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Sent: Wednesday, May 27, 2020 3:18 PM
To: Marisa Button <Marisa.Button@floridahousing.org>
Subject: 2020/2021 Funding Cycle - Public Comments

Marisa,

Thank you for preparing a thorough agenda for the 2020/2021 RFA Funding Cycle Workshop. Overall we are encouraged by Florida Housings desire to create a more dynamic system scoring that relies less on a lottery driven system. Below are general comments to what has been outlined in the agenda.

Ability to Proceed

In general, we are supportive of Florida Housing providing additional points and scoring opportunities to projects that are shovel ready and have done due diligence prior to submitting for funding.

Final Site Plan Approval

The opportunity to obtain 5 points for providing a Final Site Plan Approval form is a difficult scoring item for several reasons. While completion of a site plan should be completed and required prior to submission of an application, "Final Site Plan Approval" is defined differently in each municipality. In some municipalities, there is no Site Plan Approval process at all, other site plans are approved administratively at staff level. Many municipalities require 90% Civil Engineered Construction Drawings and multiple public hearings, a process that can take 6-12 months. The various levels of the site plan approval process may steer developers toward local governments that are more flexible and able to give site plan approval through a simpler process and give an unintended advantage to those municipalities.

Since the intent is to receive more "Shovel Ready" applications, this could also be accomplished in ways that don't involve the local government, which is not within the control of the Applicant. Some ideas for additional due diligence items required at application deadline include:

- Sworn statement from a licensed Architect or Engineer confirming a site plan has been created and it complies with the local zoning code
- Inclusion of a site plan in the application, however this may lead to increased litigation
- Florida Housing no longer providing flexibility on changing the unit mix after application deadline – this will require developers to have a more thoroughly designed development plan before submission.
- Appraisal and/or Market Study submitted at application deadline. Include an executed form and sworn statement from a licensed appraiser indicating a report has been completed.

The Priority 1/Priority 2 Application Limit will encourage developers to only submit their 3 best sites, rather than submitting any site that obtains the minimum score.

Additional due diligence items that can be implemented without further relying on local governments will benefit the process. Given the current COVID-19 situation, it is unclear exactly how local governments will proceed going forward and how expeditious they will be processing such approvals.

A/B Leveraging Classification

Florida Housing should look at additional ways to encourage efficient development. On 9% HC transactions, the amount of funding being allocated to a project is substantial and applicants that are more efficient and request less public resources than other applicants should be prioritized. Increasing the A/B Leveraging Line to 60/40 would encourage developers to select higher quality, reasonably priced and pad ready sites. This increased efficiency will lower the total Housing Credit Request Amounts across all applications and enable additional deals to be funded annually with the same resources.

Proposed Proximity

The overall thought process by your team to look at ways to reduce reliance on lottery is a great policy decision. Because this is the first year in several cycles a scoring system based on proximity has been discussed, fewer proximity levels, such as 3 or 4 Levels may be worth exploring. Having 5 levels, indicates only the best located sites will have an opportunity for funding which will inherently drive up land cost in certain areas, a trend that we are seeing in the short timeframe the agenda has been available to the public.

Also, the additional proximity tiebreakers may not be necessary. Total proximity points for the 2 highest scoring Community Services, seems to create an additional delineator that does not ultimately accomplish the intent. If FHFC wants deals that have better proximity, the tiebreaker could be total points. However, as mentioned above, this could result in areas with more services receive numerous applications and increased land costs.

Other Updates (Small/Medium)

Rather than increasing the number of Local Government Area of Opportunity deals, a goal to fund 1 Elderly Deal in a GAO/SADDA should be included. As proposed, there is not specific goal for an Elderly deal.

Thank you for consideration and I look forward to the workshop.

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