

From: [Steve Auger](#)
To: [Sheila Freaney](#)
Subject: Fw: Open letter to my fellow Florida Housing Finance Corporation Board Members...
Date: Monday, February 14, 2011 9:06:44 AM

From: Mike McLean
To: Len Tylka; Marilyn Carl; Mary Demetree; Lynn Hanfman ; Cliff Hardy; Will Lenihan ; Joseph Stadlen; Billy Buzzett ; Steve Auger
Sent: Sat Feb 12 18:41:35 2011
Subject: Open letter to my fellow Florida Housing Finance Corporation Board Members...

Fellow Board Members,

First, I would like to take this opportunity to express my appreciation to serve on this important Board of Directors. I wish all who are going through the reappointment process with Governor Scott's office the very best - it is my hope that the constitution of our Board will remain intact.

During my first Board meeting last month, our Chairman made it clear in his message the expectation of adhering to the public purpose of the FHFC and to research the issues involved. In response, in order to become an effective advocate for the rules we are proposing for Governor's approval, I have begun to read through the documents related to the upcoming Universal Application Cycle. I have reviewed the following:

2011 Qualified Allocation Plan approved November 18, 2010
12-1-10 Draft Application
12-3-10 Draft Application
Set Aside Location A areas through the December 10, 2010 draft
Public comments on the 2011 Universal Cycle

It is clear from examining the above documents that this Universal Application has been extensively work shopped in the public forum (a testament to hard work by FHFC staff) and that the public has taken the opportunity to comment on the proposed rules. The point scoring criteria for Development Experience, Construction Features and Amenities, Set-Aside Commitments, Resident Programs, Local Government Contributions, and Local Government Incentives are appropriate in my view. The Criteria seem to properly evaluate and rank our public purpose objectives, as well as encouraging quality construction and development. In addition, the inclusion of Tie Breaker Points for Services seems to encourage development in locations that our targeted residents will benefit from. The introduction of the Location A development eligibility makes good sense as a sensible way to attempt to ward off cannibalizing other affordable housing projects in that general area.

In my review of the proposed rules I have attempted to evaluate how the implementation of these rules is consistent with our Governor's agenda for new job growth throughout our State. Certainly the Governor's budget address in Eustis , Florida last week made that objective abundantly clear. The Group A and Group B leveraging classifications appear to address avoiding over subsidizing any competitive scoring application - thereby utilizing our Federal Tax Credit allocation to maximize development potential while providing a high level of quality construction for our citizens.

It is my hope that the Board will discuss the significant increase in the allocation of Housing Credits for Preservation for the current Universal Cycle. Certainly there is a solid public purpose for a Preservation policy, however, in light of our Governor's clear agenda for increased job creation, it would seem logical that in our current fiscal and political environment that remaining at the 2009 Universal Cycle level would bring greater results. It would seem logical that a greater number of quality / well paying construction jobs would result from New Construction allocations rather than preservation . Of course

preservation has its place, but it should be clear that New Construction will create additional permanent jobs to service those new developments.- while there would be very few permanent jobs created to service the preservation developments. With this perspective, I will ask the Board to consider a revision to our proposed rules that will return the preservation allocation to a percentage roughly equivalent to the 2009 Universal Cycle. This issue has been thoroughly presented and discussed along with extensive public comment - in my view it is up the Board to make an appropriate policy design in order to drive quality economic development and job creation to our State.

One other area within our proposed rules I ask for Board consideration is in regard to distribution of Housing Credit Allocation by County. It is my understanding that we have allocated our Housing Credits in the past based on a State per capita formula. I invite discussion to examine other fair and balanced approaches to distribute resources throughout the State in a manner that is consistent with FHFC's public purpose. I've noted that in the past cycle we had a limitation on the allocation of Housing Credits to any one County. In addition, it is obvious that all Counties do not have the identical rental housing need. Clearly Miami-Dade County has the largest affordable housing need and should likewise receive the largest percentage of our allocation. It is also obvious that the overall goal of the allocation is to geographically distribute resources in a consistent manner. In light of the information I have examined, I would suggest a fair and balanced methodology of 20 % of total allocation to be awarded to Miami Dade , 10 % to any other Large County and 4% to any Medium or Small County. The first application that exceeds these limitations should be funded and no others in that County during that Cycle. In my view, this will help provide for a fair and equitable allocation of resources and help in creating greater portfolio diversity. It would seem that job creation in a geographically diverse allocation would be greater than one that is not. It is my understanding that this issue was addressed in several public comments from the allocation workshops . It is my hope that this revision will be considered by the FYFE Board prior to approval for forwarding to the Governor's office.

The Universal Cycle Rulemaking Process , albeit lengthy and complex, has been historically a well developed mechanism for implementation of the public purpose objectives of the FHFC. My two suggested revisions are intended to enhance our consistency with the Governors job creation agenda and allow us to move through the final rule making process and properly and professionally. Please do not respond to this email as to not invite Sunshine Law Concerns.

Looking forward to seeing you at our next meeting on March 18th,

Sincerely,

Michael J McLean
Board Member, Florida Housing Finance Corporation