

October 31, 2014
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Comments to FHFC's 2014 Geographic RFA

We understand your efforts to consolidate the Request for Applications and the reasoning behind combining the Homeless Set Aside with the Large County Geographic RFAs. However, we would like to express the importance of maintaining the opportunity for applicants to describe in narrative form, the development, population to be served and intended supportive services – just as you did in last year's special needs RFAs. As stated in the name, the "special needs" population requires an expertise that merits more than just a checked box.

We also ask that you increase the minimum # of units from prior special needs cycles and allow the applicant to designate a lower percent of units set aside for the special needs population. Limiting developments to only 30-60 units not only decreases the much needed housing we can provide, but it can cause us to underutilize land and lose the benefit of economies of scale.

As a developer and operator of multiple unit mixes- ranging from 100% of units in one building set aside for formerly homeless households to as little as 50% set aside- we know that various mixes can work if the operating subsidies are available. However, the higher the special needs set aside, the larger the operating subsidies required and unfortunately, these subsidies are diminishing. This is why we recommend allowing the applicant to designate 50% of the units as set-aside units for the special needs population. The higher rents from the 50% non-special needs units (along with the operating deficit reserve) help achieve a healthy operating budget.

Lastly, we urge you **not** to score homeless developments using a proximity score and instead evaluate these applications on the applicant's narrative response to availability/accessibility to neighborhood services and amenities as you did in the last special needs RFAs. In the narratives, applicants can address the specific amenities and services for the specific population they are proposing, describe which services will be provided on-site and explain how they intend to ensure residents have access to necessary transportation. The way it is currently structured, a proximity score does not tell you whether a development location is the right location for a specific population whereas the narrative does.

Also, homeless developments continue to be difficult to site because of exclusionary zoning and community opposition. Adding the need to have near perfect proximity will make it nearly impossible to site homeless developments in some cities. Furthermore, as you have seen in previous cycles, proximity scoring dramatically increases the price of land, making it even more challenging to make the numbers work on a homeless deal.

Thank you for your consideration.