

Florida Housing Finance Corporation

Agenda for Workshop RFA 2024-305 Community Development Block Grant-Disaster Recovery (CDBG-DR) Financing for Affordable Housing Developments located in Hurricane Sally impacted Areas

January 17, 2024, 2:00 p.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

In September 2020, Hurricane Sally made landfall causing devastation in the Florida Panhandle. This Request for Applications (RFA) is open to Applicants proposing the construction of affordable housing utilizing Community Development Block Grant Disaster Recovery (CDBG-DR) funding for Developments in Hurricane Sally impacted counties and based on the available impact criteria and FEMA data. Florida was allocated CDBG-DR funding from the United States Department of Housing and Urban Development (HUD) for award under the Florida Department of Commerce Workforce Affordable Housing Construction Program. The proposed developments must help address the unmet need in the HUD-Designated Most Impacted and Distressed (“HUD-Designated MIDs”), or other areas impacted by the storms and deemed as a priority by the State that are not HUD MIDs (“State-Designated MIDs”).

- HUD-designated MIDs: Escambia and Santa Rosa
- State-designated MIDs: Bay, Okaloosa, and Walton

Applicants that are selected to receive 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 within twelve months of the date of the invitation to enter into credit underwriting.

Funding available

A. CDBG-DR Funding

Florida Housing Finance Corporation (the Corporation) expects to offer an estimated \$23,750,000 in funding for this RFA. The request amounts are outlined in Section 10 of this agenda.

\$19 million is expected to be awarded to HUD-Designated MIDs. At least \$4,750,000 is expected to be awarded to State-Designated MIDs.

B. Tax-Exempt Bonds and Non-Competitive Housing Credits, if applicable

Proposed Developments located in Bay or Escambia County must (i) consist of a minimum of 50 total units and a maximum of 300 total units; and (ii) request Tax-Exempt Bond Financing and Non-Competitive Housing Credits in conjunction with the request for CDBG-DR funding.

Applications of proposed Developments in Okaloosa, Santa Rosa, and Walton must consist of a minimum of 10 units. If a proposed Development in these counties consists of 50 units or less, the Application is only eligible for CDBG-DR Funding and not Tax-Exempt Bond Financing or Non-Competitive Housing Credits. If a proposed Development in these counties consists of at least 50 units, the Application has a maximum of 300 total units and may request either (i) CDBG-DR Funding only; or (ii) utilize Tax-Exempt Bond Financing and Non-Competitive Housing Credits in conjunction with the request for CDBG-DR funding.

¹ References to the RFA Webpage refer to <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/2024-305> which can be accessed [here](#).

For Applicants requesting Tax-Exempt Bond Financing and Non-Competitive Housing Credits, the Applicant will NOT utilize the Non-Competitive Application Package to apply for (i) Corporation-issued MMRB and the Non-Competitive Housing Credits or (ii) Non-Competitive Housing Credits to be used with Non-Corporation-issued Tax-Exempt Bonds (i.e. issued by 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). Instead, the Applicant is required to apply for the MMRB and/or Housing Credits as a part of its Application for the CDBG-DR funding.

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

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 or Elderly, Non-Assisted Living Facility (Non-ALF).

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) 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.

(4) Federal Funding Experience Preference

Applications will qualify for the Federal Funding Experience Preference if at least one Principal of the Developer entity, or if more than one Developer entity, at least one Principal of at least one of the Developer entities, demonstrates experience in the completion* of at least one rental housing development consisting of at least eight total units that was financed with federal funding and required all federal programs such as Davis Bacon requirements and Environmental Review requirements.

(5) Required General Contractor Experience

The General Contractor or qualifying agent of the General Contractor identified in the Application must have all of the following:

- Must have the requisite skills, experience and credit worthiness to successfully produce the units proposed;
- Must construct the proposed Development in accordance with the design plans and specifications as prepared by the licensed Architect;
- Must not have allowed required insurance to lapse and/or had insurance force-placed by a lender on any Florida Housing Development funded within the past five years;
- Must not be a General Contractor on a Development that was awarded HOME funding from any RFA issued by the Corporation in 2017 or earlier that has not had the final draw of HOME funds by Application Deadline;
- Must have been the General Contractor on the completion* of at least two developments, where each Development consists of a total number of units of no less than 50 percent of the total number of units in the proposed Development; and
- Either (i) must have Davis-Bacon experience using federal funding in at least one project**; or (ii) at least one of the completed developments described in (b) below must have been subject to Davis Bacon Requirements.

*Completion means the certificate of occupancy has been issued for at least one building.

**Experience with using any federal funding that includes Davis-Bacon Requirements such as CDBG funding on an infrastructure project.

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) Previous Submission Funding Preference

Applications that are proposing Developments in this RFA that were also submitted in other recent RFAs but unfunded will receive a preference in the selection process if the following criteria is met:

- The question at 12.b. of Exhibit A must reflect confirmation that the Development was submitted in one or more of the following RFAs but not invited to enter into credit underwriting:
 - o RFA 2022-201 Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties;
 - o RFA 2022-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits;
 - o RFA 2023-201 Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties; or
 - o RFA 2023-205 SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits.
- Documentation demonstrating that appropriate zoning, water, and sewer are available to the entire proposed Development site is submitted as part of the Application submission in this RFA*;
- The Development must be on the List of Previously Submitted but Unfunded Hurricane Sally Applications that is posted on the RFA Webpage;
- The Application in RFA 2022-201, 2022-205, 2023-201, or 2023-205 must have been designated as a Priority 1 Application;
- The Application number in RFA 2022-201, 2022-205, 2023-201, or 2023-205 must be provided;
- The Demographic Commitment of the proposed Development must be identical to the Demographic Commitment as the Application submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205;
- The number of units of the proposed Development must be equal to at least 90 percent of the number of units as the Application previously submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205;
- The Development Location Point and, if a Scattered Sites Development, the latitude and longitude coordinates of each site submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205 must be located on the same site(s) as the proposed Development. These coordinates do not need to be identical. Additionally, the size of the site(s) of the proposed

Development does not need to be identical to the Application previously submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205. The proposed Development site may be larger or smaller than the previously submitted Application if the other requirements are also met;

- At least one of the natural Principals for the Applicant disclosed on the Principal Disclosure Form submitted for the proposed Development must also have been a Principal for the Applicant disclosed on the Principal Disclosure Form submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205; and
- The Application submitted in RFA 2022-201, 2022-205, 2023-201, or 2023-205 was not invited to enter credit underwriting.

*The Corporation is proposing to include this bullet. Documentation requirements are outlined in Section Four, A.7. of RFA

d. Management Company

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.

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. Development Category

The proposed Development must be 100 percent new construction. Rehabilitation of existing units is not allowed.

c. Characteristics of Development

(1) Development Type (i.e., Garden, Duplexes, Quadraplexes, 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.

Any buildings with the Development Type of High-Rise (7 or more stories) shall qualify as "ESS Construction."

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.

e. Applicants must state whether construction has commenced as of Application Deadline. Note: If "Yes", all rules and regulations in 24 CFR Part 92, which includes cross-cutting Federal Regulations, will apply.

5. Location

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

- o HUD-designated MIDs: Escambia and Santa Rosa
- o State-designated MIDs: Okaloosa, Walton, Bay

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.

6. Number of units and buildings

a. Total Number of Units

Proposed Developments located in Bay or Escambia County must (i) consist of a minimum of 50 total units and a maximum of 300 total units; and (ii) request Tax-Exempt Bond Financing and Non-Competitive Housing Credits in conjunction with the request for CDBG-DR funding.

Applications of proposed Developments in Okaloosa, Santa Rosa, and Walton must consist of a minimum of 10 units. If a proposed Development in these counties consists of 50 units or less, the Application is only eligible for CDBG-DR Funding and not Tax-Exempt Bond Financing or Non-Competitive Housing Credits. If a proposed Development in these counties consists of at least 50 units, the Application has a maximum of 300 total units and may request either (i) CDBG-DR Funding only; or (ii) utilize Tax-Exempt Bond Financing and Non-Competitive Housing Credits in conjunction with the request for CDBG-DR funding.

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 for proposed Developments that are requesting MMRB or local bonds with Non-Competitive Housing Credits

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 Non-Competitive Housing Credits, select "CDBG-DR only" as the set-aside commitment at question 6.c.(1) of Exhibit A.

(2) Required Income Set-Aside Units

(a) Income Set-Aside Commitments for proposed Developments that are requesting CDBG-DR only and those that did not select the Average Income Test

100 percent of the units shall be rented to households (person or persons) with incomes at or below 60 percent of the Area Median Income (AMI).

- (b) Income Set-Aside Commitments for proposed Developments that select the Average Income Test

If the Average Income Test is selected, 100 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 are requesting CDBG-DR 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.

- (b) ELI Set-Aside Commitments for proposed Developments 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 units that are set aside below 50 percent AMI as Link Units for Persons with Special Needs.

d. Unit Mix

(1) Completing the Unit Mix Chart

The Applicant must 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.

(2) Unit Mix requirements

- (a) If the Elderly Demographic Commitment is selected, at least 50 percent of the total units must be comprised of one bedroom or Zero Bedroom Units, and no more than 15 percent of the total units can be larger than two-bedroom units.
- (b) If the Family Demographic Commitment is selected, not more than 25 percent of the total units in the Development may consist of Zero Bedroom units.
- (c) Florida Housing is considering a limit to the number of four-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.

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 May 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

The Ability to Proceed forms demonstrating zoning, electricity, roads, water, sewer/package treatment/septic tank are not required to be submitted until credit underwriting; however, one of the qualifications proposed for the Previous Submission Funding Preference is to submit these forms as part of the Application submission.

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 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

- a. If the Family Demographic is selected, provide at least three of the resident programs: After School Program, Health and Wellness Program, Employment Assistance Program, Financial Management Program, and Homeownership Opportunity Program.

New! – Family Resident Program

Health and Wellness Program

Applicant or its Management Company must provide, at no cost to the resident, on-site health and wellness services quarterly. Services should include, but not be limited to, clinical health care needs such as blood pressure monitoring, pulse, temperature, cholesterol, glucose and other wellness screenings, as well as health education and nutrition. Applicant or its Management Company must partner with community health care providers and provide the space for services to be delivered, including offices for a service coordinator, nurse and other health or social services providers. Space must also be provided for group health education.

- 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: Financial Management for Elders, Computer Training, Daily Activities, Assistance with Light Housekeeping/Grocery Shopping/Laundry, Resident Assurance Check-In Program.

New! - Elderly Resident Program

Financial Management for Elders

Applicant or its Management Company must provide, at no cost to the resident, a series of classes to provide residents training in various aspects of personal financial management on issues appropriate to elderly households. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. The topics should include, but not be limited to:

- Tax issues for elders and retirees
- Budgeting tips for fixed income households
- Avoiding scams that target elders

- Strategies to maximize Social Security benefits
- Preparing a will and estate planning

10. Funding

a. CDBG-DR Request Amount

The maximum CDBG-DR Loan Request Amount is limited to the lesser of the following:

- (1) \$7,000,000 per Development; or
- (2) Per unit limit based on bedrooms per unit:

| Per Unit FHFC Maximum Subsidy Limits | | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 0 BR | 1BR | 2 BR | 3 BR | 4BR |
| All Counties | \$155,709 | \$178,497 | \$217,058 | \$280,804 | \$308,233 |

b. Developer Fee

- (1) The Developer Fee is 16% for Applicants requesting CDBG-DR only
- (2) The Developer Fee is 18% for Applicants requesting Tax-Exempt Bond Financing and Non-Competitive Housing Credits

c. Leveraging

d. Florida Job Creation Preference

11. Uniform Relocation Act

12. Funding Selection Process

a. Funding Available

Florida Housing Finance Corporation (the Corporation) expects to have an estimated \$23,750,000 in CDBG-DR funding available for award.

- \$19,000,000 will be made available to fund HUD-Designated MID: Escambia and Santa Rosa
- \$4,750,000 at least will be made available to fund State-Designated MID: Okaloosa, Walton, Bay

Applications proposing Developments in HUD-Designated MID will be selected for funding only if there is enough CDBG-DR funding available within the HUD-Designated MID Funding to fully fund the Eligible CDBG-DR Request Amount, and Applications proposing Developments in State-Designated MID will be selected for funding only if there is enough CDBG-DR funding available within the State-Designated MID Funding to fully fund the Eligible CDBG-DR Request Amount.

b. Sorting Order

The highest scoring Applications will be determined by first sorting together all eligible Applications from highest score to lowest score, with any scores that are tied separated in the following order:

- Federal Funding Experience Preference
- Previous Submission Funding Preference
- Leveraging Classification (A/B/C) with new multiplier
- Florida Job Creation Preference
- Lottery

Eligible Applications of proposed Developments in the HUD-Designated MIDs of Escambia and Santa Rosa would be selected first, subject to the County Award Tally and Funding Test. If there are no Applications in Escambia and Santa Rosa that meet the Funding Test, the remaining HUD-Designated MID funding will be added to the State-Designated MID funding, and Applications of proposed Developments in the State-Designated MIDs of Bay, Okaloosa, and Walton will be selected for funding, subject to the County Award Tally and 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

Exhibit H –Credit Underwriting and CDBG-DR Program 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: | February 5, 2024 |
| RFA Due Date: | February 20, 2024 |
| Review Committee Meeting (make recommendations to Board) | 10:00 a.m. on March 14, 2024 |