

**Questions and Answers for Requests for Proposals (RFP) 2009-04
Tax Credit Exchange Program (Exchange) Funding Only Or Exchange Funding
With Tax Credit Assistance Program (TCAP) Funding And A Nominal Amount Of
Nine Percent Low-Income Housing Tax Credits For Applicants That, As Of
February 17, 2009, Had An Active Award Of 9 Percent Housing Credits**

Question 1:

Exhibit A to RFP 2009-04 requests the Applicant to provide the Anticipated Placed-In Service Date. It is our understanding from the “Section 1602: Grants to States for Low-Income Housing Projects in Lieu of Low-Income Housing Credits for 2009 Frequently Asked Questions,” obtained from the U.S. Department of The Treasury website, that an infusion of Section 1602 funds in a stalled LIHTC building does not change the placed-in-service date. Is it Florida Housing’s intention for the Applicant to identify in Exhibit A the placed-in-service date previously indicated from its Original Application?

Answer:

Florida Housing has reviewed discussion points dealing with this specific concern from the ABA Forum on Affordable Housing and is currently basing this response on that source. If a building has a Carryover Allocation Agreement and is returning all of those credits and the Credit Agency is going to give Exchange funds to the building, then the requirements of the existing Carryover Allocation Agreement terminate when the credits are returned. For example, the building would not have to be placed in service by 12/31/09 if the Applicant is returning all of its 2007 credits. Florida Housing will give the Developer up to two (2) years from the issuance of Carryover Allocation Agreement for the building to be placed in service.

Question 2:

If an Applicant is requesting Exchange Funding Only, is it a requirement for the Applicant to commit to set aside 5 percent of the ELI units for Special Needs Households? If it is not a requirement, and no TCAP funding is being requested, does the Applicant’s Proposal receive a preference in funding?

Answer:

The Applicant has the option of selecting to commit to set aside five percent of the total units (50% of the minimum amount of ELI units) for Special Needs Households regardless of funding source(s). However, funding priorities are only established for TCAP funding awardees for the TCAP funds themselves, including a preference for selecting the Special Needs set aside units.

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Question 3:

Section Seven of RFP 2009-04 describes the Evaluation Process, and we would like to know what date Florida Housing anticipates presenting its recommendations to the Board for approval of the Applicant's Proposal?

Answer:

The Review Committee Meetings will be held on August 19, 2009, beginning at 1 pm, Eastern Time. There will be a Telephonic Board of Directors meeting held on Thursday, August 20, 2009, at 10 am, Eastern Time, to accept or reject the recommendation of the Review Committee. Ratification of the recommendation will be during the regularly scheduled Board of Directors meeting to be held September 18, 2009.

Question 4:

Are fees that were paid towards 9% Housing Credit deals treated as credit during the Exchange Program?

Answer:

If you've previously paid your administrative fee from a previous Housing Credit Allocation, there will be no additional administrative fees due at the time of the Exchange award.

Question 5:

Is an Applicant eligible to increase the number of ELI units (up to 10% additional) and receive \$85,000/unit in TCAP funds?

Answer:

That option is not being offered in the RFP.

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Question 6:

If the new fees for Exchange do not equal the amount previously submitted as a commitment fee, will Florida Housing reimburse the difference to the Developer? Or will Florida Housing allow that balance to be credited to future deals or other deals by the same Developer?

Answer:

No. All prior fee payments are non-refundable.

Question 7:

Why is "Development Type" not changeable here, but it is changeable under RFP 2009-03?

Answer:

Most of the Applicants for RFP 2009-03 were originally structured as bond transactions that are now being reconfigured as a 9% Housing Credit transaction and it is believed that certain development criteria needed to be allowed to change to make the transaction financially feasible. The Applicants for RFP 2009-04 were all existing 9% Housing Credit transactions that reportedly would have been able to move forward if the Applicant could have found an investor for the credits at the original proposed price.

Question 8:

Why are the Location A Areas different in RFP 2009-03 and RFP 2009-04?

Answer:

The Location A Areas listed in each RFP were structured around the location of the potential Applicants. Since Florida Housing knew who the potential Applicants were for each RFP, only the relative Location A Areas were listed. Florida Housing started by taking all of the 2009 Location A Areas and then only listing the counties in each respective RFP where prospective Applicants were located.

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Question 9:

Does the Exchange Documentation need to include a Note, Mortgage, LURA, etc.? A lot of these items seem to only pertain to the TCAP documentation (i.e., a loan).

Answer:

Whereas the Exchange funds are to be treated similarly to housing credit equity, Florida Housing is responsible to oversee any recapture from non-compliant developments. As such, Florida Housing has determined it would be best to document the Exchange funds as forgivable loans. The Exchange funds must meet all Section 42, IRC, criteria as if it were housing credits.

Question 10:

Is there no "ranking" or priority for competing proposals for Exchange funds, but only for TCAP funds?

Answer:

The maximum amount of Exchange Funds an Applicant can receive is equal to \$0.85 (times 10) for each dollar of Housing Credit Allocation returned to Florida Housing. Florida Housing can take the Housing Credit Allocations that have been returned and receive the same amount from the Treasury. As such, there is no risk of running out of Exchange funding. TCAP funds are limited and there is a possibility there is not adequate funding capacity to award all Applicants.

Question 11:

If changing the identity of the Applicant is permitted, should this be done as part of the response to the RFP (i.e., the "Applicant" signing Exhibit A) or can it wait until later?

Answer:

Any change in the identity of the Applicant does not need to be reflected in this response.

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