



May 18, 2023

VIA EMAIL: Marisa.Button@floridahousing.org

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

Re: Public Comment – 2023/2024 Request for Applications (“RFA”) Funding Cycle

Dear Ms. Button,

Thank you for the opportunity to comment on the 2023/2024 RFA cycle.

We respectfully request Florida Housing to consider an allocation of 9% tax credits for all small counties within RFA 2023-201. While we understand that there are alternative funding sources available for small county developments, such as SAIL and HOME, there are some challenges with these alternative funding programs that limit the amount of small county applications that may be financially feasible. Similar to medium and large counties, there is also a dire need for affordable housing within Florida’s small counties and a 9% tax credit allocation would be very beneficial. The need supported by multiple data points, as example according to the Shimberg Center’s [Spring 2023 Update of Florida’s Affordable Rental Housing Needs](#), 24% of renter households located within small counties are low-income (<60% AMI) and cost burdened (>40%). We agree that there is a tremendous need for affordable housing in Monroe County, therefore possibly a preference can be made to include small counties with the largest need. Continuing with the previously referenced Shimberg Center update, a preference to consider may be small counties that exceed 1,500 renters that fall within the category of 60% AMI or less, paying at least 40% of their income towards rent; Columbia (1,573), Monroe (3,666), Nassau (1,552), Putnam (1,526) and Walton (1,925).

In the event Florida Housing continues with the current decision to limit the small county 9% tax credit allocation to Monroe County, we’d like to recommend the reduction of the SAIL interest rate from 1% to 0% for small county applications. With this, as a result of a reduction of global debt service, Applicants may benefit from the ability to increase the permanent debt to reduce the funding gap. As an example, assuming a 35 year amortization permanent loan at 7.0%, NOI of \$250,000, a \$6,500,000 SAIL amount and maintaining a 1.10x dscr (all debt/fees), the permanent debt sizing with SAIL at 1% would be \$1,645,000 compared to \$2,470,000 with SAIL at 0%; an increase of \$825,000. To incentives Applicants, a potential consideration may be a reduction of the SAIL interest rate if an Applicant can demonstrate a high level of Non-Corporate Funding Sources, as discussed for medium and large counties during the May 4th Workshop, such as 10% of the SAIL request or a lower threshold than medium and large due to the limited funding available in small counties. Another suggestion may be to have a similar interest rate reduction as utilized with the HOME RFA pursuant to rule 67-48.020(2)(b).

Thank you, we sincerely appreciate your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Allan", is written over a white background.

Michael Allan
President
ReVital Development Group

cc: Jean Salmonsens (jean.salmonsens@floridahousing.org)