

Preservation Pilot Program Outline of Proposed Parameters

1. Purpose of Funding

- a. To create a preservation bridge loan program targeted towards non-profit development organizations administered through one or more intermediaries (such as a Community Development Financial Institution) to provide loans for acquisition and predevelopment costs related to existing affordable housing properties in Pasco, Palm Beach and Orange counties which have:
 - i. Expiring affordability periods
 - ii. Project based rental assistance
 - iii. Deteriorating conditions

2. Program Funding

- a. State funding \$10,000,000.
- b. Florida Housing proposes to allocate the funds to be loaned in the three counties using a formula based on the percentages of each county over the total of the three counties of “units of concern” and “properties of concern”.*
 - i. Orange County – \$2,664,694
 - ii. Palm Beach County – \$4,202,592
 - iii. Pasco County – \$3,312,713
- c. Offerors may propose to work in partnership with one or more of the designated counties.
- d. The funds will be provided as loans to properties meeting the criteria listed in 1. a. above that are able to apply and meet all requirements of the credit underwriting process including a proposed permanent financing plan for repayment of the preservation loan and any necessary rehabilitation.

3. Local Government Involvement

- a. Florida Housing will prioritize funding to intermediaries that have formal partnerships with the appropriate local government departments within each county to collaborate in the identification of properties prioritized for preservation and funding.

4. Administration

- a. The funding will be allocated to qualified intermediaries through a competitive Invitation to Negotiate (ITN) process. In the ITN responses, the offerors will be required to describe the entire process that they will be responsible for including the loan terms and loan products that will be used. Loan products/processes may or may not be different for each county, depending on partnerships.
- b. The ITN responses will be evaluated by a review committee comprised of Florida Housing staff appointed by the Executive Director.

* Units and properties of concern include developments, particularly those with project-based rental assistance, that have maturing mortgages (and, as a result in most cases, expiring affordability periods) before 2020 according to the Florida Housing Clearinghouse Assisted Housing Inventory database.

- c. Once one or more intermediaries are under contract, Florida Housing will work with those intermediaries to develop a process that targets properties that meet the requirements set forth in the ITN and goals set forth in the ITN response for access to the program.
- d. At implementation, the intermediaries (with Florida Housing oversight) will be responsible for:
 - i. The Loan Application Process
 - ii. Credit Underwriting
 - iii. Loan Approval
 - iv. Loan Closing
 - v. Loan Servicing

5. Leveraging

- a. The appropriation's goal to leverage the \$10 million at least 4:1 means that the objective is for the overall loan pool to be a minimum of \$50 million. Florida Housing proposes to award higher scores to applicants that bring private funds (e.g., from banks and foundations) to the program. In addition, Florida Housing will award higher scores commensurate with higher proposed leveraging ratios.

6. Long Term Goals (Benchmarks)

- a. Florida Housing will determine benchmarks that intermediaries must meet regarding the number of properties/units assisted over designated periods of time.

7. Information Expected to Be Requested in the Invitation to Negotiate

- a. Housing program and lending experience
- b. Description and commitment of private funds to leverage the state funding
- c. In response to parameters contemplated by Florida Housing, the Offeror's proposed parameters for funding, including loan products and terms, funding priorities and eligible borrowers
- d. Partnerships with local governments and others
- e. The proposed loan application process and servicing, including strategy(s) for loan take out and default
- f. Projected number of properties/units projected to be assisted in each county with initial \$10 million and leveraging funding