FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 23, 2009
Action Items

we make housing affordable
I. ASSET MANAGEMENT

A. Request Authorization to Commence Rule Amendment Process

1. Background

Florida Administrative Code Rule Chapter 67-53 establishes the compliance procedures by which Florida Housing or any duly authorized representative of Florida Housing shall be permitted at any reasonable time to inspect and monitor developments and tenant records and facilities.

2. Present Situation

The ability to gather tenant information from Florida Housing developments for each household is vital in providing Florida Housing with data for asset management purposes. Staff recognizes a need to revise Rule Chapter 67-53.

3. Recommendation

Authorize staff to commence the rule amendment process for Rule Chapter 67-53.
II. PROFESSIONAL SERVICES SELECTION (PSS)

A. Invitation to Negotiate (ITN) 2008-01 for Administration Services for the Preservation Pilot Program for Orange, Palm Beach and Pasco Counties

1. Background
   a) In the 2008 legislative session, ten million dollars was appropriated by the legislature from the Local Government Housing Trust Fund for the purpose of funding a preservation rehabilitation pilot program in Pasco, Orange and Palm Beach counties targeting rental housing that receives or has received funding from any federal or state housing funding program. To the maximum extent feasible, the funds are to be leveraged by intermediaries with a ratio of at least 4 to 1.
   
   b) At its August 8, 2008 meeting, the Board of Directors of Florida Housing directed staff to issue an ITN for Administration Services for the Preservation Pilot Program and authorized the Executive Director to establish a Review Committee to make a recommendation to the Board.

2. Present Situation
   a) On October 17, 2008, Florida Housing staff issued ITN 2008-01 for Administration Services for Preservation Pilot Program for Orange, Palm Beach and Pasco Counties. A copy of the ITN is attached as Exhibit A. The deadline for receipt of Responses was 2:00 p.m., Friday, December 12, 2008.
   
   b) Two (2) Responses were received by the deadline from the following Offerors:
      
      (1) Florida Community Loan Fund
      
      (2) Florida Community Capital Corporation
   
   c) The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director and Chair of the Committee; Wayne Conner, Deputy Development Officer, Tamara Alford, Guarantee Program Asset Manager; Todd Fowler, Special Assets Administrator; and Rob Dearduff, Special Programs Administrator. Elissa Fieldler, Special Assets Manager; and Kevin Tatreau, Director of Program and Asset Analysis were appointed as Technical Advisors but were not members of the Review Committee. 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, December 19, 2008, 3:00 p.m., Wednesday, January 7, 2009 and 2:00 p.m., Friday, January 16, 2009.
   
   d) Results of the Review Committee’s evaluation of the scored items will be provided as Exhibit B in the supplemental write-up.

3. Recommendation

The Review Committee’s recommendation will be provided in the supplemental write-up.

January 23, 2009 Florida Housing Finance Corporation
PROFESSIONAL SERVICES SELECTION (PSS)

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B. Request for Proposals (RFP) 2008-04 for Rehabilitation of Rental Properties in Florida Housing Finance Corporation’s Portfolio

1. Background

a) Over 1100 units with outstanding loans funded through Florida Housing’s rental programs are maturing and have set-asides which have or will be expiring by December 31, 2010. These properties are generally 15 – 20 years old. Many of these properties are in need of rehabilitation. Additional properties of this age have longer affordability periods but are also in need of rehabilitation.

b) There is a strong need for housing for vulnerable populations such as extremely low income and homeless residents, frail elders and persons with disabilities. The layers of financing required to develop and maintain such specialized housing, combined with a commitment to provide services to these populations, means that this housing is often the purview of the mission-driven, nonprofit developers/operators. Specialized housing for these populations tends to be found in smaller developments, and rents charged are often lower than those allowed by funding programs in order to make the units affordable to these residents.

c) Because building new replacement units is more expensive than preserving existing units for these households, rehabilitation is an important strategy for Florida Housing to implement.

d) On October 24, 2008, Florida Housing staff issued RFP 2008-04 for Rehabilitation of Rental Properties in Florida Housing Finance Corporation’s Portfolio (Exhibit C). The deadline for receipt of Responses was 2:00 p.m., Wednesday, December 3, 2008.

2. Present Situation

a) Six (6) responses were received from the following:

(1) Volunteers of America – Pompano Supportive Living
(2) Volunteers of America – Manatee Supportive Living
(3) Volunteers of America – Arbor Place Apartments
(4) Florida Low Income Housing Associates, Inc. – Florida Atlantic Pines Apartments
(5) Catholic Charities of the Archdiocese of Miami – Angelica House
(6) Catholic Charities of the Archdiocese of Miami – New Life Family Shelter
PROFESSIONAL SERVICES SELECTION (PSS)

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b) The Review Committee members, designated by the Executive Director, were Rob Dearduff (Chairman), Special Programs Administrator; Jean Salmonsen, Housing Development Manager, Heather Boyd, Multifamily Loans Manager, Elaine Roberts, Senior Policy Analyst and Todd Fowler, Special Assets Administrator.

c) Each member of the Review Committee individually reviewed the responses prior to convening for the Review Committee meetings. The Review Committee meetings were held on December 9, 2008, December 18, 2008 and January 8, 2009.

d) Pursuant to Section One of the RFP, the Development seeking rehabilitation funding must already be in Florida Housing’s Portfolio. The Catholic Charities of the Archdiocese of Miami Responses sought funding for developments that were not already in Florida Housing’s portfolio. As a result, the Responses were deemed to be non-responsive by Florida Housing’s Review Committee.

e) Results of the Review Committee’s evaluation of the scored items will be provided as Exhibit D in the supplemental write-up.

3. Recommendation

The Review Committee’s recommendation will be provided in the supplemental write-up.
C. Real Estate Brokerage Services

1. Background
   a) At its June 10, 2005 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Marcus & Millichap Real Estate Investment Brokerage Company of Florida to provide real estate brokerage services.
   b) The initial term of the contract began February 23, 2006 and expires February 23, 2009. The contract may be renewed twice for an additional one-year period.

2. Present Situation
   a) Florida Housing utilizes the services of Marcus & Millichap Real Estate Investment Brokerage Company of Florida to provide real estate brokerage services.
   b) Florida Housing staff supports a renewal to extend the term of the contract for an additional one-year period.

3. Recommendation
   Staff believes that it is in the best interests of Florida Housing to continue to retain its real estate brokerage company and the Board direct staff to proceed with the contract renewal.
I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Invitation to Negotiate (ITN) 2008-01 for Administration Services for the Preservation Pilot Program for Orange, Palm Beach and Pasco Counties

1. Background

   a) In the 2008 legislative session, ten million dollars was appropriated by the legislature from the Local Government Housing Trust Fund for the purpose of funding a preservation rehabilitation pilot program in Pasco, Orange and Palm Beach counties targeting rental housing that receives or has received funding from any federal or state housing funding program. To the maximum extent feasible, the funds are to be leveraged by intermediaries with a ratio of at least 4 to 1.

   b) At its August 8, 2008 meeting, the Board of Directors of Florida Housing directed staff to issue an ITN for Administration Services for the Preservation Pilot Program and authorized the Executive Director to establish a Review Committee to make a recommendation to the Board.

2. Present Situation

   a) On October 17, 2008, Florida Housing staff issued ITN 2008-01 for Administration Services for Preservation Pilot Program for Orange, Palm Beach and Pasco Counties. The deadline for receipt of Responses was 2:00 p.m., Friday, December 12, 2008.

   b) Two (2) Responses were received by the deadline from the following Offerors:

      (1) Florida Community Loan Fund

      (2) Florida Community Capital Corporation

   c) The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director and Chair of the Committee; Wayne Conner, Deputy Development Officer, Tamara Alford, Guarantee Program Asset Manager; Todd Fowler, Special Assets Administrator; and Rob Dearduff, Special Programs Administrator. Elissa Fieldler, Special Assets Manager; and Kevin Tatreau, Director of Program and Asset Analysis were appointed as Technical Advisors but were not members of the Review Committee. 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, December 19, 2008, 3:00 p.m., Wednesday, January 7, 2009 and 2:00 p.m., Friday, January 16, 2009.

   d) 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 Florida Community Loan Fund. The Review Committee further recommends that, should contract negotiations fail, the Board authorize staff to reissue the ITN.
B. Request for Proposals (RFP) 2008-04 for Rehabilitation of Rental Properties in Florida Housing Finance Corporation’s Portfolio

1. Background

a) Over 1100 units with outstanding loans funded through Florida Housing’s rental programs are maturing and have set-asides which have or will be expiring by December 31, 2010. These properties are generally 15 – 20 years old. Many of these properties are in need of rehabilitation. Additional properties of this age have longer affordability periods but are also in need of rehabilitation.

b) There is a strong need for housing for vulnerable populations such as extremely low income and homeless residents, frail elders and persons with disabilities. The layers of financing required to develop and maintain such specialized housing, combined with a commitment to provide services to these populations, means that this housing is often the purview of the mission-driven, nonprofit developers/operators. Specialized housing for these populations tends to be found in smaller developments, and rents charged are often lower than those allowed by funding programs in order to make the units affordable to these residents.

c) Because building new replacement units is more expensive than preserving existing units for these households, rehabilitation is an important strategy for Florida Housing to implement.

d) On October 24, 2008, Florida Housing staff issued RFP 2008-04 for Rehabilitation of Rental Properties in Florida Housing Finance Corporation’s Portfolio. The deadline for receipt of Responses was 2:00 p.m., Wednesday, December 3, 2008.

2. Present Situation

a) Six (6) responses were received from the following:

(1) Volunteers of America – Pompano Supportive Living
(2) Volunteers of America – Manatee Supportive Living
(3) Volunteers of America – Arbor Place Apartments
(4) Florida Low Income Housing Associates, Inc. – Florida Atlantic Pines Apartments
(5) Catholic Charities of the Archdiocese of Miami – Angelica House
(6) Catholic Charities of the Archdiocese of Miami – New Life Family Shelter

b) The Review Committee members, designated by the Executive Director, were Rob Dearduff (Chairman), Special Programs Administrator; Jean Salmonsen, Housing Development Manager, Heather Boyd, Multifamily Loans Manager, Elaine Roberts, Senior Policy Analyst and Todd Fowler, Special Assets Administrator.
c) Each member of the Review Committee individually reviewed the responses prior to convening for the Review Committee meetings. The Review Committee meetings were held on December 9, 2008, December 18, 2008 and January 8, 2009.

d) Pursuant to Section One of the RFP, the Development seeking rehabilitation funding must already be in Florida Housing’s Portfolio. The Catholic Charities of the Archdiocese of Miami Responses for Angelica House and New Life Family Shelter sought funding for developments that were not already in Florida Housing’s portfolio. As a result, the Responses were deemed to be non-responsive by Florida Housing’s Review Committee.

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

3. **Recommendation**

The Review Committee recommends that the Board approve the ranking and direct staff to proceed with the issuing of preliminary commitment letters and invitations to credit underwriting to the following applicants:

(1) Volunteers of America, Inc./Arbor Place Development

(2) Volunteers of America, Inc./Manatee Supported Housing

(3) Volunteers of America, Inc./Pompano Supportive Housing

(4) Florida Low Income Housing Associates – Atlantic Pines
I. LEGAL

A. Emergency Rules to Implement Special Session Budget

1. **Background**
   a) In the special legislative session which adjourned on January 14, 2009, the Florida Legislature by bill SB 002A, reduced Florida Housing’s budget authority of $303 million, by approximately $23 million. At Section 44-46 of SB 002A, the Florida Legislature redirected funds from several programs to the SHIP program and at Section 47 of SB 002A commanded Florida Housing to do the following:

   The unexpended balance of funds appropriated to the Florida Housing Finance Corporation in the amount of $190,000,000 shall be returned to the state treasury for deposit into the General Revenue Fund before June 1, 2009.

   In order to implement this section, and to the maximum extent feasible, the Florida Housing Finance Corporation shall first reduce unexpended funds allocated by the corporation that increase new housing construction.

2. **Present Situation**
   a) In Section 12 of SB 004A, Florida Housing is given authority to adopt rules using the emergency rulemaking provisions of section 120.54(4), Florida Statutes, and is directed to do so, “In order to ensure that the funds transferred by sections 44 through 47 of SB 002A are available . . . .”

   b) Emergency rulemaking is necessary for Florida Housing to establish the order in which funds remaining after the $190,000,000 are to be paid over, and to accelerate deadlines to de-obligate funds allocated for projects which are not viable. The following Florida Housing rule chapters will be affected by these emergency rules: Ch. 67-32 (the EHCL program); Ch. 67-48 (the SAIL program); 67-58 (the CWHIP program); 67ER06-25–41 (the RRLP program); and 67ER07-01–10 (the FHRP/SHADP programs).

3. **Recommendation**
   Staff recommends that the Board authorize staff to proceed with emergency rulemaking to establish the order in which funds remaining after the $190,000,000 is to be paid over, and to accelerate deadlines to de-obligate funds allocated for projects which are not viable. Staff further recommends that due to the time frames involved, that the Board delegate approval for final rulemaking approvals to the Chair.