

**Florida Housing Finance Corporation**  
**RFA 2020-211 for Available Housing Credit Financing for Developments Located in Small Counties with an Aged Active Award of 9% Housing Credits**

**Registration for Workshop is required. Registration information is available on the RFA Webpage**

**Overview**

- A. Introductions
- B. Purpose of RFA

The workshop will be held to solicit comments and suggestions from interested persons relative to Florida Housing's proposed RFA 2020-211 for Available Housing Credit Financing for Developments Located in Small Counties with an Aged Active Award of 9% Housing Credits.

- C. Eligibility to Apply

This RFA is open to Applicants that have an Active Award of 9 percent Housing Credits, in which construction has stalled for more than three years since the issuance of the original RFA due to third-party litigation and/or environmental concerns which have been exacerbated by increased construction costs making the proposed Development non-viable with current funding awards and a significant amounts of deferred developer fee.

To be eligible for funding, as of the Application Deadline the proposed Development:

- Must be located in a small county;
- Must have an Active Award that was funded in one of the following RFAs: 2014-114, 2015-106, or 2016-110;
- Must not have closed on their Limited Partnership Agreement;
- Must not have begun vertical construction of the residential buildings; and
- Must have a Development Category of new construction.

**Funding available**

- \$ 750,000 in additional 9% Housing Credit financing
- Upon award, the Applicant will return the Development's Active Award of 9% Housing Credits to the Corporation. The returned award will be then be added to the additional 9% HC requested, for a new total 2020 Housing Credit Allocation.

**Outline of RFA**

- A. Section One – Introduction
- B. Section Two – Definitions

Exhibit B of the RFA and Rules, which are posted on the RFA Webpage.

“Active Award”                      An allocation of 9 percent Housing Credits, awarded through one of the following Request for Applications: 2014-114, 2015-106, or 2016-110 and, as of Application Deadline for this RFA meets the following, (i) the Development is located in a small county; (ii) the Applicant has not yet closed on the Limited Partnership Agreement;

(iii) the Development has not begun vertical construction of the residential buildings; and (iv) the Development has a Development Category of new construction.

“Original Application” The Application for which the Applicant has an Active Award.

“Set-Aside Units” When not committing to the Average Income Test, Set-Aside Units are units set aside at or below 60 percent of the Area Median Income for the county in which the Development is located. For purposes of the Average Income Test, units may be set-aside at or below 80 percent of the Area Medium Income (AMI) in the county in which the Development is located, but the average AMI shall not exceed 60 percent. The total number of Set-Aside Units is calculated as follows:

The total number of units within the proposed Development multiplied by the highest Total Set-Aside Percentage the Applicant committed to as stated in the last row of the set-aside breakdown chart in the Set-Aside Commitment section of the Application. Results that are not a whole number will be rounded up to the next whole number.

C. Section Three –RFA Procedures and Provisions, including Submission Requirements

New! – The submission process has been revised.

The Application Package will continue to be electronically uploaded. There is no longer a requirement for a hard copy. The Application Fee of \$500 may be submitted via check or wire. The instructions for submitting this are outlined in Section Three.

D. Section Four of the RFA outlines instructions for completing Exhibit A

Unless otherwise stated in this RFA, the Applicant must agree to abide by all requirements to which it committed in the Original Application (or as approved by the Corporation or Board prior to the Application Deadline for this RFA) in which the Active Award was made.

1. Include the Applicant Certification and Acknowledgement form, executed by the Authorized Principal Representative, to indicate the Applicant’s certification and acknowledgement of the provisions and requirements of the RFA.
2. General Development Information
  - a. Name of the Development that has the qualifying Active Award
  - b. RFA number through which the qualifying Active Award was made
  - c. Corporation-issued Application number for the qualifying Active Award
  - d. Total of new construction units, which may not be less than the total number of units committed to in the Original Application. This RFA is open only to Developments with a Development Category of new construction.
  - e. Authorized Principal Representative

- f. As of the Application Deadline, the Applicant must have requested from the assigned credit underwriter that a new Market Study be ordered. The Market Study and PRL must be completed prior to issuance of the 2020 Carryover Allocation Agreement.

3. Funding

- a. If awarded funding in this RFA, the Applicant will return the Active Award of 9% Housing Credits to the Corporation. The Corporation will then combine the Additional HC Request Amount with the returned Active Award for a new single 9% HC Allocation, all of which are subject to Rule Chapter 67-48, F.A.C., effective June 23, 2020.

The Carryover Allocation Agreement must be executed no later than December 31, 2020. Further, the Development must place in-service by the date allowable under Section 42, IRC, and no credit swaps will be considered by the Corporation.

- b. If the Applicant has an existing award of Viability Loan Funding, said funding (or a portion of said funding) must be returned to the Corporation, to the extent possible.

- c. Basis Boost Qualifications

- Subsequent Phase of a Multiphase Development
- HUD-designated Small Area DDA (SADDA)
- HUD-designated Non-Metropolitan DDA
- HUD-designated QCT

- d. Maximum HC Request Amounts

- (1) Developments serving Family Demographics are limited to the lesser of \$8,200 per set-aside unit or \$375,000 per Development; or
- (2) The amount of additional HC funding needed to make the Development viable, sized by determining an amount to balance the Total Development Costs as provided in this Application against the Total Permanent Funding Sources, to the extent possible.

- d. Deferred Development Fee requirements

Minimum Additional HC Allocation Request Amount	Maximum Additional HC Allocation Request Amount	Minimum Deferred Developer Fee %
\$1	\$250,000	25%
\$250,001	\$275,000	30%
\$275,001	\$300,000	35%
\$300,001	\$325,000	40%
\$325,001	\$350,000	45%
\$350,001	\$375,000	50%

Note: If other additional funding sources\* are acquired prior to finalization of the cost certification, such other funding will be used to first reduce the deferred Developer Fee to no less than the minimum required percentage of the total Developer Fee, then to reduce any applicable Viability Loan, and then to reduce the Eligible Additional HC Request Amount. After the IRS form(s) 8609 are issued, through the end of the Compliance Period, any additional funding sources\* acquired will be used to pay down the deferred Developer Fee.

\*Additional funding sources does not include the Development's net cash flow from operations, after debt service, but it does include Housing Credit equity greater than the amount provided (or calculated) in this RFA as it relates to competitive Housing Credits.

e. Development Cost Pro Forma

(1) To include all sources and uses\*

\*Costs associated with the Application for the Active Award may not be included. This includes the application fee and the market study fee.

(2) Developer Fee and General Contractor Fee limited to 16% and 14%, respectively.

(3) \*New\* Operating Deficit Reserves

The Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the requirements in the RFA. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

f. Total Development Cost per unit limitations – The Development will be subject to the new TDC limitations but will not be tested during scoring. The TDC per unit limitations will be tested during credit underwriting and again at final cost certification.

E. Ranking and Funding Selection

1. Sorting Order:

- a. Leveraging Classification - All eligible Applications will be ranked from lowest to highest based on the amount of total Corporation funding per set-aside unit, as outlined in the RFA.
- b. Florida Job Creation
- c. Lottery

2. Funding Selection – The highest ranking eligible Application(s) that can be fully funded will be tentatively selected for funding.

E. Credit Underwriting Process

- 1. Upon applying for this funding, the Corporation will grant a stay for deadlines in the current Carryover Allocation Agreement, which will be restated in the 2020 Carryover Allocation Agreement. If the Development is not awarded funding under this RFA, any pending or past deadlines must be met or be approved for an extension, as applicable.
- 2. The total Housing Credit award (the Active Award plus the additional HC awarded in this RFA) will be subject to Rule Chapter 67-48, F.A.C., effective June 23, 2020.

F. Exhibits to RFA

1. Exhibit A – Application
  2. Exhibit B – Definitions used in RFA that are not defined in Rule
  3. Exhibit C – Additional Information
    - a. Total Development Cost Per Unit Limitation methodology used in credit underwriting and final cost certification – *\*New!\** this section has been revised for clarification, plus there are new templates and training video available on RFA Webpage..
    - b. Leveraging Classification Methodology
    - d. Florida Job Creation Funding Preference
    - e. Fees
      1. Application Fee
      2. PRL Fee
      3. Market Study Fee
      4. Admin Fee – will be based on additional HC request amount.
      5. Compliance Monitoring Fee
      6. Construction Inspection Fees
      7. Other fees required by the HC program or the Viability Loan, if applicable
    - f. Additional Requirements
  4. Exhibit D – Timeline
- G. Other Important Information
1. Question and Answers process outlined in Section Three, D. of the RFA
  2. Expected Timeline
 

Issue RFA:	September 21, 2020
RFA Due Date:	October 5, 2020
Review Committee Meeting (make recommendations to Board)	October 9, 2020
Request Board Approval of Recommendations (at scheduled Board Meeting)	October 16, 2020
  3. Public comment link on the RFA Webpage for viewing and submitting public comments
- H. Other Discussion Topics