



August 12, 2019

Mr. Trey Price and Ms. Marisa Button  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: Rules for the Mandatory Distance Requirement ("MDR") for the 2019  
Housing Credit Financing RFA for Affordable Housing Developments -2019/2020 General Process:

Dear Mr. Price and Ms. Button,

The Second Workshop Agenda for the 2019-2020 Request for Applications ("RFA") Funding Cycle contained discussion regarding changing the language regarding the Mandatory Distance Requirement ("MDR") as follows: "An Applicant may disregard any development(s) on the List of the proposed development and any development(s) on the List have one or more of the same Financial Beneficiaries ~~and meet at least one of the following criteria: (i) they are contiguous or are divided by a street, and/or (ii) they are divided by a prior phase of the proposed development.~~ If this provision applies to the proposed development, the Applicant must identify the development(s) on the List that it wishes to disregard."

HTG strongly supports the Corporation's intent to remove the language requiring proposed developments to meet at least one of the criteria under the MDR (stricken out above). The MDR was originally created in order to avoid a concentration of new developments of the same demographic within a specific distance from one another. The exception was created in order to allow developers to make a reasoned judgement in their ability to absorb new units in that market under the same demographic. Requiring that the proposed development meet one of the criteria mentioned above makes no appreciable difference in how a specific market will eventually be served. Furthermore, if an applicant proposes a development with scattered sites, requiring that the site be contiguous or across the street could raise debatable questions among other applicants, thereby subjecting the applicant to litigation.

Considerations:

**Why removing the stricken criteria for the Mandatory Distance Requirement benefits the Corporation, the development community, and housing assistance initiatives:**

1. Allows developers to continue targeting demographics that work well in particular markets regardless of whether they own developments within the MDR of the same demographic.
2. It may be difficult for developers to acquire site control on land that is contiguous or across the street to meet the current MDR exemption thus resorting to having site control of land that may be found a few blocks away but still within the MDR radius.
3. When an applicant submits a Scattered Site located within the MDR, it may cause ambiguity and lead to more unnecessary litigation matters.



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Proposed Guidelines:

**Moving forward with removing the MDR criteria stricken above:**

1. As evident by the Corporation's original proposed revision to the definition, there is no real difference between whether the proposed development site is contiguous, located across the street, or just few blocks away. The developer, who is already in that specific market and therefore possesses the most up to date market information, still takes on the same risk when it applies to how well the market can be served under the same demographic selection for the same financial beneficiary.

In conclusion, if the Corporation maintains its original intent to remove the need to meet one of the specific criteria under the MDR, developers will be able to build more affordable housing in areas that need it most, irrespective of previously funded projects of the same financial beneficiaries. This will also have the added benefit of lessening potential controversial matters when an applicant submits for a development with scattered sites.

Respectfully submitted,

Housing Trust Group, LLC  
a Florida limited liability company

By: \_\_\_\_\_

  
Matthew Rieger, Manager

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