

FHFC RFA 2024-201 (SunRail Goal)

Thank you for the opportunity to comment on the upcoming RFA 2024-201 (9% HC for Small and Medium Counties) regarding the importance of the SunRail Goal in creating affordable and workforce rental developments near Central Florida commuter rail stations.

Background

SunRail is a 61-mile commuter rail service that operates in Central Florida across Orange, Seminole, Volusia and Osceola Counties with 16 stations in service to date. Expansion of the SunRail system within these counties will increase ridership in the coming years as new rail stations are established near existing tourist destinations, job centers and other transportation hubs such as the Orange County Convention Center, International Drive, Universal Studios, Disney World, Orlando International Airport and the Brightline Railway – with the ultimate vision of connecting Central Florida to Tampa and Miami. Plans to extend south into Polk County are being considered by Polk County leaders. As noted in numerous studies the economic benefits of commuter rail systems throughout the country have long been accepted-- not only for improved mobility options and reducing the amount of automobile traffic on the roads-- but also for the health, safety and welfare of the local communities that prosper from the new investment and development around these rail stations.

Over the last decade Florida Housing has recognized the importance of proximate public transportation opportunities to the location of affordable/workforce housing developments. To further this policy priority in Central Florida, a SunRail goal was created in 2019 within the RFA process to encourage 9% HC awards within a half-mile of the rail stations. To date the SunRail goal has been responsible for funding the development of over 400 affordable/workforce housing units, whose tenants can easily access this burgeoning infrastructure. Without the goal, units would not have been built near SunRail stations. These success stories did not happen in a vacuum as in most every case the local government was instrumental in being a party to the public-private partnership that made the development possible. Similar to the LGAO goals, long-term coordination between the developer and the local governments was essential to creating a viable residential community.

Current Situation

If you are a developer of affordable/workforce housing today it is difficult to find a competitive site that meets all the thresholds of the application process, has a reasonable price and the seller is willing to sit on an option contract that extends more than 6 months without additional installments or purchase deadlines. This problem is not new but is more acute for a multifamily residential site having sufficient density within a half mile of a SunRail station. This has resulted in fewer SunRail applications over time as the pricier residential sites have been purchased by market rate developers.

Our ability to apply for funding in 2021 using the SunRail goal for the Banyan East Town property took over 2 years. Before acquiring the site located in unincorporated Seminole County, adjacent to the City of Altamonte Springs, the City was very supportive of having the property annexed for a potential SunRail development within their approved East Town Vision Plan. Once annexed, a future land use plan amendment and a rezoning could be approved by the City to provide the higher density needed to make the affordable development feasible. 2 years later the entitlements were completed and we were able to apply to Florida Housing. Since the award was made, Seminole County agreed to provide SHIP funding that has helped cover infrastructure improvements around

the property that satisfied both the City and County permitting requirements. Florida Housing kept the deal moving with CHIRP funding in 2022 which, in conjunction with eliminating the market rate units, allowed the transaction to close and commence construction. The 92-unit affordable development is scheduled to complete construction by the end to this year.

The point of sharing this experience is to demonstrate how critical the SunRail goal is in order to submit a potential site for funding under Florida Housing's RFA process. And while there were no guarantees of success, once the SunRail goal was in place we were able to move forward with plans to apply in year 3 of the goal being in the RFA. FHFC's commitment to consistent expectations in funding goals made this long term play possible.

Recommendation: Continue to maintain the SunRail Goal in the 2024-201 Geographic RFA to fund at least 1 SunRail application and ensure that the goal remains in existence over the next three cycles.

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