

Questions and Answers for RFP 2013-07

PHA Revitalization High Priority Affordable Housing Developments

Question 1:

Does a PHA qualify as a “governmental entity” for purposes of whether evidence of ability to fund is required by Section Six, A.11.d.(1)(c) in connection with PHA resources being put into the Development?

Answer:

Yes

Question 2:

For the NPV calculations will FHFC be using the same guidelines that were previously established in past cycles for determining the NPV of a forgivable loan?

In #37 of the 2011 Questions and Answers the NPV of a forgivable loan is calculated at face value because the loan is forgiven – see below:

Q: If a proposed Development is to receive a Local Government loan with the terms that it will be forgiven if the Development remains affordable for 20 years, what would be the net present value of the loan?

A: The net present value of the loan would be the face value of the loan. Applicants should ensure that the forgiveness provisions are clearly spelled out on the “Local Government Verification of Contribution – Loan” form and include on a separate sheet of paper a statement such as “The net present value of the loan is (whatever the face value is) because the loan is forgiven.”

Answer:

If an Applicant provides a non-FHFC resource as part of its permanent funding resources that is documented as a loan with no payments of interest or principal due through the term of the forgivable loan and the forgiveness provisions are clearly stated within documents provided in Attachment 16 for Section Six, A.11.c. & d., then the NPV calculation would yield the same value as if it were a grant. Under this circumstance, the face value of the loan as documented in Section Six, A.9.a. would yield the same value for the loan as determined in Section Six, A.9.b.

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Question 3:

Wanted to confirm if this RFP requires for the developer to have a of partnership or have some type of agreement with a Public Housing Authority to be able to apply and be considered for funding.

Answer:

Florida Housing is unsure of the intent of the question as proposed. Applicant and Developer are defined terms in the RFP and the eligibility requirements for the Applicant and the Developer are set out in the RFP in Section Six, A.2. and A.3. Among the requirements of the RFP are that the Applicant (i) provide evidence demonstrating site control (Section Six, A.8.) and (ii) provide a letter from the PHA certifying that the site(s) where all of the units will be located has an existing Declaration of Trust between the PHA and HUD (Section Six, A.4.g.).

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