

HED.HBLP.2024.2
Affordable Housing Multifamily Development RFP
Questions received prior to February 20, 2024

1. **The RFP approval appears to be conditional until bonds are issued. Is this correct?**
 - a. Yes

2. **To the extent it is a mixed-income project, I understand county funds are only available for the affordable units and that there is a per unit maximum of 50% of the cost per unit. However, is there a maximum dollar amount available for a particular project?**
 - a. There is no maximum amount for a particular project, only on the per-unit cost as stated.

3. **Has PBC adopted any provisions to allow development subject to FS166.04151? In summary, it is the statute where affordable housing development is allowed on property zoned commercial or industrial without land use amendments?**
 - a. The RFP does not directly address the Live Local statute, but evidence of zoning approval is required prior to the final Board of County Commissioner approval. In the event the project is utilizing the expedited zoning approval as provided for in FS166.04151, then evidence of that would suffice.

4. **Will the recording of this meeting be made available to the public/participants?**
 - a. The power point will be posted on the website.

5. **It is my understanding that these funds are available and require "hard pay"? Can you explain what is meant by "hard pay"?**
 - a. The term "Hard Pay" is not used by HED, but it is the term commonly referred to a required amortized payment of principal and interest as opposed to a Cash Flow Dependent. Section I(K) states that "The County will structure the loan offer based on project underwriting, assessment of debt capacity, seeking a reasonable return while ensuring long-term project viability".

6. **Do applicants have to procure municipality commitments in advance of the application? Or can it come later? "For projects located within a municipality, the municipality must provide funding or another form of assistance (i.e. expedited permitting, land donation, fee waiver, etc.)"?**
 - a. Section II(A)(10) requires evidence of municipal commitment to provide funding or another form of assistance (i.e. expedited permitting, land donation, fee waiver, etc.) for the proposed project, if any, be submitted as Attachment 11.

7. **Not sure if this was asked.....the bond can be layered with a 4% Lihtc?**
 - a. Yes.

8. **Can project owner/developer act also as contractor/builder?**
 - a. Yes

9. **Is attendance at this meeting a requirement to submit a bid?**
 - a. No

10. **I understand the County funding will require an annual 1% interest hard debt service payment but we wanted to confirm that payment was interest only and the principal would be due at maturity/sale/resyndication as a balloon payment.**
 - a. The 1% interest rate applies to for-profit developers, and Section I(K) states that “The County will structure the loan offer based on project underwriting, assessment of debt capacity, seeking a reasonable return while ensuring long-term project viability”.

11. **I have a question about the housing bond loan. I was wondering do you have to purchase the apartment complex or do you have to already own it? I would like more information about this loan.**
 - a. Section 1(E) states “Projects shall be limited to new construction of Multifamily Rental Housing, including redevelopment/conversion of non-residential properties”.

12. **Section I.E - Eligible Projects, Bullet #3 “County funds will be provided on a per-unit basis and the total of all County funding shall not account for more than fifty percent (50%) of the total unit cost as allocated to the County-Assisted funding units.” Can you please confirm that Bond Financing through the Palm Beach County Housing Finance Authority is not included in the total of all county funding?**
 - a. The Palm Beach County Housing Finance Authority is a separate entity from the County and bond financing through the Housing Finance Authority will **not** be included in the total of all County Financing.

13. **Section I.E – Eligible Projects Bullet #6 “The Housing Bond Loan Program cannot be used for housing units that serve to meet a Palm Beach County Workforce Housing Program (WHP) or Affordable Housing obligation, including the use of the Exchange Option or a municipal obligation resulting from a development approval process. However, Housing Bond Loan Program funds may assist other housing units within a project that are additional to those units serving the WHP obligation / Exchange Option or municipal obligation. Question: If a project is proposed and chooses to use the provisions of Live Local in order to expedite**

the development approval process, (and no other county or municipal workforce housing incentive or obligation is involved), the development order would still create an obligation for a percentage of units to qualify as workforce housing pursuant to the Live Local Program. Do these units still qualify for funding under this RFP or would a standard re-zoning process be required for them to be eligible for funding?

- a. Obligations generated due to the live local act will not be considered municipal obligations and therefore units resulting from the State live local act will be eligible for Housing bond funds.

14. Section I.K – Funding terms “The loan shall be secured by a mortgage and note that require repayment of principal and interest. The term of the loan will be 20 years, for-profit Developers will have an interest rate of 1% and nonprofit Developers will have an interest rate of 0%.”

- a. **The organizational structure of LIHTC developments can be complicated and we would like to clarify the intent. The language above uses the term Developers instead of the term Applicants and we want to clarify the requirements to qualify for the 0% interest rate. If the applicant is a Limited Liability Limited Partnership that will ultimately have multiple limited partners such as LIHTC investors, Trusts, for profit companies, etc., but only one single General Partner who is a Non-Profit and the Developer entity would include a Non-profit and a for profit company as co-developers, would this entity qualify? (This structure does qualify as a non-profit application when applying for competitive funding through Florida Housing Finance Corporation.)**
 - i. The determination of for-profit or nonprofit will be based on the entity that is awarded the funds and executes the loan agreement with the County for awarded Housing Bond funds. In order to be considered a non-profit, the entity must be a registered 501(c)(3) organization.
- b. **While it is understood the intent of this RFP is to maintain a revolving fund to provide GAP financing, the GAP financing needs to improve the overall Debt Service Coverage by providing favorable monthly mortgage payments as compared to the senior loan. If the loan is amortized over 20 years and includes interest and principal payments the value of the GAP Financing is significantly reduced. Would a loan structure be acceptable whereby the monthly debt payment includes interest and monitoring fees only, and the full principal would be repaid with a balloon payment at year 20?**
 - i. Section I(K) states that “The County will structure the loan offer based on project underwriting, assessment of debt capacity, seeking a reasonable return while ensuring long-term project viability”. The loans may be fully amortizing or interest only during the first ten (10) years.

15. Section III.A - Leveraging

- a. **It is generally recognized that certain demographic commitments such as Extremely Low Income (ELI), Elderly, Homeless and Persons with disabling conditions are more difficult to serve and often require additional consideration in funding. Florida Housing Finance Corporation often applies a multiplier to these populations such that the total requested funding is multiplied by 95% or 90% when comparing leveraging. Would the County consider a similar approach to help target the harder to serve demographics?**
 - i. There are no changes anticipated to the scoring criteria for this RFP. We do have a separate scoring category that targets very low income Housing Units. Any recommendations will be considered for future RFP scoring criteria

16. Section III.A - Rental Affordability

- a. **Question #1: Can you clarify the intent here is to record a land use restriction whereby the applicant agrees to a permanent rental concession that would reduce a given rent below the rents given in Exhibit B of the RFA without changing the income restrictions?**
 - i. Yes, that is the intent.
- b. **Question #2. If there are multiple unit types within a property would this rental concession need to apply to all unit types?**
 - i. Restrictions will only apply to the Bond funded units
- c. **Question #3. Would any points or consideration be given if a property is to be granted Project Based Vouchers which would subsidize the individual rents of residents based upon their specific income?**
 - i. There will not be any changes to the scoring criteria of this RFP. Vouchers for rent will not be taken into consideration as applied to Rental Affordability scoring.