



September 14, 2016

Mr. Steve Auger
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: Multifamily Affordability Period

Dear Mr. Auger,

Unfortunately I will be unable to attend the September 15, 2016 Florida Housing Finance Corporation board meeting to provide public comment concerning Florida Housing's consideration of reducing the multifamily affordability period set-aside requirement.

I am writing to urge Florida Housing to maintain the 50-year affordability set-aside requirement for all affordable rental housing developments. Comments have been submitted suggesting a reduction in the affordability period for all future development and consideration of reducing the affordability period on existing developments. This would be unwise public policy.

As with other states, Florida has historically had an inadequate supply of housing affordable to low-income renters (earning 60% or less of the Area Median Income). According to the *2016 Rental Market Study*, which will be cited throughout this letter, Florida has seen an increase in the number and percentage of cost-burdened low-income renter households. 756,639 low-income renter households pay more than 40% of their income for housing; this is 70% of all low-income renters.

Further, since 2000 the percentage of rental units that are affordable to low-income renters has declined. In 2000, 75% of Florida's rental units were affordable to low-income families; in 2014 it was only 57%.

Reducing the affordability period on subsidized units will result in an even greater under-supply of affordable housing. Across Florida Housing's portfolio, the average tenant-paid rent is \$718/month; compared to a statewide average of \$1,087; the average rent for market-rate units could not be determined but would be higher since the \$1,087 average includes subsidized housing.

This difference in average rent paid is essential to ensuring as many low-income renters as possible are not cost-burdened. Otherwise, families are forced to make very significant compromises in their quality of life and safety. According to *The State of the Nation's Housing*, issued by the Joint Center for Housing Studies of Harvard University, severely cost burdened households, paying more than 50% of income on housing, spend 70% less on healthcare and 40% less on food than non-cost-burdened households.

Additionally, I would like to challenge the argument that 50-year affordability periods are not sustainable. By their own actions, developers throughout Florida have demonstrated that they believe a 50-year affordability period to be good practice. This was demonstrated by their voluntary agreement to 50-year affordability periods in prior funding cycles. Previously, for extra points in the application, developers could elect to extend the affordability period from 30-years to 50-years. In so agreeing, the developers were making a voluntary election and

acknowledging their belief that a 50-year affordability period was sustainable. Otherwise, as professionals, they should not have volunteered to such a term.

For demonstration, following are the points awarded for voluntary extensions of the affordability period as awarded in the 2011 Universal Application Cycle:

Total Set-Aside Years	Points Awarded
50 or more	5
45-49	4
40-44	3
35-39	2
31-34	1

As the Florida Housing portfolio ages there may be instances where a targeted strategy needs to be developed to address specific challenges. However, a blanket policy of reducing the affordability period is too broad. Significant public resources have and will be invested in the creation of this housing; the affordability must be maintained for as long as possible to meet the growing needs of Florida's low-income renter households.

I thank you for the opportunity to share my concerns. The receptivity of the Florida Housing staff and board to input from stakeholders is commendable and appreciated.

Respectfully,



Shannon Nazworth
Executive Director