

Public Housing and Community Development (PHCD)

FY 2019 Surtax/SHIP Request for Applications (RFA)

Addendum No. 1

DATE: July 30, 2019

TO: All Prospective Applicants

FROM: Michael Liu, Director 
Public Housing and Community Development

SUBJECT: FY 2019 Surtax/SHIP Multi-Family Rental New Construction, Redevelopment and Rehabilitation Activities Request for Applications (RFA) and FY 2019 SHIP Homebuyer Education and Counseling Activities RFA

The following questions were received related to the FY 2019 Surtax/State Housing Initiatives Partnership (SHIP) RFAs published on July 22, 2019. PHCD's responses below become a part of the guidance for the above listed Request for Applications (although no changes to the RFA documents are being made).

1. Richman Capital – For the purpose of providing Site Control, if a Fully Executed Contract for purchase and sale is provided, and is scheduled to close shortly after the surtax due date, will it fail threshold?

PHCD: Please refer to Page 36 of the RFA. To meet the threshold for site control in this RFA, a fully executed contract for purchase and sale of the subject property must be dated through December 31, 2019, or have extension options in place to extend the contract through closing.

2. Richman Capital – As follow up to the question above, could the application be supplemented with a copy of the deed after closing, assuming it is selected for funding?

PHCD: If an application is selected for funding, the developer will be asked to provide a copy of the deed after closing. This will be required as part of the underwriting and closing process, prior to the closing of the Surtax or SHIP loan.

3. Model City CAC – The Model City CAC has two recommendations for the FY 2019 SHIP/Surtax RFA: During the 2018 Supplementary Surtax RFA, Foreclosure Forensics submitted a Homebuyer Education and Counseling application and received a score of 5. If Foreclosure Forensics' services aren't complimentary to the RFA, please direct Foreclosure Forensics to the proper county funding source.

PHCD: Applicants currently seeking funding to provide homebuyer education and counseling services may apply using the Online 2019 SHIP Homebuyer Education and Counseling Request for Application process. Applicants may access the online application on the department's website at <https://www8.miamidade.gov/global/housing/requests.page>. Applications will be accepted until August 22, 2019.

4. Model City CAC – In the Model City NRSA, we have two potential applicants that are looking to provide NOAH (Naturally Occurring Affordable Housing). What would be the appropriate Surtax funding category for a multi-unit owner who is looking to provide interior renovations on each unit?

PHCD: PHCD is working on developing a program to retain, improve and/or increase Naturally-Occurring Affordable Housing (NOAH) throughout the County. However, funding for NOAH projects is not part of this RFA.

5. Model City CAC - What would be the appropriate Surtax funding category for a Community-Based Organization looking to acquire an existing building, and renovate the building to provide affordable housing for Veterans?

PHCD: The decision of which category in which to apply under is left to the discretion of the applicant. The two categories that may best fit this description are Multi-Family Rental Countywide Acquisition and Rehabilitation or Innovations.

6. Cornerstone Group – Bonus Points, High Rise Applications: Five bonus points are proposed to be granted to high rise applications whose TDC is less than the 2018 TDC. High-rises are therefore being given a priority in this RFA. This is the opposite of what the County should be looking to fund, as high-rises are the most inefficient projects (i.e., the highest cost product). Therefore, if the RFA is going to provide 5 bonus points for high-rises that have a TDC below the 2018 TDC, so should garden and mid-rise projects receive the same 5 points for having a TDC less than their respective 2018 TDCs. Otherwise, this RFA is rewarding developers who were unable to find land for lower cost product, which is the opposite of what the County should be doing in a subsidy RFA. We need to encourage developers to create lower cost product, which therefore results in more affordable housing being built.

PHCD: The section titled “Efficient Building Costs for High Rise Developments,” (pages 55, 59, 63 and 67) should reference a corrected FY 2017 RFA year for a high-rise TDC unit cost of \$287,500. There are slight increases in the total development costs published in the FY 2017 Surtax/SHIP RFA for High-Rise (15.48%), Mid-Rise (10.92%) and Garden Style (0.48%) development, and thus bonus points will be awarded as follows:

FY 2017 Surtax/SHIP RFA TDC's		FY 2019 Surtax/SHIP RFA TDC's		Increase	Bonus Pts.
High-Rise	\$287,500	High-Rise	\$332,000	15.48%	5
Mid-Rise Enhanced	\$258,750	Mid-Rise Enhanced	\$287,000	10.92%	4
Garden Style Enhanced	\$258,750	Garden Style Enhanced	\$260,000	0.48%	0

7. Cornerstone Group - **RER Pre-Application Meeting:** The RER pre-app process was set up by the County many years ago so that when developers’ site/building permit plans come into the County they have already have a first review from the County staff. There are always comments from each department, which was the County’s intent for the Pre-App process – to provide comments. There is no “second look” from RER to review changes based on their comments. There seems to be an ambiguity between the language on page 22 and page 55 regarding the RER process and scoring. The score sheet on page 55 states that 5 points will be granted for either (a) a memorandum from the 5 departments which participate in the pre-app process or (b) a letter stating no objection or no further action. But page 22 seems to contradict page 55 and says that points will be awarded only for letters from Zoning, DERM, Plat/Traffic and Fire that state *no further action or no objection*. And, the WASD letter must indicate that “water and sewer connections are available with minimal investment in infrastructure needed to complete the project”. As page 55 of the score sheet currently states, we agree that points should be awarded for having a memorandum from the 5 pre-app departments *OR* a letter stating no further action or objection--as the

goal with the bonus points for the pre-App is to show that the developer is far along in the process, they have met with staff and are working on their building permit plans. If that is not the case, developers which have gone through the pre-app process should not be penalized for having a few comments, many of which are completely inconsequential and that would take an architect minutes to correct; that is the whole purpose of the process. They should not be treated the same as developers which haven't completed the pre-app process, which means that they are not ready to proceed.

PHCD: Applicants can potentially earn 1-5 bonus points with documentation indicating a completion of RER's pre-application process. Points will ONLY be awarded for memorandums received from the appropriate County departments or applicable local municipality AND must state no objection to the proposed project at the time of the pre-application review, or that no further action is required. Florida Housing Finance Corporation forms may be used as applicable.

8. Cornerstone Group - Also, regarding WASD and the pre-app process, please provide some guidance as to what is meant by "water and sewer connections are available with minimal investment in infrastructure needed to complete the project." A 100-unit project can cost \$25,000,000 so "minimal" is a relative term. Also, does the developer's engineer make that determination?

PHCD: Applicants who provide documentation of access to water and sewer connections will receive 1 point. Acceptable documentation is detailed on page 44 of the RFA.

9. Cornerstone Group - **Water and Sewer Capacity Analysis:** Please provide a sample letter, as this capacity letter is not typically a letter that WASD provides.

PHCD: The Miami-Dade County Water and Sewer Department provides developers with Water and Sewer Capacity Analysis upon request. You may contact WASD at (786) 552-8198 for requirements and fees associated with this type of analysis.

10. Cornerstone Group - Item #3 on the Countywide Multifamily Rental scoring sheet should have the option for either 100% at 60% or for income averaging serving an average of 60% AMI households.

PHCD scoring criteria on Page 53, Question 3 reflects a policy of incentivizing a mix of incomes in affordable housing developments. PHCD would like to clarify that Countywide Multi-family Rental applications that demonstrate/opt to provide a ratio of 100% at or below 60% AMI or opt to provide income averaging serving an average of 60% AMI households may be awarded 4 points.

11. New Urban Development, LLC - Does the Bus Express Rapid Transit (BERT) Network listed on the SMART Plan map qualify as "rapid transit" for scoring purposes in the Bonus Points Section; Proximity to Community Services and/or Rapid Transit Services?

PHCD: Yes, the nine Bus Express Rapid Transit (BERT) Network green dotted lines (labeled a, b, c, d, e1, e2, f1, f2 and f3) shown on the SMART Plan map on Page 83 qualify as rapid transit for scoring purposes.

12. New Urban Development, LLC - Will a term sheet from the bond purchaser on 4% LIHTC/Tax-Exempt Bond deal qualify as a firm commitment?

PHCD: No, PHCD does not consider a term sheet to be a firm commitment because a term sheet typically provides legal disclaimers that allow the bond purchaser to walk away from a deal if necessary.

13. New Urban Development, LLC - Will a certification or affidavit from the applicant stating it is non-affiliated with the general contractor qualify for scoring purposes under bonus points?

PHCD: In order to obtain bonus points, the applicant must provide documentation that the general contractor and applicant are not affiliated companies. A certification letter or affidavit may be acceptable, if accompanied by other forms of documentation that the company names and principal officers and employees are not affiliated companies.

14. New Urban Development, LLC - Is prior written approval from Florida Housing Finance Corporation to pursue income averaging required if the applicant is utilizing tax exempt bonds issued by Miami Dade HFA?

PHCD has included the attached form to be submitted if electing to use income averaging. It is the applicant's responsibility to provide all documentation related to leveraging and a firm commitment of funds.

15. New Urban Development, LLC - What form of evidence can the applicant provide of appropriate zoning if FHFC's Local Government Verification form that Development is Consistent with Zoning; and FHFC's Land Use Regulations and Local Government Verification form that Permits are not Required are no longer accepted?

PHCD: After considering comments from the Developers' Roundtable, PHCD determined that it will continue to accept FHFC verification letters. Applicants may choose to pursue the Pre-Application process through the Regulatory and Economic Resources Department for an opportunity to earn up to 5 bonus points.

16. New Urban Development, LLC - Can the FHFC verification forms be submitted to RER during the pre-application process as evidence of appropriate zoning?

PHCD: Yes, applicants may submit FHFC verification forms to RER during the pre-application process. However, a list of information that is required to be submitted to RER during the pre-application process is included in the Attachments to this RFA on Pages 84-87 (for projects in unincorporated Miami-Dade County) or on Pages 88-91 (for projects located in municipalities).

17. Atlantic Pacific Communities - Can you please confirm that the Partial Funding Certification & Acknowledgement form is not due with the application?

PHCD: PHCD confirms, the Partial Funding Certification and Acknowledgement Form is not due with the application. If necessary, this form will be initiated by PHCD at a later date.

18. Richman Capital - What date will a decision be made on the funding/scoring of the applications?

PHCD expects to provide preliminary scores and funding award recommendations on 2019 Surtax/SHIP applications by end of 2019.

19. Trinity Empowerment Consortium, Inc. - After attending the Technical Assistance workshop I have a question. Why does the application period range from August 2018 to July 2019? We normally use a continuous 12 month calendar year i.e., Jan - Dec 2018 as opposed to slicing the year. Please consider providing the option of a 12 month continuous period from Jan 2018 - August 2019.

PHCD would like to clarify the requirements of the SHIP Homebuyer Education and Counseling Request for Applications. In the scoring criteria, two questions reference the phrase 'in the 12 months prior to the date of this application.' For the purposes of this RFA, 12 months prior shall be defined as the time period from August 1, 2018 through August 22, 2019.

20. Centro Campesino Farmworker Center - The RFA accepts data from 1 year ago (basically August 22, 2018). Can you agree to accept data from August 2018, in other words, the entire month? Some of the nonprofits held workshops prior to August 22 meaning we would not be able to count the attendees to those workshops based on the current interpretation of the RFA submission guidelines.

PHCD would like to clarify the requirements of the SHIP Homebuyer Education and Counseling Request for Applications. In the scoring criteria, two questions reference the phrase 'in the 12 months prior to the date of this application.' For the purposes of this RFA, 12 months prior shall be defined as the time period from August 1, 2018 through August 22, 2019.

Attachments

ATTACHMENT 1

Applicant Income Averaging Acknowledgment and Certification

Applicant Income Averaging Acknowledgement and Certification

The Applicant affirms that the supplementary information provided with the Income Averaging set-side change request is true and correct.

The Applicant acknowledges and certifies that it has the sole responsibility to maintain compliance with all IRS requirements.

The Applicant certifies that upon Florida Housing's acceptance of Income Averaging set-aside change request, Applicant shall notice existing tenants of the changes in income set-asides, if applicable.

The Applicant certifies that the Development will be completed and operated within the development schedule and budget submitted to Florida Housing and the Credit Underwriter.

The Applicant acknowledges and agrees that all terms and conditions of the RFA under which the Active Award was made remain in effect, notwithstanding the change in set-aside election to Income Averaging.

The Applicant understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), F.S.

The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Income Averaging set aside change request.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete. I certify that all information provided in this Income Averaging set aside change request is true and correct, and that I am authorized to sign this Acknowledgment and Certification as the Applicant Authorized Principal Representative.

Signature of Applicant

Name (typed or printed)

Title (typed or printed)