

**Draft Exhibit C to the High Priority Special Needs and PHA Revitalization Request for Proposals**  
(as referenced in the Summary Discussion Points for the February 26, 2013 Public Meeting)

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 ~~cycle~~ 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 ~~SAIL or HOME loan amount, Housing Credit allocation amount or a combined SAIL loan amount and 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 ~~Rule Chapter 67-48, F.A.C.~~

1. At the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFP ~~Within 10 business days after the final rankings are approved by the Board~~, 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.
 

~~(2) For SAIL and HOME Applicants, the invitation to enter credit underwriting constitutes a preliminary commitment.~~
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 ~~letter of invitation~~. For any invitation to enter credit underwriting that is offered to an Applicant after Board approval of the ranking 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 based on the Board-approved ranking.
3. If the invitation to enter credit underwriting ~~invitation~~ 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 ~~letter of invitation to enter credit underwriting~~. In addition, (i) within seven (7) Calendar Days of the date of the ~~letter of invitation~~ Competitive HC Applicants shall submit the Preliminary Recommendation Letter (PRL) fee to the Credit Underwriter ~~and SAIL Applicants shall submit the administrative fee to the Corporation~~, and (ii) within 14 Calendar Days of the date of the ~~letter of invitation~~, Competitive HC, ~~SAIL and HOME~~ Applicants shall submit IRS Tax Information Authorization Form 8821 for all Financial

Beneficiaries to the Corporation. ~~IRS Form 8821, Rev. August 2008, is adopted and incorporated herein by reference and available on the Corporation's Website under the 2011 Universal Application link labeled Related References and Links or from [http://www.flrules.org/Gateway/reference.asp?No=Ref\\_00489](http://www.flrules.org/Gateway/reference.asp?No=Ref_00489).~~

- b. For Competitive HC, ~~SAIL and HOME~~ Applicants, failure to submit the required credit underwriting fee and, the HC PRL fee, ~~or the SAIL administrative fee, as applicable,~~ by the specified deadline shall result in withdrawal of the invitation and issuance of an invitation to the next eligible Applicant as outlined in the Application or competitive solicitation or both Universal Application instructions.
4. The Credit Underwriter shall review all information in the Application, including information relative to the Applicant, Developer, Housing Credit Syndicator, General Contractor, and, if an Elderly ALF or Persons with Special Needs Demographic, the service provider(s), 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 a ~~SAIL or HOME loan, a Housing Credit Allocation, or a combined SAIL loan and Housing Credit Allocation or Housing Credit Allocation and HOME loan.~~ 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. Developments receiving first mortgage funding from the United States Department of Agriculture Rural Development (RD) are not required to meet the debt service coverage standards if RD is providing rental assistance and has acknowledged that rents will be set at an amount sufficient to pay all operating expenses, replacement reserve requirements and debt service on the first and

second mortgages.

11. 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, ~~Moderate Rehabilitation or Substantial Rehabilitation~~ and review the Development's costs.
12. 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) ~~Preservation or 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 ~~incorporated by reference and~~ available on the Corporation's Website under the Multifamily Programs 2011 Universal Application link labeled Related References and Links ~~or from~~ \_\_\_\_\_. 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.
13. For all Developments, the Developer fee and General Contractor's fee shall be limited to:
  - a. The Developer fee shall be limited to 16 percent of Development Cost, except that a ~~with the following exceptions:~~
    1. A Developer fee of 18 percent of Development Cost shall be allowed if the proposed Development is qualified for Housing Credits pursuant to Rule 67-48.027, F.A.C., pertaining to Tax Exempt Bond Financed Developments; and

~~2.~~ A Developer fee of 21 percent of Development Cost shall be allowed if the proposed Development is qualified for Competitive Housing Credits with a demographic commitment of ~~Homeless or Persons with Special Needs~~; 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 SAIL or HOME 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.

14. 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; ~~and~~
- 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 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.

15. 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, ~~Moderate Rehabilitation, Substantial Rehabilitation, and Preservation~~ may be included within the Total Development Cost for Application and underwriting purposes. ~~Contingency reserves shall not be paid from SAIL or HOME funds.~~

16. 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.
17. 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 ~~HC~~ invitation to enter credit underwriting and the funds will be distributed as outlined in the Application or competitive solicitation or both ~~Universal Application instructions~~. 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.
18. 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 ~~HC~~ 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 ~~Universal Application instructions~~. 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.
19. 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.
20. 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. A percentage of 15 basis points over the percentage as of the date of invitation to enter ~~final~~ credit underwriting

- up to 4 percent will be used for Developments receiving tax-exempt bonds.
- b. Costs such as syndication fees and brokerage fees cannot be included in eligible basis. All consulting fees 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 67-48.0072(16), F.A.C.
  - 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. ~~In the event the Credit Underwriter is making a recommendation for non-competitive Housing Credits, the recommendation will be the lesser of the qualified basis calculation result or the gap calculation result.~~ 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. 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 that select and qualify for the 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)**

<u>Measure</u>	<u>New Construction Units</u>	<u>Rehabilitation Units</u>
<u>Maximum TDC Per Unit exclusive of Land Costs</u>	\$163,000	\$137,000
<u>TDC Multipliers (to be applied against the Development's TDC)</u>		
<u>Persons with Special Needs Demographic</u>	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 proforma 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 proforma 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.
21. 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 ~~or a Preliminary Determination of Housing Credits in the case of Tax Exempt Bond Financed Developments~~. 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.

22. For Competitive HC, the credit underwriting report must be finalized no later than the deadline provided in the Carryover Allocation Agreement commencement of construction, unless extended as provided in the Carryover Allocation Agreement, or the Housing Credits will be deemed to be returned to the Corporation.

## Part II. HC Program Procedures and Requirements

### 1. General Program Procedures:

- a. ~~Unless the Board approves a competitive allocation process outside the Universal Cycle, an Applicant is not eligible to apply for or retain Competitive Housing Credits available under this RFP if any of the following pertain to the proposed Development: (a) 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, unless written notice has been provided to the Corporation prior to the due date for this Application Deadline for the current cycle withdrawing acceptance of such previously received allocation or commitment and returning the HC funding from a prior cycle;~~
- (b) ~~A preliminary commitment of funding for the proposed Development through the SAIL Program, the HOME Program, or the RRLP Program has already been accepted, unless written notice has been provided to the Corporation prior to the Application Deadline for the current cycle withdrawing such acceptance and returning the prior SAIL Program, HOME Program, or RRLP Program funding.~~
- (c) ~~The proposed Development site or any part thereof is subject to any Land Use Restriction Agreement or Extended Use Agreement, or both, in conjunction with any Corporation affordable housing financing intended to foster the development or maintenance of affordable housing, with the following exceptions. Those exceptions being (i) a LURA recorded in conjunction with the Predevelopment Loan Program or the Elderly Housing Community Loan Program and (ii) a LURA or EUA, or both, for an existing building or buildings, originally constructed at least 25 years prior to the Application Deadline for the current Funding Cycle, where, in the current Application, the Applicant has selected and qualified for the Homeless demographic commitment with a Development category of Rehabilitation, Acquisition and Rehabilitation, Preservation, or Acquisition and Preservation.~~
- b. If applying for HC, 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. 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.
- d. 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.
- e. ~~Except for Developments that have non-Corporation issued tax exempt bonds that submit a separate Application for non-competitive Housing Credits,~~ Applications shall be limited to one submission per subject property. Two or more Applications, submitted in the same solicitation process Funding Cycle, 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.
- f. ~~If an the Board determines that any~~ 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.

- g. An Application will be ineligible for funding if any of the following apply ~~The Corporation shall reject an Application if, following the submission of the additional documentation, revised pages and other information as the Applicant deems appropriate as described in subsection (6) above:~~
  - (1) The Development is inconsistent with the purposes of the ~~SAIL, HOME, or~~ HC Program(s) or does not conform to the Application requirements specified in this rule chapter;
  - (2) The Applicant fails to achieve the threshold requirements as detailed in this RFP ~~these rules, the applicable Application, and Application instructions~~;
  - (3) The Applicant fails to file all applicable Application pages and exhibits which are provided by the Corporation in this RFP ~~and adopted under this rule chapter~~;
  - (4) The Applicant fails to satisfy any arrearages as described in Section Seven of the RFP subsection (5) above ~~or whenever the Board approves any Committee recommendation or adjustments thereto~~. For purposes of the SAIL and HOME Programs, this provision ~~rule subsection~~ 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 12., Applicant Certification and Acknowledgement, reflecting an original signature.
- h. 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 Undrewriter, and the changes made are prejudicial to the Development or to the market to be served by the Development.
- i. 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 for the subsequent cycle and continuing until such time as all of their existing Developments participating in any Corporation programs are in compliance.

- j. 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 after the Application deadline. Those items are as follows:
- ~~(a) Name of Applicant entity; notwithstanding the foregoing, the name of the Applicant entity may be changed only by written request of an Applicant to Corporation staff and approval of the Board as follows: (i) after the Applicant has been invited to enter credit underwriting for the SAIL and HOME Programs and for Developments requesting non-competitive HC to be used with non-Corporation issued tax exempt bonds, and (ii) after the Carryover Allocation Agreement is in effect for the Competitive HC Program;~~
  - ~~(b) Identity of each Developer, including all co-Developers; notwithstanding the foregoing, the identity of the Developer(s) 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;~~
  - ~~(c) Program(s) applied for;~~
- (1) Applicant applying as a Non-Profit or for-profit organization;
  - (2) 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; as follows: (i) for the Competitive HC, SAIL and HOME Programs provided the Tie Breaker Measurement Point is on the site and the total proximity points awarded during scoring are not reduced, and, However, 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) for Developments requesting non-competitive HC provided the Development Location Point is on the site;
  - (3) Development Category;
  - (4) Development Type;
  - (5) Demographic Commitment;
    - ~~(i) Total number of units; notwithstanding the foregoing, for the SAIL and HC Programs the total number of units 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;~~
    - ~~(j) With regard to the SAIL and HC Programs, the Total Set Aside Percentage as stated in the last row of the total set aside breakdown chart for the program(s) applied for in the~~

~~Set Aside Commitment section of the Application. With regard to the HOME Program, the Total Set Aside Percentage as stated in the Set Aside Commitment section of the Application, unless the change results from the revision allowed under paragraph (l) below;~~

~~(k) CHDO election for the HOME Program;~~

~~(6) Funding Request amount; notwithstanding the foregoing, requested amounts can be changed only as follows:~~

~~1. Reduced by the Applicant to reflect the maximum request amount allowed in those instances where an Applicant requested more than its request limit, or~~

~~2. When the county in which the Development is located is newly designated by HUD as a Difficult Development Area (DDA) after the Application Deadline but prior to the end of the cure period outlined in Rule 67-48.004, F.A.C.: (i) an Applicant, who has not failed threshold for exceeding its Competitive HC request limit, may increase its Competitive HC request by an amount equaling 30 percent, rounded to whole dollars, of the remainder of the Applicant's initial request amount provided the total request amount does not exceed the maximum Competitive HC request amount for the applicable county; or (ii) an Applicant, that failed threshold during preliminary scoring for requesting more than its Competitive HC request limit because the Development was not then designated as being in a DDA, may increase its Competitive HC request amount to the maximum allowable amount for the Development. If any Development elects to recognize any newly designated DDA status, then the Development must meet any minimum Competitive HC requests that are applicable.~~

~~(m) Submission of the Application online and submission of one original hard copy with the required number of photocopies of the Application by the Application Deadline;~~

~~(n) Payment of the required Application fee by the Application Deadline;~~

~~(o) The Application labeled "Original Hard Copy" must include a properly completed Applicant Certification and Acknowledgement form reflecting an original signature.~~

- k. 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.
- l. 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/~~Preliminary Determination~~ 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 ~~Rule Chapter 67-48, F.A.C.~~, and Section 42 of the IRC.

- m. 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.
- n. 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.

- o. 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.
- p. 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 ~~Rule 67-48.0072, F.A.C.~~ 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. ~~For Competitive Housing Credits and non-competitive Housing Credits to be used with tax exempt bonds issued (i) by the Corporation, or (ii) by an entity other than the Corporation or a County Housing Finance Authority, if the required Home Energy Rating System (HERS) Index is not achieved for all eligible new construction units, the Developer fee shall be reduced as outlined in the Application instructions.~~

~~If the green building certification program committed to by the Applicant during credit underwriting is not achieved, the Developer fee shall be reduced as outlined in the Application instructions. 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 is adopted and incorporated herein by reference, effective January 2013 2007, and is available on the Corporation's Website under the Multifamily Programs 2011 Universal Application link labeled Related References and Links or from — or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1321. IRS Form 8821, Rev. August 2008, is adopted and incorporated herein by reference and available on the Corporation's Website under the 2011 Universal Application link labeled Related References and Links or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00546>.~~

- q. 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 ~~Rule 67-48.029, F.A.C.~~, the IRS Low-Income Housing Credit Allocation and Certification Forms 8609 are issued to the Applicant of the Housing Credit Development, as provided below. ~~IRS Low-Income Housing Credit Allocation Certification Form 8609, Rev. December 2008, is adopted and incorporated herein by reference and available on the Corporation's Website under the 2011 Universal Application link labeled Related References and Links or from <http://www.flrules.org/Gateway/reference.asp?No=Ref-00488>.~~ 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.
- r. 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) ~~01-11~~, which is ~~incorporated by reference and~~ available on the Corporation's Website under the Multifamily Programs ~~2011 Universal Application~~ link labeled Related References and Links ~~or from —~~. 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~~ \$500 will be assessed by the Corporation for failure to submit the above documents by the stated deadline.

## 2. Carryover Allocation Provisions:

- a. 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.
- b. 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.
- c. 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.
- d. 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.

## 3. Extended Use Agreement:

- a. 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.
- b. The following provisions shall be included in the Extended Use Agreement:
  - (1) 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;



- (2) 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;
- (3) The Extended Use Agreement shall be binding on all successors and assigns of the Applicant; and
- (4) 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.

4. 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.

5. Qualified Contracts:

- a. An owner's written request to the Corporation for a qualified contract (a "qualified contract request") shall be governed by 26 CFR 1.42-18 (the "qualified contract regulations"), Section 42 of the Code, as applicable, and this rule section in effect at the time of the qualified contract request.
- b. After the fourteenth year of the Compliance Period, unless otherwise obligated under the Extended Use Agreement, or a Land Use Restriction Agreement under another Corporation program, and provided the right to request a qualified contract for the Development was not waived in exchange for or in connection with the award of Housing Credits, the owner of a Development may submit a qualified contract request to the Corporation. When submitting a qualified contract request, the owner shall utilize the Qualified Contract Package in effect at the time of the request and shall remit payment of the required Qualified Contract Package fee as provided therein. The Qualified Contract Package, Rev. 09-2012, consists of the forms and instructions, obtained from the Corporation at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or on the Corporation's Website under the Multifamily Programs link labeled Related References and Links, which shall be completed and submitted to the Corporation in order to request a qualified contract.
- c. All information contained in a Qualified Contract Package is subject to independent review, analysis and verification by the Corporation or its agents. The Corporation may request additional information to document the qualified contract amount calculated by the owner. The Corporation may also engage the services of its own certified public accountant (CPA) and real estate appraiser to assist in the review of a Qualified Contract Package. Real estate appraisers involved in the qualified contract process must be licensed by the state of Florida.
- d. The qualified contract regulations provide that the fair market value of the non-low-income portion of the building includes the fair market value of the underlying land and that the valuation of the underlying land must take into account the existing and continuing requirements contained

in the Extended Use Agreement. Pursuant to s. 193.017, F.S., and the statutes cited therein, the Extended Use Agreement recorded in connection with a Housing Credit property is a land-use regulation and a limitation on the highest and best use of the property during the term of the agreement that must be considered by the county property appraiser in assessing the value of the property. For purposes of a qualified contract request, the fair market value of the underlying land shall be the value attributed to the underlying land by the county property appraiser in the most recent year's assessed value of the Development.

- e. In addition to the Qualified Contract Package fee, the owner shall be responsible for all third party fees in connection with the owner's qualified contract request. Third party fees include, but are not limited to, the costs of the services provided by CPAs and real estate appraisers or other real estate professionals engaged by the Corporation to assist it in the review of a qualified contract request, and the fees and commissions of any real estate broker in connection with the marketing and sale of the development to a buyer under a qualified contract.
- f. When offering a development for sale to the general public pursuant to a qualified contract request, the Corporation may, but shall not be required to, utilize the services of a real estate broker under contract with or designated by the Corporation to market and sell the development. The owner of the development shall be responsible for the fees and commissions due any such real estate broker in connection with the marketing and sale of the development, and, upon request of the Corporation or the real estate broker, the owner shall enter into a written agreement with the real estate broker pursuant to which the owner agrees to pay to the real estate broker such fees and commissions in connection with the marketing and sale of the development.
- g. The running of the one-year period described in Section 42(h)(6)(I) of the Code may be suspended by the Corporation at any time upon written notice to the owner if: (a) the Corporation concludes that the owner's request lacks information required in the Qualified Contract Package or other essential information; (b) the owner fails to pay the Qualified Contract Package fee or, thereafter, fails to timely pay any other fees or costs for which the owner is responsible hereunder; (c) the owner and the Corporation are unable to reach mutual agreement on the qualified contract amount; (d) the Development that is the subject of the qualified contract request is not in compliance with the applicable program requirements or if any fees related to the Development are delinquent; (e) the owner fails to allow the Corporation, its agents or prospective buyers access to the Development for purposes of verification, inspection or due diligence; (f) the 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; (g) following request, the owner fails to enter into the written agreement with the real estate broker designated by the Corporation to market and sell the development; or (h) the owner otherwise fails to comply with the requirements of this rule section or the qualified contract regulations. The term of any such suspension shall begin on the date of the written notice provided by the Corporation to the owner, and shall continue unabated until such date as the deficiency, non-payment or disagreement giving rise to the suspension is acknowledged as having been resolved in writing by the Corporation.
- h. Upon mutual agreement of the owner and the Corporation, the qualified contract amount shall be documented in writing signed by the Corporation and the owner.
- i. The owner shall cooperate with the Corporation and its agents, real estate brokers and prospective buyers in connection with the processing of the owner's qualified contract request and the marketing of the Development to prospective buyers. The owner shall exercise good faith in acting upon a qualified contract as may be presented within the one-year period. If the

Corporation provides a qualified contract within the one-year period and the owner rejects or fails to act upon the contract, the Development shall remain subject to the Extended Use Agreement, and the owner shall be deemed to have waived any right or option to submit another qualified contract request for the Development.

j. An owner shall be allowed only one qualified contract request per Development.