

FLORIDA HOUSING FINANCE CORPORATION

Second Modification of Request for Applications (RFA) 2019-102 Community Development Block Grant-Disaster Recovery (CDBG-DR) to be used in conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties Deemed Hurricane Recovery Priorities

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Exhibit B to read as follows:

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| <p>“Affiliate”</p> | <p>Any person that:</p> <p>(a) Directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant or Developer;</p> <p>(b) Serves as an officer or director of the Applicant or Developer or of any Affiliate of the Applicant or Developer;</p> <p>(c) Directly or indirectly receives or will receive a financial benefit from a Development with the exception of third-party lenders, third-party management agents or companies, third-party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit described in this RFA, or</p> <p>(d) Is the spouse, parent, child, sibling, or relative by marriage of a person described in paragraph (a), (b) or (c), above.</p> |
| <p>“Applicant”</p> | <p>Any person or legal entity of the type and with the management and ownership structure described herein that is seeking a loan or funding from the Corporation by submitting an Application or responding to a competitive solicitation pursuant to Rule Chapter 67-60, F.A.C., for one or more of the Corporation’s programs.</p> |
| <p>“Community Land Trust”</p> | <p>A 501(c)(3) which acquires or develops parcels of land for the primary purpose of providing or preserving affordable housing in perpetuity through conveyance of the structural improvement subject to a long term ground lease which retains a preemptive option to purchase any such structural improvement at a price determined by a formula designed to ensure the improvement remains affordable in Perpetuity.</p> |
| <p>“Developer”</p> | <p>Any individual, association, corporation, joint venturer, or partnership which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.</p> |
| <p>“Development Cost”</p> | <p>The total of all costs incurred in the completion of a Development excluding Developer Fee, operating deficit reserves, and total land cost as typically shown in the Development Cost line item on the development cost pro forma.</p> |

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| <p>“Development Location Point”</p> | <p>A single point on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on the site with the most units that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development.</p> |
| <p>“For Profit Entity”</p> | <p>An entity with an ownership structure that includes an entity with at least one for profit Principal.</p> |
| <p>“Grocery Store”</p> | <p>A retail food store consisting of 4,500 square feet or more of contiguous air-conditioned space available to the public, that has been issued a food permit, current and in force as of the dates outlined below, issued by the Florida Department of Agriculture and Consumer Service (FDACS) which designates the store as a Grocery Store or Supermarket within the meaning of those terms for purposes of FDACS-issued food permits.</p> <p>Additionally, it must have been open and available for use by the general public since a date that is 6 months prior to the Application Deadline with the exception of any of the following, which must be in existence and available for use by the general public as of the Application Deadline:</p> <p>Albertson’s, Aldi, Bravo Supermarkets, BJ’s Wholesale Club, Costco Wholesale, EarthFare, Food Lion, Fresh Market, Harvey’s, Milam’s Markets, Piggly Wiggly, Presidente, Publix, Sam’s Club, Sav – A – Lot, Sedano’s, SuperTarget, Trader Joe’s, Walmart Neighborhood Market, Walmart Supercenter, Whole Foods, Winn-Dixie</p> |
| <p>“Land Authority”</p> | <p>An entity created by Section 380.0663, F.S.</p> |
| <p>“Land Owner”</p> | <p>For purposes of Priority I Applications, a Local Government, Public Housing Authority, Land Authority, or Community Land Trust that owns the land or will own the land used for the proposed Development. A Land Owner Certification form is required to be submitted in all Priority I Applications. The Land Owner will be the recipient of the amount of CDBG-DR Funding needed for land acquisition when land acquisition costs are part of the Development Cost of any Priority I Applications.</p> |
| <p>“Local Government”</p> | <p>Local Government as defined in Section 420.503 F.S.</p> |
| <p>“Medical Facility”</p> | <p>A medically licensed facility that (i) employs or has under contractual obligation at least one physician licensed under Chapter 458 or 459, F.S. available to treat patients by walk-in or by appointment; and (ii) provides general medical treatment to any physically sick or injured person. Facilities that specialize in treating specific classes of medical conditions or specific classes of patients, including emergency rooms affiliated with specialty or Class II hospitals and clinics affiliated with specialty or Class II hospitals, will not be accepted.</p> |

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| | Additionally, it must have been in existence and available for use by the general public as of the Application Deadline. |
| “Non-Profit” | A qualified non-profit entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis, which owns at least 51 percent of the ownership interest in the Development held by the general partner or managing member entity, which shall receive at least 25 percent of the Developer Fee, and which entity is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing. A for-profit entity wholly owned by one or more qualified non-profit organizations will constitute a Non-Profit entity. The purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity. A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement. |
| “Perpetuity” | At least 99 years from the loan closing. |
| “Pharmacy” | <p>A community pharmacy operating under a valid permit issued pursuant to s. 465.018, F.S., current and in force as of the dates outlined below and open to the general public at least five days per week without the requirement of a membership fee.</p> <p>Additionally, it must have been open and available for use by the general public since a date that is 6 months prior to the Application Deadline with the exception of any of the following, which must be in existence and available for use by the general public as of the Application Deadline:</p> <p>Albertson’s, CVS, Harvey’s, Kmart, Navarro’s, Piggly Wiggly, Publix, Sav – A – Lot, Target, Walgreens, Wal-Mart, Winn-Dixie</p> |
| “Principal” | <p>(a) For a corporation, each officer, director, executive director, and shareholder of the corporation.</p> <p>(b) For a limited partnership, each general partner and each limited partner of the limited partnership.</p> <p>(c) For a limited liability company, each manager and each member of the limited liability company.</p> <p>(d) For a trust, each trustee of the trust and all beneficiaries of majority age (i.e.; 18 years of age) as of Application deadline.</p> |

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| | <p>(e) For a Public Housing Authority, each officer, director, commissioner, and executive director of the Authority.</p> <p>(f) For a Local Government or Land Authority, a designated individual with authority to bind the Local Government or Land Authority and execute documents on behalf of the Local Government or Land Authority.</p> |
| “Public Bus Rapid Transit Stop” | <p>A fixed location at which passengers may access public transportation via bus. The Public Bus Rapid Transit Stop must service at least one bus that travels at some point during the route in either a lane or corridor that is exclusively used by buses, and the Public Bus Rapid Transit Stop must service at least one route that has scheduled stops at the Public Bus Rapid Transit Stop at least every 20 minutes during the times of 7am to 9am and also during the times of 4pm to 6pm Monday through Friday, excluding holidays, on a year-round basis.</p> <p>Additionally, it must have been in existence and available for use by the general public as of the Application Deadline.</p> |
| “Public Bus Stop” | <p>A fixed location at which passengers may access one or two routes of public transportation via buses. The Public Bus Stop must service at least one bus route with scheduled stops at least hourly during the times of 7am to 9am and also during the times of 4pm to 6pm Monday through Friday, excluding holidays, on a year-round basis. Bus routes must be established or approved by a Local Government department that manages public transportation. Buses that travel between states will not be considered.</p> <p>Additionally, it must have been in existence and available for use by the general public as of the Application Deadline.</p> |
| “Public Housing Authority” | Public Housing Authority as created in 421.04, F.S. |
| “Public Bus Transfer Stop” | <p>For purposes of proximity points, a Public Bus Transfer Stop means a fixed location at which passengers may access at least three routes of public transportation via buses. Each qualifying route must have a scheduled stop at the Public Bus Transfer Stop at least hourly during the times of 7am to 9am and also during the times of 4pm to 6pm Monday through Friday, excluding holidays, on a year-round basis. This would include bus stations (i.e., hubs) and bus stops with multiple routes. Bus routes must be established or approved by a Local Government department that manages public transportation. Buses that travel between states will not be considered.</p> <p>Additionally, it must have been in existence and available for use by the general public as of the Application Deadline.</p> |
| “Public Rail Station” | For purposes of proximity points, a Public Rail Station means a fixed location at which passengers may access the scheduled public rail transportation on a year-round basis at a MetroRail Station located in Miami-Dade County, a TriRail |

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| | Station located in Broward County, Miami-Dade County or Palm Beach County, or a SunRail Station located in the following counties: Orange, Osceola, Seminole, and Volusia |
| “Public School” | <p>A public elementary, middle, junior and/or high school, where the principal admission criterion is the geographic proximity to the school. This may include a charter school, if the charter school is open to appropriately aged children in the radius area who apply, without additional requirements for admissions such as passing an entrance exam or audition, payment of fees or tuition, or demographic diversity considerations.</p> <p>Additionally, it must have been in existence and available for use by the general public as of the Application Deadline.</p> |
| “Regulated Mortgage Lender” | <p>(a) A state or federally chartered entity authorized to transact business in this state that regularly engages in the business of making mortgage loans secured by real property in this state, whose mortgage lending activities subject it to the jurisdiction of the State of Florida Office of Financial Regulation, the Board of Governors of the Federal Reserve, Office of the Comptroller of the Currency, the National Credit Union Administration, or the Federal Deposit Insurance Corporation; (b) A Fannie Mae-approved lender whose name appears on the Fannie Mae list of Delegated Underwriting and Servicing (DUS®) Lenders*; (c) A HUD-approved lender whose name appears on the U.S. Department of Housing and Urban Development (HUD) list of Multifamily Accelerated Processing (MAP) Approved Lenders*; (d) A RD-approved lender whose name appears on the U.S. Department of Agriculture, Rural Development (RD), list of Section 538 Guaranteed Rural Rental Housing approved lenders*; or (e) A Freddie Mac-approved multifamily lender whose name appears on Freddie Mac’s lists of Program Plus (Florida region) lenders, Targeted Affordable Housing lenders or Seniors Housing lenders*; or (f) a mortgage lender that is a certified Community Development Financial Institution (CDFI) in the State of Florida that has been awarded funding from the CDFI Fund in a cumulative amount of at least \$5,000,000, exclusive of New Market Tax Credit (NMTC) awards, whose name and CDFI awards can be confirmed on the CDFI Fund’s web site (Qualified CDFI, and the affiliate(s) of such Qualified CDFI. As used herein, the affiliate(s) of a Qualified CDFI means the parent, subsidiary or successor of the Qualified CDFI, or an entity that shares common ownership or management with the Qualified CDFI. If the lender is an affiliate of the Qualified CDFI, the funding letter(s) being considered by the Corporation must include the name of the Qualified CDFI and a statement that the lender is an affiliate of the Qualified CDFI.</p> <p>*These documents are available on the RFA Website.</p> |
| “Set-Aside Units” | When not committing to the Average Income Test, Set-Aside Units are units set aside at or below 60 percent of the Area Median Income for the county in which the Development is located. For purposes of the Average Income Test, units may be set-aside at or below 80 percent of the Area Medium Income (AMI) in the |

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| | <p>county in which the Development is located, but the average AMI shall not exceed 60 percent. The total number of Set-Aside Units is calculated as follows:</p> <p>The total number of units within the proposed Development multiplied by the highest Total Set-Aside Percentage the Applicant committed to as stated in the last row of the set-aside breakdown chart in the Set-Aside Commitment section of the Application. Results that are not a whole number will be rounded up to the next whole number.</p> |
| “Single Purpose Legal Entity” | Either a legally formed corporation, limited partnership or limited liability company with a management and ownership structure. |
| “Sister Stop” | Sister Stop is defined as two bus stops that (i) individually, each meet the definition of Public Bus Stop, (ii) are separated by a street or intersection from each other, (iii) are within 0.2 miles of each other, (iv) serve <u>at least one of</u> the same bus route(s), (v) and the buses travel in different directions. |
| “Workforce Housing” | All of the units must be general occupancy, set aside at 80 percent AMI or less. |
| “Zero Bedroom Unit” | A single person occupancy unit of at least 350 square feet that includes a private full bathroom and a vertical closet for clothing. The unit shall include a kitchen with a refrigerator, stove and sink. |

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Item 3 of Exhibit C to read as follows:

3. Leveraging Levels

Each eligible Application will be assigned a Leveraging Level 1 – 5, with 1 being the best score, based on the total Corporation CDBG-DR Funding amount relative to all other eligible Application’s total Corporation CDBG-DR Funding amount.

The total Corporation CDBG-DR Funding amount is calculated only using the Applicant’s Eligible CDBG-DR Development Funding Request. Bonds, Non-Competitive Housing Credit funding, and, if applicable, the Land Acquisition Program Funding requests will all be excluded from the following leveraging calculation.

The total Corporation CDBG-DR funding amount will be calculated using the methodology described in a. through f. below:

- a. If the Development qualifies the HC basis boost, the Eligible CDBG-DR Development Funding Request Amount will be multiplied by 1.10; and
- b. If the proposed Development is located in Broward County, the amount will be multiplied by 0.85; and
- c. If the proposed Development met the requirements to be considered ESS Construction, a multiplier of 0.88 will be applied.

- d. If the proposed Development does not meet the requirements to be considered ESS Construction, a multiplier of 0.98 will be applied.

Note: More than one of the above may apply. For instance, if a. and b. and c. and d. apply, the Eligible CDBG-DR Development Funding Request will be multiplied by 1.10 and then by 0.85 and then by 0.92 and then by 0.88. A proposed Development will qualify for either d. or e., above, but not both. All Applicants that selected the High-Rise Development Type will be considered to meet the requirements to be considered ESS Construction.

- f. The total Corporation CDBG-DR funding amount will be adjusted further as follows:

- (1) If the proposed Development meets all of the following requirements, the total Corporation funding amount will be multiplied by 0.80:

- Applicant selected the High-Rise Development Type, and
- Applicant selected the Development Category of New Construction.

or

- (2) If the proposed Development meets all of the following requirements, the total Corporation funding amount will be multiplied by 0.84:

- Applicant selected the Mid-Rise with Elevator (a building comprised of 5 or 6 stories) Development Type and at least 90 percent of the total units are in these Mid-Rise building(s), and
- Applicant selected the Development Category of New Construction;

or

- (3) If the proposed Development meets all of the following requirements, the total Corporation funding amount will be multiplied by 0.90:

- Applicant selected the Mid-Rise with Elevator (a building comprised of 4 stories) Development Type and at least 90 percent of the total units are in these Mid-Rise building(s), and
- Applicant selected the Development Category of New Construction.

- d. The total Corporation CDBG-DR Funding amount as calculated above will then be divided by the number of units, resulting in the total Corporation CDBG-DR Funding amount per Unit.

- e. Leveraging Level Classifications

The eligible Priority I Applications will be listed in ascending order beginning with the Priority I Application that has the lowest amount of total Corporation CDBG-DR Funding amount per Unit and ending with the Priority I Application that has the highest amount.

The total number of eligible Priority I Applications on the list will be multiplied by 20 percent and the resulting figure will be rounded up to the next whole number (the resulting figure after rounding will be referred to as the "First Quintile Cut-Off"). A line will be drawn below the Application whose place on the list is equal to the First Quintile

Cut-Off. If any Application(s) below the line has the same total Corporation CDBG-DR Funding amount per Unit as the Application immediately above the line, the line will be moved to a place immediately below that Application(s).

Priority I Applications above the First Quintile Cut-Off will be classified as Leveraging Level 1 and Priority I Applications below the First Quintile Cut-Off will continue with this same process until all eligible Priority I Applications have been assigned to one of five quintile leveraging levels (Leveraging Level 1 representing the top 20 percent, Leveraging Level 2 representing the top 40 percent that are not Leveraging Level 1; Leveraging Levels 3 and 4 representing the next sequential quintiles, and Leveraging Level 5 remaining Applications).

This same process will then be applied to all eligible Priority II Applications followed by all eligible Priority III Applications.

Submitted By:

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