

Draft Outline of RFA 2023-213 SAIL Funding for Live Local Mixed Income, Mixed-Use, and Urban Infill Developments

Overview

~~The draft outline for RFA 2023-213 is still conceptual in nature. Florida Housing continues to seek public feedback to refine and consider the priorities of funding in this RFA and application requirements. The concepts will likely continue to evolve before Florida Housing conducts an official workshop for RFA 2023-213 on October 3, 2023 at 2:00 P.M. EST.~~

All Applications must qualify as (i) a Mixed-Income Development; AND (ii) either an Urban Infill Development or a Mixed-Use Development.

Goals in this RFA

Goal to fund one Elderly, Mixed-Use Development.

~~-Once this goal is met, no additional Elderly Developments will be selected for funding in this RFA.~~

Goal to fund one Public Lands Development.

~~-Once this goal is met, no additional Public Lands Developments will be selected for funding in this RFA.~~

Goal to fund one Family Development that commits at least 10% of the total units to Youth Aging Out of Foster Care residents (“Youth Aging Out of Foster Care Goal”).

~~-Once this goal is met, no additional Applications that qualify for the Youth Aging Out of Foster Care Goal will be selected for funding in this RFA.~~

Definitions

- Elderly Development means Elderly as defined in Section 420.503, F.S.
If the Elderly demographic commitment is selected, the Applicant understands, acknowledges and agrees that it will comply with the Federal Fair Housing Act requirements for housing for older persons and rent at least 80% of the total units to residents that qualify as older persons pursuant to that Act or as provided under any state or federal program that the Secretary of HUD determines is specifically designed and operated to assist elderly persons (as defined in the state or federal program). Further, the Applicant understands, acknowledges and agrees that all such units are subject to the income restrictions committed to in the Set-Aside Commitment section of this Application.
- Mixed-Income Development means that the Development will serve multiple income levels as reflected in the income restrictions committed to in the Set-Aside Commitment section of this Application, which may include market rate units.
- Mixed-Use Development means a residential component in conjunction with one or more commercial or nonresidential uses, such as retail, office, institutional, or other appropriate commercial or nonresidential uses. ~~This may be demonstrated by requiring a Memorandum of Understanding (MOU) with the provider, which must be provided during credit underwriting.~~
- Public Lands Development means Developments that propose to use or lease public lands that include a resolution or other agreement with the unit of government owning the land to use the land for affordable housing purposes.
- Urban Infill Development, means:
 - The proposed Development meets the description of Urban Infill as set forth in Chapter 420.50871, F.S.; and

- The site is in an area that is already developed and is part of an incorporated area or existing urban service area; and
- The proposed Development meets one of the following:
 - The proposed Development meets the definition of an Urban Infill as set forth in Chapter 163.3164(49), F.S.; or
 - The proposed Development is located on a site or in an area that is targeted for infill housing or neighborhood revitalization by the local, county, state or federal government as evidenced by its inclusion in a HUD Empowerment/Enterprise Zone; a HUD-approved Neighborhood Revitalization Strategy; a HUD Choice Neighborhoods Initiative program grantee; area designated under a Community Development Block Grant (CDBG); or a Community Redevelopment Area as described and defined in the Florida Community Redevelopment Act of 1969.

Applicants will demonstrate the qualifications are met by submitting a properly completed and executed Florida Housing Finance Corporation Local Government Verification of Qualification as Urban Infill Development form as part of the Application submission. A draft of the form has been posted to the RFA webpage.

- Youth Aging Out of Foster Care means persons in foster care or persons aging out of foster care pursuant to s. 409.1451, F.S.

Funding available

1. SAIL Funding

Florida Housing Finance Corporation (the Corporation) expects to offer an estimated \$100 million* in SAIL funding appropriated by the Live Local Act set forth in Section 420.50871 F.S., created by the Florida Legislature under Section 34 of the Live Local Act of 2023. These SAIL funds are not held to the geographic and demographic splits of traditional SAIL funding.

The funding in this RFA will address criteria in Section 420.50871 (1) AND (2) F.S., as set forth below.

*The remaining \$50 million appropriated through Section 420.50871 F.S. will be issued through one or more separate RFAs later in 2023 and will address criteria in 420.50871 (1) AND (2), F.S., that are not addressed in this RFA such as military installations, rural areas of opportunity, and redevelopment.

2. Tax-Exempt Bonds and Non-Competitive Housing Credits (Housing Credit)

Proposed Developments must request Tax-Exempt Bond Financing and Non-Competitive Housing Credits in conjunction with the request for SAIL funding.

Outline of RFA requirements

1. The Demographic Commitment may be Family and Elderly, non-ALF (non-Assisted Living Facility)

a. Goal to fund one Elderly Development that qualifies as a Mixed-Use Development

There is a goal to fund one Elderly Development that qualifies as a Mixed-Use Development. Once this goal is met, no additional Elderly Developments will be selected for funding.

~~As a Mixed-Use Development, the non-residential services within Development must include at least one type of medical services that is available to the residents.~~

b. There is a goal to fund one Family Development that commits at least 10% of the total units to Youth Aging Out of Foster Care residents (“Youth Aging Out of Foster Care Goal”).

This will be based on a referral to enter the housing from the community-based service organization that serves foster care youth. This may be demonstrated by requiring a Memorandum of Understanding (MOU) with the community-based service organization that serves foster care youth. ~~Once this goal is~~

~~met, no additional Applications that qualify for the Youth Aging Out of Foster Care Goal will be selected for funding.~~

3. Applicant/Developer/Management Company/Contact Person

a. The Applicant and Developer must be legally formed entity qualified to do business in Florida as of Application Deadline

b. Required Developer Experience

(1) Developer experience requirements for all Applications

For all Applications, 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 three multifamily rental housing developments. All of the following requirements (as applicable) must be met by at least one of the Developments:

- At least one of the three developments must meet the definition of a Mixed-Income Development;
- At least one of the three developments must have (A) been financed utilizing either 9% or 4% Housing Credits; and (B) included at least 25% of the units as non-Housing Credit units; and
- At least one of the three developments must consist of a total number of units no less than 50% of the total number of units in the proposed Development.

(2) Additional Developer experience requirements for Applications that wish to qualify as a Mixed-Use Development

For Applications that wish to qualify as a Mixed-Use Development, in addition to the other applicable requirements stated in this section, at least one of the three developments must meet the definition of a Mixed-Use Development and have been financed utilizing either 9% or 4% Housing Credits.

~~(3) Additional Developer experience requirements for Applications that commit 50% of non-Housing Credit Unit~~

~~For Applications that commit 50% or more of the total units as non-Housing Credit Units, in addition to the other applicable requirements stated in this section, at least one of the three developments must have (A) been financed utilizing either 9% or 4% Housing Credits; and (B) included at least 25% of the units as non-Housing Credit units.~~

The individual meeting the Developer Experience requirements must be disclosed as a Principal of the Developer 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.

(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.

(3) There are no Priority 1 and Priority 2 Application Designation requirements in this RFA.

d. 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% of the total number of units in the proposed Development, for at least two years each.

4. General Proposed Development Information

a. Development Category

Applications that qualify for the Urban Infill Goal must create new residential units through either (i) new construction; or (ii) Rehabilitation/Substantial Rehabilitation that converts vacant, dilapidated, functionally obsolete buildings, or underused commercial property into residential units. The Rehabilitation requirements are outlined in the RFA. All other Developments The proposed Development must be 100% new construction. All units must consist entirely of new construction units.

b. Development Type

The proposed Development Type may be Garden, Townhouse, Mid-Rise (4, 5 or 6 stories), or High Rise (7 or more stories).

5. Location of the Development

a. Market Study

The Developments must be located in submarkets where the average market rental rates are at least 10 percentage points higher than the highest AMI set-aside identified on the set-aside chart*. Within 21 Calendar Days of the date of the invitation to enter credit underwriting, the Corporation will require successful Applicants to provide the market study prepared by a Certified General Appraiser in the State of Florida that was completed no more than 60 Calendar Days before Application Deadline that demonstrates (i) the average physical occupancy rate of 92% or greater; ~~and~~ (ii) an average market rental rate, based on unit mix and annualized rent concessions, equal to at least 10 percentage points higher than the highest AMI set-aside on the set-aside chart*; and (iii) if committing to Mixed-Use Developments, demonstrate that there is sufficient demand for the intended Mixed-Use Subcategory selected at question 11 of Exhibit A*.

The Florida Housing Rental Programs - MTSP Income and Rent Limits is available on the Corporation Webpage <https://www.floridahousing.org/owners-and-managers/compliance/rent-limits> (also accessible by clicking [here](#)).

*Minimum Market Study percentage requirements

- If the highest AMI commitment on the set-aside chart is 80%, the market study must demonstrate that the average market rental rate is at least 90% AMI.
- If the highest AMI commitment on the set-aside chart is 100%, the market study must demonstrate that the average market rental rate is at least 110% AMI.
- If the highest AMI commitment on the set-aside chart is 120%, the market study must demonstrate that the average market rental rate is at least 130% AMI.

The underwriter will review the existing market study to confirm the requirements are met and also the requirements as set forth in Rule 67-48.0072(10), F.A.C. The underwriter reserves the right to order a new market study if necessary.

b. Publicly Owned Land Goal Qualifications

To qualify for the Publicly Owned Land Goal, provide a properly completed and executed Lease Agreement or eligible purchase contract demonstrating that the Applicant is leasing or purchasing the land from the unit of government.

c. Proximity

The Application may earn proximity points based on the distance between the Development Location Point and the Bus or Rail Transit Service (if Private Transportation is not selected) and the Community Services. Proximity points will only be used to determine whether the Applicant meets the required minimum proximity eligibility requirements and the preferences outlined in the chart below.

The Community Services that are available to all Demographics are Grocery Store, Medical Facility, Pharmacy, and Public School; however, **only three of the four Community Services may be selected for each Application**, for a maximum 4 Points for each service.

Proximity Eligibility Requirements

All Applications must achieve a minimum number of total proximity points to be eligible for funding. Additionally, all Large County Applications must achieve a minimum number of points for Transit Services.

Proximity Funding Preference Qualifications

All Applications may also qualify for the Proximity Funding Preference.

| Application Qualifications | If Eligible for PHA or RD Proximity Point Boost, Required Minimum Transit Service Points that Must be Achieved to be Eligible for Funding | If NOT Eligible for PHA or RD Proximity Point Boost, Required Minimum Transit Service Points that Must be Achieved to be Eligible for Funding | Required Minimum Total Proximity Points that Must be Achieved to be Eligible for Funding | Minimum Total Proximity Points that Must be Achieved to Receive the Proximity Funding Preference |
|----------------------------|---|---|--|--|
| Large County Applications | 1.5 | 2.0 | 10.5 | 12.5 or more |
| Medium County Applications | Qualifies automatically | Qualifies automatically | 7.0 | 9.0 or more |
| Small County Applications | Qualifies automatically | Qualifies automatically | 4.0 | 6.0 or more |

6. Number of Buildings and Units

a. Number of Units

All proposed Developments must consist of a minimum of 50 total units.

(1) Elderly Developments

Proposed Developments that are located in Miami-Dade County and Broward County may consist of up to 200 total units. Proposed Developments that are located in all other counties may consist of up to 160 total units.

(2) There is no limit on the number of units within Family Developments.

b. Discussion topics for innovative structures

c. Set-Aside Commitments

(1) Minimum Set-Aside Commitments per Section 42 of the IRC

Per Section 42 of the IRC, elect one of the following minimum set-aside commitments:

- 20% of the units at 50% or less of the Area Median Income (AMI)
- 40% of the units at 60% or less of the AMI
- Average Income Test

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

The proposed Development must set aside ~~a required percentage~~ five percent of the total units, up to a maximum of 15 total Units, for ELI Households ("ELI Set-Aside Units").

~~(a) (a)~~ — If the Average Income Test is not selected,

~~The proposed Development must set aside 10% of total units for ELI Households. T~~he requirement to set aside units for ELI Households refers to the ELI AMI level for the county where the proposed Development is located.

Applicants are eligible for ELI funding for each ELI Set-Aside unit, not to exceed the lesser of (i) \$1,000,000; or (ii) the maximum amount based on the ELI Set-Aside per unit limits.

~~(b) (b)~~ — If the Average Income Test is selected,

~~The proposed Development must set aside 15% of total units for ELI Households and the~~ ELI AMI level will be 30% or lower. Applicants will not be eligible for ELI Funding.

~~Applicants-~~(c) Link Units

Unless the Development qualifies for the Youth Aging Out of Foster Care Goal, 50% of the ELI Set-Aside Units, rounded up, must meet the Link Unit requirements. Additional requirements for the Link Units for Persons with Special Needs are described in Exhibit E of the RFA.

(3) Corporation Set-Aside Requirements

(a) Complete the applicable Total Set-Aside Breakdown Chart

(i) If the minimum Housing Credit set-aside commitment of 20% at 50% AMI is selected, the total set-aside commitments will be as outlined below:

- At least ~~25~~50% of the total units but not more than 30% of the total units, rounded up to the next whole unit, must be set aside at or below 50% of the AMI and entered in the rows labeled "Housing Credit Units" on the Total Set-Aside Breakdown Chart. This is the Applicant's minimum IRC Housing Credit Set-Aside. ~~This must and~~ includes the ELI Set-Aside Units ~~requirement that 10% of the total units, rounded up to the next whole unit, be~~ which are set aside at the ELI AMI level for the county where the proposed Development is located.
- No more than ~~25~~50% of the total units may be set aside as "~~120% Live Local Housing Units~~Market Rate Units".

(ii) If the minimum Housing Credit set-aside commitment of 40% at 60% AMI is selected, the total set-aside commitments will be as outlined below:

- At least ~~45~~50% of the total units but not more than 50% of the total units, rounded up to the next whole unit, must be set aside at or below 60% of the AMI and entered in the rows labeled "Housing Credit Units" on the Total Set-Aside Breakdown Chart. This is the Applicant's minimum IRC Housing Credit Set-Aside. ~~This must and~~ includes the ELI Set-Aside Units ~~requirement that 10% of the total units, rounded up to the next whole unit, be~~ which are set aside at the ELI AMI level for the county where the proposed Development is located.

- No more than 25% of the total units may be set aside as “120% Live Local Housing Market Rate Units”.

| Example of Total Set-Aside Breakdown Chart | | | Maximum SAIL Request Amount Per Unit |
|--|---------------------------------|--------------------------|--------------------------------------|
| Type of Units | percentage of Residential Units | AMI Level | |
| Housing Credit Units | _____ % | At or Below 25% | \$95,000 in SAIL |
| | _____ % | At or Below 28% | \$95,000 in SAIL |
| | _____ % | At or Below 30% | \$95,000 in SAIL |
| | _____ % | At or Below 33% | \$95,000 in SAIL |
| | _____ % | At or Below 35% | \$95,000 in SAIL |
| | _____ % | At or Below 40% | \$95,000 in SAIL |
| | _____ % | At or Below 45% | \$95,000 in SAIL |
| | _____ % | At or Below 50% | \$95,000 in SAIL |
| _____ % | At or Below 60% | \$95,000 in SAIL | |
| 80% Live Local Housing Units | _____ % | At or below 80% AMI | \$130 195,000 in SAIL |
| 100% Live Local Housing Units | _____ % | At or below 100% AMI | \$80 135,000 in SAIL |
| 120% Live Local Housing Units | _____ % | At or below 120% AMI | \$35 70,000 in SAIL |
| Market Rate | _____ % | No restriction | |
| | 100% | Total Set-Aside % | |

(b) Completing the Total Set-Aside Breakdown Chart if committing to the Average Income Test

- At least 45% of the total units but not more than 50% of the total units, rounded up to the next whole unit*, must be set aside at or below 68% of the AMI and entered in the rows labeled “AIT Housing Credit Units” and “Joint HC / 80% Live Local Housing Units” on the AIT Total Set-Aside Breakdown Chart. This is the Applicant’s minimum IRC Housing Credit Set-Aside. ~~This must and includes the ELI Set-Aside Units requirement that 15% of the total units, rounded up to the next whole unit, be which are~~ set aside at or below 30% AMI level.

~~*Joint Housing Credit/80% Live Local Housing Units are not included in this calculation.~~

Joint Housing Credit/80% Live Local Housing Units

Joint Housing Credit/80% Live Local Housing Units must be set aside at either 70 or 80% AMI, and Joint Housing Credit/80% Live Local Housing Units are included in the Average Income Test calculation.

~~120% Live Local Housing Units~~

No more than 25% of the total units may be set aside as “120% Live Local Housing Market Rate Units”.

| Example of Total Set-Aside Breakdown Chart | | Maximum SAIL Request Amount Per Unit |
|--|--|--------------------------------------|
|--|--|--------------------------------------|

| Type of Units | percentage of Residential Units | AMI Level | |
|--|---------------------------------|--------------------------|----------------------------------|
| Housing Credit Units | _____ % | At or Below 30% | \$95,000 in SAIL |
| | _____ % | At or Below 40% | \$95,000 in SAIL |
| | _____ % | At or Below 50% | \$95,000 in SAIL |
| | _____ % | At or Below 60% | \$95,000 in SAIL |
| Joint Housing Credit/ 80% Live Local Housing Units | _____ % | At or Below 70% | \$ 96 5,000 in SAIL |
| | _____ % | At or Below 80% | \$6 59 ,000 in SAIL |
| 80% Live Local Housing Units | _____ % | At or below 80% AMI | \$1 30 95,000 in SAIL |
| 100% Live Local Housing Units | _____ % | At or below 100% AMI | \$ 80 135,000 in SAIL |
| 120% Live Local Housing Units | _____ % | At or below 120% AMI | \$ 35 70,000 in SAIL |
| Market Rate | _____ % | No restriction | |
| | 100% | Total Set-Aside % | |

e. Unit Mix requirements outlined in RFA are based on Demographic Commitment

(1) Unit Mix requirements for Elderly Developments

(a) If the Elderly Demographic Commitment is selected, at least 50% of the total units must be comprised of one bedroom or Zero Bedroom Units, and no more than 15% of the total units can be larger than two bedroom units.

(2) If the Family Demographic Commitment is selected, not more than 25% of the total units in the Development may consist of Zero Bedroom units.

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

7. Readiness to Proceed

a. 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 three months after the Application Deadline), a deed, and/or a lease. If there is an existing Declaration of Trust recorded on the subject property, the Applicant 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 demonstrating zoning, availability of infrastructure (water, sewer, electricity, and roads) and environmental review must be submitted within 21 Calendar Days of the date of the invitation to enter credit underwriting.

8. Construction Features

In addition to the required Green Building Features for all Developments, select one of the Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); Florida Green Building Coalition (FGBC); Enterprise Green Communities; or ICC 700 National Green Building Standard (NGBS).

9. Resident Programs

- a. If the Family Demographic is selected, provide at least three of the resident programs: After School Program, ~~Adult Liter~~Health and Wellness Program, Employment Assistance Program, ~~Family Support Coordinator~~, Financial Management Program, and Homeownership Opportunity Program.
- b. If the Elderly Demographic is selected, provide at least three of the resident programs, in addition to the required resident programs outlined in the RFA: ~~Adult Literacy~~Financial Management for Elders, Computer Training, Daily Activities, Assistance with Light Housekeeping/Grocery Shopping/Laundry, Resident Assurance Check-In Program.

10. Funding

a. SAIL

The Total SAIL Request equals the SAIL Base Request in (1) plus the ELI Request in (2) below. The Total SAIL Request cannot exceed 35% of the Total Development Cost.

(1) Eligible SAIL Base Loan Request Amount is limited to the lesser of

- \$17 million
- The total per unit amounts based on each unit in the Total Set-Aside Chart stated above.

The SAIL Request also affects Leveraging. The Leveraging Factors will be updated and presented at the October 3, 2023 Workshop.

(1) ELI Funding Amounts

Applicants that commit to the Average Income Test will not be eligible for ELI funding.

All other All Applicants are eligible for ELI funding for each ELI Set-Aside unit, not to exceed the lesser of (i) ~~\$7501,000,000~~; or (ii) the maximum amount based on the ELI Set-Aside per unit limits ~~for 10% of the total units, as further outlined in Section Four A.10.a.(1)(b) of the RFA.~~

- (2) The amount of the loan is dependent upon the county where the proposed Development is located and the Development's unit mix.
- (3) The ELI Loan shall be forgivable and is subject to the credit underwriting and loan terms and conditions outlined in the RFA.

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

11. All Developments must qualify as either an Urban Infill Development or a Mixed-Use Development

~~a. Qualifications as a Mixed-Use Development~~

~~Subcategory of To qualify for a Mixed-Use Development, within 21 Calendar Days of the date of the invitation to enter credit underwriting, Applicants must provide the Memorandum of Understanding (MOU) demonstrating a business relationship between the Applicant and a private entity, demonstrating a partnership that will incorporate nonresidential uses, such as retail, office, institutional, or other appropriate commercial or nonresidential uses. Within the Application, the name of the entity and confirmation that the MOU has been executed must be provided.~~

~~b. Urban Infill Qualifications~~

~~To qualify for the Urban Infill designation, the proposed Development must serve the Family Demographic and the properly completed and executed Local Government Verification of Qualification as Urban Infill Development Form must be provided. A draft has been posted to the webpage.~~

12. Sorting Order

- a. Number of total points received
- b. Tie-Breakers
 - (1) Leveraging Classification (A/B/C)
 - (2) Proximity Funding Preference
 - (3) Job Creation Preference
 - (4) Lottery

13. Selection Process

- a. The first Application will be the highest-ranking eligible Elderly Development, Mixed-Use Development. *Once this goal is met, no additional Elderly Developments will be selected for funding in this RFA.*
- b. The next Application will be the highest-ranking eligible Public Lands Development, subject to County Award Tally and Funding Test. *Once this goal is met, no additional Public Lands Developments will be selected for funding in this RFA.*
- c. The next Application will be the highest-ranking Application that qualifies for the Youth Aging Out of Foster Care Goal, subject to County Award Tally and Funding Test. *Once this goal is met, no additional Applications that qualify for the Youth Aging Out of Foster Care Goal Developments will be selected for funding in this RFA.*
- d. The remaining eligible unfunded Applications that did not qualify for these Goals will be selected for funding, subject to the County Award Tally and Funding Tests.
- e. Any remaining funding will be used in a subsequent RFA pursuant to s 420.50871. Florida Housing anticipates reviewing the Applications that were selected for funding and determining how that aligns with s. 420.50871 (1) and (2). Additional RFAs are anticipated to use remaining funding and address outstanding aspects of the statutory language.

Other Important Information

~~Next Workshop: _____ 2:00 p.m. on October 3, 2023~~

Issue RFA: November 14, 2023

RFA Due Date: December 20, 2023

Review Committee Meeting (make recommendations to Board) January 2024