

## **HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY REQUEST FOR PROPOSAL**

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The Housing Finance Authority of Volusia County (“HFA”) may provide tax-exempt and/or taxable construction and permanent financing for residential rental housing units that meet certain requirements. Financing provided by the HFA must be secured by a financial guarantee that will result in the Bonds sold by the Authority achieving a rating of “AA” or better from Standard & Poor’s, Moody’s or Fitch, or one of the two highest short-term ratings if the Bonds are in a Variable Rate mode. The Authority may also consider private placements that require no bond ratings, but it is the policy of the HFA to prioritize credit-enhanced transactions.

Prior to financing, the development must meet all development requirements of the County and relevant City. Before bonds are actually sold, the development must be at a point where a building permit is extremely likely to be issued.

The HFA will only focus on those developments, which adheres strictly to its requirements.

### **GENERAL DEVELOPMENT REQUIREMENTS**

1. The developer must, at a minimum, meet one of the Federally mandated set-aside requirements below:
  - a. Forty percent (40%) or more of the development units must be occupied by person(s) having an income of sixty percent (60%) or less of the area median gross income, whose income must be adjusted according to family size; or,
  - b. Twenty percent (20%) or more of the development units must be occupied by person(s) having an income of fifty percent (50%) or less of the area median gross income, whose income must be adjusted according to family size.
  - c. The remainder of the units must be subject to income requirements that satisfy State law. The area median gross income will be determined by the U.S. Treasury Department.
  - d. The set-aside requirements must be met at all times during the “qualified project period”, which is the period during which restrictions must remain in effect. Tenants must be re-certified as qualified tenants periodically in accordance with applicable State and Federal law.
2. The project must remain a qualified rental development for at least the minimum amount of time necessary to satisfy Federal law.

3. Units may not be rented for lease periods under seven (7) months. The HFA prefers one-year minimum leases.
4. Development must comply with all Federal, State and local fair housing laws, rules, regulations and ordinances.
5. Children of all ages must be allowed to live in the development. A project that is entirely for the elderly and/or handicapped may be exempt from this rule.

The developer should carefully study the IRS rules that govern residential rental developments that are financed with tax-exempt bonds. The IRS does perform compliance audits and the HFA Trustee for the bonds are required to engage in compliance monitoring on a monthly basis.

### **FINANCING MECHANISMS**

The HFA may allow a variety of bond structures featuring letters of credit, bond insurance, surety bonds, mortgage insurance, and guarantees. The HFA has a policy of requiring credit enhancement to be AA or better, and has a clear preference that its bond issues be credit enhanced.

### **HFA PROFESSIONALS**

The firm of Bryant Miller Olive P.A. serves as Bond Counsel to the HFA and the firm of Smith, Stout, Bigman & Brock, P.A. serves as Issuer's Counsel. Contact persons are as follows:

Mr. Robert C. Reid  
Bryant Miller Olive P.A.  
101 North Monroe Street, Suite 900  
Tallahassee, Florida 32301  
Telephone: 850.222.8611  
Fax: 850.222.8969  
Email: [breid@bمولaw.com](mailto:breid@bمولaw.com)

Ms. Sarah L. Metz  
Smith, Bigman & Brock, P.A.  
444 Seabreeze Blvd., Suite 900  
Daytona Beach, Florida 32118  
Telephone: 386.254.6875  
Fax: 386.257.1834  
Email: [smetz@daytonalaw.com](mailto:smetz@daytonalaw.com)

A copy of the Application with attachments should be submitted to the above-named professionals, and in addition one copy of the Application with attachments should also be submitted directly to each Member of the HFA at the following addresses:

Mr. Frank Dougherty  
126 S. Hull Avenue  
DeLand, Florida 32720

Mr. Gary M. Roush  
1211 Beacon Street  
New Smyrna Beach, Florida 32169

Mr. Wilbur C. "King" Pickett  
c/o Brown and Brown of Florida, Inc  
220 South Ridgewood Avenue  
Daytona Beach, FL 32114

Mr. Erick Palacios  
3 Burr Oak Court  
Ormond Beach, Florida 32174

Mr. Robert "Alex" Bittner  
63 Hibiscus Drive  
Ormond Beach, Florida 32176

### **APPLICATION**

The application must include the completed Application Form (Attachment A), and the material described herein (Attachment B). Instructions for submittal are on the forms.

### **Preliminary Project Selection**

Applications will be reviewed by the HFA professional team and recommendations, if any, will be submitted to the HFA members at a meeting of the HFA. The HFA will make a determination as to the amount of the funds it wishes to allocate to multifamily housing projects. Determination of "Ability to Proceed" will be a primary selection criterion. Ability to proceed consists of development readiness, i.e. zoning, platting and site plan approval and financing feasibility (as determined by the HFA professional team). Again the HFA has stated a clear preference for "AA" or better rated transactions. The selected project will be required to show financial readiness that should consist of a preliminary credit underwriting report if using low-income housing tax credits or the Florida Housing Finance Corporation Affordable Housing Guaranty Program or a letter from any other credit enhancer stating that the credit enhancer has received an acceptable appraisal and has determined that it is ready to proceed to the bond document review and approval phase.

### **Inducement**

Only development costs incurred 60 days prior to the date of an inducement resolution passed by the HFA may be financed. An inducement resolution will be scheduled for consideration by the HFA no less than seven (7) days prior to a meeting. The HFA is willing to induce an acceptable application at any time, but it should be remembered that inducement is not a commitment to fund or proceed with the project financing.

### **TEFRA Hearing**

A TEFRA Public Hearing must be scheduled in accordance with Federal law. The hearing must be advertised two weeks in advance of the hearing. Prior to such hearing, the HFA must receive the following:

1. Site Plan
2. Market/Feasibility Study
3. Information on the Developer
4. Evidence of Ownership or Site Control
5. Renderings of the Development

This hearing may be held and/or approved by the Volusia County Council

## DOCUMENTS

The HFA will not process documents until staff feels that the development is highly likely to be financed. Unless previously approved by the HFA a credit facility must be in place, and site plan either approved or in process with minimal likelihood of denial.

## PRE-PRICING

Before pricing can take place, the following must be received by the HFA:

1. Final Documents
2. Site Plan Approval and Plat
3. Letter from parties that deal points have been agreed upon,
4. A listing of all transaction costs and an agreement in writing from all parties on these costs,
5. Approval by the Volusia County Council, if required,
6. Agreement as to contents and fees listed in the Bond Purchase Agreement.

## FEES

The following are non-negotiable fees of the HFA. There are no discounts for large or small transactions:

HFA Application Fee: \$3,500.00

HFA Issuer Fee: Based on 0.15% of bonds issued at closing and annually thereafter based on 0.15% of outstanding bond balance.

Cost Deposit (due upon project inducement):  $\frac{1}{2}$  of 1% of induced bond issuance amount

The document processing cost deposit of  $\frac{1}{2}$  of 1% of Bond Amount is due upon adoption of the Inducement Resolution. This deposit will be a credit against the Authority Fee at closing and shall be used to cover HFA out-of-pocket expenses prior to closing including, but not limited to, the time and expense of Bond Counsel and Issuer Counsel. If the transaction does not take place, the deposit will be returned less fees of the Issuer's Counsel and Bond Counsel and the actual expenses incurred by the Issuer's financing professionals.

EVERY EFFORT IS MADE BY THE HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY TO WORK CLOSELY AND COOPERATIVELY WITH DEVELOPERS IN SOLVING THE AFFORDABLE HOUSING PROBLEMS. ALL OF THE LIMITED REQUIREMENTS ABOVE ARE BORNE OUT OF LEGAL REQUIREMENTS OR SET PUBLIC POLICY AND THESE POLICIES ARE NOT SUBJECT TO NEGOTIATION. IT IS THE DESIRE OF THE HFA TO CLOSE ITS TRANSACTION EARLY IN THE YEAR SO AS TO ALLOW TIME TO TRANSFER ALLOCATION TO ANOTHER USE IF FOR ANY REASON THE FIRST RANKED PROJECT SHOULD FAIL.



**6. Developer Construction Timetable:**

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**7. Estimated Total Construction Cost:**

**8. Amount of Financing Requested:**

\$ _____	\$ _____	\$ _____
Tax Exempt	Taxable	Total

**9. Proposed Credit Enhancer.**

Name of Credit Enhancer: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Contact Name and Email Address: \_\_\_\_\_

**10. Is the Project a Tax Credit Transaction:**

\_\_\_\_\_ Yes

\_\_\_\_\_ No

**11. Percentage of Low Income Set Aside:**

\_\_\_\_\_ % at \_\_\_\_\_ % of Median Income

**Certificate of Understanding**

I, \_\_\_\_\_, representing \_\_\_\_\_, have read and understand the Federal requirements and the Housing Finance Authority of Volusia County's program Policies and Requirements which outline the policies of the Authority and the requirements of the applicable law as applied to Multifamily Mortgage Revenue Bonds, and hereby agree to adhere to the stated Policies and Requirements. I understand that the application fee is non-refundable regardless of whether or not the project is selected for financing by the Authority, and I understand the basis for all other fees and charges of the Authority. I also understand that inducement of the project or the holding of a TEFRA Hearing is not a commitment to finance the project. I understand that more projects may be submitted for financing than funds available, and that the Authority reserves the right to select and/or rank projects in whatever manner it sees fit. I understand that the HFA reserves the right to accept or reject any or all proposals in its sole discretion, and may allocate some or all of its private activity cap allocation to single family programs. I understand that the HFA may or may not receive private activity cap allocations.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Printed name

## **ATTACHMENT B**

### **EXHIBITS REQUIRED FOR UNDERWRITING APPLICATIONS UNDER HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY MULTIFAMILY PROGRAM**

#### **INITIAL APPLICATION**

1. Location map and aerial photo identifying site.
2. Evidence of status of site control.
3. Information on Developer and principals including list of:
  - a. Existing rental projects managed or owned by borrowers and
  - b. A chart of projects in the pipeline, showing number of units, location, status (applied for, funded, under construction, leasing up, etc.) and projected completion date
4. Resumes and experience of borrower and general contractor.
5. Pro-formas consisting of: (a) cost, and (b) income, expense and occupancy projections
6. Preliminary plans and specifications.
7. Evidence of site plan, plat and zoning.
8. Identification of, and resume of, managing agent.
9. Outline of terms of financing requested and commitment from Credit Enhancer (or status).
10. Market data supporting demand for the proposed project including information on competing tax-credit and market rate projects.
11. Appraisal.
12. Phase I Environmental or Phase II, if appropriate.