

## **Request for Applications (RFA) to Build or Rehabilitate Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities**

### **Overview**

Florida Housing Finance Corporation (Florida Housing) was appropriated \$10 million in non-recurring grant funds by the 2013 Legislature for housing for persons with developmental disabilities as defined in s. 393.063, Florida Statutes. The legislation specifies that Florida Housing will offer the funding through a competitive grant program to private nonprofit organizations whose primary mission includes serving persons with developmental disabilities. Funding must be used for new construction and renovation of existing housing Units, including Community Residential Homes as defined in s. 419.001, Florida Statutes. Florida Housing is required to consider the extent to which funds from local and other sources will be used by applicants to leverage these grant funds; employment opportunities and supports that will be available to residents of the proposed housing; a plan for residents to access community-based services, resources, and amenities; and partnerships with other supportive services agencies.

Florida Housing proposes to split this funding into two RFAs. This RFA will make \$4 million available for small properties of no more than four (4) Units (maximum of six (6) Beds).

### **Purpose of this RFA**

This Request for Applications (RFA) will be open to applicants proposing the development of affordable, rental Permanent Supportive Housing for Persons with Developmental Disabilities in all counties.

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

- a. **Adding to the Supply of Units that serve Persons with Developmental Disabilities.** This can be done through New Construction or Acquisition/Rehabilitation of existing properties. Types of properties to be funded will be single family, including Community Residential Homes licensed by the Florida Agency for Persons with Disabilities that serve 1-6 persons; duplexes; triplexes and quadraplexes. For this category, \$3.5 million will be allocated for funding; and
- b. **Retrofit of existing Community Residential Homes,** specifically those currently serving 1-6 Persons with Developmental Disabilities, licensed by the Florida Agency for Persons with Disabilities, and that are owned by applicants. The Retrofit focus will be life safety/security features, energy Retrofit features and upgrades to allow residents to age in place, such as accessibility, adaptability and Visitability features. For this category, \$500,000 will be allocated for funding.

Florida Housing is soliciting applications from qualified applicants that commit to provide housing in accordance with the terms and conditions of this RFA, inclusive of 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

*Summary Discussion Points for the August 8, 2013 Public Meeting  
(Information subject to change)*

process, Exhibit A, providing an application form to be filled do 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/Rule\\_Ch.67-60\\_Notice\\_of\\_Proposed\\_Rulemaking.pdf](http://www.floridahousing.org/FH-ImageWebDocs/Developers/MultiFamilyPrograms/Competitive9PercentHC/Announcements/Rule_Ch.67-60_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. “Bed” means a residential sleeping area in a bedroom of a Unit with usable floor space that is under a ceiling which is not less than 7 feet, 6 inches in height. When determining usable floor space, an alcove or any other part of the room that does not have at least a 7-foot horizontal dimension shall be excluded. Resident sleeping rooms designated for single occupancy shall provide a minimum inside measurement of not less than 80 square feet of usable floor space, including closet space. Resident sleeping rooms providing Beds for two residents shall have no less than 65 square feet of usable floor space per Bed, including closets.
- b. “Community Residential Home” or “CRH,” per section 419.001, F.S., means a dwelling Unit licensed to serve residents who are clients of the Agency for Persons with Disabilities, which provides a living environment for unrelated residents who operate as the functional equivalent of a family, including such supervision and care by supportive staff as may be necessary to meet the physical, emotional, and social needs of the residents. For the purpose of this RFA, Community Residential Homes shall be limited to homes serving no more than 6 persons and shall be licensed by the Agency for Persons with Disabilities pursuant to section 393.393.067, Florida Statutes, and section 65G-2.012, F.A.C.
- c. Development categories – for those applicants that will be adding new Units that serve Persons with Developmental Disabilities, “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). For applicants proposing to “Retrofit” existing Community Residential Homes, specific Retrofit categories are provided in this RFA.
- d. “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.
- e. “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.

- f. "Person with a Developmental Disability," per section 393.063(9), F.S., means a person with a disorder or syndrome that is attributable to intellectual disability, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome; that manifests before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.
- g. "Unit" means a single family home or one set of living quarters in a duplex, triplex, quadraplex, or apartment 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. For this RFA, Units may contain one or more separate bedrooms/Beds rented separately by non-related persons, and a Community Residential Home is considered to be a Unit.
- h. "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 in the dwelling's common areas, including at least one bathroom on an accessible level.

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**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**

Applicants must commit to serve Persons with Developmental Disabilities in the proposed development to be funded.

- a. The applicant must provide a detailed description of the resident household characteristics, needs, and preferences of the focus persons with developmental disabilities the applicant is proposing to serve and describe how the proposed rental housing will meet the needs and preferences of the targeted households. This description will provide a point of reference for the Corporation's evaluation and scoring of the application, providing the foundation for the appropriateness of the required experience, proposed Construction Features and Amenities, Resident Services and Access to Community-Based Services and Amenities. **(Mandatory to be provided in application)**
- b. Outreach, Marketing and Tenant Selection – 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 Florida housing in credit underwriting.

### **2. Type of Housing to Be Provided**

- a. The proposed Development must consist of Permanent Supportive Housing.

**b. Applicants that add Units to serve Persons with Developmental Disabilities**

- (1) Each applicant may seek funding for up to four (4) housing Units.
- (2) Each applicant may seek funding for no more than six (6) total Beds. These Beds may be in any configuration within the total Units proposed by the applicant. For example, if the applicant requests funding for four Units, up to six Beds total are allowed among those four Units, as long as the applicant is not seeking funding for any more than a total of six Beds.
- (3) Each non-related person living in a Unit shall have a private bedroom that meets the Bed requirements of this RFA. Non-related tenants living in a Unit must have non-exclusive access to shared living facilities, consisting of a kitchen, a living/dining area. For every two non-related residents/Beds in a Unit, there must be one private, full bathroom.
- (4) In Units with Beds for non-related persons, each non-related resident shall have a separate lease arrangement from others who may be living in the Unit, and separate income eligibility and rent restrictions shall be determined for each tenant living in such a Unit.
- (5) Applicants requesting funding for Community Residential Homes through this RFA must be able to show that they are able to meet licensing facility standards at the time of credit underwriting.
- (6) Units may be “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). In this situation, the applicant must describe how they expect to meet all residents’ needs for access to community services and amenities.

**c. Applicants that propose Retrofitting existing Community Residential Homes**

- (1) Each application may propose the Retrofit of no more than one (1) Community Residential Home. Properties must have current, active licenses in good standing with the Florida Agency for Persons with Disabilities.
- (2) Eligible Community Residential Homes must not have more than two (2) non-related persons (Beds) sharing a bedroom, and no more than three (3) non-related persons may share one (1) full, private bathroom.

**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 Persons with Developmental Disabilities. 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**

Applicants 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.

#### **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 in particular, 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, 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 its Credit Underwriter.

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

- a. Identify the location (or locations if scattered site) (county and street address/city).
- b. Select the development category (New Construction, Acquisition/Rehabilitation, or Retrofit of an existing Community Residential Home).
- c. Select the development type (single family, townhouse, duplex, triplex, quadraplex; and state whether the property is or will be a Community Residential Home).
- d. Indicate the number of total Units (maximum permitted is 4 total Units).
- e. Indicate the number of total Beds (maximum permitted is 6 total Beds).

#### **7. Set-Aside Commitments**

- a. The applicant must commit to rent 100 percent of the total Units to Persons with Developmental Disabilities.
- b. Total Income Set-Aside – At least 80% of the total Units must be rented to persons or households with incomes at or below 60% of the 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 [Florida Housing 2013 Income Limits](#).

- c. Extremely Low Income (ELI) commitment – If the property has just one (1) Bed, no ELI commitment is required. If the property has two (2) Beds, one (1) Bed must be set aside for an ELI person. For properties with three (3) or more Beds, at least 33% of the total Beds must be set aside to serve ELI persons.
- d. Affordability Period – Applicants must irrevocably commit to set aside Units/Beds in the development for a total of 20 years. [Note to applicants: Income certification of tenants will be required throughout the affordability period.]

**8. Construction Features and Amenities (ONLY for Applicants that add Units to serve Persons with Developmental Disabilities)**

- 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:

- 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; and
- 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.

**(3) All Acquisition/Rehabilitation Units Funded through this RFA.** All

Acquisition/Rehabilitation Units must include as many of the general, 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 or are likely to serve persons with physical disabilities must include all required accessibility, adaptability and Visitability features.

**(4) All Existing Community Residential Homes Owned by Applicant to Be Retrofitted through this RFA.** No construction features or amenities required.

b. Optional features and amenities **(Maximum \_\_ Points)**

**New Construction applicants and Acquisition/Rehabilitation 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 **Acquisition/Rehabilitation Units** must include all accessibility, adaptability and Visitability features and amenities listed by the applicant in 8.b. above.

**9. Retrofit Options for Existing Community Residential Homes (Retrofit applicants only)**

Retrofit Applicants may choose one or more of the categories below, and will be asked to describe the specific features to be Retrofitted in 12,000 characters (approximately 3 typed pages). No points will be given for this section, but each feature to be Retrofitted must be listed in the development cost pro forma with an associated cost. An applicant that receives a preliminary award of funding for Retrofit purposes will be required to submit the features proposed for Retrofit to be evaluated through a plan and cost review performed during the credit underwriting process. Retrofit features not analyzed as feasible due to cost or other factors will not be funded.

- a. Life Safety and Security Features – Including emergency generator system, sprinkler system, emergency alert or call system, rewiring fire safety and sprinkler system, new or updated fire alarms, new or updated smoke detectors or smoke detection systems, security surveillance system, enhanced lighting, roof replacement or repair, plumbing replacement or repair, and repair or improvement to heating, air conditioning and water systems.
- b. Energy Retrofit Features, including:
  - (1) Air infiltration improvement (e.g., envelope sealing, duct sealing, weather stripping).
  - (2) Appliances, lighting, faucets/showerheads, HVAC systems, programmable thermostats, boilers/water heaters, insulation and window film.
- c. Accessibility, Adaptability and Visitability Features – Florida Housing has created the *FHFC Universal Design and Visitability Manual*, which may be used as a reference in determining specific construction features for the Retrofit of a property. The Manual is based on research and best practices for accessibility, aging in place and Visitability in rental units. The Manual can be found on the Florida Housing website, under Special Needs Housing, Universal Design and Accessibility in Housing, Universal Design Concepts, or at the following URL:  
[http://www.floridahousing.org/FH-ImageWebDocs/UniversalApps/2011/RelatedReferences/Universal%20Design%20and%20Visitability%20Manual\\_Final\\_11\\_03\\_2010.pdf](http://www.floridahousing.org/FH-ImageWebDocs/UniversalApps/2011/RelatedReferences/Universal%20Design%20and%20Visitability%20Manual_Final_11_03_2010.pdf)

## 10. 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.

- a. Required resident services

**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 Persons with Developmental Disabilities or households served. Resident Services Coordination shall be offered and made available to 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.

b. **Optional resident services (Maximum \_\_ Points):**

Applicants may be awarded points for providing the following:

Supported Employment Services (An employment services program at no cost to the resident that is integrated with the permanent supportive housing program of the proposed Development) If this service is proposed, describe how the residents of the proposed Development will have access, including how the employment services program will meet the comprehensive needs of the target population and will integrate supportive housing and employment services. Explain how the employment services program will provide the ongoing supports necessary to ensure the participants' success in the workplace to obtain competitive jobs that anyone could have regardless of their disability status. Identify the community partners that will comprise the employment services program and the role of each partner. Describe the nature and extent of the relationship between each partner and the proposed Development. Typical partners in a successful employment services program may include the following:

- Behavioral health agencies;
- Federally Qualified Health Centers;
- Regional Workforce Boards;
- One-Stop Career Centers;
- Case management organizations;
- The local public housing authority;
- Community-based non-profit human service agencies;
- The state mental health agency;
- The state vocational rehabilitation agency;

Lead Agency: Identify the entity that will act as the Lead Agency for the employment services program. Describe how the Lead Agency will coordinate the program's services procedures and practices and work with the diverse systems each partner represents.

**11. 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 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 appropriate for the target population, 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 5 points)**

**12. Ability to Proceed (Mandatory to be provided in application)**

- a. In order to promote quick turnaround of funding, applicants must demonstrate 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; meets requirements of 419.001(2), F.S., if a Community Residential Home; Phase I environmental site assessment; and if applicable Phase II environmental site assessment during the credit underwriting process.

**13. Funding (Mandatory to be provided in application)**

- a. Applicants must indicate grant request amount. The maximum grant request amounts per application are proposed to be:

**(1) Adding Units to Serve Persons with Developmental Disabilities**

Up to \$175,000 for a Unit that provides three (3) Beds, plus \$50,000 for each additional Bed up to a total of 6 Beds, for a maximum of \$325,000 per development (either New Construction or Acquisition/Rehabilitation).

**(2) Retrofit of Existing Community Residential Homes**

Up to \$12,000 per Bed for a maximum of \$72,000 (for no more than six (6) Beds).

- 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. Two draft pro formas are provided 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 their applications in order to be considered for funding)

The applicant signs this certification to indicate 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. Qualifying Financial Assistance – Applicants that can demonstrate use of funding sources from local or other sources (all of which for purposes of this provision will be considered to be “Qualifying Financial Assistance”) will receive preference in the funding selection process if such sources are equal to at least ten (10) percent of the applicant’s grant request amount. Documentation for these funding sources must be submitted. These amounts of funding must be included in the Development Cost Pro Forma and, if the applicant is awarded funding under this RFA, must be used for funding in the amount presented by the applicant in its application.
- b. Leveraging – 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 \$300,000 from the grant funds to build or acquire and rehabilitate three (3) Units, the proposed development would be sorted based on a cost of \$100,000 per Unit.

- c. 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.
- d. 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 divided into Retrofit applications and Adding Units applications, then sorted from highest score to lowest score, with any scores that are tied separated by tiebreakers: first, by the Qualifying Finance Assistance preference; second, by Leveraging (grant request amount per \_\_\_, with the lower amount receiving preference); then by the Florida Job Creation preference; and finally by assigned lottery number.

- \$500,000 will be used to fund Retrofit applications (“Retrofit Funding”)
- \$3.5 million will be used to fund Adding Units applications (“Adding Units Funding”)

All applications will be subjected to the Funding Test. The Funding Test means that Retrofit applications will be selected for funding only if there is enough Retrofit Funding available to fully fund the request amount, and Adding Units applications will be selected for funding only if there is enough Adding Units Funding available to fully fund the request amount.

Funding will be limited to one (1) application per county (County Test) for each pot of grant funds, 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 the Retrofit applications. The first application selected for funding will be the highest scoring eligible Retrofit application. After the first application is selected for funding, the next highest scored eligible Retrofit application(s) that can pass the County Test and Funding Test will be selected for funding.

If a Retrofit application cannot meet the Funding Test, the next lower ranked Retrofit application will be considered (also subject to the County Test and Funding Test).

If Retrofit Funding remains and there are no eligible unfunded Retrofit applications that can pass the County Test and Funding Test, the highest scoring eligible unfunded Retrofit Application(s) that can meet the Funding Test will be tentatively selected for funding, without regard to the County Test. If none of the eligible unfunded Retrofit Applications meet the Funding Test, then the remaining funding will be awarded to the highest scoring eligible unfunded Retrofit Application, providing that there is enough funding remaining to fund at least 85 percent of the Applicant’s Request Amount (85% Test). If none of the unfunded eligible Retrofit Applications meet the 85% Test, then the Retrofit Funding will be set aside. At the conclusion of the Retrofit Application Funding process, the process will begin again for the Adding Units Applications.

At the conclusion of the Adding Units Application funding process, any Retrofit and Adding Units Funding that may remain will be pooled and awarded to the highest scoring eligible unfunded application(s) in either group, subject to the Funding Test, but 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: [Florida Housing 2013 Rent Limits](#).

#### **Attachments to this Discussion Document**

- Attachment 1: ELI county chart, list of FHFC fees and explanation of Florida Job Creation Preference
- Attachment 2: - "Simple" pro forma and Retrofit development cost pro forma

*Summary Discussion Points for the August 8, 2013 Public Meeting  
(Information subject to change)*

- 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)

**Additional Information for the Proposed RFA to Develop Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities**

**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 \_\_, or any applicant requesting Retrofit funding for an existing Community Residential Home, 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;
- 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.**

	<b>AMOUNT</b>
<b>DEVELOPMENT COSTS</b>	
<i>Actual Construction Costs</i>	
Demolition	\$ _____
New Rental Units	\$ _____
Rehab of Existing Rental Units	\$ _____
<b>*Other (explain in detail)</b>	\$ _____
<b>A. TOTAL ACTUAL CONSTRUCTION COSTS</b>	<b>\$ <span style="background-color: #00aaff; color: white; padding: 2px;">0</span></b>
<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	\$ _____
<b>*Impact Fees (list in detail)</b>	<b>\$ _____</b>
Insurance	\$ _____
Legal Fees	\$ _____

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

**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	\$ <b>0</b>	

**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.**

- 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.

	<b>AMOUNT</b>
<b>DEVELOPMENT COSTS</b>	
<i>Actual Construction Costs</i>	
Life Safety Features proposed	\$ _____
Security Features proposed	\$ _____
Energy Retrofit Features proposed	\$ _____
<b>*Other (explain in detail)</b>	\$ _____
<b>A. TOTAL ACTUAL CONSTRUCTION COSTS</b>	<b>\$ <span style="background-color: #00aaff; color: white; padding: 2px;">0</span></b>
<i>General Development Costs</i>	
Accounting Fees	\$ _____
Architect's Fee	\$ _____
Builder's Risk Insurance	\$ _____
Building Permit	\$ _____
FHFC Application Fee	\$ _____
FHFC Compliance Fee	\$ _____
FHFC Credit Underwriting Fees	\$ _____
FHFC Inspection Fees	\$ _____
<b>*Impact Fees (list in detail)</b>	<b>\$ _____</b>
Insurance	\$ _____
Legal Fees	\$ _____
Survey	\$ _____

	<b>AMOUNT</b>
Title Insurance & Recording Fees	\$ _____
<b>*Other (explain in detail)</b>	<b>\$ _____</b>
<b>B. TOTAL GENERAL DEVELOPMENT COST</b>	<b>\$ <span style="background-color: #00AEEF; color: white;">0</span></b>
<b>C. DEVELOPMENT COST</b> (A+B)	<b>\$ <span style="background-color: #00AEEF; color: white;">0</span></b>
<b>D. DEVELOPER'S OVERHEAD (1)</b>	<b>\$ _____</b>
<i>Financial Costs</i>	
Loan Origination/Commitment Fee(s)	\$ _____
Loan Closing Costs	\$ _____
<b>*Other (explain in detail)</b>	<b>\$ _____</b>
<b>E. TOTAL FINANCIAL COST</b>	<b>\$ <span style="background-color: #00AEEF; color: white;">0</span></b>
<b>F. TOTAL DEVELOPMENT COST</b> (C+D+E)	<b>\$ <span style="background-color: #00AEEF; color: white;">0</span></b>

**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 E)*

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**

<b>A. Total Development Costs</b>	\$ <b>0</b>	
<b>B. Construction or Rehab Funding Sources:</b>		
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	\$ <b>0</b>	(100% not paid during construction phase)
8. Non-FHFC Grants	\$ _____	Exhibit _____
9. Other: _____	\$ _____	Exhibit _____
10. Other: _____	\$ _____	Exhibit _____
11. Total Sources	\$ <b>0</b>	
<b>C. Sources less Total Development Cost</b> (B.11. - A.)	\$ <b>0</b>	(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.**

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**PERMANENT ANALYSIS**

**AMOUNT**

**LOCATION OF DOCUMENTATION**

<b>A. Total Development Costs</b>	\$ <b>0</b>	
<b>B. Permanent Funding Sources:</b>		
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	\$ <b>0</b>	
<b>C. Sources less Total Development Cost</b> (B.10. - A.)	\$ <b>0</b>	(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 funds, 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.