

From: Brian Evjen <bevjen@norstarus.com>
Sent: Monday, March 9, 2020 5:18 PM
To: Marisa Button <Marisa.Button@floridahousing.org>
Subject: Workshop - 2020/2021 RFA Funding Cycle

Marisa,

Thanks for the holding the workshop last week. I was able to attend by phone while making the drive up from Tampa.

First, I want to say that Norstar supports FHFC's efforts to utilize proximity or other measures to delineate between applications and move away from a lottery-driven system.

Second, I want to also echo the comments I heard regarding Developer Experience Points and the need to qualify or possibly exempt the potential delays associated with projects involving HUD. Norstar typically partners with PHAs for its developments. We recognize the HUD involvement in these projects can add complexity and time to the process, but we also believe it's worth it because these are important projects. While I heard a few comments about HUD projects often experiencing closing delays, I wanted to also point out that the delays can also extend past closing.

One example is a recent RAD transaction we closed. On a RAD transaction, closing cannot occur until after HUD issues the RCC (RAD Closing Commitment). Also, relocation cannot begin until 90 days after HUD issues the RCC. So, it's conceivable that the closing could be delayed while the applicant waits for HUD to issue the RCC, and then the construction start can be further delayed while waiting for relocation to commence and complete. On our project, I believe we received the RCC and then closed approximately 60 days later. However, we still had another 30 days after closing before we could begin relocation. Relocation can take 2-3 months if there are enough residents, so the construction start could potentially be delayed for up to 3-4 months after closing on one of these transactions. I would hate to see developers penalized for requesting credit swaps after experiencing delays like this, as this could act as a disincentive to redeveloping public housing communities.

Brian Evjen | Vice President of Development

Norstar Development USA, LP
3629 Madaca Lane | Tampa, FL 33618
O: (813) 933-0629 Ext: 212 | C: (813) 240-5757
bevjen@norstarus.com