

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**June 13, 2008**  
**Action Items**



# FISCAL

## Action

### I. FISCAL

#### A. Financing Adjustment Factor (FAF) Bond Redemption

##### 1. Background

- a) FHFC issued tax exempt revenue bonds (1982 Series A & B) in 1982 to finance the construction of eleven (11) Section 8 properties. The mortgages resulting from these bonds carried interest rates of at least 12%.
- b) HUD encouraged state and local housing agencies to refund these high rate bonds. The 1988 Stewart B. McKinney Act provided that any savings from the refunding of these bonds would be shared equally by HUD and the applicable state. The sharing of the savings would begin at refunding and continue until the expiration of each property's Housing Assistance Payments (HAP) contract. In 1992, FHFC refunded most of the 1982 Series A and all of the Series B bonds. The recaptured savings was shared equally by HUD and FHFC from 1992 through 2003 or 2004 depending upon the expiration of each property's HAP contract with HUD (Section 8). At the conclusion of the HAP contract, the savings, formerly shared by HUD and FHFC, benefit the mortgagor.
- c) The only mortgage remaining of the original eleven properties is on Highland Apartments. This is a 12% amortizing note that matures November 1, 2024, with an effective interest rate of 6%. Prior to the May 2008 payment, the balance on the mortgage is \$1,296,077.76.

##### 2. Present Situation

- a) As of May 2008, the 1992 Series A bond balance is \$1,180,000. \$340,000 of the bonds mature on June 1, 2014 and \$840,000 mature on June 1, 2024. On June 1, 2008, a payment on the bonds maturing in 2014 is due in the amount of \$40,000.
- b) There is approximately \$2.5M in indenture accounts that exceeds the bond balance. When the bonds mature, the balance in the indenture accounts will be unrestricted and available to FHFC. The bonds can be redeemed now releasing the \$2.5M.

##### 3. Recommendation

Authorize FHFC staff to immediately redeem the bonds by using the accumulated assets in the indenture, renegotiate the interest rate on the Highland Apartments mortgage, record the renegotiated mortgage as an unrestricted asset of FHFC, obtain a final arbitrage report on the bond series, accept Section 8 compliance reports on an ongoing basis for compliance monitoring purposes for Highland Apartments, and release the balance of funds from the indenture.

**PREDEVELOPMENT LOAN PROGRAM (PLP)**

*Action*

**II. PREDEVELOPMENT LOAN PROGRAM (PLP)**

**A. Request for the Release of the Mortgage and Land Use Restriction Agreement for Frenchtown Village (PLP 00-024)**

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Frenchtown Village</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Frenchtown Community Development Corporation</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF SET-ASIDE UNITS:</b>	<b>21</b>
<b>LOCATION (“County”):</b>	<b>Leon</b>
<b>TYPE:</b>	<b>Homeownership</b>
<b>SET ASIDE:</b>	<b>100% @ 80% AMI</b>
<b>PLP LOAN AMOUNT:</b>	<b>\$500,000</b>

**1. Background**

- a) On March 26, 2003, the Developer closed on the non-acquisition portion of a \$500,000 predevelopment loan. The loan included \$400,000 towards the land acquisition for the development which required the development to be assigned to credit underwriting. On December 12, 2003, the Board approved the credit underwriting report for the Development. The acquisition portion of the loan closed on April 23, 2004.
- b) The Developer made draws on the loan totaling \$489,462. The loan matured on March 26, 2006.
- c) Florida Housing’s Special Assets department sent notices to the Developer regarding maturity of the loan on March 6, 2006, and June 8, 2006. Florida Housing staff has worked with the Developer over the period of the loan and has considered various proposals from the Developer regarding changes to the set-asides, land use restrictions, and loan repayment. Additional correspondence regarding repayment was sent on February 4, 2008, March 27, 2008, and April 30, 2008.

**2. Present Situation**

- a) Frenchtown Community Development Corporation, in conjunction with the City of Tallahassee, has requested that Florida Housing accept full repayment of the PLP Loan from the City’s Community Redevelopment Agency funds with the stipulation that the Development be released from the mortgage and the land use restriction agreement (LURA).
- b) The Developer and the City have stated that they still intend to develop as many of the units as possible as affordable housing, but due to several market factors, including broader plans for redevelopment of the neighborhood that include a mix of higher incomes and increases in costs, they do not believe that all of the units can be developed as affordable as required by Florida Housing’s LURA.

## **PREDEVELOPMENT LOAN PROGRAM (PLP)**

### *Action*

- c) Staff believes that, due to current market conditions in the neighborhood, limited overall funding committed to the Development, and the City's desire to refocus its redevelopment plans for the neighborhood, this property will be difficult to develop in the next few years. As a result, staff thinks that accepting the repayment of the PLP funds that can be used to fund another potential development is in the best interest of Florida Housing and the PLP program.

### **3. Recommendation**

Approve the release of the PLP mortgage and LURA for Frenchtown Village upon full repayment of the PLP Loan.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

### III. PROFESSIONAL SERVICES SELECTION (PSS)

#### A. Request for Qualification (RFQ) 2008-01 for Environmental Engineering/Consulting Services

##### 1. Background

At its May 2, 2008 meeting, the Board of Directors of Florida Housing directed staff to issue an RFQ for environmental engineering/consulting services and authorized the Executive Director to establish a Review Committee to make a recommendation to the Board.

##### 2. Present Situation

- a) On March 14, 2008, Florida Housing staff issued RFQ 2008-01 for Environmental Engineering/Consulting Services ([Exhibit A](#)). The deadline for receipt of Responses was 2:00 p.m., Friday, April 18, 2008.
- b) Seven (7) Responses were received by the deadline from the following Offerors:
  - (1) Apex Companies, LLC
  - (2) Environmental Services, Inc.
  - (3) Florida Planning Group, Inc.
  - (4) Genesis Group
  - (5) George F. Young, Inc.
  - (6) Malcolm Pirnie, Inc.
  - (7) Professional Service Industries, Inc.
- c) The Review Committee members, designated by the Executive Director, were Wayne Conner, Deputy Development Officer and Chair of the Committee; Carolyn Hayse, Multifamily Loans Manager; Tamara Alford, Guarantee Program Asset Manager; Elissa Brockmeier, Special Assets Manager; and Heather Boyd, Multifamily Loans Manager. 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 2:00 p.m., Friday, April 25, 2008 and 2:00 p.m., Thursday, May 8, 2008.
- d) Results of the Review Committee's evaluation of the scored items and ranking are provided as [Exhibit B](#).

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### 3. **Recommendation**

- a) The Review Committee recommends entering into contract negotiations with the top four ranked Offerors which are in order of ranking as follows:
  - (1) Malcolm Pirnie, Inc.
  - (2) Professional Service Industries, Inc.
  - (3) Florida Planning Group, Inc.
  - (4) Genesis Group
  
- b) The Review Committee further recommends that if contract negotiations fail with any of the top four ranked Offerors; authorize staff to enter into contract negotiations with Environmental Services, Inc. the fifth ranked Offeror.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Request for Proposals (RFP) 2008-03 for Foreclosure Prevention Counseling Training and/or Technical Assistance Services**

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

On April 18, 2008, Florida Housing staff issued RFP 2008-03 for Foreclosure Prevention Counseling Training and/or Technical Assistance ([Exhibit C](#)). The deadline for receipt of Responses was 2:00 p.m., Friday, May 16, 2008.

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

a) Three (3) responses were received from the following:

(1) Florida Housing Coalition, Inc.

(2) Mortgage & Credit Center LLC

(3) The Paxen Group

b) The Review Committee members, designated by the Executive Director, were David Westcott (Chairman), Deputy Development Officer; Laura Cox, Director of Asset Management and Guarantee Program; Nancy Muller, Policy Director; Susan Parks, Chief Information Officer; and Charles White, Single Family Bonds Manager.

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 May 28<sup>th</sup> and May 30<sup>th</sup>, 2008.

d) Results of the Review Committee's evaluation of the scored items and ranking are provided as [Exhibit D](#).

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

a) The Review Committee recommends entering into contract negotiations with the Florida Housing Coalition, Inc. for the technical assistance services provision of the RFP subject to Florida Housing approving the personnel and method for delivery of the technical assistance and further subject to the Florida Housing Coalition, Inc. providing proof of professional liability errors and omissions insurance and a current certification from the Department of State that they are qualified to do business in the State of Florida.

b) The Review Committee recommends entering into contract negotiations with Mortgage & Credit Center LLC for the training services provision of the RFP subject to receipt of certification from the Department of State that they are qualified to do business in the State of Florida. The Review Committee further recommends that if contract negotiations fail with Mortgage & Credit Center LLC authorize staff to enter into contract negotiations with the Florida Housing Coalition, Inc. for the training services provision of the RFP.

## SPECIAL HOUSING ASSISTANCE AND DEVELOPMENT PROGRAM (SHADP)

### *Action*

#### IV. SPECIAL HOUSING ASSISTANCE AND DEVELOPMENT PROGRAM (SHADP)

##### A. Request Approval of an Extension to the Loan Closing Date for Tropic Hammock

<b>DEVELOPMENT NAME (“Development”):</b>	<b>Tropic Hammock</b>
<b>APPLICANT/DEVELOPER (“Developer”):</b>	<b>Coalition for the Hungry and Homeless of Brevard County, Inc., a not-for-profit entity</b>
<b>CO-DEVELOPER:</b>	<b>N/A</b>
<b>NUMBER OF SET-ASIDE UNITS:</b>	<b>10</b>
<b>LOCATION (“County”):</b>	<b>Brevard County</b>
<b>TYPE:</b>	<b>Rental, Homeless</b>
<b>SET ASIDE:</b>	<b>30% at or below 30% AMI 30% at or below 50% AMI 40% at or below 60% AMI</b>
<b>LOAN AMOUNT:</b>	<b>\$623,895</b>

##### 1. Background

On January 25, 2008, the Board approved a loan to the Coalition for the Hungry and Homeless of Brevard County (the Coalition) in the amount of \$623,895 in special needs hurricane funding for the Development, Tropic Hammock located in Brevard County.

##### 2. Present Situation

- a) On February 25, 2008, the commitment letter was sent to the Developer with a loan closing date of no later than April 25, 2008.
- b) On May 22, 2008, the Developer submitted a written request for a loan closing extension on the SHADP Loan ([Exhibit A](#)) up to 120 days from the original closing date. In the request, the Developer acknowledges their error in not meeting the closing deadline and detailing the current delays on the Development: an additional parcel was added to the development site requiring rezoning and an amendment to the City of Titusville’s Comprehensive Plan. Further requirements by the City include city code landscape buffers, a Unity of Title between Tropic Hammock and the Coalition for the abutting property currently owned by the Coalition, and an additional stairwell due to the number of units. Now after a successful predevelopment conference with the City, the Developer indicates that site and building permits will be issued as early as the end of May.
- c) Prior to the loan closing, the Developer has to complete its due diligence provided by the closing attorney. In staff’s prior observations and experiences, up to 180 days is recommended to allow for delays and unforeseen issues that may potentially arise.

##### 3. Recommendation

Approve the Developer’s request for the SHADP loan extension closing from April 25, 2008, to October 27, 2008.



## SPECIAL PROGRAMS

### *Action*

#### V. SPECIAL PROGRAMS

##### A. Request Approval to Issue a Request for Proposals for the Rehabilitation of Aging Developments in Florida Housing'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.

###### 2. Present Situation

- a) Florida Housing expects to have funds available from the redemption of the 1992 Series A (Financial Adjustment Factor (FAF) Refunding) bonds. The funds released with the redemption of these bonds will be unrestricted and available to FHFC. In addition, there are additional FAF funds that are required to be used for housing for households at or below 50 percent of the area median income pursuant to requirements of the federal McKinney-Vento Act.
- b) The staff believes that a demonstration program to rehabilitate aging developments in Florida Housing's portfolio would allow us to evaluate the costs of rehabilitation and whether this type of assistance can be integrated into our existing programs. This demonstration would target the rehabilitation of housing for vulnerable populations with priority given to small, nonprofit owned developments with expiring set-asides that agree to extend their affordability period commitments. Funding through this demonstration would not be used for acquisition.

###### 3. Recommendation

Approve staff's request to develop and issue a Request for Proposals for the rehabilitation of aging housing units currently in Florida Housing's portfolio that target extremely low income and homeless residents, frail elders and persons with disabilities, with a priority to developments with expiring affordability periods.

## SPECIAL ASSETS

### *Action*

#### VI. SPECIAL ASSETS

##### A. Request Approval of Workout Proposal for Carlisle Lakes II (SAIL 2001-021S)

<b>Development Name: Carlisle Lakes II (Sherwood Lake) (“Development”)</b>	<b>Location: Hillsborough County</b>
<b>Developer/Principal: The Carlisle Group, Inc. (“Developer”)</b>	<b>Set-Aside: SAIL 15.43% @ 30%, 80.57 @ 60% AMI, 50 Years; HC 100% @ 60% AMI, 30 Years</b>
<b>Number of Units: 149</b>	<b>Allocated Amount: SAIL \$950,000 Housing Credit \$234,848</b>
<b>Demographics: Family</b>	

##### 1. Background

During the 2001 funding cycle, Florida Housing awarded a \$950,000 SAIL loan to TCG Sherwood Lake, Ltd., a Florida limited partnership, (Borrower) for the development of a 149-unit apartment complex in Hillsborough County, Florida. The SAIL loan closed on March 8, 2002. The Development also received a Housing Credit allocation of \$234,848. The Development has a note and first mortgage related to the bonds in the original amount of \$4,100,000 issued by the Housing Finance Authority of Hillsborough County.

##### 2. Present Situation

On April 8, 2008 a foreclosure complaint was filed by the Bank of New York as Trustee against TCG Sherwood Lake, Ltd for failure to pay amounts due under the Hillsborough County HFA note. Because of this action, the Borrower is in default under the SAIL mortgage (Sections 2.2(b) & (1) and 2.2 (e)). On May 7, 2008 the Borrower requested a workout for the SAIL loan. Since that time, staff has been in negotiations with the Borrower to provide a payoff of the SAIL loan. The Borrower has agreed to payoff the SAIL loan with accrued interest by June 11, 2008 and has additionally requested that Florida Housing hold the funds in an escrow account for thirty (30) days to allow time for the Borrower to further negotiate with the bondholder. The Borrower has agreed to pay interest at the note rate to be offset by any interest earned on the funds. If the Borrower's negotiations are successful by July 11, 2008, they request that Florida Housing agree to return the principal and interest balance to the Borrower. Should negotiations fail, the escrowed funds would be applied to payoff the SAIL loan.

##### 3. Recommendation

Staff recommends that the Board approve the workout proposal to hold funds for the payment of principal and interest on the SAIL loan in an escrow account until July 11, 2008 to allow time for the Borrower to further negotiate with the bondholders. If negotiations are successful, on or before July 11, 2008, direct staff to return the principal and interest to the Borrower, so long as the development is in compliance with loan document requirements. If negotiations are not successful by July 11, 2008, direct staff to apply the funds held in escrow towards payoff of the SAIL loan and bill for any remaining amounts owed.

# FISCAL

## *Action Supplement*

### I. FISCAL

#### A. Reallocation of Prior Documentary Stamp Tax Allocation

##### 1. Background

- a) Since 1998 when documentary stamp tax commitments were uncommitted, the Board reallocated the documentary stamp taxes to other programs.
- b) As recently as October 2007, \$41 million of funds originally allocated to SAIL were reallocated to HAP and Special Needs Extremely Low Income (ELI).

##### 2. Present Situation

- a) Florida Housing has approximately \$700 million in tax exempt bond allocation assigned to the single family first time homebuyer program.
- b) The housing bond market continues to be negatively impacted by the general downturn in the real estate and financial markets. Investors expect an increased bond interest rate to mitigate the perceived additional risk for housing bond investments.
- c) Real estate prices have declined in most areas of Florida providing an opportunity for an investment in a home by the first time homebuyer.
- d) To offset the increased debt service cost of bonds in today's market which drives the mortgage rate for the first time homebuyer program, subsidy in the form of documentary stamp taxes can be used to reduce the mortgage interest rate.
- e) Down payment assistance is used by over 80% of those seeking a mortgage through the first time homebuyer program and 100% of those participating in the Homeownership Pool (HOP) Program. Subsidy in the form of documentary stamp taxes can be used to provide down payment assistance.

##### 3. Recommendation

Staff recommends that the board reallocate \$60,148,700 of documentary stamp tax appropriation for the HAP Program.

# MULTIFAMILY BONDS

## Action Supplement

### I. MULTIFAMILY BONDS

#### A. Request Approval of the Final Credit Underwriting Reports for Cutler Manor Apartments, Cutler Meadows, Middletowne Apartments, and Oakwood Villa

<b>DEVELOPMENT NAME ("Development"):</b>	<b>Cutler Manor Apartments; Cutler Meadows; Middletowne Apartments; Oakwood Villa</b>
<b>DEVELOPER/PRINCIPAL ("Applicant"):</b>	<b>POAH Cutler Manor, LLC; POAH Cutler Meadows, LLC; POAH Middletowne, LLC; POAH Oakwood Villa, LLC/Preservation of Affordable Housing, LLC (POAH)</b>
<b>NUMBER OF UNITS:</b>	<b>220; 225; 100; 200 TOTAL: 745</b>
<b>LOCATION ("County"):</b>	<b>Miami-Dade; Clay; Duval</b>
<b>TYPE (Rental, Homeownership):</b>	<b>Rental/Family (MMRB and SAIL)</b>
<b>SET ASIDE:</b>	<b>15% @ 33% (SAIL) 5% @ 50% (SAIL) 80% @ 60% (SAIL) (The set-asides will exceed the 20% at 50% or 40% at 60% and 75% at 80% "safe harbor" benchmarks for 501 (c)(3) bonds)</b>
<b>ALLOCATED AMOUNT:</b>	<b>\$39,220,000 of Tax Exempt Bonds</b>
<b>ADDITIONAL COMMENTS: Acquisition/Rehabilitation</b>	

#### 1. Background

Applicant submitted four separate applications ("Applications") on behalf of the proposed Developments as a non-profit 501(c)(3). Applicant applied for 501(c)(3) bonds in the aggregate amount of \$39,220,000 in order to acquire and rehabilitate these Developments.

#### 2. Present Situation

- a) There are four subject developments which are part of a larger group of developments currently in the midst of bankruptcy proceedings as a result of Greater Miami Neighborhood, Inc.'s ("GMN") inability to meet its payment obligations. The Applicant has negotiated with the various providers of subordinate debt on these various properties (including FHFC) in order to facilitate an intended successful long term repayment plan for the requested bonds as well as all of the existing and additional subordinate debt and for portions of the unsecured accounts payable that has accumulated as a result of GMN's inability to meet its payment obligation on these properties.
- b) This request for 501(c)(3) Bonds is for the purpose of acquiring and rehabilitating these four (4) developments in conjunction with the use of a Master bond issue under one (1) open indenture backed by four separate mortgages on the four separate developments to be acquired and rehabilitated. The four developments within this open indenture structure will be Cutler Manor, Cutler Meadows and Glen, Middletowne Apartments and Oakwood

## MULTIFAMILY BONDS

### *Action Supplement*

Villa. The existing SAIL loans in the amount of \$3,174,032 and the accrued interest are to be assumed and included in the Creditor's Trust Agreement.

- c) It is anticipated that repayment of the current subordinate debt will be facilitated by these Creditor's Trust Agreement documents that will stipulate the repayment schedule for the existing subordinate debt as well as a portion of the existing unsecured accounts payable on these four properties.
- d) POAH's acquisition of these properties and restructuring of their existing debt will provide sufficient funds to address deferred maintenance, funds for future ongoing maintenance, and preserve long term affordable housing units that would otherwise be lost to bankruptcy or foreclosure.
- e) Final Credit Underwriting Reports dated June 6, 2008 are attached as Exhibits [A](#), [B](#), [C](#) and [D](#).

### **3. Recommendation**

That the Board approve the recommendation of the Credit Underwriter outlined in the Final Credit Underwriting Reports dated June 6, 2008, recommending that \$39,220,000 in tax exempt bonds be issued for the acquiring and rehabilitating of the Developments, subject to further approvals and verifications by the Credit Underwriter, Bond Counsel, Special Counsel, and the appropriate Florida Housing staff.

# MULTIFAMILY BONDS

## Action Supplement

### B. Assignment Of Bond Underwriters And Structuring Agents

#### 1. Background

- a) Pursuant to staff's request for approval to issue bonds to finance the acquisition and rehabilitation of the proposed Developments referenced below, Final Credit Underwriting Reports are being presented to the Board for approval simultaneously with this request to assign the appropriate professionals to this transaction. Brief descriptions of the Developments are detailed below along with the Staff's recommendation for the assignments.
- b) Additionally, the Corporation's Senior Financial Advisor has prepared method of bond sale letters. Staff has reviewed the method of sale letters and Board approval is requested at the current meeting.

#### 2. Present Situation

- a) The Credit Underwriters, the Senior Financial Advisor and Florida Housing staff have reviewed the financing structure for the proposed Developments.
- b) The Senior Financial Advisor's recommendations for the methods of bond sale are being presented to the Board at the current meeting during the Multifamily Mortgage Revenue Bond Program Update of items on the agenda.

#### 3. Recommendation

That the Board approves the assignment of the recommended professionals as shown in the chart for the proposed Developments.

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>	<b>Recommended Professional</b>
Cutler Manor Apartments	Miami-Dade	220	Negotiated	RBC Dain Rauscher, Inc.
Cutler Meadows	Miami-Dade	225	Negotiated	RBC Dain Rauscher, Inc.
Middletown Apartments	Clay	100	Negotiated	RBC Dain Rauscher, Inc.
Oakwood Villa	Duval	200	Negotiated	RBC Dain Rauscher, Inc.

# MULTIFAMILY BONDS

## *Action Supplement*

### C. Request Approval of the Method of Bond Sale Recommendation from Florida Housing's Senior Financial Advisor

#### 1. Background/Present Situation

- a) The Credit Underwriter has provided a Final Credit Underwriting Report for the proposed Development below. Florida Housing seeks Board approval pursuant to the recommendation of the Credit Underwriter and the appropriate Florida Housing staff.
- b) Pursuant to Rule 67-21.0045, F.A.C., staff has requested a review of the proposed bond structure by the Senior Financial Advisor in order to make a recommendation to the Board for the method of bond sale.
- c) TIBOR PARTNERS, Inc. has prepared an analysis and recommendation for the method of bond sale for the Development. The recommendation letter is attached as [Exhibit E](#).

<b>Development Name</b>	<b>Location of Development</b>	<b>Number of Units</b>	<b>Method of Bond Sale</b>
Cutler Manor Apartments	Miami-Dade	220	Negotiated
Cutler Meadows	Miami-Dade	225	Negotiated
Middletown Apartments	Clay	100	Negotiated
Oakwood Villa	Duval	200	Negotiated

#### 2. Recommendation

That the Board approves the recommendation of the Senior Financial Advisor for the method of bond sale for the above Development.

# UNIVERSAL CYCLE

## *Action Supplement*

### I. UNIVERSAL CYCLE

#### A. Rule Governing Returned Awards of Funding

##### 1. Background/Present Situation

- a) A rule development workshop was held on June 3, 2008 in order to solicit comments on proposed changes to Rule Chapters 67-21 and 67-48, F.A.C., and the Universal Application.
- b) As a result of this meeting, staff has revised the ranking and selection criteria section of the Universal Application. This revision will curtail manipulation of the ranking process by penalizing Applicants who withdraw their Application(s) after the ranking has been approved by the Board. The proposed revisions are attached hereto as [Exhibit A](#).
- c) If approved by the Board, staff anticipates filing the Notice of Proposed Rulemaking (NOPR) on June 30, 2008 for publication in the July 11, 2008 edition of the Florida Administrative Weekly. The NOPR will announce the Rule Hearing which is scheduled for August 1, 2008, in Tallahassee. Staff intends to hold another public meeting to discuss the revisions prior to filing the NOPR.
- d) Following review of any public comments received at the August 1, 2008 Rule Hearing and any comments received from the Joint Administrative Procedures Committee (JAPC) following its review of the NOPR, staff anticipates filing the rule for adoption on August 18, 2008, with an effective date of September 7, 2008.

##### 2. Recommendation

Approve the proposed revisions and authorize staff to file the rules for adoption and, if further revision is deemed necessary prior to filing, authorize the Chair to approve the final NOPR without the requirement of another Board meeting, so that staff may proceed with the required filing of the rules for publication in the FAW and review by JAPC.