

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**July 17, 2020**  
**Action Items**



# CORONAVIRUS RELIEF FUND

## *Action*

### I. CORONAVIRUS RELIEF FUND

#### A. Request Approval for Program Development, Proposed Allocation of Funds, Issuance of Invitations to Participate and Other Necessary Actions for Funding through the Coronavirus Aid, Relief and Economic Security Act Coronavirus Relief Funds

##### 1. Background

- a) The State of Florida has been awarded funding through the Coronavirus Aid, Relief and Economic Security (CARES Act) Coronavirus Relief Funds (CRF). Governor DeSantis announced \$250 million in CARES Act funding for rental and mortgage assistance for Florida families that have been negatively impacted by the COVID-19 pandemic. These initiatives include three funding pools: 1) \$120 million to provide rental assistance for residents in Florida Housing funded developments, 2) \$120 million to provide rent and mortgage assistance administered by State Housing Initiatives Partnership (SHIP) jurisdictions, and 3) \$2 million to provide operations assistance for special needs developments. \$8 million has been provided for administrative costs. All funds must be expended by December 30, 2020.

##### 2. Present Situation

- a) Owners of Florida Housing funded developments will complete an Invitation to Participate and will be required to enter into a funding agreement with Florida Housing. Once the funding agreement is executed and expenditure documentation is reviewed, development owners will receive disbursements of CRF funds. An outline of the program requirements for the \$120 million of rental assistance for residents in Florida Housing funded developments is attached as [Exhibit A](#).
- b) Staff has developed a proposed methodology to allocate the initial payment of \$75 million to the SHIP jurisdictions, attached as [Exhibit B](#) (which will be provided prior to the Board Meeting). Each local government will be required to enter into a funding agreement with Florida Housing. The funding agreement will detail all of the program requirements for administering the funds. Once the funding agreement is executed, the local government will be eligible to receive the first disbursement of CRF funds pending the funds being available to Florida Housing. Allocation of the remaining \$45 million will be presented to the Board at the September meeting.
- c) Owners of Florida Housing funded Special Needs Developments will receive a one-time allocation of funds to assist with past and future costs related to additional staffing, security and supplies directly related to COVID-19 in serving special needs and homeless households residing in the supportive housing developments. The allocation will be based on each development's total number of units. Once a funding agreement is executed, owners will be eligible to receive funds. Florida Housing financed Special Needs Housing developments are struggling to continue paying for the additional expenses to help keep their residents healthy and safe during this pandemic and need immediate financial assistance for maintaining sufficient COVID-19 safety practices. An advance of funds to these developments will put needed resources into these developments most quickly. In order to stay in compliance with Treasury's requirements for adequate supporting documentation for all

## CORONAVIRUS RELIEF FUND

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expended funds, the most efficient process is to advance funds from Florida Housing's unrestricted net position to these developments. As supporting documentation for funds expended is received from the developments and reviewed by staff, CRF funds will be drawn to reimburse Florida Housing for the advanced funds.

- d) Staff anticipates using the \$8 million allocated for administrative costs for credit underwriting, disbursement review and processing, compliance monitoring and technical assistance. Funds not used for administration, if any, would be added to the above programs.

### 3. **Recommendation**

- a) Staff recommends that the Board:
  - (1) Approve the administration of the CRF initiatives; the proposed methodology for the allocation of CRF funds to the eligible local governments as detailed in Exhibit B; and the transfer of funds not used to other initiatives; and
  - (2) Authorize staff to engage entities to assist Florida Housing with the administration of the CRF initiatives, work with development owners, local governments and U.S. Treasury, if necessary, subject to further approvals and conditions from counsel, the U.S. Treasury and the appropriate Florida Housing staff.
  - (3) Authorize the use of up to \$2 million in unrestricted net position to assist eligible Special Needs Developments with expenses directly related to the health and safety of residents during the COVID-19 health crisis. Upon review of documentation supporting the use of funds in accordance with U.S. Treasury guidelines, Florida Housing will draw on the CRF allocation to reimburse the unrestricted net position funds.

# FISCAL

## *Action*

### I. FISCAL

#### A. Fiscal Year 2020/2021 Trust Fund Allocation

##### 1. Background

- a) In most state fiscal years, Florida Housing Finance Corporation has been appropriated spending authority from state documentary stamp tax collections in the Housing Trust Funds. Section 420.507, Florida Statutes (F.S.), authorizes Florida Housing to expend such amounts advanced to further its mission. Of particular mention are the state programs provided for in Chapter 420, Part V, F.S., including the State Apartment Incentive Loan (SAIL) program. [Exhibit A](#) shows the historical allocation of funds.
- b) In some years the Legislature specifies where all funding appropriated to Florida Housing will be spent, while in other years, the Legislature appropriates some or all funding in a lump sum to the Corporation for Florida Housing to allocate to state programs. This allows Florida Housing to allocate funding across programs as warranted by real estate and financial markets and housing needs.

##### 2. Present Situation

- a) Governor DeSantis recently announced \$250 million in CARES Act funding primarily for rental and mortgage assistance for Florida families that have been negatively impacted by the pandemic. The initiatives include three funding pools totaling \$242 million of which \$120 million will be provided in short-term rental assistance for COVID-19 impacted households residing at multifamily rental properties in Florida Housing's portfolio. A one-time allocation of \$2 million will also be provided to assist with past and future costs related to additional staffing, security and supplies directly related to COVID-19 in serving special needs and homeless households residing in Florida Housing financed supportive housing developments.
- b) In HB 1339, which took effect July 1, the legislature revised s. 420.5095, F.S. to establish the Community Workforce Housing Loan Program. Under this program, Florida Housing would utilize an RFA process similar to SAIL to provide loans for the construction of housing for households whose income does not exceed 80 percent of the area median income (120 percent of area median income in areas of critical state concern), adjusted for household size.
- c) For the state Fiscal Year beginning July 2020, the General Appropriations bill includes a \$115 million appropriation from the State Housing Trust Fund for "Affordable Housing Programs."
- d) The Legislature made a specific program designation through budget proviso that ten percent of this amount, \$11.5 million, be used to provide grants for housing for persons with Developmental Disabilities.
- e) The remaining \$103.5 million is available for allocation by the Board.

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- f) Staff recommends the following allocations:
- (1) Florida Housing Data Clearinghouse – Up to \$325,000 – Founded in 2000 with support from Florida Housing’s Board of Directors, the Clearinghouse provides a free, web-based portal for data and reports on demographics, housing need and supply across local communities and at the state level throughout Florida. [Exhibit B](#) provides more background on the Clearinghouse. The Clearinghouse is managed by the Shimberg Center for Housing Studies at the University of Florida and is heavily used by local planners, state policymakers, non-profit organizations, grant writers and reporters seeking information about Florida’s affordable housing needs. Florida Housing regularly uses Clearinghouse data to assist in policy decisions and relies on Clearinghouse staff to run special reports as needed for this purpose (e.g., impacts from Hurricane Michael or COVID-19). The scope of the annual work to keep the Clearinghouse operating is detailed in a contract with the Center. Note that additional support from other sources provided by the Shimberg Center also pays for Clearinghouse activities.
  - (2) Catalyst Program– up to \$250,000 – The Catalyst Program provides community based organizations and local governments with technical assistance to meet affordable housing needs. This assistance includes training on the development of affordable housing programs, public/private partnerships, local housing assistance plans and regulatory reforms. Florida Housing contracts with the Florida Housing Coalition for these services. For the last several years, this program was funded from the SHIP appropriation, however, that line item was vetoed in the 2020/2021 state budget. Additionally, HB 1339, signed by the Governor in June, created a requirement for the Catalyst Program provider to hold biannual regional workshops for local officials serving on affordable housing advisory committees and to submit an annual report. The CARES act funding also includes \$200,000 for technical assistance under the Rent and Mortgage Assistance strategy, which will be provided in 2020. With the veto of the SHIP funding and the priority placed on the CARES funding, the scope of services and deliverables for the remainder of the contract period are still under discussion. The amount listed is an estimated maximum amount; the actual amount will be determined when the contracted deliverables are finalized.
  - (3) Community Workforce Housing Loan Program - \$15,000,000 – This loan program will be similar to prior workforce RFAs that were funded from legislative proviso appropriations and other sources of funding designated by the Board, yet also contains some additional requirements not previously implemented in those RFAs. Additionally, while we believe COVID-19 will impact rental developments as unemployment has spiked, the degree and duration of such impact are unknown. Accordingly, this funding amount is consistent with the workforce funding in the 2019/2020 RFAs.

## **FISCAL**

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- (4) SAIL – \$87,925,000 – The overall physical occupancy rate for Florida Housing's rental portfolio was 97.1 percent at the end of 2019, higher than the state occupancy rate for all rental properties in Florida. This represents nearly full occupancy, as there is always some unit turnover. While we believe COVID-19 will impact rental developments as unemployment has spiked, the degree and duration of such impact are unknown. Allocating these funds to the SAIL program ensures that Florida Housing continues to respond to the strong demand for affordable rental housing.

### **3. Recommendation**

- a) Staff recommends that the Board approve the allocation of the Fiscal Year 2020-2021 discretionary appropriation from the State Housing Trust Fund as follows:
  - (1) For the Florida Housing Data Clearinghouse, up to \$325,000, with any funds not used for the Data Clearinghouse going to the SAIL program.
  - (2) For the Catalyst Program, up to \$250,000, with any funds not used for Catalyst going to the SAIL program.
  - (3) For the Community Workforce Housing Loan Program, \$15,000,000, with any funds not used for this program going to the SAIL program.
  - (4) For the SAIL Program, \$87,925,000, or the remaining appropriation available after funding the Data Clearinghouse, the Catalyst Program, and the Community Workforce Housing Loan Program.

## LEGAL

### *Action*

#### I. LEGAL

- A. **HTG Addison II, LLC vs. Florida Housing Finance Corporation (Respondent) Tranquility at Milton, LLC and Westside Phase I, LLLP (Intervenors); FHFC Case No.: 2020-020BP, DOAH Case No.: 20-1770BID**

**Rochester Park, Ltd., vs. Florida Housing Finance Corporation (Respondent) and HTG Edgewood, Ltd., (Intervenor); FHFC Case No.: 2020-015BP, DOAH Case No.: 20-1778BID**

**Madison Square, LLC, and ARC 2019, LLC vs. Florida Housing Finance Corporation (Respondent) and Diplomat South, LLC (Intervenor); FHFC Case No.: 2020-017BP, DOAH Case No.: 20-1779BID**

**Madison Oaks East, LLC, and ARC 2019, LLC, vs. Florida Housing Finance Corporation (Respondent) and Retreat at Cocoa Commons, LLC and Tranquility at Milton, LLC (Intervenors); FHFC Case No.: 2020-018BP, DOAH Case No.: 20-1780BID**

##### 1. Background

- a) This case regards protests filed in Request for Applications 2019-113 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties (the “RFA”). Through the ranking and selection process outlined in the RFA, Westside Phase I, LLLP (“Westside”), HTG Edgewood, Ltd. (“HTG Edgewood”), Diplomat South, LLC (“Diplomat South”), and Tranquility at Milton, LLC (“Tranquility”) and other applicants were preliminarily selected for funding.
- b) HTG Addison II, LLC (“HTG Addison”), Rochester Park, Ltd. (“Rochester Park”), Madison Square, LLC and ARC 2019, LLC (“Madison Square”), Madison Oaks East, LLC and ARC 2019, LLC (“Madison Oaks”), Turnstone Eustis, LP (“Turnstone”), Tranquility, and Meadowlark Court, Ltd. (“Meadowlark”) timely filed notices of intent to protest and formal written protests challenging the scoring process in the RFA. The seven petitions were referred to the Division of Administrative Hearings (“DOAH”) and consolidated. Turnstone, Tranquility, and Meadowlark Court voluntarily dismissed their respective petitions prior to hearing. Westside, HTG Edgewood, Diplomat South, and Retreat at Cocoa Commons, LLC (“Cocoa Commons”) filed notices of appearance as specifically named persons. Prior to hearing, the pertinent parties stipulated to the ineligibility of HTG Edgewood and Diplomat South.
- c) On May 8, 2020, the final hearing was conducted via Zoom Conference before Darren A. Schwartz, Administrative Law Judge (“ALJ”) with DOAH. At hearing, Madison Oaks argued that Tranquility should be ineligible because Tranquility failed to correctly complete its Principals Disclosure Form. Tranquility alleged that Madison Oaks was ineligible for failing to include a relevant agreement to demonstrate site control. HTG Addison argued that Westside should not have been selected for the Local Community Revitalization Initiative Goal (“Revitalization Goal”).

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#### 2. Present Situation

- a) On June 19, 2020, the ALJ issued a Recommended Order, attached as [Exhibit A](#), finding that the failure of Tranquility to identify a disclosed Principal's additional role is a waivable minor irregularity, at most. The ALJ also found that HTG Addison failed to demonstrate that Florida Housing's proposed action selecting Westside for the Revitalization Goal was contrary to governing statutes, rules, the RFA specifications, or clearly erroneous, contrary to competition, arbitrary, or capricious. Additionally, the ALJ found that Madison Oaks substantially deviated from the requirements of the RFA and is ineligible for failing to submit a relevant agreement with its site control documentation. The ALJ recommended that Florida Housing enter a final order 1) dismissing the protests of HTG Addison and Madison Oaks; 2) finding that the HTG Edgewood, Diplomat, and Madison Oaks applications are ineligible for funding; and 3) finding the Rochester, Madison Square, Tranquility, and Westside applications eligible for funding.
- b) No exceptions were filed to the Recommended Order.

#### 3. Recommendation

- a) Staff recommends that the Board issue a Final Order adopting the Findings of Fact, Conclusions of Law, and Recommendation of the Recommended Order.

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#### **B. BDG Parkwood Lofts, LP v. Christian Manor Restoration, LLC, Waterview Preserve, LLC, and Florida Housing Finance Corporation, DOAH Case No. 20-1766BID, FHFC Case No. 2020-021BP**

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

- a) This case regards Request for Applications 2019-116, “SAIL Financing for Development of Affordable Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits (the “RFA”). Petitioner and Respondents all submitted applications in response to the RFA. On March 6, 2020, Florida Housing posted notice of its intended decision to award funding to several applicants, including Christian Manor. The Board found that Parkwood Lofts and Waterview Preserve satisfied all mandatory and eligibility requirements but were not awarded funding based upon the ranking criteria in the RFA.
- b) Petitioner filed a notice of intent to protest and formal written protest as required by section 120.57(3), Florida Statutes, challenging the Corporation’s scoring and ranking of Applicants for funding under the RFA. Florida Housing referred the petition to the Division of Administrative Hearings for a formal hearing, along with several other petitions that were ultimately dismissed voluntarily. Christian Manor and Waterview Preserve filed Notices of Appearance and were designated as Respondents by the Administrative Law Judge (“ALJ”).
- c) The central issue here is whether Florida Housing’s decision to award funding under the RFA was contrary to the agency’s governing statutes, the agency’s rules or policies, or the solicitation specifications. More specifically, the issue is whether Florida Housing’s determination that the applications of Christian Manor and Waterview Preserve were eligible. If both applications were determined to be ineligible, Parkwood Lofts would have been selected for funding instead of Christian Manor.
  - (1) Christian Manor
    - (a) Christian Manor identified a grocery store and a medical facility as community services and was awarded 5.5 Proximity Points for these services based on their distance from the proposed Development. It was stipulated that the names, addresses, and distances for these services were correct in the application, but the latitude and longitude coordinates were incorrect. Florida Housing took the position that these errors should be waived as minor irregularities.
  - (2) Waterview Preserve
    - (a) Waterview Preserve proposed to construct a Mid-rise 4 story building and provided a properly completed verification of zoning form from the local government. Parkwood Lofts alleged that Waterview Preserve had provided conflicting information to the local government, and also alleged that it was not possible to construct a 4-story building and still comply with local zoning codes. Florida Housing took the position that a properly completed zoning form would not be questioned absent evidence of fraud or illegality, and that since there is no requirement in the RFA for an applicant to include detailed design drawings or to prove that a proposed building could actually be

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constructed at the application stage, the application should be considered eligible.

- d) Parkwood Lofts also alleged that the proposed development would impact wetlands and thus not be able to qualify for National Housing Trust Fund (NHTF) money. Florida Housing took the position that the RFA did not require an applicant to demonstrate that it would be able to qualify for NHTF funding at the application stage, and also that there was no evidence that the proposed development would actually impact wetlands.

## 2. **Present Situation**

- a) A hearing was conducted on May 5, 2020, before Administrative Law Judge Hetal Desai. All parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the Administrative Law Judge issued a Recommended Order on June 19, 2020. The ALJ found that Christian Manor and Waterview Preserve had met all requirements in the RFA and recommended that they be found eligible and that the initial determination that Christian Manor be selected for funding should be upheld. A copy of the Recommended Order is attached as [Exhibit B](#).
- b) No Exceptions to the Recommended Order were filed by any party.
- c) Additionally, after the March 6, 2020 Notice of Intended Decision on this RFA, Applicant Metro Grande III, which was preliminarily recommended for funding in this RFA, accepted an invitation to enter credit underwriting in RFA 2019-103. Section Five of this RFA states that if an Applicant accepts an invitation to enter credit underwriting in a previous RFA after the Review Committee for this RFA, funding awarded in this RFA will be rescinded and considered Returned Funding. Under Section Five, returned funding shall be distributed as approved by the Board. The returned funding for Metro Grande III leaves a total of \$3,909,187 in Family Demographic Funding and \$2,957,089 in Elderly Demographic Funding remaining in this RFA.

## 3. **Recommendation**

- a) Staff recommends that the Board adopt the Findings of Fact, Conclusions of Law, and Recommendation of the Recommended Order.
- b) Staff further recommends that with the returned funding available, that the Board select Superior Manor Apartments III (2020-394S) for funding in accordance with the terms of the RFA, as it is the only remaining eligible Application that meets the geographic and demographic funding tests outlined in Section Five of the RFA. The Applications recommended to be selected for funding as a result of the Recommended Order and the Returned Funding are set forth in [Exhibit C](#).

## MULTIFAMILY PROGRAMS – ALLOCATIONS

### *Action*

#### I. MULTIFAMILY PROGRAMS – ALLOCATIONS

##### A. RFA 2020-104 SAIL Funding for Farmworker and Commercial Fishing Worker Housing

###### 1. Background

- a) On April 15, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-104 offering \$5,131,050 in SAIL financing for the new construction or acquisition and Substantial Rehabilitation of existing farmworker or commercial fishing worker housing that is currently in the Corporation's portfolio and/or the United States Department of Agriculture Rural Development (RD) portfolio.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, May 19, 2020.

###### 2. Present Situation

- a) Florida Housing received 2 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Joey Evans, Multifamily Programs Allocations Analyst (Chair), Diana Fields, Policy Administrator, Rachael Grice, Multifamily Programs Coordinator, Jade Grubbs, Multifamily Programs Administrator, Nancy Muller, Policy Specialist, 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 30, 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 2020-104 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 – ALLOCATIONS

### *Action*

- f) As outlined in the RFA, 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 2 Applications (set out on Exhibit A) and authorize the tentative selection of the 1 Application (set out on Exhibit B) for funding.
- b) There is an unallocated balance of \$1,131,050 remaining. As provided in Section Five, 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 the supplemental item.
- 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 – ALLOCATIONS

### *Action*

#### **B. RFA 2020-105 Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities**

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

- a) On April 13, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-105 offering \$3,000,000 in grant funding for small Permanent Supportive Housing Developments for housing for Persons with Developmental Disabilities as defined in Section 393.063, F.S.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, May 14, 2020.

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

- a) Florida Housing received 7 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Lisa Nickerson, Multifamily Programs Administrator (Chair), Tracy Banner, Policy Administrator, Sofia Edwards, Multifamily Programs Manager, Diana Fields, Policy Administrator, Elaine Roberts, Senior Supporting Housing Analyst, and Zach Summerlin, Assistant Policy Director/Supportive Housing 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 June 30, 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 2020-105 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:
- e) 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](#);
- f) 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.
- g) The motions passed unanimously.
- h) As outlined in the RFA, 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.

## MULTIFAMILY PROGRAMS – ALLOCATIONS

### *Action*

#### 3. **Recommendation**

- a) Approve the Committee’s recommendations that the Board adopt the scoring results of the 7 Applications (set out on Exhibit C) and authorize the tentative selection of the 5 Applications (set out on Exhibit D) for funding.
- b) There is an unallocated balance of \$869,750 funding remaining. As provided in Section Five, 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 the supplemental item.
- 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 – ALLOCATIONS

### *Action*

#### C. 2020-2021 Tentative Funding Amounts for Request for Applications (RFAs) for Multifamily Developments

##### **Background**

During the remainder of 2020 and first half of 2021, the Corporation expects to offer the following funding through various RFAs as set forth in a tentative 2020-2021 Funding Amounts/Timeline plan:

Estimated \$127,925,000 in State Apartment Incentive Loan (SAIL) Program funding comprised of \$87,925,000 from 2020 legislative appropriation, and \$40,000,000 in SAIL program income, split by the following demographic and geographic categories in accordance with the 2019 Rental Market Needs Study and Sec. 420.5087, Florida Statutes:

##### Demographic

5%	Farmworker/Commercial Fishing Worker
10%	Homeless Households
13%	Persons with Special Needs
25%	Elderly (10% of Elderly split set-aside for Elderly Housing Community Loan (EHCL) Program)
47%	Families

##### Geographic

10%	Small Counties
36%	Medium Counties
54%	Large Counties

Estimated \$11,500,000 for Developmental Disabilities (2020 legislative appropriation);

Estimated \$15,000,000 for Community Workforce Housing Loan Program Funding;

Estimated \$30,000,000 of HOME funding for small, rural Development;

Estimated \$10,000,000 of National Housing Trust Fund (NHTF) funding; and

Estimated \$61,300,000 in Housing Credit (HC) allocation (anticipated 2021 Annual Allocation of HC), split by the following demographic and geographic categories as set forth in accordance with the 2020 Qualified Allocation Plan.

##### Demographic

5%	High Priority as defined by the Board (Set forth in Exhibit E, referenced below)
5%	Persons with a Disabling Condition
15%	Preservation
85%	Non-Preservation, split by the following geographic areas:
3.1%	Small Counties
36.2%	Medium Counties (includes one Homeless Demographic Award)
60.7%	Large Counties (includes one Homeless Demographic Award)

##### **Present Situation**

The Tentative 2020-2021 Funding Amounts/Time Line plan, outlining the tentative timeframes for the various RFAs for which staff expects to hold workshops and issue through the remainder of 2020 and into the first half of 2021, with the estimated funding amounts reflected above is attached as [Exhibit E](#).

## MULTIFAMILY PROGRAMS – ALLOCATIONS

### *Action*

#### **Recommendation**

Authorize staff to proceed with the development of various RFAs for SAIL and HC funding, and authorize the Executive Director to establish a review committee for each RFA, as each RFA is issued, to make recommendations for award to the Board.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

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

##### A. Request for Qualifications (RFQ) 2020-01, Single Family Senior Manager, Single Family Co-Manager, Single Family Selling Group Member, and Multifamily Investment Banker Services Award

###### 1. Background

- a) At the December 13, 2019 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure pools of one or more qualified firms to provide Single Family Senior Manager, Single Family Co-Manager, Single Family Selling Group Member, and Multifamily Investment Banker Services.

###### 2. Present Situation

- a) RFQ 2020-01 was issued on April 13, 2020. The deadline for receipt of responses was 2:00 p.m., May 20, 2020. A copy of the RFQ and Addendum #1 is provided as [Exhibit A](#).
- b) Nine responsive responses were received from:
  - (1) AmeriVet Securities Inc.
  - (2) BofA Securities, Inc.
  - (3) Citigroup Global Market Inc.
  - (4) Janney Montgomery Scott LLC
  - (5) J.P. Morgan Securities, LLC
  - (6) Morgan Stanley & Co. LLC
  - (7) RBC Capital Markets LLC
  - (8) Robert W. Baird & Co. Incorporated
  - (9) Stern Brothers & Co.
- c) The review committee members, designated by the Executive Director, were Melanie Weathers, Senior Financial Administrator (Chair); Tamara Alford, Financial Manager; Michelle Connelly, Financial Manager; Jade Grubbs, Multifamily Programs Administrator; and Chip White, Single Family Programs Administrator (“Review Committee”).
- 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., June 11, 2020.
- e) At the June 11<sup>th</sup> meeting, the Review Committee members provided their final scores for the responses received. The score sheet is provided as [Exhibit B](#).

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- f) The Review Committee considered a motion to recommend the selection of the four highest scoring responses for the Single Family Senior Manager, the next highest scoring applicant as Single Family Co-Manager, and the remaining four responses to be part of the Single Family Selling Group. The motion also recommended selection of all nine eligible respondents as members of the Multifamily Investment Banker pool. The motion passed unanimously.

### 3. **Recommendation**

- a) The Review Committee recommends that the Board authorize Florida Housing to assign respondents to the following pools:
- (1) Single Family Senior Manager
    - (a) BofA Securities, Inc.
    - (b) Citigroup Global Market Inc.
    - (c) Morgan Stanley & Co. LLC
    - (d) RBC Capital Markets LLC
  - (2) Single Family Co-Manager
    - (a) J.P. Morgan Securities, LLC
  - (3) Single Family Selling Group
    - (a) AmeriVet Securities Inc.
    - (b) Janney Montgomery Scott LLC
    - (c) Robert W. Baird & Co. Incorporated
    - (d) Stern Brothers & Co.
  - (4) Multifamily Investment Banker
    - (a) AmeriVet Securities Inc.
    - (b) BofA Securities, Inc.
    - (c) Citigroup Global Market Inc.
    - (d) Janney Montgomery Scott LLC
    - (e) J.P. Morgan Securities, LLC
    - (f) Morgan Stanley & Co. LLC

**PROFESSIONAL SERVICES SELECTION (PSS)**

*Action*

- (g) RBC Capital Markets LLC
  - (h) Robert W. Baird & Co. Incorporated
  - (i) Stern Brothers & Co.
- b) Additionally, Staff recommends that the Board authorize a new procurement to expand the pools of eligible Single Family Co-Managers and Selling Group members, and Multifamily Investment Bankers.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Request for Proposals (RFP) 2020-03, To-Be-Announced (TBA) Program Administrator for the Homebuyer Loan Program Award**

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

- a) At the December 13, 2019 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure a TBA Program Administrator for the Homebuyer Loan Program.

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

- a) RFP 2020-03 was issued on March 10, 2020. The deadline for receipt of responses was 2:00 p.m., June 10, 2020. A copy of the RFQ and Addenda #1 - 4 is provided as [Exhibit C](#).
- b) Four responsive responses were received from:
  - (1) Citigroup Global Market Inc.
  - (2) Hilltop Securities, Inc.
  - (3) Lakeview Loan Servicing, LLC
  - (4) Raymond James & Associates, Inc.
- c) The review committee members, designated by the Executive Director, were Chip White, Single Family Programs Administrator (Chair); Tamara Alford, Financial Manager; and Sandy Smith, Single Family Programs 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 2:00 p.m., June 24, 2020.
- e) At the June 24<sup>th</sup> meeting, the Review Committee members provided their final scores for the responses received. The score sheet is provided as [Exhibit D](#).
- f) The Review Committee considered a motion to recommend that the Corporation enter into contract negotiations with the highest scoring respondent, Hilltop Securities, Inc. Should negotiations fail with Hilltop Securities, Inc., the committee recommends that the Corporation enter into negotiations with the second highest scoring respondent, Raymond James & Associates, Inc. The motion passed unanimously.

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

- a) The Review Committee recommends that the Board authorize Florida Housing to enter into contract negotiations with the highest scoring respondent, Hilltop Securities, Inc. Should those negotiations fail, the Committee recommends that the Board authorize Florida Housing to enter into negotiations with the second highest scoring respondent, Raymond James & Associates, Inc.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### C. Single Source Procurement for OnBase Licensing

##### 1. Background

- a) Florida Housing uses OnBase as its document management system. Hyland Software, Inc. is the developer of OnBase software. The August 2, 2019 Board package included an information item indicating that staff were renewing our OnBase licenses under the same terms and conditions as the prior year. At the January 23, 2020 meeting, the Board approved an upgrade to an enterprise license with increased functionality at an estimated cost of approximately \$60,000.
- b) This contract is a single source contract as Hyland is the only entity able to provide licensure for OnBase.

##### 2. Present Situation

- a) The licensing arrangement approved at the January 2020 meeting has not changed. The enterprise license for OnBase contains more robust functionality to better integrate OnBase with Florida Housing's multifamily line of business software, ProLink.
- b) The estimated upgrade cost of these services for a one-year period is higher than previously estimated, bringing the total cost of licensing to approximately \$65,700 for this year, an increase of \$5,700 over the estimated amount presented to the Board in January 2020.
- c) Staff believes that it is in the best interest of Florida Housing to continue with these upgraded services and proceed with an updated contract.

##### 3. Recommendation

- a) Staff recommends that the Board authorize staff to enter into negotiations for a single source contract with Hyland Software, Inc. for this purpose.