Questions and Answers for
RFA 2025-205 SAIL Financing of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bond Financing And 4% Housing Credits

1. It's unclear whether the Ability to Proceed forms (zoning, water, sewer, electricity, roads and Phase I verification) must be signed on or before the Application deadline. Compared to last year's RFA it no longer says the forms must be signed "as of the Application Deadline". Would you please clarify?

   Answer:

   The Ability to proceed elements need to be demonstrated within 21 Calendar Days of the issuance of the Invitation to Enter Credit Underwriting. The language from the prior year's RFA stating that the forms need to be signed as of the Application Deadline has been removed.

2. If an Ability to Proceed form was signed two years ago but is otherwise still valid, can that form be used?

   Answer:

   No. As stated in Section Four, A.7.b. of the RFA, the Applicant may include the Florida Housing Ability to Proceed Verification forms that were included in a previous RFA submission for the same proposed Development, provided (i) the form(s) are the correct versions posted to the RFA Webpage and as outlined in Exhibit D, (ii) **the forms are dated within 12 months of the Application Deadline**, (iii) none of the information entered on the form and certified to by the signatory has changed in any way, and (iv) the requirements outlined in this RFA are met.

3. Will I still be held to a 50% bond test or is it now a 25% bond test?

   Answer:

   The Development Cost Pro Forma of the Exhibit A includes an informational item for the Tax-Exempt 25% Test. It is not scored and was provided for informational purposes only. The 25% test is now in effect **for all transactions closing after 12/31/2025** and will be evaluated in Credit Underwriting.

4. Under Section 4.6 of RFA 2025-205, all proposed developments must contain at least five (5) units. Is there an exception for scattered-site projects and also rehabilitation developments?

   Answer:

   The RFA states that all buildings must consist of at least five units per building. There is no exception for Scattered Site Developments or rehabilitation Developments.

5. RFA 2025-205 establishes a Preservation Development Goal, requiring that the Demographic Commitment be Family and that the Development meet the definition of Preservation in Rule 67-48.002, F.A.C. Since most existing affordable housing developments are already subject to a FHFC-issued LURA or EUA, Rule 67-48.009(5)(d) appears to disqualify the very projects that could meet this goal. Please clarify on whether a Family Preservation development subject to an existing Florida Housing LURA or EUA is eligible for SAIL financing under this RFA.

   Answer:

   A development subject to an existing Florida Housing issued LURA or EUA is not eligible for SAIL funding in this RFA. Florida Housing is preparing to workshop concepts to preserve developments in our portfolio.

6. Are applicants prohibited from submitting the same project to multiple RFA's? i.e. the same project to 2025-212 and 2025-205.

   Answer:

   No. However, per the RFA:

   An Application will be deemed ineligible for funding if the Applicant has accepted an invitation to enter credit underwriting for the same Development (with the exception of funding awarded under the Predevelopment Loan Program (PLP) and/or the Elderly Housing Community Loan (EHCL) program) and, as of Application Deadline for this RFA, the funding has not been returned to the Corporation. If the acceptance to an invitation to enter credit underwriting occurs after the Application Deadline and before the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA. If the acceptance to an invitation to enter credit underwriting occurs after the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA and any funding awarded in this RFA will be rescinded and considered Returned Funding and disposed of according to Section Five B. of the RFA.

7. There appears to be no requirement for appraisal, market study, or Phase I Environmental. At what point will they be required?

   Answer:

   Per Rule 67-48.0072(10), F.A.C.

   (10) For Competitive HC, SAIL, and HOME Applicants, an appraisal report conforming to the Uniform Standards of Professional Appraisal Practice in effect at the time of the appraisal and reported in a comprehensive format, and a separate market study shall be ordered by the Credit Underwriter, at the Applicant's expense, from an appraiser qualified for the geographic area and development type not later

than completion of credit underwriting. The Credit Underwriter shall review the appraisal to properly evaluate the development property's financial feasibility. Appraisals which have been ordered and submitted by third-party credit enhancers, first mortgagors or Housing Credit Syndicators and which meet the above requirements and are acceptable to the Credit Underwriter may be used instead of the appraisal referenced above. The market study must be completed by a disinterested party who is approved by the Credit Underwriter. The Credit Underwriter shall consider the market study, the Development's financial impact on Developments in the area previously funded by the Corporation, and other documentation when making its recommendation of whether to approve or disapprove a SAIL or HOME loan, a Housing Credit Allocation, or a combined SAIL loan and Housing Credit Allocation or Housing Credit Allocation and HOME loan. The Credit Underwriter shall also review the appraisal and other market documentation to determine if the market exists to support both the demographic and income restriction set-asides committed to within the Application. For the Credit Underwriter to make a favorable recommendation, the submarket of the proposed Development must have:

(a) An average physical occupancy rate of 92 percent or greater; and,

(b) For Developments with new construction units, an average market rental rate, based on unit mix and annualized rent concessions, of 110 percent or greater of a 60 percent of Area Median Income rental rate.

The Florida Housing Finance Corporation Verification of Environmental Safety Phase I Environmental Site Assessment form requires a representative of the firm that performed the Phase I Environmental Site Assessment to execute the completed form.

8. If an Applicant is receiving a fee deferral from a local government, how are the Net Present Value and Contribution Amount calculated for the Local Government Verification of Contribution Form? No example is given in Section Four A.11.c.

   Answer:

   The examples are more specific to a loan; however, the fee deferral can be calculated using a similar manner as an interest only loan with a balloon payment where the interest is 0%.

   For instance, using a discount rate is 7.71%, a fee deferral can be calculated using the following:

   A Local Government will provide a deferred fee where the fee amount being deferred is $150,000 and it is being deferred for 60 months. The net present value of the stream of the balloon payments after 60 months, using a 7.71 percent discount rate, is $102,142.45. This is calculated by subtracting the net present value amount from the fee amount to arrive at the value of the contribution ($150,000.00 - $102,142.45 = $47,857.55 value).

9. In the ranking funding selection process, does County Tally prevail over applications' overall points/score?

   Answer:

   Throughout the selection process, the Corporation will prioritize eligible unfunded Priority 1 Applications that meet the Funding Test and are located within counties that have the lowest County Award Tally above other eligible unfunded Priority 1 Applications with a higher County Award Tally that also meet the Funding Test, even if the Priority 1 Applications with a higher County Award Tally are higher ranked, and above all Priority 2 Applications.

10. Does County Tally apply to the 1st or 2nd goal in the funding selection process under 5.a. (page 107)?

    Answer:

    The first Application selected for funding will be the highest-ranking Priority 1 Application that qualifies for the HUD Choice Neighborhoods Implementation Grant Goal. The second and third Applications selected for funding will be to meet the goal to fund one New Construction Application in Broward County and one in Miami-Dade County.

    If the Application selected to meet the HUD Choice Neighborhoods Implementation Grant Goal is in either Broward County or Miami-Dade County, this will have no effect on the selection of goals described in Section Five, B.5.a.(2) of the RFA.

11. Is ELI Loan funding eligible for Applicants which select the Average Income Set Aside requirement and are self-sourced?

    Answer:

    Applications that are deemed LDA Developments are ineligible for ELI Funding. All other Applications, including Self-Sourced Applicants and Applicants committing to the Average Income Test, are eligible for ELI Funding as outlined in Section Four, A.6.c.(2)(b)(iv) of the RFA.

12. In this example, can you confirm that the following is correct? A proposed development that is self-sourced, selected the Average Income Test set-aside commitment, and is requesting both HOME-ARP and ELI funding; would it need to set aside 5% at 30% (standard set-aside requirement), 5% for ELI Funding (e.g. at or below 50% AMI), and, if a Large County, 5 Units for Home-ARP at 22%?

    Answer:

    For a Self-Sourced Applicant that commits to Average Income Test to meet this eligibility requirement, at least 5% of the units must be set aside below 50% AMI.

For this same Applicant to qualify for ELI funding, there must be additional units set aside at 30% AMI. The Applicant will be eligible for ELI funding for each ELI Set-Aside unit that is in addition to the five percent of the total units below 50 percent AMI, not to exceed the lesser of (i) $1,000,000; or (ii) the maximum amount based on the ELI Set-Aside per unit limits for 10 percent of the total units.

Because this example is for an Application proposing a Development in a Large County, for this same Applicant to also qualify for HOME-ARP funding, the Applicant must commit to set aside an additional 5 units that were committed to serving 60% AMI (or higher if an adequate amount of 60 percent units are not available) as 22% Units. If it was for an Application proposing a Development in a Small or Medium County, for this same Applicant to also qualify for HOME-ARP funding, the Applicant must commit to set aside an additional 3 units that were committed to serving 60% AMI (or higher if an adequate amount of 60 percent units are not available) as 22% Units.

13. Does Build America, Buy America (BABA) apply to HOME-ARP funding?

    Answer: No.

14. Regarding subsection f. of Section 4.A.5. of the Application regarding Mandatory Distance Requirement: Do you respond to the second question when the answer to the first question (Does the proposed Development meet Mandatory Distance Requirement automatically) is "yes"?

    Answer:

    The first question in subsection f. of Section 4.A.5. of Exhibit A asks if the proposed Development meets the Mandatory Distance Requirement automatically. There are several ways to meet this requirement automatically as outlined in Section Four A.5.f.(1) of the RFA. If the Application meets the automatic qualifications, there is no need to answer the remaining questions in this section of the RFA as those are relevant to Applicants that do not meet the automatic qualifications.

15. On Page 71, Section Four.A.10.a(1)(a)(i) states "Self-Sourced Applicants are limited to a maximum SAIL request limit of $75,000 per unit; however, this may be further reduced if Permanent Sources that Cause Reduction in Maximum SAIL Request Amounts of Self-Sourced Applicants are provided*." Will a loan or grant included for the 5 point Local Government Contribution as described beginning on page 92 in Section Four.A.11 cause such a reduction?

    Answer:

    "Permanent Sources that Cause Reduction in Maximum SAIL Request Amounts of Self-Sourced Applicants" are permanent sources of funding that are not any of the following: Corporation funding, local HFA bond funding, Regulated Mortgage Lender funding, USDA RD funding, tax credit equity, Deferred Developer Fee, seller's notes for the acquisition of property, or self-sourced financing will cause the maximum SAIL request allowed to be reduced as outlined in Section Four, A.10.b.(2)(i) of the RFA. A loan or grant included for the 5 point Local Government Contribution that is reflected on the

Self-Sourced Applicant's construction/rehab sources of funding does not affect the maximum per unit SAIL Request; however, a loan or grant included for the 5 point Local Government Contribution that is reflected on the Self-Sourced Applicant's permanent sources of funding does cause a reduction in the maximum SAIL Request Amounts of Self-Sourced Applicants.

16. On Page 41 of the RFA Section Four.A.6.c(2)(b)(ii) for Self-Sourced Applicants states "The Applicant must set aside at least five percent of the total units below 50 percent AMI." Did FHFC intend to include units set at 50% AMI or below to pass threshold?

    Answer:

    No. To meet this requirement, the units must be <u>below</u> 50 percent AMI.

17. Because of the government shutdown, I'm having trouble getting a letter from HUD regarding the Rental Assistance Qualifying Letter needed for the Preservation Development Goal. Is there anything that can be submitted instead of the letter?

    To accommodate difficulties Applicants may experience in obtaining Rental Assistance Qualifications Letter, Florida Housing will issue a modification to this RFA, removing submission of the Rental Assistance Qualification Letter as a requirement for qualifying for the Family Preservation Development Goal and the Development Subcategory of Redevelopment. This letter must instead be submitted during the credit underwriting process.

Please Note: The Q&A process for RFA 2025-205 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2025-205.

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The Q and A responses are based on the information presented in the question and the terms of the RFA. The responses to the Q and A are provided as a courtesy and shall not be construed as scoring of an application. If there is any conflict between the response to a Q and A and the RFA itself, the terms of the RFA control. These Q and A responses apply solely to RFA 2025-205.