

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
December 4, 2020
Action Items



FISCAL

Action

I. FISCAL

A. 2021 Proposed Operating Budget

1. Background

- a) The Florida Housing Operating Budget is created with a conservative approach to both revenue and expenses.
- b) The 2021 budget was created using the following approach, as applicable:
 - a projection of fee revenue based on the current loan portfolio and a conservative estimate of 2021 activity. Sixteen new multifamily bond transactions were projected for 2021;
 - a projection of revenue from the administration of federal programs;
 - a projection of investment earnings based on input from investment managers;
 - a zero-based budget model for operating expenses, exclusive of salaries and benefits; the 2021 projected work plan for operational units determines the initial expense budget request from each work unit;
 - employee benefits information based on final quotes for insurance.
- c) Upon implementation of the 2021 Operating Budget, Florida Housing will closely monitor all revenues and expenses. Florida Housing will pay special attention to discretionary line items, such as staff development travel and outreach travel, which will be controlled at the executive level. With these measures in place to control expenditures, Florida Housing expects to maintain a positive trend of revenues exceeding expenses.

2. Present Situation

- a) The Proposed Operating Budget for 2021 is provided to the Board as [Exhibit A](#).
- b) An Account Guide describing the budget categories is included with the Proposed 2021 Operating Budget.

3. Recommendation

- a) Staff recommends approval of the 2021 Operating Budget.

MULTIFAMILY PROGRAMS

Action

I. MULTIFAMILY PROGRAMS

A. RFA 2020-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties

1. Background

- a) On August 26, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-202 offering \$18,669,520 in 9% Housing Credits for proposed Developments located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, October 20, 2020.

2. Present Situation

- a) Florida Housing received 35 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Rachael Grice, Multifamily Programs Coordinator (Chair), Heather Strickland, Multifamily Programs Coordinator, and Tracy Willis, Quality Assurance Credit Underwriter 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 November 17, 2020 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. The individual scores are set forth on the RFA webpage and can be accessed [here](#).
- c) The RFA 2020-202 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 for the Review Committee to approve the scoring results as set out on Exhibit A and recommendations for funding as set out on [Exhibit B](#);
 - (2) A motion to recommend that the Board approve the scoring results as set out on Exhibit A and recommendations for funding as set out on Exhibit B.
- e) The motions passed unanimously.

MULTIFAMILY PROGRAMS

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3. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 35 Applications (set out on Exhibit A) and authorize the tentative selection of the 8 Applications (set out on Exhibit B) for funding.
- 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 Application set out on the 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.
- d) There is an unallocated balance of \$591,620 of 9% Housing Credits remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS

Action

B. RFA 2020-204 Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments

1. Background

- a) On September 3, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-204 offering \$8,275,500 in 9% Housing Credits for the preservation of existing affordable multifamily housing developments.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, October 22, 2020.

2. Present Situation

- a) Florida Housing received 18 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Rebecca Sheffield, Multifamily Programs Coordinator (Chair), Mitch Englert, Multifamily Programs Manager, and Heather Strickland, Multifamily Programs Coordinator. 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 November 17, 2020 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. The individual scores are set forth on the RFA webpage and can be accessed [here](#).
- c) The RFA 2020-204 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 for the Review Committee to approve the scoring results as set out on Exhibit C and recommendations for funding as set out on [Exhibit D](#):
 - (2) A motion to recommend that the Board approve the scoring results as set out on Exhibit C and recommendations for funding as set out on Exhibit D.
- e) The motions passed unanimously.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 18 Applications (set out on Exhibit C) and authorize the tentative selection of the 6 Applications (set out on Exhibit D) for funding.

MULTIFAMILY PROGRAMS

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- 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 Application set out on the Exhibit D.
- 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.
- d) There is an unallocated balance of \$126,841 in 9% Housing Credits remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS

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C. 2021 Rule Development

1. Background/Present Situation

- a) Staff would like to begin the rule development process by scheduling a rule development workshop to solicit comments concerning Rule Chapters 67-21 Non-Competitive Affordable Multifamily Rental Housing Programs, 67-48 Competitive Affordable Multifamily Rental Housing Programs and the Qualified Allocation Plan (QAP) which is incorporated by reference in Rule Chapter 67-48, and 67-58 Community Workforce Housing Innovation Pilot Program, F.A.C.

2. Recommendation

- a) Authorize staff to proceed with the 2021 rule development process.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for the Affordable Housing Locator Subscription Services

1. Background

- a) In August 2005 and May 2008, Florida Housing's Board of Directors authorized staff to carry out a solicitation process to select an entity to develop and maintain a web-based housing Locator to help Floridians conduct searches for available rental housing financed by Florida Housing. The goal was to create an adaptable system to enable the eventual inclusion of any affordable rental unit statewide that met Florida Housing's inclusion standards (for example, units that serve households at or below 140% of area median income).
- b) At the conclusion of both solicitations, the Board authorized staff to enter into contract negotiations with SocialServe.com. The Locator services, including the web-based search engine (www.floridahousingsearch.org) and a staffed call center, launched in October 2006.
- c) At the December 2013 meeting, the Board authorized a single source procurement to purchase housing Locator services directly from Non-Profit Industries d/b/a SocialServe.com, with a contract term of up to three years.
- d) In August 2015, Emphasys Computer Solutions, Inc. acquired the technology assets of Non-Profit Industries d/b/a SocialServe.com. The Locator continues to be managed by the same staff in the same manner as it was before this transition.
- e) In annual meetings since 2016, the Board has authorized a single source procurement to purchase housing Locator services directly from Emphasys Computer Solutions, Inc., for a period of one year.
- f) In the last four years, Florida Housing has also utilized the Locator's on-line and call center services to assist households, displaced by Hurricane Irma, Maria, Michael, or Sally, find short and long-term rental housing.

2. Present Situation

- a) On March 24, 2021, the term for Florida Housing's current contract with Emphasys Computer Solutions, Inc., will expire.
- b) The Locator service has been very successful. It is well-respected for being a very user-friendly service that allows people to locate available housing that best fits their individual and family needs. Throughout the past decade, Florida Housing has never received a complaint about the Locator or attendant call center services.
- c) Florida Housing staff continues to be very satisfied with the Locator's growth in use by consumers and landlords, as well as the provision of services by Emphasys to consumers who may need help with the site, advocates for consumers, landlords and Florida Housing itself. With the end of the current contract approaching, the staff has been researching prospective vendors that

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may be qualified and interested in applying to manage the Locator services with the same capacity and quality as the current Locator service.

- d) The services are widely used by supportive services agencies, homeless coalitions and legislators' staffs in their efforts to assist Floridians find affordable and available rental housing that meets their needs. The on-line and call center services are ADA certified for use by persons with disabilities. Individuals can access the information online, in many languages, 24 hours a day. In 2020, the Locator services platform was updated to better accommodate searches conducted on mobile devices, making this more user friendly as individuals can now better access this tool using cell phones. They can easily search for available rental housing using a wide variety of search criteria with special mapping features and receive apartment listings that provide a variety of important information about each unit. In addition, the site connects people to other housing and community resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.
- e) The toll-free call center is staffed by specialists who are trained to work with both the public and landlords, with bilingual capacity to assist Spanish-speaking persons. The call center vendor is a non-profit organization that strives to train and hire persons with disabilities, formerly homeless individuals, and those with other special needs. Many of the call center specialists have had experiences similar to the consumers they are now assisting to find housing. Florida Housing has not found any other rental housing locator businesses that provide the call center services. These call center services have been instrumental when households need additional assistance searching for a home. The call center's capacity to quickly identify available rental housing for displaced households has also been extremely useful after a disaster.
- f) There are nearly 235,000 units now registered in the Locator's database. The services listed below that Florida Housing obtains from Emphasys cannot be replicated by any other vendor in the market:
- Assisting landlords to manage listings by helping to register units, monitoring for accuracy and helping them keep the listings current. It is not an "inventory style" listings like other services; it is real-time availability that is typically not offered through other housing locators and is critical to State disaster response needs as well as for locating available properties in a time-sensitive/time-critical manner. Listings are required to be updated every 10 to 28 business days;
 - Screening properties for listing accuracy and Fair Housing violations and removing those in non-compliance;
 - Backing up its online services with a bilingual toll-free call center comprised of housing-specific trained customer service specialists who help tenants locate housing, help landlords initially register and regularly update listings, and support families displaced as a result of natural disasters and economic situations;
 - Conducting rental housing searches for households that do not have access to the internet;

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- In addition to customer specialists at the call center, providing professionally trained case managers who assist households with special needs and/or are in crisis to search for temporary and permanent housing that meets their immediate and/or long-term needs;
 - Contacting and working with households directly upon request by staff from Florida Housing, State agencies and Legislators' offices; and
 - Assisting state and local emergency management systems in helping displaced households find housing local, regional and statewide. A component of disaster services is to update available housing stock in its database on a 24/7 basis and conduct ongoing searches for additional housing units and options.
- g) As a result of our research, and after consideration of the standards Florida Housing expects for a Housing Locator service and the available vendor options, Florida Housing's staff believes that Emphasys continues to be the only vendor with the capacity, qualifications and experience to maintain the level of service that Florida Housing and the State of Florida relies on and has come to expect for Locator services.

3. **Recommendation**

- a) Staff believes that it is in the best interest of Florida Housing to continue with these services and proceed with a new one-year contract. Staff requests authorization to enter negotiations for a single source contract with Emphasys Computer Solutions, Inc., for this purpose.

PROFESSIONAL SERVICES SELECTION (PSS)

Action Supplement

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Competitive Solicitation for an Enterprise Payroll/Human Resources System

1. Background

- a) At the October 10, 2015 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with Paychex, Inc., to provide an Enterprise Payroll/Human Resources System.

2. Present Situation

- a) The current contract with Paychex, Inc., for these services is set to expire on February 23, 2021 and there are no renewal options available.
- b) Upon conducting some initial market research, Staff believed that the total cost of a new agreement would be less than the competitive bid threshold and issued Request for Quote 2020-07 on August 27, 2020. Three responses were received from Paychex, Inc.; Paycom Payroll, LLC; and Paylocity Corporation. Staff, in consultation with the Executive Director, determined that entering into a new agreement with Paychex represented the best value to the Corporation.
- c) Contract negotiations were made in good faith over the course of the past several months; however, on December 2, Paychex's legal counsel would not agree to permit three statutorily-mandated clauses be included in the final contract.

3. Recommendation

- a) Responses from the other two firms indicated that implementation fees to move to a new platform will likely cause a resulting contract to rise above the competitive procurement threshold. Staff requests that the Board authorize a competitive solicitation be issued to procure a new Payroll/Human Resources System.