FLORIDA HOUSING FINANCE CORPORATION Board Meeting

April 30, 2021 Action Items



FISCAL

Action

I. FISCAL

A. Unrestricted Net Position Designations

1. Background

- a) For financial statement presentation purposes, Florida Housing's net position falls into two primary categories: Restricted and Unrestricted. Restricted net position is those assets on which constraints have been placed by law or external agreements or entities.
- b) Florida Housing's Board may "designate" net position within the Unrestricted Net Position balance for specific purposes. This designation means that the Board has directed the use of these assets for certain purposes.
- c) The designations may be modified by Board action at any time.
- d) There are currently three main categories of designations: demonstration and other initiatives; single family homebuyer loan program; and operating reserve.
- e) Examples of these designations by the Board have included:
 - (1) demonstration loan programs for such categories as victims of domestic violence and persons with special needs;
 - (2) allocation of funds to the SAIL program;
 - (3) all funds in the Single Family Escrow accounts for the single family homebuyer loan program. These accounts include cash, investments and loans remaining after bonds were fully defeased. Since these funds derive from the single family homebuyer loan program, they have historically been set aside for use within that program; and
 - (4) a housing credit servicing reserve (for future compliance monitoring fees) and budget stabilization. The amount of this designation currently provides for future compliance monitoring fees and approximately two years of operations.

- a) Staff is requesting the board approve the following general designations for presentation in the financial statements. The exact amounts for the 2020 financial statements are not final until closer to the end of the audit when the financial statements are prepared; however, estimates are provided.
- b) Single Family Homebuyer Loan Programs approximately \$3.7 million. This includes all funds in the single family escrow and related accounts.
- c) Dedicated Reserve for Operations approximately \$58.3 million. This designation includes a housing credit compliance monitoring reserve and operating budget stabilization.

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d) Demonstration and Other Initiatives – approximately 118.2 million. This includes funds for demonstration programs and to support other programs such as Multifamily Programs. This designation includes all net assets not designated for Single Family or Operations. Included in this projected balance is almost \$49.4 million that is committed to existing loans and to Requests for Applications.

- a) Staff recommends that the Board approve the designation categories of unrestricted net position as follows:
 - (1) Single Family Programs \$3.7 million
 - (2) Dedicated Reserve for Operations \$58.3 million
 - (3) Demonstration and Other Initiatives remaining balance, estimated to be \$118.2 million.

LEGAL

Action

I. LEGAL

A. Madison Landing II, LLC and ARC 2020, LLC and New South Residential, LLC v. Florida Housing Finance Corporation; FHFC Case No. 2020-072BP, DOAH Case No. 21-0145BID. HTG Madison Park, LTD v. Florida Housing Finance Corporation, FHFC Case No. 2020-073BP, DOAH Case No. 21-0147BID

1. Background

- a) This case regards protests filed in Request for Applications 2020-202, "Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties" (the "RFA"). Through the ranking and selection process outlined in the RFA, eight applicants were preliminarily selected for funding, including WRDG T4 Phase Two, L.P. ("WRDG"). Madison Landing II, LLC and HTG Madison Park, LTD were found eligible but were not selected for funding.
- b) Madison Landing timely filed a notice of intent to protest and a formal written protest challenging the eligibility of WRDG. Madison Park timely filed a notice of intent to protest and a formal written protest challenging the eligibility of WRDG and Madison Landing. The petitions were referred to the Division of Administrative Hearings and consolidated. Prior to the hearing, WRDG conceded that its application should have been found ineligible.

2. Present Situation

- a) The hearing was conducted on February 9, 2021 before Administrative Law Judge ("ALJ") Brittany O. Finkbeiner at the Division of Administrative Hearings in Tallahassee, Florida. The only disputed issue at hearing was Madison Park's contention that Madison Landing should have been found ineligible because one of the Principals of the Applicant had not been a legally formed entity as of the Application Deadline. After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on March 29. A copy of the Recommended Order is attached as Exhibit A. The ALJ recommended that Florida Housing enter a final order finding that WRDG was ineligible for funding, finding that Madison Landing was eligible for funding, and dismissing the petition of Madison Park.
- b) On April 8, Madison Park filed eight exceptions to the Recommended Order attached as Exhibit B. On April 15, Madison Landing and Florida Housing jointly filed responses to Madison Park's exceptions attached as Exhibit C.

3. Recommendation

a) Staff recommends that the Board reject Madison Park's exceptions, adopt the findings of Fact, Conclusions of Law, and Recommendation of the Recommended Order, and issue a Final Order consistent with same in this matter and awarding funding to Madison Landing under RFA 2020-202.

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Action Supplement

I. LEGAL

A. Fletcher Black II, LLC v. Florida Housing Finance Corporation, Pinnacle at Hammock Springs, LLC and Ability VNA, LLC; FHFC Case No. 2021-008BP, DOAH Case No. 21-0515BID

Madison Grove, LLC, ARC 2020, LLC and New South Residential, LLC v. Florida Housing Finance Corporation; FHFC Case No. 2021-020BP, DOAH Case No. 21-0516BID

Madison Oaks East, LLC, ARC 2020, LLC and New South Residential, LLC v. Florida Housing Finance Corporation; FHFC Case No. 2021-019BP, DOAH Case No. 21-0517BID

Madison Oaks West, LLC, ARC 2020, LLC and New South Residential, LLC v. Florida Housing Finance Corporation; FHFC Case No. 2021-018BP, DOAH Case No. 21-0518BID

Timshel Walton Housing, LLC v. Florida Housing Finance Corporation and RM FL XX Prime, LLC; FHFC Case No. 2021-010BP, DOAH Case No. 21-0520BID

1. Background

- a) This case regards protests filed in Request for Applications 2020-201, "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, thirteen applicants were preliminarily selected for funding, including Ability VNA, LLC ("Villages"), Pinnacle at Hammock Springs, LLC ("Pinnacle"), and RM FL XX Prime, LLC ("Rosemary Place"). Fletcher Black II, LLC ("Fletcher Black"), Madison Grove, LLC ("Madison Grove"), Madison Oaks East, LLC ("Madison Oaks East"), and Madison Oaks West, LLC ("Madison Oaks West"), and Timshel Walton Housing, LLC ("Timshel") were found eligible but were not selected for funding.
- b) Madison Grove, Madison Oaks East, and Madison Oaks West timely filed petitions challenging the eligibility of the Villages application and challenging the scoring of their respective applications as not meeting the requirements for the 2019-113 preference as outlined in the RFA. Timshel timely filed a petition challenging the eligibility of the Rosemary Place application as not meeting the requirements for site control. Fletcher Black timely filed a petition challenging the scoring of its application as not meeting the requirements for the Local Government Areas of Opportunity ("LGAO") designation and goal. Madison Palms, Ltd ("Madison Palms") timely filed a petition challenging the eligibility of Arbours at Crestview, LLC for site control issues.
- c) The petitions were referred to the Division of Administrative Hearings and consolidated. Prior to the hearing, Madison Palms voluntarily dismissed its petition. Additionally, Madison Grove, Madison Oaks East, and Madison Oaks West dropped its challenge to the eligibility of the Villages application.

2. Present Situation

a) The hearing was conducted as scheduled on March 10, 2021 via Zoom technology before Administrative Law Judge ("ALJ") Lisa Shearer Nelson at the Division of Administrative Hearings ("DOAH"). The parties agreed that Madison Grove, Madison Oaks East, and Madison Oaks West met the

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Action Supplement

requirements in the RFA for the 2019-113 preference and should be deemed eligible for such. At hearing, only two disputed issue remained: 1) whether Fletcher Black was eligible for the LGAO designation and goal, and 2) whether Rosemary Place met the requirements in the RFA for site control.

- b) At hearing, Fletcher Black argued that it met the requirements in the RFA for the LGAO designation and goal because it was the only application that Panama City intended to commit LGAO funding to. Florida Housing, Pinnacle, and Villages argued at hearing that two applications, Fletcher Black and Panama Manor, submitted forms from the same local jurisdiction, Panama City, in an amount that qualified for the LGAO designation and goal, therefore, pursuant to the terms of the RFA, both applications are ineligible for the LGAO designation and goal. Timshel argued that the site control documentation submitted by Rosemary Place was too uncertain to meet the requirements in the RFA and that the site control documentation describes the Development site as a Scattered Site development which was not disclosed. Florida Housing and Rosemary Place argued that the site control documentation met the requirements in the RFA.
- c) After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on April 14, 2021. A copy of the Recommended Order is attached as Exhibit A. The ALJ recommended that Florida Housing enter a final order finding that 1) Fletcher Black is eligible for the LGAO designation and awarding funding to Fletcher Black, subject to successful competition of credit underwriting; 2) finding that the decision to award funding to Rosemary Place was not clearly erroneous, and the error in the Rosemary Place application was a waivable, minor irregularity; and 3) Madison Oaks East, Madison Oaks West, and Madison Grove are eligible for the 2019-113 Preference, but are not selected for funding.
- d) On April 21, 2021, Pinnacle filed exceptions to the Recommended Order, but withdrew those exceptions on April 26, 2021. Thus, there are no exceptions to the Recommended Order for the Board to consider.
- e) Attached as <u>Exhibit B</u> is a spreadsheet listing the applications that will be invited to credit underwriting if the Board adopts the Recommendation of the Recommended Order.

3. Recommendation

a) Staff recommends that the Board adopt the findings of Fact, Conclusions of Law, and Recommendation of the Recommended Order, and issue a Final Order consistent with same in this matter.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

I. MULTIFAMILY PROGRAMS – ALLOCATIONS

A. RFA 2021-102 SAIL Financing For Smaller Permanent Supportive Housing Developments For Persons With Special Needs

1. Background

- a) On December 1, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-102 offering \$12,630,250 in SAIL funding to provide Permanent Supportive Housing for Persons with Special Needs as defined in Section 420.0004(13), F.S.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, March 11, 2021.

- a) Florida Housing received 5 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Ryan McKinless, Multifamily Programs Manager (Chair), Tracy Banner, Policy Administrator, Joey Evans, Multifamily Programs Allocations Analyst, Diana Fields, Policy Administrator, Elaine Roberts, Senior Supportive Housing Analyst, ad Rebecca Sheffield, 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 April 20, 2021 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.
- The RFA 2020-102 All Applications chart (provided as <u>Exhibit A</u>) 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

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 5 Applications and authorize the tentative selection of the 2 Applications (set out on Exhibit A) 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 Applications 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 the Applicants in the funding range.
- d) There is an unallocated balance of \$2,674,165 of SAIL funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

B. RFA 2021-103 Housing Credit And SAIL Financing To Develop Housing For Homeless Persons

1. Background

- a) On February 2, 2021, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-103 offering \$4,075,000 in Competitive Housing Credits and \$12,792,500 in SAIL for the development of housing for Homeless Households that also include a portion of units for Persons with Special Needs located in the Medium and Large Counties.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, March 10, 2021.

- a) Florida Housing received 9 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Elizabeth Crane, Multifamily Programs Manager (Chair), Mitch Englert, Multifamily Programs Manager, Diana Fields, Policy Administrator, Matt Jugenheimer, Development Finance Administrator, Elaine Roberts, Senior Supportive 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 April 20, 2021 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.
- The RFA 2020-103 All Applications chart (provided as <u>Exhibit C</u>) 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:
 - 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 <u>Exhibit D</u>;
 - (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.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 9 Applications (set out on Exhibit C) and authorize the tentative selection of the 2 Applications (set out on Exhibit D) 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 Applications 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 the Applicants in the funding range.
- d) There is no unallocated balance of Competitive Housing Credits and an unallocated balance of \$2,601,850 of SAIL funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

C. RFA 2021-106 Financing To Develop Housing For Persons With Disabling Conditions/ Developmental Disabilities

1. Background

- a) On February 9, 2021, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-106 offering \$3,065,000 in Competitive Housing Credits, \$4,600,000 in Grant funding, and \$4,000,000 in SAIL for 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 Households; or (ii) Persons with Developmental Disabilities.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, March 16, 2021.

- a) Florida Housing received 2 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Matt Jugenheimer, Development Finance Administrator, (Chair), Diana Fields, Policy Administrator, Rachael Grice, Multifamily Programs Coordinator, Cori MacDougall, Multifamily Programs Manager, Elaine Roberts, Senior Supportive 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 April 21, 2021 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.
- The RFA 2020-106 All Applications chart (provided as <u>Exhibit E</u>) 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 E and recommendations for funding as set out on Exhibit F:
 - (2) A motion to recommend that the Board approve the scoring results as set out on Exhibit E and recommendations for funding as set out on Exhibit F.
- e) The motions passed unanimously.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Action

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 2 Applications (set out on Exhibit E) and authorize the tentative selection of the 1 Application (set out on Exhibit F) 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 Applications set out on the Exhibit F.
- 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 the Applicants in the funding range.
- d) There is an unallocated balance of \$183,000 of Competitive Housing Credits, \$4,600,000 in Grant funding, and \$0 of SAIL funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

Action

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Procurements for Commodities and Professional Services Needed for the Homeowner Assistance Fund (HAF) Program

1. Background/Present Situation

- a) The American Rescue Plan Act of 2021 was signed into law by President Biden on March 11, 2021. The Act includes almost \$10 billion in assistance to help eligible COVID-19 impacted homeowner households with mortgage payments, homeowner's insurance, flood insurance, mortgage insurance, utilities, including electric, gas and water, internet service, homeowner's association fees, condominium association fees or common charges and other assistance to promote housing stability for homeowners. The Homeowner Assistance Fund Program was formally announced by the U.S. Treasury on April 14, 2021, and Florida has been allocated \$676,102,379. Governor DeSantis selected the Department of Economic Opportunity (DEO) to administer HAF and DEO has stated that it is their intention to award funding to Florida Housing for the operation of the program.
- b) In order to successfully implement this program, Florida Housing will need to be prepared to quickly procure the following types of commodities and services:
 - (1) Local Housing Counseling Agencies and/or other local partners to work with applicants:
 - (2) Software to manage applications and securely store client data;
 - (3) Program Managers/Consultants to assist Florida Housing and local partners with running the Program in accordance with Federal guidelines;
 - (4) Data and information companies to assist with targeting resources and running required reports; and
 - (5) Possible other commodities and services needed to manage this program efficiently and effectively in accordance with guidance provided at the Federal level.

2. Recommendation

a) Authorize staff to proceed with the necessary procurements needed to implement the HAF Program.

Action

B. Contract Renewals for Environmental Engineering/Consulting Services

1. Background

- a) At the May 4, 2018 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with Arcadis U.S., Inc.; GGI, LLC d/b/a Genesis Group; and Professional Services Industries, Inc.
- b) Current contract information is as follows:

Contract Number	Vendor	Initial Term	Current
		Start Date	Expiration Date
010-2018	Arcadis U.S., Inc.	8/12/2018	8/11/2021
	Halff Associates, Inc., f/k/a		
011-2018	GGI, LLC d/b/a Genesis Group ¹	8/22/2018	8/21/2021
	Professional Services Industries,		
012-2018	Inc.	8/12/2018	8/11/2021

c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed for an additional three-year period.

2. <u>Present Situation</u>

 a) Florida Housing staff supports using the three-year renewal option for all three contracts.

3. Recommendation

a) Staff recommends the Board direct staff to proceed with the three-year renewal option for all three contracts.

April 30, 2021

¹ Halff Associates, Inc., acquired GGI, LLC. This contract was assigned in January 2020 with staff approval.

Action

C. 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 State Apartment Incentive Loan (SAIL) Program, and other affordable housing programs, including the Hurricane Housing Recovery Program (HHRP). 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, HHRP, HOME, SAIL 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 and HHRP programs.
- 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.

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

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- (5) Regional Clinics.
- b) Rule 67-49.0032, F.A.C. (2020), 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 current contract for these services with the Florida Housing Coalition, Inc. expires on July 19. 2021. Florida Housing has a continuing need for these services, and as of press time, the Legislature supports 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.

Action

D. Rule Development for Chapter 67-49, F.A.C.

1. Background/Present Situation

a) Staff would like to begin the process to update and amend the Corporation's Rule regarding the Procurement of Commodities or Contractual Services.

2. Recommendation

a) Authorize staff to proceed with the rule development process for Chapter 67-49, F.A.C.