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Subject: 2018/2019 RFA Comments

Thank you for holding the 2018/2019 RFA Process workshop today. As you finalize Florida Housing's policy regarding Income Averaging, please keep in mind the impact on rent burdens borne by families living in Florida Housing financed units. The purpose of the tax credit program is not to create a source of capital for developers; it is to create an inventory of affordable rental housing. The program serves households "at or below" set income levels. Households below 60% (or 70% or 80%), other than those few with rental assistance, are generally rent burdened while living in LIHTC units. In Miami-Dade County the maximum 2-br rent is already 74% of the gross earnings of a person working full-time for minimum wage. The maximum 2-br rent based on 80% of AMI equates to 99.2% of the earnings of a person working full-time for minimum wage. According to the [BLS](#), half of line cooks working in the Miami area earn less than \$27,414 annually. The maximum 80% 2-br rent level would be at least a 60% rent burden for a household with this income. Housekeepers, janitors, landscape workers, hotel clerks, home health aides, pest control workers, tour guides, concierges, and cashiers all have median wages less than line cooks. Even various clerical occupations earn only slightly more. These figures represent the real human beings your organization exists to serve. Today you heard from developer after developer who talked about "making the numbers work" and the concessions made to the "affordable housing industry" by Congress. For whom do the numbers work? If you adopt a policy which increases the number of severely rent burdened households living in units that would be built without Income Averaging, what is the point?

A former Florida Housing board member once described the affordable housing system as a fish tank. While at the dais, he said, he represented the small fish at the bottom of the tank who were never involved in discussions of policy. Looking out at the people in the room, he saw only the sharks. Please keep that bit of wisdom in mind as you finalize this policy. As you know, according to the [NSCHA FAQ](#) on the topic, Florida Housing is not required to allow Income Averaging at all. It is probably wise to do so, as it will likely allow developers to deliver income-qualified units that otherwise would not be built, but "making the numbers work" is not a sufficient rationale. Florida Housing could actively solicit the input of people qualified to live in LIHTC units in the same way it solicits that of developers. I am certain the "feedback" and "suggestions" from the people your organization is intended to serve would differ significantly from what you heard today. Until that happens, please remember that developers are your suppliers, not your customers. They serve you as you serve low-income Florida households. Florida Housing should not allow an increase of the maximum allowable rent at any property it finances until a developer shows in concrete terms that a specific number of units could not otherwise be added to the inventory of affordable housing. The implementing policy should include protections against unnecessarily increasing rent burdens. For example, there should be no cash flows out of a property, including repayment of deferred developer fee, as long as a household with an actual income of 55% of AMI is paying an 80% rent.

Thank you for the opportunity to comment on this proposed policy.

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