



CITY OF CLEARWATER

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ECONOMIC DEVELOPMENT
AND HOUSING DEPARTMENT

November 27, 2007

Steve Auger, Executive Director
Florida Finance Housing Corporation
227 N. Bronough Street, Ste #5000
Tallahassee, FL 32301

Re: Public Comments For FHFC

Dear Mr. Auger:

The City of Clearwater worked this year with a developer that applied for Low Income Housing Tax Credits (LIHTC) through your agency. The project was located in Downtown Clearwater, in our Community Redevelopment Agency (CRA) boundaries. This rental project would have been the strategic and vital factor to jumpstart the redevelopment and revitalization of a critical area of downtown and provide much needed affordable housing. Unfortunately, we were unable to meet the school proximity requirement by several feet. In an urban, redevelopment-focused county like Pinellas, the LIHTC rules need to be reviewed in order for the program to be fair and effective throughout Florida.

Several key housing officials met in Pinellas County last month to discuss these issues. The priority issues and our recommendations are listed below. These issues are submitted as feedback for the public comment period:

- 50% Rule - FHFC should ensure a more equitable distribution of Competitive Housing Credits in the Large County Geographic Set Aside. A 50% limitation should be applied as a percentage of the available Large Geographic Housing Credit Allocation on the allocation of Competitive Housing Credits to any one Large County prior to allocating Competitive Housing Credits to other Large Counties with eligible applications.
- SAUL - The SAUL for Pinellas County should be increased to 250 and the maximum housing credit request increased accordingly. Set-Aside Unit Limitations were created with the expectation that a more even allocation of funds would be awarded throughout the state. The SAUL chart was intended to set a limit on how many set-aside units would be funded within each county before moving on to fund set-aside units in a different county within that particular Set-Aside. As a result of the 2006 UAC final ranking, which saw the majority of HC's awarded only to Miami-Dade Applications, FHFC reduced SAUL numbers statewide. Additionally, in response to the 2006 UAC, FHFC imposed a 50% limitation on the allocation of Competitive Housing Credits to any one large county prior to allocating Competitive Housing Credits to other large counties with eligible Applications; however, it was applied as a percentage of the total Competitive

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Housing Credit Allocation statewide (versus the available Large County Geographic Housing Credit allocation). Unfortunately, the results of the 2007 ranking, which were approved by the FHFC board in September 2007, yielded the same result - that is only one county (i.e., Miami-Dade) will receive a disproportionate share of the Competitive Housing Credits. The most recent Shimberg Study identified Miami-Dade as having 34% of the Large County Cost Burdened Renter Households while the allocation of Competitive Housing Credits to Miami-Dade under the 2006 and 2007 UAC's was 71% and 68% of the Competitive Housing Credits allocated to Large Counties, respectively.

Closely corresponding to the SAUL limit is the maximum credit request allowed per Application. As the SAUL numbers for Pinellas County decreased, so did the maximum credit request. This same correlation was not applied equitably statewide for as Miami-Dade's SAUL was reduced (from 600 to 400), its maximum credit request amount increased (from \$2,435,000 to \$2,561,000). The chart below illustrates the SAUL and maximum housing credit request for Pinellas County since the UAC's inception:

- Proximity - For extremely dense, urban counties such as Pinellas, local planning efforts should supersede FHFC's proximity requirements. In areas of the state, such as downtown urban centers undergoing City planned revitalization efforts, the services required by FHFC to obtain maximum Tie Breaker Proximity Points are irrelevant to local planning efforts; however, the provision of affordable housing utilizing FHFC's Competitive Housing Credits is not. A City's preference for a project that will contribute to a concentrated urban revitalization effort can be demonstrated in the application by submission of a revised Urban In-Fill Form.
- Need for feedback - The FHFC rule development process is open and fair. However, it can be greatly improved by providing more feedback, which will result in a perception (and reality) of a transparent system. When comments or suggestions are made, those making such comments deserve the right to know why their comments were not incorporated or given due consideration.

The LIHTC program is a key program for the production of new affordable housing units that is desperately needed in our area. Please consider our request for review of the rules for this program. If you have any questions or need more information, feel free to contact me at 727-562-4023.

Sincerely,



Geraldine Campos Lopez
Director of Economic Development and Housing

cc: Anthony Jones, Pinellas County
Peter Leach, Southport Financial