

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**March 18, 2011**  
**Action Items**



## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### I. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Approval of Housing Counseling Agencies for the Hardest Hit Fund for Unemployment Mortgage Assistance and Mortgage Loan Reinstatement Programs

###### 1. Background

- a) On February 19, 2010, President Obama announced \$1.5 billion in funding called the Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets (HFA Hardest-Hit Fund) to help families in the five states that have been hit the hardest by the combination of housing price declines and unemployment. There are now 18 states and the District of Columbia participating in this \$7.6 billion program. Florida's share of these funds now totals over \$1 billion. (See Hardest Hit Fund Informational Item for general overview/timeline).
- b) As a result of the September 21, 2010 meeting between Treasury, ten state HFA's including Florida Housing, Fannie Mae, Freddie Mac, the Federal Housing Finance Administration and six major loan servicers throughout the country, standardized plans for Unemployment Mortgage Assistance and Mortgage Loan Reinstatement programs were finalized.

###### 2. Present Situation

- a) A Request for Qualifications (RFQ) process was initiated and RFQ 2010-07 was issued on Friday, June 18, 2010. The RFQ allows for additional counseling agencies to be included in this program. Florida Housing will hold additional review committee meetings before each scheduled Board meeting in order to include these additional counseling agencies. The responses received in time for the March board meeting are:
- b) All American Foreclosure Solutions, Inc., CDC of Tampa, Inc., Cross road Ministry, Frontier Trading Corp, Inc., d/b/a Reliance, Inc., Hispanic Help Center, Paul A. Krasker, P.A. Okeechobee Non Profit Housing, Inc., Southside Affordable Housing & Investment Showcase and urban League of Broward County.
- c) The Review Committee members designated by the Executive Director are: David Westcott, Director of Homeownership Programs, Nicole Gibson, Federal Loan Programs Administrator, Rob Dearduff, Special Programs Administrator & Local Government Liaison and Susan Parks, Chief Information Officer.
- d) The members of the Review Committee individually reviewed the Proposals prior to convening for the Review Committee meeting. The Review Committee was held at 2:00 p.m. on Tuesday, February 22, 2011.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### 3. **Recommendation**

The Committee recommends that Florida Housing enter into contract negotiations with the following contingent upon specific requirements from each entity:

- (1) Urban League of Broward County, contingent upon receipt of a 2011 Certificate of Good Standing from the Florida Department of State.
- (2) CDC of Tampa, Inc., - no further documentation required.
- (3) Southside Affordable Housing & Investment Showcase, Frontier Trading Corp, Inc., d/b/a Reliance, Inc., All American Foreclosure Solutions, Inc., and Hispanic Help Center are to provide a current Certificate of Good Standing from the Florida Department of State and evidence of current errors & omissions insurance. In addition, Florida Housing will appoint a Technical Advisor to determine whether the Offerors are qualified to provide services as outlined in the RFP. The Technical Advisor will submit reports to Florida Housing before contracts are signed with the Offerors.
- (4) Cross Road Ministry and Okeechobee Non Profit Housing, Inc. do not have sufficient counseling experience pursuant to the requirements of the RFQ. Cross Road Ministry and Okeechobee Non Profit Housing, Inc., are invited to resubmit the required information including resumes of counselors and other documentation showing the required counseling experience. All documentation must be resubmitted by April 15<sup>th</sup>.
- (5) Paul A. Krasker, P.A. must provide documentation that Trident Title is owned and affiliated with Paul Krasker PA. Errors & Omissions insurance is also required to be submitted in name of Paul Krasker PA., not in the name of Trident Title.
- (6) The Review Committee also requests that the Board grant staff the authority to recommend not entering into contract negotiations with new Offerors in areas of the state where demonstrated capacity has already been met.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Request for Qualifications (RFQ) for Approved Energy Consumption Providers**

##### **1. Background**

- a) Effective July 29, 2008, 26 CFR part 1 relating to the Low-Income Housing Tax Credit (Credit) under Section 42 was amended to update the utility allowance regulations to provide new options for estimating tenant utility costs. The final regulations affected owners of low-income housing properties who claim the Credit, the tenants in those low-income housing properties, and the State and local housing agencies that administer the Credit.
- b) Previously, under 1.42-10(b)(4), owners generally used the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Program or used a local utility company estimate.
- c) As an alternative, under the amended utility allowance regulations, utility allowance estimates may be calculated by a state certified engineer or other qualified professional. The estimates would be determined based on the applicable current local utility billing rate schedule and would be applied to all comparable units in the building using specific information about the design, materials, equipment, and location of the building.

##### **2. Present Situation**

- a) Florida Housing issued RFQ 2010-03 on March 12, 2010. At the April 2010 Board meeting, Florida Housing's Board of Directors approved Matern Professional Engineering, Inc. and University of Central Florida/Florida Solar Energy Center to provide the energy consumption provider services. Both entities selected have advised Florida Housing staff that they are reaching their workload capacity. Therefore, Florida Housing staff feels it is in the best interest of the owners and Florida Housing to increase the pool of qualified providers.
- b) Staff recognizes a need to provide owners a list of qualified energy consumption providers from which owners must contract directly with to obtain the energy consumption estimate.
- c) Owners must pay for all costs incurred in obtaining the utility estimates from the qualified professional and provide the estimates to Florida Housing and tenants.

##### **3. Recommendation**

Authorize Florida Housing staff to begin the solicitation process to select additional energy consumption providers and authorize the Executive Director to establish a Review Committee.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Action Supplement*

**I. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

**A. Request Approval of Credit Underwriting Update Letter for Northwest Gardens I f/k/a Alan Apartments (2009-057X)**

|  |   |
|--|---|
| <b>Development Name: Northwest Gardens I f/k/a Alan Apartments (“Development”)</b>   | <b>Location: Broward County</b>                     |
| <b>Developer/Principal: Northwest Properties I Development, L.L.C &amp; Northwest Properties GP, Inc. (“Co-Developer”)</b> | <b>Set-Aside: 20% @ 28% AMI &amp; 80% @ 60% AMI</b> |
| <b>Number of Units: 143</b>  | <b>Tax Credit Exchange Amount: \$18,232,500</b>     |
| <b>Type: Garden Style</b>  | <b>MMRB: N/A</b>                                    |
| <b>Demographics: Elderly</b>   |   |

**1. Background/Present Situation**

- a) On June 3, 2010, a Tax Credit Exchange Program (TCEP) loan in the amount of \$18,232,500 for this 143 unit elderly development in Broward County closed.
- b) On February 9, 2011, staff received a letter from the Borrower through its legal representative requesting a change in Co-Developer from Northwest Properties GP, Inc. to HEF-Dixie Court Development, L.L.C ([Exhibit A](#)).
- c) On March 14, 2011, staff received a credit underwriting update letter recommending a change in Co-Developer from Northwest Properties GP, Inc. to HEF-Dixie Court Development, L.L.C. ([Exhibit B](#)). Staff has reviewed this update to the credit underwriting report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C. and RFP 2009-04.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to modify the loan closing documents accordingly.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

*Action Supplement*

**B. Request Approval of Credit Underwriting Update Letter for Northwest Gardens III (2009-145C/2010-046CX)**

|  |   |
|--|---|
| <b>Development Name: Northwest Gardens III (“Development”)</b>   | <b>Location: Broward County</b>                     |
| <b>Developer/Principal: Northwest Properties III Development, L.L.C. &amp; Northwest Properties GP, Inc. (“Co-Developers”)</b> | <b>Set-Aside: 20% @ 28% AMI &amp; 80% @ 60% AMI</b> |
| <b>Number of Units: 150</b>  | <b>Tax Credit Exchange Program: \$6,275,000</b>     |
| <b>Type: Garden Style and Townhomes</b>  | <b>Housing Credit Allocation: \$2,340,000</b>       |
| <b>Demographics: Family</b>  | <b>MMRB: N/A</b>                                    |

**1. Background/Present Situation**

- a) On December 10, 2010, a Tax Credit Exchange Program (TCEP) loan in the amount of \$6,275,000 for this 150 unit family development in Broward County closed.
- b) On February 9, 2011, staff received a letter from the Borrower through its legal representative requesting a change in Co-Developer from Northwest Properties GP, Inc. to HEF-Dixie Court Development, L.L.C ([Exhibit A](#)).
- c) On March 14, 2011, staff received a credit underwriting update letter recommending a change in Co-Developer from Northwest Properties GP, Inc. to HEF-Dixie Court Development, L.L.C. ([Exhibit C](#)). Staff has reviewed this update to the credit underwriting report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C, RFP 2010-04 and RFP 2010-14.

**2. Recommendation**

Approve the credit underwriting update letter and direct staff to modify the loan closing documents accordingly.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Action Supplement

C. Request Approval of Credit Underwriting Update Letter for Dr. Kennedy Homes (2009-144C/2010-029CX/2011-010CX)

|  |  |
|--|--|
| Development Name: Dr. Kennedy Homes (“Development”)  | Location: Broward County                 |
| Developer/Principal: Dr. Kennedy Homes Development, LLC and Dr. Kennedy Homes GP, Inc. (“Co-Developers”) | Set-Aside: 20% @ 28% AMI & 80% @ 60% AMI |
| Number of Units: 132   | Tax Credit Exchange Program: \$6,105,000 |
| Type: Mid-Rise   | Housing Credit Allocation: \$2,150,720   |
| Demographics: Family   | MMRB: N/A                                |

1. Background/Present Situation

- a) On December 10, 2010, a Tax Credit Exchange Program (TCEP) loan in the amount of \$6,105,000 for this 132 unit family development in Broward County closed.
- b) On February 9, 2011, staff received a letter from the Borrower through its legal representative requesting a change in Co-Developer from Dr. Kennedy Homes GP, Inc. to HEF-Dixie Court Development, L.L.C ([Exhibit A](#)).
- c) On March 14, 2011, staff received a credit underwriting update letter recommending a change in Co-Developer from Dr. Kennedy Homes GP, Inc. to HEF-Dixie Court Development, L.L.C. ([Exhibit D](#)). Staff has reviewed this update to the credit underwriting report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C., RFP 2010-04 and RFP 2010-14.

2. Recommendation

Approve the credit underwriting update letter and direct staff to modify the loan closing documents accordingly.

# SUPPLEMENTAL LOAN PROGRAM

## *Action Supplement*

### I. SUPPLEMENTAL LOAN PROGRAM

#### A. Request Approval of Credit Underwriting Update Letter for Dixie Court Apartments III (2007 Supplemental/2007-123C/2008-001C)

|   |   |
|---|---|
| <b>Development Name: Dixie Court Apartments III (“Development”)</b>                       | <b>Location: Broward County</b>                   |
| <b>Developer: Dixie Court III Development, LLC and Dixie Court GP, Inc. (“Developer”)</b> | <b>Set-Aside: 20% @ 30% AMI and 80% @ 60% AMI</b> |
| <b>Number of Units: 100</b>   | <b>Allocated Amount: \$850,000</b>                |
| <b>Type: Garden Style</b>   | <b>Housing Credit Allocation: \$1,652,783</b>     |
| <b>Demographics: Family</b>   | <b>MMRB: N/A</b>                                  |

#### 1. Background/Present Situation

- a) On December 8, 2008, a Supplemental loan in the amount of \$850,000 for this 100 unit family development in Broward County closed.
- b) On February 9, 2011, staff received a letter from the Borrower through its legal representative requesting a change in Co-Developer from Dixie Court GP, Inc. to HEF-Dixie Court Development, L.L.C ([Exhibit A](#)).
- c) On March 14, 2011, staff received a credit underwriting update letter recommending a change in Co-Developer from Dixie Court GP, Inc. to HEF-Dixie Court Development, L.L.C. ([Exhibit B](#)). Staff has reviewed this update to the credit underwriting report and finds that the development meets all of the requirements of Rule Chapter 67-48, F.A.C.

#### 2. Recommendation

Approve the credit underwriting update letter and direct staff to modify the loan closing documents accordingly.



# STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

## *Action Supplement*

### I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

#### A. Request Approval for SAIL ELI Loan Closing Extensions

##### 1. Background/Present Situation

- a) On July 30, 2010, the Board approved the issuance of a Request for Proposal (RFP) to award Extremely Low Income (ELI) funding (almost \$28.5 million) and remaining State Apartment Incentive Loan (SAIL) funding (just over \$23.3 million) through an RFP process to existing Florida Housing developments, giving preference to developments in the Guarantee Fund portfolio, to “buy down” the Area Median Income (AMI) set-aside for units targeted to 60% AMI so that they will be set-aside for ELI households.
- b) On November 19, 2010, Staff issued RFP 2010-16 to award SAIL ELI funding to Applicants who commit to provide set-aside units for ELI Households. The deadline for receipt of Responses was Friday, December 3, 2010.
- c) On December 10, 2010, the Board approved the award list of RFP 2010-16 and directed staff to proceed with all necessary credit underwriting activities.
- d) On January 21, 2011, the Board approved the final credit underwriting letters for the awardees and directed Staff to proceed with the issuance of firm loan commitments and loan closing activities.
- e) On January 25, 2011, Staff issued firm loan commitments with a closing deadline of March 28, 2011 to the Developments listed below.
  - (1) Leigh Meadows Apartments
  - (2) Bernwood Trace Apartments
  - (3) Sabal Chase Apartments
  - (4) Logan’s Pointe Apartments
  - (5) Sundance Pointe Apartments
  - (6) Hampton Point
  - (7) Stratford Point Apartments
  - (8) Peacock Run
  - (9) Spring Harbor Apartments
  - (10) Worthington Apartments
  - (11) Windsor Park Apartments
  - (12) Woodbridge Apartments
  - (13) Windchase Apartments
  - (14) Wyndham Place Apartments
  - (15) Willow Lake Apartments
  - (16) Nassau Bay I f/k/a Brittany of Rosemont I
  - (17) Nassau Bay II f/k/a Brittany of Rosemont II

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Action Supplement*

- f) Staff is requesting that these Developments be granted loan closing extensions up to June 10, 2011, subject to payment of loan closing extension fees (0.5% of each loan amount) pursuant to Rule Chapter 67-48, F.A.C. and RFP 2010-16.

**2. Recommendation**

Approve the request reflected above and direct Staff to grant extensions accordingly.