

**Florida Housing Finance Corporation  
Request for Applications (RFA) Workshop Agenda  
January 25, 2019, 10:00 a.m., Eastern Time  
227 North Bronough Street, 6<sup>th</sup> Floor Seltzer Conference Room,  
Tallahassee, Florida  
Call-In: 1-888-339-2688; Passcode: 647 696 89**

**RFA 2019-101 – CDBG-DR Financing of Workforce Housing  
Developments to be used in Monroe County**

**Section One - Introduction**

Under this RFA, an estimated \$20 million Community Development Block Grant – Disaster Recovery (CDBG-DR) Program funding will be made available for construction of Workforce Housing (Development Funding) PLUS an additional \$10 million in CDBG-DR Funding will be made available for acquiring land that will be affordable in Perpetuity for Developments that help address the unmet Workforce Housing need in Monroe County (Land Acquisition Program Funding). This workshop is specifically for Monroe County Developments.<sup>1</sup>

Who can apply

Based on feedback received since the last workshop, Florida Housing has changed the requirements regarding the Applicant structure. Applications are now categorized as Priority I, II and III as described below.

(1) Type of structure of the Applicants:

The Applicant entity must be a Local Government as defined in Section 420.503 F.S., a Public Housing Authority as created in 421.04, F.S., a Land Trust/Authority, or a Single Purpose Legal Entity. A 'Single Purpose Legal Entity' means either a legally formed corporation, limited partnership or limited liability company with a management and ownership structure.

(2) Priority I, II or III Qualifications:

(a) Priority I Applications Qualifications

(i) Structure

- The Applicant entity is a Local Government as defined in Section 420.503 F.S., a Public Housing Authority as created in 421.04, F.S., or a Land Trust/Authority;

OR

- The Applicant entity is Single Purpose Legal Entity that is a Joint Venture with an ownership structure that consists of a Local Government as defined in Section 420.503 F.S., a Public Housing Authority as created in 421.04, F.S., or a Land Trust/Authority AND a Single Purpose Legal Entity that meets the definition of a 100% Non-Profit Entity<sup>2</sup>.

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<sup>1</sup> Information in this Agenda is subject to change.

<sup>2</sup> 100% Non-Profit Entity is defined in Section Two, starting on page 3.

(ii) Ownership

The Local Government, Public Housing Authority or Land Trust/Authority holds 100 percent ownership in the land and the Development. The Development may be owned by the Local Government, Public Housing Authority or Land Trust/Authority or a Single Purpose Legal Entity.

(iii) Affordable into Perpetuity

The site control documentation must demonstrate that the proposed Development will be affordable in Perpetuity as further outlined in Section Four, A.7.

(iv) Funding

- Development Funding - Must apply for a maximum of \$8,000,000 or Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County in Development Funding.
- Land Acquisition Program Funding – May apply for up to \$5,000,000 to assist with land acquisition costs and commit to making the land affordable into Perpetuity.

(v) Selection Process

Eligible Priority I Applications will be selected for funding first and will continue to be selected for funding if the Application can be fully funded. Priority II or III Applications will not be selected for funding unless there is funding remaining and no eligible Priority I Applications can be fully funded.

(b) Priority II Applications Qualifications

(i) Structure

The Applicant entity is Single Purpose Legal Entity that is a Joint Venture with an ownership structure that includes a Local Government as defined in Section 420.503 F.S., a Public Housing Authority as created in 421.04, F.S., or a Land Trust/Authority AND a Single Purpose Legal Entity that includes a For Profit Entity<sup>3</sup>.

(ii) Ownership

The Local Government, Public Housing Authority or Land Trust/Authority holds 100 percent ownership in the land and the Development. The Development may be owned by the Local Government, Public Housing Authority or Land Trust/Authority or a Single Purpose Legal Entity.

(iii) Affordable into Perpetuity

The site control documentation must demonstrate that the proposed Development will be affordable in Perpetuity as further outlined in Section Four, A.7.

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<sup>3</sup> For Profit Entity is defined in Section Two, starting on page 3.

(iv) Funding

- Development Funding - Must apply for a maximum of \$8,000,000 or Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County in Development Funding.
- Land Acquisition Program Funding – May apply for up to \$5,000,000 to assist with land acquisition costs and commit to making the land affordable into Perpetuity.

(v) Selection Process

Eligible Priority II Applications will be selected for funding after all Priority I Applications that can be fully funded are selected. Priority II Applications will continue to be selected for funding if the Application can be fully funded. Priority III Applications will not be selected for funding unless there is funding remaining and no eligible Priority I or II Applications can be fully funded.

(c) Priority III Application Qualifications

All Applications that are not otherwise deemed a Priority I or Priority II Application will be deemed a Priority III Application.

(i) Affordability Period

50 years

(ii) Funding

- Development Funding - Must apply for a maximum of \$8,000,000 or Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County in Development Funding (which may include land acquisition expenses).
- Land Acquisition Program Funding – Priority III Applicants are not eligible for Land Acquisition Program Funding.

(iii) Selection Process

Eligible Priority III Applications will be selected for funding after all Priority I and II Applications that can be fully funded are selected. Priority III Applications will continue to be selected for funding if the Application can be fully funded.

**Section Two – Definitions**

All capitalized terms will be defined in Rule Chapter 67-60, F.A.C. or Exhibit B of the RFA, but there are some terms that are unique to this RFA and are available for discussion at Workshop:

“100% Non-Profit Entity” – means a Single Purpose Legal Entity that is wholly-owned (i.e. 100 percent owned) by one or more qualified non-profit organization as defined in Section 42(h)(5)(C), subsection 501(c)(3) and 501(c)(4) of the Internal Revenue Code, as in effect on the date of this RFA, and organized under Chapter 617, F.S., if a Florida corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis.

“For Profit Entity” – means an Applicant entity is Single Purpose Legal Entity with an ownership structure that includes an entity with at least one for profit Principal, and therefore does not meet the definition of 100% Non-Profit Entity.

“Perpetuity” – means at least 99 years from the Application Deadline.

### **Section Three – Submission Requirements**

1. The Applicant must download and complete the Application, the Development Cost Pro Forma, and the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16) (“Principals Disclosure Form”).
2. In addition to the three documents described above, the Application Package also includes one copy consisting of all of the applicable completed Attachments described in the RFA (“All Attachments Document”).
3. After successfully logging in, the Applicant must click “Upload Application Package” and upload all documents.
4. One printed copy of the complete Uploaded Application with all applicable attachments and the required non-refundable Application fee must be submitted to the Corporation by the Application Deadline.
  - The Application Fee for Priority I Applications is \$1,500.
  - The Application fee for Priority II and III Applications is \$3,000.

### **Section Four – Information to be Provided in the Application**

1. The Applicant must include an Applicant Certification and Acknowledgement form, executed by the Authorized Contact Person, to indicate the Applicant’s certification and acknowledgement of the provisions and requirements of the RFA.
2. Demographic Commitment must be Workforce, serving the general population.
3. **Applicant/Developer/ Contact Person/Management Company**
  - a. **Applicant**

Describe the structure of the Applicant entity and state whether the Application is a Priority I, II or III Application.
  - b. **Developer**

Provide the name of each Developer and provide evidence that each Developer is a legally formed entity qualified to do business in Florida as of Application Deadline. A developer is any individual, association, corporation, joint venture, or partnership which possesses the skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.

Federal Funding Experience Preference (tiebreaker in funding selection)

Applications with more than 12 units will qualify for this funding preference if the Developer demonstrates experience in the completion of at least one development consisting of at least 10 total units that was financed with federal funding and required all federal programs such as Davis

Bacon requirements and Environmental Review requirements. Applications with 12 units or less will qualify for this preference automatically.

c. **Principal Disclosure Form for the Applicant and for each Developer (5 points)**

To meet the submission requirements, the Applicant must upload the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 08-16) ("Principals Disclosure Form").

Applications will earn 5 points by submitting a Principals Disclosure Form that was approved during the Advance Review Process. The Continuous Advance Review Process is now open and can be accessed on page <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019/2019-101> (also available by clicking [here](#)).

d. **Provide the name of the General Management Company for the Development.**

e. **Authorized Principal Representative / Operational Contact Person**

The Authorized Principal Representative identified in the Application MUST be a Principal of the Applicant and MUST sign the Applicant Certification and Acknowledgement form and the Site Control Certification form. The Operational Contact Person is optional.

**4. General Proposed Development Information:**

a. **Development Name**

b. The Development Category must be new construction, with or without acquisition. All units must consist entirely of new construction units. Rehabilitation of existing units is not allowed. Demolition of current structures is allowed.

c. Development Type (i.e., Single Family Homes including modular homes that are installed by certified contractors, Duplexes, Quadraplexes, or Garden Apartments (a building comprised of 1, 2 or 3 stories, with or without an elevator), and Mid-Rise (4, 5 or 6 stories).

d. **Resiliency Preference (tiebreaker in funding selection)**

(1) Applications that select the Single Family Homes Development Type will automatically qualify for the Resiliency Preference.

(2) Applications that select any of the other Development Types will qualify for the Resiliency Preference by qualifying for "Enhanced Structural Systems Construction" or "ESS Construction". To qualify, the proposed Development must meet at least one of the specifications listed below.

(a) For all buildings with the Development Type of Garden Apartment, or Mid-Rise (4, 5 or 6 story), as applicable, all of the following structural elements must consist of 100 percent poured concrete/masonry, 100 percent steel, or a combination adding up to 100 percent of concrete/masonry and steel, as verified during credit underwriting: all exterior walls and other external load-bearing elements, as well as the floor of the lowest story of the building that contains residential, commercial or storage space (other than parking), and any under-floor/under-ground supports for that lowest story's floor.

(b) Any buildings with the Development Type of Mid-Rise (4, 5 or 6 story) that utilize an ESS Podium Structure shall qualify as "ESS Construction." Buildings of

other Development Types that utilize an ESS Podium Structure must meet the requirements in (a) above in order to qualify as "ESS Construction." In this event, the top surface of the podium itself shall be considered to be the floor of the lowest story of the building that contains residential, commercial or storage space (other than parking).

For the purposes of determining "ESS Construction," there is no requirement regarding the materials to be used in the roof of the building.

The term "ESS Podium Structure" shall mean a non-residential support structure underneath the rental units constructed solely of concrete/masonry, steel, or some combination of concrete/masonry and steel together, and where said structure under the rental units must utilize at least 85 percent of the square footage for parking or non-commercial utility/ancillary building uses only. Up to 15 percent of the square footage can be used for other non-residential purposes.

These qualifying criteria specifically exclude face brick or brick veneer from qualifying as ESS Construction for purposes of this RFA unless the proposed Development otherwise meets the requirements in (a) or (b) above.

- e. Applicants must state whether construction has commenced as of Application Deadline. Note: If "Yes", all rules and regulations in 24 CFR Part 92, which includes cross-cutting Federal Regulations, will apply.

**5. Location of the Development**

- a. All Priority I and II Applications must include the Jurisdiction of the proposed Development. The Jurisdiction will be the Local Government, Public Housing Authority, or Land Trust/Authority that is a Principal of the Applicant. The Jurisdiction will be used for the Jurisdiction Award Tally.<sup>4</sup>
- b. Scattered Sites are allowed. A part of the boundary of each Scattered Site must be located within 20 miles of a part of the boundary of the Scattered Site with the most units.
- c. All Applicants must provide the address of the proposed Development and latitude and longitude coordinates for each site including, if applicable, each of the Scattered Sites, stated in decimal degrees, rounded to at least the sixth decimal place. Note: 30.443900, -84.283960 is an example of decimal degrees format, represented to six decimal places.

**6. Buildings and Number of Units**

- a. Number of units - There must be at least 5 total units. There is no maximum number of units.
- b. Number of residential buildings must be provided.
- c. Affordability Set-Aside Commitments

100 percent of the total units must be set aside at or below 80 percent AMI. At least 10 percent of the total units must be set-aside at or below 25 percent AMI as Extremely Low-Income (ELI)

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<sup>4</sup> Jurisdiction Award Tally is further explained on page 11 of this agenda.

Set-Aside Units. At least 50 percent of the ELI Set-Aside units (i.e., at least 5 percent of the total units) must be set aside as Link Units for Persons with Special Needs.

d. Compliance Period

The Compliance Period committed to in this section includes the units set aside for the Demographic Commitments made in this RFA, which includes the commitments for Link Units and ELI Households.

The HUD affordability period requires units to be set aside for 20 years. Priority I or II Applications must remain affordable into Perpetuity. The Corporation is adding 30 years of an extended affordability period to the HUD affordability period for Priority III Applications, for a total affordability period of 50 years for Priority III Application.

7. Readiness to Proceed

a. Site Control

Priority I or II Applications seeking Land Acquisition Program Funding Requirements

The land must be affordable into Perpetuity. There will be a Land Use Restriction Agreement (LURA) setting forth the Perpetuity requirements. This RFA provides funding to purchase land or provides reimbursement to Applicants that have purchased land since July 27, 2018. No Affiliate or Principal of the Applicant or Developer may have owned the land at any time prior to July 27, 2018. Note: There is no guarantee of reimbursement, even for Applicants that are selected for funding. To be eligible for reimbursement, other conditions such as an environmental review and approval during credit underwriting, must be met.

Applicants must demonstrate site control as of Application Deadline by providing the properly executed Site Control Certification form (Form Rev. 08-18). Attached to the form must be documents that meet the conditions outlined below:

*Land Acquisition Program Funding for the future purchase of land*

- (1) The Site Control documentation must include an eligible contract. An eligible contract must meet all of the following conditions:
  - (a) It must have a term that does not expire before a date that is 6 months after the Application Deadline or that contains extension options exercisable by the purchaser and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than a date that is 6 months after to the Application Deadline;
  - (b) It must specifically state that the buyer's remedy for default on the part of the seller includes or is specific performance;
  - (c) The purchase price must be included;
  - (d) The buyer must be the Local Government, Public Housing Authority, or Land Trust/Authority that is a Principal of the Applicant; and
  - (e) The owner of the subject property must be the seller, or is a party to one or more intermediate contracts, agreements, assignments, options, or

conveyances between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to sell the property to the seller. Any intermediate contract must meet the criteria for an eligible contract in (a) through (d) above.

- (2) The Site Control documentation must include an appraisal demonstrating that the appraised value of the land meets or exceeds the purchase price;
- (3) For Applicants that are a Single Purpose Legal Entity, include a lease between the Local Government, Public Housing Authority or Land Trust/Authority and the Applicant entity. The lease payments must equal \$10 a year or less. The lease must have an unexpired term of at least 50 years after the Application Deadline.

*Land Acquisition Program Funding for reimbursement*

- (1) The Site Control documentation must include a Deed or Certificate of Title AND a copy of the underlying purchase contract. The deed or certificate of title (in the event the property was acquired through foreclosure) must meet the following:
  - (a) The Deed must be recorded in Monroe County and show the Local Government, Public Housing Authority, or Land Trust/Authority that is a Principal of the Applicant as the sole Grantee;and
  - (b) A copy of the underlying purchase contract, executed no earlier than July 27, 2018.
- (2) The Site Control documentation must include an appraisal demonstrating that the appraised value of the land meets or exceeds the purchase price;
- (3) For Applicants that are a Single Purpose Legal Entity, include a lease between the Local Government, Public Housing Authority or Land Trust/Authority and the Applicant entity. The lease payments must equal \$10 a year or less. The lease must have an unexpired term of at least 50 years after the Application Deadline.

Priority I and II Applications that are not seeking Land Acquisition Program Funding

The land must be affordable into Perpetuity. There will be a Land Use Restriction Agreement (LURA) setting forth the Perpetuity requirements. Applicants must demonstrate site control as of Application Deadline by providing the properly executed Site Control Certification form (Form Rev. 08-18). Attached to the form must be documents that meet the conditions outlined below:

- (1) If the Applicant is purchasing the land, the Site Control documentation must include an eligible contract that meets all of the following conditions:
  - (a) It must have a term that does not expire before a date that is 6 months after to the Application Deadline or that contains extension options exercisable by the purchaser and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than a date that is 6 months after to the Application Deadline;



- (b) It must specifically state that the buyer's remedy for default on the part of the seller includes or is specific performance;
  - (c) The Applicant must be the buyer unless there is an assignment of the eligible contract, signed by the assignor and the assignee, which assigns all of the buyer's rights, title and interests in the eligible contract to the Applicant; and
  - (d) The owner of the subject property must be the seller, or is a party to one or more intermediate contracts, agreements, assignments, options, or conveyances between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to sell the property to the seller. Any intermediate contract must meet the criteria for an eligible contract in (a) through (c) above.
- (2) If the Applicant already owns the land, the Site Control documentation must include a Deed or Certificate of Title. The deed or certificate of title (in the event the property was acquired through foreclosure) must be recorded in the county in which the property is located and show the Applicant as the sole Grantee.

Priority III Applications

- (1) If the Applicant is purchasing the land, the Site Control documentation must include an eligible contract must meet all of the following conditions:
- (a) It must have a term that does not expire before a date that is 6 months after to the Application Deadline or that contains extension options exercisable by the purchaser and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than a date that is 6 months after to the Application Deadline;
  - (b) It must specifically state that the buyer's remedy for default on the part of the seller includes or is specific performance;
  - (c) The Applicant must be the buyer unless there is an assignment of the eligible contract, signed by the assignor and the assignee, which assigns all of the buyer's rights, title and interests in the eligible contract to the Applicant; and
  - (d) The owner of the subject property must be the seller, or is a party to one or more intermediate contracts, agreements, assignments, options, or conveyances between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to sell the property to the seller. Any intermediate contract must meet the criteria for an eligible contract in (a) through (c) above.
- (2) If the Applicant already owns the land, the Site Control documentation must include a Deed or Certificate of Title. The deed or certificate of title (in the event the property was acquired through foreclosure) must be recorded in Monroe County and show the Applicant as the sole Grantee.
- (3) If the Applicant is leasing the land, the Site Control documentation must include a Lease. The lease must have an unexpired term of at least 50 years after the Application Deadline and the lessee must be the Applicant. The owner of the subject property must be a party to the lease, or a party to one or more intermediate leases, subleases,

agreements, or assignments, between or among the owner, the Applicant, or other parties, that have the effect of assigning the owner's right to lease the property for at least 50 years to the lessee.

b. Ability to Proceed

The new Ability to Proceed forms are provided on the Corporation's Website <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2019/2019-101/forms-related-to-rfa-2019-101> (also accessible by clicking [here](#)).

**8. Required Design and Construction Features**

- a. Federal Requirements and State Building Code Requirements
- b. Required general features
- c. Accessibility, Adaptability, Universal Design and Visitability Features
- d. Required Green Building Certification Features

Proposed Developments must achieve one of the following Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); Florida Green Building Coalition (FGBC); or ICC 700 National Green Building Standard (NGBS).

**9. Resident Programs**

For all proposed Developments that consist of more than 12 units, it is a Mandatory requirement that at least two of the resident programs are selected: After School Program for Children, Literacy Training, Employment Assistance Program, Family Support Coordinator, or Financial Management Program.

**10. Funding**

The CDBG-DR loan shall be non-amortizing and forgivable after 20 years. The loan subject to the program requirements, credit underwriting, and loan terms and conditions outlined the RFA.

a. Funding Available

Estimated total CDBG-DR funding amount of \$30,000,000, to be divided as follows:

- \$20,000,000 in Development Funding (All Applications)

Development Funding can be used for all aspects of creating affordable housing in Monroe County, including land acquisition, whether the Application qualifies as a Priority I, II or III Application. Each Application is eligible for the lesser of \$8,000,000 or the applicable Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for Monroe County.

Total Maximum Per Unit CDBG-DR Rental FHFC Subsidy Limit for each Application is determined by the following calculation:

- \$141, 088 per Zero Bedroom Unit
- \$161, 738 1 Bedroom Unit
- \$196, 672 per 2 Bedroom Unit
- \$254, 431 per 3 Bedroom Unit
- \$272, 085 per 4 Bedroom Unit

- \$10,000,000 in Land Acquisition Program Funding (Priority I and II Applications only)

Recognizing that additional funding may be necessary to make Developments viable due to the scarcity and cost of land in Monroe County, Priority I and II Applicants may request up to \$5,000,000, in addition to the requested Development Funding, to assist with land acquisition costs.

- Additional funding sources must be demonstrated if Applicant's total development cost per unit exceeds the CDBG-DR maximum subsidy limit.
- Developer Fee for this RFA is based on 16% of Development Cost.

**11. Ranking and Funding Selection:**

- Eligibility Requirements
- Sorting Order
- Funding Test

Priority I and Priority II Applications will only be funded if there is enough Development Funding and, if applicable, Land Acquisition Program Funding to fully fund the Application.

Priority III Applications will only be funded if there is enough Development Funding to fully fund the Application.

- Jurisdiction Award Tally (Priority I and II Applications only)

As each Application is selected for tentative funding, the jurisdiction submitting the Application will be located will have one Application credited toward the Jurisdiction Award Tally.

When selecting Priority I Applications, the Corporation will prioritize eligible unfunded Priority I Applications from jurisdictions that have the lowest applicable Jurisdiction Award Tally above other eligible unfunded Priority I Applications with a higher Jurisdiction Award Tally, even if the Applications with a higher Jurisdiction Award Tally are higher ranked Priority I Applications. If there are multiple eligible unfunded Applications that have the lowest Jurisdiction Award Tally, the Corporation will select the highest ranking Priority I Application among them for funding.

This procedure will be applied when selecting Priority I Applications and Priority II Applications.

- Selection Process

After Applications are sorted, funding selection will proceed. The highest ranked Priority I Applications will be selected first, subject to the Funding Test and Jurisdiction Award Tally. As each Priority I Application is selected for funding, the CDBG-DR Request Amount will be deducted from both the Land Acquisition Program Funding and the Development Funding Amount.

If the Land Acquisition Program Funding is depleted and eligible Priority I Applications remain, Priority I Applications may be fully funded from Development Program Funding as long as the request amount is within the maximum request limits for Development Program Funding (\$8,000,000 or less).

If funding remains, but there are no eligible Priority I Applications that can be fully funded, the process will be repeated with the highest-ranking Priority II Applications until there are no Priority II Applications that can be fully funded. If Land Acquisition Program Funding remains and there are no eligible Priority I or II Applications that can be fully funded, the Land Acquisition Program Funding will be distributed as approved by the Florida Housing Board of Directors and

the Florida Department of Economic Opportunity. The Land Acquisition Program Funding will not be used to fund Priority III Applications.

If Development Funding remains, and no Priority I or II Applications can be fully funded, then the process will be repeated with the highest-ranking Priority III Applications. Then no further Applications will be selected for funding and the remaining funding will be distributed as approved by the Board.

**12. Time Line**

**13. Other Discussion Topics**

Credit Underwriting Process

Applicants that are selected to receive funding will be invited to enter credit underwriting and will be expected to complete the credit underwriting process, including Board approval of the credit underwriting report, within 12 months of the date of the invitation to enter credit underwriting.

All Applications, whether the Application qualifies as a Priority I, II or III, must meet the CDBG-DR requirements as outlined in the RFA. These requirements are similar to HOME funding, such as the requirement to comply with the HUD environmental requirements as provided in 24 CFR 93.301(f)(1) and (2). However, Priority I Applications will not be charged a fee for the environmental review.