

THE HENDRICKSON COMPANY

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June 12, 2013

Mr. Steve Auger,
Executive Director
Florida Housing Finance Corporation
227 North Bronough, Suite 5000
Tallahassee, Florida 32301

Re: Comments on Proposed Housing Credit Allocation System

Dear Mr. Auger:

As FHFC moves into the arena of allocating Housing Credits via an RFP process, several issues are raised. Please accept these comments as a critique of a changing system—with the goal to improve it before it is launched on the bulk of HC allocation—rather than as idle criticism.

1. **Transparency:**

FHFC can continue its history of transparency by simply continuing to provide the same information to the public via the website as it did in the past.

Recommendation: Post copies of each response to the RFP on the web, and create and post a spreadsheet containing the basic information about each proposed development.

2. **Threshold Items:**

There are many threshold items in the RFP's that have been posted to date. The old application process had many threshold items—but almost all of them were curable—thus they really weren't "threshold". The truly "threshold" items were the ones on the "non-curable" list.

Recommendation: Eliminate threshold items and replace with one (1) point scoring items for each item that was threshold. The exception, where threshold should be retained, should be the items that could not be cured under the old application process.

3. **Use of One Scorer per Section of RFP**

Scoring by multiple people and reconciliation of those scores both prevents mistakes and increases transparency of the process. This applies to both sections that have points and threshold items.

If the Review Committee structure does not lend itself to this process, can a system of multiple non-committee people scoring each section (who then report to the committee) be implemented? Even with multiple scorers per section, the prohibition on communication outside of the review committee meetings may inhibit beneficial collaboration. One approach is to hold a multitude of committee meetings. Another may be to find a way to have collaboration outside of the meetings.

Recommendation: Implement system where every threshold and scoring item is reviewed by multiple scorers.

4. Review Committee Process

What can the Review Committee discuss? Is the Committee the recipient of scores from individual members, or do members work collaboratively as a body—even on sections they did not score? For example, if the scorer(s) of one section say that Threshold has not been met, can the Committee discuss why the item is or is not considered to be a “minor irregularity”, and in fact, shouldn’t they discuss those items? In other words, shouldn’t the Committee discuss all potential or recommended minor irregularities and threshold failures rather than leaving it to the scorer(s) of each section to make a determination?

Recommendation: Work with legal counsel to answer these questions and work with potential committee members in advance so that a process is in place.

5. What is a “Minor Irregularity”?:

The questions are critical. What is a minor irregularity? Does the committee have the “right” or the “obligation” to waive them?

Every “minor irregularity” is of course, an irregularity. Approaching scoring as if it were still the Universal Cycle with cures doesn’t work in the RFP world. The test should not be that anything that is wrong with a response is not “minor”. However, if the “competitive advantage” standard forces you to that position, then some type of cure period may be necessary.

Thank you for the opportunity to comment. Please feel free to contact me with any questions.

Sincerely,



Mark Hendrickson