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**Subject:** Public Comment RFA 1

Dear Steven:

I would like to make the following comments on the planned focus of the RFA on modifying the location targeting to achieve a increased income diversity:

A- Community Redevelopment Areas (CRA) - This will cover a variety of settings from urban to suburban, older to newer areas and include a mix of incomes and ethnic groups. The unique advantages of targeting CRA's is that CRA areas:

- already exist and are plentiful in large counties and many if not all counties have them
- are accompanied by a study showing the housing and other needs
- are economically based on having newly developed higher tax paying properties in the CRA provide a subsidy for less affluent portions of the CRA
- have the support of and are supervised by local governments
- can easily be identified, analysed and targeted by FHFC
- were established through the vote of the majority residents of that CRA
- have governing boards and guiding principles plus in most cases a tract record of promoting new housing for low income resident
- were created with the same goals as FHFC is seeking to achieve, which is to utilize utilize the property taxes of new upper income housing and commercial construction to absorb some of the costs of certain low income projects to make affordable housing more economically viable
- Provides neighborhood improvements and infrastructure for the benefit of all CRA residents

Florida Housing by targeting the CRA areas will also be aiding these locally targetted areas by providing much more funding than the CRA alone could contribute to new affordable housing projects. With the help of FHFC plus local government along with some CRA funding perhaps more units can be build in the Sate using this model.

If the CRA targetting is considered then I would suggest making that criteria fairly liberal because of the life cycles of CRA areas. For example in Miami-Dade some of the older CRA areas in the urban core are due to expire while in the new developing suburbs others are expanding. There is currently legislation before the Miami-Dade County Commission to extend, expand and tighten up the existing CRAs. This is because CRAs need to expand their tax base to where most new development is occurring to be financially strengthened.

If Florida Housing would include being within a CRA as a criteria then the State and the local governments would be cooperating in targeting the same areas.

B. An example of targeting high income communities - The alternative approach is to target high income communities. Here is how I think it will actually work in the community where I live which is in the Miami suburb of Key Biscayne. While I think our community would not object to having an affordable housing there is the problem of land cost. The community is totally built out so to build anything an existing structure must be acquired and demolished or rehabbed. The least costly single family lot would be \$1 million and a tear-down older apartment building would cost \$500,000 per new unit for the land alone.

A lot of new construction is currently happening throughout the community so there is fierce competition for land. That means everything from the land cost to market rental rates which are 10 times that of the Tax Credit rental rates would create an economic challenge. Additionally almost everything is condo from residential to retail, office and hotel units so finding multifamily is almost out of the question. The Village would not consider affordable housing as a priority for funding and Miami-Dade County would consider it wasteful to commit enough funds to subsidize a single unit on Key Biscayne when they could build 10 units elsewhere for the same subsidy. So where would the additional subsidy come from? Will Florida Housing commit ten times the amount of SAIL funds per unit to achieve their goal?

I believe that focusing on locating more tax credit rentals in CRA area is the most reasonable solution to promote mixed income communities.

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