

FLORIDA HOUSING FINANCE CORPORATION

Third 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 One, A. of the RFA as follows:

A. SAIL

Florida Housing Finance Corporation (the Corporation) expects to have an estimated \$ ~~2,520,7462,441,063~~* of loan funding comprised of a portion of the State Apartment Incentive Loan (SAIL) funding appropriated by the 2022 Florida Legislature. The funding includes ELI Loan funding to cover the units that are set aside for Extremely Low Income (ELI) Households, including the commitment for a portion of ELI Set-Aside units as Link Units for Persons with Special Needs, as defined in Section 420.0004(13) F.S. and as further outlined in Sections Four A.6.d.(2)(c) of the RFA.

- * This amount is an estimate and may be further adjusted based on the funding results of 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). If adjusted, the final amount available for this RFA will be posted to the RFA Webpage. A listserv will be issued when this information is available.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.7.a.(3) of the RFA as follows:

(3) Lease -

~~(a) For Developments without an existing Declaration of Trust between a Public Housing Authority and HUD~~(a) If providing a lease, the lease must have an unexpired term of at least 50 years after the Application Deadline and the lessee must be the Applicant. The owner of the subject property must be a party to the lease, or a party to one or more intermediate leases, subleases, agreements, or assignments, between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to lease the property for at least 50 years to the lessee.

(b) ~~For Developments with~~If there is an existing Declaration of Trust ~~between a Public Housing Authority and HUD,~~recorded on the subject property, the Applicant may provide an Option to Enter into a Ground Lease Agreement ("eligible agreement") between the Applicant and the owner of the property. An eligible agreement must meet the following conditions:

- (i) It must have a term that does not expire before June 30, 2023 or that contains extension options exercisable by the Applicant and conditioned solely upon

payment of additional monies which, if exercised, would extend the term to a date that is not earlier than June 30, 2023;

- (ii) The Applicant must be a party to the eligible agreement unless there is an assignment of the eligible agreement, signed by the assignor and the assignee, which assigns all of the lessor's rights, title and interests in the eligible agreement to the Applicant; and
- (iii) The owner of the subject property must be a party to the eligible agreement, or is a party to one or more intermediate contracts, agreements, assignments, options, or conveyances between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to lease the property to the lessor. Any intermediate agreement must meet the criteria for an eligible agreement in (i) and (ii) above.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.10.a.(1)(a) of the RFA as follows:

- (a) The Applicant must state the amount of SAIL funding it is requesting, which will populate automatically within the Development Cost Pro Forma. If the Applicant states an amount that is not a whole dollar amount, the Corporation will round the amount down to a whole dollar amount.

The SAIL Request Amount is limited to \$84,000 per unit; however, the SAIL Request Amount plus the ELI Loan Request Amount is limited to the lesser of the following:

- \$ ~~2,520,7462,441,063~~ per Development; and
- A maximum of 35 percent of Total Development Cost.

In the event of a discrepancy between the amount shown in this section and that shown elsewhere within the Application, the amount shown in this section shall be deemed to be the Applicant's SAIL Request Amount.

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

- (4) Operating Deficit Reserves

An operating deficit reserve is not to be included as part of Development Costs and cannot be used in determining the maximum Developer Fee. Applicants may not enter any amounts pertaining to any type of reserve other than the contingency reserve mentioned above on the Development Cost Pro Forma as part of the Application process. A reserve, including an operating deficit reserve, if necessary as determined by an equity provider, first mortgage lender, and/or the Credit Underwriter engaged by the Corporation in its

reasonable discretion, will be required and sized in credit underwriting. The inclusion of any reserve is not permitted in the Application (other than the permitted contingency reserve) which may include, but is not limited to, operating deficit reserve, debt service shortfalls, lease-up, rent-re-stabilization, working capital, lender or syndicator required reserve(s), and any pre-funded capital (replacement) reserves. If any reserve other than the permitted contingency reserve can be identified and is included in the Development Cost Pro Forma, the Corporation will remove it during Application scoring.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development's capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant's obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant's organizational agreement (i.e., operating or limited partnership agreement) whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant's discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

~~The Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the above requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's requirements stated above, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.~~

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Item 1.d. of the Exhibit D of the RFA as follows:

- d. If the Applicant is using Non-Corporation-issued Tax-Exempt Bonds, a copy of the ~~signed TEFRA letter which is Development-specific must be provided, along with the~~ following documentation must be provided, as applicable:
- (1) If the Credit Underwriting for the bonds is complete and it was prepared by a Credit Underwriter under contract with the Corporation, provide a complete copy of the final Credit Underwriting Report; or
 - (2) If the Credit Underwriting for the bonds has not been completed or has been completed by a credit underwriter not under contract with the Corporation, provide the name of

the assigned credit underwriter and a copy of the inducement resolution or acknowledgement resolution awarding the bonds.

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