

**Questions and Answers for RFA 2019-102**  
**Community Development Block Grant-Disaster Recovery (CDBG-DR) to be used in**  
**conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in Counties**  
**Deemed Hurricane Recovery Priorities**

**Question 1:**

Question 11.c.(1) on Exhibit A asks “Does the Applicant own the Development site?” On page 55 of the RFA, the RFA defines this question further as stating that “owns” means “holds a deed or currently has a lease with a minimum 50-year term). If an Applicant has a ground lease executed with the Land Owner in which the Effective Date is prior to the RFA deadline but the Commencement Date of the lease is essentially the Development’s finance closing date, does this qualify as “currently” having a lease?

**Answer:**

Yes.

**Question 2:**

In Section 4, A.3.c.(1), the RFA states “The investor limited partner of an Applicant limited partnership or the investor member of an Applicant limited liability company must be identified.” However, the instructions to the principal disclosure form state that a placeholder for the investor limited partner or investor member may be identified.” Please confirm whether or not a placeholder may be identified on the disclosure form.

**Answer:**

The instructions on the Principal Disclosure Form state the following:

All Applicants seeking Housing Credits must list one of the Investor entities. The menu options that begin with “Investor” are reserved for the entity that is associated with providing the HC equity (i.e., HC syndicator or HC investor), or the entity acting as a placeholder for application purposes.

For purposes of the Principal Disclosure Form, a placeholder for the investor limited partner or investor member will meet the requirement.

**Question 3:**

In Section 4, A.7.a.(3), the RFA states that the site control documentation for Priority I Applications seeking Land Acquisition Program Funding must include a lease between the Land Owner and the Applicant Entity. The RFA states “The lease payments must equal \$10 a year or less plus any administrative or maintenance fees not to exceed \$10 per unit per year.” A ground lease often includes provisions that the tenant will pay taxes, operating expenses, insurance and payment and performance bonds. These costs may exceed the limitation stated in the RFA (\$10 per unit per year). Please clarify if this is FHFC’s intention or if a revision will be issued to allow for the Tenant to be responsible for the payment of taxes, operating expenses, insurance and payment and performance bonds.

**Answer:**

On August 14, 2019, the language was modified. The RFA now states “The lease payments must equal \$10 a year or less plus any administrative or maintenance fees not to exceed \$10 per unit per year, plus taxes and insurance.”

**Question 4:**

In Section 4, A.11, the RFA states that “A General Information Notice (GIN) should be issued to all occupants at such time there exists, 1) documented legal intent of a project triggered by project pre-application/applicant, AND 2) site identification.” However, later in the same section it states “The CDBG-DR General Information Notice information will be required only after the Application is selected for funding...” Please clarify when the GIN must be issued.

**Answer:**

On August 14, 2019, Section Four, A.11 of the RFA was modified. The RFA clarifies that a General Information Notice (GIN) should be issued to all occupants at such time there exists the following:

- Documented legal intent of a project triggered by project pre-application/application, AND
- Site identification.

For land proposed for acquisition that may have occupied residential dwellings, compliance begins at the GIN issuance. Successful Applicants will be required to provide the issued GIN within 21 Calendar Days of the invitation to enter credit underwriting as outlined in Exhibit D. The questions in Exhibit A must be answered and the required Uniform Relocation Act information must be obtained prior to application deadline. The information must be provided to the Corporation with the GIN if the Applicant is successful.

**Question 5:**

In Section 4, A.11.b.(3), the RFA states that the Applicant must “State whether or not, based on the income information of each tenant, permanent relocation (displacement) is anticipated during or after the construction period.” If permanent relocation is anticipated for another reason and not based on the income information, should the answer to the question in Exhibit A be “No.”

**Answer:**

On August 14, 2019, the RFA was modified. The phrase “based on the income information of each tenant” was removed.

**Question 6:**

In Section 4, A.11.b.(5), the RFA states that “The income of persons and households who are currently occupying a unit that will receive CDBG-DR assistance must be provided to determine whether they are income eligible.” If tenants currently occupying units who will be permanently relocated not based on their income information and, therefore, will not receive CDBG-DR assistance, must the income of these persons and households be provided?

**Answer:**

On August 14, 2019, Section Four, A.11. of the RFA was modified. The RFA states:

Within 21 Calendar Days of the invitation to enter credit underwriting, provide a list of all units occupied as of Application Deadline and tenant income certifications. The income of persons and households who, as of the Application Deadline, are occupying a unit that will receive CDBG-DR assistance must be provided to determine whether they are income eligible.

**Question 7:**

In Section 4, A.11.b.(5), the RFA states that "Attachment 16 will be redacted by the Corporation prior to posting the received Applications." May the Applicant redact the information prior to submitting the application or must the information be submitted in whole without redaction?

**Answer:**

On August 14, 2019, Section Four, A.11. of the RFA was modified. The RFA states:

Within 21 Calendar Days of the invitation to enter credit underwriting, provide a list of all units occupied as of Application Deadline and tenant income certifications. The income of persons and households who, as of the Application Deadline, are occupying a unit that will receive CDBG-DR assistance must be provided to determine whether they are income eligible.

**Question 8:**

In connection with the above referenced, are construction and permanent debt financing letters for Corporation issued tax-exempt bonds required? Section 10.a.(3)(b)(ii) states: "The Applicant is not required to include any other documentation regarding the County HFA-issued Tax-Exempt Bonds in its Application. The necessary documentation will be required after the Applicant is invited to enter credit underwriting, as outlined in Exhibit D to the RFA." Should this also apply to Corporation-Issued MMRB Request in Section 10.a.(3)(a)?

**Answer:**

Yes. On August 14, 2019, Florida Housing issued a modification to include this language.

**Question 9:**

Please confirm that you no longer are required to have a Local Government, PHA, CLT, or Land Authority in the Applicant ownership structure to meet the Priority I designation. The new language states that the Applicant must be a legal SPE and IF it has a Local Government, PHA, CLT, or Land Authority in the Applicant ownership structure it may or may not be the same Local Gov't, CLT, PHA, or Land Authority as the Land Owner. The "if" seemingly implies that it is no longer a requirement.

**Answer:**

Correct.

**Question 10:**

Would a federally funded development (HOME, CDBG, NSP, etc.) that did not require Davis Bacon wages, but was larger than 8 units and required HUD environmental clearance meet the Federal Funding Experience Preference?

**Answer:**

No. To qualify, at least one rental housing development consisting of at least eight total units that was financed with federal funding and required all federal programs such as Davis Bacon requirements and Environmental Review requirements.

**Question 11:**

If the Applicant provides the Federal Funding Experience Preference Chart to meet the Federal Funding Preference, can this development count towards one of the three developments needed to meet the General Development Experience requirement even though it's from a different natural person principal of a Developer Entity?

**Answer:**

As further described in the RFA, to meet the General Development Experience, a natural person Principal of at least one experienced Developer entity, which must be a natural person, must have, since January 1, 1999 completed at least three affordable rental housing developments, at least one of which was a Housing Credit development completed since January 1, 2009.

If not demonstrated in the Prior General Development Experience Chart, other Applications will qualify for the Federal Funding Experience Preference by providing, as Attachment 4 to Exhibit A, a prior experience chart for at least one natural person Principal intending to meet the Federal Funding Experience Preference. The individual meeting the required experience must be disclosed as a Principal of the Developer on the Principals Disclosure Form.

The Prior General Development Experience Chart and Federal Funding Experience Preference Chart may reflect different natural person Principals.

**Question 12:**

Is the completed and signed Land Owner Certification required with the RFA response at Application Deadline, or only if the application is selected for funding (at Invitation to Credit Underwriting)?

**Answer:**

The Land Owner Certification required must be submitted with the RFA response at Application Deadline.

**Question 13:**

Can you provide some clarity on what is meant by “general occupancy?”

In past years this section has been called “family demographic commitment,” and now the word “family” has been removed.

I wanted to ensure we could submit developments that are either family or senior, as they both are general occupancy.

**Answer:**

The Demographic Commitment must be Workforce households at or below 80% of the Area Median Income, serving general occupancy. No properties funded under this RFA may be age restricted.

**Question 14:**

If a Public Housing Authority currently owns the land and a Ground Lease Agreement is executed between the PHA and the Applicant, does a Capital Lease Payment under the Ground Lease Agreement qualify for the Land Acquisition Funding available for Priority I applications?

**Answer:**

No. If a PHA already owns the land, then they would not need Land Acquisition Program funding. Land Acquisition Program funding is for the purchase of land to be owned by the eligible land owner entity.

**Question 15:**

If an Application is requesting Land Acquisition Funding, must an appraisal be submitted at the time of submission?

**Answer:**

Yes.

**Question 16:**

If a development includes existing structures with occupied units that will be demolished, are Attachments 13 through 15 required if those existing tenants will be permanently relocated?

**Answer:**

Yes. On August 14, 2019, Florida Housing issued a modification and the documents will be required to be submitted during credit underwriting.

**Question 17:**

Is an Applicant required to set-aside units above 60% AMI?

**Answer:**

No. The requirement is at or below 80% AMI.

**Question 18:**

If a site is NOT scattered at the time of the RFA Application deadline, but is anticipated to be bisected by a right-of-way as a result of the proposed development, should the Applicant identify the site as scattered in the Application?

**Answer:**

If the proposed Development meets the definition of Scattered Sites provided in Section 67-21.002, F.A.C. as of the Application Deadline, the Applicant must answer Yes.

**Question 19:**

In completing the Principals Disclosure Form, if an Applicant or Developer corporation does not have a position called Executive Director, but it does have a comparable position with a different title that is not included on the drop-down pick-list, how should the position be identified on the form?

**Answer:**

For any position that is comparable to an Executive Director (e.g., President, Chief Executive Officer, etc.), Executive Director should be selected as the type of Principal.

**Question 20:**

The 08-18 Zoning form includes the following language:

To the best of my knowledge, there are no hearings or approvals required to obtain the appropriate zoning classification. Assuming compliance with the applicable land use regulations, there are no known conditions that would preclude construction or rehabilitation of the referenced Development on the proposed site.

What does this mean?

**Answer:**

The person signing the form is certifying that all the information on the form is true and correct. That person must determine whether or not the conditions have been met, which includes the language confirming that there are no hearings or approvals required to obtain the appropriate zoning classification and there are no known conditions that would preclude construction or rehabilitation of the referenced Development on the proposed site.

**Question 21:**

Should a nonprofit instrumentality of a public housing authority be listed as a Public Housing Authority or a Non Profit Corporation under the organizational structure section of the Principals and Developer Disclosure form. In the past we have listed them as a non-profit, but I see that Public Housing Authority was added as an option. I want to make sure we identify the instrumentality correctly so we get credit in the leveraging section for having a PHA in the ownership.

**Answer:**

If the instrumentality of the PHA is being used in the applicant entity structure, the instrumentality should be reflected on the CDBG-DR Principals of the Applicant and Developer(s) Disclosure Form (Form Rev 06-2019). In the other CDBG-DR RFAs, there are no tax credits, and there are certain circumstances where PHAs might apply directly (not through a single purpose legal entity).

***Please Note: The Q&A process for RFA 2019-102 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2019-102.***

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