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From: Shawn Wilson [SWilson@blueskycommunities.com]

Sent: Tuesday, September 24, 2013 03:10 PM Eastern Standard Time

To: Ken Reecy

Subject: Preservation RFP

Dear Ken,

These are public comments, reiterating some of the points I made at the workshop:

1. Transformative Preservation – Nice idea! I think someone at the workshop said this was sort of a hybrid between regular tax credits and an ALF. This probably has a place, but I'm not sure why its limited to Preservation. Also, my initial guess is this will entail approximately \$1,500 per unit per year in additional service delivery costs. FHFC should ensure that approved developments have a plan for covering this expense.
2. Mandatory Distance Requirement – This should be automatic when the Development meets the 3 conditions shown in the bullet list on page 20 (i.e. 30% ELI, RA Level 1 or 2, and 75% RA).
3. Goals – I heard that the purpose of this RFP is to help Elderly or Disabled Section 8 or Public Housing households, because they are our most most vulnerable. Thus, it follows that the Goal should be to fund 3 or 4 Elderly/Disabled Developments first, then a Family Development after. The way the Goal is stated in the current draft provides a preference for a type of Development that is not really the focus of this funding (i.e. Family).
4. Per Unit Construction Funding Preference – When I made the comment that the amount should be lower, Staff stated that all but a few of the recent Preservation apps came in above \$40,000 anyway, so that this should not really make a difference. Please recall those recent Applications were assuming the 9% Fixed HC rate and lower borrowing rates, which allowed for greater levels of Rehab than we might see this year. This fact, combined with the lower average unit sizes for Elderly, has led to a tightening in the feasibility of simply adding another \$5-10k per unit to our models. If we can produce a properly rehabbed unit for, say, \$30,000/unit, isn't it good public policy to do so? I would also point out that in the write-up on Transformative Preservation, the range described as being a "Full rehabilitation" was listed at as low as \$35,000 per unit.

Thank you very much for your consideration and please do not hesitate to contact me for anything.

-Shawn



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