



THE GATEHOUSE
GROUP, INC.

Nick Inamdar

Vice President, Florida Region

Mr. Ken Reecy
Multifamily Development Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
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RE: Amending the SAIL Rules to Promote Rehabilitation

Dear Ken,

FHFC has created a strong preservation program that is well-suited for projects requiring substantial rehab (\$20,000+ per unit). However, many projects may only require a small amount of work, perhaps closer to \$5,000 – \$10,000 per unit. In some cases, simply new roofs and new cabinets may be all that is needed. These projects have been well maintained and are approaching or have reached the end of their 15 year compliance period. All they need is to be able to refinance and then to use those proceeds for the rehab.

Currently, the SAIL rule does not allow for this structure. Specifically, it states, "The Board shall deny requests to increase the amount of any superior mortgage, unless... a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding SAIL loan balance."

Allowing a first mortgage refinance to include funds to be used solely for capital improvements/reserves per a Capital Needs Assessment (i.e., no "cash out") would extend the useful life of these well-maintained projects. It would reduce the drain on precious FHFC resources for projects that don't need a lot.

With making these simple changes to the RULE, properties with low capital needs can have a quick and easy mechanism to meet their physical needs while at the same time providing very low cost, long-term financing, to secure the long-term stability of the property.

Thank you,

Nick A. Inamdar

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