



September 25, 2019

VIA ELECTRONIC MAIL

Mr. Trey Price, Ms. Marissa Button, and Mr. Kevin Tatreau
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 500
Tallahassee, FL 32301

RE: TOTAL DEVELOPMENT COST (“TDC”) CAP FOR FLORIDA HOUSING (“FHFC”) FUNDED DEVELOPMENTS

Dear Mr. Price, Ms. Button and Mr. Tatreau:

The TDC per unit maximum (“TDC Cap”) was originally implemented as a countermeasure to prevent unscrupulous developers from overcharging and unreasonably overburdening affordable housing developments with unnecessary costs, and to avoid contractor kickbacks. Subsequently, FHFC instituted a GC Cost Certification which should have obviated the need for the TDC Cap. If, however, FHFC believes the TDC Cap to still be necessary, it is essential that the TDC Cap is adjusted to account for substantial increases in construction costs, since the TDC Cap as currently constituted is limiting the ability of affordable housing developers to continue to achieve the level of quality that the affordable housing community has delivered in the past. Higher quality accommodations allow residents to take pride in their community, drives more private investment to affordable housing, and fights the scourge of NIMBYism.

Recommendation:

Adjust the post-award TDC Escalation Factor to **3.00% annually**, to be applied from the RFA application deadline to the date of the GC contract.

Current Situation:

FHFC has recognized construction cost inflation in Florida over the last six years by annually increasing the TDC Cap in each subsequent Request for Applications (“RFA”). For example, the average increase of the TDC Cap in 9% Miami-Dade RFAs is almost 5% annually. There have been several factors that affect the TDC of a development, the greatest of which is the cost of construction, which is driven primarily by labor and material costs. However, another factor has now compounded the hardship for developers - the protracted time it takes to close on the acquisition and financing of the developments once an allocation has been preliminarily awarded. Unfortunately, the one-time escalation factor (usually under 2%) provided in past and current

RFAs (3% for new construction 2019 RFA cycle) has proven insufficient to keep pace with prevailing market conditions.

Excessive demand for skilled and unskilled labor, qualified and bondable subcontractors and now, for basic building materials, are raising GC contract amounts to record levels. To make matters worse, an ongoing immigration crisis and recent trade wars with major material exporting countries across the globe are exacerbating what is already an intolerable situation.

This increased demand and corresponding shortage of labor is also delaying the development timeline. Design professionals and consultants are at full capacity, which is delaying completion of drawings and final plan submittals, all of which are critical path items to close on affordable housing acquisitions and financing. More importantly, the number of permitting submittals in all municipalities is at an all-time high, further increasing approval periods. Obtaining bids in a timely fashion from qualified and experienced general contractors is a serious challenge in the current market. Specialized construction workers such as plumbers and electricians are particularly oversubscribed, further contributing to the extreme increase in costs. Finally, natural disasters like hurricanes, which have been more common in the past three years, aggravate the labor shortage and material pricing issues, and further extend timeframes for permitting and construction.

Previously, the period from application submittal to signed GC contract took around twelve months. As shown in Exhibit A, it can now take, on average, **nineteen months** from the RFA due date to execute a GC contract for developments funded under the 2017 RFAs. Most of the timeline is driven by the permitting process of each municipality. If a bid protest delays allocation, it could take two years from the date an RFA is due to when a GC contract is executed. If the development requires any kind of HUD approval, the timeline can easily exceed two years.

TDC Cap History:

FHFC has consistently increased the TDC Cap each year based on their own analysis. As an example, below is a chart of new construction TDC Caps for the **Miami-Dade County** 9% Housing Credit RFAs for each of the last five years, along with its percentage increase compared to the year before:

| Miami-Dade | Garden Wood | | Garden Concrete | | Mid-Rise Wood | | Mid-Rise Concrete | | High-Rise | |
|------------|-------------|-------|-----------------|-------|---------------|-------|-------------------|-------|-----------|-------|
| | TDC | % | TDC | % | TDC | % | TDC | % | TDC | % |
| 2019 TDC | \$223,500 | 3.00% | \$267,800 | 3.00% | \$267,800 | 3.00% | \$295,600 | 3.00% | \$337,000 | 1.51% |
| 2018 TDC | \$217,000 | 9.54% | \$260,000 | 9.20% | \$260,000 | 9.20% | \$287,000 | 9.38% | \$332,000 | 5.97% |
| 2017 TDC | \$198,100 | 3.02% | \$238,100 | 2.98% | \$238,100 | 2.98% | \$262,400 | 2.98% | \$313,300 | 1.00% |
| 2016 TDC | \$192,300 | 4.00% | \$231,200 | 4.00% | \$231,200 | 4.00% | \$254,800 | 4.00% | \$310,200 | 3.99% |
| 2015 TDC | \$184,900 | 6.51% | \$222,300 | 6.52% | \$222,300 | 6.52% | \$245,000 | 6.52% | \$298,300 | 6.50% |
| 2014 TDC | \$173,600 | | \$208,700 | | \$208,700 | | \$230,000 | | \$280,100 | |
| Average | | 5.21% | | 5.14% | | 5.14% | | 5.18% | | 3.79% |

The above Miami-Dade chart indicates an average annual increase of over **5%** for almost all development types. Similar charts can be made for the yearly TDC increment for all counties.

As another example, below is a chart of new construction TDC Caps for the **Medium Counties** 9% Housing Credit RFAs for each of the past six years:

| Medium Counties | Garden Wood | | Garden Concrete | | Mid-Rise Wood | | Mid-Rise Concrete | | High-Rise | |
|------------------------|-------------|-----------|-----------------|-----------|---------------|-----------|-------------------|-----------|-----------|-----------|
| | 2019 TDC | \$212,200 | 3.01% | \$255,400 | 2.98% | \$255,400 | 2.98% | \$282,200 | 2.99% | \$322,000 |
| 2018 TDC | \$206,000 | 9.11% | \$248,000 | 9.25% | \$248,000 | 9.25% | \$274,000 | 9.47% | \$317,000 | 6.09% |
| 2017 TDC | \$188,800 | 3.00% | \$227,000 | 2.99% | \$227,000 | 2.99% | \$250,300 | 3.00% | \$298,800 | 1.01% |
| 2016 TDC | \$183,300 | 2.98% | \$220,400 | 2.99% | \$220,400 | 2.99% | \$243,000 | 3.01% | \$295,800 | 2.99% |
| 2015 TDC | \$178,000 | 4.52% | \$214,000 | 4.49% | \$214,000 | 4.49% | \$235,900 | 4.52% | \$287,200 | 4.51% |
| 2014 TDC | \$170,300 | | \$204,800 | | \$204,800 | | \$225,700 | | \$274,800 | |
| Average | | 4.52% | | 4.54% | | 4.54% | | 4.60% | | 3.24% |

The above Medium Counties TDC increase chart shows an average annual increase of over 4.50% in almost all development types.

Despite FHFC’s recognition of these significant increases each year, these RFAs only allowed for a one-time escalation factor that was usually under 2%. That factor was only a fraction of the inflation that FHFC has recognized every year, and given the increased timelines required for closing and financing, is clearly insufficient based on current market conditions and GC contract pricing.

At the June 2018 Board meeting, FHFC recognized this deficiency, and the FHFC Board approved an increase in the TDC Cap for all funded developments from 2014 to the beginning of 2018. The effect of that Board item was an increase that was much higher than would have been permitted by the one-time escalation factor, correctly reflecting the exponential annual increases of 4.25% or more (see Exhibit B). Below is a comparison between a correspondent **Miami-Dade County** year-funded TDC Cap and the new TDC Cap set by the June 2018 Board:

| Miami-Dade | Garden Wood | Garden Concrete | Mid-Rise Wood | Mid-Rise Concrete | High-Rise |
|-----------------------|-------------|-----------------|---------------|-------------------|-----------|
| June 2018 Board limit | \$210,300 | \$252,700 | \$252,700 | \$278,500 | \$328,600 |
| 2017 TDC | 6.16% | 6.13% | 6.13% | 6.14% | 4.88% |
| 2016 TDC | 9.36% | 9.30% | 9.30% | 9.30% | 5.93% |
| 2015 TDC | 13.74% | 13.68% | 13.68% | 13.67% | 10.16% |
| 2014 TDC | 21.14% | 21.08% | 21.08% | 21.09% | 17.32% |

Below is a comparison between a correspondent **Medium Counties** year-funded TDC Cap and the new TDC Cap set by the June 2018 Board:

| Medium Counties | Garden Wood | Garden Concrete | Mid-Rise Wood | Mid-Rise Concrete | High-Rise |
|------------------------|-------------|-----------------|---------------|-------------------|-----------|
| June 2018 Board limit | \$200,400 | \$241,000 | \$241,000 | \$265,700 | \$313,400 |
| 2017 TDC | 6.14% | 6.17% | 6.17% | 6.15% | 4.89% |
| 2016 TDC | 9.33% | 9.35% | 9.35% | 9.34% | 5.95% |
| 2015 TDC | 12.58% | 12.62% | 12.62% | 12.63% | 9.12% |
| 2014 TDC | 17.67% | 17.68% | 17.68% | 17.72% | 14.05% |

Also, note that only three months after the June 2018 Board meeting, FHFC issued the 2018 9% RFAs with TDC Caps that were on average 2.50% *higher* than the June 2018 limits. For example, as you can see in the charts above, the Mid-Rise Concrete Miami-Dade County June 2018 limit was \$278,500 and the Miami-Dade 2018 9% RFA, issued only three months later for the same Mid-Rise Concrete type, was \$287,000, which is almost 3% higher.

Our Recommendation:

In light of the above, we respectfully request that the post-award one-time TDC Cap escalation factor be replaced by a 3.00% annual factor, and for that annual factor to be applied on a monthly basis. Therefore, the TDC Cap escalation factor would be 0.25% *times* the number of months from the RFA application deadline to the date of execution of the GC Contract. Of course, if FHFC staff and their underwriters believe that specific developers are being irresponsible or taking too long to close on developments, FHFC staff can always deny extension requests to the Carryover Deadlines or the SAIL deadlines set in Rule Chapter 67-48, or approve those extensions with the condition that the monthly escalation factor will only apply until a certain month determined in such extension approval.

Accordingly, we recommend that FHFC take the following actions:

1. Modify the issued 2019 RFAs to include a 3% annual escalation factor (or 0.25% monthly escalation, as explained above) from the RFA application deadline to the date of GC Contract, replacing the one-time 3% escalation factor; and
2. Propose another Action Item for the next Board Meeting to allow for a 3.00% annual escalation factor to all previously funded developments:
 - a. For developments to which the June 2018 Board meeting escalation is applicable, the 0.25% monthly escalation factor will apply from June 2018 to the respective GC Contract date and use as a basis the TDC Caps established by the June 2018 Board item; and
 - b. For developments funded after RFA 2018-119, the 3.00% annual escalation factor will represent a 0.25% monthly factor to be multiplied by the number of months between the RFA application deadline and the date of the GC Contract.

Consequence for not taking the proposed actions:

Failure to act will seriously diminish the quality of affordable housing developments in Florida. Developers will be forced to naturally seek to reduce the size of units, the quality of the fixtures and amenities, and the overall look and marketability of developments in order to meet the current TDC Caps, which are no longer realistic. Lower quality construction will lead to more

ongoing maintenance costs, fewer potential renters, and an overall lesser quality of affordable housing. All of these will destroy many years of good work at the State and National level in the eradication of NIMBYism and will as a consequence result in significantly less private investment in affordable housing. We cannot allow this to happen.

It is in no one's best interest to delay closings. The developer has significant money at risk before a development closes, and the longer the timeframe the more the risk profile escalates (costs, market, interest rates, etc.). While a TDC Cap is probably no longer necessary, if FHFC deems it to still be relevant, it simply must be updated as recommended above to reflect current market conditions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Pieger', written over the printed name.

Matthew Pieger, President & CEO
Housing Trust Group

Enclosures

Exhibit A

Information obtained by 9-23-19 from CURs through the Corporation Clerk:

| Year RFA | Developer | Project | County | Type | App Due Date | GC Contract execution | Months between app due date and GC Contract | Type | Material | Units | RFA |
|-------------------------------------|-----------------------------------|--------------------------|--------------|------------|--------------|-----------------------|---|-----------|----------|----------|--------------|
| 2014 | NuRock Development | Residences at Crystal La | Broward | SAIL | 9/18/2014 | 4/20/2015 | 7 | Garden | Concrete | 92 | 2014-111 |
| | NuRock Development | Residences at Crystal La | Broward | SAIL | 9/18/2014 | 4/20/2015 | 7 | Townhouse | Concrete | 92 | 2014-111 |
| | Housing Trust Group, LLC | Valencia Grove | Lake | 4% | 9/18/2014 | 7/22/2015 | 10 | Garden | Wood | 144 | 2014-111 |
| | Southport Development | Garden Trail | Pinellas | SAIL | 9/18/2014 | 9/3/2015 | 12 | Garden | Wood | 76 | 2014-111 |
| | Southport Development, Inc. | Garden Trail | Pinellas | SAIL | 9/18/2014 | 9/3/2015 | 12 | Garden | Wood | 76 | 2014-111 |
| | Picerne Affordable Development | Villages at Hallifax II | Volusia | 9% | 1/22/2015 | 11/16/2015 | 10 | Garden | Concrete | 80 | 2014-114 |
| | Wendover Housing Partners | Kenwood Place | Leon | 9% | 1/22/2015 | 12/17/2015 | 11 | Garden | Wood | 112 | 2014-114 |
| | Housing Trust Group, LLC | Freedom Gardens | Hernando | 9% | 1/22/2015 | 2/12/2016 | 13 | Garden | Concrete | 96 | 2014-114 |
| | Housing Trust Group, LLC | Park at Wellington I | Pasco | 9% | 1/22/2015 | 5/4/2016 | 16 | Garden | Wood | 110 | 2014-114 |
| | Green Mills | Burlington Place | Pinellas | 9% | 2/3/2015 | 1/4/2016 | 11 | MR 5-6 | Concrete | 53 | 2014-115 |
| | Landmark Development | City Vista | Broward | 9% | 2/3/2015 | 8/23/2016 | 19 | High Rise | Concrete | 107 | 2014-115 |
| Carrfour Supportive Housing; GMKV C | Karis Village | Miami-Dade | 9% | 2/10/2015 | 7/22/2016 | 18 | High Rise | Concrete | 86 | 2014-116 | |
| 2015 | Pinnacle Housing Group, LLC | Casanas Village at Fren | Leon | SAIL | 5/5/2015 | 8/25/2016 | 16 | MR-(5-6) | Concrete | 88 | 2015-103 |
| | The Vestcor Companies, Inc. | Abigail Court | Pasco | 9% | 10/15/2015 | 9/1/2016 | 11 | Garden | Wood | 90 | 2015-106 |
| | Roundstone Development, LLC | The Pines | Volusia | 9% | 10/15/2015 | 10/6/2017 | 24 | Garden | Wood | 100 | 2015-106 |
| | The Vestcor Companies, Inc. | Lofts at LaVilla | Duval | 9% | 11/5/2015 | 9/1/2016 | 10 | MR-4 | Concrete | 130 | 2015-107 |
| | NuRock Development Partners, Inc. | Residences at Haverhill | Palm Beach | 9% | 11/5/2015 | 9/4/2016 | 10 | Garden | Concrete | 117 | 2015-107 |
| | Southport Development, Inc. | Calusa Estates | Palm Beach | 9% | 11/5/2015 | 10/7/2016 | 11 | Garden | Wood | 114 | 2015-107 |
| | Housing Trust Group, LLC | Arbor View | Broward | 9% | 11/5/2015 | 11/7/2016 | 12 | MR-(5-6) | Concrete | 100 | 2015-107 |
| | Southport Development, Inc. | Laburnum Gardens | Hillsborough | 9% | 11/5/2015 | 5/1/2017 | 18 | Garden | Concrete | 120 | 2015-107 |
| | Housing Trust Group, LLC | Park at Wellington II | Pasco | 4% | 11/10/2015 | 6/30/2016 | 8 | MR-4 | Wood | 110 | 2015-112 |
| | Royal American Development, Inc. | Pelican Pointe | Bay | SAIL | 11/10/2015 | 9/6/2016 | 10 | Garden | Wood | 78 | 2015-112 |
| | RS Development Corp. | La Joya Estates | Miami-Dade | 4%/MMRB | 11/10/2015 | 2/15/2017 | 15 | Garden | Concrete | 106 | 2015-112 |
| Housing Trust Group, LLC | Douglas Gardens | Broward | 4% | 11/10/2015 | 6/12/2017 | 19 | MR-4 | Concrete | 110 | 2015-112 | |
| Royal American Development, Inc. | The Jasmine | Miami-Dade | 9% | 11/15/2015 | 1/25/2018 | 27 | HR 7+ | Concrete | 96 | 2015-108 | |
| Housing Trust Group, LLC | Princeton Park | Miami-Dade | 9% | 11/19/2015 | 5/26/2017 | 18 | Garden | Concrete | 150 | 2015-108 | |
| 2016 | Blue Sky Communities, LLC | Woodwinds | Lake | SAIL/9% | 3/10/2016 | 10/31/2016 | 8 | Garden | Wood | 96 | 2016-102 |
| | Housing Trust Group, LLC | Freedom Gardens II | Hernando | 4% | 10/13/2016 | 9/28/2017 | 12 | Garden | Wood | 94 | 2016-109 |
| | Birdsong Housing Partners | Palos Verdes Apartmen | Osceola | Bonds/SAIL | 10/13/2016 | 5/29/2018 | 20 | Garden | Concrete | 120 | 2016-109 |
| | Southport Development, Inc. | Delphin Downs | Escambia | Bonds/SAIL | 10/13/2016 | 6/13/2018 | 20 | MR-4 | Wood | 72 | 2016-109/201 |
| | Housing Trust Group, LLC | Hammock Ridge II | Hernando | 9% | 12/2/2016 | 2/2/2018 | 14 | MR-4 | Wood | 92 | 2016-110 |
| | Atlantic Pacific | Northside Village | Miami-Dade | 9% | 12/15/2016 | 6/1/2018 | 18 | HR | Concrete | 120 | 2016-114 |
| | Pinnacle | Verbena | Miami-Dade | 9% | 12/15/2016 | 8/28/2018 | 21 | MR-(5-6) | Concrete | 110 | 2016-114 |
| | Royal American / Invictus | Parramore Oaks | Orange | 9% | 12/30/2016 | 6/12/2018 | 18 | MR-4 | Concrete | 120 | 2016-113 |
| | Atlantic Pacific | Saratoga Crossings | Broward | 9% | 12/30/2016 | 8/7/2018 | 20 | MR-4 | Concrete | 128 | 2016-113 |
| Pinnacle | Pinnacle at Peacefield | Broward | 9% | 12/30/2016 | 10/8/2018 | 22 | Garden | Concrete | 120 | 2016-113 | |
| 2017 | Southport Development, Inc. | Palmetto Pointe | Pinellas | SAIL | 10/12/2017 | 12/18/2018 | 14 | MR-4 | Wood | 82 | 2017-108 |
| | Housing Trust Group, LLC | Osprey Pointe | Pasco | 4% | 10/12/2017 | 1/25/2019 | 16 | Garden | Wood | 110 | 2017-108 |
| | Cornerstone | Water's Edge | Miami-Dade | SAIL | 10/12/2017 | 5/22/2019 | 20 | Garden | Concrete | 128 | 2017-108 |
| | Housing Trust Group, LLC | Oaks at Lakeside | Manatee | 9% | 12/15/2017 | 7/23/2019 | 20 | Garden | Wood | 96 | 2017-111 |
| | Atlantic Pacific | Residences at Dr. King B | Miami-Dade | 9% | 12/18/2017 | 9/23/2019 | 21 | HR | Concrete | 120 | 2017-112 |
| | TVC Development | Lucas Creek | Escambia | 9% | 12/20/2017 | 1/17/2019 | 13 | Garden | Wood | 92 | 2017-111 |
| | Blue Sky Communities, LLC | Clermont Ridge Senior | Lake | 9% | 12/20/2017 | 9/23/2019 | 21 | Garden | Concrete | 70 | 2017-111 |
| | Greenmills | Colonnade Park | Citrus | 9% | 12/20/2017 | 9/23/2019 | 21 | Garden | Wood | 106 | 2017-111 |
| | Gardner Capital | Lofts on Lemon | Sarasota | 9% | 12/20/2017 | 9/23/2019 | 21 | MR 5-6 | Concrete | 76 | 2017-111 |
| | Arbour Valley Development | Arbours at Hester Lake | Pasco | 9% | 12/20/2017 | 9/23/2019 | 21 | Garden | Concrete | 80 | 2017-111 |
| | Atlantic Pacific | Sailboat Bend Apartmen | Broward | 9% | 12/28/2017 | 9/23/2019 | 21 | HR | Concrete | 110 | 2017-113 |
| | Lewis Sweezy | Ocean Breeze | Palm Beach | 9% | 12/28/2017 | 9/23/2019 | 21 | Garden | Concrete | 123 | 2017-113 |
| | Housing Trust Group, LLC | Village View | Broward | 9% | 12/28/2017 | 9/23/2019 | 21 | HR | Concrete | 100 | 2017-113 |

Note: The dates highlighted in green is the date HTG received the data from the Corporation Clerk and for which FHFC did not have CURs and therefore we believe these developments do not yet have a GC Contract.

To summarize this data, the average number of months from App Due Date to GC Contract date is:

| App Year | Average # months |
|----------|------------------|
| 2014 | 12 |
| 2015 | 15 |
| 2016 | 17 |
| 2017 | 19 |

Also, the relevance of the municipalities permitting timeframe is unquestionable:

| County | Average |
|------------|---------|
| Miami-Dade | 20 |
| Broward | 17 |
| Palm Beach | 11 |

Exhibit B
MULTIFAMILY PROGRAMS

Action

II. MULTIFAMILY PROGRAMS

A. Total Development Cost Per Unit Limitations

1. Background

- a) Florida is experiencing a strong real estate construction boom across the state that started in 2014. The effects of Hurricane Irma have exacerbated the situation by creating additional new demand on new construction and substantial rehabilitation services and building supplies. The effects of Hurricane Maria evacuees have further increased the demand for housing in Florida as well.
- b) The increased demand on building supplies and construction labor in Florida has caused construction costs to increase over this time period at a greater pace than expected at the time the respective Request for Applications (RFAs) were issued.
- c) There are many Applicants who had applied to Florida Housing for funding that during this time and have received an Active Award, but have not yet started construction or rehabilitation of their proposed developments. As the Applicants enter negotiations with their prospective general contractors, it has become apparent the construction costs have escalated beyond expectations which comes with the need to obtain additional funding sources.
- d) The majority of Florida Housing's RFAs incorporate a Total Development Cost Per Unit (TDC PU) Limitation requirement that is tested at time of application, credit underwriting and, if applicable, final cost certification.
- e) As the Applicants finalize their development cost budgets and arrange for adequate sources of financing to pay these higher development costs, many find themselves in non-compliance with the TDC PU Limitation test set-forth in their respective RFA under which it applied. Non-compliance is established when an Applicant's development costs exceed the relative TDC PU Limitation and if the non-compliance excess costs exceeds five percent of the TDC PU Limitation, the credit underwriter must provide a negative recommendation to the Board when submitting the Credit Underwriting Report (CUR).

2. Present Situation

- a) Florida Housing has made efforts to maintain the viability of the developments in this predicament and continues to believe it is beneficial to deliver these much-needed affordable housing units and communities in a timely manner. An important hurdle that remains to be addressed is to reasonably accommodate a request by the stakeholders to reduce the burden of the TDC PU Limitations which would otherwise create an unreasonable financial burden on the development and its Principals or even stop its delivery.

MULTIFAMILY PROGRAMS

Action

- b) Staff has had discussions with the stakeholders about a reasonable increase in the current TDC PU Limitation to reduce this burden and believes an increase of 4.25% is reasonable, as verified with in-house data. Incorporating this proposed increase to the current RFA funding cycle, the Total Development Cost Per Unit Base Limitations, inclusive of any applicable post-application escalation factors, would be changed to those presented in the table below:

| Measure | New Construction Units | | | | | Rehabilitation Units | |
|---|------------------------|-----------------|---------------|-------------------|-----------|----------------------|------------|
| | Garden Wood | Garden Concrete | Mid-Rise Wood | Mid-Rise Concrete | High-Rise | Garden | Non-Garden |
| Maximum TDC PU Base Limitation for all counties except Broward and Miami-Dade | \$200,400 | \$241,000 | \$241,000 | \$265,700 | \$313,400 | \$167,800 | \$236,400 |
| Maximum TDC PU Base Limitation for Broward and Miami-Dade Counties | \$210,300 | \$252,700 | \$252,700 | \$278,500 | \$328,600 | \$176,000 | \$247,900 |

- c) All other processes, criteria and definitions provided in the original RFAs are to remain the same. The above Base Limitation amounts do not include any TDC Add-On such as the one applicable to developments financed with tax-exempt bonds or the one applicable to Applicants who have a PHA as a Principal. If a TDC Add-On is applicable, it will be added to the above Base Limitation prior to incorporating any applicable TDC Multiplier. The above Base Limitations have incorporated the post-application escalation factors provided in the current RFA cycle and consequently, no other escalation factor shall be applied.
- d) There are some Applicants during this period that were better positioned to execute a general contractor agreement, finalize and close on its funding sources and start construction. Florida Housing does not desire to have Applicants that could complete this process timelier to have a higher standard of delivery than those who found themselves delayed in this process.

3. Recommendation

- a) Staff recommends the Board to authorize a change to the TDC PU Limitation requirements for all RFAs from the 2014-2015 RFA funding cycle (beginning with RFA 2014-111) through the current 2017-2018 RFA funding cycle (ending with RFA 2018-109) to have the same TDC PU Limitation requirements for credit underwriting and final cost certification processes (if they originally included a TDC PU Limitation process) as set-forth above.

MULTIFAMILY PROGRAMS

Action

- b) Staff recommends the Board to authorize a re-examination of credit underwriting reports and final cost certifications previously completed relative to awards in the above referenced RFAs and to re-evaluate any applicable developer fee penalties for non-compliance of the TDC PU Limitation requirements utilizing the adjusted amounts in the table above.