

**Florida Housing Finance Corporation
Request for Applications (RFA) Workshop Agenda
November 2, 2018, 2:00 p.m., Eastern Time
227 North Bronough Street, 6th Floor Seltzer Conference Room,
Tallahassee, Florida
Call-In: 1-888-339-2688; Passcode: 864 841 46**

**RFA 2019-101 – CDBG-DR Financing of Workforce Housing
Developments to be used in Monroe County**

Section One - Introduction

Under this RFA, an estimated \$20 million Community Development Block Grant – Disaster Recovery (CDBG-DR) Program funding will be made available for construction of affordable housing (Development Funding) PLUS an additional \$10 million in CDBG-DR Funding will be made available for acquiring land that will be affordable in perpetuity for Developments that help address the unmet affordable housing need in Monroe County (Land Acquisition Program Funding). This workshop is specifically for Monroe County Developments.¹

Who can apply

The Applicant Entity is a single purpose legal entity. A ‘legal entity’ means either a legally formed corporation, limited partnership or limited liability company with a management and ownership structure. All loan documents, some site control documents (depending on the type of funding request) and other legal documents must be in the name of the Applicant Entity. The difference between Priority I and Priority II applications for funding request amounts and funding selection will be addressed later in the workshop, but for the purpose of who can apply for funding with regard to Applicant Entity structure, the following is a distinction between Priority I and Priority II:

- Priority I Applications are those Applications that commit to an affordability period of perpetuity and must have an Applicant entity with an ownership structure that includes a Local Government, PHA or a Land Trust²/Authority where the Local Government, PHA or Land Trust/Authority holds 100% ownership interest in the land and Development, or with an ownership structure that includes a Joint Venture between a Local Government, PHA or Land Trust/Authority and a for profit or non-profit entity where the Local Government, PHA or Land Trust/Authority holds 100% ownership interest in the land.
- Preference within Priority I Application funding selection will be given to:
 - 1) Applications where the Local Government, PHA or Land Trust/Authority holds 100% ownership in the Development; and
 - 2) Applications that include a joint venture between a Local Government, PHA or Land Trust/Authority and a qualifying 100% Non-Profit entity³ that holds 100% ownership in the Development.

¹ Information in this Agenda is subject to change.

² Including Community Land Trusts.

³ Notwithstanding Rule 67-48.004(-), F.A.C., for purposes of this RFA, a qualifying 100% Non-Profit entity means: an entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis.

- Priority II Applications have no Applicant ownership structure restrictions, other than the ‘single purpose legal entity’ requirement set forth above, and are those Applications committing to an affordability period less than perpetuity.

Funding Available

The Maximum CDBG-DR Request Amount is limited to the lesser of the Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County as calculated below, or up to \$8,000,000 in Development Funding plus up to \$5,000,000 in Land Acquisition Program Funding. The Total Maximum Per Unit CDBG-DR Rental Subsidy Limit applies to the total request amount for Applicants seeking Land Acquisition Funding in addition to Development Funding.

Estimated total CDBG-DR funding amount of \$30,000,000, to be divided as follows:

- \$20,000,000 in Development Funding (Priority I and Priority II Applications)

Up to \$8,000,000 of Development Funding can be used for all aspects of creating Workforce Housing in Monroe County, including land acquisition, whether the Application qualifies as a Priority I Application or Priority II Application.

- \$10,000,000 in Land Acquisition Program Funding (Priority I Applications only)

Additional funding may be necessary to make Developments viable due to the scarcity and cost of land in Monroe County. In addition to the requested Development Funding, Priority I Applicants may request up to \$5,000,000 to assist with land acquisition costs if the Application meets the requirements to be designated a Priority I Application as set forth below.

Priority I Applications will receive preference in the overall funding selection process.

Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County

- \$141, 088 per Zero Bedroom Unit
- \$161, 738 1 Bedroom Unit
- \$196, 672 per 2 Bedroom Unit
- \$254, 431 per 3 Bedroom Unit
- \$272, 085 per 4 Bedroom Unit

Priority I and II Designations

1. To qualify as a Priority I Application, all of the following must apply:

- The Applicant ownership structure must include a Local Government, PHA or a Land Trust/Authority where the Local Government, PHA or Land Trust/Authority holds 100% ownership interest in the land and Development, or with an ownership structure that includes a Joint Venture between a Local Government, PHA or Land Trust/Authority and a for profit or non-profit entity where the Local Government, PHA or Land Trust/Authority holds 100% ownership interest in the land. Note, there is a funding selection preference among Priority I Applications, as referenced above.
- The Applicant must either:
 - (i) Apply and qualify for both Land Acquisition Program Funding to facilitate the Local Government, PHA or Land Trust/Authority purchase of land or to be reimbursed for land that was purchased within three months prior to the Application Deadline; or

- (ii) If the Applicant is not seeking Land Acquisition Program Funding, the Local Government, PHA or Land Trust/Authority must own land that is not currently affordable and commit to making the land affordable into perpetuity and used for Workforce Housing;
 - Applicant must also request Development Funding;
 - The land must be used for Workforce Housing;
 - The land must be owned by the Local Government, PHA or Land Trust/Authority and leased to the Applicant Entity that develops the Workforce Housing;
 - The land must remain affordable in perpetuity.
2. To qualify as a Priority II Application, all of the following must apply:
- The land must be used for Workforce Housing;
 - The Applicant may apply for a maximum of \$8,000,000 or Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County in Development Funding (which may include land acquisition expenses if not seeking Land Acquisition Program Funding);
 - The land must remain Workforce Housing for a minimum of 50 years.

Priority II Applications will be selected only if Development Funding remains after selecting all Priority I Applications.

Section Two – Definitions

All capitalized terms will be defined in Rule Chapter 67-60, F.A.C. or Exhibit B of the RFA.

Section Three – Submission Requirements

1. The Applicant must download and complete the Application, the Development Cost Pro Forma, and the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16) (“Principals Disclosure Form”).
2. In addition to the three documents described in a. above, the Application Package also includes one copy consisting of all of the applicable completed Attachments described in the RFA (“All Attachments Document”).
3. After successfully logging in, the Applicant must click “Upload Application Package” and upload all documents.
4. One printed copy of the complete Uploaded Application with all applicable attachments must be labeled “Original Hard Copy” and must include the required non-refundable Application fee.

The Application Fee for Applicants that include qualifying 100% Non-Profit Applicants is \$1,500.

The Application fee for all other Applicants is \$3,000.

Section Four – Information to be Provided in the Application

1. The Applicant must include a signed Applicant Certification and Acknowledgement form to indicate the Applicant’s certification and acknowledgement of the provisions and requirements of the RFA.

2. Demographic Commitment must be Workforce, serving the general population.

3. **Applicant/Developer/ Contact Person/Management Company**

a. Applicant

The Applicant Entity is a single purpose legal entity. A ‘legal entity’ means either a legally formed corporation, limited partnership or limited liability company with a management and ownership structure. Reminder, one of the qualifications of Priority I Applications is that the Applicant ownership structure includes either a Local Government, PHA or a Land Trust/Authority, or a Joint Venture Applicant entity with a Local Government, PHA or a Land Trust/Authority with a partner that is a for profit or non-profit entity.

b. Developer

Provide the name of each Developer and provide evidence that each Developer is a legally formed entity qualified to do business in Florida as of Application Deadline. A developer is any individual, association, corporation, joint venture, or partnership which possesses the skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.

Federal Funding Experience Preference (tiebreaker in funding selection)

Applications with more than 10 units will qualify for this funding preference if the Developer demonstrates experience in the completion of at least one development consisting of at least 10 total units that was financed with federal funding and required all federal programs such as Davis Bacon requirements and Environmental Review requirements. This preference will only apply to finding selection among Applications with more than 10 units.

c. Principal Disclosure Form for the Applicant and for each Developer (**5 points**)

Applicant may earn 5 points by submitting a Principals Disclosure Form that was approved during the Advance Review Process. The Continuous Advance Review Process is now open and can be accessed on page <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019/2019-101> (also available by clicking [here](#)).

d. Authorized Principal Representative / Operational Contact Person

The Authorized Principal Representative identified in the Application **MUST** be a Principal of the Applicant and **MUST** sign the Applicant Certification and Acknowledgement form and the Site Control Certification form. The Operational Contact Person is optional.

e. The Applicant must provide the name of the General Management Company for the Development.

4. **General Proposed Development Information:**

a. Development Name

- b. The Development Category must be New Construction; Acquisition and New Construction; Redevelopment; or Acquisition and Redevelopment. Rehabilitation of existing units is not allowed.
- c. Development Type (i.e., Single Family Homes including modular homes that are installed by certified contractors, Townhouses, Duplexes, Quadraplexes, or Garden Apartments (a building comprised of 1, 2 or 3 stories, with or without an elevator), and Mid-Rise (4, 5 or 6 stories).
- d. Resiliency Preference (tiebreaker in funding selection)
 - (1) To qualify for the Resiliency Preference by qualifying for “Enhanced Structural Systems Construction” or “ESS Construction”, the proposed Development must meet at least one of the specifications listed below.

- (a) For all new construction buildings with the Development Type of Garden Apartment, or Mid-Rise (4, 5 or 6 story), as applicable, all of the following structural elements must consist of 100 percent poured concrete/masonry, 100 percent steel, or a combination adding up to 100 percent of concrete/masonry and steel, as verified during credit underwriting: all exterior walls and other external load-bearing elements, as well as the floor of the lowest story of the building that contains residential, commercial or storage space (other than parking), and any under-floor/under-ground supports for that lowest story’s floor.

- (b) Any new construction buildings with the Development Type of Mid-Rise (4, 5 or 6 story) that utilize a ESS Podium Structure shall qualify as “ESS Construction.” New construction buildings of other Development Types that utilize a ESS Podium Structure must meet the requirements in (a) above in order to qualify as “ESS Construction.” In this event, the top surface of the podium itself shall be considered to be the floor of the lowest story of the building that contains residential, commercial or storage space (other than parking).

For the purposes of determining “ESS Construction,” there is no requirement regarding the materials to be used in the roof of the building.

The term “ESS Podium Structure” shall mean a non-residential support structure underneath the rental units constructed solely of concrete/masonry, steel, or some combination of concrete/masonry and steel together, and where said structure under the rental units must utilize at least 85 percent of the square footage for parking or non-commercial utility/ancillary building uses only. Up to 15 percent of the square footage can be used for other non-residential purposes.

These qualifying criteria specifically exclude face brick or brick veneer from qualifying as ESS Construction for purposes of this RFA unless the proposed Development otherwise meets the requirements in (a) or (b) above.

- (2) Single Family Homes

5. Location of the Development

- a. Only Applications for proposed Developments in Monroe County are eligible.

- b. Scattered Sites are allowed. A part of the boundary of each Scattered Site must be located within 20 miles of a part of the boundary of the Scattered Site with the most units.
- c. All Applicants must provide the address of the proposed Development and latitude and longitude coordinates for each site including, if applicable, each of the Scattered Sites, stated in decimal degrees, rounded to at least the sixth decimal place. Note: 30.443900, -84.283960 is an example of decimal degrees format, represented to six decimal places.
- d. Applicants must state whether construction has commenced as of Application Deadline. Note: If “Yes”, all rules and regulations in 24 CFR Part 92, which includes cross-cutting Federal Regulations, will apply.

6. Buildings and Number of Units

- a. Number of units - There must be at least 5 total units. There is no maximum number of units.
- b. Number of residential buildings must be provided.
- c. Affordability Set-Aside Commitments

The Applicant must commit to set aside 100 percent of the total units at or below 80 percent AMI. At least 10 percent of the total units must be set-aside at or below 25 percent AMI as Extremely Low-Income (ELI) Set-Aside Units. All Developments must commit to set-aside at least 50 percent of the ELI Set-Aside units (i.e., at least 5 percent of the total units) as Link Units for Persons with Special Needs.

- d. Compliance Period

The Compliance Period committed to in this section includes the units set aside for the Demographic Commitments made in this RFA, which includes the commitments for Link Units and ELI Households.

All Applicants are required to set aside the units for the HUD affordability period of 20 years. Additionally, for Priority II Applicants that do not make a perpetuity commitment, Florida Housing is adding 30 years of an extended affordability period to the HUD affordability period, for a total affordability period of 50 years. Developments that are the subject of Applications that qualified as Priority I Applications must remain affordable into perpetuity.

7. Readiness to Proceed

- a. Site Control

Priority I Applicants seeking Land Acquisition Program Funding must demonstrate site control by providing one or more of the following, as applicable:

- Eligible contract (effective at least through six months after Application deadline). The Eligible contract for the purchase of the land must be between the seller and the Local Government, PHA or Land Trust/Authority.
- Deed or Certificate of Title. The Deed or Certificate of Title must reflect the Local Government, PHA or Land Trust/Authority as the grantee and the transaction must have occurred no more than 3 months prior to the Application Deadline;

- No party to the Applicant, the Developer, or any affiliated party to the Applicant or Developer can be the Seller;
- In addition, the Local Government, PHA, Land Trust/Authority must lease the land to the Applicant, and the eligible lease must reflect a Local Government, PHA, Land Trust/Authority as the Lessor and the Applicant (which may include a joint venture with a non-profit or for-profit entity) as the Lessee, and the lease payments must equal \$10 a year or less.
- Applicants must also provide an appraisal substantiating the cost of the land that is stated on the Development Cost Pro Forma. The subject property will undergo an additional third-party appraisal during credit underwriting.

Priority I Applications not seeking Land Acquisition Program Funding must demonstrate site control by providing the following:

- Deed or Certificate of Title. The Deed or Certificate of Title must reflect the Local Government, PHA or Land Trust/Authority as the grantee;
- In addition, the Local Government, PHA, Land Trust/Authority must lease the land to the Applicant, and the eligible lease must reflect a Local Government, PHA, Land Trust/Authority as the Lessor and the Applicant (which may include a joint venture with a non-profit or for-profit entity) as the Lessee, and the lease payments must equal \$10 a year or less.

Priority II Applications must demonstrate site control by providing one or more of the following:

- Eligible contract (effective at least through 6 months after Application deadline)
- Deed or Certificate of Title
- Lease for a minimum of 50 years

b. Ability to Proceed

The new Ability to Proceed forms are provided on the Corporation's Website <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019/2019-102/forms-related-to-rfa-2019-102> (also accessible by clicking [here](#)).

This includes a new Florida Housing Finance Corporation Local Government Verification that Development is Consistent with Zoning and Land Use Regulations for Monroe County form (Form Rev. 10-18).

8. Required Design and Construction Features

- a. Federal Requirements and State Building Code Requirements
 - b. Required general features
 - c. Accessibility, Adaptability, Universal Design and Visitability Features
 - d. Required Green Building Certification Features

9. Resident Programs

Applicants must provide at least two (2) of the resident programs outlined below:

- a. After School Program for Children
- b. Literacy Training
- c. Employment Assistance Program
- d. Family Support Coordinator
- e. Financial Management Program

Question – Are these requirements appropriate for smaller Developments?

10. Funding

The CDBG-DR loan shall be non-amortizing and forgivable after 20 years. The loan subject to the program requirements, credit underwriting, and loan terms and conditions outlined the RFA

- a. CDBG-DR
 - (1) Eligible Loan Request Amount maximum – the lesser of:
 - \$8 million per Development Funding; plus
 - Additional \$5 million in Land Acquisition Program Funding (if eligible Priority I); or
 - Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County
 - \$141, 088 per Zero Bedroom Unit
 - \$161, 738 per 1 Bedroom Unit
 - \$196, 672 per 2 Bedroom Unit
 - \$254, 431 per 3 Bedroom Unit
 - \$272, 085 per 4 Bedroom Unit

Unit Size (Number of Bedrooms)	Number of Set-Aside Units for each Unit Size		Appropriate Dollar Limit based on unit size, total number of units in Development, and County in which it is located		Subsidy Allowed
0		x	\$141, 088	=	\$ _____
1		x	\$161, 728	=	\$ _____
2		x	\$196, 672	=	\$ _____
3		x	\$254, 431	=	\$ _____
4		x	\$272, 085	=	\$ _____
Total Maximum CDBG-DR Subsidy Allowed					\$ _____

- b. Additional funding sources must be demonstrated if Applicant’s total development cost per unit exceeds the CDBG-DR maximum subsidy limit.
- c. Developer Fee for this RFA is based on 16% of Development Cost.

11. Ranking and Funding Selection:

a. Eligibility Requirements

b. Sorting Order

First, by Priority status;

Next, by points achieved;

Next, by the Resiliency Preference;

Next by Federal Funding Experience (if applicable);

Next, by the Application's eligibility for the Florida Job Creation Preference; and

Finally, by the Application's lottery number.

c. Funding Test

Priority I and Priority II Applications will only be funded if there is enough Development Funding and, if applicable, Land Acquisition Program Funding to fully fund the Application.

Priority II Applications will only be funded if the request amount is less than or equal to \$8,000,000.

d. Selection Process

After Applications are sorted, funding selection will proceed. Highest ranked Priority I Applications where Local Government, Land Authority/Trust or PHA holds 100% ownership in the Development and Applications that include a joint venture between a local Government, PHA or Land Trust/Authority and a qualified 100% Non-Profit entity that holds 100% ownership in the Development will be selected first, followed by remaining Priority I Applications. As each Priority I Application is selected for funding, the CDBG-DR Request Amount will be deducted from both the Land Acquisition Program Funding and the Development Funding Amount.

If the Land Acquisition Program Funding is depleted and eligible Priority I Applications remain, Priority I Applications may be fully funded from Development Program Funding as long as the request amount is within the maximum request limits for Development Program Funding (\$8,000,000 or less) will be selected for funding. If Land Acquisition Program Funding remains and there are no eligible Priority I Applications that can be fully funded, the Land Acquisition Program Funding will be distributed as approved by the Florida Housing Board of Directors and the Florida Department of Economic Opportunity. The Land Acquisition Program Funding will not be used to fund Priority II Applications.

The Corporation will then fund the highest-ranking Priority II Applications with the remaining Development Funding until there are no Priority II Applications that can be fully funded.

e. If funding remains and no eligible unfunded Applications can meet the Funding Tests, then no further Applications will be selected for funding and the remaining funding will be distributed as approved by the Board.

12. Time Line

13. Other Discussion Topics

Credit Underwriting Process

Applicants that are selected to receive funding will be invited to enter credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, within 12 months of the date of the invitation to enter credit underwriting.

All Applications, whether the Application qualifies as a Priority I or II, must meet the CDBG-DR requirements as outlined in the RFA. These requirements are similar to HOME funding, such as the requirement to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). However, Applicants will not be charged a fee for the environmental review.