

**Florida Housing Finance Corporation
Request for Applications (RFA) Workshop Agenda
January 31, 2017, 2:00 p.m., Eastern Time
227 North Bronough Street, 6th Floor Seltzer Conference Room,
Tallahassee, Florida
Call-In: 1.888.419.5570; Passcode: 265 926 04**

**RFA 2017-104 - SAIL Funding to Preserve Farmworker and
Commercial Fishing Worker Housing**

RFA Overview:

In this RFA, Florida Housing Finance Corporation (the Corporation) expects to offer an estimated \$5,750,000 of State Apartment Incentive Loan (SAIL) funding to Applicants proposing the Substantial Rehabilitation or Acquisition and Substantial Rehabilitation of existing Farmworker or Commercial Fishing Worker Developments that are currently in the Corporation's portfolio and/or the United States Department of Agriculture Rural Development (RD) portfolio.

RFA Requirements:

1. Applicant Certification and Acknowledgement form

2. Demographic Served

a. Development Eligibility Requirements:

The existing Farmworker or Commercial Fishing Worker Development must be a property in the Corporation's portfolio and/or RD's portfolio that, as of Application Deadline, meets the following applicable qualifying conditions:

- (1) If the Development is in the Corporation's Portfolio (and may also be in RD's portfolio), it must meet the following qualifying conditions:
 - (a) As of the Application Deadline, the existing Development currently has at least 40 percent of its units set aside for the applicable Demographic (i.e., Farmworker or Commercial Fishing Worker residents) pursuant to an active Corporation-issued Land Use Restriction Agreement and does not have any waivers under consideration by the Corporation (either existing or pending) to lower the Demographic set-aside percentage below 40 percent;
 - (b) The existing Development must have received an award of funding from the Corporation through an Application submitted in 2002 or earlier under either the SAIL Program or the HOME Investment Partnerships (HOME-Rental) Program, and the applicable loan has closed;
 - (c) The existing Development must not have closed on funding from any source after 2007 where the budget was at least \$10,000 per unit for rehabilitation in any year; and
 - (d) The Development did not receive an award of SAIL funding under RFA 2014-117 or RFA 2016-104.

or

- (2) If the Development is in RD's Portfolio and is not also in the Corporation's portfolio, it must meet the following qualifying conditions:
 - (a) The location of the existing Development is NOT within a County or an area of a County that is included in a Limited Development Area (LDA) ;
 - (b) The Applicant selected the Farmworker Demographic;
 - (c) The existing Development must not have closed on funding from any source after 2007 where the budget was at least \$10,000 per unit for rehabilitation in any year; and
 - (d) As of the Application Deadline, the existing Development currently has at least 40 percent of its units set aside for farmworker residents, as defined by RD, pursuant to an active agreement through RD Section 514/516, does not have any waivers under consideration by RD (either short-term or permanent, existing or pending) to lower the farmworker set-aside percentage below 40 percent, and has received an award of RD Section 514/516 financing in 2002 or earlier.

To document that the proposed Development meets the above requirements, the Applicant must provide a letter from RD which includes the following information:

- Name of the Development (which may be the name at the time of the award of the RD financing);
- Address of the Development;
- Year built;
- All RD financing and/or rental assistance programs that will be associated with the proposed Development;
- Loan balance of any existing RD loan(s) on the property
- Confirmation that there are no waivers under consideration by RD (either short-term or permanent, existing or pending) to lower the set-aside percentage below 40 percent;
- Confirmation that there is an active agreement through RD Section 514/516 for financing awarded in 2002 or earlier; and
- Confirmation that the existing Development has not closed on funding from RD after 2007 where the budget was at least \$10,000 per unit for rehabilitation in any year.

b. Demographic Population to be Served:

- (1) Applicants must select either Farmworker or Commercial Fishing Worker.
- (2) Applicants must provide a description of the subpopulation(s) of the individuals and/or families residing and/or intended to reside in the Development. This information will be considered by the Corporation when reviewing and scoring how the Applicant's responses to scored sections of the RFA will assist the intended residents. Applicants must provide a detailed description of the resident household characteristics, needs and preferences of the intended residents and how the proposed Development will meet these needs and preferences.

3. Applicant Information

- a. Applicant Name.
- b. Evidence the Applicant is a legally formed entity qualified to do business in Florida as of Application Deadline.
- c. Whether applying as a Non-Profit entity.

Qualified Non-Profit Applicants that select the Development Category of Acquisition and Substantial Rehabilitation will be eligible for a higher Developer fee, as outlined in 12.c. below. During the credit underwriting process, such Applicants must meet the Non-Profit qualification requirements outlined in the RFA.

- d. Principals of the Applicant and each Developer

Information regarding the Advance Review Process is posted on the webpage.

- e. Contact Person (the person with whom the Corporation will communicate regarding the proposed Development).

4. Developer and Management Company Information

- a. Developer:

- (1) Name of Developer (including all co-Developers);
- (2) Evidence each Developer is a legally formed entity qualified to do business in Florida as of Application Deadline; and
- (3) Required General Development Experience.

- b. Management Company:

- (1) Name of Management Company; and
- (2) Required General Management Company Experience.

5. General Development Information

- a. Development Name, County, Address, and if Development consists of Scattered Sites.
- b. Development Location Point:

All Applicants must identify a Development Location Point for the proposed Development as well as latitude/longitude coordinates for any Scattered Sites.

Note: A Surveyor Certification form will not be included in this RFA.

c. Number of Units:

- (1) The Applicant must state the total number of units in the existing development.
- (2) The Applicant must state the total number of units in the proposed Development.

The total number of units in the proposed Development cannot be less than 90 percent of the existing total number of units (rounded up to the next whole unit).

d. Development Category Selection:

(1) Substantial Rehabilitation –

The Applicant may make this selection only if it is the current owner of the Development and will maintain ownership of the Development after the rehabilitation work is completed.

(2) Acquisition and Substantial Rehabilitation –

The Applicant may make this selection only if it expects to acquire the existing Development and will maintain ownership of the Development after the rehabilitation work is completed.

For both (1) and (2) above, the minimum amount of actual rehabilitation costs shall be \$15,000 per unit. For Application purposes, this refers to line item A1.1. of the Development Cost Pro Forma.

During the credit underwriting process the Applicant will be required to develop and implement a plan for relocation of existing tenants.

e. Required Construction Features:

All Applicants must provide the required construction features, as follows:

(1) Accessibility, Universal Design and Visitability features:

(a) All units of the proposed Development must meet all federal requirements and state building code requirements, including the following:

- 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

For purposes of the SAIL Program, SAIL funding shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 for all SAIL Developments

(2) All Applicants will be required to provide the following Accessibility, Universal Design and Visitability Features:

All rehabilitation units that are located on an accessible route must incorporate the features listed below to the maximum extent feasible within the scope of the rehabilitation work planned by the Applicant. The maximum extent feasible shall be determined by the scope of work and the construction features that are affected by the rehabilitation work. Any major change affecting the features such as remodeling, renovation, rearrangement of structural parts or walls or full-height partitions requires compliance with accessibility requirements below. For the purposes of this RFA, normal maintenance, re-roofing, painting or wallpapering, or changes to mechanical and electrical systems are not considered alterations.

Where an alteration affects a construction feature, accessibility is required to the maximum extent feasible:

- Primary entrance door shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level;
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist; and
- Provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit. At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

(3) Green Building Features:

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Faucets: 1.5 gallons/minute or less, and
 - Showerheads: 2.0 gallons/minute or less;
- Energy Star certified refrigerator;
- Energy Star certified ventilation fan in all bathrooms;
- In unit air conditioners must be Energy Star certified or have a minimum SEER of 15;
- Packaged units with a minimum efficiency of 13.8 EER are allowed in Zero Bedroom Units and one-bedroom units when replacing existing packaged units;
- Caulk, weather-strip, or otherwise seal all holes, gaps, cracks, penetrations, and electrical receptacles in building envelope; and

- Seal and insulate heating and cooling system ducts with mastic or metal backed tape.

6. Site Control

Applicants must demonstrate site control as of Application Deadline by providing an eligible contract (effective at least through September 30, 2017), a deed, and/or a lease (with a minimum 30 year term).

7. Set-Aside Requirements

a. Income Set-Aside Requirement:

The Applicant must set aside 100 percent of the proposed Development's total units at 60 percent AMI or less, of which at least 20 percent of the total units must be set aside at 50 percent AMI or less.

b. Demographic Minimum Set-Aside Requirement:

(1) The Applicant must commit to set aside either 40 percent or 80 percent of the Development's total units to serve Farmworkers or Commercial Fishing Workers. The selected set-aside commitment will be included in the Land Use Restriction Agreement and must be retained throughout the affordability period.

(2) Applicants that commit to set aside 80 percent of the total units for the selected Demographic population will be eligible to receive a more favorable interest rate for the SAIL loan (as further outlined in 12.a.(2) below).

c. ELI Set-Aside Requirement:

(1) Applicants that commit to set aside 40 percent of the Development's total units must commit to set aside a minimum of 2 units for Extremely Low Income (ELI) Households.

(2) Applicants that commit to set aside 80 percent of the Development's total units are not required to set aside any units for ELI Households.

d. Total Set-Aside Breakdown Chart:

The Applicant must list all income set-aside commitments (required set-asides and additional set-asides, including all required ELI set-asides) and the required total set-aside percentage. If the calculation of the total set aside units based on the Total Set-Aside Percentage results in less than a whole unit, the chart will automatically round to a whole unit.

e. Affordability Period:

(1) If the Development is in the Corporation's Portfolio (and may also be in RD's portfolio), the Applicant must set aside the units for a minimum length of the greater of 30 years or the remaining term of the existing SAIL or applicable Corporation-issued HOME LURA. All restrictive covenants, inclusive of the income set-asides, associated with any existing LURA or EUA, except for the Farmworker or Commercial Fishing Worker Demographic set-aside commitment, will remain in effect.

or

(2) If the Development is in RD's Portfolio and is not also in the Corporation's portfolio, the Applicant must set aside the units for a minimum length of 30 years.

8. Current and Future Need for Farmworker or Commercial Fishing Worker Housing in the Area (Up to 10 Points)

The Applicant must describe the current and expected future need for Farmworkers or Commercial Fishing Workers in the area, as well as the location and proximity of the jobs. The Applicant should describe expectations for the local need for farm or fishing labor into the next 5-10 years.

For Farmworker properties, the description should include information on the location and proximity of farms, packing houses, nurseries and/or other farm labor operations, specific information about the farms, crops and crop seasons; and whether the farm work is seasonal and how the property expects to maintain a healthy occupancy throughout the year.

For Commercial Fishing Worker properties, the description should include information on the location and proximity of Fishing Worker jobs and whether the fishing work is seasonal and how the property expects to maintain a healthy occupancy throughout the year.

9. Experience Operating and Managing Farmworker or Commercial Fishing Worker Housing (Up to 20 Points)

The Applicant must identify the entity or entities that will carry out operations and management functions at the Development and describe its experience in managing such housing, including performing operations and management functions specific to the needs of the intended residents.

10. Outreach, Marketing and Referral (Up to 30 Points)

The Applicant must describe the outreach and other activities, beyond those required by this RFA, that are currently conducted, and/or will be conducted initially and on a continuing basis to market the Development to the focus population and general public and used to develop and retain an applicant pool of prospective Farmworker or Commercial Fishing Worker residents.

The Applicant shall develop and implement a plan for tenant outreach, marketing and referral as approved by the Corporation during the credit underwriting process.

11. Resident Access to Onsite and Offsite Programs, Services and Resources (Up to 30 Points)

The Applicant must describe the availability of, and proximity to, services, programs, and resources for Farmworker or Commercial Fishing Worker households, both on the property and offsite, as well as other residents of the property.

12. Funding:

a. SAIL Loan for Proposed Development:

The SAIL loan may be used for costs to rehabilitate the property, general development costs, and Corporation fees, including the Developer fee, but may not be used for the construction of new multifamily rental units or to pay down the existing debt on the property.

(1) SAIL Loan Request Amount is limited to the lesser of:

- \$40,000 per unit;
- \$2,250,000 per Development; or
- 100 Percent of Total Development Cost (as shown on the Development Cost Pro Forma in the Application, as adjusted if applicable).

(2) SAIL Loan Interest Rate:

The SAIL Loan shall be non-amortizing and shall have the following interest rate structure:

- (a) 0 percent if the Applicant committed to set aside 80 percent of the total units for Farmworkers or Commercial Fishing Workers; or
- (b) 1 percent if the Applicant committed to set aside 40 percent of the total units for Farmworkers or Commercial Fishing Workers. This 1 percent interest rate shall also apply to any existing Florida Housing loan(s) that the Development may have, as outlined in b. below.

If the Applicant commits to a minimum set aside of 80 percent of the total units for Farmworkers or Commercial Fishing Workers, but later determines that 80 percent is not feasible, the Applicant may request that the minimum set-aside be adjusted to 40 percent of the total units. [The request for an adjustment may be submitted no sooner than 3 years following loan closing.] The request for an adjustment must be in writing and include information or evidence sufficient to demonstrate that the 80 percent set-aside is not feasible. If such adjustment is approved by the Board, the interest rate going forward shall be adjusted to 1 percent and the amount of the accrued interest previously forgiven in 12.b.(1) below shall be re-imposed, as provided in 12.b.(2) below, as debt at a pro rata amount per year based on the number of years that the 80 percent set-aside was not completed.

b. Existing Corporation Loan(s):

The principal balance of any existing Corporation loan(s) for the Development will be structured into the debt financing during credit underwriting, either as a refinance or allowed to remain in place, as determined by the Corporation and the Credit Underwriter. Accrued interest on any such existing loan(s) will be forgiven as of the date of closing on the financing awarded under this RFA, as follows:

- (1) If the Applicant commits to set aside 80 percent of the total units for Farmworkers or Commercial Fishing Workers, the accrued interest on the existing Corporation loan(s) will be re-calculated using a 1 percent accrual interest rate and will then be forgiven, subject to 12.a.(2) above; or
- (2) If the Applicant commits to set aside 40 percent of the total units for Farmworkers or Commercial Fishing Workers, the accrued interest on the existing Corporation loan(s) will be re-calculated using a 1 percent accrual interest rate and then one-half of the accrued interest on the existing Corporation loan(s) will be forgiven.

The rate of interest on the principal balance of such existing loan(s) shall be modified effective the date of closing to 0 percent or 1 percent per annum consistent with the rate of interest on the new funding awarded under this RFA (12.a.(2)(a) or (b) above, as applicable).

c. Developer Fee:

The maximum allowable Developer fee under this RFA shall be based on the following and will be tested during the scoring of the Application by multiplying the Development Cost by 10 percent or 16 percent, as applicable, rounded down to the nearest dollar.

(1) 10 percent of Development Cost for:

- (a) All For-Profit Applicants (i.e., Applicants that answer “No” to the Non-Profit question in the Application); and
- (b) All Non-Profit Applicants that answer “Yes” to the Non-Profit question in the Application and select Substantial Rehabilitation as the Development Category.

(2) 16 percent of Development Cost for Applicants that qualify as a Non-Profit and select Acquisition and Substantial Rehabilitation as the Development Category.

The Corporation will allow up to 100 percent of the eligible Developer fee to be deferred and used as a source on the Development Cost Pro Forma without the requirement to show evidence of ability to fund.

d. General Contractor Fee shall be limited to 14 percent of actual construction cost.

e. Contingency Reserves:

The maximum hard cost contingency allowed cannot exceed 15 percent of hard costs and the maximum soft cost contingency allowed cannot exceed 5 percent of soft costs

f. Operating Deficit Reserves:

An operating deficit reserve cannot be included as part of Development Costs and cannot be used in determining the maximum Developer Fee.

g. Non-Corporation Financing Proposals:

In order for funding, other than deferred Developer fee, to be counted as a source on the Rehab and/or Permanent Analysis, the Applicant must provide documentation of all financing proposals from both the construction and the permanent lender(s), and other sources of funding. The financing proposals must state whether they are for construction financing, permanent financing, or both, and all attachments and/or exhibits referenced in the proposal must be included.

h. Per Unit Rehabilitation Funding Preference:

Developments will qualify for the funding preference if the amount listed in the total column of the Development Cost Pro Forma (for Actual Construction Cost) divided by the total number of units in the proposed Development equals at least \$20,000 per unit.

13. Ranking and Funding Selection

a. Eligibility Requirements:

- Submission Requirements
- Development Eligibility Requirements

- Financial Arrearage Requirements
- Minimum Total Score of 60 Points
- All Mandatory Items

b. Funding Goal:

The Corporation has a goal to fund one (1) Application for a property that is currently in the Corporation's portfolio.

c. Funding Tests:

- (1) 100% Funding Test – an Application will be selected for funding if there is enough SAIL funding available to fully fund the Applicant's Eligible SAIL Request Amount.
- (2) 80% Funding Test – an Application will be selected for funding if there is enough funding available to fund at least 80 percent of the Applicant's Eligible SAIL Request Amount.

d. County Award Tally:

As each Application is selected for tentative funding, the county where the proposed Development is located will have one (1) Application credited toward the County's Award Tally.

The Corporation will prioritize eligible unfunded Applications that meet the applicable Funding Test and are located in counties that have the lowest County Award Tally above other eligible unfunded Applications with a higher County Award Tally that also meet the applicable Funding Test, even if the Applications with a higher County Award Tally are higher ranked.

e. Application Sorting Order:

All eligible Applications will be ranked by sorting the Applications from the highest scoring Application to the lowest scoring Application, with any scores that are tied separated as follows:

- (1) First by the Application's eligibility for the Per Unit Rehabilitation Funding Preference, with Applications that qualify for the preference listed above Applications that do not qualify for the preference;
- (2) Next by the Application's Eligible SAIL Request Amount per set-aside unit, with Applications that have a lower amount of SAIL funds per set-aside unit listed above Applications that have a higher amount of SAIL funds per set-aside unit;
- (3) Next by the Application's Eligible SAIL Request Amount as a Percentage of Total Development Cost, with Applications that have an amount of 90 percent or less listed above Applications that have an amount greater than 90 percent;
- (4) Next by the Application's eligibility for the Florida Job Creation Preference, with Applications that qualify for the preference listed above Applications that do not qualify for the preference; and
- (5) Finally by lottery number, with Applications that have a lower lottery number listed above Applications with a higher lottery number.

f. Selection Process:

- (1) The first Application selected for funding will be the highest ranking eligible Application for a property that is currently in the Corporation's portfolio.
- (2) Once that Application is selected or if there is no eligible Application that meets the funding goal, the next Applications selected for funding will be the highest ranking eligible unfunded Applications, regardless of whether the property is in the Corporation's portfolio or RD's portfolio, that (i) can meet the 100% Funding Test and (ii) has a County Award Tally that is less than or equal to any other eligible unfunded Application.

If funding remains and there are no eligible unfunded Applications that can meet the 100% Funding Test, then the Corporation will select the highest ranking eligible unfunded Application that (i) can meet the 80% Funding Test and (ii) has a County Award Tally that is less than or equal to any other eligible unfunded Application.

If funding remains and there is no eligible unfunded Application that can meet the 80% Funding Test, then no further Applications will be selected for funding and the remaining funding will be distributed as directed by the Board.

14. Tentative Time Line (all dates are subject to change)

- March 3, 2017 – Issue RFA
- March 31, 2017 – RFA Due Date
- April 25, 2017 – Review Committee Meeting to make recommendations to the Board
- May 5, 2017 – Request Board approval of Review Committee's recommendations

15. Advance Review

- Open: February 1, 2017
- Close: March 10, 2017
- Last Day for FHFC to Respond: March 15, 2017

16. Other Discussion Topics