

FLORIDA HOUSING FINANCE CORPORATION

Third Modification of Request for Applications (RFA) 2022-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits

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

A. SAIL

Florida Housing Finance Corporation (the Corporation) expects to offer an estimated ~~\$58,336,427~~ \$60,240,702 comprised of a part of the Family and Elderly Demographic portion of the SAIL funding appropriated by the 2022 Florida Legislature. The amounts listed below include ELI Loan funding to cover the units that are set aside for Extremely Low Income (ELI) Households, including the commitment for a portion of ELI Set-Aside units as Link Units for Persons with Special Needs, as defined in Section 420.0004(13) F.S. and as further outlined in Sections Four A.6.d.(2)(c) of the RFA.

1. Demographic Categories

- a. ~~\$21,969,568~~ 22,686,720 of Elderly funding for proposed Developments with the Elderly Demographic Commitment (ALF and Non-ALF), and
- b. ~~\$36,366,859~~ 37,553,982 of Family funding for proposed Developments with the Family Demographic Commitment.

Up to a maximum of \$18, ~~183,429,776,991~~ of the Family funding shall be reserved for Applicants that demonstrate self-financed sources and meet additional Application criteria set forth in Section Four, A.3.a.(1)(b) below (“Self-Sourced Applicants”).

\$18, ~~183,429,776,991~~ of the Family funding shall be reserved for Applicants that select the Family Demographic Commitment but do not qualify as Self-Sourced Applicants.

2. County Geographic Categories

The following information is based on the most recent statewide low-income rental housing market study.

County Geographic Category	Amount of Funding Allocated to Each County Geographic Category
Small Counties	\$5,833,643 <u>\$6,024,070</u>
Medium Counties	\$21,992,833 <u>\$22,710,745</u>
Large Counties	\$30,509,952 <u>\$31,505,887</u>

These amounts are an estimate which may be further adjusted based on the funding results of 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP). If adjusted, the

final amount available for this RFA will be posted to the RFA Webpage. A listserv will be issued when this information is available.

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)(a)(i) of the RFA as follows:

- (i) Principals of Applications that received a funding commitment through the 2022 CHIRP ITP

Principals of Applications that received a funding commitment through the 2022 Construction Housing Inflation Response Program (CHIRP) Invitation to Participate (ITP) may have limitations on the number of Priority I Applications to be submitted in this RFA.

The 2022/2023 Priority I Application Limitation Chart, effective December 20, 2022 ([or as further amended, if necessary](#)) reflecting Priority I Related Application limitations of each Principal of each Application that was awarded funding in the 2022 CHIRP ITP is available on the RFA Webpage. The 2022 CHIRP ITP outlines the methodology used for determining the limitation on the number of Priority I Related Applications and is also available on the 2022 CHIRP ITP Webpage <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2022/2022-chirp> (also available by clicking [here](#)).

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.7.a.(3) of the RFA as follows:

- (3) Lease

~~(a) For Developments without an existing Declaration of Trust between a Public Housing Authority and HUD~~ (a) If providing a lease, the lease must have an unexpired term of at least 50 years after the Application Deadline and the lessee must be the Applicant. The owner of the subject property must be a party to the lease, or a party to one or more intermediate leases, subleases, agreements, or assignments, between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to lease the property for at least 50 years to the lessee.

(b) ~~For Developments with~~ If there is an existing Declaration of Trust ~~between a Public Housing Authority and HUD, recorded on the subject property, the Applicant may~~ provide an Option to Enter into a Ground Lease Agreement ("eligible agreement") between the Applicant and the owner of the property. An eligible agreement must meet the following conditions:

- (i) It must have a term that does not expire before June 30, 2023 or that contains extension options exercisable by the Applicant and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than June 30, 2023;
- (ii) The Applicant must be a party to the eligible agreement unless there is an assignment of the eligible agreement, signed by the assignor and the assignee, which assigns all of the lessor's rights, title and interests in the eligible agreement to the Applicant; and

- (iii) The owner of the subject property must be a party to the eligible agreement, or is a party to one or more intermediate contracts, agreements, assignments, options, or conveyances between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to lease the property to the lessor. Any intermediate agreement must meet the criteria for an eligible agreement in (i) and (ii) above.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.10.a.(1)(a)(i) of the RFA as follows:

- (i) The SAIL Request Amount is limited to the lesser of the following:

Self-Sourced Applicants are limited to a maximum SAIL request limit of \$36,000 per unit; however, this may be further reduced if Permanent Sources that Cause Reduction in Maximum SAIL Request Amounts of Self-Sourced Applicants are provided*. All other Applicants are limited to a maximum SAIL request limit of \$84,000 per unit;

- \$8,400,000 per Development that is located in a Large County, and has a Development Category of New Construction or Redevelopment (with or without Acquisition);
- [\\$6,024,070 per Development that is located in a Small or Medium County, and has a Development Category of New Construction or Redevelopment \(with or without Acquisition\);](#)
- \$7,200,000 per Development that is located in a ~~Small or~~ Medium County, and has a Development Category of New Construction or Redevelopment (with or without Acquisition);
- \$6,000,000 per Development if the Development Category is Rehabilitation (with or without Acquisition);
- A maximum of 25 percent of Total Development Cost if less than five percent of the total units are ELI Set-Aside Units, or 35 percent of Total Development Cost if at least five percent of the total units are ELI Set-Aside Units as explained in (c) below.

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

- (4) Operating Deficit Reserves

An operating deficit reserve is not to be included as part of Development Costs and cannot be used in determining the maximum Developer Fee. Applicants may not enter any amounts pertaining to any type of reserve other than the contingency reserve mentioned above on the Development Cost Pro Forma as part of the Application process. A reserve, including an operating deficit reserve, if necessary as determined by an equity provider, first mortgage lender, and/or the Credit Underwriter engaged by the Corporation in its reasonable discretion, will be required and sized in credit underwriting. The inclusion of any reserve is not permitted in the Application (other than the permitted contingency reserve) which may include, but is not limited to, operating deficit reserve, debt service shortfalls, lease-up, rent-re-stabilization, working capital, lender or syndicator required

reserve(s), and any pre-funded capital (replacement) reserves. If any reserve other than the permitted contingency reserve can be identified and is included in the Development Cost Pro Forma, the Corporation will remove it during Application scoring.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development's capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant's obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant's organizational agreement (i.e., operating or limited partnership agreement) whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant's discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

~~The Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the above requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's requirements stated above, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.~~

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

a. SAIL Funding Available: An estimated ~~\$58,336,427~~ \$60,240,702

(1) Demographic Funding

(a) Family Funding Available: ~~\$36,366,859~~ \$37,553,982

Up to a maximum of \$18,183,429 \$776,991 of the Family funding shall be reserved for Applicants that select the Family Demographic Commitment that qualify as Self-Sourced Applicants

\$18,183,429 \$776,991 of the Family funding shall be reserved for Applicants that select the Family Demographic Commitment but do not qualify as Self-Sourced Applicants

(b) Elderly Funding Available: ~~\$21,969,568~~ \$22,686,720

(2) Geographic Funding

- (a) Small County Funding Available: [\\$5,833,6436,024,070](#)
- (b) Medium County Funding Available: [\\$21,992,83322,710,745](#)
- (c) Large County Funding Available: [\\$30,509,95231,505,887](#)

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

(1) Funding Available

Up to a maximum of [\\$18,183,429776,991](#) of the Family Funding will be reserved for Applicants that qualify as Self-Sourced Applicants (“Self-Sourced Applicant Family Funding”).

[\\$18,183,429776,991](#) of the Family Funding will be reserved for Applicants that select the Family Demographic Commitment but do not qualify as Self-Sourced Applicants (“Non-Self-Sourced Applicant Family Funding”).

The Self-Sourced Applicant Family Funding and Non-Self-Sourced Applicant Family Funding will remain part of the SAIL Demographic Funding Test until the Family Funding Merge described in 5.d. below.

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

d. If the Applicant is using Non-Corporation-issued Tax-Exempt Bonds, a copy of the ~~signed TEFRA letter which is Development specific must be provided, along with the~~ following documentation must be provided, as applicable:

- (1) If the Credit Underwriting for the bonds is complete and it was prepared by a Credit Underwriter under contract with the Corporation, provide a complete copy of the final Credit Underwriting Report; or
- (2) If the Credit Underwriting for the bonds has not been completed or has been completed by a credit underwriter not under contract with the Corporation, provide the name of the assigned credit underwriter and a copy of the inducement resolution or acknowledgement resolution awarding the bonds.

Submitted By:

Marisa Button
Managing Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301850-488-4197 or Marisa.Button@floridahousing.org