

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2013-001
Affordable Housing Developments Located in
Medium and Small Counties

1. **Part Four A.4.c.(1) and (2)** of the RFA provide the following:

(1) Development Category:

The Applicant must select one of the following Development Categories applicable to the proposed Development and provide the required information:

- New Construction (where 50% or more of the units are new construction)
- Rehabilitation (where less than 50% of the units are new construction)
- Acquisition and Rehabilitation (acquisition and less than 50% of the units are new construction)
- Redevelopment (where 50% or more of the units are new construction)
- Acquisition and Redevelopment (acquisition and 50% or more of the units are new construction)

In order to determine the proposed Development's eligibility for the selected Development Category and its Rental Assistance (RA) Level classification (calculated as outlined in (2) below), the documentation outlined in (1)(a) or (1)(b) below must be provided.

(a) If New Construction, Rehabilitation, or Acquisition and Rehabilitation is selected, in order to be classified as an RA Level other than RA Level 6, the Applicant must provide, as **Attachment 5** to Exhibit A, a letter from a designated administrator of a federal program that provides long-term rental assistance. The rental assistance provided must be tied to the proposed Development and its units and be for a minimum of 20 years from the date the Development's units are placed in service*. The letter must include the following information and be dated within 12 months of the Application Deadline:

- Name of the proposed Development;
- Address of the proposed Development;
- Total number of units that will receive PBRA, ACC, and/or other form of long-term rental assistance if the proposed Development is funded;
- The federal program associated with the rental assistance; and
- A statement that the committed rental assistance will be reserved and available for use by the proposed Development by the time the units are placed in service and committed for a minimum of 20 years upon the units being placed in service*.

*This may be subject to congressional appropriation and continuation of the rental assistance program.

If the referenced letter is not provided, the proposed Development will automatically be deemed to be RA Level 6.

If the proposed Development will be Rehabilitation (the Applicant selected the Rehabilitation or Acquisition and Rehabilitation Development Category at question 4.c. of Exhibit A):

(i) The Applicant must indicate the estimated qualified basis in Rehabilitation expenses per set aside unit within one 24-month period for the building(s) being rehabilitated.

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This amount must be at least \$20,000 per set-aside unit as outlined in Section 67-48.0075, F.A.C.; and

- (ii) The Applicant must indicate whether any of the existing units are currently occupied; and
- (iii) The Applicant must indicate at question 4.c.(2)(c) of Exhibit A whether (A) the existing building(s) to be rehabilitated was originally built in 1994 or earlier, (B) the existing building(s) was either originally financed or is currently financed through one or more of the following HUD or RD programs: sections 202, 236, 514, 515, 516, or either has PBRA or is public housing assisted through ACC, and (C) the proposed Development did not close on funding from HUD or RD after 1994 where the budget was at least \$10,000 per unit for rehabilitation in any year.

Rehabilitation Applications (with or without Acquisition) that reflect an answer of “No” at question 4.c.(2)(c) of Exhibit A, as well as New Construction and Redevelopment (with or without Acquisition) Applications, will be eligible to be considered for the Development Category Funding Preference outlined in Section Four B of the RFA.

- (b) If Redevelopment or Acquisition and Redevelopment is selected, in order to qualify for the selected Development Category and determine the Development’s RA Level classification, the following criteria must be met:
 - (i) The Development must meet the definition of Redevelopment; and
 - (ii) The Applicant must provide, as **Attachment 5** to Exhibit A, a letter from HUD or RD, dated within 12 months of the Application Deadline, which includes the following information:
 - Name of the Development*;
 - Address of the Development;
 - Year built;
 - Total number of units that will receive PBRA and/or ACC if the proposed Development is funded; and
 - The HUD or RD program currently associated with the existing development.

* For purposes of this provision, the Name of the Development may be the name at the time of the PBRA and/or ACC award.

If the Application does not qualify for the Development Category of Redevelopment or Acquisition and Redevelopment, the Application will be deemed nonresponsive.

Redevelopment and Rehabilitation Developments that are tentatively funded will be required to provide to the Credit Underwriter a plan for relocation of existing tenants.

If the proposed Development consists of acquisition and rehabilitation, with or without new construction (where the applicable new construction is for the building of units

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which will total less than 50 percent of the proposed Developments total unit count), but the Applicant is not requesting Corporation funding related to the acquisition, the Applicant should select Rehabilitation as the Development Category. However, the acquisition costs and sources must still be reflected on the Development Cost pro forma.

(2) Rental Assistance (RA) Level Classification:

Part of the criteria for a proposed Development that qualifies as a Limited Development Area (LDA) Development to be eligible to be considered for funding is based on its RA Level, as outlined at Section Four A.6.c. below.

The total number of units that will receive rental assistance (i.e., PBRA and/or ACC and, in the case of New Construction and Rehabilitation, other forms of long-term rental assistance), as stated in the Development Category qualification letter, will be considered to be the proposed Development’s RA units and will be the basis of the Applicant’s RA Level Classification. The Corporation will divide the RA units by the total units stated by the Applicant at question 4.e. of Exhibit A, resulting in a Percentage of Total Units that are RA units. Using the Rental Assistance Level Classification Chart below, the Corporation will determine the RA Level associated with both the Percentage of Total Units and the RA units. The best rating of these two (2) levels will be assigned as the Application’s RA Level Classification.

Rental Assistance Level Classification Chart			
Rental Assistance Level	Percentage of Total Units		RA Units
Level 1	All units receive rental assistance (with the exception of up to 2 units)	or	At least 100 units and greater than 50% of the total units
Level 2	Greater than 90.00%	or	Greater than 90 units but less than 100 units and greater than 50% of the total units
Level 3	Greater than 75.00%, equal to or less than 90.00%	or	Greater than 75 units but less than 90 units and greater than 50% of the total units
Level 4	Greater than 50.00%, equal to or less than 75.00%		N/A
Level 5	Greater than 10.00%, equal to or less than 50.00%		N/A
Level 6*	10.00% or less of the total units receive rental assistance		N/A

*Applications will be classified RA Level 6 if 10.00% or less of the total units receive rental assistance or if the Applicant fails to meet the criteria outlined above.

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Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies **Part Four A.4.c.(1) and (2)** to read as follows:

(1) Development Category:

The Applicant must select one of the following Development Categories applicable to the proposed Development and provide the required information:

- New Construction (where 50% or more of the units are new construction)
- Rehabilitation (where less than 50% of the units are new construction)
- Acquisition and Rehabilitation (acquisition and less than 50% of the units are new construction)
- Redevelopment (where 50% or more of the units are new construction)
- Acquisition and Redevelopment (acquisition and 50% or more of the units are new construction)

In order to determine the proposed Development's eligibility for the selected Development Category and its Rental Assistance (RA) Level classification (calculated as outlined in (2) below), the required information, outlined in (1)(a) or (1)(b) below, must be provided.

(a) If New Construction, Rehabilitation, or Acquisition and Rehabilitation is selected, in order to be classified as an RA Level other than RA Level 6, the Applicant must provide the information outlined in either (i) or (ii) below:

(i) Provide, as **Attachment 5** to Exhibit A, a letter from a designated administrator of a federal program that provides long-term rental assistance. The rental assistance provided must be tied to the proposed Development and its units and be for a minimum of 20 years from the date the Development's units are placed in service*. The letter must include the following information and be dated within 12 months of the Application Deadline:

- Name of the proposed Development;
- Address of the proposed Development;
- Total number of units that will receive PBRA, ACC, and/or other form of long-term rental assistance if the proposed Development is funded;
- The federal program associated with the rental assistance; and
- A statement that the committed rental assistance will be reserved and available for use by the proposed Development by the time the units are placed in service and committed for a minimum of 20 years upon the units being placed in service*.

*This may be subject to congressional appropriation and continuation of the rental assistance program.

or

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- (ii) Using the Rental Assistance Level Classification Chart set out in Item (2) below, state the Rental Assistance (RA) Level for the proposed Development at question 4.c.(1) of Exhibit A. During the credit underwriting process, the Applicant will be required to provide the letter described in (i) above to verify the RA Level, as outlined in Item 10.c.(7) of Exhibit A.

If the letter referenced in (i) above is not provided or if the Applicant does not state the RA Level as described in (ii) above, the proposed Development will automatically be deemed to be RA Level 6.

- (iii) If the proposed Development will be Rehabilitation (the Applicant selected the Rehabilitation or Acquisition and Rehabilitation Development Category at question 4.c. of Exhibit A):

- The Applicant must indicate the estimated qualified basis in Rehabilitation expenses per set aside unit within one 24-month period for the building(s) being rehabilitated. This amount must be at least \$20,000 per set-aside unit as outlined in Section 67-48.0075, F.A.C.; and
- The Applicant must indicate whether any of the existing units are currently occupied; and
- The Applicant must indicate at question 4.c.(2)(c) of Exhibit A whether (A) the existing building(s) to be rehabilitated was originally built in 1994 or earlier, (B) the existing building(s) was either originally financed or is currently financed through one or more of the following HUD or RD programs: sections 202, 236, 514, 515, 516, or either has PBRA or is public housing assisted through ACC, and (C) the proposed Development did not close on funding from HUD or RD after 1994 where the budget was at least \$10,000 per unit for rehabilitation in any year.

Rehabilitation Applications (with or without Acquisition) that reflect an answer of “No” at question 4.c.(2)(c) of Exhibit A, as well as New Construction and Redevelopment (with or without Acquisition) Applications, will be eligible to be considered for the Development Category Funding Preference outlined in Section Four B of the RFA.

- (b) If Redevelopment or Acquisition and Redevelopment is selected, in order to qualify for the selected Development Category and determine the Development’s RA Level classification, the Applicant must provide the information outlined in either (i) or (ii) below:
- (i) To demonstrate that the proposed Development meets the definition of Redevelopment and establish the RA Level, the Applicant must provide, as **Attachment 5** to Exhibit A, a letter from HUD or RD, dated within 12 months of the Application Deadline, which includes the following information:

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- Name of the Development*;
- Address of the Development;
- Year built;
- Total number of units that will receive PBRA and/or ACC if the proposed Development is funded; and
- The HUD or RD program currently associated with the existing development.

*For purposes of this provision, the Name of the Development may be the name at the time of the PBRA and/or ACC award.

If the Application does not qualify for the Development Category of Redevelopment or Acquisition and Redevelopment, the Application will be deemed nonresponsive.

or

- (ii) At question 4.c.(1) of Exhibit A, the Applicant must indicate whether the proposed Development meets the definition of Redevelopment and, using the Rental Assistance Level Classification Chart set out in Item (2) below, state the Rental Assistance (RA) Level for the proposed Development. During the credit underwriting process, the Applicant will be required to provide the letter described in (i) above to verify the RA Level and that the proposed Development meets the definition of Redevelopment, as outlined in Item 10.c.(7) of Exhibit A.

The proposed Development will automatically be deemed to be RA Level 6 if the Applicant fails to either provide the letter referenced in (i) above or answer the questions described in (ii) above.

Redevelopment and Rehabilitation Developments that are tentatively funded will be required to provide to the Credit Underwriter a plan for relocation of existing tenants.

If the proposed Development consists of acquisition and rehabilitation, with or without new construction (where the applicable new construction is for the building of units which will total less than 50 percent of the proposed Developments total unit count), but the Applicant is not requesting Corporation funding related to the acquisition, the Applicant should select Rehabilitation as the Development Category. However, the acquisition costs and sources must still be reflected on the Development Cost pro forma.

(2) Rental Assistance (RA) Level Classification:

Part of the criteria for a proposed Development that qualifies as a Limited Development Area (LDA) Development to be eligible to be considered for funding is based on its RA Level, as outlined at Section Four A.6.c. below.

The total number of units that will receive rental assistance (i.e., PBRA and/or ACC and, in the case of New Construction and Rehabilitation, other forms of long-term rental assistance), as stated in the Development Category qualification letter or by the Applicant at question 4.c.(1) of Exhibit A, will be considered to be the proposed Development's RA units for

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purposes of determining the Applicant’s RA Level Classification. To make such determination, the RA units must be divided by the total units stated by the Applicant at question 4.e. of Exhibit A, resulting in a Percentage of Total Units that are RA units. The RA Level associated with both the Percentage of Total Units and the RA units can be determined using the Rental Assistance Level Classification Chart set out below. The Application’s RA Level Classification will be the best rating of these two (2) levels. As noted in Item (1) above, the RA Level Classification will be verified during the credit underwriting process for all Applications that do not include the applicable HUD or RD letter as Attachment 5.

Rental Assistance Level Classification Chart			
Rental Assistance Level	Percentage of Total Units with Rental Assistance		Number of RA Units
Level 1	All units receive rental assistance (with the exception of up to 2 units)	or	At least 100 units and greater than 50% of the total units
Level 2	Greater than 90.00%	or	Greater than 90 units but less than 100 units and greater than 50% of the total units
Level 3	Greater than 75.00%, equal to or less than 90.00%	or	Greater than 75 units but less than 90 units and greater than 50% of the total units
Level 4	Greater than 50.00%, equal to or less than 75.00%		N/A
Level 5	Greater than 10.00%, equal to or less than 50.00%		N/A
Level 6*	10.00% or less of the total units receive rental assistance		N/A

*Applications will be classified RA Level 6 if 10.00% or less of the total units receive rental assistance or if the Applicant fails to meet the criteria outlined above.

2. **Question 4.c.(1) of Exhibit A** of the RFA provides the following:

c. Development Category / Rental Assistance (RA) Level / Concrete Construction:

(1) The Applicant must select one applicable Development Category _____ and provide the required information as **Attachment 5**.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies **Question 4.c.(1) of Exhibit A** to read as follows:

c. Development Category / Rental Assistance (RA) Level / Concrete Construction:

(1) The Applicant must select one applicable Development Category _____.

(a) If the Development Category of New Construction, Rehabilitation, or Acquisition and Rehabilitation is selected, in order to be classified as an RA Level other than RA Level 6, the Applicant must provide the information outlined in either (i) or (ii) below:

(i) Provide, as **Attachment 5**, a letter from a designated administrator of a federal program that provides long-term rental assistance which includes the information

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outlined in Section Four A.4.c.(1)(a)(i) of the RFA to establish the RA Level.

or

(ii) State the RA Level for the proposed Development: _____ (with the understanding that the letter described in (a)(i) above must be provided at credit underwriting).

(b) If the Development Category of Redevelopment or Acquisition and Redevelopment is selected, in order to be classified as an RA Level other than RA Level 6, the Applicant must provide the information outlined in either (i) or (ii) below:

(i) Provide, as Attachment 5, a letter from HUD or RD which includes the information outlined in Section Four A.4.c.(1)(b)(i) of the RFA to demonstrate that the proposed Development meets the definition of Redevelopment and to establish the RA Level.

or

(ii) Answer the following questions (with the understanding that the letter described in (b)(i) above must be provided at credit underwriting):

(A) Does the proposed Development meet the definition of Redevelopment?

- Yes No

(B) State the RA Level for the proposed Development: _____

3. **Item 10.c.(7) of Exhibit A** of the RFA provides the following:

c. By submitting the Application, the Applicant acknowledges and certifies that:

(7) During credit underwriting, all funded Applications will be held to the number of RA units stated in the applicable letter provided by the Applicant as Attachment 5 to Exhibit A. This requirement will apply throughout the entire Compliance Period, subject to Congressional appropriation and continuation of the rental assistance program;

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies **Item 10.c.(7) of Exhibit A** to read as follows:

(7) Rental Assistance Units:

(a) If the applicable letter stating the number of RA units was not provided by the Applicant in its Application, the Applicant must provide the applicable letter to the Corporation by the due date established in the invitation to enter credit underwriting. If any of the information contained in the letter differs from the

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information stated by the Applicant in its Application, such that the Application would not have been selected for funding, the Applicant's invitation to enter credit underwriting will be withdrawn and the funding will be distributed as outlined in Section Four B of the RFA.

- (b) During the credit underwriting process, all funded Applications will be held to the number of RA units stated in the applicable letter (whether provided by the Applicant as Attachment 5 to Exhibit A or provided within the timeframe established in the invitation to enter credit underwriting). This requirement will apply throughout the entire Compliance Period, subject to Congressional appropriation and continuation of the rental assistance program;

Submitted by:

Ken Reecy
Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
850-488-4197 or Ken.Reecy@floridahousing.org