

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2023-205 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 the first paragraph of Section One, A. of the RFA as follows:**

Florida Housing Finance Corporation (the Corporation) expects to offer an estimated \$108,344,702 comprised of a part of the Family and Elderly Demographic portion of the SAIL funding appropriated by the 2023 Florida Legislature. The amounts listed below include ELI 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.c.(2)(c) of the RFA. The total SAIL Request Amount is the Base Loan Amount plus the ELI Amount.

The portion of the SAIL loan that is attributable to the ELI Funding is a forgivable loan.

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

Capitalized terms within this RFA shall have the meaning as set forth in this RFA, in Exhibit B, Rule Chapters 67-21, F.A.C., 67-48, F.A.C. and 67-60, F.A.C., (effective July 6, 2022) or in applicable federal regulations.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.3.a.(1)(b) of the RFA as follows:**

(b) State whether the Applicant is a Self-Sourced Applicant.

The following criteria apply to Self-Sourced Applicants:

- Self-Sourced Applicants must select the Family Demographic Commitment as stated in Section Four, A.2. of the RFA;
- Self-Sourced Applicants must be a Priority 1 Application;
- Self-Sourced Applicants must select the Development Category of New Construction as stated in Section Four, A.4.(b) of the RFA;
- The Set-Aside requirements for Self-Sourced Applicants, including the requirement to set aside at least five percent of the total units below 50 percent AMI and all Link Unit requirements, are outlined in Section Four, A.6.c. of the RFA;
- The minimum and maximum SAIL request amounts for Self-Sourced Applicants are described in Section Four, A.10.(a)(1) of the RFA;

- Self-Sourced Applicants must confirm self-sourced permanent financing in an amount that is at least half of the Applicant’s eligible SAIL Request Amount or \$1,000,000, whichever is greater, during scoring by providing the Self-Sourced Financing Commitment Verification form (Rev. 11-19). During the credit underwriting process, Self-Sourced Applicants must demonstrate self-sourced permanent financing in an amount that is at least half of the Applicant’s eligible SAIL Request Amount or \$1,000,000, whichever is greater. The SAIL Base Request Amount does not include the ELI Funding Request Amount. This is further described in in Section Four, A.10.b.(2)(i) of the RFA;
- Self-sourced financing will be funded and dispersed pro rata along with SAIL funding. The self-sourced financing must be subordinate to the SAIL loan. This is further described in Section Four, A.10.b.(2)(i) of the RFA; and
- The conditions of the SAIL Loan for Self-Sourced Applicants, including the term of the SAIL Loan, Affordability Period, Land Use Restriction Agreement (LURA), and the qualified contract process is outlined in Item 6.g. of Exhibit C of this RFA.

If any of these requirements are not met, the Applicant will be considered a non-Self-Sourced Applicant and, if the proposed Development was funded to meet the Self-Sourced Applicant Preference, funding awarded under this RFA may be rescinded.

**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:**

(a) Required Developer Experience

A natural person Principal of at least one experienced Developer entity, which must be disclosed as a Principal of the Developer on the Principals of the Applicant and Developer(s) Disclosure Form, Rev. 05-2019, (“Principal Disclosure Form”), 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 as a Principal of the Developer on the Principal Disclosure Form 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.

For purposes of this provision, completed development means (i) that the temporary or final certificate of occupancy has been issued for at least one unit in one of the residential apartment buildings within the development, or (ii) that at least one IRS Form 8609 has been issued for one of the residential apartment buildings within the development. As used in this section, a Housing Credit development that contains multiple buildings is a single development regardless of the number of buildings within the development for which an IRS Form 8609 has been issued.

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.

Required Developer Prior Experience

Complete the prior experience chart for each natural person Principal intending to meet the required Developer experience reflecting the information for the completed multifamily rental housing development.

**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) Developer Experience with Corporation funded Developments (5 points)

(i) To be awarded five points in this RFA

Applications will be awarded five points if no Principal named in this RFA is also listed as a Developer, co-Developer or Principal of the Developer named on the Principals Disclosure Form included in a Self-Sourced Application submitted in RFA 2022-205 that has been withdrawn any time subsequent to the applicable RFA's Application Deadline, but on or before the issuance of the Preliminary Determination Certificate and payment of the Administrative Fee(s) for such Application(s).

For purposes of scoring this RFA, the Committee shall consider all such withdrawals that are made available to the Committee prior to the date that the Committee meets to make a recommendation to the Board.

(ii) The Developer Experience with Corporation funded Developments

In an effort to encourage the submission of quality Applications, the Corporation will award points in certain future RFAs if neither of the following apply:

(A) Withdrawals prior to a certain period of time

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 issuance of the Preliminary Determination Certificate 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 for purposes of satisfying the Developer experience requirement in 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 in a different RFA.

(B) Requests for additional Corporation Funding for a recently funded Development

Applications that request additional Corporation funding due to sizing (e.g., Viability Loan Funding or similar), regardless of whether the request is via approval of the Board of Directors or application of funds through a competitive process 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 for purposes of satisfying the Developer experience requirement in the future Application. Request for additional Corporation issued MMRB allocation in order to meet the 50% test is excluded from this point reduction.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.3.c.(4)(b) of the RFA as follows:**

- (b) Prior to loan closing, any change (materially or non-materially\*) in the ownership structure of the named Applicant will require review and recommendation of the Corporation, as well as Board approval prior to the change. After loan closing, (i) any material\* change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (ii) any non-material\* change will require review and approval of the Corporation prior to the change. Changes to the Applicant entity (material or non-material\*) prior to the loan closing or without Board or Corporation approval, as applicable, after the loan closing may result in disqualification from receiving funding and may be deemed a material misrepresentation. The Applicant must comply with Principal disclosure requirements outlined in Rule Chapters 67-21 and 67-48, F.A.C. for the duration of the Compliance Period. Changes to the limited partner of an investor limited partnership or an investor member of a limited liability company owning the syndicating interest therein will not result in disqualification; however, if a change to the investor limited partner or investor member is made after the closing of the partnership agreement, the amended agreement reflecting the change must be provided to the Corporation. Changes to the officers or directors of a Public Housing Authority or a Non-Profit entity, regardless of when they occur, shall require Corporation approval. Any allowable replacement to the natural person Principals of a Public Housing Authority or officers and/or directors of a non-profit entity will apply to all preliminarily awarded Applications and Applications pending final Board action that include the Public Housing Authority or non-profit entity.\*A material change shall mean 33.3 percent or more of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant, and a non-material change shall mean less than 33.3 percent of the Applicant, a general partner of the Applicant, or a non-investor member of the Applicant.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.c.(2)(e) of the RFA as follows:**

- (e) 22% Units

All non-Self-Sourced Applicants that select the Development Category of New Construction and all Self-Sourced Applicants that commit to 22% Units are required to set aside a certain number of units that meet the requirements stated below.

All non-Self-Sourced Applicants that select the Development Category of New Construction and all Self-Sourced Applicants that commit to 22% Units will be awarded forgivable NHTF or HOME-ARP loan funding to subsidize additional deep targeted units for Persons with Special Needs (22% Units) at 22% AMI as further described in Section One, Section Four, A.10.a.(4) and Exhibit I of the RFA.

The 22% Units will be in addition to the requirement to set aside ELI Set-Aside units and Link Units for Persons with Special Needs as calculated in (b) above. The number of units that must be set aside as 22% Units is based on the County Size.

- (i) If the proposed Development is located in a Large County, five units that were committed to serving 60% AMI (or higher if an adequate amount of 60 percent units are not available) will be deemed 22% Units;
- (ii) If the proposed Development is located in a Small or Medium County, three units that were committed to serving 60% AMI (or higher if an adequate amount of 60 percent units are not available) will be deemed 22% Units.
- (iii) 22% Units will be committed to serving 22% AMI;
- (iv) 22% 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;
- (v) After 30 years, all of the 22% Units may convert to serve residents at or below 60 percent AMI; and
- (vi) For purposes of the Average Income Test, 22% Units will be treated as 60 percent AMI units.

Note: Applicants will be invited to enter credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, and execute a written agreement as outlined in Exhibit I and J 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.6.c.(2)(f)(i) of the RFA as follows:**

- (i) Application A is a New Construction Development in a Medium County that consists of 107 total units and did not commit to Average Income. The Applicant does not qualify as a Self-Sourced Applicant.

In this example, 11 units, (10 percent of the total units, rounded up), must be set-aside as ELI Set-Aside units. ELI Funding will be made available for these ELI Set-Aside Units, up to the lesser of the amount listed in the chart at 6.c.(2)(b) above, or \$750,000. Six of the ELI Set-Aside units (50 percent of the ELI Set-Aside units, rounded up), must be set-aside as Link Units for Persons with Special Needs. In addition, because the Applicant is a New Construction Development, three units will be set aside as 22% Units and qualify for NHTF or HOME-ARP Funding as outlined in Exhibit I or J of this RFA.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.c.(2)(f)(ii) of the RFA as follows:**

- (ii) Application B is a New Construction Development in a Large County that consists of 106 total units. The Applicant committed to the Average Income Test. The Applicant does not qualify as a Self-Sourced Applicant.

In this example, 16 units, (15 percent of the total units, rounded up), must be set-aside as ELI Set-Aside units. ELI Funding will be made available for 11 of the ELI Set-Aside Units, (10 percent of the total units, rounded up), up to the lesser of the amount listed in the chart at 6.c.(2)(b) above, or \$750,000. Eight of the ELI Set-Aside units (50 percent of the ELI Set-Aside units, rounded up), must be set-aside as Link Units for Persons with Special Needs. In addition, because the Applicant is a New Construction Development, five units will be set aside as 22% Units and qualify for NHTF or HOME-ARP Funding as outlined in Exhibit I or J of this RFA.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.c.(2)(f)(iv) of the RFA as follows:**

- (iv) Application D is a New Construction Development in a Large County that consists of 104 total units. The county ELI level is 35% AMI. The Applicant did not commit to the Average Income Test. The Applicant qualifies as a Self-Sourced Applicant but did not commit to provide 22% Units.

In this example, 6 units, (5 percent of the total units, rounded up), must be set-aside below 50 percent AMI. If those units are set aside at or below 35 percent AMI, they will be considered ELI Set Aside Units and ELI Funding will be made available for all six ELI Set-Aside Units, up to the lesser of the amount listed in the chart at 6.c.(2)(b) above, or \$750,000. Half of the ELI Set-Aside Units are required to be set-aside as Link Units for Persons with Special Needs. In addition, because the Applicant did not commit to provide 22% Units, it will not qualify for NHTF or HOME-ARP Funding.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the first paragraph of Section Four, A.6.c.(3)(a) of the RFA as follows:**

- (a) Completing the Total Set-Aside Breakdown Chart if not committing to the Average Income Test

Indicate on the chart at 6.c.(2)(a) of Exhibit A the percentage of residential units, stated in whole numbers, to be set aside at each selected AMI level for both the Housing Credit and SAIL charts. If the Total Set-Aside Breakdown Chart reflects that either the Total Set-Aside Percentage or the ELI commitment does not meet the Set-Aside requirements, this Application will not be eligible for funding. The MMRB chart will populate automatically to reflect 40 percent of the units at 60 percent AMI because the Average Income Test does not apply to the separate tax-exempt bond set aside requirements under Section 142 of the IRC.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.d.(1) of the RFA as follows:**

- (1) Completing the Unit Mix Chart

Complete the Unit Mix Chart listing the total number of bedrooms per unit, the total number of bathrooms per unit (including half-baths, if applicable) and the total number of units per bedroom type. All units in the proposed Development must be listed, including all manager/employee units and all market rate units, if applicable. All units in the proposed Development must be listed, including all manager/employee units and all market rate units, if applicable. Units may have no more than four bedrooms.

Note: The number of ELI Set-Aside Units are proportionately distributed across the Unit Mix within Exhibit A and the maximum ELI funding amount per eligible ELI Set-Aside unit the proposed Development is eligible to receive is calculated automatically within Exhibit A based on the information listed by the Applicant on the Unit Mix chart.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.6.f.(1) of the RFA as follows:**

(1) Self-Sourced Applicants (Maximum of 4 Points)

Four points will be awarded to Self-Sourced Applicants that commit to all of the following requirements:

- (a) The Extended Use Agreement for the development will NOT terminate if the Corporation is unable to present a qualified contract to the Owner during the one-year period set forth in Rule 67-21.031, F.A.C.;
- (b) After the one-year period, and repayment of the SAIL loan, the Extended Use Agreement may be amended to reflect the Owner may convert 60 percent AMI set-aside units to units set aside for households with income levels associated with the lesser of 90 percent of market rent (subject to a market study conducted in accordance with the requirements of Rule 67-48, F.A.C.) or 120 percent AMI; and
- (c) The owner will implement the set-aside conversion to the next available unit, thereby agreeing not to utilize the amended Extended Use Agreement as pretext for lease nonrenewal of exiting residents.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.12.a. of the RFA as follows:**

a. Occupied Units

At question 12.a. of Exhibit A, select "Yes" if any units are occupied as of the Application Deadline.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the first paragraph of Section Four, A.12.b. of the RFA as follows:**

b. Tenant Relocation Information for Existing Properties

At question 12.b.(1) through (4) of Exhibit A, answer all applicable questions.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A.12.c. of the RFA as follows:**

c. Uniform Relocation Act Acquisition Information

In addition to answering the questions in Exhibit A, successful Applicants will be required to provide the following information within 21 Calendar Days of the invitation to enter credit underwriting:

- (1) If the Applicant owns the Development site (i.e., holds a deed or currently has a lease with a minimum 50-year term), provide a narrative describing the acquisition. This narrative must describe how, when, and from whom the property was acquired and whether or not the property was vacant when acquired.
- (2) If the Applicant is a private company and is acquiring the property or will have a lease with a minimum 50-year term for the property, the Applicant (buyer) must provide the seller with a notice that the buyer does not have the power of eminent domain to obtain the property and a determination of market value will estimate the value of the property. This must be done prior to execution of the contract or proposed lease (with a minimum 50-year term) or may be attached as an addendum to the contract or proposed lease (with a minimum 50-year term). A copy of the required notice and confirmation of the current owner's/seller's receipt of notice must be provided.
- (3) If the Applicant is a public (government) Applicant, respond to all applicable remaining questions in this relocation section.
- (4) Eminent Domain:
  - (a) If the buyer has the power of eminent domain, the buyer must notify the seller in writing that it has such power and the determination of market value for the property is being waived. Provide a copy of the required notice.
  - (b) If the Applicant is a public (government) Applicant and does not have the power of eminent domain, provide the following: (i) notice of interest, (ii) determination of fair market value, (iii) appraisal of the property, and (iv) written offer of just compensation which includes a



statement of just value, property description, and identification of buildings. Provide all required documentation.

The GIN and accompanying information set forth above will be required only after the Application is selected for funding, as outlined in Exhibit D and also in Item 3 of Exhibit I and Exhibit J.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies the first paragraph of the General Information tab of Exhibit A of the RFA as follows:**

Unless stated otherwise, all information requested pertains to the Development proposed in this Application upon completion. The effective date of this Exhibit A is 07/21/2023.

**Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Item 6. of Exhibit D of the RFA as follows:**

6. The SAIL loan must close within the timeframe outlined in Rule Chapter 67-48, F.A.C. Applicants that that are awarded NHTF or HOME-ARP Funding will be invited to enter credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, and execute a written agreement as outlined in Exhibit I and Exhibit J of the RFA;

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

- b. The credit underwriting for the HOME-ARP Loan will be accomplished along with the credit underwriting for the SAIL Loan. The Credit Underwriter may request additional information at any time during the credit underwriting process for the HOME-ARP Loan.

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

- d. A firm loan commitment for the HOME-ARP Loan will be issued at the time the firm loan commitment(s) for the SAIL Loan is issued. The firm loan commitment must be issued within 12 months of the Applicant's acceptance to enter credit underwriting, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the 12 month deadline. Unless an extension is approved by the Corporation in writing, failure to achieve issuance of a firm loan commitment by the specified deadline shall result in withdrawal of the preliminary commitment. Applicants may request one extension of up to six months, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the six month extension deadline, to secure a firm loan commitment. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting the extension and shall detail the time frame to achieve a firm loan commitment. In determining whether to grant an extension, the Corporation shall consider the facts and circumstances of the Applicant's request, inclusive of the responsiveness of the Development team and its ability to deliver the Development timely. The Corporation shall charge a non-refundable extension fee of one percent of each loan amount if the request to extend the credit underwriting and firm loan commitment process beyond the initial 12 month deadline is approved. If an approved extension is

utilized, Applicants must pay the extension fee not later than seven Calendar Days after the original 12 month deadline. If, by the end of the extension period, the Applicant has not received a firm loan commitment, then the preliminary commitment shall be withdrawn.

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

- e. The HOME-ARP Loan must close within 180 Calendar Days of the date of the firm loan commitment(s). These deadlines may be automatically extended to the next scheduled meeting of the Board of Directors that is after the 180 Calendar Days deadline. Unless an extension is approved by the Board, failure to close the loan(s) by the specified deadline outlined above shall result in the firm loan commitment(s) being deemed void and the funds shall be de-obligated. Applicants may request one extension of the loan closing deadline outlined above for a term of up to 90 Calendar Days, which may be automatically extended to the next scheduled meeting of the Board of Directors that is after the 90 Calendar Day extension deadline. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request, inclusive of the Applicant's ability to close within the extension term and any credit underwriting report, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one percent of each Corporation loan amount if the Board approves the request to extend the loan closing deadline beyond the 180 Calendar Day period outlined above. If an approved extension is utilized, Applicants must pay the extension fee not later than seven Calendar Days after the original loan closing deadline. In the event the Corporation loan(s) does not close by the end of the extension period, the firm loan commitment(s) shall be deemed void and the funds shall be de-obligated.

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