

**REQUEST FOR PROPOSALS 2013-08**

**RFP 2013-08 FOR SPECIAL NEEDS HIGH PRIORITY AFFORDABLE HOUSING  
DEVELOPMENTS**

**For**

**FLORIDA HOUSING FINANCE CORPORATION**

**Issued: April 15, 2013**

**Due: May 24, 2013**

## **SECTION ONE INTRODUCTION**

Florida Housing Finance Corporation is authorized by section 420.507(48), F.S., to use up to 10 percent of its annual allocation of low-income housing tax credits to allocate by competitive solicitation for high-priority affordable housing developments, such as housing for veterans and their families, and other special needs populations in communities throughout the state. This Request for Proposals (RFP) is designed to help the Corporation discover Best Practices in and newer innovative approaches to providing housing and supportive services for Persons with Special Needs, including Veterans.

This RFP is open to Applicants proposing the development of affordable, rental Permanent Supportive Housing for Persons with Special Needs. The Corporation expects to have an estimated \$1,720,000 of Competitive Housing Credits, as well as an estimated \$5,750,000 of gap loan funding available for award to proposed Developments under this RFP.

Out of two or more Applications expected to be funded through this RFP, the Corporation has a goal to fund at least one Development proposing to serve Veterans with Special Needs, particularly one which proposes to serve the needs of Veterans with Special Needs, as follows: 1) Veterans with a service-connected Disabling Condition(s) who have been determined eligible and choose to transition from nursing, rehabilitation or domiciliary care facilities within a designated VA Hospital and/or Medical Center development in Florida and who have been determined eligible for, need and choose Permanent Supportive Housing ; and 2) Veterans with a Disabling Condition(s) who are in institutions or chronically homeless and have been identified as significant users of public resources including emergency care and shelter, judicial services, and institutions and who have been determined eligible for, need and choose Permanent Supportive Housing.

To meet the Veterans funding goal, eligible Applications proposing to serve Veterans transitioning from nursing, rehabilitation or domiciliary care facilities within a designated VA Hospital and/or Medical Center will have preference.

The Corporation is soliciting applications from qualified Applicants that commit to provide housing in accordance with the terms and conditions of this RFP, inclusive of Exhibits B and C, applicable laws, and regulations, and the Corporation's generally applicable construction and financial standards.

## **SECTION TWO DEFINITIONS**

For purposes of this document, capitalized terms shall have the meaning as set forth below or in applicable federal regulations.

“Act”	The Florida Housing Finance Corporation Act as found in Chapter 420, Part V, F.S.
“Address”	The address number, street name and city or, at a minimum, the street name, closest designated intersection, and whether or not the Development is located within a city or in the unincorporated area of the county. If located within a city, include the name of the city.
“Affiliate”	Any person that, (i) directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Applicant or Developer, (ii) serves as an officer or director of the Applicant or Developer or of any Affiliate of the Applicant or Developer, (iii) directly or indirectly

	receives or will receive a financial benefit from a Development, excluding third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit described in Exhibit C of the RFP, provided such parties do not share in the profits of the Development, or (iv) is the spouse, parent, child, sibling, or relative by marriage of a person described in (i), (ii) or (iii) above.
“Allocation Authority”	The total dollar volume of the state of Florida’s Housing Credit ceiling available for distribution by the Corporation and authorized pursuant to Section 42 of the IRC.
“Applicable Fraction”	Applicable Fraction as defined in Section 42(c)(1)(B) of the IRC.
“Applicant”	Any person or legally formed entity that is seeking funding from the Corporation by submitting an Application or responding to a request for proposal for one or more of the Corporation’s programs. For purposes of Part II of Exhibit C of the RFP, Applicant also includes any assigns or successors in interest of the Applicant.
“Application”	Documentation submitted in response to a competitive solicitation for funding by the Corporation.
“Best Practice”	A program, activity or strategy that has been field tested and has been shown to work effectively and produce successful outcomes and is supported by subjective and objective evaluation and research.
“Board of Directors” or “Board”	The Board of Directors of the Corporation.
“Building Identification Number”	The number assigned by the Corporation to describe each building in a Housing Credit Development, pursuant to Internal Revenue Service Notice 88-91.
“Calendar Days”	The seven (7) days of the week. For computing any period of time allowed by this RFP, the day of the event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.
“Carryover”	The provision under Section 42 of the IRC and Part II of Exhibit C of the RFP, which allows a Development to receive a Housing Credit Allocation in a given calendar year and be placed in service by the close of the second calendar year following the calendar year in which the allocation is made.
“Committee”	The review committee composed only of employees of the Corporation.
“Competitive Housing Credits” or “Competitive HC”	Those Housing Credits which come from the Corporation’s annual Allocation Authority.
“Compliance Period”	A period of time that the Development shall conform to all set-aside requirements as described further in this RFP and agreed to by the Applicant in the Application.
“Contact Person”	The person with whom the Corporation will correspond concerning the

	Application and the Development. This person cannot be a third-party consultant.
“Corporation”	Florida Housing Finance Corporation as defined in Section 420.503, F.S.
“Credit Underwriter”	The independent contractor under contract with the Corporation having the responsibility for providing stated credit underwriting services.
“DDA” or “Difficult Development Area”	Areas designated by the Secretary of Housing and Urban Development as having high construction, land, and utility costs relative to area median gross income in accordance with Section 42(d)(5)(B), of the IRC.
“Department”	The Department of Economic Opportunity as defined in Section 420.503, F.S.
“Developer”	Any individual, association, corporation, joint venturer, or partnership which possesses the requisite skill, experience, and credit worthiness to successfully produce affordable housing as required in the Application.
“Development”	Project, consisting of any work or improvement located or to be located in the state, including real property, buildings, and any other real and personal property, designed and intended for the primary purpose of providing decent, safe, and sanitary residential housing for persons or families, whether new construction, the acquisition of existing residential housing, or the remodeling, improvement, rehabilitation, or reconstruction of existing housing, together with such related nonhousing facilities as the corporation determines to be necessary, convenient, or desirable, as defined in Section 420.503(33), F.S.
“Development Cash Flow”	Cash transactions of the Development as calculated in the statement of cash flows prepared in accordance with generally accepted accounting principles (“GAAP”), as adjusted for any cash transactions that are subordinate to the Set-Aside Gap Loan interest payment including any distribution or payment to the Applicant or Developer, Principal(s) of the Applicant or Developer or any Affiliate of the Principal(s) of the Applicant or Developer, or to the Developer or any Affiliate of the Developer, whether paid directly or indirectly, which was not expressly disclosed in determining debt service coverage in the Board approved final credit underwriting report.
“Development Cost”	The total of all costs incurred in the completion of a Development excluding Developer fee and total land cost as shown in the Development Cost line item on the development cost pro forma within the Application.
“Development Expenses”	With respect to a Set-Aside Gap Loan, usual and customary operating and financial costs, such as the compliance monitoring fee, the financial monitoring fee, replacement reserves, the servicing fee and the debt service reserves. The term includes only those expenses disclosed in the operating pro forma included in the final credit underwriting report, as approved by the Board, and maximum of 20 percent deferred Developer fee per year.
“Development Location Point”	A single point selected by the Applicant on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on the site with the most units that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development.

“Disabling Condition”	A diagnosable substance abuse disorder, serious mental illness, developmental disability, or chronic physical illness or disability, or the co-occurrence of two or more of these conditions, and a determination that the condition is: (i) Expected to be of long-continued and indefinite duration; and (ii) Not expected to impair the ability of the person with special needs to live independently with appropriate supports.
“Document”	Electronic media, written or graphic matter, of any kind whatsoever, however produced or reproduced, including records, reports, memoranda, minutes, notes, graphs, maps, charts, contracts, opinions, studies, analysis, photographs, financial statements and correspondence as well as any other tangible thing on which information is recorded.
“Draw”	The disbursement of funds to a Development.
“Efficiency Unit”	A dwelling unit that is at least 450 square feet, and includes a private bathroom and kitchen with at least a stove, oven, refrigerator, dishwasher, and sink.
“ELI Household” or “Extremely Low Income Household”	A household of one or more persons wherein the annual adjusted gross income for the Family is equal to or below the percentage of area median income for ELI Persons.
“ELI Persons” or “Extremely Low Income Persons”	One or more natural persons or a family whose total annual household income does not exceed 30 percent of the median annual adjusted gross income for households within the state, as defined in Section 420.0004(9), F.S. The Florida Housing Finance Corporation may adjust this amount annually by rule to provide that in lower income counties, extremely low income may exceed 30 percent of area median income and that in higher income counties, extremely low income may be less than 30 percent of area median income.
“ELI Set-Aside” or “Extremely Low Income Set-Aside”	The number of units designated to serve ELI Households.
“ELI Supplemental Loan”	A forgivable loan in the amount of \$75,000 for each additional ELI set-aside unit committed to by the Applicant (above the required 20 percent threshold minimum ELI Set-Aside) up to a maximum of 25 percent total ELI Set-Aside, as further described in Item A.10. and Exhibit C of the RFP.
“Eligible Persons”	One or more natural persons or a family, irrespective of race, creed, national origin, or sex, determined by the Corporation to be of low income or very low income. In determining the income standards of Eligible Persons for its various programs, the Corporation shall take into account the following factors: (a) requirements mandated by federal law; (b) variations in circumstances in the different areas of the state; (c) whether the determination is for rental housing; and (d) the need for family size adjustments to accomplish the purposes set forth in Part II of Exhibit C of the RFP. With respect to the HC Program, an Eligible Person shall mean a Family having a combined income which meets the income eligibility requirements of the HC Program and Section 42 of the IRC.
“EUA” or “Extended Use Agreement”	An agreement which sets forth the set-aside requirements and other Development requirements under the HC Program.
“Executive Director”	The Executive Director of the Corporation.

“Family”	Describes a household composed of one or more persons.
“Final Housing Credit Allocation”	The issuance of Housing Credits to an Applicant upon completion of construction or Rehabilitation of a Development and submission to the Corporation by the Applicant of a completed and executed Final Cost Certification Application pursuant to Part II of Exhibit C of the RFP.
“Financial Beneficiary”	Any Principal of the Developer or Applicant entity who receives or will receive any direct or indirect financial benefit from a Development, excluding third party lenders, third party management agents or companies, third party service providers, Housing Credit Syndicators, credit enhancers regulated by a state or federal agency, or contractors whose total fees are within the limit described in Exhibit C of the RFP, provided such parties do not share in the profits of the Development.
“Financial Institution”	Lending institution, consisting of any bank or trust company, mortgage banker, savings bank, credit union, national banking association, savings and loan association, building and loan association, insurance company, the Florida Housing Development Corporation, or other financial institution or governmental agency authorized to transact business in this state and which customarily provides service or otherwise aids in the financing of mortgages on real property located in the state, as defined in Section 420.503(20), F.S.
“General Contractor”	A person or entity duly licensed in the state of Florida with the requisite skills, experience and credit worthiness to successfully provide the units required in the Application, and which meets the criteria described in Part I of Exhibit C of the RFP.
“HC” or “Housing Credit Program”	The rental housing program administered by the Corporation pursuant to Section 42 of the IRC and Section 420.5099, F.S., under which the Corporation is designated the Housing Credit agency for the state of Florida within the meaning of Section 42(h)(7)(A) of the IRC and Exhibit C of the RFP.
“Housing Credit”	The tax credit issued in exchange for the development of rental housing pursuant to Section 42 of the IRC and the provisions of Exhibit C of the RFP.
“Housing Credit Allocation”	The amount of Housing Credits determined by the Corporation as necessary to make a Development financially feasible and viable throughout the Development’s Compliance Period pursuant to Section 42(m)(2)(A) of the IRC.
“Housing Credit Development”	The proposed or existing rental housing Development(s) for which Housing Credits have been applied or received.
“Housing Credit Extended Use Period”	With respect to any building that is included in a Housing Credit Development, the period that begins on the first day of the Compliance Period in which such building is part of the Development and ends on the later of: (i) the date specified by the Corporation in the Extended Use Agreement or (ii) the date that is the fifteenth anniversary of the last day of the Compliance Period, unless earlier terminated as provided in Section 42(h)(6) of the IRC.
“Housing Credit Period”	With respect to any building that is included in a Housing Credit Development, the period of 10 years beginning with: (i) the taxable year in which such building is placed in service, or (ii) at the election of the Developer, the succeeding taxable year.

“Housing Credit Rent-Restricted Unit”	A unit for which the gross rent does not exceed 30 percent of the imputed income limitation applicable to such unit as chosen by the Applicant in the Application and in accordance with Section 42 of the IRC. Rent controls for ELI Households shall consist of the Gross Rent Floor, as defined in Section 42(g)(2)(A) of the IRC, and in accordance with IRS Revenue Procedure 94-57, minus the lesser of (i) the utility allowance in effect by the applicable local Public Housing Authority (PHA) at the date the last building in the Development is placed-in-service or (ii) the current utility allowance applicable to the building (as outlined in 26 CFR 1.42-10, this may include either the local utility company estimate or the applicable PHA utility allowance). Notwithstanding the preceding sentence, the rent charged to any ELI Household may not exceed the maximum rent level permitted under Section 42(g)(2)(A) of the IRC for the applicable unit occupied by such household.
“Housing Credit Set-Aside”	The number of units in a Housing Credit Development necessary to satisfy the percentage of units set-aside at 60 percent of the Area Median Income (AMI) or less as chosen by the Applicant in the Application.
“Housing Credit Syndicator”	A person, partnership, corporation, trust or other entity that regularly engages in the purchase of interests in entities that produce Qualified Low Income Housing Projects [as defined in Section 42(g) of the Internal Revenue Code].
“HUD”	The United States Department of Housing and Urban Development.
“Interested Party”	Any person or entity that requests a copy of this Request for Proposals from the Corporation.
“IRC”	Section 42 and subsections 501(c)(3) and 501(c)(4) of the Internal Revenue Code of 1986, as in effect on the issue date of this RFP, together with corresponding and applicable final, temporary or proposed regulations, notices, and revenue rulings issued with respect thereto by the Treasury or the Internal Revenue Service of the United States.
“Local Government”	Local government as defined in Section 420.503, F.S., consisting of a unit of local general-purpose government as defined in s. 218.31(2).
“Low Income”	The Adjusted Income for a Family which does not exceed 80 percent of the area median income.
“LURA” or “Land Use Restriction Agreement”	An agreement which sets forth the set-aside requirements and other Development requirements under a Corporation program.
“Minor Irregularities”	A variation in a mandatory term or condition of a Request for Proposals that does not give the Applicant an advantage or benefit not enjoyed by other Applicants and does not adversely impact the interests of the Corporation or the public.
“Non-Profit”	A qualified non-profit entity as defined in Section 42(h)(5)(C), subsection 501(c)(3) or 501(c)(4) of the IRC and organized under Chapter 617, F.S., if a Florida Corporation, or organized under similar state law if organized in a jurisdiction other than Florida, to provide housing and other services on a not-for-profit basis, which owns at least 51 percent of the ownership interest in the Development held by the general partner or managing member entity, which shall receive at least 25 percent of the Developer fee, and which entity

is acceptable to federal and state agencies and financial institutions as a Sponsor for affordable housing. In accordance with Section 42 of the IRC, a for-profit entity wholly owned by one or more qualified non-profit organizations will constitute a Non-Profit entity. The purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity. A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement and the Extended Use Agreement.

“Note”	A unilateral agreement containing an express and absolute promise to pay to the Corporation a principal sum of money on a specified date, which provides the interest rate and is secured by a mortgage.
“Permanent Supportive Housing”	Rental housing that is affordable to the focus households with household incomes at or below 60 percent of area median income (AMI), that is leased to the focus households, for continued occupancy with an indefinite length of stay as long as the Permanent Supportive Housing tenant complies with lease requirements. Permanent Supportive Housing shall facilitate and promote activities of daily living, access to community-based services and amenities, and inclusion in the general community. Permanent Supportive Housing shall strive to meet the needs and preferences of the focus households.
“Persons with Special Needs”	An adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under s. <a href="#">409.1451(5)</a> ; a survivor of domestic violence as defined in s. <a href="#">741.28</a> ; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits, as defined in Section 420.0004(13), F.S.
“Preliminary Allocation”	A non-binding reservation of Housing Credits issued to a Housing Credit Development which has demonstrated a need for Housing Credits and received a positive recommendation from the Credit Underwriter.
“Principal”	Means any general partner of an Applicant or Developer, any limited partner of an Applicant or Developer, any manager or member of an Applicant or Developer, any officer, director or shareholder of an Applicant or Developer, (ii) any officer, director, shareholder, manager, member, general partner or limited partner of any general partner or limited partner of an Applicant or Developer, (iii) any officer, director, shareholder, manager, member, general partner or limited partner of any manager or member of an Applicant or Developer, and (iv) any officer, director, shareholder, manager, member, general partner or limited partner of any shareholder of an Applicant or Developer.
“Progress Report” or “Form Q/M Report”	A report format that is required to be completed and submitted to the Corporation pursuant to Part II of Exhibit C of the RFP. The form, effective January 2007, is available on the Corporation’s Website under the Multifamily Development link labeled Related References and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.
“Project” or “Property”	Development as defined above.

“QAP” or “Qualified Allocation Plan”	The 2012 Qualified Allocation Plan which is effective upon approval by the Governor of the state of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits. The QAP is available on the Corporation’s Website under the Multifamily Development link labeled Related References and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.
“QCT” or “Qualified Census Tract”	Any census tract which is designated by the Secretary of Housing and Urban Development as having either 50 percent or more of the households at an income which is less than 60 percent of the area median gross income, or a poverty rate of at least 25 percent, in accordance with Section 42(d)(5)(B) of the IRC.
“Rehabilitation”	The alteration, improvement or modification of an existing structure where less than 50 percent of the proposed construction work consists of new construction. Rehabilitation also includes what is stated in Section 42(e) of the IRC, with the exception of Section 42(e)(3)(A)(ii)(II), which, for the purposes of Competitive HC, is changed to read: “II. The requirement of this subclause is met if the qualified basis attributable to such amount, when divided by the number of low-income units, in the building, is \$20,000 or more.”
“Scattered Sites”	As applied to a single Development, means a Development site that, when taken as a whole, is comprised of real property that is not contiguous (each such non-contiguous site within a Scattered Site Development, a “Scattered Site”). For purposes of this definition “contiguous” means touching at a point or along a boundary. Real property is contiguous if the only intervening real property interest is an easement, provided the easement is not a roadway or street.
“Section 8”	Section 8 of the United States Housing Act of 1937
“Set-Aside Gap Loan”	A non-forgivable loan in the amount of up to \$40,000 for each Housing Credit Set-Aside unit for gap funding purposes that will be sized in credit underwriting, as further described in Item A.10. and Exhibit C of the RFP.
“Shared Housing”	A rental dwelling unit that is shared by tenants who are not related or significant others, and in which each has signed the lease to reside in the rental unit. Each tenant of Shared Housing shall have a private bedroom with private full bath.
“Sponsor”	Any individual, association, corporation, joint venture, partnership, trust, local government, or other legal entity or any combination thereof which: (i) has been approved by the Corporation as qualified to own, construct, acquire, rehabilitate, reconstruct, operate, lease, manage, or maintain a project; and (ii) except for a Local Government, has agreed to subject itself to the regulatory powers of the Corporation, as defined in Section 420.503, F.S.
“Total Development Cost”	The total of all costs incurred in the completion of a Development, all of which shall be subject to the review and approval by the Credit Underwriter and the Corporation pursuant to Exhibit C of the RFP. Total Development Cost includes the following: (a) the cost of acquiring real property and any buildings thereon, including payment for options, deposits, or contracts to purchase properties; (b) the cost of site preparation, demolition, and

development; (c) any expenses relating to the issuance of tax-exempt bonds or taxable bonds, if any, related to the particular Development; (d) fees in connection with the planning, execution, and financing of the Development, such as those of architects, engineers, attorneys, accountants, Developer fee, and the Corporation; (e) the cost of studies, surveys, plans, permits, insurance, interest, financing, tax and assessment costs, and other operating and carrying costs during construction, rehabilitation, or reconstruction of the Development; (f) the cost of the construction, rehabilitation, and equipping of the Development; (g) the cost of land improvements, such as landscaping and offsite improvements related to the Development, whether such costs are paid in cash, property, or services; (h) expenses in connection with initial occupancy of the Development; (i) Allowances for contingency reserves and reserves for any anticipated operating deficits during the first two (2) years after completion of the Development; and (j) the cost of such other items, including relocation costs, indemnity and surety bonds, premiums on insurance, and fees and expenses of trustees, depositories, and paying agents for the Corporation's bonds, for the construction or Rehabilitation of the Development.

“Treasury”	The United States Department of Treasury or other agency or instrumentality created or chartered by the United States to which the powers of the Department of Treasury have been transferred.
“Very Low-Income”	<p>With respect to a Set-Aside Gap Loan:</p> <ol style="list-style-type: none"> <li>1. If using tax-exempt bond financing for the first mortgage, income which meets the income eligibility requirements of Section 8 of the United States Housing Act of 1937, as in effect on the issue date of this RFP; or</li> <li>2. If using taxable financing for the first mortgage, total annual gross household income which does not exceed 50 percent of the median income adjusted for family size, or 50 percent of the median income adjusted for family size for households within the metropolitan statistical area (MSA), within the county in which the Family resides, or within the state of Florida, whichever is greater; or</li> <li>3. If used in a Development using Housing Credits, income which meets the income eligibility requirements of Section 42 of the IRC</li> </ol>
“Veteran”	A person who served in the active U.S. military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable or who served in the National Guard or reserve and are determined by the U.S. Veterans Administration to meet the specific requirements to be a Veteran.
“Veterans with Special Needs”	Persons who meet both the definition of a Veteran and the definition of a Persons with Special Needs.
“Website”	The Corporation's website, the Universal Resource Locator (URL) for which is <a href="http://www.floridahousing.org">www.floridahousing.org</a> .

### **SECTION THREE PROCEDURES AND PROVISIONS**

A. A complete Application consists of Exhibit A of RFP 2013-08 and all required attachments, as outlined in Section Six of the RFP. Exhibit A is available online at [www.floridahousing.org](http://www.floridahousing.org). All Applicants must complete the online Exhibit A. By 2:00 p.m., Eastern Time, on May 24, 2013

(Application deadline), the Corporation must receive (i) the completed online Exhibit A electronically submitted by the Applicant to the Corporation by clicking the “Submit” button and (ii) a sealed package(s) containing four (4) printed copies of the complete Application (consisting of the submitted online Exhibit A and all required attachments), housed in separate 3-ring binders with numbered divider tabs for each attachment. One (1) of the four (4) printed copies of the complete Application must be labeled “Original Hard Copy”, reflect an original signature (blue ink preferred) at Item 11. of Exhibit A, Applicant Certification and Acknowledgement, and include the required non-refundable \$3,000 Application fee (check or money order only). It is requested that the Applicant label the outside of each shipping box with the applicable RFP number. The Corporation will not consider faxed or e-mailed Applications. After 2:00 p.m., Eastern Time, on the Application deadline, each Application will be assigned an Application number. In addition, each Application will be assigned a lottery number by having the Corporation’s internal auditors run the total number of Applications received through a random number generator program. The printed copies of the complete Application must be addressed to:

Kevin Tatreau  
 Director of Multifamily Programs  
 Florida Housing Finance Corporation  
 227 N. Bronough Street, Suite 5000  
 Tallahassee, FL 32301

B. This RFP does not commit the Corporation to award any funding to any Applicant or to pay any costs incurred in the preparation or mailing of an Application.

C. The Corporation reserves the right to:

1. Waive Minor Irregularities; and
2. Accept or reject any or all Applications received as a result of this RFP.

D. Any Interested Party may submit any inquiry regarding this RFP in writing to Kevin Tatreau via e-mail at [RFP\\_2013-08\\_Questions@floridahousing.org](mailto:RFP_2013-08_Questions@floridahousing.org) . All inquiries are due by 5:00 p.m., Eastern Time, on April 26, 2013. Phone calls or written inquiries other than at the above e-mail address will not be accepted. The Corporation expects to respond to all inquiries by 5:00 p.m., Eastern Time, on May 2, 2013 and will post a copy of all inquiries received, and their answers, on the Corporation’s Website at: [http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/ContentPage.aspx?PAGE=0394](http://apps.floridahousing.org/StandAlone/FHFC_ECM/ContentPage.aspx?PAGE=0394) . The Corporation will also send a copy of those inquiries and answers in writing to any Interested Party that requests a copy. The Corporation will determine the method of sending its answers, which may include regular United States mail, overnight delivery, fax, e-mail, or any combination of the above. Only written responses from Kevin Tatreau, or his designee, to inquiries raised by Interested Parties that are posted on the Corporation’s Website or sent to Interested Parties shall bind the Corporation. No other means of communication, whether oral or written, shall be construed as an official response or statement from the Corporation.

E. The Corporation may modify the terms of the Request for Proposals at any point prior to the Application deadline. A notice of modification will be posted on the Corporation’s Website. Any Applicant shall have at least seven (7) days from the date of the posting of the notice of modification to submit or modify its Application.

F. Any person who wishes to protest the specifications of this RFP must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, F.A.C. Failure to file a protest within the

time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

G. Withdrawal of Request for Proposals

1. The Corporation may withdraw a Request For Proposals at any time prior to the Application deadline when the withdrawal is determined by the Executive Director to be in the best interest of the Corporation or the public. Notice of such determination shall be posted on the Corporation's Website and published in the next available Florida Administrative Register.

2. Any Applicant may request to withdraw its Application, in writing, prior to the date the Committee meets to make a recommendation to the Board.

H. The Corporation expects to select one (1) or more Applications to award the funding contemplated by this RFP. Any such Applications will be selected through the Corporation's review of each Application, considering the factors identified in this RFP.

**SECTION FOUR  
OBJECTIVES AND SCOPE OF SERVICES**

By submitting this Application, each Applicant agrees to the terms and conditions outlined in Section Six of the RFP.

**SECTION FIVE  
CERTIFICATION**

By inclusion and execution of Exhibit A, along with all applicable attachments thereto, each Applicant certifies that:

A. Any material submitted in response to this RFP is a public record pursuant to Chapter 119, Fla. Stat. Per Section 119.071(1)(b)2., the sealed Applications received by the Corporation are exempt from disclosure until such time as the Board provides notice of an intended decision or until 30 Calendar Days after the opening of the sealed Applications, whichever is earlier.

B. Noninterference. At no time during the review and evaluation process, commencing with filing the Application and continuing until the Board renders a final decision on the RFP, may Applicants or their representatives contact Board members or the Corporation staff concerning their own or any other Applicant's Application. If an Applicant or its representative does contact a Board or staff member in violation of this section, the Board shall, upon a determination that such contact was made in an attempt to influence the selection process, disqualify the Application.

C. Proposed Developments funded with Housing Credits and any applicable gap funding will be subject to the fees outlined in Exhibit B of the RFP, the credit underwriting and HC Program requirements outlined in Exhibit C of the RFP, and the Compliance requirements of Rule Chapter 67-53, F.A.C.

**SECTION SIX  
INFORMATION TO BE PROVIDED IN APPLICATION**

The Applicant must provide a completed and executed Application found in Exhibit A to RFP 2013-08, along with all applicable attachments thereto, which includes the following information:

## A. Exhibit A Items:

### 1. Persons with Special Needs Demographic Commitment

Indicate the population that will be the major focus of the proposed Development – Persons with Special Needs or Veterans with Special Needs. (**Threshold**)

#### a. Persons with Special Needs (**Threshold**):

If the major focus of the Development will be Persons with Special Needs, the Applicant must provide, as **Attachment 1** to Exhibit A, a detailed description of the resident household characteristics, needs, and preferences of the focus Persons with Special Needs population(s) the Applicant is proposing to serve. This Attachment will provide a point of reference for the Corporation's evaluation and scoring of the Application, providing the foundation for the appropriateness of the experience of the Developer(s) and Management Company, proposed Construction Features and Amenities, Resident Services and Access to Community-Based Services and Amenities.

#### b. Veterans with Special Needs (**Threshold**):

To meet the RFP funding goal, eligible Applications proposing to serve Veterans Transitioning from Facilities within a designated VA Hospital or Medical Center will have preference as described in Item B of Section Six of the RFP.

If the major focus of the Development will be Veterans with Special Needs, the Applicant must indicate which Veterans with Special Needs population will be the major focus of the Application, either:

(1) Veterans Transitioning from Facilities within a Designated VA Hospital and/or Medical Center - Veterans with a service-connected Disabling Condition(s) who have been determined eligible and choose to transition from nursing, rehabilitation or domiciliary care facilities within a designated VA Hospital and/or Medical Center development in Florida and who have been determined eligible for, need and choose Permanent Supportive Housing. Indicate one or more of the following applicable Hospitals/Medical Centers from which residents will be transitioning:

- Tampa Polytrauma Rehabilitation Center (Hillsborough County - 13000 Bruce B. Downs Blvd., Tampa, FL 33612);
- West Palm Beach VA Medical Center (Palm Beach County - 7305 N. Military Trail, West Palm Beach, FL 33410);
- Orlando VA Medical Center (Orange County - 5201 Raymond Street, Orlando, FL 32803);
- James A. Haley Veterans Hospital (Hillsborough County - 13000 Bruce B. Downs Blvd., Tampa, FL 33612);
- Bay Pines VA Healthcare System (Pinellas County - 10000 Bay Pines Blvd., Bay Pines, FL 33744);
- Malcom Randall VA Medical Center (Alachua County - 1601 SW Archer Road Gainesville, FL 32608);
- Lake City VA Medical Center (Columbia County - 619 South Marion Avenue, Lake City, FL 32025);
- Miami VA Healthcare System (Miami-Dade County – 1201 N.W 16<sup>th</sup> Street, Miami, FL 33125).

or

- (2) Veterans with a Disabling Condition(s) who are in institutions or chronically homeless and have been identified as significant users of public resources including emergency care and shelter, judicial services, and institutions and who have been determined eligible for, need and choose Permanent Supportive Housing.

If the major focus of the Development will be Veterans with Special Needs, the Applicant must provide, as **Attachment 1** to Exhibit A, a detailed description of the resident household characteristics, needs, and preferences of the focus population(s) the Applicant is proposing to serve. This Attachment will provide a point of reference for the Corporation's evaluation and scoring of the Application, providing the foundation for the appropriateness of the experience of the Developer(s) and Management Company, proposed Construction Features and Amenities, Resident Services and Access to Community-Based Services and Amenities.

c. Outreach, Marketing and Tenant Selection:

This section applies to all Applicants, regardless of the population that will be the focus of the proposed Development:

- (1) The Applicant shall develop and implement a plan for tenant outreach, marketing, referral and selection as approved by the Corporation during the credit underwriting process.
- (2) The Applicant may receive points by describing outreach and other activities, beyond those required by this RFP, that will be conducted initially and on a continuing basis to market the Development to the focus populations and general public and used to develop and retain an applicant pool of prospective residents. Specify any community organizations or agencies that the Development will work with to establish and manage a system of referring persons served by these entities to the Development for tenancy. Describe the persons to be referred, the system or process of referring these persons, and related Best Practices to be used in implementation. Proposed activities should be particularly relevant to the focus population. Provide the information as **Attachment 2** to Exhibit A. **(Up to 10 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- d. The proposed Development must be Permanent Supportive Housing and meet the unit mix and community space requirements outlined in Item 1 of Exhibit B of the RFP and the minimum total demographic set-aside requirements outlined in Item A.5.a.(3) of the RFP.

## 2. Applicant Information:

- a. Enter name of Applicant (**Threshold**)

Note: The name of the Applicant entity stated in the Application may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Carryover Allocation Agreement is in effect.

- b. The Applicant must be a legally formed entity [i.e., limited partnership, limited liability company, etc.] qualified to do business in the state of Florida as of the Application deadline. The Applicant must include, as **Attachment 3** to Exhibit A, evidence from the Florida Department of State, Division of Corporations, that the Applicant satisfies the foregoing requirements; such evidence may be in the form of a certificate of status or other reasonably reliable information or documentation issued, published or made available by the Florida Department of State, Division of Corporations. (**Threshold**).
- c. Principals for the Applicant and for each Developer (**Threshold**)

All Applicants must provide a list, as **Attachment 4** to Exhibit A, identifying the Principals of the Applicant and for each Developer, as follows:

- (1) For a Limited Partnership, provide a list identifying the following: (i) the Principals of the Applicant as of the Application deadline, including percentage of ownership interest of each, and (ii) the Principals for each Developer as of the Application deadline. This list must include warrant holders and/or option holders of the proposed Development.
  - (2) For a Limited Liability Company, provide a list identifying the following: (i) the Principals of the Applicant as of the Application deadline, including percentage of ownership interest of each, and (ii) the Principals for each Developer as of the Application deadline. This list must include warrant holders and/or option holders of the proposed Development.
  - (3) For all other entities, provide a list identifying the following: (i) the Principals of the Applicant as of the Application deadline, including percentage of ownership interest of each, and (ii) the Principals for each Developer as of the Application deadline.
- d. Enter requested information for Contact Person (**Maximum 5 Points**).
- Points will be awarded for this section of the RFP as follows: (i) 5 points if all of the requested information is provided, or 3 points if only the following minimum information is provided: name, address (consisting of street address, city and state), and e-mail address, or zero points if at least the minimum information is not provided..

### 3. Developer and Management Company Information:

In addition to the provisions outlined in Exhibit C of the RFP, the past performance record, financial capacity, and any and all other matters relating to the Development Team, which consists of Developer, Management Company, General Contractor, Architect, Attorney, and Accountant, will be reviewed during credit underwriting. The Credit Underwriter may require additional information from any member of the Development Team including, without limitation, documentation on other past projects and financials. Development Teams with an unsatisfactory past performance record, inadequate financial capacity or any other unsatisfactory matters relating to their suitability may result in a negative recommendation from the Credit Underwriter.

The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Development Team's experience, past performance or financial capacity is satisfactory.

- a. Developer:
- (1) State the name of each Developer, including all co-Developers (**Threshold**)

- (2) Each Developer entity identified in Item 3.a.(1) of Exhibit A of the RFP (that is not a natural person) must be a legally formed entity qualified to do business in the state of Florida as of the Application deadline. For each stated Developer entity that is not a natural person, provide, as **Attachment 5** to Exhibit A, evidence from the Florida Department of State, Division of Corporations, that the Applicant satisfies the foregoing requirements; such evidence may be in the form of a certificate of status or other reasonably reliable information or documentation issued, published or made available by the Florida Department of State, Division of Corporations. **(Threshold)**

The Principal(s) of the Developer(s) listed in the Application may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting.

- (3) Developer Experience with Permanent Supportive Housing **(Maximum 25 Points)**:

- (a) The Applicant must describe the Developer's experience in developing and operating Permanent Supportive Housing, and more specifically, the households the Applicant is proposing to serve. Provide the description as **Attachment 6** to Exhibit A. **(Up to 20 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (b) To supplement or complement the Developer's experience, the Developer may list any national, state or local entities that it has executed or shall execute an agreement with that will provide technical assistance or related services to assist in the development of the Permanent Supportive Housing to serve the households the Applicant is proposing to serve. For each entity listed, describe its role and responsibilities related to the proposed Development, and describe its experience and qualifications relevant to carrying out its role and responsibilities. A letter, signed by both the entity and the Developer, shall be submitted at Application for each listed entity stating its interest in executing an agreement, the duties it will carry out for the proposed Development, and its experience and qualifications in carrying out the duties. The Applicant shall commit to submit the executed agreement between the Developer and each entity for review and approval by the Corporation during the credit underwriting process. Provide the information as **Attachment 6** to Exhibit A. **(Up to 5 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (4) General Experience:

By submitting the Application, the Applicant commits to demonstrate the required experience for the Developer(s), as outlined in Item 2 of Exhibit B to the RFP, during the credit underwriting process.

- b. Management Company:

- (1) Management Company Experience with Permanent Supportive Housing **(Up to 10 Points)**:

Describe the Management Company's experience in managing Permanent Supportive Housing, specifically, the households the Applicant is proposing to serve. Provide the description as **Attachment 7** to Exhibit A.

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

(2) General Experience:

By submitting the Application, the Applicant commits to demonstrate the required experience for the Management Company, as outlined in Item 2 of Exhibit B to the RFP, during the credit underwriting process.

**4. General Development Information:**

Unless stated otherwise, all information requested in the RFP pertains to the proposed Development.

a. Provide the name of the proposed Development (**Threshold**).

b. Location of the proposed Development site:

(1) Indicate the county in which the proposed Development will be located. (**Threshold**)

(2) Provide the Address of the Development Site (**Threshold**).

Indicate (i) the address number, street name, and name of city, and/or (ii) the street name, closest designated intersection, and either name of city or unincorporated area of county.

If the proposed Development consists of Scattered Sites, during the credit underwriting process the Applicant must demonstrate that the Development meets the requirements of this RFP and Section 42 of the IRC.

(3) Complete questions (a) through (c):

(a) With regard to Housing Credits, the United States Department of Housing and Urban Development (HUD) provides regulatory guidance on the effective date of Difficult Development Area (DDA) and Qualified Census Tract (QCT) lists for the purpose of determining whether a Development qualifies for an increase in eligible basis in accordance with Section 42(d)(5)(B), of the IRC.

(i) DDA –

In order to be classified as a Development located in a DDA for purposes of this RFP, as of the Application deadline the proposed Development must be located in a HUD-designated DDA.

If located in a HUD-designated DDA, provide the requested information.

(ii) QCT (**Threshold, if applicable**) –

In order to be classified as a Development located in a QCT for purposes of this RFP, the proposed Development must be located in one of the QCTs based on the current census, as determined by HUD as of the Application deadline. If applicable, provide a copy of a letter from the local planning office or census bureau verifying the Development's location in the referenced QCT as **Attachment 8** to Exhibit A.

- (b) The responses to these questions must be in accordance with Section 42, of the IRC, as amended.
- (c) If the proposed Development will be Rehabilitation (the Applicant selected the Rehabilitation or Acquisition and Rehabilitation Development Category at question 4.c. of Exhibit A), indicate the estimated qualified basis in Rehabilitation expenses per set aside unit within one 24-month period for the building(s) being Rehabilitated (**Threshold, if applicable**).

c. Development Category (**Threshold**):

The Applicant must select one of the following Development Categories applicable to the proposed Development and provide the required information:

- New Construction (where 50% or more of the units are new construction)
- Rehabilitation (where less than 50% of the units are new construction)
- Acquisition and Rehabilitation (acquisition and less than 50% of the units are new construction)

If the proposed Development consists of acquisition and rehabilitation, with or without new construction (where the applicable new construction is for the building of units which will total less than 50 percent of the proposed Developments total unit count), but the Applicant is not requesting Corporation funding related to the acquisition, the Applicant should select Rehabilitation as the Development Category. However, the acquisition costs and sources must still be reflected on the Development Cost pro forma.

d. Applicants must select the one Development Type that best describes the proposed Development\* (**Threshold**):

\*For mixed-type Developments, indicate the type that will comprise 50 percent or more of the units in the Development.

- Garden Apartments
- Quadraplexes
- Mid-Rise with Elevator (a building comprised of 4, 5 or 6 stories)

e. State the number of buildings with dwelling units that will be in the proposed Development (**3 Points**)

## f. Number of Units in Proposed Development:

(1) State the total number of units in the proposed Development (**Threshold**).

Note: The proposed Development must consist of a minimum of 30 total units and cannot exceed a maximum of 100 total units. The total number of units stated in

the Application may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation.

- (2) Indicate whether the proposed Development consists of (a) 100% new construction units, (b) 100% rehabilitation units, or (c) a combination of new construction units and rehabilitation units and state the quantity of each type (**Threshold**).

g. Previous Underwriting:

Indicate whether the proposed Development is currently being underwritten or has been underwritten previously by any Credit Underwriter under contract with the Corporation and, if known, identify the name of the Credit Underwriter.

h. Development Status:

- (1) Indicate the status of the work proposed in this Application (i.e., whether the work has commenced or has been completed). Competitive HC Applicants should note that, in accordance with Section 42(h), IRC, a Development cannot be allocated Housing Credits from the state's Allocation Authority if it was placed in service prior to the year in which it receives its allocation. (**Threshold**)

If the Development is complete and the certificates of occupancy were issued on more than one date, provide a listing of the issue-date for each certificate as **Attachment 9** to Exhibit A.

- (2) Indicate the anticipated placed-in-service date for the proposed Development.

## 5. Set-Aside Commitments

All set-aside commitments made by the Applicant will be included in the Extended Use Agreement and Land Use Restriction Agreement and must be maintained in order for the Development to remain in compliance, unless the Board approves a change. Commitments to set aside residential units made by those Applicants that receive funding will become the minimum set-aside requirements for any other Corporation funds that the Applicant may receive in the future for the same Development.

a. Required Set-Aside Commitments:

(1) Required Minimum Demographic Total Set-Aside:

- (a) If proposing to serve Veterans with Special Needs, the Applicant must commit to rent not less than 80 percent of the total units to Veterans. The Applicant must commit to rent not less than 50 percent of the units set aside for Veterans to the Veterans with Special Needs population that will be the major focus of the Application.
- (b) If proposing to serve Persons with Special Needs, the Applicant must commit to rent not less than 80 percent of the total units to Persons with Special Needs. The Applicant must commit to rent not less than 50 percent of the units set aside for Persons with Special Needs to the Persons with Special Needs population(s) that will be the major focus of the Application.

(2) Minimum Income Set-Aside per Section 42 of the IRC (**Threshold**):

- The Applicant must elect one of the following minimum set-aside commitments 20% of the units at 50% or less of the Area Median Income (AMI)
- 40% of the units at 60% or less of the AMI
- Deep rent skewing option as defined in Section 42 of the IRC, as amended

Note: Choosing the 20 percent at 50 percent AMI or less minimum set-aside will restrict ALL set-aside units at 50 percent or less of the AMI. Applicants may choose the 40 percent at 60 percent AMI or less minimum set-aside without committing to setting aside any of the units at the 60 percent AMI level. For example, an Applicant may commit to set aside 40 percent at 50 percent AMI and this would also be considered 40 percent at 60 percent AMI or less.

## (3) Required Minimum Income Total Set-Aside per the Corporation:

All Applicants must set aside at least 80% of the proposed Development's total units at 60% AMI or less.

Note: The Total Set-Aside Percentage stated in the Application may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation.

## (4) Required Minimum ELI Set-Aside:

All Applicants must set aside at least 20% of the proposed Development's total units to serve ELI Households. The ELI AMI level for the county where the proposed Development is located is set out in Item 5 of Exhibit B of the RFP.

## (5) Required Total Affordability Period

All Applicants irrevocably commit to set aside units in the Development for a total of 50 years and irrevocably waive the option to convert to market after year 14.

## b. Optional Set-Aside Commitment:

Applicants that commit to set aside additional units for ELI Households will be eligible for additional funding, in the form of a forgivable loan, for each additional ELI unit, up to a maximum of 5%, over the required 20% outlined in a.(3) above. The Applicant must reflect the additional ELI units on the Total Set-Aside Breakdown Chart in order to be eligible for the additional funding. The terms of the ELI Supplemental Loan are outlined in Item A.10.b.(1) below and in Exhibit C of the RFP.

After 15 years, the ELI Set-Aside units above the 20 percent threshold minimum requirement (the units for which the Applicant received the ELI Supplemental Loan) may convert to serve the highest AMI percentage committed to on the Set-Aside Breakdown Chart.

## c. ELI Set-Aside Unit Limitation:

The total ELI Set-Aside is limited to no more than 50 per cent. Any Application that reflects an ELI Set-Aside of more than 50 percent will have the set-aside units adjusted during the credit underwriting process.

d. Total Set-Aside Breakdown Chart (**Threshold**):

The Total Set-Aside Breakdown Chart must reflect all set-aside commitments (required set-asides and additional set-asides, including all required and additional ELI set-asides) and the required total set-aside percentage (as outlined above).

Complete the Total Set-Aside Breakdown Chart at question 5.b. of Exhibit A of the RFP.

The Applicant must indicate on the chart the percentage of residential units, stated in whole numbers, to be set aside at each selected AMI level. Where reasonably possible, Applicants will be required to keep the unit mix consistent across each committed AMI level.

**6. Construction Features and Amenities:**

All of the Applicant's commitments to provide features and amenities (i.e., both required and optional features and amenities) will be included in the Extended Use Agreement and Land Use Restriction Agreement and must be maintained in order for the Development to remain in compliance unless the Board approves a change. The quality of the required and optional features and amenities committed to by the Applicant are subject to approval of the Board of Directors.

a. Required Features and Amenities:

By submitting the Application, the Applicant commits to provide the required features and amenities outlined at Item 3 of Exhibit B of the RFP.

b. Optional Features and Amenities (**Maximum 25 Points**):

Responses to these items will be scored based on the following criteria (as relevant to each item): (i) Development and long term operating costs compared to the benefit to the property and/or tenants; (ii) Impact to energy efficiency of the property; (iii) Impact to tenants' health, safety, stability, level of independence and quality of life; (iv) Resource conservation; (v) Impact to tenants' ability to carry out social relationships; and (vi) Developer's experience implementing proposed features and amenities. If the Applicant believes an approach is a Best Practice, explain why.

Applicants may be awarded points for providing description(s) for one or more of the following:

- (1) Green Building/Energy Efficiency – green building features (in addition to the required features) that promote energy efficiency, occupant health and resource conservation. Provide the description(s) as **Attachment 10** to Exhibit A. (**Up to 5 Points**)

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (2) Accessibility and Universal Design – accessibility, universal design or visitability features (in addition to the required features) that promote accessible and/or adaptable design elements that benefit the focus households and people of all ages, sizes, and abilities throughout the life of the property. Provide the description(s) as **Attachment 11** to Exhibit A. (**Up to 15 Points**)

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (3) Other Features and Amenities – any other innovative and Best Practices for features and amenities that will be included in the proposed Development. Provide the description(s) as **Attachment 12** to Exhibit A. **(Up to 5 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

## 7. Resident Services:

All of the Applicant's commitments to provide required and any optional resident services will be included in the Extended Use Agreement and Land Use Restriction Agreement and must be maintained in order for the Development to remain in compliance unless the Board approves a change. The quality of the required and optional resident services committed to by the Applicant are subject to approval of the Board of Directors.

The provision of resident services will be the responsibility of the Development, but may be in conjunction with public and/or private partnerships as approved by the Corporation.

### a. Required Resident Services:

By submitting the Application, the Applicant commits to provide the required resident services outlined at Item 4 of Exhibit B of the RFP.

### b. Optional Resident Services **(Maximum 30 Points)**:

Response to these items will be scored based on the following criteria (as relevant to each item): (i) Impact to tenants' health, safety, stability, education and employment capacities, and quality of life; (ii) Impact on tenants' ability to effectively utilize living skills to successfully live in the community; and (iii) Developer's experience implementing proposed resident services. If the Applicant believes an approach is a Best Practice, explain why.

Applicants may be awarded points for providing description(s) for one or more of the following:

- (1) Supported Employment Services (An employment services program at no cost to the resident that is integrated with the permanent supportive housing program of the proposed Development). If this service is proposed, describe how the residents of the proposed Development will have access, including how the employment services program will meet the comprehensive needs of the focus population and will integrate supportive housing and employment services. Explain how the employment services program will provide the ongoing supports necessary to ensure the participants' success in the workplace to obtain competitive jobs that anyone could have regardless of their disability status. Identify the community partners that will comprise the employment services program and the role of each partner. Describe the nature and extent of the relationship between each partner and the proposed Development. Typical partners in a successful employment services program may include the following:
- Behavioral health agencies;
  - Federally Qualified Health Centers;

- Regional Workforce Boards;
- One-Stop Career Centers;
- Case management organizations;
- The local public housing authority;
- Community-based non-profit human service agencies;
- The state mental health agency;
- The state vocational rehabilitation agency;

Lead Agency: Identify the entity that will act as the Lead Agency for the employment services program. Describe how the Lead Agency will coordinate the program's services procedures and practices and work with the diverse systems each partner represents. Provide the description(s) as **Attachment 13** to Exhibit A. **(Up to 15 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (2) Approaches to Assist Households with Problem Credit and/or Other Problems Affecting Housing - The Applicant may propose innovative and Best Practices that enable households with problem credit histories and/or other issues that affect their abilities to obtain decent rental housing to live in the proposed Development. The innovative and Best Practices may include practices in assisting households to improve their credit histories, enhance money management skills and/or other related matters. Provide the description(s) as **Attachment 14** to Exhibit A. **(Up to 10 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- (3) Innovative and/or Best Practices in the area of resident services, available to the residents at no cost and at their voluntary participation, that meet the needs and preferences of the members of the focus households, as well as other households to be served, and facilitate the residents' abilities to live in the community with independence, productivity, stability and choice. Provide the description(s) as **Attachment 15** to Exhibit A. **(Up to 5 Points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

#### **8. Access to Community-Based Services and Amenities (Maximum 25 Points):**

The ability for members of the focus households to effectively and efficiently access community-based services and resources is vital to assist these households to obtain and maintain choice, independence and full inclusion in the community. Provide a description of the Development's plan to provide access to general community services and amenities, as well as specific supportive services and resources that address the needs of the focus households.

Response to these items will be scored based on the following criteria (as relevant to each item): (i) Impact to tenants' health, safety, stability; (ii) Impact to tenants' abilities to access services and amenities off site daily, weekly and occasionally; (iii) Impact to tenants' abilities to access the range of services and amenities required to live a full life integrated in the community; (iv) Impact to tenants' abilities to access education and employment opportunities and carry out off-

site social relationships; and (v) Developer's experience implementing access to community-based services/amenities. If the Applicant believes an approach is a Best Practice, explain why.

All Applicants may be awarded points for providing description(s) of one or more of the following:

- a. Describe the community-based services and amenities that will be accessible to residents, such as shopping for groceries, medicine, clothing, and other household and personal items. Include other services and amenities such as public schools, higher education and employment training opportunities. Describe any public and private transportation options that will be available to residents of the proposed Development to ensure access to the described services and amenities. Provide the description(s) as **Attachment 16** to Exhibit A. **(Up to 10 points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- b. Describe access to community-based resources and services to address the specific healthcare and/or supportive services needs of each resident of the focus households. If serving Veterans who are transitioning from nursing, rehabilitation or domiciliary care facilities within the VA Hospital or Medical Center, describe the transportation and access to the VA Hospital and/or VA Medical Center. Provide the description(s) as **Attachment 17** to Exhibit A. **(Up to 10 points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

- c. Provide information regarding any other innovative or Best Practices related to the Development or Development's location, as well as amenities and services to be provided by the Development and/or in an appropriately executed partnership with public and/or private entities that address unmet needs of the focus households, promote integration with the broader community, and facilitate employment. Provide the description(s) as **Attachment 18** to Exhibit A. **(Up to 5 points)**

The Applicant's Attachment should be limited to 3 legibly typed pages or a character limit that would equal 3 typed pages. Up to 3 additional pages of appropriate exhibits not created by the Applicant may accompany the Attachment.

#### **9. Site Control (Threshold):**

To achieve threshold, the Applicant must demonstrate site control by providing, as **Attachment 19** to Exhibit A, the documentation required in Items a, b, and/or c., as indicated below. The required documentation, including any attachments or exhibits referenced in any document, must be attached to that document regardless of whether that attachment or exhibit has been provided as an attachment or exhibit to another document or whether the information is provided elsewhere in the Application. If the proposed Development consists of Scattered Sites, site control must be demonstrated for all of the Scattered Sites. A legal description of the Development site must be provided.

- a. Eligible Contract - For purposes of the-RFP, an eligible contract is one that has a term that does not expire before a date that is six (6) months after the Application deadline or that

contains extension options exercisable by the purchaser and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than six (6) months after the Application deadline; specifically states that the buyer’s remedy for default on the part of the seller includes or is specific performance; and the buyer MUST be the Applicant unless a fully executed assignment of the eligible contract which assigns all of the buyer’s rights, title and interests in the eligible contract to the Applicant, is provided. If the owner of the subject property is not a party to the eligible contract, all documents evidencing intermediate contracts, agreements, assignments, options, or conveyances of any kind between or among the owner, the Applicant, or other parties, must contain every exhibit and attachment referenced therein, and must contain the following elements of an eligible contract: (i) have a term that does not expire before a date that is six (6) months after the Application deadline or contain extension options exercisable by the purchaser and conditioned solely upon payment of additional monies which, if exercised, would extend the term to a date that is not earlier than six (6) months after the Application deadline, and (ii) specifically state that the buyer’s remedy for default on the part of the seller includes or is specific performance.

- b. Deed or Certificate of Title – The deed or certificate of title (in the event the property was acquired through foreclosure) must be recorded in the county in which the property is located and show the Applicant as the sole Grantee.
- c. Lease - The lease must have an unexpired term of at least 50 years from the Application deadline and the lessee must be the Applicant. The only permissible contingencies in the lease are (i) receipt of HC funding and (ii) any condition related to HUD approval. If the owner of the subject property is not a party to the lease, all documents evidencing intermediate leases, subleases, assignments, or agreements of any kind between or among the owner, the lessor, or any sublessee, assignor, assignee, and the Applicant, or other parties, must contain every exhibit and attachment referenced therein, and if a lease, must have an unexpired term of at least 50 years from the Application deadline.

**10. Funding:**

- a. Funding Request (**Threshold**):

The Applicant must state the amount of Housing Credits it is requesting in its Application and such amount will be considered to be the Applicant’s Housing Credit Request Amount. However, if the amount requested is greater than the amount the Applicant is eligible to request, the Corporation will reduce the amount down to the maximum amount the Applicant is eligible to request and this adjusted amount will be deemed to be the Applicant’s Housing Credit Request Amount for purposes of this RFP. In the event of a discrepancy between the amount shown in this section, or as adjusted by the Corporation, if applicable, and that shown elsewhere within the Application, the amount shown in this section, or as adjusted by the Corporation, if applicable, shall be deemed to be the Applicant’s Housing Credit Request Amount.

The maximum Competitive HC Request Amount cannot exceed the applicable amount stated in the following chart:

<b>County Group Maximum Competitive HC Request Limits</b>	
If Development is not located in a DDA or if the Application does not meet the RFP requirements to qualify as a QCT	DDA/QCT Bonus – If Development is located in a DDA; and/or if the Application meets the RFP requirements to qualify as QCT
\$1,000,000	\$1,300,000

b. Other Funding:

(1) ELI Supplemental Loan:

All Applicants will be credited with a forgivable ELI Supplemental Loan amount of \$75,000 for each additional ELI set-aside unit (above the required 20 percent threshold minimum ELI Set-Aside) up to a maximum of 25 percent total ELI Set-Aside. The number of ELI units will be rounded up to the next whole number. For example, an Applicant proposing to provide 96 total units, with an ELI Set-Aside commitment of 25 percent (24 units) must set aside 20 percent of the total units (20 units) for ELI Households in order to meet threshold. For the remaining 4 units, the Applicant will be eligible to receive a forgivable ELI Supplemental Loan amount of \$300,000 (4 additional ELI units x \$75,000 per unit).

Once entered by the Applicant at Item 10.b.(1)(h) of Exhibit A, the anticipated ELI Supplemental Loan amount will be listed at the applicable line item on the Construction/Rehab. Analysis and the Permanent Analysis. The Applicant's calculations at Item 10.b.(1) of Exhibit A of the RFP will be verified by the Corporation during the scoring process and adjusted, if necessary to the amount the Applicant is eligible for based on the number of additional ELI units set aside above the minimum required 20 percent up to the maximum 25 percent. The ELI Supplemental Loan will be governed by the provisions outlined in Exhibit C of the RFP.

(2) Set-Aside Gap Loan:

All Applicants will be credited in the Development Cost Pro Forma with a non-forgivable Set-Aside Gap Loan amount of up to \$40,000 for each Housing Credit Set-Aside unit for gap funding purposes that will be sized in credit underwriting. The number of HC set-aside units will be rounded up to the next whole number. For example, an Applicant proposing to provide 96 total units, with a Total Set-Aside Percentage of 80 percent (the minimum to meet threshold) or 77 units, will be eligible to receive a non-forgivable Set-Aside Gap Loan amount of up to \$3,080,000 (77 total HC set-aside units x up to \$40,000 per unit) which will be sized in credit underwriting based on gap financing needs assuming housing credit economic viability modeling and availability of funding.

Once entered by the Applicant at Item 10.b.(2)(d) of Exhibit A, the anticipated Set-Aside Gap Loan amount will be listed at the applicable line item on the Construction/Rehab. Analysis and the Permanent Analysis. The Applicant's calculations at Item 10.b.(2) of Exhibit A of the RFP will be verified by the Corporation during the scoring process and adjusted, if necessary to the amount the Applicant is eligible for based on the total number of HC set aside units (calculated by multiplying the total number of units within the proposed Development by the Total Set-Aside Percentage and rounding up to the next whole number). The Set-Aside Gap Loan will be governed by the provisions outlined in Exhibit C of the RFP.

- (3) If the proposed Development has received funding from the Predevelopment Loan Program (PLP), the Corporation file number and amount of funding must be listed. Note: PLP funding cannot be used as a source of financing on the Construction/Rehab. Analysis or the Permanent Analysis.

c. Finance Documents (**Threshold**):

All Applicants must complete the Development Cost Pro Forma listing the anticipated expenses or uses, the Detail/Explanation Sheet, if applicable, and the Construction or Rehab Analysis and Permanent Analysis listing the anticipated sources. To pass threshold, the sources must equal or exceed the uses.

❖ Developer Fee

Developer fee shall be limited to 21 percent of Development Cost. The maximum allowable Developer fee will be tested during the scoring of the Application by multiplying the Development Cost by 21 percent, carried to 2 decimal places and may not be rounded.

The Corporation will allow up to 100 percent of the eligible Developer fee to be deferred and used as a source on the Development Cost Pro Forma.

❖ Development Cost Pro Forma

This section must include all anticipated costs of the Development construction, rehabilitation and, if applicable, acquisition. Any amounts that are not an anticipated cost to the Development, such as waived fees or charges, cannot be included in the Development Cost Pro Forma. Note: deferred Developer fees are not considered “waived fees”.

➤ Fee Disclosure

Developer fee and General Contractor fee must be disclosed. In the event the Developer fee and/or General Contractor fee are/is not disclosed on the Development Cost Pro Forma, the Corporation will assume that these fees will be the maximum allowable and will add the maximum amount(s) to Total Development Cost. If an Applicant lists a Developer fee or General Contractor fee that exceeds the stated Application limits, the Corporation will adjust the fee to the maximum allowable.

d. Non-Corporation Funding Proposals:

In order for funding to be counted as a source on the Construction/Rehab. and/or Permanent analysis, the Applicant must provide documentation of all financing proposals from both the construction and the permanent lender(s), equity proposals from the syndicator, and other sources of funding. The financing proposals must state whether they are for construction financing, permanent financing, or both, and all attachments and/or exhibits referenced in the proposal must be included. Insert documentation for each source as **Attachment 20** to Exhibit A and continuing with sequentially numbered attachments for each additional funding source. Evidence for each funding source must be behind its own sequentially numbered attachment.

For purposes of the Application, neither net operating income for a Rehabilitation Development nor capital contributions will be considered a source of financing.

(1) Financing Proposal

Financing proposal documentation, regardless of whether the documentation is in the form of a commitment, proposal, term sheet, or letter of intent, must meet the following criteria. Evidence for each funding source must be behind its own numbered attachment.

(a) Each financing proposal shall contain:

- (i) Amount of the construction loan, if applicable;
  - (ii) Amount of the permanent loan, if applicable;
  - (iii) Specific reference to the Applicant as the borrower or direct recipient;
  - (iv) Signature of all parties, including acceptance by the Applicant;
- (b) Financing that has closed:
- (i) If the financing has closed in the Applicant's name, provide a letter from the lender acknowledging that the loan has closed. The letter must also include the following information:
    - Amount of the construction loan, if applicable;
    - Amount of the permanent loan, if applicable; and
    - Specific reference to the Applicant as the borrower/direct recipient/mortgagee.
  - (ii) Except for HUD funding, if the financing involves an assumption of debt not currently in the Applicant's name, as evidence that the lender approves of the proposal of assumption, the Applicant must provide a letter from the lender, dated within six (6) months of the Application deadline, that includes the following information:
    - Specifically references the Applicant as the assuming party;
    - If a permanent loan, states the amount to be assumed; and
    - If a construction loan, states the maximum amount of funding capacity.

If the debt being assumed is provided by HUD, the Applicant must provide a letter from HUD, dated within six (6) months of the Application deadline, confirming the funding source. The letter must include the following information:

    - Name of existing development;
    - Name of proposed Development;
    - Loan balance;
    - Acknowledgment that property is applying for Housing Credits; and
    - Applicable HUD program.
- (c) If the financing proposal 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. Evidence of ability to fund includes: (1) a copy of the lender's most current audited financial statements no more than 17 months old; or (2) if the loan has already been funded, a copy of the note and recorded mortgage. The age of all financial statements is as of the Application deadline. In evaluating ability to fund, the Corporation will consider the entity's unrestricted current assets typically used in the normal course of business. Assets considered restricted include, but are not limited to, pension funds, rental security deposits, and sinking funds. Financing proposals from lenders who cannot demonstrate ability to fund will not count as a source of financing. Financial statements must be included in the Application.

- (d) If a financing proposal shows an amount less than the corresponding line item on the pro forma, only the financing proposal amount will be considered as a funding source. However, if a financing proposal shows an amount in excess of the corresponding line item on the pro forma, up to the total amount of the financing proposal amount may be utilized as a funding source, if needed.
- (e) The loan amount may be conditioned upon an appraisal or debt service coverage ratio or any other typical due diligence required during credit underwriting.
- (f) Financing proposals may be conditioned upon the Applicant receiving the funding from the Corporation for which it is applying.
- (g) If a financing proposal has a provision for holding back funds until certain conditions are met, the amount of the hold-back will not be counted as a source of construction financing unless it can be determined that the conditions for the release of the hold-back can be met prior to or simultaneous with the closing of the Development's permanent financing.
- (h) Grant funds are contributions to the Development, other than equity, which carry no repayment provision or interest rate. A commitment for grant funds will be considered a commitment for scoring purposes if the commitment is properly executed and, if applicable, evidence of ability to fund is provided.

## (2) Equity Proposal

For the purpose of this RFP, to be counted as a source an equity proposal, regardless of whether the documentation is in the form of a commitment, proposal, term sheet or letter of intent, must: (i) if syndicating/selling the Housing Credits, meet the requirements outlined in (a) below and include the information outlined in (b) below, or (ii) if not syndicating/selling the Housing Credits, meet the requirements outlined in (a) below and include the information outlined in (c) below:

- (a) All HC equity proposals must meet the following criteria:
  - (i) If the Housing Credit Request Amount is less than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will not be considered a source of financing. However, if the Housing Credit Request Amount is greater than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will be considered a source of financing; and
  - (ii) The percentage of Housing Credits to be purchased must be equal to or less than the percentage of ownership interest held by the limited partner (inclusive of any special limited partner) or member.
- (b) If syndicating/selling the Housing Credits:
  - (i) A Housing Credit equity proposal must also meet the following criteria:
    - Be executed by all parties, including the Applicant;
    - Include specific reference to the Applicant as the beneficiary of the equity proceeds;
    - State the proposed amount of equity to be paid prior to construction completion;

- State the anticipated amount of Housing Credit allocation (annual amount), which must be within the HC limits set out in Item A.10.a. of the RFP;
- State the anticipated dollar amount of Housing Credit allocation to be purchased; and
- State the anticipated total amount of equity to be provided.

Note: Item 11 of Exhibit A of the RFP outlines the requirement and deadline for the Applicant's confirmation that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria).

- (ii) If the limited partnership agreement or limited liability company operating agreement has closed, the closed agreement must be provided. To be counted as a source of financing the partnership agreement or operating agreement must meet the 15 percent criteria (outlined in Item 11 of Exhibit A of the RFP) and must expressly state the amount of funds to be paid prior to completion of construction by the equity provider or the Applicant must submit separate documentation, signed by the equity provider, expressly stating the amount of funds paid or to be paid prior to completion of construction.
- (c) If not syndicating/selling the Housing Credits, the owner's commitment to provide equity must be provided.
  - (i) The commitment must include the following:
    - The proposed amount of equity to be paid prior to construction completion;
    - The anticipated amount of Housing Credit allocation (annual amount), which must be within the HC limits set out in Item A.10.a. of the RFP;
    - The anticipated dollar amount of Housing Credit allocation to be purchased; and
    - The anticipated total amount of equity to be provided.
  - (ii) Evidence of ability to fund must be provided as an Attachment to the Application.

Except for deferred Developer fee, the Application requires complete information on all sources of Development funding and the proposed uses of those funds. All loans, grants, donations, syndication proceeds, etc., should be detailed in the Application as outlined above. The total amount of monetary funds determined to be in funding proposals must equal or exceed uses.

#### **11. Applicant Certification and Acknowledgement (Threshold):**

The Applicant's signature on Exhibit A indicates the Applicant's certification and acknowledgement of the provisions and requirements of the RFP. The copy of the Application labeled "Original Hard Copy" must reflect an original signature (blue ink is preferred).

#### **B. Funding Selection**

Applications must pass threshold and achieve at least 87 total points to be eligible to be considered for funding. All eligible Applications will be sorted from highest score to lowest score, with any scores that are tied separated first by the Applicant's Housing Credit Request Amount per Housing

Credit Set-Aside unit (with the lower amount receiving preference), then by the Application's eligibility for the Florida Job Creation Preference which is outlined in Item 6 of Exhibit B of the RFP (with Applications that qualify for the preference listed above Applications that do not qualify for the preference), and finally by lottery number, resulting in the lowest lottery number receiving preference.

The Corporation has a goal to fund at least one Development that will serve Veterans with Special Needs. The first Application considered for funding will be the highest scoring eligible Application proposing to serve Veterans Transitioning from Facilities within a Designated VA Hospital and/or Medical Center. If there are no eligible Applications that meet this designation, then the first Application to be considered for funding under this goal will be the highest scoring eligible Application proposing to serve Veterans with a Disabling Condition(s) who are in institutions or chronically homeless and have been identified as significant users of public resources including emergency care and shelter, judicial services, and institutions and who have been determined eligible for, need and choose Permanent Supportive Housing. If there are no eligible Applications that meet that designation, then the highest scoring eligible Application will be considered for funding, regardless of the population to be served.

After the first Application is selected for funding, all eligible Application(s) will be considered for funding, regardless of the population to be served.

Funding will be limited to 1 Application per county (county test), except as otherwise provided below.

Applications will be selected for funding only if there is enough funding available to fully fund the Applicant's Housing Credit Request Amount (100% funding test), except as otherwise provided below.

If an Application cannot meet both the county test and the 100% funding test, the next lower ranked Application will be considered subject to both the county test and the 100% funding test. If funding remains and no unfunded eligible Applications meet both the county test and the 100% funding test, then the highest ranked unfunded eligible Application that can meet the county test will be selected for tentative funding, provided there is enough funding remaining to fund at least 85 percent of the Applicant's Housing Credit Request Amount (85% funding test). If funding remains and none of the unfunded eligible Applications can meet the county test, then the highest ranked unfunded eligible Application that can meet the 85% funding test will be tentatively selected for funding, without regard to the county test. If none of the unfunded eligible Applications meet the 85% funding test, no further Applications will be considered for funding and any remaining funding will be distributed as approved by the Board.

Funding that becomes available after the Board takes action on the Committee's recommendation(s), which could include an Applicant declining its invitation to enter credit underwriting or the Applicant's inability to satisfy a requirement outlined in Item 12 of Exhibit A of the RFP or outlined in Exhibits B and/or C of the RFP, will be distributed as approved by the Board.

## **SECTION SEVEN EVALUATION PROCESS**

Individual Committee members shall independently evaluate and score their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.

As outlined in Section Three of the RFP, any of the following will cause the Application to fail threshold and be rejected: failure to submit the Application online with the required number of hard copies, failure to submit the Application by the Application deadline, and/or failure to submit the required Application fee.

As outlined below, an Application will be ineligible to be considered for funding if the Applicant or Developer or Principal, Affiliate or Financial Beneficiary of the Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation.

Applications will be scored based on the following Threshold and Point items:

Threshold Items	Point Items	Maximum Points
Demographic Commitment	Outreach, Marketing and Tenant Selection	10
Name of Applicant	Contact Person for Application	5
Evidence Applicant is a legally formed entity	Developer Experience with Permanent Supportive Housing	25
Principals for Applicant and for each Developer	Management Company Experience with Permanent Supportive Housing	10
Name of Each Developer	Number of Buildings with Dwelling Units	3
Evidence that each Developer entity is a legally formed entity	Optional Construction Features and Amenities	25
Name of Proposed Development	Optional Resident Services	30
County identified	Access to Community-Based Services and Amenities	25
Address of Development Site		
Verification of QCT status (if applicable)		
Estimated qualified basis in Rehabilitation Expenses per set-aside unit (if applicable)		
Development Category		
Development Type		
Total Number of Units		
New construction units and/or rehabilitation units		
Status of proposed work (commenced/ completed)		
Minimum Set-Aside election		
Total Set-Aside Breakdown Chart		
Evidence of Site Control		
Housing Credit Request Amount		
Development Cost Pro Forma (listing expenses or uses) and Construction/Rehab. analysis and Permanent analysis (listing sources) – Sources must equal or exceed uses		
Executed Applicant Certification and Acknowledgement (original signature in “Original Hard Copy”)		
Total Possible Points:		133

The Committee shall conduct at least one public meeting during which the Committee members may discuss their evaluations, select Applicants to be considered for award, and make any adjustments deemed necessary to best serve the interests of the Corporation’s mission. The Committee will list the Applications deemed eligible for funding in order from highest total score to lowest total score, applying the funding selection criteria outlined in Item B of Section Six above, and develop a recommendation or series of recommendations to the Board. The Committee will deem an Application ineligible for funding if, at the time the Committee meets to make its recommendation to the Board, there are any financial obligations for which an Applicant or Developer or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer is in arrears

to the Corporation or any agent or assignee of the Corporation. The Board may use the Applications, the Committee's scoring, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Applicants to whom to award funding. Notwithstanding an award by the Board pursuant to this RFP, funding will be subject to a positive recommendation from the Credit Underwriter based on criteria in outlined in the credit underwriting provisions in Exhibit C of the RFP.

## **SECTION EIGHT AWARD PROCESS**

The Corporation shall provide notice of its decision, or intended decision, for this RFP on the Corporation's Website the next business day after the applicable Board vote. After posting, an unsuccessful Applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., et. al. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., et. al. shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

## Exhibit A to RFP 2013-08 - Special Needs High Priority Affordable Housing Developments

### 1. Persons with Special Needs Demographic Commitment:

- a. Indicate the population that will be the major focus of the proposed Development:
  - Persons with Special Needs
  - or
  - Veterans with Special Needs
  
- b. If the Applicant selected Persons with Special Needs at question 1.a. above, provide, as **Attachment 1**, a detailed description of the resident household characteristics, needs, and preferences of the focus Persons with Special Needs population(s) the Applicant is proposing to serve.
  
- c. If the Applicant selected Veterans with Special Needs at question 1.a. above, indicate the Veterans population that will be the major focus of the Application (c.(1) or c.(2) below):
  - (1) Veterans Transitioning from Facilities within a Designated VA Hospital and/or Medical Center - Veterans with significant service-connected Disabling Conditions who are residing in nursing, rehabilitation or domiciliary care facilities within one or more of the following Designated VA Hospitals and/or Medical Centers. Indicate one or more of the following applicable Hospitals/Medical Centers from which residents will be transitioning:
    - Tampa Polytrauma Rehabilitation Center (Hillsborough County - 13000 Bruce B. Downs Blvd., Tampa, FL 33612);
    - West Palm Beach VA Medical Center (Palm Beach County - 7305 N. Military Trail, West Palm Beach, FL 33410);
    - Orlando VA Medical Center (Orange County - 5201 Raymond Street, Orlando, FL 32803);
    - James A. Haley Veterans Hospital (Hillsborough County - 13000 Bruce B. Downs Blvd., Tampa, FL 33612);
    - Bay Pines VA Healthcare System (Pinellas County - 10000 Bay Pines Blvd., Bay Pines, FL 33744);
    - Malcom Randall VA Medical Center (Alachua County - 1601 SW Archer Road, Gainesville, FL 32608);
    - Lake City VA Medical Center (Columbia County - 619 South Marion Avenue, Lake City, FL 32025);
    - Miami VA Healthcare System (Miami-Dade County – 1201 N.W 16<sup>th</sup> Street, Miami, FL 33125).
  - or
  - (2) Veterans with a Disabling Condition(s) who are in institutions or chronically homeless and have been identified as significant users of public resources including emergency care and shelter, judicial services, and institutions and determined eligible for, need and choose Permanent Supportive Housing.

Applicants that select c.(1) or c.(2) above must provide, as **Attachment 1**, a detailed description of the resident household characteristics, needs, and preferences of the focus population(s) the Applicant is proposing to serve.

d. Outreach, Marketing and Tenant Selection:

The Applicant may receive points by describing outreach and other activities, beyond those required by this Application, that will be conducted initially and on a continuing basis to market the Development to the focus populations and general public and used to develop and retain an applicant pool of prospective residents. Specify any community organizations or agencies that the Development will work with to establish and manage a system of referring persons served by these entities to the Development for tenancy. Describe the persons to be referred, the system or process of referring these persons, and related Best Practices to be used in implementation. Provide the description(s) as **Attachment 2**.

**2. Applicant Information:**

a. Name of Applicant: \_\_\_\_\_

b. Provide the required documentation to demonstrate that the Applicant is a legally formed entity qualified to do business in the state of Florida as of the Application deadline as **Attachment 3**.

c. Principals for the Applicant and for each Developer:

Provide the required information for the Applicant and for each Developer as **Attachment 4**.

d. Contact Person for this Application:

First Name: \_\_\_\_\_ Middle Initial: \_\_\_\_\_

Last Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Relationship to Applicant: \_\_\_\_\_

**3. Developer and Management Company Information**

a. Developer:

(1) State the name of each Developer (include all co-Developers):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2) For each Developer entity listed in question 3.a.(1) above (that is not a natural person) provide, as **Attachment 5**, the required documentation demonstrating that it is a legally formed entity qualified to do business in the state of Florida as of the Application deadline.

(3) Developer Experience with Permanent Supportive Housing

- (a) Provide, as **Attachment 6**, a description of the Developer’s experience in developing and operating Permanent Supportive Housing, and more specifically, the households the Applicant is proposing to serve.
- (b) Provide, as **Attachment 6**, the required information regarding any national, state or local entities that the Developer has executed or shall execute an agreement with, as outlined in Item A.3.a.(3)(b) of Section Six of the RFP.

b. Management Company Experience with Permanent Supportive Housing

Provide, as **Attachment 7**, a description of the Management Company’s experience in managing Permanent Supportive Housing, specifically, the households the Applicant is proposing to serve.

**4. General Development Information**

a. Name of proposed Development: \_\_\_\_\_

b. Location of Development Site:

(1) County: \_\_\_\_\_

(2) Address of Development Site:

Indicate (i) the address number, street name, and name of city and/or (ii) the street name, closest designated intersection, and either name of city or unincorporated area of county:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(3) Complete questions (a) through (c) below:

(a) Difficult Development Area (DDA) and Qualified Census Tract (QCT):

(i) Is the proposed Development located in a HUD-designated DDA, as defined in Section 42(d)(5)(B)(iii), of the IRC, as amended?

- Yes
- No

If “Yes”, indicate which DDA: \_\_\_\_\_

(ii) Is the proposed Development located in a QCT as defined in Section 42(d)(5)(B)(ii), IRC, as amended?

- Yes
- No

If “Yes”, indicate QCT Number: \_\_\_\_\_ and provide a copy of a letter from the local planning office or census bureau which verifies that the proposed Development is located in the referenced QCT as **Attachment 8**.

(b) Is the Applicant applying for Housing Credits for eligible acquisition expenses?

- Yes
- No

If “Yes”, answer questions (i) through (vii) below:

(i) Is/are the building(s) acquired or to be acquired from a related party?

- Yes  No

(ii) Name of previous owner: \_\_\_\_\_

(iii) Relationship to Applicant: \_\_\_\_\_

(iv) Date Development originally placed in service: \_\_\_\_\_ (mm/dd/yyyy)

(v) Date (mm/dd/yyyy) and cost of last rehabilitation: \_\_\_\_\_

(vi) Describe acquisition facts and circumstances relative to Section 42(d), of the IRC (“10-year rule”):

\_\_\_\_\_

\_\_\_\_\_

(vii) Is a waiver of the 10-year rule being sought by the Applicant?

- Yes  No

Explain why or why not: \_\_\_\_\_

(c) Is the Applicant applying for Housing Credits for eligible Rehabilitation expenses?

- Yes  No

If “Yes”, what is the estimated qualified basis in Rehabilitation expenses per set-aside unit within one 24-month period for the building(s) being Rehabilitated? \$\_\_\_\_\_

c. Development Category – Select one applicable Development Category:

- New Construction (where 50% or more of the units are new construction)
- Rehabilitation (where less than 50% of the units are new construction)
- Acquisition and Rehabilitation (acquisition and less than 50% of the units are new construction)

d. Development Type: \_\_\_\_\_

e. Number of buildings with dwelling units: \_\_\_\_\_

f. Number of Units in Proposed Development:

(1) State the total number of units: \_\_\_\_\_

(2) Select the applicable item below:

- Proposed Development consists of 100% new construction units
- Proposed Development consists of 100% rehabilitation units
- Proposed Development consists of a combination of new construction units and rehabilitation units. State the quantity of each type:

\_\_\_\_\_ new construction units and \_\_\_\_\_ rehabilitation units

g. Previous Underwriting:

Is this Development currently being underwritten or has it been underwritten previously by any Credit Underwriter under contract with the Corporation?

- Yes
- No

If “Yes”, identify the Credit Underwriter or state “unknown”: \_\_\_\_\_

h. Development Status:

(1) Work Commenced or Completed

(a) Has the work proposed in this Application commenced?

- Yes
- No

If “Yes”, were building permits or site development permits required?

- Yes
- No

If “Yes”, when were the permits issued? \_\_\_\_\_  
(mm/dd/yyyy)

If “No”, when did the work commence? \_\_\_\_\_  
(mm/dd/yyyy)

(b) Has the work proposed in this Application been completed?

- Yes
- No

If “Yes”, when were the certificates of occupancy issued? \_\_\_\_\_  
(mm/dd/yyyy)

If certificates of occupancy were issued on more than one date, provide a listing of the issue-date for each certificate as **Attachment 9**.

(2) If the work proposed in this Application is not yet complete, what is the anticipated placed-in-service date? \_\_\_\_\_ (mm/dd/yyyy)

**5. Set-Aside Commitments**

a. Minimum Income Set-Aside per Section 42 of the IRC:

Select one of the following:

- 20% of units at 50% Area Median Income (AMI) or lower
- 40% of units at 60% AMI or lower
- Deep rent skewing option as defined in Section 42, of the IRC, as amended

b. Total Set-Aside Breakdown Chart:

All Applications must reflect on the Total Set-Aside Breakdown Chart below all set-aside commitments: required set-asides and additional set-asides, including the total ELI set-aside (minimum required ELI set-aside of 20% plus any additional ELI set-aside percentage), as well as

the total set-aside percentage by listing the percentage of residential units, stated in whole numbers, to be set aside at each selected AMI level:

Total Set-Aside Breakdown Chart	
Percentage of Residential Units	AMI Level
%	At or Below 25%
%	At or Below 28%
%	At or Below 30%
%	At or Below 33%
%	At or Below 35%
%	At or Below 40%
%	At or Below 45%
%	At or Below 50%
%	At or Below 60%
Total Set-Aside Percentage:	%

**6. Optional Construction Features and Amenities**

All Applicants may be awarded points for providing one or more of the following optional features and amenities. These optional features and amenities are in addition to the required features and amenities outlined in Item 3 of Exhibit B of the RFP.

- a. Green Building / Energy Efficiency – green building features that promote energy efficiency, occupant health and resource conservation. Provide the required description(s) as **Attachment 10.**
- b. Accessibility and Universal Design – accessibility, universal design or visitability features that promote accessible and/or adaptable design elements. Provide the required description(s) as **Attachment 11.**
- c. Other Features and Amenities – any other innovative and Best Practices for features and amenities that will be included in the proposed Development. Provide the required description(s) as **Attachment 12.**

**7. Optional Resident Services**

All Applicants may be awarded points for providing one or more of the following optional resident services. These optional services are in addition to the required resident services outlined in Item 4 of Exhibit B of the RFP. Provide the descriptions for optional resident services listed below that meet the objectives explained in Item A.7.b. of Section Six of the RFP.

- a. Supported Employment Services. Provide the required description(s) as **Attachment 13.**
- b. Approaches to Assist Households with Problem Credit and/or Other Problems Affecting Housing. Provide the required description(s) as **Attachment 14.**
- c. Innovative and/or Best Practices in the area of resident services, available to the residents at no cost and at their voluntary participation, that meet the needs and preferences of the members of the focus households, as well as other households to be served, and facilitate the residents’ abilities to live in the community with independence, productivity, stability and choice. Provide the required description(s) as **Attachment 15.**

**8. Access to Community-Based Services and Amenities**

All Applicants may be awarded points for providing one or more of the following:

- a. A description of the community-based services and amenities that will be accessible to residents, such as shopping for groceries, medicine, clothing, and other household and personal items, as outlined at Item A.8.a. of Section Six of the RFP. Provide the required description(s) as **Attachment 16**.
- b. A description of the access to community-based resources and services to address the specific healthcare and/or supportive services needs of each resident of the focus households, as outlined at Item A.8.b. of Section Six of the RFP. Provide the required description(s) as **Attachment 17**.
- c. Information regarding any other innovative or Best Practices of the Development or Development’s location, to be provided by the Applicant and/or in partnership with public and/or private entities to address the needs of the focus households, as outlined at Item A.8.c. of Section Six of the RFP. Provide the required description(s) as **Attachment 18**.

**9. Site Control:**

The Applicant must demonstrate site control by providing the following documentation as **Attachment 19**, as outlined at Item A.9. of Section Six of the RFP:

- a. A fully executed eligible contract for purchase and sale for the subject property; and/or
- b. A recorded deed or recorded certificate of title; and/or
- c. A copy of the fully executed long-term lease.

**10. Funding:**

- a. Housing Credit Request Amount (annual amount) \$ \_\_\_\_\_
- b. Other Funding:

(1) ELI Supplemental Loan Amount Determination:

- (a) Total number of units in proposed Development: \_\_\_\_\_  
(as stated by the Applicant at Item 4.f.(1) above)
- (b) Minimum number of ELI units required – 20% of total units:  
(1)(a) x 20%, rounded up to next whole number: \_\_\_\_\_
- (c) Maximum number of ELI units to qualify for ELI Supplemental Loan funding:
  - (i) 25% of total units: (1)(a) x 25%, rounded up to next whole number: \_\_\_\_\_
  - (ii) Maximum number of ELI units eligible for ELI Supplemental Loan funding: (1)(c)(i) – (1)(b): \_\_\_\_\_
- (d) Percentage of total units set aside for ELI Households committed to per Total Set-Aside Breakdown Chart at 5.b. above: \_\_\_\_\_%
- (e) Total number of units set aside for ELI Households:  
(1)(a) x (1)(d) rounded up to next whole number: \_\_\_\_\_
- (f) Additional ELI units (above the 20% minimum):  
(1)(e) minus (1)(b): \_\_\_\_\_

(g) The lesser of (1)(c)(ii) or (1)(f): \_\_\_\_\_

(h) ELI Supplemental Loan amount based on the units set aside for ELI Households above the minimum required up to maximum of 5% above the minimum: (1)(g) x \$75,000: \$\_\_\_\_\_

(2) Set-Aside Gap Loan Amount Determination:

(a) Total number of units in proposed Development: \_\_\_\_\_  
(as stated by the Applicant at Item 4.f.(1) above)

(b) Percentage of total units committed to be set aside ( Total Set-Aside Percentage in the last row of the Total Set-Aside Breakdown Chart at Item 5.b. above: (must be at least 80%): \_\_\_\_\_ %

(c) Number of units set aside at 60% AMI or less: (2)(a) x (2)(b) rounded up to next whole number: \_\_\_\_\_

(d) Maximum Set-Aside Gap Loan amount based on the total number of set-aside units: (2)(c) x \$40,000: \$\_\_\_\_\_

(3) If a PLP loan has been awarded for this Development, provide the following information:

Corporation File #	Amount of Funding
_____	\$ _____

c. Finance Documents

All Applicants must complete the Development Cost Pro-Forma, the Detail/Explanation Sheet, if applicable, the Construction or Rehab Analysis, and the Permanent Analysis.

d. Non-Corporation Funding Proposals

All Applicants must attach all funding proposals executed by the lender(s) or other source(s). Insert the documentation for each source as a separate attachment to Exhibit A beginning with **Attachment 20** and continuing with sequentially numbered attachments for each additional funding source.

**11. Applicant Certification and Acknowledgement:**

- a. The Applicant certifies that the proposed Development can be completed and operating within the development schedule and budget submitted to the Corporation.
- b. The Applicant acknowledges and certifies that the following information will be provided by the date outlined below, or as otherwise outlined in the invitation to enter credit underwriting:

(1) Within 7 Calendar Days of the date of the invitation to enter credit underwriting:

- (a) Identity of the remaining members of the Development Team (i.e., inexperienced co-Developer(s), General Contractor, Architect, Attorney, and Accountant). The team members so identified, and any future replacement thereof, must be acceptable to the Corporation and the Credit Underwriter;

- (b) Demonstrate that the Developer(s) identified in the Application meet the general experience requirements outlined in Item 2 of Exhibit B of the RFP;
  - (c) Demonstrate that the Management Company identified in the Application meets the general experience requirements outlined in Item 2 of Exhibit B of the RFP;
  - (d) Name and address of the chief elected official of the local jurisdiction where the proposed Development is located;
  - (e) The unit mix for the proposed Development (number of bedrooms per unit, number of baths per unit, and number of units per bedroom type); and
  - (f) The Development Location Point.
- (2) Within 21 Calendar Days of the date of the invitation to enter credit underwriting:
- (a) A letter from the Local Government confirming the following for the entire Development site, including confirmation that these items were in place as of the Application deadline: that the site plan has been approved, that the site is appropriately zoned for the proposed Development, and that roads are available to the proposed Development;
  - (b) A letter from the Local Government or service provider, as applicable, confirming the following for the entire Development site, including confirmation that these items were in place as of the Application deadline: electricity, water, and sewer service for the proposed Development;
  - (c) A letter from a licensed environmental provider confirming that a Phase I environmental site assessment has been performed for the entire Development site, and, if applicable, a Phase II environmental site assessment has been performed;
  - (d) If the Applicant wishes to qualify for the Non-Profit HC administrative fee, the Applicant must submit the required documentation to confirm that it qualifies as a Non-Profit;
  - (e) Regardless of the population that will be the focus of the proposed Development, the Applicant shall adhere to applicable outreach, marketing and tenant selection laws and regulations and commit to a viable plan for tenant outreach, marketing, referral and selection as approved by The Corporation in credit underwriting;
  - (f) Confirmation that the proposed Development is Permanent Supportive Housing and meets the unit mix and community space requirements outlined in Item 1 of Exhibit B of the RFP and the minimum total demographic set-aside requirements outlined in Item A.5.a.(3) A.1.e. of the RFP; and
  - (g) Confirmation that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria), subject to the following:
    - (i) If syndicating/selling the Housing Credits, there are two exceptions to the preceding sentence. First, if there is a bridge loan proposal within the equity proposal that provides for bridge loan proceeds that equal at least 15 percent of the amount of total proposed equity to be provided to be made available prior to or

simultaneous with closing of construction financing, the 15 percent criteria will be met. Second, if there is a separate bridge loan proposal from either the equity provider, any entity that is controlled directly or indirectly by the equity provider, or a subsidiary of the equity provider's parent holding company, and the proposal explicitly proposes an amount to be made available prior to or simultaneous with the closing of construction financing that equals at least 15 percent of the total proposed equity to be paid stated in the equity proposal, the 15 percent criteria is met. Bridge loan proposals that are not within the equity proposal, though, must meet the criteria previously stated for debt financing with the exception that evidence of ability to fund does not have to be provided. The Applicant may include the proposed amount of the bridge loan as equity proceeds on the Construction or Rehabilitation Analysis and on the Permanent Analysis (Note: this 15 percent criteria must be reflected in the limited partnership agreement or limited liability company operating agreement); or

(ii) If not syndicating/selling the Housing Credits, proceeds from a bridge loan will not count toward meeting the 15 percent criteria.

(3) By the deadline outlined in the Carryover Allocation Agreement:

(a) Confirmation that all features and amenities committed to and proposed by the Applicant shall be located on the Development site; and

(b) Confirmation that, if the proposed Development meets the definition of Scattered Sites, all Scattered Sites requirements will be met, including the location of all features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

c. By submitting the Application, the Applicant acknowledges and certifies that

(1) The proposed Development will meet all state building codes, including the 2012 Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 pursuant to Exhibit C of the RFP, and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;

(2) The proposed Development will include all required construction features and amenities applicable to the Demographic selected, as outlined in Exhibit B of the RFP;

(3) The proposed Development will include all required resident services applicable to the Demographic selected, as outlined in Exhibit B of the RFP;

(4) The proposed Development will include the required ELI and Total Set-Aside units;

(5) The Applicant will set aside the units in the proposed Development for at least 50 years;

(6) The Applicant shall develop and implement a plan for tenant outreach, marketing, referral, and selection to be approved by the Corporation during the credit underwriting process; and

(7) The applicable fees outlined in Exhibit B of the RFP will be due as outlined in this RFP or as otherwise prescribed by the Corporation and/or the Credit Underwriter.

- d. The Applicant acknowledges that any funding preliminarily secured by the Applicant is expressly conditioned upon any independent review, analysis and verification that may be conducted by the Corporation of all information contained in this Application and/or subsequently provided during the credit underwriting process, the successful completion of credit underwriting, and all necessary approvals by the Board of Directors, Corporation or other legal counsel the Credit Underwriter, and Corporation Staff.
- e. If preliminary funding is approved, the Applicant will promptly furnish such other supporting information, documents, and fees as may be requested or required. The Applicant understands and agrees that the Corporation is not responsible for actions taken by the undersigned in reliance on a preliminary commitment by the Corporation. The Applicant commits that no qualified residents will be refused occupancy because they have Section 8 vouchers or certificates. The Applicant further commits to actively seek tenants from public housing waiting lists and tenants who are participating in and/or have successfully completed the training provided by welfare to work or self-sufficiency type programs.
- f. By Certificate of Occupancy, the Applicant commits to participate in the statewide housing locator system, as required by the Corporation.
- g. As a condition of the acceptance of funding under RFP 2013-08 Special Needs High Priority Affordable Housing Developments, all Awardees will be required to cooperate with the Corporation or any contractors affiliated with the Corporation in the evaluation of the effectiveness of Permanent Supportive Housing provided through this RFP. The Corporation is interested in collecting evidence to demonstrate the extent to which these developments meet expected outcomes, including but not limited to:
  - The public cost savings of housing linked with coordinated supportive services as alternatives to chronic homelessness, more expensive services, or institutionalization; and
  - Whether access to education, training and employment opportunities, as well as other supports, along with affordable housing, leads to better health, improved social relationships and stability in the family and community.

The Corporation may pursue the option to direct an independent evaluation, and in the course of the evaluation, may require Awardees to submit administrative and other data to assess the effectiveness of the RFP.

- h. The Applicant and all Financial Beneficiaries have read all applicable Corporation rules and provisions governing this RFP and have read the instructions for completing this RFP and will abide by the applicable Florida Statutes and the credit underwriting and program provisions outlined in Exhibit C of the RFP. The Applicant and all Financial Beneficiaries have read, understand and will comply with section 42 of the Internal Revenue Code, as amended, and all related federal regulations.
- i. In eliciting information from third parties required or included in this Application, the Applicant has provided such parties information that accurately describes the Development as proposed in this Application. The Applicant has reviewed the third party information included in this Application and the information provided by any such party is based upon, and accurate with respect to, the Development as proposed in this Application.

- j. The undersigned understands and agrees that in the event that the Applicant is invited into credit underwriting, the Applicant must submit IRS Forms 8821 for all Financial Beneficiaries in order to obtain a recommendation for a Housing Credit Allocation.
- k. The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Application.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Name (typed or printed)

\_\_\_\_\_  
Title (typed or printed)

## **Exhibit B to RFP 2013-08 - Special Needs High Priority Affordable Housing Developments**

### **1. Permanent Supportive Housing Requirements:**

All Applicants must meet the following unit mix and community space requirements:

- a. No units in the Development shall be smaller than Efficiency Units or larger than 4 bedroom units. No more than 10 percent of the total units shall be Efficiency Units. No more than 20 percent of the total units in the Development shall be larger than 3 bedroom units. For Applicants proposing that a portion or all units in a Development will be Shared Housing, each Shared Housing resident shall have a private bedroom with private full bath.
- b. The proposed Development must include the following:
  - (1) At least one private office space with a door, per every 25 Persons with Special Needs households, for the provision of on-site services such as individual counseling, case management, legal consultation, and assessments; and
  - (2) At least one enclosed training room with a door to conduct group training and educational activities.

### **2. Required General Experience of Developer(s) and Management Company:**

- a. Required General Developer Experience:

During the credit underwriting process, for each experienced Developer, the Applicant commits to demonstrate that a Principal of the Developer entity has, since January 1, 1991, completed at least three (3) affordable rental housing developments, at least one (1) of which was a Housing Credit development completed since January 1, 2001. At least one (1) of the three (3) completed developments must consist of a total number of units no less than 50 percent of the total number of units in the proposed Development. For purposes of this provision, completed for each of the three (3) developments means (i) that the temporary or final certificate of occupancy has been issued for at least one (1) unit in one of the residential apartment buildings within the development, or (ii) that at least one (1) IRS Form 8609 has been issued for one of the residential apartment buildings within the development. As used in this section, an affordable rental housing development, including a Housing Credit development, that contains multiple buildings is a single development regardless of the number of buildings within the development for which an IRS Form 8609 has been issued.

If providing experience acquired from a previous affordable housing Developer entity, the person signing the Principal of Developer Certification form must have been a Principal of that Developer entity.

Note: Principals of each Developer identified in the Application and/or during the credit underwriting process, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting.

b. Required General Management Company Experience:

During the credit underwriting process, the Applicant commits to demonstrate that the Management Company has experience in the management of at least two (2) affordable rental housing properties, at least one (1) of which consists of a total number of units no less than 50 percent of the total number of units in the proposed Development, for at least two (2) years each.

**3. Required Features and Amenities:**

a. Required features and amenities:

All Applicants will be required to provide the following features and amenities:

- (1) All Developments must provide termite prevention and pest control throughout entire affordability period
- (2) All new construction units must include the following General, Green Building, Accessibility, Universal Design and Visitability Features:

(a) General Features:

- Window covering for each window and glass door inside each unit;
- On-site laundry facility with a minimum of 1 Energy Star qualified washer for every 20 units and 1 dryer for every 20 units (if washers and dryers are not provided in all units).

(b) Green Building Features:

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - Toilets: 1.6 gallons/flush or less,
  - Faucets: 1.5 gallons/minute or less,
  - Showerheads: 2.2 gallons/minute or less;
- Energy Star qualified refrigerator;
- Energy Star qualified dishwasher; and
- Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system).

(c) Accessibility, Universal Design and Visitability Features:

All units of the proposed Development must meet all federal requirements and state building code requirements, including the following:

- 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
- The Fair Housing Act as implemented by 24 CFR 100;
- Section 504 of the Rehabilitation Act of 1973; and
- Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

For purposes of the Housing Credit Program, a Housing Credit allocation shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 of the Rehabilitation Act of 1973 as implemented by 24 CFR Part 8 for all Housing Credit Developments.

In addition to the federal and state requirements, all units that are located on an accessible route must have the following features:

- Primary entrance door shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Anti-scald controls on all bathroom and kitchen faucets;
- Toilets must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
- Mid-point on lights and thermostats shall not be more than 48 inches above finished floor level; and
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

- (3) All rehabilitation units must include as many of the General, Green Building, Accessibility, Universal Design and Visitability Features listed in 2.a.(2) above as are structurally and financially feasible within the scope of the rehabilitation work based on a capital needs assessment performed during the credit underwriting process. However, proposed Developments that will serve persons with physical disabilities must include all required Accessibility, Universal Design and Visitability features.

#### **4. Required Resident Services:**

All proposed Developments will be required to provide the following:

a. Resident Community-Based Services Coordination –

For the focus households, the Applicant shall include existing staff or an external organization that will be the primary service coordination provider. The primary service coordination provider must have a minimum of three (3) years’ experience in administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the above supportive services have been oriented to the needs and preferences of each resident of a focus household in assisting them to access services related to health care, independent activities of daily living, employment, income and housing. If provided by an external organization, the primary services coordination provider shall provide information demonstrating its mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing, and Persons with Special Needs households served. Resident Services Coordination shall be offered and made available to Special Needs Household residents initially and regularly. Resident use of or participation in resident services is voluntary and shall not be a requirement for new or continued residency.

The Applicant shall commit to submit a service coordination plan at credit underwriting. The service coordination plan shall adhere to guidelines developed by the Corporation, in conjunction

with State Agencies, or their designee(s) that administer publicly funded supportive services for the focus households.

The Applicant shall commit to provide an annual service coordination status report to the Corporation providing information and data regarding the provision of service coordination pursuant to the service coordination plan.

Property management and services coordination or provision should not be the responsibility of the same staff persons; the functions should be entirely separate.

b. **Manager On-Site 24 Hours Per Day –**

Applicant shall provide management personnel on the Development's premises at all times who will be available and accessible to the residents 24 hours per day, seven days per week. The on-site management personnel shall be available at all times to receive calls from residents and help determine the approach to address a resident's issue. The Development's owner or designated manager shall develop and implement policies and procedures for receiving a resident call and how to assess and handle the call based on a resident's request and/or need. At a minimum, residents shall be informed, at move-in and via a written notice(s) clearly displayed in the Development's common or public areas, that staff are on-site to receive resident calls at all times. If the Development consists of Scattered Sites, management personnel must, at a minimum, be on the Scattered Site with the most units 24 hours a day, 7 days a week, but they must be available and provide the same resident program services to all the Development's residents.

**5. ELI County Chart:**

ELI County Chart					
County	ELI Set-Aside AMI level	County	ELI Set-Aside AMI level	County	ELI Set-Aside AMI level
Alachua	35%	Hardee	45%	Okeechobee	45%
Baker	35%	Hendry	45%	Orange	35%
Bay	35%	Hernando	40%	Osceola	35%
Bradford	45%	Highlands	45%	Palm Beach	30%
Brevard	33%	Hillsborough	40%	Pasco	40%
Broward	30%	Holmes	45%	Pinellas	40%
Calhoun	45%	Indian River	40%	Polk	40%
Charlotte	40%	Jackson	40%	Putnam	45%
Citrus	45%	Jefferson	35%	St. Johns	33%
Clay	33%	Lafayette	40%	St. Lucie	40%
Collier	30%	Lake	35%	Santa Rosa	40%
Columbia	45%	Lee	40%	Sarasota	35%
De Soto	45%	Leon	35%	Seminole	35%
Dixie	45%	Levy	45%	Sumter	40%
Duval	33%	Liberty	40%	Suwannee	45%
Escambia	40%	Madison	45%	Taylor	45%
Flagler	35%	Manatee	35%	Union	40%
Franklin	45%	Marion	45%	Volusia	40%
Gadsden	35%	Martin	40%	Wakulla	33%
Gilchrist	35%	Miami-Dade	33%	Walton	35%
Glades	45%	Monroe	25%	Washington	45%
Gulf	45%	Nassau	33%		
Hamilton	45%	Okaloosa	33%		

**6. Fees:**

The Corporation and, if applicable, the Credit Underwriter shall collect via check or money order from the Applicant the following fees and charges in conjunction with the HC Program and any gap funding. Failure to pay any fee shall cause the allocation and any gap funding to be

withdrawn as outlined in the Carryover Allocation Agreement and the credit underwriting and program requirements outlined in Exhibit C of the RFP.

a. Application Fee:

All Applicants shall submit to the Corporation as a part of the Application submission a non-refundable Application fee of \$3,000.00.

b. Credit Underwriting Fees:

The following fees are not the fees that will be charged, but are listed below for estimation purposes of completing your pro-forma in the Application. The actual fees will be determined based on the current contract and any addendum for services between the Corporation Finance Corporation and the Credit Underwriter(s) in effect at the time underwriting begins.

(1) Initial HC fee: \$11,341

(2) Additional credit underwriting fee for multiple Florida Housing funding resources (if applicable):

(a) ELI Supplemental Loan: \$4,035

(b) Set-Aside Gap Loan: \$4,035

(3) Re-underwriting fee: \$165 per hour, not to exceed \$7,307

If a Housing Credit Development involves Scattered Sites of units within a single market area, a single credit underwriting fee shall be charged. Any Housing Credit Development requiring further analysis by the Credit Underwriter pursuant to Section 42(m)(2) of the IRC will be subject to a fee based on an hourly rate determined pursuant to contract between the Corporation and the Credit Underwriter. All Credit Underwriting fees shall be paid by the Applicant prior to the performance of the analysis by the Credit Underwriter.

c. Administrative Fees:

With respect to the HC Program, each for-profit Applicant shall submit to the Corporation a non-refundable administrative fee in the amount of 8 percent of the annual Housing Credit Allocation amount stated in the Preliminary Allocation. The administrative fee shall be 5 percent of the stated annual Housing Credit Allocation for Non-Profit Applicants. The administrative fee must be received by the Corporation as stated in the Preliminary Allocation. In the event the Final Housing Credit Allocation amount exceeds the annual Housing Credit Allocation amount stated in the Preliminary Allocation, the Applicant is responsible for paying the applicable administrative fee on the excess amount before IRS Forms 8609 are issued for the Development.

## d. Commitment Fees:

Each Applicant with a firm commitment for an ELI Supplemental Loan and/or a Set-Aside Gap Loan, as applicable, shall submit to the Corporation a non-refundable commitment fee of 1 percent of each applicable loan amount upon acceptance of the firm commitment.

- (1) Non-Profit Sponsors who provide a certification indicating that funds will not be available prior to closing shall be permitted to pay the commitment fee at closing.
- (2) All Applicant shall remit the commitment fee payable to the Florida Housing Finance Corporation.

## e. Compliance Monitoring Fees:

The following fees are not the fees that will be charged, but are listed below for estimation purposes of completing your pro-forma in the Application. The actual fees will be determined based on the current contract and any addendum for services between the Corporation and the Compliance Monitor(s).

## (1) Annual HC compliance monitoring fee –

Annual fee to be comprised of a base fee of \$154 per month + an additional fee per set-aside unit of \$9.42 per year, subject to a minimum of \$2,880, and subject to adjustments annually, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30<sup>th</sup>, which this automatic increase shall not exceed 3 percent of the prior year's fee, for the full Housing Credit Extended Use Period collected at final allocation based on a quarterly payment stream discounted at a rate of 2 percent.

If during any year subsequent to the Final Housing Credit Allocation, there is a fee increase based on the Consumer Price Index, as stipulated in the current contract for services between the Corporation and the Compliance Monitor(s), the additional fee will be billed directly to the Development.

## (2) Additional compliance monitoring fee for multiple Florida Housing funding resources (if applicable):

(a) ELI Supplemental Loan: \$858

(b) Set-Aside Gap Loan: \$858

The above fee, as applicable, is in addition to the HC fee and will be billed annually following the final Housing Credit Allocation.

## (3) Follow-up Review - \$165 per hour.

## f. Construction Inspection Fees:

The following fees are not the fees that will be charged, but are listed below for estimation purposes of completing your pro-forma in the Application. The actual fees will be based on

the current contract and any addendum for services between the Corporation Finance Corporation and the Servicer(s).

On-site construction inspection - \$165 per hour, not to exceed \$1,639 per inspection.

g. Loan Servicing Fees:

(1) Permanent Loan Servicing Fees:

(a) Each Application with an ELI Supplement Loan shall have a Permanent Loan Servicing Fee to be paid annually. The following fee is listed for estimation purposes whereby the actual fees will be determined based on the current contract and any addendum for services between Florida Housing Finance Corporation and Servicer(s).

- 25 bps of the outstanding loan amount, up to a maximum of \$786 per month, subject to a minimum of \$197 per month.

(b) Each Application with a Set-Aside Gap Loan shall have a Permanent Loan Servicing Fee to be paid annually. The following fee is listed for estimation purposes whereby the actual fees will be determined based on the current contract and any addendum for services between Florida Housing Finance Corporation and Servicer(s).

- 25 bps of the outstanding loan amount, up to a maximum of \$786 per month, subject to a minimum of \$197 per month.

(2) Construction Loan Servicing Fees:

(a) Each Application with an ELI Supplement Loan shall have a Construction Loan Servicing Fee to be paid as indicated. The following fees are listed for estimation purposes whereby the actual fees will be determined based on the current contract and any addendum for services between Florida Housing Finance Corporation and Servicer(s).

- \$165 per hour for an in-house review of a draw request, up to a maximum of \$2,017 per draw.
- \$165 per hour for on-site inspection fees, up to a maximum of \$1,639 per inspection.

(b) Each Application with a Set-Aside Gap Loan shall have a Construction Loan Servicing Fee to be paid as indicated. The following fees are listed for estimation purposes whereby the actual fees will be determined based on the current contract and any addendum for services between Florida Housing Finance Corporation and Servicer(s).

- \$165 per hour for an in-house review of a draw request, up to a maximum of \$2,017 per draw.
- \$165 per hour for on-site inspection fees, up to a maximum of \$1,639 per inspection.

h. Loan Closing Extension Fees:

In the event an ELI Supplemental Loan and/or Set-Aside Gap Loan does not close within the timeframes prescribed, extension fees will be assessed pursuant to Exhibit C.

i. Development Cost Pro Forma:

All of the fees set forth above with respect to the ELI Supplemental Loans and Set-Aside Gap Loans are part of Development Cost and can be included in the Development Cost Pro Forma and paid with loan proceeds.

j. Additional HC Fees:

- (1) If the Applicant requests permission to return its HC allocation and receive a new HC allocation and such request is approved, whether by the Executive Director in accordance with the QAP or as approved by the Board, the Applicant will be charged a nonrefundable processing fee of \$15,000 per request.
- (2) If, after the 14<sup>th</sup> year of the Compliance Period, the Applicant decides to submit a written request to the Corporation to find a person to acquire the Development, it must, according to the program requirements outlined in Exhibit C of the RFP, submit the request utilizing the Qualified Contract Package and submit the nonrefundable Qualified Contract Package fee in the amount equal to one fourth of one percent of the qualified contract price with a minimum fee of \$2,000.
- (3) HC Applicants shall be responsible for all processing fees related to the HC Program.

k. Multiple Florida Housing funding resources (if applicable):

The Applicant will be responsible for all fees associated with the Corporation's legal counsel related to any ELI Supplemental Loan and any Set-Aside Gap Loan.

l. Assumption/Renegotiation Fees:

For all loans where the Applicant is requesting a sale and/or transfer and assumption of the loan, the borrower or purchaser shall submit to the Corporation a non-refundable assumption fee of one-tenth of one percent of the loan amount.

For all loans where the Applicant is requesting a renegotiation of the loan, the borrower shall submit to the Corporation a non-refundable renegotiation fee of one-half of one percent of the loan amount.

For all loans where the Applicant is requesting an extension of the loan term, the borrower shall submit to the Corporation a non-refundable extension fee of one-tenth of one percent of the loan amount. If the extension is associated with a renegotiation of the loan, then only the renegotiation fee will be charged.

**7. Florida Job Creation Ranking Preference:**

Each Application will be measured to determine whether it qualifies for the Florida Job Creation Ranking Preference. To determine eligibility, the Corporation will calculate the Application's Florida Job Creation score, which will reflect the number of Florida jobs per \$1 million of Housing Credit Allocation. Only Applications with a score equal to or greater than 100 will qualify for the Florida Job Creation Ranking Preference in Item B., Funding Selection, of Section Six of the RFP.

Determination of the Florida Job Creation score will be based on the following information:

- The number of new construction and/or rehabilitation units committed to by the Applicant (as stated by the Applicant at question 4.f. of Exhibit A of the RFP);
- The applicable Florida job creation rate for the type of units:
  - Rate of 3.376 Florida Jobs per Unit for proposed new construction units;
  - Rate of 1.534 Florida Jobs per Unit for proposed rehabilitation units; and
- The Housing Credit Request Amount (as stated by the Applicant at question 11.a. of Exhibit A of the RFP or as adjusted by the Corporation as outlined in Item a.11. of Section Six of the RFP)

The score for the Florida Rate of Job Creation per \$1 million of Housing Credit Allocation will be measured using one of the following calculations:

- a. Developments consisting of only new construction units:

Number of new construction units x 3.376 Florida Jobs per Unit x 1,000,000 / Housing Credit Request Amount = Florida Jobs per \$1 million of Housing Credit Allocation.

For example:

Application A consists of 80 new construction units and has a Housing Credit Request Amount of \$1,500,000.

$$80 \times 3.376 \times 1,000,000 / 1,500,000 = \text{Florida Job Creation score of } 180.053 .$$

- b. Developments consisting of only rehabilitation units:

Number of rehabilitation units x 1.534 Florida Jobs per Unit x 1,000,000 / Housing Credit Request Amount = Florida Jobs per \$1 million of Housing Credit Allocation

For example:

Application B consists of 80 rehabilitation units and has a Housing Credit Request Amount of \$1,500,000.

$$80 \times 1.534 \times 1,000,000 / 1,500,000 = \text{Florida Job Creation score of } 81.813.$$

- c. Developments consisting of both new construction units and rehabilitation units:

(Number of new construction units x 3.376 Florida Jobs per Unit + number of rehabilitation units x 1.534 Florida Jobs per Unit) x 1,000,000 / Housing Credit Request Amount = Florida Jobs per \$1 million of Housing Credit Allocation

For example:

Application C consists of 56 new construction units and 24 rehabilitation units and has a Housing Credit Request Amount of \$1,500,000.

$$[(56 \times 3.376) + (24 \times 1.534)] \times 1,000,000 / 1,500,000 = \text{Florida Job Creation score of } 150.581.$$

In above examples, Application B will not qualify for the Job Creation Ranking Preference because it has a Florida Job Creation score that is less than 100. Applications A and C will both

qualify for the Florida Job Creation Ranking Preference because each has a Florida Job Creation score that is at least 100. If Applications A and C receive an equal amount of total points and also have identical Housing Credit Request Amounts per Housing Credit Set-Aside unit, the Application with the lower lottery number will be ranked higher.

### **Exhibit C to RFP 2013-08 - Special Needs High Priority Affordable Housing Developments**

The following credit underwriting and program requirements apply to all Applications funded under this RFP:

#### **Part I. Credit Underwriting Procedures**

Credit underwriting is a de novo review of all information supplied, received or discovered during or after any application scoring and ranking process, prior to the closing on funding, including the issuance of IRS Forms 8609 for Housing Credits. The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Development team's experience, past performance or financial capacity is satisfactory. The credit underwriting review shall include a comprehensive analysis of the Applicant, the real estate, the economics of the Development, the ability of the Applicant and the Development team to proceed, the evidence of need for affordable housing in order to determine that the Development meets the program requirements and determine a recommended Set-Aside Gap Loan amount and a Housing Credit allocation amount, if any; and for any Development that has rehabilitation with or without acquisition, a capital needs assessment prepared in accordance with generally accepted industry investment grade standards shall be ordered by the Credit Underwriter, and its findings shall be used to determine rehabilitation that will be carried out, including any energy, green, universal design and visitability features, and to set replacement reserves. Corporation funding will be based on appraisals of comparable developments, cost benefit analysis, and other documents evidencing justification of costs. As part of the credit underwriting review, the Credit Underwriter will consider the applicable provisions of the credit underwriting and program requirements outlined in Exhibit C of this RFP.

1. At the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFP, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting. The Corporation shall select the Credit Underwriter for each Development. The invitation to enter credit underwriting constitutes a preliminary commitment for the ELI Supplemental Loan and the Set-Aside Gap Loan, as applicable.
2. A response to the invitation to enter credit underwriting must be received by the Corporation and the Credit Underwriter not later than seven (7) Calendar Days after the date of the invitation. For any invitation to enter credit underwriting that is offered to an Applicant after Board approval of the funding selections where the Applicant's response is to decline to enter credit underwriting, the result shall be the removal of the Application's eligibility for funding.
3. If the invitation to enter credit underwriting is accepted:
  - a. All Applicants shall submit the credit underwriting fee to the Credit Underwriter within seven (7) Calendar Days of the date of the invitation to enter credit underwriting. In addition, (i) within seven (7) Calendar Days of the date of the invitation, Applicants shall submit the Preliminary Recommendation Letter (PRL) fee for the Housing Credits to the Credit Underwriter, and (ii) within 14 Calendar Days of the date of the invitation, Applicants shall submit IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries to the Corporation.
  - b. Failure to submit the required credit underwriting fee and the HC PRL fee by the specified deadline shall result in withdrawal of the invitation.
  - c. ELI Supplemental Loans and Set-Aside Gap Loans, as applicable, must close within 12 months of the date of the invitation to enter credit underwriting. Applicants may request one (1) extension of up to 12 months. All extension requests must be submitted in writing to the Housing Credit

Program Administrator and contain the specific reasons for requesting an extension and shall detail the time frame to close the loan. The written request will then be submitted to the Corporation's Board for consideration. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge a non-refundable extension fee of 1 percent of each loan amount if the Board approves the request to extend the commitment beyond the initial 12 month closing deadline. In the event the loan does not close by the end of the 12 month extension period, the preliminary commitment or firm commitment for the loan, as applicable, will be deemed void and the funds will be de-obligated.

4. The Credit Underwriter shall review all information in the Application, including information relative to the Applicant, Developer, Housing Credit Syndicator, and General Contractor, as well as other members of the Development team based on information provided to the Credit Underwriter. The Credit Underwriter shall also request and review such other information as it deems appropriate to determine whether or not to provide a positive recommendation in connection with a proposed Development.
5. In determining whether or not to provide a positive recommendation in connection with a proposed Development, the Credit Underwriter will consider the prior and recent performance history of the Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor in connection with any other affordable housing development. The performance history shall consider instances involving a foreclosure, deed in lieu of foreclosure, financial arrearage, or other event of material default in connection with any affordable housing development or the documents governing financing or operation of any such development.
  - a. Unless the Credit Underwriter determines that mitigating factors exist, or that underwriting conditions can be imposed, sufficient to mitigate or offset the risk, the existence of the following shall result in a negative recommendation of the proposed Development by the Credit Underwriter:
    - (1) Considering all affordable housing developments in which any party named above has been involved, if:
      - (a) During the period prior to August 1, 2010, 5 percent or more of that party's developments have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default remained uncured for a period of 60 days or more, or
      - (b) During the period beginning on or after August 1, 2010, any of that party's developments have been the subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default is uncured at the present or, if cured, remained uncured for a period of 60 days or more.
    - (2) Mitigating factors to be considered by the Credit Underwriter, to the extent such information is reasonably available and verifiable, shall include the extent to which the party funded the operations of the development from that party's own funds in an attempt to keep the development afloat, the election by a party to forego financial participation in a development in an attempt to keep the development afloat, the party's satisfactory performance history over the last 10 years in connection with that party's affordable housing developments, and any other extenuating circumstances deemed relevant by the Credit Underwriter in connection with the party's involvement in a development.

- b. A negative recommendation may also result from the review of:
- (1) An Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor in connection with any other affordable housing development,
  - (2) Financial capacity of an Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor, or
  - (3) Any other relevant matters relating to an Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor if, in the Credit Underwriter's opinion, one or more members of the Development team do not possess the ability to proceed.
6. The Credit Underwriter shall report any inconsistencies or discrepancies or changes made to the Applicant's Application during credit underwriting.
  7. The Applicant will be responsible for all fees in connection with the documentation submitted to the Credit Underwriter.
  8. If the Credit Underwriter determines that special expertise is required to review information submitted to the Credit Underwriter which is beyond the scope of the Credit Underwriter's expertise, the fee for such services shall be borne by the Applicant.
  9. A full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice and a separate market study shall be ordered by the Credit Underwriter, at the Applicant's expense, from an appraiser qualified for the geographic area and product type not later than completion of credit underwriting. The Credit Underwriter shall review the appraisal to properly evaluate the proposed property's financial feasibility. Appraisals which have been ordered and submitted by third party credit enhancers, first mortgagors or Housing Credit Syndicators and which meet the above requirements and are acceptable to the Credit Underwriter may be used instead of the appraisal referenced above. The market study must be completed by a disinterested party who is approved by the Credit Underwriter. The Credit Underwriter shall consider the market study, the Development's financial impact on Developments in the area previously funded by the Corporation, and other documentation when making its recommendation of whether to approve or disapprove an ELI Supplemental Loan, a Set-Aside Gap Loan, and a Housing Credit Allocation. The Credit Underwriter must review and determine whether there will be a negative impact to Guarantee Fund Developments within the primary market area or five (5) miles of the proposed Development, whichever is greater. The Credit Underwriter shall also review the appraisal and other market documentation to determine if the market exists to support both the demographic and income restriction set-asides committed to within the Application. For the Credit Underwriter to make a favorable recommendation, the submarket of the proposed Development must have (i) an average physical occupancy rate of 92 percent or greater, and (ii) for Developments with new construction units, an average market rental rate, based on unit mix and annualized rent concessions, of 110 percent or greater of the applicable maximum Housing Credit rental rate.
  10. The proposed Development must demonstrate, based on current rates, that it can meet minimum 1.10x debt service coverage (DSC) requirements with all first and second mortgages for Housing Credits.
  11. The Applicant is permitted to use up to \$40,000 per Housing Credit Set-Aside unit in its Application as a source of Set-Aside Gap Loan funding from the Corporation. However, any Applicant that enters credit underwriting will have the amount of Set-Aside Gap Loan funds determined based on the following parameters:

- a. Maximum amount will be \$40,000 per Housing Credit Set-Aside unit.
- b. The Applicant shall defer at least 35 percent of its Developer fee as part of the Development's permanent sources of financing.
- c. A 15-year pro forma will be prepared by the Credit Underwriter that, for purposes of determining the qualifying amount of Set-Aside Gap Loan funds, will include the following annual escalation rates:
  - (1) Annual Revenue Escalation Rate - the lesser of 2.0 percent or the amount deemed appropriate by the Credit Underwriter based on the location of the proposed Development;
  - (2) Annual Operating Expense Escalation Rate - the greater of 3.0 percent or the amount deemed appropriate by the Credit Underwriter based on the location of the proposed Development, with the following caveats:
    - (a) Management expense shall be expressed as a percent of effective gross revenues, and
    - (b) Replacement reserves shall not be escalated during years 1 through 10, but will then escalate annually thereafter at the Annual Operating Expense Escalation Rate.
  - (3) If the proposed Development does not have an amortizing permanent first mortgage loan, then the ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement) shall not be less than 1.10x for Developments involving new construction or 1.15x for Developments involving rehabilitation, during the 15-year pro forma. In addition, the maximum ratio shall be set at either 1.10x or 1.15x, respectively, in the year that has the lowest net operating income of the 15-year pro forma.
  - (4) If the proposed Development has an amortizing permanent first mortgage loan, then the debt coverage ratio for the Set-Aside Gap Loan, and any debt senior to it, cannot drop below 1.20x for Developments involving new construction or 1.25x for Developments involving rehabilitation during the 15-year pro forma. In addition, the maximum ratio shall be set at 1.50x for year 1 or 1.25x for year 15, maximum ratio yields the greater amount of Set-Aside Gap Loan funding. The interest rate that will be applied to the amortizing permanent first mortgage loan for the purpose of determining the debt coverage ratio for this paragraph shall be the actual interest rate of the amortizing permanent first mortgage, or 7.5 percent, whichever is less.
  - (5) During credit underwriting, in order to qualify for up to the maximum amount of Set-Aside Gap Loan funding per Housing Credit Set-Aside unit, an Applicant may elect to modify the Total Set-Aside Breakdown Chart provided in the Application to move some or all set-aside commitments currently at any AMI above ELI, to a lower AMI commitment that will be at 45 percent or lower, yielding an overall commitment to serve lower income tenants than previously committed. Any election to modify the Total Set-Aside Breakdown Chart in this manner will be reflected in the Extended Use Agreement related to the Housing Credits as well as the Land Use Restriction Agreement related to the Set-Aside Gap Loan funds and will be in effect during the entire 50-year compliance period.
  - (6) The sequential order of subsidy layering analysis related to Corporation subsidies will be as follows for this RFP:

- (a) The Development will incorporate any ELI buy down funding for which it qualifies as provided in Item A.10.b.(1) of the RFP;
  - (b) The Set-Aside Gap Loan amount will be determined based on the above parameters, up to \$40,000 per Housing Credit Set-Aside unit; then
  - (c) The Housing Credits shall be determined via the lower of (i) the request amount, (ii) the amount determined via the qualified basis method, or (iii) the Housing Credit gap calculation as provided in Exhibit C.
12. The Corporation's assigned Credit Underwriter shall require a guaranteed maximum price or stipulated sum construction contract, which may include change orders for changes in cost or changes in the scope of work, or both, if all parties agree, and shall order, at the Applicant's sole expense, and review a pre-construction analysis for all new construction units and a physical needs assessment for rehabilitation units and review the Development's costs.
13. In addition to operating expenses, the Credit Underwriter must include an estimate for replacement reserves and operating expense reserves deemed appropriate by the Credit Underwriter when calculating the final net operating income available to service the debt. A minimum amount of \$300 per unit per annum must be used for all Developments. The initial replacement reserve will have limitations on the ability to be drawn upon during the following time periods: (i) new construction or Redevelopment Developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit, or (ii) Rehabilitation Developments (with or without acquisition) shall not be allowed to draw until the start of the scheduled replacement activities as outlined in the pre-construction capital needs assessment report ('CNA') subject to the activities completed in the scope of rehabilitation, but not sooner than the 3rd year. The amount established as a replacement reserve shall be adjusted based on a CNA to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ('Initial Replacement Reserve Date'). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter. If the Applicant does not provide a copy of a CNA to the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers within the stated time frames, then one shall be ordered by the Corporation or its servicers at the Applicant's expense. The only events allowed to drop the balance below the minimum are items related to life safety, structural and systems as approved by the Corporation and its servicers. In the event the first mortgage lender or a Housing Credit Syndicator requires replacement reserves with replacement reserve deposit requirements that include the same or higher deposits, the Corporation's rights to hold replacement reserves and to disburse such funds shall be subject to the first mortgage lender or the Housing Credit Syndicator, as applicable. The replacement reserve funds are not to be used by the Applicant for normal maintenance and repairs, but shall be used for structural building repairs, major building systems replacements and other items included on the Eligible Reserve for Replacement Items list, effective October 15, 2010, which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links. An Applicant may choose to fund a portion of the replacement reserves at closing. The amount cannot exceed 50 percent of the required replacement reserves for two (2) years and must be placed in escrow at closing.
14. For Housing Credits, ELI Supplemental Loan funding, and Set-Aside Gap Loan funding, the Credit

Underwriter may request additional information, but at a minimum for the ELI Supplemental Loan funding and the Set-Aside Gap Loan funding, the following will be required during the underwriting process:

- a. For the Applicant, general partner(s), and guarantors, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. If audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant are not available, unaudited financial statements prepared within the last 90 days and reviewed by the Credit Underwriter in accordance with Part IIIA, Sections 401 through 411, of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective April 29, 2011, which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links, and the two most recent years' tax returns. If the entities are newly formed (less than 18 months in existence as of the date that credit underwriting information is requested), a copy of any and all tax returns with related supporting notes and schedules.
  - b. For the General Contractor, audited financial statements or financial statements compiled or reviewed by a licensed Certified Public Accountant for the most recent fiscal year ended, credit check, banking and trade references, and deposit verifications. The audited or compiled statements may be waived if a payment and performance bond equal to 100 percent of the total construction cost whose terms do not adversely affect the Corporation's interest, and is issued in the name of the General Contractor by a company rated at least "A-" by AMBest & Co.
15. For Set-Aside Gap Loan funding, the Credit Underwriter shall consider the following when determining the need for construction completion guarantees:
- a. Liquidity of the guarantor.
  - b. Developer and General Contractor's history in successfully completing Developments of similar nature.
  - c. Problems encountered previously with Developer or contractor.
  - d. Exposure of Corporation funds compared to Total Development Cost.

At a minimum, the Credit Underwriter shall require a personal guarantee for completion of construction from the principal individual or the corporate general partner of the borrowing entity. In addition, a letter of credit or payment and performance bond whose terms do not adversely affect the Corporation's interest will be required if the Credit Underwriter determines after evaluation of paragraphs (a)-(d) in this subsection that additional surety is needed. However, a completion guarantee will not be required if funds are not drawn until evidence of lien free completion is provided.

16. For all Developments, the Developer fee and General Contractor's fee shall be limited to:
- a. The Developer fee shall be limited to 21 percent of Development Cost; however, an amount equal to the difference between the Developer fee and an amount equal to 16 percent of Development Cost must be placed in an operating subsidy reserve account to be held by the Corporation or its servicer. Any disbursements from said operating subsidy reserve account shall be reviewed and approved by the Corporation or its servicer. Upon the expiration of the Compliance Period, any remaining balance may be drawn to pay down any outstanding Set-Aside Gap Loan debt on the

proposed Development or such other Corporation loan debt on the proposed Development. If there is no Corporation loan debt on the proposed Development at the end of the Compliance Period, then any remaining balance in said operating subsidy reserve account shall be placed in a replacement reserve account for the proposed Development. In no event shall the remaining balance in said operating subsidy reserve account be paid to the Developer.

- b. The General Contractor's fee shall be limited to a maximum of 14 percent of the actual construction cost.

17. The General Contractor must meet the following conditions:

- a. Employ a Development superintendent and charge the costs of such employment to the general requirements line item of the General Contractor's budget;
- b. Charge the costs of the Development construction trailer, if needed, and other overhead to the general requirements line item of the General Contractor's budget;
- c. Secure building permits, issued in the name of the General Contractor;
- d. Secure a payment and performance bond whose terms do not adversely affect the Corporation's interest (or approved alternate security for General Contractor's performance, such as a letter of credit), issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co.;
- e. Ensure that none of the General Contractor duties to manage and control the construction of the Development are subcontracted;
- f. Ensure that not more than 20 percent of the construction cost is subcontracted to any one entity, with the exception of a subcontractor contracted to deliver the building shell of building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development; and
- g. Ensure that no construction cost is subcontracted to any entity that has common ownership or is affiliated with the General Contractor unless otherwise approved by the Board for a specific Development.

18. For Set-Aside Gap Loan funding, the Credit Underwriter shall require an operating deficit guarantee, to be released upon achievement of an average 1.15 debt service coverage for the combined permanent first mortgage and the loan, as determined by the Corporation or its agent, and 90 percent occupancy, and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

19. Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Rehabilitation may be included within the Total Development Cost for Application and underwriting purposes.

20. The Credit Underwriter will review and determine if the number of loans and construction commitments of the Applicant and its Principals will impede its ability to proceed with the successful development of each proposed Corporation-funded Development.
21. For ELI Supplemental Loans and Set-Aside Gap Loans, as applicable, Applicants must provide the items required by the Credit Underwriter within 10 months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to submit the required credit underwriting information by the specified deadline shall result in withdrawal of the preliminary commitment. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension.
22. For Competitive HC Developments, all preliminary items required for the Credit Underwriter's preliminary HC allocation recommendation must be provided to the Credit Underwriter within 21 Calendar Days of the date of the invitation to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to submit the required credit underwriting information by the specified deadline shall result in withdrawal of the invitation. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension.
23. If the Credit Underwriter requires additional clarifying materials in the course of the underwriting process, the Credit Underwriter shall request same from the Applicant and shall specify deadlines for the submission of same. Failure to submit required information by the specified deadline, unless a written extension of time has been approved by the Corporation, shall result in withdrawal of the preliminary commitment or the invitation to enter credit underwriting, or both, as applicable, and the funds will be distributed as outlined in the Application or competitive solicitation or both. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension.
24. The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Applicant the section of the written draft report consisting of supporting information and schedules. The Applicant shall review and provide written comments to the Corporation and Credit Underwriter within 48 hours of receipt. After the 48 hour period, the Corporation shall provide to the Credit Underwriter comments on the draft report and, as applicable, on the Applicant's comments. Then, the Credit Underwriter shall review and incorporate, if deemed appropriate, the Corporation's and Applicant's comments and release the revised report to the Corporation and the Applicant. Any additional comments from the Applicant shall be received by the Corporation and the Credit Underwriter within 72 hours of receipt of the revised report. Then, the Credit Underwriter will provide a final report, which will address comments made by the Applicant, to the Corporation.
25. For ELI Supplemental Loans and Set-Aside Gap Loans, as applicable, the Credit Underwriter's loan recommendations will be sent to the Board for approval. The Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.
26. ELI Supplemental Loans and Set-Aside Gap Loans, as applicable, and other mortgage loans related to the construction of the Development must close within 120 Calendar Days of the date of the firm loan commitment(s). A request for an extension of the firm loan commitment(s) may be considered by the Board for an extension term no to exceed the closing deadline provided in the preliminary commitment, as extended if applicable. All extension requests must be submitted in writing to the program administrator and contain the specific reasons for requesting an extension and shall detail the

time frame to close the loan. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one-half of one percent of the loan amount if the Board approves the request to extend the commitment beyond the period outlined in Exhibit C ɣ.

27. At least five (5) Calendar Days prior to any loan closing:
- a. The Applicant must provide evidence of all necessary consents or required signatures from first mortgagees or subordinate mortgagees to the Corporation and its counsel, and
  - b. The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.
28. For Housing Credit Applications, the Credit Underwriter shall use the following procedures during the credit underwriting evaluation:
- a. The Credit Underwriter, in determining the amount of Housing Credits a Development is eligible for when using the qualified basis calculation, shall use a Housing Credit percentage of:
    - (1) Thirty (30) basis points over the percentage as of the date of invitation to enter credit underwriting up to 9 percent for 9 percent credits for new construction and Rehabilitation Developments unless the Applicant has previously locked-in the percentage to which the Credit Underwriter shall use the locked-in Housing Credit percentage;
    - (2) Fifteen (15) basis points over the percentage as of the date of invitation to enter credit underwriting up to 4 percent for 4 percent credits for acquisition and federally subsidized Developments unless the Applicant has previously locked-in the percentage to which the Credit Underwriter shall use the locked-in Housing Credit percentage.
  - b. Costs such as syndication fees and brokerage fees cannot be included in eligible basis. All consulting fees and any financial or other guarantees required for the financing must be paid out of the Developer fee. Consulting fees cannot cause the Developer fee to exceed the maximum allowable fee as set forth in Item 13. above
  - c. All contracts for hard or soft Development Costs must be itemized for each cost component.
  - d. The allocation amount for acquisition Housing Credits shall be limited to the lesser of the sale price or the appraised value of the building(s).
  - e. If the Credit Underwriter is to recommend a Competitive Housing Credit Allocation, the recommendation will be the lesser of (i) the qualified basis calculation result, (ii) the gap calculation result, or (iii) the Applicant's request amount. During the credit underwriting process and as a part of the Final Cost Certification Application review outlined in Part II below, the Development will be subjected to the Total Development Cost per unit limitation test. Any credit underwriting report involving Competitive Housing Credits that reflects a Total Development Cost per unit amount that exceeds the Total Development Cost limitation, as outlined below, shall receive a negative recommendation by the Credit Underwriter.
    - (1) For proposed Developments requesting Competitive HC, the Corporation shall limit the Total Development Cost (TDC) per unit for all Developments based on the average cost to deliver new construction units and rehabilitation units, based on the construction type of the units as

indicated by the Applicant at question 3.f.(2) of the Application. The maximum amounts are provided on the TDC Per Unit Limitation chart set out below (the maximum TDC per unit exclusive of land costs, applying any applicable TDC multiplier) and will be tested during the credit underwriting and final allocation process, as follows:

- (a) Any Applicant that has an amount that exceeds these limitations in any credit underwriting report will not have the credit underwriting report approved.
  - (b) Any Applicant that presents a Final Cost Certification Application (FCCA) that has amounts that exceed these limitations will have its Housing Credit Allocation reduced.
- (2) Proposed Developments in the Florida Keys Area and proposed Developments that select and qualify for the ~~Homeless or~~ Persons with Special Needs Demographic Commitment will have an applicable TDC multiplier.
- (3) These TDC limitation amounts are effective from credit underwriting review through Final Cost Certification.

**Total Development Cost Per Unit Base Limitations (Calendar Year 2013)**

Measure	New Construction Units	Rehabilitation Units
Maximum TDC Per Unit exclusive of Land Costs	\$163,000	\$137,000
TDC Multipliers (to be applied against the Development's TDC)		
Persons with Special Needs Demographic	90%	

- f. As part of the process the Corporation uses to determine financial feasibility as set forth in Section 42(m)(2), Internal Revenue Code, the Corporation shall utilize the greater of (i) the actual percentage of the Applicant's Housing Credit Allocation being sold to the Housing Credit Syndicator/direct investor(s), or (ii) 99.99 percent of the Applicant's Housing Credit Allocation. The actual percentage of the Applicant's Housing Credit Allocation being sold must be equal to or less than the percentage of ownership interest held by the limited partner (inclusive of any special limited partner) or member. In addition, the price of the Housing Credits being sold must reflect a market rate value at a minimum or one will be utilized when determining a recommendation for the amount of the Housing Credit Allocation using the gap calculation.
- g. When utilizing the gap calculation in determining a recommendation for the amount of the Housing Credit Allocation as part of the process the Corporation uses to determine financial feasibility as set forth in Section 42(m)(2), Internal Revenue Code, the Credit Underwriter shall assume a first mortgage loan amount from a non-governmental agency (i.e., a traditional first mortgage lender) to be the greater of (i) the actual amount committed to the Development, or (ii) the amount of the proposed Development's minimum qualifying first mortgage as determined herein. The Development's minimum qualifying first mortgage shall be the lesser of (a) or (b) as follows: (a) An amount that yields a Debt Service coverage ratio of 1.25x based on the pro forma for the proposed Development's 15th year given an annual rate of increase for revenues of the lesser of 2 percent or the annual rate of increase utilized in credit underwriting, along with an annual rate of increase for operating expenses of the greater of 3 percent or the annual rate of increase utilized in credit underwriting, or (b) The greater of either (i) an amount that yields a Debt Service coverage ratio of 1.50x, or (ii) an amount that yields a net cash flow after Debt Service of \$1,000 per unit, both of which are based on the pro forma for the proposed

Development's initial year. The first mortgage shall be sized based on an interest rate equal to the actual interest rate of the actual first mortgage of the proposed Development, but no less than an interest rate floor of the greater of 7.0 percent or 325 basis points over the 10-year Treasury Rate as of Application Deadline and an interest rate ceiling of no greater than 100 basis points over said interest rate floor. The first mortgage shall be sized based on an amortization term equal to the greater of the actual amortization term of the actual first mortgage of the proposed Development or 30 years. If the resulting calculated minimum qualifying first mortgage is less than \$500,000, then the Development shall assume to have no minimum qualified first mortgage. This determination applies to any Development that did not qualify as a Persons with Special Needs Demographic Development, which said Persons with Special Needs Demographic Developments would only use its actual committed debt.

- h. When any Housing Credit Allocation is syndicated or sold directly to an investor, the Corporation will require that the net proceeds received on the sale of the Housing Credits be reflective of market rate pricing as depicted by the price per dollar of Housing Credit Allocation available to the Development. The amount of equity capital contributed by investors to an Applicant shall not be less than the amount generally contributed by investors to similar Developments as determined by using sales of comparable Housing Credit Developments and the Corporation's evaluation of market trends. The Corporation will base all calculations of the minimum net syndication/investor proceeds available to the Development on the assumption that 99.99 percent of the Housing Credit Allocation is being sold to raise equity capital. The Corporation will use the greater of (i) the actual equity capital contributed to the Development, or (ii) the required minimum equity capital contributed to the Development based on the criteria provided herein.
29. If the Credit Underwriter recommends that Housing Credits be allocated to the Development, the Corporation shall determine the credit amount, if any, necessary to make the Development financially feasible and viable throughout the Housing Credit Extended Use Period and shall issue a Preliminary Allocation certificate. If the Credit Underwriter recommends that no credits be allocated to the Development and the Executive Director accepts the recommendation, the Applicant shall be notified that no Housing Credits will be allocated to the Development. All contingencies required in the Preliminary Allocation shall be met or satisfied by the Applicant within 45 Calendar Days from the date of issuance or as otherwise indicated on the certificate unless an extension of this deadline is requested in writing by the Applicant and is granted by the Corporation in writing for good cause.
30. For Competitive HC, the credit underwriting report must be finalized no later than the deadline provided in the Carryover Allocation Agreement, unless extended as provided in the Carryover Allocation Agreement, or the Housing Credits will be deemed to be returned to the Corporation.

## **Part II. Program Procedures and Requirements for HC, ELI Supplemental Loans and Set-Aside Gap Loans**

- 1. General Program Procedures:
  - a. An Applicant is not eligible to apply for or retain Competitive Housing Credits available under this RFP if the proposed Development has previously received an allocation of Housing Credits or a Competitive Housing Credit commitment, or has accepted an invitation to enter credit underwriting that has not been withdrawn by the Applicant or the Corporation, or has previously received a preliminary commitment for funding through the SAIL or HOME or RRLP Program.
  - b. For Housing Credits, the Applicant must be a limited partnership (including a limited liability limited partnership) or a limited liability company. For Competitive HC Applicants, the Applicant entity shall be the recipient of the Housing Credits and may not change until after the Carryover

Allocation Agreement is in effect. Once the Carryover Allocation Agreement has been executed by all parties, replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant will require Board approval prior to the change. Any non-material change (less than 33.3 percent of the Applicant, a General Partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant will not require Board approval, but the Corporation must still be notified in writing of the change. The Applicant entity may be changed without Board approval after a Final Housing Credit Allocation Agreement has been approved and the IRS Forms 8609 have been issued; however, the Corporation must still be notified in writing of the change. Changes to the Applicant entity prior to the execution of a Carryover Allocation Agreement or without Board approval prior to the approval of the Final Housing Credit Allocation Agreement and issuance of the IRS Forms 8609 will result in a disqualification from receiving funding and shall be deemed a material misrepresentation. Changes to the limited partner of a limited partnership or member of a limited liability company owning the syndicating interest therein will not result in disqualification.

- c. For ELI Supplemental Loans and Set-Aside Gap Loans, as applicable, the Applicant entity shall be the borrowing entity and cannot be changed until after loan closing. Replacement of the Applicant or a material change (33.3 percent or more of the Applicant, a general partner of the Applicant, or a member of the Applicant) in the ownership structure of the named Applicant prior to loan closing shall result in disqualification from receiving funding and shall be deemed a material misrepresentation. Changes after loan closing require Board approval.
- d. The name of the Development provided in the Application may not be changed or altered after submission of the Application during the history of the Development with the Corporation unless the change is requested in writing and approved in writing by the Corporation. The Corporation shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant such request.
- e. If an Applicant or any Affiliate of an Applicant has offered or given consideration, other than the consideration to provide affordable housing, with respect to a local contribution and this is discovered prior to Board approval of the final ranking, the Corporation shall reject the Application and any other Application submitted by the same Applicant and any Affiliate of the Applicant. If discovered after the Board approves final ranking, any tentative funding or allocation for the Application and any other Application submitted in the same cycle by the same Applicant and any Affiliate of the Applicant will be withdrawn. Such Applicant and any of such Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two (2) years, which will begin the date the Board issues a final order on such matter, in a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S.
- f. Applications shall be limited to one submission per subject property. Two or more Applications, submitted in the same solicitation process, that have the same demographic commitment and one or more of the same Financial Beneficiaries, will be considered submissions for the same Development if any of the following is true: (i) any part of any of the property sites is contiguous with any part of any of the other property sites, or (ii) any of the property sites are divided by a street or easement, or (iii) it is readily apparent from the Applications, proximity, chain of title, or other information available to the Corporation that the properties are part of a common or related scheme of development. If two or more Applications are considered to be submissions for the same Development, the Corporation will reject all such Applications except the Application with the highest (worst) lottery number. The Application(s) with the lowest lottery number(s) will still

be rejected even if the Applicant withdraws the Application with the highest (worst) lottery number.

g. If an Applicant or any Affiliate of an Applicant:

- (1) Has engaged in fraudulent actions;
- (2) Has materially misrepresented information to the Corporation regarding any past or present Application or Development;
- (3) Has been convicted of fraud, theft or misappropriation of funds;
- (4) Has been excluded from federal or Florida procurement programs for any reason; or
- (5) Has been convicted of a felony;

The Applicant and any of the Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two (2) years, which will begin from the date the Board makes such determination or from the date the Corporation initiates a legal proceeding under this part. Such determination shall be either pursuant to a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S., or as a result of a finding by a court of competent jurisdiction. When the Corporation initiates a proceeding under this part, all pending transactions under any program administered by the Corporation involving the Applicant or its Affiliates shall be suspended until the conclusion of such a proceeding.

h. An Application will be ineligible for funding if any of the following apply:

- (1) The Development is inconsistent with the purposes of the HC Program or does not conform to the Application requirements specified in this RFP;
- (2) The Applicant fails to achieve the threshold requirements as detailed in this RFP;
- (3) The Applicant fails to file all applicable Application pages and exhibits which are provided by the Corporation in this RFP;
- (4) The Applicant fails to satisfy any arrearages as described in Section Seven of the RFP or whenever the Board approves any Committee recommendation or adjustments thereto. The foregoing provision does not include permissible deferral of SAIL or HOME interest;
- (5) The Applicant fails to submit the Application online and provide the Corporation with the required number of printed copies of the Application, including all required attachments, by the Application deadline;
- (6) The Applicant fails to pay of the required Application fee by the Application deadline;
- (7) The printed copy of the Application labeled "Original Hard Copy" fails to include a properly completed Item 11, Applicant Certification and Acknowledgement, reflecting an original signature.

i. A Development will be withdrawn from funding and any outstanding commitments for HC will be rescinded if, at any time, the Board determines that the Applicant's Development or Development team is no longer the Development or Development team described in the Application or to the Credit Underwriter, and the changes made are prejudicial to the Development or to the market to be served by the Development.

- j. If an Applicant or Developer or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer has any existing Developments participating in any Corporation programs that remain in non-compliance with Section 42 of the IRC, Title 67, F.A.C., or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Application or at the time of issuance of a credit underwriting report, the requested allocation will, upon a determination by the Board that such non-compliance substantially increases the likelihood that such Applicant or Developer will not be able to produce quality affordable housing, be denied and the Applicant or Developer and the Affiliates of the Applicant or Developer will be prohibited from new participation in any of the Corporation's programs commencing with this competitive solicitation and continuing until such time as all of their existing Developments participating in any Corporation programs are in compliance.
- k. Notwithstanding any other provisions of this RFP, the following items as identified by the Applicant in Exhibit A to the RFP must be maintained and cannot be changed by the Applicant after the Application deadline. Those items are as follows:
  - (1) Site for the Development; notwithstanding the foregoing, after the Applicant has been invited to enter credit underwriting and subject to written request of an Applicant to Corporation staff and approval of the Corporation, the site for the Development may be increased or decreased; However, (i) if the increase of the site is such that the proposed Development now meets the definition of a Scattered Site, then the Applicant shall be required to provide such Scattered Sites information and meet all Scattered Sites requirements as required by Corporation staff, and (ii) if the decrease is such that any Development Location Point previously provided is no longer on the site, then the Applicant shall be required to provide a new Development Location Point;
  - (2) Development Category;
  - (3) Development Type;
  - (4) Demographic Commitment;
  - (5) Housing Credit Funding Request Amount

## 2. ELI Supplemental Loan:

ELI Supplemental Loans will be subject to the credit underwriting provisions outlined in Part I. above and the loan provisions outlined below:

- a. The terms and conditions of the ELI Supplemental Loan shall be as follows:
  - (1) The ELI Supplemental Loan shall be (i) based on each ELI Set-Aside unit above the minimum ELI Set-Aside threshold requirement in the RFP; and (ii) non-amortizing at 0 percent simple interest per annum over the life of the loan, with the principal forgivable provided the units for which the supplemental loan amount is awarded are targeted to ELI Households for at least 15 years.
  - (2) Any sale, conveyance, assignment, or other transfer of interest or the grant of a security interest in all or any part of the title to the Development other than a superior mortgage shall be subject to the Corporation's prior written approval. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant such request.

- (3) The ELI Supplemental Loan shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.
  - (4) The Corporation shall monitor compliance of all terms and conditions of the supplemental loan and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the supplemental loan shall constitute a default during the term of the supplemental loan. The Corporation shall take appropriate legal action to effect compliance if a violation of any material term or condition relative to the set-aside of units for ELI Households is discovered during the course of compliance monitoring or by any other means.
  - (5) The Corporation shall require adequate insurance to be maintained on the Development as determined by the first mortgage lender or the Corporation's servicer, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part IIIA, Section 322 of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective April 29, 2011, which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links.
  - (6) All ELI Supplemental Loans shall be in conformance with applicable federal and state statutes, including the Fair Housing Act as implemented by 24 CFR Part 100 and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35.
  - (7) Rent controls for the ELI Set-Aside units for which the supplemental loan is issued shall be restricted at the level applicable for federal Housing Credits.
  - (8) The documents creating, evidencing or securing each ELI Supplemental Loan must provide that any violation of the terms and conditions described in Exhibit C to the RFP constitutes a default under the ELI supplemental loan documents allowing the Corporation to accelerate its loan and to seek foreclosure as well as any other remedies legally available to it.
- b. The ELI Supplemental Loan shall be assumable upon sale or transfer of the Development if the following conditions are met:
- (1) The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan;
  - (2) The proposed transferee agrees to maintain all ELI Set-Asides and other requirements of the ELI Supplemental Loan for the period originally specified or longer; and
  - (3) The proposed transferee and release of transferor receives a favorable recommendation from the Credit Underwriter and approval by the Board of Directors of the Corporation.

All assumption requests must be submitted in writing to the Director of Special Assets and contain the specific details of the transfer and assumption. In addition to any related professional fees, the Corporation shall charge a non-refundable assumption fee as outlined in Exhibit B of the RFP.

- (c) ELI Supplemental Loan construction disbursements and permanent loan servicing shall be based on the following:

- (1) ELI Supplemental Loan proceeds shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the ELI Supplemental Loan to the Total Development Cost, unless approved by the Credit Underwriter.
  - (2) Ten (10) business days prior to each Draw, the Applicant shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Applicant for a Draw. The request shall set forth the amount to be paid and shall be accompanied by documentation specified by the Corporation's servicer including claims for labor and materials to date of the last inspection.
  - (3) The Corporation and its servicer shall review the request for a Draw, and the servicer shall provide the Corporation with approval of the request or an alternative recommendation, after the title insurer provides an endorsement to the policy of title insurance updating the policy to the date of the current Draw and increasing the insurance coverage to an amount equal to the sum of all prior Draws and the current Draw, without additional exceptions, except those specifically approved in writing by the Corporation.
  - (4) The Corporation shall disburse construction Draws through Automated Clearing House (ACH). The Applicant may request disbursement of construction Draws via a wire transfer. The Applicant will be charged a fee of \$10 for each wire transfer requested. This charge will be netted against the Draw amount.
  - (5) The Corporation shall elect to withhold any Draw or portion of any Draw, notwithstanding any documentation submitted by the Applicant in connection with the request for a Draw, if
    - (a) The Corporation or the Corporation's servicer determines at any time that the actual cost budget or progress of construction differs from that as shown on the loan documents; or
    - (b) The percentage of progress of construction of the improvements differs from that shown on the request for a Draw.
  - (6) The servicer may request submission of revised construction budgets.
  - (7) Based on the Applicant's progress of construction, if the Corporation determines that further analysis by the Credit Underwriter is required prior to the release of the final Draw, the Applicant shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to the contract between the Corporation and the Credit Underwriter.
  - (8) Retainage in the amount of 10 percent per Draw shall be held by the servicer during construction until the Development is 50 percent complete. At 50 percent completion, no additional retainage shall be held from the remaining Draws. Release of funds held by the Corporation's servicer as retainage shall occur pursuant to the ELI supplemental loan agreement.
3. Set-Aside Gap Loan:
- Set-Aside Gap Loans will be subject to the credit underwriting provisions outlined in Part I. above and the loan provisions outlined below:
- a. Loan Terms and Conditions:
    - (1) The Set-Aside Gap Loan may be in a first, second, or other subordinated lien position. For purposes of this RFP, mortgages securing a letter of credit as credit enhancement for the

- bonds financing the first mortgage shall be considered a contingent liability and part of the first mortgage lien, provided that the Applicant's counsel furnishes an opinion regarding the contingent nature of such mortgage satisfactory to the Corporation and its counsel.
- (2) The loans shall be non-amortizing and shall have interest rate of zero percent simple interest per annum over the life of the loan.
  - (3) The amount of any superior mortgages combined with the Set-Aside Gap Loan mortgage shall be less than the appraised value of the Development. Any debt service reserve requirement associated with a superior mortgage shall be excluded from the amount of the superior mortgage for purposes of this calculation.
  - (4) Payment on the loans shall be based upon the Development Cash Flow, as determined pursuant to the Financial Reporting Form SR-1, or shall be due annually as determined by the Corporation's Board of Directors. Such determination by the Board shall be based upon a written recommendation by the Credit Underwriter which has considered the economic and financial viability of the Development as well as the protection of the Corporation's repayment of principal and interest. Any distribution or payment to the Principal(s) of the Applicant or Developer or any Affiliate of the Principal of the Applicant or Developer or any Affiliate of the Applicant or Developer, whether paid directly or indirectly, which was not expressly disclosed in determining debt service coverage in the Board approved final credit underwriting report, with the exception of payment of the deferred Developer fee allowable to maximum of 20 percent per year, will be added back to the amount of cash available for the Set-Aside Gap Loan interest payment, as calculated in the Financial Reporting Form SR-1, for the purpose of determining interest due. Interest may be deferred as set forth in paragraph (7) below, without constituting a default on the loan.
  - (5) The loan shall be repaid from Development Cash Flow, and if the Set-Aside Gap Loan is not a first mortgage loan, each year, subject to the provisions of paragraph (7) below, Development Cash Flow shall be applied to pay the following items in order of priority:
    - (a) All superior mortgage fees and debt service;
    - (b) Development Expenses on the loan, plus up to 20 percent of total deferred Developer fees per year;
    - (c) Mandatory payment on subordinate mortgages.

After the full Set-Aside Gap Loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance.
  - (6) If the Set-Aside Gap Loan is secured by a first mortgage lien, each year, subject to the provisions of paragraph (7) below, Development Cash Flow shall be applied to pay the following items in order of priority:
    - (a) First mortgage fees and interest payment on the paragraph (7) loan balance equal to the percentages stated in paragraph b. above over the life of the Set-Aside Gap Loan;
    - (b) Development Expenses on the Set-Aside Gap Loan plus up to 20 percent of total deferred Developer fees per year;
    - (c) Interest payments on the Set-Aside Gap Loan deferred from previous years;

## (d) Mandatory payment on subordinate mortgages.

After the full Set-Aside Gap Loan interest has been paid, the Applicant shall retain all remaining monies, unless the Applicant chooses to prepay a portion of the loan balance.

(7) The determination of lien position, determination of Development Cash Flow, determination of payment priorities, and payment of interest on Set-Aside Gap Loans shall occur annually. A change in lien position from subordinate to first changes payment priorities. Any payments of accrued and unpaid interest due annually on Set-Aside Gap Loans shall be deferred to the extent that Development Cash Flow is insufficient to make said payments pursuant to the payment priority schedule established in Exhibit C. If Development Cash Flow is under-reported and such report causes a deferral of Set-Aside Gap Loan interest, such under-reporting shall constitute an event of default on the Set-Aside Gap Loan. A penalty of 5 percent of any required payment shall be assessed.

(a) By the date that is 151 Calendar Days after the Applicant's fiscal year end of each year of the Set-Aside Gap Loan term, the Applicant shall provide the Corporation's servicer with audited financial statements and a certification detailing the information needed to determine the annual payment to be made. However, this certification requirement will be waived until 151 Calendar Days after the Applicant's fiscal year end following the fiscal year within which the first unit is occupied. In the case where the Development contained occupied units at the time of acquisition, the initial submission will be due following the fiscal year within which the 12 month anniversary of the Set-Aside Gap Loan closing is observed. The certification shall require submission of audited financial statements and the fully completed and executed annual reporting form, Financial Reporting Form SR-1. The SR-1 form, Rev.03-13, which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links, shall be submitted to the Corporation's servicer in both PDF format and in electronic form as a Microsoft Excel spreadsheet. The audited financial statements are to be prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America for the 12 month fiscal year period just ended and shall include:

- (i) Comparative Balance Sheet with prior year and current year balances;
- (ii) Statement of revenue and expenses;
- (iii) Statement of changes in fund balances or equity;
- (iv) Statement of cash flows; and
- (v) Notes to financial statements.

The financial statements referenced above should also be accompanied by a certification of the Applicant as to the accuracy of such financial statements. A late fee of \$500 will be assessed by the Corporation for failure to submit the required audited financial statements and certification by 151 Calendar Days after the Applicant's fiscal year end of each year of the Set-Aside Gap Loan term. If the Applicant has not submitted the required audited financial statements, the Corporation servicer shall deem the Development Cash Flow sufficient and issue a billing for interest due on the Set-Aside Gap Loan for the Applicant's immediately preceding fiscal year by 212 Calendar Days after the Applicant's fiscal year end. After receipt of the audited financial statements, the Corporation servicer shall issue revised billing, if necessary. Failure to submit the

- required audited financial statements and certification by 151 Calendar Days after the Applicant's fiscal year end of each year of the Set-Aside Gap Loan term shall constitute an event of default on the Set-Aside Gap Loan. The Applicant shall furnish to the Corporation or its servicer, unaudited statements, certified by the Applicant's principal financial or accounting officer, covering such financial matters as the Corporation or its servicer may reasonably request, including without limitation, monthly statements with respect to the Development.
- (b) The Corporation servicer shall issue a billing for interest due on the Set-Aside Gap Loan for the Applicant's immediately preceding fiscal year by 212 Calendar Days after the Applicant's fiscal year end of each year of the loan term.
- (c) The Applicant shall remit the interest due to the Corporation servicer no later than 243 Calendar Days after the Applicant's fiscal year end of each year of the Set-Aside Gap Loan term. The first payment of Set-Aside Gap Loan interest will be due no later than 243 Calendar Days after the Applicant's fiscal year end following the fiscal year within which the first unit is occupied. The first payment of interest shall include all interest for the period which begins accruing on the date of the first Draw and ends on the date of the Applicant's fiscal year end of the fiscal year during which the first unit is occupied.
- (8) After maturity or acceleration, the Note shall bear interest at the Default Interest Rate from the due date until paid. Unless the Corporation has accelerated the Set-Aside Gap Loan, the Applicant shall pay the Corporation a late charge of 5 percent of any required payment that is not received by the Corporation within 15 days of the due date.
- (9) The final billing for the purpose of payoff of the Set-Aside Gap Loan shall also include a billing for compliance fees to cover monitoring of requirements beyond the maturity date of the Note. Such fees shall be computed by determining the present value of the annual compliance monitoring fee and multiplying that by the number of years for which the Development will have a set-aside for Very Low-Income persons or households beyond the repayment date. The present value discount rate shall be 2 percent per annum. Such amount shall be reduced by the amount of any compliance monitoring fees for other programs collected by the Corporation for the Development provided:
- (a) The compliance monitoring fee covers some or all of the period following the anticipated Set-Aside Gap Loan repayment date; and
- (b) The Development has substantially equivalent set-asides for Very Low-Income persons or households mandated through another Corporation program for which the compliance monitoring fee was collected.
- (10) The Set-Aside Gap Loans shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.
- (11) The Corporation shall monitor compliance of all terms and conditions of the Set-Aside Gap Loan and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the Set-Aside Gap Loan shall constitute a default during the term of the loan. The Corporation shall take appropriate legal action to effect compliance if a violation of any material term or condition relative to the set-asides of units for Very Low-Income persons or households is discovered during the course of compliance monitoring or

by any other means.

- (12) The Corporation shall require adequate insurance to be maintained on the Development as determined by the first mortgage lender or the Corporation's servicer, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part IIIA, Section 322 of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective April 29, 2011, which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links.
- (13) The Set-Aside Gap Loan term shall be for a period of not more than 15 years. The Corporation may set the Set-Aside Gap Loan term for a period commensurate with the investment requirements associated with the Housing Credit syndication. The term of the loan may also exceed 15 years if the lien of the Corporation's encumbrance is subordinate to the lien of another mortgagee, in which case the term may be made coterminous with the longest term of the superior loan.
- (14) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the Set-Aside Gap Loan mortgage without prior approval of the Corporation's Board of Directors. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified in writing of any such change.

Following construction completion, the Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in paragraph 4.e. below are met, the original combined loan to value ratio for the superior mortgage and the Set-Aside Gap Loan mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding Set-Aside Gap Loan loan balance. To calculate the proportionate amount of the increase in the superior mortgage which must be paid toward the reduction of the Set-Aside Gap Loan loan balance, the following calculation shall be used: divide the amount of the original Set-Aside Gap Loan mortgage by the combined amount of the original Set-Aside Gap Loan mortgage and the original superior mortgage; then multiply the quotient by the amount of the increase in the superior mortgage from the current balance after deducting refinancing costs. For example, if the amount of the original Set-Aside Gap Loan mortgage is \$2,000,000, the original superior mortgage is \$4,000,000, with a current balance of \$3,000,000, a proposed new superior mortgage of \$5,000,000, and refinancing costs of \$200,000, then the amount of the increase in the superior mortgage after deducting refinancing costs would be \$1,800,000, and the proportionate amount of the increase in the superior mortgage which must be paid toward the reduction of the Set-Aside Gap Loan balance would be \$594,000. This \$594,000 would be applied first to accrued interest and then to principal.

- (15) All Set-Aside Gap Loan shall be in conformance with applicable federal and state statutes, including the Fair Housing Act as implemented by 24 CFR Part 100 and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35. The Corporation shall allow units dedicated to occupancy by the Elderly in a Development designed for occupancy by elderly households pursuant to authorization by HUD under the Fair Housing Amendments of 1988 as implemented by 24 CFR Part 100.
- (16) The documents creating, evidencing or securing each Set-Aside Gap Loan must provide that any violation of the terms and conditions described in Exhibit C of the RFP, constitutes a default under the Set-Aside Gap Loan documents allowing the Corporation to accelerate its

- loan and to seek foreclosure as well as any other remedies legally available to it.
- (17) A failure to pay any principal or interest due under the terms of this section shall constitute a default on the Set-Aside Gap Loan.
  - (18) The Applicant shall provide to the Corporation an annual budget of income and expenses for the Development, certified as accurate by an officer of the Development, no later than 30 days prior to the beginning of the Development's fiscal year.
  - (19) Failure to provide the Corporation and its servicer with the Form SR-1 detailing the information needed to determine the annual payment to be made pursuant to this RFP shall constitute a default on the loan.
  - (20) The Compliance Period for a Development funded with a Set-Aside Gap Loan shall be, at a minimum, a period of time equal to the greater of: (i) the term of the loan, (ii) 12 years from the date the first residential unit is occupied, or (iii) such longer period agreed to by the Applicant in the Application. For Developments that contain occupied units at the time of closing, the Compliance Period shall begin not later than the termination of the last lease executed prior to closing of the Set-Aside Gap Loan.
  - (21) Unless and until a guarantor's obligations for a Set-Aside Gap Loan are terminated as approved in writing by the Corporation or its servicer, each guarantor shall furnish to the Corporation or its servicer financial statements as provided in paragraphs (a) through (c) below as the Corporation or its servicer may reasonably request.
    - (a) The audited financial statements are to be prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America for the 12 month fiscal year period just ended and shall include:
      - (i) Comparative Balance Sheet with prior year and current year balances;
      - (ii) Statement of revenue and expenses;
      - (iii) Statement of changes in fund balances or equity;
      - (iv) Statement of cash flows; and
      - (v) Notes to financial statements.

The financial statements referenced above should also be accompanied by a certification of the guarantor(s) as to the accuracy of such financial statements; or
    - (b) If an audited financial statement has not been prepared, a federal income tax return filed for the most recently completed year; or
    - (c) For individual guarantors, if an audited financial statement is not available a financial statement certified as true and complete without qualification by such guarantor and a copy of the most recently filed individual federal income tax return.
- b. Sale, Transfer or Refinancing of a Development with a Set-Aside Gap Loan
- (1) Any sale, conveyance, assignment, or other transfer of interest or the grant of a security interest in all or any part of the title to the Development other than a superior mortgage shall

be subject to the Corporation's prior written approval. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant such request.

- (2) The loan shall be assumable upon sale or transfer of the Development if the following conditions are met:
- (a) The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan;
  - (b) The proposed transferee agrees to maintain all set-asides and other requirements of the loan for the period originally specified or longer; and
  - (c) The proposed transferee and release of transferor receives a favorable recommendation from the Credit Underwriter and approval by the Board of Directors of the Corporation.

All assumption requests must be submitted in writing to the Director of Special Assets and contain the specific details of the transfer and assumption. In addition to any related professional fees, the Corporation shall charge a non-refundable assumption fee as outlined in the RFP.

- (3) If the loan is not assumed since the buyer does not meet the criteria for assumption of the loan, the loan (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:
- (a) First mortgage debt service, first mortgage fees;
  - (b) Applicable compliance and loan servicing fees;
  - (c) An amount equal to the present value of the compliance monitoring fee, as computed by the Corporation and its servicer, times the number of payment periods for which the Development will have a set-aside for Very Low-Income persons or households beyond the repayment date. The present value discount rate shall be 2 percent per annum. Such amount shall be reduced by the amount of any compliance monitoring fees collected by the Corporation for the Development, provided:
    - (i) The compliance monitoring fee covers some or all of the period following the anticipated Set-Aside Gap Loan repayment date; and
    - (ii) The Development has substantially equivalent set-asides for Very Low-Income persons or households mandated through another program of the Corporation for which the compliance monitoring fee was collected.
  - (d) Unpaid principal balance of the loan;
  - (e) Any interest due on the loan;
  - (f) Expenses of the sale;
  - (g) If there will be insufficient funds available from the proposed sale of the Development to satisfy paragraphs (3)(a)-(f) above, the Set-Aside Gap Loan shall not be satisfied until the Corporation has received:
    - (i) An appraisal prepared by an appraiser selected by the Corporation or the Credit

Underwriter indicating that the purchase price for the Development is reasonable and consistent with existing market conditions;

- (ii) A certification from the Applicant that the purchase price reported is the actual price paid for the Development, as supported by a copy of the final executed purchase and sale agreement, and that no other consideration passed between the parties, as supported by a draft and final closing statement, and that the Development Cash Flow reported to the Corporation during the term of the loan was true and accurate;
  - (iii) A certification from the Applicant that there are no Development funds available to repay the loan, including any interest due, and the Applicant knows of no source from which funds could or would be forthcoming to pay the loan; and
  - (iv) A certification from the Applicant detailing the information needed to determine the final billing for Set-Aside Gap Loan interest. Such certification shall require submission of financial statements and other documents that may be required by the Corporation and its servicer.
- (4) The Corporation may renegotiate and extend the loan in order to extend or retain the availability of housing for the target population. Such renegotiations shall be based upon:
- (a) Performance of the Applicant during the Set-Aside Gap Loan term;
  - (b) Availability of similar housing stock for the target population in the area;
  - (c) Documentation and certification by the Applicant that funds are not available to repay the Note upon maturity;
  - (d) A plan for the repayment of the loan at the new maturity date;
  - (e) Assurance that the security interest of the Corporation will not be jeopardized by the new term(s); and
  - (f) Industry standard terms which may include amortizing loans requiring regularly scheduled payments of principal and interest.

All loan renegotiation requests, including requests for extension, must be submitted in writing to the Director of Special Assets and contain the specific details of the renegotiation. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the RFP.

- (5) The Board shall approve requests for mortgage loan refinancing only if Development Cash Flow is improved, the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.
- (6) The Board shall deny requests for mortgage loan refinancing which require extension of the Set-Aside Gap Loan term or otherwise adversely affect the security interest of the Corporation, unless the criteria outlined in this section of Exhibit C are met, the Credit Underwriter recommends that the approval of such a request is crucial to the economic survival of the Development, or unless the Board determines that public policy will be better served by the extension as a result of the Applicant agreeing to further extend the Compliance Period or provide additional amenities or resident programs suitable for the resident

population. Further, the Board shall limit any approved extension to a minimum term which makes the Development feasible and which does not exceed an industry standard term.

The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in this section of Exhibit C are met, the original combined loan to value ratio for the superior mortgage and the Set-Aside Gap Loan mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding Set-Aside Gap Loan balance.

c. Set-Aside Gap Loan construction Disbursements and Permanent Loan Servicing

- (1) Loan proceeds shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the loan to the Total Development Cost, unless approved by the Credit Underwriter.
- (2) Ten (10) business days prior to each Draw, the Applicant shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Applicant for a Draw. The request shall set forth the amount to be paid and shall be accompanied by documentation specified by the Corporation's servicer including claims for labor and materials to date of the last inspection.
- (3) The Corporation and its servicer shall review the request for a Draw, and the servicer shall provide the Corporation with approval of the request or an alternative recommendation, after the title insurer provides an endorsement to the policy of title insurance updating the policy to the date of the current Draw and increasing the insurance coverage to an amount equal to the sum of all prior Draws and the current Draw, without additional exceptions, except those specifically approved in writing by the Corporation.
- (4) The Corporation shall disburse construction Draws through Automated Clearing House (ACH). The Applicant may request disbursement of construction Draws via a wire transfer. The Applicant will be charged a fee of \$10 for each wire transfer requested. This charge will be netted against the Draw amount.
- (5) The Corporation shall elect to withhold any Draw or portion of any Draw, notwithstanding any documentation submitted by the Applicant in connection with the request for a Draw, if
  - (a) The Corporation or the Corporation's servicer determines at any time that the actual cost budget or progress of construction differs from that as shown on the loan documents; or
  - (b) The percentage of progress of construction of the improvements differs from that shown on the request for a Draw.
- (6) The servicer may request submission of revised construction budgets.
- (7) Based on the Applicant's progress of construction, if the Corporation determines that further analysis by the Credit Underwriter is required prior to the release of the final Draw, the Applicant shall pay to the Credit Underwriter a fee based on an hourly rate determined pursuant to the contract between the Corporation and the Credit Underwriter.
- (8) Retainage in the amount of 10 percent per Draw shall be held by the servicer during construction until the Development is 50 percent complete. At 50 percent completion, no additional retainage shall be held from the remaining Draws. Release of funds held by the Corporation's servicer as retainage shall occur pursuant to the Set-Aside Gap Loan

agreement.

#### 4. Housing Credits:

- a. Each Housing Credit Development shall comply with the minimum Housing Credit Set-Aside provisions, as specified in Section 42(g)(1) of the IRC, with respect to the reservation of 20 percent of the units for occupancy by persons or families whose income does not exceed 50 percent of the area median income, or the reservation of 40 percent of the units for occupancy by persons or families whose income does not exceed 60 percent of the area median income. Further, each Housing Credit Development shall comply with any additional Housing Credit Set-Aside chosen by the Applicant in the Application.
- b. The Development shall provide safe, sanitary and decent residential rental housing and shall be developed, constructed and operated in accordance with the commitments made and the facilities and services described in the Application at the time of submission to the Corporation. Applications will not be considered approved to receive an allocation of Housing Credits until the Corporation issues a Preliminary Allocation to the Applicant and all contingencies of such documents are satisfied. Allocations are further contingent on the Applicant complying with its Application commitments, the credit underwriting and program requirements outlined in Exhibit C of this RFP, and Section 42 of the IRC.
- c. All of the dwelling units within a Housing Credit Development shall be rented or available for rent on a continuous basis to members of the general public. The owner of the Housing Credit Development shall not give preference to any particular class or group in renting the dwelling units in the Housing Credit Development, except to the extent that dwelling units are required to be rented to Eligible Persons. All Housing Credit Developments must comply with the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 as implemented by 24 CFR Part 8 (“Section 504 and its related regulations”), and Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35. To the extent that a Housing Credit Development is not otherwise subject to Section 504 and its related regulations, the Housing Credit Development shall nevertheless comply with Section 504 and its related regulations as requirements of the Housing Credit Program to the same extent as if the Housing Credit Development were subject to Section 504 and its related regulations in all respects. To that end, for purposes of the Housing Credit Program, a Housing Credit Allocation shall be deemed “Federal financial assistance” within the meaning of that term as used in Section 504 and its related regulations for all Housing Credit Developments. Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8, is available on the Corporation’s Website under the Multifamily Programs link labeled Related References and Links.
- d. Each Housing Credit Development shall complete the Final Cost Certification Application by the earlier of the following two dates:
  - (1) The date that is 75 Calendar Days after all the buildings in the Development have been placed in service, or
  - (2) The date that is 30 Calendar Days before the end of the calendar year for which the Final Housing Credit Allocation is requested.

The Corporation may grant extensions for good cause upon written request.
- e. Prior to execution of the limited partnership agreement or limited liability company operating agreement between the Applicant and the limited partners/members, the Applicant must receive

written approval from the Corporation or its Credit Underwriter that the Housing Credit Syndicator is in good standing with the Corporation. Proceeding with execution of a partnership agreement or operating agreement with a Housing Credit Syndicator that is not in good standing shall result in withdrawal of the Housing Credit Allocation.

- f. The Final Cost Certification Application (Form FCCA) shall be used by an Applicant to itemize all expenses incurred in association with construction or Rehabilitation of a Housing Credit Development, including Developer's and General Contractor's fees as described in Part I above. Such form shall be completed, executed and submitted to the Corporation in both hard copy format and as a Microsoft Excel spreadsheet, along with the executed Extended Use Agreement, IRS Tax Information Authorization Form 8821 for all Financial Beneficiaries, a copy of the syndication agreement disclosing the rate and all terms, the required certified public accountant opinion letter, an unqualified audit report prepared by an independent certified public accountant, photographs of the completed Development, the monitoring fee, and documentation of the placed-in-service date as specified in the Form FCCA instructions. The Final Housing Credit Allocation will not be issued until such time as all required items are received and processed by the Corporation. In addition, any Final Cost Certification involving Competitive Housing Credits that reflects an amount that exceeds the Total Development Cost limitation, as outlined in Part I above, shall have its Housing Credit Allocation reduced. The Final Cost Certification Application, effective January 2013 2007, and is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321.
- g. After the final evaluation and determination of the Housing Credit Allocation amount has been made by the Corporation and the Extended Use Agreement has been executed in accordance with these provisions, the IRS Low-Income Housing Credit Allocation and Certification Forms 8609 are issued to the Applicant of the Housing Credit Development, as provided below. The Corporation will issue only one complete set of Forms 8609 per Development which will be no earlier than total Development completion, the Corporation's acceptance and approval of the Development's Final Cost Certification Application, and determination by the Corporation that all financial obligations for which an Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of an Applicant or Developer is in arrears to the Corporation or any agent or assignee of the Corporation have been satisfied. At the time the Applicant's first tax return with which Form 8609-A is filed with the Internal Revenue Service, the Applicant must submit to the Corporation a copy of IRS Form 8609 with a completed Part II.
- h. Annually, within 151 Calendar Days following the Applicant's fiscal year end, the Applicant shall provide the Corporation with an audited financial statement and a fully completed and executed Financial Reporting Form (SR-1) (Rev. 02-13), which is available on the Corporation's Website under the Multifamily Programs link labeled Related References and Links. The audited financial statement and a copy of the signed Form SR-1, with Parts 1, 2, and 5 completed, shall be submitted in both PDF format and in electronic form as a Microsoft Excel spreadsheet to the Corporation at the following web address: [financial.reporting@floridahousing.org](mailto:financial.reporting@floridahousing.org). The initial submission will be due following the fiscal year within which the first unit is occupied. The initial submission for Housing Credit Developments that contain occupied units at the time of acquisition will be due following the fiscal year within which the 12 month anniversary of the closing is observed of either (i) the Housing Credit equity partnership agreement, or (ii) the acquisition of the development site, whichever comes first. The audited financial statement is to be prepared in accordance with accounting principles generally accepted in the United States of

America and audited in accordance with auditing standards generally accepted in the United States of America for the 12 month fiscal year period just ended and shall include:

- (1) Comparative Balance Sheet with prior year and current year balances;
- (2) Statement of revenue and expenses;
- (3) Statement of changes in fund balances or equity;
- (4) Statement of cash flows; and
- (5) Notes to financial statements.

The financial statements referenced above should also be accompanied by a certification of the Applicant as to the accuracy of such financial statements. A late fee of \$250 will be assessed by the Corporation for failure to submit the above documents by the stated deadline.

i. Carryover Allocation Provisions:

- (1) If an Applicant cannot complete its Development by the end of the year in which the Preliminary Allocation is issued, the Applicant must enter into a Carryover Allocation Agreement with the Corporation by December 31st of the year in which the Preliminary Allocation is issued. The Carryover Allocation allows the Applicant up to the end of the second year following the Carryover Allocation to have the Development placed-in-service.
- (2) An Applicant shall have tax basis in the Housing Credit Development which is greater than 10 percent of the reasonably expected basis in the Housing Credit Development within six (6) months of the date the Corporation issues the Carryover Allocation Agreement, unless extended as provided in the Carryover Allocation Agreement, or the Housing Credits will be deemed to be returned to the Corporation. Certification that the Applicant has met the greater than 10 percent basis requirement shall be signed by the Applicant's attorney or certified public accountant.
- (3) All supporting Carryover documentation and the signed certification evidencing the required basis must be submitted to the Corporation within six (6) months of the date the Corporation issues the Carryover Allocation Agreement, unless extended as provided in the Carryover Allocation Agreement, or the Housing Credits will be deemed to be returned.
- (4) The Applicant for each Development for which a Carryover Allocation Agreement has been executed shall submit quarterly progress reports to the Corporation using Progress Report Form Q/M Report, which will be provided by the Corporation. If the Form Q/M Report does not demonstrate continuous and adequate development and construction progress, the Corporation will require monthly submission of Form Q/M Report until satisfactory progress is achieved, until the Development is placed in service, or until a determination is made by the Corporation that the Development cannot be placed in service by the Carryover deadline and the Housing Credits are returned to the Corporation in accordance with the terms of the Carryover Allocation Agreement. Form Q/M Report shall include a written statement describing the current status of the Development; the financing, construction and syndication activity since the last report; the reasons for any changes to the anticipated placed-in-service date; and any other information relating to the status of the Development which the Corporation may request. The due date for the first report shall be as stated in the Carryover Allocation Agreement.

j. Extended Use Agreement:

- (1) Pursuant to Section 42(h)(6) of the IRC, the Applicant and the Corporation shall enter into an

Extended Use Agreement. The purpose of the Extended Use Agreement is to set forth the Housing Credit Extended Use Period, the Compliance Period, and to evidence commitments made by the Applicant in the Application or subsequently agreed to by the Corporation.

(2) The following provisions shall be included in the Extended Use Agreement:

- (a) The Applicable Fraction for Housing Credit Set-Aside units for each taxable year in the Housing Credit Extended Use Period shall not be less than the Applicable Fraction;
- (b) Eligible Persons occupying set-aside units shall have the right to enforce in any state of Florida court the extended use requirement for set-aside units;
- (c) The Extended Use Agreement shall be binding on all successors and assigns of the Applicant; and
- (d) The Extended Use Agreement shall be executed prior to the issuance of a Final Housing Credit Allocation to an Applicant. Following execution, the Extended Use Agreement shall be recorded pursuant to Florida law as a restrictive covenant.

k. Sale or Transfer of a Housing Credit Development:

An owner of a Housing Credit Development, its successor or assigns which has been granted a Final Housing Credit Allocation shall not sell the Housing Credit Development without having first notified the Treasury of the impending sale and complying with the Treasury's procedure or procedures for completing the transfer of ownership and utilizing the Housing Credit Allocation. The owner of a Housing Credit Development shall notify the Corporation in writing of an impending sale and of compliance with any requirements by the Treasury for the transfer of the Housing Credit Development. The owner of a Housing Credit Development shall notify the Corporation in writing of the name and address of the party or parties to whom the Housing Credit Development was sold within 14 Calendar Days of the transfer of the Housing Credit Development.

l. Qualified Contracts:

An owner's written request to the Corporation for a qualified contract shall be governed by 26 CFR 1.42-18, Section 42 of the Code, as applicable, and the Corporation's rule governing qualified contracts in effect at the time of the qualified contract request.