LISC
JACKSONVILLE

October 16, 2019

Marisa Button
Director of Multifamily Allocations
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301

RE: RFA 2019-116 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax Exempt Bonds and Non-Competitive Housing Credits

Dear Ms. Button:

The Local Initiatives Support Corporation (LISC) is a national nonprofit housing and community development finance organization with offices in 35 cities throughout the country, including the office in Jacksonville, Florida for which I serve as the Executive Director. LISC invests over $1 billion annually in affordable housing, primarily through Low Income Housing Tax Credit equity raised by our affiliate, the National Equity Fund (NEF). Through 2018, LISC/NEF has invested $427 million to support affordable housing in the state of Florida, financing 14,000 units of housing to at risk populations, including veterans, seniors and the formerly homeless.

LISC joins with the National Housing Trust and numerous other organizations in voicing our **opposition to the proposal to set aside up to half of SAIL funds, totaling over $24 million, for applicants providing a permanent source(s) of financing for the proposed development in an amount that is at least equal to the SAIL Loan Request Amount.** It is our understanding that these "self-sourced" developments will have the ability to exit the Housing Credit program and terminate affordability restrictions after just 15 years by requesting a Qualified Contract. The proposal to invest such a significant proportion of the state's resources to subsidize projects which are likely to lose affordability protections in just 15 years is not consistent with the state's need to permanently expand its inventory of affordable housing, or with the need to deploy scarce public resources effectively and efficiently.

Elsewhere in the Housing Credit program, FHFC takes an aggressive stance against Qualified Contracts by requiring participants in both the 9% program and the 4% program to waive their right to a Qualified Contract. These approaches follow Recommended Best Practices from the National Council of State Housing Agencies and ensure that properties remain affordable to low-income renters at least through the extended use period. Allowing self-sourced developments to exit the Housing Credit program through the Qualified

Contract jeopardizes the ability of these properties to serve low-income renters and is in direct opposition to FHFC's own policies promoting long-term affordability.

Aside from the Qualified Contract issue discussed above, we're concerned that providing a set-aside of SAIL money for Self-Sourced Applicants unfairly disadvantages nonprofit developers. Nonprofit developers traditionally rely on government entities or nonrelated third parties to provide valuable gap financing and may not have the resources available to match SAIL funds. These developers, who play an important role in providing affordable housing in Florida and across the country, may be unable to compete for the over $24 million set-aside for "self-sourced" applicants, making it more difficult for them to provide affordable housing across the state.

For these reasons, we strongly urge FHFC to abandon its proposal to set aside up to half of the SAIL funding for Family properties for Self-Sourced applicants.

Thank you for your consideration of these comments.

Janet Owens

Janet Owens
Executive Director

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