



# Affordable Housing Study Commission Addresses Nonprofit Capacity for 2008-2009

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The 2008 study topic for the Affordable Housing Study Commission is increasing the capacity and effectiveness of Florida's nonprofit organizations to address affordable housing issues. The Commission has held three meetings, including its Stakeholders Breakfast at the 2008 Florida Housing Coalition statewide conference. To date, the Study Commission has received testimony from a wide range of stakeholders – national intermediaries, for profit and nonprofit affordable housing developers, representatives from community development lenders, the Florida Housing Coalition and HUD – as well as public comment from community development corporations and other nonprofits.

Through this input, the Study Commission has identified a number of characteristics relating to nonprofit developers:

- Nonprofit developers are more likely to get involved in projects that serve the most vulnerable populations;
- Nonprofits are typically more willing to take on more difficult, less profitable transactions and maintain perpetual affordability at these properties;
- Nonprofits are focused on addressing a community's unique set of circumstances and needs, of which affordable housing is but a part, albeit an important one.

Challenges facing nonprofits, especially those developing rental housing, include:

- Lack of financial resources, especially predevelopment loans and operating capital
- Nonprofits tend to operate with very small staff and experience high turnover, which makes it difficult to develop expertise and nurture a new generation of leadership

- All stages of affordable housing production – from development to project management through asset management – are complex and difficult to execute



*Allan Schnier, from Hudson Housing Capital, LLC, was one in a long line of individuals and diverse organizations who spoke with a strong and unified voice in calling for the end to the lottery system.*

At the 2008 Stakeholders Breakfast, a recurring observation shared during the public comment period was the uneven playing field nonprofits face in Florida Housing Finance Corporation's Universal Application Cycle. Speakers mentioned the lottery, in particular, as an unfair feature of the process which rewards those developers who are able to submit a large number of shell applications, effectively "buying" more chances for a good lottery number. The Study Commission also heard that nonprofits need more access to predictable, consistent sources of operating and predevelopment funding, as well as technical assistance to help develop internal financial capacity, learn project and asset management skills, and recruit and retain staff.

The Affordable Housing Study Commission is charged with making public policy recommendations to stimulate community development and revitalization, and to promote the production, preservation, and maintenance of safe, decent affordable housing for all Floridians.

All Study Commission meetings are open to the public, who are welcome to address the Commission during the public comment period. The meeting schedule, reading materials and agendas for each meeting are available on the Study Commission's website at [www.floridahousing.org/AHSC](http://www.floridahousing.org/AHSC) under the link for Meeting Information. Visitors to the website can also see a list of the Study Commission members and read previous final reports.

