I. DEMONSTRATION LOANS

A. Request Approval of Modification of Development Requirements for General Design Features and Supportive Services for Wesley Haven Villa (2002/01-002 ALF)

<table>
<thead>
<tr>
<th>DEVELOPMENT NAME (‘Development’):</th>
<th>Wesley Haven Villa</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPER/PRINCIPAL (‘Developer’):</td>
<td>Wesley Haven Villa, Inc. Methodist Homes for the Aging</td>
</tr>
<tr>
<td>NUMBER OF UNITS:</td>
<td>55</td>
</tr>
<tr>
<td>LOCATION (County):</td>
<td>Escambia</td>
</tr>
<tr>
<td>TYPE:</td>
<td>ALF</td>
</tr>
<tr>
<td>SET ASIDE:</td>
<td>40% of units @ 60% AMI</td>
</tr>
<tr>
<td>DEMONSTRATION LOAN AMOUNT:</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>ADDITIONAL COMMENTS:</td>
<td>This Development is fully constructed and occupied</td>
</tr>
</tbody>
</table>

1. Background/Present Situation

a) On March 8, 2002, Florida Housing issued a Request for Proposals (RFP) for the Development of Affordable Assisted Living Facilities.

b) In June 2002, a loan to Wesley Haven Villa in the amount of $3,000,000 was approved by the Board. In May 2003, the credit underwriting report was approved by the Board. The Loan closed in March 2004, construction was completed in August 2005 and the development was fully leased up by early 2006.

c) In early 2007, the developer contacted Florida Housing to report that the property was constructed without roll-in showers in the units as required in the RFP and committed to in the credit underwriting report, exhibit 2, as follows:

“One bathroom including toilet, sink and roll-in shower (10% of this requirement may be met with walk-in type shower stalls with permanently affixed seats).”

d) This requirement was not met during the construction phase and was not discovered during the construction inspection phase. Instead, bathtubs with showers were installed in each unit’s bathroom. This does not meet Florida Housing’s intent regarding the assisted living demonstration project providing features that facilitate resident independence in performing activities of daily living.

e) In April 2007, the developer submitted a written request to use tub “cut-outs” (Exhibits A and B) in place of the roll-in showers except in cases in which a roll-in shower is required (need based) or requested by the resident. The Developer has proposed a plan to modify the bathrooms of 50 units with tub cut-outs and install roll-in showers in 5 units.
DEMONSTRATION LOANS

Action

f) The Developer proceeded with one tub “cut-out” in order to demonstrate to Florida Housing that the process would be an acceptable solution with little disruption to the resident. Florida Housing supported Wesley Haven’s proposal to complete this work and report back on the procedure to allow staff to have a better understanding of the process, the amount of disruption to the resident and the end product. With the work complete, it appears that the process was done efficiently, with little disruption and provides an acceptable replacement for a walk-in shower.

g) In retrospect, Florida Housing staff, in consultation with our Supportive Housing Coordinator, believes the original requirement to equip every unit in the Development with a roll-in shower was more stringent than necessary in light of the fact that the Developer had to commit to 24 hour resident assistance as an ALF. As built, the Development meets Florida’s ALF licensing requirements, which include design features. In addition, all of the tub/shower units installed are equipped with grab bars. To require the retrofitting of all units at this time would cause unnecessary disruption for residents that do not need or desire a roll-in shower and will cost the developer an additional $181,000.

h) As staff has developed more demonstration loans throughout the past few years, we have refined the RFP process and the requirements that are placed on these special needs properties. It is likely that if another RFP is developed for ALF’s, the requirements would allow the developer to propose various combinations of features, amenities and services rather than having a specific list dictated for the property. This will allow for each development to better meet the individual needs and preferences of their residents and better adapt as the needs of a resident or resident population change.

i) To ensure that these changes are made, the developer has agreed to the following stipulations to move forward with the conversion of additional units:

1. To continue to provide assistance to residents with bathing needs. This assistance can be in the form of supervision, partial assistance or full assistance, as needed. As a licensed assisted living facility, Wesley Haven is required to have 24 hour staffing that provides assistance with bathing and other activities of daily living.

2. To complete the tub cut-outs on the schedule of 6 per month over a 9 month period.

3. The Developer will temporarily “re-locate” residents for 3-4 hours during the work on the tubs. The staff will make accommodations for the resident with their family or within the ALF to make the temporary displacement as comfortable as possible.

4. The developer has proposed to “prioritize” the bathroom conversions based on length of residency. Florida Housing clarified that this prioritization shall be based on each resident’s need. This will include the 50 tub cut-outs and 5 roll-in showers.
(5) The schedule for roll-in shower installation will be determined based on the needs of a current resident or eligible applicant. The ALF shall also coordinate this schedule with those residents and eligible applicants requesting a roll-in shower. This work is to be completed no later than June 30, 2009.

(6) The developer will modify the facility’s resident handbook and marketing materials to include language informing the applicants and residents the opportunity to request roll-in showers to promote independence with bathing, as well as language regarding the policy and procedures for applicants and residents to request the modification.

(7) Florida Housing will require the developer to amend its resident contracts to include language that allows residents to request a roll-in shower, at no cost to the residents, and that this request will not affect their residency status.

j) Additionally, the Developer requested that Florida Housing clarify several issues that were committed to by the Developer in the RFP response, but have not been met or are being provided differently than was originally agreed to. These include:

1) **Installation of peepholes in all unit exterior doors.** The developer brought to the attention of Florida Housing that they had misunderstood this requirement in the original RFP. This was also not discovered during the construction inspection process. The developer has agreed to proceed with this correction.

2) **Installation of toggle type switches on all lights and fans.** The developer brought to the attention of Florida Housing that they had misunderstood this requirement in the original RFP. This was also not discovered during the construction inspection process. The developer has agreed to proceed with this correction.

3) **Weekly visits by advanced registered nurse practitioners (ARNPs) and physician assistants (PAs), under the extended physician program.** The Developer committed to provide a supportive service entitled the Physicians Extenders Program. The program provides scheduled weekly and as requested visits by advanced registered nurse practitioners (ARNPs) and physician assistants (PAs) to perform health related on-site resident services. The program’s resident services are provided under the guidance of the facility’s nursing staff and each participating resident’s physician. The Developer is requesting to reduce the frequency of the program’s scheduled ARNP and PA visits from weekly to at least monthly. The level and types of services provided, as well as the on-call availability of the program’s ARNPs and PAs will not change. This program modification is being requested as a result of reports by the program’s health care staff, residents’ physicians, and the residents themselves that the scheduled weekly visits are more frequent than necessary to meet the program’s intent and residents’ needs.
Action

(4) **Elderly day care to persons with early stage Alzheimer’s and related cognitive disorders.** The Developer originally committed to providing an on-site elderly day care program that provided specialized activities for residents with early stage Alzheimer’s and related cognitive disorders. The Developer has requested clarification as to its commitment to provide an elderly day care program or services. The Developer stated it does not, nor intended to, operate a licensed day care service for this population. Instead, their original intent was to provide a regular and sufficient schedule of structured activities that met ALF licensure requirements and are appropriate for all residents (this was Florida Housing’s understanding as well). The social and recreational activities are planned, organized, and directed by the facilities trained Life Enrichment Coordinator (Activities Director). As necessary, the facility assists residents participate in activities. The assistance includes providing reminders as to the time and location of an activity, escorting a resident to an activity and/or directly assisting and encouraging them to participate in an activity. The Developer reported that the facility also provides activities at a ratio of one staff to one resident specialized to meet the social and/or recreational needs of cognitively impaired residents. The Developer further explained that there are only a few residents currently in need of special activities, although it anticipates this need to increase as residents age in place.

2. **Recommendation**

Approve the Developer’s request to modify the requirements of the RFP response for Wesley Haven Villa to allow for tub cut-outs for 50 units and roll-in showers for 5 units, to change the frequency of the regularly scheduled visits by ARNP’s and PA’s, and to clarify its commitment to provide Elderly Day Care to residents with Alzheimer’s disease and related cognitive disorders, with all stipulations required by Florida Housing being agreed to in writing by the Developer and incorporated into a revised Land Use Restriction Agreement (LURA).
II. ELDERLY HOUSING COMMUNITY LOAN PROGRAM (EHCL)

A. Request Approval of 2007 Elderly Housing Community Loan (EHCL) Program Review Committee’s Recommendation of Final Rankings

1. Background/Present Situation

   a) The EHCL Program provides loans of up to $750,000 to developers who are making substantial improvements to Elderly housing for life safety, building preservation, health, sanitation, or security related issues.

   b) The EHCL Application Cycle opened on February 21, 2007 and closed April 2, 2007, with an estimated $2,800,000 available for funding. Ten applications were received for this cycle.

   c) The EHCL Review Committee (comprised of Jody Bedgood, Derek Helms, Heather Boyd, Amy Garmon and Bill Aldinger of Florida Housing) met on May 15, 2007. The Review Committee recommends the attached final ranking (Exhibit A).

2. Recommendation

   Approve the EHCL Review Committee’s recommendation for final ranking and direct staff to issue preliminary commitment letters to Applicant’s that fall within funding range and proceed with all necessary credit underwriting activities.
III. HURRICANE PROGRAMS (FHRP/FHADP) and CWHIP

A. Selection of Seed Number for Program Lottery Numbers

1. Background
   a) The Application Instructions for two new hurricane programs, the Farmworker Housing Recovery Program and the Special Housing and Development Program, 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. Additionally, contingent upon receiving Community Workforce Housing Innovation Pilot Program (CWHIP) funding, the 2007 CWHIP Program will require that each project receive a lottery number at or prior to the issuance of final scores.

   b) The lottery numbers will be assigned by having Florida Housing’s internal auditors run the total number of assigned Application numbers for each program through a random number generator program.

2. Present Situation

   The seed number must be selected so that the internal auditors will be able to randomly generate the lottery numbers at the appropriate time.

3. Recommendation

   The Chair should select a seed number from the listing of numbers provided by internal audit.
IV. LEGAL

A. In Re: National Development Foundation, Inc.

FHFC Case No. 2007-022VW/ Application No.: 2007-157H

<table>
<thead>
<tr>
<th>Development Name: (“Development”):</th>
<th>Sleepy Hollow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer/Principal: (“Developer”):</td>
<td>National Development Foundation, Inc.</td>
</tr>
<tr>
<td>Number of Units: 96</td>
<td>Location: Highlands County</td>
</tr>
<tr>
<td>Type: townhouses</td>
<td>Set Asides: 20% @ 50% AMI</td>
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<tr>
<td></td>
<td>80% @ 60% AMI</td>
</tr>
<tr>
<td>Demographics: Family</td>
<td>HOME: $12,000,000</td>
</tr>
<tr>
<td>MMRB: N/A</td>
<td>Housing Credits: N/A</td>
</tr>
</tbody>
</table>

1. Background

a) During the 2005 Universal Cycle, Florida Housing awarded a preliminary commitment of $5,425,000.00 in HOME Investment Partnerships Rental Program (“HOME”) funding to National Development Foundation, Inc. (“Petitioner”) to finance the construction of a 96-unit townhouse development intended to serve the Family demographic to be located in Highlands County, Florida (the “Development”). On or about April 10, 2007, Petitioner submitted an application in the 2007 Universal Cycle, for an allocation of $12,000,000.00 in HOME funding to finance the construction of the same Development. Petitioner provided written notice on April 12, 2007, that it was withdrawing its acceptance of its 2005 Universal Cycle application. The Application Deadline for the 2007 Universal Cycle was April 10, 2007.

b) On June 18, 2007, Florida Housing received a “Petition for Variance or Waiver of Rule 67-48.018(1)(b), Florida Administrative Code” (“Petition”), from Petitioner. A copy of the Petition is attached as Exhibit A.

c) On June 29, 2007, the Notice of Petition was published in the Florida Administrative Weekly in Volume 33, Number 26.

d) To date, Florida Housing has received no comments concerning the Petition.

e) Rule 67-48.018(1)(b), Florida Administrative Code (2007), states in pertinent part:

(1) Unless the Board approves a competitive allocation process outside of the Universal Cycle, an Applicant is not eligible to apply for HOME Program funding if any of the following pertain to the proposed Development:

(b) The Applicant has already accepted a preliminary commitment of funding for the proposed Development through the HOME Program, the SAIL Program, or the RRLP Program, unless the Applicant has provided written notice to the Corporation prior to the Application Deadline for the current cycle that it is withdrawing its acceptance and returning its prior HOME Program, SAIL Program, or RRLP Program funding.
f) Petitioner requests a variance or waiver of Rule 67-48.018(1)(b). Specifically, Petitioner wishes Florida Housing to accept its written notice that it is withdrawing its acceptance for funding of its 2005 application, that it submitted two days after the Application Deadline, and to allow it to remain eligible to apply for funding in the current 2007 Universal Cycle.

2. **Present Situation**

Section 120.542(2), Florida Statutes provides in pertinent part:

> 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.

3. **Recommendation**

Staff recommends the Board deny the Petitioner’s request for variance or waiver of Rule 67-018(1)(b), Florida Administrative Code (2007). Petitioner failed to demonstrate entitlement to a variance or a waiver of the rule pled in its Petition. Petitioner failed to demonstrate that the purpose of the underlying statute will be or has been achieved by other means by the person. Petitioner failed to demonstrate how the application of the rules to it would create a substantial hardship. Petitioner admitted that it failed to submit its notice prior to the Application Deadline due to an ‘inadvertent oversight.’ Petitioner failed to demonstrate how the application of the rules will affect it in a manner significantly different from the way the rules affect other similarly situated developers who are subject to the rule. As a matter of policy, were Florida Housing to grant a waiver of a rule of the current Universal Cycle by allowing Petitioner to remain eligible to participate in it, Florida Housing would be severely hampered in implementing its underlying statutory goal of facilitating the availability of decent, safe and sanitary housing in the State of Florida.
V. MINUTES

A. Consider Approval of the April 27, 2007, Board of Directors’ Meeting Minutes.
VI. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of PLP Loan Extension for By the River, Kashi Church (PLP 00-037)

<table>
<thead>
<tr>
<th>DEVELOPMENT NAME (“Development”):</th>
<th>By the River</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANT/DEVELOPER (“Developer”):</td>
<td>Kashi Church, a not-for-profit corporation</td>
</tr>
<tr>
<td>CO-DEVELOPER:</td>
<td>n/a</td>
</tr>
<tr>
<td>NUMBER OF SET-ASIDE UNITS:</td>
<td>41</td>
</tr>
<tr>
<td>LOCATION (“County”):</td>
<td>Indian River</td>
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<tr>
<td>TYPE:</td>
<td>Rental, Elderly</td>
</tr>
<tr>
<td>SET ASIDE:</td>
<td>60% @ 60% AMI</td>
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<tr>
<td>PLP LOAN AMOUNT:</td>
<td>$441,210</td>
</tr>
<tr>
<td>ADDITIONAL COMMENTS:</td>
<td>The Technical Assistance Provider (TAP) has recommended approval.</td>
</tr>
</tbody>
</table>

1. Background

On August 4, 2004, the Developer closed on a PLP Loan in the amount of $441,210. To date, the Developer has drawn $269,438.72 for eligible predevelopment expenses, with a remaining principal balance of $171,771.28.

2. Present Situation


b) On May 11, 2007, staff received correspondence from the Developer requesting to extend the term of the PLP Loan (Exhibit A). This loan is scheduled to mature on August 4, 2007.

c) As provided in Exhibit A, the Developer indicated that delays in the permitting process have hampered the progress of the Development initially anticipated by the Developer. Construction is anticipated to commence by the end of September 2007.

d) The Applicant has submitted an application for the 2007 Farmworker Housing Recovery and Special Housing Assistance and Development Programs cycle, which closed on June 22, 2007, and is currently in the scoring process. The Applicant currently has a preliminary commitment with the HOME Program and is entering into credit underwriting.

e) The TAP recommended the approval for a one-year extension and believes granting the extension will result in the success of the Development (Exhibit B). The Development’s timeline (Exhibit C) has been adjusted to reflect the delays but all other factors outlined in the original Development Plan will remain unchanged.
PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

f) Staff has reviewed the request and believes that this request is reasonable and necessary in order to allow for the completion and ultimate rental of said units to low income elderly households.

3. Present Situation

Approve the Developer’s request for a one-year extension to the PLP Loan term from August 4, 2007, to August 4, 2008.
VII. PROFESSIONAL SERVICES SELECTION (PSS)

A. Predevelopment Loan Program (PLP) and Demonstration Loans Technical Assistance Provider (TAP) Services

1. Background

a) A key element in the implementation of the PLP program is the provision of technical assistance to non-profits, Public Housing Authorities and other community based organizations that are eligible for loans under the PLP program. This technical assistance is designed to build capacity in these organizations to prepare them for the development process including the competitive funding cycles conducted to allocate Florida Housing’s resources. Applicants to the PLP program are required to participate with a TAP. The TAP must submit a recommendation that the applicant has developed a feasible plan to Florida Housing prior to a loan being approved by the Board.

b) Additionally, Florida Housing issues demonstration loans through a Request for Proposal process. These loans are generally awarded to mission-based developers of special needs housing units. Florida Housing has found that the provision of technical assistance to these developers has proven beneficial in the developments moving forward and units being constructed timely and successfully.

c) Technical assistance services include, but are not limited to, statewide, on-site and telephonic technical assistance. This assistance covers one or more aspects of the development process including how to access private and public resources and how to work with consultants and other members of the development team. In the past few years, technical assistance has been very active with over 5,000 hours being provided. The success of developers in the PLP program and with demonstration loans has increased as technical assistance has increased.

2. Present Situation

Florida Housing contracts with an outside provider for technical assistance services. In the most recent contract, Florida Housing entered into contract with the Florida Housing Coalition, Inc. Technical Assistance Provider services for PLP and the Demonstration Loan Program effective January 14, 2005. The contracts were renewed for an additional one year period in January 2006 and 2007. There are no more renewal options available.

3. Recommendation

Florida Housing staff recommends that the Board authorize staff to begin the Request for Proposals (RFP) process, and establish a review committee, to select one or more Technical Assistance Providers for PLP and Demonstration Loan applicants.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Proposals (RFP) 2007-03 for Financial Advisor Services

1. **Background**

   a) At its January 26, 2007 meeting, Florida Housing’s Board of Directors authorized staff to begin the solicitation process in order to select a qualified Offeror as Financial Advisor.

   b) An RFP process was initiated and RFP 2007-03 was issued on Friday, April 20, 2007. The deadline for receipt of Responses was 2:00 p.m., Friday, May 18, 2007.

2. **Present Situation**

   a) Five (5) Responses were received by the deadline from the following Offerors:

      (1) Caine Mitter & Associates

      (2) Caughman Enterprises

      (3) CSG Advisors

      (4) First Southwest Company

      (5) Tibor Partners, Inc.

   b) The Review Committee members, designated by the Executive Director, were Barb Goltz, Chief Financial Officer and Chair of the Committee, Angie Sellers, Comptroller, Melanie Weathers, Bond Administrator, Kevin Pichard, Assistant Director of the Guarantee Program, David Westcott, Single Family Deputy Development Officer and Wayne Conner, Multifamily Deputy Development Officer. Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meetings. The Review Committee meetings were held at 2:30 p.m., Wednesday, June 6, 2007 and 2:30 p.m., Friday, June 22, 2007.

   c) Results of the Review Committee’s evaluation of the scored items and ranking are attached as Exhibit A.

3. **Recommendation**

The Review Committee recommends that the Board authorize staff to enter into contract negotiations with Tibor Partners, Inc. If contract negotiations fail with Tibor Partners, Inc., authorize staff to enter into contract negotiations with CSG Advisors. If contract negotiations fail with CSG Advisors, authorize staff to enter into contract negotiations with Caine Mitter & Associates. If contract negotiations fail with Caine Mitter & Associates, authorize staff to issue a new RFP.
PROFESSIONAL SERVICES SELECTION (PSS)

Action

C. Request for Proposals (RFP) 2007-04 for Hearing Officer Services

1. Background
   a) At its March 16, 2007 meeting, Florida Housing’s Board of Directors authorized staff to issue a RFP for hearing officer services.
   b) An RFP process was initiated and RFP 2007-04 was issued on Friday, May 18, 2007. The deadline for receipt of Responses was 2:00 p.m., Friday, June 15, 2007.

2. Present Situation
   a) Two (2) Responses were received by the deadline from the following:
      (1) David E. Ramba, Shareholder, Lewis, Longman & Walker, P.A.
      (2) Chris Bentley, Senior Partner and Diane Tremor, Partner, Rose, Sundstrom & Bentley, LLP
   b) The Review Committee members, designated by the Executive Director, were Hugh Brown, Deputy General Counsel and Chairman of the Committee, Steve Auger, Executive Director, and Robert Pierce, Assistant General Counsel. Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meeting. The Review Committee meeting was held at 2:30 p.m., Monday, July 9, 2007.
   c) Results of the Review Committee’s evaluation of the scored items are attached as Exhibit B.

3. Recommendation
   The Review Committee recommends that the Board authorize staff to enter into contract negotiations with David E. Ramba, Lewis, Longman & Walker, P.A. and Chris Bentley and Diane Tremor, Rose, Sundstrom & Bentley, LLP, contingent upon receiving current proof of professional liability errors and omissions insurance.
D. Request for Qualifications (RFQ) for Media Services

1. **Background**
   
a) Fla. Admin. Code, R. 67-49.002(b) provides that when the purchase price of commodities or contractual services exceeds or is estimated to exceed $25,000 in any twelve (12) month period, purchases of these commodities or contractual services, except as otherwise provided in subsection 67-49.002(4),(5) and (6), must be made pursuant to an Invitation to Bid, Invitation to Negotiate, Request for Proposals, or Request for Qualifications.

b) Florida Housing staff has determined that the costs for media buying services will exceed $25,000 in a twelve (12) month period.

2. **Present Situation**

   Florida Housing uses media buying companies to negotiate and purchase print, radio and television advertising on behalf of the Corporation for events such as the annual Homebuyer Expo or for promotions associated with affordable housing programs, such as the First Time Homebuyer Program.

3. **Recommendation**

   Authorize staff to begin the RFQ process, and authorize the Executive Director to establish a review committee, to select a pool of media service providers from which Florida Housing staff may contract with and choose from to provide these services.
PROFESSIONAL SERVICES SELECTION (PSS)

Action Supplement

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Proposals (RFP) 2007-05 for Investment Manager Services

1. Background

   a) At its April 27, 2007 meeting, Florida Housing’s Board of Directors authorized staff to begin the solicitation process in order to select one or more qualified Offerors to provide investment manager services.

   b) An RFP process was initiated and RFP 2007-05 was issued on Friday, June 15, 2007. The deadline for receipt of Responses was 2:00 p.m., Friday, July 13, 2007.

2. Present Situation

   a) Ten (10) Responses were received by the deadline from the following:

      (1) AmSouth Asset Management, Inc.
      (2) Bear Stearns Asset Management
      (3) Bond Logistix LLC
      (4) Citi Smith Barney
      (5) Columbia Management Advisors, LLC
      (6) MBIA Asset Management
      (7) PFM Asset Management LLC
      (8) State Street Global Advisors
      (9) RBC Public Fund Services, a division of Voyageur Asset Management, Inc.
      (10) Wertz York Capital Management

   b) The Review Committee members, designated by the Executive Director, were Angie Sellers, Comptroller and Chair of the Committee, Kirstin Helms, Assistant Comptroller, Melanie Weathers, Bond Administrator, Kevin Pichard, Assistant Director of the Guarantee Program, Todd Fowler, Special Assets Director, and Kenny Derrickson, Bond Fund Administrator. Each member of the Review Committee individually reviewed the Responses prior to convening for the Review Committee meetings. The Review Committee meetings were held at 10:00 a.m., Friday, July 20, 2007 and 1:30 p.m., Tuesday, July 24, 2007.

   c) Results of the Review Committee’s evaluation of the scored items and ranking are provided as Exhibit A.
3. **Recommendation**

The Review Committee recommends that the Board authorize staff to enter into contract negotiations with Bear Stearns and PFM Asset Management LLC. If contract negotiations fail with Bear Stearns or PFM Asset Management LLC, authorize staff to enter into contract negotiations with Columbia Management Advisors, LLC. If contract negotiations fail with Columbia Management Advisors, LLC, authorize staff to enter into contract negotiations with RBC Public Fund Services.
F. Requests for Proposals (RFP) for the Development and Rehabilitation of Farmworker/Commercial Fishing Worker Housing (RFP 2007-02)

1. **Background**

   At its January 26, 2007 meeting Florida Housing’s Board of Directors authorized staff to draft and issue an RFP to solicit proposals for the development and/or rehabilitation of farmworker/commercial fishing worker housing.

2. **Present Situation**

   a) An RFP process was initiated and RFP 2007-02 was issued on Friday, February 16, 2007, making up to $4.5 million available as loans. The deadline for receipt of proposals was 2:00 p.m., Tuesday, April 17, 2007.

   b) One (1) proposal was received in response to the RFP. The proposal was from Rural Neighborhoods, Inc. and Everglades Community Association, Inc. and Pollywog Creek, LLC (Developer/Applicant). The requested loan amount is $1,680,000 to construct 24 rental apartments targeted to migrant and seasonal farmworkers in LaBelle, Florida, Hendry County.

   c) The Review Committee members, designated by the Executive Director, were Derek Helms (Chairman), Multifamily Loans Administrator; Jessie Pitt, Multifamily Loans Manager, Jody Bedgood, Multifamily Loans Manager, Blake Carson, Multifamily Program Specialist and Jade Oliver, Housing Credits Analyst.

   d) Each member of the Review Committee individually reviewed the proposal prior to convening for the Review Committee meeting. The Review Committee met at 2:30 p.m., on Wednesday, May 16, 2007. Results of the Review Committee’s ranking are provided as Exhibit C.

3. **Recommendation**

   The Review Committee recommends that the Board authorize funding the proposal submitted by Rural Neighborhoods, Inc. and Everglades Community Association, Inc. and Pollywog Creek, LLC for a loan amount of $1,680,000.
VIII. SINGLE FAMILY BONDS

A. Single Family Homeowner Program

1. Background

   a) Florida Housing sold its $175 million 2007 Series 3&4 Bonds (2007 Phase Three) on June 26, 2007. Per Florida Housing’s continuous lending program, the initial mortgage rates offered for the 2007 Series 3&4 issue are as follows:

   (1) 6.99% for Florida Plus Loans

   (2) 6.45% for Florida First Loans

   (3) 5.95% for Florida Advantage Loans

   (4) 6.20% for Florida Heroes Loans

   (5) 6.55% for Florida 40 Loans, and

   (6) 7.09% for Florida 40 Plus Loans

   b) Staff is requesting approval to issue up to $250 million of single family bonds to fund mortgages from what will be designated as 2007 Phase Four Bonds (multiple series to be determined) and if savings can be achieved to refund the outstanding 1996 Series 1-2, 1996 Series 3, 1997 Series 1-3 and 1998 Series 1-4 bonds.

   c) The 2007 Phase Four Bonds are expected to be rated “AA” by Standard & Poor’s Ratings Services, “Aa1” by Moody’s Investors Service, and “AA+” by Fitch Ratings. It is anticipated that the 2007 Phase Four Bonds and any additional new money bonds issued under the 1995 Indenture will, for the foreseeable future, be secured by mortgage backed securities.

   d) Consistent with normal rotation of bond professionals, Bear, Stearns & Co., Inc. will serve as senior managing investment banker for the negotiated sale of the 2007 Phase Four Bonds. Nabors, Giblin and Nickerson PA will serve as special counsel. Florida Housing is in contract negotiations for bond counsel and selection of the financial advisor. These positions will be determined after these processes are complete.

2. Present Situation

   a) Authorization necessary to issue the 2007 Phase Four Bonds requires (1) adoption of an authorizing resolution by Florida Housing’s Board and (2) approval of the plan of finance by the State Board of Administration. To work within the constraints of regularly scheduled public meetings and maintain Florida Housing’s goal of providing continuously available single family mortgage funding, the authorizing resolution for the 2007 Phase Four Bonds is being presented for consideration at Florida Housing’s July 27, 2007 meeting.
SINGLE FAMILY BONDS

Action

b) Current market conditions render it difficult to predict the precise rate of reservation for proceeds of the 2007 Series 3&4 bonds; however, to insure sufficient time for obtaining required approvals for the 2007 Phase Four bonds, authorization is hereby requested to commit up to $25,000,000 of Indenture assets and/or other funds available to Florida Housing to provide interim funding for single family reservations.

c) Final size, structure, timing and other decisions relating to the 2007 Phase Four Bonds will be made based on production, program changes and market conditions with the advice of Bear, Stearns & Co., Inc. and Florida Housing’s financial advisor closer to the time of the anticipated transaction. Issuance costs and capitalized interest (if any) for the 2007 Phase Four Bonds will be funded with assets available under the single family bond indenture and/or by a contribution from Florida Housing’s general funds. While in the past actual negative reinvestment costs have been reduced or eliminated by shortening origination schedules and by investing bond proceeds with the State Treasurer’s fund, under current market conditions, it may be financially advantageous to Florida Housing to use a Guaranteed Investment Contract (GIC) to invest the 2007 Phase Four bond proceeds. Based on current market conditions, we do not expect there to be negative arbitrage on reinvested bond proceeds to be used to acquire mortgage backed securities.

d) Summary of Proposed 2007 Phase Four Bonds:

(1) Principal amount: Not to exceed $250,000,000 in long term taxable and tax-exempt bonds in one or more series or to finance new mortgage loans and, if savings can be achieved, to refund Florida Housing’s 1996 Series 1-2, 1996 Series 3, 1997 Series 1-3 and 1998 Series 1-4 bonds (of which $56,095,421 are still outstanding). Florida Housing may issue multiple tranches, sold at different times, depending on market conditions.

(2) Florida Housing Funds: 1) interim funding, not to exceed $25,000,000 from Indenture resources and/or other funds available to Florida Housing with the expectation that any funds committed will be reimbursed with proceeds of the 2007 Phase Four Bonds and 2) issuance costs and any capitalized interest, not to exceed $15,000,000 from Indenture resources and/or other funds available to Florida Housing.

(3) Mortgage Rates: Not to exceed a mortgage loan yield of 8.25% for the 2007 Phase Four portfolio.

(4) Origination & Delivery Period: Expect a twelve month production period with up to an eighteen month delivery period.

(5) Maximum Combined Loan-To-Value: 105% of the lesser of the appraised value or the purchase price of the property except in the case of the person with a disability, as defined by the Americans with Disabilities Act, in which case the combined loan-to-value may be up to 120% with certain restrictions.

(6) Loan Types: Conventional, VA, Rural Development and FHA.
SINGLE FAMILY BONDS

Action

(7) Second Mortgages: HAP Down Payment and HAMI.

(8) Guaranteed Mortgage Securities: Ginnie Mae, Fannie Mae and Freddie Mac.

(9) Private Activity Tax-Exempt Bond Resources Available:

   (a) $19,940,781.26 of 2006 carry forward volume cap

   (b) It is expected that all other volume cap needed will be taken from the 2007 allocation

e) Exhibit A – Authorizing Resolution

3. Recommendation

   Staff recommends the Board approve the necessary funding (including reimbursable amounts to provide program funding between bond issues), staff actions and the resolution to permit the issuance of the proposed 2007 Phase Four Homeowner Mortgage Revenue Bonds,
IX. STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

A. Request to Begin Rule Development Process for Chapters 67-37 and 67-53.005, Florida Administrative Code governing the State Housing Initiatives Partnership (SHIP) Program

1. Background/Present Situation

   a) In order to address changes and updates to the State Housing Initiatives Partnership (SHIP) Program (Chapter 67-37, Florida Administrative Code), Florida Housing must begin the rulemaking process. The proposed timeline for this process is attached (Exhibit A).

   b) In order to expedite changes and updates to compliance procedures governing the Program, staff believes it is appropriate to repeal Rule Chapter 67-53.005, Florida Administrative Code, (Florida Housing’s Compliance rule) and transfer the compliance monitoring requirements in this rule to the Program Rule Chapter 67-37, Florida Administrative Code.

   c) If approved, the Rule Development workshop will be held on August 28, 2007, to solicit comments and a rule hearing will be held October 9, 2007.

   d) Staff will advertise the rulemaking process in the Florida Administrative Weekly as required.

2. Recommendation

   Approve Staff’s request to begin the rule development process for Rule Chapter 67-37 and Rule Chapter 67-53.005, Florida Administrative Code.
X. UNIVERSAL CYCLE

A. 2008 Universal Cycle

1. Background/Present Situation
   a) A public meeting will be held following the July 27, 2007, Board meeting to solicit comments concerning Rule Chapters 67-21 and 67-48, F.A.C., and the 2008 Universal cycle.
   b) Staff would like to begin the rule development process by scheduling a rule development workshop following the September 21, 2007, Board meeting.

2. Recommendation
   Authorize staff to proceed with the 2008 rule development process.