



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



July 18th, 2022

Mr. Trey Price, Executive Director
Ms. Marisa Button, Director of Multifamily Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: 9% Tax Credit RFAs

Dear Mr. Price and Ms. Button:

Rural Neighborhoods, Incorporated, appreciates the opportunity to comment on the ongoing crisis in affordable housing, its development and preservation under the 9% Low Income Housing Tax Credit program. In the communities we serve (ranging from the Florida Keys to Miami Dade, Collier, Okeechobee, Hendry, Hillsborough, Polk and Alachua counties), the crisis in affordable housing has never been greater. Moreover, the growing loss of income-restricted and naturally occurring affordable housing outpaces new development as rents rise due to inflation and increased vacation rentals displace renters. The Shimberg Center recently testified that Florida saw about 4,000 units exit affordability in the past 3 years and, by 2032, 250 developments totaling 24,639 affordable units are scheduled to be lost.

To grow Florida's supply for current and future generations it is imperative more be done to preserve rental communities if we are to ever build our way to an adequate supply. Accordingly, Rural Neighborhoods urges Florida Housing Finance Corporation to **require permanent affordability in all FHFC-financed developments beginning with 9% Low Income Housing Tax Credits.**

Elected officials in the communities we serve express increasing alarm as rental shortages impact not just traditional *affordable* income targets but also *workforce* income strata. Essential service personnel such as 1st responders, educators and healthcare personnel now also find themselves income-burdened.

- CDBG-DR is one recent example of FHFC requiring 99-year affordability periods. This requirement did not result in inadequate numbers of applications. Indeed, significant numbers of Developers leveraged CDBG-DR funds with 4% Housing Credits demonstrating the feasibility of *perpetual* set-asides.
- Certain jurisdictions, e.g., Monroe County for one, increasingly require 99-year affordability. Our accusation of the expiring Tradewinds Hammocks 9% LIHTC rental community resulted in the Monroe County Land Authority's extension of their affordability requirements to 99 years. In Monroe and Collier, recent Development Agreements issued competitively that included opportunities for discounted public land sought 99-year affordability periods. Each had 6 or more applicants.

In pursuing perpetual affordability and to enhance project viability, FHFC should enable land value from municipal or county governments to count toward Local Government Contribution in qualifying for Local Areas of Opportunity. In many instances, the value of contributed land value far exceeds the required cash contribution. For example, Rural Neighborhoods, as the selected Developer in Collier for public land associated with the Golden Gate Golf Course, estimates the land contribution in excess of \$30,000 per apartment or \$3,000,000 for the intended 100 unit senior 9% LIHTC project.

Thank you for consideration of this issue. If we can be of assistance during the discussion process do not hesitate to telephone or communicate through Email at 305-242-2142 or stevekirk@ruralneighborhoods.org.

Sincerely,

Steven Kirkelec71722:3:30

Steven Kirk
President

