

**Florida Housing Finance Corporation
2013 Universal Application Cycle
Sixth Rule Development Workshop Agenda
Tallahassee City Hall, Commission Chambers,
300 South Adams Street, Tallahassee, FL 32301
October 1, 2012**

1. Non-Competitive Application

FHFC has modified its MMRB/4% HC application process to be a simpler process. The current mini-application for 4% HCs that are issued in conjunction with local government HFA bonds has been renamed to the Non-Competitive Application and has been modified to also be used for MMRBs with or without 4% HCs. Many of the MMRB requirements have been amended. The modified application has incorporated some additional MMRB-only requirements to accommodate the MMRB process. The primary MMRB-only modifications are as follows:

- MMRB applicants must commit to at least 6 points worth of features/amenities that will be selected in credit underwriting;
- MMRB applicants must commit to at least 1 Resident Program that will be selected in credit underwriting;
- MMRB applicants will be subject to the standard credit underwriting provided in Rule Chapters 67-21 and 67-48, F.A.C.;
- MMRB applicants will be subject to the 2013 Limited Development Areas as provided in the 2013 UAC while the 4% applicants that have local government HFA bonds will be subject to the Restricted Areas listed in the non-competitive application. However, when an MMRB applicant is located in an LDA, it will be invited to enter credit underwriting at its own risk and subjected to additional review to determine any negative impact on existing Developments within the 2013 LDA areas.

2. Public-Private Partnership

A new goal has been added after the three TODs for one non-preservation application for a public-private partnership. Qualified criteria will be confirmed by the local government on a new form. Requirements include a developer that has been awarded and closed on a development agreement via a competitive application process. The local government must contribute the land to the applicant or provide a contribution of at least 10% of the total development cost. The qualified applicant will qualify for up to a four point proximity tie-breaker boost in the Tier 1 score.

3. Persons with Special Needs

The qualifying parameters for the newly introduced demographic for Persons with Special Needs have been updated. New components include the eligibility for a FHFC authorized HC boost of

30% and the increase of the developer fee to 21% where the extra 5% will be set aside for an operating reserve. The LDA criteria has been clarified for the new demographic where it is subject to all LDA restrictions.

4. Limited Development Areas

Florida Housing has made changes to the boundaries in Duval County, clarified demographics in Broward LDAs, included the Persons with Special Needs demographic as a demographic that is not permitted in an LDA, and modified the Preservation qualifications to be in an LDA. Guarantee Fund deals with LDA circles around them will be removed from LDA status if they are refinanced as of Application Deadline.

5. TDC Limits

Florida Housing has published TDC maximum limits for four different new construction groupings and two preservation groupings. The new construction groupings include garden-style developments in four southeast counties, garden-style developments in the rest of the state, mid-rises, and high-rises. Preservation is divided into garden and non-garden-style developments. In recognition that some unique developments require overrides, applicants that select and qualify for either the homeless demographic or the persons with special needs demographic will have their TDCs subjected to a 90% multiplier prior to comparing them to the stated limits. Transactions that select and qualify for the Keys Area will have their TDCs subjected to a 65% multiplier prior to comparing them to the stated limits. The stated limits will be in effect and verified from application through final cost certification.

6. Ranking Changes

There are two new goals added since the last draft. A Florida Keys goal for one application and a Public-Private Partnership goal for one P3 application have been added. The non-profit goal has been moved up in the ranking priorities and it will have a preference to fill it with 100% non-profits before other non-profits. The homeless goal will have a priority for a CHDO with a 100% non-profit. The three TOD goals will have a priority to fill a SunRail TOD first. Preservation rankings will start with a Small County application before moving to a simple highest-ranked priority process. There are also mechanisms in place to allow resets to County Award Limits and Geographic SAULs if Preservation funding is still available.

7. Proximity Changes

Definitions for medical facility and community center have been changed. Public-Private Partnership applicants qualify for up to a four point boost within the Tier 1 Services similar to developments with a Declaration of Trust. There have not been any additions to the list of grocery stores or pharmacies that do not need to be open six months prior to application deadline; however, Target and Wal-Mart will be removed due to the inability of all stores to

meet the “which as its major retail function sells groceries” portion of the definition. In order to challenge the eligibility of a Service through NOPSEs or NOADs, there are specific criteria that must be followed.

8. NOPSE, Cure & NOAD Request for Review Forms

In order for any NOPSE, Cure, or NOAD filed by an Applicant to be considered by Florida Housing, it must be filed with the NOPSE Request for Review Form, the Cure Request for Review Form, and the NOAD Request for Review Form, respectively. These forms will be incorporated by reference in Section 67-48.004, F.A.C., and include a section for the Applicant to swear to or affirm the accuracy and truthfulness of the allegations and/or statements made and/or information provided with respect to the NOPSE, Cure and NOAD.

9. Next Funding Cycle

For the next funding cycle, to be held after the 2013 Universal Cycle, Florida Housing is considering changing to a funding cycle whereby:

- a. Florida Housing would issue the Cure/NOAD scores and Applicants would have the opportunity to challenge the scoring of their own Applications under the current provisions of section 67-48.005(1), F.A.C.
- b. Once all these hearings are completed, Florida Housing would then prepare a Pre-Ranking and submit the Final Orders and the Pre-Ranking to the Board for approval, but no invitations would be issued until all challenger litigation is completed.
- c. The Pre-Ranking scores would give Applicants “who would have been in the funding range but for Florida Housing’s alleged scoring error(s)” the opportunity to challenge the scoring of other Applicant’s Applications under the current provisions of section 67-48.005(5).
- d. Once all of these hearings are completed, Florida Housing would then rank ALL of the eligible Applications and submit the Final Orders and ranking to the Board for approval.
- e. Invitations to enter Credit Underwriting would then be issued for the Applications selected for funding.

If implemented, Florida Housing might allocate two- years’ worth of housing credits in one cycle in order to adjust the time frame for a new annual cycle that would adopt the above process but still allocate in time to get all carryovers out pursuant to Section 42.

10. Rule Chapter 67-48.0072(28)(f)

A new paragraph has been inserted into the rule to codify one method FHFC intends to enforce Section 42(m)(2), IRC, regarding financial feasibility which is inclusive of not providing any more housing credits than a development actually needs. Although an applicant does not need to sell

99.99% of the housing credit allocation it receives, Florida Housing will size the housing credit allocation as if it did.

11. Compliance Fees

Florida Housing entered into new contracts with the three Servicers after the Board approved them from the RFP process held in 2011. The new contracts allow for annual escalations in contracted compliance fees. For new developments that have a 50-year compliance term, the discounted pre-paid compliance fee will be about double the amount that it would be without the annual escalation. The contract and this new fee schedule were in effect as of the beginning of 2012.

12. New Time Line for 2013 Universal Cycle

13. Open Discussion