

# **Outline of Elderly Transformative Preservation (ETP) Demographic Criteria**

## **Preservation RFA 2015-104 -- March 26, 2015 Workshop**

### **Introduction**

In the Preservation RFA 2015-104 the Corporation expects to offer an estimated \$6,210,000 of Housing Credits for award to Applications from qualified Applicants proposing the preservation of existing affordable multifamily housing developments. This RFA will include an Elderly Transformative Preservation (ETP) goal to fund one (1) Development that is currently targeted to serve elderly and Frail Elderly residents, as described below. In addition to the Housing Credits, eligible ETP Applicants will be eligible to request up to \$2,000,000 in State Apartment Incentive Loan (SAIL) program income as gap financing.

The goal of financing such a property is to provide design and service supports to help elders stay in their homes as long as possible. The intent of the Elderly Transformative Preservation Demographic Commitment is to facilitate the availability of certain healthcare and supportive services on-site, but access to other services and resources off-site will be vital for residents to successfully age in place. The Corporation is seeking Applicants that are willing to develop and maintain the public and private sector partnerships necessary to ensure that on-site and off-site supports are robust and responsive to residents as they age and their needs change.

The RFA will ask Applicants seeking financing under this goal to provide narrative descriptions to be scored on the following items, as further described later in this outline:

- Experience operating and managing elderly rental housing with supportive services;
- Experience in providing 24 hour support to assist residents in handling urgent issues, and how this will occur;
- How access will be provided to enhanced resident community-based services, program and benefits coordination, as well as any prior experience;
- How access to on-site health and wellness services will be provided, as well as prior experience; and
- How access will be provided to obtain community-based services and resources.

The following is an outline of the Application criteria for the Elderly Transformative Preservation Demographic.

### **1. Applicant's Eligibility to Select the ETP Demographic Commitment**

To be eligible to select the ETP Demographic and compete for the ETP funding goal, the proposed Development must meet the qualifying conditions outlined in either a. or b. below. In addition, the proposed Development must meet the qualifying conditions outlined in c. through e. below.

- a. Proposed Development is currently in the Corporation's portfolio:

The proposed Development must be an aging property in the Corporation's portfolio that meets all of the following qualifying conditions as of the Application Deadline:

- (1) The existing Development must (i) currently comply with the Federal Fair Housing Act requirement to rent at least 80 percent of its total units to residents that qualify as Elderly pursuant to the Act and (ii) have an active Corporation-issued Land Use Restriction Agreement and/or Extended Use Agreement that reflects an Elderly Demographic Commitment;

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- (2) The existing Development must have received an award of funds or Housing Credits from the Corporation through an application submitted in 1998 or earlier under one or more of the following Corporation programs: SAIL, HOME and/or Housing Credits (Competitive or Non-Competitive);
  - (3) With respect to the award(s) identified in (2) above, the existing Development must have closed the SAIL or HOME loan or, for Housing Credits, been issued the applicable IRS Forms 8609; and
  - (4) The existing Development must not have closed on funding from HUD or RD after 2004 where the budget was at least \$10,000 per unit for rehabilitation in any year.
- b. Proposed Developments not currently in the Corporation's portfolio:

Proposed Developments that are not in the Corporation's portfolio must meet the following Preservation qualifying conditions:

- (1) Proposed Development must meet the definition of Preservation in Section 67-48.002, F.A.C.;
  - (2) Proposed Development must meet the definition of Rehabilitation in Sections 67-48.002 and 67-48.0075, F.A.C., including estimated qualified basis in Rehabilitation expenses per set aside unit within one 24-month period for the building(s) being rehabilitated must be at least \$25,000 per set-aside unit;
  - (3) The existing development must be at least 75 percent occupied as of the Application Deadline; and
  - (4) The Applicant must provide a letter from HUD or RD which includes the following information:
    - (a) Name of the Development\*\*;
    - (b) Address of the Development;
    - (c) Year built;
    - (d) Total number of units that **currently** receive PBRA and/or ACC;
    - (e) Total number of units that **will** receive PBRA and/or ACC if the proposed Development is funded;
    - (f) All HUD or RD financing programs **currently** associated with the existing development;
    - (g) The type of HUD or RD rental assistance that **will be** associated with the proposed Development;
    - (h) All HUD or RD financing programs that **will be** associated with the proposed Development; and
    - (i) Confirmation that the Development has not received financing from HUD or RD after 1995 where the rehabilitation budget was at least \$10,000 per unit in any year.
- c. The existing, eligible Development (i.e., meets the conditions outlined in a. or b. above) must currently have and will commit to provide 135 or more total units.

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- d. The existing, eligible Development does not contain and is not part of a Scattered Site Development.
- e. The Applicant must describe the subpopulation(s) of the individuals and/or families intended to reside in the proposed Development, by providing a detailed description of the resident household characteristics, needs, and preferences of the intended residents and how the proposed Development will meet those needs and preferences. This information will be used by the Corporation when reviewing and scoring how the proposed Development will assist the intended residents as described by the Applicant in the narrative descriptions provided in the Application (outlined in Item 2 below) will assist the intended residents.

#### **2. Narrative Scoring Items (Points)**

- a. Applicant's description of its experience in developing affordable housing targeted to Elderly and Frail Elderly residents, particularly housing that serves as a platform for supportive services to assist frail residents to age in place.
- b. Applicant's description of its experience operating and managing elderly rental housing including coordination between property management and services coordination staff and between on-site and off-site supportive services, case management and benefits. During the credit underwriting process, the Applicant will be required to develop and implement a plan for tenant outreach, marketing and selection. The plan must be approved by the Corporation.
- c. Applicant's description of 24-hour support to assist residents in handling urgent issues. During the credit underwriting process, the Development's owner and/or designated property management entity will be required to develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess and handle the call based on a resident's request and/or need. The written policies and procedure shall be reviewed and approved by the Corporation.
- d. Applicant's description of the enhanced resident community-based services, program and benefits coordination that will be provided in conjunction with public and/or private partnerships. During the credit underwriting process, the Applicant will be required to develop and implement a plan for coordination of on-site and community-based services and programs, as well as benefits. The plan, as well as the provider of this service, must be approved by the Corporation.
- e. Applicant's description of its commitment and capacity to work with public and/or private partners to provide a range of services on-site related to health and wellness services, focusing on: strong resident services coordination that helps residents identify and address their health and supportive service needs; on-site support with home and personal care needs; and engagement with health care entities to help coordinate and manage health care needs.
- f. Applicant's description of the access to community-based services. During the credit underwriting process, the Applicant must provide a copy of the commitment/formal partnership entered into by the Applicant with a transportation provider.

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#### **3. Set-Aside Commitments for ETP Demographic**

- a. Resident Age Set-Aside – 100 percent of the proposed Development’s total units must be set aside for residents age 62 year or older. As of the placed-in-service date for the proposed Development, this requirement will be deemed to be met with any existing residents that are younger than age 62; however, all new residents in each new household must be age 62 or older;
- b. Resident Income Set-Aside – the proposed Development at its option may retain the non-income restricted status of any units currently not set aside as income restricted in the existing Development, but all other units must be restricted at 60 percent or less of Area Median Income (AMI). If the existing Development currently does not have any non-income restricted set-aside units, then 100 percent of the proposed Development’s units must be restricted at 60 percent or less of the AMI;
- c. ELI Requirement - The Applicant must set aside 15 percent of the proposed Development’s total units for ELI Households. As of the place-in-service date for the proposed Development, this ELI Set-Aside requirement will be deemed to be met with any existing units occupied by residents with an AMI higher than the applicable ELI AMI; however, this ELI Set-Aside commitment must be met as new units are rented after the place-in-service date.

ETP Demographic Developments are eligible for SAIL program income as gap financing for the required 15 percent of the total units; and

- d. Frail Elderly Persons Set-Aside – The Applicant must set aside 20 percent of the proposed Development’s total units for Frail Elderly Persons. For purposes of this RFA, Frail Elderly Persons is defined as any person, 62 years of age or older, who needs assistance from community-based supportive or home health service providers to perform at least two (2) of the following activities of daily living: personal care, upkeep of the home, meal preparation, managing medications, shopping, managing finances and using transportation.

It is permissible for some of the units set aside to meet this requirement to be the same units set aside to meet the ELI requirement outlined in c. above. As of the place-in-service date for the proposed Development, this Frail Elderly Persons Set-Aside requirement will be deemed to be met with any existing units occupied by residents who do not currently meet this set-aside requirement; however, this Frail Elderly Persons Set-Aside commitment must be met as new units are rented after the place-in-service date.

- e. Total Affordability period - All Applicants are required to set aside the units for a minimum length of 50 years

#### **4. Relocation Plan**

During the credit underwriting process, the Applicant will be required to develop and implement a plan for relocation of existing tenants while rehabilitation is occurring.

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#### 5. Required Construction Features

- a. In the Application, the Applicant will be required to select at least 10 points worth of the following Green Building Features:
- Programmable thermostat in each unit (2 points)
  - Humidistat in each unit (2 points)
  - Water Sense certified dual flush toilets in all bathrooms (2 points)
  - Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)
  - Energy Star qualified roof coating (2 points) \*
  - Energy Star qualified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) \*
  - Eco-friendly cabinets – formaldehyde free, material certified by the Forest Stewardship Council or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)
  - Eco-Friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, 80% recycled content tile, and/or natural linoleum (3 points)
  - Energy efficient windows in each unit (3 points):
    - For all Development Types except Mid-Rise and High Rise: Energy Star rating for all windows in each unit
    - For Development Types of Mid-Rise and High Rise: **TBD**
  - Florida Yards and Neighborhoods certification on all landscaping (2 points)
  - Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

\*Applicant may choose only one option related to Energy Star qualified roofing

b. Additional Construction Features

The Applicant will be required to provide the following General Features, Accessibility, Universal Design and Visitability Features, and Green Building Features. These required construction features are in addition to the features selected by the Applicant in the Application.

(1) The following General Features must be provided:

- Termite prevention;
- Pest control;
- Full-size range and oven in all units;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV; and
- Number of full bathrooms in each unit of the proposed Development must be equal to or greater than the number of existing full bathrooms.

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#### (2) Accessibility, Universal Design and Visitability Features:

(a) As applicable, all common space and dwelling units of the proposed Development must meet all federal requirements and state building code requirements, including the following:

- 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

All Housing Credit Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 (“Section 504 and its related regulations”). To the extent that a Housing Credit Development is not otherwise subject to Section 504 and its related regulations, the Housing Credit Development shall nevertheless comply with Section 504 and its related regulations as requirements of the Housing Credit Program to the same extent as if the Housing Credit Development were subject to Section 504 and its related regulations in all respects. To that end, for purposes of the Housing Credit Program, a Housing Credit Allocation shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 and its related regulations for all Housing Credit Developments.

All units must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

(b) The Applicant shall commit, without exception, that all dwelling units shall have the following features:

- Primary entrance door shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Fifteen (15) percent of the units must have roll-in showers in the bathroom. This percentage cannot include fully accessible units;
- Horizontal grab bars in place around each tub and/or shower, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
  - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.1;
  - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.2;

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- If a roll-in shower is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 608.3.2;
  - Reinforced walls for future installation of horizontal grab bars in place around each toilet, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall);
  - Roll-out shelving or drawers in all bottom bathroom vanity cabinets;
  - Adjustable shelving in master bedroom closets (must be adjustable by resident);
  - In at least one of the kitchen's bottom or base cabinets, there shall be a large drawer that has full extension drawer slides;
  - Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level;
  - Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist;
  - At least 10 percent of the total dwelling units must provide mobility features that comply with the Residential Dwelling Units sections of the 2010 ADA Standards for Accessible Design; and
  - At least 5 percent of the total dwelling units shall provide the communications features that comply with the Residential Dwelling Units with Communication Features section in the 2010 ADA Standards for Accessible Design.
- (c) The following features must be incorporated to the maximum extent feasible within the scope of the rehabilitation work planned by the Applicant. The maximum extent feasible shall be determined by the scope of work, the capital needs assessment, the accessibility review, and the construction features that are affected by the rehabilitation work. Any major change affecting the features such as remodeling, renovation, rearrangement of structural parts or walls or full-height partitions requires compliance with accessibility requirements below. For the purposes of this RFA, normal maintenance, re-roofing, painting or wallpapering, or changes to mechanical and electrical systems are not considered alterations. Where an alteration affects a construction feature, accessibility is required to the maximum extent feasible.
- Toilets must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
  - Minimum of 60 inches diameter of unobstructed space in living room and one bedroom in order to provide adequate maneuvering and turning space for a person using a wheelchair or walker. This requirement means that 60 inches in diameter of unobstructed space shall be free of hard-constructed features and/or fixtures and does not apply to resident furnishings or possessions; and
  - Clear floor space of at least 30 inches x 48 inches outside swing of door as it is closed shall be provided at bathtub/shower fixtures. This clear floor space allows space for a parallel approach to the bathtub, as well as access for transferring into and out of the bathtub.

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### (3) Green Building Features:

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - Faucets: 1.5 gallons/minute or less,
  - Showerheads: 2.2 gallons/minute or less;
- Energy Star qualified refrigerator;
- Energy Star qualified ventilation fan in all bathrooms;
- In unit air conditioners must be Energy Star qualified or have a minimum SEER of *TBD*;
  
- Caulk, weather-strip, or otherwise seal all holes, gaps, cracks, penetrations, and electrical receptacles in building envelope; and
- Seal and insulate heating and cooling system ducts with mastic or metal backed tape.

### 6. Required Resident Programs

In the Application, the Applicant will be required to select at least two (2) of the following resident programs:

- Literacy Training
- Computer Training
- Daily Activities

### 7. Funding

a. Maximum Housing Credit Request Amount for the ETP Demographic is limited to:

	Column A	Column B
County / County Category in which the Development is to be Located	If Development is not located in a DDA or if the Application does not meet the RFA requirements to qualify as a QCT	HCA Bonus – If Development is located in a DDA; and/or if the Application meets the RFA requirements to qualify as QCT
Broward Hillsborough Miami-Dade Orange Palm Beach		\$2,110,000
Duval Pinellas	\$1,276,000	\$1,660,000
Medium County	\$1,155,000	\$1,510,000
Small County	\$825,000	\$1,070,000



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b. Maximum SAIL Gap Loan Request Amount is limited to the lesser of:

- \$2 million, or
- 25 percent of Total Development Cost

The SAIL gap loan shall be non-amortizing and have an interest rate of 1 percent over the life of the loan. The terms and conditions of the loan are further outlined in Rule Chapter 67-48, F.A.C.

c. Developer Fee / General Contractor (GC) Fee:

- Developer fee limited to 16 percent of Development Cost
- GC fee limited to 14 percent of actual construction cost

d. Other Non-Corporation Funding Proposals:

Documentation of other funding sources, including RD financing, if applicable, must be provided.

e. Per Unit Construction Funding Preference:

Applications that reflect an amount of at least \$32,500 per unit will qualify for the funding preference.

#### **8. Additional Application Information**

Proximity to Transit/Community Services and the Limited Development Area (LDA) conditions will not apply to the ETP Demographic. Applicants selecting the ETP Demographic will, however, be required to provide the following information in their Application:

a. Applicant Withdrawal Disincentive:

- (1) \$25,000 Application Withdrawal Cash Deposit, or
- (2) \$25,000 Letter of Credit

b. Applicant Information:

- (1) Name of Applicant entity formed for the proposed Development
- (2) Documentation that Applicant is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline
- (3) Whether Applicant is applying as a Non-Profit or For-Profit entity
- (4) Principals of the Applicant entity and for each Developer entity
- (5) Contact Person

c. General Developer and Management Company Information:

- (1) Developer(s):
  - (a) Name of each Developer

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- (b) Documentation that each Developer (that's not a natural person) is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline
- (c) General Developer experience (5 Points)

To be eligible for 5 points, both (i) and (ii) must be met:

- (i) A Principal of the Developer must demonstrate completion of at least three (3) affordable rental housing developments since January 1, 1995, at least one (1) of which must be an HC property completed since January 2005. If the Principal's experience was acquired from a previous affordable housing Developer entity, the Principal must have also been a Principal of that previous Developer entity as the term Principal was defined by the Corporation at that time; and
- (ii) Developer Experience Withdrawal Disincentive

No Principal named in this RFA for purposes of satisfying the Developer experience requirement outlined in (i) above is also listed as a Developer, Co-Developer or Principal of the Developer named on the Principals list of one or more of the 2014 Geographic RFAs (i.e., on Attachment 3 of RFA 2014 -114, RFA 2014-115, and/or RFA 2014-116) where such 2014 Geographic Application(s) is or has been withdrawn during the relevant time period described in the applicable previous RFA(s) such that the withdrawal results in a point reduction on future RFAs. For purposes of scoring this RFA, the Committee shall consider all such withdrawals that are made available to the Committee prior to the date that the Committee meets to make a recommendation to the Board.

Failure to meet the criteria of both (i) and (ii) above shall result in an award of zero points for General Developer experience.

#### (2) General Management Company

- (a) Name of Management Company
- (b) General Management Company experience – demonstrate experience in managing at least two (2) affordable rental housing properties for at least two (2) years each

The Management Company identified to meet this requirement and the Management Company used to earn points for the narrative description (outlined in Item 2.b.above) must be the same entity.

#### d. General Development Information:

- (1) Name of the Development proposed in this Application
- (2) County where proposed Development is located
- (3) Address of proposed Development

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(4) Development Category - the Applicant must select one (1) of the following:

- Elderly Transformative Preservation (less than 50% of the units are new construction); or
- Acquisition and Elderly Transformative Preservation (acquisition and less than 50% of the units are new construction)

(5) Development Type:

The Applicant must select one (1) of the following Development types. For purposes of determining the number of stories, each floor in the building(s) should be counted regardless of whether it will consist of retail, parking, or residential. For mixed-type Developments, indicate the type that will comprise the majority of the units in the Development.

- Garden Apartments (a building comprised of 1, 2, or 3 stories, with or without an elevator)
- Townhouses
- Mid-Rise, 4-stories (a building comprised of 4 stories and each residential building must have at least one elevator)
- Mid-Rise, 5 to 6-stories (a building comprised of 5 or 6 stories and each residential building must have at least one elevator)
- High Rise (a building comprised of 7 or more stories and each residential building must have at least one elevator)

(6) Total Number of Units in Proposed Development

(7) Total Number of Buildings with Dwelling Units

Note: Applications requesting SAIL funding must be for a proposed Development consisting of 5 or more dwelling units in each residential building.

(8) Ability to Proceed

The Applicant must demonstrate the following Ability to Proceed elements as of Application Deadline:

- (a) Status of site plan/plat approval;
- (b) That the site(s) is appropriately zoned; and
- (c) That electricity, water, sewer service, and roads are available for the proposed Development

e. Site Control:

The Applicant must demonstrate site control by providing one or more of the following:

- (1) Eligible purchase contract – Buyer must be Applicant for this proposed Development; term at least through December 31, 2015
- (2) Recorded Deed – Applicant must be sole grantee
- (3) Lease – Applicant must be Lessee; term at least 50 years after Application Deadline

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#### **9. Funding Selection Process**

a. Elderly Transformative Preservation (ETP) Goal:

The Corporation has a tentative goal to fund one (1) ETP Application. Only eligible Applications with the ETP Demographic will compete for the ETP funding goal.

b. Sorting Order:

The highest scoring Applications will be determined by first sorting all eligible Applications from highest score to lowest score, with any scores that are tied separated as follows:

- (1) First by the Application's points earned for its response provided in the RFA related to the Applicant's description of its experience in developing affordable housing targeted to Elderly and Frail Elderly residents, particularly housing that serves as a platform for supportive services to assist frail residents to age in place, with eligible Applications sorted from highest score to lowest score, with preference given to Applications receiving a higher score;
- (2) Next by the Application's Leveraging Classification (with Applications that receive the Classification of A listed above Applications that receive the Classification of B);
- (3) Next by the Application's eligibility for the Florida Job Creation Preference (with Applications that qualify for the preference listed above Applications that do not qualify for the preference);
- (4) And finally by lottery number, resulting in the lowest lottery number receiving preference.

Once an eligible Application is selected to meet the ETP goal, or if there are no eligible Applications that qualify for this goal, no further ETP Demographic Applications will be selected for funding in this RFA.