

FLORIDA HOUSING FINANCE CORPORATION
Workshop Agenda - RFA 2018-109 Development Viability Loan Funding

March 14, 2018, 10:00 a.m., Eastern Time
227 N. Bronough Street, 6th Floor Seltzer Room, Tallahassee, Florida

Call-In Information: 1-888-419-5570 Passcode: 423 836 36

1. Eligibility

a. Active Award of:

- 9 percent Housing Credits; or
- State Apartment Incentive Loan (SAIL) funding used in conjunction with (i) Tax-Exempt Bond financing (i.e., Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) or Non-Corporation-issued Tax-Exempt Bonds obtained through a public Housing Authority (established under Chapter 421, F.S.), or a County Housing Finance Authority (established pursuant to Section 159.604, F.S., or a Local Government) and Non-Competitive Housing Credits, or (ii) 9 percent Housing Credits.

b. Awarded through one of the following Requests for Applications: 2014-111, 2014-114, 2015-106, 2015-107, 2015-108, 2015-111, 2016-103, 2016-109, 2016-110, 2016-112, 2016-113, 2016-114, 2016-116, 2017-102, 2017-103, or 2017-107;

c. Must not have closed on their Limited Partnership Agreement, Tax-Exempt Bond financing, or any other Corporation funding as of Application Deadline;

d. Must not have recorded a Notice of Commencement with the appropriate local jurisdiction as of Application Deadline;

e. Must not have a final credit underwriting report as of Application Deadline;

f. Must defer at least 50 percent of Developer Fee

2. Related Applications and Priority Application Designations

Applicants may only apply for a maximum of two (2) Related Applications.

3. General Information

- a. Name of Development that has qualifying Active Award
- b. RFA number through which the Active Award was made
- c. Corporation-issued Application number for the Active Award
- d. Total number of New Construction and/or Rehabilitation units (may not be less than the total number of units committed to in the Original Application)

4. Eligible Viability Loan Funding Request Amount

- a. \$18,000 per set-aside unit for Developments serving the Homeless or Persons with a Disabling Condition demographic and \$15,000 per set-aside unit for Developments serving a demographic other than Homeless or Persons with a Disabling Condition; or
 - b. \$1,500,000 per Development serving the Homeless or Persons with a Disabling Condition demographic and \$1,250,000 per Development serving a demographic other than Homeless or Persons with a Disabling Condition;
 - c. If the Development is located in a small county, has a Development Category of new construction, and the total number of units in the Development is less than 60, the request amount is limited to a maximum of \$43,500 per unit or \$2,250,000 per Development;
 - d. A maximum of \$2.25 million or 2 Developments will be eligible to be awarded to any one Principal, as verified by the list of Principals submitted with the Original Application. In the event any one (1) Principal submits Related Applications that exceed a total of \$2.25 million, the award from the Related Application deemed Priority II will be reduced until the \$2.25 million maximum is met.
5. Viability Loan Sizing
- a. When added to the other Permanent Funding Sources, the Total Development Cost in this Application must equal the Total Permanent Funding Sources. The Total Permanent Funding Sources that will be used in this Application for this calculation will be the greater of any Permanent funding (Corporation and Non-Corporation) disclosed in the Original Application (exclusive of HC equity and deferred Developer Fee) and that which is disclosed on the Development Cost Pro Form provided with this RFA.
 - b. HC equity based on the greater of the Applicant's current Housing Credit price or \$0.90;
 - c. The greater of the stated deferred Developer Fee in this Application or 50 percent of the total Developer Fee, exclusive of any Operating Deficit Reserve portion that is a part of a 21 percent Developer Fee, which is equal to 5 percent of Development Costs.
 - d. During scoring, if the stated deferred Developer Fee exceeds 50 percent of the total Developer Fee and sources exceed the Total Development Cost and reflect a surplus, the portion of the deferred Developer Fee that exceeds 50 percent will be reduced until the surplus is eliminated. If a surplus exists when the deferred Developer Fee reflects 50 percent of the total Developer Fee, the Eligible Viability Loan Funding will be reduced until the surplus is eliminated. If a shortfall is discovered, the deferred Developer Fee will be increased to offset sizing to the extent available. If the Developer fee is 100 percent deferred and a shortfall still exists, the Applicant will be deemed ineligible.
6. Must provide a Letter of Intent from Housing Credit Syndicator/Equity Provider, dated not earlier than March 1, 2018, that states the proposed amount of equity to be provided.
7. Must provide a letter from the Housing Credit Syndicator/Equity Provider confirming that, as of Application Deadline, the Limited Partnership has not closed and acknowledging that at least 50 percent of the Developer Fee must be deferred.
8. Development Cost Pro Forma

The Applicant will submit a Development Cost Pro Forma detailing the uses and permanent sources.

9. Fees

The Applicant will be responsible for fees related to this loan, including, but not limited to, credit underwriting fees, commitment fees, compliance monitoring fees and loan servicing fees. These fees are in addition to any fees paid in relation to the Active Award.

10. Terms and Conditions

- a. Please review Exhibit C of the draft RFA
- b. Closing of the loan will be simultaneous with the closing of other Corporation funding. Applicants with an Active Award of only 9 percent Housing Credits must show evidence of closing the Limited Partnership Agreement before the closing of the Viability Loan Funding.
- c. Any additional loan and/or equity funding sources obtained after Board approval of the credit underwriting report through the end of the Compliance Period will be used to first reduce or payoff the Viability Loan Funding. Thereafter, a portion of the Viability Loan Funding will be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.10(15)
- d. The same minimum first mortgage requirements provided in Rule Chapter 67-48.0072(29)(g) utilized to size Housing Credits during credit underwriting and final cost certification will apply to this Viability Loan Funding.
- e. Term of the loan shall be 15 years after construction completion. The term of the loan may exceed 15 years if the lien of the Corporation's encumbrance is subordinate to the lien of another mortgagee, in which case the term may be made coterminous with the term of the superior loan or longer if required by the tax credit syndicator.
- f. Any existing SAIL loan award, for which a final credit underwriting report has not been issued, will be in subordinated lien position to this loan funding.

11. Loan Disbursements

Loan proceeds shall not be disbursed until a Final Cost Certification is approved by the Corporation.

12. Application Sorting Order

All Applications will be sorted into two (2) groups: Priority I Application Designation and Priority II Application Designation. Then, within each of the two (2) groups, the Applications will be sorted as follows:

- a. First, Applications with a demographic of Homeless or Persons with a Disabling Condition will be listed above Applications with a demographic other than Homeless or Persons with a Disabling Condition.
- b. Second, by the Application Deadline of each Request for Application identified in Section One where Applicants that have an Active Award are eligible to apply. That sorting order is as follows:

RFA	Application Deadline
2014-111	9-18-14
2014-114	1-25-15
2015-106	10-15-15
2015-107	11-5-15
2015-108	11-19-15
2015-111	12-4-15
2016-103	4-6-16
2016-109	10-20-16
2016-110	12-2-16
2016-114	12-15-16
2016-113	12-30-16
2016-112	1-6-17
2016-116	2-3-17
2017-102	3-23-17
2017-103	4-20-17
2017-107	10-23-17

- c. Third, by the percentage resulting from the Applicant’s Eligible Viability Loan Funding Request Amount divided by the maximum award amount the Applicant is eligible to request, rounded to two (2) decimal places of the percentage. Applications will be listed in ascending order beginning with the Application with the lowest percentage and ending with the Application that has the highest percentage.
- d. Fourth, by the Application’s eligibility for the Florida Job Creation Funding Preference (with Applications that qualify for the preference listed above Applications that do not qualify for the Preference); and
- e. Finally, by lottery number, with the lowest lottery number receiving preference.

13. Funding Selection

- a. The first Application selected for funding will be the highest ranking eligible Application in the Priority I Application Designation group.
- b. The next Application(s) selected for funding will be the highest ranking eligible Application(s) in the Priority I Application Designation group that can be fully funded.

- c. If funding remains and there are no eligible unfunded Application(s) in the Priority I Application Designation group that can be fully funded, the funding selection will continue in the same manner with the Priority II Application Designation group.
- d. If funding remains and there are no eligible unfunded Applications remaining, no further Applications will be considered for funding and any remaining funding will be distributed as approved by the Board.

14. Timeline

RFA Issue Date: March 22, 2018
Application Deadline: April 9, 2018
Review Committee Meeting: April 16, 2018
Board Meeting: May 4, 2018

15. Questions