



MARC S. PLONSKIER
PRESIDENT

September 28, 2007

Mr. Steve Auger
Ms. Vicki Robinson
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Re: **2008 Universal Application Cycle**

Dear Steve:

Thank you for the opportunity to provide this input into the 2008 Universal Application Cycle.

I. Change Tie Breaker to Allocate Bond/SAIL Before Tax Credits

SAUL's (Set-Aside Unit Limitation) should first be filled with the funding source that not all projects are able to utilize (i.e. Bonds/SAIL). This will then leave the other funding source (tax credits) available to fund the remaining projects that can only work with tax credits.

SAUL is intended to limit the number of units funded in any county until other counties have received their fair share of funded units. Areas with greater demonstrated needs have been assigned larger SAUL unit limitations. This reflects Florida Housing's policy determination to spread affordable housing units throughout the state fairly and efficiently.

In the *2008 Universal Application Instructions*, under "Ranking and Selection," subsection "B.S.d. Tie-Breakers", it states that a 9% HC project will be ranked higher than a Bond and/or SAIL project. We believe that this subverts the system of fairly allocating units throughout the state according to SAUL. Instead, Bond/SAIL projects should be ranked higher than tax credit projects, to both encourage the use of Bond/SAIL financing where it works, and to insure that the more flexible tax credits are not used where they are not needed, thereby depriving more difficult projects of their only viable funding source.

120 FORBES BOULEVARD
MANFIELD, MA 02048
TEL • (508) • 337 • 2525
FAX • (508) • 337 • 2501

The effect of creating a funding order which chooses 9% HC Projects first (and then Bond/SAIL projects) is to deprive those Florida counties in which Bond/SAIL projects are not financially feasible of their fair share of units based upon SAUL, and to award funding of 9% HC to counties which can support Bond/SAIL projects. In other words, some areas of the state have access to 2 sources of FHFC funding, while others have only 1 source of funding available. Both funding sources create affordable housing units; Florida Housing should reverse the funding order so that all counties share fairly.

II. Adjust SAIL Limitations and Leveraging for DDA/QCT and High-Rise/Mid-Rise in Same Manner as A/B Groupings and HC Requests

Florida Housing has recognized that more 9% HC funding is needed for a project in a DDA/QCT and for certain more expensive development types (high-rise/mid-rise). Accordingly, the HC limits are increased for such projects, and the leveraging tests for comparing projects are adjusted.

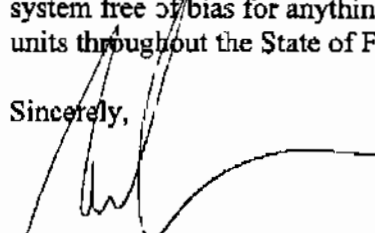
The same adjustments should be made when evaluating SAIL projects. Bond/SAIL projects in DDA/QCT's and for high-rise/mid-rise projects should have the same adjustment applied to level the playing field. While this is unlikely to enable most high-rise projects to utilize Bond/SAIL funding, it may enable one or two such projects to become viable. And it is only fair to provide opportunities to access all FIIFC funding sources in your allocation methodology.

Summary

We believe that funding the affordable housing needs of Floridians based on need is one of the most laudable achievements of Florida Housing in recent years. There are some regional Florida developers who do not share this view. They believe that the fact that South Florida is unable to share in the thousands of additional units funded by Bond/SAIL, is just too bad. Worse yet, they seek to cap the amount of 9% credits that could potentially go to South Florida. Spreading units throughout the state based upon needs rather than funding source, is not in their own self-interest.

The implications of creating a system whereby South Florida has no incentive to support additional SAIL funding because it can neither utilize such funding, nor benefit from others utilizing it, is bad policy and short-sighted. We strongly encourage you to create a system free of bias for anything, except creating a fair allocation of affordable housing units throughout the State of Florida.

Sincerely,


Marc S. Plonskier
President

120 FORBES BOULEVARD
MANCHESTER, MA 02148
TEL • (508) • 337 • 2500
FAX • (508) • 337 • 2502