

FLORIDA HOUSING FINANCE CORPORATION

Modification of Request for Applications (RFA) 2019-109
HOME Financing to be used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.11c.(4)(b) to read as follows:

- (b) If the Applicant is a public (government) Applicant and does not have the power of eminent domain, provide the following: (i) notice of interest, (ii) determination of fair market value, (iii) appraisal of the property, and (iv) written offer of just compensation which includes a statement of just value, property description, and identification of buildings. Provide all required documentation as **Attachment 21** to Exhibit A.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Five A.6.b. to read as follows:

- b. Set-Aside Commitments

To enter data, double click within the chart and enter the required information. When finished, click anywhere on the page outside the chart to exit the worksheet.

- (1) Minimum Number of HOME-Assisted Units Required by HUD:

 - (a) HOME loan requested:..... <Enter Amount>
(as stated at question 10.a.(1) of Exhibit A)
 - (b) Total Development Cost:..... <Enter Amount>
(as stated on the Development Cost pro forma)
 - (c) Percentage of Total Development Cost
provided by HOME Loan:..... 0%
(Chart will automatically divide ~~(a)(1)~~ by ~~(b)(2)~~ and round up to the next whole percentage number)
 - (d) Total number of units in the Development:..... <Enter Number>
 - (e) Minimum number of HOME-Assisted Units
Required by HUD:..... 0
(Chart will automatically multiply ~~(d)(4)~~ by ~~(c)(3)~~, round up to the next whole number)

- (2) Total Number of HOME-Assisted Units Committed for HOME:

 - (a) Total HOME-Assisted Units committed for HOME*..... <Enter Number>
(must equal or exceed the answer at 6.b.(1)(e) above)
 - (b) Low HOME Rent Units..... 0
(Chart will automatically calculate 20 percent of the total units stated at 6.b.(2)(a) above)
 - (c) High HOME Rent Units..... 0
[Chart will automatically calculate ~~(a)(1)~~ minus ~~(b)(2)~~]

Any errors in the calculations performed by the Applicant in this section may be corrected by the Corporation during scoring.

*If the total number of HOME-Assisted Units stated in 6.b.(2)(a) is not equal to the total number of set-aside units stated in the chart at question 10.b. the Corporation will use the greater of the two.

The Corporation will accept either the version of Exhibit A issued on February 21, 2019 or the modified version.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.10.a.(1) to read as follows:

(1) HOME Request Amount – Mandatory for all Applications

The maximum HOME Request Amount is limited to the lesser of the Total Maximum Per Unit HOME Rental FHFC Subsidy Limit for the applicable county as calculated in question 10.a.(2) of Exhibit A or \$5 million.

The Applicant must state the amount of HOME funding it is requesting. In the event of a discrepancy between the amount shown in this section and that shown elsewhere within the Application, the amount shown in this section shall be deemed to be the requested amount.

If the Applicant states a request amount that is greater than the allowable limit, the Corporation will reduce the amount down to the maximum amount the Applicant is eligible to request as provided below. The amount resulting from the lesser of the Applicant’s HOME Request Amount and the adjusted amount described above, if any, will be deemed to be the “Eligible HOME Request Amount.”

For proposed Developments in Bay County only, pursuant to paragraph 67-48.020(2)(e) F.A.C., the annual HOME interest rate for HOME loans issued in conjunction with Corporation-issued MMRB will be zero percent. The interest rate for all other Developments is set forth in Section 67-48.020, F.A.C.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Four A.10.a.(2) to read as follows:

(2) Calculation of the Total Maximum Per Unit HOME Rental FHFC Subsidy Limits

The HOME Request Amount cannot exceed the applicable HOME Rental FHFC Subsidy Limits. The actual dollar amount of these limits is based on the number of bedrooms in each unit and the county in which the Development is located. HOME funds are not available for units that are not set-aside units. See the HOME Rental FHFC Subsidy Limits chart provided below.

| | Per Unit FHFC Maximum Subsidy Limits | | | | |
|--|--------------------------------------|-----|------|------|-----|
| | 0 BR | 1BR | 2 BR | 3 BR | 4BR |

| | Per Unit FHFC Maximum Subsidy Limits | | | | |
|--|--------------------------------------|------------------|------------------|------------------|------------------|
| Bay, Calhoun, Gulf, *Holmes, Jackson, Walton, Washington | \$97,821 | \$112,138 | \$136,359 | \$176,406 | \$188,646 |
| *Escambia, Okaloosa, Santa Rosa | \$101,582 | \$116,451 | \$141,604 | \$183,190 | \$195,902 |
| *Alachua, Dixie, Franklin, Gadsden, Gilchrist, Hamilton, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Marion, Putnam, Suwannee, Taylor, Wakulla | \$111,319 | \$126,694 | \$154,060 | \$199,304 | \$213,134 |
| *Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Duval, Flagler, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Saint Johns, Saint Lucie, Sarasota, Seminole, Sumter, Union, Volusia, | \$112,870 | \$129,390 | \$157,338 | \$203,545 | \$217,668 |
| ** <u>Bay, Calhoun, Gulf, Jackson, Washington</u> | <u>\$139,149</u> | <u>\$158,368</u> | <u>\$192,575</u> | <u>\$249,130</u> | <u>\$266,417</u> |
| ** <u>Franklin, Gadsden, Liberty, Wakulla</u> | <u>\$122,276</u> | <u>\$140,173</u> | <u>\$170,449</u> | <u>\$220,507</u> | <u>\$235,807</u> |

*FHFC's subsidy limits are based on 80% of HUD's 2018 maximum subsidy limits.

** FHFC's subsidy limits are based on HUD's 2018 maximum subsidy limits.

The Applicant must show the calculation of the total maximum HOME subsidy the Applicant may request based on the Corporation limits by completing the chart at question 10.a.(2) of Exhibit A.

For example, if a proposed Development will consist of 25 total units, 20 of which are HOME-assisted set-aside units, and will be located in Baker County, calculate the maximum allowed HOME funding request as follows:

| 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 | | HOME Subsidy Allowed |
|------------------------------------|--|---|--|---|----------------------|
| 0 | 0 | x | \$112,870 | = | 0 |
| 1 | 15 | x | \$129,390 | = | \$1,940,700 |
| 2 | 5 | x | \$157,338 | = | \$786,690 |
| 3 | 0 | x | \$203,545 | = | 0 |
| 4 | 0 | x | \$217,668 | = | 0 |
| Total Maximum HOME Subsidy Allowed | | | | = | \$2,727,380 |

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Five A.1. to read as follows:

1. Determining Eligibility

Only Applications that meet all of the following Eligibility Items will be eligible for funding and considered for funding selection.

| Eligibility Items |
|---|
| Submission Requirements* |
| Demographic Commitment |
| Name of Applicant provided |
| Evidence that Applicant is a legally formed entity provided |
| Principals of the Applicant and for each Developer provided |
| Contact Information provided |
| Name of Each Developer provided |
| Evidence that each Developer is a legally formed entity provided |
| Name of Management Company provided |
| Management Company experience chart provided |
| Name of Proposed Development provided |
| County identified |
| Address of Development Site provided |
| <u>Question whether a Scattered Sites Development answered</u> |
| Latitude and Longitude Coordinates provided |
| If Tier 2, evidence that proposed Development is located in a Rural Area provided |
| Confirmation that proposed Development does not qualify as an LDA Development provided |
| Total Number of Units provided |

| Eligibility Items |
|---|
| Development Category provided |
| Development Type provided |
| Question whether construction has commenced answered |
| Unit Mix provided |
| HOME Set-Aside calculation provided |
| Units occupied question answered |
| Tenant Relocation information provided, if applicable |
| Housing Credit minimum set-aside election provided, if applicable |
| Corporation-Issued MMRB and HC Set-Aside Breakdown Chart provided, if applicable |
| HOME Uniform Relocation Act documentation provided, if applicable |
| Evidence of Site Control provided |
| Appropriate Zoning demonstrated |
| Availability of Electricity demonstrated |
| Availability of Water demonstrated |
| Availability of Sewer demonstrated |
| Availability of Roads demonstrated |
| Minimum Resident Programs selected |
| Applicant's HOME Funding Request Amount provided |
| Applicant's HOME Subsidy Calculation Chart provided |
| Development Cost Pro Forma (listing expenses or uses) and Construction analysis and Permanent analysis (listing sources) provided – Sources must equal or exceed uses |
| Financial Arrearage Requirements** |
| Previous Acceptance to Enter Credit Underwriting*** |
| Total Development Cost Per Unit Limitation**** |

* Submission Requirement

To be eligible for funding, the following submission requirements must be met: (i) the Application must be submitted online by the Application Deadline, (ii) the required number of hard copies must be submitted by the Application Deadline, (iii) the Applicant's hard copy submission must be contained in a sealed package, (iv) the required Application fee must be submitted as of the Application Deadline, and (v) the Applicant Certification and Acknowledgement form, containing an original signature, must be included in the Application labeled "Original Hard Copy" as of the Application Deadline.

** Financial Arrearage Requirement

An Application will be deemed ineligible for funding if, as of close of business the day before the Committee meets to make a recommendation to the Board, there remains any financial obligations for which an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation as reflected on the most recently published Past Due Report posted to the Corporation's Website under the link Property Owners & Managers/Past Due Reports (also accessible by clicking [here](#)), but not more recently than

five (5) business days prior to the date the Committee meets to make a recommendation to the Board.

*** Previous acceptance to enter credit underwriting

An Application will be deemed ineligible for funding if the Applicant has accepted an invitation to enter credit underwriting for the same Development in a previous RFA (with the exception of funding awarded under the Predevelopment Loan Program (PLP) and/or the Elderly Housing Community Loan (EHCL) program) and, as of Application Deadline for this RFA, the funding has not been returned to the Corporation. If the acceptance to an invitation to enter credit underwriting in a previous RFA occurs after the Application Deadline and before the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA. If the acceptance to an invitation to enter credit underwriting in a previous RFA occurs after the Review Committee Meeting for this RFA, the proposed Development will be considered ineligible for funding in this RFA and any funding awarded in this RFA will be rescinded and considered Returned Funding.

**** Total Development Cost Per Unit Limitation

By submitting its Application, the Applicant agrees and acknowledges that the Application will be subject to the Total Development Cost Per Unit Limitation during the scoring, credit underwriting, and final Housing Credit allocation process.

The Corporation shall limit the Total Development Cost (TDC) per unit for all Developments categorized by the construction type of the units as indicated below and this limit is referred to as the TDC Per Unit Limitation. It is a limit based on TDC, but exclusive of land costs and exclusive of any operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee, applying any applicable TDC multiplier and/or TDC add-on. The proposed Development’s TDC will be tested against the TDC Per Unit Limitation during the scoring of the RFA, utilizing the Development Type, Development Category and concrete determination made by the Applicant in the RFA and it will apply to all units in the proposed Development. During the credit underwriting process, and during the final allocation process, the maximum TDC per unit will be recalculated for each unit type as described in Item 1 of Exhibit C, with consideration given to whether the Development consists one or more Development Types, or a mix of wood and concrete units.

Any Application that has an amount that exceeds these limitations during scoring will not be eligible for funding. These TDC Per Unit Base Limitation amounts, inclusive of any applicable TDC multiplier and/or TDC add-on, are effective during the scoring process. Item 1 of Exhibit C provides the TDC Per Unit Base Limitation amounts that account for an escalation factor to be incorporated for the credit underwriting process and final allocation process, as explained in the exhibit.

Total Development Cost Per Unit Base Limitations to be used during the scoring process

| | |
|----------------|-------------------------------|
| Measure | New Construction Units |
|----------------|-------------------------------|

| | Wood* | ESS* |
|---|--------------|---|
| Maximum TDC Per Unit Limitation ** for all counties except Broward and Miami-Dade | \$206,000 | \$248,000 |
| Maximum TDC Per Unit Limitation ** for Broward and Miami-Dade counties | \$217,000 | \$260,000 |
| Applicable TDC Multipliers (to be applied against the Development's TDC) and TDC Add-Ons (to be added to the Maximum TDC Per Unit Limitation) | | |
| TDC Multiplier for Florida Keys Area for all areas north of Plantation Key (i.e., north of Tavernier Creek) | | 65% |
| TDC Multiplier for Florida Keys Area for all areas located on or south of Plantation Key (i.e., south of Tavernier Creek) | | 50% *** |
| TDC Add-On for the additional costs related to the HOME Program | | \$5,000 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation |
| TDC Add-On for Applicants requesting MMRB funding due to known expenses related to bond transactions | | \$5,000 of additional per unit costs will be added to the above Maximum TDC Per Unit Limitation |

* Garden includes all Development Types other than Mid-Rise and High-Rise; Non-Garden includes Development Types of Mid-Rise with elevator (4 stories, 5 stories, or 6 stories) and High-Rise (7 or more stories); Mid-Rise includes Development Types of Mid-Rise with elevator (4 stories, 5 stories, or 6 stories); and High-Rise includes Development Type of High Rise (7 or more stories). ESS means Enhanced Structural Systems Construction.

** Exclusive of land costs and exclusive of any approved operating deficit reserves that are part of the permanent phase (i.e., non-construction) financing for the Development which have not been included within the Developer fee. When the term of operating deficit reserves (ODR) is mentioned in this TDC Per Unit Limitation section, the term shall refer to these particular operating deficit reserves. Examples of reserves which can be considered part of the operating deficit reserve for this calculation are provided in the Operating Deficit Reserve portion of the Funding section in the RFA. For purposes of property acquisition valuation (land with or without building improvements), the Corporation uses the lesser of the appraised value, or the actual cost of acquisition. The appraised value will be determined during credit underwriting. When land costs are referenced in this TDC Per Unit Limitation section, the reference shall be limited to the amount of the land cost approved by the Corporation to be provided in the final cost certification under the land owned cost line item. For Applicants that have a public housing authority/instrumentality of a public housing authority listed as a Principal on the Applicant's Principal Disclosure Form may also exclude demolition costs and tenant relocation costs from

TDC PU Limitation calculations. The total amount of costs that are to be excluded from the TDC Per Unit Limitation process are the applicable land costs, operating deficit reserves and certain PHA costs described herein are referred to in Exhibit C in the congregate as applicable qualifying costs.

*** If the proposed Development consists of Scattered Sites, the 50% TDC Multiplier applies only if all of the sites are located south of Tavernier Creek.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Section Five B.1. to read as follows:

1. Application Sorting Order

The highest scoring Applications will be determined by first sorting together all eligible Applications from highest score to lowest score, with any scores that are tied separated in the following order:

- a. First, preference will be given to Applications that qualify for the HOME Funding Experience Preference described in Section Four, A.3.b.(3)(b) ~~A.4.a.(3)(b)~~ of the RFA;
- b. Next, preference will be given to Applications that qualify for the Previous Affordable Housing Experience Funding Preference described in Section Four, A.3.b.(3)(a) ~~A.3.b.(3)~~ of the RFA;
- c. Next, by percentage resulting from the Applicant's Eligible HOME 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. Next, by the percentage of Match compared to the Applicant's Eligible HOME Request Amount, (rounded to 2 decimal places of the percentage), by dividing the total Match Amount stated at question 12 of Exhibit A by the Eligible HOME Request Amount. Applications will be listed in descending order beginning with the Application with the highest percentage and ending with the Application that has the lowest percentage;
- e. Next, preference will be given to Applications that qualify for the Florida Job Creation Funding Preference which is outlined in Item 2 of Exhibit C (with Applications that qualify for the preference listed above Applications that do not qualify for the preference);
- f. Finally, by lottery number, with Applications that have a lower lottery number listed above Applications with a higher lottery number.

Pursuant to Rule 67-60.005, F.A.C., Modification of Terms of Competitive Solicitations, Florida Housing hereby modifies Exhibit C. 3.i.(8) to read as follows:

- (8) Additional HC Fees

- a. With respect to the HC Program, each for-profit Applicant shall submit to the Corporation a non-refundable administrative fee in the amount of 9 percent of the annual Housing Credit Allocation amount stated in the Preliminary Determination. The administrative fee shall be 5.5 percent of the stated annual Housing Credit Allocation for Non-Profit Applicants. The administrative fee must be received by the Corporation as stated in the Preliminary Determination. In the event the Final Housing Credit Allocation amount exceeds the annual Housing Credit Allocation amount stated in the Preliminary Determination, the Applicant is responsible for paying the applicable administrative fee on the excess amount before IRS Forms 8609 are issued for the Development.
- b. HC Applicants shall be responsible for all processing fees related to the HC program.

Submitted By:

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