

June 29, 2023

Ms. Marisa Button, Director of Multi-Family Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301



Dear Ms. Button,

The Public Housing Authorities (PHAs) in the state of Florida appreciate the opportunity to comment on the Florida Housing Request for Applications (RFA) process.

As you know PHAs are an atypical group regarding affordable housing development. Unlike typical affordable housing developments, developments on PHA sites are subject to additional levels of approvals, applications and processes that can impact the timeline compared to a typical Florida Housing closing schedule.

Even if a PHA-owned property is leaving its legacy HUD program, it still requires HUD approvals and processes to utilize the land and/or units. Department of Housing and Urban Development's (HUD) processes and timelines, which aren't under the Applicant's control and can be unpredictable. Most of the HUD processes cannot begin until the development receives funding. Relocation is another factor in many of these development projects, which cannot commence until HUD approvals are in an advanced state.

We are asking that Florida Housing consider these requirements, that are outside of the Florida Housing process, while formulating any penalties involved with the RFA process.

In the most recent drafts of the RFAs there have been penalties put into place that can render any PHA a taboo to work with. Developers will walk away from working with PHAs if they are penalized for working on HUD development projects.

For 9% Competitive LIHTC Developments that involve HUD

As per the latest revisions to the current RFA, for 9% Low-Income Housing Tax Credits (LIHTC), Carryover Agreements issued by the Corporation will require that the Owner finalize the underwriting report, close on the tax credit partnership, and commence construction typically within 9 months. For example: if the Carryover Agreement is issued in December then the deadline for commencing construction would be September 30th of the following year.

We request that you consider an exception for PHA development projects that require HUD approvals or funding - which could be in the form of rental subsidy. We propose that if the development has any HUD process or funding that, instead of a penalty for not closing and commencing construction by the deadline prescribed in the Carryover, the Owner should be required to submit evidence to Corporation staff that they have submitted or are taking steps to submit the required documentation/application(s) to HUD. This can be accomplished in multiple ways but could include status reports. Depending on the process being undertaken for the specific development, as all developments differ in the process, the applicable process would be described in underwriting and a critical path would be developed by the developer to outlay the plan and the timelines. If the Applicant is meeting the projected timelines, within their ability, then a penalty in a future Request for Applications (RFA) will be avoided.

For Bonds / SAIL developments that involve HUD

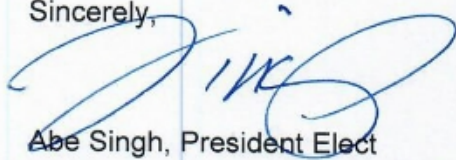
As per the latest revision to the Bonds/SAIL RFA an Applicant will be required to close on financing within 180 days of receipt of the Firm Loan Commitment to avoid a penalty in a future RFA.

As with the LIHTC RFA above, we request that you consider an exception for PHA development projects that require HUD approvals or funding - which could be in the form of rental subsidy. We propose that if the development has any HUD process or funding that, instead of a penalty for not closing and commencing construction by the deadline prescribed in the Firm Loan Commitment, the Owner should be required to submit evidence to Corporation staff that they have submitted or are taking steps to submit the required documentation/application(s) to HUD.

This can be accomplished in multiple ways but could include status reports. Depending on the process being undertaken for the specific development, as all developments differ in the process, the applicable process would be described in underwriting and a critical path would be developed by the developer to outlay the plan and the timelines. If the Applicant is meeting the projected timelines, within their ability, then a penalty in a future Request for Applications (RFA) will be avoided.

We appreciate the opportunity to comment on behalf of the 67 plus PHAs in the state of Florida.

Sincerely,



Abe Singh, President Elect

Florida Association of Housing & Redevelopment Officials