WENDOVER
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Below are inherent issues with the Local Government Areas of Opportunity Funding:

1. Many cities do not agree with their own county's stance on providing the Local Government Areas of Opportunity Funding, and vice versa. There is not consensus in any county outside of Duval that we are aware of. This will lead to infighting, and potentially a single city within a county receiving an allocation of tax credits every year in perpetuity. This is in complete opposition to FHFC's goal of spreading affordable housing around not only state-wide, but also at a county level as well. Potentially, 10 phases of the same project could be funded and built over 10 years if the Local Government Areas of Opportunity Funding is allowed to continue.

2. The Local Government Areas of Opportunity Funding could lead to insider dealings and perhaps even fraudulent activities. There is no way for FHFC to monitor this process at a local level and ensure that its outcome mirrors FHFC's stated goal to spread affordable housing throughout the State of Florida. As recent history indicates, a small minority of developers will exploit any and all potential advantages that they see, especially where oversight is minimal.

3. The Local Government Areas of Opportunity Funding is contrary to the competitive nature of FHFC's allocation process. While it may simplify the process in some areas of the State, the lack of competition within many counties may lead to increased project costs and lesser quality of product. If a developer knows they are going to receive project funding despite any other competitors' costs, there is no incentive to value engineer any aspect of the development to ensure proper leveraging. Maximizing developer fee and maxing out per unit costs will become the only drivers. Additionally, every safeguard that FHFC puts in place to prevent overbuilding in concentrated areas is overridden by having the Local Government Areas of Opportunity Funding.

If the Local Government Areas of Opportunity Funding is not to be eliminated, which is in the best interest of most parties in the State, our suggestion is to take $2,110,000 in tax credits annually and have a standalone RFA for this issue. To apply in that RFA, each applicant would have to have the Local Government Areas of Opportunity Funding points. This way, a second deal could be awarded to a Large County outside of the Geographic RFA's annually, and there would still be competition amongst those Cities and Counties that want to allocate resources in this manner. However, our belief is that the money that is allocated for the Local Government Areas of Opportunity Funding should be used by municipalities in conjunction with 4% credits and bonds.

Additionally, as discussed in the workshops, local government contributions in all forms should be completely eliminated going forward.