SOUTH FLORIDA COMMUNITY DEVELOPMENT COALITION

August 26, 2013

Mr. Len Tylka
Chair of the Board
Florida Housing Finance Corporation
5725 Corporate Way, Suite 202
West Palm Beach, FL 33407

Re: Rule Making for 2014 Tax Credit Cycle

Dear Mr. Tylka:

South Florida Community Development Coalition (SFCDC) is a nonprofit membership organization dedicated to building communities and developing assets in Miami-Dade County. We achieve these goals through expanding the capacity of community development practitioners to develop affordable housing and economic opportunities. We represent over sixty members — non-profit developers, lenders, businesses, and individuals — who work to provide low and moderate-income people with access to the tools necessary to build wealth, and to ensure that all neighborhoods are livable, safe, and economically vibrant.

On behalf of our membership, I would like to express our distress with the latest change to the proposed Rule for the 2014 Housing Credit Cycle. We were initially encouraged when the May Draft Rule came out with the cost per unit being the primary tie-breaker, rather than the previous Rule which results in a lottery being the final determinant of winners. Now FHFC is proposing to go backwards to an even more convoluted system with a maximum price per type of housing and a two-tiered A/B grouping rather than simply adopting cost per unit as the primary tie-breaker.

We strongly believe that leveraging tax credits on a per unit basis rather than utilizing the lottery system is a fair and just practice when determining tie-breakers for winning deals. We believe this decision is beneficial for all, and discourages developers from flooding FHFC with multiple applications to in order to receive an unfair advantage of multiple lottery numbers and consequently a greater chance to win deals. It is sound public policy to determine the winners of tie-breakers as the projects which have the best leveraging, as it will generate the most housing for the limited funding available. In addition, it allows for a more even playing field, especially for non-profits like our membership to compete. Your proposed May Rule was a step in the right direction, and we urge you to go back to cost per unit tie-breaker. Why not simply adopt FHFC's current RFA for housing for people with developmental disabilities which has cost per unit as the tie-breaker. If it is good enough for the developmental disabilities RFA why not the same Rule for the RFA's for Small/Medium and Large Counties?

Another issue we wish the Board to discuss is the application cost. For many years there has been a discount for nonprofits who apply for tax credits, $1,500 rather than $3,000. In explicably, the proposed Rule for 2014 eliminates the discount to nonprofits - we ask that you restore the discounted fee.

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FHFC has a goal of a certain percentage of funding going towards deals where nonprofits have a 51% ownership interest. We believe that this goal should be refined so that deals where the nonprofit has 100% ownership should be ranked ahead of deals where the nonprofit only has 51% ownership.

Finally, we have advocated for a number of years that **all** FHFC Board meetings, workshops and public meetings should available via webinar. The cost to travel (especially to Tallahassee) is prohibitive for most nonprofits. By broadcasting your meetings via webinar it will allow much greater participation and input from the nonprofit community which we also believe is good public policy.

Thank you for providing us with an opportunity to comment on these important issues.

Sincerely,

Chair, South Florida Community Development Coalition

cc: FHFC Board Members
Steve Auger