocate sound planning, common sense, and fairness in solving existing infrastructure problems affecting 2 million residents, before any expansion of the Urban Development Boundary (UDB).

The UDB separates agriculture and open space, where one unit in five acre zoning applies, from existing municipal service areas of the county.

There are many public policy issues that intersect the matter of whether or not to move the Urban Development Boundary. HTL acknowledges the substantial contribution of the Affordable Housing Task Force and expert reviewers whose advice and knowledge has informed our recommendations.

In many cases, our policy recommendations closely follow the Affordable Housing Task Force (<http://www.hscdade.org/publications.htm>). There are specific instances where our recommendations offer additional detail or new policy ideas: **these are highlighted in bold.**

We do believe, however, that an additional layer is related to workforce or affordable housing: that is, addressing density in existing neighborhoods.

Any solutions to the problems of gentrification, increase in workforce housing, and reallocation of public investment depend on enlightened leadership by the Miami-Dade county commission and municipal governments within the county.

Both issues, affordable housing and density, should be addressed through long-term planning involving all stakeholders and a significant effort to educate the public.

Hold The Line recommends that the Miami-Dade county commission and municipalities work together with communities to craft an inclusionary zoning ordinance and concurrently plan, for the first time in Miami-Dade history, higher density in existing communities:

- **A Density and Workforce Housing “Czar” reporting to a small board representing Miami-Dade County’s and municipal executive governments,**
- **A zoning overlay for Miami-Dade county and municipalities, created in collaboration with existing neighborhoods and communities, to target “infill” areas and density,**
- **An accurate inventory of vacant, buildable lots in Miami Dade county and municipalities, using GIS and layered data to provide prospective developers or homeowners with complete and up-to-date information,**
- Creation of a non-profit to act as a community trust or “bank” for vacant lots, in distressed areas,
- Compelling incentives for small developers of infill and affordable housing, including granny flats and small apartments, with streamlined permitting and low planning costs,
- New financing tools, to bridge existing obstacles in affordable housing, Affordable should be defined as up to 100% of average median income. Hard costs for renters or owners should be no more than 30% of income.

- An affordable housing ordinance mandating inclusionary, affordable housing units for developments of 20 units or more.

The displacement of existing communities to build high cost housing, without addressing replacement stock of affordable housing within existing municipal service areas, should be slowed or stopped until these recommendations and related policy initiatives and implementation schedules are in place.

Zoning and permitting processes in the county and municipalities, and fiscal mechanisms, should be implemented to make affordable infill development less costly, less burdensome, and less difficult than obtaining zoning and permits to build production housing in outlying areas.

It should be the responsibility of the Workforce Housing “Czar” to ensure the timely delivery of services, across the board, and to eliminate bureaucratic obstacles in order to provide assurance to small scale developers, tenants, or prospective owners of affordable housing that the regional goals to create an abundant supply of workforce housing is a top governmental priority.

Government support for low density, scatter development outside the UDB—that by definition puts families far from places of work—is based on a path of least resistance in both political and fiscal practices that favor a single segment of the building and construction industry.

Low density, scattered development depends on low private transportation costs. That formula has changed because of rapidly escalating energy prices. It is no longer a given that transportation costs will be easily absorbed by consumers.

Containing future growth within existing service areas—instead of building subsidies for development outside the urban development boundary—is a matter of fiscal and common sense.

Clearly, members of Hold the Line believe that local government should first resolve deficits in public funding of transportation, schools, roadways, wastewater, water supply, parks and recreation, and conservation of environmentally sensitive lands before any movement of the UDB.

Solving the affordable housing problem within the existing municipal service areas is a high priority and requires both the commitment of local governments and communities to protect the economic future, social stability, and welfare of current residents and existing neighborhoods. The social capital of South Florida is in existing communities, not outlying, leap-frog suburban developments.

- **The majority of Miami-Dade residents are paying an excessive portion of their income on housing** In 2003, 60% of renters and 45% of all homeowners paid over 30% of their income for housing,
- In 2004, it took an income of \$17.87/hour to afford a two bedroom apartment at fair market rents, while in the rest of Florida a family required about \$15/hour for the same apartment.
- In a study of 65 of the state’s 67 counties, Miami-Dade was 60th in terms of affordability.
- **Homeownership is out of reach for many Miami-Dade families as home** prices in Miami-Dade have soared. *Median home value in Miami-Dade in 2003 was \$172,757, up from \$133,477 in 2000. Median sales price for existing homes was \$273,900 in 2004, a 23% increase over 2003. In February 2003, the median new home sale price in Miami-Dade exceeded \$300,000.*
- To afford a home at these rates with no more than 30% of monthly income spent on housing, a family would need an annual income near \$90,000.

COUNTY INCLUSIONARY ZONING ORDINANCE

Hold the Line is in favor of an affordable housing ordinance in the context of reforming zoning and permitting processes to strengthen economic opportunity, social stability, to protect our environment and drinking water in locations already served by required infrastructure: roadways, schools, fire and police protection, sewerage and water.

Hold the Line further recognizes that once the growth boundary is altered, the building industry will no longer be motivated to address the needs of chronically underserved neighborhoods.

While efforts to create the county’s first inclusionary zoning ordinance are commendable, they must not be grafted onto a dysfunctional formula governing growth and development and relations between county and municipal governments in Miami-Dade County.

Today, the building industry is focusing on affordable housing as a way to fortify its arguments to move the Urban Development Boundary.

The greatest need for affordable housing is where people live now, not where future residents will live when new production housing is built in outlying areas.

If an inclusionary ordinance is to solve existing needs, it should address the entire scope of planning for density.

This is where the affordable housing crisis is now occurring, and this is where it must be solved.

The affordable housing crisis is part of a larger regional problem: the growing disparity between rich and poor and loss of community history and values. Absent a comprehensive effort to address need in existing communities, an inclusionary zoning ordinance could compound tensions within our communities.

II – Local Policy & Ordinance Recommendations

Hold The Line supports a comprehensive plan to be initiated by county government in cooperation with municipalities within Miami-Dade—to work with communities in crafting a zoning overlay to that future development and density can be fairly and realistically allocated, so developers will have predictable guidelines for infill, so that incentives are appropriately affixed to infill initiatives for affordable housing that meet with community support.

2.1 Master Zoning Overlay and “Inclusionary Zoning” Ordinance Recommendations

(A) Regionalism

Master zoning overlay for our region, inclusionary zoning, and policies that clarify infill opportunities and infrastructure investment must be regional and apply to all of Miami Dade, including incorporated communities. Having the policy apply only to unincorporated Miami-Dade will defeat the regional goal of the Inclusionary Housing proposal.

Miami-Dade county and municipalities should be convened under a Workforce Housing “Czar” to address what long-term steps are necessary to coordinate policies and legislation to promote market rate production of affordable, integrated housing to serve as a vehicle for economic integration and poverty deconcentration.

Significant efforts should be expended on public outreach, to recruit actively involved citizens, neighborhoods, and communities to participate in design workshops to deal with issues related to density, infill and meeting transportation needs.

(B) For any inclusionary housing policy to be effective it must be mandatory rather than voluntary. HTL recommends a moratorium on all applications to move the Urban Development Boundary, until a master zoning overlay for the entire county is developed, with the full participation of municipalities and willing cooperation and involvement of citizens.

(C) “Set-Aside” Requirements for lower-income groups.

HTL recommends 15% of units in all rental and ownership developments should be earmarked as affordable. These units should blend in with market rate units, both in location and in design to the maximum extent practicable.

Miami Dade Housing Agency (or MDHA approved non-profits) should have first right of refusal for purchasing one-fourth of affordable set aside units with the understanding they be rented or sold to low to very-low income (for example, below 80% AMI) households. This will have the effect of “reaching” those at the lower income levels.

(D) “On-Site” Construction Requirements

HTL recommends that on-site affordable units be comparable to the market-rate units within the project in bedroom mix, design and overall quality of construction materials used on exterior features. Interior feature construction materials of affordable units may be modified to recapture costs, and allowances can also be made in total square footage of affordable units.

(E) “Off-Site” Construction Option

High-end developments often include significant on-going expenses for buyers (such as maintenance fees and property taxes) that prohibit participation by low and moderate income households, even if affordable units in a given development are constructed.

Therefore, in such developments, developers should be required to build affordable units off-site, and in this case, that the mandated set-aside of units of affordable housing should be 150% of what would otherwise be required for on-site construction. Off-site construction should be of the same type as the on-site construction, i.e. rental or for-purchase, and should, wherever feasible (according to land availability), occur in the same municipality as the on-site construction.

2.2 “Developer Incentive” Recommendations

Because developers are central to the provision of affordable housing, it is recommended that all zoning and planning for density, within the master zoning overlay, be guided by policies to insure that infill development does not impose regressive costs on builders.

Incentives to build or rehab affordable housing should include: more precise schedule of impact fees to incentivize small-scale infill, density bonuses that are scalable to affordability, streamlining of the permitting process to clearly prioritize building plan approval of small construction projects, more flexible land use and zoning designations, and modifications of existing plats.

These measures should be adopted to encourage the development of affordable housing in Miami-Dade.

(A) Ease Access to Predevelopment Financing: Developers of single family affordable infill housing need easier access to financing for predevelopment and construction costs. Small-scale developers, without the deep pockets, need predevelopment financial assistance to cover the extraordinary costs associated with building scattered site houses distressed neighborhoods.

(B) Pay Government Fees After Completion of Construction: Allow governmental permit, impact and utility connection fees to be paid at the time an affordable house is sold rather collecting them "up front". Such fees are a burden to small builders because they are not financable.

(C) Waive All Impact Fees

To spur development in distressed neighborhoods, all impact fees should be waived. In Miami-Dade County the impact fees for roads, police and parks are already waived but NOT for housing.

2.3 “Affordability” Recommendations

(A) Household Income Targets

The “affordable” residential units created through Inclusionary Zoning Ordinances should be defined as those able to be sold or rented to qualified households with incomes at 100% of the County’s AMI.

(B) Periods of Affordability

Affordable rental units created primarily through use of the Local Housing Trust Fund (to be created – see below) should remain affordable for at least 30 years. For-sale units should also be required to remain affordable for at least 30 years, **and the equity derived from resale of affordable units after 10 years** should be equally split between the Local Housing Trust Fund and the homeowner, allowing the clock to “revert” to new buyers. Affordable units built utilizing other government subsidies, e.g. CDBG, SHIP, and HOME, would remain affordable for the durations required by these funding sources. Additionally, the Ordinance can allow the Local Housing Trust Fund, or a qualified non-profit developer, to have first rights of refusal on the resale of affordable units.

(C) Pre-Designed and Pre-Permitted Plans: Let One Thousand Flowers Bloom

Within designated infill areas, specifically incentivizing infill, affordable housing, local government should relax permitting by offering a variety of pre-approved units conforming to mechanical, electrical, plumbing and hurricane standards as applicable with pre-approved building permits. The designs should then be made available at no cost to infill developers building affordable single family homes in distressed neighborhoods. This idea would go beyond the present "cookie cutter" approval process (wherein a developer of a multi-unit project has only to get a design approved and permitted the first time that it is used). Small infill developers should not have to hire an architect or getting initial design approval. There should be freedom and flexibility once basic mechanical, electrical, hurricane and plumbing thresholds are met.

Fee structures should not be regressively applied to small scale builders.

(D) ADU’s

Adjust zoning codes to allow construction of more "accessory dwelling units" (ADUs), also known as granny flats, garage apartments, carriage houses, or ancillary units.

(E) Elderly Units.

Parking requirements should be reduced or waived for elderly units.

(F) Acceptable Candidates

From the date a candidate is accepted into the affordable rental or purchase program, he or she should not be penalized for any change in income or family status, whether or not the unit or house is available or even built. One time/one shot approvals will simplify paperwork and better provide for pre-approved buyers.

2.4 “Capitalization” & “Land Utilization / Dedication” Recommendations

(A) “Leave no Vacant Lot Behind”

There are thousands of privately owned vacant lots in Miami-Dade's distressed neighborhoods. They offer tremendous opportunities for local government collaboration with experienced infill developers and private lenders to pursue an aggressive strategy of acquisition followed quickly by new, affordable construction. However their acquisition poses certain barriers that can be addressed through a variety of mechanisms.

1. A Comprehensive Inventory of Available Land: Mandate a comprehensive GIS inventory of the ALL vacant lots in distressed neighborhoods, posted to a website in a user friendly format that allows potential developers to easily browse through the available properties. The inventory should have "clickable" aerial photos to zoom in on particular neighborhoods and layered data on ownership, code enforcement liens, back taxes, zoning, infrastructure, etc.

2. Aggregate vacant parcels under a central inventory authority: A major obstacle to developers with significant experience in building affordable housing is the lack of a unitary authority over the aggregation of vacant parcels in distressed neighborhoods.

Miami-Dade County and municipalities should have an integrated system to quickly serve citations on vacant parcels in distressed neighborhoods. By converting citations into “liens” in the Public Record, local government can then use provisions of state statute to foreclose.

An aggressive policy of foreclosure would result in either the redevelopment of vacant parcels or their acquisition through foreclosure by local government.

3. Lien Clearance Assistance - Vacant lots may be infested with code violation liens and penalties having huge payoff amounts. These adversely affect the economic feasibility of acquisition and redevelopment. Local government should have programs to assist developers with clearance of pre-existing liens when such parcels are acquired on the private market or at tax deed sales. County/city owned lots with bad title should have the title “cleaned” by county/city legal staff before conveyance into the affordable housing program.

4. Faster closing on city/county owned lots: A capable developer experienced with working in low income neighborhoods has no trouble obtaining construction loans provided that reasonably priced building lots, and subsidized purchase loans for the homebuyers are available.

However, overly high land prices (even in distressed neighborhoods) can make an otherwise desirable acquisition economically unfeasible. Government sponsored 2nd mortgage loan programs (such as Surtax and SHIP) place a cap on the size of the purchase prices that can qualify.

It is essential for city/county legal staff to meet specific standards of performance for expedited closings and to bear the cost of paperwork for lots that qualify for the affordable housing program.

(B)Creation of “Local Housing Trust Fund”

To augment current State, Federal, and private sources of capital and subsidy available for the provision of affordable housing, HTL recommends that a Local Housing Trust Fund be established. The Trust Fund should maximize leverage of state and federal housing subsidies through local bond issues. In addition to funds accrued from the inclusionary zoning “in-lieu” payment option, the Fund can be financed through a local surtax on documentary stamps payable on all commercial real estate transactions that take place in Miami-Dade County. *(House Bill 1221, which was before the Florida Legislature during its 2005 session, was the first attempt to implement this idea.)*

Another potential method of capitalizing a Local Housing Trust Fund might involve pooling second and third mortgages previously funded through the SHIP and HOME programs and held by various entitlement jurisdictions within the County (including the County) and selling them on the secondary mortgage market (possibly to Fannie Mae), with the proceeds resulting from these transactions going into the Local Housing Trust Fund. This measure would, of course, require agreement among various municipalities and the County to pledge these receivables.

Start-up funding for the Local Housing Trust Fund can also be provided by an allocation of general revenue funds from the County, and from each municipality.

(C) Creation of "Community Land Trust"

In addition to the **Local Housing Trust Fund** described above, which is a financial pool to be used exclusively for affordable housing development, a Community Land Trust should be established -- consisting of real property which can be used for affordable housing development (either vacant land, or property with existing structures on it). The land to be put into the Community Land Trust can come from local governments and other public agencies, private for-profit enterprises, private individuals, foundations, and the "in lieu" land contributions from developers.

A Community Land Trust typically involves establishing a non-profit organization that acquires and holds real property in perpetuity for the benefit of the community. Housing is developed on the Trust land, and sold or rented to target income households. If the housing is sold, purchasers are actually buying long-term leases on the homes, while the Community Land Trust maintains ownership of the land, and the land value is deducted from the home's purchase price (enabling houses to be sold more affordably). When homeowners sell their houses to new qualified buyers, they realize equity only on the increased value of the house itself, and not the land, which remains owned by the Trust. Since the land equity remains in the Trust, the homes are still able to be offered at more affordable prices than comparable homes being sold in the community.

(D) Property Dedications to Non-Profits

The Task Force advocates for the County, and the municipalities within the County, to officially dedicate all lands currently owned (or acquired in the future because of delinquent taxes and municipal liens) by these jurisdictions and zoned as residential, as affordable housing sites. These properties should be made available to qualified local non-profit affordable housing developers as donations.

(E) Improve City of Miami "Homeownership Zone" program.

The City should more aggressively implement all of the Homeownership Zones promised in their 2001 five year Consolidated Plan. There should be better coordination with the Miami Dade County Housing Agency's Infill Housing Initiative. The new zones should have governance or advisory boards composed of lenders, developers (both nonprofit and for profit), and residents. Specific standards should be established for the performance of government legal staff to ensure the reduction of bureaucracy and red tape.

Developing the Forgivable Matching Acquisition Loans would help get around this situation. Local governments could partner with selected lenders and experienced infill developers by providing forgivable loans that could be matched with private sector financing for use in property acquisition.

The amount of each forgivable loan would vary from deal to deal (depending on how much acquisition subsidy was needed in order to make the proposed new affordable home in question economically feasible). The loans would be forgiven if the house, when constructed, was sold to a qualifying low income purchaser.

Once these procedures and mechanisms are in place, interested developers would proceed to identify and seek out the owners of vacant parcels and negotiate standard purchase contracts with the appropriate financing contingency clause (such clauses are needed because each acquisition would be subject to a quick decision by the lenders regarding approval or disapproval). Bureaucratic delays in making disbursements must be avoided because most acquisitions should close within 10 days after the purchase contract has been signed.

(F) Expand Miami-Dade Infill Housing Initiative.

The primary activity of the County's current program consists of distributing lots to developers that the County had obtained through tax foreclosure. Surtax loans are available to homebuyers. There is a very limited pool funds that can be used for construction loans. The County puts a reverter clause in its deeds requiring completion of construction within 12 months. Because the properties were acquired by tax deed, title insurance companies often require the developers to prosecute quit title lawsuits. A way should be found to eliminate the need for the developers to do this (perhaps the County could work with pro bono attorneys to clear title before the land is conveyed to developers). Construction lending can be facilitated by the County agreeing to subordinate its reverter rights to the lender's mortgage. Creative new ways should be found for the County to acquire ownership of vacant lots beyond the current reliance on tax foreclosures (the number of which are rapidly declining as land prices rise).

3.0 Additional Recommendations

(A) Livable Wages

All the housing policies and programs cannot adequately fill the gap between workers' earnings and rising housing costs. For example,

- The poverty rate is 24% in Miami-Dade compared to 13% statewide.
- Incomes haven't risen as quickly as home prices.
 - 1990 – 1997, average salary increased 26%, but single family home prices increased 42.5% during the same time¹⁵¹
- 2004 median household income in Miami-Dade is \$45,400, compared to \$52,319 statewide and \$57,700 in Miami-Dade County. A family earning \$45,400 must spend over 30% to afford a three bedroom apartment.

We strongly urge and recommend that each employer of good will in Miami-Dade County voluntarily pay all employees at least a living wage, with benefits sufficient for each worker and the well being of the worker's family. Paying a suitable wage with adequate benefits provides each worker with dignity; provides workers greater ability to select safe, adequate, affordable housing in a healthy neighborhood of their choice; and provides the worker and family means to make other vital medical and educational choices.

(B) Housing Rehab to Preserve Current Affordable Housing Stock

HTL recommends that the current stock of affordable housing be revitalized and preserved through the provision by local governments of rehabilitation loans and grants to ensure that current homeowners live in safe and sanitary living conditions. Rehabilitation provides a very cost effective program to: 1) maintain affordable housing stock for low and very low income homeowners; 2) support low-income homeownership; 3) support a rising tax base; 4) maintain neighborhood integrity; and 5) avoid the new construction costs and subsidized incentives necessary for low-income homeowners. Homeownership by low and very low-income families is crucial for community development and a rehabilitation program is essential for securing an affordable housing inventory and decent living conditions for these households.

(C) Homeownership Program Recommendations

To encourage homeownership among low to moderate income households in Miami-Dade County, it is recommended that homeownership program subsidies be increased by local governments, that a vigorous marketing campaign take place to inform County residents of the existence of the various first-time homebuyer programs operated by the County, the various Cities, and the nonprofit sector. Further, the various local Housing Authorities should move aggressively forward with a Section 8 Homeownership Program, as allowed by HUD guidelines, to foster homeownership among households currently receiving rental housing subsidies.

While homeownership is not feasible for some households, it is a worthy goal to aspire and work toward for all. Homeownership is the most efficacious way to nurture financial security for individuals and households because of equity building and the tendency for property to appreciate over time. Homeownership also promotes community stability and security. Since homeowners have greater stakes in their community, a neighborhood full of homeowners will tend to be freer of crime and slum and blight conditions than if that neighborhood consists primarily of renters.

3.1 Administrative Recommendations

The administration of the Local Housing Trust Fund and the Community Land Trust should be vested in an independent agency with its own Governing Board, Executive Director, and support staff. The composition of a SHIP Advisory Committee established by Florida Statutes can serve as a model for composition of the Governing Board. The Governing Board should also have members appointed by elected public officials of jurisdictions within Miami-Dade County (but not including currently elected public officials), and it is strongly recommended that non-profit affordable housing advocacy groups be represented. This entity should be independently accountable and audited each year. A small percentage of the annual revenues derived from the Local Housing Trust Fund and Community Land Trust should be dedicated toward the administrative purposes of this independent agency.

Other administrative recommendations would include that the County complete its consolidation of offices that deal with affordable housing, so as to minimize the funds needed for administration of the affordable housing development and subsidy process. Administrative costs can be reduced if each city is not separately staffing its own housing and community development office – perhaps such administration can be shared by several cities.

A Workforce Housing “Czar” should report directly to a board comprised of mayors’ offices throughout the county.

(A) Speed up the Permitting Process.

The approval process needs to be streamlined and accelerated for scattered site, single family infill development. Suggestions include: "One-Stop Shopping" (all services surrounding the permitting process should be obtained from one designated department); set mandatory deadlines for smaller projects, assignment of facilitators, fast tracking smaller infill projects; pre-application meetings; adhere to minimum standards (reviewers should not be able to require small infill developers to build above and beyond the stated minimum code standards); self help inspections (allow inspections by certified architects rather than county staff)

(B) Make Miami-Dade Surtax/SHIP program more effective.

This second mortgage home purchase loan program is run by a hard working, dedicated County staff. First mortgage lenders have at times found their participation to be difficult due to perceived problems with County policies and procedures. In May of 2004 a committee of lenders submitted a whitepaper to the County outlining certain issues and recommending solutions. Loan closings, amongst other issues, are

said to be unnecessarily delayed because the County always does an independent underwriting process rather than bootstrapping upon the underwriting already completed by the participating first mortgage lender. The paper recommended two options: (1) if the County decides to continue doing its own independent underwriting it should work with the lenders to resolve the problems outlined in the whitepaper, or (2) the County could change its policies and rely upon a single unified underwriting process performed by the participating lender. Under this second option the County would establish its underwriting criteria and would do the income certification for the applicants. The participating lenders would originate, process, and underwrite the loans based upon the criteria set by the County. County staff would review the income, family size, amount of the loan, and interest rate. If the file had been underwritten correctly a request would be sent expeditiously to the County's finance department for funding. This procedure is what is currently being used by the Miami-Dade Housing Finance Authority, City of Miami, and Broward Housing Finance Authority.

Departments must be adequately staffed to ensure that standards for timely closings are met. This should be one of the first supervision responsibilities for the Workforce Housing “Czar”.

(C) Sell SHIP/Surtax Loans on a Secondary Market

During 2004 Miami-Dade County, for the first time, sold a small percentage of its huge inventory of closed Surtax/SHIP loans on the secondary market to an affiliate of the Neighborhood Reinvestment Corporation. Doing this generated over \$2 million that can be used for making additional loans. Why not sell ALL closed Surtax/Ship loans on the secondary market (the way banks sell their all their loans to Fannie Mae and Freddie Mac)?

IV. State Policy Recommendations

(A) Preservation of the Sadowski Act – Affordable Housing Trust Funds

The Sadowski Act was adopted in 1992 with bipartisan support. Through the State Housing Initiatives Partnership (SHIP), created by the Act, over 15,000 families have received affordable housing. It has enabled local and state governments to bring over \$620 million in federal money by providing local match funds. The Sadowski act not only brings money into the community for homeownership and rentals, but also offers emergency relief from national disasters and provides thousands of construction jobs..

In 2006, The Governor recently proposed to place a permanent cap of doc stamp revenues to the Housing Trust Funds. The original bill, HB 1889, would cap revenues at \$193 million, with no annual increase for population growth or cost, effective July 1, 2006. HB 1889 passed in the house and was approved by the Senate along with an amendment by Sen. Ken Pruitt of Port St. Lucie) that increased the cap to \$243 million, delayed the implementation until July 1, 2007 and included a modest annual increase related to increased doc stamp collections, this past legislative session.

A permanent CAP on doc stamps removes a critical funding source for affordable housing.