**From:** Brianne Heffner <bheffner@sphome.com>
**Sent:** Thursday, January 24, 2019 10:32 AM
**To:** Marisa Button; Nancy Muller; Bill Aldinger
**Cc:** Susan J. Leigh (sleigh@comcast.net) (sleigh@comcast.net); Allison Tant
**Subject:** RFA 2019-107 - Workshop Comments

Dear Marissa, Nancy, and Bill,

Sorry for the delay and thank you again for the opportunity to provide comments on the proposed changes contemplated this year for the RFA for demographics serving those with disabling conditions or developmental disabilities. The workshop was very helpful and informative. As promised, here are the comments we made at the workshop in writing.

1. **Allow up to 25 units or 50% of the units to be two-bedroom units**

   We strongly encourage FHFC to reconsider limiting the number of two-bedroom units to 10 or 20% of the development in developments that choose the demographic of developmental disabilities. We request that FHFC allow for up to 25 units or 50% of the units be two-bedroom units. With limited resources, it is imperative to help serve the greatest number of residents, and offer quality, safe, affordable housing to those who need it most. It will also allow the for longer term residency for our residents. Resident make-ups change over the years, folks move in as single adults, they fall in love, they get married, they want to live with their siblings. Having units that folks can transition into over the years helps provide the most options to the property and those who want to live there.

   Financial feasibility of the developments will improve as two-bedroom units warrant higher rents. With this increased unit split we understand that FHFC may further restrict the number of IRO units. We anticipated the additional two-bedroom units as non-shared or single lease units. We suggest that with this increase the IRO units be restricted to no more than 12 units or 25% of total units as IROs.

2. **Allow up to two exempt units in addition to the imposed unit limits**

   We respectfully request FHFC to allow up to two exempt units, in addition to, the unit limits currently imposed. For example, those choosing the demographic of developmental disabilities could have 50 set aside units, and 2 exempt units for a total of 52 total units.

3. **Waive ELI units for non-SAIL Recipients**

We respectfully request FHFC to allow for those developments choosing the demographic of developmental disabilities be waived from setting aside ELI units. As there is no further subsidy being provided to help support the additional deep targeting it will put undue stress on the financial feasibility of such developments.

4. **Service Coordinators should not be a part of the Partnership Entity**

We strongly discourage FHFC from requiring the service coordinators be members of the applicant entity. The long-term stability and service aspect could easily be demonstrated using a long-term contract verse legally binding them within the applicant entity. Having these folks as member of the applicant entity would require them to go through rigorous underwriting already required by lenders, investors, and FHFC. It is difficult to find investor partners (syndicators) in these transactions and this is one more element that would negatively impact their consideration.

Having them within the entity would make it virtually impossible to fire them if their services were not up to standards required by the owner, FHFC, or other stakeholders.

What if they were no longer compatible for the development they work for? What if their ownership changes? What if their mission changed? What if they no longer work with the correct community partners? There must be an easy remedy to make the changes in service coordinator that is best for the residents. Terminating a contract is easier than legally changing the ownership entity. Having to change partnership agreements, and loan documents, and filing and getting an ownership change approved at FHFC and board level would not only take a long time, but also add costs to the operation of the development. No lawyer we've ever met works for free. You don't want owners "stuck" with someone doing a poor job because they are part ownership.

FHFC servicers do a great job of monitoring the management companies used in these developments, and this same type of monitoring could be used to ensure service coordinators are doing the best job possible. Putting the proper credit underwriting and monitoring policies and procedures in place instead of requiring ownership is best practice here in our opinion.

Thank you for your time and consideration in these matters. As always, we are available to answer any questions on these matters.

Sincerely,

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