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Sent: Monday, May 22, 2017 2:43 PM
To: Ken Reecy <Ken.Reecy@floridahousing.org>; Kevin Tatreau <Kevin.Tatreau@floridahousing.org>
Subject: Bonus points for additional subsidy

This email is regarding continuing the bonus point structure for additional subsidy that was implemented for all Large County applications this year.

The original intent of this bonus structure I believe was to allow local municipalities to pick the application that they think is the best. It started with Duval a couple of years ago, as a developer who was strong in Duval requested the bonus point structure.

When subsidy bonus points were expanded to other Large Counties in RFA 2016, the end result is that the point system I don't believe met the stated goals and objectives of the FHFC in setting up the bonus structure. Specifically, outside of Hillsborough, the applications that had bonus points had them because their partner was a CRA, City, or Housing Authority, who effectively then gave subsidy to their own deals.

For example:

Orlando: The CRA money was signed for by Orlando on Parramore Oaks

Broward: Saratoga Crossings, a redevelopment of a Dania Housing Authority site, City of Dania Beach provided subsidy to its own property; Pinnacle at Peacefield, a site being purchased from the City of Hollywood

Palm Beach: Heron Estates Senior is partnering with Riviera Beach Housing; a Boynton Beach deal in a partnership/purchase of land from the Boynton Beach CRA, etc.

Pinellas: JV between Norstar and Pinellas County Housing Authority

In sum, the point system actually did the opposite of what the goal was, by *discriminating against all of the regular County-wide deals that weren't partnering with a Housing Authority, buying land from a City or a CRA*. And, the CRA/Housing Authority/City can simply ask for more in a sales price or participation than they would have, in order to basically have a quid pro quo. Which is not supposed to be allowed by the applications. (In fact, I don't have a dog in the fight, but if I were a competitor, I would appeal on those grounds).

Given the above, my recommendation is to terminate the concept of bonus points, so that regular deals that didn't require political heft (i.e., to win a Housing Authority, CRA or City RFP) can still be funded.

I greatly appreciate your time and consideration of this very critical issue.

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