

**Questions and Answers for Invitation to Negotiate (ITN) 2008-01
Administration for Preservation Pilot Program for
Orange, Palm Beach and Pasco Counties**

Question 1:

Can SAIL funds also be used for leverage?

Answer:

No.

Question 2:

Can Federal HUD and other federal programs be used for leverage?

Answer:

The goal of this initiative is for the funding to be leveraged with private funding to create a larger pool of funding to be used for bridge loans. Offerors that commit to the highest percentage of private funding for this purpose will be prioritized for funding. There is no prohibition on using federal funds.

Question 3:

Must the CHDO and County work in partnership similar to CWHIP?

Answer:

Florida Housing is encouraging partnerships between the Offerors and each local government. There is no specific requirement for how this should be accomplished. In the Response to the ITN, Offerors are asked to describe the role of the local government, and this, will be taken into consideration during scoring.

Question 4:

Must the specific project or projects be identified at the time of response?

Answer:

No.

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Question 5:

Does FHFC have a list of Orange County projects currently in the FHFC portfolio which would fit this criteria?

Answer:

No. Florida Housing Finance Corporation will not be providing a list of potential properties. Note that the Florida Housing Data Clearinghouse provides a web-based listing of government subsidized, privately owned properties throughout the state that may be a useful starting place for an Offeror's research.

Question 6:

The 4:1 leverage references PRIVATE funds in section D.1.A. Could public funds from County, City, local financing agencies be used to leverage too? (Firm commitments from other participants by December 12 will be difficult to obtain for purposes of responding to the ITN.)

Answer:

Pursuant to Section Four, paragraph D.1.a. of the ITN, only private funds will be calculated as part of the leveraging amount.

Question 7:

If a permanent take-out is not available for a particular Development due to financial capacity of the project to take on more debt, could these Bridge Loan funds become permanent funds or grants with appropriate deed restrictions to maintain affordability?

Answer:

No.

Question 8:

Section Two "Definition" – The definition of a "bridge Loan" is limited to 3 years. Although this is a commonly accepted term for a bridge loan, current market conditions may require slightly longer periods. As part of the ITN will Florida Housing consider requests that propose bridge loans that may include terms which are longer than three (3) years?

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Answer:

Yes. See Modification of ITN 2008-01 attached as Exhibit A to this Q&A.

Question 9:

Section Four “Requirements and Information to be Provided”, Part D, Item 1a) – Based on the way this requirement is worded we assume that letters evidencing interest to participate from potential investors will be accepted, but will not score as well as evidence of “fully executed firm funding commitments”. Is this interpretation correct?

Answer:

Yes.

Question 10:

Section Four, Part D, Item 2a – This item lists three types of development priorities. For clarification purposes, are the three items listed of equal priority or are they listed in ascending (or descending) order of priority?

Answer:

They are in order of priority from highest to lowest.

Question 11:

Section Four, Part D, Item 2b – This item lists three priority activity types. Are the three items listed of equal priority or are they listed in ascending (or descending) order of priority?

Answer:

Neither. Florida Housing expects that all Developments to be preserved with assistance from this program will require acquisition (i.e., this is the purpose of the program) and, likely, rehabilitation as well as predevelopment funding.

Question 12:

Section Four, Part G, Item 6 – requires a description of how the financing will be recycled after it is repaid. However, Section Three, Part G limits the contract to three years (which may be renewed twice for one year each). Taking into consideration that a proposed bridge loan made by any proposed pool would be as long as three years, it

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would seem like the five year maximum contract provision would eliminate, or hinder the possibility of recycling of the funds upon repayment.

Answer:

For the purposes of this requirement, the Offeror should assume that the program parameters being proposed in the Response will be continued into the future. Please see Modification of ITN 2008-01 attached as Exhibit A to this Q&A.

Question 13:

How will the preservation initiative work in relationship to Florida Housing's PLP program? Will borrowers be allowed to apply to both sources of financing to use funds from both sources in a single project on a blended basis?

Answer:

Yes.

Question 14:

Will Florida Housing give any preference/scoring points advantages to projects secured with preservation bridge loan funds in other competitive funding cycles managed by Florida Housing for bonds/tax credits/SAIL funds that provide more permanent financing?

Answer:

Please refer to Section One, Introduction of the ITN. "Florida Housing expects to provide an opportunity for Developments that receive loans through this Bridge Loan program to access targeted permanent financing through its rental program."

Question 15:

What criteria will be used to define deteriorating conditions? HUD REAC scores?

Answer:

The Offeror is responsible for determining the criteria for deteriorating conditions in a specific Development, based on a capital needs assessment.

Question 16:

When must the funds be returned to FHFC?

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Answer:

Upon expiration or termination of the Contract issued under this ITN.

Question 17:

Can the Bridge Loan be used in multiple developments over the period of time prior to return, like a Line of Credit? If so, can the recipient receive fees for its work?

Answer:

Florida Housing doesn't have sufficient information to answer this question.

Question 18:

Leverage at minimum of 4 to 1 – can it be higher or lower, and what is the maximum amount of the leverage FHFC is looking for in dollars?

Answer:

It may be higher or lower, but the goal is at least 4:1. All other things being equal, a higher ratio is better than a lower ratio, and there is no maximum leverage amount.

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Exhibit A
FLORIDA HOUSING FINANCE CORPORATION
Modification of Invitation to Negotiate (ITN) 2008-01
Administration Services for Preservation Pilot Program for
Orange, Palm Beach and Pasco Counties

1. Section Two, Definitions, of the ITN provides the following:

“Bridge Loan” A short term financing of up to 3 years for acquisition, rehabilitation, or pre-Development costs necessary to stabilize or position a property for permanent financing.”

Pursuant to Fla. Admin. Code R. 67-49.004, Modification of Terms of Invitation to Bid, Invitation to Negotiate, Request for Proposals or Request for Qualifications, Florida Housing hereby modifies this definition as follows:

“Bridge Loan” A short term financing for acquisition, rehabilitation, or pre-Development costs necessary to stabilize or position a property for permanent financing.”

2. Section Three, Procedures and Provisions, paragraph G. of the ITN provides the following:

“G. The initial term provided in the Contract shall be for three (3) years. If the parties mutually agree in writing, the Contract may be renewed twice. Each renewal shall be for an additional one-year period. Renewals shall be contingent upon satisfactory performance evaluations by Florida Housing.”

Pursuant to Fla. Admin. Code R. 67-49.004, Modification of Terms of Invitation to Bid, Invitation to Negotiate, Request for Proposals or Request for Qualifications, Florida Housing hereby modifies this paragraph as follows:

“G. The initial term provided in the Contract shall be for five (5) years. If the parties mutually agree in writing, the Contract may be renewed twice. Each renewal shall be for an additional one-year period. Renewals shall be contingent upon satisfactory performance evaluations by Florida Housing.”

3. Section Four, paragraph G.6, of the ITN provides the following:

“6. Loan Repayment: Describe the process for loan repayments for loans which successfully obtain permanent/construction financing and how the repaid funds will be recycled for additional loans. Also describe the plan for loans that are not successful in obtaining permanent/construction financing.”

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Pursuant to Fla. Admin. Code R. 67-49.004, Modification of Terms of Invitation to Bid, Invitation to Negotiate, Request for Proposals or Request for Qualifications, Florida Housing hereby modifies this paragraph as follows:

- “6. Loan Repayment: Describe the process for loan repayments for loans which successfully obtain permanent/construction financing and how the repaid funds will be recycled for additional loans. Florida Housing’s preference is to have repayment occur within three (3) years. Also describe the plan for loans that are not successful in obtaining permanent/construction financing.”

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