



# Setting SAIL to Meet the Needs of Florida's Lowest Income Renters

BY STEVE AUGER

**S**ignificant modifications to the State Apartment Incentive Loan (SAIL) Program were made during the 2006 Legislative session that will help deliver apartments for Florida's lowest income renters. The changes are based on recommendations made to the Legislature by the Governor's Hurricane Housing Work Group following the 2004 hurricane season. These recommendations were the basis for the Rental Recovery Loan Program, a "SAIL-like" hurricane recovery program funded by the Governor and Legislature in both the 2005 and 2006 sessions.



given further flexibility by being made exempt from the statutorily required loan to value ratio and the statutory requirement that caps all SAIL loans at 25 percent of the development's total cost. An additional change to the SAIL statute requires that all future SAIL applications be scored on the provision of units targeted to ELI households and now excludes ELI units from the SAIL leveraging criteria that promotes the use of the least amount of

SAIL compared to overall development cost. A final change to ensure affordable rents for these lowest income households is the requirement that rents on ELI units be restricted to the applicable federal low income housing tax credit rent levels (while the SAIL program restricts incomes, rents are not restricted except for these new ELI units).

A series of statutory changes were made that provide much needed relief from statutory requirements that were inadvertent barriers to financing units for Florida's poorest renters. A new definition for Extremely Low Income (ELI) has now been added to the Florida statute, generally targeting those folks earning thirty percent or lower of the Area Median Income (AMI), but with the flexibility of allowing for slightly higher incomes in counties with low median incomes and for slightly lower incomes in counties with higher median incomes.

One of the more significant statutory amendments allows for the portion of a development's SAIL loan that is attributable to its ELI units to be a forgivable loan, made with a zero percent interest rate. These "supplemental ELI" loans are

rates can now be blended based on the percentage of set aside units. This flexibility will be particularly helpful to

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THE LEGISLATURE  
APPROPRIATED AN  
EXTRA \$30 MILLION  
ABOVE AND BEYOND  
FUNDING FOR OUR  
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SPECIFICALLY TO  
FUND SAIL UNITS  
FOR THE EXTREMELY  
LOW INCOME.




developments funded under the SAIL Homeless set aside since they now won't have to set aside 80 percent of their units for homeless persons in order to qualify for a lower interest rate. This will allow developments to set aside fewer units for these populations, thus encouraging these special needs populations to be further integrated into their communities.

Other changes of note to the laws governing the SAIL program allow for the federal definition of farmworker to be used in place of the SAIL statutory definition when SAIL funds are combined with those from the U.S. Department of Agriculture's Rural Development Program, change the Elderly Housing Community Loan (EHCL) Program match requirement from 15 percent to 5 percent, and change the large county population cutoff for the split of SAIL funds between county groupings from 500,000 to 850,000.

Even with the flexibility that these new changes to the SAIL program provide, though, the number of rental units we will be able to produce for ELI households depends largely on the overall level of funding for the program. And while the Legislature ultimately cut the Governor's proposed overall

funding level for affordable housing programs, they did include in their appropriation this session an extra \$30 million above and beyond the funding for our regular programs specifically to fund these supplemental ELI loans through the SAIL program. We're grateful for the Legislature's acknowledgment of the importance of this issue in such a tangible fashion, and we look forward to implementing these changes in our 2007 Universal Application Cycle.

The changes to the SAIL program and the new CWHIP (Community Workforce Housing Innovation Pilot Program) will be highlighted at the Florida Housing Coalition's statewide annual conference. 

**STEVE AUGER** is the Executive Director of Florida Housing Finance Corporation. Prior to this position he served as Deputy Development Officer at Florida Housing Finance Corporation for the Low Income Housing Tax Credit, State Apartment Incentive Loan (SAIL), and HOME Rental programs. He graduated with a bachelor's degree in Philosophy from Rollins College in 1988, received his Master of Social Work degree from Florida State University in 1993 and was licensed as a Clinical Social Worker in 1996. Prior to joining Florida Housing in 2000, Steve provided clinical services to children and families primarily through Florida's juvenile dependency and delinquency systems.



Rayme L. Nuckles



Representative Dan Gelber



Jaimie Ross

The Florida Coalition for the Homeless held a press conference at the Capitol on March 29th. Rayme Nuckles, Chief Executive Officer of the Homeless Coalition of Hillsborough County welcomed the press. Jaimie Ross, President of the Florida Housing Coalition, and Affordable Housing Director at 1000 Friends of Florida, spoke about the importance of full appropriation of the Sadowski Act trust fund monies; Representative Dan Gelber, the sponsor of the "30/30" bill (the bill that would have required thirty percent of all state trust fund monies to be used for the population below 30% of area median income) praised Representative Davis' initiative and spoke in support of HB 1363, as the realistic implementation of the "30/30" concept through the SAIL program changes and appropriation of \$30 million.

## WHY IS TUESDAY, SEPTEMBER 5TH, 2006 SUCH AN IMPORTANT DAY?

- \* It's the first day of the Florida Housing Coalition's Annual Statewide Affordable Housing Conference; and
- \* It's Election Day!

Neither one should be missed—please remember to vote absentee this year. Contact your local Supervisor of Elections Office to request your absentee ballot—then come to the Orlando Omni ChampionsGate for the Labor Day Weekend. We'll have a terrific time.

**You can have your cake and eat it too.**

