

Using SHIP Funding for Rent Subsidies for Homeless and Special Needs Households

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By passing Senate Bill 1534 in 2016, the Legislature codified that SHIP jurisdictions are encouraged to use SHIP funding for rent subsidies for certain eligible households. While this practice had been allowed the previous year by proviso language, the 2016 legislation clarified that strategies to use SHIP funding for rent subsidies were now statutorily allowed, encouraged, and expected to continue.

Previously, SHIP funding could be used for eligible households for deposit assistance or eviction prevention. With SB 1534, rent subsidies are encouraged. While the deposits and eviction prevention assistance is not limited to very low income homeless or special needs households, the rent subsidy program is restricted to this target population. Below is the amended SHIP statute.

"A county or an eligible municipality may not expend its portion of the local housing distribution to provide ongoing rent subsidies, except for:

1. Security and utility deposit assistance.
2. Eviction prevention not to exceed 6 months' rent.
3. A rent subsidy

program for very-low-income households with at least one adult who is a person with special needs as defined in s. 420.0004 or homeless as defined in s. 420.621. The period of rental assistance may not exceed 12 months for any eligible household."

[F.S. 420.9072(7)(b)]

To help SHIP jurisdictions consider whether a rent subsidy program would be an effective approach, and how to

implement such a program, the Florida Housing Coalition offers several types of guidance. Below is a list of the technical assistance offered in recent months (these resources are available online at www.flhousing.org, or by request from a Coalition team member).

- Sample rental assistance strategy, including implementation guidance.
- Frequently Asked Questions document to address

those issues that are most problematic.

- A two-part SHIP rental assistance webinar series, which included additional guidance as well as testimonials from SHIP communities offering SHIP-funded rental assistance.

There are many aspects to implementing a successful SHIP rent subsidy program that the resources listed above describe in more

detail. Below are some of the key issues that deserve special attention.

- High rent communities should note that regardless of the very low income household's income, rent can be up to the SHIP rent limit for units affordable at 120% of Area Median Income (AMI), as adjusted for bedroom size. Even though communities may be hesitant to approve housing assistance at that level for homeless and special needs households, it is



normal for very low income households in high cost communities to pay up to 50% of their household income in rent. Experience from other short term rent assistance programs shows that households are able to “make it work” once they get into a unit and get a head start on paying rent.

- SHIP offices are encouraged to consider contracting with a sub-recipient organization already providing similar services. For instance, when targeting assistance to homeless households, working with a Continuum of Care agency will likely provide the best combination of services, expertise, and experience with “rapid rehousing” programs. An additional benefit of this approach is to be aware of possible duplication of assistance from other sources of funding for the target population.
- While Senate Bill 1534 sets the maximum number of months of rent subsidy at 12 months, keep in mind it is a best practice to determine the number of months of rent assistance based on household need. Other short-term rent assistance programs (e.g., rapid rehousing for homeless households) provide an average of four months assistance.
- There is a general concern that providing rent deposits and/or rent subsidies to homeless households may not be an effective use of SHIP funding. The evidence says otherwise. Evidence from rapid rehousing programs documents about 80-85% of assisted households are able to sustain themselves in



- housing once the rent subsidies end. These programs combine short term rent subsidies with appropriate short term support services, suggesting that SHIP jurisdictions should collaborate with support agencies to provide appropriate services.
- Because SHIP jurisdictions have a 75% commitment to new construction and rehab activities, and use 10% of SHIP funding for administration, the maximum SHIP funding that jurisdictions can use for rent assistance programs is 15% of the SHIP allocation, plus program income. Also note that the rent assistance may also help meet the special needs requirement.

This article focuses on new rent subsidy programs encouraged by SHIP Statute. Along with codifying the rent subsidies program for SHIP, Senate Bill 1534 also encourages SHIP jurisdictions to collaborate in a big picture sense to end homelessness. In 2016 S.B. 1534, the Legislature also included the language that (1) allows

local SHIP jurisdictions to create regional partnerships to pool SHIP funding to address homeless housing needs; (2) requires SHIP jurisdictions to report annually on their efforts to reduce homelessness; and (3) requires SHIP jurisdictions to work with other partners, now including the local homeless Continuum of Care.

The Florida Housing Coalition team is available to assist SHIP communities to implement successful rent assistance programs and work to end homelessness. Contact us. We can help! [HNN](#)



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