

Applications Due: October 7, 2022

For

**HOUSING FINANCE AUTHORITY OF LEON COUNTY
NOFA 2022-1**

**NOTICE OF FUND AVAILABILITY &
REQUEST FOR APPLICATIONS**

**LOCAL GOVERNMENT AREA OF OPPORTUNITY FUNDING
LOAN REQUESTS
In Conjunction with FHFC RFA 2022-201**

The Housing Finance Authority of Leon County (the "Authority") announces the availability of funds and is requesting applications for the consideration of providing local government support for qualified multifamily housing developments which meet the goals of the Authority, City of Tallahassee (the "City"), and Leon County (the "County") and comply with applicable federal and state law. The Authority has adopted the following guidelines to set forth the general requirements and procedures that apply to the financing of multifamily housing developments. The Authority, in partnership with the City and County, may waive specific provisions of these guidelines where good cause is shown and adequate supporting documentation is provided. Any waiver is at the sole discretion of the Authority with the approval of the County and/or City. In addition, these guidelines may be amended, revised, repealed or otherwise altered by the Authority, in coordination with the City and County with or without notice. The Authority specifically welcomes requests for proposed alternative resident programs or development/unit features.

All applications submitted will be reviewed by the Authority's Financial Advisor, who will make recommendations to the Authority's Board of Directors (the "Board"). The Board will make a recommendation to the County and/or City whether or not to authorize commitment letters and loans providing Local Government Area of Opportunity Funding for developments seeking FHFC Housing Credits in conjunction with FHFC RFA 2022-201. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider recommendations to provide financing for any development unless the applicant has satisfied the general requirements set forth in these guidelines, submits a timely, complete, and acceptable application and complies with all of the procedures and requirements contained within the Authority's application procedures and program guidelines. Copies of the Application are available at the Authority's website or upon request by email to mark@thehendricksoncompany.com

The Authority reserves the right to impose additional requirements on any particular development. Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that the Authority, City, and/or County will provide the requested financing.

The Authority provides local government support to assist in the construction, rehabilitation and permanent financing of multifamily housing developments. The estimated amount of funds available for local government support is the amount needed to meet the requirements of FHFC RFA 2022-201. Up to this amount may be used for multi-family developments seeking Housing Credits from FHFC pursuant to

FHFC RFA 2022-201, and Local Government Area of Opportunity Funding from the Authority. The amount utilized may be increased or decreased at the sole discretion of the Authority.

The maximum amount of the Local Government Support loans funded pursuant to this NOFA is the amount that will allow an Applicant to receive the maximum points or preference for the Local Government Area of Opportunity Funding. One loan made in conjunction with FHFC RFA 2022-201 will be in the dollar amount necessary to score the maximum amount of points for the Local Government Area of Opportunity Funding, while another loan will be in the dollar amount necessary to score the maximum number of points for the Local Government Contribution.

All applications received will compete with each other and be selected by the Authority for the available funding. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

Applications related to FHFC RFA 2022-201 are due no later than 5:00 PM, Eastern Daylight Time on Friday, October 7, 2022. The application cycle will be processed according to the Authority's guidelines (which guidelines provide, however, that any remaining allocation-available after the application cycle may be made available to applicants on a first-come, first-served basis). For more information, contact Mark Hendrickson.

Applicants must submit an original and a total of two (2) copies to the Authority as follows:

An original, one (1) hard copy, and a PDF of the entire application, and a \$5,000 application fee (check to the Authority) to:

Housing Finance Authority of Leon County
Attention: Jeffrey Sharkey, Chairman
615 Paul Russell Road
Tallahassee, Florida 32301

One (1) hard copy and a PDF of the entire application, and \$3,000 review fee (check made out to The Hendrickson Company) to:

Mark Hendrickson
1404 Alban Avenue
Tallahassee, Florida 32301
Contact: Mark Hendrickson, 850.671.5601
mark@thehendricksoncompany.com

PDF must have resolution setting that permits PDF to be emailed

GUIDELINES

1. PROJECT THRESHOLD CRITERIA

- Project must be located within the city limits of the City of Tallahassee, Florida, or urban services areas of Leon County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a contract or option to purchase the project site);
- Applicant must provide a set-aside of rental units equal to or greater than the standards for low income Housing Tax Credits or applicable FHFC Program, as the case may be; and,

- Applicant must establish an affordable period in perpetuity for set-aside rental units
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses.

2. PROJECT SELECTION CRITERIA

- Project feasibility as determined by:
 - ✓ Applicant’s development and construction experience;
 - ✓ Applicant’s management experience; and
 - ✓ Financial feasibility to complete and operate the project (including, but not limited to, cost estimates, cash flows, debt service, coverage ratios, the percentage of public monies requested compared to project cost; leveraging)
- Applicant’s performance and/or compliance (including any prior defaults) of any prior loans or contracts with the the Authority, City, and/or County including timeliness of closing on financing from the Authority, City, and/or County and duration of construction;
- The extent to which social services and assistance is offered to occupants (including, but not limited to job training, computer training, home purchase assistance, and health-related support);
- The extent to which there is temporary (for any rehabilitation projects) or permanent displacement of existing tenants (then in which event either shall be scored as a negative factor); and,
- The Authority, in coordination with the City and County established the following funding priorities for Applicants applying for the Local Contribution in conjunction with FHFC RFA 2022-201:
 - ✓ Maximum Economic Impact
 - ✓ Overall quality of the site
 - ✓ Proximity to public transportation
 - ✓ Proximity to Employment
 - ✓ Leveraging of the Authority, City and/or County funds with other resources that could be used to meet the FHFC required contribution level, and leveraging of the Authority funds with other funds to achieve greater impact on the community/neighborhood
 - ✓ Ability to meet FHFC requirements for the contribution to be a part of permanent financing with minimum loan term, and maximum interest rate
 - ✓ Developments which commit to an affordability period in perpetuity
 - ✓ Innovative Aspects of the Development
 - ✓ Resident programs and unit and development amenities
 - ✓ Partnership with the Community Land Trust of Tallahassee-Leon County on resident programming and unit and development amenities
 - ✓ Establish a percentage of units for households that do not exceed 30% of the Area Median Income (AMI)
 - ✓ Establish a percentage of units dedicated to low-barrier housing. Low barrier housing is housing that does not require a security deposit, a minimum credit score, and does not prohibit individuals with criminal records. Low barrier housing shall not apply to convicted and/or registered sex offenders.
 - ✓ Provision of needed affordable housing as described in the 2022 Rental Market Study by the Shimberg Center for Housing Studies

Note: The Board directed that the Guidelines include the following notice: Applications for developments serving the FHFC demographic groups of both Family and Elderly will be accepted. However, if the Board determines that a family development equals or exceeds an Elderly development in terms of the Board’s evaluation of the criteria and priorities detailed above, the development serving the Family demographic will be selected.

NOTE: IT IS THE INTENT OF THE AUTHORITY TO RECOMMEND AND FUND ONLY ONE LGAOF APPLICANT, SUBJECT TO CHANGE AT THE DISCRETION OF THE AUTHORITY, THE CITY, AND/OR THE COUNTY

3. LOAN TERMS:

To be determined at time of loan commitment(s). The following will apply to all JFHA loans:

The loan amount for Applicants seeking a Local Government Contribution loan will be determined in FHFC RFA 2022-201. The terms for such loans are anticipated to be:

- ✓ Loan Amount to be determined by development type, as detailed in FHFC RFA 2022-201
 - ✓ Term of loan to be the minimum required by FHFC RFA 2022-201 or for development financial feasibility
 - ✓ Semi-annual payment schedule
 - ✓ Amortizing or non-amortizing, but amortizing preferred
 - ✓ 0% interest possible, but not preferred
 - ✓ Loan due in full in balloon payment at end of loan period if not already amortized
 - ✓ Developer to propose loan structure as part of competitive application process
- The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.
 - Each loan shall be evidenced by a promissory note in the full-face amount of the Local Government Support, and secured in its entirety by a subordinate lien mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.
 - Requirements of the HFA and commitments by the Applicant shall be included in a Land Use Restriction Agreement or Extended Use Agreement
 - The loan shall not be disbursed until the following minimum due diligence is received and satisfactory (however, additional requirements may be necessary for the project): mortgagee title insurance policy (or a marked-down commitment for the same), boundary survey certified to the JHFA, environmental site assessments certified to the Authority, and evidence of concurrency and all permits authorizing construction of the project.
 - The loan shall be issued in the name of the Authority. Such loan shall be reviewed, implemented, and administered by the Authority.

4. FEES

- \$5,000 Application fee due with original application, sent to the Authority with check made out to Authority
- \$3,000 Review fee, due with copies of application, went to and check made out to The Hendrickson Company
- \$5,000 Closing Fee, due at loan closing.
- All legal costs of the Authority associated with the loan closing

5. DISCLAIMER

The Authority, City, and County are taking no responsibility that FHFC in their initial scoring, or in any scoring revisions that take place due to legal disputes between applicants in FHFC RFA 2022-201, related to the NPV calculation or will ultimately agree with this calculation. The Authority, City, and County are assuming NO LIABILITY if FHFC or any judicial or quasi-judicial body comes to a conclusion that the funding levels or loan terms do not qualify the Applicant for the Local Government Area of Opportunity Funding within the FHFC RFA/Application.

If approved for a loan, and with that understanding, if you would like to have a local government contribution loan form executed by the City or County, please fill out the form and submit to Jean Amison, City of Tallahassee (jean.amison@talgov.com); Matthew Wyman, Leon County (wymanm@leoncountyfl.gov); and Mark Hendrickson, Housing Finance Authority of Leon County (mark@thehendricksoncompany.com) prior to the submission deadline.

If you dispute the NPV calculation, please contact Mark Hendrickson to discuss.

6. WAIVERS, ERRORS & RIGHT TO OBTAIN ADDITIONAL INFORMATION FROM APPLICANTS

The Authority reserves the right to waive any provision of the NOFA and/or the accompanying application. The Authority reserves the right to waive any minor irregularity in the application, with the Authority to be the sole entity to determine what constitutes a “minor irregularity”. The Authority also reserves the right to seek additional and/or clarifying information from any Applicant and to use that information in its evaluation and decision making process.