Lake Wales Housing Authority

August 26, 2015

Mr. Steve Auger
Executive Director
Florida Housing Finance Corporation
200 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

Re: RFA 2015-106 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties

Dear Steve:

Thank you for the opportunity to comment on behalf of our public housing authority in response to previous comments concerning the additional non-DDA/QCT funding goal ("Funding Goal") for a PHA included in the August 14, 2015 draft of the RFA.

First, I would like to acknowledge the significant strides that the Florida Housing Finance Corporation (FHFC) has made in opening up the housing credit program to public housing authorities. Although the LIHTC program began more than 25 years ago, PHA involvement in the Florida program was very limited until more recently. At an accelerating pace over the past 10 years, particularly following federal budgets cuts and sequestration, PHAs must look to LIHTC equity as a source to fund affordable housing for the neediest households. Capital Fund Program dollars intended to allow repair or replacement of aged, functionally obsolete housing units have all but dried up. Reimbursement for the cost of operating public housing units – intended to allow PHAs to breakeven on the cost of operating these units – has dipped below 90%. As a result, PHAs have been forced to use any Capital Program Funds they have to subsidize operations, leaving little if anything to be applied to much-needed redevelopment efforts.

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PHAs and FHFC have worked together to arrive at a better understanding of how the LIHTC program with HUD subsidies and other funding can work together to further the mutual goal of providing affordable housing to as many Floridians as possible. We appreciate all that FHFC has done over the years to recognize unique challenges faced by PHAs as well as their unique position with respect to operating subsidies that enable deeper income targeting. This allows FHFC to reach additional extremely low income persons and families who are in need of affordable housing but who cannot afford LIHTC rents.

As FHFC well understands, PHAs have deteriorating properties in their portfolio in desperate need of redevelopment that cannot compete effectively for funding under the High-Priority RFA. These project sites cannot be relocated and, if they are not in a QCT or DDA, revitalization is not feasible. Since public housing units cannot support any debt service, maximizing housing credit equity is critical.

We commend FHFC for its thoughtful consideration of the difficulties faced by PHA applicants with non-DDA/QCT sites in their inventory in need of redevelopment that are not financially feasible without the additional boost in equity funding.

Respectfully submitted,

Albert Kirkland, Jr.
Executive Director

Copies to: Ken Reecy; Nancy Muller