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DATE: June 27, 2022  
TO: Trey Price, Executive Director, Florida Housing Finance Corporation  
Marisa Button, Director of Multifamily Programs, Florida Housing Finance Corporation  
FROM: Jaimie Ross, CEO, Florida Housing Coalition  
RE: 9% Tax Credit RFAs

The Coalition appreciates the opportunity to provide comments relating to the development and preservation of affordable housing using the 9% Housing Credit program. The Florida Housing Coalition is a statewide nonprofit provider of training and technical assistance, in business since 1982. We do not develop any housing and offer our comments solely to promote good public policy to increase the supply of affordable housing through production and preservation. Please seize this opportunity to expand and permanently secure affordable housing in Florida for generations to come. The units constructed or rehabilitated through FHFC's 9% Housing Credits should remain permanently within Florida Housing's portfolio, never to be lost through expiring affordability periods. We respectfully submit that this is the most important public policy for you to address.

**Our top priority for improving the current 9% tax credit system is to require permanent affordability in all developments, with a preference for those that use community land trusts.** Our reasoning for requiring permanent affordability in all 9% tax deals is explained below.

- Florida's substantial rental housing deficit is exacerbated by the loss of rental units due to expiring use agreements and the profit motive that drives the conversion of affordable housing into market rate housing. Without lasting affordability, Florida loses ground both figuratively and literally and falls deeper into an affordable housing deficit. FHFC can and should fix this by tying the 9% tax credit to the assurance of permanent affordability.
- Even though some tax credit developers will vociferously oppose permanent affordability or even the 50-year term of affordability, we know that those same developers will agree to permanent affordability if it is required. We have seen this when developers who compete for the LGAO funding from the HFAs in Jacksonville, Pasco, and Hillsborough County

agree to permanent affordability because each of those HFAs require permanent affordability.

- FHFC also has experience with this from the success of RFA 2019-101, the Community Development Block Grant – Disaster Recovery in Monroe County, when CLTs were incorporated in the RFAs. The prioritization of permanent affordability in the 9% Housing Credit RFAs can be accomplished in the following ways: Threshold requirement (best option); First tie breaker; High enough point boost to result in choosing perpetuity as the affordability period

Additional detail includes the following:

- Allow an executed 99-year ground lease with a community land trust as a method to demonstrate site control. The standards for demonstrating site control for applicants that partner with a CLT can mimic those found in RFA 2019-101 (Community Development Block Grant – Disaster Recovery (CDBG-DR) in Monroe County).
- Allow for the value of land to count toward the Local Government Contribution (typically 5 Points) and toward the required contribution for Local Area of Opportunity, only if the applicant agrees to perpetuity as its affordability period. This could support projects in small and medium counties where local governments may have land but lack monetary resources.
- Even if threshold, a point boost could be offered for applicants who partner with CLTs over other mechanisms for permanent affordability. The public purpose behind a preference for using a CLT to provide the 99-year ground lease is to support scaling CLTs who will provide stewardship and counseling support to the households that live in the permanently affordable units. Using a CLT can assist the FHFC in reaching its goal of assisting renters to become first time homebuyers, enhancing the program that provides residents with a portion of their rent paid toward the purchase of a home when they are ready to move out of the tax credit property. As households move out of rental and into homeownership, that creates an additional rental unit for a household in need. With public dollars supporting CLTs, CLTs can scale to produce even more desperately needed affordable homes.

Anne Ray from the Shimberg Center (and a board member of the Florida Housing Coalition) made a compelling case to the FHFC at the June 17, 2022, Board meeting for permanent affordability based solely on the indisputable data. We are losing units right now; in the past 3 years Florida saw about 4,000 units exit affordability. By 2032, 250 developments/24,639 affordable units face similar expiration risks. Between the loss of aging assisted and public housing, there is simply no way the FHFC can hope to make an appreciable impact on available housing supply without preserving in perpetuity those units that FHFC finances.

**But the loss of units is exponentially greater than the number of expiring units.** A more accurate measure is “unit years”, the total number of years of affordability multiplied by the number of units. For example, a 100-unit development with a 15-year affordability period has 1,500-unit years. The same development would have 3,000-unit years with a 30-year affordability period, 5,000-unit years with a 50-year affordability period and 9,900-unit years (or more) with perpetuity. Financing 51 units with affordability in perpetuity creates the same number of unit years as financing 100 units with only a 50-year affordability period. Put another way, FHFC can almost double its “bang for the buck” by changing the affordability period to perpetuity.