

Questions and Answers for RFA 2023-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits

1. Since a carryover allocation is not issued for SAIL and 4% deals, should the language in Section Four, A.3.b.(3)(b) be revised accordingly?

Answer:

Yes. A modification will be issued July 21, 2023 reflecting the following:

- (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named on the Principals Disclosure Form included in a Self-Sourced Application submitted in RFA 2022-205 that has been withdrawn any time subsequent to the applicable RFA's Application Deadline, but on or before the ~~execution-issuance~~ of the ~~Carryover Allocation Agreement(s)~~ 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Applicants and Developers are on notice that any Application submitted in this RFA that is withdrawn any time subsequent to the Application Deadline but on or before the ~~execution-issuance~~ of the ~~Preliminary Determination Certificate~~ ~~Carryover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Developer(s) named in the Developer section of the Principals of the Applicant and Developer(s) Disclosure Form of the withdrawn Application is named for purposes of satisfying the Developer experience requirement in the future Application.

2. 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 and advance to financial closing. 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. RFA 2024 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits).

Answer:

Yes. Per Section Four, A.3.b.(3)(b)(ii)(A):

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.

3. 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 15, top of page – 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.

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

Answer:

Yes; however, if both Applications for the same Development are invited to enter credit underwriting and the Applicant accepts one invitation, the Applicant may reject or decline the second invitation without penalty.

5. The below language is clear; you must close on the SAIL loan within the RFA/RULE timeframes, or the applicant will not be allowed to submit any priority 1 applications in the 2025/2026 SAIL RFA. Does this mean, developments funded in this SAIL RFA in 2023 and 2024 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 ~~20256~~/~~20267~~ RFA cycle

Applicants must either (i) close on the SAIL funding by the closing deadlines as set forth in Rule Chapter 67-48, F.A.C.; or (ii) if the Development has any HUD funding, including but not limited to rental subsidy, development funding, or insured mortgage financing, the Applicant must, within 90 days of receipt of the Firm Commitment, 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 ~~20252026~~/~~20276~~ RFA cycle, (i.e. RFA ~~2024-2025~~ SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits).

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:

Example 1:

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

Example 2:

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. 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 there any unit mix restrictions or requirements for NHTF or HOME-ARP funding awarded?

Answer:

NHTF or HOME-ARP will be awarded for all 22% Units in accordance with Exhibits I and Exhibit J of the RFA. The requirements of 22% Units are outlined in Section Four, A.6.c.(2)(e) of the RFA.

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

Answer:

Yes.

13. 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.

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

Answer:

Correct.

15. SAIL Firm Commitments and Closing – The Rule allows up to one extension to obtain a firm loan commitment and one extension to close, is there a penalty associated with an extension to obtain a firm loan commitment?

Answer:

Per Section Four, A.3.b.(3)(c) of the RFA, to avoid a reduction in number of Priority 1 Application submissions allowed in the Future Corresponding 2025/2026 RFA cycle, Applicants must either (i) close on the SAIL funding by the closing deadlines as set forth in Rule Chapter 67-48, F.A.C.; or (ii) if the Development has any HUD funding, including but not limited to rental subsidy, development funding, or insured mortgage financing, the Applicant must, within 90 days of receipt of the Firm Commitment, 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.

16. The RFA allows a withdrawal of the SAIL application if the same application has accepted an invitation to credit underwriting in a different RFA. Due to timing of protests, and credit underwriting invitations on regular Geographic RFAs, will the timing be taken into consideration, if needed?

Answer:

Yes.

17. I am trying to accurately calculate the value of a Local Government Fee Deferral. The Fee is deferred for the entire term of affordability. Specifically, "the unpaid balance is due and payable upon the subsequent sale of the property or when rental units are sold or transferred and no longer meet the affordable definition". For an affordable development with SAIL the required affordability period is 50 years. How should I calculate the value of the deferral?

The FHFC form states:

Please note: 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 fee deferral, based on its payment stream, inclusive of a reduced interest rate and designated discount rate (as stated in the applicable RFA) is: \$_____.

Are you able to provide the calculation formulae we should use?

Answer:

A net present value should be calculated assuming the term is 50 years. As an example, assuming no interest is charged or accrued and the unpaid balance to be paid is only the deferred fee, the net present value of a \$100,000 deferred fee discounted at the stated rate in the RFA of 6.76% annually, a term of 50 years has a value of contribution of \$96,201.85. It is up to the Applicant to determine the appropriate calculation for its particular circumstance.

18. 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.

19. Is a Self-Sourced Applicant that provides a completed and signed Self-Sourced Financing Commitment Verification form in Attachment 10, also required to submit Self-Sourced financing proposals and/or other debt letters, including debt financing letters for FHFC or locally issued bonds in Attachment 10? Are non-Self-Sourced Applicants required to submit debt financing letters for FHFC or locally issued bonds?

Answer:

Self-Sourced Applicants that provide the Self-Sourced Financing Commitment Verification form (Rev. 11-19) behind Attachment 10 will be required to provide the evidence of ability to fund that source of financing during credit underwriting. If a Self-Sourced Applicant includes any other financing proposal that is not from a Regulated Mortgage Lender in the business of making loans or a governmental entity, it will follow the same requirements as Non-Self-Sourced Applicants, and the evidence of ability to fund must be provided. Demonstration of all other funding sources follow the same requirements of Section Four, A.10., regardless of whether the Application is a Self-Sourced or Non-Self-Sourced.

20. Regarding the Uniform Relocation Act requirements, if a public housing site requires demolition to build new units, is the GIN triggered if the site control is an option to lease?

Whose signature is required for proof of delivery of the GIN notices?

Answer:

Per Section Four, A.12 of the RFA, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) is government-wide legislation which establishes minimum standards for federally-funded programs or projects requiring the acquisition of real property or displacement of persons from the homes, businesses, or farms as a direct result of: Acquisition, Rehabilitation or Demolition. The occupant must sign the GIN Notice.

21. During the Funding Selection Process, if funding remains that cannot be allocated from the Self-Sourced funding maximum, will those funds be available to the highest ranking eligible unfunded non-Self Sourced Family development subject to the Geographic and Demographic Funding Tests and the County Award Tally?

Answer:

Per Section Five, B.1.b.(2) of the RFA, if at any time during the selection process, it is determined that either (i) none of the remaining eligible unfunded Non-Self Sourced Family Applications can

meet the Demographic Funding Test; or (ii) none of the remaining eligible unfunded Self-Sourced Applications can meet the Demographic Funding Test, all remaining Self-Sourced Applicant Family Funding and Non-Self-Sourced Applicant Family Funding will be merged (“Family Funding Merge”).

After the Family Funding Merge, no further Self-Sourced Applications will be funded. Non-Self-Sourced Family Applications will be considered to meet the Demographic Funding Test if there is enough SAIL funding available in the SAIL Demographic Category (SAIL Demographic Funding Test) to fund the Applicant’s Total SAIL Request Amount (i.e., the Applicant’s Eligible SAIL Request Amount plus the Applicant’s Eligible ELI Request Amount).

22. Applications on the Rehabilitation List, and the Applications on the Self-Sourced Applicants List will be classified as Leveraging Level 1 – 5 using the same manner as the New Construction List. Are the 3 leveraging lists then merged together prior to the Funding Selection Process described in Section 5 on page 98?

Answer:

Yes.

23. Is there going to be a new Exhibit A posted? I noticed a formula was not working properly.

Answer:

Yes. Florida Housing will be posting a new Exhibit A on Friday, July 21, 2023. All Applicants must use the July 21, 2023 version of Exhibit A for submission to Florida Housing. **Users who open the correct Exhibit A will see that the top line of the first page within the General Information tab of Exhibit A states the effective date of July 21, 2023.**

Please Note: The Q&A process for RFA 2023-205 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2023-205.

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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 RFA 2023-205.