



February 17, 2022

Marisa Button
Managing Director of Multifamily Programs
Florida Housing Finance Corporation
227 N Bronough Street, Suite 5000
Tallahassee, FL 32301

Subject: 2022 Public Comments

Dear Marisa:

Newstar Development supports the comments from the Gainesville Housing Authority and the Pinellas County Housing Authority and their request to establish a funding goal for Public Housing Authority (PHA) non-QCT/DDA developments and to provide HOME/ARP funds to serve as gap funding for these developments that lack the 30% basis boost.

As you know, we partner with PHAs to redevelop their public housing and other communities, and we are very familiar with the issues raised in both comments. Specifically, we know PHAs often face a disadvantage because the properties and sites they need to redevelop may be in non-boost areas or may be too small and lack the density to be competitive in terms of leveraging.

In recent years, the only way to submit competitive applications for these sites has been to secure LGAO funding that provides the basis boost. However, for large communities like Woodland Park and Rainbow Village, the cost of redevelopment may require multiple phases, which translates to the need for multiple years of LGAO commitments and 9% applications because there is no similar way to obtain a basis boost for use with 4% HCs.

So, the idea of providing gap funding in the form of HOME/ARP funds to make up for the lack of a basis boost would enable PHAs to move forward with the subsequent (or in some cases, initial) phases of these critical major redevelopments.

Accordingly, as we begin 2022 and focus on rule development and updating the QAP, Newstar requests that Florida Housing please consider (1) establishing a SAIL funding goal or set-aside for PHA non-QCT/DDA developments and (2) providing HOME/ARP funds to serve as gap financing for these developments to make up for the equity they could otherwise raise if the site was eligible for the 30% basis boost.

As always, thank you for your consideration and for your support of PHAs in Florida.

Sincerely,

Brian Evjen
President