

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2019-111
Rental Recovery Loan Program (RRLP) Financing to be Used for Rental Developments in Hurricane
Michael Impacted Counties

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.2.b. as follows:

b. Elderly – Non-Assisted Living Facility (Non-ALF).

If the Elderly demographic commitment is selected, the Applicant understands, acknowledges and agrees that it will comply with the Federal Fair Housing Act requirements for housing for older persons and rent at least 80 percent of the total units to residents that qualify as older persons pursuant to that Act or as provided under any state or federal program that the Secretary of HUD determines is specifically designed and operated to assist elderly persons (as defined in the state or federal program). Further, the Applicant understands, acknowledges and agrees that all such units are subject to the income restrictions committed to in the Set-Aside Commitment section of this Application.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.3.c.(3) as follows:

- (3) For purposes of the following, a material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant.

The names of the Applicant or Developer(s) entity stated in the Application may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. The Applicant entity shall be the borrowing entity and cannot be changed in any way (materially or non-materially) until after loan closing. After loan closing, (a) any material change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (b) any non-material change will require review and approval of the Corporation, as well as approval of the Board prior to the change. Changes to the Applicant entity (material or non-material) prior to the loan closing or without Board approval after the loan closing may result in disqualification from receiving funding and may be deemed a material misrepresentation. Changes to the officers or directors of a Public Housing Authority or officers and directors of a Non-Profit entity, or the investor limited partner of an Applicant Application limited partnership or the investor member of an Applicant Application limited liability company owning the syndicating interest therein will not result in disqualification, however, the change must be approved by the Corporation.

The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.10.a.(3) and (4) as follows:

(3) Corporation-Issued MMRB Request Amount (Bay and Leon County only)

State the amount of Corporation-Issued MMRB it is requesting. The MMRB Request amount must be in increments of \$5,000. The Corporation will make any necessary adjustment.

No other documentation regarding Corporation-Issued MMRB is required to be submitted with this Application.

(4) If the Applicant intends to utilize Non-Corporation issued Tax-Exempt Bonds

(a) The Applicant must provide, as **Attachment 14** to Exhibit A, a letter, executed by the chair or vice chair of the governing body, mayor, or deputy mayor, city manager or assistant city manager, county manager/administrator/coordinator or assistant county manager/administrator/coordinator, executive director or assistant executive director, or by an individual occupying a position reasonably equivalent to any of the foregoing, as applicable, of the entity issuing the Tax-Exempt Bonds, that (a) confirms that the Applicant has submitted an application for Tax-Exempt Bonds for the Development proposed in this RFA, (b) states the amount of the Applicant's Bond request, and (c) confirms that the closing on the Bonds has not occurred and will not occur prior to the Application Deadline for this RFA; and

(b) The Applicant must include the anticipated amount of such Bond financing on the Construction/Rehab Analysis and the Permanent Analysis.

The Applicant is not required to include any other documentation beyond the requirements of (a) and (b) above regarding the County HFA-issued Tax-Exempt Bonds in its Application. The necessary documentation will be required after the Applicant is invited to enter credit underwriting, as outlined in Exhibit D to the RFA.

Applicants are not eligible to apply for any funding offered in this RFA if the Applicant has already closed on the Tax-Exempt Bond financing prior to the Application Deadline for this RFA. In addition, proposed Developments are not eligible to receive any funding awarded through this RFA if the Applicant closes on the Tax-Exempt Bond financing prior to the issuance of the preliminary commitment. As part of the Applicant's acceptance of the invitation to enter credit underwriting (i.e., the preliminary commitment), the Applicant will be required to confirm that the Bonds have not closed. If the Bonds are closed between the Application Deadline and issuance of the RRLP preliminary commitment, the Applicant's award will be rescinded.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.10.a.(5)(c) as follows:

(c) Housing Credit Equity Proposal

A HC equity proposal must be provided as **Attachment 15**. For purposes of this RFA, to be counted as a source, an equity proposal, regardless of whether the documentation is in the form of a commitment, proposal, term sheet or letter of intent, it must meet the requirements set out below:

- (i) If the Eligible HC Request Amount is less than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will be considered a source of financing and, for scoring purposes, the maximum amount of HC equity to be permitted in the Development Cost Pro Forma will be adjusted downward from the amount stated in the equity proposal. This adjusted maximum HC equity will be calculated by taking the total amount of equity to be provided to the proposed Development as stated in the equity proposal letter, dividing it by the credit allocation stated in the equity proposal and multiplying that quotient by the Applicant's Eligible HC Request Amount. If the Eligible HC Request Amount is greater than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will be considered a source of financing and the maximum amount of HC equity to be permitted for scoring in the Development Cost Pro Forma will be the amount stated in the equity proposal.

- (ii) If syndicating/selling the Housing Credits, the Housing Credit equity proposal must meet the following criteria:
 - Be executed by the equity provider;
 - Include specific reference to the Applicant as the beneficiary of the equity proceeds;
 - State the proposed amount of equity to be paid prior to construction completion;
 - State the anticipated Eligible Housing Credit Request Amount;
 - State the anticipated dollar amount of Housing Credit allocation to be purchased;
 - and
 - State the anticipated total amount of equity to be provided.

If the limited partnership agreement or limited liability company operating agreement has closed, the closed agreement must be provided. To be counted as a source of financing, the partnership agreement or operating agreement must meet the requirements of (a) above or the Applicant must submit separate documentation, signed by the equity provider, expressly stating any required criteria not provided in the agreement.

- (iii) If not syndicating/selling the Housing Credits, the owner's commitment to provide equity must be provided. The commitment must include the following information and evidence of ability to fund must be provided as **Attachment 15** to the Application:
 - The proposed amount of equity to be paid prior to construction completion;
 - The anticipated Eligible Housing Credit Request Amount;
 - The anticipated dollar amount of Housing Credit allocation to be purchased; and
 - The anticipated total amount of equity to be provided.

Note: Exhibit D to the RFA ~~requires documentation during credit underwriting outlines the requirement and deadline for the Applicant's confirmation that the documented equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria).~~

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.10.b.(2)(b)(i) as follows:

- (i) For any financing other than Tax-Exempt Bond financing*, if the financing has closed in the Applicant's name, provide a letter from the lender acknowledging that the loan has closed. The letter must also include the following information:
 - Amount of the construction loan, if applicable;
 - Amount of the permanent loan, if applicable; and
 - Specific reference to the Applicant as the borrower/direct recipient/mortgagee.

* As stated in Section Four A.10.a.(4)(b) of the RFA, proposed Developments are not eligible to apply for any funding offered in this RFA if the Applicant has already closed on the Tax-Exempt Bond financing prior to the Application Deadline for this RFA. In addition, proposed Developments are not eligible to receive any funding awarded through this RFA if the Applicant closes on the Tax-Exempt Bond financing prior to the issuance of the preliminary commitment. As part of the Applicant's acceptance of the invitation to enter credit underwriting (i.e., the preliminary commitment), the Applicant will be required to confirm that the Bonds have not closed. If the Bonds are closed between the Application Deadline and issuance of the preliminary commitment, the Applicant's award will be rescinded.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Five A.1. as follows:

1. Determining Eligibility

Only Applications that meet all of the following Eligibility Items will be eligible for funding and considered for funding selection.

| Eligibility Items |
|--|
| Submission Requirements met* |
| Applicant Certification and Acknowledgement Form provided and signed by Applicant Principal Representative |
| Demographic Commitment selected |
| Authorized Principal Representative provided |
| Name of Applicant provided |
| Evidence Applicant is a legally formed entity provided |
| Name of Each Developer provided |
| Evidence that each Developer entity is a legally formed entity provided |
| General Development Experience Requirement met |
| Principals for Applicant and Developer(s) Disclosure Form provided |
| Name of Management Company provided |
| Prior General Management Company Experience requirement met |
| Name of Proposed Development provided |
| Development Category selected |
| Development Category Qualifying Conditions met |
| Development Type provided |
| County identified |

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|---|
| Address of Development Site provided |
| Question whether a Scattered Sites Development answered |
| Development Location Point provided |
| Latitude and Longitude Coordinates for any Scattered Sites provided, if applicable |
| Minimum Total Proximity Score met |
| Mandatory Distance Requirement met |
| Total Number of Units provided and within limits |
| Occupancy status of any existing units provided |
| Number of residential buildings provided |
| Minimum Set-Aside election provided |
| Total Set-Aside Breakdown Chart properly completed |
| Unit Mix provided and meets requirements, if applicable |
| Evidence of Site Control provided |
| Appropriate Zoning demonstrated |
| Availability of Electricity demonstrated |
| Availability of Water demonstrated |
| Availability of Sewer demonstrated |
| Availability of Roads demonstrated |
| Minimum Additional Green Building Features selected |
| Minimum Resident Programs selected |
| Applicant's RRLP request amount provided |
| Applicant's MMRB request amount provided, if applicable |
| Applicant's Housing Credit Request Amount provided, if applicable |
| Development Cost Pro Forma provided (listing expenses or uses) and Construction/Rehab analysis and Permanent analysis (listing sources) – Sources must equal or exceed uses |
| Financial Arrearage Requirements met** |
| Previous Funding Requirements met *** |
| Total Development Cost Per Unit Limitation met**** |

* Submission Requirement

To be eligible for funding, the following submission requirements must be met: (i) the Application must be submitted online by the Application Deadline, (ii) the required hard copy must be submitted by the Application Deadline, (iii) the Applicant's hard copy submission must be contained in a sealed package, and (iv) the required Application fee must be submitted as of the Application Deadline.

** Financial Arrearage Requirement

An Application will be deemed ineligible for funding if, as of close of business the day before the Committee meets to make a recommendation to the Board, there remains any financial obligations for which an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation as reflected on the most recently published Past Due Report posted to the Corporation's Website under the link Property Owners & Managers/Past Due Reports (also accessible by clicking [here](#)), but not more recently

than five business days prior to the date the Committee meets to make a recommendation to the Board.

*** Previous Funding Requirements met

An Application will be deemed ineligible to be considered for funding if, as of the close of business the day before the Committee meets to make a recommendation to the Board, an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer has received an award of any funding from any RFA issued by Florida Housing Finance Corporation but such funding has been de-obligated by the Florida Housing Finance Corporation Board of Directors within the 36 months prior to this RFA Application Deadline, with the exception of de-obligations that resulted from the termination of the Multifamily Energy Retrofit Program (MERP) funding awarded through RFA 2015-115, or de-obligation of National Housing Trust Fund (NHTF) funding.

An Application will be deemed ineligible for funding if the Applicant has accepted an invitation to enter credit underwriting for the same Development in a previous RFA (with the exception of funding awarded under the Predevelopment Loan Program (PLP) and/or the Elderly Housing Community Loan (EHCL) program) and, as of Application Deadline for this RFA, the funding has not been returned to the Corporation. If the acceptance to an invitation to enter credit underwriting in a previous RFA occurs after the Application Deadline and before the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA. If the acceptance to an invitation to enter credit underwriting in a previous RFA occurs after the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA and any funding awarded in this RFA will be rescinded and considered Returned Funding.

**** Total Development Cost Per Unit Limitation

By submitting its Application, the Applicant agrees and acknowledges that the Application will be subject to the Total Development Cost Per Unit Limitation during the scoring, credit underwriting, and final Housing Credit allocation process.

The Corporation shall limit the Total Development Cost (TDC) per unit for all Developments categorized by the construction type of the units as indicated below and this limit is referred to as the TDC Per Unit Limitation. It is a limit based on TDC, but exclusive of land costs and exclusive of any operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee, applying any applicable TDC multiplier and/or TDC add-on. The proposed Development's TDC will be tested against the TDC Per Unit Limitation during the scoring of the RFA, utilizing the Development Type, Development Category and ESS Construction determination made by the Applicant in the RFA and it will apply to all units in the proposed Development. During the credit underwriting process, and during the final allocation process, the maximum TDC per unit will be recalculated for each unit type as described in Item 1 of Exhibit C, with consideration given to whether the Development consists one or more Development

Types, a mix of both new construction and rehabilitation units, or a mix of wood and ESS Construction units.

Any Application that has an amount that exceeds these limitations during scoring will not be eligible for funding. These TDC Per Unit Base Limitation amounts, inclusive of any applicable TDC multiplier and/or TDC add-on, are effective during the scoring process. Item 1 of Exhibit C provides the TDC Per Unit Base Limitation amounts that account for an escalation factor to be incorporated for the credit underwriting process and final allocation process, as explained in the exhibit.

Total Development Cost Per Unit Base Limitations to be used during the scoring process

| Measure | New Construction Units | | | |
|---|------------------------|-------------|---|---------------|
| | Garden Wood* | Garden ESS* | Mid-Rise-Wood* | Mid-Rise-ESS* |
| Maximum TDC Per Unit Limitation ** for all counties | \$212,200 | \$255,400 | \$255,400 | \$282,200 |
| Applicable TDC Multipliers (to be applied against the Development's TDC) and TDC Add-Ons (to be added to the Maximum TDC Per Unit Limitation) | | | | |
| TDC Add-On for Applicants that have a PHA/instrumentality of a PHA as a Principal | | | \$5,000 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation | |
| TDC Add-On for Applicants utilizing tax-exempt bond funding due to known expenses related to bond transactions | | | \$5,000 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation | |

* Garden includes all Development Types other than Mid-Rise; Non-Garden includes Development Type of Mid-Rise with elevator (4 stories); Mid-Rise includes Development Type of Mid-Rise with elevator (4 stories). ESS means Enhanced Structural Systems Construction.

** Exclusive of land costs and exclusive of any approved operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee. When the term of operating deficit reserves (ODR) is mentioned in this TDC Per Unit Limitation section, the term shall refer to these particular operating deficit reserves. Examples of reserves which can be considered part of the operating deficit reserve for this calculation are provided in the Operating Deficit Reserve portion of the Funding section in the RFA. For purposes of property acquisition valuation (land with or without building improvements), the Corporation uses the lesser of the appraised value, or the actual cost of acquisition. The appraised value will be determined during credit underwriting. When land costs are referenced in this TDC Per Unit Limitation section, the reference shall be limited to the amount of the land cost approved by the Corporation to be provided in the final cost certification under the land owned cost line item. For Applicants that have a public housing authority/instrumentality of a public housing authority listed as a Principal on the Applicant's Principal Disclosure Form may also exclude demolition costs and tenant relocation costs from TDC PU Limitation calculations. The total amount of costs that are to be excluded from the TDC Per Unit Limitation process are the applicable land costs, operating deficit reserves and certain PHA costs described herein are referred to in Exhibit C in the congregate as applicable qualifying costs.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Exhibit C, Item 2. to read as follows:

2. Leveraging Classification

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

The total Corporation RRLP Funding amount is calculated only using the Applicant’s Eligible RRLP Request. ELI Loan funding, MMRB, and Non-Competitive Housing Credit funding, if applicable, will all be excluded from the following leveraging calculation.

- a. The total Corporation RRLP funding amount will be calculated using the methodology described in ~~(1)a-~~ through ~~(5)f-~~ below:
- ~~(1)a-~~ If the Development qualifies the HC basis boost, the Eligible RRLP Request Amount will be multiplied by 1.10; and
 - ~~(2)b-~~ If the Applicant has a PHA as a Principal (disclosed in the Principal Disclosure form), a multiplier of 0.92 will be applied.
 - ~~(3)c-~~ If the proposed Development met the requirements to be considered ESS Construction, a multiplier of 0.88 will be applied.
 - ~~(4)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 ~~(1) and (2) and (3) a- and b- and c-~~ apply, the Eligible RRLP Request will be multiplied by 1.10 and then by 0.92 and then by 0.88. A proposed Development will qualify for either ~~(3) or (4) c- or d-~~, above, but not both.

- ~~(5)e-~~ The total Corporation RRLP funding amount will be adjusted further as follows:
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.

- ~~b.~~ The total Corporation RRLP funding amount will then be divided by the number of Set-Aside Units, resulting in the total Corporation RRLP funding per Set-Aside unit.
- ~~c.~~ The Applications will be listed in ascending order beginning with the Application that has the lowest amount of total Corporation RRLP funding per Set-Aside Unit and ending with the Application that has the highest amount.

The total number of 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 SAIL funding per Set-Aside Unit as the Application immediately above the line, the line will be moved to a place immediately below that Application(s).

Applications above the First Quintile Cut-Off will be classified as Leveraging Level 1 and Applications below the First Quintile Cut-Off will continue with this same process until all eligible 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).

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

- i. The Applicant must advise the Corporation of the specific Green Building Certification Program that it commits to achieve: Leadership in Energy and Environmental Design (LEED); Florida Green Building Coalition (FGBC); ~~Energy Star certification for multifamily housing~~; ICC 700 National Green Building Standard (NGBS); or Enterprise Green Communities;

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