

FLORIDA HOUSING FINANCE CORPORATION

Workshop Agenda – RFA 2016-115 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs

**October 11, 2016, 2:00 p.m., Eastern Time
227 N. Bronough Street, 6th Floor Seltzer Room, Tallahassee, Florida**

Call-In Information: 1-888-339-2688 Passcode: 137 064 38

1. Available SAIL Funding and Eligibility:

- a. Approximately \$16,100,000
- b. Eligibility
 - (1) This RFA is open to Non-Profit Applicants proposing new construction or acquisition and Rehabilitation/Moderate Rehabilitation/Substantial Rehabilitation to create new Permanent Supportive Housing for Persons with Special Needs.
 - (2) Preference will be given to 100 percent Non-Profit Applicants
 - (3) Developments in small counties are limited to a minimum of 4 units and up to a maximum of 15 units and Developments in medium and large counties are limited to a minimum of 10 units and up to a maximum of 30 units.
 - (4) The Application must meet a minimum score threshold in order to be eligible for funding.
 - (5) Group homes, Assisted Living Facilities, and other specialized licensed residential facilities, or units within a condominium complex are not eligible for funding.

Permanent Supportive Housing means affordable rental housing that is leased for continued occupancy for as long as the tenant complies with lease requirements. The lease must be a minimum of 7 months and have no limits on length of tenancy related to the provision or participation in supportive services. Permanent Supportive Housing shall facilitate and promote activities of daily living, access to community-based services and amenities, and inclusion in the general community. Permanent Supportive Housing shall strive to meet the needs and preferences of the intended households.

2. Demographic Commitment

- a. Applicants must specify the defined Persons with Special Needs population(s) they intend to serve:
 - (1) Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition that currently impairs or is likely to impair their physical mobility;

- (2) Persons receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits;
 - (3) Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a Disabling Condition which is defined in Section 393.063, F.S., that neither currently impairs nor is likely to impair their physical mobility, such as persons with a mental illness;
 - (4) Young adults formerly in foster care who are eligible for services under Section 409.1451(5), F.S.; and/or
 - (5) Survivors of domestic violence as defined in Section 741.28, F.S.
- b. The Applicant must also describe the Persons with Special Needs population(s) to be served. For example, a subpopulation might be Persons with a Disabling Condition who are chronically homeless with mental illness or veterans with brain or spinal cord injuries. 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. The Name of the Applicant entity must be provided.
 - (1) 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.
 - (2) The Applicant must provide the IRS determination letter demonstrating that, as of the Application Deadline, the Applicant entity is a Non-Profit organization under 501(c)(3) or 501(c)(4) of the IRC.
 - (3) The Applicant must provide the Non-Profit Applicant's Articles of Incorporation demonstrating that, as of the Application Deadline, one of the Applicant entity's purposes is to foster low-income housing.
- b. To be eligible for funding, the Non-Profit entity(ies) must receive a total of 25 percent of the Developer fee. Preference will be given to Applications wherein the Non-Profit entity receives 100 percent of the Developer fee.
- c. The Applicant must include a properly completed Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16).

To assist Applicants in completing this form, the Corporation offers a Continuous Advance Review Process. Information regarding the Continuous Advance Review Process is located on each individual RFA webpage.
- d. At a minimum, the Applicant must provide the name and e-mail address of the Contact Person.

4. General Developer and Operating/Managing Permanent Supportive Housing Experience

a. General Developer Information

- (1) The Applicant must provide the name of each Developer, including all co-Developers.
- (2) Each Developer entity (that is not a natural person) must be a legally formed entity qualified to do business in the state of Florida as of the Application Deadline.

b. General Developer Experience

The Applicant must demonstrate that at least one natural person Principal of the Developer entity, or if more than one Developer entity, at least one natural person Principal of at least one of the Developer entities, meets the General Developer Experience requirements.

- Since January 1, 1996, completed at least two (2) affordable rental housing developments;
- At least one (1) of the two (2) completed developments must consist of a total number of units no less than 50 percent of the total number of units in the proposed Development

For purposes of this provision, completed for the two (2) developments means (i) that a temporary or final certificate of occupancy has been issued for at least one (1) unit in one of the residential buildings, or (ii) if funded with Housing Credits, at least one (1) IRS form 8609 has been issued for one of the residential buildings.

c. Operating/Managing Permanent Supportive Housing Experience

- (1) If the Applicant intends to manage the Development, the Applicant must describe its experience in operating and managing Permanent Supportive Housing, including performing operations and management functions specific to the needs of the intended residents.
- (2) If the Applicant does not have experience or if the Applicant expects to use a management company, the Applicant must provide the name of the experience entity that will act as the management company and describe the management company's experience in operating and managing Permanent Supportive Housing. The experience should include the length of time spent operating and managing Permanent Supportive Housing and experience performing operations and management functions specific to the needs of the intended residents.

5. General Development Information

- a. Provide the name of the Development
- b. Provide the county where the proposed Development is located.
- c. Provide the address of the proposed Development
- d. Development Category:
 - (1) New Construction

(2) Acquisition with Moderate Rehabilitation/Substantial Rehabilitation

The proposed Development must not be currently required to serve Persons with Special Needs pursuant to written instrument, rule, regulation or law under which the proposed Development is contractually or otherwise legally obligated to provide Permanent Supportive Housing for Persons with Special Needs.

e. Development Type:

- (1) Garden Apartments (a building comprised of 1, 2 or 3 stories, with or without an elevator)
- (2) Townhomes
- (3) Duplexes
- (4) Triplexes
- (5) Quadraplexes

f. Concrete Construction

In order to qualify for a higher Total Development Cost per Unit Limitation, the proposed Development must qualify as concrete construction by meeting the following specifications: (1) new construction buildings must have the following poured concrete, concrete masonry or load-bearing masonry elements, as verified by a capital needs assessment: all exterior walls and structural elements, not to include roofs; and structural elements at and under the ground floor, as well as the ground floor itself; or (2) existing buildings proposed for rehabilitation must have, as of Application Deadline, the elements outlined in (1) above and the rehabilitation work must include these elements. These qualifying criteria specifically exclude face brick or brick veneer from qualifying as concrete construction for purposes of this RFA without the benefit of the qualifying material in (1) being utilized in the manner prescribed in (1).

g. Total Number of Units

- (1) Small County: minimum 4 units, maximum 15 units
- (2) Medium and Large Counties: minimum 10 units, maximum 30 units

h. Unit Mix

- (1) 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), the total number of units per bedroom type, and the number of units that are ELI Set-Aside units.
- (2) Two and three bedroom units may consist of Shared Housing, defined as a rental dwelling unit that is shared by Persons with Special Needs who are not related or significant others. Each resident must have non-exclusive access to shared living space, consisting at a minimum of a kitchen and a living/dining area. Each resident in a Shared Housing unit shall sign a separate lease and shall be considered a separate household for the purposes of determining compliance with set-aside commitments, income eligibility, and rent payments.

- (3) The maximum ELI funding amount per eligible ELI Set-Aside unit the proposed Development is eligible to receive is based on the information listed by the Applicant on the Unit Mix Chart.

6. Set-Aside Commitments and Compliance Period

Seventy-five (75) percent of the total units must be set-aside for Persons with Special Needs.

- a. Income Set-Aside Units
 - (1) 100 percent of the units shall be rented to households with incomes at or below 60 percent of the area median income (AMI)
 - (2) Applicants may rent units as Shared Housing, to allow unrelated persons the choice to share units.
- b. Required ELI Commitments
 - (1) Applicants must commit to set aside 20 percent of the total units in the proposed Development to serve Extremely Low Income (ELI) Households
 - (2) ELI units must be proportionately distributed across each Unit Mix
 - (3) A Development utilizing any type of federal or state administered project based rental assistance for a unit can apply the unit towards the requirement to set aside 20 percent of the total units as ELI units if the unit serves ELI Households. The Corporation will verify any project based rental assistance during credit underwriting and the ELI funding may be reduced, if necessary.
- c. Compliance Period Requirements
 - (1) Applicants must irrevocably commit to the Persons with Special Needs demographic commitment for a minimum of 30 years.
 - (2) Applicants must irrevocably commit to the income set aside commitment for a minimum of 30 years, except that Applicants must commit to the ELI set-aside commitment for a minimum of 15 years. After 15 years all of the ELI set-aside units may convert to serve residents at or below 60 percent AMI.

7. Site Control

- a. Eligible Contract – Buyer must be the Applicant for the proposed Development and must have a term that does not expire before July 31, 2017; and/or
- b. Recorded Deed or Certificate of Title – Applicant must be sole grantee; and/or
- c. Lease – Applicant must be Lessee and must have unexpired term of at least 30 years after the Application Deadline.

8. Ability to Proceed

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

- a. Status of Site Plan or Plat Approval;
- b. Appropriate Zoning;
- c. Availability of Electric;
- d. Availability of Water
- e. Availability of Sewer; and
- f. Availability of Roads

The Applicant must provide the Ability to Proceed Verification forms (Form Rev. 08-16). The Applicant cannot re-use any Florida Housing Ability to Proceed Verification form that was included in a previous RFA submission.

9. Required Design and Construction Features

- a. Federal Requirements and State Building Code Requirements:

All units of the proposed Development must meet all federal requirements and state building code requirements, including, but not limited to, the following:

- 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S.;
- Section 504 of the Rehabilitation Act of 1973;
- The Fair Housing Act as implemented by 24 CFR 100; 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.

- b. All units for the proposed Development must include:

- Termite prevention and pest control throughout entire Compliance Period;
- Full-size stove/range;
- Primary entrance door with a threshold with no more than a ½-inch rise;
- Lever handles on all door handles on primary entrance door and interior doors;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Mid-point on light switches and thermostats that are not more than 48 inches above finished floor level; and
- Window covering for each window and glass door inside each unit.

- c. All proposed Developments must include the following general features on the site. If the proposed Development meets the definition of Scattered Sites, the following general features must be located on each of the Scattered Sites:

- On-site laundry facility. If the proposed Development consists of 4 to 20 units, there must be a minimum of two (2) Energy Star qualified washers and two (2) dryers in the on-site laundry facility. If the proposed Development consists of 21 to 30 units, there must be a minimum of three (3) Energy Star qualified washers and three (3) dryers in the on-site laundry facility; and
- Community Building/dedicated space that includes:
 - At least one private office space with a door for resident purposes; and

- At least one enclosed training room with a door for resident purposes to conduct group training and educational activities for residents.
- d. Required Green Building Features for all Developments:
- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
 - Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Faucets: 1.5 gallons/minute or less,
 - Showerheads: 2.0 gallons/minute or less;
 - Energy Star qualified refrigerator;
 - Energy Star qualified dishwasher, if provided;
 - Energy Star qualified washing machine, if provided in units;
 - Energy Star qualified exhaust fans in all bathrooms; and
 - In-unit air conditioning: Minimum SEER of 15. Packaged units are allowed in studios and one bedroom units with a minimum of 13.8 EER.
- e. Accessibility, Adaptability, Universal Design and Visitability Features:

(1) Level 1 Accessibility Requirements

All Applicants that selected the Persons with Special Needs population of (i) Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a physical Disabling Condition; and/or (ii) A person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits shall be required to do the following:

- (ii) Set aside a minimum of 25 percent of the total units, rounded up, as fully accessible units in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Moderate Rehabilitation/Substantial Rehabilitation. These fully accessible units shall be on an accessible route and provide mobility features that comply with the residential dwelling units provision of the 2010 ADA Standards for Accessible Design; and
- (ii) Set aside at least an additional 10 percent of the total units to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Moderate Rehabilitation/Substantial Rehabilitation. The units that are accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling units with Communication Features in the 2010 ADA Standards for

Accessible Design; and

- (iii) Applicants that select the Development Category of Moderate Rehabilitation/Substantial Rehabilitation must submit a letter from a Florida licensed architect within 60 days of the invitation to credit underwriting confirming (i) that the architect reviewed the property as well as the design, plans and specifications for the proposed Development; and (ii) there are no known impediments preventing the proposed Development from meeting all of the requirements outlined in (i) and (ii) above. Failure to provide such a letter by the stated deadline shall result in the withdrawal of the award.

Further, the ability to meet the requirements in (i) and (ii) above will be verified in the credit underwriting process. If it is determined that the requirements described in (i), (ii) or (iii) above cannot be met, the award will be withdrawn.

(2) Level 2 Accessibility Requirements

All Applicants that did not select the Persons with Special Needs population of (i) Adult persons requiring independent living services in order to maintain housing or develop independent living skills and who have a physical Disabling Condition; and/or (ii) A person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits shall be required to do the following:

- (i) Set aside a minimum of five (5) percent of the total units, rounded up, as fully accessible units in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Moderate Rehabilitation/Substantial Rehabilitation. These fully accessible units shall provide mobility features that comply with the residential dwelling units provision of the 2010 ADA Standards for Accessible Design, and
- (ii) Set aside at least one (1) additional unit to be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design, regardless of whether the proposed Development consists of new construction or Moderate Rehabilitation/Substantial Rehabilitation. The unit(s) that is accessible to persons with visual and hearing impairments shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design; and
- (iii) If the Applicant selected the Development Category of Moderate

Rehabilitation/Substantial Rehabilitation, submit a letter from a Florida licensed architect within 60 days of the invitation to credit underwriting confirming (i) that the architect reviewed the property as well as the design, plans and specifications for the proposed Development; and (ii) there are no known impediments preventing the proposed Development from meeting all of the requirements outlined in (i) and (ii) above. Failure to provide such a letter by the stated deadline shall result in the withdrawal of the award. Failure to provide such a letter by the stated deadline shall result in the withdrawal of the award.

Further, the ability to meet the requirements in (i) and (ii) above will be verified in the credit underwriting process. If it is determined that the requirements described in (i), (ii) or (iii) above cannot be met, the award will be withdrawn.

10. Resident Community-Based Services Coordination

- The provision of community-based services coordination is required and will be the responsibility of the Applicant, but may be in conjunction with public and/or private partnerships as approved by the Corporation in credit underwriting.
- All proposed Developments will be required to assist interested residents with the coordination of their community-based services.
- The purpose is to assist each resident to become aware of, access and/or maintain adequate and appropriate community-based services and resources.
- It is not the intent for this resident service to take the place of services coordination already provided for a resident by a program and/or agency as part of their supportive services plan.
- The focus shall be to assist residents not receiving community-based services coordination by another program and/or agency, as well as to assist those residents who need additional assistance with coordination of community-based services.
- The approved provider of this service must have a minimum of three (3) years' experience administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the supportive services listed above have been oriented to the needs and preferences of each intended resident in assisting them to access services related to health care, independent activities of daily living, employment, income and housing.
- The provider of this resident service shall also provide, at credit underwriting, information demonstrating its mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing and experience in serving the intended residents.
- Community-based services coordination shall be offered and made available on-site and at no charge to the residents initially and regularly and resident participation shall be voluntary.
- If the proposed Development consists of Scattered Sites, the community-based services coordination shall be equally available to residents of each unit on each Scattered Site. Resident participation shall not be a requirement for new or continued residency.

- The Applicant shall commit to submit a services coordination plan at credit underwriting. The services coordination plan shall adhere to guidelines developed by the Corporation, in conjunction with state agencies, or their designee(s), that administer publicly funded supportive services for the intended residents.
- Property management and resident community-based services coordination should not be the responsibility of the same staff persons; the functions must be entirely separate.

11. Access to Community-Based Services and Resources (will be a scored item)

The ability of the intended residents to effectively and efficiently access community-based services and resources is vital to assist these households in obtaining and maintaining choice, independence and full inclusion in the community.

- a. Describe the general community-based services and resources that will be accessible to residents, such as shopping for groceries, medicine, clothing, and other household and personal items. Include other services such as public schools, higher education, training, employment, and financial literacy education.
- b. Describe access to community-based resources and services to address the specific healthcare and/or supportive services needs of each intended resident including, but not limited to, health and dental care, wellness programs, supported living coaching, counseling, and education or training.

12. Approach toward Income and Credit Status of Intended Individuals and Families Applying for Residency (will be a scored item)

Due to many of the intended residents' low incomes and lack of stability in the community, they often have issues that affect their ability to meet the income and credit requirements for residency in safe and decent rental housing.

Describe any selection criteria policies or approaches that will be used by the Applicant's property management to assist in determining a prospective resident household's eligibility for tenancy that takes into consideration a prospective household's income and credit history that normally affect their ability to lease safe and decent rental housing. The Applicant should also describe how the Applicant manages or will manage an approval for residency process that is broad and welcoming to new residents while it appropriately manages the safety of current residents and the operational success of the property.

13. Tenant Selection (will be a scored item)

- Describe tenant selection activities, beyond those required in the Fair Housing Act as implemented by 24 CFR Part 100, that will be conducted initially and on a continuing basis at the proposed Development.
- Describe the system that will be used for tenant screening and selection. State whether the tenant selection plan includes criteria other than "first come/first serve" such as duration/chronicity of homelessness, vulnerability, or high utilization of crisis services (examples only). If additional criteria will be used, describe them and how they will be applied. Identify any community organizations or agencies that the Applicant will work with to establish and manage a system of referring persons served by these entities to the

Development for tenancy, including any direct referral linkages and relationships between the proposed Development and community crisis response systems such as street outreach, drop-in centers, or emergency shelters, as appropriate.

- If the community in which the proposed Development is located uses a coordinated assessment system that matches vulnerable people with appropriate housing and services, describe the Development's role in that community system. If there is not a coordinated assessment system in the community for the intended population, describe how the proposed Development is otherwise integrated into community-wide networks of service planning, care coordination and stabilization for the intended residents.
- Specify how prospective residents will be identified and prioritized for the proposed Development. State whether there will be a waiting list and, if so, the procedures for selecting tenants from the waiting list. Describe how the waiting list will be maintained.
- State the criteria for eligibility to live at the proposed Development, including income qualifications, and the method by which the eligibility requirements will be communicated to the prospective tenant.
- Describe the information requested in the application for residency, including the amount of any application fees, and whether support or assistance is provided to prospective tenants in completing the application. List the supporting documentation needed to apply for residency, and how this is communicated to the prospective tenant.
- Indicate how the proposed Development's property management policies address issues that may impede access to housing other than income and credit approaches and describe any other related Best Practices that will be used in implementation of tenant selection policies and procedures.

14. Funding

- a. The Applicant's Eligible SAIL Request Amount is limited to the following:
 - (1) \$200,000 per unit, or
 - (2) \$3,000,000 per Development in a Small County, or \$4,900,000 per Development in a Medium or Large County.
- b. The SAIL loan shall be non-amortizing and shall have an interest rate of 0 percent. The terms and conditions of the SAIL loan are further outlined in Rule Chapter 67-48, F.A.C.
- c. All Applications are eligible for ELI gap funding for the required ELI Set-Aside units, not to exceed 20 percent of the total units.
 - (1) A Development utilizing any type of federal or state administered project based rental assistance for a unit(s) can apply the unit towards the requirement to set aside 20 percent of the total units as ELI units as long as the unit serves ELI Household, The Corporation will verify the project based rental assistance during credit underwriting and the ELI loan funding amount may be reduced, if

necessary.

- (2) The funding will be in the form of a forgivable loan in an amount per ELI Set-Aside unit that is dependent upon the proposed Development's unit mix and the county where the proposed Development is located.
- (3) The ELI Set-Aside units must be distributed across the unit mix on a pro-rata basis

d. Developer Fee / General Contractor Fee:

- (1) Developer fee shall be limited to a total of 21 percent of Development Cost. However, an amount equal to the difference between the total Developer fee and an amount equal to 16 percent of Development Cost must be placed in an operating deficit reserve account to be held by the Corporation or its servicer. Any disbursements from said operating deficit reserve account shall be reviewed and approved by the Corporation or its servicer. This portion of the total Developer fee is referred to as the operating deficit reserve proportion. Upon the expiration of the Compliance Period, any remaining balance may be drawn to pay down any outstanding Corporation debt on the proposed Development. If there is no Corporation loan debt on the proposed Development at the end of the Compliance Period, then any remaining balance in said operating deficit reserve account shall be placed in a replacement reserve account for the proposed Development. In no event shall the remaining balance in said operating deficit reserve account be paid to the Developer.

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.

The proportion of Developer fee above 16 percent used for the operating deficit reserve will not be included in whatever level of Developer fee is committed to the Non-Profit entity(ies).

- (2) General Contractor fee shall be limited to 14 percent of actual construction cost.

e. Other Non-Corporation Funding Proposals

Unless stated otherwise within this RFA, in order for funding, other than the Eligible SAIL Request Amount, Eligible ELI Loan Request Amount, and deferred Developer fee, to be counted as a source on the Construction/Rehab and/or Permanent Analysis, the Applicant must provide documentation of all financing proposals from both the construction and the permanent lender(s), and other sources of funding. The financing proposals must meet the criteria in the RFA.

15. Funding Selection Goal

The Corporation has a goal to fund one (1) Development located in a small/medium county and one (1) Development located in a large county.

16. Questions

17. Expected Timeline

Expected Issue Date: November 28, 2016

Expected Due Date: January 19, 2017