

FLORIDA HOUSING FINANCE CORPORATION

Second Modification of Request for Applications (RFA) 2022-101 SAIL Financing for
the Preservation of Elderly Developments

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.c.(1) of the RFA as follows:

(1) Minimum Set-Aside Commitments per Section 42 of the IRC

Per Section 42 of the IRC, elect one of the following minimum set-aside commitments:

- 20% of the units at 50% or less of the Area Median Income (AMI)
- 40% of the units at 60% or less of the AMI
- Average Income Test

Note: Choosing the 20 percent at 50 percent AMI or less minimum set-aside will restrict ALL Set-Aside Units at 50 percent or less of the AMI. Applicants may select the 40 percent at 60 percent AMI or less minimum set-aside without committing to set aside any of the units at the 60 percent AMI level. For example, an Applicant may commit to set aside 40 percent at 50 percent AMI and this would also be considered 40 percent at 60 percent AMI or less.

The Average Income Test requires that (a) forty percent or more of the residential units in the Development be both rent-restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the Applicant with respect to the respective unit, subject to the special rules relating to income limitation which (b) require the Applicant to designate the imputed income limitation of each unit taken into account under (a) above, such that the average of the imputed income limitations of all units designated by the Applicant shall not exceed 60 percent of the area median income. The designated imputed income limitation of any such unit shall be in 10-percent increments as follows: 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent of the area median income. ~~If the Average Income Test is selected, t~~he set-aside commitment for the Tax-Exempt Bonds will be 40 percent of the units at 60 percent or less of the AMI.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.c.(3) of the RFA as follows:

(3) Total Set-Aside Breakdown Chart

Complete the applicable Total Set-Aside Breakdown Chart provided in question 6.c.(2) of Exhibit A.

- (a) Completing the Total Set-Aside Breakdown Chart if not committing to the Average Income Test

Indicate on the chart at 6.c.(2)(a) of Exhibit A the percentage of residential units, stated in whole numbers, to be set aside at each selected AMI level for both the Housing Credit and SAIL charts. If the Total Set-Aside Breakdown Chart reflects that either the Total Set-Aside Percentage or the ELI commitment does not meet the Set-Aside requirements,

this Application will not be eligible for funding. The MMRB chart will populate automatically to reflect 40 percent of the units at 60 percent AMI because the Average Income Test does not apply to the separate tax-exempt bond set aside requirements under Section 142 of the IRC.

Note: ~~There Although there~~ are three ~~columns in the~~ Total Set-Aside Breakdown Charts which allows Applicants to have different commitments for the different programs. ~~The~~ The most restrictive commitment will be enforced.

~~Note: In order for the ELI Set-Aside Units to convert to serve residents at or below 60 percent AMI after 15 years, the ELI Set-Aside Units must only be a SAIL commitment and only be stated in the SAIL column of the Total Set-Aside Breakdown Chart. Because the Housing Credit column and the MMRB column represent 50-year commitments, Applicants that restate the ELI commitment in the Housing Credit or MMRB column are committing to set aside that percentage of the total units for ELI Households for the entire Compliance Period.~~

Methodology Used by the Corporation to Convert the Percentage of Total Units to Set-Aside Units and, if applicable, Market Rate Units

- (i) First, calculate the number of Set-Aside Units for the lowest AMI level commitment.

The percentage associated with the lowest AMI level that the Applicant commits to will be multiplied by the total units, rounded up to the next whole unit. The result will be the number of Set-Aside Units at the lowest AMI level commitment.

- (ii) Then, calculate the number of Set-Aside Units for the second lowest AMI level.

The percentage associated with the second lowest AMI level that the Applicant commits to will be first added to the percentage associated with the lowest AMI level commitment. These percentages, added together, will be multiplied by the total units, rounded up to the next whole unit.

The number of units calculated in (i) above will be subtracted from the result to calculate the number of Set-Aside Units at the second lowest AMI level commitment.

- (iii) Then, calculate the number of Set-Aside Units for each remaining AMI level, if applicable.

Starting with the third lowest AMI level remaining, the number of Set-Aside Units for each of the remaining AMI levels will be calculated using the same methodology described in (ii) above.

- (iv) Finally, calculate market-rate units, if applicable

To calculate the number of market-rate units, the total number of Set-Aside Units will be subtracted from the total number of units.

(b) Completing the Total Set-Aside Breakdown Chart if committing to the Average Income Test

If committing to the Average Income Test, Applicants must indicate on the chart at 6.c.(2)(b) of Exhibit A the number of Set-Aside Units, stated in whole numbers, to be set aside at each selected AMI level.

The Corporation will verify that the number of units set aside at the ELI level meets the ELI minimum requirements by dividing the number of units that are set-aside at 30 percent AMI, or less, by the total number of units. The Corporation will also verify the overall Set-Aside Commitment of all units by adding all Set-Aside Units and then dividing this sum by the total number of units. Exhibit A provides a calculation of the Average AMI of the Qualifying Housing Credit Units using the methodology below.

Note: After entering the number of units into Exhibit A, the percentage of total units is calculated, which may reflect numbers represented with decimal places instead of whole numbers. This is acceptable for the Average Income Test calculation.

If the Total Set-Aside Breakdown Chart reflects that the Average AMI of the Qualifying Housing Credit Units exceeds 60 percent, and/or if the number of Set-Aside Units set aside at 30 percent AMI, or less, is not equal to or greater than the required ELI commitment, and/or the overall Set-Aside Commitment requirement is not met, this Application will not be eligible for funding.

Calculation of the Average AMI of the Qualifying Housing Credit Units for the Average Income Test

- (i) First, state the total number of Set-Aside Units at each AMI commitment.
- (ii) Then, at each AMI commitment, multiply the number of Set-Aside Units by the AMI percentage (e.g., a commitment of 13 Set-Aside Units at 30 percent AMI would be calculated as follows: $13 \times 0.30 = 3.9$).
- (iii) Repeat this calculation at each AMI level. Then add the results together.
- (iv) Divide the number calculated in (iii) by the total number of Set-Aside Units stated in (i).
- (v) This number must be equal to or less than 60 percent to meet the eligibility requirement. If the Average AMI of the Qualifying Housing Credit Units exceeds 60 percent, this Application will not be eligible for funding.

Where reasonably possible, keep the unit mix consistent across each committed AMI level.

The above ELI and all other set-aside commitments must be taken into account during any pre-leasing and leasing activities.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.f. of the RFA as follows:

f. Compliance Period

All Applicants are required to set aside the units for 50 years and knowingly, voluntarily and irrevocably commit to waive, and do hereby waive, for the duration of the 50-year set aside period, the option to convert the Development to market rate, including any option or right to submit a request for a qualified contract, after year 14, and any other option, right or process available to the Applicant to terminate (or that would result in the termination of) the 50-year set aside period at any time prior to the expiration of its full term.

Demographic Commitments: The Compliance Period committed to in this section includes the units set aside for the Demographic Commitments made in this RFA, which includes the commitments for Link Units and ELI Households.

Income Set-Aside Commitments: If the Applicant did not commit to the Average Income Test, after 15 years all of the ELI Set-Aside Units ~~stated in the SAIL column of the Total Set-Aside Breakdown Chart~~ may convert to serve residents at or below 60 percent AMI. After year 15 the ELI Set-Aside units may convert to 60 percent AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire Compliance Period.

Although the percentage of units committed to must remain in effect for the entire Compliance Period, the particular units designated for the Demographic Commitment and AMI commitment must not be limited to the same units throughout the Compliance Period. Doing so may cause the Development to be in noncompliance.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.10.e. of the RFA as follows:

~~f.e.~~ ~~Principal of the Applicant is a~~ Public Housing Authority and/or an instrumentality of a Public Housing Authority

Applicants may qualify for an “Add-On Bonus” used in the Total Development Cost Per Unit Base Limitation calculation described in Section Five and in Item 1 of Exhibit C of the RFA, and the PHA Add-On used in the Leveraging Calculation described in Item 2 of Exhibit C if at least one of the following is met:

- (1) The Applicant has either entered into a land lease with a Public Housing Authority on property where the proposed Development is to be located or the Applicant provided an Option to Enter into a Ground Lease Agreement on property where the proposed Development is to be located; ~~and~~ **AND** the property has an existing Declaration of Trust between the Public Housing Authority and HUD; or
- (2) The Applicant is associated with a Public Housing Authority and/or an instrumentality of a Public Housing Authority in the ownership structure. The Applicant should state whether any Principals of the Applicant entity are a Public Housing Authority and/or an instrumentality of a Public Housing Authority and the Public Housing Authority and/or

instrumentality of a Public Housing Authority must be reflected on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019).

Note: For purposes of the “Add-On Bonus”, the Public Housing Authority and/or instrumentality of a Public Housing Authority must not be disclosed as only the Investor Limited Partner of the Applicant or Investor Member of the Applicant.

If a Public Housing Authority has one of the above-described relationships with the Applicant, state the name of the Public Housing Authority.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the “Total Development Cost Per Unit Base Limitations to be used during the scoring process chart” within Section Five, A.1. of the RFA as follows:

Total Development Cost Per Unit Base Limitations to be used during the scoring process

Measure	New Construction Units					Rehabilitation Units	
	Garden Non-ESS*	Garden ESS*	Mid-Rise-Non-ESS*	Mid-Rise-ESS*	High-Rise*	Garden*	Non-Garden*
Maximum TDC Per Unit Limitation ** for all counties except Broward, Miami-Dade and Palm Beach counties	\$320,000	\$370,000	\$370,000	\$410,000	\$420,000	\$170,000	\$260,000
Maximum TDC Per Unit Limitation ** for Broward, Miami-Dade and Palm Beach counties	\$340,000	\$390,000	\$390,000	\$430,000	\$440,000	\$180,000	\$270,000
Applicable TDC Multipliers (to be applied against the Development’s TDC) and TDC Add-Ons (to be added to the Maximum TDC Per Unit Limitation)							
Non-Geographic Multiplier - TDC Multiplier for Elderly-ALF Developments					95%		
Geographic Multiplier - TDC Multiplier for Florida Keys Area for all areas located north of Plantation Key (i.e., north of Tavernier Creek)					65%***		
Geographic Multiplier - TDC Multiplier for Florida Keys Area for all areas located on or south of Plantation Key (i.e., south of Tavernier Creek)					50%***		
TDC-PHA Add-On for means Applicants that <u>either (i) have a land lease with a PHA for the proposed Development’s location or the Applicant provided an Option to Enter into a Ground Lease Agreement on property where the proposed Development is to be located; AND the property which has a Declaration of Trust between the PHA and HUD; or (ii) for Applicants that have a PHA/instrumentality of a PHA as a Principal or for Applicants that have a land lease with a PHA for the proposed Development’s location which has a Declaration of Trust between the PHA and HUD</u>					\$7,500 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation <u>to Applications that qualify for the PHA Add-On</u>		
TDC Add-on for All Applicants due to known expenses related to tax-exempt bond transactions					\$7,500 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation		

* Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise with elevator (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High-Rise (7 or more stories). ESS means Enhanced Structural Systems Construction.

** Exclusive of-property purchase price and exclusive of any approved operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee. When the term of operating deficit reserves (ODR) is mentioned in this TDC Per Unit Limitation section, the term shall refer to these particular operating deficit reserves. Examples of reserves which can be considered part of the operating deficit reserve for this calculation are provided in the Operating Deficit Reserve portion of the Funding section in the RFA. For purposes of property purchase price to be excluded, the Corporation uses the lesser of the appraised value, or the actual property purchase price. When property purchase price is referenced in this TDC Per Unit Limitation section, the reference shall be limited to the amount of the property purchase price approved by the Corporation to be provided in the final cost certification under the building

acquisition and land owned cost line items. In addition, the costs identified by any Applicant as the construction costs associated with commercial and/or retail space are excluded from the TDC Per Unit Limitation process. For Applicants that have a public housing authority/instrumentality of a public housing authority listed as a Principal on the Applicant's Principal Disclosure Form may also exclude demolition costs and tenant relocation costs from TDC PU Limitation calculations. The total amount of costs that are to be excluded from the TDC Per Unit Limitation process are the applicable property acquisition price (building and land), construction costs associated with the delivery of commercial/retail space, operating deficit reserves and certain PHA costs described herein are referred to in Exhibit C in the congregate as applicable qualifying costs.

*** If the proposed Development consists of Scattered Sites, the 50% TDC Multiplier applies only if all of the sites are located south of Tavernier Creek.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies 10.e. of the Exhibit A of the RFA as follows:

e. ~~Principal of the Applicant is a~~ Public Housing Authority and/or an instrumentality of a Public Housing Authority

(1) Has the Applicant entered into a land lease with a Public Housing Authority on property where the proposed Development is to be located [or the Applicant provided an Option to Enter into a Ground Lease Agreement on property where the proposed Development is to be located](#); ~~AND and~~ the property has an existing Declaration of Trust between the Public Housing Authority and HUD?

[Choose an item.](#)

(2) Is the Applicant associated with a Public Housing Authority and/or an instrumentality of a Public Housing Authority in the ownership structure?

[Choose an item.](#)

If the Principal of the Applicant Entity is an instrumentality of a Public Housing Authority, state the name of the Public Housing Authority:

[Click here to enter text.](#)

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies 10.f.(4) of the Exhibit A of the RFA as follows:

(4)	Does the Applicant qualify for the PHA Multiplier? nt indicate it has a PHA or an instrumentality of a PHA as a Principal?	No
	If the Applicant has a PHA (or instrumentality) as a Principal yes , multiply by 0.93	\$0

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the “Total Development Cost Per Unit Base Limitations, to be used for Total Development Cost Per Unit Limitation Tests in Credit Underwriting and Final Cost Certification, prior to any Escalation Factor chart” within Item 1 of Exhibit C of the RFA as follows:

Total Development Cost Per Unit Base Limitations, to be used for Total Development Cost Per Unit Limitation Tests in Credit Underwriting and Final Cost Certification, prior to any Escalation Factor

Measure	New Construction Units					Rehabilitation Units	
	Garden Non-ESS*	Garden ESS*	Mid-Rise-Non-ESS*	Mid-Rise-ESS*	High-Rise*	Garden*	Non-Garden*
Maximum TDC Per Unit Limitation ** for all counties except Broward, Miami-Dade and Palm Beach counties	\$320,000	\$370,000	\$370,000	\$410,000	\$420,000	\$170,000	\$260,000
Maximum TDC Per Unit Limitation ** for Broward, Miami-Dade and Palm Beach counties	\$340,000	\$390,000	\$390,000	\$430,000	\$440,000	\$180,000	\$270,000
Applicable TDC Multipliers (to be applied against the Development’s TDC) and TDC Add-Ons (to be added to the Maximum TDC Per Unit Limitation)							
Non-Geographic Multiplier - TDC Multiplier for Elderly-ALF Developments					95%		
Geographic Multiplier - TDC Multiplier for Florida Keys Area for all areas located north of Plantation Key (i.e., north of Tavernier Creek)					65%***		
Geographic Multiplier - TDC Multiplier for Florida Keys Area for all areas located on or south of Plantation Key (i.e., south of Tavernier Creek)					50%***		
TDC Add-on for All Applicants due to known expenses related to tax-exempt bond transactions					\$7,500 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation		
PH PH Add-On for means Applicants that <u>either (i) have a land lease with a PHA for the proposed Development’s location or the Applicant provided an Option to Enter into a Ground Lease Agreement on property where the proposed Development is to be located; AND the property which has a Declaration of Trust between the PHA and HUD; or (ii) for Applicants that have a PHA/instrumentality of a PHA as a Principal</u> have a PHA/instrumentality of a PHA as a Principal or for Applicants that have a land lease with a PHA for the proposed Development’s location which has a Declaration of Trust between the PHA and HUD					\$7,500 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation <u>to Applications that qualify for the PHA Add-On</u>		

* Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High-Rise (7 or more stories). ESS means Enhanced Structural Systems Construction.

** Exclusive of-property purchase price and exclusive of any approved operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee. When the term of operating deficit reserves (ODR) is mentioned in this TDC Per Unit Limitation section, the term shall refer to these particular operating deficit reserves. Examples of reserves which can be considered part of the operating deficit reserve for this calculation are provided in the Operating Deficit Reserve portion of the Funding section in the RFA. For purposes of property purchase price to be excluded, the Corporation uses the lesser of the appraised value, or the actual property purchase price. When property purchase price is referenced in this TDC Per Unit Limitation section, the reference shall be limited to the amount of the property purchase price approved by the Corporation to be provided in the final cost certification under the building acquisition and land owned cost line items. In addition, the costs identified by any Applicant as the construction costs associated with commercial and/or retail space are excluded from the TDC Per Unit Limitation process. For Applicants that have a public housing authority/instrumentality of a public housing authority listed as a Principal on the Applicant’s Principal Disclosure Form may also exclude demolition costs and tenant relocation costs from TDC PU Limitation calculations. The total amount of costs that are to be excluded from the TDC Per Unit Limitation process are the applicable property acquisition price (building and land), construction costs associated with the delivery of commercial/retail space, operating deficit reserves and certain PHA costs described herein are referred to in Exhibit C in the congregate as applicable qualifying costs.

*** If the proposed Development consists of Scattered Sites, the 50% TDC Multiplier applies only if all of the sites are located south of Tavernier Creek.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the Item 2.c. of Exhibit C of the RFA as follows:

- c. If the Applicant has either (i) ~~a PHA as a Principal (disclosed in the Principal Disclosure form); or (ii)~~ entered into a land lease with a Public Housing Authority on property where the proposed Development is to be located or the Applicant provided an Option to Enter into a Ground Lease Agreement on property where the proposed Development is to be located; AND ~~and~~ the property has an existing Declaration of Trust between the Public Housing Authority and HUD; or (ii) a PHA/instrumentality of a PHA as a Principal, the Application will qualify for the PHA Multiplier and; the amount will also be multiplied by 0.93.

The resulting product will be then added to the Eligible SAIL Request Amount, (exclusive of ELI Loan Funding), as applicable.

Note: More than one of the above may apply. For instance, if a. and b. and c. apply and the Development qualifies for the basis boost, the Eligible SAIL Request will be multiplied by 1.15, then multiplied by 0.88 and then by 0.93.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the Item 2.a.(10) of Exhibit H of the RFA as follows:

- (10) The affordability period committed to in this RFA includes the units set aside for ELI Households. ~~If the Applicant did not commit to the Average Income Test, A~~fter 15 years, all of the ELI Set-Aside units that were associated with the ELI Loan Funding may convert to serve residents at or below 60 percent AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire affordability period; and

Submitted By:

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