

Florida Housing Finance Corporation
RFA 2023-204 SAIL Financing of for the Preservation of Elderly Developments Workshop Agenda
2:00 p.m. on October 25, 2023

Workshop is held via webinar and in-person at Florida Housing at
227 N. Bronough Street, Tallahassee, FL 32301

To attend the workshop via webinar, registration is required.

Registration information is available on RFA Webpage¹

Overview

- A. Introductions
- B. Purpose of RFA

The workshop will be held to solicit comments and suggestions from interested persons relative to Florida Housing's proposed RFA 2023-204 SAIL Financing of for the Preservation of Elderly Developments. This Request for Applications (RFA) is open to Applicants proposing the preservation of affordable, multifamily housing for the Elderly utilizing State Apartment Incentive Loan (SAIL) funding as gap funding in conjunction with (i) Tax-Exempt Bond financing (i.e., Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) or Non-Corporation-issued Tax-Exempt Bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S.), or a Local Government), and (ii) Non-Competitive Housing Credits (Housing Credit).

Funding available

- A. Estimated total SAIL funding amount of \$4,533,638 available for RFA. This funding includes the SAIL Request and ELI Funding Request.
- B. ELI Funding for Extremely Low Income (ELI) Set-Aside units:

Applicants that are not committing to the Average Income Test are required to commit 10% of the total units as ELI Set-Aside Units. All Applications are eligible for ELI Funding for each of the required ELI Set-Aside units, up to \$750,000.

Applicants that are committing to the Average Income Test are required to commit 15% of the total units as ELI Set-Aside Units. All Applications are eligible for ELI Funding for each ELI unit, for up to the lesser of 10% of the total units, or \$750,000.

- C. Tax-Exempt Bond Financing and 4 Percent Non-Competitive Housing Credits

All proposed Developments must use the SAIL funding offered under this RFA in conjunction with Tax-Exempt Bonds and 4% (Non-Competitive) Housing Credits.

The Applicant must apply for the following as a part of its SAIL RFA Application submission:

1. Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) and 4% Housing Credits (HC); or
2. 4% HC, to be used with Non-Corporation-issued Tax-Exempt Bonds

¹ References to the RFA Webpage refer to <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2023/2023-204> which can be accessed [here](#).

Note: Pursuant to subsection 67-21.003(11), F.A.C., the withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.

Outline of RFA

C. Section Three –RFA Procedures and Provisions, including Submission Requirements

1. Submission Requirements

Florida Housing strongly recommends that the Application Fee be submitted at least 2 business days in advance of the Application Deadline. In the event that the online submission is not received, the payments will be refunded.

At least 24 hours prior to the Application Deadline, the Corporation expects to post a list of the check numbers and wire/ACH reference numbers for all Applications that follow the above recommendation. If the online submission is not received by the Application Deadline, the payment will be refunded.

2. Financial Arrearage Requirement

An Application will be deemed ineligible for funding if, as of close of business two days* before the Committee meets to make a recommendation to the Board there remains any financial obligations for which an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation as reflected on the most recently published Past Due Report.

The most recently published Past Due Report is posted to the Corporation's Website under the link <https://www.floridahousing.org/data-docs-reports/past-due-reports> (also accessible by clicking [here](#)), but not more recently than seven business days prior to the date the Committee meets to make a recommendation to the Board.

* For example, if a review committee meeting is held on a Wednesday, regardless of the time of the meeting, the arrearages must be paid by Monday close of business.

3. If the Attachment document is bookmarked, the Application will be awarded 5 points.

Instructions for adding bookmarks to pdf documents prior to uploading the Application has been added to each RFA Webpage. Acrobat Standard DC or Acrobat Pro DC are the programs required to create bookmarks.

D. Section Four of the RFA outlines instructions for completing Exhibit A

1. Review of Application

During the Review Committee scoring process, the Corporation (i) may rely on the answers submitted by the Applicant in Exhibit A, the Development Cost Pro Forma, and the Principal Disclosure Form; and (ii) may, but is not obligated to, review the substance of the documentation that is submitted as Attachments to the Application.

If it is determined that the Attachments do not meet the RFA requirements or the Applicant submitted materially incorrect information in the Application, the Corporation may take any or all of the following actions, even if the Application was not selected for funding, was deemed ineligible, or was withdrawn: deem the Application ineligible, rescind the award, and consider all Principals of the Applicant to have made a material misrepresentation subject to Section 420.518, F.S.

2. Demographic Commitment

The Demographic Commitment must be Elderly (ALF or non-ALF).

3. Applicant/Developer/Management Company/Contact Person

a. Applicant

- (1) State the name of the Applicant.
- (2) Evidence that Applicant is legally formed entity qualified to do business in Florida as of Application Deadline
- (3) Non-Profit qualifications, if applicable

b. Developer Information

- (1) Name of Developer (including all co-Developers);
- (2) Evidence each Developer is a legally formed entity qualified to do business in Florida as of Application Deadline
- (3) Required Developer Experience

A natural person Principal of at least one experienced Developer entity, which must be disclosed on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) outlined below, must have, since January 1, 2003 completed at least one multifamily rental housing development that consists of a total number of units no less than 50 percent of the total number of units in the proposed Development.

The individual meeting the Developer Experience requirements must be disclosed on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) and must remain with the Development until the release of the operating deficit guarantee set forth in subsection 67-48.0072(18), F.A.C.

c. Principals of the Applicant and Developer(s) Disclosure Form

(1) Eligibility

The Principals Disclosure Form must identify the Principals of the Applicant and each Developer, pursuant to the RFA, as of the Application Deadline. Per subsection 67-48.002(94), F.A.C., any Principal other than a natural person must be a legally formed entity as of the Application Deadline.

The investor limited partner of an Applicant limited partnership, or the investor member of an Applicant limited liability company must be identified.

(2) Advance Review Process (5 points)

Applicants will receive 5 points if the uploaded Principal Disclosure Form was either (a) stamped "Approved" at least 14 Calendar Days prior to the Application Deadline; or (b) stamped "Received" by the Corporation at least 14 Calendar Days prior to the Application Deadline AND stamped "Approved" prior to the Application Deadline.

The Advance Review Process for Disclosure of Applicant and Developer Principals is available on the RFA Webpage.

d. Management Company Information

- (1) Contact information on Management Company
- (2) Required General Management Company experience

The Management Company or a principal of the Management Company must have completed at least two affordable rental housing properties, at least one of which consists of a total number of units no less than 50 percent of the total number of units in the proposed Development, for at least two years each.

e. Authorized Principal Representative / Operational Contact Person

The Authorized Principal Representative (a) must be a natural person Principal of the Applicant listed on the Principal Disclosure Form; (b) must have signature authority to bind the Applicant entity; (c) must sign the Applicant Certification and Acknowledgement section of Exhibit A; and (d) if funded, will be the recipient of all future documentation that requires a signature. The Operational Contact Person is optional.

4. General Proposed Development Information

a. Development Name

b. Development Category

- (1) The Development Categories available in this RFA are Preservation or Acquisition and Preservation.
- (2) The Development Category qualifications are outlined in the RFA. This includes a description of the Rental Assistance Qualification Letter that is required of all Developments. This letter is used to verify the age of the Development. The Development must have been built at least 20 years prior to the Application Deadline to meet the definition of Preservation and must be built at least 30 years prior to the Application Deadline to receive the Age of Development funding selection preference.
- (3) Rental Assistance (RA) Level Classification

The total number of units that will receive rental assistance (i.e., PBRA and/or ACC) will be the basis of the Applicant's RA Level Classification. The RA Level Classification will be used in the funding selection process outlined in Section Five of the RFA.

c. Characteristics of a Development

- (1) Development Type (i.e., Garden, Mid-Rise (4, 5 or 6 stories), or High Rise (7 or more stories)).

Note: Any dwelling unit that consists of more than one story, (e.g. Townhouse), is prohibited. A residential building that consists of more than one story is not prohibited if there is a minimum of one elevator per residential building provided for all units that are located on a floor higher than the first floor.

Note: All buildings must consist of at least five units per building. This will be confirmed in credit underwriting.

(2) Enhanced Structural Systems Construction Qualifications

To qualify as “Enhanced Structural Systems Construction” (“ESS Construction”) for purposes of the Total Development Cost Limitation Test calculation and Leveraging calculation and ESS Construction Funding Preference, the proposed Development must meet the ESS Construction qualifications outlined in the RFA.

d. Unit Characteristic Chart

Complete the chart in Exhibit A reflecting the number of units for each of the Development Types or ESS/non-ESS Construction.

5. Location

a. County

b. Provide the address

c. State whether the Development consists of Scattered Sites

d. Provide latitude and longitude coordinates for the Development Location Point and, if applicable, the Scattered Sites, stated in decimal degrees to at least six decimal places.

6. Number of Buildings and Units

a. Number of Units

All proposed Developments must consist of a minimum of 30 total units. Proposed Developments cannot exceed 250 total units. Proposed Developments with a Demographic Commitment of Elderly ALF cannot exceed 125 total units.

b. Occupied Units

The existing affordable Elderly development must be at least 75 percent occupied with Elderly residents as of the Application Deadline.

A plan for relocation of existing tenants will be required to be provided to the Credit Underwriter, as outlined in Exhibit D.

c. Set-Aside Commitments

(1) Total Income Set-Aside Units

(a) For Demographic Commitment of Elderly Non-ALF - at least 80 percent of the total units must be set aside at 60 percent AMI or less.

(b) Average Income Test - at least 80 percent of the total units must be set-aside at 80% AMI or less; however, the average AMI of ALL of the Set-Aside Units must be at or below 60% AMI.

(c) For Demographic Commitment of Elderly ALF – at least 50 percent of the total units must be set aside at 60 percent AMI or less.

(2) Extremely Low Income (ELI) Set-Aside Units

If the Average Income Test is not selected, the Applicant must set aside at least 10 percent of total units for ELI Households. The AMI for each county has been provided in the RFA.

If the Average Income Test is selected, the Applicant must set aside at least 15 percent of total units for ELI Households. The ELI units must be set aside at 30% AMI and below.

All Applications are eligible for ELI Funding for each ELI unit, for up to the lesser of 10% of the total units, or \$750,000.

(3) Link units for Persons with Special Needs

With the exception of Developments financed with HUD Section 811 or United States Department of Agriculture RD program, and Applicants that select the Elderly ALF Demographic Commitment, all Developments must commit to set-aside 50 percent of the ELI Set-Aside units, rounded up, as Link Units for Persons with Special Needs.

d. Unit Mix requirements

(a) If the Elderly Non-ALF Demographic Commitment is selected, at least 40 percent of the total units must be comprised of one bedroom or Zero Bedroom Units, and no more than 20 percent of the total units can be larger than two-bedroom units.

(b) If the Elderly ALF Demographic Commitment is selected, at least 90 percent of the total units must be comprised of units no larger than one bedroom and the sharing of a unit by two or more unaffiliated residents cannot be a condition of occupancy.

e. Number of residential buildings must be provided. Note: All Buildings must consist of at least five units per building. This will be confirmed in credit underwriting.

f. Compliance Period - All Applicants are required to set aside the units for 50 years.

7. Readiness to Proceed

a. A Site Control form is no longer required. Site control documentation must be submitted with the Application.

Applicants must demonstrate site control as of Application Deadline by providing an eligible contract (effective at least through March 31, 2024), a deed, and/or a lease. Developments with an existing Declaration of Trust between a Public Housing Authority and HUD, may provide an Option to Enter into a Ground Lease Agreement (“eligible agreement”) between the Applicant and the owner of the property.

b. Ability to Proceed forms

The Ability to Proceed forms will not be required during the scoring process. These forms demonstrating zoning, water, sewer/package treatment/septic tank, electricity, and roads will be submitted during credit underwriting.

8. Construction Features

- (a) Federal Requirements, State Building Code Requirements, General Features, Required Accessibility Features and required Green Building features are outlined in the RFA.
- (b) In addition to the required Green Building features, select enough additional Green Building features in Exhibit A so that the total point value of the features selected equals at least 10 points.
- (c) All Developments will be required to do the Capital Needs Assessment process (Exhibit F).

9. Resident Programs

Provide at least three of the resident programs, in addition to the required resident programs outlined in the RFA: Computer Training, Daily Activities, Assistance with Light Housekeeping/Grocery Shopping/Laundry, Resident Assurance Check-In Program or (New!) Financial Management for Elderly Residents.

10. Funding

Total SAIL Request Amount is the Base Loan Amount plus ELI Amount as described below. The SAIL loan shall be non-amortizing and shall have an interest rate of 1 percent per annum. The terms and conditions of the SAIL loan are further outlined in Rule Chapter 67-48, F.A.C. The portion of the SAIL loan that is attributable to the ELI Funding is a forgivable loan.

a. SAIL

- (1) Eligible SAIL Base Loan Request Amount maximum is \$84,000 per unit.
- (2) Eligible ELI Request Amount cannot exceed the lesser of (i) \$750,000; or (ii) the maximum amount based on the ELI Set-Aside per unit limits, as outlined in Section Four, A.6., for 10 percent of the total units.

The total SAIL Request Amount (Base Loan plus ELI Request) is limited to the lesser of the following:

- \$ 4,533,638 per Development; and
- A maximum of 35 percent of Total Development Cost.

b. Tax-Exempt Bonds:

- (1) Corporation-issued MMRB; or
- (2) Non-Corporation-issued Tax-Exempt Bonds (i.e., bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S.), or a Local Government

c. Non-Competitive 4% HC

d. Developer Fee for this RFA is based on 18% of Development Cost

D. Ranking and Funding Selection

1. Application Sorting Order

The highest scoring Applications will be determined by first sorting together all eligible Applications from highest score to lowest score, with any scores that are tied separated in the following order:

- Age of Development Preference
- RA Level 1, 2 or 3 Preference
- ESS Construction Funding Preference
- A/B Leveraging Classification
- Application's actual RA Level
- Florida Job Creation Funding Preference
- Lottery number

5. Selection Process

The highest-ranking Application(s) that can be fully funded will be selected for funding, subject to County Award Tally.

E. Credit Underwriting Process

F. Exhibits to RFA

1. Exhibit A – Application
2. Exhibit B – Definitions used in RFA that are not defined in Rule
3. Exhibit C – Additional Information
 - a. Total Development Cost Per Unit Limitation methodology used in credit underwriting and final cost certification.
 - b. Leveraging Level Classification Methodology will be applied to all eligible Applications
 - c. Florida Job Creation Funding Preference
 - d. Fees
 - e. Additional Requirements
4. Exhibit D – Timeline
5. Exhibit E – Additional requirements for the Link Units for Persons with Special Needs
6. Exhibit F – Rehabilitation Scoping Process with a Capital Needs Assessment
7. Exhibit G - Tenant Selection Requirements

G. Other Important Information

1. Public comment link on each RFA Webpage for viewing and submitting public comments
2. Question and Answers process outlined in Section Three, D. of the RFA

3. Expected Timeline

Issue RFA:	November 21, 2023
RFA Due Date:	December 14, 2023
Review Committee Meeting (make recommendations to Board)	January 16, 2024
Request Board Approval of Recommendations	February 2, 2024

H. Other Discussion Topics