

From: Andrew Spofford <aspofford@poah.org>
Sent: Tuesday, October 15, 2019 2:59 PM
To: Marisa Button <Marisa.Button@floridahousing.org>
Cc: Cory Fellows <cfellows@poah.org>
Subject: RFA 2019-116 Public Comment

Dear Ms. Button:

Preservation of Affordable Housing (POAH) is a national nonprofit organization whose mission is to preserve, create and sustain affordable, healthy homes that support economic security and access to opportunity for all. POAH owns more than 11,000 affordable rental homes across 11 states and the District of Columbia, including more than 1,300 homes at 8 communities in Florida.

We value FHFC's partnership and appreciate the opportunity to comment on changes to the next SAIL RFA (2019-116), presented and discussed at a workshop on October 8th, 2019.

POAH strongly opposes the proposal to set aside up to half of SAIL funding for Family properties for a new "Self-Sourced" applicant category and urges FHFC to abandon the concept.

As described in the workshop agenda, the "Self-Sourced" developments will have both the ability to terminate after just 15 years (through the Qualified Contract process) and a strong incentive to do so (in order to realize financial returns on their private investments in these publicly subsidized affordable communities). The proposal to invest such a significant proportion of the state's public resources (more than \$24 million), alongside federal housing tax credits, to subsidize projects which are likely to lose affordability protections in just 15 years, is not consistent with the state's desperate need to permanently expand its inventory of affordable housing, or with the need to deploy scarce public resources effectively and efficiently.

As FHFC is aware, the qualified contract process has come under intense negative scrutiny in recent years, as profit-oriented actors have used it to terminate affordability protections for housing tax credit communities well in advance of the term of their initial use agreements. The National Council of State Housing Agencies has recommended that LIHTC allocating agencies require all applicants to waive their right to submit a qualified contract as a condition of receiving an allocation, noting that this waiver requirement should apply to applicants for both 9 percent Credits and 4 percent Credits financed with tax-exempt multifamily bonds. POAH urges FHFC to adopt this best practice, and not to offer the QC option to "Self-Sourced" proposals which are most likely to exercise it.

Thank you for your consideration.



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