

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
February 1, 2013
Action Items



COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

Action

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

A. Request Approval to De-obligate CWHIP funding for Village Green at Ten Oaks, 2007-004W

Developer/Principal: (“Developer”):	Pasco CWHIP Partners, LLC
Development Name: (“Development”):	Village Green with Ten Oaks App. No. 2007-004W
Number of Units: 30	Location: Pasco County
Type: Single-family	Set Asides: 100% @ 140% AMI
Demographics: Community Workforce	CWHIP: \$2,500,000 Supplemental: \$150,000.00

1. Background

- a) Pasco CWHIP Partners, LLC (“Developer”) successfully applied for Community Workforce Housing Innovation Pilot (“CWHIP”) program funding during Florida Housing Finance Corporation’s (“Florida Housing”) 2007 funding period.
- b) On or around November 13, 2008, Developer received a commitment letter from Florida Housing and invitation to enter credit underwriting for an award of \$5,000,000.00 in CWHIP funding and \$300,000.00 as a supplemental loan. Subsequent to the receipt of the November 13, 2008 commitment letter, Florida Housing issued a memorandum that notified Developer that its project had been de-obligated due to actions of the Florida Legislature related to funding. On or around September 8, 2009, Developer received a revised invitation to enter into credit underwriting where Florida Housing offered Developer a preliminary commitment for a CWHIP loan of up to \$1,735,000.00 under Emergency Rule 67ER09-4, Florida Administrative Code, of which Developer did not accept.
- c) On or around August 3, 2010, Developer received a another revised invitation to enter into credit underwriting for a revised award amount of \$2,500,000.00 and a supplemental loan of \$150,000.00 based off of the downsizing of the project from 60 units to 30 units. In August of 2010, Petitioner officially accepted the invitation to enter into credit underwriting and started its initial 14 month period to complete credit underwriting and receive board approval. On or around September 21, 2011, Petitioner formally requested a 10 month extension from Florida Housing to complete underwriting according to Rules 67-58.020(6) and 67-58.070(6), Florida Administrative Code. On or around October 14, 2011, the Board granted that request.
- d) At the July 20, 2012 Board meeting, the Board approved Developer’s Petition for Rule Waiver and granted him 186 additional days to complete underwriting, due to the temporary moratorium on new construction imposed by the Florida Legislature for the 2011-12 state fiscal year.

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2. Present Situation

- a) The deadline to complete credit underwriting is February 5, 2013. On December 4, 2012, Tom Smith, principal of Pasco CWHIP Partners, LLC, informed staff that the Pasco County Board of County Commissioners had unexpectedly reversed their decision to provide \$450,000 to the Development.
- b) On January 4, 2013, the credit underwriter sent a letter to staff ([Exhibit "A"](#)) stating that he had not received the documentation necessary to underwrite the transaction or to make a recommendation.

3. Recommendation

Staff recommends that the Board de-obligate the CWHIP funding for the Development.

FISCAL

Action

II. FISCAL

A. Travel Reimbursement Policy

1. Background

Chapter 420.506(1) authorizes the Board to establish travel procedures and guidelines for Florida Housing employees. The Florida Housing policy governs travel expenses and reimbursement for employees and other authorized travelers. Since 2000, Florida Housing has used the federal rates for meals and incidental expenses and for mileage reimbursements.

2. Present Situation

- a) In the 2012 Auditor General report, the auditors noted that they believed Florida Housing was not exempt from following the requirements of state law for travel reimbursement rates.
- b) Several changes would have to be made to align Florida Housing's travel policy to the state's requirements. The primary difference between the federal and state rates are in the reimbursement rates for meals and mileage, although there are other more technical changes regarding the application of reimbursement rate, e.g., when travel starts and ends.
- c) The federal meal reimbursement rate varies by location, with rates in Florida ranging from \$46 to \$71 per day. The state rate for meals is \$36 per day.
- d) For mileage, the federal reimbursement rate is currently \$0.565 per mile, and is changed as needed to reflect fluctuations in fuel prices. The state rate, currently \$0.445 per mile, is set in statute.

3. Recommendation

Authorize staff to make changes in Florida Housing's travel policy to conform to the state's requirements as outlined in statute.

FORECLOSURE COUNSELING PROGRAM

Action

III. FORECLOSURE COUNSELING PROGRAM

A. Overview of New Foreclosure Counseling Program and Request for Approval to Issue Solicitations to Implement the Program

1. Background

- a) On January 17, 2013, the Legislative Budget Commission approved a \$10 million allocation from National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing. The funding will allow Florida Housing to carry out the following objectives:
- Help prevent homeowners from going into foreclosure; and
 - Provide at-risk homeowners with good financial management education to help them better manage their money and assist them with credit problems to become financially stable.
- b) The staff proposes to meet these objectives by providing funding on a fee-for-service basis to HUD approved housing counseling agencies (HCAs) to carry out foreclosure counseling services and more extensive financial management education. The program approach will be to provide counseling support for at risk homeowners that augments counseling provided through the National Foreclosure Mitigation Counseling (NFMC) Program and other programs. Over the past few years, Florida Housing has been awarded \$9.5 million in NFMC funds to support 37 counseling agencies in the provision of basic counseling for more than 30,000 homeowners.
- c) The staff estimates that this new program will serve a minimum of 10,500 homeowners by building on the basic services provided in the NFMC Program. The objective of this new program would be to more fully support homeowners through their delinquency resolution negotiations. [Exhibit A](#) provides a chart to show the approximate timing and flow of services to homeowners from client intake through a successful loan modification, a period of approximately two years, depending on how quickly the lender responds to a homeowner request for a loan modification.
- d) HCAs would develop an action plan for each client that is tailored to their needs and is revised as circumstances change, and would assist them with loan servicer and other contacts throughout the process. The goal is to provide families with the ability to follow a tailored plan throughout the modification or foreclosure process, even after counseling is completed. In addition to an action plan for their situation, many families also need financial education to ensure that these situations are less likely to occur in the future. [Exhibit B](#) shows a preliminary list of the kinds of services for which we expect to reimburse housing counseling agencies.

FORECLOSURE COUNSELING PROGRAM

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2. Present Situation

- a) Florida Housing may use up to 7.5 percent of the total funding for administrative costs, including training and technical assistance, compliance, quality assurance monitoring and data reporting functions. This includes costs related to contracting for some services. Florida Housing staff is developing an operational budget that incorporates funding for counseling services, training and administrative tasks as described below, and will finalize and bring this budget to the Board for approval once program parameters are finalized.
- b) In order to move quickly to develop program parameters, Florida Housing staff held a public telephonic meeting on January 23, 2013, to explain the program and receive preliminary input from stakeholders. We are particularly interested in input from the housing counseling agencies that are knowledgeable about foreclosure counseling and that will be deciding whether to participate in this new program.
- c) The current implementation timeline would be for HCAs to begin offering services to at-risk homeowners in May or June 2013. The key steps to move the program from conception to implementation are outlined below.
- d) **Create Program Parameters.** Florida Housing will seek public input from interested stakeholders and create a menu of counseling services for homeowners that HCAs may be reimbursed for, including specific outcomes related to each service before reimbursement can be made.
- e) **Determine Allocation of Foreclosure Counseling Funding across the State.** The staff's current thinking on the allocation is that funding for foreclosure counseling will be allocated at the county level based on need – that is, HCAs will have access to funding for counseling services for homeowners in each area based on the relative level of need in their area compared to other areas of the state. The data for this determination are the proportion of delinquent and foreclosure-eligible first mortgage residential loans in each county as a portion of the statewide number of such loans. A portion of the funding will be held back from the county allocations to serve as a pool of funding, should a county allocation be exhausted. A final proposed allocation will be brought to the Board for approval after public input is received.
- f) **Procure Housing Counseling Agency Services.** The staff is seeking authority from the Board to issue a Request for Qualifications to HCAs to provide foreclosure counseling and financial management to homeowners on a fee-for-service basis through this program. Based on conversations with the Attorney General's Office, only nonprofit HCAs approved by the U.S. Department of Housing and Urban Development would be eligible to participate. Florida Housing will contract with successful HCAs to provide services to homeowners.
- g) **Procure Training and Monitoring Services.** Staff is also seeking authority from the Board to issue a Request for Proposals to contract with experienced providers of technical assistance and training on foreclosure counseling to ensure that HCAs and their staffs are knowledgeable about the particulars of this program, including reporting requirements, as well as providing high quality services to homeowners. Florida Housing can use third party servicers currently under contract to provide compliance monitoring services.

FORECLOSURE COUNSELING PROGRAM

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- h) **Develop a Data Reporting System to Monitor Program Success and Manage Reporting and Reimbursement for Services.** Florida Housing must create or obtain software to collect data on homeowners served to monitor the outcomes of the program and provide a way for the HCAs to report each month on services provided for reimbursement purposes. The staff is evaluating several options to carry out these tasks:
- Purchase off the shelf software, if appropriate for our use;
 - Contract with an existing provider of housing counseling software and, if necessary, add functionality to such a system to allow us to use it for this program; or
 - Contract with a provider to develop and manage the data system. Under this option, the participating HCAs would use this software to input homeowner data and maintain records.
- i) **Carry Out Initial Training in Preparation for Implementation.** Once the program parameters are developed and the training provider is under contract, the trainer would work with Florida Housing to develop initial training that will be required of all HCAs participating in this program. At a minimum, all participating HCAs and their staff working under this program would be required to receive training on the program objectives, specific services and reporting outcomes, procedures for reimbursement of services, monthly data reporting, technical assistance opportunities, compliance monitoring and quality assurance requirements.
- j) **Ongoing Program Activities.** Once the program is up and running, the HCAs would provide services to homeowners and provide Florida Housing with data on services rendered and homeowner status each month, as specified by contract, in order to be reimbursed. In addition to the activities outlined above, there would be several additional ongoing activities: monitoring of counseling for quality assurance and, as needed, technical assistance for HCAs; monitoring of billing and any eligibility requirements for all participating HCAs; quality assurance reviews of contractors working in the program; and monitoring for possible fraud.
- k) **Evaluate program success and provide regular progress reports.** In the initial program development phase, Florida Housing will develop program performance measures that address program outcomes, including successful homeowner financial management training. Florida Housing expects to provide regular progress reports to the Board, Governor, Legislature and Attorney General on this program.
- l) In summary, the staff is requesting authority begin the solicitation processes for housing counseling agencies, training and technical assistance services, and quality assurance services that are required to implement this program. The staff will bring final proposed program parameters, an administrative budget and a proposed allocation for counseling services to a future Board meeting for consideration.

FORECLOSURE COUNSELING PROGRAM

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3. **Recommendation**

- a) Staff recommends that the Board:
- b) Authorize staff to begin the solicitation process (Request for Proposals, Request for Qualifications or Invitation to Negotiate, as needed) in order to select qualified HUD approved nonprofit housing counseling agencies to provide foreclosure counseling services throughout the state, experienced trainers and technical assistance providers, and quality assurance services; and
- c) Authorize the Executive Director to establish a Review Committee to review the responses and make recommendations to the Board.

HOUSING CREDITS

Action

IV. HOUSING CREDITS

A. 2013 Low-Income Housing Tax Credit Allocation Authority- Request for Applications

1. Background/Present Situation

- a) The 2012 Florida Legislature passed Senate Bill 1996 which amended Florida Statute 420.507 to allow Florida Housing to make available up to 10% of its annual housing credit allocation through a competitive solicitation process to fund high-priority affordable housing projects. The legislation was signed into law on April 20, 2012 as Chapter 2012-127, Laws of Florida, effective July 1, 2012.
- b) Florida Statute 420.507 was amended to read as follows:

(48) To use up to 10 percent of its annual allocation of low-income housing tax credits, nontaxable revenue bonds, and State Apartment Incentive Loan Program funds appropriated by the Legislature and available to allocate by request for proposals or other competitive solicitation funding for high-priority affordable housing projects, such as housing to support economic development and job-creation initiatives, housing for veterans and their families, and other special needs populations in communities throughout the state as determined by the corporation on an annual basis.
- c) To implement this authorization, staff is requesting approval to prepare and issue a Request for Applications (RFA) competitive application process to offer up to 10% of Florida Housing's 2013 low-income housing tax credit allocation authority for high-priority housing credit developments.
- d) Discussions regarding qualifying developments for this RFA have focused on two target groups: special needs populations and the rehabilitation or revitalization of Public Housing Authority (PHA) developments. Special needs populations, particularly veterans, are specifically mentioned in the law, and staff evaluation has found that PHA developments in medium and small counties have a difficult time scoring adequately within the broader statewide competitive process. One idea is to target a portion of the allocation in the high-priority RFA to PHA developments with strong leveraging positions in these counties. Staff is also working with the Department of Economic Opportunity to determine if there are any other economic development opportunities available.

2. Recommendation

Authorize staff to proceed with the Request for Applications competitive process that will offer up to 10% of Florida Housing's 2013 housing credit allocation for high-priority developments, specifically those supporting special needs populations with a preference for a development for Veterans with special needs and the rehabilitation or revitalization of Public Housing Authority developments with a preference for developments in medium or small counties with strong leveraging positions as well as to establish a review committee to make recommendations to the Board.

HOME RENTAL

Action

V. HOME RENTAL

A. Request Approval to Temporarily Waive the Farmworker Demographic Set-Aside for Three Years for Mira Verde Apartments

Development Name: Mira Verde Apartments (“Development”)	Location: Hendry County
Developer: The Richman Group of Florida, Inc. (“Developer”)	HOME Set-Aside: 26% @ 50% AMI 74% @ 60% AMI 78 HOME Assisted Units
Number of Units: 140	LIHTC Set-Aside: 15% @ 35% AMI 85% @ 60% AMI 140 LIHTC Assisted Units
Type: New Construction	Allocated Amount: HOME- \$1,360,000 LIHTC - \$975,000
Demographics: Farmworker	

1. Background

- a) On October 29, 1997, Florida Housing issued a firm commitment of \$1,360,000 in HOME funding to Mira Verde Apartments. The loan closed on December 17, 1997. The borrower committed to target 100% of its units (140 Units) as Farmworkers set-aside units.
- b) In March 2000, the Borrower requested a reduction from 100% to 60% of the Farmworker set-aside. The Development had vigorously continued their marketing efforts toward targeting Farmworkers both in advertising and resident services. At the June 23, 2000 Board Meeting, approval was granted to reduce the Farmworker set-aside from 100% to 60% and staff was authorized to amend the LURA to reflect the change.

2. Present Situation

- a) On January 12, 2012, Florida Housing staff received a request from the Borrower ([Exhibit A](#)) requesting a temporary relief from the current Farmworker set-aside restrictions due to an apparent and continued decrease in the Farmworker population in the Hendry County area.
- b) The Farmworker population has diminished significantly due to a variety of factors, including periods of frost in successive seasons as well as the generally adverse economic conditions experienced for the last several years. The aforementioned decline in Farmworker population has impacted Farmworker housing demand and thus placed a burden on Mira Verde. In addition, many of the Farmworker rental units in the area that are direct competition are receiving government rent subsidies which provide for lower actual rents to the tenants and that has put his development at a distinct competitive disadvantage with regard to the diminished pool of farm labor tenants.
- c) On January 15, 2013, staff received a recommendation letter from First Housing Development Corporation ([Exhibit B](#)) providing a positive recommendation to temporarily waive the Farmworker demographic set-aside for a minimum of three years.

HOME RENTAL

Action

3. **Recommendation**

Approve the request to temporarily waive the Farmworker demographic set-aside for 3 years and authorize staff to amend the LURA to reflect the change.

HOME RENTAL

Action

B. Request Approval to Replace the Migrant Farmworker RFP Definition with the Farmworker Definition in Section 420.503(18) F.S., for Casa San Juan Bosco

Development Name: Casa San Juan Bosco (“Development”)	Location: DeSoto County
Developer/Principal: Casa San Juan Bosco, Inc. (“Developer”)	Set-Aside: 20% @ 50% AMI / 80% @ 60% AMI 53 HOME Units
Number of Units: 53	Allocated Amount: \$6,233,838
Demographics: Migrant Farmworker	Type: Single Family/New Construction

1. Background

- a) On July 22, 2011, the Board approved the final credit underwriting report and directed staff to proceed with issuance of a firm loan commitment and loan closing activities.
- b) On July 25, 2011, Florida Housing issued a firm commitment of \$6,233,838 in HOME funding to Casa San Juan Bosco. The loan closed on September 15, 2011. The Borrower committed to target 100% of its units (53 Units) as Migrant Farmworkers set-aside units.

2. Present Situation

- a) On November 6, 2012, the Borrower submitted Petition for Waiver or Variance ([Exhibit C](#)) requesting a waiver as it pertains to the Migrant Farmworker definition defined by the Migrant Farmworker Housing HOME RFP 2005-05. Upon review, the petition is treated as a request for a LURA amendment instead of a Petition for Waiver or Variance due to the nature of the relief requested. The Borrower requested the LURA be amended to allow the Development to use the Farmworker definition in Section 420.503(18) F.S. in addition to the Migrant Farmworker in RFP 2005-05 due to a hardship of the Development meeting the Migrant Farmworker definition. The current requirement will force the worker to leave the project and return to transitional housing which will create instability in the residential community and the Development will have a greater turnover rate. This will leave a higher vacancy rate with the already limited pool of applicants. It will also create a hardship attempting to meet both definitions.
- b) On December 13, 2012, the Borrower submitted a letter ([Exhibit D](#)) with additional documentation to show the hardship for the Development. A high number of potential residents have to be turned away due to not being eligible under the current requirement. It will likely take at least 8 to 10 months to complete lease up. The long delay will cause a great financial burden for the Development. Because of the economy, fewer workers migrate and tend to stay where they can have stable employment. The need for farmworker housing has substantially outpaced the targeted need for migrant farmworker housing. Several support letters have been submitted as well from the community.

HOME RENTAL

Action

- c) On January 14, 2012, the Borrower submitted a farmworker analysis (Exhibit E) with additional information supporting the request for the waiver. According to the analysis, there is a lack of farmworkers in the area that meet the definition of a migrant farmworker. Only 37% of farmworkers surveyed in Florida that meet the definition of migrant farmworkers, with 63% classified as seasonal (non-migrant). In DeSoto County, based on the estimated 324 farmworker households only 54 households would meet the migrant farmworker definition.
- d) Following are the definitions in question:
- (1) RFP 2005-5 Definition:
- “Migrant Farmworker” - A person who travels across state or county boundaries to do agricultural work of a seasonal or other temporary nature, and who is required to be absent overnight from his or her permanent place of residence. Exceptions are immediate family members of an agricultural employer or a farm laborer contractor, or a temporary foreign worker.
- (2) Section 420.503(18) F.S. Definition:
- (a) “Farmworker” means a laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting, or processing of agricultural or aquacultural products and who derived at least 50 percent of her or his income in the immediately preceding 12 months from such employment.
- (b) “Farmworker” includes a person who has retired as a laborer due to age, disability, or illness. In order to be considered retired as a farmworker due to age under this part, a person must be 50 years of age or older and must have been employed for a minimum of 5 years as a farmworker before retirement. In order to be considered retired as a farmworker due to disability or illness, a person must:
1. Establish medically that she or he is unable to be employed as a farmworker due to that disability or illness.
 2. Establish that she or he was previously employed as a farmworker.
- (c) Notwithstanding paragraphs (a) and (b), when corporation-administered funds are used in conjunction with United States Department of Agriculture Rural Development funds, the term “farmworker” may mean a laborer who meets, at a minimum, the definition of “domestic farm laborer” as found in 7 C.F.R. s. 3560.11, as amended. The corporation may establish additional criteria by rule.

HOME RENTAL

Action

- e) This change will be consistent with the current USDA requirement to provide housing to Domestic Farm Laborers and allow the flexibility to all eligible farmworkers in the area to apply.

3. Recommendation

Approve the request to replace the Migrant Farmworker RFP definition with the Farmworker definition in Section 420.503(18) F.S. and authorize staff to amend the LURA to reflect the change.

MISCELLANEOUS

Action

VI. MISCELLANEOUS

A. 2013 Competitive Funding Lottery Seed Number Selection

1. Background

The instructions for various Florida Housing competitive funding programs provide that each request for funding will receive a random lottery number at or prior to the issuance of final scores or ranking and that the lottery numbers will be assigned by Florida Housing's internal auditors using a random number generator program.

2. Present Situation

A seed number must be selected so that the internal auditors will be able to generate random lottery numbers for any competitive funding requests/applications that require a lottery number to be assigned either by rule or competitive funding process in 2013.

3. Recommendation

From the listing of numbers provided by internal audit, the Chair should select a seed number to be used for random lottery number generation for competitive funding requests/applications in calendar year 2013.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

VII. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval to Reallocate Uncommitted Predevelopment Loan Program Funds to the State Apartment Incentive Loan Program

1. Background

- a) The Predevelopment Loan Program (PLP) was created as part of the William E. Sadowski Affordable Housing Act in 1992 with the purposes of providing low interest loans and technical assistance to local governments, housing authorities, and not-for-profit organizations to provide affordable housing for specific target populations in the state.
- b) Loans are provided to eligible applicants in an amount up to \$750,000 to pay costs related to the acquisition of land and predevelopment activities that will enable the proposed development to pursue construction financing through one or more affordable housing programs. Developments with PLP loans are restricted to serve low and moderate income households according to the set-asides set forth in statute for the program or by the most restrictive set-asides required by any construction financing source. PLP loans are generally repaid at the time of closing on construction financing.
- c) From the onset of the Sadowski Act through the mid-2000's, funds were appropriated by the Legislature from the State Housing Trust Fund to Florida Housing, and then the Board authorized allocations across Trust Fund programs, including PLP. However, this program has not required additional funding since 2004 because it has operated as a self-sufficient, revolving funding source through the repayment of loans. The PLP allocation, life to date, with allocations from the Trust Fund and loan repayments, has totaled \$24,880,270.
- d) For the PLP program life to date, nearly 200 applications for funding have been submitted to Florida Housing. Of those, 84 loans have closed and drawn funds, with 47 loans being fully repaid. The remainder are either current and active, pending approval, past due or charged off. [Exhibit A](#) provides a list of current PLP developments as of the end of 2012.

2. Present Situation

- a) There is approximately \$10.4 million in uncommitted PLP funds available. Florida Housing staff has evaluated the activity of the program over the last several years and has used this information to project forward over the next three years to estimate the demand on the PLP fund. This analysis takes into account anticipated loan requests, closings on loans previously approved, loan repayments or de-obligations, and funds lost through default. In addition to actual loans made, repaid, de-obligated and defaulted, staff has considered that, as the housing market recovers, the trend over the past year has shown there is increasing developer interest in accessing PLP funds.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

- b) Based on the data derived from this analysis, staff has determined that the funds currently available in the PLP fund likely will not be fully subscribed over the next several years. The staff projects that over this period Florida Housing will receive applications for approximately \$7.3 million in new loans. When loan repayments, de-obligations and withdrawals, and possible loan charge offs are also projected over the next three years, the staff estimates that a total of \$8.4 million will remain unused.
- c) To ensure that as much available funding is being used to meet affordable housing needs, but also provide a reasonable cushion in the PLP fund, staff is recommending that \$5.0 million be reallocated from the PLP fund to the State Apartment Incentive Loan (SAIL) Program for use as gap funding for Special Needs transactions financed with Low Income Housing Tax Credits.

3. Recommendation

Approve the staff recommendation to reallocate \$5.0 million from the Predevelopment Loan Program fund to the SAIL Program for use as gap funding for Special Needs transactions financed with Low Income Housing Tax Credits.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

VIII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request Permission to Issue a Request for Proposals (RFP) for the Administration of the Affordable Housing Catalyst Program

1. Background

- a) The Affordable Housing Catalyst Program is funded through the State Housing Trust Fund and provides training and technical assistance mainly to local governments and community based organizations on state and federal housing programs. This includes administration and implementation of the State Housing Initiatives Partnership (SHIP) Program, the HOME Investment Partnerships (HOME) Program and the Florida Hardest Hit Fund and other affordable housing programs. The Affordable Housing Catalyst Program has been outsourced since its inception, with great success.
- b) Florida Housing is authorized to administer the Affordable Housing Catalyst Program (Catalyst) under chapter 2004-243, Laws of Florida, amended Section 420.531, F.S.
- c) Florida Housing determined that the Catalyst Contract could be used for training and technical assistance for the Hardest Hit Program for the last two years would like to continue to utilize contract for these services.

2. Present Situation

- a) The three year term of the current Affordable Housing Catalyst Program contract between Florida Housing and the Florida Housing Coalition, Inc., for these services expires June 30, 2013.
- b) This RFP to be issued will include details of all of the training and technical assistance services, as well as the experience and requirements of the respondents.
- c) RFP responses will be reviewed by a committee appointed by the Executive Director. The committee will make a recommendation to the Board at the April 2013 meeting.

3. Recommendation

- a) Authorize staff to begin the solicitation (RFP) process in order to obtain responses from qualified entities to deliver affordable housing training and technical assistance under the Catalyst program, subject to funding availability.
- b) Authorize the Executive Director to establish a Review Committee to review the RFP responses and make a recommendation to the Board.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Permanent Loan Servicing Software Request for Proposals (RFP)

1. Background

- a) In 2010, the US Treasury (Treasury) awarded a little more than \$1 billion to Florida under the Emergency Economic Stabilization Act of 2008. Florida Housing was directed by Treasury to use the funds to assist in foreclosure prevention efforts. Florida Housing's programs are collectively referred to as the Florida Hardest Hit Fund (HHF). At its inception, it was anticipated that HHF would provide assistance to over 40,000 borrowers.
- b) Florida Housing provides permanent loan servicing for the HHF loans and related expenditures are fully covered as an administrative cost by HHF. Excel spreadsheets are used to track disbursements, repayments, foreclosures and forgiveness for HHF loans. Due to the large award from Treasury, the average loan amount, and the loan terms, the program produces a large number of data transactions.

2. Present Situation

- a) Florida Housing has a need to purchase permanent loan servicing software that can be used to service the HHF loans funded by the federal government. The purchase will be funded out of HHF funds allocated for administrative costs which is included in the 2013 budget. Permanent loan servicing software benefits will include but not be limited to the following:
 - Improve the overall management of loan data;
 - Increase reporting options;
 - Improve management of data security;
 - Improve efficiency and consistency of data input and storage.

3. Recommendation

- a) Authorize staff to begin the solicitation process in order to select a permanent loan servicing software product from a qualified vendor.
- b) Authorize the Executive Director to establish a Review Committee to make a recommendation to the Board.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

IX. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for Vista Palms f/k/a Andros Isle (RFP 2011-05-11)

Development Name:	Vista Palms f/k/a Andros Isle
Developer/Principal:	Creative Choice Homes XI, Ltd.
Number of Units:	229
Location :	Lee County
Type/Demographic:	Rental/Family (Guarantee, SAIL, HC and SMI)
Set-Aside:	8.33% @ 30% AMI and 91.67% @ 60% AMI (SAIL) 100 @ 60% AMI (HC)
Allocated Funding Amount:	\$10,700,000 Lee County Housing Finance Authority Bonds \$2,000,000 SAIL \$577,947 Housing Credits \$491,271 Subordinate Mortgage Initiative (SMI) \$3,450,000 SAIL ELI (RFP 2010-16)
SAIL ELI Funding under RFP 2011-05 not to exceed:	\$900,000

1. Background/Present Situation

- a) On October 21, 2011, Florida Housing staff issued Request for Proposals (RFP) 2011-05 to award SAIL Extremely Low Income 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 March 28, 2012, staff issued a firm loan commitment to Vista Palms in the amount of \$900,000 with a closing deadline of September 24, 2012.
- e) On September 20, 2012, staff received a request from the Developer for a 120 day loan closing extension ([Exhibit A](#)).
- f) On November 2, 2012, the Board deferred this item to the December Board meeting. On December 7, 2012, the Board tabled this item to the February 1, 2013 Board meeting.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

- g) As noted above, Vista Palms received a \$2 million SAIL loan as well as a \$491,271 SMI loan. Furthermore, the property received a SAIL ELI loan in the amount of \$3.45 million under RFP 2010-16, which reduced the first mortgage monthly debt service by approximately 30% from \$59,573 to \$41,342; a reduction of over \$18,000 per month. The owner/borrower indicated in its response to RFP 2010-16 that it could refinance the property without further resources (i.e. a \$0 financing gap) and they were in discussions with Greystone Capital to this effect. In light of the present interest rate environment and the aforementioned, staff is of the opinion that the additional \$900,000 SAIL ELI loan will not make an appreciable improvement on the property's financial performance nor its ability to refinance out of the Guarantee Program portfolio and, at this juncture, the onus is on the owner/borrower to further restore the fiscal soundness of the development with the ultimate goal being to refinance it from the Guarantee Program portfolio.

2. **Recommendation**

Deny the request for a 120 day loan closing extension and de-obligate the \$900,000 SAIL ELI award.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

B. Request Approval of Loan Closing Extension for Preserve at Oslo f/k/a Woods at Vero (RFP 2011-05-04)

Development Name:	Preserve at Oslo f/k/a Woods at Vero Beach
Developer/Principal:	Creative Choice Homes XVI, Ltd.
Number of Units:	176
Location :	Indian River County
Type/Demographic:	Rental/Family (MMRB, Guarantee, HC and SMI)
Set-Aside:	50% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Allocated Funding Amount:	MMRB 1999 Series N1 & N2 \$7,665,000 Tax-Exempt Bonds and \$125,000 Taxable Bonds \$602,633 Housing Credits \$381,155 Subordinate Mortgage Initiative (SMI) \$675,000 SAIL ELI (RFP 2010-16)
SAIL ELI Funding under RFP 2011-05 not to exceed:	\$2,625,000

1. Background/Present Situation

- a) On October 21, 2011, Florida Housing staff issued Request for Proposals (RFP) 2011-05 to award SAIL Extremely Low Income 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 March 28, 2012, staff issued a firm loan commitment to Preserve at Oslo in the amount of \$2,625,000 with a closing deadline of September 24, 2012.
- e) On September 20, 2012, staff received a request from the Developer for a 120 day loan closing extension ([Exhibit B](#)).
- f) On November 2, 2012, the Board deferred this item to the December Board meeting. On December 7, 2012, the Board tabled this item to the February 1, 2013 Board meeting.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

2. **Recommendation**

Approve the request for a loan closing extension to September 1, 2013, subject to: 1) payment of a loan closing extension fee (one-half of one percent of the loan amount) pursuant to Rule Chapter 67-48, F.A.C. and RFP 2011-05, 2) receipt and satisfactory review by First Housing Development Corp. (First Housing) of a firm commitment for the refinancing of the first mortgage loan on Peacock Run to effectively remove it from the Guarantee Program portfolio, and 3) full restoration of all of the down units at Tuscan Isle (f/k/a Heron Cove) to suitable for occupancy status as verified by a 100% unit inspection performed by First Housing as directed by the Guarantee Program. Furthermore, staff recommends that the closing and funding of this SAIL ELI loan shall be simultaneous with the closing of the refinance of the first mortgage effectively removing the development from the Guarantee Program portfolio and repayment in full of the Subordinate Mortgage Initiative Loan.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

C. Request Approval of Loan Closing Extension for Peacock Run (RFP 2011-05-08)

Development Name:	Peacock Run
Developer/Principal:	Creative Choice Homes XX, Ltd.
Number of Units:	264
Location :	St. Lucie County
Type/Demographic:	Rental/Family (MMRB, Guarantee/HUD-Risk, HC and SMI)
Set-Aside:	80% @ 60% AMI (MMRB) 100% @ 60% AMI (HC)
Allocated Funding Amount:	MMRB 2002 Series H1 & H2 \$9,690,000 Tax-Exempt Bonds and \$3,090,000 Taxable Bonds \$674,643 Housing Credits \$605,345 Subordinate Mortgage Initiative (SMI) \$1,050,000 SAIL ELI (RFP 2010-16)
SAIL ELI Funding under RFP 2011-05 not to exceed:	\$3,900,000

1. Background/Present Situation

- a) On October 21, 2011, Florida Housing staff issued Request for Proposals (RFP) 2011-05 to award SAIL Extremely Low Income 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 March 28, 2012, staff issued a firm loan commitment to Peacock Run in the amount of \$3,900,000 with a closing deadline of September 24, 2012.
- e) On September 20, 2012, staff received a request from the Developer for a 120 day loan closing extension ([Exhibit C](#)).
- f) On November 2, 2012, the Board deferred this item to the December Board meeting. On December 7, 2012, the Board tabled this item to the February 1, 2013 Board meeting.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

2. **Recommendation**

Approve the request for a loan closing extension to September 1, 2013, subject to the payment of a loan closing extension fee (one-half of one percent of the loan amount) pursuant to Rule Chapter 67-48, F.A.C. and RFP 2011-05. Furthermore, staff recommends that the closing and funding of this SAIL ELI loan shall be simultaneous with the closing of the refinance of the first mortgage effectively removing the development from the Guarantee Program portfolio and repayment in full of the Subordinate Mortgage Initiative Loan.

UNIVERSAL APPLICATION CYCLE

Action Supplement

X. UNIVERSAL APPLICATION CYCLE

A. Request Approval to Award 2013 Low Income Housing Tax Credits to Applicants on the List of Eligible Unfunded Applications from the 2011 Universal Application Cycle (UAC)

1. Background

On October 14, 2011 the Board authorized staff to increase the Total Housing Credit Allocation Authority for the 2011 UAC to up to \$60 million via the forward allocation of housing credits from the 2013 Housing Credit Allocation Authority. The Board approved the 2011 Universal Cycle final rankings on June 8, 2012 and authorized staff to issue invitations to enter credit underwriting to those Applicants that were within funding range.

2. Present Situation

- a) The amount of housing credits to be awarded based on the 2012 Qualified Allocation Plan (QAP) was approved as provided above by the Board, but the Board also has authorization to approve a greater amount.
- b) Staff has currently committed \$36,432,499.80 of the 2013 Housing Credit Allocation Authority to the 2011 Universal Application Cycle Applicants that were within the funding range, inclusive of successful post-ranking petitions. On February 1, 2013 staff is requesting the Board to approve a Request for Application for Highest Priority. This RFA intends to allocate up to 10% of the 2013 Housing Credit Allocation Authority to high-priority developments as provided in the Board package. To assure that no more than a de minimis amount of 2013 Housing Credit Allocation authority remains unallocated by calendar year end 2013, staff is requesting authorization to allocate any remaining 2013 housing credits.
- c) The funding order as outlined in the 2011 UAC Instructions (paragraph 8.d.(4) of the Ranking and Selection Criteria section) indicates any remaining allocation will be allocated in accordance with the QAP. The 2012 QAP establishes an allocation process, unless approved otherwise by the Board, for any allocation received after December 15, 2012 (as amended by the Board) to include the requirements set forth in Section 7 of the QAP, which allows for allocations to fund the next highest scoring, eligible Application based on total score and the Option 1 Tie-Breaker Order outlined in Section 6.a. of the Ranking and Selection Criteria section of the Universal Application Instructions, regardless of the Development Category selected at Part III.A.3.a. of the Application.

3. Recommendation

Authorize staff to award any unallocated 2013 Low Income Housing Tax Credits prior to calendar year end 2013 by funding the next highest scoring, eligible Application based on total score and the Option 1 Tie-Breaker Order outlined in Section 6.a. of the Ranking and Selection Criteria section of the Universal Application Instructions, regardless of the Development Category selected at Part III.A.3.a. of the Application, subject to existing Set-Aside Unit Limitations (SAUL) remaining in effect at that SAUL Stage, using the eligible unfunded list from the 2011 UAC.