



November 7, 2022

Marisa Button and
Kevin Tatreau
Florida Housing Finance Corporation
227 N. Bronough Street, #5000
Tallahassee, FL 32301

RE: 2022-2023 Total Development Cost Per Unit Limitations

Dear Marisa and Kevin,

We'd like to discuss an increase to the TDC PU Limitations for the 2022-2023 RFAs as we have noticed there has been a decrease to the caps this year from previous in-place caps approved by the Board.

By way of example, we ran a generic 150-unit family, new ESS construction development in Miami-Dade County with no boosts through the TDC 10-24-2022 calculator for 9% LIHTC and for SAIL for high-rise, mid-rise and garden-style, and the 2022 TDC caps in the current RFA drafts are significantly lower, especially for high-rise developments, as shown on the next page.

As inflation and recent natural disasters like Hurricane Ian continue to put pressure on the economy, we are seeing increases in almost every line item in the development budget (e.g. construction costs have increased from 20-30% year over year, higher construction interest due to rising rates, and service providers like law firms and design teams are continuing to increase fees for their services annually).

We believe the Board approved relief to the TDC is the new normal as it is apparent the inflation we have seen since the pandemic is not just "transitory" inflation due to supply chain issues. Given the continued increase in costs, we ask that you please consider keeping the TDC PU Limitation Caps for the 2022-2023 RFA's consistent with the TDC PU Limitation Caps for the 2020 RFA's that were amended at the July 30, 2021 and April 4, 2022 Board meeting.

Upon review please do not hesitate to call me with any questions or to discuss in more detail, I can be reached at (305) 357-4737 or via email at ggriffith@apcompanies.com.

We appreciate your consideration.

Sincerely,


Greg Griffith
Vice President



High-Rise: Draft RFA TDC cap \$440,000

<u>SAIL RFA</u>	<u>TDC Cap</u>	<u>9% RFA</u>	<u>TDC Cap</u>
2019-116	\$521,529	2019-112	\$513,429
2020-205	\$521,529	2020-203	\$513,429
2021-205	\$493,711	2021-203	\$485,611
2022-205	\$483,300	2022-203	\$475,200

4-Story: Draft RFA cap \$430,000

<u>SAIL RFA</u>	<u>TDC Cap</u>	<u>9% RFA</u>	<u>TDC Cap</u>
2019-116	\$465,995	2019-112	\$457,896
2020-205	\$465,995	2020-203	\$457,896
2021-205	\$467,856	2021-203	\$467,856
2022-205	\$464,400	2022-203	\$464,400

Garden: Draft RFA cap \$390,000

<u>SAIL RFA</u>	<u>TDC Cap</u>	<u>9% RFA</u>	<u>TDC Cap</u>
2019-116	\$423,035	2019-112	\$414,935
2020-205	\$423,035	2020-203	\$414,935
2021-205	\$423,922	2021-203	\$423,922
2022-205	\$421,200	2022-203	\$421,200