

REQUEST FOR APPLICATIONS 2018-112

**RFA 2018-112 HOUSING CREDIT FINANCING FOR AFFORDABLE HOUSING DEVELOPMENTS LOCATED IN
BROWARD, DUVAL, HILLSBOROUGH, ORANGE, PALM BEACH, AND PINELLAS COUNTIES**

Issued By:

FLORIDA HOUSING FINANCE CORPORATION

Issued: September 6, 2018

Due: October 30, 2018

SECTION ONE INTRODUCTION

This Request for Applications (RFA) is open to Applicants proposing the development of affordable, multifamily housing located in Broward County, Duval County, Hillsborough County, Orange County, Palm Beach County, and Pinellas County.

Under this RFA, Florida Housing Finance Corporation (the Corporation) expects to have up to an estimated \$17,314,387 of Housing Credits available for award to proposed Developments located in Broward County, Duval County, Hillsborough County, Orange County, Palm Beach County, and Pinellas County. The Corporation is soliciting applications from qualified Applicants that commit to provide housing in accordance with the terms and conditions of this RFA, inclusive of all Exhibits, applicable laws, rules and regulations, and the Corporation's generally applicable construction and financial standards.

SECTION TWO DEFINITIONS

Unless otherwise defined in Exhibit B, capitalized terms within this RFA shall have the meaning as set forth in Rule Chapters 67-48 and 67-60, F.A.C., or in applicable federal regulations.

SECTION THREE PROCEDURES AND PROVISIONS

A. Submission Requirements

1. Application Deadline

The Application Deadline is **3:00 p.m., Eastern Time, on October 30, 2018.**

2. Completing the Application Package

a. Downloading and completing the documents provided by the Corporation

The Applicant must download and complete the following documents found on the Corporation Website at

<http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-112> (also available by clicking [here](#)):

- (1) The Application (Exhibit A of the RFA);
- (2) The Development Cost Pro Forma; and
- (3) The Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16) ("Principals Disclosure Form"). A Principals Disclosure Form that was approved during the Advance Review Process, which is described in Section Four A.3.d. of the RFA, may be used to satisfy this requirement, provided the form was approved for the type of funding being requested (i.e. Housing Credits or non-Housing Credits).

- (1) The following Applications will qualify for this funding preference, as outlined in Section Five of the RFA:
 - (a) Applications with a Development Category of New Construction or Redevelopment, with or without Acquisition, and
 - (b) Applications with a Development Category of Rehabilitation, with or without Acquisition, that reflect an amount of at least \$32,500 per unit when the amount listed in the Total column of the Development Cost Pro Forma for the Development Cost line item A1.1 (Actual Construction Cost) is divided by the number of total units in the Development.
- (2) The following Applications will not qualify for this funding preference:

Applications with a Development Category of Rehabilitation, with or without Acquisition, that reflect an amount less than \$32,500 per unit, when the amount listed in the Total column of the Development Cost Pro Forma for the Development Cost line item A1.1 (Actual Construction Cost) is divided by the number of total units in the Development.

Indicate whether the proposed development qualifies for this funding preference in Exhibit A.

- f. Principal of the Applicant is a Public Housing Authority

The Applicant should state whether any Principals of the Applicant entity are a Public Housing Authority. To qualify for the “Add-On Bonus” described Section Five, A.1 of the RFA and in Item 1 of Exhibit C, the Public Housing Authority must be reflected on the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16). For purposes of the “Add-On Bonus”, the Public Housing Authority must not be disclosed as only the Investor Limited Partner of the Applicant or Investor Member of the Applicant.

11. Local Government Support

Applicants must qualify for either a. or b. below.

- a. Local Government Contributions

- (1) Applicants Eligible for Automatic Qualification

Applicants that selected and qualified for the Development Category of Rehabilitation, with or without Acquisition, will automatically qualify without any requirement to demonstrate a Local Government contribution.

- (2) Applicants Not Eligible for Automatic Qualification

In order for Applicants that selected the Development Category of New Construction or Redevelopment, with or without Acquisition to automatically qualify, the Applicant must provide evidence of a Local Government grant, loan,

fee waiver and/or fee deferral that is effective as of the Application Deadline, is in effect at least through June 30, 2019, and has a value whose dollar amount is equal to or greater than the amount listed on the County Contribution List (set out below) for the county in which the proposed Development will be located.

The only Local Government contributions that will be considered for the purpose of scoring are:

- Monetary grants
- Loans with the exception of USDA RD funds
- A one-year or more deferral of a fee beyond the date that it is routinely due
- Waiver of fees

(3) Evidence of the Local Government Contribution for the RFA

As evidence of the Local Government contribution, the Applicant must provide the properly completed and executed Local Government Verification of Contribution Form(s) (Form Rev. 08-16) as **Attachment 17** to Exhibit A. The Local Government Contribution forms (Form Rev. 08-16) are available at the Corporation's Website <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-112/forms-related-to-rfa-2018-112> (also accessible by clicking [here](#)). Note: For purposes of this RFA, the Applicant cannot re-use any Florida Housing Local Government Verification of Contribution form that was included in a previous RFA submission. If the Applicant provides a previously submitted Florida Housing Local Government Verification of Contribution form or any other version of a Florida Housing Local Government Verification of Contribution form(s), the form(s) will not be considered.

To qualify, the face amount and/or the contribution value of amount of the Local Government contribution stated on the applicable form(s) must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

A loan with a forgiveness provision (and no accrued interest charges) requiring approval of the Local Government can be treated as a loan or a grant, for scoring purposes. Either the "Loan" or the "Grant" verification forms can be used. If the loan form is used for a loan with forgiveness provision (and no accrued interest charges), the space for entering the net present value of the loan is not applicable to this RFA and will not be considered.

Funds administered by the Local Government, including federal funds and SHIP funds, may be included in the contribution as long as the appropriate verification form is provided. For purposes of this RFA, USDA-RD funds will NOT count as a Local Government contribution.

The contribution may not be included as an expense on the Development Cost Pro Forma nor may it be considered part of Development Cost for purposes of

calculating HC basis or Developer's fee. The exception to the previous sentence is deferred Local Government fees, which may be shown on the Development Cost Pro Forma.

For a contribution consisting of a loan or deferred fee to be considered complete and eligible for points, the Local Government Verification form must reflect both the total amount of the loan or deferred fee and the value (difference between the face amount and the net present value of the payment streams) of the loan or deferred fee. Calculate the net present value of the payments using the discount rate of 6.10 percent.

NOTE: Neither the payment stream for the present value calculations (if contribution consists of a loan or deferred fee) nor the calculations by which the total amount of each waiver is determined (if contribution consists of a fee waiver) are required to be attached to the certification form or otherwise included in the Application in order for the certification form to be considered for points.

In order to be eligible to be considered a Local Government contribution, the contribution must:

- Be in effect as of Application Deadline;
- Be effective at least through June 30, 2019;
- Be dedicated solely for the proposed Development;
- Provide a tangible economic benefit that results in a quantifiable cost reduction and must be given specifically to the proposed Development because the Development will provide affordable housing; and
- State, federal, or Local Government funds initially obtained by or derived from a Local Government qualify as a Local Governmental contribution even though the funds are directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization, provided that they otherwise meet the requirements set forth in this RFA, including those relating to the executed verification form.

Local Government contributions that are ineligible to be considered include:

- Contributions that are not specifically made for the benefit of affordable housing but are instead of general benefit to the area in which the Development is located;
- The fact that no impact fees or other such fees are levied by a local jurisdiction for ANY type of development does not constitute a Local Government contribution. If such fees are levied by the local jurisdiction but the nature of the proposed Development exempts it (e.g., typically, a Rehabilitation Development is not subject to impact fees), for purposes of this RFA, no Local Government contribution exists and no points will be awarded;

- The absence of interest on a loan or the absence of interest payments until a specific date does not constitute a deferral or waiver of fees;
- Local Government contributions that have not received final approval;
- A contribution from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer;
- A contribution from a PHA;
- HOPE VI funds; and
- A contribution of any portion of the Applicant's site below market value.

Applications are required to reflect both the total amount of the loan or deferred fee and the value (difference between the face amount and the net present value of the payment streams) of the loan or deferred fee on the Local Government Verification form. To calculate the value of a Local Government contribution below market interest rate loan or fee deferral:

- Calculate the net present value of the payments due to the Local Government. For a loan, this includes any balloon payment of principal due on a non-amortizing or non-fully amortizing loan. For a fee deferral, this includes the amount of the fee due at the end of the deferral period.
- Calculate the net present value of the loan payments using the discount rate.
- Subtract the net present value of the loan payments from the original loan principal amount. The remaining amount is the value of the Local Government contribution.

Example: If the discount rate is assumed to be 6.10 percent and the Local Government will provide a fully-amortizing \$50,000 loan with payments due monthly based on a 1.0 percent interest rate for the entire 15-year term, the contribution is calculated as follows:

Calculate the monthly principal and interest payments of the \$50,000 loan at 1.0 percent (\$299.25).

Calculate the net present value of the stream of the monthly payments over 15 years (180 months) using a 6.10 percent discount rate (\$35,235.97).

Subtract the net present value amount from the original principal loan amount to arrive at the value of the contribution ($\$50,000 - \$35,235.97 = \$14,764.03$ value).

Example: If the discount rate is assumed to be 6.10 percent and the Local Government will provide a \$50,000 loan with interest-only payments due monthly based on a 1.0 percent interest rate for entire 15-year

term and principal due at maturity, the contribution is calculated as follows:

Calculate the monthly interest-only payment of the \$50,000 loan at 1.0 percent (\$41.67).

Calculate the net present value of the stream of the monthly payments over 15 years (180 months) and principal due at maturity, using a 6.10 percent discount rate (\$24,978.48).

Subtract the net present value amount from the original principal loan amount to arrive at the value of the contribution (\$50,000.00 - \$24,978.48 = \$25,021.52 value).

NOTE: Points will be rounded to two decimal places (3.345 rounded up to 3.35 and 3.3449 rounded down to 3.34).

County Contribution List

County in Which the Development Is to be Located	Value of Contribution Required to Achieve Maximum Points
Broward	\$100,000
Duval Hillsborough Orange Palm Beach Pinellas	\$75,000

b. Local Government Areas of Opportunity Funding:

In order for an Applicant to qualify, the Applicant must demonstrate a high level of Local Government interest in the project via an increased amount of Local Government contributions in the form of cash loans and/or cash grants, as outlined below. To that end, the proposed Development may only qualify where a jurisdiction (i.e., the county or a municipality) has contributed cash loans and/or cash grants for any proposed Development applying in this RFA in an amount sufficient to qualify for this funding. Any single jurisdiction may not contribute cash loans and/or cash grants to more than one proposed Development applying for the Local Government Areas of Opportunity Funding. During the ranking process outlined in Section Four B of the RFA, if multiple Applications demonstrate Local Government loans and/or grants from the same jurisdiction in an amount sufficient to qualify for this funding, then all such Applications will be deemed ineligible for this funding.

The total amount of permanent funding resources, in the form of cash loans and/or cash grants from Local Government sources will, for purposes of this provision, be considered to be "Local Government Areas of Opportunity Funding." This funding shall be used for the construction and/or rehabilitation of the proposed Development and shall be paid in

full by the local jurisdiction no later than 90 days following the date the proposed Development is placed in-service.

The following will not be considered Local Government Areas of Opportunity Funding:

- In-kind donations or any other donation of property or assets;
- Waiver or deferral of any fees;
- A contribution from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer; or
- A contribution from a PHA;

In order to be eligible to be considered Local Government Areas of Opportunity Funding, the cash loans and/or cash grants must be demonstrated via one or both of the Florida Housing Local Government Verification of Contribution forms (Form Rev. 08-16), called “Local Government Verification of Contribution – Loan” form and/or the “Local Government Verification of Contribution – Grant” form. The forms must meet the requirements outlined in 10.c.(2)(a) above, the qualifying funding must be reflected as a source on the Development Cost Pro Forma, and the applicable form(s) must be provided as **Attachment 17** to the Application.

If the Applicant qualifies for Local Government Areas of Opportunity Funding and is awarded funding under this RFA, the Applicant must provide and maintain an amount equal to or greater than the minimum qualifying amounts listed in the table below within the permanent sources of financing.

To qualify for Local Government Areas of Opportunity Funding, the face amounts of any cash loans and/or cash grants shown on the aforementioned Local Government Verification of Contribution forms shall be totaled and the total of these amounts must equal or be greater than the amounts listed in the table below for the proposed Development’s Building Type.

If the total face amounts of any cash loans and/or cash grants shown on the Local Government Verification of Contribution form(s) total less than the amounts listed in the table below, the Application will not qualify for Local Government Areas of Opportunity Funding.

Minimum Local Government Area of Opportunity Funding Amounts		
Building Type*	Total Amount of Loan(s)/Grant(s) for Duval, Hillsborough, Orange, Palm Beach and Pinellas**	Total Amount of Loan(s)/Grant(s) for Broward County
Garden-Wood (NC)	\$472,000	\$495,250
Garden-Concrete (NC)	\$567,500	\$595,250
Mid-Rise-Wood (NC)	\$567,500	\$595,250

Mid-Rise-Concrete (NC)	\$625,750	\$656,000
High-Rise (NC)	\$747,000	\$783,250
Garden (Rehab)	\$396,750	\$416,000
Non-Garden (Rehab)	\$559,000	\$586,250

* For purposes of this provision (i) Concrete refers to a “Yes” answer to question 4.d. of Exhibit A; (ii) NC includes Development Categories of New Construction, Redevelopment and Acquisition and Redevelopment and Rehab includes Development Categories of Rehabilitation and Acquisition and Rehabilitation, as selected by the Applicant at question 4.b. of Exhibit A; and (iii) 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), as selected by the Applicant at question 4.c. of Exhibit A. In the case of mixed-type Developments, the Applicant should use the Building Type that will comprise the majority of the units in the Development.

**Local Government Area of Opportunity Funding is not a Funding Selection goal in Pinellas County in this RFA.

B. Addenda

The Applicant may use the Addenda section of Exhibit A to provide any additional information or explanatory addendum for items in the Application. Please specify the particular item to which the additional information or explanatory addendum applies.

**SECTION FIVE
SCORING AND EVALUATION PROCESS**

A. Scoring the RFA

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 met*
Demographic Commitment selected
Name of Applicant provided
Evidence Applicant is a legally formed entity provided
Principals for Applicant and Developer(s) Disclosure Form provided
Authorized Principal Representative provided
Name of Each Developer provided
Evidence that each Developer entity is a legally formed entity provided
General Development Experience Requirement met
Name of Management Company provided