Development Plan Review

An approach to funding application creation and robust review

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Our Thanks to the Florida Housing Catalyst Program
Catalyst Training Schedule

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Workshop Agenda

- Importance of a thorough review
- Timing of application and review
- The application review team
- Site evaluation
- Project feasibility evaluation
- Public benefit evaluation
- Applicant evaluation
- Designing the application/RFP
- Post-review process
Importance of Review and Timing
Importance of Review

• Safety of investment of public funds
• Make sure the project meets program goals, guidelines and requirements
• Ensure funds will be expended in a timely and cost-effective manner
• Understand the details of the project
Timing of Review

• In context with SHIP expenditure requirements
• In context with anticipated Florida Housing Finance Corporation RFA timelines
• In context with other local funding expenditure requirements (federal entitlements, infrastructure surtax, etc.)
The Application Review Team
Approach to Building the Review Team

Ability to proceed!
Potential Members of the Team

- Housing Staff
- Social Services Staff
- Planning Staff
- Building Department
- Economic Development
- Legal
Site Evaluation
Site Evaluation: Housing, Economic Development and Social Services

• Location of proposed development
  • Desirability of neighborhood
    • Jobs
    • Transportation
    • Schools
    • Shopping
    • Healthcare
    • Access to other service providers
  • Location within geography for local initiatives

• Location in relation to similar developments
Site Evaluation: Planning and Building

• Is the site currently zoned for intended use?
  • If not, steps and timing to obtain
• Are there adequate utilities to support the development
• Other anticipated infrastructure needs
• Permits required and timing to obtain
  • Site Plan
  • Environmental
  • Final Building
• Anticipated Impact fees and all other planning/zoning costs
Site Evaluation: Environmental

- Previous and current use
- Existing buildings/structures on site
  - Age/type
  - Will they be demolished or incorporated?
- Are there any environmental constraints (known at the time)
  - Wetlands
  - Endangered species
  - Brownfields
  - Hazardous materials
Site Evaluation: Legal

• Confirm adequate site control
  • Review purchase and sales contract(s)

• Confirm no issues with land ownership
  • Trace title history
  • Known easements
  • Any known encumbrances

• Confirm legal use is proposed (additional cross check of land use and zoning)
Project Feasibility Evaluation
Feasibility: Market Analysis

• Occupancy of similar developments
• Current condition and trajectory of neighborhood
• How proposed development compares to like developments
• Key items in Market Study
  • Anticipated absorption rate
  • Rents or sales prices
Feasibility: Financial Analysis
(Uses of Funds)

- Acquisition/Land Costs
- Hard (construction) costs and contingencies
- Architectural design and supervision
- Financing costs
- Permitting and zoning
- Insurance
- Relocation (if acquisition/rehab)
- Reserves
- Developer Fees
Feasibility: Financial Analysis
(Sources of Funds)

• Are anticipated sources adequate to cover costs
• What percentage of costs will funding cover
• Are anticipated sources reasonable or probable
• Are there commitments for other sources
Feasibility: Financial Analysis (Operating Budget)

- Are rents in line with SHIP or other funding source requirements
- Are there other sources of income
- Are operating expenses reasonable (refer to market analysis, appraisal, knowledge of other developments)
- Is net operating income sufficient to meet debt service coverage requirements
Poll #2
Public Benefit Evaluation
How the project benefits the community

• Target market served
  • Is it an underserved market
  • Is this population a community priority

• Does it promote stated goals in planning documents
  • Housing Element of comprehensive plan
  • Land Use
  • Consolidated Plan/Assessment of Fair Housing
How the project benefits the community

• Does the project promote economic development goals
  • Job creation
  • Focus of other public investments
  • Geographic area of opportunity

• Are there agreements with service providers

• Is there general community support
Applicant Evaluation
Evaluating the Applicant

• Does the applicant meet minimum threshold requirements for local funding (i.e. nonprofit in existence for at least two years with affordable housing as part of its mission)

• Does the applicant meet minimum threshold requirements for other proposed funding sources?
Evaluating the Applicant

• Staff Capacity
  • Key staff has qualifications needed to carry out the project
  • Organizational chart indicates additional staff and report chain for key contacts

• Board Capacity
  • Expertise of Board fills or augments knowledge and skills of staff

• If partnership or joint venture
  • Split in ownership and/or division of responsibilities will facilitate effective execution of project
Evaluating the Applicant

• Financial Capacity
  • Audited Financial Statements indicate stable finances with strong internal controls
  • Current finances and balance sheet in good shape
  • Ability to guarantee financing

• Track Record
  • Has applicant completed a similar project before
  • Status of previously funded projects
Designing the Application
Elements of a Good Application

• Detailed description of funding being offered
  • Amount (total available and per project/per unit limits)
  • Target population
  • Tenure
  • Who is eligible to apply
  • Funding timeline
Elements of a Good Application

- Applicant information
  - Name of entity
  - Evidence the entity exists
    - Articles of Incorporation
    - 501c3 Letter
    - EIN
  - Mission/Vision statements
  - Job descriptions/resumes of key staff
  - Staff Organization Chart
  - List of Board Members with short description of expertise
Elements of a Good Application

• Applicant Information continued
  • If joint venture or partnership
    • Ownership chart
    • MOU, Development Agreement or other formal agreements previously executed
  • Audited financial statements (at least 2 years)
  • Current profit/loss statement and balance sheet
  • List of similar projects (if applicable)
Elements of a Good Application

• Development Team (include copies of agreements if signed)
  • General Contractor
  • Architect
  • Engineer
  • Property Manager (include information on prior affordable housing experience)
  • Other consultants
Elements of a Good Application

• Development information
  • Address/Folio
  • Number of units and tenure
  • Development type (new construction, acquisition/rehab)
  • Target population (family, senior, special needs, etc.)
  • Planned unit mix with income levels served and rent/sales price breakdown
  • Photos of the site
  • Site plan (if available)
  • Planned on-site amenities and services
Elements of a Good Application

• Financial information
  • Development Pro Forma
  • Operating Pro Forma (indicate ability to cover all anticipated debt service)
  • Commitment letters for other funding sources

• Planning/Zoning/Environmental
  • Letter from Planning/Zoning
  • Any approvals already received
  • Phase 1 evaluation
  • O&M Plans (if available and applicable)
  • Flood zone/radon zone maps
Elements of a Good Application

• Other information
  • Recent market study and/or appraisal
  • Recent survey
  • Written agreements with service providers
  • Letters of support from other community stakeholders
• If applying for FHFC multifamily funding
  • State location within SADDA, RECAP and/or QCT
  • Proximity map
  • Proximity scoring
Poll #3
Post-Review Procedures
After Your Initial Review

• Eliminate non-threshold or incomplete applications

• Develop list of follow-up questions

• Complete final review and provide preliminary awards on conditions of:
  • BOCC/Council Approval (if required)
  • Firm commitment of other funding
  • Provision of any necessary information not provided in original application
Final Approval and Closing

• Draw up closing documents with Legal Department
  • Should incorporate requirements of RFP
  • Should incorporate special elements of development such as services/amenities
  • Should include all reporting forms
• If seeking FHFC funding, receive credit underwriting report
• Participate in closing calls
The Nonprofit Capacity-Building Team

Our Vision: At least one active, viable community-based organization plays an important role in delivering affordable housing and related services in each community.

Meet the Team!

Gladys Cook  Pamela Jo Hatley  Ashon Nesbitt  Jaimie Ross
FHC Resources

COMING SOON:
Guide to Credit Underwriting for Affordable Housing Projects in Florida