



**FLORIDA COUNCIL FOR AFFORDABLE
AND RURAL HOUSING**

P.O. Box 10293 • Clearwater, FL 33757 • (727) 443-3251 • Fax (727) 447-2252

March 24, 2015

Mr. Steve Auger
Executive Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: 2015 Draft Preservation RFA

Dear Mr. Auger:

Florida Council for Affordable Rural Housing is deeply concerned with the draft RFA criteria released on Friday, March 20, 2015. Our members have met with FHFC Staff, USDA Staff, and prepared a booklet of statistical data and comparison to what other states are doing for USDA RD properties.

Our concerns are:

1. There is a goal to preserve only one USDA RD property which represents less than 1% of the total LIHTC allocation authority. Other states have a minimum of 5% for USDA RD properties.
2. With the limited resources for this RFA including the goal to fund an Elderly Transformative development, no other USDA RD property will be preserved.
3. The ranking preference for concrete construction will eliminate most USDA RD properties and make it impossible to compete with HUD properties.

The facts are:

1. Since the 2011/2012 application cycle, only one USDA RD property has been funded.
2. Our properties serve an average annual income of \$10,024 with an average monthly rent of \$250.00.
3. The average HUD development requests \$1 to \$1.5 million in LIHTC while the average USDA RD development requests an average \$350,000 to \$500,000.
4. For every HUD property funded, 2 -3 USDA RD properties could be preserved.
5. USDA RD properties can not compete in other RFAs due to the selection criteria.

The members of Florida CARH request \$2 million or 5% of the annual LIHTC authority for USDA RD properties.

The LIHTC program is a vital source in assisting USDA's portfolio and without FHFC's assistance, preservation of these much needed properties will not occur. Thank you for your time and consideration.

Sincerely,

Richard S. Miskuk
President
Florida Council for Affordable Rural Housing (Florida CARH)

Cc: Ken Reecy, FHFC Director of Multifamily Programs
Nancy Muller, FHFC Policy Programs
Kevin Tatreau, FHFC Development Finance
Richard Machek, USDA RD State Director
Nigel Parish, USDA RD Multifamily Programs
Florida CARH Members



QAP Comparison of Other States (Preservation & USDA/RD set-asides)

Ohio – 45% for Preservation with 30% or
\$2.5m for Rural Counties

Texas – 15% at Risk Set-Aside with 5% or
\$3m set-aside specifically for USDA/RD
properties

Georgia – 35% Rural Pool

North Carolina – \$750,000 set-aside for
USDA/RD properties

Michigan – 25% Preservation with a
minimum of 10% to properties with
USDA/RD existing loans

See Next Page for additional Data from The Gill Group.
See Exhibit E for additional data from States.



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July 17, 2014

Florida Housing Finance Corporation
c/o Steve Auger
c/o Ken Reecy
227 North Bronough Street
Suite 5000
Tallahassee, FL 32301

Dear Florida Housing Finance Corporation:

The chart below is a summary of the rural set-asides put into place to assist those developers who seek to enrich the lives of low income individuals and families in rural areas. Much of the time, it is difficult for an application involving a small, rural property to compete with a larger urban or suburban property in the states where there is no rural set-aside.

Because I do not feel that people should face discrimination based on their income coupled with the fact that they choose to live in a less populated area, I have assembled this list. These are the states that have determined that even though rural properties may be more difficult to operate competitively, it is important to provide housing to those in need, wherever they choose to live.

From a technical aspect, other than West Virginia, none of these states distinguish between preservation and new construction in their rural set-asides. Based on research completed by Flynn Development Corporation, most states do have an overall minimum of 35% of set-aside for preservation (contact Angela Hatcher at Flynn Development Corporation for further details on their research).

As of now, almost half the country has a rural set-aside. This same analysis was completed five years ago, and the number of states and the total set-aside amounts have only increased since then. In order for Florida Housing Finance Corporation to meet the needs of all of Florida's residents, it is imperative that a rural set-aside be implemented.

In addition, to prohibit the cannibalization of current units and infrastructure, Florida Housing Finance Corporation should consider a 35% set-aside for preservation applications similar to nearly every other state.

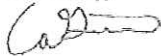
| Set-Asides for Rural Communities in State Qualified Allocation Plans (QAPs) - 2014 Provided by Gill Group, Inc. | | | |
|--|-----------------------|---------|----------|
| State | Set-Aside Description | Percent | Comments |
| California | Rural | 25% | |
| Georgia | Rural | 35% | |
| Idaho | USDA/RD Set-Aside | 10% | |
| Illinois | Non-Metro | 20% | |
| Indiana | Rural | 10% | |

July 17, 2014

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|----------------|---|-------|------------------|
| Iowa | Rural | 15% | |
| Kentucky | Rural | 30% | |
| Louisiana | Rural Area Project | 10% | |
| Michigan | Rural Housing | 10% | +30% basis boost |
| Minnesota | RD/Small Project Set-Aside | 2.5% | \$300,000 total |
| Nevada | USDA/RD Set-Aside | 10% | |
| New Mexico | USDA/RD Set-Aside | 10% | |
| Ohio | Rural Areas | 22% | |
| Oklahoma | USDA/RD (10%); Other Rural (15%) | 25% | |
| South Carolina | Rural Housing Services | 7-10% | \$800,000 total |
| Texas | USDA/RD Set-Aside | 5% | Minimum of 5% |
| Utah | Non-Metro and Small | 25% | |
| Washington | RD & Rural Housing | 20% | |
| West Virginia | RD: Preservation (20%)/New Construction (15%) | 35% | |
| Wisconsin | Rural | 10% | |
| Wyoming | Small/Rural | 38% | |

If you have any questions concerning the above information, please email me at cash.gill@gillgroup.com.

Sincerely,



Cash Gill, MAI
Gill Group, Inc.

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