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May 23, 2012

VIA HAND DELIVERY

Della M. Harrell, Clerk
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

Re: College Arms Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-006 UC
Dixie Grove Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-007 UC
Mission Hills Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-008 UC
Hilltop Point Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-009 UC
Holly Point Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-010 UC
Century Woods Redevelopment, Ltd. v. Florida Housing Finance Corporation
FHFC Case No. 2012-011 UC

Dear Ms. Harrell:

Enclosed is my Recommended Order in the referenced consolidated proceedings, the Exhibits offered by each of the parties, and the parties' Proposed Recommended Orders. I did not receive a transcript of the informal hearing.

By copies of this letter and the Recommended Order, the parties are advised that the Recommended Order and the record of the hearing are being transmitted to your office on this date.

Very sincerely yours,

Diane D. Tremor

DDT/bsr

Enclosures

cc: Michael P. Donaldson, Esquire
Robert J. Pierce, Esquire

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

COLLEGE ARMS REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-006UC
Application No. 2011-178C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

DIXIE GROVE REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-007UC
Application No. 2011-170C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

MISSION HILLS REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-008UC
Application No. 2011-168C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

HILLTOP POINT REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-009UC
Application No. 2011-180C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

HOLLY POINT REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-010UC
Application No. 2011-179C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

CENTURY WOODS REDEVELOPMENT, LTD.

Petitioner,

v.

FHFC CASE NO: 2012-011UC
Application No. 2011-169C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

RECOMMENDED ORDER

Pursuant to notice and Sections 120.569 and 120.57(2), Florida Statutes, the Florida Housing Finance Corporation, by its duly designated Hearing Officer, Diane D. Tremor, held informal hearings in Tallahassee, Florida, in the above captioned proceedings on May 8, 2012. Because each of the six captioned proceedings involved similar factual and identical legal issues, the cases were consolidated for the purposes of the conduct of the informal hearings, the parties' Proposed Recommended Orders and this Recommended Order.

APPEARANCES

For Petitioner:	Michael P. Donaldson Carlton Fields, P.A. P.O. Drawer 190 215 S. Monroe St., Suite 500 Tallahassee, FL 32302
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For Respondent:	Robert J. Pierce Assistant General Counsel Florida Housing Finance Corporation 227 North Bronough Street, Ste. 5000 Tallahassee, FL 32301-1329
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STATEMENT OF THE ISSUES

There are no disputed issues of material fact. The issue for determination in this proceeding is whether the applications submitted by the six Petitioners met threshold requirements regarding the financing of their proposed projects.

PRELIMINARY STATEMENT

The Findings of Fact recited below are based upon Application Number 2011-178C submitted by College Arms Redevelopment, Ltd., the Petitioner in FHFC Case Number 2012-006UC. Except for the dollar amounts of the loan commitments provided on behalf of JPMorgan Chase Bank to each of the captioned Petitioners, the facts related to the College Arms Redevelopment applicant are identical to the remaining Petitioners in this consolidated proceeding.

At the informal hearing, the parties in FHFC Case No. 2012-006UC (involving College Arms Redevelopment, Ltd.) stipulated to the admission into evidence of Joint Exhibits 1 through 9. The parties in the remaining five cases stipulated to the admission into evidence of Joint Exhibits 1 through 8. In the College Arms Redevelopment proceeding, the parties included an Exhibit, marked as Joint Exhibit 7, which is not included in the Joint Exhibits received in the other five cases. Thus, any reference to Exhibits 8 and 9 in this Recommended Order which recites the facts relating to the College Arms case constitutes a reference to the other five parties' Joint Exhibits 7 and 8. Otherwise, the Joint Exhibit numbers referenced in this Recommended Order refer to the same Joint Exhibit numbers in each of the six cases, as identified in the Joint Stipulation of Facts and Exhibits (Joint Exhibit 1 in each case). Petitioner's Exhibit 1 was also received into evidence.

In each case, Joint Exhibit 1 is a Joint Stipulation of Facts and Exhibits. That document basically describes the application process and the circumstances regarding the scoring of each of the Petitioner's application with regard to the issues in dispute. The Joint Stipulation of Facts and Exhibits (Joint Exhibit 1) for each of the six proceedings are attached to this Recommended Order as Attachment A, and the facts recited therein are incorporated in this Recommended Order.

Subsequent to the hearing, the parties timely submitted their Proposed Recommended Orders, which have been fully considered by the undersigned.

FINDINGS OF FACT

Based upon the undisputed facts and documents received into evidence at the hearing, the following relevant facts are found:

The Petitioners

1. The Petitioner, College Arms Redevelopment, Ltd. (FHFC Case No. 2012-006UC), submitted Application Number 2011-178C in Florida Housing's 2011 Universal Cycle seeking \$1,070,000 in annual federal tax credits to help finance the development of a 108-unit apartment complex in Palatka, Putnam County, Florida, known as College Arms Garden Apartments. (Joint Exhibit 1)
2. The Petitioner, Dixie Grove Redevelopment, Ltd. (FHFC Case No. 2012-007UC), submitted Application Number 2011-170C in Florida Housing's

2011 Universal Cycle seeking \$608,051 in annual federal tax credits to help finance the development of a 44-unit apartment complex in Orlando, Orange County, Florida, known as Dixie Grove Apartments. (Joint Exhibit 1)

3. The Petitioner, Mission Hills Redevelopment, Ltd. (FHFC Case No. 2012-008UC), submitted Application Number 2011-168C in Florida Housing's 2011 Universal Cycle seeking \$1,202,126 in annual federal tax credits to help finance the development of a 112-unit apartment complex in Tallahassee, Leon County, Florida, known as Mission Hills Apartments. (Joint Exhibit 1)

4. The Petitioner, Hilltop Redevelopment, Ltd. (FHFC Case No. 2012-009UC), submitted Application Number 2011-180C in Florida Housing's 2011 Universal Cycle seeking \$869,976 in annual federal tax credits to help finance the development of a 72-unit apartment complex in Madison, Madison County, Florida, known as Hilltop Apartments. (Joint Exhibit 1)

5. The Petitioner, Holly Point Redevelopment, Ltd. (FHFC Case No. 2012-010 UC), submitted Application Number 2011-179C in Florida Housing's 2011 Universal Cycle seeking \$1,318,481 in annual federal tax credits to help finance the development of a 126-unit apartment complex in Holly Hills, Volusia County, Florida, known as Holly Point Apartments. (Joint Exhibit 1)

6. The Petitioner, Century Woods Redevelopment, Ltd. (FHFC Case No. 2012-011UC), submitted Application Number 2011-169C in Florida Housing's

2011 Universal Cycle seeking \$516,632 in annual federal tax credits to help finance the development of a 36-unit apartment complex in Century, Escambia County, Florida, known as Century Woods Apartments. (Joint Exhibit 1)

The Application Instructions

7. The 2011 Universal Application Instructions, at Part V, require applicants, as a threshold item, to provide certain financing information and documentation. Among the financing requirements, applicants must complete the Development Cost Pro Forma (a printed form which is a part of the Application) and provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s). Certain items must be contained within the commitment documentation, including proposed interest rates of the construction loan and the permanent loan. The total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or exceed uses. The Development Cost Pro Forma form includes a section entitled “Construction or Rehab Analysis” in which the applicant must identify its construction financing sources and a “Permanent Analysis” section where the applicant’s permanent financing sources must be identified. (Joint Exhibit 1, Application Instructions, pages 101-105)

Petitioners' Applications and Scoring

8. In its initially submitted application, Petitioner submitted a Development Cost Pro Forma and various commitments regarding the financing of its proposed project. Among the commitments was a loan commitment by JPMorgan Chase Bank Community Development Banking (hereinafter referred to as "Chase Bank"). The Chase Bank commitment was in the form of a letter dated December 2, 2011, indicating that it proposed to be both a construction and permanent lender. The letter identified a "Construction Bridge Loan" in the amount of \$7,455,000 and a "Construction to Permanent Loan" in the amount of \$2,000,000. The Chase Bank commitment letter described the "Maturity Date" of the \$2,000,000 loan as follows:

The Construction to Permanent Loan will mature 246 months or 20 1/2 years from Construction Loan closing and conversion cannot occur prior to 24 months following construction loan closing. This term includes a 24-month construction period, plus a 6-month extension option, followed by an 18-year perm period.

(Joint Exhibit 4) The Petitioner's initially submitted Development Cost Pro Forma referenced the \$2,000,000 loan as "First Mortgage Financing" under both the "Construction or Rehab Analysis" and the "Permanent Analysis" sections of its Pro Forma. (Joint Exhibit 2)

9. In its preliminary scoring of Petitioner's application, Florida Housing determined that Petitioner failed to meet threshold requirements regarding

financing. Among the seven reasons provided were that Petitioner had shortfalls in both its permanent and construction financing due to deficiencies in its various loan commitment letters and the amount claimed for the annual Housing Credit allocation. With regard to the Chase Bank loan commitment, which is the subject of the sole issue in this proceeding, Florida Housing stated its reason for finding a threshold failure was that said letter “does not state the interest rate of the Construction to Perm loan (specifically, the Construction Phase rate).” (Joint Exhibit 5)

10. In response to Florida Housing’s preliminary scoring, Petitioner submitted as Cures revised commitment letters and a revised Development Cost Pro Forma. The revised commitment letter from Chase Bank again states that Chase Bank proposed to be both a construction and a permanent lender. That letter identifies a “Construction Loan” in the amount of \$7,455,000 and a “Permanent Loan” in the amount of \$3,550,000. The “Maturity Date” of the \$3,500,000 loan is described in words identical to the description of the \$2,000,000 loan in the Chase Bank initially submitted commitment. (Joint Exhibit 8) The Petitioner’s revised Development Cost Pro Forma treats the Chase Bank’s \$3,550,000 loan in the same manner as it treated the prior \$2,000,000 loan commitment; to wit: that loan amount was listed on the Pro Forma as “First Mortgage Financing” under both the

“Construction or Rehab Analysis” and the “Permanent Analysis” sections of the Pro Forma Form. (Joint Exhibit 6)

11. No Notices of Potential Scoring Errors (“NOPSEs”) or Notices of Alleged Deficiencies (“NOADs”) were filed by competing applicants regarding the Chase Bank’s loan commitment letters or the manner in which the loans were treated in the original or the revised Development Cost Pro Forma submitted by Petitioner.

12. In its final scoring of Petitioner’s application, Florida Housing rescinded all of its prior determinations of failure to meet threshold requirements regarding financing. However, it determined that Petitioner did fail to meet such threshold under Part V.B., which contains the Pro Forma requirement. The Final Scoring references the “Construction/Rehab Analysis” and concludes that: “The Applicant has a construction financing shortfall of \$3,550,000.” As an additional application comment, Florida Housing explained that the Chase’s construction loan commitment in the amount of \$7,455,000 is the amount utilized for construction financing. (Joint Exhibit 9)

CONCLUSIONS OF LAW

Pursuant to Sections 120.569 and 120.57(2), Florida Statutes, and Chapter 67-48, Florida Administrative Code, the Informal Hearing Officer has jurisdiction of the parties and the subject matter of these consolidated proceedings. Because

Florida Housing determined that each of the Petitioners failed threshold requirements regarding financing, Petitioners' substantial interests are affected by Florida Housing's proposed agency action.

As noted above, these Conclusions of Law, while referencing the facts contained in the College Arms Redevelopment case (FHFC Case No, 2012-006UC, Application No. 2011-178C), are equally applicable to the five other consolidated cases.

The broad issue for determination here is whether Petitioner's application met threshold requirements for financing. That issue revolves around the Chase Bank commitment letter and the Petitioners' treatment of the initial \$2,000,000 and revised \$3,550,000 loan on its Development Cost Pro Forma. More specifically, however, the issue is whether Florida Housing was precluded from determining a threshold failure for financing for a reason that was not provided during Florida Housing's preliminary scoring of Petitioner's application.

The rule governing that latter specific issue is Rule 67-48.004(9), Florida Administrative Code, which, in pertinent part, provides that in the final scoring of an application,

no Application shall fail threshold or receive a point reduction as a result of any issues not previously identified in the notices described in subsections (3) [preliminary scoring], (4) [NOPSEs] and (5) [notices of decision regarding NOPSEs] above. However, inconsistencies created by the Applicant as a result of information provided pursuant to subsections (6) [Cures] and (7) [NOADs] above

will still be justification for rejection of the Application, threshold failure, or reduction of points, as appropriate.

Although the Final Scoring Summary Report is not a model of clarity, it is apparent that Petitioner was deemed to have failed to meet the financing threshold because it listed the \$3,550,000 Chase Bank loan as both a source of construction financing and permanent financing, and that it should have been considered only a source of permanent financing. It is Petitioner's position that this issue was not raised in a timely fashion and should have been reflected in Florida Housing's Preliminary Scoring Summary, which would have allowed Petitioner the opportunity to submit an appropriate Cure.

Counsel for Respondent argues that the Chase Bank \$3,550,000 loan cannot properly be considered a source of both construction and permanent funding, that the initially-submitted Chase Bank commitment letter with regard to the \$2,000,000 loan "could be read" to support both a construction and a permanent loan, and that the only deficiency regarding the original Chase Bank commitment was, not its treatment on Petitioner's Pro Forma, but the Bank's failure to provide the proposed interest rate for that \$2,000,000 construction loan. It is urged that the revised Chase Bank commitment letter made it clear that the \$3,550,000 (formerly \$2,000,000) loan was intended only as a source of permanent financing and, for the first time, alerted Florida Housing that it was improperly claimed as a source of construction financing on the Petitioner's Pro Forma. Accordingly, Respondent

argues that Petitioner's Cure commitment letter from the Chase Bank created an inconsistency which allowed Florida Housing to raise, for the first time in Final Scoring, the issue of Petitioner's treatment of that loan on its Pro Forma as a source of construction financing.

There is no dispute that Petitioner treated the smaller of the two loans (initially \$2,000,000 and revised \$3,550,000) proposed from the Chase Bank in exactly the same manner in both its originally submitted and its revised Development Cost Pro Forma. The question then becomes whether the revised commitment letter from Chase Bank created an inconsistency with its prior letter so as to allow Florida Housing to reach a different conclusion regarding the proper treatment of the loan on Petitioner's Pro Forma. A careful analysis of the two Chase Bank commitment letters requires that this question be answered in the negative. The sole differences between the original (Joint Exhibit 4) and the revised (Joint Exhibit 8) Chase Bank commitment letters are the dollar amounts of the smaller loan, the Headings describing the loans and the preliminary words describing the "Maturity Date" of the smaller loan.

The initial letter described two loans: a \$7,455,000 loan under the heading entitled "Construction Bridge Loan" and a \$2,000,000 loan under the heading entitled "Construction to Permanent Loan." The "Maturity Date" for the \$2,000,000 loan in the initial commitment letter states that:

The Construction to Permanent Loan will mature 246 months or 20 ½ years from Construction Loan closing and conversion cannot occur prior to 24 months following construction loan closing. This term includes a 24-month construction period, plus a 6-month extension option, followed by an 18-year perm period.

The revised Chase Bank commitment letter describes two loans: a \$7,455,000 loan under the heading entitled “Construction Loan” and a \$3,550,000 loan under the heading “Permanent Loan.” The “Maturity Date” description for the \$3,550,000 loan reads exactly the same as the initial commitment letter, substituting only the words “Permanent Loan” for “Construction to Permanent Loan.” Interestingly, Respondent suggests that the “Maturity Date” description in the original letter “could” be read to support a construction loan in addition to a permanent loan in that amount, thus leading to the conclusion that there was no deficiency regarding Petitioner’s treatment of the \$2,000,000 loan in its initial Pro Forma. If that is correct, then there is no deficiency in the Petitioner’s identical treatment of the \$3,550,000 loan on its revised Pro Forma. Both commitment letters describe the maturity of the loan in the same manner.

In any event, resolution of the issue of whether the \$3,550,000 loan could properly be treated as both a construction loan and a permanent loan on the Pro Forma is not dispositive here. What is dispositive is the fact that Florida Housing did not bring the issue to Petitioner’s attention, so as to allow Petitioner to address it.

The governing rules require Florida Housing to evaluate and preliminarily score applications (Rule 67-48.004(3)), and to afford applicants the opportunity to cure their application “**to address the issues raised**” (Rule 67-48.004(6)). When Florida Housing renders its decision regarding final scores, no application shall fail threshold as a result of any issues not previously identified in preliminary scoring (Rule 67-48.004(9)). The sole exception to that proscription is when information provided in a Cure creates an inconsistency. That did not occur in this case.

RECOMMENDATION

Based upon the Findings of Fact and Conclusions of Law recited herein, it is RECOMMENDED that a Final Order be entered concluding that the applications submitted on behalf of each of the Petitioners in this consolidated proceeding meet the threshold requirements regarding the financing of their proposed projects.

Respectfully submitted this 23rd day of May, 2012.



DIANE D. TREMOR
Hearing Officer for Florida Housing
Finance Corporation
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(850) 877-6555

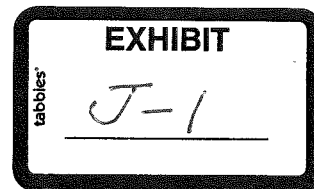
Copies furnished to:

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Robert J. Pierce
Assistant General Counsel
Florida Housing Finance Corporation
227 North Bronough Street, Ste. 5000
Tallahassee, FL 32301-1329

NOTICE OF RIGHT TO SUBMIT WRITTEN ARGUMENT

In accordance with Rule 67-48.005(3), Florida Administrative Code, Applicants have the right to submit written arguments in response to a Recommended Order for consideration by the Board. Any written argument should be typed, double-spaced with margins no less than one (1) inch, in either Times New Roman 14-point or Courier New 12-point font, and may not exceed five (5) pages, excluding the caption and certificate of service. Written arguments must be filed with Florida Housing Finance Corporation's Clerk at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, no later than 5:00 p.m. five (5) calendar days from the date of issuance of the Recommended Order. Failure to timely file a written argument shall constitute a waiver of the right to have a written argument considered by the Board. Parties will not be permitted to make oral presentations to the Board in response to Recommended Orders.



**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

COLLEGE ARMS REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-006UC
Application No.: 2011-178C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

JOINT STIPULATION OF FACTS AND EXHIBITS

Petitioner, COLLEGE ARMS REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

THE PARTIES

1. Petitioner is a Florida limited partnership with its address at 1002 West 23rd Street, Suite 400, Panama City, Florida 32405, and is in the business of providing affordable rental housing units.

2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.

BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

(b) HOME Investments Partnerships (HOME) Program pursuant to Section 420.5089, F.S., and Rule Chapter 67-48, F.A.C.

4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

5. Because the demand for HC and HOME funding exceeds that which is available under the HC Program and HOME Program, respectively, qualified affordable housing developments must compete for this funding. To assess the relative merits of proposed developments, Florida Housing has established a competitive application process known as the Universal Cycle pursuant to Rule Chapter 67-48, F.A.C. Specifically, Florida Housing's application process for the 2011 Universal Cycle, as set forth in Rule 67-48.001-.005, F.A.C., involves the following:

- a. the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for funding under the HC and HOME Programs administered by Florida Housing;

- b. the completion and submission of applications by developers;
- c. Florida Housing's preliminary scoring of applications (preliminary scoring summary);
- d. an initial round of administrative challenges in which an applicant may take issue with Florida Housing's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");
- e. Florida Housing's consideration of the NOPSEs submitted, with notice (NOPSE scoring summary) to applicants of any resulting change in their preliminary scores;
- f. an opportunity for the applicant to submit additional materials to Florida Housing to "cure" any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
- g. a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");
- h. Florida Housing's consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
- i. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's evaluation of any item in their own application for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;¹
- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No. 2011-178C applied for \$1,070,000 in annual federal tax credits² to help finance the development of its project, a 108-unit apartment complex in Palatka, Putnam County, Florida, known as College Arms Garden Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) *(Exhibit J-2)*;

(b) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company *(Exhibit J-3)*; and

(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. *(Exhibit J-4)*.

9. In its preliminary scoring summary dated 1/19/2012 *(Exhibit J-5)*, Florida Housing identified the following deficiencies relevant to these proceedings:

2T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$13,727,619.	Preliminary	
3T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$13,727,619.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
5T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
6T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application Instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the Construction to Perm loan (specifically, the Construction Phase rate), the commitment cannot be considered a source of financing.	Preliminary	
7T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American Financial, Inc. behind Exhibit 47. Page 1 of the commitment states the loan is a second mortgage. Number 3, "Security" on page 2 states the loan is secured by a first priority lien mortgage. Per the 2011 Universal Application "a firm commitment, proposal or letter of intent will not be considered if any information contained in the document (which includes attachments thereto) is inconsistent with the information stated within the document or elsewhere within the Application. Therefore, the loan commitment cannot be considered a source of financing.	Preliminary	
8T	V.	A.	1.	FHFC Funding Request	The annual Housing Credit allocation requested (\$1,422,020) exceeds the annual amount allowed in the Maximum Competitive HC Request Limits Chart (\$1,070,000) at Part V.A.1.b. of the 2011 Universal Application Instructions. Therefore, the HC equity could not be counted as a source of financing.	Preliminary	

10. The amounts of the permanent and construction financing shortfall failures described in items 2T and 3T are the result of Florida Housing's rejection of the Royal American commitment as noted in items 4T, 5T and 7T, the JP Morgan Chase commitment as noted in item 6T, and the HC request as noted item 8T.

11. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*);

(b) a revised Application Exhibit 45 comprised of two revised Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company (*Exhibit J-7*); and

(c) a revised Application Exhibit 47 comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking (*Exhibit J-8*).

12. Following review of the Petitioner’s cure materials, Florida Housing scored the Petitioner’s application and issued its final scoring summary dated 3/28/2012 (*Exhibit J-9*) in which Florida Housing concluded that the Petitioner’s application had a construction financing shortfall (see item 12T, and comment in item 4C):

12T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$3,550,000	Final	
4C	V.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$7,455,000. This is the amount utilized for construction financing.	Final	

13. As a result of the noted construction financing shortfall, Petitioner’s application failed threshold.

14. The Petitioner timely filed its Petition contesting Florida Housing’s scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

15. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the

incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

16. The parties stipulate, subject to arguments on the grounds of relevance, to the official recognition of any Final Orders of the Florida Housing Finance Corporation and to any Rules promulgated by the Florida Housing Finance Corporation, including past and present versions of the Universal Cycle Application, Instructions, and any forms and exhibits attached thereto or incorporated by reference therein.

EXHIBITS

17. The parties offer the following joint exhibits into evidence and stipulate to their authenticity, admissibility and relevance in the instant proceedings, except as noted below:

- Exhibit J-1: This Joint Stipulation of Facts and Exhibits.
- Exhibit J-2: (Original) Development Cost Pro Forma included in Petitioner's original application.
- Exhibit J-3: (Original) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company.
- Exhibit J-4: (Original) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc.
- Exhibit J-5: Preliminary scoring summary dated 1/19/2012 relative to Petitioner's application.
- Exhibit J-6: (Revised) Development Cost Pro Forma submitted by Petitioner on cure.

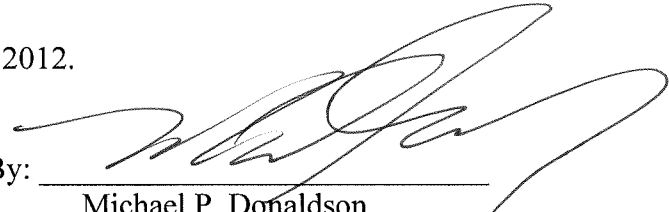
Exhibit J-7: (Revised) Application Exhibit 45 submitted by Petitioner on cure comprised of two revised Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company.

Exhibit J-8: (Revised) Application Exhibit 47 submitted by Petitioner on cure comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking.

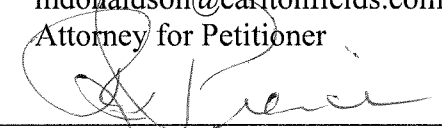
Exhibit J-9: Final scoring summary dated 3/28/2012 relative to Petitioner's application.

Respectfully submitted this 8th day of May, 2012.

By: _____


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By: _____


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Attorney for Respondent

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

DIXIE GROVE REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-007UC
Application No.: 2011-170C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

JOINT STIPULATION OF FACTS AND EXHIBITS

Petitioner, DIXIE GROVE REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

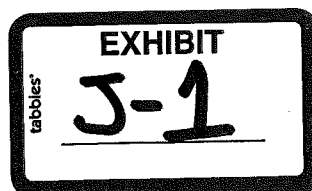
THE PARTIES

1. Petitioner is a Florida limited partnership with its address at 1002 West 23rd Street, Suite 400, Panama City, Florida 32405, and is in the business of providing affordable rental housing units.

2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.

Attachment A

Page 1 of 9



BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

(b) HOME Investments Partnerships (HOME) Program pursuant to Section 420.5089, F.S., and Rule Chapter 67-48, F.A.C.

4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

5. Because the demand for HC and HOME funding exceeds that which is available under the HC Program and HOME Program, respectively, qualified affordable housing developments must compete for this funding. To assess the relative merits of proposed developments, Florida Housing has established a competitive application process known as the Universal Cycle pursuant to Rule Chapter 67-48, F.A.C. Specifically, Florida Housing's application process for the 2011 Universal Cycle, as set forth in Rule 67-48.001-.005, F.A.C., involves the following:

- a. the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for funding under the HC and HOME Programs administered by Florida Housing;

- b. the completion and submission of applications by developers;
- c. Florida Housing's preliminary scoring of applications (preliminary scoring summary);
- d. an initial round of administrative challenges in which an applicant may take issue with Florida Housing's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");
- e. Florida Housing's consideration of the NOPSEs submitted, with notice (NOPSE scoring summary) to applicants of any resulting change in their preliminary scores;
- f. an opportunity for the applicant to submit additional materials to Florida Housing to "cure" any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
- g. a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");
- h. Florida Housing's consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
- i. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's evaluation of any item in their own application for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;¹
- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No.: 2011-170C applied for \$608,051.00 in annual federal tax credits² to help finance the development of its project, a 44-unit apartment complex in Orlando, Orange County, Florida, known as Dixie Grove Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) *(Exhibit J-2)*;

(b) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company *(Exhibit J-3)*; and

(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. *(Exhibit J-4)*.

9. In its preliminary scoring summary dated 1/19/2012 *(Exhibit J-5)*, Florida Housing identified the following deficiencies relevant to these proceedings:

1T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$1,083,317.	Preliminary	
2T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$4,863,798.	Preliminary	
3T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
5T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application Instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the Construction to Perm loan (specifically, the Construction Phase rate), the commitment cannot be considered a source of financing.	Preliminary	
6T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American Financial, Inc. behind Exhibit 47. Page 1 of the commitment states the loan is a second mortgage. Number 3, "Security" on page 2 states the loan is secured by a first priority lien mortgage. Per the 2011 Universal Application "a firm commitment, proposal or letter of intent will not be considered if any information contained in the document (which includes attachments thereto) is inconsistent with the information stated within the document or elsewhere within the Application. Therefore, the loan commitment cannot be considered a source of financing.	Preliminary	

10. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*); and
- (b) a revised Application Exhibit 47 comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking (*Exhibit J-7*).

11. Following review of the Petitioner's cure materials, Florida Housing scored the Petitioner's application and issued its final scoring summary dated 3/27/2012 (*Exhibit J-8*) in which Florida Housing concluded that the Petitioner's application had a construction financing shortfall (see item 8T, and comment in item

5C):

8T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$1,742,499.	Final	
5C	V.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$3,067,355. This is the amount utilized for construction financing.	Final	

12. As a result of the noted construction financing shortfall, Petitioner's application failed threshold.

13. The Petitioner timely filed its Petition contesting Florida Housing's scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

14. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

15. The parties stipulate, subject to arguments on the grounds of relevance, to the official recognition of any Final Orders of the Florida Housing Finance Corporation and to any Rules promulgated by the Florida Housing Finance Corporation, including past and present versions of the Universal Cycle Application, Instructions, and any forms and exhibits attached thereto or incorporated by reference therein.

EXHIBITS

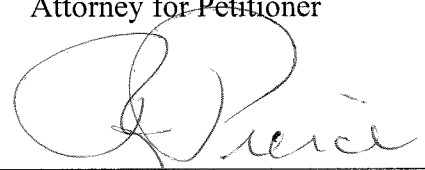
16. The parties offer the following joint exhibits into evidence and stipulate to their authenticity, admissibility and relevance in the instant proceedings, except as noted below:

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- Exhibit J-8: Final scoring summary dated 3/27/2012 relative to Petitioner's application.

[SIGNATURE PAGE FOLLOWS]

Respectfully submitted this 8th day of May, 2012.

By: 
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Florida Bar No. 0802761
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By: 
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Robert.Pierce@floridahousing.org
Attorney for Respondent

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

MISSION HILLS REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-008UC
Application No.: 2011-168C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

JOINT STIPULATION OF FACTS AND EXHIBITS

Petitioner, MISSION HILLS REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

THE PARTIES

1. Petitioner is a Florida limited partnership with its address at 1002 West 23rd Street, Suite 400, Panama City, Florida 32405, and is in the business of providing affordable rental housing units.

2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.

Attachment A

Page 1 of 9



BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

(b) HOME Investments Partnerships (HOME) Program pursuant to Section 420.5089, F.S., and Rule Chapter 67-48, F.A.C.

4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

5. Because the demand for HC and HOME funding exceeds that which is available under the HC Program and HOME Program, respectively, qualified affordable housing developments must compete for this funding. To assess the relative merits of proposed developments, Florida Housing has established a competitive application process known as the Universal Cycle pursuant to Rule Chapter 67-48, F.A.C. Specifically, Florida Housing's application process for the 2011 Universal Cycle, as set forth in Rule 67-48.001-.005, F.A.C., involves the following:

- a. the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for funding under the HC and HOME Programs administered by Florida Housing;

- b. the completion and submission of applications by developers;
- c. Florida Housing's preliminary scoring of applications (preliminary scoring summary);
- d. an initial round of administrative challenges in which an applicant may take issue with Florida Housing's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");
- e. Florida Housing's consideration of the NOPSEs submitted, with notice (NOPSE scoring summary) to applicants of any resulting change in their preliminary scores;
- f. an opportunity for the applicant to submit additional materials to Florida Housing to "cure" any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
- g. a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");
- h. Florida Housing's consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
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- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No.: 2011-168C applied for \$1,202,126.00 in annual federal tax credits² to help finance the development of its project, a 112-unit apartment complex in Tallahassee, Leon County, Florida, known as Mission Hills Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) *(Exhibit J-2)*;

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(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. *(Exhibit J-4)*.

9. In its preliminary scoring summary dated 1/19/2012 *(Exhibit J-5)*, Florida Housing identified the following deficiencies relevant to these proceedings:

1T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$2,032,542.	Preliminary	
2T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$9,515,028.	Preliminary	
3T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
5T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application Instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the Construction to Perm loan (specifically, the Construction Phase rate), the commitment cannot be considered a source of financing.	Preliminary	
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10. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*); and
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11. Following review of the Petitioner's cure materials, Florida Housing scored the Petitioner's application and issued its final scoring summary dated 3/27/2012 (*Exhibit J-8*) in which Florida Housing concluded that the Petitioner's application had a construction financing shortfall (see item 8T, and comment in item

3C):

8T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$3,499,748	Final	
3C	V.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$5,880,280. This is the amount utilized for construction financing.	Final	

12. As a result of the noted construction financing shortfall, Petitioner's application failed threshold.

13. The Petitioner timely filed its Petition contesting Florida Housing's scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

14. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

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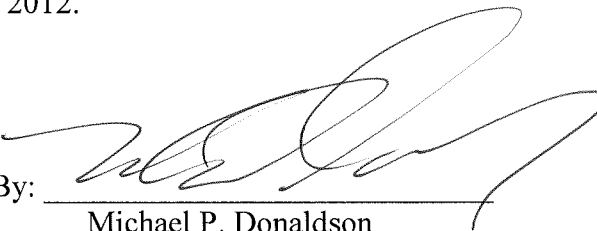
EXHIBITS

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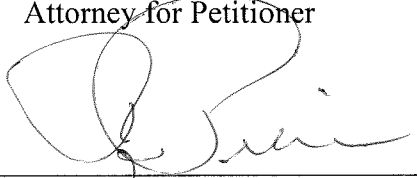
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[SIGNATURE PAGE FOLLOWS]

Respectfully submitted this 8th day of May, 2012.

By: 

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Attorney for Respondent

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

HILLTOP REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-009UC
Application No.: 2011-180C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

JOINT STIPULATION OF FACTS AND EXHIBITS

Petitioner, HILLTOP REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

THE PARTIES

1. Petitioner is a Florida limited partnership with its address at 1002 West 23rd Street, Suite 400, Panama City, Florida 32405, and is in the business of providing affordable rental housing units.

2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.



BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

(b) HOME Investments Partnerships (HOME) Program pursuant to Section 420.5089, F.S., and Rule Chapter 67-48, F.A.C.

4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

5. Because the demand for HC and HOME funding exceeds that which is available under the HC Program and HOME Program, respectively, qualified affordable housing developments must compete for this funding. To assess the relative merits of proposed developments, Florida Housing has established a competitive application process known as the Universal Cycle pursuant to Rule Chapter 67-48, F.A.C. Specifically, Florida Housing's application process for the 2011 Universal Cycle, as set forth in Rule 67-48.001-.005, F.A.C., involves the following:

- a. the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for funding under the HC and HOME Programs administered by Florida Housing;

- b. the completion and submission of applications by developers;
- c. Florida Housing's preliminary scoring of applications (preliminary scoring summary);
- d. an initial round of administrative challenges in which an applicant may take issue with Florida Housing's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");
- e. Florida Housing's consideration of the NOPSEs submitted, with notice (NOPSE scoring summary) to applicants of any resulting change in their preliminary scores;
- f. an opportunity for the applicant to submit additional materials to Florida Housing to "cure" any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
- g. a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");
- h. Florida Housing's consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
- i. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's evaluation of any item in their own application for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;¹
- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No.: 2011-180C applied for \$869,796.00 in annual federal tax credits² to help finance the development of its project, a 72-unit apartment complex in Madison, Madison County, Florida, known as Hilltop Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) *(Exhibit J-2)*;

(b) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company *(Exhibit J-3)*; and

(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. *(Exhibit J-4)*.

9. In its preliminary scoring summary dated 1/19/2012 *(Exhibit J-5)*, Florida Housing identified the following deficiencies relevant to these proceedings:

1T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$6,521,608.	Preliminary	
2T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$1,107,670.	Preliminary	
3T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
5T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the construction loan, the commitment cannot be considered a source of financing.	Preliminary	
6T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American Financial, Inc. behind Exhibit 47. Page 1 of the commitment states the loan is a second mortgage. Number 3, Security on page 2 states the loan is a first priority lien mortgage. Per the 2011 Universal Application "a firm commitment, proposal or letter of intent will not be considered if any information contained in the document (which includes attachments thereto) is inconsistent with the information stated within the document or elsewhere within the Application. Therefore, the loan commitment cannot be considered a source of financing.	Preliminary	

10. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*); and
- (b) a revised Application Exhibit 47 comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking (*Exhibit J-7*).

11. Following review of the Petitioner's cure materials, Florida Housing scored the Petitioner's application and issued its final scoring summary dated 3/27/2012 (*Exhibit J-8*) in which Florida Housing concluded that the Petitioner's application had a construction financing shortfall (see item 9T, and comment in item

5C):

9T	v.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$1,995,000.	Final	
5C	v.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$4,470,695. This is the amount utilized for construction financing.	Final	

12. As a result of the noted construction financing shortfall, Petitioner’s application failed threshold.

13. The Petitioner timely filed its Petition contesting Florida Housing’s scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

14. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

15. The parties stipulate, subject to arguments on the grounds of relevance, to the official recognition of any Final Orders of the Florida Housing Finance Corporation and to any Rules promulgated by the Florida Housing Finance Corporation, including past and present versions of the Universal Cycle Application, Instructions, and any forms and exhibits attached thereto or incorporated by reference therein.


EXHIBITS

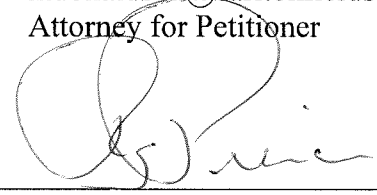
16. The parties offer the following joint exhibits into evidence and stipulate to their authenticity, admissibility and relevance in the instant proceedings, except as noted below:

- Exhibit J-1: This Joint Stipulation of Facts and Exhibits.
- Exhibit J-2: (Original) Development Cost Pro Forma included in Petitioner's original application.
- Exhibit J-3: (Original) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company.
- Exhibit J-4: (Original) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc.
- Exhibit J-5: Preliminary scoring summary dated 1/19/2012 relative to Petitioner's application.
- Exhibit J-6: (Revised) Development Cost Pro Forma submitted by Petitioner on cure.
- Exhibit J-7: (Revised) Application Exhibit 47 submitted by Petitioner on cure comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking.
- Exhibit J-8: Final scoring summary dated 3/27/2012 relative to Petitioner's application.

[SIGNATURE PAGE FOLLOWS]

Respectfully submitted this 9th day of May, 2012.

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**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

HOLLY POINT REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-010UC
Application No.: 2011-179C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

JOINT STIPULATION OF FACTS AND EXHIBITS

Petitioner, HOLLY POINT REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

THE PARTIES

1. Petitioner is a Florida limited partnership with its address at 1002 West 23rd Street, Suite 400, Panama City, Florida 32405, and is in the business of providing affordable rental housing units.

2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.



BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

(b) HOME Investments Partnerships (HOME) Program pursuant to Section 420.5089, F.S., and Rule Chapter 67-48, F.A.C.

4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

5. Because the demand for HC and HOME funding exceeds that which is available under the HC Program and HOME Program, respectively, qualified affordable housing developments must compete for this funding. To assess the relative merits of proposed developments, Florida Housing has established a competitive application process known as the Universal Cycle pursuant to Rule Chapter 67-48, F.A.C. Specifically, Florida Housing's application process for the 2011 Universal Cycle, as set forth in Rule 67-48.001-.005, F.A.C., involves the following:

- a. the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for funding under the HC and HOME Programs administered by Florida Housing;

- b. the completion and submission of applications by developers;
- c. Florida Housing's preliminary scoring of applications (preliminary scoring summary);
- d. an initial round of administrative challenges in which an applicant may take issue with Florida Housing's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");
- e. Florida Housing's consideration of the NOPSEs submitted, with notice (NOPSE scoring summary) to applicants of any resulting change in their preliminary scores;
- f. an opportunity for the applicant to submit additional materials to Florida Housing to "cure" any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
- g. a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");
- h. Florida Housing's consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
- i. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's evaluation of any item in their own application for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;¹
- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No.: 2011-179C applied for \$1,318,481.00 in annual federal tax credits² to help finance the development of its project, a 126-unit apartment complex in Holly Hill, Volusia County, Florida, known as Holly Point Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) ***(Exhibit J-2)***;

(b) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company ***(Exhibit J-3)***; and

(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. ***(Exhibit J-4)***.

9. In its preliminary scoring summary dated 1/19/2012 ***(Exhibit J-5)***, Florida Housing identified the following deficiencies relevant to these proceedings:

1T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
2T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
3T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American Financial, Inc. behind Exhibit 47. Page 1 of the commitment states the loan is a second mortgage. Number 3, Security on page 2 states the loan is a first priority lien mortgage. Per the 2011 Universal Application "a firm commitment, proposal or letter of intent will not be considered if any information contained in the document (which includes attachments thereto) is inconsistent with the information stated within the document or elsewhere within the Application. Therefore, the loan commitment cannot be considered a source of financing.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the construction loan, the commitment cannot be considered a source of financing.	Preliminary	
5T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$10,739,975.	Preliminary	
6T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$2,533,249.	Preliminary	

10. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*); and
- (b) a revised Application Exhibit 47 comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking (*Exhibit J-7*).

11. Following review of the Petitioner's cure materials, Florida Housing scored the Petitioner's application and issued its final scoring summary dated 3/27/2012 (*Exhibit J-8*) in which Florida Housing concluded that the Petitioner's application had a construction financing shortfall (see item 8T, and comment in item 3C):

8T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$3,900,000.	Final	
3C	V.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$6,662,145. This is the amount utilized for construction financing.	Final	

12. As a result of the noted construction financing shortfall, Petitioner’s application failed threshold.

13. The Petitioner timely filed its Petition contesting Florida Housing’s scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

14. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

15. The parties stipulate, subject to arguments on the grounds of relevance, to the official recognition of any Final Orders of the Florida Housing Finance Corporation and to any Rules promulgated by the Florida Housing Finance Corporation, including past and present versions of the Universal Cycle Application, Instructions, and any forms and exhibits attached thereto or incorporated by reference therein.

EXHIBITS

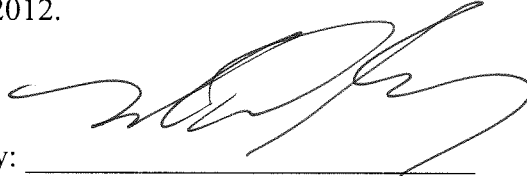
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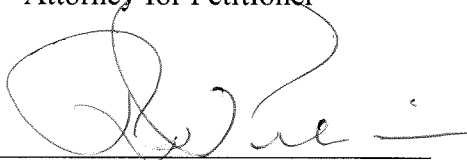
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- Exhibit J-8: Final scoring summary dated 3/27/2012 relative to Petitioner's application.

[SIGNATURE PAGE FOLLOWS]

Respectfully submitted this 8th day of May, 2012.

By: 

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Attorney for Respondent

**STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

CENTURY WOODS REDEVELOPMENT, LTD.,

Petitioner,

vs.

FHFC CASE NO.: 2012-011UC
Application No.: 2011-169C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

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Petitioner, CENTURY WOODS REDEVELOPMENT, LTD. (“Petitioner”), and Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”), by and through undersigned counsel, submit this stipulation for purposes of expediting the informal hearing scheduled for 9:00 am, May 8, 2012, in Tallahassee, Florida, and agree to the findings of fact and to the admission of the exhibits described below.

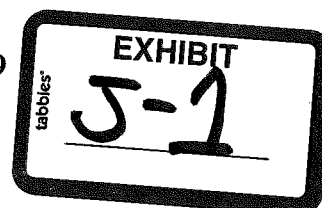
THE PARTIES

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2. Florida Housing is a public corporation, with its address at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32310, organized to provide and promote the public welfare by administering the governmental function of financing and refinancing housing and related facilities in the State of Florida. Section 420.504, F.S.

Attachment A

Page 1 of 9



BACKGROUND

3. Florida Housing administers various affordable housing programs including the following:

(a) Housing Credit (HC) Program pursuant to Section 42 of the Internal Revenue Code and Section 420.5099, F.S., under which Florida Housing is designated as the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the Internal Revenue Code, and Rule Chapter 67-48, F.A.C.; and

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4. The 2011 Universal Cycle Application, through which affordable housing developers apply for funding under the above-described affordable housing programs administered by Florida Housing, together with Instructions and Forms, comprise the Universal Application Package or UA1016 (Rev. 2-11) adopted and incorporated by Rule 67-48.004(1)(a), F.A.C.

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- f. an opportunity for the applicant to submit additional materials to Florida Housing to “cure” any items for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;
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- h. Florida Housing’s consideration of the NOADs submitted, with notice (final scoring summary) to applicants of any resulting change in their scores;
- i. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing’s evaluation of any item in their own application for which the applicant was deemed to have failed to satisfy threshold or received less than the maximum score;¹
- j. final scores, ranking of applications, and award of funding to successful applicants, including those who successfully appeal the adverse scoring of their application; and
- k. an opportunity for applicants to challenge, by informal or formal administrative proceedings, Florida Housing’s final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of Florida Housing funding to the challenging applicant.

¹ This proceeding is the subject of such a challenge.

PETITIONER'S APPLICATION AND SCORING ISSUES

6. The Petitioner timely submitted its application for financing in Florida Housing's 2011 Universal Cycle. The Petitioner, pursuant to Application No.: 2011-169C applied for \$516,632.00 in annual federal tax credits² to help finance the development of its project, a 36-unit apartment complex in Century, Escambia County, Florida, known as Century Woods Apartments.

7. As a threshold item, applicants in the 2011 Universal Cycle are required to provide financing information and documents in accordance with the requirements at Part V of the Application Instructions. Among the finance requirements at Part V. B., applicants must complete the Development Cost Pro Forma and, if applicable, the Commitment to Defer Developer Fee form, and at Part V. D., applicants must provide documentation of all commitments, proposals or letters of intent from both the construction and the permanent lender(s), the syndicator or other sources of funding. To meet threshold, all funding commitments must meet the criteria in Part V. D. 1., all equity commitments must meet the criteria in Part V. D. 3., and the total amount of monetary funds determined to be in commitments, proposals or letters of intent must equal or

² The United States Congress has created a program, governed by Section 42 of the IRC, by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder's federal tax liability, which can be taken for up to ten years if the project continues to satisfy IRC requirements. The tax credits allocated annually to each state are awarded by state "housing credit agencies" to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a syndicator, with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants. Pursuant to section 420.5099, F.S., Florida Housing is the designated "housing credit agency" for the state of Florida and administers Florida's tax credit program under its Housing Credit (HC) Program. Through the HC Program, Florida Housing allocates Florida's annual fixed pool of federal tax credits to developers of affordable housing under its annual Universal Cycle application process.

exceed uses. The Development Cost Pro Forma includes a Construction or Rehab Analysis and a Permanent Analysis in which the applicant must identify its construction financing sources and its permanent financing sources (and the amounts of same) relative to the total cost of its proposed development. If the applicant's financing sources do not equal or exceed the total development cost, the result is a financing shortfall and a threshold failure.

8. Relevant to these proceedings, Petitioner's original application included the following financing documents:

(a) Development Cost Pro Forma (included in body of the application) *(Exhibit J-2)*;

(b) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company *(Exhibit J-3)*; and

(c) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc. *(Exhibit J-4)*.

9. In its preliminary scoring summary dated 1/19/2012 *(Exhibit J-5)*, Florida Housing identified the following deficiencies relevant to these proceedings:

2T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$4,568,802.	Preliminary	
3T	V.	B.		Permanent Analysis	The Applicant has a permanent financing shortfall of \$1,352,892.	Preliminary	
4T	V.	D.	1.	Non-Corporation Funding	One of the requirements for a financing commitment is that it contain a statement that the commitment does not expire before September 7, 2012 (a date that is nine (9) months after the Application Deadline). Because the second mortgage financing from Royal American Financial, Inc. (Exhibit 47) does not include the required statement, it cannot be considered a source of financing.	Preliminary	
5T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American. Part V.D.1.(e) of the 2011 Universal Application Instructions states: "If the commitment is not from a regulated Financial Institution in the business of making loans or a governmental entity, evidence of ability to fund must be provided." The loan does not appear to be from a regulated Financial Institution and no evidence of ability to fund was provided with the loan commitment. Therefore, neither the construction nor the permanent loan commitments can be considered a source of financing.	Preliminary	
6T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a Loan Commitment from JPMorgan Chase Bank Community Development Banking behind Exhibit 47. The 2011 Universal Application instructions require that the loan commitment state the proposed interest rate. Because the loan commitment does not state the interest rate of the Construction to Perm loan (specifically, the Construction Phase rate), the commitment cannot be considered a source of financing.	Preliminary	
7T	V.	D.	1.	Non-Corporation Funding	The Applicant submitted a loan commitment from Royal American Financial, Inc. behind Exhibit 47. Page 1 of the commitment states the loan is a second mortgage. Number 3, "Security" on page 2 states the loan is secured by a first priority lien mortgage. Per the 2011 Universal Application "a firm commitment, proposal or letter of intent will not be considered if any information contained in the document (which includes attachments thereto) is inconsistent with the information stated within the document or elsewhere within the Application. Therefore, the loan commitment cannot be considered a source of financing.	Preliminary	

10. The Petitioner timely submitted cures in response to the scoring deficiencies. Relevant to these proceedings, the cures included:

- (a) a revised Development Cost Pro Forma (*Exhibit J-6*); and
- (b) a revised Application Exhibit 47 comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking (*Exhibit J-7*).

11. Following review of the Petitioner's cure materials, Florida Housing scored the Petitioner's application and issued its final scoring summary dated 3/27/2012 (*Exhibit J-8*) in which Florida Housing concluded that the Petitioner's application had a construction financing shortfall (see item 9T, and comment in item

4C):

9T	V.	B.		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$1,749,626	Final	
4C	V.	B.		Pro Forma	The Applicant provided a construction loan commitment from JPMorgan Chase Bank Community Development Banking in the amount of \$2,815,000. This is the amount utilized for construction financing.	Final	

12. As a result of the noted construction financing shortfall, Petitioner's application failed threshold.

13. The Petitioner timely filed its Petition contesting Florida Housing's scoring of its application regarding the construction shortfall threshold failure whereupon Florida Housing noticed the matter for an informal hearing.

OFFICIAL RECOGNITION OF RULES

14. The parties request the Honorable Hearing Officer take official recognition (judicial notice) of Rule Chapter 67-48, Fla. Admin. Code, as well as the incorporated Universal Application Package or UA1016 (Rev. 2-11) which includes the forms and instructions.

15. The parties stipulate, subject to arguments on the grounds of relevance, to the official recognition of any Final Orders of the Florida Housing Finance Corporation and to any Rules promulgated by the Florida Housing Finance Corporation, including past and present versions of the Universal Cycle Application, Instructions, and any forms and exhibits attached thereto or incorporated by reference therein.

EXHIBITS

16. The parties offer the following joint exhibits into evidence and stipulate to their authenticity, admissibility and relevance in the instant proceedings, except as noted below:

- Exhibit J-1: This Joint Stipulation of Facts and Exhibits.
- Exhibit J-2: (Original) Development Cost Pro Forma included in Petitioner's original application.
- Exhibit J-3: (Original) Application Exhibit 45 comprised of two Commitments to Defer Development Fee, one by Royal American Development, Inc., and one by Southern Coastal Mortgage Company.
- Exhibit J-4: (Original) Application Exhibit 47 comprised of equity commitment dated December 1, 2011, issued by Raymond James, and two loan commitments dated December 2, 2011, one issued by JPMorgan Chase Bank Community Development Banking and one issued by Royal American Financial, Inc.
- Exhibit J-5: Preliminary scoring summary dated 1/19/2012 relative to Petitioner's application.
- Exhibit J-6: (Revised) Development Cost Pro Forma submitted by Petitioner on cure.
- Exhibit J-7: (Revised) Application Exhibit 47 submitted by Petitioner on cure comprised of a revised equity commitment dated December 1, 2011, issued by Raymond James, and a single, revised loan commitment dated December 2, 2011, issued by JPMorgan Chase Bank Community Development Banking.
- Exhibit J-8: Final scoring summary dated 3/27/2012 relative to Petitioner's application.

[SIGNATURE PAGE FOLLOWS]

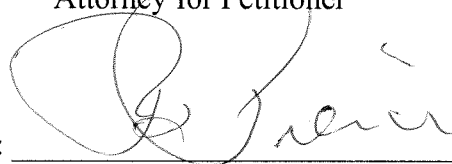
Respectfully submitted this 8th day of May, 2012.

By: _____



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