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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 most recent draft of the strategic planning document compiled by FHFC.

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.

After reviewing the June, 2014 document, we would like to make the following suggestions for consideration in the final document.

I. Priority: Homeownership Lending Strategies

A. **The Homeownership Pool Program (HOP)** was a very popular and useful program for nonprofit and smaller developers engaged in homeownership. Expanding resources for this program to make it available beyond the currently eligible self-help developers would provide an additional lending option to spur homeownership.

Priority: Development Strategies

H. Please **include other nonprofit, mission-driven developers** along with the self-help builders.

Priority: Homeownership Sustainability Strategies

M. Instead of 'encouraging' homebuyer education for buyers, **require** it.

N. Provide training and technical assistance to support **nonprofit developers** as well as housing counseling agencies.

II. Priority: Ensure that rental programs...

C. Rather than "work on", FHFC should **develop and implement a preservation strategy with the goal of saving, critical, aging affordable properties by focusing on those that are at a high risk of losing their project-based federal subsidies.**

D. Implement strategies to target development that will support local revitalization and economic development efforts **by promoting and supporting mixed-income developments and those sponsored by mission-driven nonprofit developers.**



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We would also like to reiterate some general comments we believe are critical to the revitalization and economic development of Florida communities:

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 and increase the nonprofit share of developer fees in a joint venture to 50%¹;
4. Increase the set-aside for the preservation of existing units to 50% of the LIHTC allocation;
5. Funding the best, most needed projects should be the number 1 priority. The priority should be to align state funding with existing local efforts so it makes sense to direct FHFC funds into those areas to leverage the overall impact on the LMI community;
6. Encourage the development of mixed-income projects to stretch limited resources;
7. 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;
8. 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;
9. 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;
10. 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
11. 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

¹ 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. When the certification program is recognized by FHFC, this designation could be used as a scoring criterion when making future awards of State housing funds.