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RE: RFA – Viability Loan Funding Through SB102, The Live Local Act

The last few years have been challenging for affordable multifamily development. There are always surprises in development but the fact that issues with construction cost, interest rates and availability of materials converged made it almost impossible to overcome. With the passage of SB 102 it seemed to fit the bill for potential resolution based on the criteria established. The RFA does not follow completely the bill – which we understand the FHFC can set additional criteria.

**Issue:**

The Live SB 102 Legislation specifically lays out the specific parameters surrounding the use of these funds:

**Section 47.**

*...the General Revenue Funds us appropriated to the loan programs for new construction projects in the development pipeline that have not commenced construction and are experiencing verifiable cost increases due to market inflation. These funds are intended to support the corporations' efforts to maintain the viability of projects in the development pipeline as the unprecedented economic factors coupled with the housing crisis makes it of utmost importance to deliver much needed affordable housing units in communities in a timely manner. Eligible projects are those that accepted an invitation to enter credit underwriting by the corporation for funding during the period of time July 1, 2020, through June 30, 2022.*

The proposed RFA Language regarding eligibility for these funds in Section Four A includes the criteria:

“Must not have closed on the LPA, Tax Exempt Financing or any other Corporation Funding.”



There are properties not financed with FHFC bonds, but local bonds, and with that process had to close on their LPA in order to preserve the allocation.

We would like to have the Viability Loan Funding Through SB102, The Live Local Act RFA allow participation for a transaction that:

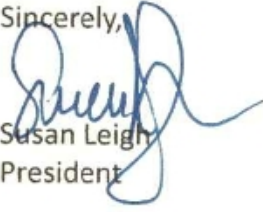
- Closed on the Bond Loan to preserve allocation with a local HFA.
- Closed on their LPA for the purpose of saving bond allocation.
- **Have NOT commenced construction.**
- No funds have been released from this closing event.
- Ability to document Increased costs.
- Credit underwriting occurred in the stated time frame of July 1 of 2020 through June 30, 2022
- No Notice of Commencement was filed.

SP had a development, Pembroke Tower II, whose closing occurred with Broward HFA on December 23, 2021. Pembroke Towers II applied for SAIL under the RFA-2019-116 SAIL/Bonds/ELI/NHTF. The Broward County HFA required that the bonds close before end of year 2021 to preserve the local Broward County bond allocation. For that to occur the LPA had to close. The property meets all the requirements of SB 102.

We are asking Florida Housing for consideration to change the language in the RFA to match SB102 so developments and those like Pembroke Tower II may be able to apply for this finite resource. This will save important developments allowing them to move forward and these same developments are shovel ready serving the stated purpose of providing affordable quickly.

Thank you for the opportunity to comment.

Sincerely,

  
Susan Leigh  
President