

Florida Housing Finance Corporation
ITP Construction Housing Inflation Response Program (ITP 2022-CHIRP)
Registration for Workshop is required. Registration information is available on 2022-CHIRP Webpage¹

Overview

- A. Introductions
- B. Purpose of Invitation to Participate (ITP)

Requirements of ITP

- A. Criteria and timing

Applicants will continue to be held to the terms and conditions of the RFA under which the Active Award was made and the applicable rule chapter in effect at the time of the Original Application. Applicants that are awarded funding through this ITP must meet the following requirements:

- Applicants must apply for permitting by 60 days from the Application submission;
- Applicants must close on the limited partnership agreement and, if applicable, corporation funding by the earlier of the existing closing deadlines for the Active Award or January 31, 2023;
- The Credit Underwriting Report will be completed or updated as applicable prior to October 31, 2022.

To be eligible to apply in this ITP, as of the Application Deadline, the Application must meet the following conditions:

- A verifiable financing gap must exist with a deferred Developer Fee of at least 30 percent subject to sizing parameters listed in Exhibit C;
- The Applicant of the Active Award has not closed on the Limited Partnership Agreement, Tax-Exempt Bond financing, or any other Corporation funding (excluding Pre-Development Loan Program funding (PLP) and Elderly Housing Community Loan (EHCL) funding);
- The Applicant of the Active Award has not recorded a Notice of Commencement with the appropriate local jurisdiction as of April 29, 2022;
- The Original Application did not qualify as a Self-Sourced Application funded in RFAs 2019-116, 2020-205, or 2021-205;
- The Applicant of the Active Award has not, prior to the Application Deadline for this Invitation to Participate (ITP), returned the allocation for the Active Award to the Corporation; and
- The Applicant of the Active Award was awarded in one of the RFAs listed below:
 - RFA 2019-116 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits
 - RFA 2020-201 Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties
 - RFA 2020-202 Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, Pinellas
 - RFA 2020-203 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County
 - RFA 2020-204 Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments

¹ References to the 2022-CHIRP Webpage refer to <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2022/2022-CHIRP> which can be accessed [here](#).

- RFA 2020-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits*
- RFA 2020-208 SAIL and Housing Credit Financing for the Construction of Workforce Housing
- RFA 2021-102 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs
- RFA 2021-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons
- RFA 2021-106 Financing to Develop Housing for Persons with Disabling Conditions/ Developmental Disabilities
- RFA 2021-108 Financing For The Development Of Housing For Persons With Developmental Disabilities
- RFA 2021-208 SAIL and Housing Credit Financing for the Construction of Workforce Housing
- RFA 2021-211 Development Viability Loan Funding – if Active Award was Competitive Housing Credits only
- RFA 2021-211 Development Viability Loan Funding – if Active Award was not Competitive Housing Credits only
- 2019 RFAs, or other 2020 or 2021 RFAs not listed but still meet all other above criteria including timing requirements.

B. Required Information

The ITP includes an Exhibit A which must be completed, such as the name of the proposed Development and number of units. Item B of the Invitation explains when to use the information as stated in the original Application or whether to use approved changes, as applicable.

Applicants must also select whether they wish to apply for NHTF/HOME-ARP funding, additional Competitive Housing Credits, or loan funding as applicable.

C. Applicants Requesting National Housing Trust Funds (NHTF) or Home Investment Partnerships Program (HOME) From The American Rescue Plan Act (HOME-ARP)

Any Active Award Applicant may request to utilize NHTF or HOME-ARP Funding instead of the Competitive Housing Credits or Loan Funding on a per unit basis for any unit that does not currently also receive NHTF or HOME-ARP, up to the lesser of the amount needed to make the Development viable using sizing parameters in Exhibit C, the maximum per Development as outlined below, or 10 total units.

Applications that are awarded NHTF Funding must meet all of the following requirements:

1. All NHTF Units must be set aside as Link units for Persons with Special Needs who are referred by a Corporation-designated Special Needs Household Referral Agency;
2. All Applicants must be compliant with the Environmental Provisions 24 CFR § 93.301(f)(1) New Construction. The HUD Compliance Checklist is provided on the webpage <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2022/2022-chirp> (also available by clicking [here](#));
3. After 30 years, all of the NHTF Units may convert to serve residents at or below the unit's original AMI; however, the Link Unit requirement will still remain for the full Compliance Period of 50 years; and
4. The number of NHTF Units and the Area Median Income (AMI) that the NHTF Units will serve as calculated in ITP.

Note: If the Active Award included ELI Loan Funding, the Applicant is still eligible for NHTF Funding, per ITP.

Applications that are awarded HOME-ARP Funding must meet all of the following requirements:

1. All HOME-ARP Units must be set aside as Link units for Persons with Special Needs who are referred by a Corporation-designated Special Needs Household Referral Agency;
2. All HOME-ARP Units will be committed to serving at least one of the Qualifying Populations outlined in Exhibit E;
3. After 30 years, all of the HOME-ARP Units may convert to serve residents at or below the unit's original AMI; however, the Link Units requirements will still remain for the full Compliance Period of 50 years; and
4. The number of HOME-ARP Units and the Area Median Income (AMI) that the HOME-ARP Units will serve as calculated in ITP.
5. Low HOME Rents are utilized as described in ITP.

If the Application is found to not be eligible for NHTF or HOME-ARP because it is not able to meet the requirements described in ITP for either NHTF or HOME-ARP or because the Application is not viable using either NHTF or HOME-ARP, the Applicant may apply for Competitive Housing Credits or loan funding through this ITP.

- D. Applications that are not requesting NHTF or HOME-ARP Funding in this ITP, and the Active Award was in a Competitive Housing Credit Only RFA

Applicants with Active Awards that were in a Competitive Housing Credit only RFA are eligible to request additional Competitive Housing Credits. All Applicants that apply for additional Competitive Housing Credits through this ITP must also select one of the options in paragraph F.

The actual award amount will be sized in credit underwriting, as explained in Exhibit C.

- E. Applications that are not requesting NHTF or HOME-ARP Funding in this ITP, and the Active Award was not in a Competitive Housing Credit Only RFA

Applicants with Active Awards that were not in a Competitive Housing Credit Only RFA are eligible to request additional loan funding. All Applicants that apply for additional loan funding through this ITP must also select one of the options in paragraph F.

The actual award amount will be sized in credit underwriting, as explained in Exhibit C.

- F. Required Choice for Applications that are not requesting NHTF or HOME-ARP Funding in this ITP

Applicants that are not requesting NHTF or HOME-ARP Funding in this ITP must either return a recent Competitive Award OR commit to a limited number of Priority I Applications in certain RFAs in the 2022/2023 Funding Cycle

1. Criteria for return of recent Competitive Award

The Returned Award will be considered withdrawn effective as of the date the Application in this RFA is submitted and the letter is received by the Corporation. This is not revokable. The Returned Award will not be considered a Withdrawn Application for the purpose of any withdrawal disincentive points in any future RFA.

The same Returned Award may be used in up to three Shared Applications in response to this ITP if the following are met among the Shared Applications.

Applicants that meet the criteria for a “Returned Award” will not be held to any of the limitations on Priority I Applications described below.

2. Commit to a limited number of Priority I Applications in certain RFAs in the 2022/2023 Funding Cycle, based on funding awarded in this ITP

If an Applicant in this ITP commits to this option, All Principals of an Active Award will be limited to how many Priority I Applications can be submitted in a Future Corresponding RFA in the 2022/2023 Funding Cycle

- a. Identifying Future Corresponding RFAs

A chart is in draft ITP showing each eligible RFA and a corresponding 2022 RFA.

- b. Determining the number of Priority I Applications that can be submitted in the Future Corresponding RFA in the 2022/2023 Funding Cycle

As explained in the draft ITP, this is based on how much funding is awarded through this ITP.

3. Sizing the Permanent Financing sources

Independent third party analysis has indicated an average trend of 20% - 30% increases in hard construction costs. Based on this information, the awards will have the following sizing limitations to balance sources and uses, inclusive of a minimum deferred Developer Fee:

- The actual first mortgage must follow the minimum first mortgage requirements of the original RFA, as applicable:
- The maximum amount awarded through this ITP will be calculated based on verifiable cost increases and will be limited to the following:
 - For Competitive Housing Credits, the maximum amount available through this ITP will be based on the lesser of the following: (i) \$500,000 in Competitive Housing Credits; or (ii) 20% of the final hard cost construction contract will be divided by 10, then divided by the Housing Credit pricing rate.
 - For Loan funding, the lesser of the following (i) \$4,300,000 or (ii) 20% of the final hard cost construction contract, less the amount of Housing Credit equity generated by the combination of this higher hard construction cost and the developer fee earned on this higher hard construction cost.

Exhibits to RFA

Exhibit A – Application

Exhibit B – Definitions used in RFA

Exhibit C – Calculations showing the sizing process

Exhibit D - Credit Underwriting Procedures for the NHTF Forgivable Loan

Exhibit E - Additional Information for the HOME-ARP Loan, which includes Credit Underwriting Procedures for the HOME-ARP Forgivable Loan

G. Other Important Information

1. Public comment link on the ITP Webpage for viewing and submitting public comments
2. Expected Timeline

After the ITP is issued, but prior to 3:00 p.m. on July 5, 2022, interested Applicants must submit the completed Exhibit A of this ITP confirming that the proposed Development of the Active Award meets the requirements contained herein. The documentation and a link called "Upload Application Package" can be found on the webpage <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2022/2022-chirp> . The Applicant can then upload both the completed Exhibit A (Word document) and the Attachment 1 (.pdf document). Once submitted to the Corporation, the Corporation will then reserve funds for interested Applicants to proceed. While the Corporation anticipates it will have enough funding to meet all requests, reservations of funding will be made on a first come, first serve process and submission is not a guarantee of funding availability.

H. Other Discussion Topics