

From: Angela Hatcher [mailto:ahatcher@flynnmanagement.com]
Sent: Monday, October 21, 2013 11:00 AM
To: Ken Reecy; Gayle White; Kevin Tatreau; Jade Grubbs
Cc: 'Tom Flynn'; 'Kevin T Flynn'
Subject: Draft RFA for Preservation -- Comment

With regard to the USDA RD Preservation Goal, we recommend adding the following language to Section Four A.8.b(3)(c) as related to the 538 program.

(i) Acknowledgement that the property is currently in the USDA RD loan portfolio and will remain in the USDA RD loan portfolio.

Thank you.

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(ii) Provide a letter from RD, dated within six (6) months of the Application Deadline, as **Attachment 9** to Exhibit A, that includes the following information for the proposed Preservation Development:

- Name of existing development
- Name of proposed Development
- Loan balance
- Acknowledgment that property is applying for Housing Credits
- Applicable RD program
- Acknowledgment that property will remain in the USDA/RD 515 or 514/516 (as applicable) loan portfolio

(c) If the proposed Development will be assisted with funding under the RD 538 Program, the Applicant must:

- ADD HERE*
- (i) Include the funding amount at the USDA RD Financing line item on the Development Funding Pro Forma (Construction/Rehab Analysis and/or Permanent Analysis); and
- (ii) Provide the Section 538 Selection letter sent to the Applicant by RD as **Attachment 9** to Exhibit A; and
- (iii) Provide the letter sent to the Applicant by an RD 538 approved lender certifying that the lender is prepared to make a loan consistent with the program requirements through the Section 538 Guaranteed Rural Rental Housing ("538") Loan Program as **Attachment 9** to Exhibit A.

c. Finance Documents:

All Applicants must complete the Development Cost Pro Forma listing the anticipated expenses or uses, the Detail/Explanation Sheet, if applicable, and the Construction or Rehab Analysis and Permanent Analysis listing the anticipated sources. The sources must equal or exceed the uses.

❖ Developer Fee

Developer fee shall be limited to 16 percent of Development Cost. The maximum allowable Developer fee will be tested during the scoring of the Application by multiplying the Development Cost by 16 percent, carried to 2 decimal places and may not be rounded.

The Corporation will allow up to 100 percent of the eligible Developer fee to be deferred and used as a source on the Development Cost Pro Forma without the requirement to show evidence of ability to fund.

❖ General Contractor Fee

General Contractor fee shall be limited to 14 percent of actual construction cost. The maximum allowable General Contractor fee will be tested during the scoring of the

3. Funding Test: Applications will be selected for funding only if there is enough funding available to fully fund the Eligible Housing Credit Request Amount.
4. County Test: Funding will be limited to 1 Application per county (County Test), unless the only eligible unfunded Applications that can meet the Funding Test are located in a county where an Application has already been tentatively selected for funding, as further outlined below.
5. Goals: The Corporation has a goal to fund at least one Elderly RD Preservation Development and up to one Family Demographic Development. To be eligible for the Elderly RD Preservation Development goal, the Application must have selected the Elderly Demographic at question 1 of Exhibit A and must have met all of the RD 515 or 538 Program requirements outlined in Section Four A.8.b.(3)(b) or (c) of the RFA. To be eligible for the Family Demographic Development goal, the Applicant must have selected the Family Demographic at question 1 of Exhibit A. Any Application selected to meet these goals will count for purposes of the County Test. The Corporation is not precluded from funding another eligible Elderly Demographic Application that also qualified for the Elderly RD Preservation Development goal, subject to the County Test and the Funding Test.
6. Selection Process: The first Applications selected will be eligible Applications that meet the goals.

OK-but need to add language to (c) p. 26.

The first Application that will be selected for funding will be the highest ranked eligible Application that is eligible for the Elderly RD Preservation Development goal. If this goal is met, or if there are no eligible Applications that meet this goal, then the next Application that will be considered for funding will be the highest ranked eligible Application that is eligible for the Family Demographic Development goal. If the Family Demographic Development goal is met, or if there are no eligible Applications that meet this goal, then the next Applications that will be considered for funding will be the highest ranked eligible unfunded Applications with the Demographic of Elderly ~~and/or~~ Person with a Disability Demographic Applications (the Applicant selected the Elderly or Person with a Disability Demographic at question 1 of Exhibit A) that can meet both the County Test and the Funding Test.

If funding remains and there are no eligible unfunded Elderly or Person with a Disability Demographic Applications that meet both the County Test and the Funding Test, then the highest ranked eligible unfunded Elderly or Person with a Disability Demographic Application that can meet the Funding Test will be selected for funding, without regard to the County Test. If none of the eligible unfunded Elderly or Person with a Disability Demographic Applications meet the Funding Test, no further Applications will be considered for funding and any remaining funding will be distributed as approved by the Board.

7. Returned Allocation:

Funding that becomes available after the Board takes action on the Committee's recommendation(s), due to an Applicant declining its invitation to enter credit underwriting or the Applicant's inability to satisfy a requirement outlined in this RFA and/or Rule Chapter 67-48, F.A.C., will be distributed in the following manner:

- a. If the funding was originally awarded to an Application selected to meet the Elderly RD Preservation Development goal, the returned funding will be distributed as follows:
 - (1) If another Application was funded that was eligible for the goal, then the goal will still be considered to be met and the returned funds will be distributed to the highest ranked eligible unfunded Elderly or Person with a Disability Demographic Application that