

EASTWIND DEVELOPMENT, LLC

8380 Resource Drive, Suite 1

West Palm Beach, FL 33404

(PH) (561) 370-6600 (Fax) (561) 370-6601

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Mr. Stephen P. Auger
Executive Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Re: Comments on 2008 Universal Application Cycle

Dear Steve:

Thank you for the opportunity to comment on the 2008 Universal Application Cycle.

1. Reduction of Maximum SAIL Request Amount for Elderly Demographic

In a Universal Cycle year in which there is projected to be strong demand for SAIL funds, we would recommend lowering the limit on maximum SAIL request amounts to the same maximum \$5 million per project as apply to other demographic groups. We don't see a policy rationale for this large of a differential in the SAIL maximum request amount for elderly applications relative to applications for other demographic groups. To the extent that there is a concern about particular characteristics of elderly developments that make the use of SAIL funds less efficient, this could be addressed by treating SAIL leveraging differently for elderly developments, such as treating elderly applications the same as low-AMI counties for SAIL leveraging purposes, or developing a separate and higher elderly leveraging schedule.

2. Preserve Current Maximum SAIL Request Amounts for Non-Elderly Demographic Applications

We would strongly recommend keeping maximum SAIL request amounts at the current levels for non-elderly demographic current applications. This will facilitate the use of MMRBs in a greater range of counties and projects, while the SAIL leveraging tiebreaker will still promote efficiency in the use of SAIL funds. Lowering the maximum SAIL request amount for the non-elderly demographic at this time will simply push more applications from counties with borderline AMIs for feasible bond transactions into the competitive housing credit application pool. This will result in a lower utilization of MMRBs.

3. Provider of Bridge Loan Commitment for Equity Paid Prior to or Simultaneous with Closing of Construction Financing

There are two exceptions listed at page 77 of the 10/18/07 draft of the Universal Cycle Application Instructions to the requirement that 15% of the total equity be provided at construction closing. The first is for a firm bridge loan commitment within the equity commitment (presumably from the syndicator), while the second is for a separate firm bridge loan commitment from an affiliate or subsidiary of the equity provider. We believe that this second exception should be expanded to also include a bridge loan commitment from the construction lender in the transaction. Since the purpose is the same (bridging tax credit equity) and the security is the same (the tax credits), it would be more efficient if the developer could choose the least expensive capital provider for this funding. If the construction lender can provide a bridge loan to cover the required equity amount at a lower cost than the syndicator, than it would seem beneficial for it to utilize this funding source, particularly since they have already underwritten the transaction.

4. Requirement that 50% of Construction Equity be Deposited with Trustee at MMRB Closings

The current requirement on MMRB deals is that 50% of the equity required during the construction period be deposited with the Trustee at the bond closing. This imposes an unnecessary inefficiency as higher cost equity must be substituted for lower cost bridge financing. We would recommend that this separate agreement be dropped and that the same 15% requirement via equity or bridge loan be left as the sole requirement for equity funding on MMRB transactions. Should there be a concern about self-syndicated deals, the lower requirement could be restricted to equity providers that have submitted financials to FHFC and received a copy of the Corporation's Letter of Receipt and Acceptance.

Thank you for considering these comments and suggestions.

Sincerely yours,

John F. Weir
President

cc: Ms. Deborah Blinderman
Wellington Meffert, Esq.