

Florida Housing Finance Corporation

Agenda for Workshop RFA 2024-216 Live Local SAIL Financing for the Construction of Large-Scale Developments of Significant Regional Impact

June 7, 2024, 10:00 a.m., Eastern Time

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

This Request for Applications (RFA) is open to Applicants proposing an affordable housing Development (proposed “Development”) that is part of a large-scale project of significant regional impact (“Master Plan”). The Master Plan must include a substantial civic, educational, or health care use and may include a commercial use, any of which must be incorporated within or contiguous to the project property. The Master Plan must provide a unique opportunity for investment alongside local government participation that would enable the proposed Development to create a significant amount of affordable housing. Projects approved under this section are intended to provide housing that is affordable as defined in s. 420.0004, notwithstanding the income limitations in s. 420.5087(2).

The Land Owner must own the land that will be used for the affordable housing aspect of the Master Plan. The Land Owner may be a public entity, a private entity, or a public-private partnership.

Funding available

A. State Apartment Incentive Loan (SAIL)

An estimated \$50 million in SAIL funding authorized by the Live Local Act set forth in Section 420.50872, F.S., created by the Florida Legislature under Section 32 of the Live Local Act of 2023, will be made available in this RFA.

These SAIL funds are not held to the geographic and demographic splits of traditional SAIL funding.

A portion of the SAIL funding will be considered ELI funding and used 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

B. Tax-Exempt Bonds and 4% Housing Credits (4% Housing Credits)

The SAIL funding offered in this RFA may be used in conjunction with Tax-Exempt Bonds and 4% Housing Credits.

Overview of the RFA

A. Section One – Introduction

B. Section Two – Definitions

Exhibit B of the RFA and Rules, which are posted on RFA website

“Civic Entity that is part of the Master Plan”- An entity relating to a city or town, especially as it relates to administrative function.

“Health Care Entity that is part of the Master Plan”- A healthcare facility that employs at least 1,000 people, such as a hospital, with a facility located within the Master Plan.

¹ References to the RFA Webpage refer to <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/2024-216> which can be accessed [here](#).

“Higher Educational Entity that is part of the Master Plan” - An educational institution that employs at least 1,000 people, such as university, with a facility located within the Master Plan.

“Master Plan” - a large-scale development project of significant regional impact. Such projects must include a substantial civic, educational, or health care use and may include a commercial use, any of which must be incorporated within or contiguous to the project property. Such a Development must provide a unique opportunity for investment alongside local government participation that would enable creation of a significant amount of affordable housing. Projects approved under this section are intended to provide housing that is affordable as defined in s. 420.0004, notwithstanding the income limitations in s. 420.5087(2).

“Master Developer” The Master Plan originator, which may be a public entity, a private entity, or a public-private partnership. The Master Developer cannot be the Applicant entity or the Developer of this proposed Development.

“Proposed Development” - For purposes of this RFA, the affordable housing portion of the Master Plan.

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

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

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 must be Family (i.e. general population).

3. Applicant/Developer/Management Company/Contact Person

a. Applicant Information

(1) Name of Applicant

(2) The Applicant must be a legally formed entity [i.e., limited partnership, limited liability company, etc.] qualified to do business in the state of Florida as of the Application Deadline.

(3) Non-Profit Applicant 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) Developer Experience

(a) 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, 2004, 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) as a Principal of the Developer and must remain with the Development until the release of the operating deficit guarantee.

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

(4) The Developer must either (i) have been selected through a competitive solicitation issued by the Land Owner or Master Developer, such as a Request for Qualifications (RFQ); or (ii) be the Land Owner. Applicants must state which applies and, if option (i) applies, provide the RFQ and the response, or a link to the RFQ and the response.

(5) Land Owner

Identify the Land Owner in Exhibit A.

Note: The Master Plan, the Master Developer, the Land Owner, and the Proposed Development will be described in greater detail within the narrative questions.

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

(1) Eligibility

The Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) (“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) Approval during 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) Designation of Priority 1 and 2 Applications

Principals of Applications in this RFA are limited to one Priority 1 Related Application submission in this RFA.

d. Management Company

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.

e. Authorized Principal Representative / Operational Contact Person

The Authorized Principal Representative identified in the Application (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 form section of Exhibit A; and (d) if funded, will be the recipient of all future documentation that requires a signature.

4. General Proposed Development Information

a. Development Name

b. The Development must be 100% new construction.

c. Characteristics of Development

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

(2) Enhanced Structural Systems Construction Qualifications

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

d. Unit Characteristic Chart

Complete the chart in Exhibit A of the RFA reflecting the appropriate breakdown reflecting the number of units within each of the Development Categories, Development Types, or ESS/non-ESS Construction.

5. Location

a. Indicate the county where the proposed Development will be located.

b. Provide the address of the proposed Development

c. State whether the proposed Development consists of Scattered Sites

d. Latitude/Longitude Coordinates

Provide the latitude and longitude coordinates for the Development Location Point, and all Scattered Sites, if applicable, stated in decimal degrees, rounded to at least the sixth decimal place.

e. Provide a copy of the Master Plan or, if the Master Plan is available on a public webpage, Applicants may provide a link to the public website where the Master Plan can be accessed and reviewed by the Corporation during the scoring process.

6. Number of units and buildings

a. Minimum Number of **Set-Aside Units** in the proposed Development and Minimum Number of Affordable Units Expected within the Master Plan

In this RFA, there is a minimum number of Set-Aside Units in the proposed Development and a minimum number of affordable units expected within the Master Plan. These minimums are based on the size of the county of the proposed Development.

| County | Minimum Set-Aside Units for the proposed Development submitted in this RFA | Minimum number of affordable units expected within the Master Plan |
|--------|---|--|
| Small | 100 | 240 |

| | | |
|--------|-----|-----|
| Medium | 200 | 320 |
| Large | 300 | 400 |

There is no maximum number of units.

- b. If there are existing occupied units and if the Development is funded, 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) 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

Note: If not requesting MMRB or local bonds with 4% Housing Credits, select “Live Local SAIL only” as the set-aside commitment in Exhibit A.

(2) Required Income Set-Aside Units

- (a) Income Set-Aside Commitments for proposed Developments that did not request Live Local SAIL only and those that did not select the Average Income Test

80 percent of the Development’s total units must be set aside at 60 percent AMI or less.

- (b) Income Set-Aside Commitments for proposed Developments that are requesting Live Local SAIL only or those that selected the Average Income Test

80 percent of the Development’s total units must be set aside at 80 percent AMI or less, but the Average AMI of the Qualifying Housing Credit Units cannot exceed 60 percent.

(3) Extremely Low-Income Units (ELI Units)

- (a) ELI Set-Aside Commitments for proposed Developments that did not request Live Local SAIL only and those that did not select the Average Income Test

At least 10 percent of the total units must be set aside to serve Extremely Low Income (ELI) Households. The requirement to set aside units for ELI Households refers to the ELI Area Median Income (AMI) level for the county where the proposed Development is located, as outlined on the ELI chart in the RFA.

Applicants that did not request Live Local SAIL only and those that do not commit to the Average Income Test 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, as further outlined in the RFA.

- (b) ELI Set-Aside Commitments for proposed Developments that request Live Local SAIL only or those that select the Average Income Test

If the Average Income Test is selected, at least 15 percent of total units must be set aside to serve ELI Households. The ELI AMI level will be 30%, regardless of county.

- (c) Link Units for Persons with Special Needs

With the exception of Developments financed with HUD Section 811, a United States Department of Agriculture RD program (“USDA RD”), Applicants must commit to set aside 50 percent of all of the ELI units as Link Units for Persons with Special Needs.

d. Unit Mix requirements

Units may have no more than four bedrooms and not more than 25 percent of the total units in the Development may consist of Zero Bedroom units.

e. Number of residential buildings must be provided

f. Compliance Period

All Applicants are required to set aside the units for 50 years, and may also choose to commit to an additional minimum 49-year extended affordability period, for a total affordability period of 99 years (“Perpetuity”), per Florida Statute 196.1978(4).

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 through October 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

All successful Applications will be required to demonstrate zoning, infrastructure (water, sewer, electricity and roads), and Environmental Site Assessment **as of Application Deadline**, for the entire proposed Development site, including all Scattered Sites, if applicable.

Successful Applicants will be required to demonstrate that all of these requirements were met by providing documentation outlined in Exhibit D of this RFA within 21 Calendar Days of the invitation to enter into credit underwriting. To demonstrate that these were in place as of the Application Deadline, the documents must be dated on or before the Application Deadline. The Corporation may **rescind** the award of any Applications that fail to meet this requirement.

8. Required Construction Features

All units are expected must meet all requirements as outlined in the RFA.

a. Federal Requirements and State Building Code Requirements

b. General Features

c. Accessibility, Adaptability, Universal Design and Visitability Features

d. Required Green Building Features for all Developments

Required features are outlined in the RFA.

In addition to the required features, proposed New Construction Developments must achieve one of the following: 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

Provide at least three of the resident programs: After School Program, Health and Wellness Program, Employment Assistance Program, Financial Management Program, Homeownership Opportunity Program.

10. Funding

a. SAIL

- (1) Eligible SAIL Base Loan Request Amount is limited to \$120,000 per unit.
- (2) ELI Funding Amounts

Applicants that request Live Local SAIL only or Applicants that commit to the Average Income Test will not be eligible for ELI funding.

All other 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.

The Total SAIL Request equals the SAIL Base Request in (1) plus the ELI Request in (2) above. The **Total** SAIL Request cannot exceed the lesser of \$25,000,000 or 25% of the Total Development Cost.

b. Tax-Exempt Bonds, if applicable:

- (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, if applicable

d. Development Cost Pro Forma

e. Developer Fee

- (1) The Developer Fee is 16% for Applicants requesting Live Local SAIL only
- (2) The Developer Fee is 18% for Applicants requesting Tax-Exempt Bond Financing and 4% Housing Credits

f. Leveraging

g. Florida Job Creation Preference

11. Impact Scoring

Describe the Master Plan for the project of regional impact. There should be a response associated with each bullet. Each of the bullet's responses will be awarded up to 20 points, and the maximum number of points awarded in this section will be 100 points. Note: To be eligible for funding, Applicants must score a minimum of 87.5% of the total points possible.

The Applicant should describe the Master Plan, including the parties responsible for initiating the creation of this project of regional impact, and include a copy of the plan as Attachment X, or a link to a public website where the Corporation can access the Master Plan

- Describe the Master Plan, including the geographic area of impact and all parties responsible for initiating the creation of the Master Plan project as well as all partners working on various components of the Master Plan.
- Describe the evolution of the Master Plan.
- Describe how the Applicant was selected to provide the affordable housing component of the Master Plan.

- Describe the affordable housing component of the Master Plan, and how the proposed development fits into the Master Plan.
- Describe how the Local Government will be participating in the Master Plan Development.

12. Credit Underwriting

13. Funding Selection Process

a. Sorting Order

The highest ranking Applications will be determined by sorting together all eligible Priority 1 Applications in the following order:

- Leveraging Classification (A/B)
- Florida Job Creation Preference
- Lottery

This same sorting order will then be applied to all Priority 2 Applications.

b. Selection Process

The highest-ranking eligible unfunded Priority 1 Application(s) will be selected for funding, subject to the Funding Test.

If funding remains and none of the Priority 1 Applications can meet the Funding Test, the highest-ranking eligible unfunded Priority 2 Application(s) will be selected for funding, subject to the Funding Test.

Exhibits to RFA

Exhibit A – Application

Exhibit B – Definitions used in RFA that are not defined in Rule

Exhibit C – Additional Information

1. Total Development Cost Limitation Test
2. Leveraging Classification
3. Florida Job Creation Funding Preference
4. Fees
5. Additional Requirements

Exhibit D – Timeline

Exhibit E – Additional Requirements for the Link Units for Persons with Special Needs

Exhibit F – intentionally omitted

Exhibit G - Tenant Selection Requirements

Other Important Information

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

Expected Timeline

Issue RFA:

July 1, 2024

RFA Due Date:

3:00 p.m. on July 17, 2024

Review Committee Meeting (make recommendations to Board)

2:00 p.m. on August 6, 2024