

February 11, 2021

Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
Attention Trey Price and Marisa Button



RE: 2021 Qualified Allocation Plan

Dear Mr. Price and Ms. Button,

Thank you for all of the information you've provided regarding the upcoming Rule development and Request for Applications (RFA) process and for the open dialogue with the stakeholder community. The following comments pertain to the 15% set aside of Florida's annual allocation of competitive Low Income Housing Tax Credits (LIHTC) in the Qualified Allocation Plan (QAP) for the Preservation of existing housing. We ask that Florida Housing discontinue this set aside and, instead, allow the competitive LIHTC to fund more newly constructed affordable units.

The Preservation set aside was first implemented in 2011 in the last Universal Application Cycle, during a period in which the Legislature was concerned about new construction and overbuilding in the wake of the national recession brought on by the foreclosure crisis; a period in which the Florida Legislature had recently recaptured approximately \$200 million of previously appropriated state funds to finance new construction of rental and workforce housing; and in a period in which new SAIL funds were not being appropriated by the Legislature.

Florida Housing's stated policy objective with the Preservation set aside at that time appeared to be the preservation of HUD Project-Based Rental Assistance (PBRA) contracts. The idea being that preserving old, deteriorating properties with PBRA serving high percentages of the units was important in preserving affordable housing for households with extremely low incomes.

In the first round of the current RFA process in 2013, the Preservation set aside was reduced to the level of 15% of the annual competitive LIHTC allocation, where it has remained ever since.

With the recent federal legislation that fixed the non-competitive LIHTC rate at 4%, many of the developments that have been targeted by Florida Housing's Preservation policy would be financially viable as non-competitive LIHTC transactions. The increased equity facilitated by that change, along with the increased revenue from post-rehab PBRA contract mark ups enable many of the developments applying in the Preservation set aside to be viable without the precious competitive LIHTC resources.

As the temporary boost to each State's LIHTC authority for 2018 through 2021 is readying to expire, the need to utilize existing resources as efficiently as possible is critical.

With the overwhelming need for more affordable rental units throughout Florida, we believe that a better use of the competitive LIHTC would be for the other new-production oriented RFAs.

We respectfully request that you do away with the 15% Preservation set aside in the QAP. Again, we thank for your time and willingness to dialogue on these important issues and we appreciate your consideration of this request

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen P. Auger', with a long horizontal flourish extending to the right.

Stephen P. Auger, CEO
Birdsong Housing Partners