# HOUSING FINANCE AUTHORITY OF LEON COUNTY

## NOTICE OF FUNDING AVAILABILITY & REQUEST FOR APPLICATIONS

## FISCAL YEAR 2026
## LOCAL GOVERNMENT SUPPORT FOR GAP FINANCING FOR MULTIFAMILY DEVELOPERS SEEKING FLORIDA HOUSING FINANCE CORPORATION FUNDING

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 through Leon County Government (the "Leon County") for gap financing or other local government funding contributions to qualified multifamily housing developments that are seeking funding through the Florida Housing Finance Corporation (FHFC) and set aside units for very low and/or extremely low-income households. Gap financing includes short-term funding to affordable housing developers to cover the difference between their total development costs and other secured financing.

Leon County and the Authority have adopted the following guidelines to set forth the general requirements and procedures that apply to the gap financing of multifamily housing developments. Gap financing includes funding required for a FHFC funding opportunity; funding required to enhance the competitiviness for a FHFC funding opportunity; and/or funding required to address financing shortfall for a FHFC funding opportunity. Leon 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 Leon County.

All applications submitted will be reviewed by the Authority's Administrator, who will make recommendations to the Board of the Authority. If approved by the Authority, projects recommended to receive Leon County funding will be presented to the Leon County Board of County Commssioners for consideration. The Board of County Commssioners will decide whether or not to provide gap financing and all appropriate documentation (i.e. commitment letters, loan documentation, etc.) for recommended developments seeking FHFC funding. Submission of an application does not entitle the Applicant to financing, even if sufficient funds remain.

The Authority will not consider recommending 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 by emailing the HFA Administrator at: mark@thehendricksoncompany.com

Compliance with these guidelines does not and shall not create any right by an applicant to a commitment or assurance that Leon County and/or the Authority will provide the requested financing.

The estimated amount of funds available for local government support is approximately $625,000. However, the funding considered shall not exceed the amount for a FHFC funding opportunity or financing shortfall as determined by the Authority.

All applications received will compete with each other and be selected to receive available funding based on recommendation by the Authority and ultimate approval by the Board of County Commissioners. Applications will be reviewed against the criteria listed below and, if selected, each loan will be subject to the minimum loan terms stated below.

The **applications and fees** for the Local Government Support funds will be received beginning at 8:00 AM, Eastern Daylight Time on the following date:

## October 20, 2025

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 one original, two copies, and a PDF of the entire application, as follows:

**An original and PDF (see below) of the entire application, and $2,500 review fee (check to The Hendrickson Company) to:**

The Hendrickson Company
1404 Alban Avenue
Tallahassee, FL 32301
Contact: Mark Hendrickson, (850) 671-5601
**PDF emailed to**
mark@thehendricksoncompany.com

**NOTE: PDF MUST BE OF RESOLUTION THAT ALLOWS IT TO BE EMAILED**

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**GUIDELINES**

**1. PROJECT THRESHOLD CRITERIA**

- Project must be located within Leon County, Florida;
- Applicant must provide evidence of ownership or other legal control of the project site (e.g., a deed, 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 Florida Housing Finance Corporation Program, as the case may be; and,
- Project must have evidence of land use and zoning authorizing the use of the property for multi-family residential uses as of the application date; and
- Applications will not be considered and will be considered ineligible, if the Applicant is an Applicant or a part of a previous Applicant that has received a Gap Loan commitment from Leon County, and has not closed on that loan prior to the submission to this RFA; and
- Applicant must set-aside a portion of rental units within the development for very low-income (50% or below the area median income) and/or extremely low-income households (30% or below the area median income);

2. **PROJECT SELECTION CRITERIA**

- Project feasibility as determined by:
  - Applicant's development and construction experience;
  - Applicant's management experience;
  - 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);
  - Reasonableness of total development cost per unit;
  - Readiness to proceed (with respect to entitlements including but not limited to zoning, approvals and permits);
  - Overall quality of the site
  - Demonstrated need for gap financing.

- Applicant's performance and/or compliance (including any prior defaults) of any prior loans or contracts with the Authority, County or the City of Tallahassee;
- Unit and Development amenities and Energy Efficiency (at a minimum, must meet HFA's minimum requirements for bond financing);
- Proximity to employment opportunities and public transportation;
- Developments that provide maximum impact on the quality of life of the residents;
- 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 County established the following funding priority for Applicants applying for Gap Financing:
  - Applicants that provide a set-aside of rental units for very low-income and extremely low-income households greater than low-income for low-income Housing Tax Credits or applicable FHFC Program, as the case may be;
  - Applicants that agree to a land use restriction agreement that provides affordability in perpetuity.

**3. LOAN TERMS**

- 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 mortgage, and shall include such other standard loan documents as necessary to evidence and complete the transaction.
- Loans 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 Leon County, environmental site assessments certified to Leon County, and evidence of concurrency and all permits authorizing construction of the project.
- Depending on the applicable criteria of the FHFC for Housing Tax Credits or FHFC Programs, the loan shall be issued in the name of Leon County, such loan shall be reviewed, implemented, and administered by Leon County.
- There will be a Land Use Restriction Agreement

**Loan Amounts up to $100,000**

- Interest Rate: 0%
- Years in loan term: 20 years.
- Repayment: Balloon in Year 20.

**Loan Amounts greater than $100,000**

- Interest Rate: 0.01%;
- Years in loan the term: Coterminous with the project's first mortgage;
- Repayment: Leon County shall provide for the manner of amortization, and payment to Leon County, of principal and interest (including, but not limited to, a balloon payment of the entire principal amount of the loan, together with any then accrued and unpaid interest, at maturity or sooner in the event of an uncured event of default).

4. **<u>FEES</u>**

- $2,500 Review fee, due with copies of application, but mailed to and check made out to The Hendrickson Company
- Any 3rd party legal fees of the County and/or HFA, due at closing.