

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2025-204 SAIL Financing for the Preservation of Elderly Developments

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four, A. 4. b. of the RFA as follows:

b. Development Category/ Rental Assistance (RA) Level

(1) Select one of the following Development Categories:

- Rehabilitation*
- Acquisition and Rehabilitation*

* For purposes of SAIL funding, this includes Substantial Rehabilitation.

If the proposed Development consists of Acquisition and Rehabilitation, with or without new construction (where the applicable new construction is for the building of units which will total less than 50 percent of the proposed Development's total unit count), and the Applicant is not requesting Corporation funding related to the acquisition, the Applicant should select Rehabilitation as the Development Category. However, the acquisition costs and sources must still be reflected on the Development Cost Pro Forma.

(2) Development Subcategory of Preservation

In this RFA, the proposed Development must meet the Development Subcategory requirements of Preservation, with or without Acquisition, listed below:

- (a) The proposed Development may consist of either (A) 100 percent Rehabilitation; or (B) a combination of new construction and Rehabilitation if less than 50 percent of the total new units are new construction;
- (b) The proposed Development must meet the definitions of Preservation, Rehabilitation and Substantial Rehabilitation in Rule 67-48.002, F.A.C.,
- (c) State the year built and the total number of units that will receive PBRA and/or ACC if the proposed Development is funded in Exhibit A;
- (d) The existing affordable development must be at least 75 percent occupied as of the Application Deadline, as verified in credit underwriting;

- (e) Rehabilitation expenses within one 24-month period for the building(s) being rehabilitated must meet the criteria for both items below:
 - (i) The estimated total amount of applicable development expenditures must meet the minimums provided in Section 42(e)(3) of the IRC; and
 - (ii) The estimated total amount of hard rehabilitation costs per unit must be greater than or equal to \$40,000.

The Corporation performs a calculation to verify these criteria are met and displays them within Exhibit A using the values within the Development Cost Pro Forma as identified below. The calculations are determined as follows:

Calculation information for (A) above:

To calculate the estimated total amount of rehabilitation expenses relative to Section 42.(e)(3) of the IRC: Begin with the eligible Development Cost (Column 1, Item C), subtract eligible Total Acquisition Costs of Existing Development excluding land (Column 1, Item B), add eligible Developer Fee on Non-Acquisition Costs (Column 1, found within Item D, subject to RFA limits). When the qualified basis attributable to such amount per low-income unit is required, multiply such amount by 1.3 if a basis-boost is applicable, or 1.0 if not, and then divide by the total number of units.

Note: Regardless of the number of buildings in the proposed Development, the calculation at time of application will be based on the Development as a whole. Rehabilitation expenses are amounts chargeable to the capital account related to the rehabilitation of a building which are exclusive of the costs associated with the acquisition of the building.

To calculate the adjusted basis of the acquired building:

Begin with eligible Total Acquisition Costs of Existing Development excluding land (Column 1, Item B), add eligible Developer Fee on Acquisition Costs (Column 1, found within Item D). However, if the first line item in Column 1, Item B (Acquisition Cost of Existing Development, excluding land, Existing Building(s)) is zero, then the adjusted basis of the building shall also be zero.

Calculation information for (B) above:

Calculate the estimated total amount of hard rehabilitation costs per unit, relative to Rule requirements: Begin with Total

Actual Construction Cost (Column 3, Item A1.1), add Hard Cost Contingency (Column 3, Item A1., subject to RFA limits) and divide the result by total units.

The Corporation performs a calculation to verify these criteria are met and displays the results within Exhibit A using the values within the Development Cost Pro Forma as identified below, as described in the above calculation information for (A) above.

For proposed Developments that qualify for a basis boost:

The qualified basis is determined by multiplying the estimated total amount of rehabilitation expenses calculated above by 1.3, then multiplying the result by the Total Set-Aside Percentage. The result is divided by the number of Set-Aside Units. The resulting amount is the qualified basis of the estimated rehabilitation expenses per low-income unit.

For proposed Developments that do not qualify for a basis boost:

The qualified basis is determined by multiplying the estimated total amount of rehabilitation expenses calculated above by the Total Set-Aside Percentage. The result is divided by the number of Set-Aside Units. The resulting amount is the qualified basis of the estimated rehabilitation expenses per low-income unit.

Note: Regardless of the number buildings in the proposed Development, the calculation at time of application will be based on the Development as a whole.

(f) Within 21 Calendar Days of the issuance of the Invitation to Enter Credit Underwriting, provide, as Attachment 4 to Exhibit A, a Rental Assistance Qualification Letter from HUD or RD, dated within 12 months of the Application Deadline, which includes the following information:

- Name of the Development *;
- Address of the Development;
- Year built**;
- Total number of units that currently receive PBRA and/or ACC;
- Total number of units that will receive PBRA and/or ACC if the proposed Development is funded;
- All HUD or RD financing program(s) originally and/or currently associated with the existing development; and
- Confirmation that the Development has not received financing from HUD or RD in the 20 years prior to the

Application Deadline where the rehabilitation budget was at least \$10,000 per unit in any year.

*For purposes of this provision, the Name of the Development may be the name at the time of the PBRA and/or ACC award.

** The Development must have been built at least 20 years prior to the Application Deadline to meet the definition of Preservation and must be built at least 30 years prior to the Application Deadline to receive the Age of Development funding selection preference.

(3) Rental Assistance (RA) Level Classification

(a) Rental Assistance Qualification Letter

All funded Applications will be held to the number of RA Units stated in the Rental Assistance Qualification Letter provided by the Applicant within 21 Calendar Days of the issuance of the Invitation to Enter Credit Underwriting. This requirement will apply throughout the compliance period, subject to congressional appropriation and continuation of the rental assistance program.

(b) Calculating the Rental Assistance (RA) Level

The total number of units that will receive rental assistance (i.e., PBRA and/or ACC) will be the basis of the Applicant's RA Level Classification. The Corporation will divide the RA Units by the total units, resulting in a Percentage of Total Units that are RA Units. Using the Rental Assistance Level Classification Chart below, the Corporation will determine the RA Level associated with both the Percentage of Total Units and the number of RA Units. The best rating of these two levels will be assigned as the Application's RA Level Classification.

Rental Assistance Level Classification Chart			
Rental Assistance Level	Percentage of Total Units that will receive Rental Assistance		Number of RA Units that will receive Rental Assistance
Level 1	All units (with the exception of up to 2 units)	or	At least 100 RA Units and greater than 50% of the total units
Level 2	Greater than 90.00%	or	At least 90 RA Units but less than 100 RA Units and greater than 50% of the total units
Level 3	Greater than 75.00%, equal to or less than 90.00%	or	At least 75 RA Units but less than 90 RA Units and greater than 50% of the total units
Level 4	Greater than 50.00%, equal to or less than 75.00%		N/A
Level 5	Greater than 10.00%, equal to or less than 50.00%		N/A
Level 6*	10.00% or less of the total units receive rental assistance		N/A

*Applications will be classified RA Level 6 if 10.00% or less of the total units will receive rental assistance or if the Applicant fails to meet the criteria outlined above.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies item 3. of the Exhibit D as follows:

3. Within 21 Calendar Days of the issuance of the Invitation to Enter Credit Underwriting, submit all of the following. Submission of all documents should be provided electronically to the Corporation at one time.
 - a. If awarded 4% Housing Credits, provide the name, mailing address and email address of the chief elected official of the local jurisdiction where the proposed Development is located;
 - b. If awarded 4% Housing Credits, provide notification of the Applicant's eligibility for acquisition credits per Section 42 of the IRC, if applicable;
 - c. Provide the Applicant's Federal Identification Number and the Employer Identification Number ("EIN") Certificate. If the number has not yet been obtained, the Applicant will be required to provide a copy of the completed, submitted application for that number.
 - d. For all successful Applications, demonstrate the following elements are available to the entire proposed Development site by providing the following:
 - (1) Appropriate Zoning. Demonstrate that the entire proposed Development site is appropriately zoned and consistent with local land use regulations regarding density and intended use or that the proposed Development site is legally non-conforming by providing the applicable properly completed and executed verification form:
 - (a) The Florida Housing Finance Corporation Local Government Verification that Development is Consistent with Zoning and Land Use Regulations form (Form Rev. 06-2023); or
 - (b) The Florida Housing Finance Corporation Local Government Verification that Permits are Not Required for this Development form (Form Rev. 07-2022).
 - Note: With regard to the terms "Rate of Growth Ordinance (ROGO)" and "Building Permit Allocation System (BPAS)," as used by different jurisdictions within the Florida Keys Area of Critical State Concern, for purposes of the verification forms outlined in (a) and (b) above, all references on these forms to "Rate of Growth Ordinance (ROGO)" shall be considered by the Corporation to have the same meaning as "Building Permit Allocation System (BPAS)."
 - (2) Demonstrate that water, sewer, electricity, and roads are available to the entire proposed Development site by providing the following:
 - (a) The properly completed and executed Florida Housing Finance Corporation Verification of Availability of Infrastructure form which is available on the RFA Webpage. Water and sewer forms have a revision

date of 07-2022 and electricity and roads have a revision date of 08-2020; or

- (b) Documentation from the service provider that contains the Development location and is dated within 12 months of the Application Deadline. The documentation may not be signed by the Applicant, by any related parties of the Applicant, by any Principals or Financial Beneficiaries of the Applicant, or by any local elected officials.
 - (3) Environmental Site Assessment. Provide the completed and executed Florida Housing Finance Corporation Verification of Environmental Safety Phase I Environmental Site Assessment form and, if applicable, the completed and executed Florida Housing Finance Corporation Verification of Environmental Safety Phase II Environmental Site Assessment form (Forms Rev. 07-2022) which are available on the RFA Webpage. Note: If a Phase II ESA is required, but has not been completed by the stated deadline, during the credit underwriting process, contact Corporation staff to request an extension for submission of the Phase II ESA form.
- e. Provide the identity of the remaining members of the Development Team (i.e., inexperienced co-Developer(s), General Contractor, Architect, Attorney, Accountant, and for Elderly ALF only, Service Provider), as outlined below. The team members so identified, and any future replacement thereof, must be acceptable to the Corporation and the Credit Underwriter;
- (1) Identify any inexperienced co-Developer(s) by providing the name, address, telephone and facsimile numbers, e-mail address, and the relationship of the co-Developer to the Applicant.
 - (2) Identify the General Contractor by providing the completed and executed Florida Housing Finance Corporation General Contractor or Qualifying Agent of General Contractor Certification form. Note: provide the prior experience chart, as outlined in the form.
 - (3) Identify the Architect by providing the completed and executed Florida Housing Finance Corporation Architect Certification form.
 - (4) Identify the Attorney by providing the completed and executed Florida Housing Finance Corporation Attorney Certification for Housing Credits form and the Florida Housing Finance Corporation Attorney Certification for MMRB, SAIL, HOME and/or other Gap Loans form.
 - (5) Identify the Accountant by providing the completed and executed Florida Housing Finance Corporation Certification of Accountant form.
 - (6) Identify the Service Provider by providing the completed and executed Florida Housing Finance Corporation Service Provider or Principal of Service Provider Certification form (for Elderly ALF Developments only).

The certification forms (Forms Rev. 08-2022) are available on the RFA Webpage.

- f. Provide a Tenant Selection Plan to the Corporation for review and approval. The Tenant Selection Plan Guidelines and Tenant Selection Plan Checklist can be found on the webpage <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive> (also available by clicking [here](#)). Exhibit G of the RFA also describes requirements for tenant selection policies. If a Development has a Housing Assistance Payment and/or an Annual Contributions Contract with HUD, HUD approval shall be demonstrated to the Corporation prior to the completion of the final credit underwriting report;
- g. Provide confirmation that the owner will submit the fully executed Link MOU for the Corporation's approval within nine months of the Invitation to Enter Credit Underwriting, as described in Exhibit E;
- h. Provide confirmation that all construction features committed to and proposed by the Applicant shall be located on the Development site;
- i. Confirmation that, if the proposed Development meets the definition of Scattered Sites, all Scattered Sites requirements that were not required to be met in the Application will be met, including that all features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both. If the Applicant indicates that the proposed Development does not consist of Scattered Sites, but it is determined during credit underwriting that the proposed Development does meet the definition of Scattered Sites, all of the Scattered Sites requirements must have been met as of Application Deadline and, if all Scattered Sites requirements were not in place as of the Application Deadline, the Applicant's funding award will be rescinded;
- j. Provide notification of the percentage of ownership of the Principals of the Applicant. Upon the Applicant's acceptance of the invitation to Enter Credit Underwriting, the Corporation will return the Principals of the Applicant and Developer(s) Disclosure Form that was part of the Applicant's uploaded Application. The Applicant will be required to enter the applicable percentages on the form and return the completed form to the Corporation;
- k. If awarded 4% Housing Credits, provide confirmation that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria), subject to the following:
 - (1) If syndicating/selling the Housing Credits, there are two exceptions to the preceding sentence. First, if there is a bridge loan proposal within the equity proposal that provides for bridge loan proceeds that equal at least 15 percent of the amount of total proposed equity to be provided prior to or simultaneous with closing of construction financing, the 15 percent criteria will be met. Second, if there is a separate bridge loan proposal from either the equity provider, any entity that is controlled directly or indirectly by the equity

provider, or a subsidiary of the equity provider's parent holding company, and the proposal explicitly proposes an amount to be provided prior to or simultaneous with the closing of construction financing that equals at least 15 percent of the total proposed equity to be paid stated in the equity proposal, the 15 percent criteria is met. Bridge loan proposals that are not within the equity proposal, though, must meet the criteria previously stated for debt financing with the exception that evidence of ability to fund does not have to be provided. The Applicant may include the proposed amount of the bridge loan as equity proceeds on the Construction or Rehabilitation Analysis and on the Permanent Analysis (Note: this 15 percent criteria must be reflected in the limited partnership agreement or limited liability company operating agreement); or

- (2) If not syndicating/selling the Housing Credits, proceeds from a bridge loan will not count toward meeting the 15 percent criteria;
- l. If there are existing occupied units as of Application Deadline, provide to the Credit Underwriter a plan for relocation of existing tenants. The plan shall provide information regarding the relocation site; accommodations relevant to the needs of the residents and length of time residents will be displaced; moving and storage of the contents of a resident's dwelling units; as well as the approach to inform and prepare the residents for the rehabilitation activities;
- m. If awarded 4% Housing Credits, and if the Applicant indicated that the proposed Development is the first phase of a multiphase Development, submit to the Corporation an opinion letter by a licensed attorney that the Development meets the definition of a "multiphase project" as defined in the Federal Register. The letter must also include: (a) the name of the declared first phase Development and the Corporation-assigned Application number, (b) the total number of phases and the projected Development name for each phase, (c) the total number of buildings in each phase, (d) the expected completion date for each phase, and (e) any other information as determined by the Corporation and stated in the Invitation to Enter Credit Underwriting;
- n. If awarded 4% Housing Credits, and if the Applicant indicated that the proposed Development is a subsequent phase of a multiphase Development, the Development's status as a subsequent phase will be verified in credit underwriting;
- o. If awarded 4% Housing Credits, provide confirmation that the limited partnership agreement or limited liability operating agreement will comply with the operating deficit reserve requirement outlined in Section Four A.10.c.(4) of the RFA;
- p. Provide the Rental Assistance Qualification Letter as outlined in Section Four, A.4.b.(2) of the RFA;
- pg. If the Applicant applied as a Non-Profit Applicant, provide the following:
 - (i) Demonstration of how the Non-Profit entity is materially and substantially participating in the predevelopment, management, and operation of the proposed Development throughout the compliance period, within the meaning of material

participation as defined in 26 USC §469, 26 USC §42, by submitting the Executive Director Certification of Non-Profit Entity Material Participation form (Rev. 09-2022); and

(ii) Demonstration of Non-Profit entity qualifications

(A) The IRS determination letter* demonstrating that the Non-Profit is organized under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code; and

(B) The articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing.

*In the event the Non-Profit entity is subject to a group exemption under the Internal Revenue Code, provide the IRS determination letter for the parent corporation, and the list of exempt entities from the IRS which includes the Non-Profit entity in this Application. If the list of exempt entities has not yet been issued by the IRS, provide a copy of the request from the parent corporation to the IRS requesting group exemption status for the Non-Profit entity named in this Application. The IRS determination letter for the parent corporation must meet the requirements of (ii)(A) above.

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