

SAGE PARTNERS

July 25, 2022

Mr. Trey Price
Executive Director
Florida Housing Finance Corporation
227 North Bronough, Suite 5000
Tallahassee, Florida 32301

Re: Comments on Permanent Affordability for 9% Housing Credit Communities

Dear Mr. Price:

I appreciate the opportunity to comment on your upcoming RFA's involving 9% Housing Credits.

I specifically want to address the policy of permanent affordability for 9% Housing Credit communities. Affordable housing has been my focus and passion for the past 30 years. I have developed over 10,000 affordable housing units throughout the State of Florida. The first communities I developed had a 30 year affordability period and the affordable land use restriction is now expiring. I am no longer an owner in those communities, but knowing the class A location and quality of the units, it is likely that they will become market rate. This is a travesty, especially in today's market where Florida citizens are desperately seeking affordable housing. We are losing affordable housing units every day due to expiring land use restrictions. According to the Shimberg Center for Housing Studies, since 2000 in Hillsborough County, 11,513 affordable housing units funded by Florida Housing Finance Corporation or other public subsidy were constructed and placed in service and 9,185 affordable housing units were taken out of service as their affordability period had expired. This trend must be reversed and requiring permanent affordability is the best solution.

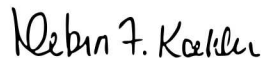
In addition to developing affordable housing, I have served on the board of the Housing Finance Authority of Hillsborough County for the past 28 years. Our board continues to implement policies that will preserve affordable housing. As a threshold for the local government contribution for all 9% LGAOF in Hillsborough County, our HFA requires a perpetuity (permanent) affordability period. We have had no resistance to this requirement from the development community. To date, we have 3 developments totalling 360 units under permanent affordability.

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My company Sage Partners' affordable housing communities are comprised mainly of senior high-rises with an average age of 50 years. With the current land use restriction, they will be affordable for at least the next 40 years so that we can maintain the quality of these residences for our seniors, we will need to recapitalize these communities in the coming years. Our challenge will be assembling the financial resources to make the necessary renovation improvements. An important component of the recapitalization is obtaining the real estate tax abatement. Currently, this is available after year 15 for affordable housing units funded by Florida Housing. I encourage your support of any legislation that would provide a real estate abatement for all affordable housing that commits to permanent affordability. The abatement would commence upon placed in service date. This is another tool to make sure affordable housing is maintained and preserved from the beginning.

As an affordable housing developer and HFA board member, I encourage Florida Housing to adopt a permanent affordability period for all future 9% Housing Credit communities. Please let me know if you have any questions or comments.

Best,



Debra F. Koehler
President