

**Second Questions and Answers for RFA 2019-101
Community Development Block Grant-Disaster Recovery (CDBG-DR) in Monroe County**

Question 1:

In Exhibit A Item 10(1)(a) and (b): if the Applicant requests an amount from both Development Funding and Land Acquisition Funding, should both amounts and sources (or the sum of both amounts) be included in the Development Cost Pro Forma. The “drop-downs” in the Development Cost Pro Forma list CDBG-DR as a source, but makes no distinction between Development Funding and Land Acquisition Funding. If both Development Funding and Land Acquisition Funding are included in the Development Cost Pro Forma, the amount of per unit assistance calculation for CDBG does not compare to the Maximum Subsidy per Unit limits and could be misleading.

In the alternative, should only the Development Funding request be included in the Development Cost Pro Forma?

Answer:

Add the Development Funding and Land Acquisition Funding requests together to calculate the total amount of CDBG-DR to use as a source on the Development Cost Pro Forma. The Leveraging calculation will be based only on the Eligible Development Funding Request Amount.

Question 2:

Are there FHFC Administrative Fees included in the RFP? If so, on what page of the RFP are these fees listed and quantified?

Answer:

No. FHFC Administrative Fees are only included in RFAs that award tax credits. RFA 2019-101 will only award CDBG-DR funding.

Question 3:

Is there a preferred Line Item in the Development Cost Pro Forma to list the Environmental Fee estimated at \$8,000 charged by FHFC or its credit underwriters?

Answer:

The Corporation does not set forth preferences for the completion of the Development Cost Pro Forma other than those set forth in the RFA; however, there is a cost line item labeled “Environmental Report” that would be an acceptable line to use.

Question 4:

FHFC has established a 2019 Income and Rent Limit table for CDBG-DR and posted it on its website. In addition, RFA Page 98 Item N refers to that table and suggests that rents should be in accordance with it and CDBG income limits, Notwithstanding these statements, Page 103 of 114 states the following (emphasis added). This language parallels “HOME” language and includes references to Low HOME rents. Please clarify these rent limitations since these are critical to applicants who may be reviewing internal operating income and expense pro forma.

b. Units in a Development must have rents set at no more than the **lesser of the Section 8 Fair Market Rent (FMRs) or rents that are 30 percent of the gross income of a Family at 65 percent of median income limit, minus utility allowance**. Low rent means 20 percent of the Units in a Development must have rents set at no more than the lesser of the Section 8 Fair Market Rent (FMRs), or 30 percent of the gross income of a Family at 50 percent of the area median income, minus utility allowance. The rent limits for a Rent- Restricted Unit is the maximum gross rent that can be charged for a Rent-Restricted Unit (FMRs, 30 percent of the gross income of a family at 65 percent of median income, or 30 percent of the gross income of a family at 50 percent of the area median income), less the applicable utility allowance. These rent limits are published in HUD periodically, 80 percent of median income limit, minus utility allowance. These rent limits are published by HUD periodically., Assisted Units with Section 8 subsidy must compare the Section 8 gross rent (resident rent, subsidy amount, and utility allowance) to the maximum applicable high or low rent limit minus utilities. However, Developments with project-based rental assistance may utilize the project-based rents as compared to the High and Low rents.rent limits. Compliance with the rent restrictions will take precedence over the Developer’s acceptance of a full Section 8 (resident-based) subsidy for the units. However, if a Rent-Restricted Unit receives federal or state project-based rental subsidy and the Family’s contribution toward rent does not exceed 30 percent of the Family’s adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project- based rental subsidy program.

Answer:

This language was removed in the July 19, 2019 modification.

Question 5.

Is there an applicable Discount Rate to be applied to calculations of the Compliance Fee? In the alternative, can FHFC provide the present value of the 50-year Minimum Compliance Fee?

Answer:

Item 5.g. of Exhibit F states the following:

- g. The final billing for the purpose of payoff of the CDBG-DR loan shall also include a billing for compliance fees to cover monitoring of CDBG-DR Program requirements beyond the maturity date of the Note. Such fees shall be computed by determining the present value of the annual compliance monitoring fee for the number of years for which the Development will have a set-aside for persons or households beyond the repayment date. The present value discount rate shall be 2 percent per annum. Such amount shall

be reduced by the amount of any compliance monitoring fees for other programs collected by the Corporation for the Development for that period, provided:

- (1) The compliance monitoring fee covers some or all of the period following the anticipated CDBG-DR loan repayment date; and
- (2) The Development has substantially equivalent set-asides for persons or households mandated through another Corporation program for which the compliance monitoring fee was collected.

Question 6.

It is our understanding that if Land Acquisition Program Funding is depleted that Priority I Applications under certain circumstances may be fully funded from Development Program Funding. In such instances, does the application retain its original "CDBG-DR Development Funding Request Amount Per Unit" or is this recalculated due to its unintended use of Development Funds for Land Acquisition?

Answer:

The Leveraging Calculation will be calculated by dividing the Eligible CDBG-DR Development Funding Request Amount by the total number of units. Because Land Acquisition Program Funding request amounts are not considered for the CDBG-DR Funding Leveraging calculation, no adjustments are necessary.

Question7.

Should an applicant constructing a development consisting only of single-family homes check "Yes" in Exhibit A since it automatically qualifies?

Answer:

Question 4.d. in Exhibit A asks if the proposed Development qualifies for the Resiliency Preference. All Applicants with a proposed Development that qualifies for the preference, whether the Development automatically qualifies or whether it qualifies by meeting the ESS Construction qualifications, should answer "Yes".

Please Note: The Second Q&A process for RFA 2019-101 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2019-101.

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