

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**August 2, 2019**  
**Action Items**



# HOMEOWNERSHIP PROGRAMS

## *Action*

### I. HOMEOWNERSHIP PROGRAMS

#### A. Request Permission to Issue a Competitive Solicitations for the 2019 Injured Veterans Appropriation Program

##### 1. Background/Present Situation

- a) As part of the FY 2019-2020 budget, \$1,000,000 was appropriated to Florida Housing “to provide grants to nonprofit organizations that build, modify, maintain, transfer, and enhance homes to and for Florida veterans. Eligible organizations must agree to provide a minimum of 15 homes to injured veterans, the family members of injured veterans, and Gold Star families. Homes may be modified, renovated, or new construction.”
- b) Staff held a public workshop on July 17, 2019 and received valuable comments and suggestions from several nonprofit organizations throughout Florida. Staff will continue to solicit input from interested parties in developing competitive solicitations necessary to expend the funds.

##### 2. Recommendation

- a) Authorize staff to proceed with any competitive solicitations necessary to award funding for the 2019 Injured Veterans Appropriation program.

## LEGAL

### *Action*

## II. LEGAL

### A. HTG Oak Valley, LLC, vs. Florida Housing Finance Corporation and Harmony Pinewood, LLC; and Norton Commons, Ltd. (Intervenors); FHFC Case No.: 2019-032BP, DOAH Case No.: 19-2275BID

#### Fountains at Kings Pointe Limited Partnership vs. Florida Housing Finance Corporation; FHFC Case No.: 2019-034BP, DOAH Case No.: 19-2276BID

##### 1. Background

- a) This case regards protests filed in Request for Applications 2018-110 Housing Credit Financing for Affordable Housing Developments Located in Medium Counties (the “RFA”). Through the ranking and selection process outlined in the RFA, ten applicants were preliminarily selected for funding.
- b) HTG Gulf, LLC, (“HTG Gulf”) HTG Spring, LLC, (“HTG Spring”), HTG Oak Valley, LLC (“HTG Oak Valley”), and Fountains at Kings Pointe Limited Partnership (“Fountains”) timely filed notices of intent to protest and formal written protests challenging the scoring process in the RFA. The petitions were referred to the Division of Administrative Hearings and consolidated. HTG Oak Valley, Fountains, Norton Commons, Ltd. (“Norton Commons”), Deer Creek Senior Housing, LLLP, Blue SW 26 Street, LLC timely filed notices of appearance. Harmony Pinewood, LLC (“Harmony Pinewood”) filed a notice of appearance/motion to intervene which, despite being untimely, was granted with limitations. Prior to hearing, HTG Gulf and HTG Spring voluntarily dismissed its petitions.
- c) This matter was consolidated for purposes of hearing with The Vistas at Fountainhead Limited Partnership v. Florida Housing Finance Corporation and Winchester Place, Ltd., FHFC Case No. 2019-030BP, DOAH Case No. 19-2328BID. Prior to hearing, HTG Spring and Harrison Parc, Ltd. stipulated to the ineligibility of their respective applications. The hearing was held as scheduled on June 3 and 4, 2019.
- d) After hearing, Norton Commons and HTG Oak Valley filed a joint notice dismissing Norton Common’s challenge to HTG Oak Valley’s medical facility and dismissing HTG Oak Valley’s challenge to Norton Common’s principal disclosure form.
- e) Two issues remain: 1) Harmony Pinewood’s proximity points for its grocery store; and 2) the amount of equity to be paid prior to construction completion in Fountains’ equity proposal.
- f) At hearing, Florida Housing took the position that given the coordinates provided in the application, Harmony Pinewood’s distance from its development location point to its grocery store was incorrect which resulted in a reduction of proximity points. Florida Housing also argued that its scorer was correct to include the total amount stated in Fountains equity proposal as proceeds to be paid prior to construction completion.

## LEGAL

### *Action*

#### 2. Present Situation

- a) The hearing was conducted as scheduled before Administrative Law Judge (“ALJ”) John G. Van Laningham at the Division of Administrative Hearings in Tallahassee, Florida. After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on July 16, 2019. A copy of the Recommended Order is attached as [Exhibit A](#). The ALJ found that the equity proposal submitted by Fountains was ambiguous on whether capital contribution #3 would be paid prior to construction completion and concluded it should be excluded from the construction funding sources, thus resulting in a funding shortfall. The ALJ found that Harrison Parc, HTG Spring and Fountains were ineligible for funding, and Harmony Pinewood’s proximity points should be reduced. The ALJ recommended that Florida Housing enter a final order rescinding the award to Harrison Parc, funding HTG Spring and Fountains ineligible, and reducing Harmony Pinewood’s proximity points. The ALJ further recommended that HTG Oak Valley be selected for funding and Wildwood Preserve Senior Living not be selected for funding.
- b) At the time of preparing this Board write-up, the timeframe to file exceptions to the Recommended Order, and responses thereto, has not expired. It is anticipated that exceptions and responses to exceptions will be filed in this matter.

#### 3. Recommendation

- a) Staff will announce a recommendation after receiving and reviewing any timely filed exceptions and responses.

## LEGAL

### *Action*

**B. The Vistas at Fountainhead Limited Partnership, vs. Florida Housing Finance Corporation and Winchester Place, Ltd and Winchester Place Developers, LLC (Intervenors); FHFC Case No.: 2019-030BP, DOAH Case No.: 19-2328BID**

**1. Background**

- a) This case regards protests filed in Request for Applications 2019-105, Housing Credit Financing for Affordable Multifamily Rental Housing that is a Part of Local Revitalization Initiatives (the “RFA”). Through the ranking and selection process outlined in the RFA, two applicants were preliminarily selected for funding: Lincoln Village Apartments and Winchester Place. No party has challenged the eligibility of either of these applications.
- b) The Vistas at Fountainhead Limited Partnership, (“Vistas”) was found ineligible for funding, and timely filed a notice of intent to protest and a formal written protest challenging the scoring process in the RFA. The petition was referred to the Division of Administrative Hearings. Winchester Place, Ltd and Winchester Place Developers, LLC (“Winchester”) timely filed a notice of intervention.
- c) This matter was consolidated for purposes of hearing with HTG Oak Valley, LLC, vs. Florida Housing Finance Corporation and Harmony Pinewood, LLC; and Norton Commons, Ltd, FHFC Case No.: 2019-032BP, DOAH Case No.: 19-2275BID, and with Fountains at Kings Pointe Limited Partnership vs. Florida Housing Finance Corporation, FHFC Case No.: 2019-034BP, DOAH Case No.: 19-2276BID. The hearing was held as scheduled on June 3 and 4, 2019. After the hearing, Vistas was severed from the other cases and separate Recommended Orders were issued.
- d) Florida Housing had initially determined that the equity proposal letter included with Vistas’ application demonstrated a construction funding shortfall. During litigation, however, it was discovered that Florida Housing had also determined that the equity proposal letter submitted by Fountains at Kings Pointe in RFA 2018-110, which was substantially similar to that submitted by Vistas, had been accepted by Florida Housing as not demonstrating a construction funding shortfall. As a result, Florida Housing changed its position at hearing and argued that Vistas’ application should also have been found eligible.

**2. Present Situation**

- a) The hearing was conducted as scheduled before Administrative Law Judge (“ALJ”) John G. Van Laningham at the Division of Administrative Hearings in Tallahassee, Florida. After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on July 16, 2019. A copy of the Recommended Order is attached as [Exhibit B](#). The ALJ found that the equity proposal submitted by Vistas (and by Fountains at Kings Pointe) was ambiguous on whether certain capital contributions would be paid prior to construction completion and concluded as a matter of law that this ambiguity should result in both applicants being found ineligible. The ALJ recommended that Florida Housing enter a final order upholding Florida Housing’s initial position and that Lincoln Village Apartments and Winchester Place should be funded.
- b) At the time of preparing this Board write-up, the timeframe to file exceptions to the Recommended Order, and responses thereto, has not expired. It is

## **LEGAL**

### ***Action***

anticipated that exceptions and responses to exceptions will be filed in this matter.

### **3. Recommendation**

- a) Staff will supplement this write-up to include a recommendation after receiving and reviewing any timely filed exceptions and responses.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

### III. PROFESSIONAL SERVICES SELECTION (PSS)

#### A. Request for Qualifications (RFQ) 2019-04, Pool of Energy Consumption Model Utility Allowance Estimate Providers

##### 1. Background

- a) At the May 10, 2019 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure one or more qualified firms to participate in a pool of Energy Consumption Model Utility Allowance Estimate Providers.

##### 2. Present Situation

- a) RFQ 2019-04 was issued on May 10, 2019. The deadline for receipt of responses was 2:00 p.m., June 12, 2019. A copy of the RFQ is provided as [Exhibit A](#).
- b) Seven responses were received from 2RW Consultants Inc; Alan Plummer and Associates, Inc.; Diamond Property Consultants, Inc.; Energy Consulting, Inc.; KN Consultants, LLC; Matern Professional Engineering, Inc.; and Florida Solar Energy Center at the University of Central Florida.
- c) Members of the committee were David Hines, Compliance Monitoring Administrator (Chairperson); Tamara Alford, Financial Manager; and Tracy Banner, Policy 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 26, 2019.
- e) At the June 26<sup>th</sup> meeting, the Review Committee members provided their final scores for the responses received. The score sheet is provided as [Exhibit B](#).

##### 3. Recommendation

- a) The Review Committee recommends that the Board authorize Florida Housing to enter into contract negotiations with all seven respondents.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Auditing Services**

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

- a) Pursuant to Chapter 420, Fla. Stat., Florida Housing is required to submit with its annual report an annual financial audit of its accounts and records performed in accordance with generally accepted auditing and governmental auditing standards by an independent certified public accountant.
- b) Additionally, certain programs require additional agreed-upon procedures engagements to fulfill program requirements. These include an annual evaluation of internal controls for the Hardest Hit Program and a triennial review of the Financing Adjustment Factor (FAF) program. Other engagements may arise as programs are added or changed.
- c) In January 2015, Florida Housing entered into a five-year contract with Ernst & Young LLP, to provide auditing services and this contract is set to expire on January 6, 2020. There is one, five-year renewal option available.
- d) Pursuant to the audit committee charter, the audit committee is authorized to recommend to the Board the appointment of the CPA firm engaged to conduct Florida Housing's financial audit and to approve all non-audit services performed.

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

- a) Approve the Audit Committee's recommendation (to be provided).



**PROFESSIONAL SERVICES SELECTION (PSS)**

*Action*

**C. Contract Renewal – Management Company Services**

**1. Background**

- a) At the September 2015 meeting, the Board of Directors of Florida Housing authorized staff to enter into contract negotiations with Royal American Management, Inc. and WRH Realty Services, Inc., for Management Company services.
- b) Current contract information is as follows:

<b>Contract Number</b>	<b>Vendor</b>	<b>Initial Term Start Date</b>	<b>Current Expiration Date</b>
019-2015	Royal American Management, Inc.	12/24/2015	12/23/2019
020-2015	WRH Realty Services, Inc.	3/26/2016	3/25/2020

- c) Contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these contracts may be renewed three times for an additional one-year period. The Board approved the first renewal for both contracts at the June 2018 meeting, and two renewal options remain.

**2. Present Situation**

- a) Florida Housing staff supports using the second one-year renewal option for both contracts.

**3. Recommendation**

- a) Staff recommends the Board direct staff to proceed with the second one-year renewal option.