



October 16, 2013

Steve Auger  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301

**Re: Florida Draft 2014 Qualified Allocation Plan**

Dear Mr. Auger:

The National Housing Trust is a national nonprofit organization formed to preserve and revitalize affordable homes to better the quality of life for the families and elderly who live there. The National Housing Trust engages in housing preservation through real estate development, lending and public policy. Over the past decade, NHT and our affiliate, NHT-Enterprise Preservation Corporation, have preserved more than 25,000 affordable apartments in all types of communities, leveraging more than \$1 billion in financing.

We appreciate the opportunity to comment on Florida's draft 2014 Universal Application. While NHT recognizes FHFC's effort to encourage preservation by creating a set-aside of Florida's competitive tax credits, we believe more can be done.

***In summary, we urge Florida Housing to:***

- Increase the amount of tax credits dedicated to the preservation and rehabilitation of existing multifamily affordable rental housing.
- Ensure that preservation projects are competitive across RFAs.

***Low Income Housing Tax Credits and Preservation in Florida***

Our nation faces a serious shortage of housing for low- and moderate-income families. At the Trust, we are committed to this work because saving affordable housing is the essential first step in addressing our nation's housing dilemma. **We believe preservation is integral to building and maintaining sustainable, economically vibrant and healthy communities.**

- **Preserving is cost effective.** Preserving and rehabilitating existing housing has proven to be a cost-effective method to provide rental housing to low-income families and seniors. Nationwide, rehabilitation projects require almost 40% less tax credit equity per unit than new construction developments. **In 2012, the average amount of low income housing tax credits for new construction properties was c \$140,800 per unit, while the average for preservation projects was \$90,400 per unit.** In addition, preservation prolongs federal investment in affordable housing properties.

National Preservation Initiative

- Affordable housing is irreplaceable.** Over the last decade, more than 15% of our affordable housing nationwide has been lost to market-rate conversion, deterioration, and demolition. **In Florida, over 24,000 critical affordable housing units occupied by very low income seniors and families are at risk over the next five years** (see table). By prioritizing preservation, Florida's Qualified Allocation Plan can provide the incentives necessary to prevent the loss of this indispensable affordable housing. Property owners, nonprofit organizations, developers, and local governments depend on state housing finance agencies to provide the financial and technical assistance necessary to preserve affordable housing for future generations
- Preservation is trending.** States around the nation have recognized that preservation is a common sense response to America's affordable housing shortage, and have prioritized preservation and rehabilitation in their QAPs. Forty-six state agencies prioritize competitive 9% tax credits for preservation by creating set-asides or awarding points to proposals that involve the preservation and rehabilitation of existing affordable housing. **In 2012, 30 states allocated more than 30% of their Low-Income Housing Tax Credits toward preservation.**
- Preservation provides critical housing for low-income working families and the elderly and disabled.** Two-thirds of tenants residing in Project-Based Section 8 housing are either elderly or disabled. Of the remaining one-third, **62% are employed or working toward employment** under assistance programs like TANF. The loss of this housing has serious consequences for these residents. Preserving affordable housing means more than simply saving a building—it means preserving the access of low-income families and seniors to choices in employment, in needed services like health care, and in education for their children, all in a stable living environment. It is *stable* housing, not tenure, which is crucial to providing quality of life benefits.

### Assisted properties in Florida

**Project-Based Section 8** properties with contracts expiring by 2018:

- **24,256** assisted units in **309** properties
- **46%** of which are owned by for-profit owners

Preserving affordable housing is the obvious first step to meeting Florida's rental supply needs. Our nation builds approximately 100,000 affordable apartments each year. But for every new affordable apartment created, two are lost due to deterioration, abandonment or conversion to more expensive housing. Without preserving existing affordable housing, we fall two steps back for every step we take forward.

**With this in mind, we strongly encourage Florida Housing to make preservation a priority and increase the 15% currently dedicated to the preservation, to at least the 35% from last year and structure the RFAs to allow preservation properties to compete across RFAs.**

## Conclusion

It is fiscally prudent for states to balance tax credit allocations between new construction and preservation/rehabilitation. In addition to helping to build sustainable communities, preservation is significantly more cost-efficient and environmentally friendly than new construction.

The National Housing Trust urges the Florida Housing to continue its support for sustainable communities and the preservation of Florida's existing affordable housing by increasing the set-aside for preservation in your final 2014 QAP.

Thank you for the opportunity to comment on this important issue in the State of Florida.

Sincerely,

A handwritten signature in black ink that reads "Michael Bodaken". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael Bodaken  
President