



November 13, 2017

Members of the Affordable Housing Workgroup
c/o Harold "Trey" Price, Executive Director
Florida Housing Finance Corporation

Dear Workgroup Members:

The National Housing Partnership Foundation (NHPF) is a widely respected not-for-profit organization dedicated to expanding housing opportunities and providing service enriched housing. An offshoot of the National Housing Partnership – itself chartered by Congress in 1968 – NHPF was established in 1989. Through the construction and preservation of affordable housing, NHPF provides housing to more than 8,000 families in 15 States and the District of Columbia. The organization's mission is to provide quality living units that are affordable to low and moderate-income households. NHPF's most recent efforts have focused on partnering with local public housing authorities to correct years of under-capitalized maintenance and repairs. NHPF has recently helped local co-developers and housing authorities leverage U.S. HUD's Rental Assistance Demonstration (RAD) program to substantially rehabilitate their aging portfolios.

Nationally, the Department of Housing and Urban Development conservatively estimates that there is \$26 Billion of deferred maintenance in public housing properties. Congress authorized the RAD program to help housing authorities leverage public and private funds to address these capital needs, and to transition redeveloped properties to a more sustainable financial model. Unfortunately, only a few housing authorities in Florida have been able to take advantage of the program. As of 2016, disabled adults and the elderly account for more than 51% of public housing residents. An additional 33% are families with children. In Florida, it is critically important to leverage the resources allocated by the Florida Housing Finance Corporation in order to preserve safe, decent and affordable housing for these vulnerable populations.

The preservation of existing privately owned affordable housing is also a critically important issue. In Florida, many assisted properties are at risk of conversion to market rate rentals. The Shimberg Center for Housing Studies maintains a list of "lost properties" which now numbers in the hundreds. It is often more cost effective to recapitalize existing affordable housing than to construct new housing. Moreover, existing buildings are often located close to transit and employment centers offering residents more access to upward mobility than greenfield sites.

Please consider recommending changes which will make it easier to redevelop and to preserve existing affordable housing, including public housing. Based on NHPF's experience, adoption of the following recommendations will make it easier to redevelop public housing and to preserve existing affordable housing:

nhpfoundation.org

NEW YORK, HEADQUARTERS

122 EAST 42ND STREET, SUITE 4900
NEW YORK, NY 10168 • 646.336.4940

WASHINGTON, DC OFFICE

1090 VERMONT AVENUE, NW, SUITE 400
WASHINGTON, DC 20005 • 202.789.5300

CHICAGO OFFICE

150 N. MICHIGAN AVENUE, SUITE 2800
CHICAGO, IL 60601 • 312.216.5103

1. Update Florida Statute 420.507 (as well as the Qualified Allocation Plan and implementing solicitations) to require that the Florida Housing Finance Corporation annually award a minimum of at least one affordable housing project which consists of the rehabilitation or redevelopment of public housing;
2. Update Florida Statute 420.5087 to make clear that State Apartment Incentive Loan (SAIL) funds may be used for rehabilitation and that implementing solicitations may not include a preference or priority for less financially feasible new construction applications;
3. Encourage the Florida Housing Finance Corporation not to prohibit properties which meet the definition of "Preservation" from competing in all solicitations for 9% tax credits whether explicitly or effectively through the use of point items, funding preference, or sorting order;
4. Encourage the Florida Housing Finance Corporation to prioritize developments selected for RAD in competition for SAIL funds in conjunction with noncompetitive 4% tax credits and multifamily revenue bonds;
5. Encourage the Florida Housing Finance Corporation to increase its "preservation set-aside" from 15% to 50%;
6. Encourage the Florida Housing Finance Corporation to use its authority under the Housing and Economic Recovery Act of 2008 to make all applications for funding which meet the definition of "Preservation" under 67-48.002(92) of the F.A.C., as well as all rehabilitation and redevelopment of public housing properties, eligible for the "basis boost" regardless of geography; and
7. Encourage the Florida Housing Finance Corporation to prioritize the rehabilitation and redevelopment of public housing properties, especially with RAD, in solicitations for high-priority affordable housing projects as described in the Qualified Allocation Plan.

Respectfully,

Jamie A. Smarr

Senior Vice President