

**Florida Housing Finance Corporation
2001 Qualified Allocation Plan
Housing Credit Program**

Pursuant to Section 420.5099, Florida Statutes, the Florida Housing Finance Corporation ("FHFC") is designated as the "housing credit agency" responsible for the allocation and distribution of housing credits in Florida. As the allocating agency for the state, FHFC must distribute Low-Income Rental Housing Tax Credits to Applicants pursuant to a Qualified Allocation Plan.

Specific criteria of the Qualified Allocation Plan as mandated by Congress and addressed at Section 42(m)(1)(B) of the Internal Revenue Code, as amended, are as follows:

- (B) QUALIFIED ALLOCATION PLAN.--For purposes of this paragraph, the term 'qualified allocation plan' means any plan--
 - (i) which sets forth selection criteria to be used to determine housing priorities of the housing credit agency which are appropriate to local conditions,
 - (ii) which also gives preference in allocating housing credit dollar amounts among selected projects to--
 - (I) projects serving the lowest income tenants,
 - (II) projects obligated to serve qualified tenants for the longest periods, and
 - (III) projects which are located in qualified census tracts [as defined in subsection (d)(5)(C)], and the development of which contributes to a concerted community revitalization plan, and
 - (iii) which provides a procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of this section and in notifying the Internal Revenue Service of such noncompliance which such agency becomes aware of.
- (C) CERTAIN SELECTION CRITERIA MUST BE USED.--The selection criteria set forth in a qualified allocation plan must include--
 - (i) project location,
 - (ii) housing needs characteristics,
 - (iii) project characteristics including whether the project involves the use of existing housing as part of a community revitalization plan,
 - (iv) sponsor characteristics,
 - (v) tenant populations with special housing needs,
 - (vi) public housing waiting lists,
 - (vii) tenant populations of individuals with children, and
 - (viii) projects intended for eventual tenant ownership

The Qualified Allocation Plan was developed based on Code requirements and rental housing needs assessment studies conducted by independent vendors for FHFC.

The FHFC Board of Directors and the Governor of the State must approve the plan before its implementation.

All Developments will be reviewed if eligible pursuant to Chapter 67-48, Florida Administrative Code, and evaluated pursuant to FHFC threshold criteria. Developments must score at least 475 points on the HC Application of which an aggregate score of at least 105 points must be achieved from Form 3, **Experience of Development Team**; and Form 7, **Project Feasibility**

and Ability to Proceed. Further, at least 75 points must be achieved on Form 4, **Development Funding and Economic Viability.**

Prior to the issuance of a housing credit allocation, a Development must be underwritten in accordance with Rule 67-48.026, F.A.C. in order to determine the Development's feasibility, ability to proceed and the appropriate housing credit amount, if any. FHFC shall issue housing credits in an amount no greater than the amount needed for the financial feasibility and viability of a Development throughout the credit period. The issuance of housing credits or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the Development by FHFC.

All capitalized terms not otherwise defined herein have the meanings set forth in Chapter 67-48, Florida Administrative Code.

The 2001 Housing Credit Allocation Authority will be awarded as follows:

1. Two hundred thousand dollars (\$200,000) in housing credits will be set-aside for those Applicants that meet all of the following criteria: (1) qualify for points on Form 21 for targeting their Developments for Farmworker/Fishing Workers; (2) meet the Application's threshold requirements; (3) choose on Form 21 to compete for the Rural Development 514/516 Set-Aside; (4) provide evidence to Florida Housing by October 1, 2001 of funding from U.S. Department of Agriculture Rural Development (USDA RD) programs RD 514 and/or RD 516; and (5) reserve 100% of their units for Farmworker/ Fishing Worker households.

a. Applicants that choose on Form 21 to compete within the Rural Development 514/516 Set-Aside will, to the extent not fully or partially funded in such Set-Aside, also be eligible to compete within the Geographic Set-Aside within which the Development is located (in the event of competition within the Geographic Set-Aside, such RD 514/516 Applicant shall be counted as a Farmworker/Fishing Worker Development). Such Applicant will be eligible to compete within the respective Geographic Set-Aside after application of Sections 6, 7 and 13 hereof.

b. Any Applicant partially funded under the RD 514/516 Set-Aside shall receive a Binding Commitment to fund the balance of the amount of credits determined as needed, subject to the provisions of Section 14 hereof.

c. Any remaining credits not designated for Developments within this Set-Aside, as of October 2, 2001, will be distributed in accordance with Section 9 of this QAP.

2. One hundred thousand dollars (\$100,000) in housing credits will be set-aside for those Applicants that meet all of the following criteria: (1) meet the Application's threshold requirements; (2) choose on Form 21 to compete for the Rural Development 515 Set-Aside; and (3) provide evidence to Florida Housing by October 1, 2001 of funding from U.S. Department of Agriculture Rural Development (USDA RD) program RD 515.

a. Applicants that choose on Form 21 to compete within the Rural Development 515 Set-Aside will, to the extent not fully or partially funded in such Set-Aside, also be eligible to compete within the Geographic Set-Aside within which the Development is located. Such Applicant will be eligible to compete within the respective Geographic Set-Aside after application of Sections 6, 7 and 13 hereof.

b. Any Applicant partially funded under the RD 515 Set-Aside shall receive a Binding Commitment to fund the balance of the amount of credits determined as needed, subject to the provisions of Section 14 hereof.

c. Any remaining funds not designated for Developments within this Set-Aside, as of October 2, 2001, will be distributed in accordance with Section 9 of this QAP.

3. Three million dollars (\$3,000,000) in housing credits will be set-aside for those Applicants that meet all of the following criteria: (1) have qualified for points on Form 21 as a Front Porch Florida or a HOPE VI Development; and (2) meet the Application's threshold requirements.

a. Applicants that meet the above criteria and choose to compete as a Front Porch Florida Applicant will first compete within this HOPE VI/Front Porch Florida Set-Aside and, to the extent not fully or partially funded, may also compete within the Geographic Set-Aside within which such Development is located (in the event of competition within the Geographic Set-Aside, such Front Porch Applicant shall continue to be counted as an Urban In-Fill Development). Such Applicant will be eligible to compete within the respective Geographic Set-Aside after application of Sections 6, 7 and 13 hereof.

b. Applicants that meet the above criteria and choose to compete as a HOPE VI Applicant will compete only within this HOPE VI/Front Porch Florida Set-Aside.

c. Any Applicant partially funded under this Set-Aside shall receive a Binding Commitment to fund the balance of the amount of credits determined as needed, subject to the provisions of Section 14 hereof.

d. Any remaining credits not designated for Developments in this Set-Aside, in accordance with the preceding established procedure, will be distributed in accordance with Section 9 of this QAP.

4. The geographic distribution is based on the most recent statewide market study:

Large County Allocation Authority:	64%
Medium County Allocation Authority:	26%
Small County Allocation Authority:	10%

5. Any returned housing credits as of March 22, 2001 plus the Housing Credit Allocation Authority received based on the per capita calculation, less any amount obligated to be allocated pursuant to existing Binding Commitments, less the \$300,000 in the Rural Development Set-

Asides and less the \$3,000,000 in the HOPE VI/Front Porch Florida Set-Aside, will be allocated pursuant to the set-asides described in Section 4 above and subject to Section 7 below. If after final rankings, any Geographic Set-Aside category (small, medium, or large) fails to utilize its entire allocation amount, the remaining housing credits will be awarded in accordance with Section 9 of this QAP. In the event the per capita allocation available to the State is increased by Congress prior to October 1, 2001, such additional allocation shall be distributed among the Geographic Set-Asides in the percentages referenced in Section 4 above, and the 12% Non-Profit goal will be calculated based on the Allocation Authority available on March 22, 2001, plus the amount of any such per capita increase.

6. Following Board action on informal appeal scoring, FHFC will endeavor to allocate not less than 12% of the 2001 Allocation Authority amount as of March 22, 2001 for Developments with Applicants qualified as Non-Profit pursuant to Rule 67-48.002(77), F.A.C. FHFC is required by Section 42, IRC to allocate not less than 10% of its Allocation Authority to qualified Non-Profits. FHFC has determined that an initial allocation of 12% to qualified Non-Profits will help ensure that the 10% requirement will be met in the event that all Developments included in the initial 12% do not receive an allocation.

a. In order to achieve the initial 12% Non-Profit goal, a tentative funding line will be drawn within each Geographic Set-Aside, the Front Porch/HOPE VI Set-Aside and the RD Set-Asides pursuant to the procedures described in this QAP. FHFC will calculate the percentage of the total 2001 Allocation Authority as of March 22, 2001, that would be allocated to qualified Non-Profit Applicants if all credits were allocated based on these funding lines. When a Non-Profit Applicant is to receive a Binding Commitment for credits from future Allocation Authority, FHFC shall only include the 2001 credits actually allocated, and not the amount of the Binding Commitment, to determine compliance with the 12% goal. FHFC shall include in such 12% calculation any 2001 credits allocated pursuant to a Binding Commitment from the 2000 cycle.

b. If the calculation performed pursuant to section 6.a. shows that less than 12% of the 2001 Allocation Authority as of March 22, 2001 would be allocated to qualified Non-Profit Applicants, then additional Applications from Non-Profit Applicants that meet scoring threshold requirements shall be moved into the tentative funding range.

c. Such Applications shall be moved into the tentative funding range in order of their scores until the 12% set-aside is achieved. This will be accomplished as follows:

i. FHFC will identify the highest scoring, currently unfunded Non-Profit Applicant that has met threshold.

ii. From the Set-Aside in which the identified Non-Profit is located, the lowest ranked Application of a for-profit Applicant in the funding range will be moved down in ranking so it is ranked immediately below the tentative funding line. A Non-Profit Applicant which applies under the RD Set-Asides or Front Porch/HOPE VI Set-Aside will for purposes of this paragraph be deemed to only relate to such respective Set-Aside, even though pursuant to Sections 1, 2 and 3 such unfunded Applications may compete in the applicable Geographic Set-

Aside.

iii. FHFC will then move the identified Non-Profit Applicant up in ranking so that it is ranked one ranking space above the for-profit Applicant that was moved down in ranking. The tentative funding line in the affected Set-Aside will then be redrawn.

d. If the 12% Non-Profit goal is still not met, with any Non-Profit moved up aforesaid being fully funded, the procedure will be repeated until not less than 12% of the 2001 Allocation Authority has been allocated to Non-Profit Applicants.

e. This procedure will be used again on or after October 1, 2001, if necessary, to ensure that the FHFC allocates at least 10% of its Allocation Authority as federally mandated for 2001 to qualified Non-Profit Applicants. Any for-profit Applicant so removed from the funding range will NOT be entitled to any consideration or priority for the receipt of current or future housing credits other than placement on the current ranking and scoring list in accordance with its score after taking into consideration allocations to satisfy the Non-Profit goal. Binding Commitments for housing credits from a future year will not be issued for Applicants so displaced, unless the Applicant would otherwise receive a Binding Commitment based on its ranking and receipt of partial funding.

f. The last Non-Profit Applicant moved into the funding range in order to meet the initial 12% goal and in order to meet the minimum 10% federal requirement after October 1, 2001, will be fully funded contingent upon successful credit underwriting even though that may result in a total Non-Profit allocation in excess of 12%, or if applicable, 10%.

g. After the 12% goal has been realized, remaining Applications from Non-Profit Applicants shall compete with all other Applications in the HC Program for remaining Allocation Authority.

7. FHFC's goal is to have a diversified rental housing portfolio. Therefore, its special targeting goal is to allocate credits, regardless of Geographic Set-Aside and to the extent such targeting goals can be met in accordance with these procedures, to a minimum of two Elderly Developments, one Farmworker/Fishing Worker Development in addition to any Developments funded under the Rural Development 514/516 Set-Aside, one Urban In-Fill Development in which at least 75% of the set-aside units are located in one or more High Rise buildings (7 stories or higher) (a "UI High Rise"), and two additional Urban In-Fill Developments. Developments will be classified as Elderly, Farmworker/Fishing Worker, and Urban In-Fill only to the extent so designated on Form 21 of the Application. Developments funded within the HOPE VI/Front Porch Florida Set-Aside, as stated in Section 3 above, will count toward meeting the goal of funding Urban In-Fill Developments. Either a Front Porch Florida Development or HOPE VI Development in which at least 75% of the set-aside units are located in one or more High Rise buildings 7 stories or higher will meet the requirement of funding at least one UI High Rise. Developments which intend to qualify as a UI High Rise must also designate a High Rise design on Form 1 of the Application. No action will be taken to move an Elderly Development from below to above the tentative funding line in order to achieve the goal of two Elderly Developments if by doing so, more than 20% of the Allocation Authority amount as of March

22, 2001 will be tentatively allocated to Elderly Developments. Any adjustments made in the ranking of Developments to meet the special targeting goal will be made after any necessary adjustments have been made to insure FHFC has met its 12% Non-Profit goal. No additional adjustments will be made to achieve the special targeting goal if the Executive Director or the Board of Directors determines, based on a negative recommendation from the Credit Underwriter, that an Elderly, Farmworker/Fishing Worker, or Urban In-Fill Development in the initial funding range, should not receive a credit allocation.

The special targeting goals will be achieved by first looking at those Developments above the respective tentative funding lines (drawn for the purpose of this procedure) across all Set-Asides to determine if the special targeting goal has been met. The Elderly special targeting goal will be met if at least two Elderly Developments are in the tentative funding range or more than 20% of the Allocation Authority amount as of March 22, 2001 is tentatively allocated to Elderly Developments in the tentative funding range. If more than 20% of the March 22, 2001 Allocation Amount is tentatively allocated to Elderly Developments by virtue of their scores, no action will be taken to reduce the amount allocated to Elderly Developments.

If the special targeting goals have not been met, those Developments required to meet the special targeting goals that have achieved threshold requirements shall be moved into the funding range within their Geographic Set-Aside, using the procedure set forth in the following paragraph. For purposes of this Section 7 only, the RD 515 Set-Aside shall be deemed to be included in the term "Geographic Set-Aside" for considering an Elderly Development which has also qualified for the RD 515 Set-Aside.

Special targeting Developments will be funded in the following sequence, to the extent possible: first, a Development targeting Elderly, then a Development targeting Farmworker/Commercial Fishing Worker, then a Development located in an Urban In-Fill area, then a second Elderly, then a second Urban In-Fill, then a third Urban In-Fill. The highest scoring Applicant meeting threshold that is in the special target category chosen to be moved into funding will be chosen first to determine if it can be moved into the funding range. If not, then the next highest scoring Applicant meeting threshold with the same special target category will be chosen to determine if it can be moved into the funding range. This will be repeated as many times as needed until an Applicant in that special target category has been selected. In the event no Applicants meeting the special targeting criteria sought can be brought into the funding range, the highest scoring Applicant meeting threshold in the next special target category will be chosen. For example, if a Development targeting Elderly was needed but none could be brought into the tentative funding range, then, if needed, an attempt would be made to move a Farmworker/Commercial Fishing Worker Development into the funding range. Further explanation can be found in Situation C below. In the event there is any remaining allocation available after meeting the Non-Profit and special targeting goals, the remaining allocation will be distributed to Applicants in scoring rank order within their respective Geographic Set-Asides.

The movement of Developments needed to meet the special targeting goals will be accomplished by moving the highest scoring Development meeting threshold required to meet special targeting from its current ranking to the first ranking position below the tentative funding line within its respective Geographic Set-Aside and the lowest ranked Applicant in the current funding range

not required to achieve the 12% Non-Profit goal or a prior special targeting goal shall be moved below the Application so moved up. This will be repeated as many times as it takes to get the Applicant required for special targeting into the funding range.

The procedure described above will be followed to bring each Development required for special targeting into the funding range. An exception to the procedure is that an Elderly Development that is below the tentative funding line that is located in a different county than an Elderly Development already in the tentative funding range will be moved up in ranking into the funding range before a higher ranked Elderly Development located in the same county as an Elderly Development already in the tentative funding range. A further exception is that if it is necessary to bring a UI High Rise into the funding range to achieve the special targeting goals, and the highest-ranked UI High-Rise has applied as either a Front Porch Applicant or a HOPE VI Applicant, such UI High Rise shall be moved to the highest ranked position below the tentative funding line in the Front Porch/HOPE VI Set-Aside and the lowest-ranked Applicant in the funding range in the Front Porch/HOPE VI Set-Aside not otherwise required to meet a special targeting goal or the 12% Non-Profit goal shall be moved to a position immediately below the UI High Rise so moved. If all ranked Applicants in the Front Porch/HOPE VI Set-Aside are required to meet a special targeting goal, such UI High Rise shall not be moved up as aforesaid and the highest ranking UI High Rise which can be moved into the funding range in accordance with the following paragraph shall be moved up in its Geographic Set-Aside as specified in the following paragraph.

If all Applicants in the funding range are required to meet the 12% Non-Profit goal or are required to meet special targeting, no action will be taken within that Geographic Set-Aside. A Non-Profit Applicant will not be removed from funding in order to meet another targeting goal, if it or any Non-Profit Applicant was moved into funding in accordance with Section 6 in order to meet the goal of having 12% of the Allocation Authority amount as of March 22, 2001, allocated to Non-Profit Applicants. Further, a Non-Profit Applicant will not be removed from funding within its Set-Aside in order to meet another targeting goal, if another Non-Profit Applicant ranked lower than it within the Set-Aside cannot be removed because the 12% Non-Profit goal will not be met. For example, a fourth ranked Non-Profit Applicant is requesting \$1,000,000 in housing credits and cannot be removed from funding because it will cause the 12% Non-Profit goal not to be met. There is a third ranked Non-Profit Applicant within the same set-aside and it is requesting \$200,000 in housing credits. If it was removed from funding, the 12% Non-Profit goal would be met but it will not be removed because the lower ranked Non-Profit Applicant within the same set-aside could not be removed without causing the 12% Non-Profit goal not to be met. Further, if the movement down in ranking of those Applicants in the funding range not required to meet the 12% Non-Profit goal or not required to meet the special targeting goal will not bring the Applicant required to meet special targeting into the funding range, no action will be taken. The next highest scoring Applicant required to meet the same special targeting goal which is located in a different Geographic Set-Aside will be picked to determine if it can be moved into the funding range, using the procedure described above. This procedure will be repeated as many times as it takes to meet the special targeting goal or until all funds have been assigned. Any Applicant so removed from the funding range will NOT be entitled to any consideration or priority for the receipt of current or future housing credits other than placement on the current ranking and scoring list in accordance with its score after taking

into consideration allocations to satisfy the Non-Profit goal and special targeting goals. Binding Commitments for housing credits from a future year will not be issued for Applicants so displaced unless the Applicant would otherwise receive a Binding Commitment based on its ranking and receipt of partial funding.

8. To further explain the above procedure for obtaining the special targeting goals, the following examples are provided:

Situation A: There is a need to bring two Elderly Applicants and two Urban In-Fill Applicants above the tentative funding line in order to meet the special targeting goal. Below the tentative funding line, there are two Elderly Applicants (E1 and E2) which meet threshold requirements with scores of 590 and 580 points. These two Elderly Applicants, if tentatively funded, will not bring the amount allocated to Elderly Developments above the 20% allocation limit. Additionally, there are two Urban In-Fill Applicants (U1 and U2) which meet threshold requirements with scores of 600 and 585 points. The first Applicant picked in an attempt to bring it above the funding will be E1 for it is the highest scoring Development targeting Elderly.

Applicant E1 is located in the medium county set-aside and ranked in tenth position. Three million dollars in credits have been allocated to the medium county set-aside. There are three Applicants above the funding line, R1, NR2, and R3, ranked respectively. The “R” at the beginning of a Applicant’s name means the Applicant is required to either meet the 12% set-aside or one of the special targeting goals. A “NR” at the beginning of an Applicant’s name means the Applicant is not required for any special purpose. NR and R Applicants are in the tentative funding range. R1 Applicant is requesting \$1,500,000 in housing credits. NR2 is requesting \$1,000,000. R3 is requesting \$750,000 but, with the current ranking and because R1 and NR2 are requesting \$2,500,000, there is only \$500,000 available (\$3,000,000 medium county allocation minus \$2,500,000) for R3.

In order to bring E1 into the funding range, it will be brought up in ranking to fourth position. NR2 will then be brought down one position below E1 in ranking. This puts E1 into third position. Therefore, the Applicants now in the funding range are: R1 in first position, requesting \$1,500,000; R3 in second position, requesting \$750,000; E1 in third position, requesting \$500,000; and NR2 in fourth position requesting \$1,000,000 with only \$250,000 available in credits to fund it (\$3,000,000 minus \$1,500,000 minus \$750,000 minus \$500,000). Applicant NR2 would not be funded for it fails to meet the provisions of Section 14 of the QAP. Applicant U1 would then be picked to determine if it could be moved into funding range. If it could be, then Applicant E2 would be picked. If Applicant U1 could not be moved into funding range then an attempt would be made to move Applicant U2 followed by an attempt to move Applicant E2.

Situation B: Everything remains the same as above but E1 is requesting \$1,000,000 in credits. In this situation after E1 is moved into third position, there would be no funds available to fund NR2 (3,000,000 minus \$1,500,000 minus \$750,000 minus \$1,000,000 equals negative \$250,000). Therefore, E1 would have \$750,000 in 2001 credits and the

remainder in year 2002 credits. NR2 would be ranked below the tentative funding line and would receive no credits.

Situation C: Everything remains the same as the beginning of Situation A with the ranking being R1, NR2 and R3, except Applicant NR2 has requested \$400,000 in housing credits and Applicant R3 has requested \$1,500,000 in housing credits with \$1,100,000 available in credits to fund it in the current cycle [$\$3,000,000$ minus $\$1,500,000$ (R1) minus $\$400,000$ (NR2) minus $1,500,000$ (R3) equals negative $\$400,000$]. In this event, moving NR2 down in ranking would not force E1 into the funding range because Applicants R1 and R3 would fully utilize the $\$3,000,000$ allocated to medium counties. Therefore, E1 would not be moved up in ranking and the ranking R1, NR2, R3 would remain the same. Applicant E2, the next highest scoring Development targeting Elderly needed to meet special targeting, would then be picked to see if it could be moved into the tentative funding range. Applicant R3 would receive a Binding Commitment in the amount of $\$400,000$, which is within the limits set forth in Section 14 of the QAP.

Situation D: Everything remains the same as above but all the Applicants in the tentative funding range have an “R” in front of their name. In this instance, E1 would not be picked to be moved into the funding range because all the Applicants in the tentative funding range are required to either meet the Non-Profit goal or to meet a special targeting goal. Applicant E2 would be chosen because it is the next highest scoring Development targeting Elderly. If E2 was in a Medium County, then U1 would be chosen if it was located in a Set-Aside other than Medium.

Situation E: This situation is unlike those above. There is a need to bring one Elderly Development above the tentative funding line but its request amount cannot exceed $\$500,000$ for this would bring the amount tentatively allocated to Elderly Developments over the 20% limit. There are two Elderly Developments, E1 and E2, below the tentative funding line that meet threshold and have scores of 610 and 574, respectively. E1 is requesting $\$1,050,000$ in credits and E2 is requesting $\$450,000$ in credits. E1 would not be chosen in an attempt to move it above the funding line even though it has the higher score because the amount it is requesting will bring the amount tentatively allocated above the 20% limit. An attempt will be made to move E2 into the funding range.

Situation F: The situation is the same as Situation E with the exception E2 is requesting $\$950,000$. In this event, no action will be taken because moving E1 or E2 into the tentative funding range will bring the amount tentatively allocated to Elderly Developments over the 20% limit.

Situation G: This situation is completely different than those above. FHFC Board has approved the Final Ranking and Scoring Spreadsheet which includes two Elderly Applications in the funding range. The two Elderly Applications are invited into credit underwriting but one of the Elderly Applications is unable to successfully complete credit underwriting or receives a negative recommendation from the credit underwriter as of October 15, 2001. The credits reserved for this Application will be first used to fund those Applications that have been partially funded, in the order specified in Section 9 of

the QAP. Any remaining funds will, to the extent specified in Section 10, be carried over to the 2002 cycle. An Elderly Application below the funding line will have no priority.

9. With the exception of additional Allocation Authority received as a result of a per capita increase as provided in Section 5, any additional Allocation Authority received by FHFC from the national pool or returned housing credits between March 22, 2001 and September 30, 2001 or such later date as the Board shall approve final rankings, or any unused Allocation Amount within a Set-Aside as provided in Sections 1, 2, 3 and 5 hereof will be used (a) to fund any Development that has been partially funded (excluding Applicants not funded because their total Allocation request exceeds the permissible Binding Commitment limits set forth in Section 14 hereof) in the following order of Set-Asides: (i) Large County, (ii) Medium County, (iii) Small County, (iv) Front Porch/HOPE VI, (v) Rural Development 514/516 and (vi) Rural Development 515, and then (b) to fund the next highest scoring Application regardless of Set-Aside until all available housing credits are allocated. If the last remaining Allocation Authority after application of the foregoing is not sufficient to fully fund the next highest scoring Application not previously funded, such Applicant shall be entitled to a Binding Commitment for the unfunded balance, without regard to the limitations imposed by Section 14 hereof.

10. Any Allocation Authority received on or after October 1, 2001, or such later date as the Board approves final rankings, including any amount received as a result of a ranked Applicant above the funding line withdrawing or otherwise failing to proceed, will be used, subject to the provisions of Section 6(e) hereof, (i) to fully fund any Application that has been partially funded by the method described in Section 9 above and then (ii) applied to the 2002 housing credits cycle; provided, that any such Allocation Authority received which, if after application of (ii) above would cause FHFC to be above the de minimis requirements for use of allocation necessary to participate in the national tax credit pool, shall instead be applied as provided in Section 9 above. No further effort will be made to achieve 2001 targeting goals with any such additional Allocation Authority. If the 10% Non-Profit requirement has been met at the time such additional Allocation Authority is received, no further effort will be made to achieve the Non-Profit goal or adjust any previous adjustment of Applicant rankings necessary to achieve such goal. If any post-September Allocation Authority remains, it shall be treated in accordance with the IRS Stacking Regulations.

11. Any Application receiving a partial allocation will receive a Binding Commitment for the remaining amount as determined by FHFC's underwriter and approved by the FHFC, subject to the provisions of Section 14 hereof.

12. In the event of a federal or state declared disaster, any Allocation Authority not preliminarily allocated, as well as any authority remaining after November 1, 2001, may be diverted to one or more federal or state declared disaster areas.

13. a. Florida Housing will assign each Housing Credit Application received by the application deadline a random lottery number at or prior to final rankings. This will be accomplished as follows: Each Application received before the deadline will receive an Application number. Florida Housing will run the total of such numbers through a computer program similar to that used by the State Division of Bond Finance, in order to assign a random

lottery number to each such Application. The foregoing procedure shall be verified for accuracy by Florida Housing's external auditors.

b. The total number of Housing Credit Applications will then be multiplied by 65%. The resulting figure will be rounded up to the next whole number (such resulting figure after rounding is referred to herein as the “Leveraging Cut-Off”).

c. Florida Housing will thereafter establish a list of each Housing Credit Applicant’s Total Corporation Funding Per Set-Aside Unit, as indicated on Form 10, Part II(A)(6) of the Application, from lowest to highest.

d. Florida Housing will then, beginning with the Application with the lowest Total Corporation Funding Per Set-Aside Unit, go down the list of Applications until it reaches the Application whose place on the list is equal to the Leveraging Cut-Off, and draw a line below this Application. In the event that an Application below the line has the same Total Corporation Funding Per Set-Aside Unit as the Application immediately above the line, the line will be moved down to incorporate this Application. The group of Applications above the line will be classified as “Group A” and those Applications below the line will be classified as “Group B”.

e. Unless otherwise specified herein, any determination of priority among Applications with tied scores (including any determination of which tied Application shall be dropped to bring up a Non-Profit Applicant or meet a special targeting goal) shall be determined first by giving priority to Applications within Group A, and then by lowest lottery number.

Example: There are 70 Housing Credit Applications. Each Application is assigned a lottery number as described above. The Applications are listed from lowest Total Corporation Funding Per Set-Aside Unit to highest Total Corporation Funding Per Set-Aside Unit (the list). The Leveraging Cut-Off is calculated by multiplying 70 (the total amount of HC Applications) by 65%. This results in 46 (45.5 rounded up to the next whole number). Within the 70 Applications are three Applications: Application A, Application B and Application C. Application A received a lottery number of 22 and is listed as the 46th Application on the leveraging list. Application B received a lottery number of 15, is the only other Application that has the same amount of Total Corporation Funding Per Set-Aside Unit as Application A and is listed as the 47th Application on the leveraging list. Application C received a lottery number of 1 and is listed as the 55th Application on the leveraging list. A line is drawn below Application B. If Application B had not had the same amount of Total Corporation Funding per Set-Aside Unit as Application A, then the line would have been drawn below Application A. As such, Applications A and B are in Group A and Application C is in Group B. Subsequently, after scoring, Applications A, B and C are the only Applications that receive maximum points in the Large County Geographic Set-Aside. The Applications would be ranked as follows: Application B is ranked in first place because it is in Group A and has a lower lottery number than Application A. Application A is ranked in second place because it is in Group A while Application C is in Group B. Application C would be ranked in third place because it is in Group B, even though it received the lowest lottery number.

14. Except as otherwise set forth herein and except for Binding Commitments awarded pursuant to Chapter 67-48.005(2), F.A.C., no Binding Commitment shall be awarded for an amount in excess of 40% of the Applicant's total allocation request. When drawing any tentative funding line, pursuant to this QAP, would result in an Application being only partially funded such that more than 40% of its funding at that point would be in the form of a Binding Commitment, then the tentative funding line will be drawn immediately above that Application. Doing so will necessarily result in some credits remaining temporarily unallocated in the Set-Aside. If such unallocated credits remain after rankings, Set-Asides, the 12% Non-Profit goal and special targeting goals have been accomplished pursuant to this QAP, then those unallocated credits will be distributed pursuant to Section 9.

Any Applications meeting threshold in the RD Set-Asides and any Front Porch Applications meeting threshold in the HOPE VI/Front Porch Set-Aside which due to the above-referenced limitation or otherwise are not ranked above the respective tentative funding lines in such Set-Asides after application of Sections 6, 7 and 13 hereof shall then be eligible to compete for available allocation within their respective Geographic Set-Asides.

After movement of any such Applications in the RD Set-Asides or Front Porch Applications in the HOPE VI/Front Porch Set-Aside as aforesaid, the respective Geographic Set-Asides shall be re-ranked and, to the extent necessary to achieve the 12% Non-Profit goal and special targeting goals, the provisions of Sections 6 and 7 reapplied. Any resulting excess Allocation Authority (including Allocation Authority available because of the application of the first paragraph of this Section 14) shall be applied as provided in Section 9 hereof.

Example 1: The top three ranked Applicants in the HOPE VI/Front Porch Set-Aside (UI1, UI2 and UI3) are for-profit Applications. The fourth ranked Applicant (UI4) is a Non-Profit Applicant, and is the highest ranked Non-Profit Applicant among all Applications in the cycle which have achieved threshold. UI3 is requesting \$1.5 million in credits and only \$500,000 is available after funding the first and second ranked Applications. UI3 thus fails the Section 14 Binding Commitment limitation and the tentative funding line is drawn after UI2. An analysis of the tentative funding lines in all Set-Asides indicates that the 12% Non-Profit goal has not been met. To accomplish the 12% Non-Profit goal, UI4 is moved to the position immediately below UI2, and then UI2 is moved below UI4. The tentative funding line is redrawn. After application of Sections 6 and 7 of the QAP and the achievement of the 12% Non-Profit goal and the special targeting goals, any Front Porch Applications in the HOPE VI/Front Porch Set-Aside which have not achieved funding will move over to compete within their respective Geographic Set-Aside.

Example 2: Facts are the same as in Example 1, and UI3 is a large county Front Porch Applicant that has not been funded in the HOPE VI/Front Porch Set Aside. UI3 has a higher score than any Applicant in the Large County Set-Aside. Prior to any movement of UI3, the tentative funding range in the Large County Set-Aside consists of two large family Applicants (LF1 and LF2) and a Non-Profit Applicant (NP1), ranked 1, 2 and 3. UI3 moves over to compete within the Large County Set-Aside and is ranked first. The tentative funding line is redrawn, and NP1 falls below the tentative funding line. After

similar rerankings (to the extent necessary as a result of competing Applications from the RD or HOPE VI/Front Porch Set-Asides) in the other Geographic Set-Asides, an analysis will then be made to determine if the 12% Non-Profit goal has been met. If not, application of Section 6 will follow, with the highest-ranked unfunded Non-Profit Applicant being moved up in its Set-Aside. An analysis will then be made to determine if the special targeting goals have been met. If not, application of Section 7 will follow, across all Geographic Set-Asides.

I. Selection Criteria

Upon receipt of a completed Housing Credit Application pursuant to FHFC rule requirements and notification of an open credit allocation cycle, FHFC shall score and rank the Application according to the following required selection criteria and the priorities set forth in II below.

A. Location

- * Developments which are located in qualified Urban In-Fill areas will be targeted.
- * Counties within the state are divided into 3 groups according to population and housing needs. The geographic distribution plan is as follows:

64% Allocation Authority:	Large Counties
26% Allocation Authority:	Medium Counties
10% Allocation Authority:	Small Counties
- * Specific criteria for the Geographic Set-Aside category, and the Urban In-Fill area targeting category are addressed in the Application at Form 2 entitled **Portfolio Diversification and Geographic Distribution** and Form 21 entitled **Special Targeting**, respectively, which are incorporated by reference in the FHFC rules.
- * Developments located in counties with a population of 50,000 persons or less will be targeted.

B. Housing Needs Characteristics:

- * Developments which meet state, regional and local housing needs will be targeted.
- * Developments which are designed for families and have three or more bedroom type units will be targeted.
- * Developments which are designed to attract, serve and keep the Elderly will be targeted.
- * Developments which are designed to attract and serve Farmworker/Fishing Worker families will be targeted.

- * Developments which are 50 units or less will be targeted.
- * An Urban In-Fill Development in which at least 75% of the set-aside units are located in one or more High Rise buildings (7 stories or higher) will be targeted.

These categories are specifically addressed in the Application Package at Forms 2, 7 and 21 entitled **Portfolio Diversification and Geographic Distribution, Development Feasibility and Ability to Proceed** and **Special Targeting**, respectively, which are incorporated in FHFC rules by reference.

C. Development Characteristics:

- * Developments which offer the most efficiency in development and thereby the best and most efficient use of the housing credits will be targeted in the following categories:
 - Experience of Development Team
 - Development Funding, Feasibility and Economic Viability
 - Ability to Proceed
 - Design Features and Quality of Construction
 - Leveraging
 - Equity Realized from Sale of Credits
 - Energy Conservation

Forms 3, 4, 7, 10 and 20 of the Application specifically address these categories and are incorporated in FHFC rules by reference.

- * Developments which offer resident services and programs will be targeted.

Form 8 of the Application entitled **Resident Programs** specifically addresses this category and is incorporated in FHFC rules by reference.

- * Developments which address family housing will be targeted.
- * Developments which address Elderly housing will be targeted.

This criterion is specifically addressed in the Application at Form 21 entitled **Special Targeting**, which is incorporated in FHFC rules by reference.

D. Sponsor Characteristics:

- * Both Non-Profit and for-profit sponsors/developers may participate in the program without limitation, other than the Code requirement for a 10% Non-Profit goal.

- * Applications will be rejected if the Applicant, an Affiliate of the Applicant, or a partner of a limited investment partnership have existing Developments that fail to comply with Chapter 67-48, F.A.C., Section 42 of the Internal Revenue Code, the recorded Extended Use Agreement, or other FHFC programs.
- * If any Applicant, an Affiliate of an Applicant, or a partner of a limited investment partnership is determined by the FHFC to have engaged in fraudulent actions or to have deliberately misrepresented information within the current Application or in any previous Applications for financing or housing credits administered by the FHFC, the Applicant and any of Applicant's Affiliates will be ineligible to apply for any program administered by the FHFC for two years, which will begin from the date the Board approves the disqualification of the Applicant's Application.
- * Developments which are located in Urban In-Fill Areas, Developments which qualify under the HOPE VI program, and Developments in the Front Porch Florida program, involving the use of existing housing as part of a community revitalization plan, will be targeted.

These criteria are addressed in Forms 1 and 3 entitled **Applicant and Development Data and Experience of Development Team** and at Form 21 entitled **Special Targeting** which are incorporated in FHFC rules by reference.

E. Tenant Populations With Special Housing Needs:

- * Developments which will serve large families will be targeted.
- * Developments which will serve the Elderly will be targeted.
- * Developments which will serve Farmworker/Fishing Worker will be targeted.

These criteria are specifically addressed at Form 21 entitled **Special Targeting** which is incorporated in FHFC rules by reference.

F. Tenant Populations of Individuals with Children:

- * Developments for large families with children are specifically targeted.

This criterion is specifically addressed in the Application at Form 21 entitled **Special Targeting**, which is incorporated in FHFC rules by reference.

G. Public Housing Waiting Lists:

- * Developments are required to actively seek persons on public housing waiting lists.

This criterion is specifically addressed in the Application as a threshold requirement and is incorporated in FHFC rules by reference.

H. Developments Intended for Eventual Resident Ownership:

- * Developments which provide specific programs for enabling residents to purchase a unit in the Development will be targeted.

This criterion is specifically addressed in the Application at Form 8 entitled **Resident Programs**.

II. Priorities

- A. Developments which serve either Elderly, Large Family, Farmworker/Fishing Worker, Developments financed with USDA RD 514 and/or RD 516 that reserve 100% of their units for Farmworker/Fishing Worker households, Developments financed with USDA RD 515, or Developments which are located in an Urban In-Fill area, including those which meet the criteria to be classified as either a HOPE VI or Front Porch Florida Development, will be targeted.

- * This criterion is specifically addressed in the Application at Form 21 entitled **Special Targeting** and in Sections 1, 2, 3 and 7 above.

- B. Developments which realize the highest net equity through syndication or direct sale and receive the greatest amount of the equity prior to completion of construction will be targeted.

- * This criterion is specifically addressed in the Application at Form 20 entitled **HC Equity Leveraging** which is incorporated by reference in FHFC rules.

- C. Developments which will serve the lowest income families will be targeted.

- * This criterion is specifically addressed in the Application at Form 19 entitled **Commitment to Provide Set-Aside Units Beyond the Minimum Set-Aside Selected** which is incorporated by reference in FHFC rules.

- D. Developments which will waive the option to convert the set-aside units to market after year 14 and extend the set-aside period beyond the required 30 year period will be targeted.

- * A commitment to waive the option to convert after year 14 and to set-aside units beyond the required 30 year period is awarded points on a pro-rata basis. The minimum additional set-aside period is 1 year and the maximum additional set-aside is 20 years for a maximum total length of 50 years.

This criterion is specifically addressed in the Application Packet at Form 9 entitled **Commitment to Provide Longer Set-Aside** and is incorporated by reference in FHFC rules.

- E. Developments located in qualified census tracts, the development of which contributes to a concerted community revitalized plan will be targeted.

- * This criterion is specifically addressed in the Application at Form 21, entitled **Special Targeting**; which is incorporated by reference in FHFC rules, and in Section 7 of this QAP.

- F. Developments which require the least amount of housing credits to produce an affordable unit will be targeted.

- * This criterion is specifically addressed in Section 13 of this QAP.

- G. The FHFC will initially allocate not less than 12% (as described in Section 6 of this QAP of the state's Allocation Authority to Developments involving qualified, Non-Profit Applicants, provided they are Non-Profits organized under Chapter 617, Florida Statutes or similar state statute if incorporated outside Florida, and as set forth in Section 42(h)(5) of the Internal Revenue Code, as amended, and Rule Chapter 67-48, Florida Administrative Code.

- H. FHFC has a goal to allocate housing credits to a minimum of two Elderly Developments. No action, though, will be taken to move an Elderly Development from below to above the tentative funding line in order to achieve the goal of two Elderly Developments if more than 20% of the Allocation Authority amount as of March 22, 2001 is tentatively allocated to Elderly Developments already above the tentative funding line. If an Elderly Development meeting threshold has to be brought from below to above the tentative funding line to meet this objective, then priority will go to the highest scoring Elderly Development located in a county different than those Elderly Developments already above the tentative funding line.

- I. In the event Developments have to be brought from below the tentative funding line to above the line in order to meet special targeting goals then the Developments will be moved into the funding range by first selecting an Elderly Application, then a Farmworker/Commercial Fishing Worker, then an Urban In-Fill. If funds remain, allocation will be provided to a second Elderly Development, then a second Urban In-Fill Development, then a third Urban In-Fill Development, as necessary until all available Allocation Authority is used.

- J. Provided they are consistent with the QAP, the decisions of the Board of Directors of FHFC regarding Binding Commitments or the allocation of housing credits are solely within the discretion of the Board and shall be considered final.

III. Application of the Plan to Bond Financed and Noncycle Developments

A. Bond Financed Developments:

- * Developments financed with tax-exempt bonds are required to meet FHFC minimum housing credit guidelines to qualify and be eligible for a housing credit analysis. If 50% or more of a Development's financing is from tax exempt bonds, the housing credits are issued at the federal level rather than as part of the State's allocation authority and these Developments are not subject to the FHFC ranking and scoring process as set forth in sections I and II above; however, they must meet the minimum threshold criteria, as follows:

Developments that received tax-exempt bonds issued by the Florida Housing Finance Corporation prior to January 1, 2000 will be deemed to have met the minimum threshold criteria upon FHFC receipt and acceptance of Forms 1, 2, 7, 8, 9, 10, 19, 20, 21, 22, and 23 of the Application.

Developments that received tax-exempt bonds issued by the Florida Housing Finance Corporation after December 31, 1999 will be deemed to have met the minimum threshold criteria by successfully completing a request for housing credits in their bond Application.

All other bond-financed Developments must meet minimum threshold requirements, and must submit a complete Housing Credit Application by the date specified in Chapter 67-48, Florida Administrative Code.

These bond-financed Developments are subject to all other provisions of Chapter 67-48, Florida Administrative Code including, but not limited to, the compliance monitoring requirements set forth in section IV of this plan below.

B. Noncycle Developments:

- * If time constraints preclude the conduct of an additional open credit allocation cycle and housing credit authority remains available to FHFC after the allocation of credits to all Developments which (i) apply in an open credit allocation cycle, (ii) meet the minimum threshold requirements, and (iii) are evaluated in accordance with the criteria set forth in I and II above, FHFC may allocate credit to any Development which meets the minimum threshold requirements stated in the QAP.

IV. Compliance

- #### **A.**
- All Housing Credit Developments will be monitored by FHFC or its appointee. Detailed compliance requirements are set forth in the program rules of 67-48, Florida Administrative Code and in 26 CFR Parts 1 and 602.

- * FHFC, or its legal representative, shall conduct on-site Development inspections periodically.
 - * FHFC will monitor USDA-RD (formerly FmHA) Developments in conjunction with USDA-RD (formerly FmHA) headquarters.
 - * FHFC, or its legal representative, may conduct additional on-site Development inspections at any time during the compliance period without prior notice to the affected housing credit recipient(s).
- B. All Housing Credit recipients shall submit a certified Annual Report to include the number of set-aside units and the rents assessed for these units. Occupancy reports must be submitted and shall include an accounting of the set-aside units. Income certifications for each new resident in a set-aside unit since the last report and recertifications of existing residents in set-aside units, must be attached.
- * All Housing Credit recipients shall maintain as part of the official Development records, income certification and verification information of the low, very- low income residents.
- C. FHFC shall have access to all official Development records at any reasonable time.
- * All official resident records or complete copies of all official resident records must be maintained within 50 miles of the Development.
- D. FHFC shall promptly notify the Internal Revenue Service of any Development non-compliance in relation to Section 42 of the Code and all other related applicable federal regulations.
- New: 4-30-90; Amended: 3-25-91; 3-12-92; 3-4-93; 12-16-93, 2-9-95; 1-5-96; 10-21-96, 12-8-97, 9-25-98, 12-16-99, 1-4-01.