

February 22, 2023

Jean Salmonsens
Multifamily Allocations Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: RFA 2023-RUL 2023/2024 Rule Development

Ms. Salmonsens,

Thank you for the opportunity to provide comments regarding RFA 2023-RUL 2023/2024 Rule Development. I am writing as a follow up to a meeting I had with Ms. Button and Ms. Thorp regarding Principal Disclosure rules. We are asking FHFC to treat Applicant entities with Non-Profit organizations (including any subsidiaries) as part of the ownership, the same as a trust.

The current FHFC rules read as follows (Rule Chapter 67-48, F.A.C. eff. 7.6.22).

“(8) Unless otherwise stated in a competitive solicitation, disclosure of the Principals of the Applicant must comply with the following:

- (a) The Applicant must disclose all of the Principals of the Applicant (first principal disclosure level). For Applicants seeking Housing Credits, the Housing Credit Syndicator/Housing Credit investor need only be disclosed at the first principal disclosure level and no other disclosure is required;*
- (b) The Applicant must disclose all of the Principals of all the entities identified in paragraph (a) above (second principal disclosure level);*
- (c) The Applicant must disclose all of the Principals of all of the entities identified in paragraph (b) above (third principal disclosure level). Unless the entity is a trust, all of the Principals must be natural persons; and*
- (d) If any of the entities identified in (c) above are a trust, the Applicant must disclose all of the Principals of the trust (fourth principal disclosure level), all of whom must be natural persons.”*

Per these rules, all Principals of the Applicant that are disclosed by the third principal disclosure level (item 8.c above) must be natural persons with the exception of entities identified as a trust in which case the natural persons must be identified by the fourth principal disclosure level.

We are asking FHFC to treat Applicant entities with Non-Profit organizations (including any subsidiaries) as part of the ownership, the same as a trust by adding Non-Profit entities (including any subsidiaries) to the same exception allowing the disclosure of natural persons of the Principals at the fourth level. The rule as currently written causes many challenges for Non-Profit organizations that wholly own dedicated real estate development subsidiaries that exist and are managed separate from the other community-based services provided by the parent Non-Profit.

Non-Profit organizations by their very nature are designed to address community challenges for the overall public good. The mission of a Non-Profit can address a variety of community challenges and in some instances result in the need of dedicated subsidiaries (i.e., youth education, affordable housing, financial literacy, etc.) that report financially to the parent Non-Profit. The rule modification we are advocating for will allow for the real estate development subsidiary of a Non-Profit to remain in the Applicant ownership. This rule change will have a positively huge impact for Non-Profit subsidiaries whose roles include, but are not limited to developer experience/capacity, development operations, construction oversight, property management oversight and compliance oversight allowing the parent Non-Profit to remain focused on its broader mission for the public good. This rule change alone can help provide increased access to capital markets for the subsidiaries of Non-Profits and thus lead to increased capacity for Non-Profit developers.

Thank you for your consideration and feel free to reach out to me should you have any additional questions or comments.

Best,



Keith Franklin

VP of Development

New Urban Development

kfranklin@nudllc.org