

Questions and Answers for RFA 2021-205
SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits

Question 1:

If we apply for both 9% HC and for SAIL in the 2021 cycle for the same development and against all odds were to be eligible for funding under both programs, is there any kind of penalty associated with withdrawing the SAIL application? We understand that the \$3,000 application fee is non-refundable.

Answer:

There is only a penalty for withdrawing an application in 2021-205 after the application due date if the Application is a Self-Sourced Application. The Withdrawal Disincentive does not apply to Non-Self-Sourced Applicants in RFA 2021-205. Please note, if an application accepts an invitation to enter credit underwriting in another RFA, the application will be ineligible for funding under RFA 2021-205.

Question 2:

If an Applicant submitted a project in RFA 2021-201 and RFA 2021-202, but it is unlikely that the respective projects will be funded, may an Applicant submit the same project/application in RFA 2021-205 without running afoul of the Withdrawal Disincentive or a penalty in future application rounds with FHFC?

Answer:

Proposed Developments submitted in one of the three 9% HC Geographic RFAs may also be submitted in RFA 2021-205 without withdrawing from the 9% RFA. The three 9% HC Geographic RFAs and SAIL RFA include Withdrawal Disincentive language. The Withdrawal Disincentive applies to all Applications in the 9% Geographic RFAs and to all Self-Sourced Applications in the SAIL RFA. Please note, if an application accepts an invitation to enter credit underwriting in another RFA, the application will be ineligible for funding under RFA 2021-205.

Question 3:

Can Developer experience include experience other than Housing Credit experience? The “or” at the top of page 13 seems to say you don’t need Housing Credit experience.

Answer:

The SAIL language of subparagraph 420.5087(6)(c)12., F.S. states that SAIL criteria used in scoring must use Sponsor’s prior experience, but “may not require a sponsor to have prior experience with the corporation to qualify for financing under the program.” To be consistent with the statutory language, Florida Housing changed the Developer Experience requirement in all SAIL RFAs, including 2021-205, to require Developers have “completed at least *one multifamily rental housing development* that consists of a total number of units no less than 50 percent of the total number of units in the proposed Development.” This can include experience other than Housing Credit experience.

The “or” that you referenced is part of how Florida Housing defines “completed” for this provision. “For purposes of this provision, completed development means (i) that the temporary or final certificate of occupancy has been issued for at least one unit in one of the residential apartment buildings within the development, or (ii) that at least one IRS Form 8609 has been issued for one of the residential apartment buildings within the development. As used in this section, a Housing Credit development that contains multiple buildings is a single development regardless of the number of buildings within the development for which an IRS Form 8609 has been issued.” The “or” means that the requirement can be met through (i) OR (ii).

Question 4:

Can an Applicant ignore all Developments within a buffer if at least one meets the Financial Beneficiary exemption language?

Answer:

The language in Section Four, A.5.f.(2) states that Applicants may disregard any Development(s) on the list that serves the same demographic group as the proposed Development if the proposed Development and any Development(s) on the List have one or more of the same Financial Beneficiaries and meet at least one of the following criteria: (i) they are contiguous or are divided by a street, and/or (ii) they are divided by a prior phase of the proposed Development.

This means that a Development in the buffer that serves the same demographic group as the proposed Development may be ignored for purposes of the Mandatory Distance Requirement if all criteria are met. If there are multiple Developments within the buffer, all Developments must meet the criteria to be ignored for Mandatory Distance Requirement purposes.

Question 5:

Are Self-Sourced Applicants eligible for NHTF Funding, even if they were not eligible for ELI Loan Funding?

Answer:

Yes. All Applicants that commit to NHTF units are eligible for NHTF Funding, regardless of their status as a Self-Sourced or non-Self-Sourced Applicant and regardless of whether the Application is also eligible for ELI Loan Funding. As a reminder, NHTF units have a 30 year set-aside that cannot be waived, regardless of future participation in the qualified contract process.

Question 6:

In RFA 2021-205, there is no limit to how many Applications a Local Government can provide contributions to, correct? RFA 2021-202 (6 County Large Geo) and RFA 2021-201 (Small/Medium County Geo) are the only ones where Local Governments have to select one Development and fund it at a higher level, correct?

Also, am I correct in stating that there could be more than 2 New Construction SAIL applications that could be funded within 1 Large County and the amount of local funding provided does not impact this determination since they will both receive the 5 points for receiving a local contribution?

Answer:

There is no limit on how many Applications can be submitted from the same county in RFA 2021-205. All Applications submitted in RFA 2021-205 are eligible for the 5 Local Government Contribution points outlined in Section Four, A.11. You referenced a submission process where counties “select one Development and fund it at a higher level” and that is regarding the Local Government Area of Opportunity Goal, which is only found in RFA 2021-201, 9% HC for Small/Medium Counties and RFA 2021-202, 9% HC for 6 Large Counties.

In RFA 2021-205, there could be more than one Application funded from the same county, but in that RFA, a County Award Tally is used to spread the resources among as many counties as possible. This means that if one Application is selected in County A, the next Application in County A may be skipped if there is another Application in another county that hasn't received any awards yet.

Question 7:

I am looking for a clarification regarding the local government contributions as it relates to “face amount” versus value of contribution.

Answer:

On September 3, 2021, Florida Housing sent a listserv announcement stating the following:

There is no requirement for a net present value calculation in RFA 2021-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits. The August 20, 2021 modification in this RFA modified the Local Government contribution language to make clear that Florida Housing will only consider the face value of the contribution when considering Local Government contributions as sources and/or for Local Government Contribution points.

Question 8:

With respect to the tiebreakers for Preservation, I saw that the second, third and fourth tiebreakers are all defined terms (Age of Development Preference, RA Level 1, 2 or 3 Preference, and ESS Construction Funding Preference) but those terms don't show up anywhere else in the RFA Instructions.

Answer:

Age of Development Preference is described at the end of Section Four, A.4.b.(2)(d) of the RFA which says, “[t]he Development must have been built at least 20 years prior to the Application Deadline to meet the definition of Preservation and must be built in 1991 or earlier to receive the Age of Development funding selection preference.”

RA Level calculations are described in Section Four A.4.c. of the RFA. How the RA Levels are used in the selection process is described in the Sorting Order of Section Five.

Applications that commit to ESS Construction, as described in Section Four A.4.d. of the RFA, will qualify for the ESS Construction Funding Preference in the Sorting Order of Section Five.

Question 9:

The sixth tiebreaker for the selection of the Application that selected the Development Category of Preservation (leveraging, with A preferred over B) refers to the leveraging section in Exhibit C, but in that section there's only reference to Levels 1-5 and no reference to A/B leveraging. Will A/B be used to select the Application for the Preservation Goal or Leveraging Levels 1 - 5?

Answer:

Leveraging Levels 1 – 5 will be used in the funding selection process for RFA 2021-205. A second modification will be issued to remove references to the A/B Leveraging.

Question 10:

I see that Applications with the Development Category of Rehabilitation or Redevelopment (with or without Acquisition) may qualify for the Mandatory Distance Requirement automatically if the conditions outlined in Section Four, A.5.f.(1) of the RFA are met. Will Applications that qualify for the Preservation Goal also qualify for Mandatory Distance Requirement automatically because Preservation Applications are an existing occupied Development? Mandatory Distance Requirement is not a scoring item in the Preservation RFA and Applications that have been funded in previous Preservation RFAs have not been added to the Proximity List.

Answer:

Yes. A second modification will be issued which will include the following item in Section Four, A.5.f.(1) of the RFA:

- (1) Applications Eligible for the Automatic Qualification for the Mandatory Distance Requirement
 - (a) The Applicant selected the Rehabilitation Development Category (with or without Acquisition), the proposed Development involves the Rehabilitation of an existing, occupied residential rental property in operation as of the Application Deadline, and the proposed Development meets all of the following criteria: (i) the Applicant commits to set aside 30 percent of the total units as ELI Set-Aside units on the Total Set-Aside Breakdown Chart, and (ii) the proposed Development is classified as RA Level 1 or RA Level 2;
 - (b) The Applicant selected the Redevelopment Development Category (with or without Acquisition) and the proposed Development meets all of the following criteria: (i) the Applicant commits to set aside 30 percent of the total units as ELI Set-Aside units on the Total Set-Aside Breakdown Chart, (ii) the proposed Development is classified as RA Level

1 or RA Level 2, and (iii) the Percentage of Total Units that will have Rental Assistance is greater than 75 percent; or

- (c) The Applicant selected the Preservation Development Category (with or without Acquisition).

Question 11:

Are electronic signatures acceptable for the ability to proceed and local government contribution forms?

Answer:

Yes. Electronic signatures are acceptable throughout the submitted Application Package.

Question 12:

Ability to Proceed forms must be dated within 12 months to be accepted with the application for the geo RFAs. I'm curious if the same applies to Principal Disclosure Forms. If we're reapplying and we had the principal disclosure form approved last year and nothing has changed with the entity, and it's the right version of the form (rev. 05-2019), can that be an approved Principal Disclosure Form for this RFA be resubmitted?

Answer:

Yes. There is no prohibition on sending in Principal forms that were stamped approved more than 12 months ago.

Question 13:

Is it acceptable for an Applicant to provide two (2) Local Government Contribution ("LGC") forms for the same Development from the same municipality? For example, if applicant provides 2 forms from City X, one a Fee Waiver form for \$25k and a Loan form for \$25k, would that be considered a \$50k Local Government Contribution when calculating contributions for Local Government Contribution points?

Answer:

Yes. All Local Government Contributions will be added together to be used as sources in an Application and to calculate whether an Application will qualify for the Local Government Contribution points.

Question 14:

How is FHFC going to verify that the LGC form is a commitment is effective at least through June 30, 2022, as required on the note on page 74 of the RFA? For example, would execution of the LGC form this year suffice?

Answer:

Each Local Government Contribution form contains a certification section which requires the person signing to certify that the information is true and correct and that the commitment is effective at least through the date required in the applicable RFA.

Question 14:

Does a Zoning form signed prior to twelve months before the application deadline meet RFA eligibility requirements?

Answer:

No. All Ability to Proceed documents described in Section Four, A.7.b. of the RFA (zoning, water, and sewer) must be dated within twelve months of the RFA Application Deadline.

Please Note: The Q&A process for RFA 2021-205 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2021-205.

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The Q and A responses are based on the information presented in the question and the terms of the RFA. The responses to the Q and A are provided as a courtesy and shall not be construed as scoring of an application. If there is any conflict between the response to a Q and A and the RFA itself, the terms of the RFA control. These Q and A responses apply solely to RFA 2021-205.