FLORIDA HOUSING COALITION

September 5, 2016

Re: Opposition to Reducing the 50-Year LURA

Mr. Steve Auger, Executive Director
Florida Housing Finance Corporation
Via email

Dear Steve:

The Florida Housing Coalition's mission is to provide training and technical assistance. Advocacy, other than for full appropriation of Sadowski Housing Trust Funds, is a minor part of our work. But some public policy issues are so central to our mission and so perilous a threat to low-income Floridians, that our organization must take a stand. Long-term rental affordability is that public policy issue.

Florida's affordable rental housing crisis has never been worse, particularly in our desirable metropolitan areas. We won't be able to meet this need solely through new development; we therefore cannot afford to lose the existing affordable housing we have now. If the 50-year affordability requirement for 9% tax credits is to be changed, it should be made longer, not shorter.

The 9% tax credit program in Florida is dominated by affordable housing developers who are in business to make a profit. Business is good. The 9% tax credits are oversubscribed and dearly competitive. So long as FHFC finds that for-profit developers are competing for tax credits that come with a 50-year LURA, there is no public policy purpose to be achieved by shortening the term of affordability. Indeed, the only purpose in shortening the term of affordability is to provide a financial windfall to the owners of affordable housing properties as they sell those properties for luxury housing.

The current focus on providing affordable housing in areas of opportunity is directly and negatively impacted by a reduction in long-term or perpetual affordability. It is precisely the properties in areas of opportunity that will be lost from the affordable housing inventory when the affordability restriction expires. For this reason, reducing the LURA 50-year term of affordability is likely to have a disparate impact on populations protected by the Fair Housing Act.

Preserving Florida's affordable housing inventory should be the highest priority for FHFC. Florida has a finite amount of developable land. Even if an existing affordable apartment building is demolished rather than rehabilitated, the public will benefit if that is restricted to redevelopment for affordable housing.

If the FHFC is going to make a change to the term of affordability, we urge you to increase, not decrease, the number of years that affordable rental housing remains affordable. Thank you for your consideration.

Respectfully submitted by:

Jaimie A. Ross

Jaimie A. Ross, *President & CEO*