Questions and Answers for Request for Proposals (RFP) 2010-04
Exchange Funds

<u>Question 1:</u>

In reference to the First Mortgage Loan Structure, is there a restriction on the first mortgage debt as was set forth in previous guidelines? If the first mortgage debt is restricted, what guidelines should we be following?

<u>Answer:</u>

RFP 2010-04 does not incorporate any guidelines or credit underwriting parameters which restrict the loan structure of the first mortgage. The final loan structure for the first mortgage is expected to be the result of a negotiated process among the borrower, lender, and the housing credit syndicator/investor.

<u>Question 2:</u>
In Section 5.C.1.k., the RFP states that "any reserves required in excess of the minimum of six (6) months shall be allocated as a sub-set of Developer fee."

Does this rule apply to homeless Developments, which are required to have reserves that are substantially higher than the normal 6 month of reserves?

<u>Answer:</u>

Developments that have selected the Homeless Demographic will be required to have 5% of their 21% Developer fee set-aside for a reserve. This portion of the ODR is a sub-set of the Developer fee. In addition, Homeless Developments will have the remaining necessary ODR sized by the Credit Underwriter. It will be budgeted as a separate line item within the Financial Costs allocation table and it will not be a sub-set of the Developer fee. The six-month ODR budgeted line item limitation is in reference to non-Homeless transactions.

<u>Question 3:</u>
Would we be able to change our unit mix as reflected in our Original Application and still comply with this RFP?

<u>Answer:</u>

The RFP is silent to the ability of the Applicant to change the unit mix from the one reflected in the Original Application. As such, the guidance falls back onto Rule 67-48, F.A.C., effective August 6, 2009.

Question 4:
The amount of Exchange Funding requested may be different from the ARRA funding amount stated in the Applicant's Original Application (as noted in Section Six A. 3. of the RFP). If the Exchange Funding requested in the Applicant's Proposal is less than the amount an Applicant would be eligible for (as noted in Section Five C. 1. e. (2) of the RFP), would the amount of funding be adjusted upward or increased during credit underwriting?

Answer:

No. Section Five, paragraph C.1.e.(2) on page 9 provides the restrictions for determining the amount of the award. The RFP does not provide a mechanism to increase the award above the amount requested in the response.

Question 5:
On Page 3, can the defined term "Good Faith Efforts" be eliminated as not applicable here, since credits aren't being exchanged?

Answer:

No. In order to be eligible for Exchange Funds, the Applicant must demonstrate they have done their best to obtain a housing credit price that makes the Development long-term financially viable. If they have done their best and the Development still needs these funds, then that requirement will be deemed to have been met, subject to Florida Housing's determination as well as Treasury, its Office of the Inspector General, and any other federal auditor related to Exchange activity. That is a requirement of the U.S. Treasury Department and cannot be altered or deleted. The Exchange Funds used here came from exchanging someone's housing credits. In fact, the Good Faith Effort is a Treasury requirement for Exchange Funds even if a Development never had an award of housing credits.

Question 6:
Page 4. Can Section Four B. on the top of page 6 be eliminated for the same reason as Question 5 above?

Answer:

No. These Exchange Funds are intended to provide gap financing to those Developments that have been awarded housing credits as outlined in the RFP. If the Applicant returns their housing credit award, then they lose eligibility rights to the Exchange Funds.

Question 7:

Page 10. Section Five.C.1.l.; can this be eliminated since credits are not being exchanged?

Answer:

No. See Answer to Question 5.