RURAL NEIGHBORHOODS

Building Livable Places for Working Families

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November 8th, 2019

Ms. Marisa Button
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

Re: Reissuance of Funds Remaining from RFA 2019-101 CDBG DR in Monroe County

Dear Ms. Button:

Rural Neighborhoods and Seahorse Cottages at Big Pine Key, LLC provide comment on Florida Housing Finance Corporation's prospective reissuance of CDBG-DR funds remaining from RFA 2019-101. It is our understanding from comments made at the September 20th, 2019 corporation board meeting held in Islamorada, FL that FHFC intends to make such funds available to applicants constructing rental housing in the Florida Keys. If so, RN and SCBPK provide the below suggestions for your consideration in moving forward.

Unless unexpected new funds are allocated due to an amendment to the HUD CDBG-DR Disaster Plan, unused CDBG-DR monies are projected to total $3,200,054 +/-. Even should possible reductions in the number of units developed by one or more awardees cause this number to grow, total funds will be modest in comparison to most RFAs and project awards.

Accordingly, I ask FHFC consider the following comments:

1) Utilize a similar concept to that used in RFA 2019-101 requiring a local government, public housing authority or land trust to serve as the purchaser and subsequent lessor of land.
2) Utilize the Tier 1 and Tier 2 terms and prioritization per the past RFA.
3) Revise the Land and Development Categories to a single pool of funds thus reducing the prospect that small monies might again be leftover in one category or another.
4) Item 3 above likely results in per unit subsidy calculations that will seem higher in comparison to the prior RFA since land price was not included in the selection criteria but should not impact TDC per unit.

5) Enable enough response time, e.g. not less than 25 days, to enable appraisals to be prepared for new parcels given most RFA responses do not require such studies at time of application.
6) Permit Applicants to elect to designate a project as *"Phase 2"*, or some equivalent designation, that would permit any previous applicant under RFA 2019-101 to conduct a single annual audit of the two phases as one project and to be subject to a single monitoring fee over the affordability period. For example, professional fees charged per annual audit range from $6,000 - $12,000 per annum and monitoring fees over the 50-year affordability near $200,000 under the minimum charge. The administrative burden otherwise imposed is not in the best interest of either the Applicant, FHFC, Servicer or HUD and poses no competitive advantage or disadvantage to a new applicant who must meet monitoring requirements regardless.

This latter concern is believed beneficial to residents and other parties. The smallest projects are exempt from Resident Programs and projects from 8 to 25 provide but one program. Larger projects will provide greater services to residents, the required link units for special needs will be more workable and other management and operating efficiencies will accrue. Spreading personnel and other allocated costs over multiple legal entities poses an unnecessary administrative burden. RN and SBPK believe any necessary *"synching"* between phases needed to result in a simplified TDC, contract change order, number of ELI units etc. can be easily accomplished in credit underwriting. Importantly, such accommodation does not favor or preclude a new applicant over a prior respondent or vice versa.

Thank you for consideration of these issues. Please do not hesitate to call me at 305-242-2142 or 305-298-1100.

Sincerely,

Steven Kirk
President