Guidelines for Issuance of Requests for Proposals
In connection with the
American Recovery and Reinvestment Act of 2009 (ARRA)
July 24, 2009 Release

I. Distribution of TCAP and Exchange Funding

The TCAP and Exchange funding shall be distributed by Florida Housing through the request for proposal (RFP) process, as follows:

Step 1 (S-1.b.) RFP FOR 9% LIHTC with or without TCAP

- Funding is reserved for Applicants that (i) had funding de-obligated on April 24, 2009 pursuant to 67ER09-3, F.A.C., relating to the following funding sources: SAIL or RRLP, (ii) obtain a final order from April 24, 2009 through July 24, 2009, awarding an allocation of Housing Credits based on an administrative appeal under subsection 67-48.005(5), F.A.C., or (iii) included rental units in its CWHIP Application and the funding was de-obligated on April 24, 2009, pursuant to 67ER09-03, F.A.C.

- Funding awarded shall consist of 9% LIHTCs with or without TCAP funds as gap financing.

- S-1b awardees shall be required to secure an investor to purchase the Housing Credits and awardees shall not be eligible for the 2009 ARRA Exchange process as the exchangeable portion of our 2009 Housing Credit allocation has already been accounted for in the structuring of S-2 and S-3.

- Applicants which received an award of 9% LIHTCs under RFP 2009-01 shall be required to withdraw their submission to RFP 2009-01 prior to or simultaneous with their response to this RFP.

- Developments shall be subject to the RFP, Rule Chapter 67-48, F.A.C., Section 42 of the IRC for the Housing Credits and the provisions of the Tax Credit Assistance Program (HUD), as applicable.

- Consideration shall be given to those Developments receiving TCAP funds for the increased cost, if any, due to Davis-Bacon and other HOME-like reporting requirements. It is reported the Davis-Bacon requirements are different for TCAP than for HOME.

- Applicants shall be allowed to change the number of units as shown in their Original Application to size the transaction within the following parameters:
The minimum amount of the new unit count shall be the lower of:
(a) The maximum number of units permitted below, or
(b) The number of units indicated in the Original Application or as previously approved by Florida Housing’s Board, or
(c) The number resulting from taking the maximum HC Allocation permitted by Florida Housing for the county in which the Proposed Development is located, exclusive of any DDA or QCT bonus, multiplying it by 7.5, and then taking the resulting product and dividing it by $114,021.23 (the amount of the Leverage A/B cut-off from the 2008 UAC), then taking the resulting quotient and rounding up to the nearest whole number.

(1) And, if the Proposed Development meets all of the following requirements, the resulting quotient prior to rounding shall first be multiplied by 0.63:
• located in a Large County, and
• Applicant selected the High-Rise Development Design, and
• Applicant selected the New Construction Development Category, and
• the Applicant selected and qualified as an Urban In-Fill Development.

(2) Or, if the Proposed Development meets all of the following requirements, the resulting quotient prior to rounding shall first be multiplied by 0.785:
• located in a Large County, and
• Applicant selected the Mid-Rise with Elevator (a building comprised of 5 or 6 stories) Development Type and at least 90 percent of the total units are in these Mid-Rise building(s), and
• Applicant selected the New Construction Development Category, and
• the Applicant selected and qualified as an Urban In-Fill Development.

There is a maximum new unit count for Proposed Developments with the Elderly Demographic category:

(a) Proposed Developments located in Miami-Dade County or Broward County are limited to a total of 200 units, and
(b) Proposed Developments located in all other counties are limited to a total of 160 units.

- Items the Applicant shall not be able to change include: Developer entity, Applicant entity, Development category, Demographic commitment, Development site, and Designation commitment.
- Developments located in the Proposed 2009 Location A Areas shall not be considered if there is a Guarantee Fund Development with the same demographic in the same county.

- After Florida Housing receives a satisfactory Application, the applicant shall be awarded 9% Housing Credits and invited into credit underwriting with the caveat that the credit underwriting report shall not be presented to staff or to the Board prior to the Board approving the market study results as meeting the minimum standards for the average occupancy rate of the Proposed Development’s submarket as set forth herein.

- The information required by the Credit Underwriter to engage a market study and appraisal must be provided to the Credit Underwriter within 18 Days of the invitation to enter credit underwriting. Time is of the essence. The market study shall include verification of the location of the Proposed Development within a 2009 DDA or QCT.

- For the Credit Underwriter to make a favorable recommendation, the submarket of the Proposed Development must have an average occupancy rate of 92 percent or greater for the same demographic population.

- Florida Housing shall hold periodic telephonic Board meetings so that completed market studies may be submitted for Board approval. The Board’s approval at such telephonic meetings shall then be presented for ratification at the next regularly scheduled Board Meeting. The deadline for obtaining final ratified Board approval of a market study is October 23, 2009, with a possibility of a one (1) month extension conditioned upon Florida Housing’s written approval of such extension. If such extension is granted, the market study must be completed, approved by the board telephonically within the extension period, and submitted for final ratified Board approval no later than December 4, 2009.

- Upon approval of the market study, confirmation of DDA/QCT status, and the preliminary financial viability of the Development, the Carryover Allocation Agreement shall be issued.

If the Board does not approve the market study, the funding awarded pursuant to this RFP (HC and, if applicable, TCAP) shall be rescinded and returned to Florida Housing.

- All other items required for the Credit Underwriter’s completion of the credit underwriting report must be provided to the Credit Underwriter within 35 Days of the date of the invitation to enter credit underwriting. Time is of the essence.
- Florida Housing shall hold periodic telephonic Board meetings so that completed credit underwriting reports may be submitted for Board approval. The Board’s approval at such telephonic meetings shall then be presented for ratification at the next regularly scheduled Board Meeting.

If the Board does not approve the completed credit underwriting report, the funding awarded pursuant to this RFP (HC and, if applicable, TCAP) shall be rescinded and returned to Florida Housing.

- No TCAP funds shall be committed to a Proposed Development before it receives the appropriate environmental clearance.

- During credit underwriting, the Credit Underwriter shall consider the market study, the Development’s financial impact on Developments in the area previously funded by Florida Housing, and other documentation when making its recommendation of whether to approve or disapprove the funding (9% LIHTC allocation and, if applicable, TCAP funding). The Credit Underwriter shall review and determine whether there will be a negative impact to Guarantee Fund Developments within the primary market area or five (5) miles of the Proposed Development, whichever is greater.

- During credit underwriting, the Credit Underwriter shall also review the appraisal and other market documentation to determine if the market exists to support both the demographic and income restriction set-asides committed to in the Response to RFP.

- Replacement Reserves shall be a minimum of $300/unit with a requirement to maintain a minimum amount of $1,500 per unit at all times, allowing for an initial period to accumulate this minimum. Allowed uses for RR in order to fall below the minimum amount: life safety, structural and systems as determined by Florida Housing and its servicers. Traditional RR draws shall be limited to items which can be depreciated.

- Any amount of TCAP funds to be awarded shall be sized during credit underwriting.
  (a) The first mortgage shall be sized and limited to said sized amount. The sizing shall be initially based on a first mortgage with an interest rate of 7.5% and a 30-year amortization, but shall actually be determined by the actual interest rate and actual amortization of the first mortgage. The debt service requirements for the TCAP funds are provided in the next paragraph.
  The combined amount of the Development’s qualifying restricted first mortgage and the TCAP award shall be restricted based on having their
combined debt services ("Debt Service") equal to the lesser of one of the following two calculations:

(1) The greater of either (a) an amount that yields a net cash flow after Debt Service of $1,000 per unit, or (b) an amount that yields a Debt Service coverage ratio of 1.50x, both of which are based on the proforma for the Proposed Development’s initial year, or

(2) an amount that yields a Debt Service coverage ratio of 1.25x based on the proforma for the Proposed development’s 15th year given annual increases of 2% for revenues and 3% for operating expenses.

Note: The aforementioned DSC Ratios reflect the combined required debt service for the first mortgage and the TCAP funds.

Once the Debt Service is determined, the amount of the TCAP award shall be determined based on balancing the need to (i) not over subsidize the transaction, (ii) ensure the financially feasible of the Proposed Development as well as its viability throughout the covenant period, given the additional restrictions provided below, and (iii) fill the financing gap to have total sources of funds equal all uses of funds.

If the resulting qualifying restricted first mortgage is less than $500,000, then the Applicant shall have the opportunity to elect to either (a) move forward with said first mortgage amount, or (b) have a portion of said first mortgage amount added to the deferred developer fee with the remainder paid by additional TCAP funds. In the later case, the portion of said first mortgage amount that is being added to the deferred developer fee shall be an amount that is determined by taking the lesser of (i) 10% of the developer’s fee, or (ii) 50% of said first mortgage amount.

(b) The sizing of the TCAP funds shall assume a portion of the Developer fee will be deferred. For transactions with TCAP funds, the deferred portion shall be 15% to the extent possible.

(c) The maximum TCAP limit is (i) $8,000,000, (ii) $80,000 per set-aside unit, or (iii) maximum qualifying amounts per HUD restrictions, whichever is less. Except for the later, these maximum limitations are exclusive of any additional TCAP funding awarded for accepting additional lower AMI units. It is possible when the Proposed Development qualifies for the maximum allowable TCAP award, the resulting DSC Ratio may exceed the minimums provided above.

(d) The TCAP funds are intended to serve as gap financing. The amount of TCAP funds a Proposed Development would qualify for is also limited to Total Development Costs, less tax credit equity, less the restricted first mortgage, less any other Florida Housing resources, less the deferred Developer fee, less any Local Government subsidy funds, and less any other committed resources, subject to maximum limitations provided herein.
(e) TCAP funds can only be expended on costs associated with eligible costs as defined/restricted and amended by HUD and may be required to be tracked on a draw-by-draw basis.

- TCAP funds shall be a loan. The loan structure of TCAP funds shall be non-amortizing with a balloon payment due at maturity which shall be co-terminus with the first mortgage. In the case where a traditional first mortgage is not provided, the maturity shall be 15 years after rehab if the Proposed Development is an acquisition/rehab, or at least 15 years and up to 20 years after construction if it is new construction. The TCAP loan shall have an interest rate of 0.0% through May 1, 2012. Thereafter, a blended interest rate shall accrue based on 1.0% for the portion owned by a for-profit Sponsor and 0.0% for the portion owned by a Non-Profit Sponsor. The debt service shall be an annual payment that is cash flow dependent. Payments shall be due annually beginning in 2013. Any proforma for the Proposed Development shall assume the TCAP funds will have the interest accrue at the stated interest rate once construction has completed.

- The position of the TCAP funds will be no lower than second position.

- It is anticipated that no extensions will be granted to close the TCAP loan and timely expenditure will be mandated. If timely expenditure is perceived to be an issue, Florida Housing may be forced to withdraw any future TCAP funding. Florida Housing cannot request any funding from HUD past February 16, 2012. These requirements are established by HUD.

- Developer fees for Proposed Developments with TCAP funds shall be paid as follows: Given a total deferment of developer fees of 15% as intended with TCAP funds, (a) no more than 25% shall be paid at construction commencement, (b) no more than 25% shall be paid at construction completion, and (c) no more than 35% shall be paid at stabilization. The remainder of the Developer fees shall be paid from development cash flow or other non-Florida Housing resources. If other non-Florida Housing sources are also funding Developer fees, then Florida Housing reserves the right to decrease its portion of the funding to meet these maximum funding parameters, with any Florida Housing funding balance to be provided at stabilization. In the case where the total Developer fee available to be paid is adjusted by the Credit Underwriter (e.g., cost of land acquisition which is in excess of the appraised value; *Florida Housing is reviewing a means to lessen the affect of this market impact, but may not decide or be able to implement it*), the amount of the adjustment shall be considered a part of the paid Developer fee and shall be allocated as the initial amount(s) paid unless the final TCAP disbursement(s) would push said payment beyond the final TCAP expenditure deadline, then the TCAP disbursement shall be funded with the
proceeds used in a means that meets TCAP expenditure restrictions, including the viability of the Development.

- Disbursements of TCAP funds shall be done through monthly draw requests based on completed work and the expenditure of costs associated with eligible costs as defined/restricted by HUD. TCAP funds may be required to be tracked on a draw-by-draw basis; as determined by HUD. The Proposed Development may take an initial draw of equity equal to no more than 15% of the total equity from the housing credit syndicator/investor. All of the TCAP funds shall be disbursed prior to the second draw of equity or any disbursement from the first mortgage lender. HC equity and first mortgage loan disbursements would be expected to be used for costs not eligible to be paid with TCAP funds as guided by HUD.

- Additional fees are not contemplated to be charged by Florida Housing where said fees are associated with the use of TCAP funds other than actual Asset Management Fees.

- At a minimum, 10% of units shall be for ELI based on incomes in the proposed 2009 Rule 67-48 F.A.C.

- The Applicant may request to increase the number of ELI units from the minimum of 10% up to a maximum of 20%. The number of additional ELI units this request adds to the minimum (partial units must be rounded up) shall be multiplied by $85,000 and the resulting amount of subsidy shall be offered as additional TCAP funding, to the extent TCAP funds are available. The loan structure for these TCAP funds shall be 0% and forgivable after 15 years if the development maintains its compliance requirements. The Applicant may request a waiver of the forgiveness feature.

- TCAP Documentation shall include, but not be limited to, a note, mortgage, regulatory agreement, as well as standard SAIL-like guarantees (environmental indemnity, construction completion, etc.).

- Awards shall be ranked based on a Shovel Ready test.

**Step 2 (S-2) RFP for Exchange alone or Exchange with or without TCAP and a Nominal Amount of 9% LIHTC**

- Funding is reserved for Applicants that had an Active Award of 9% LIHTCs as of February 17, 2009, that have not yet closed with an investor.
- Awards shall be ranked first on: Shovel Ready test with sub-priority going first to Preservation Developments, then to Homeless Developments, and then all other demographic categories.

- Applicants that have returned their HC Allocation are eligible to apply for Exchange with or without TCAP funds. If TCAP funds are being applied for, the Applicant shall also apply for a nominal amount (at least $100) of 9% LIHTCs which shall be expected to be syndicated, sold or used by the Development.

- Applicants that have not returned their HC Allocation are eligible to return all of their HC Allocation and apply for Exchange with or without TCAP funds. If TCAP funds are being applied for, the Applicant shall also apply for a nominal amount (at least $100) of 9% LIHTCs which shall be expected to be syndicated, sold or used by the Development.

- For Exchange only, the Exchange process will allow the Proposed Development to receive an amount of up to $0.85 (times 10) for the lesser of (a) the amount of the HC Allocation returned in 2009, or (b) the maximum HC Allocation award for the county in which the Proposed Development is located as provided by the 2009 UAC (inclusive of current DDA/QCT bonuses). There will not be a syndicator in the transaction.

- Units set aside for ELI Households shall be based on the 2009 ELI County Chart.

- Consideration shall be given to those Developments receiving TCAP funds for the increased cost, if any, due to Davis-Bacon and other HOME-like reporting requirements. It is reported the Davis-Bacon requirements are different for TCAP than for HOME.

- Applicants with Proposed Developments that have SAIL funds awarded from a previous cycle that were not de-obligated under 67ER09-3, F.A.C., that do not request TCAP funding, and that are not subject to the federal Davis-Bacon requirements may retain its SAIL funding.

- Applicants with Proposed Developments that had supplemental funds awarded from a previous cycle that were not de-obligated under 67ER09-3, F.A.C., that do not request TCAP funding, and that are not subject to the federal Davis-Bacon requirements may retain their supplemental funds. For these transactions, the Applicant shall be expected to keep the commitment made in its Original Application to set aside the additional ELI units.

- Applicants with Proposed Developments that have supplemental and/or SAIL funds awarded from a previous cycle that were not de-obligated under 67ER09-3, F.A.C., and that are already subject to the federal Davis-Bacon requirements or are requesting TCAP funding for gap financing and/or for
additional ELI units, as described below, shall have said funds de-obligated under this RFP to the extent TCAP funds are available; however, a like amount of TCAP funding shall be provided to offset the amount of the de-obligated funds which shall be structured in a like-manner. **Any additional TCAP funding via this source is not subject to the TCAP funding limitations otherwise considered, except as those limited by HUD.** Assumption is made that these Developments shall set aside the same amount of additional ELI units that had been previously committed as a result of being awarded the supplemental and/or SAIL funding.

The Applicant may request to increase the number of ELI units from the minimum of 10% up to a maximum of 20%. ELI units above the minimum 10% that are not already funded with supplemental funding that is not de-obligated under this RFP, shall be eligible for supplemental funding under this RFP in the form of additional TCAP funds. The number of additional ELI units this request adds to the minimum (partial units must be rounded up) shall be multiplied by $85,000 and the resulting amount of subsidy shall be offered as additional TCAP funding, to the extent TCAP funds are available. The loan structure for these TCAP funds shall be 0% and forgivable after 15 years if the development maintains its compliance requirements. The Applicant may request a waiver of the forgiveness feature.

- Applicants whose Proposed Development has a Farmworker/Commercial Fishing Worker demographic that commits to set aside up to 20% of the units at the greater of 40% AMI or ELI status in addition to the total ELI committed to above (minimum 10% ELI requirement plus additional ELI units for which Applicant receives supplemental funding), that number of additional units this request adds (partial units must be rounded up) shall be multiplied by $60,000 and the resulting amount shall be offered as additional TCAP funding, to the extent TCAP funds are available. The loan structure for these TCAP funds shall be the same as the TCAP gap financing loan structure.

- Applicants shall not be allowed to reduce the unit count of the Proposed Development unless previously approved by Florida Housing’s Board. The Applicant may increase the unit count of the Proposed Development.

- Items the Applicant shall not be able to change include: Developer entity, Development category, Development Type, Demographic commitment, Development site, and Designation commitment. The Applicant entity may change, but must be related. (Since there is no syndicator and if there is no other need to provide for a limited partnership or other limited entity, the Applicant may be a related entity of the original GP or Developer.)

- Developments in 2009 Location A Areas shall not be considered with the following exceptions:
(a) those certain Developments previously awarded 9% Housing Credits that have been returned in 2009 that were originally funded under the HOPE VI Housing Credit goal,

(b) those certain Developments previously awarded 9% Housing Credits that have been returned in 2009 that had designated the Development within the Preservation Designation, or;

(c) those certain Developments previously awarded 9% Housing Credits that have been returned in 2009 that are located in a 2009 Location A Area that does not have a Guarantee Fund Development with the same demographic category located in the same county.

- The information required by the Credit Underwriter to engage a market study and appraisal must be provided to the Credit Underwriter within 18 Days of the invitation to enter credit underwriting. Time is of the essence. The market study shall include verification of the location of the Proposed Development within a 2009 DDA or QCT.

- For the Credit Underwriter to make a favorable recommendation, the submarket of the Proposed Development must have an average occupancy rate of 92 percent or greater for the same demographic population.

Florida Housing shall hold periodic telephonic Board meetings so that completed market studies may be submitted for Board approval. The Board’s approval at such telephonic meetings shall then be presented for ratification at the next regularly scheduled Board Meeting. The deadline for obtaining final ratified Board approval of a market study is October 23, 2009, with a possibility of a one (1) month extension conditioned upon Florida Housing’s written approval of such extension. If such extension is granted, the market study must be completed, approved by the board telephonically within the extension period, and submitted for final ratified Board approval no later than December 4, 2009.

- Upon approval of the market study, confirmation of DDA/QCT status, and the preliminary financial viability of the Development, the Carryover Allocation Agreement shall be issued.

If the Board does not approve the market study, the funding awarded pursuant to this RFP shall be rescinded and returned to Florida Housing.

- All other items required for the Credit Underwriter’s completion of the credit underwriting report must be provided to the Credit Underwriter within 35 Days of the date of the invitation to enter credit underwriting. Time is of the essence.
- Florida Housing shall hold periodic telephonic Board meetings so that completed credit underwriting reports may be submitted for Board approval. The Board’s approval at such telephonic meetings shall then be presented for ratification at the next regularly scheduled Board Meeting.

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

- No TCAP funds may be committed to a Proposed Development before it receives the appropriate environmental clearance.

- During credit underwriting, the Credit Underwriter shall consider the market study, the Development’s financial impact on Developments in the area previously funded by Florida Housing, and other documentation when making its recommendation of whether to approve or disapprove the Exchange and, if applicable TCAP funding. If TCAP funds are being applied for, the Applicant shall also apply for a nominal amount (at least $100) of 9% LIHTCs which shall be expected to be syndicated, sold or used by the Development.

- The Credit Underwriter shall review and determine whether there will be a negative impact to Guarantee Fund Developments within the primary market area or five (5) miles of the Proposed Development, whichever is greater.

- During credit underwriting, the Credit Underwriter shall also review the appraisal and other market documentation to determine if the market exists to support both the demographic and income restriction set-asides committed to in the Response to RFP.

- Replacement Reserves shall be a minimum of $300/unit with a requirement to maintain a minimum amount of $1,500 per unit at all times, allowing for an initial period to accumulate this minimum. Allowed uses for RR in order to fall below the minimum amount: life safety, structural and systems as determined by Florida Housing and its servicers. Traditional RR draws shall be limited to items which can be depreciated.

- Any amount of funding to be awarded (Exchange and, if applicable, TCAP/HC) funds shall be sized during credit underwriting. The following parameters shall be used unless the Proposed Development is utilizing a HUD financing vehicle (e.g., FHA insured 221(d)4 bonds) AND the Proposed Development is 100% Project-Based Section 8 Rent Subsidized. For this later instance, the Applicant may choose to follow the sizing procedures below for a determination of an Exchange and TCAP award, or the Applicant may choose to (i) not have the first mortgage sized, (ii) not have TCAP available, and (iii) have the Exchange funds
used to fill the gap, up to $0.85 (times 10) for the qualifying HC Allocation equivalent.

(a) The first mortgage shall be sized and limited to said sized amount. The sizing shall be initially based on a first mortgage with an interest rate of 7.5% and a 30-year amortization, but shall actually be determined by the actual interest rate and actual amortization of the first mortgage. Any Development serving 50% Homeless population (Applicant selected the Homeless Demographic Commitment in its Original Application) shall assume to have no traditional first mortgage. The debt service requirements for the TCAP funds are provided in the next paragraph.

The combined amount of the Development’s qualifying restricted first mortgage and the TCAP award shall be restricted based on having their combined debt services (“Debt Service”) equal to the lesser of one of the following two calculations:

(1) The greater of either (a) an amount that yields a net cash flow after Debt Service of $1,000 per unit, or (b) an amount that yields a Debt Service coverage ratio of 1.50x, both of which are based on the proforma for the Proposed Development’s initial year, or

(2) an amount that yields a Debt Service coverage ratio of 1.25x based on the proforma for the Proposed development’s 15th year given annual increases of 2% for revenues and 3% for operating expenses.

Note: The aforementioned DSC Ratios reflect the combined required debt service for the first mortgage and the TCAP funds.

Once the Debt Service is determined, the amount of the TCAP award shall be determined based on balancing the need to (i) not over subsidize the transaction, (ii) ensure the financially feasible of the Proposed Development as well as its viability throughout the covenant period, given the additional restrictions provided below, and (iii) fill the financing gap to have total sources of funds equal all uses of funds.

If the resulting qualifying restricted first mortgage is less than $500,000, then the Applicant shall have the opportunity to elect to either (a) move forward with said first mortgage amount, or (b) have a portion of said first mortgage amount added to the deferred developer fee with the remainder paid by additional TCAP funds. In the later case, the portion of said first mortgage amount that is being added to the deferred developer fee shall be an amount that is determined by taking the lesser of (i) 10% of the developer’s fee, or (ii) 50% of said first mortgage amount.

(b) The sizing of the TCAP funds shall assume a portion of the Developer fee will be deferred, except for any Development serving 50% Homeless population where there will be no deferment to the extent possible. For transactions with TCAP funds, the deferred portion shall be 15% to the extent possible. Any deferment above these levels needed to balance the sources and uses schedule must be recommended for approval by
the credit underwriter and staff as well as approved by the Board. The basis of a positive recommendation shall be a determination if all of the deferred fee can be repaid from net cash flow within 10 years of executing the Extended Use Agreement, but shall not exceed 40% of the total developer fee.

(c) For any Development serving 50% Homeless population, the amount of the Developer fee shall be 21% of eligible costs with an amount equal to 5% being set-aside into an operating reserve.

(d) For those Applicants that submit a successful application that also either request TCAP or for those Proposed Developments that are already subject to Davis-Bacon requirements, Florida Housing shall size the TCAP award to be the lesser of (i) $3,000,000, (ii) $30,000 per set-aside unit, (iii) maximum qualifying amounts per HUD restrictions, or (iv) the greater of a) 20% of the total ARRA funding (sum of the TCAP award plus the Exchange funds awarded), or b) the actual amount the Proposed Development needs for gap financing. Except for (iii), these maximum limitations are exclusive of any additional TCAP funding awarded as provided herein (i.e., accepting additional lower-AMI units or replacing funds that were de-obligated due to this RFP with TCAP). It is possible when the Proposed Development qualifies for the maximum allowable TCAP award, the resulting DSC Ratio will exceed the minimums provided above.

(e) The amount of Exchange funds a Proposed Development would qualify for shall be equal to Total Development Costs, less the restricted first mortgage, less any TCAP awarded funds, less any other Florida Housing resources, less the deferred Developer fee, less any local government subsidy funds, and less any other committed resources, subject to maximum limitations provided herein.

(f) TCAP funds can only be expended on costs associated with eligible costs as defined/restricted by HUD and may be required to be tracked on a draw-by-draw basis; as determined by HUD.

- Exchange funds shall be a Sub-award grant. TCAP funds shall be a loan. The loan structure of TCAP funds shall be non-amortizing with a balloon payment due at maturity which shall be co-terminus with the first mortgage. In the case where a traditional first mortgage is not provided, the maturity shall be 15 years after rehab if the Proposed Development is an acquisition/rehab, or at least 15 years and up to 20 years after construction if it is new construction. The TCAP loan shall have an interest rate of 0.0% through May 1, 2012. Thereafter, a blended interest rate shall accrue based on 1.0% for the portion owned by a for-profit Sponsor and 0.0% for the portion owned by a Non-Profit Sponsor. The debt service shall be an annual payment that is cash flow dependent. Payments shall be due annually beginning in 2013. Any proforma for the Proposed
Development shall assume the TCAP funds will have the interest accrue at the stated interest rate once construction has completed.

- It is anticipated that no extensions will be granted to close the TCAP loan and timely expenditure shall be mandated for both Exchange and TCAP. If timely expenditure is perceived to be an issue, Florida Housing may be forced to withdraw any future Exchange and TCAP funding. Florida Housing cannot request any TCAP funding from HUD past February 16, 2012. These requirements are established by HUD. Florida Housing cannot request any Exchange funding from the Treasury past December 31, 2010 unless the Treasury changes their current ruling.

- The position of the TCAP funds will be no lower than second position.

- An analysis of the Sponsor shall be completed with more in-depth consideration to key topics than typically completed by Florida Housing, including liquidity, net worth, unrestricted assets, and contingent liabilities.

- An analysis of the credit worthiness of the Developer shall be completed with more in-depth review than typically considered, including areas of past performance, default history, failed conversions, guarantor performance, and outstanding contingencies.

- Developer fees for Proposed Developments with only Exchange funds shall be paid as follows: Given a total deferment of Developer fees of 25% as intended with Exchange funds, (a) no more than 25% shall be paid at construction commencement, (b) no more than 25% shall be paid at construction completion, and (c) no more than 25% shall be paid at stabilization. The remainder of the Developer fees shall be paid from Development cash flow. Given a total deferment of Developer fees of 15% as intended with TCAP funds, Proposed Developments with any TCAP funding shall have percentages of (a) no more than 25% shall be paid at construction commencement, (b) no more than 25% shall be paid at construction completion, and (c) no more than 35% shall be paid at stabilization. The remainder of the Developer fees may be paid from Development cash flow or other non-Florida Housing sources. It is the intent to structure Homeless Developments to have percentages of 25%, 25%, and 50%. If other non-Florida Housing sources are also funding Developer fees, then Florida Housing reserves the right to decrease its portion of the funding to meet these maximum funding parameters, with any Florida Housing funding balance to be provided at stabilization. In the case where the total Developer fee available to be paid is adjusted by the Credit Underwriter (e.g., cost of land acquisition which is in excess of the appraised value; Florida Housing is reviewing a means to lessen the affect of this market impact, but may not decide or be able to implement it), the amount of the adjustment shall be considered a part of the paid Developer fee and shall be allocated as the
initial amount(s) paid unless the final Exchange or TCAP disbursement(s) would push said payment beyond the applicable final expenditure deadline, then the Exchange/TCAP disbursement shall be funded with the proceeds used in a means that meets Exchange/TCAP expenditure restrictions, including the viability of the Development.

- Disbursements of TCAP funds shall be done through monthly draw requests based on completed work and the expenditure of costs associated with eligible costs as defined/restricted by HUD. TCAP funds may be required to be tracked on a draw-by-draw basis. The Proposed Development shall not take any disbursements from the first mortgage lender, until all of the Exchange/TCAP funds are disbursed first, unless the first mortgage lender is used to acquire the land prior to closing the Exchange/TCAP funds. Exchange funds must be used first and then TCAP funds next.

- Additional fees shall be associated with the use of Exchange funds. Additional fees to be charged by Florida Housing are not contemplated to be associated with the use of TCAP funds other than actual Asset Management Fees.

- TCAP Documentation shall include, but not be limited to, a note, mortgage, regulatory agreement; as well as standard SAIL-like guarantees (environmental indemnity, construction completion, etc.)

- Exchange Documentation shall include, but not be limited to, a Declaration of Restrictive Covenants, regulatory agreement as well as other guarantees such as environmental, construction completion, etc.

- A nine (9) to 12-month Debt Service and Operating Expenses Reserves based on market and demographic risk parameters related to their impact on the Proposed Development’s ability to generate adequate net operating income. For example, a strong market or a demographic that historically has proven to generate consistently strong net operating profits for the developments may have 9-month DS and Operating reserves, whereas a weak market or a demographic that historically has not proven to generate a consistent strong net operating profit for the developments may have 12 months. The extra reserve shall be allowed to be a line item (not a sub-set of Developer fee); however, if the reserve required by the first mortgage lender or an entity other than Florida Housing is higher than what is recommended by our Credit Underwriter, then the overage shall be a sub-set of Developer fee.

- The Applicant requesting to exchange its HC Allocation for Exchange funds must demonstrate good faith efforts to obtain investment commitments by producing an affidavit describing the Applicants Good Faith Effort, including the date contact was made and the name of the investor contacted, name and title of the person contacted, and contact’s telephone number and e-mail
address. The Applicant must also provide the amount of the sales price for its Housing Credits in the Original Application, the amount of total equity to be generated by the sale, and identify the same for any offer it received most recently.

**TCAP Funding Priorities**

- In case Florida Housing does not have a sufficient amount of TCAP funds to satisfy all intended uses, the following is the current priority system the funds will be awarded:
  1. Fill the initial gap financing for S-1b Applicants.
  2. Fill the initial gap financing for S-2 Applicants.
  3. Provide S-2 Developments with the Farmworker/Commercial Fishing designation the opportunity to buy down up to 20% of the units to an AMI lower than 60%.
  4. Provide S-1b Developments the opportunity to buy down up to 10% of the units to ELI status that were originally 60% AMI units.
  5. Provide S-2 Developments the opportunity to buy down up to 10% of the units to ELI status that were originally 60% AMI units.
  6. De-obligate SAIL and replace it with TCAP on Developments that are already subject to TCAP federal requirements.
  7. De-obligate supplemental loans and replace it with TCAP on Developments that are already subject to TCAP federal requirements.
  8. The ranking process within each of these priorities is still being determined.

**Step 3 (S-3) Eligibility for excess Exchange funds**

- Reserved for Developments which anticipate being awarded a 9% HC Allocation in the 2009 Universal Application Cycle process.

- Florida Housing expects awards to be based on a straight leverage test using the amount of the subsidy per unit as the guide.

- The Applicant must syndicate their HC Allocation.

- The preliminary intent for a structure for S-3 transactions would be similar to the structure proposed for the S-1b RFP. However, the proposed source of gap financing is excess Exchange funds which would be a grant, not a loan.

- Florida Housing shall impose a maximum dollar amount per development and a maximum dollar amount per unit to be used as gap financing. The S-3 process of providing gap financing is not intended to replace tax credit equity traditionally funded by an investor. Florida Housing cannot guarantee there
will be adequate S-3 resources to fund all of the 2009 UAC awardees that may request S-3 funding.

**Step 4 (S-4) Eligibility for excess TCAP funds**

- The S-4a process is expected to use Florida Housing HOME funds for gap financing with Florida Housing MMRB allocations which would not necessitate a need to meet the September 30, 2009 deadline as required by TCAP.

- If there are any remaining TCAP funds after S-1 and S-2 processes, the S-4b process may be reserved for Developments which are applying or have applied for a Florida Housing MMRB allocation or local MMRB allocation with 4% housing credits that meet application threshold requirements and are invited into credit underwriting prior to September 30, 2009.

**Additional potential Steps to utilize additional excess Exchange funds**

- If excess Exchange funds remain after RFP awards under Steps 1, 2, 3 and 4; then Florida Housing anticipates having another RFP round for Preservation/Rehab later in 2009.

**II. Definitions**

Unless otherwise defined below, the definitions included in Rule 67-48.002, F.A.C., apply.


“ Applicant” Any person or legally formed entity that is seeking funding from Florida Housing by responding to a request for proposal.

“Application” The Applicant’s response to a request for proposal for the purpose of providing the means to apply for funding available through the American Recovery and Reinvestment Act of 2009.

“Award of HC” The effective date of the award of HC shall be the date of the invitation to Applicant to enter credit underwriting. The invitation to enter credit underwriting also serves the purpose of informing the Applicant in writing that it has either been awarded Housing Credits by the Board of Directors (Competitive Housing Credits) or passed the threshold to receive Housing Credits (non-competitive
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“Committee” The review committee composed only of employees of Florida Housing that is established pursuant to Fla. Admin. Code R. 67-49.007.

“Development Cost” The total of all costs incurred in the completion of a Development excluding Developer fee and total land cost.


“Exchange Extended Use Period” With respect to any building that is included in a Development funded through the Exchange Program, the period that begins on the first day of the Compliance Period in which such building is part of the Development and ends on the later of: (i) the date specified by Florida Housing in the Regulatory Agreement or (ii) the date that is the fifteenth anniversary of the last day of the Compliance Period, unless earlier terminated as provided in Section 42(h)(6) of the IRC.

“Florida Housing” Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.

“Good Faith Effort” Any Applicant requesting Exchange funds shall demonstrate that it has attempted to obtain an investment commitment for its Housing Credit allocation but was unable to (i) secure a tentative price that made it a viable transaction or (ii) find a Housing Credit Syndicator that was interested in investing in the Proposed Development.

“Guarantee Fund Development” A Development funded in the Florida Affordable Housing Guarantee Program administered by Florida Housing pursuant to Section 420.5092 and Rule Chapter 67-39, F.A.C.

“Interested Party” A person or entity that requests a copy of this Request for Proposals from Florida Housing.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>“Original Application”</td>
<td>The Application originally submitted by the Applicant and for which an award of SAIL, RRLP, Competitive HC, a combination of SAIL and Competitive HC, combination of RRLP and Competitive HC, or CWHIP was received.</td>
</tr>
<tr>
<td>“Proposal”</td>
<td>A written submission by an Applicant that responds to this Request for Proposals.</td>
</tr>
<tr>
<td>“Proposed Development”</td>
<td>The Development proposed within the Applicant’s Original Application and the Applicant’s Proposal.</td>
</tr>
<tr>
<td>“QAP” or “Qualified Allocation Plan”</td>
<td>With respect to the HC Program, the TCAP Program and the Exchange Program, the 2009 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the state of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of Florida Housing for Developments which will receive Housing Credits, TCAP funding, Exchange funding, or a permissible combination of these funds. The QAP is available on the Florida Housing Website under the 2009 Universal Application link labeled Related References and Links or by contacting the Housing Credit Program at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.</td>
</tr>
<tr>
<td>“RA” or “Regulatory Agreement”</td>
<td>An agreement which sets forth the set-aside requirements and other Development requirements under the TCAP and Exchange Programs.</td>
</tr>
<tr>
<td>“RFP”</td>
<td>This Request for Proposals, including all exhibits referenced in this document and all other documents incorporated by reference.</td>
</tr>
<tr>
<td>“Set-Aside”</td>
<td>The number of units in a Development necessary to satisfy the percentage of units set-aside at 60 percent of the Area Median Income (AMI) or less as committed to by the Applicant.</td>
</tr>
<tr>
<td>“Shovel-Ready”</td>
<td>As it relates to the TCAP program (i) Proposed Developments that are expected to be completed no later than February 16, 2012 and (ii) where Applicants can demonstrate the capacity, inclusive of a realistic timeline, to expend at least 75 percent of the TCAP award by the earlier of December 31, 2010 or nine (9) months from the...</td>
</tr>
</tbody>
</table>
closing date of the TCAP award and expend at least 100 percent of the TCAP award by the earlier of December 31, 2011 or 12 months from the closing date of the TCAP award, and (iii) Proposed Developments that meet the following “ready-to-go” criteria: (a) Ability to timely complete federal requirements, including NEPA; (b) Ability to timely provide evidence of availability of water and sewer dated within nine (9) months subject only to payment of fee, (c) Ability to timely provide Final Site Plan approval documentation from the governing jurisdictional agency on or before December 31, 2009, (d) Ability to deliver signed and sealed plans and specs; (e) Ability to deliver firm debt and equity commitments on the earlier of 45 Days after the date of the HC Award or the date of Board approval of the credit underwriting report; (f) timeliness of closing.

As it relates to the Exchange program, (i) Proposed Developments that are expected to expend 100 percent of the Exchange award on or before December 31, 2010, including any applicable retainage, (ii) Applicants that can demonstrate the capacity to meet the completion dates outlined in the Carryover Allocation Agreement, and (iii) Proposed Developments that meet the following “ready-to-go” criteria: (a) Ability to timely complete federal requirements; (b) Ability to timely provide evidence of availability of water and sewer dated within nine (9) months subject only to payment of fee, (c) Ability to timely provide Final Site Plan approval documentation from the governing jurisdictional agency on or before December 31, 2009, (d) Ability to deliver signed and sealed plans and specs; (e) Ability to deliver firm debt and equity commitments on the earlier of 45 Days after the date of the HC Award or the date of Board approval of the credit underwriting report; (f) timeliness of closing.

“Sub-award”

That certain funding award made under the provisions of the Exchange Program.

“TCAP” or “TCAP Program”


“TCAP Extended Use Period”

With respect to any building that is included in a Development funded through the TCAP Program, the
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period that begins on the first day of the Compliance Period in which such building is part of the Development and ends on the later of: (i) the date specified by Florida Housing in the Regulatory Agreement or (ii) the date that is the fifteenth anniversary of the last day of the Compliance Period, unless earlier terminated as provided in Section 42(h)(6) of the IRC.

“Threshold Item” A mandatory requirement of the RFP.

III. TCAP General Program Procedures, Restrictions and Reporting Requirements

A. Developments Eligible for TCAP

Developments that received or will receive an award of Low-Income Housing Tax Credits under Section 42(h) of the IRC during the period from October 1, 2006 to September 30, 2009 (federal fiscal years 2007, 2008 or 2009) and require additional funding to be completed and placed in service in accordance with the requirements of Section 42 of the IRC.

Developments awarded HC that will also receive bond financing are eligible to receive TCAP funds.

B. Use of TCAP Funds

TCAP funds shall be awarded as a loan or grant.

TCAP funds shall be used for costs that are included in the eligible costs of a Development and is subject to the HC rent, income, use restrictions and compliance monitoring; all as required under Section 42 of the IRC.

TCAP funds shall not be used for administrative costs or to cover the cost of swimming pools.

C. TCAP Reporting

HUD is requiring that within 10 days after the end of each calendar quarter starting on October 10, 2009, information similar, but not limited to, the following must be reported to the Office of Management and Budget:

The total amount of TCAP funds received;
The amount of TCAP funds expended or obligated to projects or activities, including unobligated balances;
A detailed list of all projects or activities for which TCAP funds were expended or obligated, including:

- The name of the project
- A description of the project
- An evaluation of the completion status of the project
- An estimate of the number of jobs created by the project
- An estimate of the number of jobs retained by the project

*Florida Housing is awaiting additional guidance from HUD in connection with the reporting requirements.*

**D. Federal Requirements**

TCAP funds are subject to the requirements applicable to federal financial assistance and Applicants shall be required to comply with the following federal requirements:


**Affirmatively Furthering Fair Housing** – Florida Housing shall establish an affirmative fair housing marketing plan for its TCAP Developments. Applicants receiving TCAP funds shall be required to follow the plan when marketing the TCAP units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted by Florida Housing shall include:

- Methods for informing the public, owners and potential tenants about Federal fair housing laws and the grantee’s affirmative marketing policy:

  Requirements and practices each owner must adhere to in order to carry out the grantee’s affirmative marketing procedures and requirements;
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Procedures to be used by owners to inform and solicit applications from persons in the housing market areas that are not likely to apply for the housing without special outreach. Special outreach, as appropriate, includes but is not limited to, the translation of marketing material for persons who are limited English proficient; the placement of translated marketing material in minority owned media; and the provision of meaningful access concerning the residential rental project (e.g. providing translated information about application procedures, tenancy and other project amenities);

Records that shall be kept describing actions taken by the grantee and by owners to affirmatively market units and records to assess the results of these actions; and

A description of how the grantee will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8 “Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development.”

Section 504 of the Rehabilitation Act of 1973 applies to all TCAP projects. For new construction projects and projects undergoing substantial rehabilitation, five percent of the units must be accessible to persons with mobility impairments and two percent of the units must be accessible to persons with hearing or vision impairments (See 24 CFR 8.22.) Substantial rehabilitation for a multifamily rental project is defined in Section 24 CFR 8.23 as a project with 15 or more units for which the alterations would equal more than 75 percent of the replacement cost for the facility.

Modifications to projects to comply with Section 504 requirements are eligible costs under TCAP. However, compliance with Section 504 requirements may be infeasible or impracticable for some projects, depending on where they are in the development process. If a new construction or substantial rehabilitation project is underway or has already been completed, and it cannot be modified to meet the accessibility requirements established by Section 504, it is ineligible to receive TCAP assistance.
For projects in which the rehabilitation would not be considered substantial, the Section 504 provisions are applicable only to the maximum extent feasible, i.e., not required if it would impose undue financial and administrative burden. See 24 CFR 8.23.

National Environmental Policy Act and Related Laws (Environmental review responsibilities) and implementing regulations at 24 CFR Part 58.

The Recovery Act expressly applies section 288 of the HOME statute, which requires environmental review under the National Environmental Policy Act (NEPA) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 “Environmental Review Procedures. No TCAP funds may be committed to a project before completion of the environmental review process.

Once an owner applies for TCAP funds, committing TCAP or any other funds to or undertaking any “choice-limiting” activity prior to successful completion of the environmental clearance review (i.e., HUD approval of the Request for Release of Funds), is prohibited. This includes any activity that will result in a physical change and/or acquisition, including leasing, or disposition of real property. Performing a choice-limiting action may disqualify a project from receiving any federal funds. See 24 CFR Part 58 for general information about environmental review requirements at http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr58_04.html or http://www.hud.gov/offices/cpd/environment/index.cfm.

If a federal environmental review has already been completed for a project, providing TCAP funds to the project may not require an additional environmental review. For example, if the state housing credit agency or another agency or department of the State performed an earlier environmental clearance for HUD assistance on the project that is now receiving TCAP assistance from the state, and neither the project nor the environmental conditions have changed since the previous review, then no new environmental clearance is required. See 24 CFR 58.35(b)(7).

Applicants unfamiliar with the HUD environmental requirements are strongly advised to seek technical assistance and training regarding compliance with NEPA requirements. Environmental officers stationed in HUD field offices are ready to assist.

The Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations
at 24 CFR Part 35 are applicable to housing that receives Federal assistance.

Davis-Bacon Prevailing Wages - Under section 1606 of Division A of the American Recovery and Reinvestment Act of 2009, contractors and subcontractors hired with Recovery Act funds are required to pay prevailing wages to laborers and mechanics in compliance with the Davis-Bacon Act. In the case of projects already under construction, it may be possible to obtain a determination, under 29 CFR 1.6(g), that Davis-Bacon requirements apply prospectively to the construction project, as of the date of the TCAP award. Labor Relations Specialists in HUD Field Offices are available to assist grantees with questions related to these requirements.

Anti-Lobbying” Restrictions (Restrictions on lobbying in 31 USC 1352 and implementing regulations at 24 CFR Part 87 “New Restrictions on Lobbying”.) This statute prohibits the use of funds appropriated by any act by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with covered Federal action.

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq., as implemented at 24 CFR Part 21 “Government-Wide Requirements for Drug-Free Workplace (Grants)”.) This statute prohibits the receipt of a grant from any Federal agency unless the recipient agrees to provide and certify to a drug-free workplace.

E. Training and Technical Assistance

Applicants are encouraged to retain subject matter experts to assist them in complying with federal requirements, which may help avoid delays in committing and expending funds and findings of noncompliance. Costs incurred by Applicants to comply with federal requirements are eligible TCAP costs.

IV. Exchange Program (Section 1602 of ARRA) General Program Procedures, Restrictions and Reporting Requirements

A. Developments Eligible for Sub-awards
Developments which are qualified low-income buildings under Section 42 of the IRC. A subaward (award of Exchange funds) must be consistent with the requirement of Section 42(m)(2) of the IRC in that the Subaward made for a Development [building(s)] does not exceed the amount necessary to ensure the financial feasibility of the Development and its viability as a Development throughout the credit period.

B. Use of Exchange Funds

Exchange funds shall be granted to an eligible Applicant as a Sub-award to finance the construction or acquisition and rehabilitation of qualified low-income buildings.

The Sub-award shall be in the form of cash assistance and shall not be required to be repaid unless there is a recapture event with respect to the qualified low-income building.

Fees shall be charged to the Sub-award Applicant to cover expenses associated with performance of its duties under Section 1602(c)(3) of the Act; Compliance and Asset Management.

Prior to making a Sub-award, Florida Housing shall make a determination that an Applicant for a Sub-award has demonstrated a Good Faith Effort relative to the syndicator.

C. Exchange Written Agreements and Disbursements to Sub-awardees

The Regulatory Agreement shall set forth all Exchange Program requirements, including the requirements of Section 42 of the IRC, applicable to the Sub-award, and shall impose conditions or restrictions, including a requirement providing for recapture, so as to assure that the qualified low-income building remains a qualified low-income building during the 15-year Compliance Period.

The Regulatory Agreement shall also include a requirement for the subawardee to provide sufficient information to Florida Housing to report on the use of the Exchange funds as required by Treasury.

D. Reporting

Each Development receiving a Sub-award must file a financial status report and a project performance report on a quarterly basis, due 10 working days after the end of the quarter. Quarters end on March 31, June 30, September 30, and December 31.
The performance report shall include, but may not be limited to, the following elements for each Development receiving a Sub‐award during the quarter:

Name of the recipient entity
Name of the Development
Brief description of the Development
Location of the Development: city/county, State, zip code
Number of construction jobs created
Number of construction jobs retained
Number of non-construction jobs created
Number of non-construction jobs retained
Number of total housing units newly constructed
Number of total housing units rehabilitated
Number of low-income housing units newly constructed
Number of low-income housing units rehabilitated

As part of its acceptance of the Exchange funding, the Applicant agrees to provide any additional information which the Treasury deems necessary to comply with Section 162 of the Act and American Recovery and Reinvestment Act guidance.

*Florida Housing is awaiting additional guidance in connection with the reporting requirements.*

E. **Recapture**

Each Sub‐award will include a requirement providing for recapture to assure that the building remains a qualified low-income building during the 15-year Compliance Period.

As part of its acceptance of the Exchange funding, the Sub‐award Applicant understands that any amount subject to recapture becomes a debt owed to the United Stated payable to the General Fund of the Treasury and enforceable by all available means against any assets of the Sub‐award Applicant.

V. **Compliance and Asset Management**

A. **Asset Management**

Florida Housing shall perform asset management functions so as to ensure compliance with Section 42 of the IRC and the regulations there
under (including Title 26 Code of Federal Regulations section 1.42.9), and the long-term viability of the buildings funded by (i) a Exchange Sub-award under the Act in Accordance with Section 160-2(c)(3) of the Act, or (ii) a TCAP loan, or (iii) a combined Exchange Sub-award and TCAP loan.

VI. **Fees** - *Waiting for further direction from HUD and Treasury to finalize this section.*