

Jean - thank you for the opportunity to provide public comments in connection with FHFC's 2024-2025 RFA Funding Cycle. Following are our comments:

1. LGAO Form

Current Situation: In the 9% HC RFAs for 6 Large counties and Small & Medium counties, 1 application per county and/or municipality can qualify for LGAO designation. FHFC's Local Government Verification of Contribution - Grant and/or Loan Form(s) is used to (i) demonstrate local government contributions and (ii) qualify for LGAO designation. Although a local government may provide FHFC's local government contribution form with the intent/purpose being that the form be submitted in a FHFC RFA for non-9% HC funding (i.e., SAIL or other competitive funding), the local governments are not able to limit the RFA in which an applicant submits said form. As a result, an applicant may submit an executed FHFC local government contribution form for an application seeking to obtain LGAO designation/treatment, even though the local government may have selected another development to qualify for FHFC's LGAO designation. This would result in disqualification of multiple applications, in instances where 2 or more applications are submitted to FHFC for LGAO treatment in a given city or county, even though the local government may have selected only 1 development for LGAO designation.

Recommendation: We propose that FHFC develop LGAO – Grant and Loan Forms that are separate from the existing FHFC Grant and Loan Forms. This will allow counties and/or municipalities to designate which development will receive the LGAO funding contribution in each RFA cycle, and would eliminate the possibility of disqualification referenced above.

2. Extension of Submission Deadline for 9% HC for (i) 6 Large County and (ii) Small/Medium County RFAs

Current Situation: As of the 1/31/24 Workshop for the 2024/2025 RFA Funding Cycle, FHFC intends for the 9% HC 6 for Large County and Small/Medium County RFA submission deadline to be in July 2024. For the last 4 years, the submission deadlines for these RFA's have fallen between late August and the end of December. The development community plans pre-application activities around similar timeframes as in prior years. In some cases, projects submitted for funding to FHFC require pre-development approvals (i.e., zoning or land use changes & public hearings, etc.) which are underway for months prior to the RFA submission deadline. Further, LGAO funding awards from the local governments can be time consuming, given required approvals from city or county commissions. Some cities and counties do not hold Commission meetings throughout at least 1 summer month, making it difficult to have zoning and/or funding approvals in place by July.

Recommendation: We propose that FHFC move the submission deadline from July 2024 to September 30, 2024 for the 9% HC (i) 6 Large County and (ii) Small/Medium County RFAs.

3. Miami-Dade County 9% HC RFA – Higher Level of Ability to Proceed

Current Situation: In the workshop of January 31, FHFC staff mentioned it is considering introducing permitting approval as a priority item in connection with the selection of 1 application in the Miami-Dade 9% HC RFA.

Recommendation: Requiring permitting related items in connection with a FHFC funding priority may encourage excessive risk taking, given the uncertainty of the FHFC funding award process. Further, provided a development has obtained site plan approval by submittal of its application to FHFC, permitting can be done during credit underwriting and prior to financing closing. In connection with qualifying for a higher level of ability to proceed for the Miami-Dade 9% HC RFA, we propose that FHFC bring back the FHFC Local Government Verification of Status of Site Plan Approval for Multifamily Developments Form, with said form being revised to limit its applicability only to developments that have obtained site plan approval. Obtaining site plan approval in Unincorporated Miami-Dade County is a lengthy and expensive process, which can take 6-12 months, as it involves review and approval by several County departments. Although other municipalities in Miami-Dade (such as the City of Miami) have their own site plan approval process, in most instance these processes are also time consuming and expensive. Obtaining site plan approval is a high bar, and should address FHFC's intention to introduce readiness to proceed as a funding criteria for 1 development in the 9% HC Miami-Dade RFA.

4. Timeline for Application Withdrawal

Current Situation: FHFC is considering the removal of the Withdrawal Disincentive.

Recommendation: We are in support of this proposed change. However, we propose that in order for an application to qualify for exemption from the withdrawal penalty, FHFC require that said applicant must withdraw its application within 60 days of FHFC's issuance of the invitation into credit underwriting. Without a withdrawal deadline, applicants invited into credit underwriting will have no incentive to make a timely decision on the viability of their development, and applicants that are waiting in line with viable developments may forego the opportunity to move forward with FHFC funding. Given the material change involved with FHFC's removal of the Withdrawal Disincentive, and the resulting benefit to applicants with preliminarily-awarded projects that are not viable, we strongly suggest that a deadline apply to said withdrawal, in fairness to applicants that are waiting in line with projects that are able to move forward.

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