

**From:** Kevin McCarthy <[kevin.mccarthy@vesaraton.com](mailto:kevin.mccarthy@vesaraton.com)>

**Sent:** Wednesday, February 21, 2018 4:27:49 PM

**To:** Trey Price; Marisa Button

**Cc:** Nancy Muller; Brantley Henderson; Kevin Tatreau

**Subject:** RE: Comment on 2018 Rule Development/QAP

I mistyped the range of tract median incomes in Areas of Opportunity containing 2016 preliminary awards in my previous email. The range is \$35,678 - \$64,444. It is corrected below.

Thanks!

Kevin M.

**From:** Kevin McCarthy

**Sent:** Wednesday, February 21, 2018 3:33 PM

**To:** 'Trey.Price@floridahousing.org' <[Trey.Price@floridahousing.org](mailto:Trey.Price@floridahousing.org)>;

'Marisa.Button@floridahousing.org' <[Marisa.Button@floridahousing.org](mailto:Marisa.Button@floridahousing.org)>

**Cc:** 'Nancy Muller' <[Nancy.Muller@floridahousing.org](mailto:Nancy.Muller@floridahousing.org)>; 'Brantley.Henderson@floridahousing.org' <[Brantley.Henderson@floridahousing.org](mailto:Brantley.Henderson@floridahousing.org)>; 'Kevin.Tatreau@floridahousing.org' <[Kevin.Tatreau@floridahousing.org](mailto:Kevin.Tatreau@floridahousing.org)>

**Subject:** Comment on 2018 Rule Development/QAP

Good afternoon, Marisa and Trey. I hope this email finds you well. Thank you for taking comments on updates to 67-21, 67-48, 67-60 and the Qualified Allocation Plan (QAP).

My comments pertain to the QAP provisions related to the Corporation's authority under the Housing and Economic Recovery Act of 2008 (HERA) to extend the basis boost to developments not located in HUD-designated DDAs and QCTs.

In paragraph I. of Section II (Competitive Housing Credits) of the QAP, please insert the word "geographic" between the phrases "FHFC-designated" and "Areas of Opportunity."

The Corporation has successfully taken action to affirmatively further fair housing by implementing geographic Areas of Opportunity.

- Out of the 19 preliminary awards made under the geographic RFAs in 2016, the Corporation made 4 awards to properties located in geographic Areas of Opportunity.
  - These four development sites are located in census tracts with an average poverty rate of 17.4% (from a range of 6.3% - 28.6%), and an average tract median income of \$49,142 (from a range of \$35,678 - \$64,444).
  - None of these development sites are located in racially/ethnically concentrated areas of poverty.
  - Interestingly, the average minority population is 70.8%; excluding the 2 Miami-Dade AofO tracts, it is 65.2%. Nonetheless, non-Hispanic Whites are present in these communities. In the 2 Miami-Dade tracts, non-Hispanic Whites are present at more than double the county-wide rate in one tract, and just under the county-wide rate in the other. In the other AofO tracts, non-Hispanic Whites account for about one-third of the population.
- The remaining 15 sites are not located in geographic Areas of Opportunity.

- The development sites are located in census tracts with an average poverty rate of 29.8% (from a range of 4.4% - 75.9%), and an average tract median income of \$36,888 (from a range of \$9,693 - \$64,107).
- Five of these development sites (33.3%) are located in census tracts characterized by **BOTH** an incidence of poverty greater than 1.5x the county-wide incidence of poverty, **AND** a non-Hispanic White population less than half that of the county as a whole. Using the only significant source of capital for development of new affordable housing in these census tracts limits housing choice for low-income families to areas of racial/ethnic isolation and poverty. Without a larger program of community revitalization, awarding tax credits to new construction deals in such neighborhoods perpetuates the pattern of residential segregation established during *de jure* segregation.
- Properties awarded competitive tax credits during the previous several years are located in census tracts with an average tract median income of \$35,719, and an average incidence of poverty of 27.5%.

Awarding competitive tax credits to developments located in geographic Areas of Opportunity is expanding housing choice for low income families. The non-geographic Area of Opportunity developments follow the same pattern as previous awards, which largely mirrors the existing pattern of residential segregation. Funded properties in geographic Areas of Opportunity offer affordable housing options in neighborhoods which are diverse, and offer opportunities for upward mobility. Although these are not the most exclusive neighborhoods, they are characterized by relatively moderate incidences of poverty. The Corporation's implementation of geographic Areas of Opportunity in 2016 shows that a subtle shift of incentives can go a long way to further fair housing. Please expand on this success by inserting the word "geographic" between the phrases "FHFC-designated" and "Areas of Opportunity" in the QAP. The Corporation can craft more specific incentives for developers to choose sites in opportunity rich areas for each RFA as necessary. These more specific criteria can balance the imperative to locate new affordable housing in areas of opportunity with the potential to contribute to community revitalization through redevelopment and preservation.

Thank you. I am available to discuss this further at your convenience.

Kevin C. McCarthy, AICP  
[Kevin.mccarthy@vesaraton.com](mailto:Kevin.mccarthy@vesaraton.com)  
941.894.9499

[www.vesaraton.com](http://www.vesaraton.com)