

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2021-203 Housing Credit Financing For Affordable Housing Developments Located In Miami-Dade County

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the due date reflected on the first page of the RFA as follows:

Issued: July 20, 2021

Due: August ~~24~~27, 2021

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

1. Application Deadline

The Application Deadline is 3:00 p.m., Eastern Time, on August ~~24~~27, 2021.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.11. of the RFA as follows:

11. Local Government Contributions (5 Points)

- a. Applicants Eligible for Automatic Points

Applicants that selected and qualified for the Development Category of Rehabilitation, with or without Acquisition, will automatically receive the maximum of five points without any requirement to demonstrate a Local Government contribution.

- b. Applicants Not Eligible for Automatic Points

In order for Applicants that selected the Development Category of New Construction or Redevelopment, with or without Acquisition to receive the maximum of five points, provide evidence of a Local Government grant, loan, fee waiver and/or fee deferral that is effective as of the Application Deadline, is in effect at least through June 30, 2022, and has a ~~value-face amount~~ whose dollar amount is equal to or greater than \$100,000. Those Applications that do not have the necessary contribution ~~values-amounts~~ to achieve maximum points will be scored on a pro-rate basis.

The only Local Government contributions that will be considered for the purpose of scoring are:

- Monetary grants
- Loans with the exception of USDA RD funds
- A one-year or more deferral of a fee beyond the date that it is routinely due
- Waiver of fees

- c. Evidence of the Local Government Contribution

As evidence of the Local Government contribution, provide the properly completed and executed Local Government Verification of Contribution Form(s) (Form Rev. 07-2019) as **Attachment 16** to Exhibit A. The following Local Government Contribution forms (Form Rev. 07-2019) are available at the RFA Webpage:

- Local Government Verification of Contribution - Loan Form
- Local Government Verification of Contribution - Grant Form
- Local Government Verification of Contribution - Fee Waiver Form
- Local Government Verification of Contribution - Fee Deferral Form

To qualify for points, the face amount ~~and/or the contribution value of amount~~ of the Local Government contribution stated on the applicable form(s) must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

A loan with a forgiveness provision (and no accrued interest charges) requiring approval of the Local Government can be treated as a loan or a grant, for scoring purposes. Either the "Loan" or the "Grant" verification forms can be used. If the loan form is used for a loan with forgiveness provision (and no accrued interest charges), the space for entering the net present value of the loan is not applicable ~~to this RFA and will not be considered~~.

Funds administered by the Local Government, including federal funds and SHIP funds, may be included in the contribution as long as the appropriate verification form is provided. For purposes of this RFA, USDA-RD funds will NOT count as a Local Government contribution.

The contribution may not be included as an expense on the Development Cost Pro Forma nor may it be considered part of Development Cost for purposes of calculating Housing Credit basis or Developer's fee. The exception to the previous sentence is deferred Local Government fees, which may be shown on the Development Cost Pro Forma.

For a contribution consisting of a loan or deferred fee to be considered complete and eligible for points, the Local Government Verification form must reflect ~~both~~ the total amount of the loan or deferred fee ~~and the value (difference between the face amount and the net present value of the payment streams) of the loan or deferred fee~~. Calculate the net present value of the payments using the discount rate of 5.50 percent.

NOTE: Neither the payment stream for the present value calculations (if contribution consists of a loan or deferred fee) nor the calculations by which the total amount of each waiver is determined (if contribution consists of a fee waiver) are required to be attached to the certification form or otherwise included in the Application in order for the certification form to be considered for points.

In order to be eligible to be considered for points as a Local Government contribution, the contribution must:

- Be in effect as of Application Deadline;

- Be effective at least through June 30, 2022;
- Be dedicated solely for the proposed Development;
- Provide a tangible economic benefit that results in a quantifiable cost reduction and must be given specifically to the proposed Development because the Development will provide affordable housing; and
- State, federal, or Local Government funds initially obtained by or derived from a Local Government qualify as a Local Governmental contribution even though the funds are directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization, provided that they otherwise meet the requirements set forth in this RFA, including those relating to the executed verification form.

Local Government contributions that are ineligible to be considered for points include:

- Contributions that are not specifically made for the benefit of affordable housing but are instead of general benefit to the area in which the Development is located;
- The fact that no impact fees or other such fees are levied by a local jurisdiction for ANY type of development does not constitute a Local Government contribution. If such fees are levied by the local jurisdiction but the nature of the proposed Development exempts it (e.g., typically, a Rehabilitation Development is not subject to impact fees), for purposes of this RFA, no Local Government contribution exists and no points will be awarded;
- The absence of interest on a loan or the absence of interest payments until a specific date does not constitute a deferral or waiver of fees;
- Local Government contributions that have not received final approval;
- A contribution from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer;
- A contribution from a PHA;
- HOPE VI funds; and
- A contribution of any portion of the Applicant's site below market value.

~~To be awarded points, Applications are required to reflect both the total amount of the loan or deferred fee and the value (difference between the face amount and the net present value of the payment streams) of the loan or deferred fee on the Local Government Verification form.~~ To calculate the net present value of a Local Government contribution below market interest rate loan or fee deferral:

- Calculate the net present value of the payments due to the Local Government. For a loan, this includes any balloon payment of principal due on a non-amortizing or non-fully amortizing loan. For a fee deferral, this includes the amount of the fee due at the end of the deferral period.
- Calculate the net present value of the loan payments using the discount rate.
 - ~~Subtract the net present value of the loan payments from the original loan principal amount. The remaining amount is the value of the Local Government contribution.~~

Example: If the discount rate is assumed to be 5.50 percent and the Local Government will provide a fully-amortizing \$285,000 loan with payments due monthly based on a 1.0 percent interest rate for the entire 15-year term, the contribution-net present value is calculated as follows:

Calculate the monthly principal and interest payments of the \$285,000 loan at 1.0 percent (\$1,705.71).

Calculate the net present value of the stream of the monthly payments over 15 years (180 months) using a 5.50 percent discount rate (\$208,755.86).

~~Subtract the net present value amount from the original principal loan amount to arrive at the value of the contribution (\$285,000 - \$208,755.86 = \$76,244.14 value).~~

Example: If the discount rate is assumed to be 5.50 percent and the Local Government will provide a (\$285,000) loan with interest-only payments due monthly based on a 1.0 percent interest rate for entire 15-year term and principal due at maturity, the contribution-net present value is calculated as follows:

Calculate the monthly interest-only payment of the (\$285,000) loan at 1.0 percent (\$237.50).

Calculate the net present value of the stream of the monthly payments over 15 years (180 months) and principal due at maturity, using a 5.50 percent discount rate (\$154,199.41).

~~Subtract the net present value amount from the original principal loan amount to arrive at the value of the contribution (\$285,000.00 - \$154,199.41 = \$130,800.59 value).~~

Submitted By:

Marisa Button
Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301
850-488-4197 or Marisa.Button@floridahousing.org