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August 18, 2020

Florida Housing Finance Corporation
c/o Marisa Button, Director of Multifamily Allocations
227 N Bronough Street, Suite 5000
Tallahassee, FL 32301
marisa.button@floridahousing.org

RE: RFA 2020-201 – Medium Counties

Dear Marisa,

Please accept this letter on behalf of American Residential Communities (“ARC”) in regards to the designation of Priority I and Priority II applications that FHFC is proposing to include in this year’s Medium County RFA 2020-201.

Priority I & II Applications

We understand that the idea of priority designations is in response to the large number of applications submitted in the Medium Counties and in Miami Dade County over the past few application cycles.

ARC recommends that FHFC not implement the priority designations in Medium County. Designating priority applications will limit the amount of competitive applications because priority II applications will have little chance of being funded. If only priority I applications are submitted FHFC is essentially limiting each applicant to three applications.

The priority designations not only limit the nature of the competitive application process, but could also have the following effects:

- Increased amounts of protests and litigations associated with Related Applications.
- Prevent developers from being able to diversify their applications that represent many different Counties and Local Municipalities.
- Small County applications will be overlooked because Medium County applications receive more tax credits.
- Medium Counties with lower AMI’s will be overlooked for counties with higher AMI’s.

ARC recommends FHFC send out a survey to all developers enrolled with FHFC's listserv to determine if developers are:

- a) Opposed to the priority designation, or
- b) not opposed, but want a higher number of allowable applications, or
- c) in favor of the priority designation.

If FHFC is insistent on the priority designations, ARC recommends starting with (5) five applications as a maximum. Last year in Medium County, developers submitted an average of 5.8 applications and only five developers submitted 10 or more applications.

Alternatively, FHFC could charge application fees that escalate substantially as the number of applications submitted by an applicant increases. This will not limit the number of applications but will ensure that a developer feels strongly about each application as their number of total applications increases. Developers will not submit applications that are not meaningful.

Related Applications

ARC would also like to notify FHFC that we have concerns in regards to the "Related Application" definition.

ARC has been developing affordable housing for over 20 years. During this time, ARC's principals have built developments with other company's principals who now apply to FHFC separately. However, currently they are not related and operate independently as developers. ARC is concerned that previous partnerships with other principals, that continue to this day, could be considered "related" and negatively affect the standing of ARC's applications in the upcoming RFA 2020-2021. ARC does not believe the current language in the RFA clearly prevents claims that we are related to another applicant based on past relationships and leaves ARC vulnerable to potential litigation.

We appreciate the opportunity to provide our suggestions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stacy Banch", with a stylized flourish at the end.

Stacy Banch