

Date: April 17, 2009

To: All Prospective Proposers

Re: 2009 Mid-Year Request for Proposal (RFA)

QUESTIONS & ANSWERS FOR 2009 MID-YEAR RFA

1. Do threshold items listed on page 7 of the RFA pertain only to Category 2?

Yes, the threshold items on page 7 pertain only to Category 2 "gap" funding applicants.

2. Are there any requirements as to who can conduct the market survey?

The market survey must be performed by qualified and licensed appraisers.

▪ **Can the developer conduct their own survey?**

No, a developer cannot conduct a market survey for his own project. The market survey must be conducted by an independent third party.

▪ **Does a market survey have to be conducted for Category 1?**

No, the market survey does not pertain to Category 1.

3. On pages 4 and 6 vs. page 20 of the RFA there is a discrepancy between threshold items and demographic commitments

The statement on page 20 is correct. Demographic commitments is a threshold requirement for Category 2 only

▪ **Define demographic commitments**

1. Elderly

2. Farmworker or Commercial Family Worker

3. Homeless

4. Family – development will serve the general population

4. Scoring criteria- copy of permits- is building permit clear letter (permit ready) suffice for scoring points?

Yes, a copy of a building permit clear letter (permit ready) is sufficient to receive points in this category.

5. Will developers have the County awards approved for funding in time to meet the FHFC application deadline of May 26, 2009?

The proposed timeline for Category 1 is as follows:

- *May 6, 2009 – staff completes evaluations of Category 1 Mid-Year RFA applications for threshold*
- *May 11, 2009 – Mid-Year RFA local government match commitment letters submitted to the Mayor's Office for execution*

6. Technical issues

▪ The department's discretion to define soft costs

Soft costs are defined as: Accounting Fees; Marketing/Advertising; Appraisal: Property Taxes: Architect's Fees – Design: Soil Test Report; Architect's Fees – Supervision Survey; Title Insurance; Gap Insurance; Builder's Risk Insurance; Utility Connection Fees; Building Permit; Tax Credit Administration Fee (only) Environmental Report; Tax Credit Underwriting Fee (only); Impact Fees; Other (explain in detail); Contingency (explain in detail); Insurance; Legal Fees

7. Debt service coverage ratio of 1.25 is very limiting if leveraging dollars

The County has established the maximum debt service coverage (DSC) is 1.25. The actual DSC will be determined at the time the subsidy layering review (SLR) is completed. The 1.25 DSC is established as a maximum for the purpose of this RFA because it directly impacts the maximum subsidy per unit. In an effort to not over subsidize a project, a 1.25 DSC is used.

8. Developers cost pro forma, additional column may be needed; "county funds requested"

An applicant may include a column for County funds requested; however, the criteria in the RFA binder must be included.

9. Clarification of financial beneficiary- i.e., is a consultant to the developer a financial beneficiary?

"Financial Beneficiary" means any Developer and its principals or Principals of the Applicant entity who receives or will receive any direct or indirect financial benefit from a Development except as further described in Rule 67-48.0075, F.A.C.

10. Number of units as experience for scoring points is detrimental to smaller developers.

The County will evaluate this criterion in future RFAs.

11. The number of units should be scored as a percentage vs. the actual number of units when awarding points.

The County will evaluate this criterion in future RFAs.

12. Define special needs and how many units are required for special needs?

The unit percentage requested as the 6th scoring criteria refers to either extremely low income (ELI) or special needs. If 15% or more units are set-aside for ELI or special needs as defined below, a maximum of 5 points will be awarded.

- Does "elderly" qualify under special needs? *Yes.*
- Does "homeless veterans" qualify under special needs? *Yes*

Additional special needs categories are:

- youth aging out of foster care,
- homeless
- farm workers
- people with disabilities

13. Is the amount available for both categories?

This RFA contains \$24,500,000 to fund both categories 1 & 2. .

- **What happens to any remaining monies?**

Remaining monies will revert to the County.

14. Timing for category 1

- **Is the underwriting process conducted during the same time that scoring is taking place**

No. The timeline provides for an invitation of Subsidy Layering Review (SLR) and underwriting for successful Category 2 applicants after the BCC approves and recommends the award.

- **What is the schedule for announcing scoring and awards?**

Recommendations for awards for Category 2 applicants will occur during the presentation of the agenda item at the Housing and Community Development Committee (HCDC) scheduled for either July 2009 or September 2009.

15. Local match-forms sent by developer and information then submitted is different when executed:

- **Who prepares letter (for mayor's signature)?**

The developer completes the local match forms and submits to OCED. OCED staff will prepare the local government match letter for the Mayor's signature.

- **How specific does project address have to be?**

For purposes of completing the Miami-Dade County RFA, if an address is known for the parcel, that address should be utilized. Otherwise, enough information should be indicated on the application for OCED to locate the property, e.g., folio number.

16. Local match dollars is a mirage - a disservice, may be a policy conflict, when match is taken away because developer does not obtain other financing.

The Local Government Match Fund is a matching funding allocation that is a requirement for the state universal cycle funding process. The local match commitment award is contingent upon award of funding under the state universal cycle. Failure to succeed at the state renders the local match void.

17. Who can do appraisals?

Appraisals must be performed by an independent third party licensed appraiser.

18. What is the time schedule for scoring Category 2?

The timeline for scoring Category 2 is as follows:

May 26, 2009 – OCED staff completes evaluations of Category 2 Mid-Year applications.

19. Under definitions, page 2, it indicates "Developer's Fees and total soft cost cannot exceed 20% of the total funding awarded by the County." Can you elaborate on the rationale for this definition? As you know, developer fees and soft cost add up to several million dollars, and it will far surpass any request for Surtax funds (\$5 million surtax will permit only \$1million developer fee and soft cost).

As value added partners in an affordable housing development, we would like to see all line item costs spread across all funding sources in the sources and uses statement. As such, we want to see our monies applied to hard costs as well as soft costs. Regardless of how large the development fee is, it needs to be funded by all the sources and we are committed to contribute up to 16 percent of our award toward this fee, but no more than 20% of our award will contribute to the developer fee and soft costs combined. If our award is \$1 million, then no more than \$160,000 can be applied to developer fee. Keep in mind, all project management fees must be paid out of the developer's fee.

20. Under definitions, page 3, it reads "Under no condition will Miami-Dade County reimburse developers for cost incurred on the development prior to an executed written agreement and loan closing with recorded documents in effect". It is therefore the intent of the County to simultaneously close with the rest of the financing for the development (Tax Credits, Construction Loans/ Bonds, etc).

A developer may be reimbursed for eligible predevelopment costs. Surtax Dollars may not be used for the acquisition of land.

21. Under policies, page 6, it reads "Award successful applicants multi-year funding in 2 - 3 year increments. Successful applicants can receive award funding increments of one-half or one-third per year". Can you elaborate on the meaning of this policy, and provide an example?

Miami-Dade County's award is a firm commitment for the full amount. The 2 – 3 year increment is consistent with the recently requested draw schedules which are used to control and properly project committed cash flows, realizing that typical draws will take place over a multi-year period.

22. Will a building permit availability letter from the applicable city or County agency score 5 points in the Readiness to Proceed scoring criteria section?

No, a building permit availability letter from the applicable city or County agency will not be awarded points in the "Readiness to Proceed" section. The section clearly defines ability to proceed as, evidence of site control; evidence of infrastructure availability; and evidence of appropriate zoning.

23. Can Letters of Intent (LOI) be used for the Mid-Year RFA in place of Firm Commitments?

Yes, LOIs will be accepted in the Mid-Year RFA in place of firm commitments.

24. The \$300k local match with no payments for the first 17 years and then 0.5% thereafter and balloon at year 30 has a Present Value of approx \$248k (needs to be \$250k to score for FHFC tax credits). The discount rate declined so the subsidy amount needs to be increased to be able to make the \$250k present value, if we maintain 30 year balloon.

Please submit the applications assuming a 35-year loan term. This will ensure that the PV will be at the required \$250,000.