

From: Brianne Heffner <bheffner@sphome.com>
Sent: Wednesday, October 3, 2018 8:38 AM
To: Marisa Button <Marisa.Button@floridahousing.org>
Cc: Trey Price <Trey.Price@floridahousing.org>; Scott Seckinger <sseckinger@sphome.com>; Mike Molinari <mmolinari@sphome.com>
Subject: SAIL 2018-116 - Local Gov't Contribution

Dear Marissa,

Thank you for the opportunity to comment on the upcoming SAIL funding Request for Application cycle and appreciate your consideration in the below matter.

We would like to again strongly encourage FHFC to not include the required minimum local government contribution as it relates to the SAIL RFA (or any other RFA). Because the SAIL RFA is not driven by the lottery, the local government contribution requirement does not make it easier or encourage large developers to submit numerous applications. The majority of local governments with a process in place to provide the minimum local contribution typically provide it for every applicant, so long as they meet threshold requirements; therefore, the minimum local government contribution requirement is not encouraging local governments to “get behind a project” or support the development. Instead, they provide it to all who apply.

It does, however, **provide a mechanism to prevent the development of affordable housing** by allowing local governments to decide NOT to provide the minimum local contribution to ANYONE who applies. This is not our opinion. This has been communicated to us expressly by numerous local governments around the state. Recently, we have run into several local governments that have an all-out moratorium on providing sign off on ANY of the required FHFC Application Forms, let alone establishing a process where they would actually provide a contribution of funds. We do not believe it is the intent of the Corporation retain a process that allows jurisdictions to prevent new developments from proceeding simply because they are affordable housing, which is a regular occurrence under the current system. In last year’s Small Medium County geographic RFA, no minimum local government contribution required and there were a number of applications from municipalities that historically had not been able to compete for funding. This was made possible because the local contribution was not required.

In addition to the use of the local contribution requirement as a weapon against the creation of affordable housing, the use of the local contribution for SAIL transactions is contrary to the very nature of the program. Generally, SAIL funds are awarded to developments that can best utilize the SAIL funds, as leveraging is a much more prevalent component of the SAIL competition. The developments that FHFC should fund with SAIL are deals with cheap land and the most efficient construction costs. These developments should not be passed over for less efficient transactions simply because they could not come up with the minimum contribution from the local governments. We want to have the most units funded in the most counties, as we can all agree that there is an overwhelming need for quality, safe, affordable housing throughout Florida.

This all is in addition to the fact that there is insufficient time ahead of the SAIL RFA for some jurisdictions to facilitate the process of getting local funding approved that is necessary to provide the local contribution. Some local governments that already have a plan in place may be able to do so, but these are the same jurisdictions that routinely provide the minimum local contribution.

Thank you so much for your time and consideration of this matter. If you have further questions please feel free to reach out at any time.

Sincerely,
Brianne Heffner
Southport Financial Services, Inc.
5403 West Gray Street
Tampa, FL 33609
O: 813-288-6988
F: 813-288-1511