



October 10, 2019

Marisa Button, Multifamily Allocations  
Florida Housing Finance Corporation  
227 N. Bronough Street  
Suite 5000  
Tallahassee, Florida 32301

**Re: Comments to Proposed RFA-2019-116**

Dear Ms. Button:

After participating in the workshop on the changes to the RFA per the October 8<sup>th</sup> workshop and prior to the new Draft RFA, I felt it was important to raise a few issues for consideration prior to the finalization and issuance of the RFA.

I would like to reiterate previous comments, which still would apply even with these changes in place and provide commentary of a few additional issues.

Utilizing SAIL with Tax Exempt bonds has been a great pairing over the last few years. With the subsidy needed to allow bonds allocation to be utilized, it has taken advantage of the bond resources while providing a vehicle to get SAIL out quickly, which has its own public purpose.

**1. ELI in SAIL and Bonds**

The desire to serve lower income tenants within bond properties is admirable and makes sense in acquisition rehab with project-based section 8, because they serve same clientele. Without that additional subsidy, the continual requirement of ELI in Bond transactions (with limited resources) does not make economic sense for the properties.

The efforts that FHFC have made in trying to serve the lowest income has been effective. Unfortunately, serving the lowest income (30% and below) does not need to be the focus of all FHFC funding sources. There is a broad need for affordable housing at all levels in Florida's working poor. Tax exempt bonds have the least amount of subsidy associated with that financial product and would be better utilized to serve the low to moderate income Floridians, which also have significant needs.

With less ELI/NHT units required production of the number of units could provide a quicker path to a significant increase in number of units produced with less state resources.

## **1. National Housing Trust Funds**

### **Section A- D. National Housing Trust Fund (NHTF 24 CFR 93.301(f)(1) and (2))**

#### **Section Four, A.6.d.(2)(d)**

The most recent pairing of NHTF, that is mandatory in order to access the other resources, is problematic and changes the character of a bond transactions. SAIL already requires additional requirements, which is a fair trade. But NHTF has restrictions not in place for any other HUD or State Programs and therefore not consistent with their rules and policies.

Requiring participants of this RFA to take NHTF funds should not be mandatory. The requirements associated with these funds narrow the potential sites that are available in Florida. The state of Florida and the Corp of Engineers have been focused on the wetland's issues in Florida for many years. The current state and federal system are "known" regarding these issues and there are mechanisms in place for mitigation when they occur on a site that can be built into the process of development.

In addition, this regulation says that "independent of the definition of jurisdictional wetland used by the U.S. Army Corp of engineers under section 404 of the Clean Water Act (33 U.S.C. 1251 et seq)" to specifically call out that regardless of state and federal regulations, when utilizing these funds, no wetlands can exist. This adds an additional unnecessary layer for which the subsidy does not mitigate.

If an applicant has a site that meets their requirements, they can make a choice to receive these additional funds, but it should not be mandatory in order to access the bonds and SAIL.

#### **RECOMMENDATION:**

- 1) Allow the use of NHTF funds to be optional or
- 2) Do not requirement NHTF funds on local Bond Transactions or
- 3) Add a preference if you agree to utilize NHTF with your SAIL and Bonds

## **2. Restrictive "Minimum 5 Unit Per Building" Policy**

There is no logical reason for this policy especially for acquisition/rehabilitation. There are still properties that need rehabilitation that have 4 units as that was permitted when they were built. It would make sense for any new construction, but at the very least existing units should not be kept from being rehabilitated with this restriction. Maybe consideration can be given for existing properties to be exempt from this policy. In addition, you still have limitations on the total number of units.

#### **RECOMMENDATION:**

Reconsider this policy or allow for exemptions for older properties

## **4. Transit Stops**

The SAIL scoring for bus stops appears to be different in the SAIL/Bond application than the LITC consideration. Is this a scrivener's error or is there a specific consideration that makes it different?

**Recommendation:**

Conform so that it is the same throughout all RFA's

Thank you for the opportunity to comment on this RFA. If you have any questions regarding this comment, please feel free to contact me.

Sincerely,  
Susan J. Leigh  
President

Cc: Trey Price