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May 29, 2012

Della Harrell  
Agency Clerk  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329

**VIA HAND-DELIVERY**

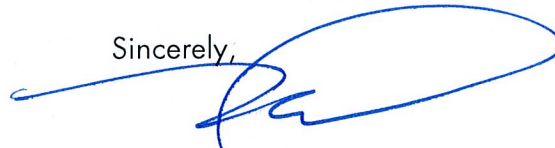
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12 MAY 29 PM 4:44  
FLORIDA HOUSING  
FINANCE CORPORATION

Re: Renaissance Preserve IV, LLLP  
FHFC No. 2012-028UC

Dear Della:

Enclosed please find Renaissance Preserve IV, LLLP's Written Argument. Should you have questions please feel free to contact me at the number above.

Sincerely,



Michael P. Donaldson

MPD/rb

Enclosure

## WRITTEN ARGUMENT

Petitioner, RENAISSANCE PRESERVE IV, LLLP, ("Petitioner"), hereby submits to the FLORIDA HOUSING FINANCE CORPORATION Board of Directors ("Board") its written argument in response to the designated Hearing Officer's Recommended Order entered May 23, 2012 ("Recommended Order"). In the Recommended Order, the Hearing Officer recommends that a Final Order be entered concluding that because there is an inconsistency between the information in Revised Application Exhibit 49 and the information in Revised Application Exhibit 9], the Revised Application Exhibit 49 may not be considered an the Applicant has failed to meet a threshold, thus requiring the Application to be rejected.

1. The issue raised in this proceeding is whether Petitioner has satisfied the Universal Cycle Application Instructions and Rule requirements regarding firm Non-Corporation Funding Commitments. Specifically whether the "percentage of credits being purchased by the syndicator was less than or equal to the percentage of the ownership held by the limited partner or member."

2. In essence the Hearing Officer in his Recommended Order took the position that the syndicator, RBC, is purchasing a larger percentage of the credit allocation (99.991%) than is actually owned by the Limited Partner of the Applicant entity, the Housing Authority of the City of Fort Myers ("Housing

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Authority"). Based on a review of Exhibit 9 the Housing Authority owns 99.99% of the Applicant entity. To reach his conclusion the Hearing Officer mechanically combined the interests of two distinct legal entities, RBC Equity and RBC Manager, to equal 99.991%, which are two separate transactions.

3. This action by the Hearing Officer is erroneous for several reasons. First, as a factual matter and as a matter of law, RBC Tax Credit Equity, LLC (RBC Equity) and RBC Tax Credit Manager II (RBC Manager), Inc. are not the same legal corporate entity. They are distinct legal entities only one of which RBC Equity is purchasing a 99.99% interest in the applicant entity from the limited Partner. This is clearly stated in the letter through language and the dollar amount being paid for the LIHTC. The fact that the Hearing Officer and the Staff do not understand the transaction is not grounds to find the commitment insufficient or inconsistent in any manner. Because of this misunderstanding the final phase of a HOPE VI project will not be funded. The HOPE VI funds have a deadline which is depending on this award. The only thing holding this award from taking place is this misunderstanding of a business transaction.

4. The RBC commitment letter, submitted by Petitioner meets all the listed requirements of the Universal Application Instructions. The Hearing Officer asserted that the percentage of credits being "purchased" is not equal to or less than the percentage ownership interest held by the limited partner or member. That

finding of fact and conclusion of law is simply not true. At informal hearing Respondent took the position that the terms “acquire” and “purchase” have the same meaning and apparently the Hearing Officer agreed with no explanation as to why.

5. The words do not have the same meaning. “Purchase,” as defined by Merriam Webster Dictionary – Thesaurus (<http://www.merriam-webster.com/>), means:

to get possession of (something) by giving money in exchange for (*I need to purchase a new heavy coat*)  
**Synonyms** cop [slang], pick up, purchase, take. **Related Words** acquire, gain, garner, get, obtain, procure, secure, win; finance, pay (for), spring (for); barter (for), deal (for), dicker (over), exchange (for), haggle (for), negotiate (about), trade (for); bargain (with), chaffer (with), horse-trade (with), palter (with); bid, offer; rebuy, repurchase.

“Acquire,” on the other hand, as defined by the same source, means:

to come to have gradually (from years of working two jobs, he has acquired the ability to get by on only a few hours of sleep a day) **Synonyms** acquire, cultivate, form. **Related Words** absorb, adopt, embrace, take in, take on; gain, get, obtain; achieve, attain, reach; foster, nourish, nurture, promote.

6. In the RBC letter RBC Equity proposes to "purchase" 99.99% of the Tax Credits. This is consistent with the percentage of ownership interest held by the limited partner, as reflected at Exhibit 9. This is also evidenced by the amount RBC Equity has stipulated to pay, through a capital contribution, in Paragraph 2 of the Letter (entitled “Purchase Price”).

7. Moreover, at RBC letter Paragraph 3 entitled "LIHTC" it states "It is expected that RBC will be allocated a total LIHTC amount of \$13,549,515 (the "Projected LIHTC") during the credit period..." This amount equates to 99.99% of the 2011 LIHTC allocation to the partnership and no more.

8. The additional RBC entity, RBC Manager, while "acquiring" "an interest" in the Applicant entity, is not paying any money and therefore not "purchasing" an interest. This .001% interest will none the less be acquired from the .01% interest that is currently shared by the GP entities at a ratio of .051% and .049%. It is not a requirement of the Application to explain any future proposed changes to this interest.

9. A simple calculation of the Tax Credits being purchased and the price per credit being paid produces the amount of equity set forth in the syndication agreement only if the party providing the equity is purchasing a 99.99% interest in the Applicant entity; it does not include the .001% being acquired by the "special limited partner", RBC Manager because there is no money being paid for this interest and the interest is being acquired by a different entity. The limited partner or member according to Exhibit 9 as of the application deadline is the Housing Authority who currently holds a 99.99% interest in the Applicant entity Renaissance Reserve IV, LLLP. Accordingly, for Respondent to be correct more than the 99.99% interest must be purchased by RBC Equity which is simply not the

case here as both the language and mathematical calculations provided in the letter demonstrate.

10. Despite this position, the Hearing Officer has determined in his recommended order that this is a scoring issue and not an underwriting issue, although, to the contrary, Respondent stipulated at the hearing that staff defers to the underwriters to make those final decisions.

11. The RBC commitment letter indicates that RBC Equity will pay \$11,855,826 for a 99.99% ownership interest in the Tax Credit Allocation for the proposed project. This is consistent with the Universal Application requirements. While the RBC Manager may be acquiring an interest in Applicant entity, that interest is separate and apart from the 99.99% interest being purchased by RBC Equity or any RBC entity for that matter.

12. Based on the foregoing, Petitioners request that the Board enter a Final Order which finds that Petitioner has passed threshold.