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23 August 2018

Mr. Harold L. "Trey" Price
Executive Director
Florida Housing Finance Corporation
227 N. Bronough St., Ste. 5000
Tallahassee, FL 32301

Re: RFA 2018-111 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County

Dear Mr. Price:

The Florida Alliance of Community Development Corporations, Inc. (FLACDC) is pleased to comment on FHFC's 'Non-Profit Goal' as it relates to the above referenced RFA. We ask that our comments be applied to ALL pending and future RFAs in which you seek to establish a similar nonprofit pool goal.

FHFC's express intent in the LIHTC process is to select an application for funding that qualifies as the highest-ranking eligible application wherein the applicant applied and qualified as a non-profit applicant. IRC §42(h)(5) requires that not less than 10% of the state's allocable credit must be set-aside for a non-profit pool. In addition, Section II.F of the 2018 QAP allocates 15% of its housing credit authority to non-profit applicants. FLACDC believes that such a preference contributes toward other public policy objectives that enhance meeting Florida's housing needs. Non-profit developers tend to target harder-to-serve populations and locate projects in neighborhoods to promote economic revitalization, thus increasing economic prosperity. The set-aside also builds significant real estate development, property and asset management capacities among nonprofit organizations with housing and community development as their principal charitable mission.

While we applaud your efforts, we believe they are inadequate and we recommend substantive changes to RFA 2018-111 and future RFAs establishing non-profit pool/participation goals. We ask that FHFC either:

- Limit qualified non-profit applicants to those partnerships or LLCs in which the non-profit(s) owns 100 percent of the ownership interest held by the general partner or managing member entity; OR
- Limit qualified non-profit applicants to those entities having a structure as defined above be prioritized over those in which the non-profit holds less than 100 percent but more than 51 percent ownership interest.

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It is important that the economic benefits from the development be commensurate with the nonprofit ownership interest, e.g. 51% ownership would result in receipt of 51% of the Developer Fee and that cash flow and residual net sale proceeds allowable to the general partner/managing member should be realized by the non-profit. We also encourage you to ensure that the Developer Fee be paid pro rata between the for-profit and non-profit developer, prohibiting the for-profit from collecting its portion of the fee before the non-profit.

FLACDC believes RFA 2018-111 offers FHFC a unique opportunity to better exercise its responsibilities under IRC §42(h)(5). Be it limiting qualified non-profit applicants to those with 100% non-profit ownership; prioritizing their selection; requiring participation in the Developer Fee, cash flow and sales proceeds proportionate to its percentage ownership; or taking more detailed substantive steps to maximize material participation, FLACDC and its membership urges you to act now to improve the program.

We appreciate the opportunity to comment on this rule and hope that you will consider making the recommended changes, not just for this RFA cycle, but for all future cycles as well.

Sincerely,



Terry Chelikowsky
Executive Director

The Florida Alliance of Community Development Corporations, Inc. (FLACDC) was incorporated in 2004 to build the capacity of community-based development organizations (CBDOs) and represent them in Tallahassee and nationally.

Our mission is to lead Florida's community development field and its partners in shaping strategies that advance community prosperity. We envision a Sunshine State in which every community offers its residents opportunities to create brighter, more prosperous futures.