

Questions and Answers for RFA 2019-113

HOUSING CREDIT FINANCING FOR AFFORDABLE HOUSING DEVELOPMENTS LOCATED IN MEDIUM AND SMALL COUNTIES

Question 1:

Is a CRA considered a local government for purposes of the Local Government Areas of Opportunity funding goal?

Answer:

No. Local Government is defined in Rule Chapter 67-48.002(76), F.A.C. The contribution must come from a county or municipality. This may include contributions in which the source of the funds is a CRA, passed through the city or county.

Question 2:

Is it permissible for a Developer to buy land from a Local Government, and then the Local Government in turn give the Developer the same funding back in the form of a Local Government Contribution?

Answer:

No. Contributions from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer are not considered Local Government Contributions.

Question 3:

In my reading of the developer experience requirements, I see no distinction between experience in 9% and 4% credit projects or new construction and rehabs. Is my interpretation correct?

Answer:

Yes.

Question 4:

Please explain the following statement further and advise when you propose to begin to implement this new rule: Jurisdictions that contribute to the Goal and are awarded funding will not be eligible to contribute to a proposed Development for at least the subsequent Housing Credit RFA cycle.

Answer:

If a jurisdiction (i.e., a City or a County) contributes to a Development and that Development is selected for funding, that same jurisdiction may contribute to a Development in a subsequent RFA cycle, however, the Development will not be eligible for a Local Government Areas of Opportunity goal in that subsequent RFA cycle.

For example, County A provides a Local Government Areas of Opportunity contribution to Development A in RFA 2019-113 and Development A is selected for funding. In the subsequent RFA cycle, County A may provide a Local Government Areas of Opportunity contribution to Development B, however, Development B will not be eligible for the Local Government Areas of Opportunity goal. Development B would still be eligible for other goals within the RFA.

Question 5:

If an Applicant receives a Local Government Areas of Opportunity contribution from County A, can a municipality within the County (e.g., the City) contribute to another Applicant, or will they both be ineligible because the two developments are in the same county?

Answer:

A county may contribute to one Development while a municipality within the county contributes to a separate Development. However, the County A may not contribute to more than one Development, and City A may not contribute to more than one Development. During ranking, the County Award Tally will be implemented.

Question 6:

For a zero percent interest, deferred loan forgiven after a 15 year term, should it be treated as a grant? (on the loan form). Is the NVP the face value of the loan?

Answer:

A loan with a forgiveness provision and no accrued interest charges can be treated as a loan or a grant and either the “Loan” or the “Grant” verification forms can be used. If the loan form is used for a loan with a forgiveness provision (and no accrued interest charges), the space for entering the net present value of the loan is not applicable and will not be considered.

Question 7:

If we apply under RFA 2019-111 for RRLP funding and end up having to withdraw our Application, will we receive the disincentive points in RFA 2019-113?

Answer:

The Development Withdrawal Disincentive is not applied to RFA 2019-111.

Question 8:

The RFA notes that Applications will automatically qualify for the Proximity Funding Preference if they qualify for the Local Government Revitalization Initiative Goal or if they qualify as a Local Government Areas of Opportunity. Should Applicants that meet one of the above qualifications complete the Transit Services and Community Services sections in Exhibit A? In other words, does FHFC require the Applicant complete these sections even though this information will not need to be assessed in order for the Applicant to qualify for the Proximity Funding Preference?

Answer:

An Application that qualifies for the Local Government Revitalization Initiative Goal or Local Government Areas of Opportunity will automatically qualify for the Proximity Funding Preference without the need to provide a minimum number of proximity points, provided the Development Location Point is provided.

Question 9:

The rule notes that after the Applicant has been invited to enter credit underwriting and subject to written request of an Applicant to Corporation staff and approval of the Corporation, the site for the Development may be increased or decreased provided the Development Location Point is on the site and, if applicable, the total proximity points awarded during scoring are not reduced.

Would FHFC apply this to the following example: At Application, a Development consisted of three non-contiguous sites and applied as a Scattered Sites Development. After the Applicant had been invited to enter credit underwriting, the Development site was decreased to two non-contiguous sites. There was no change to the Development Location Point for the site with the most units, the total number of units, or the Applicant's ability to provide those units on the two (vs. three) sites.

Answer:

Yes.

Question 10:

The RFA notes in several sections that, if the proposed Development consists of Scattered Sites, some information must be provided for each or all of the Scattered Sites. While it is clear that FHFC requires the address, longitude and latitude coordinates for each individual Scattered Site, it is not clear whether or not FHFC requires other information/documentation requested in the RFA to be provided for each individual Scattered Site or the Scattered Sites Development as a whole.

With regard to Site Control and Ability to Proceed, would FHFC accept one site control document (for site control) and one verification form and/or eligible documentation (for ability to proceed) for the Scattered Sites Development as a whole if the site control and ability to proceed documentation references all the Scattered Sites as being included?

Answer:

Yes.

Question 11:

In reviewing the requirements of the RFA, it appeared that a proposed development/development entity would not be eligible to receive funding if they had any past due financial obligations to Florida Housing Finance Corporation. There was then a link to the past due report. This report was long and included not only past due amounts, but a section on foreclosures, and insurance deficiencies. Is it only the past due portion of this report that applies or is any listing on this report a disqualifier? The report was date August 2019, is it possible for an applicant to come into compliance at any time before or after the selection? Or must they come into compliance before the RFA deadline?

Answer:

Pursuant to Section Five A.1. of the RFA, 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. Only the Past Due portion of the Past Due Report will be reviewed.

Question 12:

If a Community Redevelopment Agency qualifies as a local government for the purposes of contributing a cash loan or grant to a proposed development, would it be able to support one project in a municipality, while the City itself supported a different project outside of the designated Community Redevelopment area, but still within the municipality?

Answer:

A CRA is not considered a Local Government as defined in Rule Chapter 67-48.002(76), F.A.C. Further, a Local Government jurisdiction (e.g. the County or a municipality) may only make a Local Government Areas of Opportunity contribution to one Development applying for funding in this RFA.

The Q&A process for RFA 2019-113 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2019-113.

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