Questions and Answers for RFA 2025-216 Live Local SAIL Financing For The Construction Of Large-Scale Developments Of Significant Regional Impact

1. If the current Master Plan already includes over 400 existing affordable units, can those units satisfy the requirement for the "minimum number of affordable units expected within the Master Plan"? Or does the RFA require a minimum of 400 additional and newly constructed affordable units?

   Answer:

   The units required within the Master Plan may be built, under construction, or expected to be built as part of the Master Plan. Already built units that are part of the Master Plan may satisfy that component. Note, however, that the minimum set aside units for the proposed development submitted in this RFA must still be satisfied.

2. The required Principal Disclosure form for the application, found here appears to have been last updated in June 2023. Is this file up to date?

   Answer:

   Yes. The 05-19 Principal Disclosure form that was amended in 2023 and is currently posted on the website is the correct form. If you have an earlier version of the form that has already been approved in a previous RFA and no information has changed, it can be reused for this RFA.

3. If our site now is in a 2025 Geographic Areas of Opportunity (GAO), can we assume that we are eligible to receive the 130% basis boost despite not being part of QCT/DDA?

   Answer:

   Per the Qualified Allocation Plan (QAP), FHFC will retain the authority to designate Developments as a high-cost area, eligible for up to the 30% boost if that Development is not located in a HUD-designated DDA or a QCT, as authorized by Section 42(d)(5)(B)(v) of the IRC. Person with Special Needs Developments, Homeless Developments and Developments located in FHFC-designated Areas of Opportunity, will be eligible for such designation based on the criteria outlined in a competitive solicitation. This State-Designated Basis Boost is only available to 9% Housing Credit transactions. RFA 2025-216 offers only 4% Housing Credits, which do not qualify for a State-Designated basis boost.

4. The purpose of the 30% LIHTC basis boost for projects located in DDAs and QCTs is to provide additional equity funding in areas where affordable housing is most needed but, based on how AMIs are determined, do not support the higher rents in mixed-income projects. However, FHFC has made up a SAIL leverage calculation policy that penalizes applications located in DDAs or QCTs, except for Public Housing RAD developments, making it impossible for other projects to make it to Group A in the leverage calculation unless the SAIL request is lowered to a point that usually will make the project financially unfeasible.

   For example, in the upcoming RFA 2025-216 a 316-unit development with three hundred set-aside affordable units and sixteen unrestricted ones in a high-rise development, the leverage will be calculated as follows:

   > SAIL request of $25,000,000 x 1.10=$27,500,000/300=$91,666.67. Eliminating the penalty: SAIL request of $25,000,000/300=$83,333.33; a difference of $8,333.34.

   To achieve the $83,333.33 per unit, the leverage of the SAIL request would have to be lowered to $22,727,272, a loss of $2,272,728 in much needed subsidy financing for the areas of the State where the affordable housing is needed the most.

   Will FHFC eliminate the1.10 multiplier for Developments that qualify for a Housing Credit basis boost for leveraging calculation in this RFA?

   Answer:

   The Department of Housing and Urban Development publishes the techniques and methods of determining HUD-based boost areas annually within the Federal Register. For 2025, it was in Volume 89, Number 174 dated September 9, 2024.

   Florida Housing examines annually the relationships between the capital stack, development costs and leveraging impacts across a number of RFAs. Leveraging multipliers are created in an attempt to lessen the positive and negative impacts on the capital stack between the many different fields that create these impacts. Most developments are subject to more than one leveraging multiplier. A proposed development's geographic location, development type and basis boost qualifications are the primary drivers in generating capital stack variables.

   Basis boost areas allow for a 30% increase in the qualifying housing credits over areas that do not have a basis boost. This boost will also have a corresponding increase to the housing credit equity in the capital stack. This increase in equity resources does not directly impact leveraging and is not available for non-boost area developments which makes non-boost developments disadvantaged relative to resources. Since costs often don't increase as the same dollar-increase in equity, developments in a basis boost area generally have a funding advantage over developments not located in a basis boost area. The RFA leveraging process attempts to reduce the general advantages/disadvantages attributable to financial, geographical, and development structures, focusing on a competitive comparison on an equal footing.

   Correspondingly, Applicants in a basis boost area would be expected to request relatively less gap (SAIL) funding per unit to be on an equal footing, thereby creating an unfair SAIL-based leveraging disadvantage for the non-basis boost Applications. Due to the many variables impacting the capital stack, Florida Housing has determined that a leveraging multiplier that yields an 11% increase to the Applicant's basis-boost influenced SAIL request amount more closely aligns with an Applicant's expected non-basis boost leveraging position.

Please Note: The Q&A process for RFA 2025-216 is concluded and Florida Housing does not expect to issue any further Q&As regarding RFA 2025-216.

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