

June 25, 2019

Florida Housing Finance Corporation  
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**RE: Medium County RFA – Local Government Area Opportunity Funding (“LGAOF”) or (the “Preference”)**

Dear Marisa,

Please accept this letter on behalf of American Residential Communities (“ARC”) regarding FHFC’s position on the Funding Preference rule for the Medium County RFA. FHFC’s position on the rule would eliminate all jurisdictions in a County from providing the Preference the following year as a result of an application winning an award in that County, if the application qualified for Preference Funding. This would be the case even if an application won by a Funding Goal other than the Preference Funding Goal or if the application won by straight lottery, not by any of the applicable Funding Goals. To be clear, as long as it qualified for the Preference Funding Goal, regardless of how it wins an allocation, no applications from that County will be eligible for the Preference Funding goal the following year.

Alachua County is the example this year because of the current circumstances, but this will apply to any County with the same circumstances moving forward.

**Background:**

The applicant (Deer Creek) qualified for two (2) separate funding goals: Non-Profit (“NP”) and the Preference. They were a NP applicant and were given financial support from the City of Gainesville which qualified them for the Preference. After sorting, Deer Creek had the lowest lottery number in both the NP Funding Goal and the Preference Funding Goal. Because the NP Funding Goal was picked first in the Funding Selection Process, Deer Creek was chosen as the winning applicant for the NP Funding Goal. This then left two (2) applicants to be selected for the Preference Funding Goal. Applicants in Manatee and Polk County were the winning Preference Funding Goal applicants and hence those two counties would not be eligible for the Preference Funding the following year.

In the June 5<sup>th</sup> RFA Workshop, you elaborated on the Preference rules and how they would apply to the Alachua County example. You stated Alachua County applications will not be eligible for the Preference Funding this coming Medium County RFA cycle because Gainesville provided the Preference Funding to Deer Creek. So, the fact that Deer Creek was awarded the NP Funding Goal and not the Preference

Funding Goal, but were given funding for the Preference, and won, Alachua County is eliminated for Preference Funding this year.

RFA 2018-110, Section Five, B.1. "Goals" reads as follows:

"\*Note: During the Funding Selection Process outlined below, Developments selected for these goals will only count toward one goal. For example, if a Development is selected for the Elderly ALF goal but also qualifies for the Non-Profit goal, the Development will only count towards the Elderly ALF goal and another Development will be considered for the Non-Profit goal."

That same example used in the Alachua example would read:

For example, if a Development is selected for the Non-Profit goal but also qualifies for the Local Government Area Opportunity Goal, the Development will only count towards the Non-Profit goal and another Development will be considered for the Local Government Area Opportunity Goal.

If FHFC eliminates Alachua County this year, they are effectively allowing the Deer Creek application to be counted towards two goals, thus contradicting the rules of the RFA.

Had the City of Gainesville known the applicant they chose could have won just by being a NP application, they could have given the Preference to another project to increase their odds of receiving an allocation in Gainesville. They also might have used their funds elsewhere if they would have known that their funding was not needed for the Deer Creek application to meet a FHFC Funding Goal.

FHFC's position on this Preference Funding could effectively cause every funded county next year to be on a "Disregarded" list or "No Preference" list. For example, if there were 20 Preference applications submitted this coming cycle and all 20 had the lowest lottery numbers (1 through 20) and they were all in different counties (and 9 applications were funded) all 9 counties would be disregarded next year. Of course, the odds of this happening are low, but it could happen.

ARC would like FHFC to reconsider their position on the Preference Funding and disregard a County from the Preference the following year only if the applicant was awarded by the Preference Funding Goal. If the County had a winning application that was given the Funding Preference and it was awarded by means other than the Preference Funding Goal, that County should not be on the disregarded list for the following year.

We appreciate the opportunity to provide our suggestions.

Sincerely,



Stacy Banch