

March 11, 2020

Marisa Button  
Multifamily Development Programs  
Florida Housing Finance Corporation  
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Tallahassee, FL 32301

Marisa,

Thank you for the opportunity to comment on the 2020/2021 RFA cycle. Some of the below comments may apply to the Rule as well.

1. We support your proposal to provide a funding goal for developments in close proximity to a Sunrail station in Medium Counties. We encourage you to further prioritize a truly walkable proximity, such as **¼ of a mile**, above and apart from distances of ½ or ¾ mile where residents are more likely to still want or need to drive a car and park at the station. Greater than ¾ mile should not be considered being in proximity.

Furthermore, in order to maximize the number of units in proximity to rail stations, we would encourage Florida Housing to grant the 130% eligible basis boost (and accompanying step up in maximum 9% HC request limit) to such developments that are not in one of the applicable boost areas but qualify for the Sunrail station goal/priority.

We believe this will help to build greener, cleaner, and more desirable communities in our great State.

2. With regard to setting application or award limits for Financial Beneficiaries, I think the place to start is with the definitions of Principals and Financial Beneficiaries.

Financial Beneficiary is currently defined in the Rule as “any Principal of the Developer or Applicant entity who receives or will receive any direct or indirect financial benefit from a Development...”, while (and this is key) a “Principal” is whomever or whatever entity is *voluntarily* proffered. Thus “Financial Beneficiaries” are only a subset of Principals, and thus [technically], a financial beneficiary who is not a Principal is not subject to the RFA rules governing limitations of applications or awards.

Thus, someone could benefit financially from a transaction or development without being

subject to any application or award limitations by simply excluding themselves as a Principal of the Applicant or Developer, e.g. through a separate financial arrangement not proffered to Florida Housing. To be clear, this is only hypothetical example which in the spirit of Florida Housing's intent here I am not promoting nor would ever be a party to, but which I do *not* believe would technically be a violation of any rules in any RFA.

The solution in my view is first to fix the apparent loophole in the system by tweaking the definition of Financial Beneficiary to be "any persons or entities [above a certain threshold of monetary benefit such as \$100,000]", not just "any Principals".

The second part of the solution would necessarily be that any newly added Financial Beneficiary would need to be approved by the Board and subject to any retroactive competitive advantage related to the caps in the RFAs. If it is discovered that a financial arrangement exists that was not either represented in the application or approved by subsequent Board approval then Florida Housing would have a clear case against the parties and thus should dissuade anyone from attempting to hide financial beneficiaries.

Sincerely,

Alexander Kiss  
Managing Partner  
Banyan Development Group, LLC