April 5, 2018

Florida Housing Finance Corporation
227 N. Bronough Street
Suite 5000
Tallahassee, FL 32301

Subject: RFA 2017-107 SAIL Financing for the Construction of Workforce Housing and Supplemental ELI Loan

Dear Mr. Price,

In prior SAIL RFAs, and the most recent SAIL 2017-108 RFA: "SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits" (the "2017 SAIL RFA"), the Florida Housing Finance Corporation (the "Corporation") has provided additional gap financing in the form of an ELI Loan. That language is shown from excerpts taken from the 2017 SAIL RFA below;

> *"All Applications are eligible for ELI Loan funding for the required ELI Set-Aside units, not to exceed the lesser of (i) $600,000; or (ii) the maximum amount based on the ELI Set-Aside per unit limits, as outlined in Section Four, A.6. above, for 10 percent of the total units.... For each proposed ELI Set-Aside unit, the proposed Development must take a unit that would otherwise be at 60 percent AMI or higher and restrict it as an ELI Set-Aside unit. The ELI Set-Aside units must be distributed across the unit mix on a pro-rata basis for sizing the ELI Loan amount and on a best efforts basis in practice.... By entering the data into the Worksheet, the number and unit mix of the ELI Set-Aside units along with the maximum amount of the ELI Loan will calculate automatically."*

The 2017-107, "SAIL for the Construction of Workforce Housing" (the "2017 Workforce RFA"), however did not include any ELI gap funding for the proposed ELI units within the development. Although the ELI requirement under the 2017 Workforce RFA was only for 5% of the total units, the Corporation could allow for additional gap funding in the form of an ELI loan for those applicants which commit to setting aside additional ELI units above and beyond the required 5% as per the RFA. These ELI Units would be converted from units that "would otherwise be at 60 percent AMI," as stated above. This would be consistent with past SAIL RFAs and assist in making these much-needed workforce developments financially feasible.

Furthermore, the Omnibus Bill passed on March 23, 2018, includes a provision that provides for an income-averaging option. This provision would allow a Workforce development to qualify more of its units as "affordable housing" and thus raise the applicable fraction for 4% Bond

Workforce developments in which previously 80% AMI units did not qualify as "affordable housing" eligible for tax credits. This tool will be an extremely effective way to increase equity available for new developments and make the financing more viable. The Corporation has the ability to revise its QAP, allowing for a third option aside from the 20% @ 50% AMI or 40% @ 60% AMI current rule that would allow developers to select income averaging for their future developments.

We respectfully request that the Corporation consider providing supplemental gap financing to Workforce developments in the form of an additional ELI Loan consistent with the language above in an amount calculated by the Corporation's ELI Loan calculator. These loans would be contingent upon developers setting aside some of the previously 60% AMI units at an ELI set-aside percent and would leave in place the requirement to have 55% of the units at 80% AMI workforce limits.

Lastly, we request that the Corporation revise its QAP and publish a supplemental RFA not dissimilar to the Viability Loan Funding RFA to allow previously awarded applicants the ability to select income averaging per the Omnibus Bill. We feel this would be a pro-active and trend-setting measure by the Corporation to help finance transactions in an ever-changing tax law environment.

Respectfully Submitted,

HTG Palms, LLC
A Florida limited liability company

By: ________________________
Matthew Rieger, Manager of Manger