

FLORIDA HOUSING FINANCE CORPORATION

Third Modification of Request for Applications (RFA) 2023-106 Financing To Develop Housing For
Persons With Disabling Conditions / Developmental Disabilities

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

- (b) The Withdrawal Disincentive as a Point Item in Future RFAs

In an effort to encourage the submission of quality Applications, the Corporation will award points for Developer experience in certain future RFAs. Applicants and Developers are on notice that any Application submitted in this RFA that is withdrawn any time subsequent to the Application Deadline but on or before the execution of the Carryover Allocation Agreement and payment of the Administrative fee will (if the future RFA so provides) result in a point reduction in the scoring of Developer experience in future Applications in which the Developer, Co-Developer or any Principal of the Developer(s) named in the Developer section of the Principals of the Applicant and Developer(s) Disclosure Form of the withdrawn Application is named in the Developer section of the Principals of the Applicant and Developer(s) Disclosure Form of the future Application.

Note: As used herein, an Application withdrawal includes a withdrawal of an Application (or the funding under such Application) initiated or made by the Applicant or by the Corporation itself where such withdrawal by the Corporation is the result of the Applicant's failure to act in accordance with the terms of the RFA or to pay fees in a timely manner as required by the RFA. If an Applicant rejects or declines an invitation to enter credit underwriting within the deadline set forth in this RFA, this will be considered a withdrawal for the purposes of the withdrawal disincentive, unless an invitation to enter credit underwriting has also been accepted for the same Development, rendering the Application in this RFA ineligible per subsection 67-48.023(1), F.A.C.

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 July 31, 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 July 31, 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.(4) of the RFA as follows:

(4) NHTF Loan Funding

Applicants will be awarded NHTF Funding for each Required 22% Unit and each optional unit, up to the maximums stated in Section Four, A.6. above, using the process outlined in Exhibit I of the RFA.

The NHTF loan shall be a forgivable loan with an interest rate of 0 percent for 30 years. The terms and conditions of the NHTF loans are further outlined in Exhibit I of the RFA.

Because NHTF Funding may be included as a source of funding on the Development Cost Pro Forma for scoring purposes; however, because NHTF Funding award amounts are calculated after Applications are selected for funding, NHTF Funding will not be counted as a source of funding on the Development Cost Pro Forma Applicants are cautioned that this amount may be adjusted further in credit underwriting as outlined in Exhibit I of the RFA.

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 and, if applicable, any reserve permitted in the RFA and established as a subset of

Developer Fee, 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 and the Developer Fee subset, if applicable, can be identified and is included in the Development Cost Pro Forma, the Corporation will remove it during Application scoring.

Permitted costs related to supportive services are not considered operating expenses for the purpose of drawing down operating subsidy reserve.

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) and, in the case of a Development with a Homeless or Persons with Special Needs Demographic Commitment, another operating deficit reserve 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 Four, A.10.d.(2) of the RFA as follows:

- (2) Donation of Land by a Local Government

To qualify, the Total Development Cost cannot consist of any land costs in excess of the allowable costs outlined below; the entire site must have been donated or will be donated from a Local Government to the Applicant; and, when submitted, the site control documentation must reflect one of the following:

- The eligible contract must reflect that a Local Government is the seller and the Applicant is the buyer, and the price of the land must be \$10 or less;
- The deed must reflect the Local Government as the grantor, the transaction must have occurred no more than 12 months prior to the Application Deadline, the price of the land must have been \$10 or less, and the closing statement must be provided demonstrating that the price of land was \$10 or less; or
- The eligible lease must reflect a Local Government as the Lessor and the Applicant as the Lessee, and the lease payments must equal \$10 a year or less.

Note: In-kind donations, waivers of any fees, and any funding from the Corporation are not considered Qualifying Financial Assistance, although they can be used to help reduce costs in the construction of the proposed Development.

~~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.~~

Submitted By:

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