

Stone Soup Development's Recommendations to Affordable Housing Workshop

- As a general comments: (1) We face a housing crisis in Florida and the biggest impediment is two-fold: a) low wages and b) not enough funding to generate the number of affordable units needed. So immediately the Republicans who control Florida Legislature should immediately - **FULLY FUND SADOWSKI!** FHFC needs to do a better job in encouraging and supporting nonprofit developers seeking 9% tax credits. Florida typically only allocates the federally mandated minimum of 10% of its tax credits to nonprofits many other states do much better. Also, there should be a reduced application fee to 100% nonprofit deals. Why should FHFC increase funding to nonprofit developers? Nonprofits better represent their communities, build better projects and ultimately they are not largely motivated by profit.
- Elimination of the lottery system for both 9% and 4% tax credit deals – and move to a system that chooses the best deals. Florida should do as other states and score out applications to two decimal points. Points should be given for leveraging of State funds down to the dollar, and proximity to services down to number of feet from the project including: public transportation, public schools (more points if you are near two or more elementary school, middle school, high school or college), public parks (more proximity points parks with a variety of recreational activities like: a swimming pool, tennis courts, basketball courts, baseball field, soccer/football field, running tract, etc.), grocery stores, pharmacies, health care facilities, governmental service centers, community service centers including: youth, elderly and family centers that are operated by both governmental and private nonprofit entities, public library, performing arts and recreation including: museums, zoos, performing arts theaters, and movie theaters.
- Federal rules require that a minimum of 10% of tax credits go to nonprofit developers. Ten percent is a minimum and we believe that FHFC should do much more to promote nonprofit involvement. (I'll do some research and add a list of States and their % of funds going to nonprofits). For 2018, we advocate that FHFC Board adopt a goal of allocating at least 30% of Florida

tax credits to nonprofit deals in 2018 with a goal of 50% of tax credits going to nonprofit deals by 2020. Further, that deals that are 100% nonprofit developed receive priority over deals where a for-profit developer partners with a nonprofit developer.

- Currently FHFC mandates that 10% of tax credits funded units must be affordable to Extremely Low Income (ELI) renters. We suggest that the new minimum be 30% of the units are for ELI renters (20% regular ELI and 10% for Special Needs Housing).
- FHFC should double or triple the amount of funds set aside for Special Needs Housing. Further, Special Needs Housing developments should be allowed to have up to 50% of the unit serving non-special needs renters.
- Not too many years ago the application fee for nonprofits was \$1,000 and then it inexplicably was raised to \$3,000 – the same rate that for-profits pay. Please consider reducing the nonprofit application fee for all of your RFA's to \$1,000. Cash is one of the most significant barriers to nonprofit participation, especially for new or smaller nonprofits. If FHFC is concerned about the loss of revenue then it should simply raise the for-profit application fee to \$3,500.
- For deals where a nonprofit is 100% developer and owner allow the donation of land to meet any local matching or local funding requirements for all of your RFA's and as a source of funding. Over the years we have heard the argument that FHFC has made against counting donated land; however, nonprofits are much less likely to try and “game” the process. Also, many nonprofits do not have ready cash to provide for matching requirements; however, they often own land or can get land donated to them from local government, foundations, churches etc.