

INVITATION TO NEGOTIATE 2008-01

**ADMINISTRATION SERVICES
FOR PRESERVATION PILOT PROGRAM
FOR ORANGE, PALM BEACH AND PASCO COUNTIES**

for

FLORIDA HOUSING FINANCE CORPORATION

October 17, 2008

SECTION ONE INTRODUCTION

Florida Housing Finance Corporation (Florida Housing) is soliciting competitive, sealed responses from qualified Intermediaries to establish one or more Bridge Loan programs to provide loan management, credit underwriting and loan servicing services for the purpose of establishing a revolving Bridge Loan program to preserve affordable multifamily rental housing for low-income persons and families. The legislature has appropriated up to \$10 million subject to the availability of funds, which Florida Housing is allocating as follows: Orange County – \$2,664,694; Palm Beach County – \$4,202,592; Pasco County – \$3,312,713; with an overall goal of leveraging at least \$40 million in private funds. Offerors are expected to describe how such program will operate, including loan management for this pilot program for preservation rehabilitation in Pasco, Palm Beach and/or Orange counties. Florida Housing will consider Responses submitted in accordance with the terms and conditions set forth in this Invitation to Negotiate (ITN), subject to any other term and condition in any Contract subsequently awarded. One or more Offeror(s) shall be selected and determined through Florida Housing’s review of each Response, considering the factors identified in this ITN and any other factors that it considers relevant to serving the best interests of Florida Housing and its mission.

Emphasis in the selection process will be placed on the Offeror’s qualifications that demonstrate a wide breadth of experience with state housing entities, housing development related to affordable housing and financial transactions.

Florida Housing expects to provide an opportunity for Developments that receive loans through this Bridge Loan program to access targeted permanent financing through its rental programs.

SECTION TWO DEFINITIONS

For purposes of this document, the terms reflected below shall be defined as follows:

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| “Board” | The Board of Directors of Florida Housing Finance Corporation. |
| “Bridge Loan” | A short term financing of up to 3 years for acquisition, rehabilitation, or pre-Development costs necessary to stabilize or position a property for permanent financing. |

“Committee”	The review committee composed only of employees of Florida Housing that is established pursuant to Fla. Admin. Code, R. 67-49.007.
“Contract”	The document containing the terms and conditions of this Invitation to Negotiate and any other term and condition that the parties mutually agree to in writing.
“Days”	Calendar days, unless otherwise specified.
“Development”	Improvements located in the state, including real property, buildings, and any other real and personal property, designed and intended for the primary purpose of providing decent, safe and sanitary housing in accordance with the provisions of this ITN. For purposes of this ITN, Developments must already be in Florida Housing’s portfolio.
“Effective Date”	The date the last party signs the Contract that is awarded as a result of this Invitation to Negotiate.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“Interested Party”	A person or entity that obtains a copy of the ITN from Florida Housing.
“Intermediary”	An organization, such as a Community Development Financial Institution, bank or other, that acts as a conduit between Florida Housing and borrowers.
“Offeror”	Any entity which has the capability in all respects to perform fully the requirements contained in this ITN and submits a Response.

“Preservation”	The process of retaining affordable housing rental units through acquisition, refinancing, and/or rehabilitation.
“Response”	The written submission by an Offeror in response to this ITN.
“ITN”	This Invitation to Negotiate, including all exhibits referenced in this document and all other documents incorporated by reference.
“Staff”	Any employee of Florida Housing, including the Executive Director.
“Threshold Item”	A mandatory requirement of the ITN. Failure to meet any requirement in the ITN designated as a “Threshold Item” shall result in rejection (no further action) of a Response.
“Website”	The Florida Housing Finance Corporation website, the Universal Resource Locator (URL) of which is www.floridahousing.org .

SECTION THREE PROCEDURES AND PROVISIONS

A. An Offeror must submit an original and eight (8) copies of the Response in a sealed envelope marked “ITN 2008-01.” Each envelope or package containing Responses must clearly state the name of the Offeror. The Response that is the original must clearly indicate “Original” on that Response. Florida Housing shall not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on Friday, December 12, 2008. Responses shall be opened at that time. Responses must be addressed to:

Robin L. Grantham
Contracts Administrator
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329
(850) 488-4197; Fax (850) 414-6548
Email: robin.grantham@floridahousing.org

B. This ITN does not commit Florida Housing to award a Contract to any Offeror or to pay any costs incurred in the preparation or mailing of a Response.

C. All services under the Contract awarded are to be performed solely by the contractors, and may not be subcontracted or assigned without the prior written approval and consent of Florida Housing.

D. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this ITN;
3. Obtain information concerning any or all Offerors from any source;
4. Schedule an oral interview before the Committee and/or the Board from any or all Offerors;
5. Select for Contract negotiation or for award, a Response other than that with the highest score if, in the judgment of Florida Housing, its and the public's best interest shall be served; and
6. Negotiate with the successful Offeror(s) with respect to any additional terms or conditions of the Contract.

E. Any Interested Party may submit questions regarding this ITN in writing via mail, fax, or e-mail to Robin Grantham at the address given in Section Three, paragraph A. All questions are due by 5:00 p.m., Eastern Time, Wednesday, November 5, 2008. Phone calls shall not be accepted. Florida Housing expects to respond to all questions by 5:00 p.m., Eastern Time, Friday, November 12, 2008. Florida Housing shall post a copy of all questions received and their answers on Florida Housing's Website at: <http://www.floridahousing.org/Home/BusinessLegal/Solicitations/InvitationsToNegotiate.htm>. Florida Housing shall also send a copy of those questions and answers in writing to any Interested Party that requests a copy. Florida Housing shall determine the method of sending its answers, which may include regular U.S. mail, overnight delivery, fax, e-mail or any combination of the above. Only written responses or statements from Robin Grantham or her designee that are posted on the Website shall bind Florida Housing. No other means of communication, whether oral or written, shall be construed as an official response or statement from Florida Housing.

F. Any person who wishes to protest the specifications of this ITN must file a protest in compliance with Section 120.57(3), Fla. Stat., and Fla. Admin. Code R. 28-110. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

G. The initial term provided in the Contract shall be for three (3) years. If the parties mutually agree in writing, the Contract may be renewed twice. Each renewal shall be for an additional one-year period. Renewals shall be contingent upon satisfactory performance evaluations by Florida Housing.

H. Pursuant to Fla. Admin. Code R. 67-49.004, Florida Housing may modify the terms of the ITN at any point prior to the due date of Responses. A notice of such modification shall be posted on the Website and shall be provided to potential Applicants who requested copies of the ITN. The deadline for receipt of Responses may be extended as deemed necessary by Florida Housing.

SECTION FOUR REQUIREMENTS AND INFORMATION TO BE PROVIDED

A. GENERAL INFORMATION

Provide the name, job title, address, office and cellular telephone number(s), fax number, and email address of a primary contact person, who will be responsible for day-to-day contact with Florida Housing, and any backup personnel who would be accessible if the primary contact cannot be reached. The primary contact person so identified will be responsible for making the Offeror's oral presentations to Staff and/or the Board, if requested.

B. PROGRAM MANAGEMENT EXPERIENCE, RESOURCES AND QUALIFICATIONS (Up to 10 points)

1. Indicate the employee(s) of the Offeror that would be involved with the administration of this ITN. Provide a resume for each employee indicated. Identify those members of the Offeror who have experience with Florida Housing's programs and with the resources of other state and local housing finance authorities. Indicate which employee of the Offeror will act as the primary representative throughout the negotiation process.
2. Provide, in no more than three pages, a brief history of the Offeror's experience including information Offeror considers most relevant to the ITN related to loan processing, credit underwriting and loan servicing.
3. Describe the Offeror's experience and successful results in creating and implementing innovative housing financing techniques.

4. Provide the following information to demonstrate financial capacity of the Offeror to manage a Bridge Loan Program:
 - Portfolio performance and trends over the past three (3) years;
 - Growth in loan originations during the past three (3) years;
 - How the Offeror manages the risk inherent in its' lending activities;
 - An explanation for turnovers in any key position within the last three (3) years;
 - Operating results (for non-profits, focus on changes in unrestricted assets) during the last three (3) years; and
 - How the Offeror ensures adequate operation and loan fund liquidity.
5. Provide a statement of any other qualifications, resources or services, which the Offeror considers to be significant, innovative or otherwise relevant to Florida Housing in evaluating the Offeror's proposal.

C. **INTERMEDIARY REQUIREMENTS (Threshold Item)**

To be considered for this ITN, the Intermediary must demonstrate each of the following requirements (provide narrative and supporting documentation as necessary):

1. Be a legal entity at the time the Offeror submits a Response;
2. Have a primary mission of promoting community development;
3. Be a financing entity;
4. Provide development services such as technical assistance and training in conjunction with its financing activities;
5. Be a non-government entity and not be under control of any government entity; and
6. Provide Audited Financial Statements for the past three years as well as interim financial statements for the most recently completed quarter or month.

D. PLAN FOR ADMINISTRATION

1. Describe the Offeror's loan pool structure for the county(ies) in which the Offeror proposes to administer the Preservation Pilot Program as detailed in this ITN. Provide separate plans for each county if applicable. The plan(s) should include, but not be limited to:
 - a. Sources and availability of funds for leveraging. The goal of the funding is to leverage at least a ratio of 4:1 private funding to the funding through this ITN. Describe the ability to fund at a higher leveraging ratio or restrictions which prevent funding at least a 4:1 ratio. Provide evidence of firm funding commitments in the form of a fully executed agreement or funding letter between the funding institution and your organization. Offerors who provide fully executed firm funding commitments will receive higher scores for this section. **(Up to 20 points)**.
 - b. Programs or loan products currently offered by your organization or proposed to be offered that will be utilized with the funding. Describe each fund program and product in detail. For programs or products already in use, provide amount of funding allocated, types of developments funded, number of affordable housing units produced, and loan terms. For proposed programs, provide loan terms and anticipated amount of funding, types of developments, number of affordable housing units that will be created. For all programs proposed to be utilized with this funding, provide the plan for repayment of loans and amount of fees associated with the loans. **(Up to 20 points)**.
2. Development funding priorities
 - a. Developments with project based rental assistance, expiring set-asides and deteriorating properties. Describe the types of Developments that will be targeted with this funding related to Florida Housing's stated goals. **(Up to 10 points)**
 - b. Priority of activity types: Developments that require acquisition, predevelopment, and potentially rehabilitation. Describe the types of Developments to be targeted with the funds. **(Up to 10 points)**.

- c. Eligible borrowers: Florida Housing has as a priority funding non-profit developers acquiring Developments. Describe the process for indentifying potential Developments and the method for prioritization of funding. **(Up to 10 points).**

E. **PARTNERSHIPS (Up to 10 points)**

1. Describe partnership(s) with local government agencies and other institutions within the county or counties which the Offeror is proposing to serve. If the Offeror proposes to serve more than one county, provide details for each county partnership.
2. Include the local government's role in the process and a signed letter from an authorized signatory for the local government stating their commitment to the proposal.

F. **PROPOSED FEES**

Provide proposed fees, if any, to be charged to applicant/developers in conjunction with the loan or any services described in this ITN including, but not limited to, application fees, credit underwriting fees, loan processing fees, loan servicing fees and compliance fees.

G. **SERVICES AND PROCESSES**

Describe how each service below will be addressed. **(Up to 20 points):**

1. Loan Application process: Describe how Developments will apply and be processed. Include an estimated timeline for the entire process.
2. Credit Underwriting services: Describe the credit underwriting process including the requirement for a permanent financing plan.
3. Loan Approval: Describe the approval process including Florida Housing's role in the process.
4. Loan Processing: Describe the loan closing process.
5. Loan Servicing: Describe the loan servicing and compliance monitoring process.

6. Loan Repayment: Describe the process for loan repayments for loans which successfully obtain permanent/construction financing and how the repaid funds will be recycled for additional loans. Also describe the plan for loans that are not successful in obtaining permanent/construction financing.
7. Technical Assistance: Describe how the Offeror will determine when a loan applicant is in need of technical assistance and how the technical assistance will be delivered.

H. DRUG-FREE WORKPLACE

If the Offeror has implemented a drug-free workplace program, pursuant to Section 287.087, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

I. MINORITY BUSINESS ENTERPRISE

If the Offeror is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

J. CERTIFICATION STATEMENT (Threshold Item)

THE FOLLOWING SHALL BE REPEATED IN THE OFFEROR'S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE APPLICANT. FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE SHALL RESULT IN REJECTION OF THE RESPONSE.

“I agree to abide by all conditions of ITN 2008-01 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Offeror and that I am in compliance with all requirements of the ITN, including but not limited to, the certification requirements stated in Section Five of this ITN.”

Authorized Signature (Original)

Print Name and Title

SECTION FIVE CERTIFICATION

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in Section Four, subsection J, of this ITN, each Offeror certifies that:

A. The Offeror submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed, and such joint filing is made clear on the face of the Response, shall be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this ITN is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 10 Days after the Response is opened, whichever is earlier.

C. The Offeror is in compliance with Section 287.133(2)(a), Fla. Stat., which provides in pertinent part:

A person or affiliate, who has been placed on the convicted vendor list, following a conviction for a public entity crime, may not:

- a. submit a bid on a contract to provide any goods or services to a public entity;
- b. submit a bid on a contract with a public entity for the construction or repair of a public building or public work;
- c. submit bids on leases of real property to a public entity;
- d. be awarded or perform work as a contractor, supplier, subcontractor, or Contractor under a contract with any public entity, and;
- e. transact business with any public entity in excess of the threshold amount provided in Section 287.017, Fla. Stat., for CATEGORY TWO: \$25,000, for a period of 36 months from the date of being placed on the convicted vendor list.

D. The Offeror acknowledges that any Offeror selected shall be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Offeror other than the compensation agreed upon in the Contract that results from this ITN, unless that Offeror has written consent from Florida Housing's Executive Director after Florida Housing has been fully informed of such activities in writing.

G. In addition to the conflict of interest rules imposed by the Florida Statutes, the Offeror(s) that is (are) selected to provide these services may not engage in any actual, apparent, or potential conflict of interest. Should any such actual apparent, or potential conflict of interest come into being subsequent to the effective date of the Contract and prior to the conclusion of the Contract, the Offeror shall provide notification (Notice of Conflict of Interest) to Florida Housing, through first class certified mail, return receipt requested, within 10 working days, seeking written consent from Florida Housing's Executive Director. If the Offeror is found to be in non-compliance with this provision, without written consent from Florida Housing's Executive Director, any compensation received in connection with the Contract shall be subject to forfeiture to Florida Housing.

SECTION SIX EVALUATION PROCESS

Individual Committee members shall evaluate the Responses independently. As indicated in this section, points shall be assigned to certain items of this ITN. The individual Committee members shall evaluate the Responses by reviewing the answers to each of the items and assigning points up to the maximum points allowed for each item. The Committee shall not use those items without points assigned in computing the numerical score, but shall use them as part of their evaluation and recommendation process, for informational purposes, as a basis for possible disqualification, and to break any tie. The Committee shall also use the various scored items as a part of its evaluation and recommendation process. Based on the criteria for selection, the Committee shall rank each Response with the highest rank being "1". The Committee may conduct one or more public meetings during which members may discuss their evaluations, make any adjustments deemed necessary to best serve the interests of Florida Housing's mission, interview Offerors and develop a recommendation or series of recommendations to the Board. The Committee and/or Staff may make a recommendation, in addition to providing the scoring and ranking information and the information from the non-scored items to the Board for the Board to use in making the final selection. The Committee and/or Staff may also give the Board a written and/or verbal narrative describing the reasons for any recommendation. In the event of a tie, Florida Housing shall give preference in the award process to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat.

If a tie continues to exist, Florida Housing shall give preference to minority business enterprises as defined in Section 288.703, Fla. Stat. Staff may recommend that the Board conduct oral interviews as part of the evaluation process to select the Offeror. The Board may use the Responses, the Committee’s scoring, the non-scored items in the Responses, any other information or recommendation provided by the Committee or Staff, any oral presentations of Offerors and any other information the Board deems relevant in its selection of an Offeror(s) to whom to award a Contract(s). The points available for each of the items to be evaluated are as follows:

1. Section Four, paragraph B(1-4): Program Management Experience, Resources And Qualifications **(Up To 10 Points)**
2. Section Four, paragraph D: Plan for Administration
 - 1.a. Sources And Availability Of Funds For Leveraging **(Up To 20 points)**
 - 1.b. Current Programs Or Loan Products Offered That Will be Utilized With The Funding **(Up To 20 Points)**
 2. Development Funding Priorities:
 - a. Project Based Rental Assistance **(Up to 10 Points)**
 - b. Priority Of Activity Types To Be Funded **(Up To 10 Points)**
 - c. Eligible Borrowers (Non-Profit) And Prioritization Of Funding **(Up To 10 Points)**
3. Section Four, paragraph E(1-2): Partnerships **(Up To 10 Points)**
4. Section Four, paragraph G(1-7): Services and Processes **(Up To 20 Points)**

Total Points Available 110

Additionally, the following **Threshold Items** are required:

1. Intermediary Requirements (Section Four, paragraph C of this ITN); and
2. Certification Statement (Section Four, paragraph J of this ITN).

SECTION SEVEN AWARD PROCESS

Florida Housing shall provide notice of its decision, or intended decision, for this ITN on Florida Housing’s Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., *et. al.* Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., *et. al.* or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.