



October 4, 2023

Florida Housing Finance Corporation
Attn: Jean Salmonsens
227 North Bronough Street, Ste. 500
Tallahassee, Florida 32301

Re: RFA 2023-213 SAIL Funding for Live Local Mixed Income, Mixed-Use and Urban Infill Developments

Dear Ms. Salmonsens,

We are writing in support of the developer experience requirements outlined in Draft Outline as of 10/3/23. Specifically, we support FHFC's inclusion of developer experience requirements, as written, for both (i) developments combining LIHTCs with at least 25% non-LIHTC units and (ii) mixed-use experience in the context of a LIHTC development.

The nature of this RFA and the types of projects encouraged under LLA differ materially from traditional SAIL developments, and it's appropriate that the developer experience requirements would differ materially as well. Developing mixed-income projects, especially projects that include a mix of LIHTC and non-LIHTC units, involves a different skill set, risk profile, underwriting approach, and capital base. We believe it's entirely appropriate to expect an applicant to have demonstrated experience in these areas in order to be successful in this RFA. Nor is this experience that can simply be acquired by hiring a property management agent with experience in mixed-income development. These responsibilities and others fall under the role of the developer, not the management agent. To cite one example, as alluded to in the workshop, these projects are often structured differently, and the universe of investors who will invest in them is much smaller than the larger universe of LIHTC investors. Structuring these projects and obtaining and closing financing commitments from these investors are solely the responsibilities of the developer, not the property manager, and it is the experience and balance sheet of the developer that the investor and lender will look to when evaluating these investments. We also would disagree with the comment that developing a property with a handful of non-LIHTC units is comparable to developing a property with a large percentage of non-LIHTC units. In our experience, the complications increase substantially, the more non-LIHTC units are included. For that reason, we would encourage FHFC to keep the minimum non-LIHTC unit experience requirement at 25% or increase it.

Similarly, incorporating true mixed-use components into LIHTC developments can be challenging, and we believe it is sensible to ensure that applicants have demonstrable experience doing so before receiving FHFC funding to do the same. In addition to some of the same structuring and capital raising challenges described above in the context of mixed-income developments, mixed-use developments present unique challenges in the areas of site selection, market analysis, and building design and construction. These complications are significantly exacerbated in the context of LIHTC development, as opposed to simply a market-rate mixed-use development. For these reasons, we encourage FHFC to retain the requirement as written that an applicant have prior experience developing mixed-use developments with LIHTCs.

Sincerely,

A handwritten signature in black ink, appearing to read "John Shepard". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Shepard".

John Shepard
Vice President
Elmington