

**From:** Kim Murphy [<mailto:kim.murphy@royalamerican.com>]

**Sent:** Friday, October 31, 2014 2:58 PM

**To:** Ken Reecy; Steve Auger

**Subject:** Comments to RFA

**Importance:** High

Ken & Steve,

The following are Royal American's comments/concerns regarding the published draft Geo-RFA's.

#### Minimum Number of Units for Miami-Dade RFA

While we understand that given the demand/need in Miami-Dade county, a 30 unit development may not be practical &/or feasible, we do think it's a bit late in the process for such a wholesale change. At two weeks from opening up the RFA cycle, 2 workshops, and months of public comment, this issue had not been raised, and there isn't enough time left to properly address all the concerns associated with it. As you are aware of, developers have already been working on securing sites and developing a pipeline based on a 30 unit minimum for months now, investing significant resources, that could now be very costly.

In addition, based on the sites that applied in the 2013 cycle, you will note that no application below 40 units was submitted, and only a small percentage (16%) were below the 75 units currently on the table. This is an indication that what may be perceived as a problem, really isn't, as in the majority of instances developers are maximizing number of units based on the allocation cap.

If maximizing the number of units in Miami-Dade is the public policy goal, a possible solution would be to re-establish a set-aside unit limit ("SAUL"), and not a 2 developments goal. Given that Miami-Dade has its own RFA and the amount of credit allocation has been determined, maximizing number of units, and not limiting number of developments funded seems to be better public policy.

The suggestion above would not adversely affect developers who already have their sites secured, and would allow for the maximum number of units possible to be developed given the resources available. We would suggest at a minimum a 200 SAUL, not counting the Homeless development to be funded. If raising the minimum number of units is FHFC's preferred way, then we would suggest a minimum of 55-60 units, at least double the current, but not 2.5 times what had been contemplated for the past few months.

#### Developer Disincentives - Letter of Credit

We fully support FHFC imposing a fine/penalty for each withdrawn application in lieu of submitting a Letter of Credit with each application submittal. We believe the LOC requirement would be burdensome for small developers, non-profits and PHAs. FHFC should impose a significant fine/penalty if an applicant/developer withdraws an application post-award announcement in addition to being "timed-out" for an RFA Cycle. In the event the fine/penalty was not paid, the applicant/developer/principal would be placed on FHFC's Past Due Report and be disqualified from a set number of RFA Cycles.

Thank you for the opportunity to provide feedback to the Proposed Geographical RFA Cycles.

Kim Murphy  
Senior Vice President  
Royal American Development, Inc.  
1002 West 23rd Street, Suite 400  
Panama City, Florida 32405  
Office (direct): 850-914-3226  
Office (main): 850-769-8981