

MEMORANDUM

TO: FLORIDA HOUSING FINANCE CORPORATION  
FROM: STEARNS WEAVER MILLER WEISSLER ALHADEFF  
& SITTERSON, P.A.  
RE: FHFC'S STRATEGIC PLAN  
DATE: JANUARY 27, 2014

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This Memorandum is submitted in response to the invitation, by Florida Housing Finance Corporation ("FHFC") for comments on its Strategic Plan (the "Plan") and upcoming revisions to the Plan. We appreciate the opportunity to be included in formulating FHFC's future vision for affordable housing in the State of Florida.

The current Plan was adopted by FHFC in 2009 and describes then-current conditions and trends that are no longer entirely applicable. National and local economies have undergone substantial recovery in the intervening years. However, there are still countless families that struggle for financial balance and are in need of decent and safe housing that is within their budget.

The basic tenets of the Plan are still sound, even though the economic climate has reversed itself in many ways since its last publication. The Mission Statement and the Guiding Principles set forth in the 2009 Plan are clear and worthy statements. We cannot recommend any change to those sections of the Plan.

The particulars and charts set forth in the section of the Plan entitled "Overview of Current Housing Conditions in Florida" are somewhat outdated and we are sure that FHFC is assembling the data to make them more current. It might be helpful if FHFC were to first revise the Plan with current market information and then seek the development community's input on the revised draft. Current statistics as to joblessness, homelessness, past-due mortgage loans and foreclosure rates, e.g., would make the Plan easier to review with an eye toward enhancing its message. Another example of data in need of an update is the section entitled "Housing Need." It currently ends on the note that home prices were quite low (in 2009) and expected to go lower. At this time, prices have rebounded and the need for rental housing may be greater than ever, as the inventory of single-family homes on the market is uniformly reported to be very low. We suggest that the "Housing Need" section be tailored to current needs and that the type of housing that is going to be available to fill the need (rental vs. homeownership) be emphasized.

Our firm's particular interest is in rental housing. Therefore we have taken a more critical look at that section of the Plan. It, too, reflects market conditions that are no longer applicable. Mention is made of a glut of single-family homes leading to rental of those properties to

families, with a resulting depression in the apartment market. We believe your updated research will indicate that these kinds of statistics need to be revised in the Plan. There is a substantial demand for rental housing and it might be helpful to emphasize how that demand is currently distributed throughout the State. A critical area of concern is the renovation of aging existing properties, especially public housing projects, and the Plan should address FHFC's commitment to providing funds for these projects. They are often in urban areas that have already demonstrated the need for rental housing by filling up sub-standard facilities, and the benefits of bringing these rental properties up to current standards cannot be overstated for the well-being of the community.

One area not addressed in the current Plan is the recent public/private synergy created by transit-oriented developments. Enabling commuters to live next to their transit lines, on property which is typically ground-leased from the local government that owns the transit station, makes a working family's day more productive and efficient, and eases its budget by reducing transportation costs. FHFC should consider this a continuing priority and including it in the Plan would enhance the description of FHFC's goals for rental housing.

Within the rental section, under "Strategies", brief mention is made of streamlining the Universal Application Cycle and ensuring that awards are based on meaningful information. As counsel to many of the applicants, we'd welcome a process by which the "NOPSE" or other challenge process is curtailed so that such notices alleging a failure to achieve site control would be eligible for submission only if they actually go to the issue of whether or not the applicant has control of the site. Challenges that address spelling, punctuation, incorrect section cross-references, and other benign errors should only be submitted if there is a demonstrable effect on the validity or qualification of the site control document. Some penalty should result from the submission of patently frivolous challenges.

One of the strategies cited for maintaining accessible information is the redevelopment of the FHFC website. We believe a separate poll of the development community on this topic will yield many helpful suggestions. We have a few ideas to offer here, and would expand the list if invited to. For one, a "search" feature on the Home Page of the website would be most welcome. There is no box into which one might type key phrases in order to narrow down the hunt for information. Also, as each Board meeting approaches, a link on the Home Page to a PDF copy of the Board Package to be considered at that meeting would be useful. Finally, if Board Packages from prior meetings are on the website, they are well-hidden. The documents in those packages are often useful to the development community in patterning future requests and petitions after those that have been previously approved. It would be valuable to have ready access to them.

Much of the current Plan pertains to internal data-management strategies for FHFC, its asset-management protocol, internal risk management, and we are not able to comment on those in any meaningful way.

The last section of the Plan pertains to management of the business functions at FHFC. As noted in that section, FHFC's very skilled staff is its most important asset. The goals established in the Plan are laudable, but broadly-described, and that likely presents challenges to the staff in knowing how to implement them and prioritize action. We believe it would be beneficial to host an occasional "round table" of developers and their counsel, attended by key FHFC staff, to create a specific list of developer-oriented tasks to be considered for implementation by FHFC. This would enhance all of the processes and policies set forth in the Plan.

We will be happy to discuss any of the forgoing with FHFC staff upon request. We wish FHFC well in reformulating the Plan for a future that includes the best possible outcome for those households in need of decent, safe and affordable housing. Thank you for allowing us the opportunity to contribute to it.