

March 14, 2016

Ken Reecy
Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

RE: State Apartment Incentive Loan (SAIL) Development definition comment

Dear Ken,

Thank you for the opportunity to provide Rule comments.

The definition of "SAIL Development" under Rule Chapter 67-48 currently requires that each residential building have a minimum of five (5) units in order to be eligible to apply for funding. This unit limitation should be removed to encourage the use of SAIL money for code-acceptable new construction and rehabilitation development types in less dense areas.

This SAIL Development definition and unit limit was essentially Florida Housing's reaction over twenty (20) years ago to one developer whose development received funding through the program and then, planned to convert the units from rentals to home ownership in fifteen (15) years after the expiration of the affordability period. The agency response stopped any future home ownership conversion by that developer and the definition has remained in the SAIL rule; however, longer affordability requirements have effectively ended this planned conversion problem.

The benefits of removing this unit restriction from the Rule would include the following:

- 1) Encouraging more creative and, potentially less costly project, design in smaller rental markets where larger garden apartment developments are not feasible or not wanted by the local community; and
- 2) Using SAIL resources for a growing number of larger duplex and quadplex developments in underserved rental markets that are in need of substantial rehabilitation (\$32,500 per unit minimum) but have not been able to access the limited amount of competitive HC.

Recommendation: Florida Housing should remove the unit limitation per residential building requirement from the current Rule Chapter 67-48 definition of "SAIL Development".

Sincerely,

Jeff Kiss

Jeff Kiss
Banyan Development Group, LLC