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10 April 2014

Mr. Barney Smith
Chairman, Board of Directors
FHFC
227 North Bronough St., Ste. 5000
Tallahassee, FL 32301-1329

Dear Mr. Smith:

I would like to thank you, the rest of the board and the Corporation staff for this opportunity to comment on the strategic direction of FHFC. I was fortunate to be able to attend the first strategic planning session and found the discussion and materials quite interesting.

The Florida Alliance of Community Development Corporations, Inc. represents nonprofit community-based developers across the state. Our mission is to secure the financial well-being and future of low-to-moderate income people by advancing the housing, economic development and community building strategies of Florida's nonprofits. One way we do that is by participation in FHFC planning and rule workshops where we advocate for greater nonprofit participation in Florida's housing programs.

Of course, we are most interested in making the playing field a little more level for the CDCs and other nonprofit developers. We think your current system of RFAs in place of the former Universal Cycle is a step in the right direction and want to see that continue. We have some other ideas we'd like you to consider during your strategic planning that we believe will focus FHFC's resources on the most needy and deserving.

We have several suggestions designed to increase nonprofit participation in FHFC programs and build their capacity to develop and manage housing:

1. Increase the nonprofit set-aside of LIHTC to 25% and provide additional scoring points to deals that are 100% nonprofit controlled;
2. Make special populations RFAs available to nonprofit developers only;
3. Develop an FHFC approved contract for joint ventures between nonprofit/for-profit developers that ensures the nonprofit is full partner in the development and management of the project;
4. Once the above is in place, the nonprofit share of developer fees in a joint venture should be increased to 50% from the current 25%; and
5. Increase the set-aside for the preservation of existing units to 50% of the LIHTC allocation.

FLACDC has sample joint venture agreements we could share to address #3 above. Also, our certification program for CDCs can be used to confirm the capacity of the nonprofits which have completed that process. If the certification program is recognized by FHFC, this designation could be used as a scoring criteria when making future awards of State housing funds.



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Some general comments regarding the overall funding process:

6. Funding the best, most needed projects should be the number 1 priority. Resources are limited and will likely continue to be so. The priority should be to align state funding with existing local efforts. If a local government is investing its resources in a particular neighborhood or neighborhoods, it makes sense to direct FHFC funds into those areas to leverage the overall impact on the LMI community;
7. Encourage the development of mixed-income projects to stretch limited resources;
8. Continue with the separate RFAs. This makes more work for staff but allows for greater participation from nonprofits and smaller developers and helps address critical needs;
9. Require more complete applications. This should encourage developers to submit only their best deals and reduce the 'gaming' and shell applications which plague the current system;
10. Limit the **number** of applications a developer can submit to an actual number across ALL RFAs (10-12 per year or 2-3 per RFA). When this was tried several years ago, it did in fact reduce the number of applications and a similar mechanism should be put in place again;
11. Eliminate the lottery. If developers submit only their best deals and are limited as to the number of applications they can submit, there will be no need for the lottery; and
12. Proximity as a tie-breaker appears to be a useful tool and could be construed as an indicator to the quality of the development. However, in the case of Public Housing Authorities, proximity should not be used in this manner as they have limited control over their sites.

We hope you will take our comments and suggestions into consideration while working on updating the FHFC strategic plan. Thank you again for providing us with the opportunity to share our ideas with you and the Board of Directors.

Sincerely,

Terry Chelikowsky
Executive Director