TBD

STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

HTG HARBOR VILLAGE, LTD., AS APPLICANT
FOR CRESTWOOD APARTMENTS,

Petitioner,

vs. Case No. 10-6673
2008-026G

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.
_______________________________/

**PETITIONER'S UNOPPOSED MOTION REQUESTING OFFICIAL RECOGNITION OF POST-HEARING FINAL AGENCY ACTION OR, IN THE ALTERNATIVE, REQUESTING THE RECORD BE REOPENED FOR ADMISSION OF ADDITIONAL EVIDENCE**

Pursuant to rule 28-106.204, Florida Administrative Code, Petitioner HTG Harbor Village, Ltd., as Applicant for Crestwood Apartments ("Crestwood"), files this Unopposed Motion Requesting Official Recognition of Post-Hearing Final Agency Action or, in the Alternative, Requesting the Record Be Reopened for Admission of Additional Evidence. In support of the Motion, Petitioner states:

1. On January 21, 2011, just one day after the final hearing in the above-styled proceeding concluded, the Board of Directors of Respondent Florida Housing Finance Corporation ("Florida Housing") took final agency action on a matter that is directly related to the issues raised this proceeding. The Florida

Housing Board, through Item N. on its Consent Agenda, approved a credit underwriting letter authorizing $1.8 million in funding to Windsor Park Apartments. *See* **Attachment 1** (agenda item). The purpose of this loan is to permit Windsor Park to refinance its debt and thereby eliminate or greatly reduce Windsor Park's participation in Florida Housing's Guarantee Fund Program. *See* **Attachment 2** (credit underwriting letter). As a result of this refinancing, Florida Housing would no longer have risk (or would have minimal risk) associated with the mortgage on Windsor Park Apartments.

2. Florida Housing's sole explanation for rescinding the Housing Credit allocation and Exchange Funding award for Crestwood was that Crestwood would have a potential negative impact on Windsor Park, a Guarantee Fund transaction. *See* Jt. Exhs. 6, 25, 36. If Windsor Park is no longer participating in the Guarantee Fund program (or is participating only minimally), Florida Housing's basis for rescinding Crestwood's funding is eliminated, as Florida Housing would no longer bear risk associated with Windsor Park's debt. Notably, no one from Florida Housing disclosed at any point – prior to or during – the administrative proceeding in this case that the Board was poised to approve funding for Windsor Park that essentially removes the development from Florida Housing's Guarantee Fund portfolio.

3. Crestwood learned only today, upon final action of the Board of Directors approving the funding for Windsor Park, that Florida Housing had begun a process in late 2010 to award funds to a number of developments in the Guarantee Fund portfolio in an effort "to maximize a development's ability to refinance the development, effectively removing it from the Guarantee Program and thereby ceding risk." *See* **Attachment 3** (Questions and Answers concerning Request for Proposals 2010-16 at p. 6). Windsor Park was preliminarily approved for funding through this program in December of 2010, following its response to Florida Housing's Request for Proposals. *See* **Composite Attachment 4**. As previously noted, final approval of the Windsor Park funding did not occur until today, following the approval of a favorable credit underwriting report.

4. Crestwood respectfully requests that the Administrative Law Judge take official recognition of the Florida Housing Board's final agency action today, as illustrated in the attachments to this Motion. Crestwood seeks such official recognition in order to reference the attached documents in its Proposed Recommended Order.

5. Alternatively, Crestwood requests that the Administrative Law Judge reopen the record and admit a new composite exhibit consisting of all of the attached documents (to be called **Crestwood Composite Exhibit 1**). The purpose of this request is to permit Crestwood to cite and discuss these documents in its

Proposed Recommended Order. Reopening the record in an administrative proceeding is appropriate when an agency is acting in a changed manner that is relevant to the pending litigation. *Upjohn Healthcare Services, Inc. v. Department of Health and Rehabilitative Servs.*, 496 So. 20 147, 150 (Fla. 1st DCA 1986).

6. If the Administrative Law Judge ("ALJ") believes testimony should be taken concerning these documents, witnesses for Crestwood can be made available at the convenience of the ALJ. Similarly, if the ALJ believes oral argument on this Motion would assist in its resolution, Crestwood's counsel can be available at the convenience of the ALJ.[1]

7. In accordance with rule 28-106.204(3), the undersigned has contacted Hugh Brown, counsel for Florida Housing, who states that he has no objection to the official recognition or admission of the attached documents.

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1 Crestwood notes that the documents attached to this Motion were never produced in the course of this litigation. Crestwood submitted multiple public records requests to Florida Housing concerning its decision to rescind Crestwood's funding, as well as a broad Request for Production of Documents concerning Windsor Park Apartments. Granted, Crestwood did not specifically ask for documents associated with a new funding program intended to remove developments – including Windsor Park – from the Guarantee Fund, as Crestwood did not know such a program existed and could not reasonably be expected to be aware of such program. All of the attached documents were downloaded today from Florida Housing's website as soon as the undersigned learned of the Board's action today to approve Windsor Park's new funding.

For the reasons expressed, Crestwood respectfully requests that the ALJ enter an Order either (1) officially recognizing the actions of the Florida Housing Board on January 21, 2011, as illustrated by the attached documents, and permitting Crestwood to refer to these documents in its Proposed Recommended Order, or (2) reopening the record for the purpose of admitting Crestwood Composite Exhibit 1 (the attached documents) into evidence.

Respectfully submitted this 21st day of January, 2011.

Donna E. Blanton
Florida Bar No. 948500
Radey Thomas Yon & Clark, P.A.
301 S. Bronough Street, Suite 200
Tallahassee, Florida 32301
Tel: 850-425-6654/ Fax: 850-425-6694
Attorney for Crestwood

## CERTIFICATE OF SERVICE

I certify that a true copy of the foregoing was served by facsimile and electronic mail this 21st day of January, 2011, on the following:

Hugh R. Brown, Deputy General Counsel
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301
Facsimile: (850) 414-6548

D E Blanton

Donna E. Blanton

# FLORIDA HOUSING FINANCE CORPORATION
## Board Meeting
**January 21, 2011**
**Consent Items**

Florida Housing
Finance Corporation

we make housing affordable

**Attachment 1**

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

*Consent*

**N. Request for Approval of Credit Underwriting Letter (RFP 2010-16) for Windsor Park Apartments (RFP 2010-16-05)**

| | |
|---|---|
| **Development Name ("Development"):** | **Windsor Park Apartments** |
| **Developer/Principal ("Applicant"):** | **TWC Seventy-Two, Ltd./The Wilson Company** |
| **Number of Units:** | **240** |
| **Location ("County"):** | **Palm Beach** |
| **Type (Rental, Homeownership):** | **Rental/Family (Guarantee, HC and SMI)** |
| **Set-Aside:** | **77.5% @ 60% AMI (HC)** |
| **Allocated Funding Amounts:** | **$15,515,000 Palm Beach County Bonds<br>$517,822 Housing Credits<br>$595,187 Subordinate Mortgage Initiative** |
| **SAIL ELI Funding Amount under RFP 2010-16 not to exceed:** | **$1,800,000** |

1. <u>**Background/Present Situation**</u>

a) At its July 30, 2010 meeting, the Board approved the issuance of a Request for Proposal (RFP) to award Extremely Low Income (ELI) funding (almost $28.5 million) and remaining State Apartment Incentive Loan (SAIL) funding (just over $23.3 million) through an RFP process to existing Florida Housing developments, giving preference to developments in the Guarantee Fund portfolio, to "buy down" the Area Median Income (AMI) set-aside for units targeted to 60% AMI so that they will be set-aside for ELI households.

b) On November 19, 2010, Florida Housing staff issued RFP 2010-16 to award SAIL ELI funding to Applicants who commit to provide set-aside units for ELI Households. The deadline for receipt of Responses was Friday, December 3, 2010.

c) On December 10, 2010, the Board approved the award list of RFP 2010-16 and directed staff to proceed with all necessary credit underwriting activities. Additionally, a formal written bid protest contesting the terms of RFP 2010-16 was filed.

d) On December 20, 2010 a settlement conference was held.

e) On December 21, 2010 a voluntary Notice of Dismissal was filed.

f) On December 22, 2010, staff issued a preliminary commitment and an invitation to enter credit underwriting for SAIL Funding under RFP 2010-16 for units set-aside for ELI Households.

g) On January 12, 2011, staff received a credit underwriting letter with a positive recommendation for SAIL ELI Loan in the amount of $1,800,000 (<u>Exhibit N</u>). Staff has reviewed this report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2010-16.

*Consent*

2. **Recommendation**

Approve the credit underwriting letter and direct staff to proceed with issuance of a firm loan commitment and loan closing activities.

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE
PANAMA CITY BEACH, FL 32413
TEL: (850) 233-3616
FAX: (850) 233-1429

January 12, 2011

Ms. Laura Cox
Director of Asset Management and Guarantee Program
Mr. Kevin Tatreau
Director of Multifamily Development Programs
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: RFP 2010-16-05 for Extremely Low Income ("ELI") Households – Windsor Park Apartments: GUAR/HC 1998-508C/SMI-21

Dear Ms. Cox and Mr. Tatreau:

The Applicant, TWC Seventy Two, Ltd., of the above referenced transaction submitted a proposal for RFP 2010-16 (the "RFP"). For consideration for funding available under the RFP, the subject development must have a mortgage note guaranteed by the Florida Housing Finance Corporation's ("FHFC" of "Florida Housing") Guarantee Program ("GP") or received funding from FHFC prior to 1996 as evidenced by an existing FHFC Extended Use Agreement ("EUA") or Land Use Restriction Agreement ("LURA") that has not previously committed to set aside units for ELI households. Rankings were determined by Priorities outlined in the RFP. Based on criteria (primarily occupancy, debt service coverage, and development size) established by the RFP, the development is eligible to set-aside a number of units to ELI households. In turn, the development is eligible for State Apartment Incentive Loan ("SAIL") ELI funding equal to $75,000 for each ELI unit converted from a unit equal to or greater than 60% of the Area Median Income ("AMI"). Funds received under the RFP must first be used to reduce the unpaid principal balance of the first mortgage note guaranteed by the GP, and then (if applicable), any Subordinate Mortgage Initiative ("SMI") funding.

At Florida Housing's December 10, 2010, Board of Directors Meeting, the subject transaction received a preliminary commitment of $1,800,000 of SAIL ELI funding, subject to credit underwriting and the SAIL Program requirements of Rule Chapter 67-48, Florida Administrative Code. The transaction has been assigned to Seltzer Management Group, Inc. ("SMG" or "Seltzer") for review and recommendation.

The SAIL ELI loan will be non-amortizing with a zero percent interest rate and a term of 15-years. The principal balance will be forgiven at maturity provided the ELI set-asides have been maintained for the 15-year term. At the conclusion of the 15-year term the ELI units will revert back to the set-asides committed to in the original LURA and or EUA.

The subject is a 240 unit, Housing Finance Authority of Palm Beach County (the "Authority") bond financed development located in West Palm Beach, Palm Beach County, Florida. The Bonds were issued in two series, Multifamily Housing Revenue Bonds - 1998 A and Taxable

Multifamily Housing Revenue Bonds - 1998 B, by the Authority in the amount of $15,515,000. Proceeds from the sale of the Bonds funded a first mortgage note in the same amount. The note is guaranteed by the GP with no HUD risk-sharing, Priority 1.

The Applicant has one Housing Credit ("HC") equity investor limited partner, Wachovia Affordable Housing Community Development Corporation. The Applicant has also been awarded SMI funds totaling $595,187 of which $496,549 has been disbursed to date. In addition, an affiliate(s) of the general partner, a Wilson Company affiliated entity(s), has funded operating deficits in excess of $3.6 million.

Average occupancy for the four month period of June 2010 through September 2010 for the subject was 91%. Debt Service Coverage for the year ended December 31, 2009, was calculated at 0.74 to 1.00. Based on the criteria outlined in the RFP, the Applicant is eligible to set-aside 10% of the total units as ELI units, which in this instance equates to 24 units (10%) at 28% of the AMI. At the end of the 15-year term, the ELI units will revert back to the set-asides committed to in the original LURA and or EUA. In addition, the Applicant committed to set-aside three of the ELI units for Special Needs Households.

There are approximately 22 vacant units at the subject. It is assumed that the new ELI units will be 100% occupied and therefore raise the overall occupancy to approximately 95% or greater. The pro forma rent roll and Net Operating Income ("NOI") schedules are presented in Exhibits A and B, respectively. Setting aside the ELI units is anticipated to increase rental income by $70,425. Assuming that operating expenses remain at historical levels, NOI is anticipated to increase by a like amount.

Assuming approval, the SAIL ELI loan funds will be disbursed and deposited with the Trustee. The funds will either be utilized as "gap" financing to re-finance the existing first mortgage or to pay-down the existing first mortgage.

A HUD 223(f) re-financing pro forma (Exhibit C) indicates a re-financing of the existing first mortgage to $12,142,900. Terms include a 35-year amortization period and an anticipated interest rate of 5.0%. Annual debt service is calculated at $735,405 which reflects a $461,139 reduction from the current annual debt service amount of $1,196,544. Under this scenario, the Guarantee Program's credit exposure will be eliminated. SMG does note that assumptions utilized in this scenario result in a funding gap which will require additional funding sources that have not been identified at this time.

Alternatively, these funds will be utilized to reduce the amount of outstanding bonds, and accordingly, the first mortgage principal amount. Assuming a first mortgage pay-down by the entire amount of the SAIL ELI loan and re-amortization over the remaining loan term, annual debt service is anticipated to decrease and therefore increasing overall cash flow by approximately $173,018. Under this scenario the Guarantee Program's credit exposure will be reduced.

Please note that the actual structure and terms for either scenario have not been finalized at this time. The most optimal structure and terms will be based on market conditions at the time of the re-financing or existing mortgage pay down. It is not the intent of this analysis to mandate a financing structure under either scenario but to validate the most probable benefits of either scenario.

It is Seltzer's opinion that there is sufficient demand for the ELI units which will increase occupancy and help stabilize the property. The increased occupancy will result in increased rental revenue and NOI. The utilization of the SAIL ELI funds under either scenario will result in a reduced debt burden which will further stabilize the property. Further, under either scenario the Guaranteed Program's credit exposure will be eliminated or greatly reduced. Accordingly, SMG recommends that the SAIL funds be awarded to the Applicant, subject to the following:

1. Execution of SAIL ELI LURA reflecting the ELI set-asides with at least three of the new ELI units for Special Needs Households that are referred by at least one designated Special Needs Households Referral Agency(s), located in the Development's county, for a period of 15 years.
2. Execution of an SAIL ELI Loan Agreement reflecting a commitment to register all of the Developments within the Applicant's portfolio on the FHFC Locator at www.floridahousingsearch.org on a continuing basis for the remainder of the applicable extended use period(s).
3. Modification and amendment of any existing LURA or EUA reflecting the ELI set-aside units.
4. Consent of the HC Equity Provider and Subordinate Lender(s), where applicable.
5. Evidence that re-financing or reduction of the existing first mortgage is acceptable under the bond documents and any fees associated with such are payable by the Applicant.
6. Confirmation that the final re-financing eliminates the credit exposure to the GP or existing mortgage pay down improves overall cash flow, reduces the overall credit exposure to the GP, and, to the extent possible, fully or partially repays any outstanding SMI funds (if applicable).
7. Payment of all outstanding costs and fees to FHFC, its counsel and servicer.
8. Satisfactory resolution of any outstanding past due and non-compliance items.
9. All other due diligence required by FHFC and its legal counsel.

Please let us know if you have any questions or if we can be of any further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.

Benjamin S. Johnson
President

Ms. Laura Cox
Mr. Kevin Tatreau
Windsor Park Apartments
January 12, 2011


## Exhibit A

## Windsor Park Apartments - Pro Forma Rent Roll

**HERA Special Limits West Palm Beach County- Boca Raton (Palm Beach County)**

| Bed-rooms | Baths | No. of Units | Unit Size (SF) | Median Income | Max Gross HC Rents | Utility Allow-ance | Max Net HC Rents | Achievable Rents | Annual Rents |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | 12 | 716 | | $799 | | $799 | $799 | $115,056 |
| 1 | 1 | 57 | 716 | 60% | $848 | $84 | $764 | $649 | $444,190 |
| 1 | 1 | 9 | 716 | 28% | $395 | $84 | $311 | $311 | $33,588 |
| 2 | 2 | 27 | 1,017 | | $899 | | $899 | $899 | $291,276 |
| 2 | 2 | 84 | 1,017 | 60% | $1,018 | $124 | $894 | $715 | $720,922 |
| 2 | 2 | 12 | 1,017 | 28% | $475 | $124 | $351 | $351 | $50,544 |
| 3 | 2 | 15 | 1,200 | | $999 | | $999 | $999 | $179,820 |
| 3 | 2 | 21 | 1,200 | 60% | $1,176 | $134 | $1,042 | $782 | $196,938 |
| 3 | 2 | 3 | 1,200 | 28% | $548 | $134 | $414 | $414 | $14,904 |
| **Totals** | | **240** | **227,739** | | | | | | **$2,047,237** |

Rental Achievement - 60% units - 79% of max. (average), 28% units - 100% of max.
Physical Occupancy - 95%

## Exhibit B

### Windsor Park Apartments – Comparative NOI Calculations

| DESCRIPTION | 2009 | 2010 | Pro Forma |
|---|---|---|---|
| **Revenue** | | | |
| Gross Potential Rental Revenue | $2,528,841 | $2,576,395 | $2,047,237 |
| Other Income: | | $0 | |
| Washer/Dryer Rentals | $32,856 | $35,800 | $30,360 |
| Cable Television Income | $803 | $0 | $0 |
| Miscellaneous Income | $18,287 | $15,778 | $16,268 |
| Interest Income | $84,205 | $43,222 | $432,222 |
| Other | $0 | $0 | $0 |
| Gross Potential Income | $2,664,992 | $2,671,195 | $2,526,087 |
| Less: | | | |
| Vacancy Loss - | ($279,323) | ($321,870) | ($102,362) |
| Collection Loss - | ($5,185) | ($16,497) | ($20,472) |
| **Total Effective Gross Revenue** | $2,380,484 | $2,332,828 | $2,403,253 |
| | | | |
| **Expenses** | | | |
| Fixed: | | | |
| Taxes | $154,502 | $151,925 | $137,580 |
| Insurance | $192,442 | $157,707 | $153,804 |
| Variable: | | | |
| Management Fees | $119,130 | $117,671 | $120,163 |
| General and Administrative | $49,646 | $50,242 | $65,459 |
| Payroll Expenses | $241,666 | $227,123 | $253,962 |
| Utilities | $175,579 | $178,282 | $187,776 |
| Marketing and Advertising | $15,867 | $12,499 | $15,404 |
| Maintenance and Repairs | $217,037 | $173,968 | $153,833 |
| Grounds Maintenance | $35,412 | $29,742 | $33,600 |
| Contract Services | $0 | $0 | $0 |
| Replacement Reserve | $0 | $49,386 | $96,000 |
| Other: Resident Programs | $10,809 | $11,092 | $12,000 |
| **Total Expenses** | $1,212,090 | $1,159,637 | $1,229,581 |
| | | | |
| **Net Operating Income** | $1,168,394 | $1,173,191 | $1,173,672 |

**Exhibit C**

## Windsor Park – Re-Financing Pro Forma

| | | |
|---|---|---|
| Current Loan Balance | | $14,090,000 |
| Current Debt Service | | $1,196,544 |

| | | |
|---|---|---|
| <u>Sources</u> | | |
| New First | $ | 12,142,900 |
| SAIL ELI | $ | 1,800,000 |
| Debt Servce Reserve | $ | 575,000 |
| Total Sources | $ | 14,517,900 |

| | | |
|---|---|---|
| <u>Uses</u> | | |
| Existing First | $ | 14,090,000 |
| SMI | $ | 595,187 |
| Closing Costs/RR/Excess Funds | $ | (167,287) |
| | $ | 14,517,900 |

| | |
|---|---|
| <u>First Mortgage - Proposed</u> | |
| Loan Amount | $12,142,900 |
| Interest Rate | 5.00% |
| Amortization Period | 35 |
| P&I | $61,283.72 |
| Fees | - |
| Total Payment | $61,284 |
| Annual Debt Service | $735,405 |

| | |
|---|---|
| <u>First Mortgage - Paydown Existing</u> | |
| Current Balance | $14,090,000 |
| SMI Loan | $595,187 |
| SAIL ELI | ($1,800,000) |
| Paydown Balance | $12,885,187 |
| | |
| Interest Rate | 6.60% |
| Remaining Term | 27.00 |
| Annual Debt Service | $1,023,526 |

# Questions and Answers for Request for Proposals (RFP) 2010-16

ELI SAIL Guarantee Funding

**Question 1:**

Can you confirm the name of the development for Spring Harbor shown as priority #1, per Threshold item Exhibit "B" requested is Spring Harbor, Ltd? This is the legal name of the owner.

**Answer:**

Correct.

**Question 2:**

Can you confirm the Application number for Spring Harbor, Ltd, requested per Threshold Exhibit "B" is MMRB # MR1999C1 and C2; HC #2000-502 ?

**Answer:**

Correct.

**Question 3:**

Can you verify that the definition of ELI, Extremely Low Income is per the FHFC website and attached schedule is based on each County and for Lake County where Spring Harbor is located, the ELI is 33% of AMI and is the proper ELI to use for this RFP?

**Answer:**

Correct.

**Question 4:**

Can you confirm that the ELI units are to be spread proportionately by unit type at the community?

**Answer:**

Yes, additionally, Section 8 voucher holders may not be used to satisfy the ELI Set-Aside requirement of subparagraph 2.2(a) above, unless those households' vouchers are paying rents only up to the ELI rent level.

# Questions and Answers for Request for Proposals (RFP) 2010-16
ELI SAIL Guarantee Funding

**Question 5:**

We want to apply in the existing owner entity, but have a new general partner, are there any issues we need to address with not applying in the existing complete ownership entity?

**Answer:**

The Applicant must be authorized to sign the Proposal for the Applicant. Additionally, if awarded funds under RFP 2010-16, the Applicant must be able to furnish due diligence items for the closing, including but not limited to: 1) Limited Partnership Agreement of Borrower, with all amendments, 2) Incumbency Certificate for General Partner of Borrower, 3) Opinion of Borrower's Counsel, and 4) Certified resolutions of the Borrower authorizing the execution and delivery of the loan documents.

**Question 6:**

Does the new refinancing need to fully repay all of the guarantee loan and all of the SMI?

**Answer:**

The refinancing contemplated in Section Six A. 3. must fully repay the mortgage note guaranteed by the Florida Affordable Housing Guarantee Program, effectively removing the Development from the Guarantee Program.

Applicants responding to RFP 2010-16 that also received Subordinate Mortgage Initiative funding expressly agreed to "use its good faith, best efforts to refinance, sell and/or otherwise effectively remove the Development (its first mortgage financing) from the Florida Housing Guarantee Program" when they executed the loan documents for the Subordinate Mortgage Initiative funding.

**Question 7:**

If the SMI does not need to be fully repaid does this affect scoring if it is not fully repaid?

**Answer:**

Yes, the refinancing contemplated in Section Six A. 3. will be evaluated according to Section Seven.

# Questions and Answers for Request for Proposals (RFP) 2010-16
ELI SAIL Guarantee Funding

**Question 8:**

New ELI Units: Do we round up or down. For example, if the New ELI units are 10% of the total units, and the total units are 288, are the NEW ELI units equal to 29 units, or are the New ELI units equal to 28 units?

**Answer:**

Results that are not a whole number will be rounded up to the next whole number. In the example provided in Question 8, the correct answer would be 29 units.

**Question 9:**

ELI: Do we select the ELI AMI set forth in the 2011 Universal Cycle application, for each County respectively?

**Answer:**

No, the rule governing the 2011 Universal Cycle Application has not been adopted. The ELI County Chart included in the 2009 Universal Application Instructions, adopted and incorporated by reference pursuant to 67-48.004 (1) (a), F.A.C. is the applicable chart for purposes of RFP 2010-16 and is attached.

**Question 10:**

For Exhibit B, #4 of the RFP: "Requested number of New ELI units at:___ 60% AMI or at ___ ____ AMI",

Why is 60% AMI a choice for #4, as 60% AMI is not ELI.

**Answer:**

RFP 2010-16 requires Applicants to convert units equal to or greater than 60 percent AMI to New ELI units. In the first part of Exhibit B 4., Applicants are expected to insert the number of units that will be converted to New ELI units in the blank before 60% AMI. In the second portion, following "or" Applicants are expected to insert the number of units that will be converted to New ELI units and then a number greater than 60% AMI representing the current AMI of the units that will be converted to New ELI units.

Example:
Requested number of New ELI units at: [insert #] 60% AMI or at [insert #] [insert current AMI of units greater than 60% that will be converted to New ELI units or note that units currently have no AMI restrictions]AMI

**Question 11:**

For Exhibit B, #4 of the RFP:

For the 2nd two blanks, does the RFP mean to state that the Applicant should write in how many New ELI units at X% AMI we are committing to?

**Answer:**

Please see Answer to Question No. 10.

**Question 12**:
Please confirm that Priority I applications are ranked before Priority 2 applications, which are ranked before Priority 3 applications, which are ranked before Priority 4 applications.

**Answer:**

Correct.

**Question 13:**

Please also confirm that with regard to paragraph (a) on the top of page 10, that the paragraph should be modified to include the following: If and only if two Proposals are tied within the same Priority level for debt service coverage and both Proposals request the same number of SAIL ELI units, then the ranking goes to the Proposal with the lowest lottery number.

Currently, this paragraph (a) appears to be in conflict with the ranking paragraph on the bottom of page 9, and the amended paragraph above would make it consistent with the ranking process noted on the bottom of page 9. That ranking paragraph on page 9 appears to state that all else being equal, the rankings are Priority 1 Proposals over Priority 2 Proposals, etc. and within each Priority, the project with the highest debt service coverage gets ranked higher (again, assuming all the scores are the same). If that is the case, the amended paragraph (a) above is needed in order to be consistent with page 9 ranking instructions.

**Answer:**

Correct.

## Questions and Answers for Request for Proposals (RFP) 2010-16

ELI SAIL Guarantee Funding

**Question 14:**

Section 4 looks to provide limits to each Development based upon occupancy and DSCR that ranges from 5% to 20% ELI units , if a Priority 1 Development has a Gap funding that is not met by the 5% , can we request additional ELI units up to the 20% or above the amount shown in section 4B2a or 4B2b ?

**Answer:**

No.

**Question 15:**

When calculating the ELI unit percentage, do we round up, for example if the 5% equals 4.5 units , do we use 5 units for ELI

**Answer:**

Please see Answer to Question No. 8.

**Question 16:**

Can you provide the rationale and formula for the different ELI set asides in section 4B2a, 4B2b, 4B2c and 4B2d?

**Answer:**

Florida Housing has experienced eight claims/foreclosures in the Guarantee Fund portfolio since November 2008 with the most recent claim occurring in April of this year. In 2009, Fitch downgraded the insurer strength rating of the Guarantee Fund to an A-. Further claims against the Guarantee Fund pose a risk of further downgrade to the rating. In addition to the loss of those Guarantee Fund development units that would occur in the event of a claim and subsequent foreclosure, such claims and further potential downgrade of the Fund's rating put at risk future state housing trust fund resources.

To mitigate against further claims/foreclosures in the Guarantee Fund portfolio, Florida Housing has attempted to (1) halt cannibalization of current Guarantee Fund developments by keeping new units serving similar households from being built in close proximity to existing Guarantee Fund transactions with low occupancy; and (2) provide resources through the Subordinate Mortgage Initiative to aid struggling transactions in the Fund's portfolio for a short term period.

Florida Housing has many units in its portfolio, including the Guarantee Fund portfolio, that are targeted to households earning up to 60% of Area Median Income (AMI) that, in many of the softer rental markets throughout the state, are currently empty. Each year, Florida Housing carries out an evaluation of six months of physical occupancy data for Florida Housing's entire portfolio. This analysis, along with more detailed information about the Guarantee Fund properties and data on new affordable rental units under construction, allows Florida Housing to target financing to areas of the state where housing is most needed. Based on data for the first 6 months of 2010, the staff has proposed to increase the number of entire counties or areas of counties considered to be saturated from 24 in 2009 to 35 in the next Universal Application Cycle – over half of the state. The statewide rental needs study, however, indicates a great need for units targeted to households earning extremely low incomes (generally meaning 30% AMI and below).

On July 7, 2010, the Board authorized staff to allocate the ELI funding (almost $28.5 million) and remaining SAIL funding (just over $23.3 million) through a Request for Proposals process to existing Florida Housing developments, giving preference to developments in the Guarantee Fund portfolio, to "buy down" the AMI set-aside for units targeted to 60% AMI so that they will be set-aside for ELI households. RFP 2010-16 and Section Four B are intended to allocate the ELI funding to maximize a development's ability to refinance the development, effectively removing it from the Guarantee Program and thereby ceding risk. The amount of New ELI units available to developments with higher average occupancy is limited to have the least negative impact to cash flow available for debt service in order to reduce the potential of a development not meeting its debt service requirement. In addition, Florida Housing does not have an adequate supply of SAIL ELI funds to fund all potential applicants.

**Question 17:**

If we request additional ELI units above the amount noted in 4B2a and 4B2b, will that affect our scoring or our ability to get awarded ELI units and funding?

**Answer:**

Not necessarily, however, Section Six B. provides a preference for Proposals requesting SAIL ELI set-aside units below the maximum number over Proposals requesting the maximum number of SAIL ELI set-aside units within each Priority.

**Question 18:**

Is there an additional funding planned for SAIL/ELI units for the guarantee program?

**Answer:**

Not at this time.

**Question 19:**

Section 6 B. a., on page 10 of RFP 2010-16, gives preference to smaller developments since community size, and therefore the percentage of total development units newly set-aside for ELI residents, is not considered in the ranking. Why is community size not considered?

**Answer:**

Section Six B. a. on page 10 provides: "In the event that two (2) or more Proposals requesting the same amount of SAIL ELI set-aside units, preference will be given to the Proposal with the lowest lottery number." Question 19 does not appear to be applicable to the referenced portion of RFP 2010-16.

**Question 20:**

Exhibit B to RFP 2010-16 Item 4. - The reference to 60% is confusing.
What is the proper way to fill in this item?

**Answer:**

Please see Answer to Question No. 10.

**Question 21:**

Please clarify how Section 4A (Affirmation of information and commitments in Original Application) should be addressed in the Proposal for Projects that have had changes in General Partners and/or debt structure (i.e. GP removal, additional debt), etc.

**Answer:**

Section Two defines Original Application as The Application, including any changes approved by the Board, for which the Applicant.received a mortgage note guarantee from the Florida Affordable Housing Guarantee Program.

**Question 22:**

Also, will the ELI set-aside be for income limits only, or will the ELI set-aside necessitate a similar reduction in rents?

**Answer:**

Pursuant to Section Five C. and Rules 67-48.0075 (7), F.A.C., and 67-48.010 (17), F.A.C., "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) IRC for the applicable unit occupied by such household."

**Question 23:**

Relative to the refinance portion of the proposal:
For projected loan-to-value - can the Lender provide LTV requirements or a cap rate? Does FHFC have proscribed cap rates for each project area?

**Answer:**

Responses to Exhibit B 3. should contain a detailed description of the Applicant's ability to refinance the development. Florida Housing does not have prescribed cap rates for each project area.

**Question 24:**

Relative to the refinance portion of the proposal:
What is FHFC's expectation for the projected realistic time frame for closing of a refinance proposal without reduction of awarded points?

**Answer:**

Proposals submitted in response to RFP 2010-16 will be evaluated pursuant to Section Seven and each Individual Committee members independent review of the answers from each Applicant. It is anticipated that responses to Exhibit B 3. discussing the projected realistic timeline for refinancing will vary based upon the unique circumstances for each Development.

**Question 25:**

For the 50% of New ELI set-aside for Special Needs Households, will this be a target population set aside, or a requirement that units be held for these SNH?

**Answer:**

It is anticipated that the New ELI Units set-aside for Special Needs Households will be held open for no more than 14 days. In most cases, Special Needs Referral Agencies will have a waiting list of interested and pre-screened households ready to apply immediately for the units as they come available. If no Special Needs Households have been referred after the agreed upon period, the units may be rented to any eligible ELI household.

**Question 26:**

In the instance where application of the percentages in Section Four, paragraph B.2. results in a partial unit, is it correct to round up to the next whole unit. For example, 5% of 384 units equals 19.2 units. Are we correct in rounding up to 20 units, or must we restrict the request to 19 units?

**Answer:**

Please see Answer to Question No. 8.

**Notice of Award for Request for Proposals (RFP) #2010-16**
**SAIL ELI GUARANTEE FUNDING**

At the December 10, 2010 Board Meeting, Florida Housing's Board of Directors accepted the Recommendations of the Review Committee.

The Review Committee recommends that Florida Housing issue invitations to enter into credit underwriting for the following developments in ranked order. The ranking is provided on the attached Exhibit G.

Priority 1:
Bernwood Trace, Pasco Woods, Ltd., Logan's Poine, Spring Harbor, Ltd., Windsor Park Apts and Stratford Point Apts.

Priority 2:
Sabal Chase, Sundance Pointe, Leigh Meadows, Worthington Apts. Brittany of Rosemont II, Brittany of Rosemont I, Woodbridge Apts., Windchase Apts., Wyndam Place Apts., and Willow Lake Apts.

Priority 3:
Trust Lake Park d/b/a San Marcos Apts Phase II, Trust Lake Park d/b/a San Marcos Apts Phase I, Peacock Run and Hampton Point Apts.

Priority 4 was determined by the lowest lottery number:
Caribbean West, Coral Gardens and Mystic Woods will be fully funded. The remaining funds were insufficient to fully fund the Douglas Square Development. The review committee recommends that the ELI units requested be lowered from 6 to 4 and that Douglas Square be given the remaining $275,000 in funds, whereby 3 ELI would be fully funded and the remaining ELI unit would be funded by two-thirds or $50,000.

## ELI Guarantee Ranking

| Development | Lottery Number | Funding Category | SAIL ELI Amount | 51,800,000 |
|---|---|---|---|---|
| Bernwood Trace | 6 | Priority 1 | 4,875,000.00 | |
| Pasco Woods | 23 | Priority 1 | 1,500,000.00 | |
| Logan's Pointe | 15 | Priority 1 | 1,875,000.00 | |
| Spring Harbor | 11 | Priority 1 | 975,000.00 | |
| Windsor Park | 8 | Priority 1 | 1,800,000.00 | |
| Stratford Point | 22 | Priority 1 | 1,500,000.00 | |
| | | | **Total SAIL ELI Amount for Priority 1 Proposals** | 12,525,000 |
| Development | Lottery Number | Funding Category | Sail Requested | |
| Sabal Chase | 20 | Priority 2 | 4,725,000.00 | |
| Sundance Pointe | 2 | Priority 2 | 4,200,000.00 | |
| Leigh Meadows | 21 | Priority 2 | 3,300,000.00 | |
| Worthington | 7 | Priority 2 | 1,125,000.00 | |
| Brittany Rosemont II | 5 | Priority 2 | 3,600,000.00 | |
| Brittany of Rosemont I | 12 | Priority 2 | 3,825,000.00 | |
| Woodbridge | 3 | Priority 2 | 1,800,000.00 | |
| Windchase | 10 | Priority 2 | 4,875,000.00 | |
| Wyndham Place | 19 | Priority 2 | 1,950,000.00 | |
| Willow Lake | 26 | Priority 2 | 4,875,000.00 | |
| | | | **Total SAIL ELI Amount for Priority 2 Proposals** | 34,275,000 |
| Development | Lottery Number | Funding Category | Sail Requested | |
| Trust Lake II | 27 | Priority 3 | 375,000.00 | |
| Trust Lake I | 4 | Priority 3 | 1,050,000.00 | |
| Peacock Run | 25 | Priority 3 | 1,050,000.00 | |
| Hampton Point | 16 | Priority 3 | 1,125,000.00 | |
| | | | **Total SAIL ELI Amount for Priority 3 Proposals** | 3,600,000 |
| Development | Lottery Number | Funding Category | Sail Requested | |
| Carribbean West | 13 | Priority 4 | 450,000.00 | |
| Coral Gardens | 14 | Priority 4 | 375,000.00 | |
| Mystic Woods I | 24 | Priority 4 | 300,000.00 | 1,125,000 |
| Douglas Square | 28 | Priority 4 | 450,000.00 | 275,000 |
| | | | **Total SAIL ELI Amount for Priority 4 Proposals** | 1,400,000 |
| | | | **SAIL ELI amount remaining** | 0 |
| Unfunded | | | | |
| The Gardens | 17 | Priority 4 | 1,275,000.00 | |
| Vista Palms | 1 | | 3,450,000.00 | |
| Tuscan Isle | 9 | | 1,125,000.00 | |
| Preserve at Oslo | 18 | | 675,000.00 | |

**REQUEST FOR PROPOSALS 2010-16**

# RFP 2010-16 FOR EXTREMELY LOW INCOME (ELI) HOUSEHOLDS

**for**

**FLORIDA HOUSING FINANCE CORPORATION**

**November 19, 2010**

## SECTION ONE
## INTRODUCTION

This Request for Proposal is open to the following Applicants who commit to provide additional ELI Set-Aside units:

1. The Applicant's development has a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program; or

2. The Applicant's development received an award of funding from Florida Housing prior to 1996 as evidenced by an existing recorded Florida Housing EUA or LURA that has not previously committed to set aside units for ELI Households.

Florida Housing is soliciting sealed proposals from qualified Applicants that commit to set aside additional units for ELI Households by converting units equal to or greater than 60 percent Area Median Income (AMI) committed to in their LURA or EUA down to the ELI AMI level so that the total ELI set-aside is less than or equal to 20 percent of the total units in the proposed Development in accordance with the terms and conditions of this RFP, applicable laws, rules, and regulations, and Florida Housing's generally applicable construction and financial standards.

Florida Housing anticipates that approximately $51,800,000 in ELI and State Apartment Incentive Loan (SAIL) funding will be available as loans under this RFP.

## SECTION TWO
## DEFINITIONS

For purposes of this document, the following terms shall be defined as set out below. Unless otherwise defined below, the definitions included in Rule 67-48.002, F.A.C., Rule 67-21.002, or applicable federal regulations apply.

| | |
|---|---|
| "Applicant" | Any person or legally formed entity that is eligible to seek SAIL funding from Florida Housing by responding to this request for proposal. |
| "Committee" | The review committee composed only of employees of Florida Housing that is established pursuant to Rule 67-49.007, F.A.C. |
| "Days" | Calendar days, unless otherwise specified. For computing any period of time allowed under 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. |
| "EUA" or Extended Use Agreement | An agreement which sets forth the set-aside requirements and other Development requirements under a Florida Housing program. |
| "Extended Use Period" | With respect to any building that is included in a Development funded through the Low Income Housing Tax Credit Program, 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 Florida Housing in the EUA 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. |
| "Florida Housing" | Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat. |
| "Guarantee Program" | The Florida Affordable Housing Guarantee Program created by Section 420.5092, Fla. Stat. |
| "Interested Party" | A person or entity that requests a copy of this Request for Proposals from Florida Housing. |
| "LURA" or "Land Use Restriction Agreement" | An agreement among Florida Housing, the Bond Trustee and the Applicant which sets forth certain set-aside and other Development requirements. |
| "MMRB Documents" | The Multifamily Mortgage Revenue Bonds (MMRB) Loan Commitment, MMRB Loan Agreement, Note, Mortgage, Credit Enhancement, MMRB Land Use Restriction Agreement, Trust Indenture, Preliminary and Final Official Statements, Intercreditor Agreement, Assignments, Bond Purchase Agreement, Compliance Monitoring Agreement, Mortgage Servicing Agreement and such other ordinary and customary documents necessary to issue and secure repayment of the Bonds and Mortgage sufficient to protect the interests of the Bond owners and Florida Housing. |
| "Original Application" | The Application, including any changes approved by the Board, for which the Applicant received a mortgage note guarantee from the Florida Affordable Housing Guarantee Program. |

| | |
|---|---|
| "Proposal" | A written submission by an Applicant that responds to this Request for Proposals. |
| "Proposed Development" | The Development proposed within the Applicant's Original Application and this RFP. |
| "RFP" | This Request for Proposals, including all exhibits referenced in this document and all other documents incorporated by reference. |
| "SAIL" or "SAIL Program" | The State Apartment Incentive Loan Program created pursuant to Sections 420.507(22) and 420.5087, F.S. |
| "Threshold Item" | A mandatory requirement of the RFP. |
| "Website" | The Florida Housing Finance Corporation website, the home address of which is www.floridahousing.org . |

## SECTION THREE
## PROCEDURES AND PROVISIONS

A. An Applicant must submit one (1) original and four (4) copies of the Proposal in a sealed envelope marked "RFP 2010-16". Each envelope or package containing Proposals must clearly state the name of the Applicant. The Proposal that is the original must clearly indicate "Original" on that Proposal. Florida Housing shall not accept a faxed or e-mailed Proposal. Florida Housing must receive any Proposal on or before 2:00 p.m., Eastern Time, on December 3, 2010. Proposals shall be opened at that time and consecutively numbered. A lottery number will then be assigned to each Proposal by having Florida Housing's internal auditors run the total number of Proposals through a random number generator program. Proposals must be addressed to:

Sherry Green
Contracts Administrator
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

B. This RFP does not commit Florida Housing to award any funding to any Applicant or to pay any costs incurred in the preparation or mailing of a Proposal.

C. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;

2. Accept or reject any or all Proposals received as a result of this RFP;

3. Obtain information concerning any or all Applicants from any source;

4. To select for award Proposals based on evaluation standards described in this RFP.

D. Any Interested Party may submit any inquiry regarding this RFP in writing via fax 850-414-6548 , e-mail sherry.green@floridahousing.org, or mail to Sherry Green at the address given in Section Three, paragraph A. All inquiries are due by 5:00 p.m., Eastern Time, on November 29, 2010. Phone calls will not be accepted. Florida Housing expects to respond to all inquiries by 5:00 p.m., Eastern Time, on November 30, 2010. Florida Housing will post a copy of all inquiries received, and the answers, on Florida Housing's Website at: http://apps.floridahousing.org/StandAlone/FHFC_ECM/AppPage_LegalRFPs.aspx . Florida Housing will also send a copy of those inquiries and answers in writing to any Interested Party that requests a copy. Florida Housing 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 Sherry Green, or her designee, to inquiries raised by Interested Parties that are posted on Florida Housing's Website or sent to Interested Parties shall bind Florida Housing. No other means of communication, whether oral or written, shall be construed as an official response or statement from Florida Housing.

E. 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.

F. Florida Housing expects to select one or more Applicants to award the funding contemplated by this RFP. Any such Applicants will be selected through Florida Housing's review of each Proposal, considering the factors identified in this RFP.

## SECTION FOUR
## OBJECTIVES AND SCOPE OF SERVICES

By submitting this Proposal, each Applicant agrees to the following terms and conditions.

A. The Applicant affirms that the information and commitments made by the Applicant in its Original Application are still in effect, subject to Rule Chapter 67-39, F.A.C., effective January 8, 2002.

B. Funding Eligibility:

1. This Request for Proposal is open to any Applicant (1) whose development has a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program, or (2) has received an award of funding from Florida Housing prior to 1996 as evidenced by an existing recorded Florida Housing EUA or LURA that has not previously committed to set aside units for ELI Households.

2. Applicants must commit to set aside units for ELI Households by converting units equal to or greater than 60 percent AMI households committed to in their existing EUA or MMRB LURA down to the ELI AMI level ("New ELI Units"), so that the ELI set-aside is equal to or less than:

   a. 5 percent of the total units in a Development whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was equal to or greater than 92%, with debt service coverage ratios greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and

   b. 10 percent of the total units in a Development consisting of 300 units or less whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios equal to or greater than 0.50, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and

   c. the lesser of 65 New ELI units or 20 percent of the total units in a Development consisting of 300 units or less whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios greater than 0.35, but less than 0.50, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and

   d. the lesser of 65 New ELI units or 20 percent of the total units in a Development consisting of more than 300 units whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios equal to or greater than 0.50, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development.

3. The maximum amount of SAIL ELI funds available to a Proposal shall be limited to $75,000 per New ELI Unit converted from a unit equal to or greater than 60 percent AMI.

4. Applicants must commit to register all of the Developments within the Applicant's portfolio on the Florida Housing Locator at

www.floridahousingsearch.org and agree to list all of the Developments within the Applicant's portfolio with the Florida Housing Locator service on a continuing basis for the remainder of the applicable extended use period(s).

## SECTION FIVE
## CERTIFICATION

By inclusion and execution of Exhibit B each Applicant certifies that:

A. Any material submitted in response to this RFP is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 10 Days after the Proposal is opened, whichever is earlier.

B. Noninterference. At no time during the review and evaluation process, commencing with filing the Proposal and continuing until the Board renders a final decision on the RFP, may Applicants or their representatives contact Board members or Florida Housing staff concerning their own or any other Applicant's response to the RFP. 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 Proposal.

C. Proposed Developments funded with SAIL ELI will be subject to the credit underwriting and SAIL Program requirements of Rule Chapter 67-48, F.A.C. and the Compliance requirements of Rule Chapter 67-53, F.AC.

1. Credit Underwriting Review and Terms and Conditions of the SAIL ELI Grant

   a. Upon Board approval of the selected Proposals, Florida Housing will issue an invitation to credit underwriting. If funds become available due to a withdrawn Proposal or negative credit underwriting determination, additional Proposals on the ranked list will be invited to enter credit underwriting. The ELI commitment of the last Proposal funded under this RFP may be adjusted if there is not enough SAIL ELI funding available to fully fund the New ELI Units.

   b. Any credit underwriting report must reflect the SAIL ELI amount and all set-aside commitments.

   c. The maximum number of New ELI set-aside units and award of SAIL ELI funds under this RFP shall not exceed the limits described in Section Four.

d. SAIL ELI loans shall be 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 SAIL ELI loan amount is awarded are targeted to ELI Households for at least 15 years.

e. At the conclusion of the 15 year New ELI Units commitment, the New ELI Units will revert back to the original AMI restriction contained in the Applicant's original EUA and/or LURA commitment prior to this RFP, including any changes approved by the Board, and will remain in effect throughout the entire affordability period.

f. During the credit underwriting process, the Applicant awarded SAIL ELI loan funds under this RFP must demonstrate that the New ELI Units are acceptable to the Housing Credit Syndicator and any requirements in the MMRB Documents, including acquiring Cash Flow Certificates at the Applicant's expense, if applicable. .

## SECTION SIX
## INFORMATION TO BE PROVIDED IN PROPOSAL

The Applicant must provide a completed and executed Exhibit B to RFP 2010-16, which includes the following information:

A. Exhibit B Items:

1. Name of Development (Threshold Item).

2. Application Number of the Original Application (Threshold Item).

If the information stated by the Applicant at Question No. 1 on Exhibit B is inconsistent with the information stated by the Applicant at Question No. 2 on Exhibit B, Florida Housing reserves the right to verify the information during the scoring of this RFP.

3. Detailed description of development's ability to refinance the development, effectively removing it from the Guarantee Program. Description should include, but is not limited to, projected source of new financing, projected occupancy levels with New ELI Units, loan to value, debt service coverage ratio, gap financing sources and realistic timeline for refinancing.

By submitting a Proposal, the Applicant acknowledges that funds received under this RFP will first be used to reduce the unpaid principal balance of the first mortgage note guaranteed by the Florida Affordable Housing Guarantee Program, and then, if applicable, the Subordinate Mortgage Initiative funding.

B. Ranking Preferences

The eligible Proposals will be classified in Priority 1, Priority 2, Priority 3, or Priority 4. For purposes of this classification, eligible Proposal means a Proposal that satisfied all threshold requirements, regardless of the Proposal's total score and request amount. Priority classifications shall be as follows:

Priority 1 will consist of Proposals whose mortgage note was guaranteed by the Guarantee Program during or prior to 2001, is not a HUD risk-sharing transaction, and whose debt service coverage ratios were greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development and as identified on Exhibit A.

Priority 2 will consist of Proposals whose mortgage note was guaranteed by the Guarantee Program during or prior to 2001, is a HUD risk-sharing transaction, is not included in Priority 1, and whose debt service coverage ratios were greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development and as identified on Exhibit A.

Priority 3 will consist of Proposals whose mortgage note was guaranteed by the Guarantee Program with debt service coverage ratios greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development and are not included in Priority 1 or Priority 2 and as identified on Exhibit A.

Priority 4 will consist of Proposals whose mortgage note was not guaranteed by the Guarantee Program and received an award of funding from Florida Housing prior to 1996 as evidenced by an existing recorded Florida Housing EUA or LURA that has not previously committed to set aside units for ELI Households.

The Proposals will be listed in descending order within each Priority beginning with the Proposal with the highest debt service coverage ratio as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development. The maximum number of set-aside units for each Proposal will be computed as described in Section Four above. Scores will be considered as part of the Committee's evaluation and recommendation process prior to the lottery tie-breaker. Results that are not a whole number will be rounded up to the next whole number. Proposals requesting SAIL ELI set-aside units below the maximum number described in Section Four above will receive preference over Proposals requesting the maximum number of SAIL ELI set-aside units within each Priority.

a. In the event that two (2) or more Proposals requesting the same amount of SAIL ELI set-aside units, preference will be given to the Proposal with the lowest lottery number.

## SECTION SEVEN
## EVALUATION PROCESS

Individual Committee members shall evaluate the Proposals independently. The individual Committee members shall score and evaluate the Proposals by reviewing the answers to determine if Threshold is met and based on criteria described in this RFP.

Priority 1, 2 and 3 Eligible Proposals that meet Threshold will be scored on the development's ability to refinance the development, effectively removing it from the Guarantee Program, as described on Exhibit B and will be evaluated as follows:

| Item Reference | Maximum Points |
|---|---|
| Projected source of new financing | 5 |
| Projected occupancy levels | 20 |
| Projected loan to value | 20 |
| Projected debt service coverage ratio for refinancing | 20 |
| Sources of any required gap financing for refinancing | 20 |
| Projected realistic timeline for refinancing | 10 |
| 5% of New ELI units set-aside for Special Needs Households | 5 |
| Total Points Available | 100 |

Eligible Proposals that commit to set-aside at least 50 percent of the New ELI units for Special Needs Households that are referred by designated Special Needs Household Referral Agencies up to 10 percent of the Development's total units being New ELI will be awarded 5 points as provided in the above listing of Maximum Points.

The Committee shall conduct one public meeting during which the Committee may discuss their evaluations, select Applicants most likely to be considered for award, make any adjustments deemed necessary to best serve the interests of Florida Housing's mission, and develop a recommendation or series of recommendations to the Board. The Committee will then rank the Proposals deemed eligible for funding in order of the SAIL ELI loan funding Priorities and preferences as outlined in Section Six B. above, applying the lottery tie-breaker as needed. The Committee shall also use the various scored items as a part of its evaluation and recommendation process. The Committee may make a recommendation, in addition to providing the ranking information and the information from the non-scored items to the Board for the Board to use in making the final selection. The Committee may also give the Board a written and/or verbal narrative describing the reasons for any recommendation. The Board may use the Proposals, 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 Fla. Admin. Code Rule Chapter 67-48.

## SECTION EIGHT
## AWARD PROCESS

Florida Housing shall provide notice of its decision, or intended decision, for this RFP on Florida Housing'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. or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

# FLORIDA AFFORDABLE HOUSING GUARANTEE PROGRAM MULTIFAMILY PORTFOLIO DATA

## RFP 2010-16, Exhibit A

| Development Name | Closing Date | Units | R/S? | Annual D/S 12/31/09 | NOI 12/31/09 | DSCR 12/31/2009 (12 mo, audit) | Sep-10 Four Month Average Occupied Units Percent |
|---|---|---|---|---|---|---|---|
| Country Club Villas | 09/22/99 | 430 | N | 721,743 | 1,395,257 | 1.93 | 98.96% |
| Country Club Villas II | 06/08/01 | 214 | N | 820,800 | 1,402,258 | 1.71 | 98.01% |
| Pembroke Park | 03/31/98 | 244 | N | 800,613 | 1,366,369 | 1.71 | 96.00% |
| Miami Stadium | 07/31/01 | 336 | N | 1,291,859 | 2,083,109 | 1.61 | 99.18% |
| Villa Esperanza | 09/18/98 | 192 | N | 598,230 | 885,381 | 1.48 | 94.43% |
| Pembroke Villas | 06/26/01 | 180 | N | 864,778 | 1,200,230 | 1.39 | 96.11% |
| Marbrisa | 08/25/00 | 368 | N | 1,353,374 | 1,825,819 | 1.35 | 99.12% |
| Stirling I | 03/25/98 | 147 | N | 716,383 | 898,516 | 1.25 | 95.41% |
| Stirling II | 03/11/99 | 104 | N | 461,421 | 571,977 | 1.24 | 96.88% |
| Crossings at University | 12/15/98 | 320 | N | 1,049,967 | 1,212,285 | 1.15 | 98.20% |
| Monterey Pointe | 06/12/01 | 336 | N | 987,912 | 1,126,220 | 1.14 | 98.29% |
| Golden Lakes | 09/24/97 | 280 | N | 1,223,792 | 1,337,443 | 1.09 | 98.21% |
| Cross Keys | 03/31/98 | 322 | N | 1,292,634 | 1,396,045 | 1.08 | 95.96% |
| Pinnacle Palms | 06/28/01 | 152 | N | 680,862 | 694,479 | 1.02 | 91.61% |
| Banyan Pointe (fka: Pointe at Banyan Trails) | 05/10/00 | 300 | N | 1,527,959 | 1,517,653 | 0.99 | 99.08% |
| Cedar Grove | 07/27/01 | 288 | N | 1,408,892 | 1,377,939 | 0.98 | 98.44% |
| Bridgewater Place | 03/31/99 | 312 | N | 1,407,282 | 1,309,603 | 0.93 | 99.52% |
| Venice Cove | 06/14/01 | 150 | N | 779,427 | 717,073 | 0.92 | 99.87% |
| Ashton Point | 12/20/00 | 268 | N | 947,281 | 852,553 | 0.90 | 90.30% |
| Colony Park | 08/24/01 | 130 | N | 719,685 | 618,929 | 0.86 | 94.62% |
| Carolina Club | 05/30/01 | 224 | N | 758,096 | 644,382 | 0.85 | 96.09% |
| Wentworth II | 03/15/99 | 264 | N | 1,030,494 | 857,929 | 0.83 | 92.42% |
| **Priority 1** | | | | | | | |
| Logan Pointe | 08/25/99 | 248 | N | 1,138,825 | 912,361 | 0.80 | 82.16% |
| Pasco Woods | 06/23/99 | 200 | N | 663,872 | 522,594 | 0.79 | 82.13% |
| Windsor Park | 05/31/98 | 240 | N | 1,250,682 | 929,811 | 0.74 | 90.94% |
| Bernwood Trace | 08/12/99 | 340 | N | 1,655,097 | 1,032,877 | 0.62 | 91.47% |
| Spring Harbor | 07/20/99 | 248 | N | 1,205,883 | 686,972 | 0.57 | 96.07% |
| Whistler's Green | 05/04/99 | 168 | N | $606,276 | 337,305 | 0.50 | 94.49% |
| Sunset Bay | 12/15/00 | 308 | N | 1,129,138 | 510,159 | 0.45 | 94.24% |
| Stratford Point | 11/29/00 | 384 | N | 1,574,277 | 587,335 | 0.37 | 92.38% |
| Vista Palms (fka: Andros Isle) | 06/20/01 | 229 | N | 836,442 | 263,058 | 0.31 | 79.26% |
| Oak Glen | 11/28/01 | 88 | N | 330,185 | 18,465 | 0.06 | 90.34% |
| Preserve at Oslo (fka:Woods of Vero Beach) | 09/21/99 | 176 | N | 571,728 | (160,230) | -0.28 | 96.16% |
| Vizcaya Villas | 09/24/96 | 174 | Y | 668,608 | 905,376 | 1.35 | 99.14% |
| Mar Lago | 06/30/97 | 216 | Y | 1,049,940 | 1,405,687 | 1.34 | 95.37% |
| Holly Cove | 12/05/95 | 202 | Y | 554,388 | 704,625 | 1.27 | 90.84% |
| Logan Heights | 09/29/99 | 360 | Y | 1,107,663 | 1,351,350 | 1.22 | 93.54% |
| Spinnaker Cove | 07/23/96 | 220 | Y | 857,189 | 977,940 | 1.14 | 99.89% |
| Stoddert Place (fka: Stoddert Arms) | 09/26/96 | 320 | Y | 933,057 | 997,135 | 1.07 | 96.02% |
| Landings at Sea Forest | 12/12/96 | 200 | Y | 590,416 | 604,698 | 1.02 | 92.25% |
| Reserve at Northshore | 07/31/97 | 200 | Y | 691,697 | 698,732 | 1.01 | 94.63% |
| Walden Park | 11/15/01 | 300 | Y | 1,305,412 | 1,316,988 | 1.01 | 94.50% |
| Marina Bay | 12/14/00 | 192 | Y | 823,566 | 769,345 | 0.93 | 98.83% |
| Waverly | 05/31/00 | 260 | Y | 1,304,717 | 1,164,066 | 0.89 | 91.92% |
| Woodridge | 09/27/99 | 254 | Y | 1,062,580 | 894,166 | 0.84 | 97.24% |
| Grande Pointe | 11/21/00 | 288 | Y | 1,045,760 | 864,159 | 0.83 | 77.99% |
| **Priority 2** | | | | | | | |
| Worthington | 12/14/95 | 300 | Y | 1,172,806 | 936,775 | 0.80 | 93.33% |
| Leigh Meadows | 09/26/96 | 304 | Y | 810,852 | 637,790 | 0.79 | 85.77% |
| Willow Lake | 12/29/97 | 428 | Y | 1,449,183 | 999,667 | 0.69 | 91.24% |
| Sundance Pointe | 12/12/00 | 288 | Y | 1,316,838 | 895,450 | 0.68 | 77.95% |

# FLORIDA AFFORDABLE HOUSING GUARANTEE PROGRAM MULTIFAMILY PORTFOLIO DATA

## RFP 2010-16, Exhibit A

| Development Name | Closing Date | Units | R/S? | Annual D/S 12/31/09 | NOI 12/31/09 | DSCR 12/31/2009 (12 mo, audit) | Sep-10 Four Month Average Occupied Units Percent |
|---|---|---|---|---|---|---|---|
| **Priority 2 continued** | | | | | | | |
| Noah's Landing | 11/14/01 | 264 | Y | 1,249,233 | 824,494 | 0.66 | 92.23% |
| Woodbridge at Walden Lake | 09/24/96 | 236 | Y | 817,425 | 520,804 | 0.64 | 91.42% |
| Wyndham Place | 12/29/00 | 260 | Y | 952,047 | 525,191 | 0.55 | 85.00% |
| Reserve at Kanapaha | 07/31/97 | 272 | Y | 1,062,580 | 518,814 | 0.49 | 94.12% |
| Nassau Bay I (fka: Brittany of Rosemont I) | 02/09/95 | 252 | Y | 1,004,569 | 475,684 | 0.47 | 73.51% |
| River Trace (fka: River Trace Senior) | 12/28/00 | 160 | Y | 597;798 | 268,024 | 0.45 | 92.28% |
| Nassau Bay II (fka: Brittany of Rosemont II) | 11/14/95 | 240 | Y | 911,555 | 398,379 | 0.44 | 80.10% |
| Sabal Chase | 11/09/00 | 340 | Y | 1,219,330 | 512,119 | 0.42 | 84.04% |
| Windchase | 06/18/97 | 352 | Y | 997,448 | 380,126 | 0.38 | 81.04% |
| | | | | | | | |
| Westwood | 01/26/01 | 288 | Y | 1,042,509 | 328,145 | 0.31 | 84.46% |
| Tuscany Place | 06/13/03 | 340 | Y | 1,030,407 | 1,364,676 | 1.32 | 93.14% |
| Mission Pointe (fka: Mallard's Landing) | 01/30/02 | 388 | Y | 1,168,232 | 1,398,587 | 1.20 | 90.91% |
| Hibiscus Pointe | 07/25/03 | 212 | Y | 749,372 | 873,128 | 1.17 | 97.29% |
| Andrews Place II | 06/30/05 | 120 | Y | 307,819 | 344,757 | 1.12 | 90.42% |
| Alhambra Cove | 04/14/04 | 240 | Y | 904,051 | 993,865 | 1.10 | 97.50% |
| Baywinds | 07/02/02 | 204 | Y | 760,661 | 821,514 | 1.08 | 98.77% |
| Eagle Pointe | 03/13/03 | 192 | Y | 832,596 | 884,031 | 1.06 | 97.79% |
| Garfield Place | 01/29/04 | 228 | Y | 688,105 | 723,306 | 1.05 | 91.89% |
| Clipper Bay | 02/24/04 | 276 | Y | 799,080 | 831,043 | 1.04 | 91.94% |
| Harbour Cove | 07/29/03 | 212 | Y | 1,076,923 | 1,097,135 | 1.02 | 99.65% |
| Wilmington | 09/27/02 | 200 | Y | 696,748 | 697,734 | 1.00 | 92.50% |
| Westminster | 03/06/02 | 270 | Y | 1,110,539 | 1,108,142 | 1.00 | 99.44% |
| Indian Trace | 06/28/02 | 330 | Y | 1,601,859 | 1,596,154 | 1.00 | 91.89% |
| Chapel Trace | 01/29/03 | 312 | Y | 1,169,411 | 1,157,717 | 0.99 | 88.94% |
| Andrews Place | 07/31/03 | 200 | Y | 565,353 | 548,393 | 0.97 | 91.50% |
| St. Croix | 08/02/02 | 246 | Y | 1,167,303 | 1,132,284 | 0.97 | 95.93% |
| Pinnacle at Abbey Park | 03/14/03 | 160 | Y | 745,235 | 722,878 | 0.97 | 94.69% |
| Bonita Pointe | 08/26/03 | 164 | Y | 614,225 | 587,893 | 0.96 | 99.09% |
| Captiva Club | 09/13/02 | 136 | Y | 545,050 | 519,443 | 0.95 | 99.45% |
| Mariner's Cove | 07/18/02 | 208 | Y | 791,408 | 724,525 | 0.92 | 95.19% |
| Portofino | 02/27/03 | 270 | Y | 1,132,672 | 1,030,732 | 0.91 | 96.30% |
| | | | | | | | |
| **Priority 3** | | | | | | | |
| San Marco | 06/25/02 | 260 | Y | 1,002,672 | 876,486 | 0.87 | 97.12% |
| Bristol Bay | 10/15/03 | 300 | Y | 1,059,620 | 916,217 | 0.86 | 93.42% |
| Malibu Bay | 11/10/03 | 264 | Y | 1,103,461 | 926,908 | 0.84 | 88.26% |
| Whispering Woods | 07/23/02 | 200 | Y | 927,301 | 758,432 | 0.82 | 88.50% |
| The Villas At Lake Smart | 11/26/02 | 220 | Y | 665,225 | 493,268 | 0.74 | 80.12% |
| Peacock Run | 07/31/02 | 264 | Y | 916,278 | 662,232 | 0.72 | 95.17% |
| Hampton Point | 09/25/03 | 284 | Y | 911,482 | 528,660 | 0.58 | 93.49% |
| Venetian Isles II (fka: Westlake II) | 08/06/02 | 112 | Y | 590,807 | 330,852 | 0.56 | 93.17% |
| Venetian Isles I (fka: Westlake I) | 02/28/02 | 288 | Y | 1,358,342 | 543,337 | 0.40 | 94.20% |
| | | | | | | | |
| Tuscan Isle (fka: Heron Cove) | 12/04/02 | 298 | Y | 944,133 | 189,302 | 0.20 | 97.35% |

**Exhibit B to RFP 2010-16 - Request for SAIL ELI loan Funding**

1. Name of Proposed Development: ______________________________

2. Original Application No.: ______________________________

3. Detailed description of development's ability to refinance the development, effectively removing it from the Guarantee Program if awarded funds under this RFP and applying those funds as required in Section Six, A. 3., above. Description should include, but is not limited to, projected source of new financing; projected occupancy levels; projected loan to value; projected debt service coverage ratio; sources, timing and associated contingencies of and any required gap financing; and realistic timeline for refinancing (may be included on a separate page, but becomes a part of the Proposal). This item is not required for Priority 4 Applicants.

4. Requested number of New ELI units at: ____ 60% AMI or at: ____ ______AMI

The undersigned agrees to abide by all conditions of this RFP, and certifies that (i) all information provided in this Proposal is true and correct, (ii) that I am authorized to sign this Proposal for the Applicant, (iii) that funds received under this RFP will first be used to reduce the first mortgage note guaranteed by the Florida Affordable Housing Guarantee Program, and then, if applicable, the Subordinate Mortgage Initiative funding, (iv) that Priority 1, 2 and 3 Applicants will use their best efforts to refinance the development, effectively removing it from the Guarantee Program, and (v) that the Applicant is in compliance with all requirements of the RFP.

______________________________ ______________________________
Signature of Applicant Name (typed or printed)

______________________________
Title (typed or printed)

FLORIDA HOUSING FINANCE CORPORATION
Modification of Requests for Proposals (RFP) 2010-16
Extremely Low Income (ELI) Households

Pursuant to Fla. Admin. Code R. 67-49.004, Modification of Terms of Invitation to Bid, Invitation to Negotiate, Request for Proposals or Request for Qualifications, Florida Housing hereby modifies paragraph B.2 in Section Four of the RFP as follows:

"2. Applicants must commit to set aside units for ELI Households by converting units equal to or greater than 60 percent AMI households committed to in their existing EUA or MMRB LURA down to the ELI AMI level ("New ELI Units"), so that the ELI set-aside is equal to or less than:

a. 5 percent of the total units in a Development whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was equal to or greater than 92%, with debt service coverage ratios greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and
b. 10 percent of the total units in a Development consisting of 275 units or less whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios equal to or greater than 0.50, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and
c. the lesser of 65 New ELI units or 20 percent of the total units in a Development consisting of 275 units or less whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios greater than 0.35, but less than 0.50, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development; and
d. the lesser of 65 New ELI units or 20 percent of the total units in a Development consisting of more than 275 units whose average occupancy from June 2010 through September 2010 based upon Program Reports submitted pursuant to the requirements of Rule Chapter 67-53, F.AC. was less than 92%, with debt service coverage ratios equal to or greater than 0.35, but less than or equal to 0.80, as calculated by Florida Housing based upon the December 31, 2009 audited financial statements for the Applicant's development."

Submitted by:

Sherry Green
Contracts Administrator
Florida Housing Finance Corporation
sherry.green@floridahousing.org

FLORIDA HOUSING FINANCE CORPORATION
Second Modification of Requests for Proposals (RFP) 2010-16
Extremely Low Income (ELI) Households

Pursuant to Fla. Admin. Code R. 67-49.004, Modification of Terms of Invitation to Bid, Invitation to Negotiate, Request for Proposals or Request for Qualifications, Florida Housing hereby modifies Section Seven of the RFP in part as follows:

"Priority 1, 2 and 3 Eligible Proposals that meet Threshold will be scored on the development's ability to refinance the development, effectively removing it from the Guarantee Program, as described on Exhibit B and will be evaluated as follows:

| Item Reference | Maximum Points |
|---|---|
| Projected source of new financing | 5 |
| Projected occupancy levels | 20 |
| Projected loan to value | 20 |
| Projected debt service coverage ratio for refinancing | 20 |
| Sources of any required gap financing for refinancing | 20 |
| Projected realistic timeline for refinancing | 10 |
| 50% of New ELI units set-aside for Special Needs Households | 5 |
| Total Points Available | 100" |

Submitted by:

Della M. Harrell
Corporation Clerk
Florida Housing Finance Corporation
della.harrell@floridahousing.org