Questions and Answers for RFAs 2023-201, 2023-202, and 2023-203

The following Questions and Answers document was created for the following RFAs:

- RFA 2022-201 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties
- RFA 2022-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties
- RFA 2022-203 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County

1. An application is awarded funding and during the credit underwriting and due diligence process it is discovered that the property to be purchased has title defects which make it impossible for the development to be built. Due to this the funds are assumably returned to FHFC. Does this count as a withdrawal of an application subsequent to application deadline? In the scenario where a title defect is the cause, is there a risk of reduction in points for developer experience in future Applications? And will the Principals of the Application be prohibited from submitting Priority 1 Applications in the Future Corresponding 2025/2026 RFA cycle, (i.e. the Future Corresponding 2024 Geographic RFA)?

   Answer:

   Yes, if it is subsequent to the Application Deadline but on or before the execution of the Carryover Allocation Agreement and payment of the Administrative fee as described in Section Four, A.3.b.(3)(b) of the RFA.

2. If an Applicant files a written withdrawal request of its Application from a competitive solicitation by 5:00 pm on the last business day before the date the scoring committee meets to make its recommendation to the Board, is there a point reduction in future Applications for developer experience? (Referencing page 11 – Applicants and Developers are on notice that any Application submitted in this RFA that is withdrawn any time subsequent to the Application Deadline…)

   Answer:

   Yes, unless an invitation to enter credit underwriting has also been accepted for the same Development in a different RFA.

3. If an applicant applies for both SAIL with 4% HC and separately for 9% HC in this cycle for the same development and were to be preliminarily recommended for funding under both programs, is there any kind of penalty associated with withdrawing the 9% application if the withdrawal request is not submitted between the Review Committee recommendation and Board action?

   Answer:

   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 in a different RFA.

4. Can a Non-Profit apply as a for profit? By allowing a Non-Profit to apply as a for profit the mix of affordable vs market rate units is impacted and, in these RFAs, allows for a greater number of units to be developed to serve low-income as well as workforce housing households. Applying as a for profit would mean that the development would knowingly forgo those other benefits of applying as a Non-Profit such as a reduced fee.

   Answer:

   There are no eligibility requirements in RFAs 2023-201, 2023-202 or 203 based on the Applicant's Non-Profit/for profit status and question 3.a.(3) of Exhibit A will be modified as follows; however, Applicants are cautioned to review all IRS requirements and potential consequences, such as nonprofit safe harbor requirements, with an attorney:

   > Does the Applicant or the General Partner or managing member of the Applicant meet the definition of Non-Profit as set forth in Rule Chapter 67-48, F.A.C. and wish to apply as a Non-Profit Applicant?
   >
   > If "Yes", provide the required information for the Non-Profit entity as **Attachment 2.**

5. The below language is clear; you must close on the limited partnership agreement or limited liability company operating agreement, as applicable, by the closing deadlines as set forth in the Carryover Allocation Agreement, or the Applicant will not be allowed to submit any Priority 1 applications in the applicable corresponding 2025/2026 RFA. Does this mean, developments funded in RFA 2023-201 and 2024-201 will be considered starting in the 2025/2026 RFA cycle? Or will FHFC go beyond 2023 RFAs when applying this penalty?

   Answer:

   Florida Housing anticipates the continued use of this language in RFA 2024-205, but with the following change:

   (c) Reduction in number of Priority 1 Application submissions allowed in the Future Corresponding 2026/2027 RFA cycle

   Applicants must either (i) close on the limited partnership agreement or limited liability company operating agreement, as applicable, by the closing deadlines as set forth in the Carryover Allocation Agreement; or (ii) if the Development has any HUD funding, including but not limited to rental subsidy, development funding, or insured mortgage financing, at least 90 days prior to the closing deadline set forth in the Carryover Allocation Agreement, the Applicant must submit evidence to the Corporation that the Financing Plan, Subsidy Layering Review Package, rental subsidy transfer documentation, or Firm Commitment Application, or similar necessary documentation for the application process has been submitted to HUD or the Public Housing Authority, as applicable. If the Application fails to meet these requirements and either requires a closing extension or withdraws from funding, or does not submit the required documentation outlined in (ii) above to HUD or the Public Housing Authority as applicable within the stated time frame, the Principals of the Application will be prohibited from submitting Priority 1 Applications in the Future Corresponding 2026/2027 RFA cycle, (i.e., RFA 2025 Housing Credit Financing For Affordable Housing Developments Located In Small and Medium Counties).

6. If the developer has personal experience but not as the principal of the developer entity, do they need a partner with the desired experience?

   Answer:

   Per Section Four, A.3.b.(3)(a) of the RFA, if the experience of a natural person Principal for a Developer entity listed in this Application was acquired from a previous affordable housing Developer entity, the natural person Principal must have also been a Principal of that previous Developer entity as the term Principal was defined by the Corporation at that time.

7. A PHA that has multiple joint ventures with different Developers, and a Developer that has multiple joint ventures with different PHAs, would you please provide examples of how the following clause count towards the limit of three Priority I applications? In the context of a joint venture between a Public Housing Authority ("PHA") (or an instrumentality of a PHA) and a Developer(s), separate Applicants do not affect one another's total Related Applications if the only connection is a joint venture between the Developer and a PHA or instrumentality of a PHA. In this situation, the Applicants' total number of Applications remain independent/autonomous of one another's Related Applications tally.

   Answer:

   <u>Example 1</u>
   If Developer A submits one non-Joint Venture Priority 1 Application and submits two Joint Venture Priority 1 Applications with PHA 1, AND if Developer B submits one Joint Venture Priority 1 Application with PHA 1, there is no violation of the limit of three Priority 1 Applications.

Developer A	3 Applications
Developer B	1 Application
PHA 1	3 Applications

   <u>Example 2</u>
   If Developer A submits one non-Joint Venture Priority 1 Application and submits two Joint Venture Priority 1 Applications with PHA 1, AND if Developer B submits two Joint Venture Priority 1 Applications with PHA 1, the PHA violated the limit of three Priority 1 Applications. This will cause all of the Applications listing PHA 1 as a Principal (i.e., the Joint Venture Applications between

Developer A/PHA 1 and Developer B/PHA 1) to be deemed Priority 2 Applications. The non-Joint Venture Priority 1 Application submitted by Developer A will remain a Priority 1 Application.

Developer A	3 Applications
Developer B	1 Application
PHA 1	4 Applications

8. As outlined in the RFA, the correct version of the Principals of the Applicant and Developer(s) Disclosure Form to utilize is the one with "Rev 05-2019" (the "Old Form"). However, FHFC recently published a new Principals of the Applicant and Developer(s) Disclosure Form with "Rev 05-2019, as amended 06-2023" (the "New Form"). Please confirm if either the Old Form or the New Form should be utilized in our response to the RFA or whether both the Old Form and New Form's are acceptable versions to be utilized in our response to the RFA, so long as no changes to the organizational structure have been made.

   Answer:

   Both forms are acceptable. The 05-2019 form was amended 06-2023 by updating Excel formulas within the form to reflect revisions made to Rules 67-21.0025(7)(c) and (d) and 67-48.0075(8)(c) and (d), F.A.C., effective 06-28-2023. These revisions allow a non-profit entity to be identified at the third principal disclosure level for the Applicant, if the non-profit wholly owns a real estate development subsidiary identified at the second principal disclosure level.

9. In RFA 2023-201, there is a Mandatory Distance Requirement. If a site is a New Construction development that qualifies for the Redevelopment Subcategory and does not need to evidence the RA Level for Mandatory Distance Requirement, please confirm "Not Applicable" in Section 4.a.4, question b.(2) is the correct selection.

   Answer:

   The RA Level is a calculation based on information provided in the Rental Assistance Qualification Letter. This letter is part of the qualifications for the Development Subcategory of Redevelopment (with or without Acquisition).

10. Does FHFC consider school zoning when awarding proximity points for Public School?

   Answer:

   The definition of Public School is stated in Exhibit B of the RFA.

11. Are electronic signatures acceptable for any financing commitment letters and local government contribution forms?

   Answer:

   Yes.

12. For the zoning, water, sewer, electricity, and roads forms (or letters) due within 21 Calendar Days of the date of the invitation to enter credit underwriting, can they be dated after the date of the invitation or do they need to be dated within 12 months of the Application Deadline?

    Answer:

    The referenced forms are required to be submitted by all successful Applications within 21 Calendar Days of the date of the invitation to enter credit underwriting and must demonstrate the elements are available to the entire proposed Development site as of the date signed. Because these can take time to obtain signatures, Applicants should ensure that the Development meets the requirements prior to the invitation to enter credit underwriting.

13. Please confirm the site plan form is no longer required either at application deadline or after invitation to enter credit underwriting.

    Answer:

    Correct.

14. In RFA 2023-202, can the same local government provide large amounts of cash funding (meeting the funding amount sufficient to qualify for the Local Government Area of Opportunity Designation) to two applications if one applies for the Revitalization Goal and the other applies for the LGAO Goal?

    Answer:

    No. Per Section Four, A.11., a Local Government can only contribute to one Application that qualifies for the Local Government Area of Opportunity Designation, regardless of how the contribution is characterized. Any single Local Government may not contribute cash loans and/or cash grants to more than one proposed Development applying for the Local Government Area of Opportunity Designation. If multiple Applications demonstrate Local Government Area of Opportunity Funding from the same Local Government and those Applications qualify for the Local Government Area of Opportunity Designation, then all such Applications will be deemed ineligible for the Local Government Area of Opportunity Designation, regardless of the amount of Local Government Area of Opportunity Funding or how the contribution is characterized. However, Local Governments may pool contributions to support one Application (i.e., the county and city may provide contribution to the same Development and each Local Government will submit its own form as an Attachment to the Application).

15. In RFA 2023-201, there is a preference with the LGAO Goal for Applications that demonstrate continuous Local Government Area of Opportunity support since 2022 or earlier. If, in previous years, the City alone provided LGAO funding for an application, as demonstrated by a Loan Form signed by the City for the required amount, would the current application still be considered a repeat LGAO if both the City and County now collaborate to provide LGAO funding? This collaboration is evidenced by one Loan Form signed by the City and another Loan Form signed by the County, with their combined amounts meeting the required funding threshold. All other repeat LGAO criteria remain unaltered.

    Answer:

    A "List of Previously Submitted but Unfunded LGAO Applications" is available on the RFA Webpage. This list is what is used by Florida Housing to determine which previously submitted Applications qualified for the Local Government Area of Opportunity Goal, but were not funded. If a Development is on this list, reapplies in RFA 2023-201, and meets all other criteria outlined in Section Four, A.11.b.(1) and/or (2) of the RFA, it will qualify for the Preference to select two Applications that demonstrate continuous Local Government Area of Opportunity support since 2021 or 2022 or earlier, as applicable.

16. In RFAs 2023-202 and 2023-203, an Application can provide a Local Government contribution and receive up to 5 points. The language in the RFA states

    > 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.

    The loan form requires the total loan and the net present value. It says:

    > In some competitive processes, Florida Housing will use the face value of the commitment minus the net present value of the commitment for scoring purposes. The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: $_______________.

    If the Local Government representative signing this form provides the net present value (as the form indicates), will the Application still be eligible for points?

    Yes. A modification to Section Four, A.11.c. of RFA 2023-202 and 2023-203 will be issued to clarify the following:

    > 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 net present value of the payment stream(s) of the loan or deferred fee.

    There is also space to enter this information within a chart found in question 11.c. of Exhibit A. The value of the contribution used for determining points awarded for the contribution is calculated automatically within the Exhibit A.

17. This year Operating Deficit Reserves are allowed up to $3500 per unit. Are lease-up and marketing reserves also similarly allowed?

Answer:

No. Per Section Four, A.10.c.(4) of the RFA, if any reserve other than the permitted contingency reserve(s) or the maximum operating deficit reserve is identified and included in the Development Cost Pro Forma, the Corporation will reduce it to the maximum allowed during Application scoring.

Please Note: The Q&A process for RFAs 2023-201, 2023-202 and 2023-203 is concluded and Florida Housing does not expect to issue any further Q&As regarding these RFAs.

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The Q and A responses are based on the information presented in the question and the terms of the RFA. The responses to the Q and A are provided as a courtesy and shall not be construed as scoring of an application. If there is any conflict between the response to a Q and A and the RFA itself, the terms of the RFA control. These Q and A responses apply solely to RFAs 2023-201, 2023-202, and 2023-203.