

Florida Housing Finance Corporation
Viability Loan Funding through SB102, the Live Local Act Workshop Agenda
April 18, 2023, at 10:00 a.m., Eastern Time

Registration for Workshop is required. Registration information is available on the webpage
<https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2023/2023-211>

Section One – Introduction

Florida Housing Finance Corporation (the Corporation) is offering funding to assist competitive projects in the development pipeline experiencing cost increases related to market inflation. Viability Loan funding is intended to fill the funding gap experienced due to increased construction costs. Viability Loan funding is not intended to support operating expenses or enhance cash flow.

A. \$155,700,000 in New Construction Funding

On March 29, 2023, Governor Ron DeSantis signed Senate Bill (SB) 102, the Live Local Act, representing the largest investment for housing efforts in state history. This legislation invests a record \$711,000,000 for housing projects and assistance through the Corporation to create or build upon housing programs. This includes \$100,000,000 for the Corporation to implement a Viability Loan program to alleviate inflation-related cost increases.

Additionally, the Corporation is including \$55,700,000 Program Income funding.

This funding is specific to new construction Developments.

B. \$4,300,000 in Rehabilitation Funding

The Corporation is including \$4,300,000 in Program Income Funding to implement a Viability Loan program to alleviate inflation-related cost increases.

This funding is specific to Developments that qualify as Rehabilitation Developments.

Section Two – Definitions

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 as of the Application Deadline of the Original Application) or in applicable federal regulations.

“Active Award” and “Related Application” are examples of words defined in Exhibit B of the RFA.

Section Three – Procedures and Provisions, which includes Submission Requirements

There is an Application fee of \$500.

The Application must be uploaded prior to the Application Deadline as outlined in the RFA.

Section Four, Information to be Provided in the Application

A. Selection Criteria

Applicants will continue to be held to the terms and conditions of the RFA under which the Active Award was made and the applicable rule chapter in effect at the time of the Original Application.

Applicants that are awarded funding through this RFA must meet the following requirements:

- Applicants must apply for permitting no later than 60 days from the Application submission;
- The Credit Underwriting Report will be completed or updated as applicable prior to March 31, 2024, on the condition that the reports requiring Board approval have submitted all credit underwriting report due diligence items to the assigned credit underwriter by January 31, 2024; and
- The Applicant must close on the Viability Loan Funding on the latter of the following: the closing of the limited partnership agreement as reflected in the Carryover Allocation Agreement, or the closing deadline outlined in the firm commitment of the Corporation funding and construction funding, as applicable

To be eligible to apply in this RFA, prior to submission of the Application in this RFA, the Application must meet the following conditions:

- A verifiable financing gap must currently exist with a deferred Developer Fee of at least 50 percent subject to sizing parameters listed in Exhibit C;
- The Applicant accepted an invitation to enter credit underwriting for funding issued by the Corporation and awarded through an RFA during the period of time of July 1, 2020, through June 30, 2022;
- The Applicant of the Active Award has not closed on the Limited Partnership Agreement, Tax-Exempt Bond financing, or any other Corporation funding (excluding Pre-Development Loan Program funding (PLP) and Elderly Housing Community Loan (EHCL) funding);
- The Applicant of the Active Award has not recorded a Notice of Commencement with the appropriate local jurisdiction prior to the firm loan commitment;
- The Applicant of the Active Award has not, prior to the submission of the Application in this RFA, returned the allocation for the Active Award to the Corporation.

A draft of the list of Applications eligible to apply in this RFA are provided on the “Applications Eligible to Apply for Viability Loan Funding through RFA ____, effective April ____, 2023” is available on the RFA Webpage.

B. Required Information

1. Select the name of the Development with the Active Award in Exhibit A. The Development’s information (e.g., Name of Development, RFA number, Application number, County, Demographic Commitment, etc.), will populate automatically.
2. If the Original Application qualified as a Self-Sourced Application funded in RFAs 2020-205 or 2021-205, to be eligible in this RFA, the Self-Sourced Applicant must knowingly, voluntarily and irrevocably commit to waive the option to convert the Development to market rate, including any option or right to submit a request for a qualified contract, after year 14, and any other option, right or process available to the Applicant to terminate (or that would result in the termination of) the 50-year set aside period at any time prior to the expiration of its full term.
3. Request Amount
 - a. If the proposed Development consists of less than 175 total units OR the Applicant’s only other Corporation funding is non-competitive funds (i.e., non-competitive housing credits with or without Corporation-Issued MMRB), the request amount is limited to the lesser of (i) \$4,300,000 per Development or (ii) \$125,000 per unit.

- b. If the proposed Development consists of 175 or more total units AND the Applicant's other Corporation funding is not limited to only non-competitive funds (i.e., non-competitive housing credits with or without Corporation-Issued MMRB), the request amount is limited to the lesser of (i) \$38,000 per unit, or (ii) a total Corporation loan award of \$15,000,000 (i.e. the Viability Award cannot exceed \$15,000,000 minus the Active Award amounts for SAIL, ELI, and NHTF).

Sizing in credit underwriting will follow the parameters in Exhibit C and may be reduced further.

- c. Housing Credit Equity Proposal and Non-Corporation Funding documentation will be required to be submitted with the acceptance to the invitation to enter credit underwriting (i.e. within seven Calendar Days of the date of the invitation to enter credit underwriting) and must be dated within 30 days of when it is received.

4. Required Choice for all Applications in this RFA

Applicants must either return a recent Competitive Award OR commit to a limited number of Priority I Applications in certain RFAs in the 2024/2025 Funding Cycle

a. Return of recent Competitive Award

The criteria is outlined in the RFA.

A letter acknowledges that the Returned Award is withdrawn from all awarded Corporation funding must be submitted as Attachment 1.

The Returned Award will be considered withdrawn effective as of the date the Application in this RFA is submitted and the letter is received by the Corporation. This is not revokable. The Returned Award will not be considered a Withdrawn Application for the purpose of any withdrawal disincentive points in any future RFA.

The same Returned Award may be used in up to three Applications in response to this RFA if the following are met among the Shared Applications

b. Commit to a limited number of Priority I Applications in certain RFAs in the 2024/2025 Funding Cycle, based on funding awarded in this RFA

If an Applicant in this RFA commits to this option, a document reflecting "N/A" must be uploaded as Attachment 1.

(1) Identifying Future Corresponding RFAs

(2) Limit on number of Priority I Applications that may be submitted in the Future Corresponding RFA in the 2024/2025 Funding Cycle

(3) Assigning Points for Determining the Priority I Applications

Viability Loan Funding Award Amount	All Principals of an Active Award will be assigned three Points for Determining the Priority I Applications in the Future Corresponding RFA
at least \$3,000,000	3 points
between \$1,750,000 to \$2,999,999	2 points
less than \$1,749,999	1 point

(4) Quick Close Incentive

If the Applicant closes on the limited partnership agreement if applicable, and all construction funding including Corporation funding, if applicable, by the earlier of the existing closing deadlines for the Active Award or December 15, 2023, the Principals for the Active Award will qualify for the Quick Close Incentive.

(5) Example

C. Complete the Acknowledgement found in Exhibit A

D. Scoring and Selection Process

1. There are no point items.
2. Sorting Order

Applications that meet all Eligibility Items (“eligible Applications”) will be first be sorted by the Florida Job Creation Preference, and then Lottery.

3. Funding

a. Funding Available

(1) \$ 155,700,000 of Viability Loan Funding is available for New Construction Developments

(2) \$ 4,300,000 of Viability Loan Funding is available for Rehabilitation Developments

b. Funding Test

Rehabilitation Applications will be selected for funding only if there is enough Rehabilitation Funding available to fully fund the Eligible Request Amount.

New Construction Applications will be selected for funding only if there is enough New Construction Funding available to fully fund the Eligible Request Amount.

4. Selection Process

- a. The highest-ranking eligible unfunded New Construction Applications will be selected, subject to the Funding Test.

- b. If New Construction Funding remains and none of the eligible unfunded New Construction Applications can meet the Funding Test, no further Applications will be considered for funding. Any remaining new Construction Funding will be distributed as approved by the Board.
- c. Next, the highest-ranking eligible unfunded Rehabilitation Applications will be selected, subject to the Funding Test.
- d. If Rehabilitation Funding remains and none of the eligible unfunded Rehabilitation Applications can meet the Funding Test, no further Applications will be considered for funding. Any remaining Rehabilitation Funding will be distributed as approved by the Board.

Exhibits to RFA

Exhibit A - Application

Exhibit B - Definitions

Exhibit C – Additional Information

- 1. Total Development Cost Per Unit Limitation – intentionally omitted in this RFA
- 2. Sizing the Award
- 3. Fees
- 4. Florida Job Creation Funding Preference

Exhibit D - Terms and Conditions of the Viability Loan

Other Items

- 1. Sending in public comments
- 2. Question and Answer process
- 3. Expected RFA Timeline

Issue RFA:	May 1, 2023
RFA Due Date:	May 17, 2023
Review Committee Meeting (make recommendations to Board)	10:00 a.m. on May 31, 2023
Request Board Approval of Recommendations (at scheduled Board Meeting)	June 9, 2023