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430 Hartsell Ave
Lakeland, FL 33815

MAIN OFFICE

Phone: (863) 687-2911
Fax: (863) 413-2976

www.LakelandHousing.org

September 6, 2018

Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
Attention: Marisa Button
Director of Multifamily Allocations

RE: 2018/2019 RFA Public Comments

Dear Ms. Button,

The Housing Authority of the City of Lakeland, Florida appreciates this opportunity to submit comments for 9% LIHTC and SAIL/Bonds RFAs.

Create new PHA Leverage Factor

We respectfully request for a leveraging multiplier to be added for Public Housing Authority ("PHA") developments. PHA developments are more expensive than non-PHA developments, because of Davis Bacon wages and several other costly compliance items. Non-PHA developments have an unfair competitive advantage, because most PHA developments could unjustly fall into Leverage Group B and therefore lose all possibilities of getting funded.

The RFA drafts available are only providing for an Add-On to the TDC cap for PHA developments. A leverage factor is necessary, for the same reason that the TDC Add-On is necessary. We propose the PHA leverage factor to be 0.825.

Create "PHA Development" definition

We recommend creating the defined term "PHA Development", to mean: *"a Development proposal in which an Executive Director (or comparable officer) of a Public Housing Authority has executed a letter, attached to the Application as Attachment __, expressing that an affiliate or instrumentality to such Public Housing Authority is a Principal of the Applicant or the Developer, or is a Co-Developer."*

This new definition shall be used for both the PHA TDC cap Add-On and the PHA leverage factor here requested. It can also be used for the PHA proximity boost, so long as the Development Site has a Declaration of Trust, as currently required.

At a minimum, the current new language¹ added to the draft of the 9% RFAs needs changes, because:

1. Such requirement is unfeasible. PHAs cannot directly be Principals of Applicant nor Developer entities, because equity investors require GPs to be single purpose entities. It is also in the PHA's best interest to use single purpose entities, which are usually owned -second Principal level- by a 501(c)(3) non-profit affiliate to the PHA, and not by the PHA itself. Therefore, PHAs participate as partners or members of Applicant, Developer or Co-Developer through instrumentalities or affiliates created by PHAs for such purpose, but not by the PHA itself.
2. Not all PHA Developments are structured the same way. For example, some public-private partnerships are structured so that a PHA instrumentality or affiliate is just a Co-Developer, but not a partner or member of the private Developer or the Applicant. Therefore, the requirement highlighted to the footnote on the previous page should change to match the PHA Development definition proposed above.

Respectfully submitted,



Benjamin Stevenson
Executive Director

¹ "The Applicant should state whether any Principals of the Applicant entity are a Public Housing Authority. To qualify for the "Add-On Bonus" described Section Five, A.1 of the RFA and in Item 1 of Exhibit C, **the Public Housing Authority must be reflected on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16)**. For purposes of the "Add-On Bonus", the Public Housing Authority must not be disclosed as only the Investor Limited Partner of the Applicant or Investor Member of the Applicant."