

**Florida Housing Finance Corporation
2000 Qualified Allocation Plan
Housing Credit Program**

Pursuant to Section 420.507(12), Florida Statutes, the Florida Housing Finance Corporation ("FHFC") is responsible for the allocation and distribution of housing credits in this state. As the allocating agency for the state, the 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, and
 - (II) projects obligated to serve qualified tenants for the longest periods, 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,
- (iv) sponsor characteristics,
- (v) participation of local tax-exempt organizations,
- (vi) tenant populations with special housing needs, and
- (vii) public housing waiting lists.

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 180 points must be achieved from Form 3, Experience of Development Team; Form 4, Project Funding and Economic Viability; and Form 7, Project Feasibility and Ability to Proceed. Further, at least 75 points must be achieved on Form 4 and at least 105 points must be achieved on Forms 3 and 7.

Prior to the issuance of a housing credit allocation, a Development must be underwritten in

accordance with Rule 67-48.026 and FHFC's credit underwriting guidebook in order to determine the Development's feasibility, ability to proceed and the appropriate housing credit amount, if any. FHFC shall issue housing credits **only** in 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.

The 2000 Housing Credit Allocation Authority will be awarded as follows:

1. Prior to the issuance of the Notice of Credit Availability, FHFC's Board can allocate a specific amount of housing credits to be set-aside for Demonstration Developments.
2. Initially, not less than 12% of the 2000 Allocation Authority amount as of April 21, 2000, shall be set-aside for Developments with Applicants qualified as Non-Profit pursuant to Rule 67-48.002(71), F.A.C. The 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 ensure that the 10% requirement will be met in the event that all Developments included in the initial 12% do not receive an allocation. In order to achieve the initial 12% set-aside a tentative funding line will be drawn. Then, Applications from Non-Profit Applicants that meet scoring threshold requirements shall be moved into the tentative funding range, in order of their scores with Applicants whose Non-Profit entities are organized under Chapter 617, Florida Statutes, having priority, until the 12% set-aside is achieved. This will be accomplished by moving the lowest scored Application of a for-profit Applicant in the funding range down in ranking so it is ranked below the lowest Non-Profit Applicant within the funding range and moving the highest scored Non-Profit Applicant organized under Chapter 617, Florida Statutes below the funding range within the applicable Geographic Set-Aside pursuant to the QAP up in ranking so it is ranked one ranking space above the for-profit Applicant that was moved down in ranking. If no such Applicant exists, the highest Non-Profit Applicant organized under similar statutes from another state which is below the funding range within the applicable Geographic Set-Aside pursuant to the QAP, will be moved into funding range in the same manner as stated in the previous sentence. This procedure will be used again on or after October 1, 2000, if necessary, to ensure that the FHFC allocates at least 10% of its Allocation Authority for 2000 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. Binding Commitments for housing credits from a future year will not be issued for Applicants so displaced. The last Non-Profit Applicant moved into the funding range, in order to meet the initial 12% set-aside or in order to meet the minimum 10% set-aside after October 1, 2000, will be fully funded contingent upon successful credit underwriting even though that may result in a higher Non-Profit set-aside.

After the full Non-Profit set-aside amount has been allocated, remaining Applications from Non-Profit organizations shall compete with all other Applications in the HC Program for

remaining Allocation Authority.

3. Two hundred thousand dollars (\$200,000) in housing credits will be set-aside for those Applicants which meet all of the following criteria: (1) qualify for points on Form 22 for targeting their Developments for Farmworker/Fishing Workers; (2) meet the Application's threshold requirements; (3) choose on Form 22 to compete for the Rural Development 514/516 Set-Aside; (4) provide evidence to Florida Housing by October 1, 2000 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. Applicants that choose on Form 22 to compete within the Rural Development 514/516 Set-Aside will not be eligible to compete within the Geographic Set-Aside within which the Development is located. Any remaining funds not designated for Developments within this Set-Aside, as of October 2, 2000, will be distributed in accordance with Paragraph 10. There will be no more than \$50,000 issued by Binding Commitment for CY 2001 housing credits for any Applicant that competes within this category. Binding Commitments will be issued in accordance with the following examples:

Example 1: An Applicant is ranked first in the Rural Development 514/516 Set-Aside and has requested \$375,000 in housing credits. The Applicant will be invited into credit underwriting and will be advised that a Preliminary Allocation, if issued, will not exceed \$250,000 in housing credits. If the Applicant fails to enter credit underwriting with this condition, it will be rejected and the next Applicant down in ranking will be chosen to enter credit underwriting.

Example 2: The two highest ranked Applicants in the Rural Development 514/516 Set-Aside have requested \$100,000 and \$175,000 in housing credits, respectively. The Applicant ranked second will be invited into credit underwriting and will be advised that a Preliminary Allocation, if issued, will not exceed \$150,000 in housing credits. If the Applicant fails to enter credit underwriting with this condition, it will be rejected and the next Applicant down in ranking will be chosen to enter credit underwriting.

After exhausting the list of qualified Applicants, any housing credits not allocated within the Rural Development 514/516 Set-Aside will first be allocated proportionally in accordance with the geographic distribution as stated in paragraph 6 to those Applicants that have received partial funding and then, if any credits remain, will be offered to the highest scoring Applicant meeting threshold that has not received funding. If an Applicant does not wish to receive the housing credits, the next highest scoring Applicant will be offered the credits.

4. One hundred thousand dollars (\$100,000) in housing credits will be set-aside for those Applicants which meet all of the following criteria: (1) meet the Application's threshold requirements; (2) choose on Form 22 to compete for the Rural Development 515 Set-Aside; and (3) provide evidence to Florida Housing by October 1, 2000 of funding from U.S. Department of Agriculture Rural Development (USDA RD) program RD 515. Applicants that choose on Form 22 to compete within the Rural Development 515 Set-Aside will not be eligible to compete within the Geographic Set-Aside within which the Development is located. There will be no Binding Commitments for CY 2001 housing credits for any

Applicant that competes within this category. Any remaining funds not designated for Developments within this Set-Aside, as of October 2, 2000, will be distributed in accordance with Paragraph 10.

5. Three million dollars (\$3,000,000) in housing credits will be set-aside for those Applicants which meet all of the following criteria: (1) have qualified for points on Form 22 as an Urban In-Fill Development; (2) have provided evidence within its Application that it has received a “funding commitment” from the HOPE VI or Front Porch Florida program; (3) include one or more private-sector Developers among its general partner(s) or members; and (4) meet the Application’s threshold requirements. Applicants that meet the above criteria will first compete within this HOPE VI/Front Porch Florida Set-Aside. Once the informal appeal process has been completed, those Applicants that receive partial or no funding will be moved into their respective Geographic Set-Aside and will be allowed to compete for housing credits within their Geographic Set-Aside. An Applicant that receives partial funding under the HOPE VI/Front Porch Florida Set-Aside will not be eligible to receive a Binding Commitment for the remaining amount of housing credits needed to finance the Development unless it successfully competes and obtains housing credits from within the Geographic Set-Aside within which it is located. For example: The top two ranked Applicants in the HOPE VI/Front Porch Florida Set-Aside request a combined total of \$2.5 million in housing credits and the third ranked Applicant (Applicant A) requests \$1 million in credits. As such, Applicant A would, pending Florida Housing’s final approval, obtain \$500,000 in credits from the HOPE VI/Front Porch Florida Set-Aside. Applicant A would maintain its ranking within the HOPE VI/Front Porch Florida Set-Aside but would also then be ranked according to its score within its Geographic Set-Aside along with the Applicants that did not fall within the HOPE VI/Front Porch Florida Set-Aside funding range. In order for Applicant A to receive any additional funding beyond what it received for the HOPE VI/Front Porch Florida Set-Aside, it would have to be ranked within its Geographic Set-Aside funding range. If Applicant A received partial funding from within its Geographic Set-Aside, it would be eligible to receive a Binding Commitment. If Applicant A was not successful in obtaining any funding from within its Geographic Set-Aside, it would be invited into credit underwriting and advised, if a Preliminary Allocation is issued, that such Preliminary Allocation would not exceed \$500,000. If Applicant A decided not to accept the Invitation into Credit Underwriting, the next lower ranked Applicant that qualified for the HOPE VI/Front Porch Florida Set-Aside would be invited into credit underwriting. If this newly chosen Applicant (Applicant B) had been successful in being within the funding range within its Geographic Set-Aside and requested more than \$500,000 in credits, it would be ranked within the HOPE VI/Front Porch Florida Set-Aside, and also within its Geographic Set-Aside. The first \$500,000 in credits of its Preliminary Allocation, if issued, would come from the HOPE VI/Front Porch Florida Set-Aside and the remaining from its Geographic Set-Aside. In the event Applicant B requested less than \$500,000, it would be removed from its Geographic Set-Aside ranking and moved into the HOPE VI/Front Porch Florida Set-Aside ranking. If Applicant B requested more than \$500,000 and was not successful in getting within its Geographic Set-Aside funding range, it would be invited into credit underwriting and be advised that it would not receive a Preliminary Allocation for more than \$500,000. The steps previously written above would be followed if Applicant B declined the Invitation into Credit Underwriting. The previously discussed procedure would be repeated until all of the \$3

million set aside for HOPE VI/Front Porch Florida was reserved for Developments or there are no Applicants that qualify for the Set-Aside or no Applicants that qualify that are willing to go into credit underwriting.

After exhausting the list of qualified Applicants, any housing credits not allocated within the HOPE VI/Front Porch Florida Set-Aside will first be allocated proportionally in accordance with the geographic distribution as stated in paragraph 6 to those Applicants that have received partial funding and then, if any credits remain, will be offered to the highest scoring Applicant meeting threshold that has not received funding. If an Applicant does not wish to receive the housing credits, the next highest scoring Applicant will be offered the credits.

6. 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%

7. Any returned housing credits as of April 21, 2000 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 Paragraph 6 above and subject to Paragraph 8 below. If any Geographic Set-Aside category (small, medium, or large) fails to utilize its entire allocation amount, the remaining housing credits will be awarded to the next highest scoring Applicant, regardless of Geographic Set-Aside.

8. FHFC's goal is to have a diversified rental housing portfolio. Therefore, its special targeting goal is to allocate credits to a minimum of three Elderly Developments, one Farmworker/Fishing Worker Development excluding any Developments funded under the Rural Development Set-Asides, 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), and to two additional Urban In-Fill Developments regardless of Geographic Set-Aside to the extent funds are available. The Urban In-Fill Developments funded within the HOPE VI/Front Porch Florida Set-Aside, as stated in paragraph 5 above, will count toward meeting the goal of funding 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), and two additional Urban In-Fill 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 three Elderly Developments if 20% or more of the allocation authority amount as of April 21, 2000 is tentatively allocated to Elderly Developments already above the tentative funding line. Applicants may choose to commit to one of these categories on Form 22 of the Application. 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 set aside and no additional adjustments will be made to achieve the special targeting goal if the Executive Director determines, based on a negative recommendation from the underwriter, that an Elderly, Farmworker/Fishing Worker or Urban In-Fill

Development, in the initial funding range, will not receive a credit allocation.

The special targeting goal will be achieved by first looking at those Developments above the tentative funding line (drawn for the purpose of this procedure) to determine if the special targeting goal has been met. The Elderly special targeting goal will be met if at least three Elderly Developments are in the tentative funding range or at least 20% of the allocation authority amount as of April 21, 2000 is tentatively allocated to Elderly Developments in the tentative funding range. If more than 20% of the April 21, 2000 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 goal has not been met, those Developments required to meet the special targeting goal that have achieved threshold requirements shall be moved into the funding range within their Geographic Set-Aside, using the following procedure. The procedure described below 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 Elderly Development(s) in the tentative funding range will be moved up in ranking into the funding range before an Elderly Development located in the same county as an Elderly Development already in the tentative funding range. 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. If funds remain, this sequence, excluding Farmworker/Commercial Fishing Worker, will be repeated as necessary until all available allocation authority is used. 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 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 set-aside and special targeting goals, the remaining allocation will be distributed to Applicants in scoring rank order within 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 Geographic Set-Aside. An exception to picking the highest scoring Development is explained in Situation E below. Then the lowest scoring Applicant in the current funding range not required to meet the 12% Non-Profit set-aside or the special

targeting goal will be moved down in ranking to be ranked below the Applicant moved up to meet special targeting. This will be repeated as many times as it takes to get the Applicant required for special targeting into the funding range.

If all Applicants in the funding range are required to meet the 12% Non-Profit set-aside or are required to meet special targeting, no action will be taken within the Geographic Set-Aside. Further, if the movement down in ranking of those Applicants in the funding range not required to meet the 12% Non-Profit set-aside 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. For example, if the last ranked Applicant in the tentative funding range is required to meet the special targeting goal and requires \$1,500,000 in credits of which \$1,000,000 is in the form of a Binding Commitment, then the movement down in ranking of any number of Applicants requiring \$1,000,000 or less in funds will not take place because their movement will not force the Applicant needed to meet special targeting, into the tentative funding range. The next highest scoring Applicant required to meet the same special targeting 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. Binding Commitments for housing credits from a future year will not be issued for Applicants so displaced.

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 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 2000 credits and the remainder in year 2001 credits. NR3 would be ranked below the tentative funding line and would receive no credits.

Situation C: Everything remains the same as the beginning of Situation 1 with the ranking being R1, NR2 and R3, except Applicant R3 has requested \$1,500,000 in housing credits with \$500,000 available in credits to fund it in the current cycle [$\$3,000,000$ minus $\$1,500,000$ (R1) minus $\$1,000,000$ (NR2) minus $1,500,000$ (R3) equals negative $\$1,000,000$]. 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.

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 set-aside or to meet the 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 geographic category 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 \$900,000 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 \$750,000 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 three Elderly Applications in the funding range. The three 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. The credits reserved for this Application will be first used to fund those Applications that have been partially funded. The funds will be distributed on a pro rata basis per the geographic distribution. If any funds remain, the highest scoring Application, regardless of geographic distribution, which had not been invited into credit underwriting will be invited into credit underwriting. **An Elderly Application below the funding line will have no priority.**

9. Any additional allocation authority received by FHFC from the national pool or returned housing credits between April 21, 2000 and September 30, 2000 will be used (i) to fund any Development that has been partially funded by the geographic distribution mandated in Paragraph 6 and then (ii) to fund the next highest scoring Application on the waiting list regardless of geographic distribution or the special targeting goal until all available housing credits are allocated.
10. Any allocation authority received on or after October 1, 2000 will be used (i) to fully fund any Application that has been partially funded by the method described in paragraph 9 above and then (ii) to fund the next highest scoring Application on the waiting list regardless of geographic distribution or the special targeting goal until all available tax credits are allocated. 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. However, Applications competing within the Rural Development or HOPE VI/Front Porch Florida Set-Asides will receive limited or no Binding Commitment, pursuant to Paragraphs 3, 4 and 5.
12. In the event of a federally declared disaster, any allocation authority not preliminarily allocated, as well as any authority remaining after November 1, 2000, may be diverted to one or more federally declared disaster areas.

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 22 entitled **Special Targeting**, respectively, which are incorporated by reference in the FHFC rules.

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 22 entitled **Portfolio Diversification and Geographic Distribution, Project 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
 - Project Funding and Economic Viability
 - Feasibility and Ability to Proceed
 - Leveraging
 - Equity Realized from Sale of Credits
 - Energy Conservation

Forms 3, 4, 7, 10 and 21 of the Application specifically address these categories and are incorporated in FHFC rules by reference.

- * Developments which offer tenant services will be targeted.

Form 8 of the Application entitled **Tenant 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 Forms 7 and 22 entitled **Project Feasibility and Ability to Proceed** and **Special Targeting**, respectively, which are 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 set-aside.
- * 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 fiscal years, which will begin from the date the Board approves the disqualification of the Applicant's Application.

These criteria are addressed in Forms 1 and 3 entitled **Applicant and Project and Experience of Development Team** 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.
- * Developments which will design 1% of their units to be handicapped accessible per ANSI standards will be targeted.

These criteria are specifically addressed at Form 22 entitled **Special Targeting** which is incorporated in FHFC rules by reference.

F. Participation of Local Tax-Exempt Organizations:

- * Developments sponsored by local (Florida) tax-exempt organizations will be targeted.

This criterion is specifically addressed in the Application at Form 1 entitled **Applicant and Project Data**, 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.

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 have received a funding commitment from the HOPE VI or Front Porch Florida program, will be targeted.

- * This criterion is specifically addressed in the Application at Form 22 entitled **Special**

Targeting and in Paragraphs 3, 4, 5, and 8 above.

- B. Developments which realize the highest net equity through syndication or direct sale and receive the greatest amount of the equity prior to or simultaneous with closing of construction financing will be targeted.
- * This criterion is specifically addressed in the Application at Form 21 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 20 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 which require the least amount of housing credits to produce an affordable unit will be targeted.
- * This criterion is specifically addressed in the Application at Form 10 entitled **Leveraging** which is incorporated by reference in FHFC rules.
- F. The FHFC will initially allocate not less than 12% (as described on page 2, number 2) 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. Non-profit Applicants organized under Chapter 617, Florida Statutes will have priority over Non-Profits organized by similar state statute if incorporated outside Florida.
- G. FHFC has a goal to allocate housing credits to a minimum of three 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 three Elderly Developments if 20% or more of the allocation authority amount as of April 21, 2000 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.

- H. In the event Developments have to be brought from below the tentative funding line to above the line in order to meet special targeting 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, this sequence, excluding Farmworker/Commercial Fishing Worker, will be repeated as necessary until all available allocation authority is used.
- I. 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, 20, 21, 22, 23, and 24 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, as specifically outlined on page one of the QAP 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 tenant in a set-aside unit since the last report and recertifications of existing tenants 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 tenants.

C. FHFC shall have access to all official Development records at any reasonable time.

- * All official tenant records or complete copies of all official tenant 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.