



# Florida Supportive Housing Coalition

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Mr. Steve Auger

Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 320301

Dear Steve,

I am writing to continue our conversation regarding the production of housing for special needs populations. There are several areas of grave concern to the Florida Supportive Housing Coalition.

Housing for Extremely Low Income Households

The Coalition is gravely distressed that there has been a reduction in the effort to produce housing for extremely low income households (ELI). Last year developers were awarded points for producing housing units for ELI households, reserving up to 15% of their units for these residents.

This year, after the legislature appropriated \$30,000,000 for the production of housing for ELI households, Florida Housing has revised its policy and is now requiring merely 5% of units produced be reserved for ELI households. The Coalition greatly doubts that the legislature appropriated new funding to be utilized in a manner that simply replaces existing funding so that the existing funding could be redistributed to higher income housing units. Surely the legislature intended for the funding to produce an increased quantity of ELI units.

The Coalition is aware that operating costs, specifically insurance costs, have increased dramatically in recent years. Therefore, Florida Housing is challenged with producing units having ELI household restricted rents. However, the Coalition also firmly believes that simply reducing the quantity of ELI units produced is not the solution to this challenge.

- Recent and future hurricane seasons are anticipated to be less active which should cause insurance premiums to cease increasing.
- Insurance reform is a major issue for the government at this time.
- Simply passing the problem onto ELI households by cost burdening already financially challenged households with higher rents is not an adequate solution.

While producing housing for ELI households is always financially challenging, the Coalition truly does not understand why there is no incentivization or reward in the current draft of the Universal Application for developers willing to take on this challenge. While funding is provided to produce ELI units above the required 5% of total units, there are not points or meaningful tie-breaker rewards for developers that desire to produce ELI housing units.

Should no developer choose to produce ELI units above the required 5%, how does Florida Housing plan to use the \$30,000,000 appropriated by the Florida legislature to house these Floridians?

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### SAIL Homeless Special Set Aside

As previously discussed, the Coalition is aware that for the first time the SAIL Homeless Special Set Aside may be oversubscribed. While the Coalition recognizes the method for determining the amount of funding for the set aside is statutorily established; we also believe that there are ways within the statute to fully fund more qualified applications.

First, it is within Florida Housing's administrative authority to determine that any redistributed SAIL funds be redistributed within the special set aside. This way, should a homeless project that is awarded tentative funding be withdrawn or receive unfavorable credit underwriting, another eligible homeless project will be selected to receive the redistributed SAIL funds rather than redistributing the funding outside the special set aside.

Second, while the percentage of SAIL funds reserved for the special set aside are determined by the Schimberg Center report, the Coalition believes that a more comprehensive approach to determining this percentage can be adopted. For example, the upcoming cycle is the third year for which Florida Housing is utilizing the 2004 study to determine the need. Florida Housing should do an analysis of the funding reserved for the set aside in 2005 and 2006 then subtract the amount utilized within the set aside. Then that amount should be added to the amount to be reserved for the 2007 cycle thereby ensuring that the cumulative need is addressed.

### Special Needs Housing Cycle

While the upcoming finalization of the Rule and Application for the 2007 Universal Cycle has been the primary focus of conversation, the Coalition continues to advocate for the need for a Special Needs Housing Cycle. As previously discussed, the Coalition contends funding can be identified for such a Cycle. Further, the need to continue – and not reverse – capacity building efforts is great.

I look forward to meeting with you to discuss these matters. Please feel free to contact me at (904) 721-5042 or via email at [snazworth@ghjax.org](mailto:snazworth@ghjax.org).

Thank you,



Shannon Nazworth  
Board President

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