

FLORIDA HOUSING FINANCE CORPORATION

**Workshop Agenda – RFA 2018-101 SAIL Financing for Smaller Developments for
Persons with Special Needs and Homeless Households**

**December 11, 2017, 2:00 p.m., Eastern Time
227 N. Bronough Street, 6th Floor Seltzer Room, Tallahassee, Florida**

Call-In Information: 1-888-419-5570 Passcode: 747 440 25

1. Overview

- a. Approximately \$18,200,000 in SAIL funding is available
 - \$14,200,000 for the Persons with Special Needs demographic category
 - \$4,000,000 for the demographic category of Homeless individuals and families
- b. Eligibility
 - (1) This RFA is open to Non-Profit Applicants proposing new construction or acquisition and Substantial Rehabilitation to create new housing for Persons with Special Needs or Homeless individuals and families.
 - (2) Developments in small counties are limited to a minimum of 4 units and up to a maximum of 15 units and Developments in medium and large counties are limited to a minimum of 10 units and up to a maximum of 30 units.
 - (4) The Application must meet a minimum score threshold in order to be eligible for funding.
 - (5) Group homes, Assisted Living Facilities, and other specialized licensed residential facilities, or units within a condominium complex are not eligible for funding.
- c. Intent of the RFA

The intent of this RFA is to help communities address the significant need for rental housing for some of the most vulnerable individuals living in their communities. Funding has been made available as follows:

 - (1) \$14,200,000 available for Applications to provide Permanent Supportive Housing* for Persons with Special Needs as defined in Section 420.0004(13), F.S.

These persons may be living in residential facilities, homeless, or living in the community but lack affordable and permanent rental housing that provides assistance with housing stability and coordinated access to appropriate community-based healthcare and supportive services. Applicants that commit to the Persons with Special Needs demographic commitment must also commit 20 percent of the total units for Permanent Supportive Housing* for individuals and families that meet the Homeless definition as defined in Section 420.621(5), F.S.

- (2) \$4,000,000 available for Applications to provide permanent rental housing for individuals and families that meet the Homeless definition as defined in Section 420.621(5), F.S.

The Development may include serving Homeless individuals and families that are chronically Homeless, or households that became homeless because of economic hardships or have experienced domestic violence. Applicants that commit to the Homeless demographic commitment must also commit 20 percent of the total units for individuals and families that meet the Persons with Special Needs definition as defined in Section 420.0004(13), F.S. The Development may consist of Permanent Supportive Housing*, but it is not a requirement of the RFA.

*Permanent Supportive Housing means affordable rental housing that is leased for continued occupancy for as long as the tenant complies with lease requirements. The lease must be a minimum of 7 months and have no limits on length of tenancy related to the provision or participation in supportive services. Permanent Supportive Housing shall facilitate and promote activities of daily living, access to community-based services and amenities, and inclusion in the general community. Permanent Supportive Housing shall strive to meet the needs and preferences of the intended households.

2. Demographic Commitment

- a. Select the Demographic Commitment

- (1) Persons with Special Needs Demographic Commitment

Applicants that commit to serve the Persons with Special Needs demographic commitment will be required to make the following set aside commitments:

At least 70 percent of the total units must consist of Permanent Supportive Housing for Persons with Special Needs as defined in Section 420.0004(13), F.S.;

AND

At least 20 percent of the total units must consist of Permanent Supportive Housing for individuals and families that meet the definition of Homeless as defined in Section 420.621(5), F.S., (which may be the same units set aside for Persons with Special Needs).

- (2) Homeless Individuals and Families Demographic Commitment

Applicants that commit to serve the Homeless demographic commitment will be required to make the following set aside commitments:

At least 70 percent of the total units for individuals and families that meet the Homeless definition as defined in Section 420.621(5), F.S.;

AND

At least 20 percent of the total units for Persons with Special Needs as defined in Section 420.0004(13), F.S., (which may be the same units set aside for Homeless individuals and families).

- b. Applicants must specify the defined Persons with Special Needs population(s) they intend to serve.
- c. The Applicant must also describe the Homeless and/or Persons with Special Needs population(s) to be served. For example, a subpopulation might be Persons with a Disabling Condition with mental illness or veterans with brain or spinal cord injuries.

3. Contact Person/Applicant/Developer/Management Company

a. New! - Contact Information

- (1) Authorized Principal Representative. The Authorized Principal Representative (i) must be a natural person Principal of at least one Non-Profit entity of the Applicant listed on the Principal Disclosure Form; (ii) must have signature authority to bind the Applicant entity; (iii) must sign the Applicant Certification and Acknowledgement form submitted in this Application; and, (iv) if funded, will be the recipient of all future documentation that requires a signature.
- (2) Operational Contact Person (optional). If provided, the Operational Contact Person will be the recipient of any general correspondence associated with the Development activities that does not require a signature. If an Operational Contact Person is not provided, the Authorized Principal Representative will be the recipient of any such documentation.

b. Applicant Information - **Only Non-Profit Applicants are eligible for funding.**

- (1) The Applicant must be a legally formed entity (i.e., limited partnership, limited liability company, etc.) qualified to do business in the state of Florida as of the Application Deadline.
- (2) The Applicant must provide the IRS determination letter demonstrating that, as of the Application Deadline, the Applicant entity is a Non-Profit organization under 501(c)(3) or 501(c)(4) of the IRC.
- (3) The Applicant must provide the Non-Profit Applicant's Articles of Incorporation or the IRS Form 990 most recently filed with the IRS, but no earlier than 2015, demonstrating that, as of the Application Deadline, one of the Applicant entity's purposes is to foster low-income housing.
- (4) To be eligible for funding, the Non-Profit entity must receive at least 25 percent of the Developer fee. Preference will be given to Applications where one or more Non-Profit entities receive 100 percent of the Developer fee.
- (5) NEW! - Homeless Assistance Continuum of Care requirements for all Applicants:

At Application, the Applicant must:

- (a) Attest that the nature and scope of the proposed Development is in conformance with the written priorities of the Local Homeless

Assistance Continuum of Care (CoC) and the community at the time of Application;

- (b) Acknowledge that it has informed the Local CoC lead agency of its intent to apply for funding to develop housing pursuant to this RFA;
- (c) Commit to be an active voting member of the Local Homeless Assistance Continuum of Care jurisdiction that serves the community in which the proposed Development is located; have an agreement to participate in the Local CoC's Homeless Management Information System (HMIS); and will contribute data on the Development's tenants to the CoC's HMIS data system or, if serving Survivors of Domestic Violence, is providing aggregate data reports to the Local CoC; and
- (d) Prior to loan closing, it will have an executed agreement with the Local CoC jurisdiction to participate in its HMIS and will contribute data on the Development's tenants to the Continuum's HMIS data system or, if serving Survivors of Domestic Violence, is providing aggregate data reports to the Local CoC.

- (6) Note: Florida Housing has previously required an IRS Form 8821 for all Financial Beneficiaries and all natural person Principals disclosed on the Principals of the Applicant and Developer(s) Disclosure Form. Florida Housing will now allow Non-Profit Applicants to submit the IRS form W-9 or the IRS Form 8821 for all board members of the Non-Profit entities.

c. General Developer Information

- (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

d. Principal Disclosure Form

- (1) Eligibility Requirement

To be eligible for funding, the Applicant must upload the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16) ("Principals Disclosure Form") with the Application and Development Cost Pro Forma.

- (2) New – point item!

Applicants will receive 5 points if the uploaded Principal Disclosure Form was stamped "Approved" during the Advance Review Process provided (a) it is still correct as of Application Deadline, and (b) it was approved for the type of funding being requested (i.e., Housing Credits or Non-Housing Credits). The Advance Review Process for Disclosure of Applicant and Developer Principals is available on the Corporation's Website

<http://www.floridahousing.org/programs/developers-multifamily->

programs/competitive/2018/2018-101 (also accessible by clicking [here](#)) and also includes samples which may assist the Applicant in completing the required Principals Disclosure form.

Note: It is the sole responsibility of the Applicant to review the Advance Review Process procedures and to submit any Principals Disclosure Form for review in a timely manner in order to meet the Application Deadline.

- e. Name of Management Company

4. General Proposed Development Information

- a. Development Name
- b. Development Category (New Construction or Acquisition with Substantial Rehabilitation)
- c. For discussion - Demonstration of Rental Assistance (up to ____ points)

Florida Housing is considering offering points to Applicants that can demonstrate at least 25 percent of the total units have Rental Assistance.

- d. Development Type (Garden Apartments, Duplexes, Triplexes, or Quadraplexes)
- e. New! - Concrete Construction Qualifications language has been clarified

5. Location

- a. Provide the county where the proposed Development is located. County size will determine the first 2 Applications serving the Persons with Special Needs Demographic Commitment selected for funding and the first 2 Applications serving the Homeless Demographic Commitment selected for funding.

Large, Medium and Small County Geographic Categories

Large	Medium		Small	
Broward	Alachua	Manatee	Baker	Jefferson
Duval	Bay	Marion	Bradford	Lafayette
Hillsborough	Brevard	Martin	Calhoun	Levy
Miami-Dade	Charlotte	Okaloosa	Columbia	Liberty
Orange	Citrus	Osceola	De Soto	Madison
Palm Beach	Clay	Pasco	Dixie	Monroe
Pinellas	Collier	Polk	Franklin	Nassau
	Escambia	St. Johns	Gadsden	Okeechobee
	Flagler	St. Lucie	Gilchrist	Putnam
	Hernando	Santa Rosa	Glades	Suwannee
	Highlands	Sarasota	Gulf	Taylor
	Indian River	Seminole	Hamilton	Union
	Lake	Sumter	Hardee	Wakulla
	Lee	Volusia	Hendry	Walton
	Leon		Holmes	Washington
			Jackson	

- b. Provide the address of the proposed Development
- c. State whether the proposed Development consists of Scattered Sites

- d. New! - Latitude/Longitude Coordinates are provided in Exhibit A.

Provide the latitude and longitude coordinates for the Development Location Point, and all Scattered Sites, if applicable, stated in decimal degrees, rounded to at least the sixth decimal place. No Surveyor Certification form required.

6. Units

- a. Total Number of Units

- (1) Small County: minimum 4 units, maximum 15 units
- (2) Medium and Large Counties: minimum 10 units, maximum 30 units

- b. Set-Aside Commitments

- (1) Income Set-Aside Units

100 percent of the units shall be rented to households (person or persons) with incomes at or below 60 percent of the Area Median Income (AMI).

Applicants may rent units as Shared Housing, as defined in Exhibit C, to allow unrelated persons the choice to share units.

- b. Required ELI Commitments

- (1) Applicants must commit to set aside 20 percent of the total units in the proposed Development to serve Extremely Low Income (ELI) Households
- (2) A Development utilizing any type of federal or state administered project based rental assistance for a unit can apply the unit towards the requirement to set aside 20 percent of the total units as ELI units if the unit serves ELI Households. The Corporation will verify any project based rental assistance during credit underwriting and, if the unit designated as ELI is also receiving project based rental assistance, the ELI funding will be reduced for that unit.

- c. Compliance Period Requirements

- (1) Applicants must irrevocably commit to the Persons with Special Needs or Homeless Households demographic commitment for a minimum of 30 years.
- (2) Applicants must irrevocably commit to the income set aside commitment for a minimum of 30 years, except that Applicants must commit to the ELI set-aside commitment for a minimum of 15 years. After 15 years all of the ELI set-aside units may convert to serve residents at or below 60 percent AMI.

- d. Unit Mix

- (1) The Applicant must complete the Unit Mix Chart listing the total number of bedrooms per unit, the total number of bathrooms per unit (including half-baths, if applicable), the total number of units per bedroom type, and the number of units that are ELI Set-Aside units.

- Units must consist of Zero (0), one (1), two (2), or three (3) bedrooms only;
- At least 50 percent of the total units, rounded up, must be One Bedroom Units;
- No more than 50 percent of the total units, rounded up, may be Zero Bedroom Units;
- No more than 25 percent of the total units, rounded up, may be three (3) bedroom units; and
- Two (2) and three (3) bedroom units may consist of Shared Housing as defined in Exhibit C. One Bedroom Units are not eligible for Shared Housing.

- (2) Two and three bedroom units may consist of Shared Housing, defined as a rental dwelling unit that is shared by Persons with Special Needs who are not related or significant others. Each resident must have non-exclusive access to shared living space, consisting at a minimum of a kitchen and a living/dining area. Each resident in a Shared Housing unit shall sign a separate lease and shall be considered a separate household for the purposes of determining compliance with set-aside commitments, income eligibility, and rent payments.
- (3) The maximum ELI funding amount per eligible ELI Set-Aside unit the proposed Development is eligible to receive is based on the information listed by the Applicant on the Unit Mix Chart.

7. Readiness to Proceed

a. Site Control

- (1) Eligible Contract – Buyer must be the Applicant for the proposed Development and must have a term that does not expire before September 30, 2018; and/or
- (2) Recorded Deed or Certificate of Title – Applicant must be sole grantee; and/or
- (3) Lease – Applicant must be Lessee and must have unexpired term of at least 30 years after the Application Deadline.

b. Ability to Proceed

The Applicant must demonstrate the following Ability to Proceed elements as of Application Deadline: Status of Site Plan or Plat Approval; Appropriate Zoning; Availability of Electric; Availability of Water; Availability of Sewer; and Availability of Roads.

The Ability to Proceed Verification forms (Form Rev. 08-16) are available on the webpage <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-101> (also available by clicking [here](#)).

8. Required Design and Construction Features

All units are expected must meet all requirements as outlined in the RFA. If the proposed Development consists of rehabilitation, the proposed Development’s ability to provide all construction features will be confirmed.

- a. Federal Requirements and State Building Code Requirements
- b. General Features
- c. Accessibility, Adaptability, Universal Design and Visitability Features
 - (1) Level 1 Accessibility Requirements
 - (2) Level 2 Accessibility Requirements
- d. Required Green Building Features for all Developments

9. Required Resident Programs

- a. Resident Community-Based Services Coordination

The Applicant shall commit to submit a Resident Community-Based Service Coordination Plan to Florida Housing for review and approval during credit underwriting.

10. Funding

- a. The Applicant’s Eligible SAIL Request Amount is limited to the following:
 - (1) The SAIL Request Amount is limited to the lesser of the following:
 - (a) \$205,000 per unit, (which will be in addition to the Eligible ELI Request Amount);
 - (b) \$3,075,000 per Development in a Small County, (which will be in addition to the Eligible ELI Request Amount); or
 - (c) Development in a Medium or Large County
 - If committing to the Persons with Special Needs Demographic Commitment, \$5,000,000 (which will be in addition to the Eligible ELI Request Amount); or
 - If committing to the Homeless Households Demographic Commitment, \$4,000,000, which includes the Eligible ELI Request Amount.
 - (2) ELI Loan Request Amount
 - All Applications are eligible for ELI gap funding for the required ELI Set-Aside units, not to exceed 20 percent of the total units.
 - The Applicant should state the amount of ELI Loan funding the proposed Development is eligible to receive in Exhibit A, as well as on the Construction/Rehab and Permanent Analysis. Note: Applicants that commit to the Homeless Demographic Commitment are limited to a total SAIL Request (SAIL plus ELI Loan) of \$4 million. Applicants not requesting

the maximum amount of ELI funding will still be required to set aside 20 percent of the total units in the proposed Development to serve Extremely Low Income Households.

- The funding will be in the form of a forgivable loan in an amount per ELI Set-Aside unit that is dependent upon the proposed Development's unit mix and the county where the proposed Development is located.
- The ELI Set-Aside units must be distributed across the unit mix on a pro-rata basis.

b. Developer Fee / General Contractor Fee/Operating Deficit Reserve

- (1) Developer fee shall be limited to a total of 16 percent of Development Cost.
- (2) General Contractor fee shall be limited to 14 percent of actual construction cost.
- (3) Operating Deficit Reserves

Up to five (5) percent of the Development Costs will be permitted in the Application. The operating deficit reserve will be verified and sized during credit underwriting. Any operating deficit reserve account approved in credit underwriting will be held by the Corporation or its services.

c. Qualifying Financial Assistance Funding Preference

To qualify for the Qualifying Financial Assistance Funding Preference, the Applicant must meet one of the following requirements:

- (1) Cash Funding Equals at Least 3 Percent of the Eligible SAIL Loan Amount

To qualify, Applicants must state the amount of cash loans, cash grants and/or cash on hand ("Cash Funding") from Local Government entities and/or other non-Corporation sources (all of which, for purposes of this provision, will be considered to be "Qualifying Financial Assistance") and provide evidence for each source. If the Qualifying Financial Assistance sources are equal to at least 3 percent of the Applicant's Eligible SAIL Request Amount (exclusive of the ELI Loan amount), the Applicant will receive a funding preference.

Note: In-kind donations or any other donation of property or assets or waiver of any fees as well as any funding from the Corporation will not be considered Qualifying Financial Assistance.

- (2) New! - Donation of Land by a Local Government

To qualify, the Total Development Cost cannot consist of any land costs during scoring or during the credit underwriting process; the entire site must have been donated or will be donated from a Local Government to the Applicant; and the site control documentation must reflect one of the following:

- The eligible contract must reflect that a Local Government is the seller and the Applicant is the buyer, and the price of the land must be \$10 or less;
 - The deed must reflect the Local Government as the grantor, the transaction must have occurred no more than 12 months prior to the Application Deadline, and the price of the land must have been \$10 or less, and the closing statement must be provided demonstrating that the price of land was \$10 or less;
 - The lease payments must equal \$10 a year or less.
- d. Per Unit Construction Funding Preference
- e. Total Development Cost Per Unit Limitation

11. Narrative Scoring

- a. Operating/Managing Experience (Maximum of 40 points)
- b. Access to Community-Based Services and Resources (Maximum 55 Points)
- (1) Access to community-based general services such as shopping for groceries, medicine, clothing, and other household and personal items (Up to 20 Points)
 - (2) Access to community-based services and resources that address tenants' physical health, behavioral health and wellness, and self-sufficiency services and activities that can lead to stable and integrated lives in their community (Up to 35 Points)
- c. New! - Approach Toward Tenant Application and Screening Procedures for Households with a Person with Special Needs Applying for Tenancy (Up to 20 Points)

While property management procedures must incorporate an eligibility process for tenancy that appropriately manages the viability of the property and safety of current tenants, the Corporation expects Applicants to balance this with a process that is welcoming to all prospective tenants and considers a prospective tenant's current and former circumstances, particularly for all ELI Set-Aside units, including those for Persons with Special Needs. As a result of these households' low incomes and special needs, they often have conditions in their employment, credit, income, criminal and rental history that affect their ability to meet traditional requirements for tenancy in safe and decent rental housing.

For points, the Applicant must describe the specific housing application process and tenant screening criteria, procedures and policies that will be used by the Applicant's property management to assist in determining whether a prospective tenant is eligible for tenancy. The Applicant's narrative should be focused on application and screening procedures, not the services that will be provided to welcome or support a tenant once approved for move-in or after move-in. The screening procedures provided in the Applicant's narrative should focus on procedures and policies that assist in lowering and overcoming barriers related to the income, credit, criminal and rental history of ELI

persons and persons with special needs that would normally prevent them from being approved for tenancy under traditional tenant screening criteria and policies.

Tenant Application

The narrative should explain in detail how the Applicant will facilitate a household's ability to acquire, complete and submit the rental application. The Applicant's rental application policies should include specific information on how the Applicant will increase a prospective tenant's ability to apply for and access the rental housing by reducing barriers such as application fees, security deposits and other related move-in fees.

Tenant Screening

The Corporation is interested in tenant screening policies that demonstrate how the Applicant will improve a prospective tenant's opportunity to qualify for tenancy. The Applicant should describe the detailed tenant screening procedures and policies to be implemented that will consider the nature and extent of barriers found in a tenant's income, credit, criminal and rental history that might adversely affect the intended household's ability to qualify for and access safe and decent rental housing. The tenant screening procedures and policies should also describe the look-back period that will be implemented when screening a prospective tenant's criminal, rental and credit history.

In addition to this narrative, a Tenant Selection Plan shall be provided during credit underwriting that describes these specific tenant screening and application procedures and policies.

The Applicant's description is limited to no more than three (3) typed pages.

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

12. Funding Selection

1. Tier 1 and Tier 2

Applications that commit to provide 100 percent of the Developer fee to one or more Non-Profit entities will be considered Tier 1 Applications. All Applications for proposed Developments that did not qualify as Tier 1 Applications will be considered Tier 2 Applications. Tier 1 Applications will be listed above Tier 2 Applications.

2. Goals

There will be a goal to fund the following:

Within the Persons with Special Needs funding selection process:

- one (1) Application that will serve the Persons with Special Needs demographic located in a Small or Medium County; and
- one (1) Application that will serve the Persons with Special Needs demographic located in a Large County (subject to the County Award Tally and Funding Test).

Within the Persons with Special Needs funding selection process:

- one (1) Application that will serve the Homeless demographic located in a Small or Medium County; and
- one (1) Application that will serve the Homeless demographic located in a Large County (subject to the County Award Tally and Funding Test).

3. Application Sorting Order

The highest scoring Applications will be determined by first sorting together all eligible Applications from highest score to lowest score, with any scores that are tied separated in the following order:

- a. By the Application's Qualifying Financial Assistance Funding Preference. Applications that demonstrate an amount that is at least 3 percent of the Applicant's Eligible SAIL Request Amount (exclusive of the ELI Loan amount) will be listed above Applications that do not demonstrate this amount;
- b. By the Application's Per Unit Construction Funding Preference. Applications that qualify for this Preference will be listed above Applications that do not qualify for this Preference;
- c. 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;
- d. By the Application's SAIL Request as Percentage of Total Development Cost, with Applications that have a SAIL Request Amount as a percentage of Total Development Cost (TDC) of 90 percent or less listed above Applications with a SAIL Request Amount as a percentage of TDC of more than 90 percent;
- e. By the Application's eligibility for the Florida Job Creation Preference as outlined in Item 3 of Exhibit D with Applications that qualify for this Preference listed above Applications that do not qualify for this Preference; and
- f. By lottery number, with Application that received the lowest lottery number listed above Applications with a higher lottery number.

13. Questions?

14. Expected Timeline

<i>Issue RFA</i>	<i>February 1, 2018</i>
<i>RFA Due Date</i>	<i>March 1, 2018</i>
<i>Review Committee Meeting (make recommendations to Board)</i>	<i>April 2018</i>
<i>Request Board Approval of Recommendations</i>	<i>May 2018</i>