

**Florida Housing Finance Corporation  
Request for Applications (RFA) Workshop Agenda  
January 7, 2016, 2:00 p.m., Eastern Time  
227 North Bronough Street, 6<sup>th</sup> Floor Seltzer Conference Room,  
Tallahassee, Florida  
Call-In: 1 888 339.2688; Passcode: 195 749 52**

**RFA 2016-104 - SAIL Funding to Preserve Farmworker and  
Commercial Fishing Worker Housing**

***RFA Overview:***

In this RFA, Florida Housing Finance Corporation (the Corporation) expects to offer an estimated \$4,500,000 of State Apartment Incentive Loan (SAIL) funding to Applicants proposing the Moderate Rehabilitation/Substantial Rehabilitation or Acquisition and Moderate Rehabilitation/Substantial Rehabilitation of existing Farmworker or Commercial Fishing Worker Developments that are currently in the Corporation's portfolio and/or the United States Department of Agriculture Rural Development (RD) portfolio.

***RFA Requirements:***

**1. Applicant Certification and Acknowledgement form**

**2. Demographic Served**

a. Development Eligibility Requirements:

The existing Farmworker or Commercial Fishing Worker Development must be a property in the Corporation's portfolio and/or RD's portfolio that, as of Application Deadline, meets the following applicable qualifying conditions:

- (1) If the Development is in the Corporation's Portfolio (and may also be in RD's portfolio), it must meet the following qualifying conditions:
  - (a) As of the Application Deadline, the existing Development currently has at least 40 percent of its units set aside for the applicable Demographic (i.e., Farmworker or Commercial Fishing Worker residents) pursuant to an active Corporation-issued Land Use Restriction Agreement and does not have any waivers under consideration by the Corporation (either existing or pending) to lower the Demographic set-aside percentage below 40 percent;
  - (b) The existing Development must have received an award of funding from the Corporation through an Application submitted in 1999 or earlier under either the SAIL Program or the HOME Investment Partnerships (HOME-Rental) Program, and the applicable loan has closed;
  - (c) The existing Development must not have closed on funding from any source after 2004 where the budget was at least \$10,000 per unit for rehabilitation in any year; and
  - (d) The Development did not receive an award of SAIL funding under RFA 2014-117.

or

- (2) If the Development is in RD's Portfolio and is not also in the Corporation's portfolio, it must meet the following qualifying conditions:
  - (a) The location of the existing Development is NOT within a County or an area of a County that is included on the Limited Development Area (LDA) Chart set out at Section Four A.2.a.(2)(a) of the RFA;
  - (b) The Applicant selected the Farmworker Demographic;
  - (c) The existing Development must not have closed on funding from any source after 2004 where the budget was at least \$10,000 per unit for rehabilitation in any year; and
  - (d) As of the Application Deadline, the existing Development currently has at least 40 percent of its units set aside for farmworker residents, as defined by RD, pursuant to an active agreement through RD Section 514/516, does not have any waivers under consideration by RD (either short-term or permanent, existing or pending) to lower the farmworker set-aside percentage below 40 percent, and has received an award of RD Section 514/516 financing in 1999 or earlier.

To document that the proposed Development meets the above requirements, the Applicant must provide a letter from RD which includes the following information:

- Name of the Development (which may be the name at the time of the award of the RD financing);
- Address of the Development;
- Year built;
- All RD financing and/or rental assistance programs that will be associated with the proposed Development;
- Confirmation that there are no waivers under consideration by RD (either short-term or permanent, existing or pending) to lower the set-aside percentage below 40 percent;
- Confirmation that there is an active agreement through RD Section 514/516 for financing awarded in 1999 or earlier; and
- Confirmation that the existing Development has not closed on funding from RD after 2004 where the budget was at least \$10,000 per unit for rehabilitation in any year.

b. Demographic Population to be Served:

- (1) Applicants must select either Farmworker or Commercial Fishing Worker.
- (2) Applicants must provide a description of the subpopulation(s) of the individuals and/or families residing and/or intended to reside in the Development. This information will be considered by the Corporation when reviewing and scoring how the Applicant's responses to scored sections of the RFA will assist the intended residents. Applicants must provide a detailed description of the resident household characteristics, needs and preferences of the intended residents and how the proposed Development will meet these needs and preferences.

### **3. Applicant Information**

- a. Applicant Name.
- b. Evidence the Applicant is a legally formed entity qualified to do business in Florida as of Application Deadline.
- c. Whether applying as a Non-Profit entity.

Qualified Non-Profit Applicants that select the Development Category of Acquisition and Moderate Rehabilitation/Substantial Rehabilitation will be eligible for a higher Developer fee, as outlined in 12.c. below. During the credit underwriting process, such Applicants must meet the Non-Profit qualification requirements outlined in Section Four A.3.c. of the RFA

- d. Principals of the Applicant and for each Developer. Tentative Advance Review Process dates:
  - Applicants may submit Principals lists for review beginning on January 25, 2016;
  - Last date Applicants can submit Principals lists for review will be February 15, 2016; and
  - No stamped approved lists will be issued by the Corporation after close of business on February 22, 2016.
- e. Contact Person (the person with whom the Corporation will communicate regarding the proposed Development).

### **4. Developer and Management Company Information**

- a. Developer:
  - (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; and
  - (3) Required General Development Experience.
- b. Management Company:
  - (1) Name of Management Company; and
  - (2) Required General Management Company Experience.

### **5. General Development Information**

- a. Development Name, County and Address.
- b. Development Location Point:

All Applicants must provide a properly completed and executed Surveyor Certification of Development Location Point form (Form Rev. 12-14).

c. Number of Units:

- (1) The Applicant must state the total number of units in the existing development.
- (2) The Applicant must state the total number of units in the proposed Development.

The total number of units in the proposed Development cannot be less than 90 percent of the existing total number of units (rounded up to the next whole unit).

d. Development Category Selection:

- (1) Moderate Rehabilitation/Substantial Rehabilitation –

The Applicant may make this selection only if it is the current owner of the Development and will maintain ownership of the Development after the rehabilitation work is completed.

- (2) Acquisition and Moderate Rehabilitation/Substantial Rehabilitation –

The Applicant may make this selection only if it expects to acquire the existing Development and will maintain ownership of the Development after the rehabilitation work is completed.

For both (1) and (2) above, the minimum amount of actual rehabilitation costs shall be \$15,000 per unit. For Application purposes, this refers to line item A1.1. of the Development Cost Pro Forma.

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

e. Required Construction Features:

All Applicants must provide the required construction features, as follows:

- (1) Accessibility, Universal Design and Visitability features as outlined in Item 3.a. of Exhibit C; and
- (2) Green Building Features as outlined in Item 3.b. of Exhibit C.

**6. Site Control**

Applicants must demonstrate site control as of Application Deadline by providing an eligible contract (effective at least through September 30, 2016), a deed, and/or a lease (with a minimum 30 year term).

**7. Set-Aside Requirements**

a. Income Set-Aside Requirement:

The Applicant must set aside 100 percent of the proposed Development's total units at 60 percent AMI or less, of which at least 20 percent of the total units must be set aside at 50 percent AMI or less.

b. Demographic Minimum Set-Aside Requirement:

- (1) The Applicant must commit to set aside either 40 percent or 80 percent of the Development's total units to serve Farmworkers or Commercial Fishing Workers. The selected set-aside commitment will be included in the Land Use Restriction Agreement and must be retained throughout the affordability period.
- (2) Applicants that commit to set aside 80 percent of the total units for the selected Demographic population will be eligible to receive a more favorable interest rate for the SAIL loan (as further outlined in 12.a.(2) below).

c. ELI Set-Aside Requirement:

- (1) Applicants that commit to set aside 40 percent of the Development's total units must commit to set aside a minimum of 2 units for Extremely Low Income (ELI) Households.
- (2) Applicants that commit to set aside 80 percent of the Development's total units are not required to set aside any units for ELI Households.

d. Total Set-Aside Breakdown Chart:

The Applicant must list all income set-aside commitments (required set-asides and additional set-asides, including all required ELI set-asides) and the required total set-aside percentage. If the calculation of the total set aside units based on the Total Set-Aside Percentage results in less than a whole unit, the chart will automatically round to a whole unit.

e. Affordability Period:

- (1) If the Development is in the Corporation's Portfolio (and may also be in RD's portfolio), the Applicant must set aside the units for a minimum length of the greater of 30 years or the remaining term of the existing SAIL or applicable Corporation-issued HOME LURA. All restrictive covenants, inclusive of the income set-asides, associated with any existing LURA or EUA, except for the Farmworker or Commercial Fishing Worker Demographic set-aside commitment, will remain in effect.

or

- (2) If the Development is in RD's Portfolio and is not also in the Corporation's portfolio, the Applicant must set aside the units for a minimum length of 30 years.

**8. Current and Future Need for Farmworker or Commercial Fishing Worker Housing in the Area (Up to 10 Points)**

The Applicant must describe the current and expected future need for Farmworkers or Commercial Fishing Workers in the area, as well as the location and proximity of the jobs.

**9. Experience Operating and Managing Farmworker or Commercial Fishing Worker Housing (Up to 20 Points)**

The Applicant must identify the entity or entities that will carry out operations and management functions at the Development and describe its experience in managing such housing, including performing operations and management functions specific to the needs of the intended residents.

**10. Outreach, Marketing and Referral (Up to 30 Points)**

The Applicant must describe the outreach and other activities, beyond those required by this RFA, that are currently conducted, and/or will be conducted initially and on a continuing basis to market the Development to the focus population and general public and used to develop and retain an applicant pool of prospective Farmworker or Commercial Fishing Worker residents.

**11. Resident Access to Onsite and Offsite Programs, Services and Resources (Up to 30 Points)**

The Applicant must describe the availability of, and proximity to, services, programs, and resources for Farmworker or Commercial Fishing Worker households, both on the property and offsite, as well as other residents of the property.

**12. Funding:**

a. SAIL Loan for Proposed Development:

The SAIL loan may be used for costs to rehabilitate the property, general development costs, and Corporation fees, including the Developer fee, but may not be used for the construction of new multifamily rental units or to pay down the existing debt on the property.

(1) SAIL Loan Request Amount is limited to the lesser of:

- \$30,000 per unit;
- \$2,250,000 per Development; or
- 100 Percent of Total Development Cost (as shown on the Development Cost Pro Forma in the Application, as adjusted if applicable).

(2) SAIL Loan Interest Rate:

The SAIL Loan shall be non-amortizing and shall have the following interest rate structure:

- (a) 0 percent if the Applicant committed to set aside 80 percent of the total units for Farmworkers or Commercial Fishing Workers; or
- (b) 1 percent if the Applicant committed to set aside 40 percent of the total units for Farmworkers or Commercial Fishing Workers. This 1 percent interest rate shall also apply to any existing Florida Housing loan(s) that the Development may have, as outlined in b. below. The terms and conditions of the SAIL loan are further outlined in Exhibit D of the RFA.

If the Applicant commits to a minimum set aside of 80 percent of the total units for Farmworkers or Commercial Fishing Workers, but later determines that 80 percent is not feasible, the Applicant may request that the minimum set-aside be adjusted to 40 percent of the total units. [The request for an adjustment may be submitted no sooner than 3 years following loan closing.] The request for an adjustment must be in writing and include information or evidence sufficient to demonstrate that the 80 percent set-aside is not feasible. If such adjustment is approved by the Board, the interest rate going forward shall be adjusted to 1 percent and the amount of the accrued interest previously forgiven in 12.b.(1) below shall be re-imposed, as provided in 12.b.(2) below, as debt at a pro rata

amount per year based on the number of years that the 80 percent set-aside was not completed.

b. Existing Corporation Loan(s):

The principal balance of any existing Corporation loan(s) for the Development will be structured into the debt financing during credit underwriting, either as a refinance or allowed to remain in place, as determined by the Corporation and the Credit Underwriter. Accrued interest on any such existing loan(s) will be forgiven as of the date of closing on the financing awarded under this RFA, as follows:

- (1) If the Applicant commits to set aside 80 percent of the total units for Farmworkers or Commercial Fishing Workers, the accrued interest on the existing Corporation loan(s) will be re-calculated using a 1 percent accrual interest rate and will then be forgiven, subject to 12.a.(2) above; or
- (2) If the Applicant commits to set aside 40 percent of the total units for Farmworkers or Commercial Fishing Workers, the accrued interest on the existing Corporation loan(s) will be re-calculated using a 1 percent accrual interest rate and then one-half of the accrued interest on the existing Corporation loan(s) will be forgiven.

The rate of interest on the principal balance of such existing loan(s) shall be modified effective the date of closing to 0 percent or 1 percent per annum consistent with the rate of interest on the new funding awarded under this RFA (12.a.(2)(a) or (b) above, as applicable).

c. Developer Fee:

The maximum allowable Developer fee under this RFA shall be based on the following and will be tested during the scoring of the Application by multiplying the Development Cost by 10 percent or 16 percent, as applicable, rounded down to the nearest dollar.

- (1) 10 percent of Development Cost for:
  - (a) All For-Profit Applicants (i.e., Applicants that answer “No” to the Non-Profit question in the Application); and
  - (b) All Non-Profit Applicants that answer “Yes” to the Non-Profit question in the Application and select Moderate Rehabilitation/Substantial Rehabilitation as the Development Category.
- (2) 16 percent of Development Cost for Applicants that answer “Yes” to the Non-Profit question in the Application, select Acquisition and Moderate Rehabilitation/Substantial Rehabilitation as the Development Category, and qualify as a Non-Profit during the credit underwriting process, as outlined in Item 2.b.(3) of the Applicant Certification and Acknowledgement form.

The Corporation will allow up to 100 percent of the eligible Developer fee to be deferred and used as a source on the Development Cost Pro Forma without the requirement to show evidence of ability to fund.

d. Operating Deficit Reserves:

An operating deficit reserve cannot be included as part of Development Costs and cannot be used in determining the maximum Developer Fee.

- e. Non-Corporation Financing Proposals.
- f. Per Unit Rehabilitation Funding Preference:

Developments will qualify for the funding preference if the amount listed in the total column of the Development Cost Pro Forma (for Actual Construction Cost) divided by the total number of units in the proposed Development equals at least \$20,000 per unit.

### **13. Ranking and Funding Selection**

- a. Eligibility Requirements:

- Submission Requirements
- Development Eligibility Requirements
- Financial Arrearage Requirements
- Minimum Total Score of 60 Points
- All Mandatory Items

- b. Funding Goal:

The Corporation has a goal to fund one (1) Application for a property that is currently in the Corporation's portfolio.

- c. Funding Tests:

- (1) 100% Funding Test – an Application will be selected for funding if there is enough SAIL funding available to fully fund the Applicant's Eligible SAIL Request Amount.
- (2) 80% Funding Test – an Application will be selected for funding if there is enough funding available to fund at least 80 percent of the Applicant's Eligible SAIL Request Amount.

- d. County Award Tally:

As each Application is selected for tentative funding, the county where the proposed Development is located will have one (1) Application credited toward the County's Award Tally.

The Corporation will prioritize eligible unfunded Applications that meet the applicable Funding Test and are located in counties that have the lowest County Award Tally above other eligible unfunded Applications with a higher County Award Tally that also meet the applicable Funding Test, even if the Applications with a higher County Award Tally are higher ranked.

- e. Application Sorting Order:

All eligible Applications will be ranked by sorting the Applications from the highest scoring Application to the lowest scoring Application, with any scores that are tied separated as follows:

- (1) First by the Application's eligibility for the Per Unit Rehabilitation Funding Preference, with Applications that qualify for the preference listed above Applications that do not qualify for the preference;



- (2) Next by the Application's Eligible SAIL Request Amount per set-aside unit, with Applications that have a lower amount of SAIL funds per set-aside unit listed above Applications that have a higher amount of SAIL funds per set-aside unit;
- (3) Next by the Application's Eligible SAIL Request Amount as a Percentage of Total Development Cost, with Applications that have an amount of 90 percent or less listed above Applications that have an amount greater than 90 percent;
- (4) 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; and
- (5) Finally by lottery number, with Applications that have a lower lottery number listed above Applications with a higher lottery number.

f. Selection Process:

- (1) The first Application selected for funding will be the highest ranking eligible Application for a property that is currently in the Corporation's portfolio.
- (2) Once that Application is selected or if there is no eligible Application that meets the funding goal, the next Applications selected for funding will be the highest ranking eligible unfunded Applications, regardless of whether the property is in the Corporation's portfolio or RD's portfolio, that (i) can meet the 100% Funding Test and (ii) has a County Award Tally that is less than or equal to any other eligible unfunded Application.

If funding remains and there are no eligible unfunded Applications that can meet the 100% Funding Test, then the Corporation will select the highest ranking eligible unfunded Application that (i) can meet the 80% Funding Test and (ii) has a County Award Tally that is less than or equal to any other eligible unfunded Application.

If funding remains and there is no eligible unfunded Application that can meet the 80% Funding Test, then no further Applications will be selected for funding and the remaining funding will be distributed as directed by the Board.

**14. Tentative Time Line** (all dates are subject to change)

- February 5, 2016 – Issue RFA
- March 3, 2016 – RFA Due Date
- April 21, 2016 – Review Committee Meeting to make recommendations to the Board
- May 6, 2016 – Request Board approval of Review Committee's recommendations

**15. Other Discussion Topics**