

**Florida Housing Finance Corporation  
2013 Universal Application Cycle  
Second Rule Development Workshop Agenda  
Tallahassee City Hall, Commission Chambers,  
300 South Adams Street, Tallahassee, FL 32301  
June 7, 2012**

**1. Set-Aside Unit Limitations**

FHFC believes the process of allocating housing credits needs to be addressed in order to not excessively award developments in a particular county at the same time as to allow both Preservation and Non-Preservation developments to either have equal access to a particular county's award allocation or limit the access based on Limited Development Area policies. FHFC is currently thinking of the options provided below.

- a. Should the ranking process include one SAUL stage for all applications or two SAUL stages – one each for Preservation and Non-Preservation applications?
- b. Should Preservation units be counted equally as Non-Preservation units (i.e., 1 Preservation unit is equal to 1 Non-Preservation unit) or should there be a cap on the number of Preservation units in each ranked Preservation development that would count against SAUL?
- c. How should FHFC view Miami-Dade's SAUL giving consideration to the number of units it will be awarded in the 2011 UAC process?
- d. What are some other methodologies not addressed above?

**2. Proximity to the Closest Development on the Development Proximity List**

- a. More than 80% of all 2011 UAC applicants requested the automatic 10 points and nearly all of those applicants received them. FHFC is considering changing the process so fewer developments qualify due to discussions with developers that indicate cannibalism remains an issue. What should FHFC consider in raising the qualifying hurdles?
- b. FHFC has considered plotting Developments as they are ranked in order to avoid having too many new units awarded in one cycle that are close in proximity. What are some concerns that should be considered in applying this process?

**3. HOME Rental Allocation**

The annual allocation of HOME funds from HUD has been drastically reduced and is expected to continue. Should FHFC reduce the maximum dollar amount and/or the maximum per unit amount of the HOME Rental funding and, if so, to what?

#### **4. Principals**

- a. All Principals of the Applicant and the Developer(s) must be legally formed and qualified to do business in the state of Florida as of the Application Deadline.
- b. The list of Principals must be included in the Application as Exhibit 9 as of Application Deadline. Any cure to Exhibit 9 is limited to information that was true and correct as of Application Deadline and will be subject to review pertaining to any financial arrearages that existed as of the NOPSE filing date.
- c. Should Florida Housing notify Applicants at Preliminary Scoring of any financial arrearages that existed as of Application Deadline (currently we notify Applicants at NOPSE Scoring of arrearages as of NOPSE filing date)?

#### **5. Developer**

- a. The Developer entity, including all co-Developers, must be legally formed and qualified to do business in the state of Florida as of Application Deadline. A valid Certificate of Good Standing from the Florida Secretary of State will be required for each Developer entity.
- b. General Developer Experience  
  
For each experienced Developer entity, a Certification form and experience chart must be provided for at least one Principal of that Developer entity.
- c. Non-curable "Identity of Developer" will be changed to "Principal of Developer".

#### **6. Florida Job Creation**

The ranking and selection criteria will include a ranking preference for the Application with the Developer and General Contractor who demonstrate the highest rate of Florida job creation in the development and construction of affordable housing.

Florida Housing is open to suggestions on how the rate of Florida job creation should be measured.

#### **7. Declaration of Trust (DOT)**

One of the criteria to be eligible for the Proximity Tie-Breaker Tier 1 Score Boost will be that the entire proposed Development site must have an existing DOT.

#### **8. Proximity**

- a. Provided a properly completed and executed Surveyor Certification form is received, the distances between the Tie-Breaker Measurement Point and each service, as certified by the Surveyor on the form, will be the basis for awarding the proximity tie-breaker points. Failure to provide the distance for any service will result in zero points for that service.

- b. During the Cure period, a 0.50 point reduction will be applied if:
  - (1) For Tier 1 and/or Tier 2 Service – both an address and coordinate(s) are introduced (only if distance originally stated at Preliminary Scoring is changed); or
  - (2) For Transit Service – both a different type of Transit Service and coordinate(s) are introduced.

**9. Site Control**

- a. Ability to Proceed Tie-Breaker Point –
  - (1) Applicant who satisfactorily demonstrates site control at Application Deadline will receive 1 Ability to Proceed Tie-Breaker point.
  - (2) Applicant who satisfactorily demonstrates site control during the Cure period will receive ½ Ability to Proceed Tie-Breaker point.
- b. Should Florida Housing require an attorney’s site control opinion letter in lieu of the Applicant submitting copies of contracts, leases, etc.? A draft Attorney’s Site Control Opinion Letter is attached to this Agenda.

**10. Infrastructure**

Proposed Development will automatically meet threshold and be awarded 4 Ability to Proceed Tie-Breaker points if it consists of 100% rehabilitation units, is at least partially occupied as of Application Deadline, and the number of proposed units is equal to or less than the number of units existing as of Application Deadline.

**11. Environmental Site Assessment**

Ability to Proceed Tie-Breaker Point –

- a. Applicant who satisfactorily demonstrates at Application Deadline will receive 1 Ability to Proceed Tie-Breaker point.
- b. Applicant who satisfactorily demonstrates during the Cure period will receive ½ Ability to Proceed Tie-Breaker point.

**12. Local Government Contributions**

- a. Should the contribution values required to achieve maximum points be reduced?
- b. Should a Local Government’s contribution of land qualify as a Local Government contribution? If so, how should the value of the land be quantified?

**13. Local Government Incentives**

Should the incentives be deleted from the Application?

**14. Finance Documents**

If Florida Housing accepts a form in lieu of a commitment/proposal/letter of intent for both non-Corporation funding and HC equity, what information should be required on the form?

**15. Renegotiation of SAIL Loan Interest Rate**

Rule 67-48.010 will be revised to include a provision to allow modification of the interest rate of SAIL loans with a 9% interest rate that were awarded in previous funding cycles down to a 3% interest rate going forward. A draft of the new SAIL language is attached to this Agenda.

**16. Other Discussion Items**

**DRAFT**

**ATTORNEY'S SITE CONTROL OPINION LETTER**

Date: \_\_\_\_\_

Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301

RE: \_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Name of Development

Gentlemen:

We have acted as a counsel to the Applicant referenced above in connection with the Applicant's 2013 Universal Cycle Application (the "Application") submitted to Florida Housing Finance Corporation ("Florida Housing") with respect to the development referenced above (the "Development"). Attached to this letter as **Exhibit "A"** is a copy of the legal description that describes, or includes within its boundaries, the Development site (the "Development site").

This opinion is being delivered to Florida Housing pursuant to the requirements of Part III. C. 2. of the 2013 Universal Cycle Application Instructions (the "Site Control Rule") which requires that the Applicant demonstrate control of the Development site. We understand that this opinion may be relied upon by Florida Housing in connection with the Application submitted by the Applicant. This opinion is limited to the laws of the State of Florida and the federal law of the United States of America insofar as said laws apply (collectively, the "Applicable Law").

In preparing this opinion, we have assumed (a) the genuineness of all signatures of all persons executing documents examined or relied upon by us and (b) the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or photo copies.

In connection with this opinion, we have familiarized ourselves with the Site Control Rule, and have examined the Applicant's site control documentation and such other documents and matters as deemed reasonable and appropriate to the circumstances.

Based upon and subject to the foregoing and our interpretation of the Site Control Rule and the Applicable Law, we are of the opinion that as of the date of this letter the Applicant has control of the Development site by means of one or more of the following documents as indicated (mark all that apply):

\_\_\_\_\_ an "Eligible Contract" as described in the Site Control Rule.

\_\_\_\_\_ a "Deed or Certificate of Title" as described in the Site Control Rule.

\_\_\_\_\_ a "Lease" as described in the Site Control Rule.

The information set forth herein is as of the date hereof. We assume no obligation to advise Florida Housing of changes which may thereafter be brought to our attention.

Name of Law Firm

By: \_\_\_\_\_

The following is new language to be put into Rule Chapter 67-48.010 pursuant to Florida Statute 420.507(9) & (10)

Any SAIL Applicant from previous SAIL Application cycles with non-amortizing loans at 9% simple interest per annum with payments based on Development Cash Flow pursuant to the applicable cycle rule, may submit a written renegotiation request to the Corporation to modify their SAIL loan to modify the interest rate going forward to be 3% simple interest per annum with payments based on Development Cash Flow pursuant to Rule Chapter 67-48.010 (5) – (10), F.A.C. in exchange for providing a payment to the Corporation of the deferred interest based on an accrual rate of 3% simple interest per annum instead of the currently documented 9% simple interest per annum in no more than five equal annual installments. All loan renegotiation requests must be submitted in writing to the Director of Special Assets. In addition to any related professional fees, the Corporation shall charge a non-refundable renegotiation fee as outlined in the Universal Application instructions. The Corporation shall not proceed with the request until the Applicant or Developer has satisfied any financial obligations for which the Applicant or Developer, or Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer is in arrears to the Corporation or any agent or assignee of the Corporation.