

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 15, 2018
Action Items



MULTIFAMILY PROGRAMS ALLOCATIONS

Action

I. MULTIFAMILY PROGRAMS ALLOCATIONS

A. Request for Applications (RFA) 2018-102 Housing Credit Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives

1. Background

- a) On January 23, 2018, Florida Housing Finance Corporation (Florida Housing) issued RFA 2018-102 offering \$2,465,000 in Competitive Housing Credits funding to Applicants proposing new construction, redevelopment or rehabilitation of Family or Elderly (non-Assisted Living Facility) properties in areas where a Local Government is implementing a planned initiative in partnership with private and other public stakeholders to invest funding and other resources to rejuvenate the area. This RFA included an incentive for Applicants to commit to provide mixed-income units.
- b) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Tuesday, March 8, 2018.

2. Present Situation

- a) Florida Housing received 16 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Lisa Nickerson, Multifamily Programs Administrator (Chair), Ryan McKinless, Multifamily Programs Senior Analyst; Rachael Grice, Multifamily Programs Manager; Tim Kennedy, Assistant Director of Multifamily Programs; Diana Fields, Policy Administrator; Elaine Roberts, Senior Supportive Housing Analyst; and Nancy Muller, Policy Director. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its May 30, 2018 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA.
- c) The 2018-102 All Applications chart (provided as [Exhibit A](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit A;
 - (2) A motion to tentatively select the Applications set out on [Exhibit B](#) for funding and invite the Applicants to enter credit underwriting.
- e) The motions passed unanimously.

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- f) As outlined in subsection 67-48.0072(1), F.A.C., at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer all Applicants within the funding range an invitation to enter credit underwriting.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 16 Applications (set out on Exhibit A) and authorize the tentative selection of the 2 Applications (set out on Exhibit B) for funding.
- b) There is no unallocated balance remaining. As provided in Section Five, B.5. of the RFA, any remaining funding will be distributed as approved by the Board.
- c) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on Exhibit B.

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B. Request for Applications (RFA) 2018-104 SAIL Financing for Farmworker and Commercial Fishing Worker Housing

1. Background

- a) On March 13, 2018, Florida Housing Finance Corporation (Florida Housing) issued RFA 2018-104 offering \$6,500,000 in State Apartment Incentive Loan (SAIL) funding to Applicants proposing the construction of Commercial Fishing Worker or Unaccompanied Farmworker Developments. An Unaccompanied Farmworker is an adult Farmworker as defined by Section 420.503(18), F.S. and, for purposes of this RFA, is unaccompanied by a spouse, children, or parents and may include temporary foreign agricultural workers temporarily admitted to the United States on H-2A visas.
- b) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Tuesday, April 10, 2018.

2. Present Situation

- a) Florida Housing received three Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Jade Grubbs, Multifamily Programs Coordinator (Chair), Tammy Bearden, Loan Closing Manager; Ryan McKinless, Multifamily Programs Senior Analyst; Sofia Miles, Multifamily Programs Manager; Nancy Muller, Policy Director; Diana Fields, Policy Administrator; and Elaine Roberts, Senior Supportive Housing Analyst. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its May 30, 2018 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA.
- c) The 2018-104 All Applications chart (provided as [Exhibit C](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on [Exhibit C](#);
 - (2) A motion to tentatively select the Applications set out on [Exhibit D](#) for funding and invite the Applicants to enter credit underwriting.
- e) The motions passed unanimously.

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- f) As outlined in subsection 67-48.0072(1), F.A.C., at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer all Applicants within the funding range an invitation to enter credit underwriting.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the three Applications (set out on Exhibit C) and authorize the tentative selection of the one Application (set out on Exhibit D) for funding.
- b) No unallocated funding balance remains. As provided in Section Five, B.5. of the RFA, any remaining funding will be distributed as approved by the Board.
- c) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on Exhibit F.
- d) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.

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C. Request for Applications (RFA) 2018-103 Housing Credit and SAIL Financing for the Development of Housing for Homeless Persons

1. Background

- a) On March 21, 2018, Florida Housing Finance Corporation (Florida Housing) issued RFA 2018-103 offering \$3,620,000 of Competitive Housing Credits and \$9,000,000 in State Apartment Incentive Loan (SAIL) funding to Applicants proposing the development of housing for Homeless individuals and families, that also include a portion of units for Persons with Special Needs located in the Medium and Large Counties. There was a goal to select one Application from a Non-Profit Applicant (“Non-Profit Application”).
- b) The intent of this RFA was to help communities address the significant need for housing for some of their most vulnerable individuals that are homeless or living in more restrictive settings due to the lack of stable housing and coordinated access to appropriate community-based healthcare and supportive services.
- c) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Monday, April 23, 2018.

2. Present Situation

- a) Florida Housing received 4 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Tracy Willis, Quality Assurance Credit Underwriter Administrator; (Chair), Ryan McKinless, Multifamily Programs Senior Analyst; Karla Brown, Multifamily Programs Manager; Sofia Miles, Multifamily Programs Manager; Bill Aldinger, Assistant Policy Director; John Toman, Policy Manager; Elaine Roberts, Senior Supportive Housing Analyst; and Diana Fields, Policy Administrator. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its June 6, 2018 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA.
- c) The 2018-103 All Applications chart (provided as [Exhibit E](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit E;
 - (2) A motion to tentatively select the Applications set out on [Exhibit F](#) for funding and invite the Applicants to enter credit underwriting.
- e) The motions passed unanimously.

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- f) As outlined in subsection 67-48.0072(1), F.A.C., at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer all Applicants within the funding range an invitation to enter credit underwriting.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the four Applications (set out on Exhibit E) and authorize the tentative selection of the two Applications (set out on Exhibit F) for funding.
- b) An unallocated balance of \$30,500 of funding remains. As provided in Section Five, B.5.c. of the RFA, any remaining funding will be distributed as approved by the Board.
- c) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on Exhibit F.
- d) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.

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D. Request for Applications (RFA) 2018-108 Financing for the Development of Housing for Persons with Disabling Conditions or Developmental Disabilities

1. Background

- a) On March 21, 2018, Florida Housing Finance Corporation (Florida Housing) issued RFA 2018-108 offering \$2,465,000 of Competitive Housing Credits available to proposed Developments under this RFA for either housing for persons with Disabling Conditions or Persons with Developmental Disabilities. The Corporation offered \$4,000,000 of State Apartment Incentive Loan (SAIL) for housing for persons with Disabling Conditions. The Corporation offered \$4,000,000 in grants for housing for Persons with Development Disabilities.
- b) This Request for Applications (RFA) is open to Non-Profit Applicants proposing the development of independent Permanent Supportive Housing for either (i) persons with a Disabling Condition that also includes a portion of units for Homeless individuals and families; or (ii) Persons with Developmental Disabilities. The intent of this RFA is to help communities address the significant need for independent Permanent Supportive Housing for some of their most vulnerable individuals that are living in more restrictive settings due to the lack of stable housing and coordinated access to appropriate community-based healthcare and supportive services.
- c) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Tuesday, April 24, 2018.

2. Present Situation

- a) Florida Housing received five Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Rachael Grice, Multifamily Programs Manager (Chair), Tammy Bearden, Loan Closing Manager; Heather Greene, Multifamily Programs Manager; Tracy Willis, Quality Assurance Credit Underwriter Administrator; Nancy Muller, Policy Director; Diana Fields, Policy Administrator; and Elaine Roberts, Senior Supportive Housing Analyst. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its June 6, 2018 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five, B. of the RFA.
- c) The 2018-108 All Applications chart (provided as [Exhibit G](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on [Exhibit H](#);
 - (2) A motion to tentatively select the Applications set out on Exhibit H for funding and invite the Applicants to enter credit underwriting.

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- e) The motions passed unanimously.
- f) As outlined in subsection 67-48.0072(1), F.A.C., at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer all Applicants within the funding range an invitation to enter credit underwriting.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the five Applications (set out on Exhibit G) and authorize the tentative selection of the one Application (set out on Exhibit H) for funding.
- b) An unallocated balance of \$4,000,000 of Grant funding, \$622,000 of SAIL funding, and \$1,205,000 of Housing Credit funding remains. As provided in Section Five, B.b. of the RFA, any remaining funding will be distributed as approved by the Board.
- c) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Applications set out on Exhibit H.
- d) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.

MULTIFAMILY PROGRAMS

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II. MULTIFAMILY PROGRAMS

A. Total Development Cost Per Unit Limitations

1. Background

- a) Florida is experiencing a strong real estate construction boom across the state that started in 2014. The effects of Hurricane Irma have exacerbated the situation by creating additional new demand on new construction and substantial rehabilitation services and building supplies. The effects of Hurricane Maria evacuees have further increased the demand for housing in Florida as well.
- b) The increased demand on building supplies and construction labor in Florida has caused construction costs to increase over this time period at a greater pace than expected at the time the respective Request for Applications (RFAs) were issued.
- c) There are many Applicants who had applied to Florida Housing for funding that during this time and have received an Active Award, but have not yet started construction or rehabilitation of their proposed developments. As the Applicants enter negotiations with their prospective general contractors, it has become apparent the construction costs have escalated beyond expectations which comes with the need to obtain additional funding sources.
- d) The majority of Florida Housing's RFAs incorporate a Total Development Cost Per Unit (TDC PU) Limitation requirement that is tested at time of application, credit underwriting and, if applicable, final cost certification.
- e) As the Applicants finalize their development cost budgets and arrange for adequate sources of financing to pay these higher development costs, many find themselves in non-compliance with the TDC PU Limitation test set-forth in their respective RFA under which it applied. Non-compliance is established when an Applicant's development costs exceed the relative TDC PU Limitation and if the non-compliance excess costs exceeds five percent of the TDC PU Limitation, the credit underwriter must provide a negative recommendation to the Board when submitting the Credit Underwriting Report (CUR).

2. Present Situation

- a) Florida Housing has made efforts to maintain the viability of the developments in this predicament and continues to believe it is beneficial to deliver these much-needed affordable housing units and communities in a timely manner. An important hurdle that remains to be addressed is to reasonably accommodate a request by the stakeholders to reduce the burden of the TDC PU Limitations which would otherwise create an unreasonable financial burden on the development and its Principals or even stop its delivery.

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- b) Staff has had discussions with the stakeholders about a reasonable increase in the current TDC PU Limitation to reduce this burden and believes an increase of 4.25% is reasonable, as verified with in-house data. Incorporating this proposed increase to the current RFA funding cycle, the Total Development Cost Per Unit Base Limitations, inclusive of any applicable post-application escalation factors, would be changed to those presented in the table below:

Measure	New Construction Units					Rehabilitation Units	
	Garden Wood	Garden Concrete	Mid-Rise Wood	Mid-Rise Concrete	High-Rise	Garden	Non-Garden
Maximum TDC PU Base Limitation for all counties except Broward and Miami-Dade	\$200,400	\$241,000	\$241,000	\$265,700	\$313,400	\$167,800	\$236,400
Maximum TDC PU Base Limitation for Broward and Miami-Dade Counties	\$210,300	\$252,700	\$252,700	\$278,500	\$328,600	\$176,000	\$247,900

- c) All other processes, criteria and definitions provided in the original RFAs are to remain the same. The above Base Limitation amounts do not include any TDC Add-On such as the one applicable to developments financed with tax-exempt bonds or the one applicable to Applicants who have a PHA as a Principal. If a TDC Add-On is applicable, it will be added to the above Base Limitation prior to incorporating any applicable TDC Multiplier. The above Base Limitations have incorporated the post-application escalation factors provided in the current RFA cycle and consequently, no other escalation factor shall be applied.
- d) There are some Applicants during this period that were better positioned to execute a general contractor agreement, finalize and close on its funding sources and start construction. Florida Housing does not desire to have Applicants that could complete this process timelier to have a higher standard of delivery than those who found themselves delayed in this process.

3. Recommendation

- a) Staff recommends the Board to authorize a change to the TDC PU Limitation requirements for all RFAs from the 2014-2015 RFA funding cycle (beginning with RFA 2014-111) through the current 2017-2018 RFA funding cycle (ending with RFA 2018-109) to have the same TDC PU Limitation requirements for credit underwriting and final cost certification processes (if they originally included a TDC PU Limitation process) as set-forth above.

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- b) Staff recommends the Board to authorize a re-examination of credit underwriting reports and final cost certifications previously completed relative to awards in the above referenced RFAs and to re-evaluate any applicable developer fee penalties for non-compliance of the TDC PU Limitation requirements utilizing the adjusted amounts in the table above.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

III. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Qualifications (RFQ) 2018-07, Compliance Administration Services for the Single Family Homebuyer Loan and Mortgage Credit Certificate Programs

1. Background

- a) At the March 16, 2018 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure one or more qualified firms to provide Compliance Administration Services for the Single Family Homebuyer Loan and Mortgage Credit Certificate Programs.

2. Present Situation

- a) RFQ 2018-06 was issued on April 9, 2018. The deadline for receipt of responses was 2:00 p.m., May 9, 2018. A copy of the RFQ and Addendum #1 is provided as [Exhibit A](#).
- b) Two responses were received by the deadline from Hilltop Securities, Inc., and Housing and Development Services, Inc., d/b/a e-Housing Plus.
- c) Members of the review committee were Chip White, Single Family Programs Administrator (Chairperson); Sandy Smith, Single Family Programs Manager; and Tamara Alford, Financial Manager.
- d) Each member of the Review Committee individually reviewed the proposals submitted prior to convening for the Review Committee meeting which was held at 10:00 a.m., May 24, 2018.
- e) At the April 24th meeting, the Review Committee members provided their final scores for the responses received. The score sheet is provided as [Exhibit B](#).

3. Recommendation

- a) The review committee recommends that the Board authorize Florida Housing to enter into contract negotiations with Housing and Development Services, Inc., d/b/a e-Housing Plus for Homebuyer Loan Program services and with Hilltop Securities, Inc., for Mortgage Credit Certificate Program services. Should negotiations with either of these firms fail for their respective programs, staff recommends that the Board authorize Florida Housing to negotiate with either or both firms to provide the services needed for both programs.

PROFESSIONAL SERVICES SELECTION (PSS)

Action Supplement

A. Single Source Procurement for Affordable Housing Catalyst Program Services

1. Background

- a) Florida Housing is authorized to administer the Affordable Housing Catalyst Program (Catalyst) under chapter 2004-243, Laws of Florida, amending Section 420.531, F.S.
- b) The Affordable Housing Catalyst Program provides training and technical assistance mainly to local governments and community based organizations on state and federal housing programs. The training and technical assistance includes administration and implementation of the State Housing Initiatives Partnership (SHIP) Program, the HOME Investment Partnerships (HOME) Program, the Florida Hardest Hit Fund (HHF) and other affordable housing programs. Typically, the Catalyst program is funded through the annual state legislative appropriations process.
- c) The technical assistance provided through Catalyst allows local governments, not-for-profit organizations and other stakeholders engaged in the development/preservation of affordable housing to access expertise in a variety of subjects and formats. Subjects may include, but not be limited to: specific program management for SHIP, HOME and other housing programs; housing developer specific topics; and housing for persons with special needs. Technical assistance and trainings are provided through onsite direct technical assistance, in-person workshops, webinars and email and phone. A major focus of Catalyst is providing these services to local government staff engaged in the management of the SHIP program.
- d) Section 420.531, F.S., also outlines the requirements for the entity providing technical assistance, stating in pertinent part, “To the maximum extent feasible, the entity to provide the necessary expertise must be recognized by the Internal Revenue Service as a nonprofit tax-exempt organization. It must have as its primary mission the provision of affordable housing training and technical assistance, an ability to provide training and technical assistance statewide, and a proven track record of successfully providing training and technical assistance under the Affordable Housing Catalyst Program.”
- e) The only firm that meets all of these statutory requirements is the Florida Housing Coalition, Inc.

2. Present Situation

- a) The current contract provides the following services:
 - Monthly telephonic and e-mail assistance that is available to all stakeholders;
 - On-site technical assistance visits (primarily for local governments and non-profit developers);
 - Statewide in-person one/two day workshops;
 - Webinars; and
 - Regional Clinics.

PROFESSIONAL SERVICES SELECTION (PSS)

Action Supplement

- b) Rule 67-49.0032, F.A.C., allows the Board to exempt contractual services from competitive solicitation requirements upon a determination by the Executive Director that such services are most readily available from a single source. The Board approved this approach last year, and the current contract for these services with the Florida Housing Coalition, Inc. expires on June 30, 2018. Florida Housing has a continuing need for these services, and the Legislature appropriated funding for this program for the next fiscal year.

3. **Recommendation**

- a) Authorize staff to enter into a one-year single source contract with the Florida Housing Coalition, Inc., to deliver affordable housing training and technical assistance under the Catalyst program, subject to funding availability.