

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. 2006-0651W

VILLA AURORA, LLLP

Petitioner,

v.

FLORIDA HOUSING FINANCE
CORPORATION

Respondent.

**PETITION FOR WAIVER OF THE QUALIFIED ALLOCATION PLAN'S
REQUIREMENT FOR RETURNING HOUSING CREDIT ALLOCATIONS, AND FOR
AN IMMEDIATE ALLOCATION OF 2007 HOUSING CREDITS**

Petitioner Villa Aurora, LLLP, a Florida limited partnership ("Villa Aurora") submits its Petition to Respondent Florida Housing Finance Corporation (the "Corporation") for a waiver of the Qualified Allocation Plan's (a) prohibition from returning its 2005 Housing Credit Allocation prior to the last quarter of 2007, and (b) requirements that a housing credit allocation can be reserved only for the year after the year in which the development is required to be placed in service ("Placed-in-Service Date"). The return of these Housing Credits is required before the Corporation may reserve an allocation of Housing Credits that Villa Aurora requests be immediately allocated for 2007 Housing Credits. See Rules 67-48.002(83) and 67-48.025, Florida Administrative Code (collectively the "Rules"), and Qualified Allocation Plan at ¶ 11.

1. Pursuant to Section 120.542, Fla. Stat. (2001) and Rules 28-104.001 through 28-104.006, F.A.C., Villa Aurora requests a waiver of Rule 67-48.002(83), Florida Administrative Code, and of Paragraph 11 of the Qualified Allocation Plan ("QAP") to allow the immediate

return of its 2005 Housing Credit Allocation, and an immediate allocation of 2007 Housing Credits.

2. The name, address, telephone and facsimile numbers for Villa Aurora and its qualified representative are:

Villa Aurora, LLLP
c/o Carrfour Supportive Housing, Inc.
Attention: Stephanie Berman
155 South Miami Avenue
Suite 850
Miami, Florida 33131
Telephone 305-371-8300
Telecopier 305-3771-1376
E-Mail: Sberman@carrfour.org

3. The name, address, telephone and facsimile numbers of Villa Aurora's attorneys are:

Gary J. Cohen, Esq.
Shutts & Bowen LLP
201 S. Biscayne Blvd., Ste. 1500
Miami, Florida 33131
305-358-6300 (telephone)
305-381-9982 (telecopier)

4. Pursuant to the 2005 Combined Rental Cycle Program, Villa Aurora timely submitted its Universal Application for competitive Housing Credits under the Low Income Housing Tax Credit program ("LIHTC Program" or "HC Program"). See Application Number 2005-020CS.

5. Equity raised from Housing Credits will be used for construction of a new development of 76 low-income housing tax credit units for the homeless known as Villa Aurora (the "Development"). The Development will serve homeless individuals in Miami, Miami-Dade County, Florida, and will be located in "East Little Havana" section of Miami.

6. On December 1, 2005, the Corporation issued its Preliminary Allocation of Housing Credits reserved in the amount of \$2,189,896.00. A true and correct copy of the Preliminary Allocation Certificate – Housing Credit (“Preliminary Allocation Certificate”) is attached hereto as Exhibit A.

7. As permitted by Rule 67-48.028, F.A.C., Villa Aurora applied for a carryover of the Housing Credits. The Corporation granted the carryover pursuant to a Carryover Allocation Agreement between Villa Aurora and the Corporation, effective December 29, 2005. A true and correct copy of the Carryover Allocation Agreement is attached hereto as Exhibit B. As a result, the Placed-in-Service Date for the Development is December 31, 2007.

8. Consequently, it is anticipated that there will be a Final Housing Credit Allocation granted to Villa Aurora in accordance with the Corporation’s usual final allocation procedure.

9. Numerous factors that were and are outside Villa Aurora’s control, including the impact of Hurricanes Wilma and Katrina in 2005, have delayed the development process. As a result of these delays, Villa Aurora may be unable to complete the Development before the Placed-in-Service Date.

10. As set forth more fully below, Villa Aurora seeks to return its 2005 Housing Credit Allocation now, rather than wait for the last calendar quarter of 2007, as required under the QAP, and obtain from the Corporation an immediate reservation of 2007 Housing Credit Allocations, instead of an allocation in 2008, the year after the current Placed-in-Service Date.

11. The requested waivers and variance will not adversely effect the Development. A denial of the Petition, however, would (a) result in substantial economic hardship to Villa Aurora; (b) deprive Miami of essential affordable rental units set aside for the homeless; and (c) violate principles of fairness.

12. Rule 67-48.025 requires that distributions of Housing Credits “shall be in accordance with the Corporation’s Qualified Allocation Plan.”

13. Rule 67-48.002(83) defines QAP as follows:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2005 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the state of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits.

14. The 2005 QAP provides that Housing Credits may be returned **only** in the last calendar quarter of the year in which a development is required to be placed in service, and an allocation may only be made for the year after the Placed-in-Service Date:

Where a development has not been placed in service by the date required or it is apparent that a development will not be placed in service by the date required [December 31, 2007], such failure is due to circumstances beyond the Applicant’s control, and the Applicant **has returned its housing credit allocation in the last calendar quarter of the year** in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of credits returned, and may allocate such housing credits to the Applicant **for the year after the year** in which the Development was otherwise required to be placed in service provided [certain] conditions have been met.

2005 QAP at ¶ 11 (emphasis added).

15. The applicable Rules for which waivers are requested are implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”),¹ the statute that created the Housing Credits Program. *See* § 420.5099, Fla. Stat. (2003). The Act designates the Corporation as the State of Florida’s housing credit agency within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code of 1986. As the designated agency, the Corporation is

¹ The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.516 of the Florida Statutes, (the “Act”). *See also* Rule 67-40.020(1), F.A.C.

responsible for and is authorized to establish procedures for the allocation and distribution of low-income housing tax credits ("Allocation Procedures"). §§ 420.5099(1) and (2), Fla. Stat. (2003). Accordingly, the Rules subject to Villa Aurora's waiver requests are implementing, among other sections of the Act, the statutory authorization for the Corporation's establishment of Allocation Procedures for the HC Program. §§ 420.5099(1) and (2), Fla. Stat. (2003).

16. The requested waivers will ensure the availability of Housing Credits which might otherwise be lost as a consequence of development delays caused by factors outside Villa Aurora's control.

17. The following facts demonstrate the economic hardship and other circumstances which justify Villa Aurora's request for Rule waivers:

- (a) Villa Aurora timely submitted its 2005 Universal Application for the Corporation's Housing Credits Program.
- (b) Thereafter, the Corporation issued its Preliminary Allocation Certificate.
- (c) The Preliminary Allocation reserved \$2,189,896.00 for Housing Credits. Villa Aurora also received a preliminary award of a SAIL loan from the Corporation in the amount of \$3,000,000.
- (d) As a result of the Carryover Allocation Agreement, the Development's Placed-Service Date is December 31, 2007.
- (e) On October 24, 2005, Hurricane Wilma struck the South Florida area, and as a result of the damage caused, Miami-Dade County was declared a major disaster area.
- (f) Because local government had to address and resolve critical and emergency matters impacting the safety, health and welfare of its citizens, government personnel was not available to attend meetings or otherwise consider issues relating to the Development.
- (g) As a consequence of Hurricane Wilma, Villa Aurora's development process, as well as numerous other projects in the Miami area, have been significantly delayed.
- (h) The impact of Hurricane Wilma and Hurricane Katrina on the construction industry further delayed the development process. As a consequence of

the substantial increase in construction costs resulting, in part, by the scarcity of both building materials and laborers, Villa Aurora had to re-budget the Development.

- (i) In light of the initial delays, due to the 2005 Hurricanes, and having entered the 2006 hurricane season, Villa Aurora's tax-credit investor has serious concerns about whether the Development will meet the Placed-in-Service Date.
- (j) The Development has remarkable community support. Miami-Dade County has committed up to \$2,950,000 to fund construction of a library as part of the Development.
- (k) Villa Aurora has continued to proceed with the pre-development process and has met the 10% test under Paragraph 5.b. of the Carryover Agreement.
- (l) The Rule waivers sought herein will allow Villa Aurora to return its 2005 Housing Credit Allocation, without having to wait until the last quarter of 2007, and obtain an immediate allocation of 2007 Housing Credits, in an amount not to exceed the amount of the returned Housing Credit Allocation.
- (m) A denial of the requested waivers would result in a substantial economic hardship to Villa Aurora. Without the assurance of a 2007 Housing Credit Allocation from the Corporation, Villa Aurora's tax-credit investor has indicated its unwillingness to take the risk of closing on the tax credit partnership, funding the initial capital contribution and commencing construction. This would result in the inability to obtain critical financing necessary to provide 76 apartment rental units that are needed for low income homeless tenants in Miami, Florida.

18. As demonstrated above, the requested waivers serve the purposes of Section 420.5099 and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households by ensuring:

The maximum use of available tax credits in order to encourage development of low-income housing in the state, taking into consideration the timeliness of the application, the location of the proposed housing project, the relative need in the area for low-income housing and the availability of such housing, the economic feasibility of the project, and the ability of the applicant to proceed

to completion of the project in the calendar year for which the credit is sought.

§ 420.5099(2), Fla. Stat. (2005).

19. Further, by granting the requested waivers, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing. This recognition would promote participation by experienced developer entities, such as Villa Aurora, in meeting the purposes of the Act, regardless of the possible delays from hurricanes and other factors outside their control.

20. The requested waivers will not adversely impact the Development or the Corporation.

21. The waivers being sought are permanent in nature.

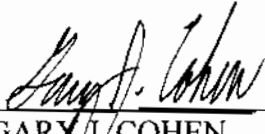
Should the Corporation require additional information, Villa Aurora is available to answer questions and to provide all information necessary for consideration of its Petition for Waiver of the Qualified Allocation Plan's Requirement for Returning Housing Credit Allocations, and for an Immediate Allocation of 2007 Housing Credits.

WHEREFORE, Petitioner Villa Aurora, LLLP, respectfully requests that the Corporation:

- A. Grant the Petition and all the relief requested therein;
- B. Waive the 2005 Qualified Allocation Plan's prohibition from returning Housing Credit Allocations prior to the last quarter of 2007;
- C. Allow the immediate return of the Villa Aurora 2005 Housing Credit Allocation;
- D. Waive the 2005 Qualified Allocation Plan's requirement that a Housing Credit Allocation cannot be reserved until the year after the Development's Placed-in-Service Date;

E. Immediately allocate 2007 Housing Credits to Villa Aurora, in an amount not to exceed the amount of its 2005 Housing Credit Allocation; and

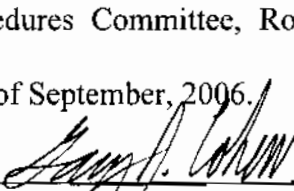
F. Award such further relief as may be deemed appropriate.



GARY J. COHEN
Shutte & Bowen LLP
201 S. Biscayne Blvd., Suite 1500
Miami, Florida 33131
(305) 358-6300
ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

The Original Petition is being served by facsimile and overnight delivery for filing with the Corporation Clerk of the Florida Housing Finance Corporation, 227 North Bronough Street, City Centre Building, Room 5000, Tallahassee, Florida 32399, with copies served by overnight delivery on the Joint Administrative Procedures Committee, Room 120, Holland Building, Tallahassee, Florida 32399-1300 this 14th day of September, 2006.



GARY J. COHEN



Exhibit A

227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax 850.488.9809 • www.floridahousing.org

we make housing affordable

PRELIMINARY ALLOCATION CERTIFICATE
HOUSING CREDIT PROGRAM

The Florida Housing Finance Corporation ("Florida Housing") grants to

Villa Aurora, LLLP ("Applicant")

for

Villa Aurora (the "Development")

Miami-Dade County, Florida
Application # 2005-020CS

Preliminary Allocation of Housing Credits reserved in the amount of

\$2,189,896.00

December 1, 2005

1. **Authority.** This Preliminary Allocation is granted by Florida Housing under the Housing Credit Program as authorized by Section 420.507(12), Florida Statutes, and Section 42 of the Internal Revenue Code of 1986, as amended, ("IRC"), and as administered pursuant to Program guidelines outlined in Rule 67-48, Florida Administrative Code. Under such guidelines, Florida Housing may allocate housing credits only in an amount necessary to ensure the financial feasibility of the Development and its viability as a low-income rental housing project.
2. **Effect.** This Certificate represents a preliminary determination only and is not binding on either Florida Housing or the Applicant. Subject to the preceding sentence, this Certificate inures to the benefit of the Applicant named above and its grantees, transferees, and other successors in interest to the maximum extent allowed under IRC Section 42.
3. **Duration.** The Preliminary Allocation will be valid until December 31, 2005.

Jeb Bush, Governor

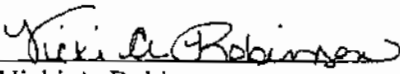
Board of Directors: Terry Santini, Chairman • Lynn M. Stultz, Vice Chairman • Thaddeus Cohen, Ex Officio
Cesar E. Calvet • David E. Oeiferich • Zully Ruiz • Robert J. Taylor • Sandra Terry

Stephen P. Auger, Executive Director

4. Contingencies. The Preliminary Allocation is contingent upon:
- a. The Applicant shall comply with all of the pertinent requirements of IRC Section 42 and the Treasury Regulations issued thereunder and the requirements of the State of Florida as set forth in Chapter 67-48, Florida Administrative Code.
 - b. A non-refundable administrative fee of \$109,494.80, which is based on 5% of the allocation amount (\$2,189,896.00) and a one time non-refundable compliance payment of \$2,216.00 in accordance with Rule 67-48 is payable by the Applicant to Florida Housing **no later than December 8, 2005**. Checks should be made payable to the Florida Housing Finance Corporation, and should be mailed to:

Florida Housing Finance Corporation
ATTN: Housing Credit Program
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

-
- c. Approval by Florida Housing of a positive credit underwriting recommendation that housing credits be allocated to this Development.
 - d. The receipt of an eligible market analysis for the property.
 - e. Verification from the Applicant and the Credit Underwriter that all contingency items as stated in the credit underwriting report and below have been met no later than nine (9) months from the date of execution of the Carryover Allocation Agreement.
 - f. Such other reasonable requests as made by Florida Housing during this time frame.
5. Final Determination. Florida Housing is required to make further tax credit determinations, with the final determination to be made at the time the Development is "placed in service" pursuant to IRC Section 42(m)(2)(C).
6. Carryover Allocation. A project may qualify for a carryover of the housing credit allocation if the guidelines set forth in Rule 67-48.028, Florida Administrative Code, are met.


Vicki A. Robinson
Deputy Development Officer

Dated this 1st day of December, 2005

Exhibit B

**FLORIDA HOUSING FINANCE CORPORATION
2005 CARRYOVER ALLOCATION AGREEMENT**

This 2005 Carryover Allocation Agreement (Agreement) by and between Florida Housing Finance Corporation (Florida Housing) and Villa Aurora, LLLP (Owner) constitutes an allocation of the 2005 Housing Credit dollar amount meeting the requirements of Section 42(h)(1)(E) and (F) of the Internal Revenue Code of 1986 as amended (Code). Unless otherwise specifically provided, this Agreement and the terms used herein shall be interpreted in a manner consistent with the requirements of Section 42 of the Code.

In consideration of the conditions and obligations stated in this Agreement, Florida Housing and the Owner understand and agree as follows:

1. Florida Housing has reviewed the 2005 Application filed by the Owner of Villa Aurora (Development). Based on the evaluation of the Development identified in the 2005 Application, and the credit underwriting analysis, Florida Housing and the Owner incorporate, by reference, the 2005 Application into this Agreement.
2. The Owner acknowledges that all the terms, conditions, obligations, and deadlines set forth in this Agreement and the attached Exhibits, together with those that are ~~incorporated by reference, constitute material and necessary conditions of this Agreement, and that the Owner's failure to comply with any of such terms and conditions shall entitle Florida Housing, at its sole discretion, to deem the credit allocation to be canceled by mutual consent of the parties. After any such cancellation, the Owner acknowledges that neither it, nor its successors in interest to the Development, shall have any right to claim Housing Credits pursuant to this allocation. Florida Housing reserves the right, at its sole discretion, to modify and/or waive any such failed condition precedent.~~
3. This 2005 Housing Credit allocation is not to exceed an annual amount of \$2,189,896.00 for the Development.

If the Development consists of more than one building, this Agreement constitutes an allocation of credit on a project basis to the Development in accordance with Section 42(h)(1)(F) of the Code. The "per building" Housing Credit amounts specified in **Exhibit A** are solely for purposes of determining the total housing credit allocation for the Development and do not constitute specific allocations made on a building by building basis.

This allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and upon the terms and conditions of this Agreement.

4. The Owner certifies it is the legal owner of the Development and that the following information is true, accurate, and complete:

- a. Owner Name: Villa Aurora, LLLP
- b. Taxpayer Federal ID#: 20-2246415
- c. Owner Address: 155 South Miami Avenue
Suite 1150
Miami, FL 33131
- d. Development Name: Villa Aurora
- e. Development Address: 1398 SW 1st Street
Miami, FL 33135
- f. Florida Housing Development Number: 2005-020CS
- g. Total Number of Units in Development: 76
(Includes market rate units, set-aside units, and full-time employee units.)
- ~~h. Total Number of Buildings: 1~~
- i. Total Number of Qualified Residential Buildings: 1
(as defined at Section 42(h)(1)(E)(ii) of the Code)
- j. Type of Construction: New Construction
- k. Demographic/Designation: Homeless/Large County
- l. Anticipated Placed in Service Date: 12/31/2007
of the last constructed/rehabilitated building (Month, Day and Year)
- m. Minimum Set-Aside: 40% of units at
60% of area median income
- n. Total Set-Aside: 21% of the residential units at 30% of area median income
79% of the residential units at 60% of area median income
- o. Extended Use Period: The Owner has irrevocably waived the "option to convert" to market rents after year 14 and FURTHER COMMITS to an additional compliance period of 35 years (fifteen years plus 35 additional years totaling 50 years).

- p. **Qualified Non-Profit Set-Aside:** Florida Housing states and Owner acknowledges that this allocation of Housing Credits is being made pursuant to Florida Housing's set-aside of credit authority for "qualified non-profit organizations" within the meaning of Section 42(h)(5)(e) of the Code and Non-Profit Applicants under its Qualified Allocation Plan (QAP). Throughout the extended use period applicable to the Development under the Code, such a qualified non-profit organization shall own an interest in the Development and materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Development.
 - q. **Development Features and Amenities:** The Development will be constructed or rehabilitated in accordance with the 2005 Application and shall provide at a minimum the Features, Amenities and Programs described in **Exhibit B**.
5. a. **Site Control:**
- (i) The Owner shall demonstrate to Florida Housing that it has satisfied the requirement of site control by including a copy of the recorded deed and closing statements, or a copy of the executed long term lease agreement, together with such other evidence or documentation that Florida Housing shall deem necessary. ~~These documents are to be incorporated into the Agreement as an attachment to the Development's Legal Description, **Exhibit C**.~~
 - (ii) To meet the Site Control requirement, the Owner certifies to Florida Housing that it owns the land on which the Development is to be built, or that the Owner is the Lessee under a lease of the land on which the Development is to be built and which has a term that does not expire prior to the expiration of the Extended Use Period.

Site Control Election:

Owner shall initial only one of the following:

I elect to meet the Site Control requirement,

XX

_____ upon the initial submission of this Agreement

or

_____ within six months of the execution of this Agreement

In choosing the six month election, the Owner agrees to provide evidence of meeting the requirement as a supplemental to the original Carryover Allocation Agreement without amending the original document.

- b. **Cost Basis and Certification:**

The Owner certifies that it shall incur at least 10 percent of the reasonably expected basis (10% test) of the Development no later than six months from the date of this Agreement. The Owner shall indicate below whether it chooses to provide evidence that the 10 % test has been met upon the initial submission of this Agreement or within six months of this Agreement's execution.

The Owner represents that its reasonably expected basis in the development (land and depreciable basis) as of December 31, 2007 is \$ 22,146,362, such that for purposes of the 10% test, it must have a basis in the Development (land and depreciable basis) of at least \$ 2,214,636.20 by no later than six months from the date of this Agreement.

Cost Basis and Certification Election:

Owner shall initial only one of the following:

I elect to meet the 10% test requirement,

 upon the initial submission of this Agreement

xx or

~~within six months of the execution of this Agreement~~

~~In choosing the six month election, the Owner agrees to provide an updated Exhibit D as evidence of meeting the 10% requirement. This will be a supplement to the original Carryover Allocation Agreement without amending the original document.~~

The Owner shall submit the properly completed and executed **Exhibit D** as evidence that it has or has not met the 10% test requirement.

Florida Housing's acceptance of any certification with respect to meeting the 10% test requirement, does not constitute a representation as to the satisfaction of the requirements under Section 42(h)(1)(E) of the Code as binding on the part of the Internal Revenue Service.

6. The Owner acknowledges that all qualified buildings within the Development shall be placed in service on or before December 31, 2007. The final tax credit determination by Florida Housing cannot be made until such time as all buildings are placed in-service and the required Final Cost Certification has been submitted and approved by Florida Housing. Florida Housing shall not issue any partial final allocations.
7. The Owner acknowledges and agrees to submit to Florida Housing, in accordance with Rule Chapter 67-48, Florida Administrative Code: (i) written progress reports evidencing the progress of the Development at least once each calendar quarter, and (ii) the completed and required Final Cost Certification documents by the date that is 75 calendar days after all the buildings in the Development have been placed in service.

In the event the Owner fails to comply with the above requirements or fails to commence construction within nine months from the effective date of this agreement, the Housing Credits allocated within this Agreement shall be deemed returned to Florida Housing pursuant to Section 42 (h)(3)(C) of the Code. Florida Housing, in its sole and absolute discretion, may extend the time for compliance with these requirements upon receipt of a written request from the Owner and if Florida Housing determines that the Owner is making a diligent effort to comply.

8. Pursuant to Rule Chapter 67-53, the Owner shall coordinate with the Development's assigned servicer, Seltzer Management Group, Inc., to have at least four on-site construction inspections at the Owner's expense. The Owner shall insure that these inspections are conducted at different intervals during the construction period with one of the inspections conducted prior to the Development being 15% complete and one inspection conducted at construction completion.
9. The Owner acknowledges and agrees that Florida Housing shall further evaluate the Development, pursuant to Section 42(m)(2) of the Code for a final housing credit allocation determination upon Final Cost Certification, when all buildings in the Development are placed in service.

~~The Owner further acknowledges and agrees that if the carryover housing credit allocation dollar amount, set forth in paragraph 3 of this Agreement, exceeds the amount for which the Development is determined by Florida Housing to be finally eligible, pursuant to Section 42(m)(2) of the Code, the amount of any such excess shall be returned to and recovered by Florida Housing pursuant to Section 42(h)(3)(C) of the Code for reallocation to other developments.~~

10. Upon the Owner's written notification to Florida Housing that the last building in the Development is placed in service, Florida Housing's receipt of evidence that all contingency items identified in **Exhibit E** of the Agreement have been satisfied, and acceptance by Florida Housing of the Final Cost Certification documents which include but are not limited to:
 - the Final Cost Certification
 - the monitoring fee
 - copies of Certificates of Occupancy
 - a copy of the Syndication Agreement
 - an Independent Auditor's Report prepared by an independent Certified Public Accountant
 - photographs of the completed property
 - the original, executed Extended Low-Income Housing Agreement in accordance with the deadlines imposed above

Florida Housing shall issue an Internal Revenue Service Form 8609 for each building, in

accordance with the applicable federal law governing Housing Credit allocation under Section 42 of the Code and Florida Housing program rules. The Extended Low-Income Housing Agreement, with respect to the Development, shall, incorporate the terms, conditions, and obligations undertaken by the Owner pursuant to paragraph 4 of this Agreement.

11. This Agreement does not in any way constitute a representation, warranty, guaranty, advice, or suggestion by Florida Housing as to the qualification of the Development for Housing Credits, or the financial feasibility, or viability of the Development. The Agreement shall not be relied on as such by any owner, developer, investor, tenant, lender or other person or entity for any reason.

If and to the extent that the allocation made pursuant to this Agreement is determined to be invalid, due to an error made by Florida Housing in determining its Housing Credit dollar amount for calendar year 2005, this Agreement shall be deemed to constitute a binding commitment on behalf of Florida Housing to allocate an equal amount of Housing Credits from its future Housing Credit Allocation Authority to the extent allowed by Section 42 of the Code. Such binding commitment shall, in all respects, be subject to the terms and conditions of this Agreement.

12. ~~The Owner acknowledges and agrees to notify Florida Housing, in writing, in the event~~
of a sale, transfer, or change in ownership of the Development in accordance with Rule Chapter 67-48, Florida Administrative Code.
13. Amendments to this document may be made by Florida Housing only upon written request from the Owner and as Florida Housing deems necessary.
14. The date of this Agreement is the date it is executed on behalf of Florida Housing as shown on the execution page hereto.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

--OWNER--

Acknowledged, agreed and accepted:

Owner: Villa Aurora, LLLP

By: *[Signature]*
Signature
Maria Pellerin Barcus
Typed or Printed Name
President

Title: _____

Address: 155 South Miami Avenue, Suite 1150
Miami, FL 33131

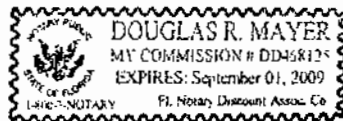
Date: Dec 16, 2005

STATE OF Florida
COUNTY OF Miami

The foregoing instrument was acknowledged before me this 16th day of December,
2005, by Maria Pellerin Barcus as President for
(Name) (Type of Authority)
Villa Aurora, LLLP
(Name of party on behalf of whom instrument was executed)

Personally Known or Produced Identification _____

[Signature]
Notary Public, State of Florida



Print, Type or Stamp Name _____

Date Commission Expires _____

--FLORIDA HOUSING--

FLORIDA HOUSING FINANCE CORPORATION
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

By its execution of this Agreement, and based on the foregoing representations and obligations, Florida Housing issues to the Owner a Carryover Allocation of 2005 housing credits pursuant to Section 42(h)(1)(E) and (F) of the Internal Revenue Code, as amended, subject to the conditions elsewhere in this Agreement. FLORIDA HOUSING HAS RELIED UPON INFORMATION SUBMITTED TO IT BY THE DEVELOPMENT OWNER IN ISSUING THIS CARRYOVER ALLOCATION. FLORIDA HOUSING MAKES NO REPRESENTATIONS OR GUARANTEES THAT THE OWNER IS ELIGIBLE TO RECEIVE THE CREDIT STATED HEREIN. THE INTERNAL REVENUE SERVICE DETERMINES TAXPAYER ELIGIBILITY.

Vicki A. Robinson

Date: 12/29/05

Florida Housing Tax Identification Number: 59-3451366

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 29th day of December, 2005 by Vicki A. Robinson as Deputy Development Officer of the FLORIDA HOUSING FINANCE CORPORATION, a public corporation, the successor in interest to the Florida Housing Finance Agency, on behalf of said Corporation. She is personally known to me.

Jean Salmansen
Notary Public

Print or Stamp Name

Date Commission Expires



Jean Salmansen
MY COMMISSION # DD177690 EXPIRES
January 15, 2007
BONDED THRU TROY FAIR INSURANCE, INC.

EXHIBIT A
BUILDING BY BUILDING BREAKDOWN

PROJECT NAME: Villa Aurora
 PROJECT ADDRESS: 1398 SW 1st Street
 CITY, STATE: Miami, FL

FILE NUMBER: 2005-020CS

ZIP: 33185

BIN NUMBER (FHFC PROVIDES)	INDIVIDUAL BUILDING ADDRESS AND ZIP CODE OR SITE DESCRIPTION (AS APPLICABLE)	UNITS PER BUILDING	BUILDING TYPE*	ELIGIBLE BASIS	Adj DDA/QCT Basis**	% SET ASIDE***	QUALIFIED BASIS	CREDIT % RATE****	MAXIMUM CREDIT ALLOCATED
FL05 02001	1398 SW 1st Street Miami, Florida 33135	76	NC	20,848,210.20	27,102,673.27	100%	27,102,673.27	8.08%	2,189,896.00
TOTALS				20,848,210.20			27,102,673.27		2,189,896.00

ALTHOUGH CARRYOVER ALLOCATIONS ARE PROJECT-BASED, THIS BREAKDOWN IS REQUIRED FOR THE ASSIGNMENT OF BIN NUMBERS. THE PER-BUILDING CREDIT ALLOCATION IS NOT BINDING AT THE TIME OF FINAL ALLOCATION.

* Must indicate if New Construction (NC), Rehabilitation (Rehab), or Acquisition (Acq)
 ** If in a Qualified Census Tract (QCT) or a Difficult Development Area (DDA) multiply the building's eligible basis by 1.3 and enter the result.
 *** Enter the Applicable Fraction as a percentage, the smaller of the unit fraction or floor space fraction.
 **** If the Owner has elected to fix the credit percentage pursuant to Section 42(b)(2)(A)(ii)(I), this credit percentage is fixed and binding upon all buildings in the project with respect to which the election is made, and upon the Owner and all successors as Owners of those buildings in the project. If no such election has been made, this credit percentage is an estimate for purposes of making the Carryover Allocation Agreement.
NOTE: The total of the "Maximum Credit Allocated" column cannot exceed and should equal the amount of housing credits allocated to the Development.

EXHIBIT "B"
(VILLA AURORA / 2005-020CS)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

76 High-Rise apartment units located in 1 residential building.

Unit Mix:

Four (4) efficiency units containing a minimum of 475 square feet.

Five (5) one bedroom/one bath units containing a minimum of 580 square feet of heated and cooled living area.

Five (5) one bedroom/one bath units containing a minimum of 600 square feet of heated and cooled living area.

Twelve (12) one bedroom/one bath units containing a minimum of 672 square feet of heated and cooled living area.

Fourteen (14) one bedroom/one bath units containing a minimum of 650 square feet of heated and cooled living area.

~~Two (2) two bedroom/two bath units containing a minimum of 850 square feet of heated and cooled living area.~~

Two (2) two bedroom/two bath units containing a minimum of 900 square feet of heated and cooled living area.

Two (2) two bedroom/two bath units containing a minimum of 950 square feet of heated and cooled living area.

Five (5) two bedroom/two bath units containing a minimum of 964 square feet of heated and cooled living area.

Ten (10) two bedroom/two bath units containing a minimum of 894 square feet of heated and cooled living area.

Five (5) three bedroom/two bath units containing a minimum of 1,086 square feet of heated and cooled living area.

Five (5) three bedroom/two bath units containing a minimum of 1,258 square feet of heated and cooled living area.

EXHIBIT "B"
(VILLA AURORA / 2005-020CS)
DESCRIPTION OF FEATURES AND AMENITIES

Five (5) four bedroom/two bath units containing a minimum of 1,360 square feet of heated and cooled living area.

76 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

- B.** Each unit will be fully equipped with the following:
1. Air conditioning in all units (window units are not allowed; however, through-wall units are permissible for rehabilitation).
 2. Window treatments for each window inside each unit.
-
3. Termite prevention and pest control throughout the entire affordability period.
 4. Peephole on all exterior doors.
 5. Exterior lighting in open and common areas.
 6. Cable or satellite TV hook-up in all units.
 7. Range, oven and refrigerator in all units.
 8. At least two full bathrooms in all 3 bedroom or larger new construction units.
 9. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.
- C.** The Applicant has committed to provide the following features in each new construction unit:
1. Ceramic tile bathroom floors in all units.
 2. At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2 bedroom units.

EXHIBIT "B"
(VILLA AURORA / 2005-020CS)
DESCRIPTION OF FEATURES AND AMENITIES

D. The Applicant has committed to the following amenities in the Development:

1. 30 Year expected life roofing on all buildings.
2. Community center or clubhouse.
3. Computer lab on-site with minimum one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs and at least one printer

E. The Applicant has committed to provide the following energy conservation features for all buildings in the Development:

1. Heat pump with a minimum HSPF of 7.5 instead of electric resistance.
2. Air conditioning with SEER rating of 13 or better.
3. Electric water heater with energy factor of .91 or better.

F. The Applicant has committed to provide the following Resident Programs:

-
1. Homeownership Opportunity Program - Financial Assistance with Purchase of a Home: Applicant commits to provide a financial incentive for the purchase of a home which includes the following provisions:
 - the incentive must be applicable to the home selected by the resident and may not be restricted to or enhanced by the purchase of homes in which the Applicant, Developer, or other related party has an interest;
 - the incentive must not be less than five percent (5%) of the rent for the resident's unit during the resident's entire occupancy (Note: Resident will receive the incentive for all months for which the resident is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
 - the benefit must be in the form of a gift or grant and may not be a loan of any nature;
 - the benefits of the incentive must accrue from the beginning of occupancy;
 - the vesting period can be no longer than 2 years of continuous residency; and
 - no fee, deposit or any other such charge can be levied against the resident as a condition of participation in this program.
 2. After School Program for Children – This program requires the Applicant or its Management Agent to provide supervised, structured, age-appropriate activities

EXHIBIT "B"
(VILLA AURORA / 2005-020CS)
DESCRIPTION OF FEATURES AND AMENITIES

for children during the after-school hours, Monday through Friday. Activities must be on site and at no charge to the residents.

3. First Time Homebuyer Seminars – Applicant or its Management Agent must arrange for and provide, at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.
4. Resident Activities – These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Agent. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.
5. Health and Nutrition Classes – At least 8 hours per year, provided on site at no cost to residents.

~~6. Financial Counseling – This service must be provided by the Applicant or its Management Agent, at no cost to the resident, and must include the following components: must be regularly scheduled at least once each quarter; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as "Learning to Budget," "Handling Personal Finances," "Predatory Lending," or "Comparison Shopping for the Consumer."~~

7. Resident Assistance Referral Program - The Applicant or its Management Agent will make available to residents information about services such as crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self sufficiency, and advocacy to assist clients in securing needed resources. This service must be provided at no cost to the resident.

- G.** This Homeless Development will be required to provide a Case Management Program whereby the Applicant or its Management Agent must provide, at no cost to the resident, a Case Manager (at least one for every 25 residents) whose activities are aimed at assessing resident needs, planning services, linking the service system to a resident, coordinating the various system components, monitoring service delivery, and evaluating the effect of service delivery. Case Managers must possess at least a bachelor's degree in human services or a related field.

EXHIBIT C
LEGAL DESCRIPTION

(Please attach a legal description of the property)

Development Name: Villa Aurora

Development Number: 2005-020CS


Lot 7,8, 9 and 10, in Block 79, less the
North 10 feet thereof, of LAWRENCE ESTATE
LAND COMPANY SUBDIVISION, according to
the Plat thereof, as recorded in Plat Book 2
at Page 46, of the Public Records of Dade County,
Florida, a/k/a ESPERANZA CENTER located at:
1398 S.W. 1 Street, Miami, Florida

**EXHIBIT D, Page 1
COST BASIS DOCUMENT**

DEVELOPMENT NAME: Villa Aurora
FILE NUMBER: 2005-020CS

(TO BE COMPLETED BY THE OWNER'S CPA OR ATTORNEY)	TOTAL ESTIMATED DEVELOPMENT COST	REASONABLY EXPECTED BASIS*	CURRENT BASIS
SOURCES			
Investor's Capital Contribution (Syndication Proceeds)			
First Mortgage	20,894,524.00		
Second Mortgage HUD SHP	3,000,000.00		
Grants / Mortgages	375,000.00		
Owner's Contribution	1,563,845.00		
Other /County Library Commitment	2,950,000.00		
Deferred Developer Fee	1,657,643.00		
Total Sources:	30,441,012.00		
USES			
Building or Land Acquisition			
Land (Lease Escrow)	1,520,000.00	0.00	
Building			
Legal - Acquisition			
Building Rehab. or New Constr.			
Hard Costs	21,413,651.00	16,236,760.00	1,831.00
Construction Period Interest	120,600.00	90,656.00	
Demolition	100,000.00	100,000.00	37,100.00
Site Work	68,000.00	51,116.00	
Legal	120,000.00	105,103.00	39,515.00
Accounting	12,000.00	9,021.00	
Architectural & Engineering	450,000.00	338,270.00	73,610.00
Surveying	13,000.00	9,772.00	2,000.00
Environmental	38,325.00	15,034.00	38,325.00
Appraisal	15,000.00	11,276.00	13,500.00
Tax Credit Fees	166,613.00	166,613.00	15,217.00
Development Fee	3,986,575.00	2,996,753.00	599,351.00
Syndication Expenses	16,000.00	12,027.00	
Construction Loan Fees	30,000.00	22,551.00	4,110.00
Other - Reserves	1,560,000.00	0.00	
TAXES & INSURANCE	262,067.00	230,479.00	77,301.00
Permits; Fees; Studies; Contingencies;	549,181.00	415,810.00	29,803.00
Total Uses: Title/Recording	30,441,012.00	20,811,241.00	931,663.00

SUMMARY	
Current Basis:	931,663.00
Reasonably Expected Basis:	20,811,241.00
Percentage Complete:	4.48%
Date:	12-15-05


 CPA/ATTORNEY SIGNATURE
 12-15-05 (305)342-7308
 DATE TELEPHONE

This form may be signed by the Applicant or designee if submitting as evidence of NOT meeting the 10% test.

* These figures are estimates for computation purposes only. For purposes of the Carryover Allocation Agreement, "reasonably expected basis" pursuant to Section 42(h)(1)(E)(ii) need not be the same as eligible basis and is computed for an entire project, rather than building-by-building.

EXHIBIT D, Page 2
COST BASIS CERTIFICATION

I certify that I have examined all eligible costs incurred, as listed on the Cost Basis Document, with respect to Villa Aurora. Based on this examination, it is my belief that Villa Aurora, LLLP has incurred more than 10 percent of its reasonably expected basis in Villa Aurora pursuant to Section 42(h)(1)(E)(ii) of the Internal Revenue Code.

Signature

Date

Print or Type Name of Certified Public Accountant or Attorney

Address

Telephone Number

**EXHIBIT E
CONDITIONS**

Development Name: Villa Aurora

Development Number: 2005-020CS

1. Approval by Florida Housing of a positive credit underwriting recommendation that housing credits be allocated to this Development.
 2. Verification from the Applicant and the Credit Underwriter that all contingency items as stated in the credit underwriting report have been met no later than nine (9) months from the date of execution of the Carryover Allocation Agreement.
-
-

EXHIBIT F

EXPLANATION OF CHANGES

DEVELOPMENT NAME: Villa Aurora
FILE NUMBER: 2005-020CS

If there are any changes in the project information from that submitted with the application, provide a detailed explanation/justification for the changes. These changes MUST be reviewed and approved by Florida Housing prior to execution of this Agreement.

Check those items that have changed and explain changes in the spaces provided below. Attach supporting documentation as needed.

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Taxpayer Federal Identification Number |
| <input type="checkbox"/> | Project Address |
| <input type="checkbox"/> | Number of Units |
| <input type="checkbox"/> | Number of Buildings |
| <input type="checkbox"/> | Set-Aside Elections |
| <input type="checkbox"/> | Extended Use Period |
| <input type="checkbox"/> | Project Amenities |
| <input type="checkbox"/> | Tenant Programs |
| <input type="checkbox"/> | Other: _____ |

Explanation of Changes:

we make housing affordable

TAXPAYER ELECTION OF APPLICABLE PERCENTAGE

Pursuant to Section 42(b)(2)(A)(ii) of the Internal Revenue Code (the "Code"), Villa Aurora, LLLP (the "Owner") and the Florida Housing Finance Corporation ("Florida Housing") hereby enter into an agreement as to the housing credit amount allocated to Villa Aurora (the "Project"). This agreement represents an **irrevocable** election by the Owner to accept the credit rate chosen below and is dependent upon the issuance of a binding commitment for the allocation of housing credits from Florida Housing. The requirements of this action are set forth in Section 42(b)(A)(ii) of the Code and are not those of Florida Housing or the State of Florida.

CHOOSE EITHER OF THE FOLLOWING:

If this box is checked, the Owner hereby **irrevocably** elects, pursuant to Section 42(b)(2)(A)(ii) of the Code, to fix the applicable credit percentage(s) for each building in the development as the percentage(s) prescribed by the Secretary of the Treasury for the month of December, 2005, which is the month of the Carryover Allocation Agreement. Florida Housing and the Owner acknowledge that this agreement constitutes an agreement binding upon Florida Housing, the Owner and all successors in interest to the Owner as owners of the Development as the allocation of 2005 Housing Credit authority to the building(s) in the Development, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of Florida Housing.

The undersigned hereby elects to accept the credit rate of 8.08 % (70% present value credit) or _____ % (30% present value credit) applicable only to the below identified development and building(s), as set forth in the Carryover Allocation Agreement of _____, 2005.

-OR-

If this box is checked, the Owner makes no election pursuant to Section 42(b)(2)(A)(ii) of the Code, and accordingly, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

Jeb Bush, Governor

Board of Directors: Terry Santini, Chairman • Lynn M. Stultz, Vice Chairman • Thaddeus Cohen, Ex Officio
Cesar E. Calvet • David E. Oellerich • Zully Ruiz • Robert J. Taylor • Sandra Terry

Stephen P. Auger, Executive Director

TAXPAYER ELECTION OF APPLICABLE PERCENTAGE

Page 2 of 2

BY: M. Barcus 12-15-05
Signature of Owner Date

Maria Pellerin Barcus
Name (Type or Print)

President
Title

Villa Aurora 2005-020CS
Development Name/Number

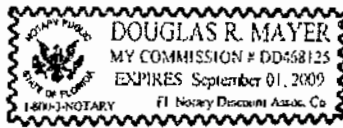
New Construction
Type of Building(s) (New Construction, Rehabilitation or Acquisition)

STATE OF Florida

COUNTY OF Miami Dade

The foregoing instrument was acknowledged before me this 15 day of December, 2005 by Maria Pellerin Barcus who is personally known to me or who has produced _____ as identification.

Douglas R. Mayer
Signature of Notary Public



Printed or Stamped Name and Expiration Date

Received and Accepted: Yvonne De Robinson Date: 12/20/05
Deputy Development Officer
Florida Housing Finance Corporation

we make housing affordable

GROSS RENT FLOOR ELECTION

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the Gross Rent Floor in Section 42(g)(2)(A) as taking effect on the date the Corporation initially allocates* housing credits to the building. However, the IRS will treat the Gross Rent Floor as taking effect on the building's placed-in-service date **IF** the owner designates that date instead and so informs the Corporation prior to the placed-in-service date of the building.

THIS IS A ONE-TIME ONLY, IRREVOCABLE ELECTION.

The undersigned owner hereby makes the following election with respect to the Gross Rent Floor Effective Date for each building in the project designated below:

On date of initial allocation (or determination)

On placed-in-service date

* If the proposed project is tax-exempt bond financed (as defined by the IRC), the IRS will treat the gross rent floor as taking effect on the date the Corporation initially issues a determination letter unless the owner designates that the placed-in-service date should be used.

MBarcus 12/15/05 Villa Aurora
 Owner Signature Date Project Name

Maria Pellerin Barcus Villa Aurora
 Owner Name (Print or Type) Project Name

THIS ELECTION MUST BE RECEIVED BY THE CORPORATION PRIOR TO THE PLACED-IN-SERVICE DATE OF ANY BUILDING IN THE PROJECT.

RECEIVED BY THE FLORIDA HOUSING FINANCE CORPORATION
 (Date Stamp):

RECEIVED
 2005 DEC 19 AM 11:00
 TALLAHASSEE, FLORIDA