

Florida Housing Finance Corporation
RFA 2024-204 SAIL Financing of for the Preservation of Elderly Developments Workshop Agenda
2:00 p.m. on October 24, 2024

Workshop is held via webinar and in-person at Florida Housing at
227 N. Bronough Street, Tallahassee, FL 32301

To attend the workshop via webinar, registration is required.

Registration information is available on RFA Webpage¹

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 2024-204 SAIL Financing for the Preservation of Elderly Developments. This Request for Applications (RFA) is open to Applicants proposing the preservation of affordable, multifamily housing for the Elderly utilizing State Apartment Incentive Loan (SAIL) funding as gap funding, which may be used in conjunction with (i) Tax-Exempt Bond financing (i.e., Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) or Non-Corporation-issued Tax-Exempt Bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S.), or a Local Government), or (ii) Non-Competitive Housing Credits (which are also referred to as 4% Housing Credits or, for purposes of this RFA, Housing Credits).

Funding available

- A. Estimated total SAIL funding amount of \$3,675,000 available for RFA. This funding includes the SAIL Request and Extremely Low Income (ELI) Funding Request.

Applicants that are not committing to the Average Income Test are required to commit 10% of the total units as ELI Set-Aside Units. All Applications are eligible for ELI Funding for each of the required ELI Set-Aside units, up to \$1,000,000.

Applicants that are committing to the Average Income Test are required to commit 15% of the total units as ELI Set-Aside Units. All Applications are eligible for ELI Funding for each ELI unit, for up to the lesser of 10% of the total units, or \$1,000,000.

- B. Tax-Exempt Bond Financing and 4 % Housing Credits

The Applicant may apply for the following as a part of its SAIL RFA Application submission:

1. Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) and 4% Housing Credits; or
2. 4% Housing Credits, to be used with non-Corporation-issued Tax-Exempt Bonds

Note: Pursuant to subsection 67-21.003(11), F.A.C., the withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.

Outline of RFA

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

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

¹ References to the RFA Webpage refer to <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/2024-204> which can be accessed [here](#).

Definitions include words such as:

“Preservation” means Rehabilitation of an existing development that is at least 20 years old as of an Application Deadline in a competitive solicitation and has an active contract through one or more of the following HUD or RD programs: Sections 202 of the Housing Act of 1959 (12 U.S.C. §1701q), 236 of the National Housing Act (12 U.S.C. §1701), 514, 515, or 516 of the U.S. Housing Act of 1949 (42 U.S.C. §1484), 811 of the U.S. Housing Act of 1937 (42 U.S.C. §1437), or either has PBRA or is public housing assisted through ACC. If funded through the Corporation, the Development must maintain at least the same number of PBRA or ACC units. Such developments must not have closed on funding from HUD or RD within the 20 years prior to an Application Deadline in a competitive solicitation where the budget was at least \$10,000 per unit for rehabilitation in any year.

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

1. Submission Requirements
2. Financial Arrearage Requirement
3. If the Attachment document is bookmarked, the Application will be awarded 5 points.

Instructions for adding bookmarks to pdf documents prior to uploading the Application has been added to each RFA Webpage. Acrobat Standard DC or Acrobat Pro DC are the programs required to create bookmarks.

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

1. Review of Application

During the Review Committee scoring process, the Corporation (i) may rely on the answers submitted by the Applicant in Exhibit A, the Development Cost Pro Forma, and the Principal Disclosure Form; and (ii) may, but is not obligated to, review the substance of the documentation that is submitted as Attachments to the Application.

If it is determined that the Attachments do not meet the RFA requirements or the Applicant submitted materially incorrect information in the Application, the Corporation may take any or all of the following actions, even if the Application was not selected for funding, was deemed ineligible, or was withdrawn: deem the Application ineligible, rescind the award, and consider all Principals of the Applicant to have made a material misrepresentation subject to Section 420.518, F.S.

2. The Demographic Commitment must be Elderly (ALF or non-ALF).
3. Applicant/Developer/Management Company/Contact Person
 - a. Applicant
 - (1) State the name of the Applicant.
 - (2) Evidence that Applicant is legally formed entity qualified to do business in Florida as of Application Deadline
 - (3) If applying as a Non-Profit, the Applicant must meet the definition of a Non-Profit as set out in Rule 67-48, F.A.C., and provide documents within 21 Calendar Days of the invitation to enter into credit underwriting. If this cannot be verified, the Applicant will no longer be considered a Non-Profit Applicant.
 - b. Developer Information
 - (1) Name of Developer (including all co-Developers);
 - (2) Evidence each Developer is a legally formed entity qualified to do business in Florida as of Application Deadline

(3) Required Developer Experience

A natural person Principal of at least one experienced Developer entity, which must be disclosed on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) outlined below, must have, since January 1, 2004 completed at least one multifamily rental housing development that consists of a total number of units no less than 50 percent of the total number of units in the proposed Development.

The individual meeting the Developer Experience requirements must be disclosed on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) and must remain with the Development until the release of the operating deficit guarantee set forth in subsection 67-48.0072(18), F.A.C.

c. Principals of the Applicant and Developer(s) Disclosure Form

(1) Eligibility

The Principals Disclosure Form must identify the Principals of the Applicant and each Developer, pursuant to the RFA, as of the Application Deadline. Per subsection 67-48.002(94), F.A.C., any Principal other than a natural person must be a legally formed entity as of the Application Deadline.

The investor limited partner of an Applicant limited partnership, or the investor member of an Applicant limited liability company must be identified.

(2) Advance Review Process (5 points)

Applicants will receive 5 points if the uploaded Principal Disclosure Form was stamped "Received" by the Corporation at least 14 Calendar Days prior to the Application Deadline AND stamped "Approved" prior to the Application Deadline.

The Advance Review Process for Disclosure of Applicant and Developer Principals is available on the RFA Webpage.

d. Management Company contact information and required experience

The Management Company or a principal of the Management Company must have completed at least two affordable rental housing properties, at least one of which consists of a total number of units no less than 50 percent of the total number of units in the proposed Development, for at least two years each.

e. Authorized Principal Representative / Operational Contact Person

The Authorized Principal Representative (a) must be a natural person Principal of the Applicant listed on the Principal Disclosure Form; (b) must have signature authority to bind the Applicant entity; (c) must sign the Applicant Certification and Acknowledgement section of Exhibit A; and (d) if funded, will be the recipient of all future documentation that requires a signature. The Operational Contact Person is optional.

4. General Proposed Development Information

a. Development Name

b. Development Category

(1) All Developments in this RFA must commit to the Development Category of Rehabilitation. All Developments must also meet the qualifications for the Development Subcategory of Preservation, with or without Acquisition.

(2) The Preservation qualifications are outlined in the RFA. This includes a description of the Rental Assistance Qualification Letter that is required of all Developments. This letter is used to verify the age of the Development. The Development must have been built at least 20 years prior to

the Application Deadline to meet the definition of Preservation and must be built at least 30 years prior to the Application Deadline to receive the Age of Development funding selection preference.

(3) Rental Assistance (RA) Level Classification

The total number of units that will receive rental assistance (i.e., PBRA and/or ACC) will be the basis of the Applicant's RA Level Classification. The RA Level Classification will be used in the funding selection process outlined in Section Five of the RFA.

c. Characteristics of a Development

(1) Development Type (i.e., Garden, Mid-Rise (4, 5 or 6 stories), or High Rise (7 or more stories).

Note: Any dwelling unit that consists of more than one story, (e.g. Townhouse), is prohibited. A residential building that consists of more than one story is not prohibited if there is a minimum of one elevator per residential building provided for all units that are located on a floor higher than the first floor.

Note: All buildings must consist of at least five units per building. This will be confirmed in credit underwriting.

(2) Enhanced Structural Systems Construction Qualifications

To qualify as "Enhanced Structural Systems Construction" ("ESS Construction") for purposes of the Total Development Cost Limitation Test calculation, Leveraging calculation, and ESS Construction Funding Preference, the proposed Development must meet the ESS Construction qualifications outlined in the RFA.

d. Unit Characteristic Chart

Complete the chart in Exhibit A reflecting the number of units for each of the Development Types or ESS/non-ESS Construction.

5. Location

a. County

b. Provide the address

c. State whether the Development consists of Scattered Sites

d. Provide latitude and longitude coordinates for the Development Location Point and, if applicable, the Scattered Sites, stated in decimal degrees to at least six decimal places.

6. Number of Buildings and Units

a. Number of Units

All proposed Developments must consist of a minimum of 30 total units. Proposed Developments cannot exceed 250 total units. Proposed Developments with a Demographic Commitment of Elderly ALF cannot exceed 125 total units.

b. Occupied Units

The existing affordable Elderly development must be at least 75 percent occupied with Elderly residents as of the Application Deadline.

A plan for relocation of existing tenants will be required to be provided to the Credit Underwriter, as outlined in Exhibit D.

c. Set-Aside Commitments

(1) Total Income Set-Aside Units

(a) For Demographic Commitment of Elderly Non-ALF

If SAIL only, at least 80 percent of the Development's total units at 60 percent AMI or less, of which at least 20 percent must be set aside below 50 percent AMI or less (which may include ELI units).

For other Elderly Non-ALF Developments, if not Average Income Test - at least 80 percent of the total units must be set aside at 60 percent AMI or less. If Average Income Test - at least 80 percent of the total units must be set-aside at 80% AMI or less; however, the average AMI of ALL of the Set-Aside Units must be at or below 60% AMI.

(b) For Demographic Commitment of Elderly ALF

If SAIL only, at least 50 percent of the Development's total units at 60 percent AMI or less, of which at least 20 percent must be set aside below 50 percent AMI or less (which may include ELI units).

For other Elderly ALF Developments, if not Average Income Test - at least 50 percent of the total units must be set aside at 60 percent AMI or less. If Average Income Test - at least 50 percent of the total units must be set-aside at 80% AMI or less; however, the average AMI of ALL of the Set-Aside Units must be at or below 60% AMI.

(2) Extremely Low Income (ELI) Set-Aside Units

If the Average Income Test is not selected, the Applicant must set aside at least 10 percent of total units for ELI Households. The AMI for each county has been provided in the RFA.

If the Average Income Test is selected, the Applicant must set aside at least 15 percent of total units for ELI Households. The ELI units must be set aside at 30% AMI and below.

All Applications are eligible for ELI Funding for each ELI unit, for up to the lesser of 10% of the total units, or \$1,000,000.

(3) Link units for Persons with Special Needs

With the exception of Developments financed with HUD Section 811 or United States Department of Agriculture RD program, and Applicants that select the Elderly ALF Demographic Commitment, all Developments must commit to set-aside 50 percent of the ELI Set-Aside units, rounded up, as Link Units for Persons with Special Needs.

d. Unit Mix requirements

(a) If the Elderly Non-ALF Demographic Commitment is selected, at least 40 percent of the total units must be comprised of one bedroom or Zero Bedroom Units, and no more than 20 percent of the total units can be larger than two-bedroom units.

(b) If the Elderly ALF Demographic Commitment is selected, at least 90 percent of the total units must be comprised of units no larger than one bedroom and the sharing of a unit by two or more unaffiliated residents cannot be a condition of occupancy.

e. Number of residential buildings must be provided. Note: All Buildings must consist of at least five units per building. This will be confirmed in credit underwriting.

f. Compliance Period - All Applicants are required to set aside the units for 50 years. Applicants that wish to qualify for an exemption from ad valorem tax pursuant to 196.1978(4), F.S. may also choose to commit to an additional minimum 49-year extended affordability period, for a total affordability period of 99 years ("Perpetuity"), which will only be applied to the SAIL and Bond LURAs as applicable.

7. Readiness to Proceed

a. Applicants must demonstrate site control as of Application Deadline by providing an eligible contract (effective at least through March 31, 2025), a deed, and/or a lease. Developments with an existing Declaration of Trust between a Public Housing Authority and HUD, may provide an Option to Enter into a Ground Lease Agreement (“eligible agreement”) between the Applicant and the owner of the property.

b. NEW! - Ability to Proceed requirements

All successful Applications will be required to demonstrate zoning, infrastructure (water, sewer, electricity and roads), and Environmental Site Assessment **as of Application Deadline**, for the entire proposed Development site, including all Scattered Sites, if applicable.

Successful Applicants will be required to demonstrate that all of these requirements were met by providing documentation outlined in Exhibit D of this RFA within 21 Calendar Days of the invitation to enter into credit underwriting. To demonstrate that these were in place as of the Application Deadline, the documents must be dated on or before the Application Deadline. The Corporation may **rescind** the award of any Applications that fail to meet this requirement.

8. Construction Features

a. Federal Requirements, State Building Code Requirements, General Features, Required Accessibility Features and required Green Building features are outlined in the RFA.

b. In addition to the required Green Building features, select enough additional Green Building features in Exhibit A so that the total point value of the features selected equals at least 10 points.

c. All Developments will be required to do the Capital Needs Assessment process (Exhibit F).

d. New! - Emergency Operations for all Elderly Developments

The following Emergency Operations Features must be provided in all Elderly Developments funded in all general occupancy RFAs:

- There must be a community building/dedicated space within the Development; and
- There must be a minimum of one permanent, standby generator in good working order, to operate at least one elevator per residential building serving Elderly residents that are located on a floor higher than the first floor in addition to the lights, HVAC and other electrical appliances in the community room/dedicated space, throughout the duration of a power outage. The generators must be maintained in good working order and the Applicant must maintain an executed written contract with a vendor certified to service and test the installed generator and system; the generator and system shall be serviced and tested at least annually.

9. Resident Programs

Provide at least three of the resident programs, in addition to the required resident programs outlined in the RFA: Computer Training, Daily Activities, Assistance with Light Housekeeping/Grocery Shopping/Laundry, Resident Assurance Check-In Program or Financial Management for Elderly Residents.

10. Funding

Total SAIL Request Amount is the Base Loan Amount plus ELI Amount as described below. The SAIL loan shall be non-amortizing and shall have an interest rate of 1 percent per annum. The terms and conditions of the SAIL loan are further outlined in Rule Chapter 67-48, F.A.C. The portion of the SAIL loan that is attributable to the ELI Funding is a forgivable loan.

a. SAIL

- (1) Eligible SAIL Base Loan Request Amount maximum is \$84,000 per unit.

- (2) Eligible ELI Request Amount cannot exceed the lesser of (i) \$1,000,000; or (ii) the maximum amount based on the ELI Set-Aside per unit limits, as outlined in Section Four, A.6., for 10 percent of the total units.

The total SAIL Request Amount (Base Loan plus ELI Request) is limited to the lesser of the following:

- \$3,675,000 per Development; and
 - A maximum of 35 percent of Total Development Cost.
- b. Tax-Exempt Bonds, if requested:
 - (1) Corporation-issued MMRB; or
 - (2) Non-Corporation-issued Tax-Exempt Bonds (i.e., bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S.), or a Local Government
 - c. 4% Housing Credits, if requested
 - d. Developer Fee
 - (1) The Developer Fee is 16% for Applicants requesting SAIL only
 - (2) The Developer Fee is 18% for Applicants requesting SAIL with Tax-Exempt Bond Financing and 4% Housing Credits
 - e. Leveraging
 - f. Florida Job Creation Preference
- D. Ranking and Funding Selection
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:

 - Age of Development Preference
 - RA Level 1, 2 or 3 Preference
 - ESS Construction Funding Preference
 - A/B Leveraging Classification
 - Application's actual RA Level
 - Florida Job Creation Funding Preference
 - Lottery number
 5. Selection Process

The highest-ranking Application(s) that can be fully funded will be selected for funding, subject to County Award Tally.
- E. Credit Underwriting Process
- 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 calculation methodology used in credit underwriting and final cost certification.

- b. A/B Leveraging Classification Methodology will be applied to all eligible Applications
- c. Florida Job Creation Funding Preference
- d. Fees
- e. Additional Requirements
- 4. Exhibit D – Timeline
- 5. Exhibit E – Additional requirements for the Link Units for Persons with Special Needs
- 6. Exhibit F – Rehabilitation Scoping Process with a Capital Needs Assessment
- 7. Exhibit G - Tenant Selection Requirements
- G. Other Important Information
 - 1. Public comment link on each RFA Webpage for viewing and submitting public comments
 - 2. Question and Answers process outlined in Section Three, D. of the RFA
 - 3. Expected Timeline

Issue RFA:	November 14, 2024
RFA Due Date:	December 10, 2024
Review Committee Meeting (make recommendations to Board)	January 9, 2025
Request Board Approval of Recommendations	January 24, 2025
- H. Other Discussion Topics