



RURAL NEIGHBORHOODS

Building Livable Places for Working Families

Post Office Box 343529, 19308 SW 380th Street, Florida City, FL 33034

Telephone 305-242-2142 Facsimile 305-242-2143



MEMORANDUM

To: Jean Salmonsens
Fr: Steven Kirk
President
Rural Neighborhoods
Re: Public Comment on RFA 2021-104 SAIL Funding for Farmworker and Commercial
Fishery Worker Housing
Da: November 24th, 2020

Rural Neighborhoods and I provide the comments below regarding the 11-16-20 Draft of 2021-104 SAIL Funding for Farmworker and Commercial Fishing Worker Housing. Thank you for the opportunity to provide input into the RFA.

- Page 31 of 91 (9(a)(1)(a)). This lists the SAIL Request Amount limits and states the maximum of \$50,000 per unit for Substantial Rehabilitation. The \$50,000 per unit for Substantial Rehabilitation is acceptable for hard, soft costs and Developer Fees et al for owned, rehab projects. Unfortunately, it stymies acquisition/rehabilitation since there are no guidelines to the combined costs. If, for example, an applicant chooses to acquire a FHFC portfolio project, it is reasonable to assume the Seller may seek payment for their equity. This likely requires the assumption of current debt (conventional, FHFC and/or local) and an equity payment to the Seller. Rural Neighborhoods has no objection that the purchase price be subject to appraisal. Nonetheless, the “acquisition” price should not be contained in the \$50,000 substantial rehab budget. It also seems sound public policy to encourage the acquisition of FW-CFW housing assets in need of rehabilitation; otherwise the current owner may not take on additional debt or might seek a waiver. Numerous solutions are available: first, one could require the applicant to furnish a Purchase and Sales Agreement and a tentative appraisal showing the purchasable equity. This could permit an application that limits legal, title and recording, hard and soft rehab costs excluding land and buildings to \$50,000 per unit. Land and buildings then would be permitted to be an additional cost. Total land and building cost would be the assumable debt and proceeds to Seller. Given that eligible projects are limited to FHFC and USDA RD’s portfolio, it is expected that most

debt would be assumable. If agreeable to the above, FHFC should note how to input assumable FHFC debt into the application as it does so for USDA RD on Pages 34-35 of the application. Note listed assumable debt amounts are everchanging due to monthly payment and principal and acknowledge that amount are approximate.

- Page 14 of 91 (2)(a)(viii). It is our view project size should consist of 12 total units to 50 total units. Funds for 2021-104 and its equivalent vary annually in a range from \$5.1M - \$6.5M. In the upper ranges, the respondent does not object to the 15 unit minimum. In the current proposal, the amount is scheduled to be toward the lower range. Lower minimum units make possible funding of multiple applications. Fox example, $12 \times \$215,000 \times 2 = \$5,160,000$.
- Page 16 of 91 (2)(b)(IV). It appears that the dates for the FHFC and USDA RD portfolio are not congruent. It further appears there is no apparent reason for the differences. FHFC permits units that have not closed on rehab funding since 2010 and to have been funded in 2005 or earlier to be eligible. In regard to USDA RD, the requirement is rehab closed since 2007 and have received an award in 2005 or earlier. It seems sensible for these dates to be identical, i.e. changing the USDA RD rehab funding date to 2010.
- Page 22 of 91 (e.(1)(a)(iii). The requirement in shared housing that all beds in a specific unit meet the same income eligibility requirement seems onerous from a management view and provides no identifiable benefit to FHFC. It is our expectation, for example that in a shared housing model “beds” would be listed in units in a Program Report. If 10, 2-BR units were shared resulting in 40 beds, the Program Report would list 40 persons. This is simpler for both FHFC and owner tracking that also determining if beds 1-4 were in unit 1.

Steven Kirk
President
Rural Neighborhoods

