

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
March 16, 2012
Action Items



PROFESSIONAL SERVICES SELECTION (PSS)

Action

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Qualifications (RFQ) for Financial Advisor Services

1. Background

- a) Florida Housing entered into a contract dated August 23, 2007, with TIBOR Partners, Inc. to provide Financial Services for Florida Housing's Guarantee Program, Single-Family and Multifamily Bond Programs.
- b) The initial contract was for a three year period and expired on August 23, 2010. The contract allowed for two one-year renewals. The final renewal was granted at the June 2011 Board meeting.

2. Present Situation

- a) The term of the current contract expires August 23, 2012. There are no renewal options available.
- b) Florida Housing has a need for qualified financial advisor services to provide consultant and professional advice, including but not limited to, the following:
 - (1) Assist staff with strategies for Single Family Program transactions;
 - (2) Assist staff with strategies for Multifamily Program transactions.
 - (3) Assist staff in its coordination of the activities of the Florida Affordable Housing Guarantee Program, including but not limited to:
 - (a) Maintain a claims paying rating for the Guarantee Fund;
 - (b) Monitoring of outstanding obligations and the formulation of specific loss mitigation strategies; and
 - (c) Development of tactics and strategies to monitor the leverage capacity and financial viability of the Guarantee Fund.
 - (4) Provide advice on ongoing program development.

3. Recommendation

- a) Authorize staff to begin the solicitation process in order to select a qualified Offeror as Financial Advisor.
- b) Authorize the Executive Director to establish a Review Committee to make a recommendation to the Board.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Qualifications (RFQ) for Bond Counsel Services

1. Background

- a) In August 2007 Florida Housing entered into contracts for Bond Counsel Services with the following firms:
 - (1) Bryant Miller Olive jointly with Law Offices of Steve Bullock
 - (2) Greenberg Traurig, P.A. jointly with Edwards & Associates, P.A.
 - (3) Hawkins, Delafield & Wood LLP jointly with Murai Wald
 - (4) Biondo Moreno & Brochin, P.A. and
 - (5) Kutak Rock LLP
- b) The initial term of the contracts was for a three year period. The contracts expired August 2010. The contracts were renewable for two additional one-year periods.
- c) At its June 2010 and June 2011 meetings, the Florida Housing's Board of Directors (Board) authorized staff to proceed with the contract renewal process for each provider for one (1) year.

2. Present Situation

- a) The term of the current Bond Counsel contracts expire on August 31, 2012.
- b) Florida Housing has a need for qualified attorneys to serve as Bond Counsel to provide services including, but not limited to, the following:
 - (1) Issuing standard, comprehensive bond counsel opinions as to the legality of the bonds, the security for their payment and the exemption or exclusion from federal taxation of the interest on the bonds;
 - (2) Reviewing and advising Florida Housing on the legal feasibility of the financing programs proposed to Florida Housing by prospective borrowers and by Florida Housing's underwriters and advising Florida Housing whether financing the programs will comply with applicable law and pending or proposed revisions in the law, including but not limited to, U.S. Treasury and HUD regulations;
 - (3) Advising Florida Housing as to procedures, required approvals and filings, schedule of events for timely issuance, other legal matters relative to issuance of bonds, remarketing bonds, refunding bonds, or any change affecting bond documents, whether the financing is undertaken by competitive bid or negotiated sale, or other financing programs, whether involving 501(c)(3) organizations or otherwise;

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- (4) Preparing Board resolutions, and any amendments thereto, in order to authorize the issuance of bonds, remarketing of bonds, refunding of bonds, or any change affecting bond documents;
- (5) Preparing trust indentures, trustee, registrar or paying agent agreements, servicing and administration agreements, loan agreements, mortgage origination agreements, and any other agreements or similar documents necessary, related or incidental to bond financing;
- (6) If sale is by competitive bid, assisting in preparation of the bid documents, notice of sale, evaluation of legality of bids and any other documentation or action necessary to conduct a sale of the bonds in that manner;
- (7) Reviewing the preliminary official statement, official statement, private placement memorandum,
- (8) Preparing the award resolution and any amendments thereto, for the sale of the bonds and reviewing the bond purchase agreement;
- (9) Preparing, obtaining, delivering and filing all closing papers necessary in connection with the sale and issuance of the bonds, including, but not limited to, certified copies of all minutes, resolutions and orders; certificates such as officers, incumbency, signature, no prior pledge, arbitrage, IRS Forms, and others; and verifications, consents and opinions from accountants, engineers, special consultants and attorneys;
- (10) Addressing issues and preparing documents in connection with the application for and preservation of private activity bond allocation from the State of Florida.

3. **Recommendation**

- a) Authorize staff to begin the solicitation process in order to select more than one qualified Offeror as Bond Counsel.
- b) Authorize the Executive Director to establish a Review Committee to make a recommendation for qualified Offerors to the Board.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

II. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Credit Underwriting Letter for Trust Lake Park II a/k/a Venetian Isles II (2011-05-05)

Development Name:	Trust Lake Park II a/k/a Venetian Isles II
Developer/Principal:	Trust Lake Park Two, Ltd.
Number of Units:	112
Location :	Palm Beach County
Type/Demographic:	Rental/Family (Guarantee/HUD-Risk, SAIL, HC and SMI)
Set-Aside:	100% @ 60% AMI (SAIL & HC)
Allocated Funding Amount:	\$8,25,000 Housing Finance Authority of Palm Beach County Bonds \$905,350 SAIL \$598,716 Housing Credits \$384,522 Subordinate Mortgage Initiative (SMI)
SAIL ELI Funding under RFP 2011-05 not to exceed:	\$2,100,000

1. Background/Present Situation

- a) On October 21, 2011, Florida Housing staff issued RFP 2011-05 to award SAIL ELI funding to Applicants where the Applicant’s development had a mortgage note guaranteed by the Florida Affordable Housing Guarantee Program which closed by September 30, 2003, and the Applicant committed to provide additional ELI set-aside units. The deadline for receipt of Responses was Wednesday, November 9, 2011.
- b) On December 9, 2011, the Board approved the award list of RFP 2011-05 and directed staff to proceed with all necessary credit underwriting activities.
- c) On December 30, 2011, staff issued a preliminary commitment and an invitation to enter credit underwriting for SAIL Funding under RFP 2011-05 for units set-aside for ELI Households.
- d) On February 28, 2012, staff received a credit underwriting letter with a negative recommendation for the SAIL ELI loan ([Exhibit A](#)).

2. Recommendation

Approve the credit underwriting recommendation and direct staff to rescind the SAIL ELI funds.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

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B. Request Approval of Transfer of GP Interest and Reduction of Farmworker Set-Aside Units for Whispering Pines Apartments (2002-153CS)

Development Name: Whispering Pines Apartments (“Development”)	Location: Polk County
Developer/Principal: Housing for Rural, Inc. (“Developer”)	Set-Aside: 56.25% @ 50% AMI and 43.75% @ 60% AMI; Farmworker Restricted Units – 40% (26 units)
Number of Units: 64	Allocated Amount: \$1,282,000
Type: Duplex, Triplex, Fourplex	Housing Credit Allocation: \$346,834
Demographics: Farmworker	MMRB: N/A

1. Background/Present Situation

- a) On August 22, 2003, a SAIL loan in the amount of \$1,282,000 closed for this 64 unit farmworker development in Polk County.
- b) On December 18, 2011, staff received a letter from the Developer requesting approval to transfer and assign the General Partner interest in Scott Pines, Ltd. from Seventeen, Inc. to Hallmark Whispering Pines, LLP and a permanent reduction in the farmworker demographic set-aside ([Exhibit B](#)).
- c) On March 1, 2012, staff received a credit underwriting report with a positive recommendation to transfer and assign the General Partner interest and to permanently reduce the farmworker demographic set-aside requirement from 40% (26 units) to 15% (10 units) ([Exhibit C](#)). Staff has reviewed this recommendation and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C.

2. Recommendation

Staff recommends that the Board approve the transfer of the General Partner interest and permanent reduction of the farmworker demographic set-aside as described above subject to the conditions provided in the credit underwriting report dated March 1, 2012 and a two year moratorium of Jacqueline McPhillips from participating in any FHFC programs, and direct staff to proceed with loan document modification activities.

UNIVERSAL CYCLE

Action

III. UNIVERSAL CYCLE

A. 2013 Universal Cycle

1. Background/Present Situation

Staff would like to begin the rule development process to solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., and the 2013 Universal Cycle by scheduling a rule development workshop in conjunction with the April 27, 2012, Board Meeting.

2. Recommendation

Authorize staff to proceed with the 2013 Universal Cycle rule development process.