

REQUEST FOR APPLICATIONS 2018-109

RFA 2018-109 DEVELOPMENT VIABILITY LOAN FUNDING

Issued By:

FLORIDA HOUSING FINANCE CORPORATION

Issue Date: March 22, 2018

Due Date: April 9, 2018

SECTION ONE INTRODUCTION

This Request for Applications is open to Applicants that have an Active Award of (a) 9 percent Housing Credits, (b) State Apartment Incentive Loan (SAIL) funding used in conjunction with (i) Tax-Exempt Bond financing (i.e., Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) or Non-Corporation-issued Tax-Exempt Bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S., or a Local Government) and (ii) Non-Competitive Housing Credits, or (c) HOME Investment Partnerships (HOME) funding used in conjunction with Corporation-issued MMRB and Non-Competitive Housing Credits, awarded through one of the following Requests for Applications: 2014-111, 2014-114, 2015-106, 2015-107, 2015-108, 2015-111, 2016-103, 2016-109, 2016-110, 2016-112, 2016-113, 2016-114, 2016-116, 2017-102, 2017-103, or 2017-107. To be eligible for funding, as of Application Deadline the Development must not have closed on their Limited Partnership Agreement, Tax-Exempt Bond financing, or any other Corporation funding (excluding Pre-Development Loan Program funding (PLP) and Elderly Housing Community Loan (EHCL) funding, must not have recorded a Notice of Commencement with the appropriate local jurisdiction and must not have a final credit underwriting report.

Florida Housing Finance Corporation (the Corporation) expects to have up to an estimated \$13,472,173 in loan funding available in this RFA.

The Corporation is soliciting applications from qualified Applicants that commit to provide housing in accordance with the terms and conditions of this RFA, inclusive of Exhibits A, B, and C, applicable laws, rules and regulations, and the Corporation's generally applicable construction and financial standards. In addition, Applicants will be held to all terms and conditions of the RFA under which the Active Award was made.

SECTION TWO DEFINITIONS

Unless otherwise defined in Exhibit B to this RFA, capitalized terms within this RFA shall have the meaning set forth in Rule Chapters 67-48, 67-21, and 67-60, F.A.C., or in applicable federal regulations.

SECTION THREE PROCEDURES AND PROVISIONS

A. Submission Requirements.

1. The Application Deadline is 11:00 a.m., Eastern Time, on April 9, 2018. To meet the submission requirements, prior to Application Deadline the Applicant must do all of the following for its Application:
 - a. The Applicant must download and complete the Application and Development Cost Pro Forma. These two (2) documents are available on the Corporation's Website at <http://www.floridahousing.org/programs/developers-multifamily->

programs/competitive/2018/2018-109 (also available by clicking [here](#)). The download process may take several minutes. Applicants should save this document with a file name that is unique to the specific Application.

- b. Next, when the Applicant is ready to submit the completed Application and Development Cost Proforma (the “Complete Online Submission Package”) to the Corporation, the Applicant must go to the webpage <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-109> (also available by clicking [here](#)) and click the link to login and upload the Complete Online Submission Package consisting of these two (2) documents. To upload the Complete Online Submission Package, a username and password must be entered.
- c. After successfully logging in, the Applicant must click “Upload Application.” The Applicant must also enter the Development Name, click “Browse” to locate the completed Application and Development Cost Pro Forma that was saved on the Applicant’s computer, and then click “Upload Selected File.” Hard copies of all attachments are not uploaded. The hard copies must be included with the printed copies of the Application as provided in e. below. The selected Application will then be listed as an Uploaded Application and its assigned Response Number will be visible in the first column.
- d. Next, to view and print the Uploaded Application (consisting of the complete Online Submission Package), the Applicant must click “Print Application for Submission to Florida Housing.” The assigned Response Number will be reflected on each page of the printed Uploaded Application. The Applicant must submit three (3) printed copies of the Uploaded Application to the Corporation, as outlined in item e. below.

Note: If the Applicant clicks “Delete” prior to the Application Deadline, the Application will no longer be considered an Uploaded Application and the Applicant will be required to upload the Complete Online Submission Package again in order for the document to be considered an Uploaded Application. This will generate a new Response Number.

- e. The Applicant must provide to the Corporation by the Application Deadline sealed package(s) containing three (3) printed copies of the final Uploaded Application (Consisting of the Complete Online Submission Package) with all applicable attachments, as outlined in Section Four, with each copy housed in a separate 3-ring binder with numbered divider tabs for each attachment. The final assigned Response Number should be reflected on each page of the printed Application and Development Cost Pro Forma.
 - (1) One (1) printed copy of the completed Uploaded Application with all applicable attachments must be labeled “Original Hard Copy” and must include the following items:
 - (a) The required non-refundable \$500 Application fee, payable to Florida Housing Finance Corporation (check or money order only); and

(b) The Applicant Certification and Acknowledgement form with an original signature (blue ink preferred).

(2) The remaining two (2) copies of the complete Uploaded Application with all applicable attachments should be labeled "Copy".

f. The Applicant should label the outside of each shipping package with the applicable RFA number. The Corporation will not consider faxed or e-mailed Applications.

2. After 11:00 a.m., Eastern Time, on the Application Deadline, each Application for which hard copies are received by the Application Deadline will be assigned an Application number. In addition, these Applications will be assigned a lottery number by having the Corporation's internal auditors run the total number of Applications received through a random number generator program.

The printed copies of the complete Application must be addressed to:

Marisa Button
 Director of Multifamily Allocations
 Florida Housing Finance Corporation
 227 N. Bronough Street, Suite 5000
 Tallahassee, FL 32301

If any of the hard copies of Exhibit A (The Application) or the Development Cost Pro Forma are not identical to the complete Uploaded Application, the Uploaded Application will be utilized for scoring purposes.

Pursuant to subsection 67.60.004(2), F.A.C., any Applicant may request withdrawal of its Application from a competitive solicitation by filing a written notice of withdrawal with the Corporation Clerk. For purposes of the funding selection process, the Corporation shall not accept any Application withdrawal request that is submitted between 5:00 p.m., Eastern Time, on the last business day before the date the scoring committee meets to make its recommendations until after the Board has taken action on the scoring committee's recommendations, and such Application shall be included in the funding selection process as if no withdrawal request had been submitted. Any funding or allocation that becomes available after such withdrawal is accepted shall be treated as returned funds and disposed of according to Section Five of the RFA.

- B. This RFA does not commit the Corporation to award any funding to any Applicant or to pay any costs incurred in the preparation or delivery of an Application.
- C. Florida Housing reserves the right to:
1. Waive Minor Irregularities; and
 2. Accept or reject any or all Applications received as a result of this RFA.

- D. Any interested party may submit any inquiry regarding this RFA in writing to the Director of Multifamily Allocations via e-mail at RFA_2018-109_Questions@floridahousing.org (also available by clicking [here](#)) with “Questions Regarding RFA 2018-109” as the subject of the email. All inquiries are due by 5:00 p.m., Eastern Time, on _____. Phone calls or written inquiries other than at the above e-mail address will not be accepted. The Corporation expects to respond to all inquiries by 5:00 p.m., Eastern Time, on _____, and will post a copy of all inquiries received, and their answers, on the Corporation’s Website <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-109> (also available by clicking [here](#)). The Corporation will also send a copy of those inquiries and answers in writing to any interested party that requests a copy. The Corporation will determine the method of sending its answers, which may include regular United States mail, overnight delivery, fax, e-mail, or any combination of the above. No other means of communications, whether oral or written, shall be construed as an official response or statement from the Corporation.
- E. Any person who wishes to protest the specifications of this RFA 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. By submitting this Application, each Applicant agrees to the terms and conditions outlined in the RFA and certifies that:
1. Public Records. Any material submitted in response to this RFA is a public record pursuant to Chapter 119, Fla. Stat. Per Section 119.071(1)9b)2., the sealed Applications received by the Corporation are exempt from disclosure until such time as the Board provides notice on an intended decision or until 30 Calendar Days after the opening of the sealed Applications, whichever is earlier.
 2. Noninterference. At no time during the review and evaluation process, commencing with the Application Deadline and continuing until the Board renders a final decision on the RFA, may Applicants or their representatives contact Board members or Corporation staff, except Corporation legal staff, concerning their own or any other Applicant’s Application. If an Applicant or its representative does contact a Board or staff member in violation of this section, the Board shall, upon a determination that such contact was made in an attempt to influence the selection process, disqualify the Application.
 3. Requirements. All Developments will be subject to the requirements of the RFA, the Application requirements outlined in Rule Chapter 67-60, F.A.C., the credit underwriting and program requirements outlined in Rule Chapters 67-21 or 67-48, F.A.C., as applicable, and the Compliance requirements of Rule Chapter 67-53, F.A.C. In addition, all Developments will be subject to the requirements set out in the RFA under which the Active Award was made.

4. Modifications. Any modifications that occur to the Request for application will be posted on the website and may result in an extension of the deadline. It is the responsibility of the Applicant to check the website for any modifications prior to the Application Deadline.
- G. The Corporation expects to select one (1) or more Applications to award the funding contemplated by this RFA. Any such Applications will be selected through the Corporation's review of each Application, considering the factors identified in this RFA.

SECTION FOUR INFORMATION TO BE PROVIDED IN APPLICATION

A. Exhibit A Items

1. Applicant Certification and Acknowledgement

The Applicant must include a signed Applicant Certification and Acknowledgement form as **Attachment 1** to Exhibit A to indicate the Applicant's certification and acknowledgement of the provisions and requirements of the RFA. The form included in the copy of the Application labeled "Original Hard Copy" must reflect an original signature (blue ink is preferred). The Applicant Certification and Acknowledgement form is provided on the Corporation's Website <http://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2018/2018-109> (also accessible by clicking [here](#)). Note: If the Applicant provides any version of the Applicant Certification and Acknowledgement form other than the version included in this RFA, the form will not be considered.

2. Related Applications and Priority Application Designation

The Applicant must name all Developments submitted in this RFA that are Related Applications and label each one as the Priority I Application or Priority II Application. For a non-Related Application, list the name of the Development as Priority I Application. Priority Application Designations that are included in each Related Application must contain the identical information as included in the other Related Applications. If Priority Application Designation information provided for each Related Application is not identical to the other Related Applications, all Related Applications will be deemed a Priority II Application. Under this RFA, Applicants may only apply for a maximum of two (2) Related Applications. If it is determined during scoring, or any time after award, that more than two (2) Related Applications were submitted, the award(s) for those Related Applications will be rescinded.

3. General Development Information

- a. The Applicant must provide the name of the Development that has the qualifying Active Award.
- b. The Applicant must provide the Request for Applications ("RFA") number through which the Active Award was made.
- c. The Applicant must provide the Corporation-issued Application number for the Active Award.

- d. The Applicant must provide the demographic committed to in the Original Application, which may not change. In the case of a discrepancy between the Original Application and this Application, the Corporation will use the demographic commitment stated in the Original Application for scoring purposes. Developments serving the demographic of Homeless or Persons with a Disabling Condition will receive a funding preference as outlined in Section Five of the RFA.
- e. The Applicant must state the total number of new construction and/or Rehabilitation units, which may not be less than the total number of units committed to in the Original Application.

4. Funding

- a. The Applicant must provide the amount of loan funding it is requesting.

The maximum amount the Applicant is eligible to request is the lesser of (1), (2), or (3) as described below. During the scoring process, if the Applicant states a loan funding request amount that is greater than the amount the Applicant is eligible to request, the Corporation will reduce the amount down to the maximum amount the Applicant is eligible to request and such adjusted amount will be deemed the Applicant's Eligible Viability Loan Funding Request Amount. The Eligible Viability Loan Funding Request Amount will also be reviewed during the credit underwriting process and when the final cost certification is finalized, which may result in a further reduction of the Eligible Viability Loan Funding Request Amount. At no time will the Eligible Viability Loan Funding Request Amount be increased.

- (1) \$18,000 per set-aside unit for Developments serving the Homeless or Persons with a Disabling Condition demographic and \$15,000 per set-aside unit for Developments serving a demographic other than Homeless or Persons with a Disabling Condition; or
- (2) \$1,500,000 per Development serving the Homeless or Persons with a Disabling Condition demographic and \$1,250,000 per Development serving a demographic other than Homeless or Persons with a Disabling Condition;
- (3) If the Development is located in a small county and the total number of units in the Development is less than 60, the request amount is limited to a maximum of \$43,500 per unit or \$2,250,000 per Development;
- (4) The amount of Viability Loan Funding needed to make the Development viable, sized by determining an amount to balance the Total Development Costs as provided in this Application against the Total Permanent Funding Sources, to the extent possible. The Total Permanent Funding Sources shall be determined by adding together the amounts provided in (a) through (c) below:
 - (a) Permanent Funding Sources:

The Total Permanent Funding Sources that will be used in this Application for this calculation will be the greater of any permanent funding (Corporation and non-Corporation) disclosed in the Original Application (exclusive of HC equity and

deferred Developer fee) and that which is disclosed on the Development Cost Pro Forma provided with this RFA.

(b) Housing Credit Equity:

The HC equity that will be used in this Application for this calculation will be the greater of (i) the amount provided in the Letter of Intent provided with this Application, or (ii) an amount calculated by utilizing eligible basis in this Application, the applicable fraction (determined via unit count), basis boost (as applicable from the original Application), a present value credit rate of either 9 percent or 3.25 percent (as applicable), the limited partner(s) percentage of ownership as stated in the Letter of Interest in this Application, and a housing credit price of the greater of the amount as stated in the Letter of Interest in This Application or \$0.90 (an example will be provided later in the RFA). In the case of a 9 percent HC Applicant, the amount of Housing Credits to be incorporated in this process cannot exceed the amount initially awarded;

(c) Deferred Developer Fee:

The deferred Developer fee that will be used in this Application for this calculation shall equal 50 percent of the total Developer fee, exclusive of any operating deficit reserve portion that is a part of a 21 percent Developer fee (which will be equal to 5 percent of Development Cost).

If the Applicant's Development Cost Proforma has surplus funding at time of Application submission, the scorer will first reduce the deferred developer fee by the amount of the surplus funding to no less than the 50 percent deferral minimum and then reduce the Applicant's Viability Loan Funding Request Amount, as needed. This adjustment will take place prior to the process of determining the maximum Viability Loan Funding Request Amount.

Note: If other additional funding sources* are acquired prior to finalization of the cost certification, such other funding will be used to first reduce the deferred Developer fee to no less than 50 percent of the total Developer fee and then to reduce the Viability Loan Funding. After the IRS form(s) 8609 are issued, through the end of the Compliance Period, any additional funding sources* acquired will be used to pay down the deferred Developer fee and the Viability Loan Funding on a 50/50 basis. If the deferred Developer fee is paid off prior to the Viability Loan Funding, then 100 percent of any remaining additional funding sources* will be used to reduce or pay off the Viability Loan Funding. Thereafter, a portion of the Development Viability Loan would be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.010(15), F.A.C.

*Additional funding sources does not include the Development's net cash flow from operations, after debt service.

Note: A maximum of \$2.25 million when funding two Related Applications will be eligible to be awarded to any one Principal, as verified by the list of Principals submitted with the Original Application or any subsequent Board or Corporation approved change in Principals. If a Principal submits Related Applications that exceed a total of \$2.25 million, the award from the Related Application deemed Priority II until the \$2.25 million maximum is met.

Provided below is an example of sizing process:

Applicant A has an Active Award of 9 percent Housing Credits with a Family demographic commitment located in a Large County. There are no Related Applications. The table below summarizes the information the Applicant provided in its Original Application under which the Active Award was made as well as information provided in response to this RFA.

	Original Application	Current Application
General Information		
HC Allocation ¹	\$1,510,000	\$1,510,000
Limited Partner(s) Ownership %	99.99%	99.99%
HC Pricing	\$0.97	\$0.90
Total Units	90	90
TDC Information		
Development Costs	\$13,150,000	\$13,940,000
<i>Maximum Total Developer fee allowed (16% of Development Costs)</i>	<i>\$2,104,000</i>	<i>\$2,230,400</i>
Total Developer fee used in RFA	\$2,100,000	\$2,230,000
Other Costs (land, ODR)	\$2,700,000	\$2,700,000
Total Development Costs	\$17,950,000	\$18,870,000
Permanent Funding Sources		
Deferred Developer fee ²	\$604,465	\$1,446,359
First Mortgage (Bank) Debt	\$2,650,000	\$2,450,000
Local Gov't Funds	\$50,000	\$150,000
Other FHFC Funding	\$0	\$0
HC Equity ³	\$14,645,535	\$13,588,641
<i>Viability Loan Funding Request Amount⁴</i>	<i>N/A</i>	<i>\$1,235,000</i>
Total Permanent Funding Sources	\$17,950,000	\$18,870,000
HC Equity Calculation for Sizing Purposes		
HC Allocation ¹		\$1,510,000
Greater of Syndicator's LOI HC Price or \$0.90		\$0.9000
Resulting HC Equity for Sizing		\$13,588,641
Minimum Deferred Developer Fee		\$1,115,000
Permanent Sources that are not Deferred Developer Fee or HC Equity	\$2,700,000	\$2,600,000
Greater amount of permanent sources that are not deferred developer fee or HC equity as presented in the original application or the current application ("other permanent sources")		\$2,700,000
Viability Loan Sizing		

A: Total Development Cost, less minimum developer fee, less Resulting HC Equity for Sizing, less the greater amount of other permanent sources (Viability Loan Amount via gap analysis)	\$1,466,359
B: Maximum Viability Loan Amount relative to the Per Development Limit	\$1,250,000
C: Maximum Viability Loan Amount relative to the Per Unit Limit	\$1,350,000
Least amount of qualifying Viability Loan	\$1,250,000

¹For 9% HCs, use the awarded HC allocation. For 4% HCs, use the HC allocation identified in the syndicator’s Letter of intent.

²For 9% HCs, use 9.00%. For 4% HCs, use 3.25%.

³The HC Set-Aside commitment will be used as the Development’s applicable fraction for the calculation of qualified basis in this RFA.

⁴The unadjusted gross eligible basis is to represent the Development’s total eligible basis prior to any adjustments for applicable fraction or basis boost.

⁵The HC Equity amount listed is based on the calculations

⁶Eligible basis not subject to a basis boost represents the sum of the building acquisition allocated cost and the associated (pro rata) share of the Developer fee.

⁷Eligible basis subject to a basis boost is all other eligible basis not identified in the previous line.

⁸Qualified basis is calculated by taking the eligible basis after applying any applicable basis boost (the previous line) and multiplying it by the assumed applicable fraction (i.e., the HC Set-Aside commitment).

⁹Amount of HCs is calculated by taking the qualified basis and multiplying by the applicable PV Tax Credit Percentage (either 9.00% or 3.25%).

The Viability Loan Funding Request Amount listed above from the current Application is \$1,250,000. This will be reviewed using the following methodology during scoring, credit underwriting and final cost certification sizing processes. The Viability Loan Funding Request Amount can only be reduced or remain the same and cannot be increased.

- Sizing limits based on 4.a.(1) (Per Unit Limit): 90 Units x \$15,000 PU = \$1,275,000.
- Sizing limits based on 4.a.(2) (Per Development Limit): \$1,250,000.
- Sizing limits based on 4.a.(3) is not applicable due to the Development’s location.

Based on the two limiting factors above, the maximum Viability Loan Funding Request Amount is \$1,250,000 (\$1,250,000 < \$1275,000).

- Sizing limits based on 4.a.(4)

The Total Development Cost must equal all permanent funding sources. The permanent funding sources will assume to include (for sizing purposes), at a minimum, the same amount of permanent sources provided in the Original Application, exclusive of HC equity and deferred Developer fee. The deferred Developer fee must equal at least 50 percent of the total Developer fee (exclusive of any operating deficit reserve portion that is a part of a 21 percent Developer fee). In addition, the amount of HC equity to be incorporated will assume to have (for sizing purposes) a minimum price of \$0.90 per dollar of Housing Credits.

Total Development Cost (TDC):

- The TDC stated in the current Application is \$18,870,000.

Permanent Sources Calculation:

The greater of the following will be used in calculating the Eligible Viability Loan Funding Request Amount:

- Permanent sources provided in the Original Application, exclusive of HC equity and deferred Developer fee: $\$2,650,000 + \$50,000 = \$2,700,000$.
- Permanent sources provided in the current Application, exclusive of HC equity, deferred Developer fee and the Viability Loan Funding Request Amount: $\$2,450,000 + \$150,000 = \$2,600,000$.
- The greater of the two amounts above is $\$2,700,000$.

Housing Credit Equity Calculation:

The greater of the following will be used in calculating the Eligible Viability Loan Funding Request Amount:

- The HC equity calculation will use a HC annual allocation based on the lesser of the amount awarded (if it is a 9% HC allocation), the amount stated in the current syndicator Letter of intent (if it is a 4% HC allocation), or the amount calculated by taking the eligible basis, applying a basis boost to the eligible basis that is subject to a basis boost (if the Development qualifies for a basis boost), applying the applicable fraction and taking the resulting qualified basis and multiply by the applicable PV Tax Credit Percentage. This later process is provided in the example in the table above within the “HC Equity Calculation for Sizing Purposes” section and the associated footnotes with a result of $\$1,743,183$. This amount is greater than the 9% HC allocation award so the amount of HC equity will utilize an allocation of $\$1,510,000$.
- HC equity provided in current Application: $\$13,588,641$ as stated in the Letter of Intent where the syndicator provided the following supporting information: $\$1,510,000 \text{ Housing Credit Allocation} \times 10 \times 99.99\% \times \$0.90 = \$13,588,641$ (rounded to nearest dollar).
- HC equity based on a minimum price of $\$0.90$ per dollar of Housing Credits: $\$1,510,000 \text{ Housing Credit Allocation} \times 10 \times 99.99\% \times \$0.90 = \$13,588,641$ (rounded to nearest dollar).
- The greater of the two amounts above is $\$13,588,641$.

Deferred Developer Fee Calculation:

The following will be used in calculating the Eligible Viability Loan Funding Request Amount:

- 50 percent of the stated total Developer fee (exclusive of any operating deficit reserve portion that is a part of a 21 percent Developer fee): $\$2,230,000 \times 50\% = \$1,115,000$.

Calculating the Eligible Viability Loan Funding Request Amount:

- $\$18,870,000$ (TDC), less $\$2,700,000$ (the greater of the Permanent Sources Calculation above), less $\$13,588,641$ (the greater of the Housing Credit Equity Calculation above), less $\$1,115,000$ (the minimum deferred Developer fee) = $\$1,466,359$ (Eligible Viability Loan Funding Request Amount via gap analysis).
- The maximum qualified Eligible Viability Loan Funding Request Amount is based on the lesser of all sizing requirements described in 4.a. ($\$1,250,000 <$

\$1,275,000 < \$1,466,359), or the Applicant's Viability Loan Request Amount (\$1,235,000) which equals \$2,235,000 (\$1,235,000 < < \$1,250,000).

- As a note, the deferred developer fee was increased above the minimum to balance the sources and uses.
- For Tie-Breaker purposes, the maximum Viability Loan Request Amount is \$2,250,000 and the Applicant's Eligible Viability Loan Request Amount is \$2,235,000, indicating the Applicant's Eligible Viability Loan Request Amount is 98.80% of the maximum Viability Loan Request Amount.

In the case where the Eligible Viability Loan Funding Request Amount is less than the Applicant's Request Amount and a funding shortfall exists, the Applicant must demonstrate that it can meet the requirement of funding sources must equal Total Development Costs in credit underwriting or the award will be rescinded.

Since there are no Related Applications, the sizing limitation of \$2,250,000 being available for up to two (2) Related Applications is not applicable to this example.

b. The Applicant must provide the following as **Attachment 2** to Exhibit A:

(1) A Letter of Intent from the Housing Credit Syndicator/Equity Provider

The letter of intent must meet the following criteria:

- Must be dated no earlier than March 1, 2018;
- Be executed by the syndicator/equity provider and the Applicant;
- Include specific reference to the Applicant as the beneficiary of the equity proceeds;
- State the proposed amount of equity to be paid prior to construction of completion;
- State the total Housing Credit request amount;
- State the anticipated dollar amount of Housing Credit allocation to be purchased; and
- State the anticipated total amount of equity to be provided.
- State the dollar amount of any reserve required by the Housing Credit Syndicator/equity provider. Such reserve must be entered on the Development Cost Pro Forma.

If the Applicant's previously awarded HC Allocation is less than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will be considered a source of financing and, for scoring purposes, the amount of HC equity to be permitted in the Development Cost Pro Forma will be adjusted downward from the amount stated in the equity proposal. If the Applicant's previously awarded HC Allocation is greater than the anticipated amount of credit allocation stated in the equity proposal, the equity proposal will be considered a source of financing and the amount of HC equity to be permitted for scoring in the Development Cost Pro Forma will be the amount stated in the equity proposal, adjusted upward. In either case, this adjusted HC equity will be calculated by taking the total amount of equity to be

provided to the proposed Development as stated in the equity proposal letter, dividing it by the credit allocation stated in the equity proposal and multiplying that quotient by the Applicant's previously awarded HC Allocation.

Note: Closing the Limited Partnership Agreement prior to Board approval of the credit underwriting report will result in the Viability Loan Funding being rescinded.

- (2) A letter from the Housing Credit Syndicator/equity provider (a) confirming that, as of Application Deadline, the Limited Partnership has not closed; and (b) acknowledging that at least 50 percent of the Developer fee must be deferred.

5. Development Cost Pro Forma:

All Applicants must complete the Development Cost Pro Forma listing the anticipated sources of funding and the Total Development Costs (uses of funds). The sources must equal the uses. If not, the deferred Developer fee will be adjusted to the extent needed or available to balance the sources and uses of funds. If the Developer fee is 100 percent deferred and a shortfall still exists, the Applicant will be deemed ineligible. If the deferred Developer fee needs to be adjusted downward to balance the sources and uses, it will only be adjusted down the minimum of 50% of the total Developer fee (exclusive of any operating deficit reserve portion that is a part of a 21 percent Developer fee). If the sources of funding remain in excess of uses after adjusting the deferred Developer fee, then the Applicant's Viability Loan Request Amount will be adjusted down accordingly.

The Development Cost Pro Forma must include all anticipated costs of the Development construction and, if applicable, acquisition, including the Developer fee and General Contractor fee. Waived or reimbursed fees or charges are not considered costs to the Development and therefore should not be included in the Development Cost Pro Forma. Note: deferred Developer fees are not considered "waived fees". The Developer fee and General Contractor fee provided in this Application will have the same limiting and minimum requirements as indicated in the Original Application under which the Active Award was made.

To be eligible for funding, the Applicant must commit to defer at least 50 percent of the Developer fee, exclusive of any operating deficit reserve portion that is part of a 21 percent Developer fee (which will be equal to 5 percent of the Development Cost). If the Applicant states an amount of deferred Developer fee that is less than 50 percent of the total Developer fee, the deferred Developer fee will be adjusted to the minimum requirement of 50 percent. If the deferred Developer fee is adjusted upward and surplus funding exists, the surplus funding will be used to reduce the Applicant's Viability Loan Request Amount.

6. Total Development Cost Limitations:

The Development will be held to the Total Development Cost (TDC) Per Unit (PU) limitations, inclusive of the escalation factor permitted after the Original Application Deadline, as described in the Original Application under which the Active Award was made. These limits will be tested in credit underwriting as well as final cost certification in accordance with the RFA under which the Active Award was made, but not in this RFA.

The Total Permanent Funding Sources that will be used in this Application for calculating the Eligible Viability Loan Funding Request Amount will be the amount as described in Item 4 of this RFA.

B. Addenda

The Applicant may use the Addenda section of Exhibit A to provide any additional information or explanatory addendum for items in the Application. Please specify the particular item to which the additional information or explanatory addendum applies.

**SECTION FIVE
SCORING AND EVALUATION PROCESS**

A. Determining Eligibility:

Applications that meet all of the following Eligibility Items will be eligible for funding and considered for funding selection:

Eligibility Items
Submission Requirements met*
Related Applications and Priority Application Designations provided
Name of Development provided
RFA number through which the Active Award was made provided
Demographic commitment provided
Total number of New Construction units and/or Rehabilitation units provided
Corporation-issued Application number for the Active Award provided
Amount of Eligible Viability Loan Funding requested provided
Letter of Intent from Housing Credit Syndicator/Equity Provider provided
Letter from Housing Credit Syndicator/Equity Provider confirming the limited partnership has not closed and acknowledging the 50 percent deferred Developer fee requirement provided
Development Cost Pro Forma provided (listing uses) and Permanent Analysis (listing sources) – Sources must equal uses

In addition to the above threshold items, to be eligible for funding, the Applicant must have submitted an Original Application and have an Active Award as defined in Exhibit B to the RFA and must not have withdrawn such Original Application as of the Application Deadline for this RFA.

* To be eligible for funding, the following submission requirements must be met: (i) the Application must be submitted online by the Application deadline (ii) the required number of hard copies must be submitted by the Application Deadline, (iii) the Applicant’s hard copy submission must be contained in a sealed package, (iv) the Applicant Certification and Acknowledgement form, containing an original signature, must be included in the Application labeled “Original Hard Copy” as of the Application Deadline, and (v) the required Application fee must be submitted as of the Application Deadline.

B. Application Sorting Order:

All Applications will be sorted into two (2) groups: Priority I Application Designation and Priority II Application Designation. Then, within each of the two (2) groups, the Applications will be sorted as follows:

1. First, Applications with a demographic of Homeless or Persons with a Disabling Condition will be listed above Applications with a demographic other than Homeless or Persons with a Disabling Condition.

2. Second, by the Application Deadline of each Request for Application in which Applicants that have an Active Award are eligible to apply (as set out in Section One of the RFA). The sorting order is as follows:

RFA	Application Deadline
2014-111	9-18-14
2014-114	1-25-15
2015-106	10-15-15
2015-107	11-5-15
2015-108	11-19-15
2015-111	12-4-15
2016-103	4-6-16
2016-109	10-20-16
2016-110	12-2-16
2016-114	12-15-16
2016-113	12-30-16
2016-112	1-6-17
2016-116	2-3-17
2017-102	3-23-17
2017-103	4-20-17
2017-107	10-23-17

3. Third, by the percentage resulting from the Applicant's Eligible Viability Loan Funding Request Amount divided by the maximum award amount the Applicant is eligible to request (adjusted as outlined in Section Four A.4.a. of this RFA), rounded to two (2) decimal places of the percentage. Applications will be listed in ascending order beginning with the Application with the lowest percentage and ending with the Application that has the highest percentage.
4. Fourth, by the Application's eligibility for the Florida Job Creation Funding Preference which is outlined in Item B of Exhibit C of the RFA (with Applications that qualify for the preference listed above Applications that do not qualify for the Preference); and
4. Finally, by lottery number, with the lowest lottery number receiving preference.

C. Funding Selection

1. The first Application selected for funding will be the highest ranking eligible Application in the Priority I Application Designation group.
2. The next Application(s) selected for funding will be the highest ranking eligible Application(s) in the Priority I Application Designation group that can be fully funded.
3. If funding remains and there are no eligible unfunded Application(s) in the Priority I Application Designation group that can be fully funded, the funding selection will continue in the same manner with the Priority II Application Designation group.

4. If funding remains and there are no eligible unfunded Applications remaining, no further Applications will be considered for funding and any remaining funding will be distributed as approved by the Board.

D. Returned Allocation

Funding that becomes available after the Board takes action on the Committee's recommendation(s), due to an Applicant withdrawing its Application, an Applicant's failure to pay the credit underwriting fee by the deadline outlined in this RFA, the Applicant's inability to satisfy a requirement outlined in this RFA, as a result of sizing efforts during credit underwriting or final cost certification, or the Applicant's withdrawal or return of the Active Award, will be distributed as approved by the Board.

SECTION SIX AWARD PROCESS

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

The Committee shall conduct at least one public meeting during which the Committee members may discuss their evaluations, select Applicants to be considered for award, and make any adjustments deemed necessary to best serve the interests of the Corporation's mission. The Committee will list the Applications deemed eligible for funding in order applying the funding selection criteria outlined in Section Five above, and develop a recommendation or series of recommendations to the Board

The Board may use the Applications, the Committee's scoring, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Applicants to whom to award funding. Notwithstanding an award by the Board pursuant to this RFA, funding will be subject to a positive recommendation from the Credit Underwriter based on criteria outlined in the credit underwriting provisions in Rule Chapter 67-48, F.A.C. or Rule Chapter 67-21, F.A.C., as applicable, and the criteria outlined in this RFA.

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

After the Board's decision to select Applicants for funding in this RFA has become final action, the Corporation shall offer all Applicants within the funding range a notice of preliminary award.

Exhibit A to RFA 2018-109 – Development Viability Loan Funding

1. Provide the Applicant Certification and Acknowledgement as **Attachment 1**.
2. Related Applications and Priority Designation:

Provide the name of the Development that is designated as the Priority I Application Designation (required):
[Click here to enter text.](#)

Provide the name of the Development that is designated as the Priority II Application Designation (if applicable):
[Click here to enter text.](#)
3. General Development Information
 - a. Name of Development:
[Click here to enter text.](#)
 - b. Original RFA Number: [Choose an item.](#)
 - c. Original Application No. [Click here to enter text.](#)
 - d. Demographic Commitment: [Choose an item.](#)
 - e. Total number of New Construction Units: [Click here to enter text.](#)
 Total number of Rehabilitation Units: [Click here to enter text.](#)
4. Funding
 - a. Eligible Viability Loan Funding Request Amount: \$ [Click here to enter text.](#)
 - b. The following must be provided as **Attachment 2**:
 - (1) A Letter of Intent from the Housing Credit Syndicator/equity provider; and
 - (2) A letter from the Housing Credit Syndicator/equity provider confirming the Limited Partnership has not closed and acknowledging that the Developer must defer at least 50 percent of the Developer fee.
5. To meet the submission requirements, the Applicant must upload the Development Cost Pro Forma with the Application, as outlined in Section Three of the RFA.

Addenda

[Click here to enter text.](#)

Applicant Acknowledgement and Certification

The Applicant affirms that the information and commitments made by the Applicant in its Original Application are still in effect, subject to Rule Chapters 67-48 and 67-21, as applicable.

If awarded funding under this RFA, the Applicant understands and agrees that any withdrawal or return of the Applicant’s Active Award means the automatic withdrawal and return of any funding awarded under this RFA.

The Applicant certifies that, as of Application Deadline (i) it has not closed on the partnership with the Housing Credit Syndicator/equity provider; and/or (ii) it has not closed on the tax-exempt bond financing; and/or (iii) it has not closed on any other Corporation funding (excluding PLP and EHCL funding).

The Applicant acknowledges that, to be eligible for funding, 50 percent of the Developer fee must be deferred. The amount of deferred Developer fee will be tested during scoring, during credit underwriting, and during review of the final cost certification.

The Applicant certifies and acknowledges that as of Application Deadline, the Notice of Commencement has not been recorded with the appropriate local jurisdiction.

The Applicant certifies that the Development can be completed and operating within the development schedule and budget submitted to Florida Housing and the Credit Underwriter.

The Applicant and all Financial Beneficiaries have read all applicable Florida Housing rules and have read the instructions regarding this RFA, and will abide by the terms and conditions of this RFA, and applicable Florida Statutes and administrative rules, including, but not limited to, Rule Chapters 67-48 or 67-21, F.A.C., as applicable.

The Applicant acknowledges and agrees that all terms and conditions of the RFA under which the Active Award was made remain in effect.

The Applicant understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), F.S.

The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Application.

The Applicant certifies that the complete Limited Partnership Agreement, including any amendments thereto, will be divulged to the Corporation and the Credit Underwriter.

The Applicant certifies that there are no agreements, other than the letter of intent provided with this Application, between the Applicant and the Housing Credit Syndicator/equity provider.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete. I certify that all information provided in this Proposal is true and correct, that I am authorized to sign this Application as the Applicant, and that I am in compliance with all requirements of the RFA.

Signature of Applicant

Name (typed or printed)

Title (typed or printed)

Note: The Applicant must provide this form as Attachment 1 to the RFA. The Applicant Certification and Acknowledgement form included in the Application labeled “Original Hard Copy” must contain an original signature (blue ink is preferred).

EXHIBIT B
DEFINITIONS

“Active Award”	An allocation of (a) 9 percent Housing Credits, (b) State Apartment Incentive Loan (SAIL) funding used in conjunction with (i) Tax-Exempt Bond financing (i.e., Corporation-issued Multifamily Mortgage Revenue Bonds (MMRB) or Non-Corporation-issued Tax-Exempt Bonds obtained through a Public Housing Authority (established under Chapter 421, F.S.), a County Housing Finance Authority (established pursuant to Section 159.604, F.S., or a Local Government) and (ii) Non-Competitive Housing Credits, or (c) HOME Investment Partnerships (HOME) funding used in conjunction with Corporation-issued MMRB and Non-Competitive Housing Credits, awarded through one of the following Request for Applications: 2014-111, 2014-114, 2015-106, 2015-107, 2015-108, 2015-111, 216-103, 2016-109, 2016-110, 2016-112, 2016-113, 2016-114, 2016-116, 2017-102, 2017-103, or 2017-107., that, as of Application Deadline for this RFA, have not yet closed on their Limited Partnership Agreement, Tax-Exempt Bond financing, or other Corporation funding (excluding Pre-Development Loan Program (PLP) or Elderly Community Housing Loan (EHCL) funding), have not recorded a Notice of Commencement with the appropriate local jurisdiction, have not received a final credit underwriting report, and have not returned the allocation to the Corporation.
“Original Application”	The Application for which the Applicant has an Active Award. For HOME Investment Partnerships (HOME) funding used in conjunction with Corporation-issued MMRB and Non-Competitive Housing Credits, Original Application means the related Non-Competitive Application for 4 percent Housing Credits.
“Related Application”	An Application submitted in his RFA that share(s) one (1) or more Principals of an Applicant or Developer common to any or all of the Principals of an Applicant or Developer in another Application submitted in this same RFA, as verified by the list of Principals submitted with the Original Application or any subsequent Board or Corporation approved change in Principals.

EXHIBIT C
PROGRAM REQUIREMENTS, TERMS AND CONDITIONS

A. Fees

In addition to fees set out in the Original Application, the following additional fees apply to any funding awarded under this RFA:

1. Application Fee:

All Applicants requesting funding in this RFA shall submit to the Corporation as part of the Application submission a non-refundable Application fee of \$500.

2. Credit Underwriting Fees:

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

(1) Multiple Program Fee: \$4,629

(2) Re-underwriting fee: \$177 per hour

Any Development requiring further analysis by the Credit Underwriter pursuant to Rule Chapters 67-21 or 67-48, F.A.C., as applicable, and this RFA will be subject to a fee based on an hourly rate determined pursuant to the contract between the Corporation and the Credit Underwriter. All credit underwriting fees shall be paid by the Applicant prior to the performance of the analysis by the Credit Underwriter.

(3) Extraordinary Services fee: \$177 per hour.

3. Commitment Fees:

Each Applicant to which a firm commitment is granted shall submit to the Corporation a non-refundable commitment fee of 1 percent of each FHFC loan amount upon acceptance of the firm commitment.

- a. Non-Profit sponsors who provide a certification indicating that funds will not be available prior to closing shall be permitted to pay the commitment fee at closing.
- b. All Applicants shall remit the commitment fee payable to Florida Housing Finance Corporation.

4. Annual Compliance Monitoring Fee:

The following fees are not the fees that will be charged, but are listed below for estimation purposes. The actual fees will be determined based on the current contract,

including any addendum, for services between the Corporation and the Compliance Monitor(s).

- a. Multiple Program Fee: \$921
- b. Follow-up Review/Extraordinary Services fee: \$177 per hour.

5. Loan Servicing Fees:

These fees are for estimation purposes whereby the actual fees will be determined based on the current contract, including any addendum, for services between the Corporation and the Servicer(s).

- a. Draw Requests:
 - \$177 per hour for an in-house review of a draw request, up to a maximum of \$1,759 per draw.
 - \$177 per hour for extraordinary services.

- b. Permanent Loan Servicing Fees:

Annual fee of 25 bps on the unpaid principal balance of the loan or a minimum monthly fee of \$212 and a maximum monthly fee of \$843, and an hourly fee of \$177 for extraordinary services.

6. Additional Fees:

Applicants will be responsible for all fees associated with the Corporation's legal counsel related to the Viability Loan Funding.

Applicants will be held to all fees stated in the Original Application under which the Active Award was made.

7. Assumption/Renegotiation Fees:

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

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

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

B. Florida Job Creation Funding Preference:

Each Application will be measured to determine whether it qualifies for the Florida Job Creation Funding Preference. To determine eligibility for the preference, the Corporation will calculate the Application's Florida Job Creation score, which will reflect the number of Florida jobs per \$1 million of implied Eligible Viability Loan Funding. All Applications must earn a Florida Job Creation score equal to or greater than 210 for new construction Developments and 155 for Rehabilitation Developments to qualify for the Florida Job Creation Preference in Section Five of the RFA.

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

- The number of new construction and Rehabilitation units committed to by the Applicant (as stated by the Applicant at question 3.e. of Exhibit A of the RFA);
- The applicable Florida job creation rate for the type of units:
 - Rate of 3.811 Florida Jobs per unit for proposed new construction units;
 - Rate of 1.916 Florida Jobs per unit for proposed Rehabilitation units; and
- The Eligible Viability Loan Funding Request Amount.

The score for the Florida Rate of Job Creation per \$1 million of implied Eligible Viability Loan Funding will be measured using one of the following calculations:

a. Developments consisting of only new construction units:

Number of new construction units x 3.811 Florida Jobs per unit x 1,000,000 / (the Eligible Viability Loan Funding Request Amount) = Florida Jobs per \$1 million of Eligible Viability Loan Funding.

For example:

Application A consists of 80 new construction units and has an Eligible Viability Loan Funding Request Amount of \$1,000,000.

$80 \times 3.811 \times 1,000,000 / (1,000,000) =$ Florida Job Creation score of 304.88.

b. Developments consisting of only Rehabilitation units:

Number of Rehabilitation units x 1.916 Florida Jobs per unit x 1,000,000 / (the Eligible Viability Loan Funding Request Amount) = Florida Jobs per \$1 million of Eligible Viability Loan Funding.

For example:

Application A consists of 140 Rehabilitation units, and has an Eligible Viability Loan Funding Request Amount of \$800,000.

$140 \times 1.916 \times 1,000,000 / (800,000) =$ Florida Job Creation score of 335.3.

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

(Number of new construction units x 3.811 Florida Jobs per unit + number of Rehabilitation units x 1.916 Florida Jobs per unit) x 1,000,000 / (the Eligible Viability Loan Funding Request Amount) = Florida Jobs per \$1 million of Eligible Viability Loan Funding.

For example:

Application B consists of 10 new construction units and 74 Rehabilitation units and has an eligible loan funding request amount of \$900,000.

$[(10 \times 3.811) + (74 \times 1.916)] \times 1,000,000 / (900,000) =$ Florida Job Creation score of 199.8822.

In above examples, all Applications will qualify for the Job Creation Funding Preference because the 100% new construction example has a Florida Job Creation score that is at least 210, the 100% rehabilitation example has a Florida Job Creation score that is at least 155, and the mixed development has a pro rata Florida Job Creation score that is at least $161.5476 (10/84 \times 210 + 74/84 \times 155) = 161.5476$.

C. Terms and Conditions

1. After the Board's decision to select Applicants for funding as a result of a competitive solicitation process has become final action, the Corporation shall issue such Applicants a notice of preliminary award. For purposes of this section, a decision regarding an Applicant will become final action:
 - a. If none of the Board's selections of Applicants for funding are challenged pursuant to Section 120.57(3), F.S.;
 - b. If some of the Board's selections of other Applicants for funding are challenged pursuant to Section 120.57(3), F.S., but none of the challenges could impact the decision to select the Applicant for funding, or
 - c. When the Board issues a final order as a result of a challenge pursuant to Section 120.57(3), F.S.
2. The credit underwriting fee must be received by the Credit Underwriter not later than seven (7) Calendar Days after the notice of preliminary award. Failure to submit the required credit underwriting fee by the specified deadline shall result in withdrawal of the preliminary award.
3. The Credit Underwriter shall complete its analysis and submit a written draft report and recommendation to the Corporation. Upon receipt, the Corporation shall provide to the Applicant the section of the written draft report consisting of supporting information and schedules. The Applicant shall review and provide written comments to the Corporation and Credit Underwriter within 48 hours of receipt. After the 48 hour period, the Corporation shall provide to the Credit Underwriter comments on the draft report and, as applicable, on the Applicant's comments. Then, the Credit Underwriter shall review and incorporate, if deemed appropriate, the Corporation's and Applicant's comments and release the revised report to the Corporation and the Applicant. Any additional

comments from the Applicant shall be received by the Corporation and the Credit Underwriter within 72 hours of receipt of the revised report. Then, the Credit Underwriter will provide a final report, which will address comments made by the Applicant, to the Corporation.

4. The Credit Underwriter's recommendations will be sent to the Board for approval.
5. The credit underwriting report must be completed within the timeframes stated in the Original Application under which the Active Award was made.
6. The Corporation shall issue a firm loan commitment within seven (7) Calendar Days after approval of the Credit Underwriter's recommendation for funding by the Board.
7. Closing of the Viability Loan Funding will be simultaneous with the closing of other Corporation funding. Applicants with an Active Award of only 9 percent Housing Credits must show evidence of closing the Limited Partnership Agreement before the closing of the Viability Loan Funding.
8. At least five (5) Calendar Days prior to closing:
 - a. The Applicant must provide evidence of all necessary consents or required signatures from first mortgagees or subordinate mortgagees to the Corporation and its counsel, and
 - b. The Credit Underwriter must have received all items necessary to release its letter confirming that all closing contingencies have been met, including the finalized sources and uses of funds and Draw schedule.
9. The Viability Loan Funding shall be revocable if the loan funds were used for any purpose not permitted under the RFA or if the loan funding was awarded or disbursed to the Applicant based upon fraud or misrepresentation committed by the Applicant.
10. The Viability Loan Funding shall be serviced either directly by the Corporation or by the servicer on behalf of the Corporation.
11. The Corporation shall monitor compliance of all terms and conditions of the Viability Loan and shall require that certain terms and conditions be embodied in the Land Use Restriction Agreement and recorded in the public records of the county wherein the Development is located. Violation of any material term or condition of the documents evidencing or securing the loan shall constitute a default during the term of the loan.
12. The documents creating, evidencing or securing the loan financing must provide that any violation of the terms and conditions described in this RFA constitutes a default of the loan financing and allow the Corporation to seek any legally available remedies.
13. If any additional permanent loan and/or equity funding source(s) are obtained after the Application, but before the finalization of the final cost certification and the issuance of IRS form(s) 8609, the additional funding will first be used to reduce the deferred Developer fee to no less than 50 percent of the total Developer fee (exclusive of any operating deficit reserve portion when the maximum Developer fee is 21%) and then to reduce the Viability Loan Funding. After the issuance of the IRS form(s) 8609, if any additional permanent loan and or equity funding sources are obtained through the end of the Compliance Period (inclusive of any upward equity adjusters associated with

marginal corporate tax rates and/or maintenance of internal rates of return associated with determining equity funds), then said resource(s) would be used to reduce or payoff the deferred Developer fee and the Development Viability Loan Funding on a 50/50 basis. Additional funding sources shall consist of any Housing Credit equity upward adjusters, including but not limited to those tied to a change in the assumed tax credit rate or the maintenance of the investors internal rate of return (or any similarly structured adjuster). If the deferred Developer fee is paid off prior to the Viability Loan Funding, then 100 percent of any remaining additional funding sources will be used to reduce or pay off the Viability Loan Funding. Thereafter, a portion of the Development Viability loan would be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.010(15), F.A.C.

14. The same minimum first mortgage requirements provided in Rule Chapter 67-48.0072(29)(g) utilized to size Housing Credits during credit underwriting and final cost certification will apply to this Viability Loan Funding.
15. Loan funding documentation shall consist of the standard closing documentation, including, but not limited to, a Promissory Note, Mortgage and Security Agreement, Land Use Restriction Agreement, and Construction Loan Agreement.
16. The Viability Loan Funding shall be non-amortizing and shall have an interest rate of 0 percent, with payment due at maturity.
17. The term of the loan shall be 15 years after construction completion. The term of the loan may exceed 15 years if the lien of the Corporation's encumbrance is subordinate to the lien of another mortgagee, in which case the term may be made coterminous with the term of the superior loan or longer if required by the tax credit syndicator.
18. Any existing SAIL loan award, for which a final credit underwriting report has not been issued, will be in subordinated lien position to this loan funding.
19. After accepting a notice of preliminary award, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the mortgage without prior approval of the Corporation's Board of Directors. However, an Applicant may reduce the interest rate on any superior or inferior mortgage loan without the Board's permission, provided that no other terms of the loan are changed. The Corporation must be notified in writing of any such change.
20. After maturity or acceleration, the note shall bear interest at an interest rate of 1 percent, as provided therein, from the due date until paid. Unless the Corporation has accelerated the loan, the Applicant shall pay the Corporation a late charge of 5 percent of any required payment that is not received by the Corporation within 15 days of the due date.
21. Failure to pay any principal due under the terms of this section shall constitute a default on the loan.
22. Failure to provide the Corporation and its servicer with any financial reporting required in a competitive solicitation shall constitute a default on the loan.
23. Unless and until a guarantor's obligations for a loan are terminated as approved in writing by the Corporation or its servicer, each guarantor shall furnish to the Corporation

or its servicer financial statement as provided in paragraphs a. through c. below as the Corporation or its servicer may reasonable request.

- a. The audited financial statements are to be prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America for the 12-month fiscal year period just ended and shall include:

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

The financial statements referenced above should also be accompanied by a certification of the guarantor(s) as to the accuracy of such financial statements; or

- b. If an audited financial statement as not been prepared, a federal income tax return filed for the most recently completed year; or
- c. For individual guarantors, if an audited financial statement is not available, a financial statement certified as true and complete without qualification by such guarantor and a cop of the most recently filed individual federal income tax return.

D. Sale, Transfer or Refinancing of a Development

1. Any sale, conveyance, assignment, or other transfer of interest or the grant of a security interest in all or any part of the title to the Development other than a superior mortgage shall be subject to the Corporation's prior written approval. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant such request, which may include the requirement of partial or full repayment of this loan.
2. The loan shall be assumable upon sale or transfer of the Development if the following conditions are met:
 - a. The proposed transferee meets all specific Applicant identity criteria which were required as conditions of the original loan;
 - b. The proposed transferee agrees to maintain all set-asides and other requirements of the loan for the period originally specified or longer; and
 - c. The proposed transferee and release of transferor receives a favorable recommendation from the Credit Underwriter and approval by the Board of Directors of the Corporation.

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

3. If the loan is not assumed since the buyer does not meet the criteria for assumption of the loan, the loan (principal and any outstanding interest) shall be repaid from the proceeds of the sale in the following order of priority:
 - a. First mortgage debt service, first mortgage fees;
 - b. Compliance and loan servicing fees;
 - c. An amount equal to the present value of the compliance monitoring fee for the periods for which the Development will have a set-aside commitment beyond the repayment date. Such amount shall be reduced by the amount of any compliance monitoring fees collected by the Corporation for the Development for that period, provided:
 - (1) The compliance monitoring fee covers some or all of the period following the anticipated repayment date; and
 - (2) The Development has substantially equivalent set-aside commitments mandated through another program of the Corporation for which the compliance monitoring fee was collected.
 - d. Unpaid principal balance of the loan;
 - e. Any interest due on the loan;
 - f. Expenses of the sale;
 - g. If there will be insufficient funds available from the proposed sale of the Development to satisfy paragraphs 3.a.- f. above, the loan shall not be satisfied until the Corporation has received:
 - (1) An appraisal prepared by an appraiser selected by the Corporation or the Credit Underwriter indicating that the purchase price for the Development is reasonable and consistent with existing market conditions;
 - (2) A certification from the Applicant that the purchase price reported is the actual price paid for the Development, as supported by a copy of the final executed purchase and sale agreement, and that no other consideration passed between the parties, as supported by a draft and final closing statement;
 - (3) A certification from the Applicant that there are no Development funds available to repay the loan, including any interest due, and the Applicant knows of no source from which funds could or would be forthcoming to pay the loan; and
 - (4) A certification from the Applicant detailing the information needed to determine the final billing for loan interest. Such certification shall require submission of financial statements and other documents that may be required by the Corporation and its servicer.
4. The Corporation may renegotiate and extend the loan in order to extend or retain the availability of housing for the target population. Such renegotiations shall be based upon:

- a. Performance of the Applicant during the loan term;
- b. Availability of similar housing stock for the target population in the area;
- c. Documentation and certification by the Applicant that funds are not available to repay the Note upon maturity;
- d. A plan for the repayment of the loan at the new maturity date;
- e. Assurance that the security interest of the Corporation will not be jeopardized by the new term(s); and
- f. Industry standard terms which may include amortizing loans requiring regularly scheduled payments of principal and interest.

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

5. The Board shall approve requests for mortgage loan refinancing only if Development Cash Flow is improved, the Development's economic viability is maintained, the security interest of the Corporation is not adversely affected, and the Credit Underwriter provides a positive recommendation.
6. The Board shall deny requests for mortgage loan refinancing which require extension of the loan term or otherwise adversely affect the security interest of the Corporation, unless the criteria outlined in D.5. above, are met, the Credit Underwriter recommends that the approval of such a request is crucial to the economic survival of the Development, or unless the Board determines that public policy will be better served by the extension as a result of the Applicant agreeing to further extend the Compliance Period or provide additional amenities or resident programs suitable for the resident population. Further, the Board shall limit any approved extension to a minimum term which makes the Development feasible and which does not exceed an industry standard term.

The Board shall deny requests to increase the amount of any superior mortgage, unless the criteria outlined in C.19. above, are met, the original combined loan to value ratio for the superior mortgage and the mortgage is maintained or improved, and a proportionate amount of the increase in the superior mortgage is used to reduce the outstanding loan balance.

E. Loan Disbursement

1. Loan proceeds shall not be disbursed until a final cost certification is approved by the Corporation. Completion of the Development shall be evidenced by a certificate of occupancy or, in the event a final certificant of occupancy is not routinely provided by the applicable jurisdiction, such other information evidencing completion of the Development which is deemed acceptable to the Corporation, a final site inspection ordered by the servicer which evidences completion in accordance with the RFA under which the Active Award was made and, for Housing Credits, all requirements of the Corporation for the issuance of the Extended Low-Income Housing Agreement and the IRS form(s) 8609 for all buildings in the Development.

2. Ten (10) business days prior to the Draw, the Applicant shall supply the Corporation's servicer, as agent for the Corporation, with a written request executed by the Applicant for the Draw. The request shall set forth the amount to be paid and shall be accompanied by documentation specified by the Corporation's servicer, including claims for labor and materials to date of the last inspection. In addition, draw requests for non-Corporation funding must be provided. Any amendments to the Use of Proceeds Schedule/Draw Schedule or any reallocation of the line items therein must be approved by the Corporation, the first mortgagee, and the Corporation's servicer.
3. The Corporation and its servicer shall review the request for the Draw, and the servicer shall provide the Corporation with approval of the request or an alternative recommendation.
4. The Corporation shall disburse the Draw through Automated Clearing House (ACH). The Applicant may request disbursement of the Draw via a wire transfer. The Applicant will be charged a fee of \$10 for each wire transfer requested. This charge will be netted against the Draw amount.