

# Local Government Areas of Opportunity & Local Government Contributions (Part 2 Development Series)

Sponsored by the  
Florida Housing Finance  
Corporation's  
Affordable Housing *Catalyst Program*

Florida Housing Coalition  
September 14, 2022





## **AFFORDABLE HOUSING CATALYST PROGRAM**

**Sponsored by the  
Florida Housing Finance Corporation**



we make housing affordable™

# Catalyst Training Schedule

A banner for SHIP Catalyst Training. The left side features a photograph of three people (two men and one woman) sitting at a table, smiling and looking at documents. Overlaid on this photo is the SHIP logo, which consists of a green house icon with a blue cube inside, and the text 'SHIP' in bold black letters, with 'housing a stronger Florida' in smaller text below it. The right side of the banner has a teal background with white text that reads 'Fine Tune Your SHIP Program', 'REGISTER NOW FOR', and 'CATALYST TRAINING' in large, bold letters. Below the photo, there is a dark teal bar with the text 'Register Now for SHIP Catalyst Training!'. At the bottom of the banner, there are four small circles, with the first one being filled.

Fine Tune Your SHIP Program  
REGISTER NOW FOR  
**CATALYST  
TRAINING**

Register Now for SHIP Catalyst Training!

The Coalition is Florida's affordable housing training and technical assistance provider.

**Hotline: 1-800-677-4548**

**[www.flhousing.org](http://www.flhousing.org)**

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# Presenters

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## **Gladys Cook**

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## **Elissa Plancher**

Technical Advisor

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Special Guest

## **Jean Salmonsens**

Multifamily Allocations Director  
Florida Housing Finance  
Corporation

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Special Guest

## **George Romagnoli**

Senior VP  
Neighborhood Lending  
Partners

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# Poll: Who's attending today?

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- Local government
- Nonprofit developer
- For profit developer
- Other



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# Upcoming Workshops

- **Development Series Part 3 of 3**
  - October 19<sup>th</sup> @ 2pm, Mixed-Income Rental Housing
- **AHAC Orientation Part 2**
  - September 16<sup>th</sup> @ 10am
- **The Rehabilitation/Emergency Repair Process Part 1**
  - September 20<sup>th</sup> @ 2pm webinar
- **Affordable Housing Funding Sources** (*in person!*)
  - September 21<sup>st</sup> from 8am-4pm in Pompano Beach
- **HOME Funding for Affordable Housing Part 1**
  - September 27<sup>th</sup> @ 2pm

REGISTER HERE: <https://flhousing.org/events/>

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# Today's Agenda

- Recap of Part 1
- Background and Purpose
- The LGAO Framework
- What Local Governments Need to Know about RFAs - Jean Salmonsens, FHFC
- Local Government and Developer Perspectives - George Romagnoli, NLP
- The Nonprofit Developer Role
- Q & A



# **Development Series Recap: Supporting and Financing Rental Development (from August 16, 2022)**

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# The Development Process

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- Conceptual vision
- Site Selection
- Programming/Preliminary Design
- **Funding Application**
- Credit Underwriting
- Funding Award and Initial Closing
- Construction and Lease-Up
- Project Stabilization and Final Closing
- Project Operation and Program Compliance



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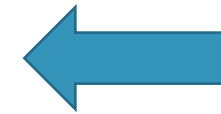


# The Four Meetings of Pre-Development

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**Board of  
Directors**

**City and  
County  
Housing Staff**



**Team  
Members**

**Technical  
Advisor**

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# Explaining the Regulatory Incentives in Your Toolbox

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- Need clearly drafted guidelines
- Requires negotiation by appropriate staff- empowered planners
- Some incentives appear in other contexts- graywater, environmental
- [See AHAC Guidebook](#)
- [AHAC Webinar](#)

**Listen, review, consider, collaborate!**

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# Predevelopment: Key Issues and How Local Government Can Help

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- Site control
- Incentives
- Approvals needed for construction
- Construction and permanent financing requirements and timelines
- **Local Government Contribution and/or**
- **Local Government Area of Opportunity**



# Background and Purpose

- Geographic Area of Opportunity *GAO*
- Local Government Contribution *LGC*
- Local Government Area of Opportunity *LGAO*
- Qualifying Financial Assistance Preference
- Revitalization Initiative RFA



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# Local Government Role in RFA Funding Process

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- Origin: “Qualified Local Government Funding Preference” PILOT
- Allows LG to target its funding and support to the priority project which will have a better chance of scoring and awarded funding
- Local Government must conduct annual preparation process with needs assessment, **Request for Proposals**, and Selection
- Local Government will provide contribution as well as designation

# FHC Trainings on RFP Process

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- The RFP Process Part 3 – [Recording](#) – [Powerpoint](#) (June 2022)
- The RFP Process Part 2 – [Recording](#) – [Powerpoint](#) (June 2022)
- The RFP Process Part 1 – [Recording](#) – [Powerpoint](#) (June 2022)
- Design Your Housing RFP Process for Quality Responses – [Recording](#) – [Powerpoint](#) (January 2022)

# Geographic Area of Opportunity (GAO)

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- Purpose: Prevent concentration of poverty
- FHFC assigns GAO Census Tracts annually
  - <https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/areas-of-opportunity/2022>
    - PDF format
    - Excel format
    - Methodology
  - [Multifamily Mapping Application](#)
- GAO defined as census tracts designated as two factor or three factor tracts – by HUD by Metropolitan Statistical Area
- 2- and 3- factor tracts with high indicators of community well-being- non- poverty areas

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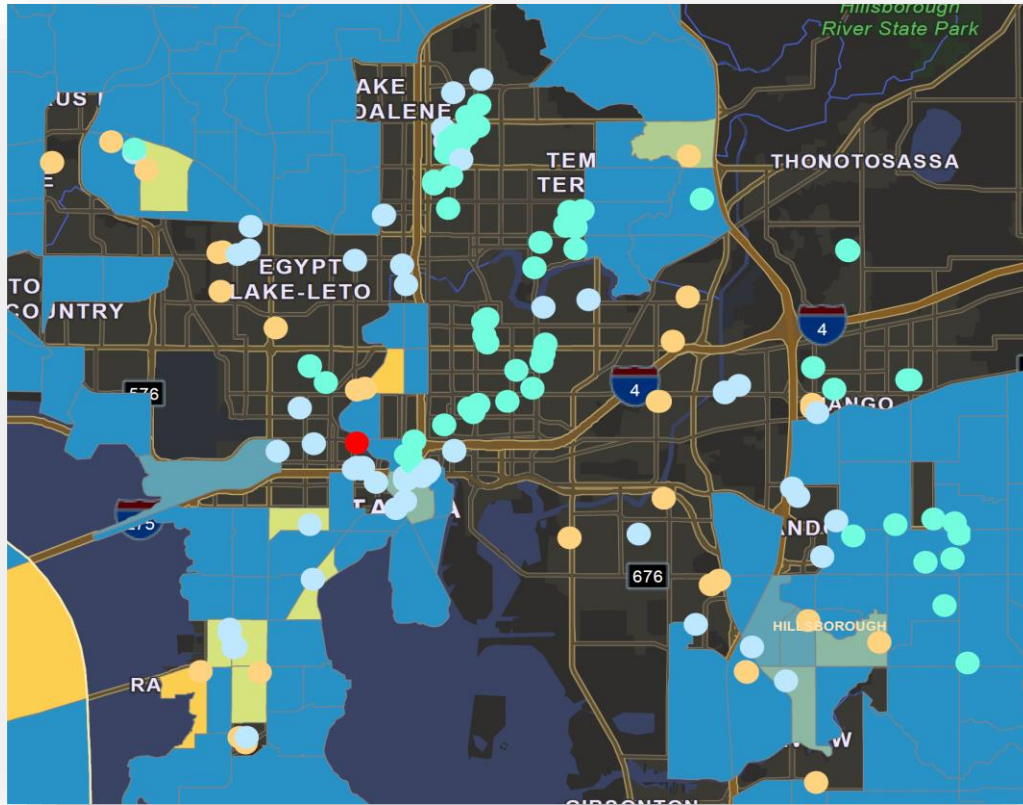
# Geographic Areas of Opportunity- 2- 3 Factors

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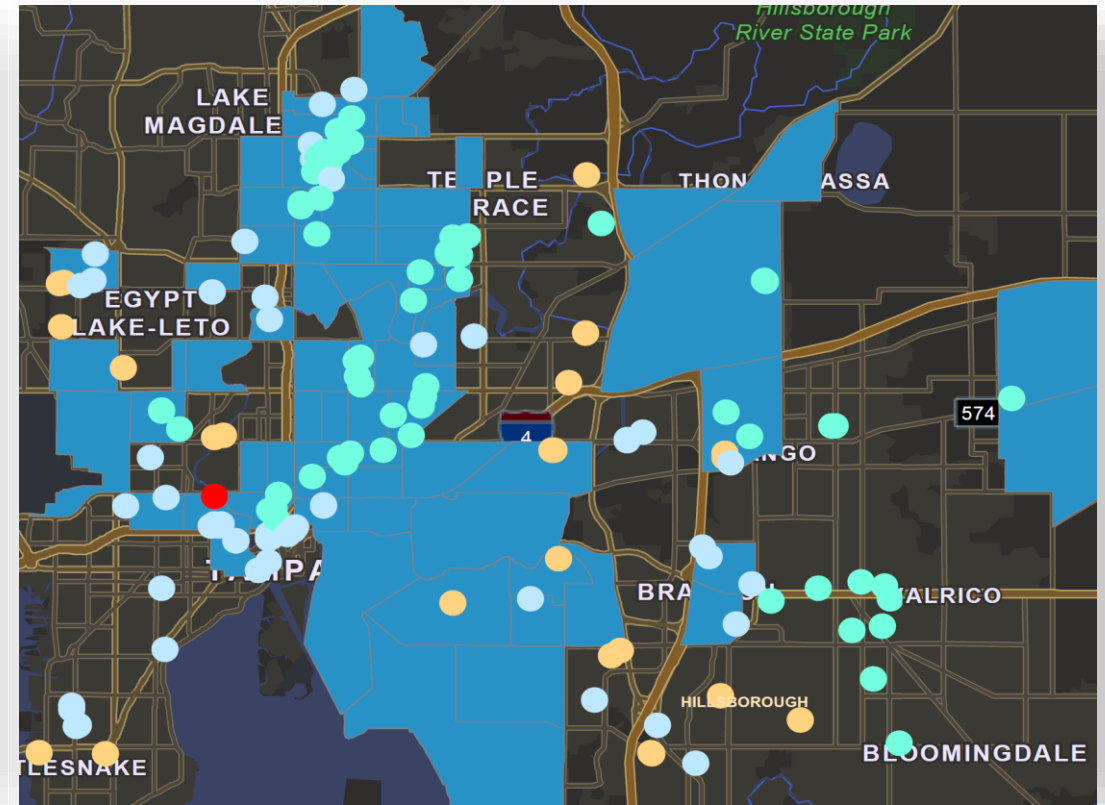
- 1) Tracts with median income greater than 40th percentile of all census tracts within county
- 2) Tracts with educational attainment above the median of all tracts in the county measured as proportion of adults over age 25 years old who have completed at least some college
- 3) Tract employment rate is greater than the statewide employment rate

**\*Tracts that meet 2 or 3 of these factors are treated the same by FHFC\***

## Geographic Areas of Opportunity



## Qualified Census Tracts (QCT's)



Two Images of the same geographic area.

Left side blue shows Geographical Area of Opportunity.

Right-side blue shows Qualified Census Tracts.

The dots are existing assisted housing. Orange or red dots are subject to flooding.

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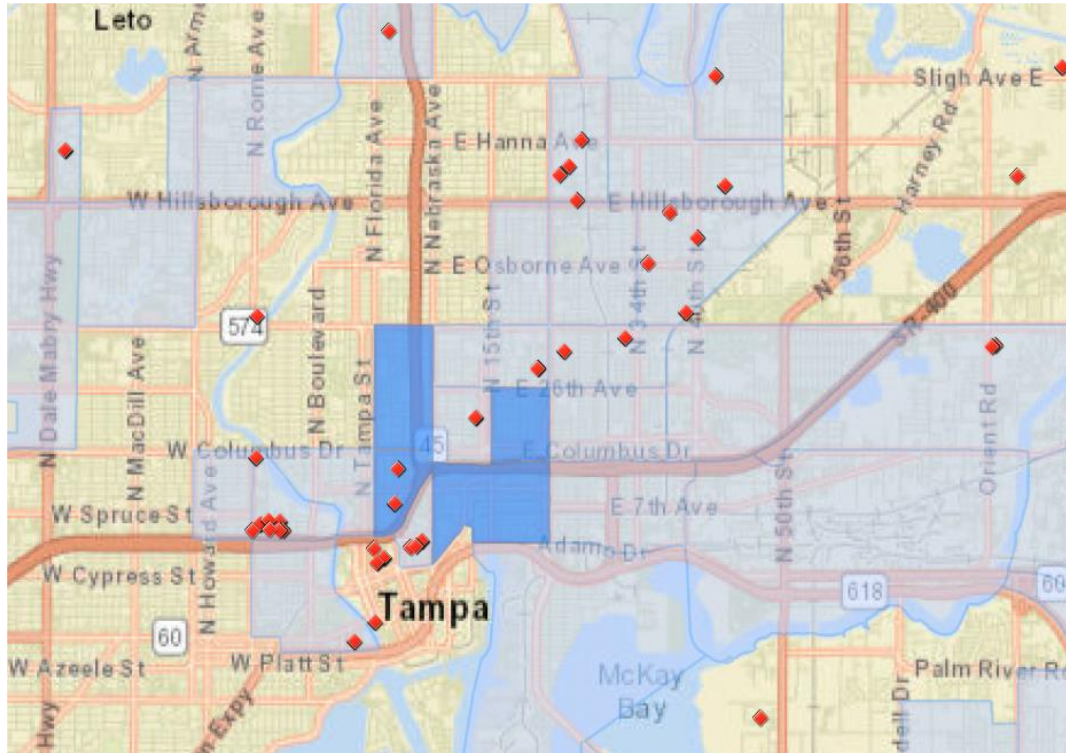
# RECAPS in RFA's

- Racially and Ethnically Concentrated Areas of Poverty
- Census tracts are defined as those in which at least 40% of the population is living below the poverty line and in which a concentration of individuals who identify as other than non-Hispanic White exceeds 50% of the population of the census tracts.
- Fewer than 1.1% of all census tracts in Florida are RECAPs- RECAPS are fewer than Qualified Census Tracts (QCT's)
- **FHFC discourages development in RECAPs unless for preservation or redevelopment.**
- Applications with a LGAO status can be submitted.
- The website above shows a list of RECAP tracts, an excel list, and an explanation of the methodology.
- The Multifamily Mapping Application shows RECAPS

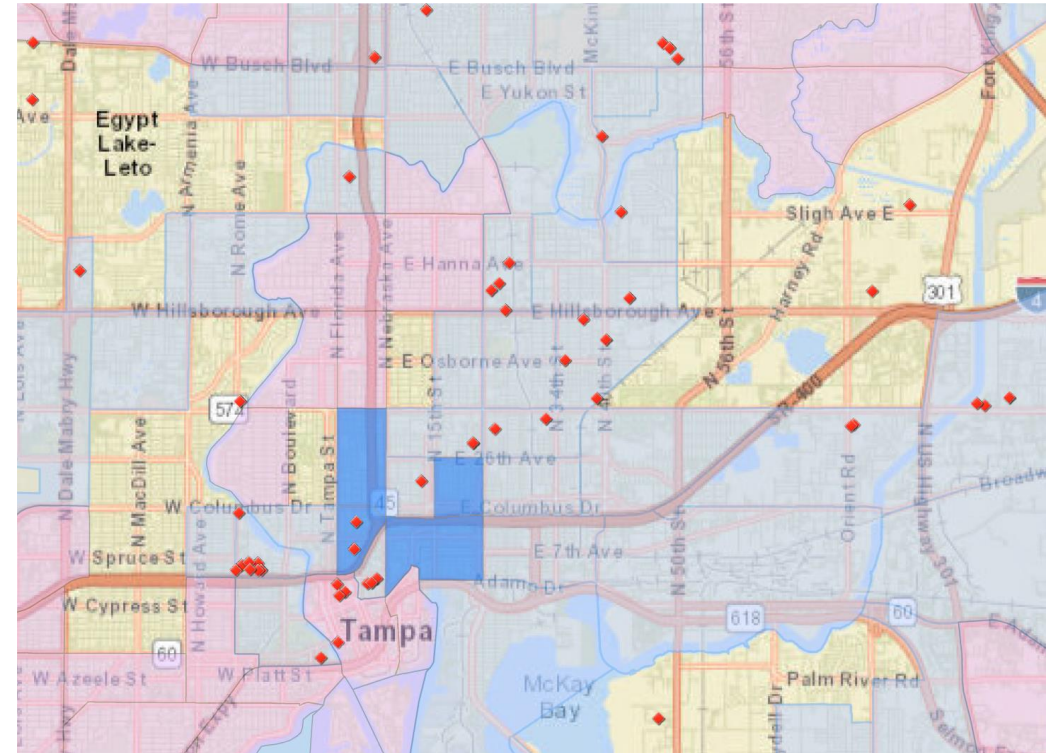
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## R/ECAPS and QCT's



## GAO's, R/ECAPS and QCT's



The map on the left shows R/ECAP in blue and QCT in pale blue. The map on the right shows R/ECAP in blue, QCT in light blue and GAO in pink. The red dots are existing assisted housing properties.

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# Geographic Area of Opportunity Takeaway

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- Know your tracts
- Understand long term impacts of concentration of poverty
- Prioritize projects located in GAO's
- Remember GAO's get a **basis boost**

Census Tract 5, Alachua County  
Census Tract 10, Alachua County  
Census Tract 11, Alachua County  
Census Tract 12.01, Alachua County  
Census Tract 12.02, Alachua County

# Local Government Contribution

- Local governments commit funding to help project score
- Must demonstrate local govt support in the form of \$ grants, loans, fee deferral, or waiver of fees
- Minimum contribution is defined in RFA
- Net Present Value calc is used for loans and deferral of fees
- **There are many that are NOT approved so review carefully**
- Not to be confused with Local Government Areas of Opportunity Contributions
- There are forms for grant, fee waiver, loan or fee deferral

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# RFA: Local Government Contribution

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- Check each RFA- understand developer's requirement
- Amount varies by size of community
- Score is based on pledging the maximum amount shown in the RFA
- Decide on NOFA or open applications per project
- Need not disburse until closing on award
- How much is too much?

# RFA's with Local Government Contribution

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- RFA 2022-205 Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits
- RFA 2022-203 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County
- RFA 2022-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas County
- *RFA 2022-201 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties*

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# Qualifying Financial Assistance Funding Preference

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- Certain SAIL RFA's for specialized demographics benefit from local government contribution
- Qualify with cash loans, cash grants, and/or cash on hand from Local Government entities or other non-corporation sources totaling at least 3% of the SAIL request OR
- Donation of land by the Local Government

# Local Revitalization Initiative RFA

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- Small Medium Geographic Housing Credits RFA
- **New:** First application to be funded in will be both revitalization and LGAO
- Must qualify with form in RFA
- Must have quality narrative

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# What Local Governments need to know about RFAs

Jean Salmonsens

Multifamily Allocations Director

# Topics for today

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- Navigating the webpage
- Timeline of Requests for Applications (RFAs)
- Lifecycle of a Multifamily Development
- Ability to Proceed forms
- Local Government Contributions
  - Funding Preferences
  - Points
  - Goals

# What is an RFA?

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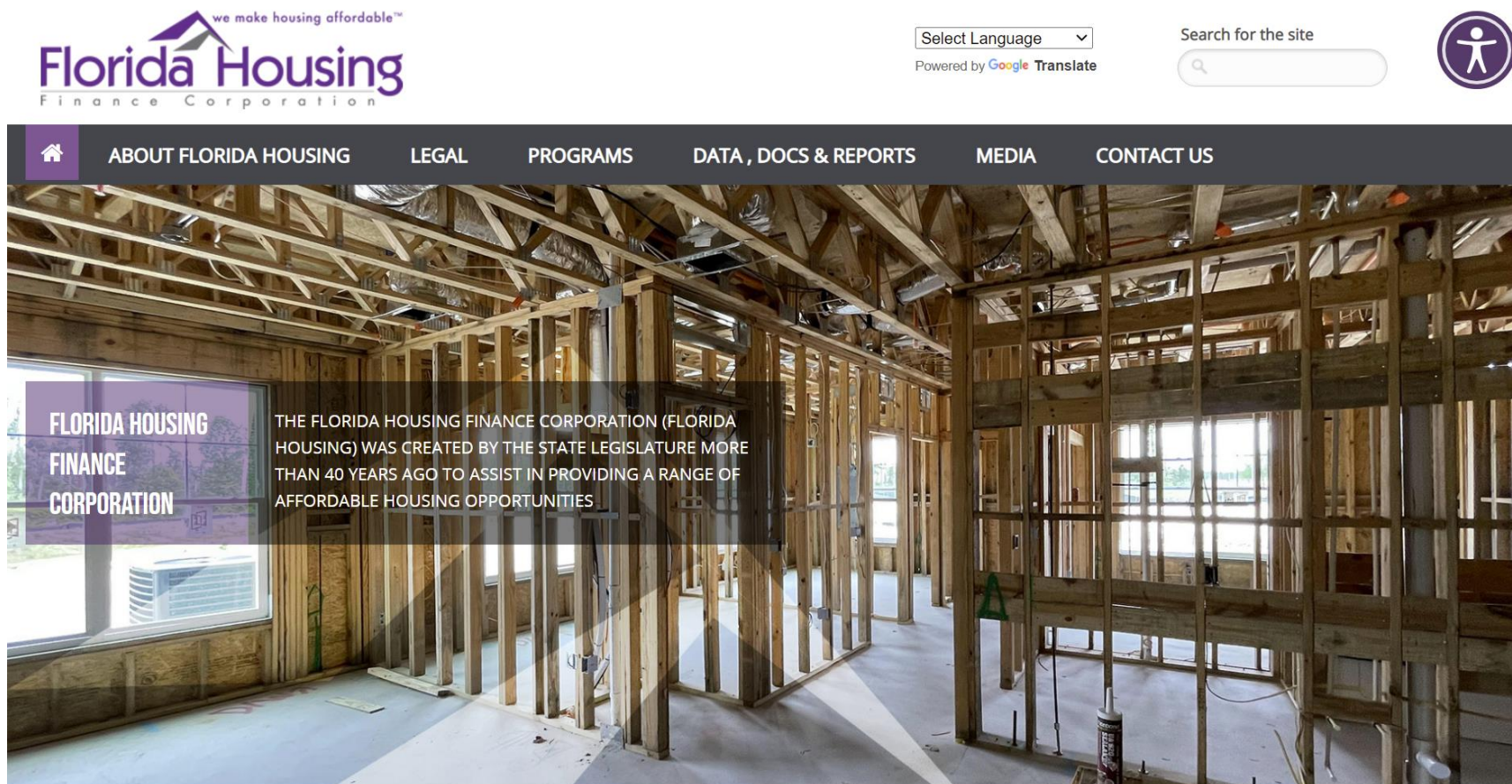
- The Multifamily Allocation process = RFAs
- Florida Housing issues about 15 – 18 RFAs each year, July 1 through June 30
- Prior to 2013, Florida Housing issued all funding in one Application Cycle – One Size Fits All Approach
- RFAs allow a nuanced approach to target specific demographic and geographic groups
- RFAs also allow faster reaction times and flexibility to sudden issues that affect housing in Florida

- Example

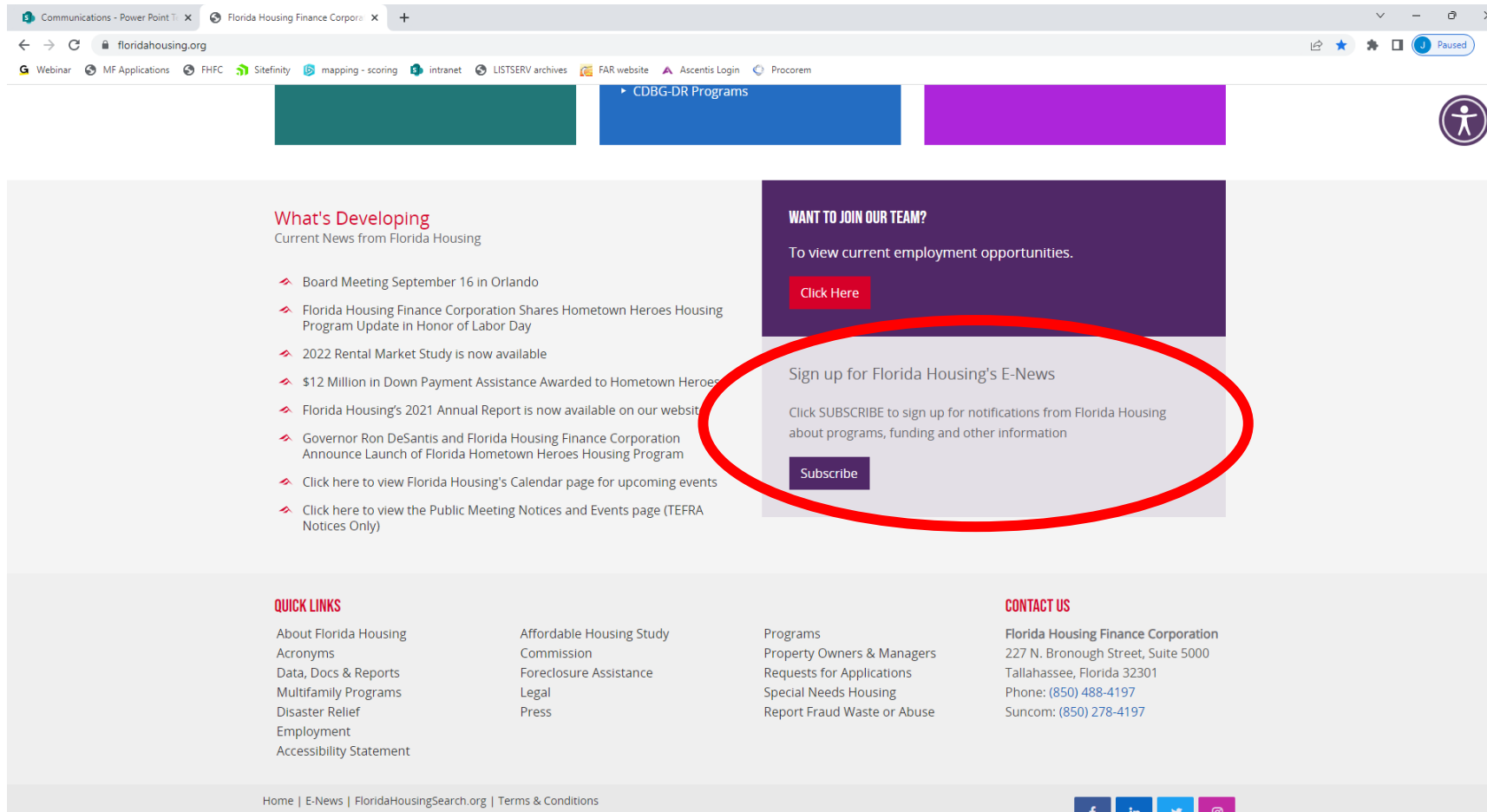
Hurricane Michael made landfall October 2018, and the first RFA for recovery efforts was issued in February 2019.



# Finding materials on www.floridahousing.org



# Signing up for the listserv



The screenshot shows the Florida Housing Finance Corporation website. The browser's address bar displays [floridahousing.org](http://floridahousing.org). The website features a navigation bar with links to various resources. The main content area is divided into several sections:

- What's Developing**: A section titled "Current News from Florida Housing" listing recent updates, including a board meeting, program updates, and market studies.
- WANT TO JOIN OUR TEAM?**: A section for employment opportunities with a "Click Here" button.
- Sign up for Florida Housing's E-News**: A section highlighted with a red circle, encouraging users to subscribe for notifications. It includes a "Subscribe" button.
- QUICK LINKS**: A section providing direct access to various website features like "About Florida Housing", "Affordable Housing Study", and "Programs".
- CONTACT US**: A section providing contact information for the Florida Housing Finance Corporation, including the address, phone number, and website.

The footer of the website contains links to the Home page, E-News, FloridaHousingSearch.org, and Terms & Conditions, along with social media icons for Facebook, LinkedIn, Twitter, and Instagram.

# Finding materials on [www.floridahousing.org](http://www.floridahousing.org)



## About Florida Housing Finance Corporation

The Florida Housing Finance Corporation (Florida Housing) was created by the state Legislature more than 40 years ago to assist in providing a range of affordable housing opportunities for residents that help make Florida communities great places in which to live, work and do business. Our vision is to be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions that respond to the affordable housing challenges of our state.

<b>Homebuyers</b> <ul style="list-style-type: none"><li>▶ Homebuyer Program Overview</li><li>▶ Homebuyer Programs Wizard</li><li>▶ Salute Our Soldiers Military Loan Program</li><li>▶ SHIP- Homeownership &amp; Rental Programs</li></ul>	<b>Renters</b> <ul style="list-style-type: none"><li>▶ Affordable Rental Housing Locator</li><li>▶ Special Needs Housing</li><li>▶ SHIP- Homeownership &amp; Rental Programs</li><li>▶ Disaster Relief Programs</li><li>▶ COVID-19 Resource</li><li>▶ Emergency Rental Assistance Program (ERAP)</li></ul>	<b>Assistance for Homeowners</b> <ul style="list-style-type: none"><li>▶ How to Request a Payoff</li><li>▶ Insurance Claim Check Endorsement Request</li><li>▶ Disaster Relief Programs</li><li>▶ COVID-19 Resource</li><li>▶ Homeowner Assistance Fund (HAF)</li></ul>
<b>Lenders &amp; Realtors</b> <ul style="list-style-type: none"><li>▶ Lenders &amp; Loan Officers</li><li>▶ Realtors</li><li>▶ Lender Advisory Board</li><li>▶ Lender Award Winners</li></ul>	<b>Developers</b> <ul style="list-style-type: none"><li>▶ Rental/Homeownership Development Programs</li><li>▶ Request for Applications (RFAs)</li><li>▶ Grants for Persons with Development Disabilities</li><li>▶ CDBG-DR Programs</li></ul>	<b>Property Managers &amp; Owners</b> <ul style="list-style-type: none"><li>▶ Compliance Information</li><li>▶ Rental Housing Income Limits</li><li>▶ Rental Housing Rent Limits</li><li>▶ Rental Property Reports</li><li>▶ COVID-19 Resource</li></ul>

# Accessing the current timeline

The screenshot displays the Florida Housing Finance Corporation website. The browser address bar shows the URL [floridahousing.org/programs/developers-multifamily-programs/competitive](https://floridahousing.org/programs/developers-multifamily-programs/competitive). The website header includes the Florida Housing logo with the tagline "we make housing affordable™", a "Select Language" dropdown, and a search bar. The main navigation menu contains links for ABOUT FLORIDA HOUSING, LEGAL, PROGRAMS, DATA, DOCS & REPORTS, MEDIA, and CONTACT US. The breadcrumb trail reads "Home / PROGRAMS / Competitive". Below this is a timeline navigation bar with years from 2013 to 2023, where 2022 is highlighted. The main content area is titled "Competitive Application Process" and lists several items, with three highlighted by red circles: "FHFC Multifamily Programs 101 For Local Governments Workshop" (with sub-links for a PowerPoint presentation, agenda, and video recording), "2022-2023 Tentative Funding Amounts and Timeline - 8.19.22", and "2022/2023 RFA Guide to Florida Housing". Other visible items include "Notice of Agency Rule 67ER20-1", "Current Rules/Rule Development Process", "General RFA PROCESS Public Comments", "Multifamily Development Cost Increase Information", and "Total Development Cost Per Unit Limitation Information Used In RFAs".

Communications - Power Point T x Competitive x +

floridahousing.org/programs/developers-multifamily-programs/competitive

Webinar MF Applications FHFC Sitefinity mapping - scoring intranet LISTSERV archives FAR website Ascentis Login Procorem

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Finance Corporation

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Search for the site

ABOUT FLORIDA HOUSING LEGAL PROGRAMS DATA, DOCS & REPORTS MEDIA CONTACT US

Home / PROGRAMS / Competitive

OVERVIEW 2023 2022 2021 2020 2019 2018 2017 2016 2015 2014 2013

Competitive Application Process

Notice of Agency Rule 67ER20-1

**FHFC Multifamily Programs 101 For Local Governments Workshop**

- ▶ June 22, 2022
- ▶ [PowerPoint presentation used at the 6-22-21 Local Governments Workshop](#)
- ▶ [6-22-21 Workshop Agenda](#)
- ▶ [Video Recording of the Workshop for 6-22-21 Local Governments Workshop](#)

Current Rules/Rule Development Process

2022/2023 RFA Guide to Florida Housing

**2022-2023 Tentative Funding Amounts and Timeline - 8.19.22**

General RFA PROCESS Public Comments

Multifamily Development Cost Increase Information

Total Development Cost Per Unit Limitation Information Used In RFAs

## RFA Timeline for RFAs issued in 2022-2023 (subject to change)

Subject of RFA	RFA Workshop	RFA Issue Date	RFA Due Date	Review Committee (recommendations to Board)
RFA 2022-101 SAIL Financing for Preservation of Elderly Developments	10/6/2022 @ 2:00 p.m.	11/10/2022	12/20/2022	1/12/2023 @ 2:00 p.m.
RFA 2022-201 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties	10/12/2022 @ 2:00 p.m.	11/10/2022	12/28/2022	1/17/2023 @ 2:00 p.m.
RFA 2022-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties	10/12/2022 @ 2:00 p.m.	11/10/2022	12/29/2022	1/18/2023 @ 10:00 a.m.
RFA 2022-203 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County	10/12/2022 @ 2:00 p.m.	11/10/2022	12/28/2022	1/17/2023 @ 10:00 a.m.
RFA 2022-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	10/13/2022 @ 2:00 p.m.	11/10/2022	12/29/2022	1/18/2023 @ 2:00 p.m.
RFA 2022-206 HOME Financing For The Construction Of Small, Rural Developments	11/15/2022 @ 2:00 p.m.	12/15/2022	1/25/2023	TBD



## RFA Timeline for RFAs issued in 2022-2023 (subject to change)

Subject of RFA	RFA Workshop	RFA Issue Date	RFA Due Date	Review Committee (recommendations to Board)
RFA 2023-102 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs	11/9/2022 @ 2:00 p.m.	12/6/2022	Spring 2023	Spring 2023
RFA 2023-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons	10/4/2022 @ 2:00 p.m.	11/1/2022	Spring 2023	Spring 2023
RFA 2023-104 SAIL Financing Farmworker and Commercial Fishing Worker Housing	Spring 2023	Spring 2023	Spring 2023	Spring 2023
RFA 2023-105 Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities	Spring 2023	Spring 2023	Spring 2023	Spring 2023
RFA 2023-106 Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities	10/5/2022 @ 2:00 p.m.	11/3/2022	Spring 2023	Spring 2023

# What does this mean for Local Governments?

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- Tracking FHFC's RFA funding timeline and workshops allows you to prepare to issue your own competitive solicitations in a timeframe that works with FHFC's timeframe.
- Additionally, you will be prepared when developers approach you regarding leveraging resources (local government contributions), as well as ability to proceed items such as zoning, and availability of infrastructure forms.

# Timeline – from submission of Application to occupancy

Workshop (1 or more)	Issue RFA	Due Date	Review Committee Meeting	Board Approval	Invitation to Credit Underwriting	Completion of Credit Underwriting
<ul style="list-style-type: none"><li>•3-4 Weeks for public comment</li><li>•Draft of RFA usually available prior to workshop</li></ul>	<ul style="list-style-type: none"><li>•At least 4 Weeks for application preparation</li></ul>	<ul style="list-style-type: none"><li>•At least 4 Weeks for scoring</li></ul>	<ul style="list-style-type: none"><li>•2-3 Weeks prior to Board Meeting</li></ul>	<ul style="list-style-type: none"><li>•Litigation 2-5 Months</li></ul>	<ul style="list-style-type: none"><li>•12 Months Credit Underwriting Process</li></ul>	<ul style="list-style-type: none"><li>•Financing closes</li><li>•Construction commences</li><li>•Occupancy</li></ul>

# What will Local Governments be asked to do?

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- **Ability to Proceed forms must be signed prior to the Application Deadline**
  - The new revised forms reflect a revision date of 07-2022
  - All forms are valid for 12 months and can be reused in other RFAs for the same Development
- **Local Government Contributions**
  - The new revised forms reflect a revision date of 07-2022
  - All contributions can be used to help reduce costs in the construction of the proposed Development
  - Some, but not all contributions may help the Application qualify for points, goals or tie-breakers in certain RFAs

# Ability to Proceed Forms

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- **NEW** Forms can be found on each RFA webpage, under “Forms Related.”
  
- **TO BE SUBMITTED WITH THE APPLICATION:**
  - ❖ Local Government Verification That Development Is Consistent With Zoning And Land Use Regulations (Rev. 07-22)
  - ❖ Verification Of Availability Of Infrastructure - sewer and water (07-22)
  - ❖ New in some RFAs – Site Plan/Plat Approval and Environmental forms (07-22)
  
- **TO BE SUBMITTED WITHIN 21 DAYS OF THE INVITATION TO ENTER CREDIT UNDERWRITING:**
  - ❖ Verification Of Availability Of Infrastructure
    - Electricity (Rev. 08-20)
    - Roads (Rev. 08-20)
  - ❖ Site Plan/Plat Approval and Environmental forms (07-22), if not provided as part of Application



# Qualifying Financial Funding Preference

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- Used in the Specialized Demographic RFAs (such as Homeless, Persons with a Disability)
- Funding Preference means one of the tie-breakers implemented when there are tied scores among eligible Applications
- Can be achieved with either a certain amount of non-Corporation funding (usually equal to 3% of the request for Corporation loan funding) or a donation of land by a Local Government

## Local Government Contributions for 5 points

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Found in Section Four, A.11. of certain RFAs (Large County Geographic RFAs 2022-202 and 2022-203 and SAIL Family/Elderly RFA 2022-205)

- Rehabilitation developments automatically receive 5 points.
- Other developments must demonstrate local government support in the form of monetary grants, loans, fee deferral, or waiver of fees.
- Minimum contribution amount outlined in the RFA.
- Net Present Value calculation is used for loans and deferral of fees.
- Not to be confused with Local Government Areas of Opportunity Contributions.

# What is NOT considered a Local Government Contribution (5-point item)?

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- Contributions that are not specifically made for the benefit of affordable housing but are instead of general benefit to the area in which the Development is located;
- The fact that no impact fees or other such fees are levied by a local jurisdiction for ANY type of development does not constitute a Local Government contribution. If such fees are levied by the local jurisdiction but the nature of the proposed Development exempts it (e.g., typically, a Rehabilitation Development is not subject to impact fees), for purposes of this RFA, no Local Government contribution exists, and no points will be awarded;
- The absence of interest on a loan or the absence of interest payments until a specific date does not constitute a deferral or waiver of fees;
- Local Government contributions that have not received final approval;
- A contribution from an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer;
- A contribution from a PHA;
- HOPE VI funds; and
- A contribution of any portion of the Applicant's site below market value.

# Local Government Area of Opportunity

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- Goal to fund Local Government Areas of Opportunity Applications in certain RFAs
- Larger contributions (grants or loans)
- This is a permanent source of funding, which means that once committed, the Development cannot move forward without the contribution
- Each Local Government can commit the LGAO funding to one Application per RFA
- This also means that a city and county can partner to support the same Development
- If awarded, the Local Government(s) that provided the contribution will receive lower preference in the next year's RFA

# What will the LGAO Goal look like in RFAs? (subject to change)

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- RFA 2022-201 (9% tax credits for Small and Medium sized Counties)

Goal to fund at least 3 Applications in Medium Counties that qualify as LGAO

- RFA 2022-202 (9% tax credits in 6 Large Counties)

Goal to fund 1 LGAO Application in each of the counties (Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas)



# Thank you!

## Questions?

Contact Jean Salmonsens

[Jean.Salmonsens@floridahousing.org](mailto:Jean.Salmonsens@floridahousing.org)

(850) 488-4197

## Additional Training Opportunities

- 1) What is Permanent Supportive Housing?
- 2) Working with Florida Housing: from Application to Asset Management

<https://www.floridahousing.org/programs/special-needs-housing-overview/education-training-technical-assistance>

**[www.floridahousing.org](http://www.floridahousing.org)**



# **Local Government Areas of Opportunity and Local Government Contributions**

George Romagnoli, AICP  
Senior Vice President  
Neighborhood Lending Partners

# Who Am I

Imagine the Steve Miller Band  
Singing This to the Tune of the  
Joker:

Been a Houser

Been a Planner

Been a For Profit Developer

Been a Non Profit Developer

Been a Planning Director

Been a Lender



# What are Local Government Areas of Opportunity?

1. A method whereby local governments have some say on where affordable developments will be built
2. A method designed by the Florida Housing Corporation so local governments have some "skin in the game"
3. A stupid name which should be just be called "Local Government Preference with Contribution," so people know what it really is

## A Little History

1. In the beginning there was large amount of required match
2. Match kept going up and down, till eventually it became a smaller flat amount, and local governments could fund all applicants, some, or none
3. Governments in large counties were given the ability to designate one project as a LGAO, thereby almost ensuring it would be funded (unless other governments in the same county did the same thing)
4. Some medium size counties wanted the same ability, and they were given the same authority as large counties to designate a project as LGAO. However, they were not guaranteed a successful applicant like large counties
5. Interesting trend – non-entitlements providing LGAO funds

# Things I Have Learned in 30 Years in the Housing Business

Affordable and Workforce Housing is almost impossible to develop without some sort of subsidy or lower income financing

There is nothing wrong, and in fact it is encouraged to recoup some or all of the money that is subsidizing affordable and workforce housing, even if it takes 50 years

There is nothing wrong with putting funds in affordable and workforce housing that will never be recouped, particularly in rehabilitation projects for affordable and workforce housing



# What does obtaining an LGAO mean for developers?

## An Excellent Chance of Getting Tax Credits in Large Counties

All large counties are guaranteed of receiving one approved project.

## A Very Good Chance of Getting Tax Credits in Medium Counties

9 projects in medium sized counties were funded last year. 6 were earmarked by FHFC for LGAO projects

## Cheaper Money

Almost always, the funds from local governments have a 0% or low interest rate if they are loans, or they are grants of forgiveness loans. This compares favorably to loans from financial institutions

## Note: Other Programs

Other programs, such as SAIL (need match) and Bonds (need subsidy) will follow a lot of the principals discussed today



# The Life of a Developer



Property Owners – No No No No No No No No No No

People walk to Publix? You must have a bourgeoisie view of the poor!

Not a job for those that seek immediate gratification

The freakin' lottery!

Jeez, another new SHIP administrator

NIMBY

Elected Officials

Zoning and Land Use

Commodity Prices



# The Life of a Developer



When I hit one, Momma can buy a brand new pair of shoes

Despite what people say, I am mission oriented and I like to help people obtain housing

There is s nothing like a project that is completed after 3 or 4 years of development

I talk to a lot of local government staff, among the best people in the world

I get to know geography of places I have never visited

# Selection of Developers

## Things to Consider

The fairest way to distribute funds is through a RFA or RFP Process.. All applications are reviewed in a similar process, scored and selected

However, RFPs favor larger developers that have the ability to buy or encumber property that most developers cannot do.

RFPs also cause an earlier decision by local governments, which force real estate contracts with owners to have a longer term.

Most vacant available property do not have the proper zoning or land use, which usually take time to change

Unless of course, the local governments use the mechanism of HB 1338

Whatever is done, patience and time is a key, and there is nothing wrong in seeking help in underwriting and decision making



# So What is the Right Way to Select Developers?

There are many paths to the top of the mountain

And the view is always the same (sometimes)!





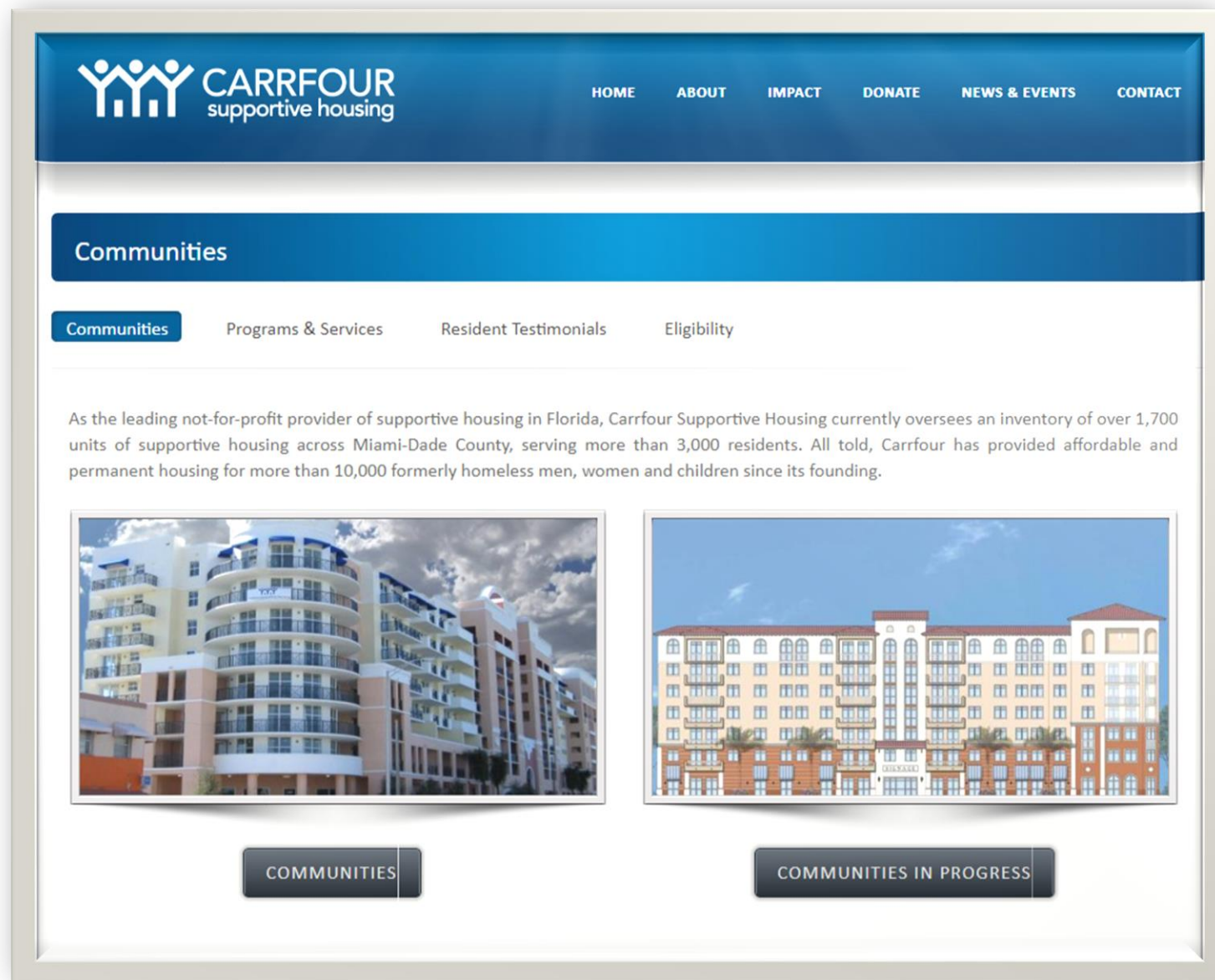
# Thank you

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# The Nonprofit Developer Role



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# The Nonprofit Partner

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- Nonprofit as Community Stakeholder
  - Mission-based
  - Invested in solutions to unmet needs
- Predevelopment Loan Program
  - Eligible Applicant/Borrower
  - Brings mobilization money to the deal
  - Site control of land
  - Engagement with LG staff prior to selecting a co-developer



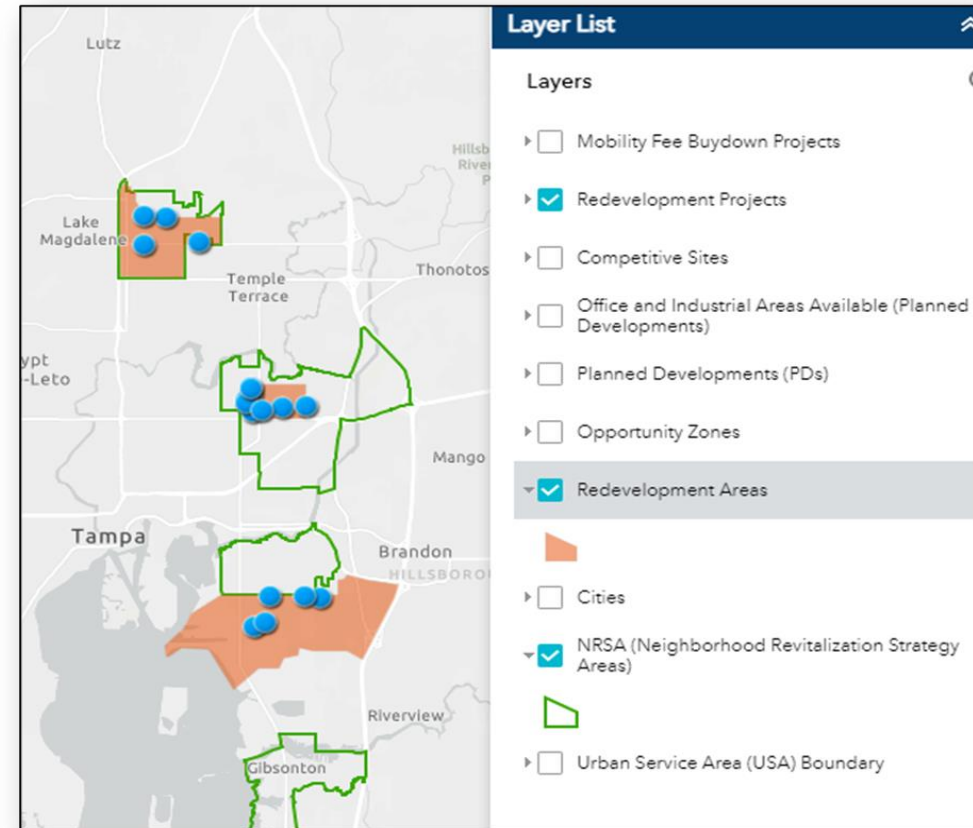
# The Nonprofit Partner

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- Selection of Co-Developer
  - Identify developer that is eligible to apply for financing and has experience in project scope and scale.
  - Nonprofit mission can be supported by MOU/Developer Agreement.
  - Has capacity to guarantee loans for development project and helps build the capacity of the nonprofit developer.
- Responding to RFP and RFAs
  - Provides the community-based services and supports for prioritized populations.
  - Often established in prioritized census tracts and engaged with populations served.
  - Can be essential to Specialized Demographic RFAs and 4%/ELI projects.
  - Can be conduit for LG support.

# The Nonprofit Developer as the Stakeholder

- Participation in Consolidated Planning
  - Community's unmet needs
  - Citizen Participation Process
  - Overlap of Con Plan target area census tracts with QCTs, DDAs, LGAO, CRAs, R/ECAPs, NRSAs, etc.
- Understands the community culture and history.
- Established relationships with Elected Officials, LG staff, community stakeholders, and consumers.
- Boots on the ground advocacy can result in YIMBY!



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# The Nonprofit Developer in the Predevelopment Process

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- Conceptual Vision
- Site Selection
  - Local government surplus lots/infill programs
  - Site control
  - Deed restrictions to preserve affordability
- Funding Applications
  - Resources specific to nonprofits to pair with the guarantees of established developers
- Project readiness
  - Zoning, Land Use, Infrastructure, completion of pre-development activities
- Local government support and commitments
  - Financing, incentive strategies, leveraging public funds

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# GAO, LGAO, Local Gov Contribution Takeaways

- Track RFA funding timeline and prepare competitive cycle to coincide with due dates
- Prioritize Geographic Areas of Opportunity in RFP process as applicable
- Understand each RFA and requirements for Local Government Contributions and Local Government Area of Opportunity

# GAO, LGAO, Local Gov Contribution Takeaways

- Prepare other forms as needed:
  - Verification of Zoning and Land Use regulations
  - Verification of Infrastructure- sewer and water
  - Within 21 days of invitation to credit underwriting:
    - Verification of environmental safety Phase 1 ESA
    - Phase II ESA if required
    - Verification of infrastructure-electricity, roads

ANY  
QUESTIONS  
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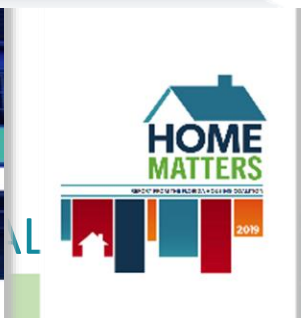
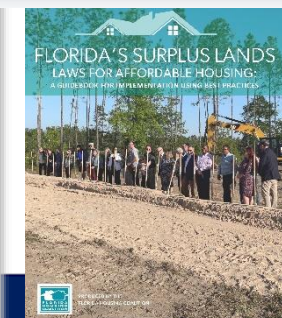
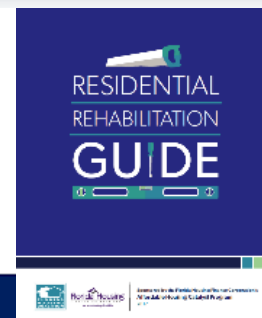
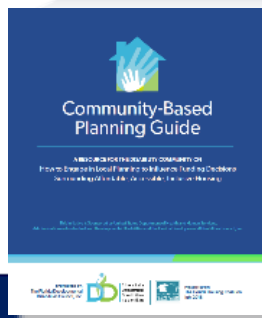
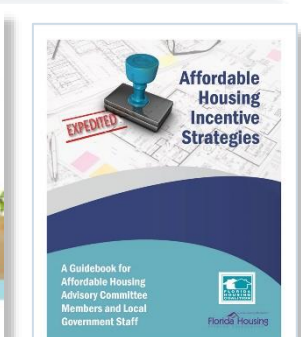
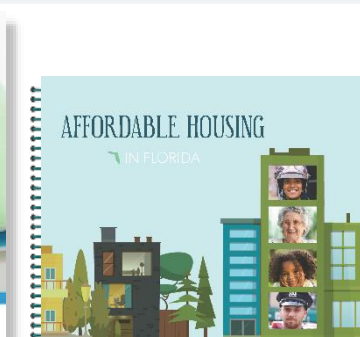
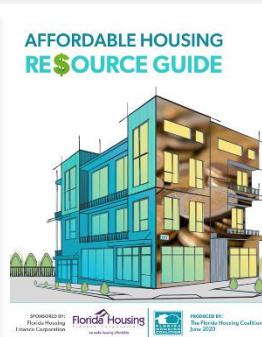
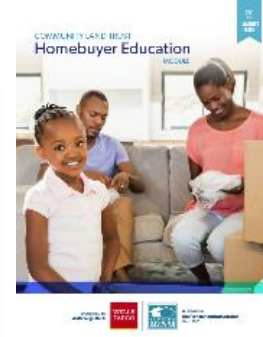
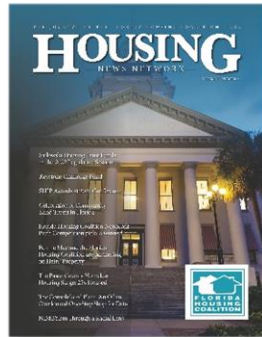
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# FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more under the Publications tab at [Flhousing.org](http://Flhousing.org)





# Questions?

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