

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
October 26, 2007
Action Items



FISCAL

Action

I. FISCAL

A. Documentary Stamp Tax Allocation - 2007/ 2008 Documentary Stamp Tax Appropriation Split

1. Background

Each state fiscal year Florida Housing Finance Corporation is appropriated spending authority from documentary stamp tax collections in the State Housing Trust Fund (SHTF). This appropriation may be used to fund the State Apartment Incentive Loan Program (SAIL), the Predevelopment Loan Program (PLP), the Homeownership Assistance Program (HAP), HOME Match, Florida Affordable Housing Guarantee Program Debt Service, Affordable Housing Study Commission, the Catalyst Program and Florida Housing's contribution to the Housing Data Clearinghouse.

2. Present Situation

- a) For state fiscal year 2007/2008, Florida Housing was appropriated a total of \$155,500,000 in the State Housing Trust Fund for programs.
- b) Of this amount, the Legislature made specific spending designations totaling \$140 million, leaving \$15.5 million for allocation by the Board.
- c) The chart at [Exhibit A](#) shows the historical allocation of funds to each of the programs.
- d) [Exhibit B](#) shows the specific allocations made by the Legislature and a recommended allocation of funds by the Board for the current state fiscal year.
- e) Of the \$15.5 million to be allocated by the Board, staff recommends the following allocations:
 - (1) No allocation for SAIL because this program received \$115 million in specific allocation.
 - (2) \$8,087,200 for HAP, primarily to fund Down Payment Assistance, based on the increased activity in the First Time Homebuyer program and anticipated demand in the current state fiscal year. This adds to the \$10 million specifically appropriated by the Legislature. Florida Housing had requested a budget of \$30 million for Homeownership Assistance.
 - (3) No allocation for HOME match this year because Florida Housing's federal match obligation can be satisfied from other sources.
 - (4) No allocation for PLP this year because program demands can be met through uncommitted funds and recycling repayments within the program.
 - (5) \$6,400,000 to the Guarantee Fund to satisfy the current year's principal portion of debt service on the program's capitalizing bonds.

FISCAL

Action

- (6) \$175,000 to fund the Affordable Housing Study Commission to cover costs.
- (7) \$672,800 to fund the Catalyst Program to cover costs of the program.
- (8) \$165,000 to fund part of this year's payment to the Housing Data Clearinghouse. The remaining funds to cover this cost will come from the Local Government Housing Trust Fund.

3. Recommendation

Approve the allocation of funds for the 2007/2008 state appropriation as shown in [Exhibit B](#).

FISCAL

Action

B. Reallocation Of Prior Documentary Stamp Tax Allocation

1. Background

- a) The Board previously allocated documentary stamp tax appropriations for various programs in 2005 and 2006. Of the applications funded in those cycles, over \$36 million have withdrawn after being awarded funding.
- b) The withdrawn commitments plus the investment income earned on those funds total approximately \$41 million for reallocation.

2. Present Situation

- a) Given the robust activity of the First Time Home Buyer program and the possibility that additional bond authority may be received, staff believes additional funds can be used to support this program.
- b) Staff also believes that based on the reservation activity of the HOP program additional funds are needed for it.
- c) Staff requested \$30 million in additional funds for the First Time Home Buyer program in the last legislative session. The appropriation was only \$10 million.
- d) Staff is in the initial planning stages for a Special Needs Extremely Low Income application for 2008. The request to move forward with this application will be brought to you at a later time; however, in order to prepare and plan for this cycle, staff requests funding from the reallocation of documentary stamp tax funds.

3. Recommendation

Staff recommends that the Board reallocate \$41,352,200 of documentary stamp tax appropriation as follows: \$28,352,200 for the HAP Program and \$13,000,000 for the Special Needs Extremely Low Income loan cycle.

COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

Action Supplement

I. COMMUNITY WORKFORCE HOUSING INNOVATION PILOT (CWHIP) PROGRAM

A. Approval of Notice of Change (NOC) for Rule Chapter 67-58, Florida Administrative Code (F.A.C.) for the Community Workforce Housing Innovation Pilot (CWHIP) Program

1. Background/Present Situation

- a) On October 22, 2007, the Joint Administrative Procedures Committee (JAPC) provided their comments on the proposed Rule Chapter 67-58, F.A.C., which is attached as [Exhibit A](#).
- b) The rule hearing was held on Monday, October 22, 2007 in Tallahassee. The record was left open to receive written comments on the rule until Tuesday, October 23, 2007, 5:00 p.m.
- c) Because of the comments received from JAPC, at the rule hearing, and through written comments, staff has determined that a NOC is necessary. The proposed NOC is attached as [Exhibit B](#).

2. Recommendation

- a) Approve the NOC for Rule Chapter 67-58, F.A.C., and authorize staff to file the rule for adoption if a second NOC is not required.
- b) If a second NOC is required, authorize the Chair to determine whether the second NOC makes material, substantive changes to the rule. If she determines that it does not, staff recommends that the Board authorize the Chair to approve such second NOC without the requirement of another Board meeting.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

III. PREDEVELOPMENT LOAN PROGRAM (PLP)

A. Request Approval of Revisions to Rule Chapter 67-38, Florida Administrative Code

1. Background/Present Situation

- a) The Predevelopment Loan Program (PLP) provides low interest loans and technical assistance to non-profits and public housing authorities that are developing affordable housing. The capacity building created through the program allows the developers to pursue other funding sources including competitive funding cycles through Florida Housing. A brief explanation of the program is included as [Exhibit A](#).
- b) In order to address changes made necessary due to legislative changes as well as changes recommended by staff and stakeholders to make PLP operate more fluidly with other programs, it was necessary to begin the rule development process. Specific changes are:
 - (1) Change in maximum loan amount from \$500,000 to \$750,000 (legislative change);
 - (2) Change in set-asides for Homeownership Developments from 100% @ 80% AMI to 50% @ 80% AMI and 50% @ 120% AMI;
 - (3) Language to allow FHFC to re-negotiate loans;
 - (4) Change in language to fully incorporate Public Housing Authorities in the rule; and
 - (5) Change in language concerning loan extensions to allow for two one-year extensions with appropriate recommendations.
- c) On March 16, 2007, the Board approved Staff's request to proceed with the rule development process for Rule Chapter 67-38, F.A.C., which governs the PLP Program.
- d) On March 30, 2007, a Notice was published in the *Florida Administrative Weekly* announcing Rule Development Workshop to be held April 16, 2007.
- e) On August 3, 2007, the Notice of Proposed Rule-Making was published in the *Florida Administrative Weekly*. A Rule Hearing was scheduled and held August 27, 2007.
- f) On August 28, 2007, Florida Housing received correspondence from the Florida Legislature Joint Administrative Procedures Committee (JAPC) with requested changes to the Rule amendment and PLP forms incorporated by reference. On September 4, 2007, Florida Housing submitted the changes to JAPC.
- g) On September 7, 2007, the Notice of Change to the PLP Rule was published in the *Florida Administrative Weekly*.
- h) The rule in underline/strikethrough version denoting changes is attached as [Exhibit B](#).

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

2. **Recommendation**

Approve the final Rule Chapter 67-38, Florida Administrative Code, as revised.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

B. Request Reduction in Number of Units and Loan Amount for Universal Homes (PLP 00-016)

DEVELOPMENT NAME (“Development”):	Universal Homes
APPLICANT/DEVELOPER (“Developer”):	Universal Truth Community Development Corporation, a not-for-profit entity
CO-DEVELOPER:	n/a
NUMBER OF SET-ASIDE UNITS:	11
LOCATION (“County”):	Miami-Dade County
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$ 209,174
ADDITIONAL COMMENTS: Requesting a reduction from 11 units to 3 units and to de-obligate the remaining PLP principal loan amount of \$166,200.27.	

1. Background/Present

On April 26, 2002, the Board approved a Predevelopment Loan to Universal Truth Community Development Corporation for the Development, Universal Homes, in the amount of \$209,174.

2. Present Situation

- a) The Developer is requesting a reduction in the number of units due to the delays in the County’s financing, not being able to build on 5 of the lots due to environmental and platting issues, and the cancellation of the 3 remaining units by the property owners as a result of the delay ([Exhibit C](#)). The Technical Assistance Provider (TAP) recommends the reduction in the number of units citing that the current amount of the PLP Loan drawn is below the average of the original predevelopment loan awarded for the 11 units averaging approximately \$19,015 per unit. The current average of the loan drawn is approximately \$14,324 per unit for 3 units ([Exhibit D](#)).
- b) The amount of the PLP Loan will be reduced from \$209,174 to the current principal balance of \$42,973.73.

3. Recommendation

Approve the reduction in the number of units from 11 to 3 and a corresponding reduction in the loan amount from \$209,174 to \$42,973.73 for Universal Homes and allow staff to proceed with the loan amendment activities.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

C. Request Approval of Loan Extension for Pine Forest (PLP 03-044)

DEVELOPMENT NAME (“Development”):	Pine Forest Revitalization Project
APPLICANT/DEVELOPER (“Developer”):	Housing Partnership of Jacksonville, Inc., a not-for-profit entity
CO-DEVELOPER:	n/a
NUMBER OF SET-ASIDE UNITS:	22
LOCATION (“County”):	Duval County
TYPE:	Homeownership
SET ASIDE:	100% @ 80% AMI
PLP LOAN AMOUNT:	\$155,811

1. Background

On November 19, 2004, the Developer closed on a PLP Loan in the amount of \$155,811. To date, the Developer has drawn \$43,310.63 for eligible predevelopment expenses. There is a remaining principal balance of \$112,500.37.

2. Present Situation

- a) On February 16, 2007, and July 25, 2007, Florida Housing’s Special Assets Department sent the Developer letters informing of the approaching maturity of its PLP Loan and requesting a response with the Developer’s anticipated method of repayment.
- b) On October 1, 2007, staff received correspondence from the Developer requesting to extend the term of the PLP Loan for one year ([Exhibit E](#)). The loan is scheduled to mature on November 19, 2007.
- c) The Developer indicated that homes did not sell as predicted due to the slowing of the real estate market in Jacksonville. The developer has worked with the TAP, real estate professionals and the City of Jacksonville to refocus their marketing and adjusted the anticipated timeline for construction and sale.
- d) The TAP recommends the approval for one year and believes granting the extension will result in finding qualified buyers and successful repayment of the loan ([Exhibit F](#)).
- e) In order to satisfy the PLP loan within the requested extension date, the developer has agreed to repay the loan on a pro-rated basis on the sale of the first 8 of the 22 homes.
- f) Staff has reviewed the request and believes that the extension request is reasonable.

3. Recommendation

Approve the Developer’s request for an extension for one year for the PLP Loan extending the maturity date from November 19, 2007, to November 19, 2008.

PREDEVELOPMENT LOAN PROGRAM (PLP)

Action

D. Request for a Reduction in Number of Units and Loan Amount for Broadway Place (PLP 05-077)

DEVELOPMENT NAME (“Development”):	Broadway Place
APPLICANT/DEVELOPER (“Developer”):	Renaissance Manor Inc., a not-for-profit entity
CO-DEVELOPER:	n/a
NUMBER OF SET-ASIDE UNITS:	20
LOCATION (“County”):	Lee County
TYPE:	Rental, Homeless
SET ASIDE:	60% @ 60% AMI
PLP LOAN AMOUNT:	\$ 461,300
ADDITIONAL COMMENTS: Requesting a reduction from 20 units (10 duplexes) to 14 (7 duplexes) and reduction in the approved PLP Loan amount from \$461,300 to \$233,395.	

1. Background

- a) On October 14, 2005, the Board approved a Predevelopment Loan to Renaissance Manor Inc. for the Development, Broadway Place, in the amount of \$461,300.
- b) The original Development Plan requested funding for land acquisition and 20 units (10 duplexes) that would have provided approximately 40 beds for homeless individuals ([Exhibit G](#)).

2. Present Situation

- a) The Developer is requesting a reduction in the number of rental units from 20 units (10 duplexes) to 14 units (7 duplexes). The reason for the decrease is due to a change in operations of the facility, site constraints, and enlargement of the units ([Exhibit H](#)). The revised 14 units will provide up to 42 beds due to the larger size of the units and availability of more bedrooms. Due to the units' size increase, more individuals can be served despite the decrease in the number of units being built.
- b) The Developer is also requesting that the approved PLP loan of \$461,300 be reduced to \$233,395 due to land acquisition being removed from the original PLP Budget. This reduction is provided in the revised Development Plan ([Exhibit I](#)).

3. Recommendation

Approve the reduction in the number of units for Broadway Place from 20 to 14 and reduce the loan amount from \$461,300 to \$233,395 and allow staff to proceed with amending the closing documents as necessary.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

IV. PROFESSIONAL SERVICES SELECTION (PSS)

A. Media Planning and Buying Services Request for Qualifications (RFQ) 2007-03

1. Background

At its July 27, 2007 meeting the Board authorized staff to begin the solicitation process, and authorized 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 media planning and buying services.

2. Present Situation

- a) An RFQ process was initiated and RFQ 2007-03 was issued on Friday, August 9, 2007. The RFQ is attached as Exhibit A. The deadline for receipt of proposals was 2:00 p.m., Friday, September 7, 2007.
- b) Two (2) proposals were received in response to the RFQ from the following entities:
 - (1) ADVO, Inc.
 - (2) Kidd Group Communication Design
- c) Pursuant to Section Five, paragraph G., of the RFQ, failure to include the certification statement bearing an original signature shall result in rejection of the Response. At the Bid Opening it was determined that the Response submitted by ADVO, Inc. did not meet this threshold requirement and was therefore rejected.
- d) The Review Committee members, designated by the Executive Director, were Taylore Maxey (Chairman), Marketing/Communications Coordinator; Fran Pheeny, Single Family Programs Administrator; and Chip White, Single Family Bonds Manager.
- e) Each member of the Review Committee individually reviewed the Response submitted by Kidd Group Communication Design prior to convening for the Review Committee meetings. The Review Committee meetings were held on Thursday, September 27th and Thursday, October 4th. Results of the Review Committee's scores are provided below:

PROFESSIONAL SERVICES SELECTION (PSS)

Action

OFFEROR(s)		Kidd Group Communication Design			
SECTION SIX	Max Score	Taylor	Fran	Chip	Section Total
A.1. - A.2 General Information	Yes/No	Yes	Yes	Yes	
B.1. Background and Experience	20	20.00	10.00	15.00	45.00
B.2. Background and Experience	25	25.00	25.00	15.00	65.00
B.3. Background and Experience	20	20.00	20.00	18.00	58.00
B.4. Background and Experience	15	15.00	15.00	15.00	45.00
B.5. Background and Experience	10	10.00	10.00	10.00	30.00
C. Schedule	15	15.00	15.00	10.00	40.00
D1. - D.3. Cost/Fees	Yes/No	Yes	Yes	Yes	
G. Certification Statement (Threshold Item)	Yes/No	Yes	Yes	Yes	
Totals	105	105.00	95.00	83.00	283.00

3. Recommendation

- a) The Review Committee recommends that the Board authorize staff to enter into contract negotiations with Kidd Group Communication Design.
- b) The Review Committee further recommends that the Board direct staff to issue a second RFQ for media planning and buying services in order to increase the pool of providers; and authorize the Executive Director to establish a Review Committee to make a recommendation to the Board.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Technical Assistance Provider Services for Predevelopment Loan Program (PLP) and Demonstration Loans Request for Proposals (RFP) 2007-07

1. Background/Present Situation

- a) At its July 27, 2007 meeting the Board authorized staff to begin the solicitation process, and establish a review committee, to select one or more Technical Assistance Providers for PLP and Demonstration Loan applicants.
- b) An RFP process was initiated and RFP 2007-07 was issued on Friday, August 24, 2007. The RFP is attached as Exhibit B. The deadline for receipt of proposals was 2:00 p.m., Friday, September 21, 2007.
- c) One (1) proposal from the Florida Housing Coalition, Inc. was received in response to the RFP.
- d) The Review Committee members, designated by the Executive Director, were Robert Dearduff (Chairman), Special Programs Administrator and Local Government Liaison; Nicole Gibson, Homeownership Program Administrator; Terry Auringer, SHIP Program Financial Manager; and Derek Helms; Multifamily Loans Administrator.
- e) Each member of the Review Committee individually reviewed the Response submitted by the Florida Housing Coalition, Inc. prior to convening for the Review Committee meetings. The Review Committee meetings were held on Friday, September 28th and Tuesday, October 9th. Results of the Review Committee's scores are provided below:

OFFEROR		The Florida Housing Coalition, Inc.				
SECTION SIX	Max Score	Rob	Nicole	Derek	Terry	Section Total
A.1. General Information	5	5.00	5.00	5.00	5.00	20.00
A.2. General Information	20	20.00	18.00	20.00	20.00	78.00
A.3. General Information	10	10.00	10.00	10.00	10.00	40.00
A.4. General Information	10	9.00	10.00	10.00	10.00	39.00
B. Work Plan for Scope of Services	10	10.00	10.00	10.00	10.00	40.00
C.1. Qualifications of Personnel	5	5.00	5.00	5.00	5.00	20.00
C.2. Qualifications of Personnel	15	14.00	15.00	14.00	15.00	58.00
D. Recent Work	20	19.00	20.00	20.00	20.00	79.00
E. Fees	5	5.00	5.00	5.00	5.00	20.00
H. Certification Statement (Threshold Item)	Yes/No	Yes	Yes	Yes	Yes	
Totals	100	97	98	99	100	394

PROFESSIONAL SERVICES SELECTION (PSS)

Action

2. **Recommendation**

The Review Committee recommends that the Board select the Florida Housing Coalition, Inc. to provide technical assistance provider services, and authorize staff to enter into contract negotiations.

UNIVERSAL CYCLE

Action

V. UNIVERSAL CYCLE

A. 2007 Universal Cycle

1. Background

- a) The 2007 Universal Application provides that, except for Competitive HC Applicants that selected the Preservation Designation, Applicants committing to set aside units for Extremely Low Income (ELI) Households above the minimum required to meet threshold are eligible for a supplemental loan.
- b) During the ranking of the 2007 Universal Applications there was not enough Supplemental Loan funding available to fund all Applicant's ELI Set-Aside units. Because the Supplemental Loan funds were exhausted by the time the Applications were funded, 1 MMRB/SAIL Application received only a portion of the Supplemental Loan funds it was eligible for and 10 MMRB/SAIL Applications did not receive any of the Supplement Loan funding they were eligible for.
- c) The 2007 Universal Application ranking instructions provide that if there are sufficient funds available to tentatively fund a Supplemental Loan Amount, but the funds available are less than the actual Supplemental Loan Amount that the Application is eligible for, the Applicant's ELI Set-Aside units will be adjusted to correspond with the available Supplemental Loan Amount. In the case of these 11 Applications, the 1 that received partial funding of the Supplemental Loan had its ELI Set-Aside adjusted down from 15 ELI units to 6 ELI units. The 10 Applications that received no Supplemental Loan funding had their ELI Set-Asides adjusted down to zero ELI units.

2. Present Situation

- a) Staff anticipates that some of the Applications that were awarded funding during the 2007 Universal Cycle will not move forward and will return their funding. Although the 2007 Universal Application Instructions include specific provisions for the allocation of MMRB, SAIL and Competitive HC funds available after final ranking, the provision for the Supplemental Loan funds simply states that the funds will be allocated as the Board deems appropriate.
- b) Staff proposes that the Supplemental Loan funds available after final ranking be distributed as follows:
 - (1) First offered to an Applicant that received a Supplemental Loan Amount for only a portion of the ELI Set-Aside units it was eligible for based on its ELI Set-Aside commitment. If Supplemental Loan funds remain, next offered to the highest ranked Application, regardless of set-aside and SAUL, that did not receive any Supplemental Loan funding.
 - (2) Applicants offered the Supplemental Loan funds must submit a written acceptance within seven (7) Calendar Days of the date of the offer of funding. Failure to submit the written acceptance by the specified deadline will result in the funding being offered to the next eligible Applicant.

UNIVERSAL CYCLE

Action

- (3) Acceptance of the offer of the Supplemental Loan funding will result in the Applicant's ELI Set-Aside being adjusted to correspond with the amount of the Supplemental Loan funding awarded. For example, if funding is available to fund all of the ELI Set-Aside units committed to in the Application, then that will be the Applicant's ELI Set-Aside commitment. However, if funding is available to only fund a portion of the ELI Set-Aside units committed to in the Application, the Applicant will only be held to an ELI Set-Aside commitment that corresponds with the amount of Supplemental Loan funds available.
- (4) Should the offer of the Supplemental Loan funding be declined by the Applicant, the Applicant's ELI Set-Aside will remain as adjusted at the time of ranking and the Supplemental Loan funds will be offered to the next eligible Applicant.
- (5) This process will be applied until the opening date for the next Application Period.

3. **Recommendation**

Authorize staff to proceed as outlined above should Supplemental Loan funds become available.