

County of Monroe

The Florida Keys



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February 4, 2019

Marisa Button, Director Multi-Family Allocations
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301

Dear Ms. Button:

The Monroe County development team respectfully requests your consideration of the items listed below as it relates to the proposed Florida Housing Finance Corporation (FHFC) Community Development Block Grant Disaster Relief (CDBG-DR) Funded Request for Applications (RFA) workshop agenda issued on January 24, 2019.

1. READINESS TO PROCEED: Site Control

- a. The RFA agenda states "This RFA provides funding to purchase land or provides reimbursement to Applicants that have purchased land since July 27, 2018." It is unclear whether this date reflects a statutory relationship to the program or is flexible to amend. We are requesting consideration to establish the start date at June 1, 2018 instead.
- b. Agenda states several conditions that are necessary to establish an "eligible contract" for acceptance by the program. One such condition is that... "It must specifically state that the buyer's remedy for default on the part of the seller includes or is specific performance." We have an otherwise binding agreement in place and do not wish to upset the seller by adding new conditions at this point. We are of the opinion that specific performance is already a remedy of the buyer in event of seller's default. We are requesting clarification that you will accept a binding and fully executed purchase agreement meeting all other terms you've identified with the specific performance language embedded being optional.

2. FUNDING AVAILABLE-PER UNIT MAXIMUM COST SUBSIDY LIMIT

- a. We remain quite concerned that the posted maximum subsidy limits are underfunded for redevelopment in Monroe County. To illustrate this point with data, we have attached recent RFP submission responses for 4 Tiny Homes the Board of County Commissioners recently approved for funding separate from this program. The bid docs will illustrate the figures being provided for building units very similar to what we intend to build in this program.

- b. Further, we have reviewed the RFA and see that it has been refined to go beyond requiring certain green building certification features to requiring full green building program certifications be achieved. That requirement alone could add \$30,000-\$50,000 minimum in associated professional and project fees to achieve the certifications of LEED etc., per project site. While we applaud this forward thinking move, we ask for the requisite increased funding to pay for it so that we can accomplish this level of high-performance and environmentally smart housing in Monroe County.

Increased request amounts

Current Maximum Subsidy Limit table:

Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County

- o \$141, 088 per Zero Bedroom Unit
- o \$161, 738 1 Bedroom Unit
- o \$196, 672 per 2 Bedroom Unit
- o \$254, 431 per 3 Bedroom Unit
- o \$272, 085 per 4 Bedroom Unit

PROPOSED Maximum Subsidy Limit table:

Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County

- o \$241, 088 per Zero Bedroom Unit
- o \$261, 738 1 Bedroom Unit
- o \$296, 672 per 2 Bedroom Unit
- o \$354, 431 per 3 Bedroom Unit
- o \$372, 085 per 4 Bedroom Unit

3. 10% EXTREMELY LOW INCOME (ELI) and LINK TO PERMANENT HOUSING (LINK) REQUIREMENTS

- a. We anticipate a small rental project with a maximum of 19 units scattered across two locations; one with 13 units and the other with 6 units. While we certainly want to serve the extremely low income persons in our community, we are concerned that reserving 10% of the units for ELI occupants may compromise the financial sustainability of this particular development project due to tight cash flow projections for small deals. We would ask for some flexibility on this requirement due to the availability of several Low Income Housing Tax Credit financed projects within a 50-mile radius that also serve the ELI population.
- b. We are pleased that you have indicated consideration of waiving the link requirement for projects of less than 12 units. We would ask to go a step further and put the waiver at 20 units. We have concerns about the financial requirements to set up and operate these type of programs that are not really feasible within a project of this size.

4. JURISDICTIONAL AWARD TALLY SYSTEM

- a. The County appreciates FHFC's desire to make sure awarding these funds provides opportunities to all entities that want to build affordable workforce housing in the Keys.

We are concerned however, that in an effort to make sure everyone has an opportunity for funding, there could be projects proposed without the necessary experience, track record or wherewithal to bring those projects to fruition. Even though such projects would be expected to receive lower scores, the proposed language would allow them to be selected over higher scoring applications.

- b. We respectfully request that a threshold score be established to make sure that those entities seeking funding are fairly considered and evaluated so that quality projects will result. This threshold scoring should include a local government or quasi-governmental entity as the highest preference applicant within the Priority I classification. To ensure that the land remains affordable housing and is restricted in perpetuity, ownership by a government or quasi-governmental entity is the strongest choice. The non-profit entities may encounter difficulties and be subject to issues down the road that cause them to dissolve, which may threaten the land and assets they hold at the time.

We look forward to working with your team on this exciting affordable housing project in Monroe County.

Respectfully,



Christine Hurley

Assistant County Administrator

CH/jj

Enclosures

Cypress			
Tiny House Type	UFAS	3 Bedrooms, 2 Bath	2 bed, 1 Bath Keys Cottage
Size (SF)	1,175	1,094	760
Big Coppitt	\$329,900	\$296,000	\$212,000
Cudjoe	\$329,900	\$296,000	#N/A
Ramrod	\$329,900	\$296,000	\$212,000
Key Largo	\$329,900	\$296,000	\$212,000

RAS Building & Commissining			
Tiny House Type	Island Series 640; 2BR; 1 Bath		
Size (SF)*	640		
Big Coppitt	\$153,600		
Cudjoe	#N/A		
Ramrod	#N/A		
Key Largo	#N/A		
Tiny House Type	Island Series 640MT-3BR; 2Bath; 1.5 floor		
Size (SF)*	960		
Big Coppitt	#N/A		
Cudjoe	\$361,920		
Ramrod	#N/A		
Key Largo	#N/A		
Tiny House Type	Island Series 960-3BR; 1Bath;1floor		
Size (SF)**	not listed		
Big Coppitt	#N/A		
Cudjoe	#N/A		
Ramrod	\$288,000		
Key Largo	#N/A		
Tiny House Type	Solair Series 320-1BR; 1 Bath		
Size (SF)	320		
Big Coppitt	#N/A		
Cudjoe	#N/A		
Ramrod	#N/A		
Key Largo	\$75,000		
* Size deduced from floor plan			
**Size not able to be deduced from floor plan			

Advanced Construction Technologies (Key West)			
Tiny House Type	1BR; 1 Bath		
Size (SF)	755		
Big Coppitt	\$148,205		
Cudjoe	#N/A		
Ramrod	#N/A		
Key Largo	#N/A		
Tiny House Type	3BR; 1 Bath		
Size (SF)	1,012		
Big Coppitt	#N/A		
Cudjoe	\$189,600		
Ramrod	#N/A		
Key Largo	#N/A		

Cornerstone			
Tiny House Type	1BR; 1 Bath		
Size (SF)	360		
Big Coppitt	#N/A		
Cudjoe	#N/A		
Ramrod	#N/A		
Key Largo	\$101,197		

Tomca Kier (Key West)			
Tiny House Type	3BR; 2 Bath	3 BR; 2 Bath	3 BR; 2 Bath
Size (SF)	1,560	1,560	1,560
Big Coppitt	#N/A	#N/A	#N/A
Cudjoe	#N/A	#N/A	#N/A
Ramrod	#N/A	#N/A	#N/A
Key Largo	#N/A	#N/A	#N/A
Note: price quoted \$459,000 but no site specified			

Ducky Johnson Home Elevation (Louisiana)			
Tiny House Type	2BR; 2 Bath		
Size (SF)	864		
Big Coppitt	\$223,500		
Cudjoe	\$223,500		
Ramrod	\$223,500		
Key Largo	\$223,500		
Note: Price quoted as \$440,700 but each of site specifics list each price as \$223,500			