



---

February 27, 2020

VIA EMAIL

Mr. Trey Price and Ms. Marissa Button  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301

RE: Proposed Priority I/II Implementation in the 2020 Housing Credit Finance RFA's for Affordable Housing – 2020 RFA General Process

Dear Mr. Price and Ms. Button,

The December 12<sup>th</sup>, 2019 Workshop included discussion of implementing Priority I and Priority II designation of Applications submitted within the anticipated RFA for Housing Credit Finance for Affordable Housing Developments located in Medium County. As we've previously written to FHFC:

1. Priority Designation does not focus the allocation system on the "where and what", only the "who" without regard to the knowledge, experience or financial strength of the development company and applicant.
2. The implementation of this Priority Designation only serves to highly incentivize development companies and applicants to submit their "most profitable" applications, not the "best" applications from a public policy standpoint.
3. Limiting the number of Priority I applications will disincentivize public/private partnerships and non-profit joint ventures. Joint Ventures with Housing Authorities ("JV") and public/private partnerships with the CRA, County, or City ("PPP") who each benefit from an experienced development company on their team are less likely to occur with implementation of a Priority Designation. Development companies would be forced to choose between submitting those JV or PPP applications, where developer fee sharing arrangements are common, encouraged, and in some cases mandated, versus submitting a stand-alone application. This will also hurt the needs of the ELI community as Housing Authorities are the ones who serve the greatest number of ELI households.
4. Developments in lower income counties become less likely to occur as development companies will focus on the urban areas, where profitability is greater and risk far lower.

---

HOUSING TRUST GROUP

3225 Aviation Avenue, 6<sup>th</sup> Floor • Coconut Grove, FL 33133 • 305-860-8188  
[www.htgf.com](http://www.htgf.com)



The implementation of this Priority Designation will be contrary to the public purpose objectives of our affordable rental housing production system, including contradicting the legitimate public purpose of geographic diversity provided by the Corporation's current county tally system.

There are several ways that would either a) reduce the number of total applications submitted for a particular RFA, and/or b) reduce the workload of FHFC staff in reviewing applications for an allocation of tax credits without the need for Priority designations. As referenced in prior correspondence from HTG to FHFC, possible solutions to reduce the number of applications FHFC must review other than this current Priority system are:

1. **Streamlining the Scoring Process for all Applications.** FHFC staff spend unnecessary time and resources in reviewing applications that statistically have no chance to win an allocation either due to the tie-breaker (lottery ball) assigned to that application or its leveraging (relative to all other applications submitted). We propose that FHFC rank all applications per the RFA, i.e if they met funding goals, competitive leveraging and tie-breakers, to identify those applications with the highest probability of being funded. Only applications in line to be funded, plus a fixed number of additional applications included as "back up" (in the event of a challenge at DOAH, say 3x the number of applications to be funded in that particular RFA), would undergo full scoring review by the FHFC Scoring Committee. All other applications submitted on time and with payment of the application fee would be deemed accepted, but unfunded, applications.
2. **Setting more restrictive Goals, such as:**
  - *Inclusion of a Transit Oriented Development ("TOD") Goal.*
    - Qualification as a TOD, defined as a site whose Development Location Point is within ½ mile of a Rail Station or Rapid Transit Stop for applications in Miami-Dade County and within 1 mile for applications in medium and small counties.
  - *Additional Geographic Area of Opportunity Goal.*
  - *Additional Local Government Areas of Opportunity Goal.*
  - *Requiring Local Government Contributions for all counties to show support for the development.*
  - *Additional Geographic Area of Opportunity Income Averaging Goal.*
    - Add an additional Goal to fund the highest-ranking Geographic Area of Opportunity application that utilizes Income Averaging for their income set-asides. The Development must be located within a Geographic Area of Opportunity, select Income Averaging and agree to rent a percent of their



---

total units to households whose income range is established at 60%-80% of the most recent Area Median Income for a particular county.

- Inclusion of an Elderly Non-Profit Goal
- 3. **Charge higher application fees to for-profit developers and maintain current fees for non-profit developers.** FHFC currently receives many applications due to the low cost of submission even for low quality applications. Charging higher fees would require applicants to assess the competitiveness of their application prior to going through with submission and would provide FHFC with additional capital resources.
- 4. **Implement a two-part Pre-Application and Full Application system.** Utilize a pre-application process to enable applicants to evaluate how competitive their pre-applications would be by submitting only the Application (Exhibit A) with a certification of ability to proceed, if approved. Depending on ranking, Developers can then choose to submit a full Application, with all applicable exhibits obtained at their expense, if they deem they can be competitive. This is similar to the process used in other states, such as Texas and Georgia, for example.
- 5. **Increase the minimum score required to earn the Proximity Funding Preference.** FHFC currently requires applicants to achieve 9 points in medium and small counties and 12.5 points in Miami -Dade County to receive the Proximity Funding Preference (required to be competitive). Public Policy goals could be better accomplished by increasing this threshold to incentivize developers to identify and submit applications for sites that accomplish those goals such as being located near public infrastructure, employment centers or commerce areas.

Thank you and please let me know if you'd like to discuss any of the above.

Sincerely,

Matthew Ringer  
President & CEO  
Housing Trust Group

---

HOUSING TRUST GROUP

3225 Aviation Avenue, 6<sup>th</sup> Floor • Coconut Grove, FL 33133 • 305-860-8188  
[www.htgf.com](http://www.htgf.com)