

**Florida Housing Finance Corporation
227 N. Bronough Street, 6th Floor Seltzer Room
Tallahassee, Florida 32301**

**FHFC Multifamily Programs 101 For Local Governments
Workshop Agenda**

August 13, 2019, 2:00 p.m. Eastern Time

Call-In: 1 (888) 339-2688, Passcode: 958 57 036

1. Introduction – Florida Housing Finance Corporation (FHFC)

- Multifamily Rental Programs – FHFC funds the development of affordable multifamily rental housing through competitive or noncompetitive allocation of state and federal resources.
- Over time, local governments have realized opportunities to achieve local affordable multifamily rental housing initiatives through FHFC funding. FHFC is receiving a greater number of inquires from local government than ever before regarding the funding process.
- This workshop is intended to provide a comprehensive 101 level review of FHFC’s multifamily rental funding process, and answer any questions related to local government participation in FHFC’s multifamily programs.
- We will stop periodically throughout the workshop for Q & A.

2. Background - Lifecycle of a Multifamily Development Funded with FHFC Competitive Resources:

- Prior to applying for funding, developers will engage in site selection and due diligence on proposed development sites while monitoring the FHFC multifamily funding timeline (link below) as well public workshops regarding the competitive solicitations for funding, called Request for Applications (RFAs).
- Developers will also begin to engage with local governments regarding their proposed developments and any necessary RFA requirements.
- Developers submit RFA Applications by deadline.
- FHFC scores Applications (4-8 weeks), then holds a public Review Committee Meeting to select Applications for funding.
- FHFC Board of Directors (Board) approves Review Committee funding recommendations (Board meets every 6 weeks).
- A 72-hr. notice of intent to challenge and 10-day window to file formal written protest of scoring.
- Approximately 3-month litigation period concludes, if protests are filed.
- After Board approval of litigation results, invitations to credit underwriting are issued and underwriting is conducted generally 12-month period (market study, appraisals, site control, financing).
- Development construction completion and occupancy occurs generally within 18-24 months.
- Once developments are complete, FHFC compliance monitoring agents visit every development at least every 1-3 years, depending on the funding source, to ensure compliance with applicable federal and state statutes and rules, and with loan closing documents.

3. FHFC Process of Allocating Multifamily Competitive Funding

a. Overview of Resources & Process

(1) Types of Popular Competitive Multifamily Funding Resources:

- Low Income Housing Tax Credits (LIHTC)

- State Apartment Incentive Loan Program (SAIL)
- Grants
- HOME Investment Partnership Program
- Hurricane Recovery (CDBG-DR (Fed.) & RRLP (State))
- Tax-Exempt Bonds (FHFC or Local HFA) used in conjunction with 4% LIHTC & SAIL

Pursuant to statute and rule, FHFC allocates the funding resources through a competitive Request for Applications (RFA) process set forth below.

(2) RFA Process

- FHFC typically issues 15-20 RFAs per funding cycle (Aug.-July). A timeline of the RFA funding is workshopped in the spring each year and sent to FHFC's Board for approval in the summer.

https://www.floridahousing.org/docs/default-source/programs/developers-multifamily-programs/competitive/2019-2020-tentative-funding-amounts-and-timeline---7-30-19.pdf?sfvrsn=c91ce67b_2

- During the spring workshops, various policy goals are discussed. FHFC outlines what criteria it is looking for in developments. We set forth geographic and demographic disbursement goals for allocating resources. Our goal is to be as transparent and predictable as possible. We are guided by a few things, depending on the funding resource, including but not limited to:
 - Statute (SAIL & state programs)
 - Qualified Allocation Plan (LIHTC)
 - Federal Regulations (HOME/CDBG-DR)
 - University of Florida Shimberg Center 3-year Rental Market Study
 - Public & Stakeholder Comment

What does this mean for Local Governments?

Tracking FHFC's RFA funding timeline and workshops means that you will be well prepared to issue your own competitive solicitations in a timeframe that works with FHFC's timeframe. Additionally, you will be prepared when developers approach you regarding leveraging resources (local government contributions), as well as ability to proceed items such as zoning, and availability of infrastructure forms.

- After FHFC's Board votes on approving the RFA funding timeline, FHFC holds RFA-specific workshops throughout the year and issues draft RFAs in accordance with the timeline. RFAs are issued with a strict Application due date. Once an RFA is issued, there is a formal Q & A process for engaging with FHFC. All RFAs have a non-interference clause prohibiting Applicants or any representative on their behalf (including Local Governments!) from contacting FHFC staff about a particular Application. FHFC does not "pre-score" Applications.

4. Scoring Applications / Review Committee Meetings

- Review Committee Meetings are open to public and noticed in the Florida Administrative Register and via the FHFC Listserv.
- Review Committee Members (FHFC staff) meet to give scores, perform ranking of the Applications, and develop a list Applications to present to the Board for approval of tentative funding.

- Myth busters discussion– does funding selection really rely on lottery? Is it true that if a Development is more than a mile from a grocery store, it will not be funded?

5. Legal Process

- Once the Board has approved preliminary funding, Applicants have the right to contest the preliminary funding awards through an administrative hearing/bid protest process under Section 120.57(3), Fla. Stat.
- All cases are referred to the Division of Administrative Hearings for independent review by an Administrative Law Judge.
- Once recommended orders are issued through the hearing process and brought back to the FHFC Board for final agency action, developments awarded financing are invited to enter the credit underwriting process.
- Litigation is expedited per the statute above – far quicker than any circuit court and is generally resolved within 6-8 weeks.
- This process serves as a final error-checking mechanism. This is how we keep Applicants honest, and how they keep each other honest with information provided in an Application.

6. Where do “Local Government” issues arise during scoring or litigation?

- a. Ability to Proceed Forms
 - Development is Consistent with Zoning and Land Use Regulations.
 - Infrastructure: Electricity, Water, Sewer, Roads.
 - FHFC no longer requires Site Plan Form.
 - FHFC Form or a letter from the service provider are acceptable; letters must state Development location, number of units, and be dated within 12 months of Application deadline.
 - During litigation, forms are sometimes challenged, and local government officials are called to testify to the accuracy of the forms they execute.
- b. Transit Scoring
 - RFAs often contain proximity requirements to achieve points, which Applicants demonstrate by selecting transit stops by designating route and providing latitude/longitude coordinates of the transit stop to measure distance to proposed development site.
 - Through litigation, unfunded Applicants have challenged whether designated transit stop meet FHFC’s definitions/requirements. Local transit authority officials are sometimes called to testify on transit route information.
- c. Local Government Area of Opportunity & Contribution Forms
 - Housing Credit RFAs: RFA 2019-113 (Medium and Small Counties) and RFA 2019-114 (Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties).
 - Goals or preference given to Applicants that demonstrate a high level of Local Government interest via an irrevocable funding contribution that equals or exceeds 2.5 times the Total Development Cost Per Unit Base Limitation (exclusive of any add-ons or multipliers for the Development Type committed to for the proposed Development).
 - If multiple Applications demonstrate Local Government loans and/or grants from the same jurisdiction in an amount sufficient to qualify for this goal, then all such Applications will be deemed ineligible for this goal. However, Local Governments may pool contributions to support one Application (i.e., the county and city may provide contribution to the same Development and each Local Government will submit its own form as an Attachment to the Application).

- Jurisdictions that contribute to the Goal and are awarded funding will not be eligible to contribute to a proposed Development for at least the subsequent Housing Credit RFA cycle.
- The following is NOT considered Local Government Areas of Opportunity Funding:
 - In-kind donations or any other donation of property or assets;
 - Waiver or deferral of any fees;
 - Contributions from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer;
 - A contribution from a PHA; or
 - Donation of Land.

d. **Qualifying Financial Assistance Funding Preference**

- Addressed in Persons with Special Needs, Homeless, Disabling Conditions RFAs.
- Includes cash loans, cash grants and/or cash on hand from Local Government entities and/or other non-Corporation sources of 3 percent or more of the Applicant's Eligible SAIL request amount.
- Donation of Land by a Local Government
 - Entire site must be donated from a Local Government to the Applicant.
 - Site Control Documentation
 - Contract must reflect Local Government as the seller, Applicant as buyer, and price of \$10 or less;
 - Deed must reflect Local Government as grantor, must have occurred no more than 12 months prior to the Application Deadline; price of \$10 or less.
 - Lease must reflect Local Government as Lessor and Applicant as Lessee, and lease payments must equal \$10 or less per year.

7. Credit Underwriting – General Discussion

8. Registering for the FHFC Multifamily Programs Listserv

<https://listserv.floridahousing.org/scripts/wa-FLAHOUSE.exe?A0=MULTIFAMILYPROGRAMS>