

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 20, 2006
Action Items



ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

Action

I. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of EHCL Lottery Seed Number

1. Background/Present Situation

Chapter 420, Florida Statute, and Rule Chapter 67-32, F.A.C., provides that each Application assigned an application number receive a random lottery number at or prior to the issuance of final scores and that the lottery numbers must be assigned by having Florida Housing's internal auditors run the total number of assigned application numbers through a random number generator program.

2. Present Situation

The seed number must be selected for the random number generator program so that Internal Audit will be able to assign the lottery numbers at the appropriate time.

3. Recommendation

From the listing of numbers provided by Internal Audit, the Chair should select a seed number to be used for the 2006 EHCL Application Cycle.

LEGAL

Action

II. LEGAL

A. In Re: Green Cay Village Apartments, Ltd., f/k/a Heritage at Green Cay, Ltd.

Development Name: (“Development”):	Green Cay Village Apartments f/k/a Heritage at Green Cay, Ltd. 2004-028S
Developer/Principal: (“Developer”):	Green Cay Village Apartments, Ltd. f/k/a Heritage at Green Cay, Ltd.
Number of Units: 320	Location: Palm Beach County
Type: Garden Apartments	Set Aside: 100% @ 60% AMI
Demographics: Family	Allocated Amount: \$2,000,000
MMRB: N/A	Housing Credits: N/A

1. Background

- a) During the 2004 Cycle, Florida Housing awarded an allocation of SAIL funds to the Petitioner.
- b) On November 7, 2005, Florida Housing received a Petition for Waiver from Rule 67-48.004(14), Florida Administrative Code (“Petition”), from Green Cay Village Apartments, Ltd., f/k/a Heritage at Green Cay, Ltd. (“Petitioner”). A copy of the Petition is attached as [Exhibit A](#).
- c) Rule 67-48.004(14), Florida Administrative Code, states in pertinent part:
 - (1) Notwithstanding any other provision of these Rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:
 - (2) *****
 - (3) (i) Total number of units;
- d) Petitioner seeks a waiver of the rule so that it may reduce the number of units from 320 rental units to 160 rental units. According to Petitioner, opposition from NIMBY groups delayed the approval of the Development. During the delay, there was a substantial increase in construction and materials costs. In order to gain NIMBY approval and in order to make the Development economically viable, Petitioner proposes to reconfigure the Development from its original 320 affordable rental units into 160 rental units and 160 condominium units. According to Petitioner, the condominium units will be affordably priced at approximately \$65,000 less than the maximum price for the Palm Beach County SHIP program.
- e) On November 18, 2005, the Notice of Petition was published in the Florida Administrative Weekly.

LEGAL

Action

- f) To date, Florida Housing has not received any comments concerning the Petition.

2. **Present Situation**

- a) Section 120.542(2), Florida Statutes provides in pertinent part:
- b) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- c) Not granting the petition will create a substantial hardship for Petitioner in that the construction of the Development would not be economically feasible. The purpose of the underlying statute is to encourage development of affordable housing. Affordable housing in Palm Beach County is relatively scarce. Granting the Petitioner's request to modify the number of affordable rental units from 320 units to 160 units and thus allowing the Development to go forward will facilitate the development of affordable rental housing that might not otherwise be available to families of limited means in Palm Beach County. Moreover, given Petitioner's proposed pricing structure for the 160 condominium units, the Development would still consist of 320 affordable housing units.

3. **Recommendation**

Staff recommends the Board grant the Petitioner's request for a waiver of Rule 67-48.004(14), Florida Administrative Code, to allow a change in the number of rental units from 320 to 160 conditioned upon the Petitioner's written agreement to defer at least 50% of the developer fee until 6 months following completion of construction.

MINUTES

Action

III. MINUTES

- A. Consider Approval of the December 9, 2005, [Board of Directors' Meeting Minutes](#).

MULTIFAMILY PROGRAMS

Action

IV. MULTIFAMILY PROGRAMS

A. Creation of a Regular, Competitive Funding Cycle to Fund Rental Housing for Special Needs Populations

1. Background

- a) Since 2001, Florida Housing has carried out a series of demonstrations to explore how we might provide funding for rental developments which do not fit the type of transaction that the Universal Cycle is designed to fund, including smaller developments and housing developments created to serve special needs. Demonstrations have included funding for farmworkers, extremely low income households, homeless people, people with disabilities, affordable assisted living facilities and victims of domestic violence.
- b) These demonstrations have provided evidence that the developments funded to serve these households are often smaller and designed to meet the special conditions of the targeted households. Proposals funded through Florida Housing's demonstrations show a need for more flexibility in housing designs to ensure that a range of special needs can be met. From our experience with credit underwriting, the staff believes that most of the transactions financed through the demonstrations could not compete well in the Universal Cycle. Moreover, the housing providers who are interested in providing more specialized affordable housing for these populations are often nonprofits with more limited development experience. Thus, we have found a greater likelihood that these developments will be built on a reasonable timetable when technical assistance is provided to all funded developments.

2. Present Situation

From what we have learned from past demonstration projects, the staff believes that Florida Housing should create a regular, competitive funding cycle to fund permanent rental housing targeted to households with special needs. This would ensure that Florida Housing is regularly funding a greater variety of developments. In its first year, the cycle would be administered through a Request for Proposals, making up to \$10 million available in HOME Program funds for the new construction and/or rehabilitation of developments with up to 50 units. Eligible developments would be required to serve one or more types of households with special needs, including for 2006: people with disabilities, frail elders, victims of domestic violence, homeless households, and those at risk of homelessness.

3. Recommendation

The staff recommends that the Board approve the creation of a regular, competitive funding cycle to fund permanent rental housing targeted to special needs populations, and for 2006, approve the use of up to \$10 million in HOME funds to be awarded through the issuance of a Request for Proposals for this new cycle.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

V. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Proposals (RFP) 2005-06 for Affordable Housing Locator Subscription Services

1. Background

At its August 25, 2005 meeting, Florida Housing's Board of Directors authorized staff to begin the solicitation process to select one entity to provide affordable housing locator services and authorize the Executive Director to establish a Review Committee. Such a service will provide a web-based, searchable list of affordable rental units throughout the state financed by Florida Housing in a user-friendly format. The service will also provide real-time vacancy information which will not only be helpful to those looking for immediate rentals, but also in situations in which families have lost homes as a result of hurricanes or other natural disasters.

2. Present Situation

- a) An RFP process was initiated and RFP 2005-06 was issued on Friday, September 30, 2005. Responses were due on or before 2:00 p.m., Friday, October 28, 2005.
- b) An RFP process was initiated and RFP 2005-06 was issued on Friday, September 30, 2005. Responses were due on or before 2:00 p.m., Friday, October 28, 2005.
 - (1) Bowman Systems
 - (2) Domus Systems, Inc.
 - (3) socialserve.com
- c) The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director, Rob Dearduff, Special Programs Administrator, Nathan Sinclair, Programmer Analyst, Doug Brown, Asset Management Senior Analyst, and Susan Parks, Chief Information Officer.
- d) Each member of the Review Committee individually reviewed the proposals prior to convening for the Review Committee meetings. The Review Committee met at 2:30 p.m., on Tuesday, December 6, 2005; observed presentations by the Offerors beginning at 2:00 p.m., Wednesday, December 14, 2005, followed by a question and answer period; and met again at 2:00 p.m. on Tuesday, December 20, 2005. Results of the Review Committee's evaluation of the scored items are provided as [Exhibit A](#).

3. Recommendation

Authorize staff to enter into contract negotiations with socialserve.com. If contract negotiations fail with socialserve.com, authorize staff to enter into contract negotiations with Bowman Systems.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Qualifications (RFQ) 2005-05 for Printing, Copying and Reproduction Services

1. Background

- a) At its October 14, 2004 meeting, Florida Housing's Board of Directors authorized staff to enter into contract negotiations with Rapid Press, Inc. and Target Copy to provide printing and copying services. The Board also authorized staff to issue a revised RFQ to solicit additional proposals in order to increase the pool of vendors from which Florida Housing staff may choose to purchase printing and copying services.
- b) An RFQ process was initiated and RFQ 2005-05 was issued on October 28, 2005. The RFQ solicited responses from qualified firms for printing and reproduction, specialty promotional printing and copying services. Responses to the RFQ were due on or before 2:00 p.m., Tuesday, November 22, 2005.
- c) Two (2) responses were received. They are as follows:
 - (1) Global DocuGraphix
 - (2) Pride Enterprises
- d) The Review Committee members, designated by the Executive Director, were Ian Smith, Communications Director, Sheila Freaney, Board Liaison, and Jenifer Stern, Senior Graphic Designer.

2. Present Situation

The Review Committee reviewed the responses to the RFQ individually prior to convening for the Review Committee meetings. The meetings were held on Tuesday, December 13th and Friday, December 16, 2005 at 10:30 a.m. Results of the Review Committee's evaluation of the scored items are provided as [Exhibit B](#).

3. Recommendation

The Review Committee recommends that the Board authorize staff to enter into contract negotiations with Global DocuGraphix to provide printing, reproduction and specialty promotional printing services, and Pride Enterprises to provide printing and reproduction services.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

C. **Request for Proposals (RFP) 2005-05 for the Development and Rehabilitation of Migrant Farmworker Housing**

1. **Background**

At its June 10, 2005 meeting Florida Housing's Board of Directors authorized staff to begin the solicitation process to use HOME funds in a hurricane housing recovery program targeted to migrant farmworkers and households with special needs in areas devastated by the 2004 hurricanes.

2. **Present Situation**

- a) An RFP process was initiated and RFP 2005-05 was issued on Friday, August 26, 2005, making up to \$10 million in loans available. Applicants successfully meeting all threshold requirements will be awarded funds in the order in which they are received until such time that all funds are committed.
- b) Two responses were received. The response from Fellsmere Community Enrichment Program, for a loan request of \$3,429,840, was received on Friday, October 28, 2005. The response received from Catholic Charities Housing Diocese of Venice, Inc., for a loan request of \$6,639,840, was received on Wednesday, November 16, 2005.
- c) The Review Committee members, designated by the Executive Director, were Rob Dearduff, Special Programs Administrator, Elizabeth Loggins, Homeownership Loan Program Administrator, Derek Helms, Multifamily Loans Manager, and Heather Boyd, Multifamily Loans Senior Analyst.
- d) Each member of the Review Committee individually reviewed the proposals prior to convening for the Review Committee meeting held on Tuesday, November 22, 2005. At the November 22nd meeting threshold failures were identified in both responses both Applicants requested in writing that Florida Housing allow them to withdraw their first responses and consider the responses which were resubmitted and received on November 29, 2005.
- e) The Review Committee individually reviewed the resubmitted proposals prior to convening for the Review Committee meeting held on Friday, December 16, 2005. At the December 16th meeting the Review Committee agreed that both responses met threshold.

3. **Recommendation**

The Review Committee recommends that the Board authorize funding of the resubmitted proposals from Fellsmere Community Enrichment Program, for a loan request of \$3,429,840 and Catholic Charities Housing Diocese of Venice, Inc., for a loan request of \$6,639,840.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

VI. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval to Use Unallocated SAIL Funds

1. Background/Present Situation

- a) On August 25, 2005 the Board approved the final rankings for the 2005 Universal Cycle. \$63,066,488 in SAIL funds were awarded as a result of the final rankings approved by the Board in August. Since that time numerous SAIL Applicants have withdrawn their Applications. Pursuant to Rule Chapter 67-48 Florida Administrative Code ("F.A.C.") as funds became available due to the withdrawals those funds were made available to the highest ranked eligible unfunded application. With all eligible applications funded, the SAIL program currently has \$6,496,000 available. Rule 67-48 further states "If any funds remain after all eligible SAIL Applications have been funded, the Corporation may allocate those remaining funds in a supplemental cycle or as the Board deems appropriate."
- b) Through a Request for Proposal "RFP" process, staff would like to allocate the available SAIL funds to maintain the economic viability of 2005 developments located in the counties hit by hurricane Wilma that were successful in receiving an allocation of Low Income Housing Tax Credits ("LIHTC"). Those counties are Brevard, Broward, Collier, Glades, Hendry, Indian River, Lee, Martin, Miami-Dade, Monroe, Okeechobee, Palm Beach and St. Lucie. We believe that by providing additional funding to offset the increased construction costs it will ensure that these developments not only get built, but get built in a timely manner.
- c) Staff proposes that the SAIL request limit be \$12,500 per set-aside unit. The responses to the RFP would be scored based on the Applicants 2005 Universal Application scores and proximity tie-breaker points with the addition of the SAIL leveraging tie-breaker (SAIL request amount as a percentage of Development Cost from their 2005 Application). To help ensure that these funds are used to assist developments that truly need additional subsidy, Developers would be required to use at least 50% of their developer fee as a permanent source of financing. Except as provided herein, all provisions of Rule Chapter 67-48 F.A.C would apply. All of the above would be subject to positive credit underwriting recommendation.

2. Recommendation

Staff recommends that the Board approve the use of \$6,496,000 in unallocated SAIL funds to be awarded to 2005 LIHTC developments located in the counties referenced above through a competitive Request for Proposal process.

UNIVERSAL CYCLE

Action

VII. UNIVERSAL CYCLE

A. 2006 Universal Cycle Application Lottery Seed Number Selection

1. Background

The Universal Application Instructions provide that each Application that is assigned an Application number will receive a random lottery number at or prior to the issuance of final scores and that the lottery numbers will be assigned by having Florida Housing's internal auditors run the total number of assigned Application numbers through a random number generator program. The Instructions also provide that each End-of-the-Line SAIL request that is assigned an identification number will receive a random lottery number separate from the lottery numbers assigned to the Universal Cycle Applications.

2. Present Situation

The seed numbers for the 2006 Universal Cycle Applications and the End-of-the-Line SAIL requests must be selected so that the internal auditors will be able to randomly generate the lottery numbers at the appropriate time.

3. Recommendation

From the listing of numbers provided by internal audit, the Chair should select a seed number to be used for the 2006 Universal Application Cycle and a separate seed number to be used for the End-of-the-Line SAIL requests.

MULTIFAMILY BONDS

Action Supplement

I. MULTIFAMILY BONDS

A. Request Approval to Change the Credit Enhancement for the Sanctuary at Winterlakes Development

DEVELOPMENT NAME (“Development”):	Sanctuary at Winterlakes Apartments
OWNER/PRINCIPAL/ (“Owner”):	SunAmerica Affordable Housing Partners/MBA Properties, Inc./AIG Retirement Services, Inc.
NUMBER OF UNITS:	284
LOCATION (“County”):	St. Lucie County
TYPE (Rental, Homeownership):	Rental
SET ASIDE:	50% @ 60% (MMRB)
ALLOCATED AMOUNT:	\$9,935,000 of Tax-Exempt Bonds
ADDITIONAL COMMENTS: Change in Credit Enhancement	

1. Background

- a) In September of 1999, Florida Housing financed the construction of the Development with tax exempt bonds in the amount of \$9,935,000 and taxable bonds in the amount of \$2,000,000 designated as 1999 Series H1 and H2.
- b) In June of 2003, Florida Housing approved the transfer of ownership of the Development to an affiliate of the Owner.

2. Present Situation

The Owner, in a letter dated December 21, 2005 ([Exhibit A](#)) requested approval of a change in the credit enhancement for the Development from Financial Security Assurance, Inc. to Freddie Mac pursuant to Section 11.07 of the Trust Indenture.

3. Recommendation

Approve the request to change the credit enhancement of the Development from Financial Security Assurance, Inc. to Freddie Mac, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel and the appropriate Florida Housing staff.