

STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

CASE NO. 2006-038VW

RECEIVED
2006 JUN 27 AM 8:35
FLORIDA HOUSING
FINANCE CORPORATION

RELIANCE-ANDREWS ASSOCIATES, LTD.

Petitioner,

vs.

FLORIDA HOUSING FINANCE CORPORATION

Respondent.

**PETITION FOR WAIVER OR VARIANCE OF THE QUALIFIED ALLOCATION
PLAN'S REQUIREMENT FOR RETURNING HOUSING CREDIT ALLOCATION AND
FOR EXTENSION OF THE PLACED-IN-SERVICE DATE**

Petitioner Reliance-Andrews Associates, Ltd., a Florida limited partnership ("Reliance-Andrews") petitions Respondent Florida Housing Finance Corporation (the "Corporation") for a waiver or variance of the Qualified Allocation Plan's prohibition from requesting an extension of the placed in service date for the Development prior to the last quarter of 2007, obtain a reservation for allocation for the subsequent year, and obtain an extension of the December 31, 2007 placed in service date ("Placed-in-Service Date") to December 31, 2008. See Rules 67-48.002(83) and 67-48.025, Florida Administrative Code (collectively the "Rules"), and Qualified Allocation Plan at ¶ 11. In support of its Petition, Reliance-Andrews states as follows:

1. Pursuant to Section 120.542, Fla. Stat.(2001) and Rules 28-104.001 through 28-104.006, F.A.C., Reliance-Andrews requests a waiver of Rule 67-48.002(83), Florida Administrative Code, and a variance of Paragraph 11 of the Qualified Allocation Plan ("QAP") to allow the return of its 2005 Housing Credit Allocation, obtain a reservation of allocation for 2008, and to extend the Placed-in-Service Date prior to the last quarter of 2007.

2. The name, address, telephone and facsimile numbers for Reliance-Andrews and its qualified representative are:

Reliance-Andrews Associates, Ltd.
Attention: Deborah Dozier Blinderman
805 East Broward Boulevard, Suite 200
Fort Lauderdale, Florida 33301
Telephone: 954-927-4545
Facsimile: 954-764-7860
E-mail:dblinderman@reliancehousing.org

3. The name, address, telephone and facsimile numbers of Reliance-Andrews' attorneys are:

Brian J. McDonough, Esquire
Mimi L. Sall, Esquire
STEARNS WEAVER MILLER WEISSLER
ALHADEFF & SITTERSON, P.A.
Suite 2200
Museum Tower
150 West Flagler Street
Miami, Florida 33130
Telephone: 305-789-3200
Facsimile: 305-789-3395
E-mail:bmcdonough@swmwas.com
msall@swmwas.com

4. Reliance-Andrews timely submitted its Universal Application for competitive Housing Credits under the Low Income Housing Tax Credit program ("LIHTC Program" or "HC Program") pursuant to the 2005 Combined Rental Cycle Program. *See* Application Number 2005-116C.

5. Equity raised from Housing Credits will be used for construction of a new development of 167 low-income family housing tax credit units known as Flagler Point (the "Development"). The Development will serve low income and elder families in Fort Lauderdale, Broward County, Florida.

6. On December 1, 2005, the Corporation issued its Preliminary Allocation of Housing Credits reserved in the amount of \$2,368,500.00. A true and correct copy of the Preliminary Allocation Certificate - Housing Credit ("Preliminary Allocation Certificate") is attached hereto as Exhibit A.

7. As permitted by Rule 67-48.028, F.A.C., Reliance-Andrews applied for a carryover of the Housing Credits. The Corporation granted the carryover pursuant to a Carryover Allocation Agreement between Reliance-Andrews and the Corporation, effective December 20, 2005. A true and correct copy of the Carryover Allocation Agreement is attached hereto as Exhibit B. As a result, the Placed-in-Service Date for the Development is December 31, 2007.

8. Consequently, it is anticipated that there will be a Final Housing Credit Allocation granted to Reliance-Andrews in accordance with the Corporation's usual final allocation procedures.

9. Numerous factors that were and are outside Reliance-Andrews' control, including the impact of Hurricanes Wilma and Katrina in 2005, have delayed the development process. As a result of these delays, Reliance-Andrews may be unable to complete the Development before the Placed-in-Service Date.

10. As set forth more fully below, Reliance-Andrews seeks to now return the 2005 Housing Credit Allocation, a prerequisite for obtaining a reservation of allocation for the subsequent year, at this time, rather than wait to the last calendar quarter of 2007 as required under the QAP, obtain a reservation for allocation in the same amount, and obtain an extension of the Placed-in-Service Date.

11. The requested waivers and variance will not adversely effect the Development. A denial of the Petition would (a) result in substantial economic hardship to Reliance-Andrews; (b) deprive Fort Lauderdale of essential affordable rental units; and (c) violate principles of fairness.

12. Rule 67-48.025 requires that distributions of Housing Credits “shall be in accordance with the Corporation’s Qualified Allocation Plan.”

13. Rule 67-48.002(83) defines QAP as follows:

“QAP” or “Qualified Allocation Plan” means, with respect to the HC Program, the 2005 Qualified Allocation Plan which is adopted and incorporated herein by reference, effective upon approval by the Governor of the state of Florida, pursuant to Section 42(m)(1)(B) of the IRC and sets forth the selection criteria and the preferences of the Corporation for Developments which will receive Housing Credits.

14. The 2005 QAP provides that Housing Credits may be returned **only** the last calendar quarter of the year in which a development is required to be placed in service:

where a development has not been placed in service by the date required or it is apparent that a development will not be placed in service by the date required [December 31, 2007], such failure is due to circumstances beyond the Applicant’s control, and the Applicant **has returned its housing credit allocation in the last calendar quarter of the year** in which it was otherwise required to be placed in service, the Corporation may reserve allocation in an amount not to exceed the amount of credits returned, and may allocate such housing credits to the Applicant for the year after the year in which otherwise required to be placed in service provided [certain] conditions have been met.

2005 QAP at ¶ 11 (emphasis added).

15. The applicable Rules for which waivers are requested are implementing, among other sections of the Florida Housing Finance Corporation Act (the “Act”),¹ the statute that created the Housing Credits Program. *See* § 420.5099, Fla Stat. (2003). The Act designates the Corporation as the State of Florida’s housing credit agency within the meaning of Section

¹The Florida Housing Finance Corporation Act is set forth in Sections 420.501 through 420.516 of the Florida Statutes. (the “Act”). See also Rule 67-40.020(1), F.A.C.

42(h)(7)(A) of the Internal Revenue Code of 1986. As the designated agency, the Corporation is responsible for and is authorized to establish procedures for the allocation and distribution of low-income housing tax credits ("Allocation Procedures"). §§ 420.5099(1) and (2), Fla. Stat. (2003). Accordingly, the Rules subject to Reliance-Andrews' waiver request are implementing, among other sections of the Act, the statutory authorization for the Corporation's establishment of Allocation Procedures for the HC Program. §§ 420.5099(1) and (2), Fla. Stat. (2003).

16. The requested Rule waivers will ensure the availability of Housing Credits which might otherwise be lost as a consequence of development delays caused by factors outside Reliance-Andrews' control. These factors include the devastating impact of Hurricane Wilma.

17. The following facts demonstrate the economic hardship and other circumstances which justify Reliance-Andrews' request for Rules waivers:

- a. Reliance-Andrews timely submitted its 2005 Universal Application for the Corporation's Housing Credits Program.
- b. Thereafter, the Corporation issued its Preliminary Allocation Certificate.
- c. The Preliminary Allocation reserved \$2,368,500.00 for Housing Credits.
- d. As a result of the Carryover Allocation Agreement, the Placed-in-Service Date for the Development is December 31, 2007.
- e. On October 24, 2005, Hurricane Wilma struck the South Florida area, and as a result of the damage caused, Broward County was declared a major disaster area.
- f. Because local government had to address and resolve critical and emergency matters impacting the safety, health and welfare of its citizens, government personnel was not available to attend meetings or otherwise consider issues relating to the Development.
- g. As a consequence of Hurricane Wilma, Reliance-Andrews' development process, as well as numerous other projects in the Fort Lauderdale area, have been significantly delayed.

- h. The impact of Hurricane Wilma and Hurricane Katrina on the construction industry further delayed the development process. As a consequence of the substantial increase in construction costs resulting, in part, by the scarcity of both building materials and laborers, Reliance-Andrews had to re-budget the Development.
- i. In light of the initial delays due to the 2005 Hurricanes, and having entered the 2006 hurricane season, Reliance-Andrews' tax-credit investor has serious concerns about whether the Development will meet the Placed-in-Service Date.
- j. The Development has remarkable community support and has received final site plan approval. Demolition is scheduled to commence in June and July and, provided that it receives the requested rule waiver, should close on the tax-credit partnership and commence construction in August 2006.
- k. Reliance-Andrews has continued to proceed with the pre-development process and has met the 10% test under Paragraph 5.b. of the Carryover Agreement.
- l. The rule waiver sought herein will allow Reliance-Andrews to request an extension of the Placed-in-Service Date without having to wait until the last quarter of 2007.
- m. A denial of the requested waiver would result in a substantial economic hardship to Reliance-Andrews. Without the assurance that the Placed-in-Service Date is extended to December 31, 2008, Reliance-Andrews' tax-credit investor has indicated its unwillingness to take the risk of closing on the tax credit partnership, funding the initial capital contribution and commencing construction. This could result in the inability to obtain critical financing necessary to provide 167 apartment rental units that are needed for low income families and the elderly in Fort Lauderdale, Broward County, Florida.

18. As demonstrated above, the requested Rule waivers serve the purposes of Section 420.5099 and the Act, as a whole, because one of their primary goals is to facilitate the availability of decent, safe and sanitary housing in the State of Florida to low-income persons and households by ensuring:

the maximum use of available tax credits in order to encourage development of low-income housing in the state, taking into consideration the timeliness of the application, the location of the proposed housing

project, the relative need in the area for low-income housing and the availability of such housing, the economic feasibility of the project, and the ability of the applicant to proceed to completion of the project in the calendar year for which the credit is sought.

§ 420.5099(2), Fla. Stat. (2005).

19. Further, by granting the requested Rule waivers, the Corporation would recognize principles of fundamental fairness in the development of affordable rental housing. This recognition would promote participation by experienced developer entities, such as Reliance-Andrews, in meeting the purpose of the Act, regardless of the possible delays from hurricanes and other factors outside their control.

20. The requested Rule waivers and variances will not adversely impact the Development or the Corporation.

21. The waivers and variances being sought are permanent in nature.

Should the Corporation require additional information, Reliance-Andrews is available to answer questions and to provide any additional information necessary for consideration of this Petition for Waiver of the QAP's prohibition from returning Housing Credit allocations and requesting an extension of the Placed-in-Service Date for the Development prior to the last quarter of 2007.

WHEREFORE, Petitioner Reliance-Andrews Associates, Ltd., respectfully requests that the Corporation:

A. Grant the Petition and all the relief requested therein;

B. Waive the 2005 Qualified Allocation Plan's prohibition from requesting an extension of the Placed-in-Service Date for the Development prior to the last quarter of 2007;


C. Grant an extension of the placed in service date from December 31, 2007 to December 31, 2008; and

D. Grant such further relief as may be deemed appropriate.

Respectfully submitted,

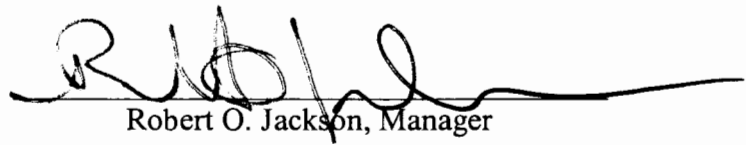
Reliance-Andrews Associates, Ltd., a Florida
limited partnership

By: Reliance-Andrews, LLC, a Florida limited
liability company, its general partner

By: 
Robert O. Jackson, Manager

CERTIFICATE OF SERVICE

The Original Petition is being served by facsimile and overnight delivery for filing with the Corporation Clerk for the Florida Housing Finance Corporation, 227 N. Bronough Street, Tallahassee, Florida 32301, with copies served by overnight delivery on the Joint Administrative Procedures Committee, Room 120, The Holland Building, Tallahassee, Florida 32399-1300, on June __, 2006.



Robert O. Jackson, Manager

Exhibit A



227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax 850.488.9809 • www.floridahousing.org

we make housing affordable

PRELIMINARY ALLOCATION CERTIFICATE HOUSING CREDIT PROGRAM

The Florida Housing Finance Corporation ("Florida Housing") grants to
Reliance-Andrews Associates, Ltd. ("Applicant")

for

Flagler Point (the "Development")

Broward County, Florida
Application # 2005-116C

Preliminary Allocation of Housing Credits reserved in the amount of

\$2,368,500.00

December 1, 2005

1. **Authority.** This Preliminary Allocation is granted by Florida Housing under the Housing Credit Program as authorized by Section 420.507(12), Florida Statutes, and Section 42 of the Internal Revenue Code of 1986, as amended, ("IRC"), and as administered pursuant to Program guidelines outlined in Rule 67-48, Florida Administrative Code. Under such guidelines, Florida Housing may allocate housing credits only in an amount necessary to ensure the financial feasibility of the Development and its viability as a low-income rental housing project.
2. **Effect.** This Certificate represents a preliminary determination only and is not binding on either Florida Housing or the Applicant. Subject to the preceding sentence, this Certificate inures to the benefit of the Applicant named above and its grantees, transferees, and other successors in interest to the maximum extent allowed under IRC Section 42.
3. **Duration.** The Preliminary Allocation will be valid until December 31, 2005.


Jeb Bush, Governor

Board of Directors: Terry Santini, Chairman • Lynn M. Stultz, Vice Chairman • Thaddeus Cohen, Ex Officio
Cesar E. Calvet • David E. Oellerich • Zully Ruiz • Robert J. Taylor • Sandra Terry

Stephen P. Auger, Executive Director

4. Contingencies. The Preliminary Allocation is contingent upon:
- a. The Applicant shall comply with all of the pertinent requirements of IRC Section 42 and the Treasury Regulations issued thereunder and the requirements of the State of Florida as set forth in Chapter 67-48, Florida Administrative Code.
 - b. A non-refundable administrative fee of \$118,425.00, which is based on 5% of the allocation amount (\$2,368,500.00) and a one time non-refundable compliance payment of \$3,035.00 in accordance with Rule 67-48 is payable by the Applicant to Florida Housing **no later than December 8, 2005**. Checks should be made payable to the Florida Housing Finance Corporation, and should be mailed to:

Florida Housing Finance Corporation
ATTN: Housing Credit Program
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329
 - c. Approval by Florida Housing of a positive credit underwriting recommendation that housing credits be allocated to this Development.
 - d. The receipt of an eligible market analysis for the property.
 - e. Verification from the Applicant and the Credit Underwriter that all contingency items as stated in the credit underwriting report and below have been met no later than nine (9) months from the date of execution of the Carryover Allocation Agreement.
 - f. Such other reasonable requests as made by Florida Housing during this time frame.
5. Final Determination. Florida Housing is required to make further tax credit determinations, with the final determination to be made at the time the Development is "placed in service" pursuant to IRC Section 42(m)(2)(C).
6. Carryover Allocation. A project may qualify for a carryover of the housing credit allocation if the guidelines set forth in Rule 67-48.028, Florida Administrative Code, are met.


Vicki A. Robinson
Deputy Development Officer

Dated this 1ST day of December, 2005

we make housing affordable

MEMORANDUM

TO: 2005 Housing Credit Applicants

FROM: Vicki A. Robinson, Deputy Development Officer *VR*

DATE: December 1, 2005

RE: 2005 Carryover Qualification Documentation
Section 42(h)(1)(E), IRC, as Amended

1. Enclosed please find the necessary documentation for qualifying for a 2005 housing credit carryover allocation for your development. In addition, the Carryover exhibits have been provided on disc for your convenience.
2. It is absolutely critical that you fully and accurately complete the documentation and submit it to Florida Housing as soon as possible. **All documentation must be correct and received by Florida Housing no later than 5:00 P.M. on Friday, December 16, 2005. Failure to meet this deadline may result in the loss of credits reserved for your project.**
3. All critical data about the development must be properly set forth in this documentation and must be as reflected in the application and credit underwriting analysis. Any changes must have received Florida Housing approval and be documented in Exhibit F. This critical data includes, but is not limited to, the development name, set-aside commitments, total project costs, owner entity, and amount of housing credit allocation. Please call the Housing Credit staff to discuss any changes before using this form.
4. Section 4 of the Carryover Allocation Agreement includes the commitment for the Extended Use Period.
5. **You are required to submit verification evidencing satisfaction of carryover requirements to Florida Housing WITH the carryover documentation (See Section 5).**
6. If you elect to lock-in the credit percentage rate, make certain the lock-in rate is reflected on Exhibit A of the carryover documentation.

7. Complete Exhibit D of the carryover documentation and submit it with the Carryover Allocation Agreement. In the event that the "10% Requirement" is not met at the time of submission, Exhibit D should be completed with the current figures and may be signed by the Owner; the certification form need not be completed. All of Exhibit D, must then be resubmitted within 6 months from the date of the Carryover and the "10% Requirement" must be met at that time. The Cost Basis Certification, Exhibit D page 2, must also be signed by a CPA or an Attorney at that time.
8. Florida Housing will not execute the Carryover Allocation Agreement until it receives a market study for the proposed Development from its assigned credit underwriter. Please check with your credit underwriter to ensure that Florida Housing receives a copy. The Carryover Allocation Agreement is not a binding agreement unless executed by Florida Housing.
9. Contact the housing credit staff with any questions that you may have when completing the documentation. Carefully proof read your completed documentation before submitting it to Florida Housing.
10. Florida Housing will distribute copies of all executed Carryovers by January 31, 2006.
11. Additionally, it is requested that you complete the enclosed Gross Rent Floor Election form and return it along with the Carryover Allocation Agreement.
12. **Do not retype any part of the Carryover document.** Documents that have been retyped or altered will not be accepted. Refer to # 3 and # 9 for the procedures to follow with changes or questions regarding your submission.
13. Be informed that you will be responsible for arranging four on-site constructions inspections as required by Rule 67-53.008 with the first inspection occurring prior to the Development being 15% complete. The fee for the inspections is to be billed directly to the Applicant at \$139 per hour not to exceed \$1,391 per inspection. Contact your servicer/credit underwriter to coordinate the required inspections. See paragraph 8 of the Carryover Allocation Agreement.

A Carryover Review Checklist has been included to aid you in completing your Agreement. It is the same checklist used by FHFC Housing Credit staff to ensure the accuracy of your submission.

NOTE: FLORIDA HOUSING IS UNDER NO OBLIGATION TO OFFER OR ACCEPT A CARRYOVER ALLOCATION AGREEMENT UNLESS ALL CONTINGENCIES OF THE APPLICABLE PRELIMINARY ALLOCATION HAVE BEEN FULFILLED TO THE SATISFACTION OF THE CREDIT UNDERWRITER AND FLORIDA HOUSING.

Development: _____

Development Number: _____

1. _____ **WE ONLY ACCEPT ORIGINALS.**
2. _____ Check Applicant Name (partnership, corporation, etc.) and Project Name (Pages 1 and 2, applicant signature page and top of each exhibit page). See #10 for instructions regarding a request for changes.
3. Check all of the following items in Pages 1 through 8 to make sure they have been completed by Applicant:
 - _____ Taxpayer Federal ID# (Page 2) (if not already completed)
 - _____ Section 5. should be completed by Applicant. This information should provide the elections for meeting requirements and reflect the documents provided.
 - _____ Check Applicant signature page. Make sure signature was notarized, with a notary seal that has not expired.
4. _____ Exhibit A, Building-by-Building Breakdown. BINs should have already been inserted. If this is a partial binding from a previous year the first year BINs are used. Check all columns to make sure they are complete and that the information is correct. Check calculations to make sure the Eligible Basis multiplied by the Applicable Percentage equals the Qualified Basis and that the Qualified Basis multiplied by the Credit Rate equals the Housing Credit per Building. If the Eligible Basis calculates to an amount of credit greater than what was originally allocated, the Eligible Basis should be reduced until the calculations equate to the correct allocation amount.
5. _____ Exhibit B, Features and Amenities. There should be no changes to this exhibit unless it is an error or omission. Any requests for alterations to the original application have to be in writing from the Owner to Florida Housing.
5. _____ Exhibit C, Legal Description. Make sure the legal description is typed in or attached and that it matches the legal description provided in the Application.
7. _____ Exhibit D, Cost Basis Document and Certification. Check that all columns are calculated correctly. **Amounts under Sources and Uses (Total Estimated Project Cost) must match.** These numbers should have been transferred to Section 5 of the Carryover Agreement. Check math on % complete. In the event that the Development cannot meet the "10% Requirement" at the date of submission, a revised Exhibit D must be submitted on or before 6 months from the date of the Carryover and the "10% Requirement" must be met at that time. Certification must be signed by CPA or attorney upon meeting the requirement. The Owner may sign Exhibit D if the "10% Requirement" is not being met at this time.
- i. _____ A copy of the deed and closing statement evidencing ownership of the property by the Applicant or a copy of the executed lease agreement must be attached to the Carryover Agreement if meeting this condition now. Check election.
1. _____ Exhibit E, Conditions. The required information should already be inserted on this exhibit. These are the contingencies that did not need to be satisfied prior to execution of Carryover.
0. _____ Exhibit F, Explanation of Changes. If any changes were made to the information originally put in the Carryover Agreement there should be an explanation/justification of the changes. If there is such a change, this must be brought to the Administrator's attention for approval. Applicant should have called Staff to discuss any changes.
1. _____ Lock-In Agreement. Must be submitted with the Carryover Agreement. **All Carryover Agreements regardless of Lock-In Agreement election must be submitted by 5:00 p.m. December 16, 2005.** Applicants who do not choose to lock in a rate must submit their executed Lock-In Agreement with the "no election" box checked. Check the form to see what their election is. If they choose to lock-in verify that they have entered the correct rate and date according to the lock-in period elected and that the document has been properly executed. **Lock-in Date for 2005 Carryover will be December. Gross rent floor election should also be provided.**
2. _____ All Preliminary Allocation contingencies have been satisfied (except for those that have been listed on Exhibit E as contingencies of the Carryover).

**FLORIDA HOUSING FINANCE CORPORATION
2005 CARRYOVER ALLOCATION AGREEMENT**

This 2005 Carryover Allocation Agreement (Agreement) by and between Florida Housing Finance Corporation (Florida Housing) and Reliance-Andrews Associates, Ltd. (Owner) constitutes an allocation of the 2005 Housing Credit dollar amount meeting the requirements of Section 42(h)(1)(E) and (F) of the Internal Revenue Code of 1986 as amended (Code). Unless otherwise specifically provided, this Agreement and the terms used herein shall be interpreted in a manner consistent with the requirements of Section 42 of the Code.

In consideration of the conditions and obligations stated in this Agreement, Florida Housing and the Owner understand and agree as follows:

1. Florida Housing has reviewed the 2005 Application filed by the Owner of Flagler Point (Development). Based on the evaluation of the Development identified in the 2005 Application, and the credit underwriting analysis, Florida Housing and the Owner incorporate, by reference, the 2005 Application into this Agreement.
2. The Owner acknowledges that all the terms, conditions, obligations, and deadlines set forth in this Agreement and the attached Exhibits, together with those that are incorporated by reference, constitute material and necessary conditions of this Agreement, and that the Owner's failure to comply with any of such terms and conditions shall entitle Florida Housing, at its sole discretion, to deem the credit allocation to be canceled by mutual consent of the parties. After any such cancellation, the Owner acknowledges that neither it, nor its successors in interest to the Development, shall have any right to claim Housing Credits pursuant to this allocation. Florida Housing reserves the right, at its sole discretion, to modify and/or waive any such failed condition precedent.
3. This 2005 Housing Credit allocation is not to exceed an annual amount of \$2,368,500.00 for the Development.

If the Development consists of more than one building, this Agreement constitutes an allocation of credit on a project basis to the Development in accordance with Section 42(h)(1)(F) of the Code. The "per building" Housing Credit amounts specified in **Exhibit A** are solely for purposes of determining the total housing credit allocation for the Development and do not constitute specific allocations made on a building by building basis.

This allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and upon the terms and conditions of this Agreement.

4. The Owner certifies it is the legal owner of the Development and that the following information is true, accurate, and complete:

- a. Owner Name: Reliance-Andrews Associates, Ltd.
- b. Taxpayer Federal ID#: 20-0874760
- c. Owner Address: 516 NE 13th Street
Ft. Lauderdale, FL 33304
- d. Development Name: Flagler Point
- e. Development Address: Ft. Lauderdale, FL 33311 & 33304
- f. Florida Housing Development Number: 2005-116C
- g. Total Number of Units in Development: 167
(Includes market rate units, set-aside units, and full-time employee units.)
- h. Total Number of Buildings: 2
- i. Total Number of Qualified Residential Buildings: 2
(as defined at Section 42(h)(1)(E)(ii) of the Code)
- j. Type of Construction: New Construction
- k. Demographic/Designation: Elderly/Large County
- l. Anticipated Placed in Service Date: 12/31/2007
of the last constructed/rehabilitated building (Month, Day and Year)
- m. Minimum Set-Aside: 40% of units at
60% of area median income
- n. Total Set-Aside: 5% of the residential units at 30% of area median income
20% of the residential units at 35% of area median income
75% of the residential units at 60% of area median income
- o. Extended Use Period: The Owner has irrevocably waived the "option to convert" to market rents after year 14 and FURTHER COMMITS to an additional compliance period of 35 years (fifteen years plus 35 additional years totaling 50

years).

- p. **Qualified Non-Profit Set-Aside:** Florida Housing states and Owner acknowledges that this allocation of Housing Credits is being made pursuant to Florida Housing's set-aside of credit authority for "qualified non-profit organizations" within the meaning of Section 42(h)(5)(c) of the Code and Non-Profit Applicants under its Qualified Allocation Plan (QAP). Throughout the extended use period applicable to the Development under the Code, such a qualified non-profit organization shall own an interest in the Development and materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Development.
 - q. **Development Features and Amenities:** The Development will be constructed or rehabilitated in accordance with the 2005 Application and shall provide at a minimum the Features, Amenities and Programs described in **Exhibit B**.
5. a. **Site Control:**
- (i) The Owner shall demonstrate to Florida Housing that it has satisfied the requirement of site control by including a copy of the recorded deed and closing statements, or a copy of the executed long term lease agreement, together with such other evidence or documentation that Florida Housing shall deem necessary. These documents are to be incorporated into the Agreement as an attachment to the Development's Legal Description, **Exhibit C**.
 - (ii) To meet the Site Control requirement, the Owner certifies to Florida Housing that it owns the land on which the Development is to be built, or that the Owner is the Lessee under a lease of the land on which the Development is to be built and which has a term that does not expire prior to the expiration of the Extended Use Period.

Site Control Election:

Owner shall initial only one of the following:

I elect to meet the Site Control requirement,

_____ upon the initial submission of this Agreement

or

_____ within six months of the execution of this Agreement

In choosing the six month election, the Owner agrees to provide evidence of meeting the requirement as a supplemental to the original Carryover Allocation Agreement without amending the original document.

b. Cost Basis and Certification:

The Owner certifies that it shall incur at least 10 percent of the reasonably expected basis (10% test) of the Development no later than six months from the date of this Agreement. The Owner shall indicate below whether it chooses to provide evidence that the 10 % test has been met upon the initial submission of this Agreement or within six months of this Agreement's execution.

The Owner represents that its reasonably expected basis in the development (land and depreciable basis) as of December 31, 2007 is \$ _____, such that for purposes of the 10% test, it must have a basis in the Development (land and depreciable basis) of at least \$ _____ by no later than six months from the date of this Agreement.

Cost Basis and Certification Election:

Owner shall initial only one of the following:

I elect to meet the 10% test requirement,

_____ upon the initial submission of this Agreement

or

_____ within six months of the execution of this Agreement

In choosing the six month election, the Owner agrees to provide an updated Exhibit D as evidence of meeting the 10% requirement. This will be a supplement to the original Carryover Allocation Agreement without amending the original document.

The Owner shall submit the properly completed and executed **Exhibit D** as evidence that it has or has not met the 10% test requirement.

Florida Housing's acceptance of any certification with respect to meeting the 10% test requirement, does not constitute a representation as to the satisfaction of the requirements under Section 42(h)(1)(E) of the Code as binding on the part of the Internal Revenue Service.

6. The Owner acknowledges that all qualified buildings within the Development shall be placed in service on or before December 31, 2007. The final tax credit determination by Florida Housing cannot be made until such time as all buildings are placed in-service and the required Final Cost Certification has been submitted and approved by Florida Housing. Florida Housing shall not issue any partial final allocations.
7. The Owner acknowledges and agrees to submit to Florida Housing, in accordance with Rule Chapter 67-48, Florida Administrative Code: (i) written progress reports evidencing the progress of the Development at least once each calendar quarter, and (ii) the completed and required Final Cost Certification documents by the date that is 75

calendar days after all the buildings in the Development have been placed in service.

In the event the Owner fails to comply with the above requirements or fails to commence construction within nine months from the effective date of this agreement, the Housing Credits allocated within this Agreement shall be deemed returned to Florida Housing pursuant to Section 42 (h)(3)(C) of the Code. Florida Housing, in its sole and absolute discretion, may extend the time for compliance with these requirements upon receipt of a written request from the Owner and if Florida Housing determines that the Owner is making a diligent effort to comply.

8. Pursuant to Rule Chapter 67-53, the Owner shall coordinate with the Development's assigned servicer, AmeriNational Community Services, Inc., to have at least four on-site construction inspections at the Owner's expense. The Owner shall insure that these inspections are conducted at different intervals during the construction period with one of the inspections conducted prior to the Development being 15% complete and one inspection conducted at construction completion.
9. The Owner acknowledges and agrees that Florida Housing shall further evaluate the Development, pursuant to Section 42(m)(2) of the Code for a final housing credit allocation determination upon Final Cost Certification, when all buildings in the Development are placed in service.

The Owner further acknowledges and agrees that, if the carryover housing credit allocation dollar amount, set forth in paragraph 3 of this Agreement, exceeds the amount for which the Development is determined by Florida Housing to be finally eligible, pursuant to Section 42(m)(2) of the Code, the amount of any such excess shall be returned to and recovered by Florida Housing pursuant to Section 42(h)(3)(C) of the Code for reallocation to other developments.

10. Upon the Owner's written notification to Florida Housing that the last building in the Development is placed in service, Florida Housing's receipt of evidence that all contingency items identified in **Exhibit E** of the Agreement have been satisfied, and acceptance by Florida Housing of the Final Cost Certification documents which include but are not limited to:

- the Final Cost Certification
- the monitoring fee
- copies of Certificates of Occupancy
- a copy of the Syndication Agreement
- an Independent Auditor's Report prepared by an independent Certified Public Accountant
- photographs of the completed property
- the original, executed Extended Low-Income Housing Agreement in accordance with the deadlines imposed above

Florida Housing shall issue an Internal Revenue Service Form 8609 for each building, in accordance with the applicable federal law governing Housing Credit allocation under Section 42 of the Code and Florida Housing program rules. The Extended Low-Income Housing Agreement, with respect to the Development, shall, incorporate the terms, conditions, and obligations undertaken by the Owner pursuant to paragraph 4 of this Agreement.

11. This Agreement does not in any way constitute a representation, warranty, guaranty, advice, or suggestion by Florida Housing as to the qualification of the Development for Housing Credits, or the financial feasibility, or viability of the Development. The Agreement shall not be relied on as such by any owner, developer, investor, tenant, lender or other person or entity for any reason.

If and to the extent that the allocation made pursuant to this Agreement is determined to be invalid, due to an error made by Florida Housing in determining its Housing Credit dollar amount for calendar year 2005, this Agreement shall be deemed to constitute a binding commitment on behalf of Florida Housing to allocate an equal amount of Housing Credits from its future Housing Credit Allocation Authority to the extent allowed by Section 42 of the Code. Such binding commitment shall, in all respects, be subject to the terms and conditions of this Agreement.

12. The Owner acknowledges and agrees to notify Florida Housing, in writing, in the event of a sale, transfer, or change in ownership of the Development in accordance with Rule Chapter 67-48, Florida Administrative Code.
13. Amendments to this document may be made by Florida Housing only upon written request from the Owner and as Florida Housing deems necessary.
14. The date of this Agreement is the date it is executed on behalf of Florida Housing as shown on the execution page hereto.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

--OWNER--

Acknowledged, agreed and accepted:

Owner: Reliance-Andrews Associates, Ltd.

By: _____
Signature

Typed or Printed Name

Title: _____

Address: _____

Date: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____,
2005, by _____ as _____ for
(Name) (Type of Authority)

(Name of party on behalf of whom instrument was executed)

Personally Known _____ or Produced Identification _____.

Notary Public, State of _____

Print, Type or Stamp Name

Date Commission Expires

--FLORIDA HOUSING--

FLORIDA HOUSING FINANCE CORPORATION
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

By its execution of this Agreement, and based on the foregoing representations and obligations, Florida Housing issues to the Owner a Carryover Allocation of 2005 housing credits pursuant to Section 42(h)(1)(E) and (F) of the Internal Revenue Code, as amended, subject to the conditions elsewhere in this Agreement. FLORIDA HOUSING HAS RELIED UPON INFORMATION SUBMITTED TO IT BY THE DEVELOPMENT OWNER IN ISSUING THIS CARRYOVER ALLOCATION. FLORIDA HOUSING MAKES NO REPRESENTATIONS OR GUARANTEES THAT THE OWNER IS ELIGIBLE TO RECEIVE THE CREDIT STATED HEREIN. THE INTERNAL REVENUE SERVICE DETERMINES TAXPAYER ELIGIBILITY.

_____ Date: _____

Florida Housing Tax Identification Number: 59-3451366

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this _____ day of _____, 2005 by Vicki A. Robinson as Deputy Development Officer of the FLORIDA HOUSING FINANCE CORPORATION, a public corporation, the successor in interest to the Florida Housing Finance Agency, on behalf of said Corporation. She is personally known to me.

Notary Public

Print or Stamp Name

Date Commission Expires

EXHIBIT "B"
(FLAGLER POINT / 2005-116C)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

167 High Rise apartment units located in 2 residential buildings.

Unit Mix:

Eighty-four (84) one bedroom/one bath units containing a minimum of _____ square feet of heated and cooled living area.

Eighty-three (83) two bedroom/two bath units containing a minimum of _____ square feet of heated and cooled living area.

167 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. Each unit will be fully equipped with the following:

1. Air conditioning in all units (window units are not allowed; however, through-wall units are permissible for rehabilitation).
2. Window treatments for each window inside each unit.
3. Termite prevention and pest control throughout the entire affordability period.
4. Peephole on all exterior doors.
5. Exterior lighting in open and common areas.
6. Cable or satellite TV hook-up in all units.
7. Range, oven and refrigerator in all units.
8. At least two full bathrooms in all 3 bedroom or larger new construction units.

EXHIBIT "B"
(FLAGLER POINT / 2005-116C)
DESCRIPTION OF FEATURES AND AMENITIES

9. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.

C. Elderly requirements.

The following will be provided in all units:

1. Thermostat placed at 48" maximum height.
2. Tight-napped Berber-type carpet.
3. 36" entrances on all exterior doors.
4. All wall electrical outlets placed between 18" and 48" above the floor.
5. Scald control valves on all bathtub and shower faucets.
6. Peephole at 4' 10" on all exterior doors.
7. Toggle type switches for each light and each fan throughout the unit.
8. Adjustable shelving in master bedroom closets.
9. Lever action handles on all doors in units and public areas.
10. Horizontal grab bars around shower per ANSI requirements.
11. Horizontal grab bars around toilet per ANSI requirements.

The following will be provided in at least fifteen percent (15%) all new construction units and 10% of all rehabilitation units:

12. Roll-in showers (1/3 of the 15% new construction requirement or 1/2 of the 10% rehabilitation requirement may be met with walk-in type shower stalls with permanently affixed seat).

D. The Applicant has committed to provide the following features in each new construction unit:

1. Ceramic tile bathroom floors in all units
2. Steel exterior entry door frames for all units

EXHIBIT "B"
(FLAGLER POINT / 2005-116C)
DESCRIPTION OF FEATURES AND AMENITIES

3. At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2 bedroom units.
 4. Dishwasher in all units
 5. Garbage disposal in all units
- E.** The Applicant has committed to the following amenities in the Development:
1. Gated community with "carded" entry or security guard, or if 2 or more stories, "carded" secure entry to building.
 2. Exercise room with appropriate equipment
 3. Community center or clubhouse
 4. Swimming pool
 5. Outside recreation facility: putting green
 6. Library consisting of a minimum of 100 books and 5 current magazine subscriptions
 7. Computer lab on-site with minimum one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs and at least one printer
 8. Laundry hook-ups and space for full-size washer and dryer inside each unit
- F.** The Applicant has committed to provide the following energy conservation features for all buildings in the Development:
1. Heat pump with a minimum HSPF of 7.5 instead of electric resistance
 2. Air conditioning with SEER rating of 13 or better
 3. Electric water heater with energy factor of .91 or better
 4. Wall insulation of R-7 or better for masonry/concrete block construction
 5. All windows single-pane with shading coefficient of .67 or better

EXHIBIT "B"
(FLAGLER POINT / 2005-116C)
DESCRIPTION OF FEATURES AND AMENITIES

- G.** The Applicant has committed to provide the following Resident Programs:
1. **Daily Activities –** The Applicant or its Management Agent must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week.
 2. **Assistance with Light Housekeeping, Grocery Shopping and/or Laundry -** The Applicant or its Management Agent will provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry and will coordinate, at no cost to the resident, the scheduling and provision of services.
 3. **Resident Assurance Check-In Program -** The Applicant commits to provide and use an established system for checking in with each resident on a pre-determined basis not less than once per day, at no cost to the resident. Residents may opt out of this program with a written certification that they choose not to participate.
 4. **Health Care –** At least quarterly visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided. Service must be provided at no cost to the residents, with the exception that the residents may be charged for medications.
 5. **Resident Activities –** These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Agent. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.
 6. **Health and Nutrition Classes –** At least 8 hours per year, provided on site at no cost to residents.
 7. **Resident Assistance Referral Program -** The Applicant or its Management Agent will make available to residents information about services such as crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self

EXHIBIT "B"
(FLAGLER POINT / 2005-116C)
DESCRIPTION OF FEATURES AND AMENITIES

sufficiency, and advocacy to assist clients in securing needed resources. This service must be provided at no cost to the resident.

**EXHIBIT C
LEGAL DESCRIPTION**

(Please attach a legal description of the property)

Development Name: Flagler Point

Development Number: 2005-116C

**EXHIBIT D, Page 1
COST BASIS DOCUMENT**

DEVELOPMENT NAME:

FILE NUMBER:

(TO BE COMPLETED BY THE OWNER'S CPA OR ATTORNEY)	TOTAL ESTIMATED DEVELOPMENT COST	REASONABLY EXPECTED BASIS*	CURRENT BASIS
SOURCES			
Investor's Capital Contribution (Syndication Proceeds)			
First Mortgage			
Second Mortgage			
Grants			
Owner's Contribution			
Other			
Total Sources:	0.00		
USES			
Building or Land Acquisition			
Land			
Building			
Legal - Acquisition			
Building Rehab. or New Constr.			
Hard Costs			
Construction Period Interest			
Demolition			
Site Work			
Legal			
Accounting			
Architectural & Engineering			
Surveying			
Environmental			
Appraisal			
Tax Credit Fees			
Development Fee			
Syndication Expenses			
Construction Loan Fees			
Other			
TAXES & INSURANCE			
Total Uses:	0.00	0.00	0.00

SUMMARY			
Current Basis:	0.00	CPA/ATTORNEY SIGNATURE	
Reasonably Expected Basis:	0.00		
Percentage Complete:			
Date:		DATE	TELEPHONE

This form may be signed by the Applicant or designee if submitting as evidence of NOT meeting the 10% test.

* These figures are estimates for computation purposes only. For purposes of the Carryover Allocation Agreement, "reasonably expected basis" pursuant to Section 42(h)(1)(E)(ii) need not be the same as eligible basis and is computed for an entire project, rather than building-by-building.

**EXHIBIT E
CONDITIONS**

Development Name: Flagler Point

Development Number: 2005-116C

1. Approval by Florida Housing of a positive credit underwriting recommendation that housing credits be allocated to this Development.

2. Verification from the Applicant and the Credit Underwriter that all contingency items as stated in the credit underwriting report have been met no later than nine (9) months from the date of execution of the Carryover Allocation Agreement.

EXHIBIT F

EXPLANATION OF CHANGES

DEVELOPMENT NAME:

FILE NUMBER:

If there are any changes in the project information from that submitted with the application, provide a detailed explanation/justification for the changes. These changes **MUST** be reviewed and approved by Florida Housing prior to execution of this Agreement.

Check those items that have changed and explain changes in the spaces provided below. Attach supporting documentation as needed.

<input type="checkbox"/>	Taxpayer Federal Identification Number
<input type="checkbox"/>	Project Address
<input type="checkbox"/>	Number of Units
<input type="checkbox"/>	Number of Buildings
<input type="checkbox"/>	Set-Aside Elections
<input type="checkbox"/>	Extended Use Period
<input type="checkbox"/>	Project Amenities
<input type="checkbox"/>	Tenant Programs
<input type="checkbox"/>	Other: _____

Explanation of Changes:

we make housing affordable

MEMORANDUM

TO: 2005 Carryover Allocation Agreement Recipients
FROM: Vicki A. Robinson, Deputy Development Officer
DATE: December 1, 2005
RE: Taxpayer Election of Applicable Percentage

Pursuant to Section 42(b)(2)(A)(ii) of the Internal Revenue Code, a taxpayer may make an **IRREVOCABLE** election to lock-in the applicable percentage rate at the time a Carryover Allocation Agreement for tax credits is issued.

The executed and notarized election agreement must be submitted in conjunction with your executed Carryover Allocation Agreement.

In order to lock-in the rate
for the month of:

All documentation must be
submitted by 5:00 PM on:

December 2005	December 16, 2005
---------------	-------------------

If the deadlines listed above are not met, Florida Housing may not be able to complete the paperwork necessary to secure your election.

If the Owner makes no election, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

we make housing affordable

TAXPAYER ELECTION OF APPLICABLE PERCENTAGE

Pursuant to Section 42(b)(2)(A)(ii) of the Internal Revenue Code (the "Code"), _____ (the "Owner") and the Florida Housing Finance Corporation ("Florida Housing") hereby enter into an agreement as to the housing credit amount allocated to _____ (the "Project"). This agreement represents an **irrevocable** election by the Owner to accept the credit rate chosen below and is dependent upon the issuance of a binding commitment for the allocation of housing credits from Florida Housing. The requirements of this action are set forth in Section 42(b)(A)(ii) of the Code and are not those of Florida Housing or the State of Florida.

CHOOSE EITHER OF THE FOLLOWING:

If this box is checked, the Owner hereby **irrevocably** elects, pursuant to Section 42(b)(2)(A)(ii) of the Code, to fix the applicable credit percentage(s) for each building in the development as the percentage(s) prescribed by the Secretary of the Treasury for the month of _____, 2005, which is the month of the Carryover Allocation Agreement. Florida Housing and the Owner acknowledge that this agreement constitutes an agreement binding upon Florida Housing, the Owner and all successors in interest to the Owner as owners of the Development as the allocation of 2005 Housing Credit authority to the building(s) in the Development, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of Florida Housing.

The undersigned hereby elects to accept the credit rate of _____% (70% present value credit) or _____% (30% present value credit) applicable only to the below identified development and building(s), as set forth in the Carryover Allocation Agreement of _____, 2005.

-OR-

If this box is checked, the Owner makes no election pursuant to Section 42(b)(2)(A)(ii) of the Code, and accordingly, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

TAXPAYER ELECTION OF APPLICABLE PERCENTAGE

Page 2 of 2

BY: _____
Signature of Owner Date

Name (Type or Print)

Title

Development Name/Number

Type of Building(s) (New Construction, Rehabilitation or Acquisition)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2005 by _____ who is personally known to me or who has produced _____ as identification.

Signature of Notary Public

Printed or Stamped Name and Expiration Date

Received and Accepted: _____ Date: _____
Deputy Development Officer
Florida Housing Finance Corporation

we make housing affordable

GROSS RENT FLOOR ELECTION

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the Gross Rent Floor in Section 42(g)(2)(A) as taking effect on the date the Corporation initially allocates* housing credits to the building. However, the IRS will treat the Gross Rent Floor as taking effect on the building's placed-in-service date **IF** the owner designates that date instead and so informs the Corporation prior to the placed-in-service date of the building.

THIS IS A ONE-TIME ONLY, IRREVOCABLE ELECTION.

The undersigned owner hereby makes the following election with respect to the Gross Rent Floor Effective Date for each building in the project designated below:

On date of initial allocation (or determination)

On placed-in-service date

* If the proposed project is tax-exempt bond financed (as defined by the IRC), the IRS will treat the gross rent floor as taking effect on the date the Corporation initially issues a determination letter unless the owner designates that the placed-in-service date should be used.

Owner Signature Date Project Name

Owner Name (Print or Type) Project Name

THIS ELECTION MUST BE RECEIVED BY THE CORPORATION PRIOR TO THE PLACED-IN-SERVICE DATE OF ANY BUILDING IN THE PROJECT.

RECEIVED BY THE FLORIDA HOUSING FINANCE CORPORATION
(Date Stamp):