



August 24, 2017

Mr. Ken Reecy
Florida Housing Finance Corporation

Via Email

Re: 2017 Geographic RFAs

Dear Ken:

We would like to thank FHFC for adopting a policy of prioritizing the funding of Non-Profit applications. We believe that it is good public policy to ensure that the Non-Profit funding is awarded to true mission-oriented nonprofits that have been serving needy households for a long period of time, have a proven track record, and have a financial position that truly allows them to control the development and operation of the project proposed by the Non-Profit Applicant.

We therefore recommend that you adopt the following rules as part of the definition of a Non-Profit Applicant:

1. The general partner or the managing member of the Applicant must be owned and controlled 100% by a non-profit corporation, and must be paid 100% of the cash flow and capital proceeds to be paid to the general partner or managing member of the Applicant.
2. The developer of the Applicant must be owned and controlled 100% by a non-profit corporation, and must be paid 100% of the developer fee paid by the Applicant.
3. The non-profit corporation must have been incorporated on or before January 1, 2013, and must have been in continuous operation since that date.
4. The primary mission of the non-profit must be to provide affordable housing.

These rules will ensure that "for-profit" developers do not incorporate new NFPs only acting as a small shareholder. It is imperative that the NFP definition be used for true NFPs that have capacity to do a deal. All too often we see developers "partner" with an NFP and then the NFP has no role in the deal and does not share in cash flow. The above rules will ensure the proper way for a not-for-profit to make a meaningful impact.

Sincerely,

A handwritten signature in black ink, appearing to read "M.A. Hartman", with a long horizontal flourish extending to the right.

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