

HED.HBLP.2024.1 Multifamily Workforce Housing Development RFP Questions

Questions received prior to February 8, 2024

- 1. Does a signed letter of intent to purchase a property qualify as evidence of site control? Also, does 'site work' or 'environmental testing qualify as start of construction?**
 - a. Section II(A)(5) defines site control as “the form of a fully executed contract for purchase of the property(ies), option to purchase, long-term lease, lease option, recorded deed, or recorded certificate of title”.
 - b. Site work will qualify as start of construction.
 - c. Environmental testing will not qualify as start of construction.

- 2. Is the selection committee meeting expected to happen before BCC approval of the funds?**
 - a. Yes

- 3. Is the loan to be paid as hard or soft pay?**
 - a. Clarification: soft pay (paid by available cash flow) or hard pay (principal and interest)?
 - b. For the Workforce Housing RFP HED.HBLP.2024.1 section 1(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”.

- 4. Is there a maximum on the request?**
 - a. There is no Maximum amount for the total request, however, Section 1(E) states “County funding shall not account for more than fifty percent (50%) of the total unit cost as allocated to the County-Assisted funding units”

- 5. Can the Bond funds be used for units within a multi-use development?**
 - a. Section 1(E) states “Projects can be mixed-income and mixed-use”

- 6. Is the interest on the County loan accruing during construction and then paid current? At what point does the loan begin to amortize (Principal + Interest) following construction.**
 - a.

- 7. Underlying finance will likely be for 30 years. The RFP states that the bond funding will be due in 20 years. Will there be any flexibility in the County’s funding terms to allow for the various funding sources to coincide?**
 - a. Section 1(K) states that the term of the loan will be for 20 years. The County’s funding term of 20 years cannot be modified.

- 8. Is there a separate RFP for affordable housing development with separate criteria?**

- a. Yes. This RFP is currently available and those RFP request forms are posted on the Website at <https://discover.pbc.gov/hed/Pages/default.aspx>

9. Do you anticipate addenda to extend "shovel ready" aspect of submittal requirement to the next round of workforce bond program or for the current affordable housing RFP that just came out?

- a. There will be an Addendum to this RFP HED.HBLP.2024.1 that will address the submittal requirement for a "Shovel Ready" project as discussed in Section II(A)(9). The "Shovel Ready" language in the Affordable RFO HED.HBLP.2024.2 will not require an addendum.

10. Good morning. Did you already host a workshop for the affordable. multifamily RFP?

- a. No. That workshop is scheduled for Wednesday, January 24, 2024 at 2:00pm

11. What is the min DSCR that will be underwritten for this loan in 2nd position? Is this how the interest rate will be determined?

- a. The minimum DSCR for the County Bond Fund loan is not listed, but Section 1(K) states "A required minimum debt service coverage ratio on the senior debt will be no less than 1.15". Section 1(K) also states "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"

12. Are RFP Funds allowed to be applied to WFH housing Units that are required through the WFH Housing Obligations imposed by Planning & Zoning. Or, can it only be applied to those units that are above and beyond they WFH requirement?

- a. Section 1(E) of the RFP states "The Housing Bond Loan Program cannot be used for housing units that serve to meet a Palm Beach County Workforce Housing Program (WHP) 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."

13. Is that interest rate (1%-3%) for...for profit only? Is there an interest rate for non profit?

- a. The Multifamily Workforce Housing Development RFP does not distinguish between for-profit and not-for-profit developers.

14. Is there a general minimum unit requirement or will number of units generally fall under the scoring categories?

- a. Section 1(E) states "Projects that do not have any other local government obligation to create Workforce Housing units must have the greater of 10 units or 10% of the total development units be considered County-Assisted Housing Units" and "Projects that have other local government obligation to create Workforce Housing units will not have a minimum number of County-Assisted Units, but any

County-Assisted Housing Units must be in addition to any other local government obligations.”

15. Regarding the RFP’s requirement that projects be “shovel ready”, Can a project be deemed eligible for funding if it will obtain its building permit in 2025?

- a. There will be an Addendum to the RFP that will address the submittal requirement for a “Shovel Ready” project as discussed in Section II(A)(9). However, the requirement that construction must be commenced within a year of Final Board of County Commissioner approval will remain.

16. Regarding the amount of subsidy per unit, Are these funding per unit ranges listed in the RFP supposed to represent a total of all the County funding that will be leveraged per County-assisted housing unit?

- a. The Leveraging Scoring as shown Section III(A) is based on “based on amount of funding/subsidy from all County sources per County-Assisted housing unit”.

17. Our team has a question regarding Addendum No. 1. The RFA document mentions BCC “conditional approval” targeted for May. The Addendum mentions that Site Plan Approval will be necessary before final BCC approval in order for a project to be considered “Shovel Ready.” To clarify, when is “final BCC approval” anticipated for projects awarded under the RFP, if “conditional approval” is projected in May?

- a. The addendum modified the requirements for the submittal to allow additional time to get the project “Shovel Ready”. The project should be Shovel Ready by Final approval by the Board of County Commissioners. We anticipate submission of the approved proposals for final approval to occur sometime between July-August, 2024.

18. What will be the amortization of the loan? For example, if our first mortgage is a 15 year term with a 35 year amortization schedule, will the PBC Workforce loan match that amortization? Will it be 35 year amortization and 20 year loan term?

- a. Section 1(K) of the RFP states that the term of the loan will be for 20 years with final interest rate and other terms of the loan to be based on project underwriting. The Housing Bond Allocation process as approved by the Board of County Commissioners does not provide an option for an extended amortization for Workforce Housing Projects.

19. The 20 year term, is that including the 2 years of construction or in addition to so it would really be 22 years? If not, then the loan is really 2 years of construction and 18 years of permanent financing correct? Trying to understand it so we model it correctly.

- a. Section 1(K) of the RFP states that the term of the loan will be 20 years with final interest rate and other terms of the loan to be based on project underwriting. It is anticipated that the term will commence upon the completion of the conversion of the Primary construction financing to the Primary permanent financing.

20. If our first mortgage has a max DSCR on hard pay loans of 1.2 then will the underwriting reflect that in the interest rate selection? What if the first mortgage has a minimum 1.35 DSCR?

- a. Section 1(K) of the RFP states that the required minimum debt service coverage ratio on the senior debt will be no less than 1.15.

21. If a project can meet the requirements of more than one of the RFPs available, can the project apply for more than one (1) RFP at a time?

- a. There is no restriction on applications, however, units may not be used to meet the requirements of more than one program. Any units created as part of another of a County Housing Bond RFP must be in addition to those created by a previous Housing Bond RFP. If a project receives an award and the created units are included as part of another RFP application, the other Housing Bond RFP application will be deemed as non-responsive as the units will have been already awarded.

22. I don't see any information on the HED website that would preclude a Project/Developer from applying for multiple RFPs. I can only assume that if a project gets selected for funding, that the Developer would have to select which RFP to proceed with.

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