

September 23, 2021

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

Re: RFA 2021-204 for Preservation – Changes to ESS Construction Funding Preference

Dear Marisa,

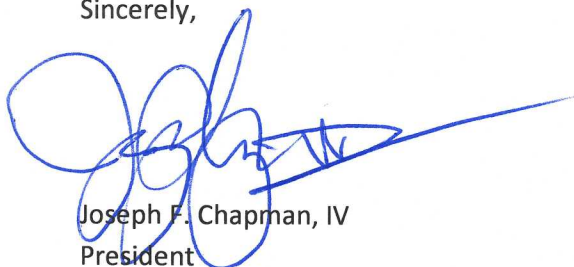
We applaud Florida Housing Finance Corporation's (FHFC) continued efforts to preserve Florida's aging affordable housing stock through RFA 2021-204 for Preservation applications. We are concerned, however, with the Application Sorting Order for this RFA. Item d. in the Sorting Order states, "By the Application's eligibility for the ESS Construction Funding Preference." We feel this addition to the Sorting Order unfairly favors developments in large, resource-rich South Florida communities while disfavoring developments in smaller, more rural communities. There are multiple reasons we believe this language should be removed from the RFA, including: (1) issues with retrofitting existing apartments; (2) complications in complying with ADA requirements; (3) the unfair advantage to certain geographic areas; and, (4) the structural integrity of wood frame buildings compared to block frame buildings.

- (1) The FHFC definition of Preservation requires a development to be at least 20 years old. However, the only truly competitive preservation applications are ones that qualify for the Age of Development Preference, identified as item b. of the Sorting Order, which requires developments to have been built prior to 1991; meaning the majority of apartments qualifying are over 30 years old. In our experience, most local governments, when approving renovations on apartments over 30 years old, are going to require some degree of new electrical wiring, new plumbing, new fire sprinklers, running new HVAC, etc. Every one of these major renovations is easier on wood frame buildings than block buildings. Due to the ease of making these changes, there are substantial time and costs savings. If we can provide substantial renovations faster and more affordably, we create a greater return for Florida Housing's investment in our project and dramatically shorten the time our residents may be displaced from their units. Overall, when retrofitting, wood frame apartments have a clear advantage over ESS buildings.
- (2) As previously mentioned, retrofitting wood frame apartments is easier and more cost effective than retrofitting block buildings. This is particularly important when renovating apartment buildings to comply with ADA requirements. It is now more important than ever to accommodate Americans with disabilities. To comply with today's ADA requirements, there are generally multiple renovations that need to be made to both ADA units and to common spaces. It is much easier and more cost efficient to make these changes and ensure compliance when working with wood frame rather than block. This provides a greater ability to create affordable housing units suitable for Americans with disabilities.

- (3) Reviewing the construction methodology of apartment buildings in Florida over the last 60 years, it is clear the vast majority of apartments utilizing ESS methodologies were built in and near South Florida. Apartments built through the Florida Panhandle, North Florida, and even Central Florida were far more often built with wood framing. The result then is that the ESS preference in the Sorting Order unfairly favors developments in South Florida and disfavors developments throughout the rest of Florida, especially rural communities. This outcome is particularly troubling when considering the inequality in resource availability between large, resource-rich South Florida communities and smaller more rural communities. We would argue that the preservation of affordable housing in rural communities that lack the resources to invest in local housing options is as important, if not more important, than preserving the housing stock in communities that have more resources readily available to serve their low-income residents.
- (4) There is no evidence that block construction is stronger or has a longer lifespan than wood frame construction. With Florida's strict building codes, wood frame apartments are built to withstand the impacts of strong hurricanes just as effectively as block buildings. We experienced the strength of our wood frame apartment buildings firsthand. Hurricane Michael hit Panama City in 2018 and to date is the third strongest hurricane in U.S. history, making landfall with windspeeds of 160 miles per hour. Our local apartment buildings survived the storm, the only major damage was caused by falling trees or large objects striking through roofs or weaker access points like windows. Most empirical research done on the topic will find that the useful life of both wood and concrete block buildings both exceed 100 years. One report, titled: *Survey on Actual Service Lives for North American Buildings*, found that wood buildings have the longest life spans out of all the buildings they studied. However, they attributed that to the prevalence of wood construction in older buildings before newer methods were introduced. Ultimately, the study found no significant relationship between a building's lifespan and its construction methods. Thus, confirming that neither construction method is superior and neither one should be prioritized over the other.

For the reasons mentioned above, we feel the ESS Construction Funding Preference should be removed from the Application Sorting Order language in RFA 2021-204 for Preservation applications. Removing this language from the Sorting Order and treating preservation deals fairly despite the construction methodology will allow a more equitable distribution of the state's limited resources and will further Florida Housing's goal to preserve affordable housing across the entire state.

Sincerely,



Joseph F. Chapman, IV  
President