

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**March 18, 2016**  
**Action Items**



## **HARDEST-HIT FUND (HHF)**

### *Action*

#### **I. HARDEST-HIT FUND (HHF)**

##### **A. Request Approval to Accept Fifth Round of Hardest Hit Funding**

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

- a) In 2010, US Treasury (Treasury) created the “Housing Finance Agency (HFA) Innovation Fund for the Hardest-Hit Housing Markets” (HFA Hardest-Hit Fund) and allocated funds under the Emergency Economic Stabilization Act of 2008 (EESA) to eighteen states and the District of Columbia. Florida received more than \$1 billion. As of December 31, 2015, \$652.6 million has been reserved for eligible applicants and \$570.6 million has been disbursed.

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

- a) On February 19, 2016, the U.S. Department of the Treasury announced it would exercise its authority to obligate up to \$2 billion in additional Troubled Asset Relief Program (TARP) funds to the Hardest Hit Fund (HHF) program. The additional investment in HHF will enable participating state Housing Finance Agencies (HFAs) to continue assisting struggling homeowners and stabilizing neighborhoods in many of the nation’s hardest hit communities. States receiving additional funds will have until December 31, 2020 to utilize their HHF funds, an extension from the current program end date of December 31, 2017.
- b) The first phase will allocate \$1 billion using a formula based on state population and the HFA’s utilization of their HHF allocation to date. In order to qualify for funding in the first phase, HFAs must have utilized at least 50 percent of their existing HHF allocations. Florida Housing’s allocation for Fifth Round Funding – Phase 1 is \$77,896.538.

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

- a) Approve accepting the additional Hardest Hit Fund allocation and authorize staff to amend our agreement with Treasury, subject to further approvals by Florida Housing counsel and appropriate staff.

## HOME – DEMONSTRATION

### *Action*

## II. HOME – DEMONSTRATION

### A. Request Approval to Implement a Pilot to Serve Homeless Schoolchildren and their Families Living in Rural and Small Communities

#### 1. Background

- a) Statewide, there is a significant need for affordable, permanent housing options for homeless families with school age children. In many of these families, the lack of stable housing impedes the children from attending school on a consistent basis or causes their transition between one or more schools during their homeless episode. The federal McKinney-Vento Act requires states to administer federal and state programs to provide resources and services to help keep homeless children in school.
- b) In November 2015, the Florida Department of Education (FDOE) reported that 73,322 homeless children and youth were attending Florida's elementary, middle and high schools. These children are identified by and receive services from FDOE's Homeless Education Program (HEP). To receive federal and state HEP resources, these children and youth must live in a shelter, motel, campground, on the street, in abandoned buildings or temporarily doubled up with other households.
- c) The HEP provides resources that attempt to keep a child or youth in school and on track to complete his or her education. A primary objective is to keep homeless students in their school of origin. The U.S. Department of Education has found that changing schools greatly impedes students' academic and social growth. A "rule of thumb" is that it takes a child 4-6 months to recover academically after changing schools. Highly mobile students have also been found to have lower test scores and, significantly, lower overall academic performance than peers who do not change schools.
- d) The McKinney Vento Act mandates that: "Each State educational agency shall ensure that each child of a homeless individual and each homeless youth has equal access to the same free, appropriate public education, including public preschool education, as provided to other children and youths." These student resources include:
  - (1) Transportation to and from school;
  - (2) Free school meals and access to other nutritional programs for a student and their family;
  - (3) Assignment to a Homeless School Liaison to assist a homeless student access and retain public education resources and programs that non-homeless students have access to, such as sports and school activities;
  - (4) Expanded public school nursing, social work and tutor services;
  - (5) Assistance for the student or their family to access education programs for non-school age children or those with disabilities; and

## HOME – DEMONSTRATION

### *Action*

- (6) Information and referral services related to household stability resources, including housing.
- e) The state HEP does not receive resources or have the authority to directly provide resources to access housing. HEP may provide housing information and referral services. The homeless education liaisons work with and rely on their local homeless continuums of care to assist the student or/their family address the broader needs related to their homelessness.
- f) Although many homeless students are unaccompanied by families, the overwhelming majority are members of families. The homeless characteristics of these families tend to be different than chronically homeless individuals with disabling conditions who require long-term supportive services to maintain stable lives in their community. Homeless families with school age children generally have fewer episodes and shorter periods of homelessness than persons with disabling conditions. Many of these families are new to homelessness, but quickly become at risk of spiraling into long-term homelessness with the related after effects of losing informal supports, ruining credit, job instability due to health issues, being victimized, committing a crime or the breakup of the family.
- g) Key reasons for these families' homelessness are insufficient income to afford stable, decent housing due to job loss or underemployment, or a family financial crisis (e.g., domestic violence, death, divorce, and desertion), particularly in situations when they are severely cost-burdened. Once they are in stable housing again, many families can get back on their feet, often with short-term formal and informal assistance.
- h) The number of homeless families with school age children is increasing statewide. A priority subpopulation of families are those living in rural or small communities which have fewer formal services and resources to help families regain stability than larger communities. Children in rural areas are also at greater risk of having to leave their schools because of a lack of temporary housing options. Homeless school liaisons in rural counties report that there are fewer rental housing options in these areas, and when there are options they often cannot afford the move-in expenses and rent. Moreover, families have to search for housing in a wider geographic area that includes adjacent counties.

## 2. Present Situation

- a) To evaluate this issue in rural areas, Florida Housing staff met with the FDOE's HEP staff, the Department of Children and Families' Office on Homelessness and school district HEP liaisons from rural counties. We discussed approaches to assist rural homeless families with school age children to regain stability in their communities and keep the children on track with their education. Short-term rental assistance would be a critical resource to assist these families regain housing.
- b) Florida Housing staff proposes to use up to \$1.5 million of HOME funds for a pilot to provide eligible households with rental assistance up to 24 months and/or funds to pay for move-in expenses. HOME funding is currently being used to fund tenant based rental assistance through 19 public housing authorities which provide short-term rental assistance in 15 counties.

## HOME – DEMONSTRATION

### *Action*

- c) As with the current TBRA initiative, to implement this pilot, Florida Housing would execute a contract with a public housing authority with the qualifications, capacity and interest in administering HOME TBRA in rural counties that it currently serves. Homeless households would be referred by participating school districts to the public housing authority, which then would be responsible for determining a household's eligibility for rental assistance and landlords' qualifications to serve TBRA eligible households. Selecting a pilot area will depend on the interest and capacity of local school districts to identify, screen and refer homeless schoolchildren and their families for the rental assistance through their HEPs. The intended homeless households to be assisted would be those identified as having a significant chance of being able to pay their own housing expenses or access other permanent housing options within a short period of time.
- d) Florida Housing staff proposes to select approximately four rural county school districts to participate in the pilot in order to:
  - (1) Allow flexibility in serving homeless households across county boundaries in areas where available rental housing stock may be limited or scattered across a region. The HEP provides transportation for homeless children living in another school district to attend their school of origin; and
  - (2) Evaluate pilot findings over a number of counties to determine similar and unique implementation challenges and successes for the purposes of potentially replicating the pilot.
- e) If authorized, Florida Housing will seek a public housing authority with the following parameters:
  - (1) Currently administers Section 8 Housing Choice vouchers in multiple, ideally contiguous, rural counties that would allow homeless families to find rental housing outside of their school districts if the supply is low in the counties where their children attend school;
  - (2) Has a satisfactory report from U.S. HUD on compliance and administration of the federal rental assistance; and
  - (3) Has the interest and additional capacity needed to administer the tenant based rental assistance under this pilot.

### **3. Recommendation**

- a) Authorize the use of up to \$1.5 million in HOME funds for this pilot.
- b) Authorize Florida Housing staff to seek a public housing authority to administer this funding in its current rental assistance service area.
- c) Authorize Florida Housing staff to develop Memorandums of Understanding with interested, eligible public school districts within the Housing Authority's service area to participate in the pilot by identifying, screening and referring homeless households with children in the districts' Homeless Assistance Programs for short-term rental assistance.

## LEGAL

### *Action*

### III. LEGAL

#### A. Vaca Bay Senior Apartments, L.P., and Keys Affordable Development, II, LLC., vs. Florida Housing Finance Corporation; FHFC Case Nos. 2016-008BP and 2016-004BP

##### 1. Background

- a) This case regards a protest filed against the funding awards for projects under Request for Applications (“RFA”) 2015-106 for affordable housing developments located in medium and small counties. Petitioners Vaca Bay Senior Apartments, L.P., (“Vaca Bay”) and Keys Affordable Development, II, LLC., (“Keys Affordable”) applied for funding through the RFA seeking allocations of Low Income Housing Tax Credits. Both Vaca Bay and Keys Affordable were deemed eligible, both had perfect scores and both applications were in Monroe County, but Vaca Bay was selected for funding due the leveraging classification tie-breaker.
- b) Keys Affordable timely filed notice of intent to protest and a formal written protest challenging the Corporation’s scoring of Vaca Bay’s application due to Vaca Bay selecting an ineligible demographic. Vaca Bay timely filed a notice of intent to protest and a formal written protest challenging the Corporation’s scoring of the Keys Affordable application due to Keys Affordable submitting a site for development that is already committed to another funded Florida Housing development. By Order of Consolidation issued on February 29, 2016, the cases were consolidated into one proceeding.

##### 2. Present Situation

- a) As a result of settlement discussions, Petitioners and Florida Housing have resolved certain issues in this litigation, and agreed that in the interest of avoiding the time, expense, and uncertainty of litigation to enter into a Stipulation for Dismissal, attached as [Exhibit A](#). The Stipulation for Dismissal results in Vaca Bay’s ineligibility for funding under the terms of the RFA and the selection of Keys Affordable’s application for funding under the Small County Florida Keys Area Funding Goal.

##### 3. Recommendation

- a) Staff recommends that the Board adopt the Stipulation for Dismissal and issue a Final Order in accord with such.

## LEGAL

### *Action*

**B. DOUGLAS GARDENS V, LTD., Petitioner, v. FLORIDA HOUSING FINANCE CORPORATION, Respondent, and LA JOYA ESTATES, LTD., Intervenor., FHFC Case No. 2015-043BP**

**1. Background**

- a) This case regards “RFA 2015-112 - For SAIL Financing of Affordable Multifamily Housing Developments To Be Used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits” (the “RFA”). No material facts were in dispute, so the case was heard by Florida Housing’s Hearing Officer. Douglas Gardens and Intervenor, La Joya Estates, applied for funding through the RFA seeking allocations of SAIL financing to be used in conjunction with tax-exempt bond financing and non-competitive housing credits. Petitioners were notified of the Board’s intended decision on or about December 11, 2015. Petitioners timely filed notice of intent to protest and formal written protests as required by section 120.57(3), Florida Statutes, challenging the Corporation’s scoring and ranking of Applicants for funding under RFA 2015-112. Intervenor properly and timely filed for intervention to participate in this case.
- b) The central issue here is whether Respondent Florida Housing Finance Corporation’s (“Florida Housing”) decisions to award or deny funding under Request for Applications (“RFA”) 2015-112, as proposed on December 11, 2015, are contrary to the agency’s governing statutes, the agency’s rules or policies, or the solicitation specifications. More specifically, whether Florida Housing made a mistake in its scoring and ranking decision to accept La Joya’s application for funding.
- c) The central issue revolves around the Surveyor Certification Form submitted by La Joya. Florida Housing’s position on the Surveyor Certification Form was that the plain language of the instructions in RFA 2015-112 clearly require that Form Rev. 07-15 of the Surveyor Certification Form be used. La Joya submitted Form Rev. 10-14 of the Surveyor Certification Form. La Joya argued that its use of the Form Rev. 10-14 form should be considered a minor irregularity and its use did not provide any competitive advantage in this situation.

**2. Present Situation**

- a) A hearing was conducted on February 9, 2016 before Florida Housing’s appointed Administrative Law Judge, Lawrence P. Stevenson to serve as the Hearing Officer. The parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ Hearing Officer issued a Recommended Order on February 29, 2016. The Recommended Order affirmed Florida Housing’s original scoring and ranking decision as to the Surveyor Certification Form. The adoption of the Recommended Order by Respondent Florida Housing Finance Corporation (“FHFC”) would result in an award of funding to Intervenor La Joya Estates, Ltd. (“La Joya Estates”). A copy of the Recommended Order is attached as [Exhibit B](#). Joint Exceptions and Objections to the Recommended Order were filed by Douglas Gardens and Florida Housing on March 7, 2016. Responses to Joint Exceptions and Objections were filed by Intervenor on March 10, 2016. A copy of the Joint Exceptions and Objections to the Recommended Order is attached as [Exhibit C](#). A copy of the Responses to Joint Exceptions and Objections to the Recommended Order is attached as [Exhibit D](#).

## **LEGAL**

### *Action*

#### **3. Recommendation**

- a) Staff recommends that the Board reject the Conclusions of Law of the Recommended Order and award funding to Douglas Gardens.

## MULTIFAMILY PROGRAMS

### *Action*

#### IV. MULTIFAMILY PROGRAMS

##### A. Request for Applications (RFA) 2015-113 for Housing Credit and SAIL Financing to Provide Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives

###### 1. Background/Present Situation

- a) On November 20, 2015, Florida Housing staff issued RFA 2015-113 offering an estimated \$2,185,789 of Housing Credits (HC), as well as \$2 million of State Apartment Incentive Loan (SAIL) funding, for affordable, multifamily rental housing that is part of a broader neighborhood or local community revitalization effort. The HC offered in this RFA represents 5 percent of the annual allocation of HC targeted to finance high-priority affordable housing developments, as authorized by section 420.507(48), F.S. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, December 17, 2015.
- b) Florida Housing received 13 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Kevin Tatreau, Director of Developmental Finance (Chair); Bill Cobb, Multifamily Programs Manager; Elizabeth O'Neill, Multifamily Programs Manager; Bill Aldinger, Assistant Policy Director; Karla Brown, Multifamily Programs Manager; Amy Garmon, Multifamily Programs Manager; Nancy Muller, Policy Director; 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.
- c) At its March 9, 2016 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Four B of the RFA.
- d) The RFA 2015-113 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.
- e) The Review Committee considered the following two (2) motions:
  - (1) A motion to adopt the scoring results, as set out on Exhibit A; and
  - (2) A motion to tentatively select the Applications set out on [Exhibit B](#) for funding and invite the Applicants to enter credit underwriting.
- f) Both of the motions were passed unanimously.
- g) 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, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting.

## MULTIFAMILY PROGRAMS

### *Action*

#### 2. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 13 Applications (as set out on Exhibit A) and authorize the tentative selection of the one (1) Application (set out on Exhibit B) for funding and invitation to enter credit underwriting. All Housing Credit and SAIL funding available under this RFA has been awarded.
- b) 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.
- c) 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

### *Action*

#### **B. Request for Applications (RFA) 2015-114 – Elderly Housing Community Loan**

##### **1. Background/Present Situation**

- a) On December 18, 2015, Florida Housing staff issued RFA 2015-114 offering an estimated \$1,800,000 of Elderly Housing Community Loan (EHCL) Program funding to Applicants proposing to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, January 28, 2016.
- b) Florida Housing received 1 Application in response to this RFA. The Review Committee members, designated by the Executive Director, were Elizabeth Thorp, Multifamily Programs Manager (Chair), Heather Boyd, Multifamily Programs Manager, and Karla Brown, Multifamily Programs Manager. 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.
- c) At its March 9, 2016 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Four B of the RFA.
- d) The submitted Application was found to be ineligible for funding. The All Applications spreadsheet (provided as [Exhibit C](#)) lists the ineligible Application.
- e) The Review Committee considered the following motion:
  - (1) A motion to adopt the scoring results, as set out on Exhibit C.
- f) The motion was passed unanimously.
- g) 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, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting.

##### **2. Recommendation**

- a) Approve the Committee's recommendation that the Board adopt the scoring results of the Application (set out on Exhibit C).
- b) A balance of \$1,800,000 remains. As provided in Section Four B of the RFA, any remaining funding will be distributed as approved by the Board.
- c) Though the RFA was written contemplating that all Applicants would have a first mortgage and must therefore provide certification evidencing that the first mortgagee has reviewed and approved the Applicant's intent to apply for the EHCL funding, there is no such requirement in Florida Statutes. Given that the Applicant indicated that there is no mortgage in the addenda section of the Application they submitted, and there is no requirement for EHCL Applicants to have a first mortgage in Florida Statutes, staff recommends that the Board authorize this Application for funding and invitation to credit underwriting.

## MULTIFAMILY PROGRAMS

### *Action*

- d) 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 C.
- e) 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.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

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

##### A. Request for Proposals (RFP) 2016-01, Website Design, Development and Hosting Services

###### 1. Background

- a) At the December 11, 2015 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure a firm that will redesign and host the Corporation's website.

###### 2. Present Situation

- a) Request for Proposals (RFP) 2016-01 was issued on Wednesday, January 6, 2016. The deadline for receipt of responses was 2:00 p.m., Tuesday, February 9, 2016. A copy of the RFP is provided as [Exhibit A](#).
- b) Four responses were received by the deadline from Fig Leaf Software, Inc.; RockOrange, LLC; SGS Technologie, LLC; and Technisource.
- c) Members of the review committee were David Hearn (Chairperson), Chief Information Officer; Cecka Green, Communications Director; Nathan Sinclair, Enterprise Applications Administrator; Susan Parks, Data Reporting Manager; and Zachary Wegman, Multimedia Design Specialist.
- d) Each member of the Review Committee individually reviewed the proposal submitted prior to convening for the Review Committee meeting which was held at 10:00 a.m., Tuesday, February 23, 2016.
- e) At the February 23<sup>rd</sup> meeting, the Review Committee members provided their final scores for the response 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 SGS Technologie, LLC. Should contract negotiations with SGS Technologie, LLC fail, the review committee recommends issuing a new solicitation for these services.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Request for Proposals (RFP) 2016-03, Lender Appreciation Awards Dinner, Venue and Lodging**

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

- a) At the December 11, 2015 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure the venue and lodging for the attendees of the 2017 Lender Appreciation Awards Dinner.

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

- a) Request for Proposals (RFP) 2016-01 was issued on Wednesday, January 6, 2016. The deadline for receipt of responses was 2:00 p.m., Tuesday, February 9, 2016. A copy of the RFP is provided as [Exhibit C](#).
- b) One response from the Marriott Orlando World Center was received; however, the proposal was deemed non-responsive for failure to include Florida Housing's mandatory certification statement as required in Section Five of the RFP. This certification requires respondents to agree to all of the conditions of the solicitation, certifies that the information in the response is true and correct, and provides assurance that the proposal is being signed by the respondent's authorized personnel.
- c) Upon subsequent analysis of the project, staff has determined that the direct financial impact of the procuring catering, lodging and the venue will likely be less than the \$35,000 competitive solicitation threshold.

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

- a) Staff recommends that the Board authorize staff to issue a Notice of No Responsive Bid for RFP 2016-01. Additionally, staff recommends that the Board authorize staff to move forward with a Request for Quote process, as opposed to another RFP, that complies with Ch. 67-49.002(1)(a), F.A.C., which outlines the Corporation's practices for purchases under the competitive solicitation threshold.