

REQUEST FOR PROPOSALS 2010-14

**TAX CREDIT EXCHANGE PROGRAM (EXCHANGE) FUNDING FOR
APPLICANTS THAT RECEIVED EXCHANGE FUNDING UNDER RFP 2010-04,
DATED FEBRUARY 26, 2010, WHO COMMIT TO PROVIDE ADDITIONAL SET-
ASIDE UNITS FOR EXTREMELY LOW INCOME (ELI) HOUSEHOLDS**

for

FLORIDA HOUSING FINANCE CORPORATION

October 8, 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 has executed a Carryover Allocation Agreement relating to an award of Exchange funding under RFP 2010-04; or
2. The Applicant has executed a Carryover Allocation Agreement relating to an award of Exchange funding under RFP 2010-04 as provided in a final order issued on or before October 22, 2010; or
3. The Applicant has been awarded Exchange funding per Board authority related to the April 30, 2010 action plan to award excess Exchange funds that were not utilized under RFP 2010-04.

Florida Housing is soliciting sealed proposals from qualified Applicants that commit to set aside additional units for ELI Households by converting 60 percent Area Median Income (AMI) units committed to in their Original Application down to the ELI AMI level so that the total ELI set-aside equals 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 from \$616,899 up to \$22,995,679 in Exchange funding will be available under this RFP.

SECTION TWO DEFINITIONS

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

“Applicant”	Any person or legally formed entity that is eligible to seek Exchange funding from Florida Housing by responding to this request for proposal.
“ARRA”	The American Recovery and Reinvestment Act of 2009.
“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 Corporation program.
“Exchange” or “Exchange Program”	The Tax Credit Exchange Program authorized under Section 1602 of the American Recovery and Reinvestment Act of 2009.
“Exchange Extended Use Period”	With respect to any building that is included in a Development funded through the Exchange 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.
“Interested Party”	A person or entity that requests a copy of this Request for Proposals from Florida Housing.
“Original Application”	The 2009 Universal Cycle Application for which (i) the Applicant received a Housing Credit award and accepted the invitation to enter credit underwriting for the Housing Credits, or (ii) the Applicant accepted the invitation to enter credit underwriting for Florida Housing’s Multifamily Mortgage Revenue Bonds, non-competitive Housing Credits and Exchange funds.
“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.
“RFP 2010-04”	Request for Proposals titled Tax Credit Exchange Program (Exchange) Funding for Applicants that Submitted an Original Application that has an Active Award of Nine Percent Housing Credits, dated February 26, 2010.
“Subaward”	That certain funding award made under the provisions of the Exchange Program.
“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 2010-14”. 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 October 15, 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
850-488-4197

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 of Proposal based on evaluation standards described in this RFP.

D. Any Interested Party may submit any inquiry regarding this RFP in writing via mail, fax or e-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 October 11, 2010. Phone calls will not be accepted. Florida Housing expects to respond to all inquiries by 5:00 p.m., Eastern Time, on October 12, 2010. Florida Housing will post a copy of all inquiries received, and their 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 67-48, F.A.C., effective August 6, 2009.

B. If awarded funding under this RFP, the Applicant understands and agrees that any withdrawal or return of the Applicant's nine percent Housing Credits award from the 2009 Universal Application Cycle means the automatic withdrawal and return of any Exchange funding awarded under this RFP.

C. Funding Eligibility:

1. This Request for Proposal is open to any Applicant that (i) has executed a Carryover Allocation Agreement relating to an award of

Exchange funding under RFP 2010-04, (ii) has executed a Carryover Allocation Agreement relating to an award of Exchange funding under RFP 2010-04 as provided in a final order issued on or before October 22, 2010, or (iii) has been awarded Exchange funding per Board authority related to the April 30, 2010 action plan to award excess Exchange funds that were not utilized under RFP 2010-04..

2. Applicants must commit to set aside additional units for ELI Households by converting 60 percent AMI units committed to in the Original Application down to the ELI AMI level (“New ELI Units”), so that the total ELI set-aside, comprised of the Applicant’s original ELI set-aside commitment in the Original Application plus the New ELI Units, equals 20 percent of the total units in the proposed Development.
3. The Proposed Development has a first mortgage identified in the credit underwriting report that has been or will be, if not done previously, approved by Florida Housing’s Board of Directors that has a debt service which is not dependent upon cash flow availability for payment and that is also not being funded by (a) Florida Housing, (b) a Local Government, (c) Housing and Urban Development (HUD), or (d) USDA Rural Development (RD) (“Qualified First Mortgage”).
4. The maximum amount of Exchange funds available to a Proposal shall be limited to the lesser of (a) the combined total of the Qualified First Mortgage and the deferred Developer fee (as identified in the credit underwriting report provided above), or (b) a minimum of \$74,770 per New ELI Unit, the amount of which can be adjusted upward by Florida Housing up to a maximum of \$85,000 per New ELI Unit, whereby the adjustment by Florida Housing will be based upon the total amount of Exchange funds available for this RFP with respect to the total number of New ELI Units requested by all qualified Proposals. If the maximum amount of Exchange funds for an Applicant is limited by item Section Four C.4.(a) above, the number of New ELI Units for that Applicant shall be adjusted by dividing the amount of the maximum amount of Exchange funds determined by item Section Four C.4.(a) above by the average amount of Exchange funds Florida Housing provides to all New ELI Units (of all funded Proposals) and then rounded up to the next whole number. The total amount of Exchange funds then awarded to that Applicant shall be the number of New ELI Units for that Proposal multiplied by the average amount of Exchange funds Florida Housing provides to all New ELI units (of all funded Proposals).
5. The actual amount of the award of Exchange funding will be included in the update to the original Board approved credit

underwriting report and the update is expected to be submitted for Board approval at the December 10, 2010 Board meeting.

6. A Proposal will not be considered if, as of the due date for this RFP, the Applicant has withdrawn the Original Application for Housing Credits and its award of Exchange funding under RFP 2010-04, or the Proposed Development does not have a Qualified First Mortgage.

SECTION FIVE CERTIFICATION

By inclusion and execution of Exhibit A 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 Exchange will be subject to the credit underwriting and Housing Credit Program requirements of Rule Chapter 67-48, F.A.C., the Compliance requirements of Rule Chapter 67-53, F.A.C., RFP 2010-04, Section 42 of the IRC, and the Tax Credit Exchange Program provisions.

1. Credit Underwriting Review, Carryover Allocation Agreement, and Terms and Conditions of the Exchange Grant
 - a. Upon Board approval of the selected Proposals, a determination will be made by Florida Housing as to the number of highest ranking Proposals that can initially be invited to enter credit underwriting. Such determination will be based on the total amount of Exchange funding available at that time divided by the minimum amount per unit (\$74,770). If funds become available after that initial determination, additional Proposals on the ranked list will be invited to enter credit underwriting. If all Proposals on the ranked list are invited to enter credit underwriting and there is still Exchange funding available, the minimum \$74,770

amount will be increased to an amount that will fully fund all available Proposals, subject to the \$85,000 per New ELI Unit cap. The ELI commitment of the last Proposal funded under this RFP may be adjusted if there is not enough Exchange funding available to fully fund the New ELI Units.

- b. Any credit underwriting report previously approved by the Board or to be approved by the Board on October 22, 2010 must be updated to reflect the full Exchange amount and the revised set-aside commitments. Any credit underwriting report prepared after October 22, 2010 must reflect the full Exchange amount and all set-aside commitments.
- c. All credit underwriting reports prepared as outlined in paragraph b. above must be approved by the Board at the December 10, 2010 Board meeting.

If the Board does not approve the completed credit underwriting report, the Exchange funding shall be rescinded and returned to Florida Housing.

- d. Upon Board approval of the updated credit underwriting report, the Carryover Allocation Agreement will be revised to reflect the full Exchange amount and the revised set-aside commitments.
- e. For purposes of this RFP, the total number of units will be the greater of (i) the total number of units stated in the Original Application, or (ii) the revised total number of units stated in the Board-approved credit underwriting report under RFP 2010-04.
- f. The maximum number of ELI set-aside units will be based on the total number of units in the proposed Development times 20 percent. The number of New ELI Units shall be the number of units necessary to bring the Applicant's total ELI commitment up to 20 percent of the total units in the proposed Development. Proposed Developments will be limited to an award of Exchange funds under this RFP not to exceed \$85,000 per New ELI Unit, subject to Section C.4.1.a. above..
- g. Exchange funds shall be a Subaward grant, to be used to fill the financing gap for costs that are included in the eligible costs of a Proposed Development for the New ELI Units, and are subject to the Housing Credit rent, income, use restrictions and compliance monitoring requirements, all as

required under Section 42 of the IRC and Rule Chapter 67-53, F.A.C. The grant will be in the form of a forgivable loan.

- h. Timely expenditure shall be mandated for the Exchange funding. Treasury requires that the subawardee has, by December 31, 2010, either (i) expended all awarded Exchange funds inclusive of this RFP, or (ii) has paid or incurred at least 30 percent of its total adjusted basis in land and depreciable property that is reasonably expected to be part of the low-income housing project.

If timely expenditure cannot be met, Florida Housing shall withdraw any future Exchange funding. Unless the Treasury changes their current ruling, Florida Housing cannot request any Exchange funding from the Treasury past December 31, 2011.

- i. The Applicant's commitment for the New ELI Units will be in effect for the 15 year federal compliance period. At the conclusion of the 15 year federal compliance period, the New ELI Units will revert back to the original 60 percent AMI restriction. The Applicant's original ELI commitment prior to this RFP will remain in effect throughout the entire affordability period as committed to in the Original Application.
- j. During the credit underwriting process, the Applicant awarded Exchange funds under this RFP must demonstrate that the New ELI Units are acceptable to the first mortgage holder and the Housing Credit Syndicator.
- k. Florida Housing shall require the Applicant to acknowledge and agree to close on the Exchange funding awarded under this RFP by December 30, 2010. This closing date cannot be extended.

2. Federal Requirements

Exchange funds are subject to Fair Housing Act and other federal requirements that apply to Developments funded under the Housing Credit Program.

3. Recapture of Exchange Funds

Each EUA or amendment thereto, if applicable, will include a requirement providing for recapture to assure that the building

remains a qualified low-income building during the 15-year federal compliance period. As part of its acceptance of the Exchange funding, the Subaward Applicant understands that any amount subject to recapture becomes a debt owed to the United States payable to the General Fund of the Treasury and enforceable by all available means against any assets of the Subaward Applicant.

4. Written Agreements and Disbursement of Exchange Funding

The EUA and Sub-Award Agreement or amendment thereto, if applicable, will reflect the revised set-aside commitment and Exchange funding amount.

All EUAs and Sub-award Agreements must be signed and dated by the Applicant and Florida Housing before any Exchange funds awarded under this RFP can be disbursed to the Subawardee.

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

The Applicant must provide a completed and executed Exhibit A to RFP 2010-14, which includes the following information:

A. Threshold Items:

1. Name of Proposed Development.
2. Application Number of the Original Application.

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

By submitting a Proposal, the Applicant acknowledges that funds received under this RFP will first be used to reduce the Qualified First Mortgage and then, if applicable, the deferred Developer fee.

B. Ranking Preference

1. Leveraging

The Proposals will be listed in ascending order beginning with the Proposal with the lowest amount of Exchange funding per set-aside unit as stated in the original credit underwriting report approved by the Board or to be approved by the Board on October 22, 2010 and

ending with the Proposal with the highest amount of Exchange funding per set-aside unit as stated in the original credit underwriting report approved by the Board or to be approved by the Board on October 22, 2010. The total number of set-aside units for each Proposal will be computed by multiplying the total number of units stated in the Carryover Allocation Agreement by the Total Set-Aside Percentage the Applicant committed to as stated in the last row of the set-aside breakdown chart at Part III.E.1.b.(3)(a) of the Original Application. If there is no Board approved credit underwriting report by October 22, 2010, the amount of Exchange funding per set-aside unit and the total number of units will be as stated in the Preliminary Recommendation Letter issued by the Credit Underwriter. Results that are not a whole number will be rounded up to the next whole number. Proposals with a lower amount of Exchange funding per set-aside unit will receive preference over Proposals with a higher amount of Exchange funding per set-aside unit.

2. Tie-Breaker

In the event that two (2) or more Proposals have the same amount of Exchange funding per set-aside unit, 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 evaluate the Proposals by reviewing the answers to determine if threshold is met for each Proposal. 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 Exchange funding per set-aside unit as outlined in Section Six B.1. above, with preference given to Proposals with the lower amount of Exchange funding per set-aside unit, applying the lottery tie-breaker as needed. 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.

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.

Exhibit A to RFP 2010-14 - Request for Additional Exchange Funding

1. Name of Proposed Development : _____

2. Original Application No.: _____

The undersigned agrees to abide by all conditions of RFP 2010-04 and 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 Qualified First Mortgage and then, if applicable, the deferred Developer fee, (iv) acknowledges and agrees to close on the Exchange funding awarded under this RFP by December 30, 2010 which cannot be extended, 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)