



Addressing Restrictions in Public Financing Programs

The Sources of Funding Restrictions

Public financing programs that can be used for supportive housing development and operations come in a variety of forms and from various sources - and funding program rules can differ significantly. For example:

- Some sources will fund developer's fees and others will not;
- Some sources have limits on how much funding they'll contribute per unit;
- Some sources are designed to serve a very specific population; and
- Some sources define eligibility, such as qualifying disabilities or homelessness, differently than others.

How a funding program is structured is the result of federal, state and/or local guidelines that are used to govern each program – the legal framework in which the program parameters are codified, determines what can and cannot be changed in the program's implementation, or how changes can be achieved. Program restrictions may be contained in any of the following:

- **Statutes** - laws passed by a legislative body to establish programs and their basic requirements. Change to statutes would require the action of a legislature, requiring open debate in public forum.
- **Regulations** - promulgated by administrative agencies to implement statutes. Changes to regulations may only require the action of the governing agency and may involve less public participation and debate, although some changes may require public comment. Some regulations include provisions that make discretionary waivers by top administrative officials possible.
- **Policies** - formal or informal guidelines governing the discretionary aspects of program operations (i.e. those elements not governed by statute or regulations). Policies are frequently subject to waivers and changes to policies can often happen with little debate and may be made at the discretion of governing agency staff.

Pursuing Necessary Changes or Waivers

An organization that needs to pursue a regulatory change or receive a waiver in order for their supportive housing project to move forward to completion should think through the following considerations:

Note: This document is included within the *Development and Finance* section of CSH's *Toolkit for Developing and Operating Supportive Housing*, which is available at www.csh.org/toolkit2.

- Look beyond your project: view statutes, regulations and policies in the global perspective. Why did they come to look the way they do? Does your project clash by design or by accident? Are you trying to do exactly what the program was designed to prohibit, or is your project the victim of unintended consequences? Understanding these perspectives is critical for developing an effective strategy for achieving the change(s) needed.
- If your deal doesn't work within the existing framework, don't obfuscate. Be up-front about the problems, explain why you can't comply and identify the specific changes needed to make the project happen.
- Find precedents in past projects of similar types in other localities; analyze the similarities and differences.
- Make sure you are talking to the right person. Know the limits and potential of each relationship. What power – direct or indirect – do they have that can help achieve the change that you need?
- Be aware of the risks of a “power play,” an “end-run” of going over someone’s head. Winning at the top may damage day-to-day relationships with other staff critical to your success, making it more difficult to move your project ahead.
- Political connections are no substitute for a strong organization and solid projects. Help people to help you by advancing good, supportable, technically sound proposals. If someone is going to go out on a limb for you, be sure to make it worth that risk by helping them to achieve their goals and to garner recognition for their efforts.

Note: CSH's *Toolkit for Developing and Operating Supportive Housing* includes additional documents that provide additional information regarding the financing of supportive housing. See the tools under *Assembling the Financing* and under *Deal Structuring and Beyond* within the *Development and Finance* section of the Toolkit, available at www.csh.org/toolkit2development. CSH's *Financing Supportive Housing Guide*, available at www.csh.org/financing, provides an overview of many supportive housing funding programs and includes links to those programs' regulations.