Florida Housing Finance Corporation
2022 ~~2021~~ Qualified Allocation Plan
Low Income Housing Tax Credits Program

I. Introduction

Pursuant to Section 420.5099, Florida Statutes, the Florida Housing Finance Corporation (FHFC) is designated as the "housing credit agency" responsible for the allocation and distribution of Low Income Housing Tax Credits (Housing Credits) in Florida. As the allocating agency for the state, FHFC must distribute Housing Credits to Applicants pursuant to a Qualified Allocation Plan (QAP).

Section 42(m) of the Internal Revenue Code (IRC) requires each state allocating agency to adopt an allocation plan that includes certain priorities and selection criteria.

A. Preferences given when allocating Housing Credits:
- Serving the lowest-income tenants
- Serving qualified tenants for the longest periods
- Projects located in qualified census tracts

B. The following selection criteria will be considered when determining the allocation of Housing Credits:
- Project location
- Housing needs characteristics
- Projects characteristics including housing as part of a community revitalization plan
- Sponsor characteristics
- Tenant populations with special housing needs
- Public housing waiting lists
- Tenant populations of individuals with children
- Projects intended for eventual tenant ownership
- Energy efficiency of the projects
- Historic nature of the project

C. Provides a procedure that the agency will follow in monitoring for noncompliance with the provisions of Section 42, IRC, and in notifying the Internal Revenue Service of such noncompliance which such agency becomes aware of and in monitoring for noncompliance with habitability standards through regular site visits.

FHFC issues and allocates Competitive Housing Credits through competitive solicitation processes pursuant to Rule Chapter 67-60, F.A.C.

Prior to the issuance of a Housing Credit Allocation, a Development must be underwritten in accordance with Rule 67-48.0072, F.A.C., or as outlined in a competitive solicitation in order to determine the Development's feasibility, ability to proceed and the appropriate Housing Credit amount, if any. FHFC shall issue Housing Credits in an amount no greater than the amount

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needed for the financial feasibility and viability of a Development throughout the Housing Credit compliance period. The issuance of Housing Credits or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the Development by FHFC.

All capitalized terms not otherwise defined herein have the meanings set forth in Rule Chapters 67-21, 67-48 and 67-60, Florida Administrative Code, or a competitive solicitation.

II. Competitive Housing Credits

The portion of the Allocation Authority (annual per capita allocation amount plus any unused Housing Credit carryovers allocated among certain States per Section 42, IRC, (National Pool) minus any applicable binding commitments) designated to be available within each respective competitive solicitation process at the time the Board approves the list of applications to award funding will be awarded in accordance with each competitive solicitation process as approved by the Board. All Developments will be reviewed if eligible pursuant to Rule Chapter 67-48, Florida Administrative Code, and/or the requirements of a competitive solicitation, and evaluated pursuant to FHFC's competitive solicitation process.

A. Up to five percent of the Allocation Authority will be reserved for high-priority affordable housing projects, as defined by the Board.

B. Five percent of the Allocation Authority will be reserved for affordable housing projects that target persons who have a disabling condition. Any Housing Credits not allocated because of a lack of eligible projects targeting persons who have a disabling condition shall be distributed for high-priority affordable housing projects.

C. The remaining Allocation Authority available will be set aside for those Applicants that select and qualify for the following Development Categories: New Construction, Rehabilitation, Acquisition and Rehabilitation, Redevelopment, Acquisition and Redevelopment, Preservation, or Acquisition and Preservation.

The Geographic Set-Aside distributions for Allocation Authority in this section are based on the most recent statewide market study:

Large County Allocation Authority: ____ ~~60.7~~%
Medium County Allocation Authority: _____ ~~36.2~~%
Small County Allocation Authority: _____ ~~3.1~~%

D. FHFC's goal is to have a diversified rental housing portfolio. Therefore, its annual competitive solicitation process targeting goal is to include an allocation of Housing Credits with a minimum of: one (1) affordable housing project in the Florida Keys Area of Critical State Concern and/or the City of Key West Area of Critical State Concern, pursuant to Section 420.507, Florida Statutes. All other targeting will be as approved by the Board.

E. FHFC will endeavor to allocate through one or more competitive solicitations not less than 15 percent of the Allocation Authority for Developments with Applicants qualified as Non-Profit under Rule Chapter 67-48, F.A.C., or as provided in the competitive solicitations, as applicable, unless the Board approves otherwise. FHFC is required by Section 42, IRC, to allocate no more than 90 percent of the Allocation Authority to Applicants which do not qualify as Non-Profit Applicants.

F. Any Allocation Authority received on or before September 30th from returned Housing Credits from a prior year or from National Pool, will be used (i) to fully fund any Application that has been partially funded with a binding commitment and then (ii) use will be determined by the Board.

G. Unless the Board approves otherwise, any Allocation Authority received on or after October 1st from returned Housing Credits from a prior year, will be used (i) to fully fund any Application that has been partially funded with a binding commitment and then (ii) applied to the next annual Allocation Authority.

H. FHFC will retain the authority to designate Developments as a high-cost area, eligible for up to the 30% boost if that Development is not located in a HUD-designated DDA or a QCT, as authorized by the Housing and Economic Recovery Act of 2008, enacted July 30, 2008. Person with Special Needs Developments, Homeless Developments, and Developments located in FHFC-designated Areas of Opportunity, will be eligible for such designation based on the criteria outlined in a competitive solicitation. In addition, if, at the time of final allocation, the Development is no longer located in a HUD-designated DDA or QCT because the 730-day period after the Application Deadline has expired, the Development may retain the status as a DDA or QCT.

I. If time constraints preclude the conduct of a competitive solicitation process and Allocation Authority remains available to FHFC after the allocation of Housing Credits to all Developments which (i) applied in a competitive solicitation process, and (ii) were determined to be eligible for funding by the Board, FHFC may allocate Housing Credits to any Development in a manner designated by the Board.

J. Notwithstanding any other provision of this QAP, where a Development has not been placed in service by the date required pursuant to Section 42 of the IRC, or it is apparent that a Development will not be placed in service by the date required pursuant to Section 42 of the IRC, and the Applicant has returned its Housing Credit Allocation after the end of the second calendar quarter of the year in which it was otherwise required to be placed in service pursuant to Section 42 of the IRC, the Corporation will reserve allocation in an amount not to exceed the amount of Housing Credits returned, and will issue a Carryover Allocation Agreement allocating such Housing Credits to the Applicant for either the current year or the year after the year in which the Development was otherwise required to be placed in service pursuant to Section 42 of the IRC, provided the following conditions have been met:

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(i) The sponsor must have provided written notice to the Corporation, describing the circumstances, all remedial measures attempted by the Applicant to mitigate the delay, and any other pertinent information, prior to returning the allocation; and

(ii) A site inspection reflecting the percentage of Development completion must be completed. If the Development is at least fifty (50) percent completed, as reflected in the site inspection, the approval may be made by Corporation staff. If the Development is less than fifty (50) percent completed, as reflected in the site inspection, the approval must be made by the Board. In making such determination, the Board must find and determine that the delay was caused by circumstances beyond the Applicant's control, and that the sponsor exercised due diligence in seeking to resolve the circumstances causing delay; and

(iii) The Corporation or Board, as applicable, must find that the Development in all respects, except time placed in service, still meets the conditions upon which the Housing Credits were originally allocated, and that the Development is still desirable in terms of meeting affordable housing needs.

A Development located in a HUD-designated DDA or QCT at the time of original allocation may retain its designation as such.

K. In the event of a disaster declared by the federal or state government, any Allocation Authority not preliminarily allocated, as well as authority remaining after October 1st, may be diverted to one or more federally or state declared disaster areas.

L. In the event a natural disaster is declared by the federal or state government, a portion of the current year or a future year Housing Credit Allocation Authority may be allocated to be used for natural disaster recovery. The process for allocating the current year Housing Credits and/or awarding Housing Credits from a future Allocation Authority will be approved by the Board of Directors.

M. Housing Credits will be allocated in accordance with this Qualified Allocation Plan until a subsequent Qualified Allocation Plan becomes effective.

N. For any Application awarded Housing Credits with a Binding Commitment, the Carryover Allocation will reflect the same place-in-service deadline requirement as the Application awarded through that same competitive solicitation process.

III. Non-Competitive Housing Credits

Developments financed with Tax-Exempt Bonds subject to volume cap are required to meet FHFC minimum Housing Credit guidelines to qualify and be eligible for a Housing Credit analysis. If 50 percent or more of the aggregate basis of a Development's building(s) and the land on which such building(s) are located is financed with volume cap Tax-Exempt Bonds, the Housing Credits are issued at the federal level rather than as part of the State's Allocation Authority and these Developments are subject to Rule Chapter 67-21, Florida Administrative

Code; however, they must meet the minimum threshold criteria, as follows:

A. Developments that receive Tax-Exempt Bonds issued by FHFC, without any other FHFC competitive funding, will be deemed to have met the minimum threshold criteria by successfully completing a request for Housing Credits in their Non-Competitive Application, or through a competitive solicitation for the Bonds by the date specified in Rule Chapter 67-21, Florida Administrative Code or the competitive solicitation, as applicable.

B. Developments that receive Tax-Exempted Bonds issued by a County Housing Finance Authority, without any other FHFC competitive funding, will be deemed to have met the minimum threshold criteria by successfully completing a request for Housing Credits utilizing the Non-Competitive Application Package by the date specified in Rule Chapter 67-21, Florida Administrative Code, and meet the threshold requirements thereof.

C. Developments receiving other FHFC funding awarded through a competitive solicitation process, where the Tax-Exempt Bonds are issued either by FHFC or a County Housing Finance Authority and the Bonds will be used with such other FHFC funding, will be deemed to have met the minimum criteria for a Housing Credit request upon final Board action regarding such competitive solicitation.

D. Developments that receive Tax-Exempt Bonds issued by any entity other than FHFC or a County Housing Finance Authority must request the Non-Competitive Housing Credits using the Non-Competitive Application Package, must meet threshold requirements specified in the application instructions and Rule Chapter 67-21, Florida Administrative Code, and must submit the Application by the date specified in Rule Chapter 67-21, Florida Administrative Code.

The Non-Competitive Housing Credits are subject to applicable provisions of Rule Chapter 67-21, Florida Administrative Code, as outlined in subsection 67-21.027, Florida Administrative Code, including, but not limited to, the compliance monitoring requirements set forth in Part IV of this plan.

IV. Compliance

A. All Developments funded with Housing Credits will be monitored by FHFC or its appointee. Detailed compliance requirements are set forth in Rule Chapter 67-53, Florida Administrative Code, and in 26 CFR Part 1 Section 1.42-5.

B. FHFC shall promptly notify the Internal Revenue Service of any Development non-compliance in relation to Section 42 of the Code and all other related applicable federal regulations.

New: 4-30-90; Amended: 3-25-91; 3-12-92; 3-4-93; 12-16-93, 2-9-95; 1-5-96; 10-21-96, 12-8-97, 9-25-98, 12-16-99, 1-4-01, 2-22-02, 2-28-03, 3-1-04, 1-11-05, 12-22-05, 3-6-07, 3-4-

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08, 4-29-09, 11-18-10, 6-24-11, 11-1-11, 9-18-13, 9-4-14, 7-26-16, 6-11-18, 6-4-19, 5-28-20, 4-23-21, _____.

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