

BEFORE THE STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

PINNACLE AT HAMMOCK SQUARE,
LLC, as Applicant for Pinnacle at
Hammock Square - Application No.
2009-140C,

Petitioner,

vs.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

Application Nos. 2009-151C
2009-153C
2009-162C

FHFC File No:
2010-006UC

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Florida Housing Finance Corporation

**PETITION REQUESTING INFORMAL ADMINISTRATIVE PROCEEDING
AND THE GRANT OF THE RELIEF REQUESTED**

Pursuant to §§120.569 and 120.57(2), Florida Statutes ("FS"), Rule 67-48.005, Florida Administrative Code ("F.A.C.") and Rule 28-106.301, F.A.C., Petitioner, PINNACLE AT HAMMOCK SQUARE, LLC, as Applicant for Pinnacle at Hammock Square - Application No. 2009-140C, ("Petitioner") requests an informal administrative proceeding to challenge the scoring by Respondent, FLORIDA HOUSING FINANCE CORPORATION ("FHFC") of several competing applications for funding in the 2009 Universal Cycle: Renaissance Preserve Phase II, Application No. 2009-151C; Sunrise Park Apartments, Application No. 2009-153C; and Magnolia Gardens, Application No. 2009-162C (sometimes referred to individually as "Applicant" or collectively as "Applicants"). The scoring issue being challenged is whether the equity commitment letter provided by each Applicant met the requirements necessary to satisfy threshold under the 2009 Universal Application Instructions. FHFC incorrectly determined that each of the Applicant's equity commitment letters satisfied FHFC threshold requirements.

Those determinations resulted in FHFC improperly denying Petitioner its requested federal tax credit funding. In support of this Petition, Petitioner states as follows:

1. The name and address of the agency affected by this action are:

Florida Housing Finance Corporation
City Center Building, Suite 5000
227 N. Bronough Street
Tallahassee, Florida 32301-1329

2. The address and telephone number of the Petitioner is:

Pinnacle at Hammock Square, LLC
c/o Pinnacle Housing Group LLC
9400 South Dadeland Blvd., Suite 100
Miami, FL 33156
Telephone: (305) 854-7100

3. The name, address, telephone number, fax number and e-mail address of the Petitioner's attorney, which shall be the Petitioner's address for service purposes during the course of this proceeding, is:

Gary J. Cohen, Esq.
Shutts & Bowen, LLP
201 S. Biscayne Blvd., Ste. 1500
Miami, Florida 33131
Telephone No. (305) 347-7308
Fax: (305) 347-7808
Email: gcohen@shutts.com

STATEMENT OF WHEN AND HOW THE PETITIONER RECEIVED NOTICE OF THE AGENCY'S DECISION

4. On or about March 1, 2010, Petitioner received formal notice from FHFC of the final rankings and scores, along with notice of its rights under Chapter 120 to challenge them. The Petitioner did timely file its response to that Notice.

STATEMENT OF MATERIAL FACTS

5. There are no disputed issues of material fact. However, it is important to set out the factual background and legal framework for this challenge at the outset.

The Low-Income Housing Tax Credit Program

6. The United States Congress has created a program, governed by Section 42 of the Internal Revenue Code (“IRC”), by which federal income tax credits are allotted annually to each state on a per capita basis to help facilitate private development of affordable low-income housing for families. These tax credits entitle the holder to a dollar-for-dollar reduction in the holder’s federal tax liability, which can be taken for up to ten years if the project continues to satisfy all IRC requirements.

7. The tax credits allocated annually to each state are awarded by state “housing credit agencies” to single-purpose applicant entities created by real estate developers to construct and operate specific multi-family housing projects. The applicant entity then sells this ten-year stream of tax credits, typically to a “syndicator,” with the sale proceeds generating much of the funding necessary for development and construction of the project. The equity produced by this sale of tax credits in turn reduces the amount of long-term debt required for the project, making it possible to operate the project at below-market-rate rents that are affordable to low-income and very-low-income tenants.

8. Pursuant to section 420.5099, Florida Statutes, FHFC is the designated “housing credit agency” for the State of Florida and administers Florida’s low-income housing tax credit program. Through this program, FHFC allocates Florida’s annual fixed pool of federal tax credits to developers of affordable housing.¹

The 2009 Universal Application Cycle

9. Because FHFC’s available pool of federal tax credits each year is limited, qualified projects must compete for this funding. To assess the relative merits of proposed

¹ FHFC is a public corporation created by law in section 420.504, Florida Statutes, to provide and promote the financing of affordable housing and related facilities in Florida. FHFC is an “agency” as defined in section 120.52(1), Florida Statutes, and is therefore subject to the provisions of Chapter 120, Florida Statutes.

projects, FHFC has established a competitive application process pursuant to Chapter 67-48, F.A.C. As set forth in Rules 67-48.002-.005, F.A.C., FHFC's application process for 2009 consisted of the following:

(a) the publication and adoption by rule of a "Universal Application Package," which applicants use to apply for a variety of FHFC-administered funding programs, including federal tax credits;

(b) the completion and submission of applications by developers;

(c) FHFC's preliminary scoring of applications;

(d) an initial round of administrative challenges in which an applicant may take issue with FHFC's scoring of another application by filing a Notice of Possible Scoring Error ("NOPSE");

(e) FHFC's consideration of the NOPSE's submitted, with notice to applicants of any resulting change in their scores;

(f) an opportunity for the applicant to submit additional materials to FHFC to "cure" any items for which the applicant received less than the maximum score;

(g) a second round of administrative challenges whereby an applicant may raise scoring issues arising from another applicant's cure materials by filing a Notice of Alleged Deficiency ("NOAD");

(h) FHFC's consideration of the NOAD's submitted, with notice to applicants of any resulting change in their scores;

(i) an opportunity for an applicant to challenge, via informal or formal administrative proceedings, FHFC's evaluation of any item in their own application for which the applicant received less than the maximum score;

(j) final scores, ranking, and allocation of tax credit funding to applicants, adopted through final orders; and

(k) an opportunity for applicants to challenge, via informal or formal administrative proceedings, FHFC's final scoring and ranking of competing applications where such scoring and ranking resulted in a denial of FHFC funding to the challenger.²

CONCISE STATEMENT OF THE ULTIMATE FACTS WARRANTING RELIEF

10. On or about August 20, 2009, numerous applications were submitted to FHFC seeking tax credit and HOME funding. Petitioner applied for \$980,000.00 in annual tax credits to help finance the development of its project, a 100-unit garden apartment complex in Lynn Haven, Bay County, Florida.

11. At its February 26, 2010 meeting, FHFC's Board adopted final scores and rankings. Petitioner's application met all of FHFC's threshold application requirements, received the maximum application score of 70 points, the maximum proximity tie-breaker score of 7.5 points, and the maximum ability to proceed tie-breaker score of 6 points. Petitioner's application competed for tax credits in the Medium County Geographic Set-Aside.³ As between competing applicants with "perfect" scores, the ultimate tie-breaker (subject to the Set-Aside Unit Limitation rules described below) is that the applicant with the lower lottery number (arbitrarily assigned to each applicant by FHFC) prevails.

12. Petitioner would have received its requested tax funding if not for FHFC's erroneous scoring of any of the following applications: (a) Renaissance Preserve Phase II

² This Petition initiates such a challenge. Notably, if successful in such a challenge, FHFC funding is not taken away from the competing applicant who was scored or ranked in error and given to the challenger. Instead, the competing applicant keeps its funding, and the challenger receives its requested funding "off-the-top" from the next available source of such funds allocated to FHFC. Rule 67-48.005(7), F.A.C.

³ Aside from applicants proposing projects targeted to specific tenant populations (e.g., the Homeless) or located in specific areas (e.g., the Florida Keys), applicants generally compete against each other for funding within Geographic Set-Asides (Large, Medium, and Small) based upon the population of the county in which their project is located.

(Application No. 2009-151C); (b) Sunrise Park Apartments (Application No. 2009-153C); and (c) Magnolia Gardens (Application No. 2009-162C). The lowest ranked application receiving funding in the Medium County Geographic Set-Aside was The Fountains at San Remo Court – Phase I (Application No. 2009-246C), with lottery No. 113. Petitioner’s application (with lottery No. 119) was the next application eligible to be funded in the Medium County Geographic Set-Aside. But for FHFC's erroneous scoring of the equity commitment letter of each of the above-referenced three Applicants, there would have been sufficient tax credits remaining in the Medium County Geographic Set-Aside to fund Petitioner’s application.

13. If FHFC had not improperly scored any of the three applications identified in the first paragraph of this Petition, Petitioner would have received its requested tax credit funding. Petitioner’s substantial interests are therefore materially and adversely affected by FHFC’s improper actions, and Petitioner has standing to challenge those actions in this proceeding.

14. FHFC should have found that the revised equity commitment letter of each Applicant failed to meet threshold, due to each such revised equity commitment letter (a) providing that the equity syndicator was purchasing a percentage of credits (99.991%) which was greater than the percentage ownership interest held by the limited partner (99.99%) reflected in Exhibit 9 of each application, (b) providing that the percentage ownership interests of the partners (general and limited) was inconsistent with the percentage ownership interests reflected in Exhibit 9 of each application, and (c) being internally inconsistent. Such finding would have resulted in each of the Applicants failing to meet threshold, due to failure to provide a qualifying equity commitment letter consistent with the provisions of the Universal Application Instructions. Disqualification of any of the three Applicants for failure to provide a qualifying equity commitment letter would have resulted in that Applicant falling out of the funding range

for tax credits, and as a result Petitioner would have been within the funding range for tax credits.

Chronology of Case

15. Each Applicant provided a commitment letter in its originally submitted Universal Application.

16. None of the Applicants were subject to a NOPSE challenge with respect to their equity commitment letters. However, in the Scoring Summary Report issued October 23, 2009 by FHFC for each Applicant, FHFC found (for reasons unrelated to the subject matter of this Petition) that each such equity commitment letter was deficient and failed to pass threshold.

17. On or about November 3, 2009, each of the Applicants submitted "cure" documentation, including the submission of revised equity commitment letters. *See Exhibit "A"*.

18. On or about November 12, 2009, various competitors in the Universal Cycle filed NOAD's against the cure documentation filed by each of the three Applicants. The issues raised against the three Applicants with respect to their revised equity commitment letters were generally as follows:

(a) The equity syndicator was purchasing and being allocated an aggregate of 99.991% of the tax credits generated by the Applicant (as indicated in Section 4(a) of each letter). As such, the equity syndicator was proposing to purchase a percentage of credits (99.991%) which was greater than the percentage ownership interest held by the limited partner as reflected in Exhibit 9 (99.99%), in direct violation of the requirement for a qualifying equity commitment set forth in subsection (b) on Page 74 of the 2009 Universal Application Instructions;

(b) The percentage ownership interests in the Applicant to be acquired by the equity syndicator and to be retained by the general partner (as indicated in each of

the equity commitment letters, 99.991% and .009%, respectively) were inconsistent with the percentage ownership interests for the limited partner and the general partner reflected on Exhibit 9 (99.99% and 0.01%, respectively). As a result of such inconsistency the equity commitment letter could not be found to pass threshold; and

(c) Each revised equity commitment letter was internally inconsistent. In the first paragraph of each letter, the equity syndicator proposed to acquire a 99.99% limited partner interest and a .01% special limited partner interest (adding up to a 100% percentage ownership interest being acquired, leaving 0% for the general partner), in conflict with Section 4(a) of the same equity commitment letter providing for tax benefits from the transaction to flow .001% (not .01% as reflected in the first paragraph of the equity commitment) to the special limited partner and .009% (not 0% as implied by the first paragraph of the equity commitment letter) to the general partner.

19. On or about December 3, 2009, FHFC issued final scores and notices of rights. With respect to the final Scoring Summary Reports issued to each of the Applicants, FHFC made the identical finding that the revised equity commitment letter has passed threshold.

20. At the February 26, 2010 FHFC Board meeting, the FHFC Board approved all final Scoring Summary Reports and approved final rankings for the 2009 Universal Cycle. As a result of its adoption of the final Scoring Summary Reports, each of the three Applicants fell within the funding range for tax credits, and Petitioner (as a direct result of the Board's actions in approving such final Scoring Summary Reports) fell outside the funding range.

21. Since FHFC gave no further explanation for its rejection of the NOAD's referenced herein, the rationale for FHFC's conclusion that the revised equity commitment letters provided by each Applicant passed threshold is unclear.

Housing Credit Syndication/Equity Commitment

22. In order for an equity commitment letter to be scored as passing threshold, the requirements of pages 73 and 74 of the 2009 Universal Application Instructions ("Instructions") must be met. Page 74 of the Instructions requires that "(b) The percentage of credits proposed to be purchased must be equal to or less than the percentage of ownership interest held by the limited partner or member (emphasis added)." For example, if (hypothetically) an applicant reflected its general partner as owning 1% of the partnership interests and its initial limited partner as owning 99% of the partnership interests in Exhibit 9, and submitted an equity commitment letter which reflected the equity syndicator purchasing 99.99% of the tax credits, then in such instance the equity commitment would be scored as failing threshold, due to violation of the above-referenced requirement that the percentage of credits proposed to be purchased (99.99% in the above example) must be equal to or less than the percentage of ownership interest held by the limited partner (99%, as reflected in hypothetical Exhibit 9).

23. In numerous instances in the recently completed 2009 Universal Cycle, FHFC has rejected equity commitment letters wherein the percentage of credits proposed to be purchased by the equity syndicator is greater than the percentage interest of the limited partner reflected in Exhibit 9 of the application. The amount by which the percentage of credits proposed to be purchased exceeded the limited partner percentage interest in Exhibit 9 was irrelevant in those decisions. See, for example, FHFC's scoring decisions in The Tempo, Application No. 2009-114C (Scoring Item 2T, wherein the limited partner interest in Exhibit 9 was 99.98% and in the equity commitment letter the syndicator proposed to purchase 99.99% of the tax credits; a .01%

difference was sufficient to reject the equity commitment), Progresso Pointe, Application No. 2009-123C (Scoring Item 1T, wherein the limited partner interest in Exhibit 9 was 99.90%, and syndicator proposed to purchase 99.99% of the tax credits, Waterview Landing, Application No. 2009-160C (Scoring Item 2T; similar issue), and Civie Center, Application No. 2009-215C (Scoring Item 3T; similar issue). In each instance, FHFC found the equity commitment letter did not meet threshold. *See Exhibit "B"*.

24. With respect to each Applicant, a substantially identical (as to the issue in question) revised equity commitment letter was provided. *See Exhibit "A"*. In the first paragraph of each revised equity commitment letter, RBC Tax Credit Equity, LLC (the "Limited Partner") proposed to acquire a 99.99% limited partner interest and its affiliate RBC Tax Credit Manager II, Inc. (the "Special Limited Partner") proposed to acquire a .01% special limited partner interest. In each such revised equity commitment letter (Section 4(a) therein), the Limited Partner was allocated 99.99% of the tax credits and the Special Limited Partner was allocated .001% of the tax credits. As such, the percentage of credits proposed to be purchased (99.991%) is not equal to or less than the percentage of ownership interest held by the limited partner as reflected in Exhibit 9 (99.99%, in each instance). *See Exhibit "C"*.

25. It is important to note that, in several of the cases referenced herein, FHFC rejected equity commitment letters because the percentage of credits proposed to be purchased was as small as .01% greater than the percentage of limited partner interest reflected in Exhibit 9 (99.99% versus 99.98%). In the instant case, there is a .001% discrepancy instead of a .01% discrepancy; however, the size of the discrepancy does not matter and must result in rejection of each of the equity commitment letters discussed herein.

26. The clear requirement of the Universal Application Instructions (Section (b), page 74) has not been met, and the revised equity commitment letters should have been found to have failed threshold. FHFC erred in scoring by failing to find that each of the revised equity commitments failed to pass threshold for the above reason.

27. In addition to disqualifying equity commitments wherein the percentage of credits proposed to be purchased is not equal to or less than the percentage of ownership interest held by the limited partners, FHFC also routinely and regularly disqualifies equity commitments when the information contained therein is inconsistent with that contained elsewhere in the application. See, for example, The Arbors Senior Apartments, Application No. 2009-192C. In The Arbors Senior Apartments, the equity commitment letter was rejected because it stated that the project was located in Volusia County, when in fact the project was located in Hillsborough County. See also Renaissance Preserve Phase II, Application No. 2009-151C, wherein FHFC rejected the equity commitment letter due to a minor error in the name of the applicant. See *Exhibit "D"*.

28. Each of the revised tax credit equity commitment letters are inconsistent with Exhibit 9 of the corresponding application, because each letter provides for the General Partner to own (at a maximum) a .009% interest in the Applicant partnership. This is inconsistent with Exhibit 9 of each Applicant's application, wherein the General Partner is reflected as owning a .01% ownership interest, not a .009% ownership interest. See *Exhibit "C"*. This inconsistency between the revised equity commitment letter and Exhibit 9 of each Applicant as to the percentage ownership interest owned by the General Partner in each Applicant partnership must result in the equity commitment letter being scored as failing to pass threshold, consistent with the above-referenced FHFC scoring decisions.

29. Finally, each of the revised equity commitment letters is internally inconsistent, and as such should be found to fail threshold, consistent with established FHFC scoring positions. See FHFC scoring decisions in The Tempo, Application No. 2009-114 (Scoring Item 1T and 6T, total equity in first page of equity commitment letter did not equal sum of stated equity payments), Waterview Landing, Application No. 2009-160C (Scoring Item 4T, total equity on second page of equity commitment letter did not equal sum of stated equity payments in the same commitment letter), and Civic Center, Application No. 2009-215C (Scoring Item 2T, 11T and 12T, wherein the sum of the equity installment payments did not equal the sum of the total equity reflected in the equity commitment letter). In each of the revised equity commitment letters submitted by the Applicants, the “Special Limited Partner” is shown as acquiring a .01% interest in the first paragraph of such letter, but is indicated as receiving a .001% Special Limited Partner interest in Section 4(a) of each such letter. Similarly, in each letter the General Partner is shown as owning a 0% interest in the first paragraph (due to the Limited Partner and the Special Limited partner owning 100% in the aggregate), but is indicated as receiving .009% in Section 4(a). Such internal inconsistency should result in a finding that the equity commitment letter failed threshold.

Administrative Stare Decisis

30. Prior FHFC precedent does exist which demonstrates that FHFC has consistently ruled, in the past, that equity commitments fail to pass the threshold when they provide for a percentage of tax credits to be purchased which is greater than the percentage limited partner interest reflected in Exhibit 9. Prior FHFC precedent also exists which demonstrates that FHFC has consistently ruled that equity commitment letters fail to pass threshold when they are inconsistent with other provisions of the submitted application, or are internally inconsistent.

The decisions creating administrative stare decisis with respect to these issues are as set forth herein.

31. The prior scoring decisions of FHFC, which were affirmed by the FHFC Board, constitute binding precedent here. Not only were these decisions final agency actions in those disputes, they have an effect on the issue to be decided here by virtue of administrative stare decisis. FHFC was required to, but in its consideration of the NOAD's filed against each Applicant failed to, consider the precedential effect of its own prior decisions before making subsequent decisions on the same issue. Plante v. Department of Business and Professional Regulation, 716 So. 2d 790 (Fla. 4th DCA 1998) (prior agency decisions are administrative stare decisis). FHFC's previous scoring decisions have created administrative stare decisis on the issues contained herein, and FHFC is required to follow the precedent its own prior decisions created forward.

32. Once FHFC has interpreted its application instructions pertaining to their requirements for an equity commitment to pass threshold, if it desired to change its position, it should have done so by amending the application instructions, not simply diverging from its established interpretation and its subsequent decision. FHFC cannot simply "change its mind" about interpretations of its rules. See Cleveland Clinic v. Agency for Health Care Administration, 679 So. 2d 1237, 1241 (Fla. 1st DCA 1996), wherein the Court explained:

Without question, an agency must follow its own rules, ... but if the rule, as it plainly reads, should prove impractical in operation, the rule can be amended pursuant to established rule making procedures. However, "absent such amendment, experience cannot be permitted to dictate its terms." That is, while an administrative agency "is not necessarily bound by its initial construction of the statute evidenced by the adoption of a rule," the agency may implement its changed interpretation only by "validly adopting subsequent rule changes". The statutory framework under

which administrative agencies must operate in this state provides adequate mechanisms for the adoption or amendment of rules.

679 So. 2d at 1242 (emphasis supplied), quoting Boca Raton Artificial Kidney Center v. Department of Health and Rehabilitative Services, 493 So. 2d 1055, 1057 (Fla. 1st DCA 1986), and Department of Administration, Division of Retirement v. Albanese, 445 So. 2d 639, 642 (Fla. 1st DCA 1984); see also Brookwood-Walton Convalescent Center v. Agency for Health Care Administration, 845 So. 2d 223, 229 (Fla. 1st DCA 2003) (“The agency failed to explain why its policy had changed abruptly when applied to Appellants, despite the lack of any intervening change in the applicable provisions. AHCA’s unexplained, inconsistent policies are contrary to establish administrative principles and sound public policy.”).

33. Thus, to be consistent with its prior interpretation of its application instructions pertaining to requirements for an equity commitment letter to pass threshold, FHFC must find here that the revised equity commitment letters submitted by each Applicant fail to pass threshold, because the FHFC scoring decisions referenced herein have established binding precedent on that point.

STATEMENT OF SPECIFIC RULES AND STATUTES WARRANTING RELIEF

34. The scoring issue being challenged with respect to each of the Applicants is whether each Applicant’s revised equity commitment letter satisfies the threshold requirements set forth by FHFC in the Instructions. FHFC incorrectly determined that the revised equity commitment letter of each Applicant satisfied such threshold requirements.

35. Those determinations resulted in FHFC improperly denying Petitioner its requested tax credit funding.

36. By rule, FHFC has sought to limit the types of scoring errors that an applicant may challenge via Chapter 120 proceedings. FHFC's rule in this regard, Rule 67-48.005(5)(b), states as follows:

For any Application cycle closing after January 1, 2002, if the contested issue involves an error in scoring, the contested issue must (i) be one that could not have been cured pursuant to subsection 67-48.004(14), F.A.C., or (ii) be one that could have been cured, if the ability to cure was not solely within the Applicant's control. The contested issue cannot be one that was both curable and within the Applicant's sole control to cure. With regard to curable issues, a petitioner must prove that the contested issue was not feasibly curable within the time allowed for cures in subsection 67-48.004(6).

37. The revised equity commitment letters submitted by each of the Applicants as "cure" documentation give rise to a contested issue of the type identified in Rule 67-48.005(5)(d) as not solely within the Applicants' control to cure. Clearly, any such cure could not have occurred within the time allowed in Rule 67-48.004(6) (which pertains to the time period for curing items reflected on preliminary scores and NOPSE scores), as such issue first arose as a result of a later occurring NOAD.

RELIEF SOUGHT BY PETITIONER

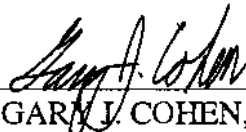
38. The specific action which Petitioner seeks is a determination that the revised equity commitment letter for each Applicant should have been rejected for failure to meet threshold, and as a result of such rejection each of the Applicants would have fallen outside of the funding range by virtue of failing threshold. Petitioner further requests FHFC to determine that, but for the error by FHFC in determining that none of the Applicants had failed threshold, Petitioner's application would have been allocated tax credits in the 2009 Universal Cycle. Finally, Petitioner requests FHFC to provide the allocation and funding requested by Petitioner

in its 2009 Universal Cycle application and to declare Petitioner eligible for funding under FHFC's Request for Proposal 2010-04, Section One (third paragraph therein).

WHEREFORE, Petitioner requests the following:

- (a) FHFC award Petitioner its requested tax credits from either currently available allocation or next available allocation;
- (b) FHFC conduct an informal hearing on the matters presented in this Petition;
- (c) FHFC's designated hearing officer enter a recommended order directing FHFC to award Petitioner its requested tax credits;
- (d) FHFC enter a final order awarding Petitioner its requested tax credits and declaring Petitioner eligible for funding under RFP 2010-04; and
- (e) Petitioner be granted such other and further relief as may be deemed just and proper.

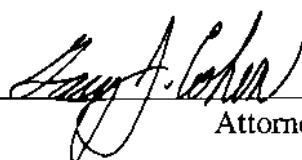
Respectfully submitted on this 19th day of March, 2010.

By: 
GARY J. COHEN, ESQ.
Florida Bar No. 353302
Shutts & Bowen LLP
201 S. Biscayne Boulevard
1500 Miami Center
Miami, Florida 33131
(305) 347-7308 (telephone)
(305) 347-7808 (facsimile)

Attorney for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and a true and correct copy of the foregoing document was served via Federal Express to the **CORPORATION CLERK**, Florida Housing Finance Corporation, 227 N. Bronough Street, City Center Building, Suite 5000, Tallahassee, Florida, 32301-1329, on this 19th day of March, 2010.



Attorney

PINNACLE AT HAMMOCK SQUARE v. FHFC

**APPLICATION NOS. 2009-151C
 2009-153C
 2009-162C**

EXHIBIT "A"

2009 CURE FORM

(Submit a SEPARATE form for EACH reason relative to EACH Application Part, Section, Subsection, and Exhibit)

This Cure Form is being submitted with regard to **Application No. 2009-151C** and pertains to:

Part V Section D Subsection 2 Exhibit No. 55 (if applicable)

The attached information is submitted in response to the 2009 Universal Scoring Summary Report because:

1. Preliminary Scoring and/or NOPSE scoring resulted in the imposition of a failure to achieve maximum points, a failure to achieve threshold, and/or a failure to achieve maximum proximity points relative to the Part, Section, Subsection, and/or Exhibit stated above. Check applicable item(s) below:

	2009 Universal Scoring Summary Report	Created by:	
		Preliminary Scoring	NOPSE Scoring
<input type="checkbox"/> Reason Score Not Maxed	Item No. ____S	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Ability to Proceed Score Not Maxed	Item No. ____A	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Reason Failed Threshold	Item No. 2T	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Proximity Points Not Maxed	Item No. ____P	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Additional Comment	Item No. ____C	<input type="checkbox"/>	<input type="checkbox"/>

2. Other changes are necessary to keep the Application consistent:

This revision or additional documentation is submitted to address an issue resulting from a cure to Part ____ Section ____ Subsection ____ Exhibit ____ (if applicable).

Brief Statement of Explanation regarding
Application 2009 – 151C

Provide a separate brief statement for each Cure

ITEM # 2T: Applicant's equity commitment was not scored firm because the equity commitment letter provided by RBC Tax Credit Equity, L.L.C. and submitted with the Application did not correctly identify the Applicant. Applicant has obtained a revised equity commitment from RBC Tax Credit Equity, L.L.C. which correctly identifies the Applicant as Renaissance Preserve III, LLLP, and otherwise meets the requirements set forth in the 2009 Universal Application Instructions.



RBC Capital Markets

RBC Tax Credit Equity Group
1549 Ringling Blvd., 3rd Floor
Sarasota, FL 34236

August 7, 2009

Mr. Richard Higgins
President
Norstar Development USA, LP
200 South Division Street
Buffalo, NY 12207

Re: Renaissance Preserve Phase II
FL Myers, Florida

Dear Rick:

Thank you for providing us the opportunity to submit a proposal on Renaissance Preserve Phase II in Ft. Myers, Lee County, Florida. This letter serves as our mutual understanding of the business terms regarding our best efforts acquisition of limited partnership interests in Renaissance Preserve III, LLLP. (the "Partnership"). RBC Tax Credit Equity, L.L.C., or an assignee (the "Limited Partner") will acquire a 99.99% limited partnership interest, and RBC Tax Manager II, Inc. (the "Special Limited Partner", and sometimes collectively with the Limited Partner, "RBC") will acquire a .01% special limited partnership interest, (collectively, the "LP Interest") in the Partnership.

1. **Project and Parties Involved.** (a) The "Project", known as Renaissance Preserve Phase II, will consist of 88 newly constructed apartment units for rent to families. The Project will consist of multiple townhouse and garden style buildings located in the County of Lee, and State of Florida (sometimes, the "Property"). Within the Project 100% of the units will be occupied in compliance with the low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code.

(b) The parties involved with the Project are as follows:

- (i) **General Partners.** The Managing General Partner will be Norstar Renaissance Preserve Family II, Inc, an affiliate of Norstar Development USA, LP, and the General Partner will be Renaissance Preserve III, LLC owned 100% by the Housing Authority of the City of Ft. Myers.
- (ii) **Developers.** The developers will be Norstar Development USA, LP and Renaissance Preserve Developers, LLC.
- (iii) **Guarantors.** Subject to RBC's review and approval of financial statements, the Guarantors are the General Partners, developers, and any others required by RBC, on a joint and several basis.

2. **Company Credits.** Anticipated Annual Tax Credits: \$1,510,000.

3. **Capital Contributions and Adjustments.** (a) RBC will fund its capital contributions pursuant to the following schedule based upon a purchase price of \$0.65 for total tax credit equity of \$9,814,019.

<u>Conditions</u>	<u>Amount</u>
i) 20% paid prior to or simultaneous with the closing of construction financing.	\$ 1,962,804
ii) 65% upon the later of (a) satisfaction of the funding conditions described in (i) above, (b) receipt of a preliminary cost certification prepared by a certified public accountant, and (c) receipt of Certificates of Occupancy on all units.	\$ 6,379,112
iii) 15% upon the later of (a) satisfaction of the funding conditions described in (ii) above, (b) achievement of 3 consecutive months of a 1.15 debt service coverage ratio on all foreclosable debt, and (c) permanent loan conversion, (d) achievement of Qualified Occupancy and (e) achievement of 95% physical occupancy.	\$ 1,472,103
	<u>\$ 9,814,019</u>

4. **Tax Benefits and Distributions.**

(a) **Tax Benefits.** Tax profits, tax losses, and tax credits will be allocated 99.99% to the Limited Partner, .001% to the Special Limited Partner and .009% to the General Partner

(b) **Net Cash Flow Distributions.** Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service, property management fee and asset management fee), will be made as follows:

- (i) to the partners in proportion to any so called "phantom income" tax liability incurred by such partners;
- (ii) to the Limited Partner, to make any payment of any Adjusted Amount or payment of LIHTC shortfall or recapture amount not previously paid;
- (iii) to the replenishment of the operating reserve in section 7 (a);
- (iv) to the payment of any unpaid developer fee, until such fee has been paid in full;
- (v) to the payment of any debts owed to the Partners and/or their affiliates;
- (vi) 90% to the General Partner for the incentive management fee and the balance to the Partners in accordance with their percentage interests described in Paragraph 9(a).

- (c) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:
- (i) to payment in full of any Partnership debts except those due to Partners and/or their affiliates;
 - (ii) to the setting up of any required reserves for contingent liabilities or obligations of the Partnership;
 - (iii) to the Limited Partner to make any payment of any Adjustment Amount or any payment of LIHTC shortfall or recapture amount not previously paid;
 - (iv) to the payment of any debts owed to the General Partner or its affiliates including any unpaid developer fee;
 - (v) to the Special Limited Partner, 1% of such proceeds as a capital transaction administrative fee;
 - (vi) to the Limited Partner for any excess or additional Capital Contributions made by it;
 - (vii) to the Limited Partner in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; and
 - (viii) the balance, 90% to the General Partner, 9.99% to the Limited Partner and .01% to the Special Limited Partner.

5. General Partner Obligations and Guarantees. In addition to Paragraphs 5(b) and (d) and the items described in the Partnership Agreement, the General Partner will be responsible for the following items. Any amounts advanced by the General Partner will not be considered as loans or Capital Contributions reimbursable or repayable by the Partnership unless otherwise stated herein.

- (a) Construction Completion. The General Partner will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, and costs necessary to fund reserves required to be funded at or before permanent loan closing.
- (b) Operating Deficits.
- (i) The General Partner will guarantee operating deficits to the Partnership until the Project has achieved three consecutive months of operations in which rental revenues are equal to or exceed the aggregate of operating expenses, reserve requirements and debt service, to the extent then due and payable (together with a ratable portion of annual expenses not yet due and payable) ("Breakeven");
 - (ii) Commencing with Breakeven Operations and continuing for a period of three years thereafter, the General Partner will guarantee funding for operating deficits of up to an amount equal to 6 months of debt service, repayment of which will be evidenced by an unsecured loan to the Partnership with interest at the rate of 8% per annum, to be repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 9 hereof.
- (c) The amount of actual LIHTC will be determined promptly following receipt of cost certification from the accountant and Form 8609. In the event that actual LIHTC are less than Projected LIHTC, RBC's capital contributions will be reduced by an amount (the "Adjustment Amount") equal to the

product of (i) \$0.65 multiplied by (ii) the difference between Projected LIHTC and Actual LIHTC. If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the General Partner will make a payment to the Partnership equal to the amount of such excess, and the Partnership will immediately distribute such amount to RBC as a return of its capital contribution. This payment will not give rise to any right as a loan or Capital Contribution or result in any increase in the General Partner's capital account.

(d) In addition to the Adjustment Amount, RBC's capital contribution will be similarly reduced in the event that the actual amount of LIHTC the first calendar year of tax credits is less than the amounts projected. The amount (the "Late Delivery Adjustment") of this reduction will equal the amount that the Actual LIHTC for such year is less than the amount projected minus the present value of the Late Delivery Adjustment using a 10% discount rate.

(e) LIHTC Shortfall or Recapture Event. In addition to the Adjustment Amount and Late Delivery Adjustment, if the actual amount of LIHTC for any year is less than Projected LIHTC, the General Partner will guarantee payment to the Limited Partner of an amount equal to the shortfall or recapture amount, plus related costs and expenses incurred by the Limited Partner.

(f) Repurchase. The General Partner will repurchase RBC's interest upon the occurrence of certain events described in the Partnership Agreement.

(g) Guarantors. The Guarantors will guarantee the General Partner's obligations under Sections 5(a), (b) (c) and (f) above. The Guarantors will maintain a net worth as required by RBC and agreed to by the General Partner and provide RBC with annual financial statements evidencing compliance with the net worth and liquidity requirements.

6. Debt Sources. As a condition to funding our capital contribution, the General Partner will deliver the loan commitments in the approximate amount described in subparagraphs (a) - (b). The terms of these loans are subject to RBC's consent.

(a) Housing Authority Loan. A nonrecourse loan in the amount of \$1,575,000 with an interest rate of 0% and repaid from available cash flow.

(b) Deferred Developer Fee. A deferred developer in the amount of \$5,551 with an interest rate at 8% and repaid from available cash flow.

(c) Construction Loan. A construction loan in the amount sufficient to complete construction of the project.

7. Reserves.

7. Reserves.

(a) Operating Reserves. An operating reserve in the amount equal to 6 months of operating expense and debt service or as otherwise agreed on by the General Partner and Limited partner that will be established and maintained by the General Partner no later than RBC's final capital contribution. Withdrawals from the operating reserve will be subject to RBC's consent.

(a) Replacement Reserves. The Partnership will maintain a replacement reserve, and make contributions on an annual basis equal to the greater of (i) \$250 per unit and (ii) the amount required by the permanent lender. The amount of the contribution will increase annually by 3%.

8. Fees and Compensation. The following fees will be paid by the Partnership for services rendered in organizing, developing and managing the Partnership and the Project.

(a) Developer Fee. The Developer will earn a developer fee of \$1,960,210.

If the proceeds from the Project budget are not sufficient to pay the developer fee, the fee will be deferred with interest at AFR per annum and payable from net cash flow. Payment of the deferred fee will be subordinate to all other Partnership debt as well as operating expense and reserve requirements. The General Partner and the Guarantors will guarantee payment of any developer fee remaining unpaid after 15 years from the date of the Partnership Agreement.

(b) Incentive Management Fee. An incentive management fee will be payable to the General Partner on an annual basis in an amount equal to 90% of net cash flow after payment of the items described in Paragraph 4(b)(i)-(v).

(c) Property Management Fee. The property management fee will not exceed 6.0% of gross rental revenues. The terms of the property management agreement are subject to the prior approval of RBC.

(d) Asset Management Fee. The Partnership will pay the Special Limited Partner an annual asset management fee in an amount equal to \$5,000. The asset management fee will increase by 3% on an annual basis and will be paid quarterly commencing the first calendar quarter during the year in which the Project is placed in service.

9. Construction. The General Partner will arrange for a fixed or guaranteed maximum price construction contract in an amount not to exceed \$10,937,290. The Contractor's obligations will be secured by payment and performance bonds in an amount not less than the amount of the construction contract. RBC, may, in its sole discretion, engage a construction consultant to review plans and specifications and evaluate the construction progress by providing monthly reports to the Partnership. The cost of the construction consultant will be paid by the Partnership.

10. Due Diligence, Opinions and Projections.

(a) The General Partner will pay RBC a due diligence fee of \$50,000 in addition to provide all due diligence items set forth on its Due Diligence Checklist, including but not limited to, financial statements for the Guarantors, plans and specifications, a current appraisal, a current market study, a Phase I environmental report and title and survey. The due diligence fee shall be deducted from RBC's First Capital Contribution.

(b) The General Partner's counsel will deliver to RBC a local law opinion satisfactory to RBC. RBC's counsel will prepare the tax opinion and the General Partner agrees to cooperate to provide all necessary documentation requested by RBC's counsel. Both the General Partner and its counsel will review the tax opinion prior to its issuance.

(c) The projections to be attached to the Partnership Agreement and that support the Tax Opinion will be prepared by RBC based on projections provided by the General Partner. The projections will include development sources and uses, calculation of eligible basis, operating and construction period cash flow analysis, 15-year operating projection, 30-year debt analysis and 15-year capital account analysis.

11. **Partnership Closing.** Final Partnership closing will be contingent upon RBC's receipt, review and approval of all due diligence including the items set forth on its due diligence checklist previously delivered to the General Partner as well as the following:

(a) Preparation and execution of RBC's standard Partnership Agreement and other fee agreements containing customary representations and warranties, covenants, consent rights, and indemnities, each on terms and conditions satisfactory to RBC.

(b) RBC's satisfactory review of background and related financial reports on such members of the development team as determined by RBC. The General Partner agrees to reasonably cooperate with RBC (including signing such consents as may be necessary) in obtaining such reports.

(c) RBC's agreement to acquire the LP Interest is based on certain assumptions formulated using the information contained in this letter, which you have provided to us. We may update and adjust the terms of this letter to reflect changes in these assumptions and other information which becomes available to us during our due diligence review, and for changes in law which occur prior to entering into the Partnership Agreement.

(d) RBC's agreement to acquire the LP Interest on the pricing, terms and conditions contained in this letter are further based on the assumption that the Partnership closing will occur on or before June 30, 2010. In the event the closing does not occur by the Anticipated Closing Date, RBC reserves the right to modify this letter to be consistent with the prevailing market conditions.

(e) RBC's receipt of a firm commitment from a third party investor to purchase from RBC the LP Interest on terms and conditions satisfactory to RBC in its sole discretion.

12. **Exclusive Period and Confidentiality.**

(a) The General Partner agrees to keep the terms and conditions contained in this letter confidential and not to disclose the terms to any third party (other than attorneys and accountants of the Partnership) without the express prior written approval of RBC.

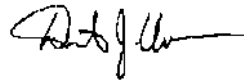
(b) **Confidentiality.** Notwithstanding the foregoing confidentiality provisions, the parties confirm that there are no limitations on the disclosure of the tax treatment or tax structure of the Project.

(c) **Term of LOI.** The terms and conditions of this letter of intent shall not expire prior to June 30, 2010.

Renaissance Preserve III
August 7, 2009
Page 7

If the foregoing is in accordance with your understanding of the terms and conditions, please indicate your acceptance on the enclosed copy and return it to the undersigned so RBC may commence and can complete its due diligence review and take the steps towards Partnership closing as described in Paragraph 12.

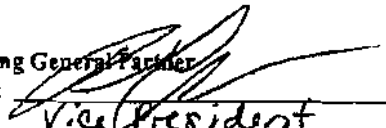
Very truly yours,



By: _____
Name: David J. Urban
Title: Vice President

The undersigned approves and accepts the terms of this letter agreement and agrees to work with RBC towards a definitive partnership agreement.

Managing General Partner



By: _____
Its: Vice President
Date: August 10, 2009

2009 CURE FORM

(Submit a SEPARATE form for EACH reason relative to EACH Application Part, Section, Subsection, and Exhibit)

This Cure Form is being submitted with regard to **Application No. 2009-153C** and pertains to:

Part V Section D Subsection 2 Exhibit No. 55 (if applicable)

The attached information is submitted in response to the 2009 Universal Scoring Summary Report because:

1. Preliminary Scoring and/or NOPSE scoring resulted in the imposition of a failure to achieve maximum points, a failure to achieve threshold, and/or a failure to achieve maximum proximity points relative to the Part, Section, Subsection, and/or Exhibit stated above. Check applicable item(s) below:

	2009 Universal Scoring Summary Report	Created by:	
		Preliminary Scoring	NOPSE Scoring
<input type="checkbox"/> Reason Score Not Maxed	Item No. ____S	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Ability to Proceed Score Not Maxed	Item No. ____A	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Reason Failed Threshold	Item No. 2T	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Proximity Points Not Maxed	Item No. ____P	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Additional Comment	Item No. ____C	<input type="checkbox"/>	<input type="checkbox"/>

2. Other changes are necessary to keep the Application consistent:

This revision or additional documentation is submitted to address an issue resulting from a cure to Part ____ Section ____ Subsection ____ Exhibit ____ (if applicable).

Brief Statement of Explanation regarding
Application 2008 – 153C

Provide a separate brief statement for each Cure

ITEM # 2T: Applicant's equity commitment was not scored firm because the equity commitment letter provided by RBC Tax Credit Equity, LLC, and submitted with the Application did not contain the language "paid prior to or simultaneous with the closing of construction financing" as required by page 73 of the 2009 Universal Application Instructions. Applicant has obtained a revised equity commitment from RBC Tax Credit Equity, LLC, which contains the missing language and otherwise meets the requirements set forth in the 2009 Universal Application Instructions.



RBC Capital Markets

RBC Tax Credit Equity Group
1549 Ringling Blvd., 3rd Floor
Sarasota, FL 34236

August 12, 2009

Mr. Richard Higgins
President
Norstar Development USA, LP
200 South Division Street
Buffalo, NY 12207

*Re: Sunrise Park Apartments
Lake Wales, Florida*

Dear Rick:

Thank you for providing us the opportunity to submit a proposal on Sunrise Park Apartments in Lake Wales, Polk County, Florida. This letter serves as our mutual understanding of the business terms regarding our best efforts acquisition of limited partnership interests in Sunrise Park Phase I, Ltd. (the "Partnership"). RBC Tax Credit Equity, L.L.C., or an assignee (the "Limited Partner") will acquire a 99.99% limited partnership interest, and RBC Tax Manager II, Inc. (the "Special Limited Partner", and sometimes collectively with the Limited Partner, "RBC") will acquire a .01% special limited partnership interest (collectively, the "LP Interest") in the Partnership.

1. **Project and Parties Involved.** (a) The "Project", known as Sunrise Park Apartments, will consist of 72 newly constructed apartment units for rent to families. The Project will consist of multiple townhouse and garden style buildings located in the County of Polk, and State of Florida (sometimes, the "Property"). Within the Project 100% of the units will be occupied in compliance with the low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code.

(b) The parties involved with the Project are as follows:

- (i) **General Partners.** The Managing General Partner will be Norstar Sunrise Park I, Inc., an affiliate of Norstar Development USA, LP and the General Partner will be LWHA Sunrise Park Phase I, LLC owned 100% by the Lake Wales Housing Authority.
- (ii) **Developers.** The developers will be Norstar Development USA, LP and LWHA Development, LLC.
- (iii) **Guarantors.** Subject to RBC's review and approval of financial statements, the Guarantors are the General Partners, developers, and any others required by RBC, on a joint and several basis.

2. **Company Credits.** Anticipated Annual Tax Credits: \$998,400.

3. Capital Contributions and Adjustments. (a) RBC will fund its capital contributions pursuant to the following schedule based upon a purchase price of \$0.65 for total tax credit equity of \$6,488,951.

<u>Conditions</u>	<u>Amount</u>
i) 31.1% paid prior to or simultaneous with the closing of the construction financing.	\$ 2,017,008
ii) 53.9% upon the later of (a) satisfaction of the funding conditions described in (i) above, (b) receipt of a preliminary cost certification prepared by a certified public accountant, and (c) receipt of Certificates of Occupancy on all units.	\$ 3,498,600
iii) 15% upon the later of (a) satisfaction of the funding conditions described in (ii) above, (b) achievement of 3 consecutive months of a 1.15 debt service coverage ratio on all foreclosable debt, and (c) permanent loan conversion, (d) achievement of Qualified Occupancy and (e) achievement of 95% physical occupancy.	\$ 973,343
	<u>\$ 6,488,951</u>

4. Tax Benefits and Distributions.

(a) Tax Benefits. Tax profits, tax losses, and tax credits will be allocated 99.99% to the Limited Partner, .001% to the Special Limited Partner and .009% to the General Partner

(b) Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service, property management fee and asset management fee), will be made as follows:

- (i) to the partners in proportion to any so called "phantom income" tax liability incurred by such partners;
- (ii) to the Limited Partner, to make any payment of any Adjustment Amount or payment of LIHTC shortfall or recapture amount not previously paid;
- (iii) to the replenishment of the operating reserve in section 7 (a);
- (iv) to the payment of any unpaid developer fee, until such fee has been paid in full;
- (v) to the payment of any debts owed to the Partners and/or their affiliates;
- (vi) 90% to the General Partner for the incentive management fee and the balance to the Partners in accordance with their percentage interests described in Paragraph 9(a).

(c) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:

- (i) to payment in full of any Partnership debts except those due to Partners and/or their affiliates;
- (ii) to the setting up of any required reserves for contingent liabilities or obligations of the Partnership;
- (iii) to the Limited Partner to make any payment of any Adjustment Amount or any payment of LIHTC shortfall or recapture amount not previously paid;
- (iv) to the payment of any debts owed to the General Partner or its affiliates including any unpaid developer fee;
- (v) to the Special Limited Partner, 1% of such proceeds as a capital transaction administrative fee;
- (vi) to the Limited Partner for any excess or additional Capital Contributions made by it;
- (vii) to the Limited Partner in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; and
- (viii) the balance, 90% to the General Partner, 9.99% to the Limited Partner and .01% to the Special Limited Partner.

5. General Partner Obligations and Guarantees. In addition to Paragraphs 5(b) and (d) and the items described in the Partnership Agreement, the General Partner will be responsible for the following items. Any amounts advanced by the General Partner will not be considered as loans or Capital Contributions reimbursable or repayable by the Partnership unless otherwise stated herein.

(a) Construction Completion. The General Partner will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, and costs necessary to fund reserves required to be funded at or before permanent loan closing.

(b) Operating Deficits.

- (i) The General Partner will guarantee operating deficits to the Partnership until the Project has achieved three consecutive months of operations in which rental revenues are equal to or exceed the aggregate of operating expenses, reserve requirements and debt service, to the extent then due and payable (together with a ratable portion of annual expenses not yet due and payable) ("Breakeven");
- (ii) Commencing with Breakeven Operations and continuing for a period of three years thereafter, the General Partner will guarantee funding for operating deficits of up to an amount equal to 6 months of debt service, repayment of which will be evidenced by an unsecured loan to the Partnership with interest at the rate of 8% per annum, to be repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 9 hereof.

(c) The amount of actual LIHTC will be determined promptly following receipt of cost certification from the accountant and Form 8609. In the event that actual LIHTC are less than Projected LIHTC, RBC's capital contributions will be reduced by an amount (the "Adjustment Amount") equal to the

product of (i) \$0.65 multiplied by (ii) the difference between Projected LIHTC and Actual LIHTC. If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the General Partner will make a payment to the Partnership equal to the amount of such excess, and the Partnership will immediately distribute such amount to RBC as a return of its capital contribution. This payment will not give rise to any right as a loan or Capital Contribution or result in any increase in the General Partner's capital account.

(d) In addition to the Adjustment Amount, RBC's capital contribution will be similarly reduced in the event that the actual amount of LIHTC the first calendar year of tax credits is less than the amounts projected. The amount (the "Late Delivery Adjustment") of this reduction will equal the amount that the Actual LIHTC for such year is less than the amount projected minus the present value of the Late Delivery Adjustment using a 10% discount rate.

(e) LIHTC Shortfall or Recapture Event. In addition to the Adjustment Amount and Late Delivery Adjustment, if the actual amount of LIHTC for any year is less than Projected LIHTC, the General Partner will guarantee payment to the Limited Partner of an amount equal to the shortfall or recapture amount, plus related costs and expenses incurred by the Limited Partner.

(f) Repurchase. The General Partner will repurchase RBC's interest upon the occurrence of certain events described in the Partnership Agreement.

(g) Guarantors. The Guarantors will guarantee the General Partner's obligations under Sections 5(a), (b) (c) and (f) above. The Guarantors will maintain a net worth as required by RBC and agreed to by the General Partner and provide RBC with annual financial statements evidencing compliance with the net worth and liquidity requirements.

6. Debt Sources. As a condition to funding our capital contribution, the General Partner will deliver the loan commitments in the approximate amount described in subparagraphs (a) - (c). The terms of these loans are subject to RBC's consent.

(a) Housing Authority Loan. A nonrecourse loan in the amount of \$1,800,000 with an interest rate of 1% and repaid from available cash flow.

(b) Deferred Developer Fee. A deferred developer in the amount of \$15,613 with an interest rate at 8% and repaid from available cash flow.

(c) Construction Loan. A construction loan in the amount sufficient to complete construction of the project.

7. Reserves.

(a) Operating Reserves. An operating reserve in the amount equal to 6 months of operating expense and debt service or as otherwise agreed on by the General Partner and Limited partner that will be established and maintained by the General Partner no later than RBC's final capital contribution. Withdrawals from the operating reserve will be subject to RBC's consent.

(a) Replacement Reserves. The Partnership will maintain a replacement reserve, and make contributions on an annual basis equal to the greater of (i) \$250 per unit and (ii) the amount required by the permanent lender. The amount of the contribution will increase annually by 3%.

8. Fees and Compensation. The following fees will be paid by the Partnership for services rendered in organizing, developing and managing the Partnership and the Project.

(a) Developer Fee. The Developer will earn a developer fee of \$1,675,112.

If the proceeds from the Project budget are not sufficient to pay the developer fee, the fee will be deferred with interest at AFR per annum and payable from net cash flow. Payment of the deferred fee will be subordinate to all other Partnership debt as well as operating expense and reserve requirements. The General Partner and the Guarantors will guarantee payment of any developer fee remaining unpaid after 15 years from the date of the Partnership Agreement.

(b) Incentive Management Fee. An incentive management fee will be payable to the General Partner on an annual basis in an amount equal to 90% of net cash flow after payment of the items described in Paragraph 4(b)(i)-(v).

(c) Property Management Fee. The property management fee will not exceed 6.0% of gross rental revenues. The terms of the property management agreement are subject to the prior approval of RBC.

(d) Asset Management Fee. The Partnership will pay the Special Limited Partner an annual asset management fee in an amount equal to \$5,000. The asset management fee will increase by 3% on an annual basis and will be paid quarterly commencing the first calendar quarter during the year in which the Project is placed in service.

9. Construction. The General Partner will arrange for a fixed or guaranteed maximum price construction contract in an amount not to exceed \$8,050,000. The Contractor's obligations will be secured by payment and performance bonds in an amount not less than the amount of the construction contract. RBC, may, in its sole discretion, engage a construction consultant to review plans and specifications and evaluate the construction progress by providing monthly reports to the Partnership. The cost of the construction consultant will be paid by the Partnership.

10. Due Diligence, Opinions and Projections.

(a) The General Partner will pay RBC a due diligence fee of \$50,000 in addition to provide all due diligence items set forth on its Due Diligence Checklist, including but not limited to, financial statements for the Guarantors, plans and specifications, a current appraisal, a current market study, a Phase I environmental report and title and survey. The due diligence fee shall be deducted from RBC's First Capital Contribution.

(b) The General Partner's counsel will deliver to RBC a local law opinion satisfactory to RBC. RBC's counsel will prepare the tax opinion and the General Partner agrees to cooperate to provide all necessary documentation requested by RBC's counsel. Both the General Partner and its counsel will review the tax opinion prior to its issuance.

(c) The projections to be attached to the Partnership Agreement and that support the Tax Opinion will be prepared by RBC based on projections provided by the General Partner. The projections will

include development sources and uses, calculation of eligible basis, operating and construction period cash flow analysis, 15-year operating projection, 30-year debt analysis and 15-year capital account analysis.

11. **Partnership Closing.** Final Partnership closing will be contingent upon RBC's receipt, review and approval of all due diligence including the items set forth on its due diligence checklist previously delivered to the General Partner as well as the following:

(a) Preparation and execution of RBC's standard Partnership Agreement and other fee agreements containing customary representations and warranties, covenants, consent rights, and indemnities, each on terms and conditions satisfactory to RBC.

(b) RBC's satisfactory review of background and related financial reports on such members of the development team as determined by RBC. The General Partner agrees to reasonably cooperate with RBC (including signing such consents as may be necessary) in obtaining such reports.

(c) RBC's agreement to acquire the LP Interest is based on certain assumptions formulated using the information contained in this letter, which you have provided to us. We may update and adjust the terms of this letter to reflect changes in these assumptions and other information which becomes available to us during our due diligence review, and for changes in law which occur prior to entering into the Partnership Agreement.

(d) RBC's agreement to acquire the LP Interest on the pricing, terms and conditions contained in this letter are further based on the assumption that the Partnership closing will occur on or before June 30, 2010. In the event the closing does not occur by the Anticipated Closing Date, RBC reserves the right to modify this letter to be consistent with the prevailing market conditions.

(e) RBC's receipt of a firm commitment from a third party investor to purchase from RBC the LP Interest on terms and conditions satisfactory to RBC in its sole discretion.

12. **Exclusive Period and Confidentiality.**

(a) The General Partner agrees to keep the terms and conditions contained in this letter confidential and not to disclose the terms to any third party (other than attorneys and accountants of the Partnership) without the express prior written approval of RBC.

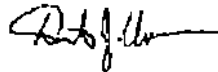
(b) **Confidentiality.** Notwithstanding the foregoing confidentiality provisions, the parties confirm that there are no limitations on the disclosure of the tax treatment or tax structure of the Project.

(c) **Term of LOI.** The terms and conditions of this letter of intent shall not expire prior to June 30, 2010.

Sunrise Park Apartments
August 12, 2009
Page 7

If the foregoing is in accordance with your understanding of the terms and conditions, please indicate your acceptance on the enclosed copy and return it to the undersigned so RBC may commence and can complete its due diligence review and take the steps towards Partnership closing as described in Paragraph 12.

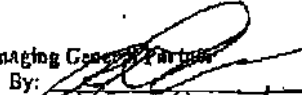
Very truly yours,



By: _____
Name: David J. Urban
Title: Vice President

The undersigned approves and accepts the terms of this letter agreement and agrees to work with RBC towards a definitive partnership agreement.

Managing General Partner



By: _____
Title: Vice President
Date: August 14, 2009

2009 CURE FORM

(Submit a SEPARATE form for EACH reason relative to
EACH Application Part, Section, Subsection, and Exhibit)

This Cure Form is being submitted with regard to **Application No. 2009-162C** and pertains to:

Part V Section D Subsection 2 Exhibit No. 57 (if applicable)

The attached information is submitted in response to the 2009 Universal Scoring Summary Report because:

1. Preliminary Scoring and/or NOPSE scoring resulted in the imposition of a failure to achieve maximum points, a failure to achieve threshold, and/or a failure to achieve maximum proximity points relative to the Part, Section, Subsection, and/or Exhibit stated above. Check applicable item(s) below:

	2009 Universal Scoring Summary Report	Created by:	
		Preliminary Scoring	NOPSE Scoring
<input type="checkbox"/> Reason Score Not Maxed	Item No. ____S	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Ability to Proceed Score Not Maxed	Item No. ____A	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Reason Failed Threshold	Item No. 3T	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Reason Proximity Points Not Maxed	Item No. ____P	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Additional Comment	Item No. ____C	<input type="checkbox"/>	<input type="checkbox"/>

2. Other changes are necessary to keep the Application consistent:

This revision or additional documentation is submitted to address an issue resulting from a cure to Part ____ Section ____ Subsection ____ Exhibit ____ (if applicable).

Brief Statement of Explanation regarding
Application 2009 – 162C

Provide a separate brief statement for each Cure

FHFC issued Threshold Failure item 3T because it ascertained that the Applicant name is incorrectly stated in the signature block and therefore is not a firm commitment.

In response to Threshold Failure item 3T the revised Equity commitment provided has been amended to reflect the correct Applicant entity and is now a firm commitment.



RBC Capital Markets

RBC Tax Credit Equity Group
1549 Ringling Blvd., 3rd Floor
Sarasota, FL 34236

August 11, 2009

Mr. Alan F. Scott
Magnolia Gardens I, Ltd.
5309 Transportation Blvd.
Cleveland, Ohio 44125

**Re: *Magnolia Gardens
Hernando County, Florida***

Dear Mr. Scott:

Thank you for providing us the opportunity to submit a proposal on Magnolia Gardens in Hernando County, Florida. This letter serves as our mutual understanding of the business terms regarding our best efforts acquisition of limited partnership interests in a to-be-formed limited partnership (the "Partnership"). RBC Tax Credit Equity, L.L.C., or an assignee (the "Limited Partner") will acquire a 99.99% limited partnership interest, and RBC Tax Manager II, Inc. (the "Special Limited Partner", and sometimes collectively with the Limited Partner, "RBC") will acquire a .01% special limited partnership interest (collectively, the "LP Interest") in the Partnership.

1. **Project and Parties Involved.** (a) The "Project", known as Magnolia Gardens, will consist of 60 newly constructed apartment units for rent to elderly. The Project will consist of a single three-story building located in the County of Hernando, and State of Florida (sometimes, the "Property"). Within the Project 100% of the units will be occupied in compliance with the low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code.

(b) The parties involved with the Project are as follows:

- (i) **General Partners.** The General Partners will be NRP Magnolia Gardens LLC and HCHA-Magnolia LLC.
- (ii) **Developer.** The developer will be NRP Florida Development, LLC.
- (iii) **Guarantors.** Subject to RBC's review and approval of financial statements, the Guarantors are the General Partners, developers, and any others required by RBC, on a joint and several basis.

2. **Company Credits.** Anticipated Annual Tax Credits: \$1,069,218.

3. **Capital Contributions and Adjustments.** (a) RBC will fund its capital contributions pursuant to the following schedule based upon a purchase price of \$0.675 for total tax credit equity of \$7,216,500.

<u>Conditions</u>	<u>Amount</u>
i) 25% prior to or simultaneous with the closing of the construction financing.	\$ 1,804,125
ii) 25% upon achievement of (a) 50% construction completion.	\$ 1,804,125
iii) 25% upon the later of (a) satisfaction of the funding conditions described in (ii) above, (b) receipt of a final cost certification prepared by a certified public accountant, and (c) receipt of the final Certificates of Occupancy on all units.	\$ 1,804,125
iv) 25% upon the later of (a) satisfaction of the funding conditions described in (iii) above, (b) achievement of 3 consecutive months of a 1.15 debt service coverage ratio on all foreclosable debt, and (c) permanent loan conversion, (d) achievement of Qualified Occupancy and (e) achievement of 95% physical occupancy.	\$ 1,804,125
	<u>\$ 7,216,500</u>

4. **Tax Benefits and Distributions.**

(a) **Tax Benefits.** Tax profits, tax losses, and tax credits will be allocated 99.99% to the Limited Partner, .001% to the Special Limited Partner and .009% to the General Partner

(b) **Net Cash Flow Distributions.** Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service, property management fee and asset management fee), will be made as follows:

- (i) to the partners in proportion to any so called "phantom income" tax liability incurred by such partners;
- (ii) to the Limited Partner, to make any payment of any Adjustment Amount or payment of LIHTC shortfall or recapture amount not previously paid;
- (iii) to the replenishment of the operating reserve in section 7 (a);
- (iv) to the payment of any unpaid developer fee, until such fee has been paid in full;
- (v) to the payment of any debts owed to the Partners and/or their affiliates;
- (vi) 90% to the General Partner for the incentive management fee and the balance to the Partners in accordance with their percentage interests described in Paragraph 9(a).

(c) Distributions upon Sale, Liquidation or Refinance. Net proceeds resulting from any sale, liquidation or refinance will be distributed as follows:

- (i) to payment in full of any Partnership debts except those due to Partners and/or their affiliates;
- (ii) to the setting up of any required reserves for contingent liabilities or obligations of the Partnership;
- (iii) to the Limited Partner to make any payment of any Adjustment Amount or any payment of LIHTC shortfall or recapture amount not previously paid;
- (iv) to the payment of any debts owed to the General Partner or its affiliates including any unpaid developer fee;
- (v) to the Special Limited Partner, 1% of such proceeds as a capital transaction administrative fee;
- (vi) to the Limited Partner for any excess or additional Capital Contributions made by it;
- (vii) to the Limited Partner in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; and
- (viii) the balance, 90% to the General Partner, 9.99% to the Limited Partner and .01% to the Special Limited Partner.

5. General Partner Obligations and Guarantees. In addition to Paragraphs 5(b) and (d) and the items described in the Partnership Agreement, the General Partner will be responsible for the following items. Any amounts advanced by the General Partner will not be considered as loans or Capital Contributions reimbursable or repayable by the Partnership unless otherwise stated herein.

(a) Construction Completion. The General Partner will guarantee construction completion in accordance with approved plans and specifications and will pay for any construction costs, costs to achieve permanent loan closing, and costs necessary to fund reserves required to be funded at or before permanent loan closing.

(b) Operating Deficits.

- (i) The General Partner will guarantee operating deficits to the Partnership until the Project has achieved three consecutive months of operations in which rental revenues are equal to or exceed the aggregate of operating expenses, reserve requirements and debt service, to the extent then due and payable (together with a ratable portion of annual expenses not yet due and payable) ("Breakeven");
- (ii) Commencing with Breakeven Operations and continuing for a period of three years thereafter, the General Partner will guarantee funding for operating deficits of up to an amount equal to 6 months of debt service, repayment of which will be evidenced by an unsecured loan to the Partnership with interest at the rate of 8% per annum, to be repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 9 hereof.

(c) The amount of actual LIHTC will be determined promptly following receipt of cost certification from the accountant and Form 8609. In the event that actual LIHTC are less than Projected LIHTC, RBC's capital contributions will be reduced by an amount (the "Adjustment Amount") equal to the

product of (i) \$0.675 multiplied by (ii) the difference between Projected LIHTC and Actual LIHTC. If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the General Partner will make a payment to the Partnership equal to the amount of such excess, and the Partnership will immediately distribute such amount to RBC as a return of its capital contribution. This payment will not give rise to any right as a loan or Capital Contribution or result in any increase in the General Partner's capital account.

(d) In addition to the Adjustment Amount, RBC's capital contribution will be similarly reduced in the event that the actual amount of LIHTC the first calendar year of tax credits is less than the amounts projected. The amount (the "Late Delivery Adjustment") of this reduction will equal the amount that the Actual LIHTC for such year is less than the amount shown in Paragraph 3 minus the present value of the Late Delivery Adjustment using a 10% discount rate.

(e) LIHTC Shortfall or Recapture Event. In addition to the Adjustment Amount and Late Delivery Adjustment, if the actual amount of LIHTC for any year is less than Projected LIHTC, the General Partner will guarantee payment to the Limited Partner of an amount equal to the shortfall or recapture amount, plus related costs and expenses incurred by the Limited Partner.

(f) Repurchase. The General Partner will repurchase RBC's interest upon the occurrence of certain events described in the Partnership Agreement.

(g) Guarantors. The Guarantors will guarantee all of the General Partner's obligations. The Guarantors will maintain a net worth as required by RBC and agreed to by the General Partner and provide RBC with annual financial statements evidencing compliance with the net worth and liquidity requirements.

6. Debt Sources. As a condition to funding our capital contribution, the General Partner will deliver the loan commitments in the approximate amount described in subparagraphs (a) - (b). The terms of these loans are subject to RBC's consent.

(a) Permanent Loan. A permanent loan in the amount of \$990,000 with an amortization of 360 months, a 18-year term, and a fixed interest rate of 9.32%.

(b) Construction Loan. A construction loan in an amount to complete construction of the project.

7. Reserves

(a) Operating Reserves. An operating reserve in the amount equal to 6 months of operating expense and debt service or as otherwise agreed on by the General Partner and Limited partner that will be established and maintained by the General Partner no later than RBC's final capital contribution. Withdrawals from the operating reserve will be subject to RBC's consent.

(a) Replacement Reserves. The Partnership will maintain a replacement reserve, and make contributions on an annual basis equal to the greater of (i) \$300 per unit and (ii) the amount required by the permanent lender. The amount of the contribution will increase annually by 3%.

8. Fees and Compensation. The following fees will be paid by the Partnership for services rendered in organizing, developing and managing the Partnership and the Project.

(a) Developer Fee. The Developer will earn a developer fee of \$1,335,053.

If the proceeds from the Project budget are not sufficient to pay the developer fee, the fee will be deferred with interest at AFR per annum and payable from net cash flow. Payment of the deferred fee will be subordinate to all other Partnership debt as well as operating expense and reserve requirements. The General Partner and the Guarantors will guarantee payment of any developer fee remaining unpaid after 15 years from the date of the Partnership Agreement.

(b) Incentive Management Fee. An incentive management fee will be payable to the General Partner on an annual basis in an amount equal to 90% of net cash flow after payment of the items described in Paragraph 9(b)(i)-(iv).

(c) Property Management Fee. The property management fee will not exceed 6.09% of gross rental revenues. The terms of the property management agreement are subject to the prior approval of RBC.

(d) Asset Management Fee. The Partnership will pay the Special Limited Partner an annual asset management fee in an amount equal to \$10,000. The asset management fee will increase by 3% on an annual basis and will be paid quarterly commencing the first calendar quarter during the year in which the Project is placed in service.

9. Construction. The General Partner will arrange for a fixed or guaranteed maximum price construction contract in an amount not to exceed \$6,120,022. The Contractor's obligations will be secured by payment and performance bonds in an amount not less than the amount of the construction contract. RBC, may, in its sole discretion, engage a construction consultant to review plans and specifications and evaluate the construction progress by providing monthly reports to the Partnership. The cost of the construction consultant will be paid by the Partnership.

10. Due Diligence, Opinions and Projections.

(a) The General Partner will pay RBC a due diligence fee of \$50,000 in addition to provide all due diligence items set forth on its Due Diligence Checklist, including but not limited to, financial statements for the Guarantors, plans and specifications, a current appraisal, a current market study, a Phase I environmental report and title and survey.

(b) The General Partner's counsel will deliver to RBC a local law opinion satisfactory to RBC. RBC's counsel will prepare the tax opinion and the General Partner agrees to cooperate to provide all necessary documentation requested by RBC's counsel. Both the General Partner and its counsel will review the tax opinion prior to its issuance.

(c) The projections to be attached to the Partnership Agreement and that support the Tax Opinion will be prepared by RBC based on projections provided by the General Partner. The projections will include development sources and uses, calculation of eligible basis, operating and construction period cash flow analysis, 15-year operating projection, 30-year debt analysis and 15-year capital account analysis.

11. Partnership Closing. Final Partnership closing will be contingent upon RBC's receipt, review and approval of all due diligence including the items set forth on its due diligence checklist previously delivered to the General Partner as well as the following:

(a) Preparation and execution of RBC's standard Partnership Agreement and other fee agreements containing customary representations and warranties, covenants, consent rights, and indemnities, each on terms and conditions satisfactory to RBC.

(b) RBC's satisfactory review of background and related financial reports on such members of the development team as determined by RBC. The General Partner agrees to reasonably cooperate with RBC (including signing such consents as may be necessary) in obtaining such reports.

(c) RBC's agreement to acquire the LP Interest is based on certain assumptions formulated using the information contained in this letter, which you have provided to us. We may update and adjust the terms of this letter to reflect changes in these assumptions and other information which becomes available to us during our due diligence review, and for changes in law which occur prior to entering into the Partnership Agreement.

(d) RBC's agreement to acquire the LP Interest on the pricing, terms and conditions contained in this letter are further based on the assumption that the Partnership closing will occur on or before June 30, 2010. In the event the closing does not occur by the Anticipated Closing Date, RBC reserves the right to modify this letter to be consistent with the prevailing market conditions.

(e) RBC's receipt of a firm commitment from a third party investor to purchase from RBC the LP Interest on terms and conditions satisfactory to RBC in its sole discretion.

12. **Exclusive Period and Confidentiality.**

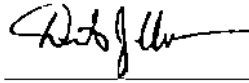
(a) **Confidentiality.** Notwithstanding the foregoing confidentiality provisions, the parties confirm that there are no limitations on the disclosure of the tax treatment or tax structure of the Project.

(b) **Term of LOI.** The terms and conditions of this letter of intent shall remain effective until June 30, 2010.

Magnolia Gardens
August 11, 2009
Page 7

If the foregoing is in accordance with your understanding of the terms and conditions, please indicate your acceptance on the enclosed copy and return it to the undersigned so RBC may commence and can complete its due diligence review and take the steps towards Partnership closing as described in Paragraph 12.

Very truly yours,

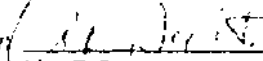


By: _____
Name: David J. Urban
Title: Vice President

The undersigned approves and accepts the terms of this letter agreement and agrees to work with RBC towards a definitive partnership agreement.

Magnolia Gardens I, Ltd.

By: NRP Magnolia Gardens, LLC its managing
general partner

By:  _____
Alan F. Scott

Its: Managing Member

Date: _____

EXHIBIT "B"

Scoring Summary Report

File #: 2009-114C Development Name: The Tempo

As Of:	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	70.00	N	6.00	7.50
Preliminary	61.00	N	6.00	6.25
NOPSE	61.00	N	6.00	6.25
Final	70.00	N	6.00	7.50
Final-Ranking	70.00	N	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	9.00	9.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	9.00	8.00	9.00	9.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	0.00	0.00	4.00	4.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	5.00	5.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	6.00	6.00	6.00	6.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	0.00	0.00	0.00	0.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	0.00	0.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	4.00	4.00	4.00	4.00

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result	Revised As Result
5S	Because the Applicant did not commit to set aside at least 50% of the proposed Development's ELI units for Special Needs Households, the Application is not eligible for Special Needs points.	Preliminary	Final
10S	The Applicant provided the Local Government Verification of Contribution – Loan form and payment stream calculation behind Exhibit 45. However, the amount listed on the Local Government Verification of Contribution – Loan form was \$4,080,147, while the loan amount used on the payment stream to calculate the PV of the loan was \$4,080,145. Per page 61 of the 2009 Universal Application Instructions, in order to be considered complete and eligible for points the payment stream calculation must be attached to the Local Government Verification of Contribution – Loan form. Therefore, because the incorrect payment stream was attached, the Applicant received zero points for Local Government Contributions.	Preliminary	Final

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Revised as Result of
1T	V	D	2	HC Equity	Per page 74 of the 2009 Universal Application Instructions, the equity commitment must "state the anticipated total amount of equity to be provided". Although, the Applicant provided an equity commitment from Bank of America (Exhibit 57) reflecting the total amount of equity to be provided, the amounts reflected in the equity commitment are based off of a dollar for dollar, 100% purchase of the requested allocated tax credits, versus what's actually stated in the equity commitment of \$.71, 99.99% purchase of tax credits. Because of this inconsistency, the HC equity cannot be considered a source of financing.	Preliminary	Final
2T	V	D	2	HC Equity	Per page 74 of the 2009 Universal Application Instructions, the percentage of credits being purchased must be equal to or less than the percentage of ownership interest held by the limited partner or member. The Applicant stated at Exhibit 9 of the Application that the Investor Limited Member interest in the Applicant entity is 99.98%. However, the equity commitment at Exhibit 57 states that 99.99% of the HC allocation is being purchased. Because of this inconsistency, the HC equity cannot be considered a source of financing.	Preliminary	Final
3T	V	D	1	Non-Corporation Funding	The Applicant listed a "Land Note" of \$336,042 as a source of financing. However, the documentation provided behind Exhibit 59 does not meet the requirements for debt financing as required by page 71 of the 2009 Universal Application Instructions. Therefore, it could not be considered as a source of financing.	Preliminary	Final
4T	V	B		Construction/Rehab. Analysis	The Application has a construction financing shortfall of \$6,407,503.	Preliminary	Final
5T	V	B		Permanent Analysis	The Application has a permanent financing shortfall of \$10,468,979.	Preliminary	Final
6T	V	D	2	HC Equity	As a cure for item 1T, the Applicant provided an equity commitment; however the total amount of equity listed on the first page of the equity letter does not equal the sum of the stated equity payments in the commitment letter. Therefore, the commitment could not be counted as a source of financing.	Final	Final Ranking
7T	V	B		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$5,114,245.	Final	

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
8T	V	B		Permanent Analysis	The Applicant has a permanent financing shortfall of \$10,299,679.	Final	
9T	V	D	2	HC Equity	The Applicant attempted to cure item 1T by providing an equity commitment; however the commitment reflects a larger HC request amount than applied for, which is not allowable under paragraph 67-48.004(14)(m), F.A.C. Therefore, the commitment could not be counted as a source of financing.	Final	

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3.a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3.c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2)(a)	Grocery Store	1.25	1.25	1.25	1.25	1.25
2P	III	A	10.b.(2)(b)	Public School	1.25	0.00	0.00	1.25	1.25
3P	III	A	10.b.(2)(c)	Medical Facility	1.25	0.00	0.00	0.00	0.00
4P	III	A	10.b.(2)(d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2)(e)	Public Bus Stop or Metro-Rail Stop	1.25	1.25	1.25	1.25	1.25
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	3.75	3.75	3.75	3.75
7P	III	A	10.a	Involvement of a PHA	7.50	0.00	0.00	0.00	0.00

Reason(s) for Failure to Achieve Selected Proximity Tie-Breaker Points:

Item #	Reason(s)	Created As Result	Rescinded As Result
2P	The Applicant is not eligible for Public School points because the Address for the Public School does not include the name of the city as required.	Preliminary	Final

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Comment(s)	Created as Result of	Rescinded as Result of
1C	III	E	1.b	Set-Aside Commitment	Although the Applicant failed to indicate at Part III.E.1.b. (1) whether the proposed Development qualifies as a Set-Aside Location A Development, Florida Housing was able to determine from the Development Address that the proposed Development does not qualify as a Set-Aside Location A Development.	Preliminary	
2C	V	B		Developer Fee	The maximum Developer fee of 16 percent was exceeded by \$905,311. Therefore, the Developer fee and the Total Development Cost were reduced by this amount.	Preliminary	Final
3C	V	B		Development Cost Pro Forma	The maximum General Contractor fee was exceeded by \$1 and adjusted down to \$2,063,157. This had no material impact on the Development.	Preliminary	Final
4C	V	D	1	Non-Corporation Funding	The funding commitment in the amount of \$336,042 found in the Amended Purchase Contract in Exhibit 59 is a capital contribution the Applicant will pay the Seller of the property. Page 70 of the Application Instructions states that capital contributions will not be considered a source of financing.	Preliminary	Final
5C	III	A	10	Proximity	The Applicant qualified for 3.75 automatic proximity points at 6P.	Preliminary	

Scoring Summary Report

File #: 2009-123C Development Name: Progresso Point

As Of	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	70.00	Y	6.00	7.50
Preliminary	68.00	N	6.00	7.50
NOPSE	68.00	N	6.00	7.50
Final	70.00	Y	6.00	7.50
Final-Ranking	70.00	Y	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	7.00	7.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	9.00	9.00	9.00	9.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	4.00	4.00	4.00	4.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	5.00	5.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	6.00	6.00	6.00	6.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	0.00	0.00	0.00	0.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	5.00	5.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	4.00	4.00	4.00	4.00

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result	Rescinded As Result
1S	Because the Unit Mix chart at Part III.A.7. of the Application does not reflect any 2-bedroom units, the Application is not eligible for 2 points for "At least 1-1/2 bathrooms in all 2-bedroom new construction units."	Preliminary	Final

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
1T	V	D	2	HC Equity	Per page 74 of the 2009 Universal Application Instructions, the percentage of credits being purchased must be equal to or less than the percentage of ownership interest held by the limited partner or member. The Applicant stated at Exhibit 9 of the Application that the limited partner's interest in the Applicant entity is 99.90%. However, the equity commitment at Exhibit 58 states that 99.99% of the HC allocation is being purchased. Because of this inconsistency, the HC equity cannot be considered a source of financing.	Preliminary	Final
2T	V	D	1	Non-Corporation Funding	Per page 70 of the 2009 Universal Application Instructions, a financing commitment must contain all attachments. The first mortgage financing from JPMorgan Chase Bank, N.A. (Exhibit 55) does not include the due diligence materials attachment. Therefore, it cannot be considered a source of financing.	Preliminary	Final
3T	V	B		Construction/Rehab. Analysis	The Application has a construction financing shortfall of \$13,211,469.	Preliminary	Final
4T	V	B		Permanent Analysis	The Application has a permanent financing shortfall of \$13,211,469.	Preliminary	Final

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3.a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3.c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2) (a)	Grocery Store	1.25	1.25	1.25	1.25	1.25
2P	III	A	10.b.(2) (b)	Public School	1.25	1.25	1.25	1.25	1.25
3P	III	A	10.b.(2) (c)	Medical Facility	1.25	0.00	0.00	0.00	0.00
4P	III	A	10.b.(2) (d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2) (e)	Public Bus Stop or Metro-Rail Stop	1.25	1.25	1.25	1.25	1.25
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	3.75	3.75	3.75	3.75
7P	III	A	10.a	Involvement of a PHA	7.50	0.00	0.00	0.00	0.00

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Comment(s)	Created as Result of	Revised as Result of
1C	III	A	10	Proximity	The Applicant qualified for 3.75 automatic proximity points at 6P.	Preliminary	

Scoring Summary Report

File #: 2009-160C Development Name: Waterview Landing

As Of:	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	65.00	N	6.00	7.50
Preliminary	65.00	N	6.00	7.50
NOPSE	65.00	N	6.00	7.50
Final	65.00	N	6.00	7.50
Final-Ranking	65.00	N	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	9.00	9.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	8.00	8.00	8.00	8.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	0.00	0.00	0.00	0.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	5.00	5.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	0.00	0.00	0.00	0.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	6.00	6.00	6.00	6.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	5.00	5.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	4.00	4.00	4.00	4.00

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result	Rescinded As Result
3S	The Applicant failed to commit to sufficient Energy Conservation Features to achieve maximum points.	Preliminary	
5S	Because the Applicant did not commit to set aside at least 50% of the proposed Development's ELI units for Special Needs Households, the Application is not eligible for Special Needs points.	Preliminary	

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
1T	II	A	2.e	Non-Profit Applicant	The Applicant failed to qualify as a Non-Profit because the Articles of Incorporation provided in the Application do not demonstrate that one of the purposes of the non-profit entity is to foster low-income housing.	Preliminary	
2T	V	D	2	HC Equity	Per page 74 of the 2009 Universal Application Instructions, the percentage of credits being purchased must be equal to or less than the percentage of ownership interest held by the limited partner or member. The Applicant stated at Exhibit 9 of the Application that the limited partner's interest in the Applicant entity is 99%. However, the equity commitment at Exhibit 56 states that 99.99% of the HC allocation is being purchased. Because of this inconsistency, the HC equity cannot be considered a source of financing.	Preliminary	
3T	V	D	2	HC Equity	The Applicant provided an equity commitment letter from RBC Tax Credit Equity Group. The commitment does not contain the language "paid prior to or simultaneous with the closing of construction financing" as required by pages 73 of the 2009 Universal Application Instructions. Therefore, the equity commitment cannot be counted as a source of financing.	Preliminary	
4T	V	D	2	HC Equity	The total amount of equity listed on the second page of the equity commitment letter does not equal the sum of the stated equity payments in the commitment letter. Therefore, the commitment was not considered a source of financing.	Preliminary	

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3 a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3 c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2) (a)	Grocery Store	1.25	1.25	1.25	1.25	1.25
2P	III	A	10.b.(2) (b)	Public School	1.25	0.00	0.00	0.00	0.00
3P	III	A	10.b.(2) (c)	Medical Facility	1.25	1.25	1.25	1.25	1.25
4P	III	A	10.b.(2) (d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2) (e)	Public Bus Stop or Metro-Rail Stop	1.25	1.25	1.25	1.25	1.25
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	3.75	3.75	3.75	3.75
7P	III	A	10 a	Involvement of a PHA	7.50	0.00	0.00	0.00	0.00

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Comment(s)	Created as Result of	Rescinded as Result of
1C	III	E	1.b	Set-Aside Commitment	Although the Applicant failed to indicate at Part III.E.1.b. (1) whether the proposed Development qualifies as a Set-Aside Location A Development, Florida Housing was able to determine that the Development does not qualify as a Set-Aside Location A Development .	Preliminary	
2C	V	B		Development Cost Pro Forma	The maximum General Contractor fee was exceeded by \$1 and adjusted down to \$1,249,768, which caused the Total Development Cost to be adjusted down by \$1 to \$18,136,304. This had no material impact on the Development.	Preliminary	

Scoring Summary Report

File #: 2009-215C Development Name: Civic Tower

As Of:	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	70.00	N	6.00	7.50
Preliminary	57.00	N	6.00	6.25
NOPSE	57.00	N	6.00	6.25
Final	70.00	N	6.00	7.50
Final-Ranking	70.00	N	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	9.00	9.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	9.00	9.00	9.00	9.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	0.00	0.00	4.00	4.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	0.00	0.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	6.00	6.00	6.00	6.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	0.00	0.00	0.00	0.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	5.00	5.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	0.00	0.00	4.00	4.00

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result	Rescinded As Result
5S	All of the participating Special Needs Household Referral Agencies for the county are not listed on the Applicant Notification to Special Needs Household Referral Agency form. Because the form is incomplete, the Applicant is not eligible for Special Needs points.	Preliminary	Final
7S	The Applicant failed to commit to an affordability period sufficient to achieve any points.	Preliminary	Final
11S	The Applicant did not submit any of the Local Government Verification of Affordable Housing Incentives forms (Exhibits 47, 48,49,50) Therefore, zero points were awarded.	Preliminary	Final

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
1T	III	C	2	Site Control	The August 17, 2009 Purchase and Sale Agreement does not reflect the Applicant as the buyer and no assignment was provided.	Preliminary	Final
2T	V	D	2	HC Equity	The Applicant submitted an equity commitment from RBC Capital Markets. However, the sum of the equity installment payments does not equal the total amount of equity reflected in the commitment. As a result, the commitment is not considered a source of financing	Preliminary	NOPSE
3T	V	D	2	HC Equity	Per page 74 of the 2009 Universal Application Instructions, the percentage of credits being purchased must be equal to or less than the percentage of ownership interest held by the limited partner or member. The Applicant stated at Exhibit 9 of the Application that the limited partner's interest in the Applicant entity is 99.98%. However, the equity commitment at Exhibit 55A states the 99.99% of the HC allocation is being purchased. Because of this inconsistency, the HC equity cannot be considered a source of financing.	Preliminary	Final
4T	V	D	1	Non-Corporation Funding	Although the Applicant listed first mortgage financing of \$7,135,000, no commitment for this loan has been provided. Therefore, the loan amount cannot be counted as a source of financing.	Preliminary	Final
5T	V	D	1	Non-Corporation Funding	Although the Applicant listed second mortgage financing of \$2,450,000, no commitment for this loan has been provided. Therefore, the loan amount cannot be counted as a source of financing.	Preliminary	Final
6T	V	B		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$22,536,849.	Preliminary	Final
7T	V	B		Permanent Analysis	The Applicant has a permanent financing shortfall of \$22,572,008.	Preliminary	Final
8T	V	D	1	Non-Corporation Funding	The Applicant reflected capitalized interest paid in the amount of \$736,863 in the construction and permanent analysis. However, no documentation was provided for this source. As a result, it was not scored firm and is not considered a source of financing.	Preliminary	Final
9T	II	B	3	General Contractor	The name of the General Contractor or qualifying agent is not included on the Prior Experience Chart.	Preliminary	Final

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Revised as Result of
10T	V			Financing	The Applicant provided a loan commitment from PNC Multifamily Capital. The commitment states the name of the Development is TM Alexander Apartments on page one. The Applicant stated at Part III.A.1., the Development name is Civic Tower. Due to the inconsistency, the loan commitment was not considered a source of financing.	Preliminary	Final
11T	V	D	2	HC Equity	The Applicant submitted an equity commitment from Alliant Capital, Ltd. However, the sum of the equity installment payments does not equal the total amount of equity reflected in the commitment. As a result, the commitment is not considered a source of financing.	NOPSE	Final
12T	V	D	2	HC Equity	The Applicant attempted to cure Item 11T by providing an equity commitment from Alliant Capital; however, the total amount of equity listed on the fourth page of the commitment does not equal the sum of the stated equity payments in the commitment letter. Therefore, the commitment was not considered a source of financing.	Final	
13T	V	B		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$11,697,229.	Final	
14T	V	B		Permanent Analysis	The Applicant has a permanent financing shortfall of \$12,960,919.	Final	

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3.a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3.c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2) (a)	Grocery Store	1.25	1.25	1.25	1.25	1.25
2P	III	A	10.b.(2) (b)	Public School	1.25	1.25	1.25	1.25	1.25
3P	III	A	10.b.(2) (c)	Medical Facility	1.25	0.00	0.00	0.00	0.00
4P	III	A	10.b.(2) (d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2) (e)	Public Bus Stop or Metro-Rail Stop	1.25	0.00	0.00	1.25	1.25
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	3.75	3.75	3.75	3.75
7P	III	A	10.a	Involvement of a PHA	7.50	0.00	0.00	0.00	0.00

Reason(s) for Failure to Achieve Selected Proximity Tie-Breaker Points:

Item #	Reason(s)	Created As Result	Reached As Result
5P	Although the Applicant stated that it was seeking proximity tie-breaker points for Bus Stop, the distance between the Bus Stop and the Tie-Breaker Measurement Point is greater than .6 miles and no proximity points were awarded for this service.	Preliminary	Final

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Comment(s)	Created as Result of	Rescinded as Result of
1C	I	B	2	Priority I Application	The Applicant stated that it is a Joint Venture Non-Profit Applicant. In order to qualify as a Joint Venture Non-Profit Applicant, the Non-Profit must receive at least 25 percent of the total Developer fee as provided in subsection 67-48.002(73), F.A.C. However, the Applicant stated at Part II.A.e.(2)(d), of the Application that the percentage of Developer's fee that will go to the Non-Profit entity is only 20 percent. As a result, the Applicant does not meet the definition of Joint Venture Non-Profit Applicant and, therefore, the Application does not qualify as a Priority I Application. In its present form, the Application is deemed to be a Priority II Application.	Preliminary	Final
2C	III	A	10	Proximity	The Applicant qualified for 3.75 automatic proximity points at 6P.	Preliminary	
3C	V	B		Development Cost Pro Forma	The Applicant listed operating reserves totaling \$1,037,971. However, No. 5 on the Development Cost Pro Forma Notes states "For purposes of the Development Cost calculation in this Application, the only reserves allowed are contingency reserves for rehabilitation and construction" Therefore, the Development Cost was reduced by \$1,037,971.	Preliminary	Final
4C	V	B		Developer Fee	On the Construction Analysis, the Applicant listed a Deferred Developer fee of \$624,841 for construction financing. Because the Developer only committed to defer \$330,000 on the Commitment to Defer Developer Fee form, only \$330,000 could be used as a source of construction financing.	Preliminary	Final
5C	V	B		Developer Fee	On the Permanent Analysis, the Applicant listed a Deferred Developer fee of \$624,841 for permanent financing. Because the Developer only committed to defer \$294,841 on the Commitment to Defer Developer Fee form, only \$294,841 could be used as a source of permanent financing.	Preliminary	Final
6C	V	D	2	HC Equity	Threshold failure Item 2T was assessed during the Preliminary scoring stage but contained incorrect information. Therefore, this threshold failure was rescinded during the NOPSE scoring stage and a new threshold failure containing the correct information has been assessed at Item 11T.	NOPSE	

EXHIBIT "C"

RENAISSANCE PRESERVE PHASE II

**NORSTAR DEVELOPMENT USA, LP -
HOUSING AUTHORITY OF THE CITY OF FORT MYERS**

FLORIDA HOUSING FINANCE CORPORATION

2009 Universal Application

AUGUST 20, 2009

EXHIBIT 9

Principals for Applicant and each Developer

EXHIBIT 9
Principals of Applicant and Each Developer

APPLICANT:

Renaissance Preserve III, LLLP, a Florida limited liability limited partnership

• **Managing General Partner:**

Norstar Renaissance Preserve Family II, Inc., a Florida corporation (.0051%)

Officers:

President	Gary Silver
Vice President	Richard L. Higgins
Secretary	Neil Brown

Directors:

Chairman	Neil Brown
Member	Gary Silver
Member	Richard L. Higgins

Shareholders:

Norstar Investment USA, Inc.
Black Locust, LLC

• **General Partner:**

Renaissance Preserve III, LLC, a Florida limited liability company (.0049%)

Sole Member:

Housing Authority of the City of Fort Myers, a public body corporate and politic organized under the laws of the State of Florida

• **Initial Limited Partner:**

Housing Authority of the City of Fort Myers, a public body corporate and politic organized under the laws of the State of Florida (99.99%)

Officers:

Marcus D. Goodson, Executive Director
Sherri Campanale, Director of Housing Mgmt
Vicki L. Collins, Director of Finance
Vivian Watkins, Resident Services/FSS Director
Marcia Davis, HOPE VI Director/Real Estate Director

Commissioners:

Lemuel A. Teal, Chairman
William H. Barnwell
Peter Routsis-Arroyo
Joseph P. D'Alessandro
E. Bruce Strayhorn
Douglas Hogg

2009-153C

**SUNRISE
PARK
APARTMENTS**

**NORSTAR DEVELOPMENT USA, LP -
LAKE WALES HOUSING AUTHORITY**

FLORIDA HOUSING FINANCE CORPORATION

2009 Universal Application

AUGUST 20, 2009

Exhibit 9

2009 FHFC EXHIBIT 9
Principals of Applicant and Each Developer

APPLICANT

Sunrise Park Phase I, Ltd., a Florida limited partnership

• **Managing General Partner**

Norstar Sunrise Park I, Inc., a Florida corporation (.0051%)

Officers

Gary Silver, President
Richard L. Higgins, Vice President
Neil Brown, Secretary

Directors

Neil Brown, Chairman
Gary Silver
Richard L. Higgins

Shareholders

Norstar Investment USA, Inc.
Black Locust, LLC

• **General Partner**

LWHA Sunrise Park Phase I, LLC, a Florida limited liability company (.0049%)

Sole Member

Lake Wales Housing Authority, a public body corporate and politic organized under the laws of the State of Florida

Officer

Albert Kirkland, Jr., Executive Director

Commissioners:

Booker Young, Chairman
Sadie Anderson, Vice Chair
Albert Kirkland, Jr., Secretary
Deming Cowles
Rebecca Wynkoop-Seymour
Eddie Jean Rivers

• **Initial Limited Partner**

Lake Wales Housing Authority, a public body corporate and politic organized under the laws of the State of Florida (99.99%)

Officer

Albert Kirkland, Jr., Executive Director

Commissioners:

Booker Young, Chairman
Sadie Anderson, Vice Chair
Albert Kirkland, Jr., Secretary
Deming Cowles
Rebecca Wynkoop-Seymour
Eddie Jean Rivers

COPY

2009 LOW INCOME HOUSING TAX CREDIT APPLICATION FOR:

2009-162C

MAGNOLIA GARDENS



Submitted by:

Magnolia Gardens I, Ltd.
5309 Transportation Blvd.
Cleveland, OH 44125

Submitted to:

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

AUGUST 20, 2009

Exhibit 9

EXHIBIT 9

(Limited Partnership) (i) Principals of the Applicant, including percentage of ownership interest of each, and (ii) Principals for each Developer. This list must include warrant holders and/or option holders of the proposed Development.

Exhibit 9

Applicant/Owner: Magnolia Gardens I, Ltd., a Florida limited partnership

.0030% Co-General Partner – NRP Magnolia Gardens LLC, a Florida limited liability company

<u>Members</u>	<u>Ownership Percentage</u>
Alan F. Scott	25%
J. David Heller	25%
T. Richard Bailey, Jr.	25%
Timothy M. Morgan	25%

Managers
Alan F. Scott
J. David Heller
T. Richard Bailey, Jr.
Timothy M. Morgan

.0070% Co-General Partner – HCHA-Magnolia, LLC, a Florida limited liability company

100% Sole Member – Hernando County Housing Authority

<u>Board of Commissioners</u>	<u>Office</u>
Beth Garman	Chairperson
Rose Atkins	1 st Vice Chairperson
Paul Sullivan	2 nd Vice Chairperson
Michael Burmann	Commissioner

.99.99% Limited Partner – Jonesboro Investments Corp., an Ohio corporation*

<u>Name</u>	<u>Office</u>
Timothy M. Morgan	President
Timothy M. Morgan	Sole Director

100% Shareholder – Timothy M. Morgan

Lead Developer: NRP Florida Development LLC, a Florida limited liability company

Member
Alan F. Scott
J. David Heller
T. Richard Bailey, Jr.
Timothy M. Morgan

Managers
Alan F. Scott
J. David Heller
T. Richard Bailey, Jr.
Timothy M. Morgan

EXHIBIT "D"

Scoring Summary Report

File #: 2009-192C Development Name: The Arbors Senior Apartments

As Of:	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	70.00	Y	6.00	7.50
Preliminary	70.00	N	6.00	7.50
NOPSE	70.00	N	6.00	7.50
Final	70.00	Y	6.00	7.50
Final-Ranking	70.00	Y	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	9.00	9.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	9.00	9.00	9.00	9.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	4.00	4.00	4.00	4.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	5.00	5.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	0.00	0.00	0.00	0.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	6.00	6.00	6.00	6.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	5.00	5.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	4.00	4.00	4.00	4.00

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
1T	V	D	2	HC Equity	The Applicant provided an equity commitment letter from RBC Capital Markets at Exhibit 56. The equity commitment letter states that the project will be located in Volusia County. The Application states that the project will be located in Hillsborough County. Because of this inconsistency, the equity commitment could not be considered a source of financing.	Preliminary	Final
2T	V	D	2	HC Equity	The Applicant provided an equity commitment letter from RBC Capital Markets at Exhibit 56. The total amount of equity listed in the commitment letter does not equal the sum of the stated equity payments. Therefore, the equity commitment could not be considered as a source of financing.	Preliminary	Final
3T	V	B		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$1,768,277.	Preliminary	Final
4T	V	B		Permanent Analysis	The Applicant has a permanent financing shortfall of \$8,978,707.	Preliminary	Final
5T	III	C	2	Site Control	Both the July 23, 2009 Amendment to Real Estate Purchase Agreement and the August 15, 2009 Assignment and Assumption Agreement refer to a January 28, 2009 amendment to the November 12, 2008 Real Estate Purchase Agreement. A copy of the January 28, 2009 Amendment was not provided.	Preliminary	Final

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3.a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3.c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2)(a)	Grocery Store	1.25	1.25	1.25	1.25	1.25
2P	III	A	10.b.(2)(b)	Public School	1.25	0.00	0.00	0.00	0.00
3P	III	A	10.b.(2)(c)	Medical Facility	1.25	1.25	1.25	1.25	1.25
4P	III	A	10.b.(2)(d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2)(e)	Public Bus Stop or Metro-Rail Stop	1.25	1.25	1.25	1.25	1.25
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	3.75	3.75	3.75	3.75
7P	III	A	10.a	Involvement of a PHA	7.50	0.00	0.00	0.00	0.00

Scoring Summary Report

File #: 2009-151C Development Name: Renaissance Preserve Phase II

As Of:	Total Points	Met Threshold?	Ability to Proceed Tie-Breaker Points	Proximity Tie-Breaker Points
02/26/2010	70.00	Y	6.00	7.50
Preliminary	70.00	N	6.00	7.50
NOPSE	70.00	N	6.00	7.50
Final	70.00	Y	6.00	7.50
Final-Ranking	70.00	Y	6.00	7.50

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
Construction Features & Amenities									
1S	III	B	2.a	New Construction	9.00	9.00	9.00	9.00	9.00
1S	III	B	2.b	Rehabilitation/Substantial Rehabilitation	9.00	0.00	0.00	0.00	0.00
2S	III	B	2.c	All Developments Except SRO	12.00	12.00	12.00	12.00	12.00
2S	III	B	2.d	SRO Developments	12.00	0.00	0.00	0.00	0.00
3S	III	B	2.e	Energy Conservation Features	9.00	9.00	9.00	9.00	9.00
4S	III	B	3	Green Building	5.00	5.00	5.00	5.00	5.00
Set-Aside Commitment									
5S	III	E	1.b.(2)	Special Needs Households	4.00	4.00	4.00	4.00	4.00
6S	III	E	1.b.(3)	Total Set-Aside Commitment	3.00	3.00	3.00	3.00	3.00
7S	III	E	3	Affordability Period	5.00	5.00	5.00	5.00	5.00
Resident Programs									
8S	III	F	1	Programs for Non-Elderly & Non-Homeless	6.00	6.00	6.00	6.00	6.00
8S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6.00	0.00	0.00	0.00	0.00
8S	III	F	3	Programs for Elderly	6.00	0.00	0.00	0.00	0.00
9S	III	F	4	Programs for All Applicants	8.00	8.00	8.00	8.00	8.00
Local Government Contributions									
10S	IV	A		Contributions	5.00	5.00	5.00	5.00	5.00
Local Government Incentives									
11S	IV	B		Incentives	4.00	4.00	4.00	4.00	4.00

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created as Result of	Rescinded as Result of
1T	II	B	3	General Contractor	The name of the General Contractor on the General Contractor or Qualifying Agent of General Contractor Certification form (Brooks and Freund, LLC) is inconsistent with the name on the General Contractor or qualifying agent of General Contractor Prior Experience Chart (Brooks and Freund, Inc.).	Preliminary	Final
2T	V	D	2	HC Equity	The Applicant provided an equity commitment from RBC Tax Credit Equity, L.L.C. However, the commitment states the Applicant name is Renaissance Preserve Phase II, Ltd. The Applicant stated at Part II.A.2. the Applicant name is Renaissance Preserve III, LLLP. Due to the inconsistency the equity commitment cannot be considered a source of financing.	Preliminary	Final
3T	V	D	1	Non-Corporation Funding	Per page 70 of the 2009 Universal Application Instructions, a financing commitment must contain all attachments. The first mortgage financing from JPMorgan Chase Bank, N.A. (Exhibit 56) does not include the due diligence materials attachment. Therefore, it cannot be considered a source of financing.	Preliminary	Final
4T	V	B		Developer Fee	At Part II.B.1.a. of the Application and on Exhibit 9, the Co-Developer is listed as Renaissance Preserve Developers, LLC. However, on the Commitment to Deferral Developer Fee form (Exhibit 53) the Co-Developer is listed Housing Authority of the City of Fort Myers. Because of this inconsistency, the Deferred Developer fee for this Developer cannot be counted as a source of financing.	Preliminary	Final
5T	V	B		Construction/Rehab. Analysis	The Applicant has a construction financing shortfall of \$8,375,020.	Preliminary	Final
6T	V	B		Permanent Analysis	The Applicant has a permanent financing shortfall of \$8,375,020.	Preliminary	Final

Ability To Proceed Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1A	III	C	1	Site Plan/Plat Approval	1.00	1.00	1.00	1.00	1.00
2A	III	C	3.a	Availability of Electricity	1.00	1.00	1.00	1.00	1.00
3A	III	C	3.b	Availability of Water	1.00	1.00	1.00	1.00	1.00
4A	III	C	3.c	Availability of Sewer	1.00	1.00	1.00	1.00	1.00
5A	III	C	3.d	Availability of Roads	1.00	1.00	1.00	1.00	1.00
6A	III	C	4	Appropriately Zoned	1.00	1.00	1.00	1.00	1.00

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.b.(2) (a)	Grocery Store	1.25	0.00	0.00	0.00	0.00
2P	III	A	10.b.(2) (b)	Public School	1.25	0.00	0.00	0.00	0.00
3P	III	A	10.b.(2) (c)	Medical Facility	1.25	0.00	0.00	0.00	0.00
4P	III	A	10.b.(2) (d)	Pharmacy	1.25	0.00	0.00	0.00	0.00
5P	III	A	10.b.(2) (e)	Public Bus Stop or Metro-Rail Stop	1.25	0.00	0.00	0.00	0.00
6P	III	A	10.c	Proximity to Development on FHFC Development Proximity List	3.75	0.00	0.00	0.00	0.00
7P	III	A	10.a	Involvement of a PHA	7.50	7.50	7.50	7.50	7.50

Additional Application Comments:

Item #	Part	Section	Subsection	Description	Comment(s)	Created as Result of	Rescinded as Result of
1C	V	B		Developer Fee	The maximum Developer fee of 16 percent was exceeded by \$20,114. Therefore, the Developer fee and Total Development Cost were reduced by this amount.	Preliminary	