Questions and Answers for RFA 2020-104

SAIL Financing Farmworker and Commercial Fishing Worker Housing

1. On page 31 of the redlined, amended RFA, Item 9.a.(3)(b), it states: "List any other Corporation funding that is intended to be utilized as a **source** of financing for the proposed Development." If we have an outstanding HOME loan but none of the HOME loan funds will be used as a source for substantial rehab, do we still need to list the HOME loan in the application? And if we do list in the application, do we then need to put the balance of the HOME loan in the perm analysis even though no HOME funds will be used for the substantial rehab?

   Answer:

   If the HOME loan award from the Corporation is paying for any part of the proposed Development's budget being presented in the Development Cost Proforma, then it needs to be included. The cost sections must also include the costs for which it is being used to fund. In addition to substantial rehab purposes, there are other eligible uses within the development budget for which it can be used such as acquisition, including the assumption of the HOME loan debt to at least assist in the cost of acquisition. If the Applicant used the HOME loan to acquire, build and/or rehab the proposed Development in the past and all of that scope of work has been completed and the same Applicant is now coming in to request new funding just to complete a substantial rehab scope of work on the same Development, then the Applicant would not be required to indicate the HOME loan in the Development Cost Proforma. If there are no development costs in the proposed Development Cost Proforma for which the HOME loan is being used to fund, then the HOME loan is not part of the proposed Development's funding resources.

2. If applying for **only** substantial rehab, do we need to show any other financing in the perm analysis if we plan to rely solely on the SAIL funds and deferred developer fee to rehab the development? For instance, if we received local funding at the time of initial closing and there is an existing mortgage on the property, does the balance of that mortgage need to be listed in the perm analysis?

   Answer:

   If any other funding sources were obtained in the past to acquire, build and/or rehab the existing Development and those same funding sources are not being used to fund any new development costs (as detailed in the Development Cost Proforma) for the proposed scope of work, then those other funding sources do not need to be listed in the Development Cost Proforma. The sources of funding provided in the Development Cost Proforma are only intended to fund the development costs identified in said Development Cost Proforma.

3. If the construction and perm analysis reflect only the SAIL funds requested and deferred developer fee for sub rehab, what mortgage position should we put the SAIL loan (first, second, third, etc.) since the SAIL loan will be subordinate to an existing mortgage or mortgages?

Answer:

The Application does not require the requested SAIL funds to be in any specific lien position to fund the proposed scope of work. The position of the lien position of the proposed SAIL funding will be determined during credit underwriting as it is a de novo review process of all information supplied, received or discovered during or after any competitive solicitation process. Additionally, information may be provided in the addenda to explain any circumstances that are not otherwise required.

Please Note: The Q&A process for RFA 2020-104 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2020-104.

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