

Request for Applications (RFA) to Develop Permanent Supportive Housing for Homeless Persons and Families

Overview

Florida Housing Finance Corporation (Florida Housing) was appropriated \$10 million in non-recurring grant funds by the 2013 Legislature to provide housing for homeless persons. The legislation specifies that Florida Housing will offer the funding through a competitive grant program to private nonprofit organizations. Funding must be used to develop housing for homeless individuals and families, with priority given to those households with extremely low incomes. The funding must be used to purchase and renovate existing houses or to construct or purchase and renovate small specialty housing of 15 Units or less.

Purpose of this RFA

This RFA will be open to applicants proposing the development of affordable, rental Permanent Supportive Housing for Homeless persons and families, as defined in section 420.621 (5), Florida Statutes. Florida Housing proposes to allocate funds across small, medium and large counties, as designated in section 420.5087(1), Florida Statutes, based on the most recently available number of homeless households in those counties. Based on the data, Florida Housing proposes to reserve the grant funding as follows:

- Large counties: \$4,210,000;
- Medium counties: \$4,870,000; and
- Small counties: \$920,000.

See Attachment 1 for a list of counties by category. Applicants proposing to develop housing will only compete with other applicants from the same county grouping, thus encouraging the development of homeless housing in more areas of the state.

Florida Housing expects to target grant funds for the following housing types:

- 1 – 4 Unit Category: Purchase and rehabilitation of existing homes for homeless persons. Types of properties to be funded will be single family, duplex, triplex or quadraplex Units. In this category, 1-4 Units may be funded; and
- 5 – 15 Unit Category: New construction (including land and housing) or purchase/rehabilitation of existing housing for homeless persons. Types of properties to be funded will be townhouse, duplex, triplex or small garden-style apartment buildings. In this category, 5-15 Units may be funded. For this category, Florida Housing will augment the grant funding with State Apartment Incentive Loan (SAIL) funding provided as a forgivable loan to support the portion of Units that

will be targeted to extremely low income residents, as further described in the Funding Section of this document.

Florida Housing is soliciting applications from qualified applicants that commit to provide housing in accordance with the terms and conditions of this RFA, applicable laws, rules and regulations, and Florida Housing's generally applicable construction and financial standards.

Funding provided through this RFA is required by law to be encumbered by June 30, 2015, and fully disbursed to applicants by Florida Housing by September 30, 2015.

The RFA will include the following information: an introduction; definitions; RFA procedures and provisions; a requirement that each applicant sign a certification; information to be provided by the applicant; a description of how Florida Housing will evaluate submitted proposals and the award process; Exhibit A, providing an application form to be filled out (applicants will do this online); and additional exhibits providing information. Rule Chapter 67-60 establishes the procedures by which Florida Housing will administer this RFA. To read a copy of this rule (currently in draft form), go to: http://www.floridahousing.org/FH-ImageWebDocs/Developers/MultiFamilyPrograms/Competitive9PercentHC/Announcements/5-7-13_Draft_Rule_Chapter_67-60,_FAC.pdf. SAIL program funding will be governed by Rule Chapter 67-48, FAC, specifically Sections 67-48.009 – 67-48.013, FAC, for the program requirements, and Section 67-48.0072, FAC, for credit underwriting. To read a copy of this rule (currently in draft form), go to: http://www.floridahousing.org/FH-ImageWebDocs/Developers/MultiFamilyPrograms/Competitive9PercentHC/Announcements/Rule_Ch_67-48_Notice_of_Proposed_Rulemaking.pdf.

Although the RFA will include additional definitions, some of the key terms used in the RFA are set out below:

- a. Development categories – funding for “New Construction” may include both land purchase and building, but also refers to constructing a new building(s) if the land is already owned or been made available to an applicant. Funding for “Acquisition/Rehabilitation” may include both purchase/donation (to an applicant) of a property and rehabilitation of an existing building(s).
- b. “Extremely Low Income” or “ELI” persons, per section 420.0004(9), F.S., means one or more natural persons or a family whose total annual household income does not exceed 30 percent of the median annual adjusted gross income for households within the state. Florida Housing may adjust this amount annually by rule to provide that in lower income counties, extremely low income may exceed 30 percent of area median income and that in higher income counties, extremely low income may be less than 30 percent of area median income. See Attachment 1 for ELI incomes by county.
- c. “Homeless” means, pursuant to s. 420.621(5), F.S., an individual who lacks a fixed, regular, and adequate nighttime residence and includes an individual who: (a) Is sharing the housing of other

persons due to loss of housing, economic hardship, or a similar reason; (b) Is living in a motel, hotel, travel trailer park, or camping ground due to a lack of alternative adequate accommodations; (c) Is living in an emergency or transitional shelter; (d) Has a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; (e) Is living in a car, park, public space, abandoned building, bus or train station, or similar setting; or (f) Is a migratory individual who qualifies as homeless because he or she is living in circumstances described in paragraphs (a)-(e). This definition does not refer to an individual imprisoned pursuant to state or federal law or to individuals or families who are sharing housing due to cultural preferences, voluntary arrangements, or traditional networks of support. The definition includes an individual who has been released from jail, prison, the juvenile justice system, the child welfare system, a mental health and developmental disability facility, a residential addiction treatment program, or a hospital, for whom no subsequent residence has been identified, and who lacks the resources and support network to obtain housing.

- d. "Permanent Supportive Housing" means affordable rental housing that is leased for continued occupancy for as long as the tenant complies with lease requirements. The lease shall have no limits on length of tenancy related to the provision or participation in supportive services. Permanent Supportive Housing shall facilitate and promote activities of daily living, access to community-based services and amenities, and inclusion in the general community. Permanent Supportive Housing shall strive to meet the needs and preferences of the focus households.
- e. "Unit" means a set of living quarters in a property. Units are those in which the occupants live separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a family, one person living alone, or any other group of related or unrelated persons who share living arrangements.
- f. "Visitability" means housing designed in such a way that it can be lived in or visited by people who are mobility impaired. This includes the ability of people with a mobility aid to easily enter a home and move from room to room, including at least one bathroom on an accessible level.

Exhibit A of the RFA will provide an application form to be completed by Applicants and will include the items below. Items marked as "mandatory to be provided in application" are required to be provided in the application and failure to provide these will result in the application not being eligible for funding. Applicant responses to RFA items that are marked as point items will be scored from 0 to the maximum number of points specified in the final RFA.

1. Demographic Commitment (Mandatory to be provided in application)

Applicants must commit to serve Homeless Persons in the proposed development to be funded. Each applicant must provide a detailed description of the resident household characteristics, needs,

and preferences of the population(s) the applicant is proposing to serve. For example, populations described might include (but are not limited to) persons with mental illness, veterans, frail elders, survivors of domestic violence and the general homeless population.

No specific subpopulation of homeless persons is targeted in this RFA. However, applicants' descriptions of the target population(s) will assist Florida Housing in reviewing and scoring applicants' proposed construction features and amenities, as well as access to community based services and amenities in terms of how these items meet the needs of the target population(s).

Applicants will also be required to describe how the proposed rental housing will meet the needs and preferences of the targeted households.

2. Type of Housing to Be Provided

- a. The proposed Development must consist of Permanent Supportive Housing.
- b. Applicants may request funding for 1-4 Units or 5-15 Units.
- c. If an applicant chooses the 1-4 Unit Category, the proposed Units may be on "scattered sites"; i.e., they may be comprised of real property that is not contiguous (i.e., each site is not touching at a point or along a boundary). If an applicant chooses the 5-15 Unit Category, the housing must be on contiguous property.
- d. If non-related persons share a Unit, they shall each have a private bedroom with a locking door and a private bath.

3. Applicant Information (Mandatory to be provided in application)

- a. Applicants must demonstrate that they are private nonprofit entities formed as 501(c)3 organizations since August 1, 2012, and whose primary mission includes serving Homeless Persons. Applicants must demonstrate that they are qualified to do business in the state of Florida as of the due date of the RFA.
- b. If the nonprofit applicant partners with a for profit developer, the nonprofit applicant must demonstrate that it owns at least 51% of the ownership interest in the development and that it shall receive at least 25% of the developer fee.

4. Development Team Information

- a. Applicants requesting grant funds in the 1-4 Unit Category will be required to show at credit underwriting that they will be working with a licensed general contractor with residential building experience of the housing type being proposed by the applicant.

- b. Applicants requesting grant/SAIL funds in the 5-15 Unit Category will be required to provide information in credit underwriting about the applicant's development experience OR provide the name of the general contractor that will be involved in the project and a description of the general contractor's experience. Florida Housing expects the development experience completing residential properties that are similar in size to the number of Units being proposed by the applicant.

5. Applicant Experience with Operating/Managing Permanent Supportive Housing (Maximum ____ Points)

- a. Applicant must describe its experience in operating and managing Permanent Supportive Housing and, in particular, housing for the households the applicant is proposing to serve.

OR

If the applicant does not have experience operating and managing Permanent Supportive Housing, the applicant must provide the name of an experienced entity that will act as the management company for at least three (3) years after the housing is up and running. Applicant must describe the management company's experience in the management of Permanent Supportive Housing, and particular, Homeless housing and the households the applicant is proposing to serve.

- b. If selected for funding, the applicant must identify the remaining members of the development team (general contractor if not provided in the application, architect, attorney and accountant) during the credit underwriting process. All development team members, and any future replacement thereof, must be acceptable to the Corporation and the credit underwriter.

6. General Development Information (Mandatory to be provided in application)

- a. Identify the location (street address, city and county).
- b. Select the development category.
 - (1) 1 – 4 Unit Category: Acquisition/Rehabilitation of 1-4 Units; or
 - (2) 5 – 15 Unit Category: New Construction or Acquisition/Rehabilitation of a property with 5-15 Units.
- c. Select the development type (single family, townhouse, duplex, triplex, quadraplex, or garden style apartments).
 - (1) 1 – 4 Unit Category: Choose single family, townhouse, duplex, triplex, quadraplex; or
 - (2) 5 – 15 Unit Category: Choose townhouse, duplex, triplex, garden style apartments.

- d. Indicate the number of total Units to be funded, and the number of bedrooms in each unit.

7. Set-Aside Commitments

- a. The applicant must commit to rent 100 percent of the total Units to Homeless persons.
- b. Income Set-Aside Commitments
 - (1) Total Set-Aside – At least 80% of the total Units must be rented to persons or households with incomes at or below 60% of area median income. Florida Housing will use the Multifamily Programs Income Limits (updated each year) to determine resident eligibility under this grant funding. A copy of the 2013 Income Limit Chart for all areas of the state is provided at this link: [Florida Housing 2013 Income Limits](#) .
 - (2) Extremely Low Income (ELI) commitment
 - (a) 1 – 4 Unit Category – If the application provides for just one (1) Unit, no ELI commitment is required. If the application provides for two (2) Units, one (1) Unit must be set aside for an ELI person or household. For applications proposing to provide three (3) or more Units, at least 33% of the total Units must be set aside to serve ELI persons.
 - (b) 5 – 15 Unit Category – 30% of the total Units must be rented to ELI persons or households (see Attachment 1 for this information).
- c. Affordability Period
 - (1) 1 – 4 Unit Category applicants must irrevocably commit to set aside Units in the development for a total of 20 years.
 - (2) 5 – 15 Unit Category applicants must irrevocably commit to set aside Units in the development for a total of 30 years.

[Note to applicants: Income certification of tenants will be required throughout the affordability period.]

8. Construction Features and Amenities

- a. Required features and amenities
 - (1) **All Developments Funded through this RFA.** All developments must provide termite prevention and pest control throughout entire affordability period.
 - (2) **All New Construction Units Funded through this RFA.** All New Construction Units must include the following green building, accessibility, adaptability and Visitability Features:
 - (a) Green Building Features:

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- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.6 gallons/flush or less,
 - Faucets: 1.5 gallons/minute or less,
 - Showerheads: 2.2 gallons/minute or less;
- Energy Star qualified refrigerator;
- Energy Star qualified dishwasher; and
- Minimum SEER of 14 for Unit air conditioners.

(b) Accessibility, Adaptability and Visitability Features:

All Units of the proposed Development must meet all federal requirements and state building code requirements, including the following:

- 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

All Units must have the following features:

- Primary entrance door shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Anti-scald controls on all bathroom and kitchen faucets;
- Toilets must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level;
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist; and

- (3) **All Acquisition/Rehabilitation Units Funded through this RFA.** All Acquisition/Rehabilitation Units must include as many of the green building, accessibility, adaptability and Visitability Features listed in 8.a.(2) above as are structurally and financially

feasible within the scope of the rehabilitation work based on a plan and cost review performed during the credit underwriting process. However, proposed developments that will serve persons with physical disabilities must include all required accessibility, adaptability and Visitability features.

b. Optional features and amenities (**Maximum __ Points**)

Acquisition/Rehabilitation applicants in 5-15 Unit Category and all **New Construction applicants** may be awarded points for providing the following:

Accessibility, Adaptability and Visitability – In addition to the required features, these features promote accessible and/or adaptable design elements that benefit the target households and people of all ages, sizes, and abilities throughout the life of the property. Applicants will be asked to describe the features in 12,000 characters (approximately 3 typed pages) and up to 3 additional pages of appropriate exhibits, not created by the applicant, to supplement the description(s). Applicants will not be given points for describing features that are required in 8.a.(2)(b) above, including federal regulations and state building code requirements. Responses to these items will be scored based on the following criteria: (i) Impact to tenants' health, safety, stability, level of independence and quality of life; and (ii) Impact to tenants' ability to carry out social relationships.

All features in 6.b. committed to by Acquisition/Rehabilitation applicants must include all Accessibility and Visitability features and amenities listed by the applicant.

9. Resident Services

The provision of resident services will be the responsibility of the applicant, but may be in conjunction with public and/or private partnerships as approved by Florida Housing.

All proposed developments will be required to provide the following:

Resident Community-Based Services Coordination

For the target households, the applicant shall include existing staff or an external organization that will be the primary service coordination provider. The primary service coordination provider must have a minimum of three (3) years experience in administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the above supportive services have been oriented to the needs and preferences of each resident of a target household in assisting them to access services related to health care, independent activities of daily living, employment, income and housing. If provided by an external organization, the primary services coordination provider shall provide information demonstrating its

mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing, and Homeless persons or households served. Resident Services Coordination shall be offered and made available to Homeless residents initially and regularly and shall be voluntary to residents. Resident participation shall not be a requirement for new or continued residency.

The Applicant shall commit to submit a service coordination plan at credit underwriting. The service coordination plan shall adhere to guidelines developed by Florida Housing, in conjunction with State Agencies, or their designee(s) that administer publicly funded supportive services for the target households.

Property management and services coordination or provision should not be the responsibility of the same staff persons; the functions should be entirely separate.

10. Access to Community-Based Services and Amenities (Maximum __ Points):

The ability for members of the target households to effectively and efficiently access community-based services and resources is vital to assist these households to obtain and maintain choice, independence and full inclusion in the community. Provide a description of the applicant's plan to provide access to general community services and amenities, as well as specific supportive services and resources that address the needs of the target households. Applicant responses to these items will be scored based on the following criteria: (i) Impact to tenants' health, safety, stability, education and employment capacities, and quality of life; (ii) Impact on tenants' ability to effectively utilize living skills to successfully live in the community; and (iii) Applicant's experience implementing proposed resident services.

All applicants may be awarded points for providing the following information:

- a. Describe the community-based services and amenities that will be accessible to residents, such as shopping for groceries, medicine, clothing, and other household and personal items. Include other services and amenities such as public schools, higher education and employment training opportunities. Describe the public and private transportation options that will be available to residents of the proposed Development to ensure access to the described services and amenities. **(Up to __ points)**
- b. Describe access to community-based resources and services to address the specific healthcare and/or supportive services needs of each resident of the target households. **(Up to __ points)**
- c. Provide information regarding any other innovative or best practices of the applicant or location of proposed development, as well as amenities and services to be provided by the applicant and/or in an appropriately executed partnership with public and/or private entities that address unmet needs of the target households, promote integration with the broader community, and employment. **(Up to __ points)**

11. Ability to Proceed (Mandatory to be provided in application)

- a. In order to promote quick turnaround of funding, applicants must demonstrate appropriately executed site control with an eligible contract for purchase, a lease, and/or a deed.
- b. If selected for funding, the Application will be required to demonstrate the following: site plan approval, infrastructure availability (electricity, water, sewer, and roads), appropriate zoning, Phase I environmental site assessment, and if applicable Phase II environmental site assessment during the credit underwriting process.

12. Local Continuum of Care Support (Mandatory to be provided in application)

Each applicant must provide with its application a completed and executed form by the Lead Agency for the Local Homeless Assistance Continuum of Care (Continuum) certifying that the development proposed is consistent with the priority permanent supportive housing needs of Homeless persons in the community in which the housing shall be developed. The criteria in which the Continuum shall consider are:

- There is a need for the proposed Permanent Supportive Housing;
- The households (e.g., individual men, families, unaccompanied youth) to be served are part of a subpopulation(s) identified by the Continuum as a priority subpopulation(s);
- The proposed geographic location of the development is adequate and appropriate based on the community's need and households to be served;
- The applicant's plan to conduct prospective tenant outreach, its relationships with relevant Continuum members, and tenant selection process is appropriate and adequate to effectively inform the target households, community stakeholders and public about the development, facilitate an interested household's ability to apply for tenancy, and determine eligibility for tenancy.

13. Funding (Mandatory to be provided in application)

- a. Applicants must indicate funding request amount. The maximum funding request amounts per application are proposed to be:
 - (1) 1 – 4 Unit Category: Up to \$140,000 per 1-bedroom Unit, and up to \$175,000 per Unit for Units with two (2) or more bedrooms, with a maximum request amount of \$560,000 for four (4) Units; and
 - (2) 5 – 15 Unit Category:
 - (a) For each unit that is not an ELI set-aside Unit, up to \$140,000 per Unit for New Construction and up to \$115,200 for Acquisition/Rehabilitation; and

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- (b) For each ELI set-aside Unit, up to \$175,000 for New Construction and up to \$144,000 for Acquisition/Rehabilitation. This funding will be provided as some combination of grant and SAIL loan funds. Terms on the SAIL loan funds will be 0% interest, forgivable over 15 years (SAIL-ELI Forgivable Loan).
- b. Applicants will be required to complete a Development Cost Pro Forma detailing the anticipated expenses and sources of funding. To be eligible to be considered for funding, sources of funding must equal or exceed uses of funding. A draft pro forma is attached as Attachment 2.
- c. Applicants will be required to provide documentation to demonstrate financing proposals or commitments of funding for all non-Corporation funding being provided for the development, such as commitment letters, or letters of interest or intent.
- d. Development overhead shall be limited to 10% of development costs, as specified through a formula provided in the development cost pro forma. In addition to the application fee, other fees also must be provided on the pro forma. Attachment 1 provides a list of the types of fees that will be part of the financing awarded the Corporation, and in many cases will be paid out of the financing awarded by the Corporation.
- e. To ensure that these scarce resources are allocated to developments in a prudent manner, after preliminary awards are made, Florida Housing will finalize the appropriate amount of grant funding based on needs determined in credit underwriting.

14. Applicant Certification and Acknowledgement (As part of their application, applicants **must** sign and include this in order to be considered for funding)

The certification will show that the applicant certifies its understanding of the requirements of the RFA, and its commitments and responsibilities as an applicant under the RFA, including its commitment to provide additional required information during the credit underwriting process. See Attachment 3 for a summary of what the certification will include.

15. Tie Breakers to Be Used in Funding Selection

- a. Leveraging – For tie-breaker purposes, preference will be given to the applicant that requires the lowest dollar amount of grant funding from Florida Housing per housing Unit. The total amount of the grant funding requested shall be divided by the total number of housing Units proposed in the application. The resulting calculation shall be the grant request amount per Unit.

For example, if the applicant seeks \$200,000 from the grant funds to build or acquire and rehabilitate two (2) Units reserved for homeless persons, the proposed development would be sorted based on a cost of \$100,000 per Unit.

- b. Florida Job Creation Preference – Section 420.507, Florida Statutes, requires all of Florida Housing’s competitive programs to include a preference for applications that demonstrate the highest rate of Florida job creation in the development and construction of affordable housing. Florida Housing implements this as a tie breaker. See Attachment 1 for an explanation of how this would work for this RFA.
- c. Lottery – if the items above do not break ties, then the tie will be broken by comparing assigned lottery numbers. The lowest lottery number will receive preference.

16. Funding Selection

Applications must pass threshold and achieve at least ___% of the total points to be eligible to be considered for funding. All eligible applications will be sorted by county size (small county, medium county, large county). Then within each county size, applications will be sorted from highest score to lowest score, with any scores that are tied separated, first by leveraging (grant request amount per Unit, with the lower amount receiving preference), then by job creation preference, and finally by assigned lottery number.

- \$920,000 will be used to fund small county applications (“Small County Funding”)
- \$4,870,000 will be used to fund medium county applications (“Medium County Funding”)
- \$4,210,000 will be used to fund large county applications (“Large County Funding”)

All applications will be subjected to the Funding Test. Funding Test means that small county applications will be selected for funding only if there is enough Small County Funding available to fully fund the applicant request amount; medium county applications will be selected for funding only if there is enough Medium County Funding available to fully fund the request amount and large county applications will be selected for funding only if there is enough Large County Funding available to fully fund the request amount.

Funding will be limited to one (1) application per county (County Test), unless the only eligible applications that can meet the Funding Test are located in a county that has already been awarded. This exception is further outlined below.

Funding selection will start with small county applications, move to medium county applications and then to large county applications. The first application considered for funding will be the highest scoring eligible small county application. After the first application is selected for funding, the next highest scored eligible small county application that can pass the County Test and Funding Test will be selected for funding.

If an eligible small county application cannot meet the County Test and Funding Test, the next lower ranked eligible small county application will be considered (also subject to the same tests).

If Small County Funding remains and there are no eligible small county applications that can pass these tests, then the Small County Funding will be set aside and the process will begin again with medium county applications, and finally with large county applications.

At the conclusion of the Large County Application Funding selection, any remaining Small County Funding, Medium County Funding and Large County Funding will be pooled and awarded to the highest scoring eligible unfunded application(s) that can be fully funded, without regard to the County Test. If it is determined that no eligible unfunded applications can be fully funded, then the remaining funding will be awarded to the highest scoring eligible unfunded application, provided that there is enough funding remaining to fund at least 85% of the Applicant's Request Amount (85% Test). If none of the unfunded eligible Applications meet the 85% Test, no further applications will be considered for funding and any remaining funding will be distributed as approved by the Board.

17. Grant Awards Process

Florida Housing's executive director will appoint a staff review committee. Each member of the review committee will be assigned a certain part of each application to review and score. When the review committee meets, each review committee member will report their scores, and the committee will carry out funding selection and make recommendations on the awards to Florida Housing's Board of Directors. The Board will approve the preliminary awards. Each winning application will go into credit underwriting, and final grant awards will be sent to the Board for approval before construction starts. Attachment 4 provides a summary of key items required as part of credit underwriting.

18. Technical Assistance

Florida Housing reserves the right to assign a technical assistance provider (at no charge to the applicant) for any application that receives an award from Florida Housing's Board of Directors. If assigned, the provider would assist the applicant in formalizing the development plans contemplated in the response to this RFA.

19. Construction and Post Construction Requirements

- a. Properties funded under this RFA will be required to be monitored for compliance to requirements in this RFA, both during and after construction, and for the entire affordability period.
- b. Rent Limits

Florida Housing expects to use the Multifamily Rental Programs Rent Limits (updated each year) to determine maximum rents under this grant funding that may be charged for Units. A copy of the 2013 Rent Limits for all areas of the state is provided at: <http://www.floridahousing.org/FH->

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ImageWebDocs/PropertyOwnersAndManagers/RentLimits/078-
2013%20Rent%20Limits/2013_Rent_Limits_-_FHFC_Rental_Programs_-
_Except_HOME_and_SHIP_-_12-11-2012.pdf

Attachments to this Discussion Document

- Attachment 1: ELI county chart, list of FHFC fees and explanation of Florida Job Creation Preference
- Attachment 2: Development cost pro forma
- Attachment 3: Applicant certification (summary)
- Attachment 4: Summary of key items required as part of credit underwriting (this list is not inclusive of everything that will be required)

Attachment 1

Additional Information for the Proposed RFA to Develop Permanent Supportive Housing for Homeless Persons and Families

Large, Medium and Small County Chart

Large	Medium		Small	
Broward	Alachua	Osceola	Baker	Jackson
Duval	Bay	Pasco	Bradford	Jefferson
Hillsborough	Brevard	Polk	Calhoun	Lafayette
Miami-Dade	Charlotte	St. Johns	Columbia	Levy
Orange	Citrus	St. Lucie	DeSoto	Liberty
Palm Beach	Clay	Santa Rosa	Dixie	Madison
Pinellas	Collier	Sarasota	Flagler	Monroe
	Escambia	Seminole	Franklin	Nassau
	Hernando	Volusia	Gadsden	Okeechobee
	Indian River		Gilchrist	Putnam
	Lake		Glades	Sumter
	Lee		Gulf	Suwannee
	Leon		Hamilton	Taylor
	Manatee		Hardee	Union
	Marion		Hendry	Wakulla
	Martin		Highlands	Walton
	Okaloosa		Holmes	Washington

ELI County Chart

ELI County Chart							
County	ELI Set-Aside AMI Level		County	ELI Set-Aside AMI Level		County	ELI Set-Aside AMI Level
Alachua	35%		Hardee	45%		Okeechobee	45%
Baker	35%		Hendry	45%		Orange	35%
Bay	35%		Hernando	40%		Osceola	35%
Bradford	45%		Highlands	45%		Palm Beach	30%
Brevard	33%		Hillsborough	40%		Pasco	40%
Broward	30%		Holmes	45%		Pinellas	40%
Calhoun	45%		Indian River	40%		Polk	40%
Charlotte	40%		Jackson	40%		Putnam	45%
Citrus	45%		Jefferson	35%		St. Johns	33%
Clay	33%		Lafayette	40%		St. Lucie	40%
Collier	30%		Lake	35%		Santa Rosa	40%
Columbia	45%		Lee	40%		Sarasota	35%
De Soto	45%		Leon	35%		Seminole	35%
Dixie	45%		Levy	45%		Sumter	40%
Duval	33%		Liberty	40%		Suwannee	45%
Escambia	40%		Madison	45%		Taylor	45%
Flagler	35%		Manatee	35%		Union	40%
Franklin	45%		Marion	45%		Volusia	40%
Gadsden	35%		Martin	40%		Wakulla	33%
Gilchrist	35%		Miami-Dade	33%		Walton	35%
Glades	45%		Monroe	25%		Washington	45%
Gulf	45%		Nassau	33%			
Hamilton	45%		Okaloosa	33%			

Fees

Application Fees

Application Fee: All applicants shall submit to the Corporation as a part of the Application submission a non-refundable Application fee of \$500.00.

Other Fees

The fees set forth below are part of Development Costs and can be included in the Development Cost Pro Forma and paid with grant/loan proceeds. The list of fees below may not be inclusive. Final fee information will be provided in the RFA.

- Credit Underwriting Fees, including initial fee and possible additional fees for multiple Corporation funding resources (if applicable)

- Grant/Loan Commitment Fees
- Compliance Monitoring Fees, both annual and pre-paid, based on monitoring requirements, and follow up reviews as needed
- Construction Inspection Fees
- Loan Servicing Fees
- Construction Loan Servicing Fees
- Grant/Loan Closing Extension Fees
- Multiple Corporation funding resources (if applicable) specific to the Corporation's legal counsel

Florida Job Creation Preference

Section 420.507, Florida Statutes, requires all of Florida Housing's competitive programs to include a tie-breaker preference for applications that demonstrate the highest rate of Florida job creation in the development and construction of affordable housing. If an applicant meets the minimum qualification provided below, then it will have a funding preference over another applicant that does not meet the minimum qualification.

To determine eligibility for the preference, the Corporation will calculate each application's Florida Job Creation score, which will reflect the number of Florida jobs per \$1 million of Florida Housing grant and SAIL-ELI Loan amounts requested. Only applications with a score equal to or greater than __ will qualify for the Florida Job Creation Ranking Preference.

To calculate the Florida Job Creation score, the Corporation will take the number single family Units (1-4 Unit developments), New Construction multifamily Units, and/or Acquisition/Rehabilitation multifamily Units the Applicant agrees to deliver and multiply it by the respective Florida job creation rate provided below. It will then take this product and multiply it by 1,000,000 and then divide by the combined funding requested for a FHFC Grant and a SAIL-ELI Loan. The applicable Florida job creation rates for the type of units are as follows:

- Rate of 2.784 Florida Jobs per Unit for proposed single family Units (1-4 Units);
- Rate of 3.376 Florida Jobs per Unit for proposed New Construction multifamily Units; and
- Rate of 1.534 Florida Jobs per Unit for proposed Acquisition/Rehabilitation multifamily Units.

- NOTES:
- (1) Developer Overhead may not exceed the limits established in Exhibit C of the RFP. The fee will not be paid until after construction completion.
 - (2) Contingency Reserves allowed are amounts that cannot exceed 5% for Development Category of New Construction and 15% for Rehabilitation.
 - (3) The Corporation acknowledges that the costs listed on the Development Cost Pro Forma, Detail/Explanation Sheet, Construction or Rehab Analysis and Permanent Analysis are subject to change during credit underwriting.
 - (4) After preliminary awards are made, Florida Housing will finalize the amount of grant funding based the needs determined by credit underwriting.

**USE THE DETAIL/EXPLANATION SHEET FOR EXPLANATION OF * ITEMS.
IF ADDITIONAL SPACE IS REQUIRED, ENTER THE INFORMATION ON THE ADDENDA LOCATED AT THE END OF THE APPLICATION.**

	AMOUNT
DEVELOPMENT COSTS	
<i>Actual Construction Costs</i>	
Demolition	\$ _____
New Rental Units	\$ _____
Rehab of Existing Rental Units	\$ _____
*Other (explain in detail)	\$ _____
A. TOTAL ACTUAL CONSTRUCTION COSTS	\$ 0
<i>General Development Costs</i>	
Accounting Fees	\$ _____
Appraisal	\$ _____
Architect's Fee	\$ _____
Builder's Risk Insurance	\$ _____
Building Permit	\$ _____
Engineering Fees	\$ _____
Environmental Report	\$ _____
FHFC Application Fee	\$ _____
FHFC Compliance Fee	\$ _____
FHFC Credit Underwriting Fees	\$ _____
FHFC Inspection Fees	\$ _____
*Impact Fees (list in detail)	\$ _____
Insurance	\$ _____
Legal Fees	\$ _____

	AMOUNT
Property Taxes	\$ _____
Soil Test Report	\$ _____
Survey	\$ _____
Title Insurance & Recording Fees	\$ _____
Utility Connection Fee	\$ _____
*Other (explain in detail)	\$ _____
B. TOTAL GENERAL DEVELOPMENT COST	\$ 0
C. ACQUISITION COST OF EXISTING PROPERTY	\$ _____
D. DEVELOPMENT COST (A+B+C)	\$ 0
E. DEVELOPER'S OVERHEAD (1)	\$ _____
<i>Financial Costs</i>	
Loan Origination/Commitment Fee(s)	\$ _____
Construction Loan Interest	\$ _____
Loan Closing Costs	\$ _____
*Other (explain in detail)	\$ _____
F. TOTAL FINANCIAL COST	\$ 0
G. CONTINGENCY RESERVES (2)	\$ _____
H. TOTAL DEVELOPMENT COST (D+E+F+G)	\$ 0

Detail/Explanation Sheet

Totals must agree with Pro Forma. Provide description and amount for each item that has been completed on the Pro Forma.

DEVELOPMENT COSTS

Actual Construction Cost

(as listed at Item A)

Other: _____

General Development Costs

(as listed at Item B)

Impact Fees: _____

Other: _____

Financial Costs

(as listed at Item F)

Other: _____

NOTE: Consulting fees, if any, and any financial or other guarantees required for the financing must be paid out of the Developer Overhead. Consulting fees include, but are not limited to, payments for Application consultants, construction management or supervision consultants, or local government consultants.

CONSTRUCTION or REHAB ANALYSIS

AMOUNT

LOCATION OF DOCUMENTATION

A. Total Development Costs

\$ **0**

B. Construction or Rehab Funding Sources:

1. FHFC Grant (4)	\$ _____	
2. FHFC SAIL-ELI Forgivable Loan	\$ _____	
3. FHFC SAIL Loan	\$ _____	
4. First Mortgage Financing	\$ _____	Exhibit _____
5. Second Mortgage Financing	\$ _____	Exhibit _____
6. Third Mortgage Financing	\$ _____	Exhibit _____
7. Deferred Developer Overhead	\$ 0	(100% not paid during construction phase)
8. Non-FHFC Grants	\$ _____	Exhibit _____
9. Other: _____	\$ _____	Exhibit _____
10. Other: _____	\$ _____	Exhibit _____
11. Total Sources	\$ 0	

C. Sources less Total Development Cost

(B.11. - A.)

\$ **0**

(Must be equal to or greater than zero)

Each Exhibit must be listed behind its own Tab. DO NOT INCLUDE ALL EXHIBITS BEHIND ONE TAB.

PERMANENT ANALYSIS

AMOUNT

LOCATION OF DOCUMENTATION

A. Total Development Costs

\$ **0**

B. Permanent Funding Sources:

1. FHFC Grant (4)	\$ _____	
2. FHFC SAIL-ELI Forgivable Loan	\$ _____	
3. FHFC SAIL Loan	\$ _____	
4. First Mortgage Financing	\$ _____	Exhibit _____
5. Second Mortgage Financing	\$ _____	Exhibit _____
6. Third Mortgage Financing	\$ _____	Exhibit _____
7. Non-FHFC Grants	\$ _____	Exhibit _____
8. Other: _____	\$ _____	Exhibit _____
9. Other: _____	\$ _____	Exhibit _____
10. Total Sources	\$ 0	

C. Sources less Total Development Cost
(B.10. - A.)

\$ **0**

(Must be equal to or greater than zero)

Each Exhibit must be listed behind its own Tab. DO NOT INCLUDE ALL EXHIBITS BEHIND ONE TAB.

Attachment 3

Summary of Key Items to Be Included in Applicant Certification and Acknowledgement

Not inclusive of all items that will be in final document, particularly those items that are related to applicants seeking Low Income Housing Tax Credits. For a full list and more exact language of what is likely to be in the final Certification, go to page 42 of an RFP that Florida Housing issued in April 2013: <http://www.floridahousing.org/FH-ImageWebDocs/Developers/MultiFamilyPrograms/2013High-PriorityDevelopmentsRFP/Final/Special%20Needs%20RFP%20-%20Final.pdf>

- Applicant certifies that the Development can be completed and operating within the funding deadline and development cost pro forma submitted to the Corporation.
- Applicant acknowledges/certifies that information will be provided by date specified in certification, or as outlined in the invitation to enter credit underwriting (examples below):
 - Within 7 Calendar Days of the date of the invitation to enter credit underwriting, examples:
 - Identity of the remaining members of the Development Team (e.g., General contractor, Architect, Attorney, and Accountant). Team members identified and any future replacement must be acceptable to the Corporation and the Credit Underwriter;
 - General contractor identified meets the experience requirements outlined in RFA;
 - Management company identified meets the experience requirements outlined in RFA;
 - The unit mix for the proposed development (number of bedrooms per unit, number of baths per unit, and number of units per bedroom type).
 - Within a certain time specified in the final Certification of the date of the invitation to enter credit underwriting:
 - Confirmation that the proposed Development is Permanent Supportive Housing and meets the unit mix and community space requirements outlined in Item 1 of Exhibit B of the RFA and the minimum total demographic set-aside requirements outlined in the RFA;
 - Certification from the Local Government confirming the following for the entire Development site, including confirmation that these items were in place as of the Application deadline: (i) that the final or preliminary/conceptual (or similar process) site plan has been approved, (ii) that the site is appropriately zoned for the proposed Development, and (iii) that roads are available to the proposed Development;
 - Certification from Local Government or service provider confirming the following for the entire Development site, including confirmation that these items were in place as of Application deadline: electricity, water, and sewer service;
 - Certification from licensed environmental provider confirming that Phase I environmental site assessment has been performed for entire Development site, and, if applicable, a Phase II environmental site assessment has been performed.
 - Confirmation that all features and amenities committed to and proposed by the Applicant shall be located on the development site(s).

- By submitting the Application, Applicant acknowledges and certifies that:
 - Proposed Development will meet all state building codes, including the 2012 Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 pursuant to Exhibit C of the RFA, and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;
 - Proposed Development will include required construction features/amenities required in RFA;
 - Proposed Development will include all required resident services required in the RFA;
 - Proposed Development will include the required ELI and Total Set-Aside units;
 - Applicant will set aside the units in the proposed Development for at least X years;
 - Regardless of the focus population, the Applicant shall adhere to applicable outreach, marketing and tenant selection laws and regulations and commit to a viable plan for tenant outreach, marketing, referral and selection as approved by the Corporation in credit underwriting; and
 - The applicable fees outlined the RFA will be due as outlined or as otherwise prescribed by the Corporation and/or the Credit Underwriter.
- Applicant acknowledges that any funding preliminarily secured by the Applicant is conditioned upon any independent review/analysis/verification that may be conducted by the Corporation of all information contained in Application and/or subsequently provided, the successful completion of credit underwriting, and all necessary approvals by the Board of Directors, Corporation or other legal counsel, the Credit Underwriter, and Corporation Staff.
- If preliminary funding is approved, Applicant will promptly furnish such other supporting information/documents/fees requested or required by the Corporation or Credit Underwriter.
- As a condition of the acceptance of funding, all awardees may be required to cooperate with the Corporation or any contractors affiliated with the Corporation in the evaluation of the effectiveness of Permanent Supportive Housing provided through this RFA. The Corporation is interested in collecting evidence to demonstrate the extent to which these Developments meet expected outcomes
- Applicant has read all applicable Corporation rules and provisions governing this RFA and has read the instructions for completing this RFA and will abide by the applicable Florida Statutes and the credit underwriting and program provisions outlined in the RFA.
- In eliciting information from third parties required or included in this Application, Applicant has provided such parties information that accurately describes the Development as proposed in this Application. The Applicant has reviewed the third party information included in this Application and the information provided by any such party is based upon, and accurate with respect to, the Development as proposed in this Application.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete.

Signature of applicant

Attachment 4

Summary of Key Credit Underwriting Procedures

Not inclusive of all items that will be in final RFA. For a full list and more exact language of what is likely to be in the final RFA, go to page 58 of RFP 2013-08 that Florida Housing issued in April 2013: <http://www.floridahousing.org/FH-ImageWebDocs/Developers/MultiFamilyPrograms/2013High-PriorityDevelopmentsRFP/Final/Special%20Needs%20RFP%20-%20Final.pdf>. Note, however, that the language in that RFA includes requirements related to Housing Credits, which will not be part of this RFA.

The following general credit underwriting and program requirements apply to all Applications funded under this RFA. This summary is provided to assist applicants new to Florida Housing's financing procedures to understand the bare outline of what is required.

Credit underwriting is a de novo review of all information supplied, received or discovered during or after any application scoring and funding preference process, prior to the closing on funding. The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Applicant's experience, past performance or financial capacity is satisfactory. The credit underwriting review shall include a comprehensive analysis of the Applicant, the real estate, the economics of the Development, the ability of the Applicant and the Development team to proceed, and to determine a recommended grant amount, SAIL loan funding, if any, and a Housing Credit Allocation amount, if any.

Corporation funding will be based on appraisals of comparable developments, cost benefit analysis, and other documents evidencing justification of costs. As part of the credit underwriting review, the Credit Underwriter will consider the applicable provisions of the credit underwriting and program requirements outlined in the final RFA.

1. At the completion of all litigation (if any) with regard to this RFA, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting. The Corporation shall select the Credit Underwriter for each Development. The invitation to enter credit underwriting constitutes a preliminary commitment for grant funds, SAIL loan funding and Housing Credits, as applicable.
2. A response to the invitation to enter credit underwriting must be received by the Corporation and the Credit Underwriter not later than seven (7) Calendar Days after the date of the invitation. For any invitation to enter credit underwriting that is offered to an Applicant after Board approval of the list of Applications that is sorted from highest funding preference to lowest, where the Applicant's response is to decline to enter credit underwriting, the result shall be the removal of the Application's eligibility for funding for this RFA.
3. If the invitation to enter credit underwriting is accepted:
 - a. All Applicants shall submit the credit underwriting fee to the Credit Underwriter within seven (7) Calendar Days of the date of the invitation to enter credit underwriting. Failure to submit the required credit underwriting fee by the specified deadline shall result in withdrawal of the invitation.
 - b. Grants and SAIL unds, as applicable, must close within a specified number of months of the date

of the invitation to enter credit underwriting. Applicants may be offered the ability to request one (1) extension of a certain period. All extension requests must be submitted in writing.

4. The Credit Underwriter shall review all information in the Application, including information relative to the Applicant, General Contractor, and other members of the Development team based on information provided to the Credit Underwriter. The Credit Underwriter shall also request and review such other information as it deems appropriate to determine whether or not to provide a positive recommendation in connection with a proposed Development.
5. In determining whether or not to provide a positive recommendation in connection with a proposed Development, the Credit Underwriter will consider the prior and recent performance history of the Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor in connection with any other affordable housing development. The performance history shall consider instances involving a foreclosure, deed in lieu of foreclosure, financial arrearage, or other event of material default in connection with any affordable housing development or the documents governing financing or operation of any such development.
 - a. Unless the Credit Underwriter determines that mitigating factors exist, or that underwriting conditions can be imposed, sufficient to mitigate or offset the risk, the existence of such financial events as foreclosure shall result in a negative recommendation of the proposed Development by the Credit Underwriter.
 - b. A negative recommendation may also result from the review of entities involved with the development, including their financial capacity and any other relevant matters if, in the Credit Underwriter's opinion, one or more members of the Development team do not possess the ability to proceed.
6. The Credit Underwriter shall report any inconsistencies or discrepancies or changes made to the Applicant's Application during credit underwriting.
7. The Applicant will be responsible for all fees in connection with the documentation submitted to the Credit Underwriter.
8. If an appraisal is required, a full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice shall be ordered by the Credit Underwriter, at the Applicant's expense, from an appraiser qualified for the geographic area and product type not later than completion of credit underwriting for review and use by the Credit Underwriter.
9. The Applicant will be permitted to use up to a certain specified amount of funding in its Application as a source of Loan funding from the Corporation. However, any Applicant that enters credit underwriting will have the amount of loan funding determined based on the following parameters:
 - a. A maximum amount will be specified in the RFA.
 - b. For a Housing Credit development, the Applicant may be required to defer a portion of its Developer fee as part of the Development's permanent sources of financing.
 - c. A 15-year operating pro forma will be prepared by the Credit Underwriter that, for purposes of determining the qualifying amount of loan funds, will include specified escalation rates related

to items such as revenues, operating expenses, management expenses and replacement reserves.

10. The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price or stipulated sum construction contract, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant's sole expense, and review a pre-construction analysis for all new construction units and a plan and cost review for rehabilitation units and review the Development's costs.
11. In addition to operating expenses, the Credit Underwriter must include an estimate for replacement reserves and operating expense reserves deemed appropriate by the Credit Underwriter when calculating the final net operating income available to service any debt.
12. For all Developments, the Developer fee or overhead, as applicable, and General Contractor's fee shall be limited as specified in the final RFA.
13. The General Contractor must meet the following conditions:
 - a. Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor's budget;
 - b. Charge the costs of the Development construction trailer, if needed, and other overhead to the general requirements line item of the General Contractor's budget;
 - c. Secure building permits, issued in the name of the General Contractor;
 - d. Secure a payment and performance bond whose terms do not adversely affect the Corporation's interest (or approved alternate security for General Contractor's performance, such as a letter of credit), issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co.;
 - e. Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted;
 - f. Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity unless otherwise approved by the Board for a specific Development; and
 - g. Ensure that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development.
14. Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for New Construction. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Rehabilitation may be included within the Total Development Cost for Application and underwriting purposes.
15. The Credit Underwriter will review and determine if the number of loans and construction commitments of the Applicant and its Principals will impede its ability to proceed with the successful development of each proposed Corporation-funded Development.

16. The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Applicant the section of the written draft report consisting of supporting information and schedules for Applicant review and comment. The Credit Underwriter shall review and incorporate, if deemed appropriate, the Corporation's and Applicant's comments and release the revised report to the Corporation and the Applicant.
17. For any grant or loan funding preliminarily awarded to an Applicant, the Credit Underwriter's recommendations will be sent to the Board for approval. The Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.
18. Grants and SAIL Loans, as applicable, and other mortgage loans related to the construction of the Development must close within a specified date of the date of the firm loan commitment(s). A request for an extension of the firm loan commitment(s) may be considered by the Board.
19. At least five (5) Calendar Days prior to any grant/loan closing:
 - a. The Applicant must provide evidence of all necessary consents or required signatures from first mortgagees or subordinate mortgagees to the Corporation and its counsel, and
 - b. The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.