

**Florida Housing Finance Corporation
Telephonic Board of Directors' Meeting Minutes
July 17, 2020**

TIME: 1:30 p.m.

LOCATION: Florida Housing Finance Corporation
227 N. Bronough Street
Tallahassee FL 32301

BOARD MEMBERS PRESENT:

Ron Lieberman, Chairman
Ray Dubuque, Vice Chairman
Ryan Benson (via telephone)
Sandra Einhorn (via telephone)
LaTasha Green-Cobb
Bill Gulliford
Ken Lawson

CORPORATION STAFF PRESENTING:

Bill Aldinger
Hugh Brown
Marisa Button
Laura Cox
Sheila Freaney
Trey Price
Angie Sellers
David Westcott

OTHERS PRESENTING:

Hana Eskra, Coalition of Affordable Housing Providers
Stuart Schaffer, Lower Density for Lower Sugarloaf
Ben Haas, Sugarloaf Resident
Kevin Rabin, Three Rivers Legal Services
Alana Greer, Community Justice Project
Steve Kirk, Rural Neighborhoods
Matthew Rieger, Housing Trust Group, Inc.
Steve Auger, Birdsong Housing

Chairman Lieberman called the meeting to order at 1:37 p.m.

Chairman Lieberman asked Sheila Freaney to take the roll.

Ms. Freaney called the roll. Present were Ron Lieberman, Ray Dubuque, Ryan Benson (via telephone), Sandra Einhorn (via telephone), LaTasha Green-Cobb, Bill Gulliford and Ken Lawson. No one was absent.

PUBLIC COMMENT

Hana Eskra, of the Coalition of Affordable Housing Providers (CAHP), expressed CAHP's support of the Coronavirus Relief Funds initiative, but cautioned against the possibility of rewarding households who arbitrarily elect not to pay rent despite having the ability to pay and suggested language that would protect against it.

Stuart Schaffer, of Lower Density for Lower Sugarloaf, spoke in opposition to Legal Consent Items B and D, and asked the Board to deny the petitions for waivers of deadlines requested in these items, alleging that the petitioners were untruthful in their petitions.

Ben Haas, a resident of Sugarloaf, spoke in support of Mr. Schaffer's position.

Kevin Rabin, of Three Rivers Legal Services in Gainesville, suggested some additional language for the Coronavirus Relief Funds programs to prevent misuse of the funds.

Alana Greer, of the Community Justice Project in Miami, thanked Florida Housing for developing the Coronavirus Relief Funds programs, and noted that preventing evictions should be the number one priority.

Steve Kirk, of Rural Neighborhoods, spoke in opposition to Mr. Schaffer and Mr. Haas' position on Legal Consent Items B and D.

MINUTES

Item A, Approval of Minutes of the June 11, 2020, Board Meeting. Chairman Lieberman asked for a motion to approve the Minutes of the June 11, 2020, Board Meeting.

Motion to approve the Minutes was made by Mr. Lawson with a second by Ms. Einhorn. Sheila Freaney polled the Board and the motion passed unanimously.

FLORIDA HOUSING STATUS UPDATE

Trey Price updated the Board on Florida Housing's current operating status. He stated that the office is open for business, although about 80% of staff is working from home. In light of the ongoing coronavirus crisis, he suggested holding all remaining Board Meetings in 2020 with Board Members and pertinent Florida Housing staff in Tallahassee and others participating by phone. The Board Members agreed.

CONSENT AGENDA

Chairman Lieberman asked for a motion to approve the items on the Consent Agenda.

Motion to approve the items on the Consent Agenda was made by Mr. Gulliford, with a second by Mr. Lawson. Sheila Freaney polled the Board and the motion passed unanimously.

CORONAVIRUS RELIEF FUND

Trey Price stated that the State of Florida was awarded \$250 million through the Coronavirus Aid and Economic Security (CARES) Act for rental and mortgage assistance for Florida families that have been negatively impacted by the COVID pandemic. He stated that the funds would be split into three funding pools, including \$120 million to provide rental assistance for residents in Florida Housing funded developments; \$120 million to provide rent and mortgage assistance which will be administered by the State Housing Initiatives Partnership (SHIP) Program jurisdictions; and \$2 million to provide operations assistance for special needs developments. He stated that \$8 million was also provided to Florida Housing for administrative costs. He stated that all funds must be expended by December 30, 2020.

Laura Cox discussed the recommended strategy (Strategy One) to provide short-term rental assistance for COVID-19 impacted households residing in multifamily rental properties in Florida Housing's portfolio. She stated that under the strategy, Florida Housing will reimburse participating properties to subsidize eligible households' rent arrearages accrued during the months of April, May and June, as well as rent for eligible months from July through December 2020. She stated that eligible households must have experienced a loss of job or income due to COVID-19 and pay 30 percent of their income toward their monthly rent. She stated that staff recommends **with** respect to eligible households subsidized with Coronavirus Relief Funds that participating properties must agree to not increase any tenant household's rent through January 2021; to waive all costs, fees and charges incurred as a result of nonpayment or partial payment of rent during the impact months; to not consider nonpayment or partial payment during impacted months when considering renewing a tenant household's lease or share this information with other rental properties, credit bureaus, and tenant screening companies; to not initiate new evictions and must suspend all pending tenant evictions for nonpayment of rent for the duration of the rental payment assistance; to not issue a notice to vacate until the end of the eviction relief period; and to not require a tenant to vacate the unit until 30 days after such notice. She stated that an invitation to participate was already issued, and 143 applications had been received.

Bill Aldinger discussed the recommended strategy (Strategy Two) for providing assistance to homeowner and rental households that have been impacted by the pandemic so they may remain stably and safely housed. He stated the funding would be used to assist households with incomes up to 120% of the area median income with housing expenses such as payment their rent or mortgage or paying for emergency home repairs or other related allowable uses that the local government determines as a need for its impacted families. He stated that staff believes allowing flexibility regarding the eligible uses will help local governments coordinate this CARES Act funding with other currently available resources or future COVID-19 resources they have or will receive. He stated that all county and city governments with the SHIP program are eligible to participate and will administer the CRF funds through an agreement executed with Florida Housing. He stated that staff developed an allocation methodology to determine allocation amounts to each participating jurisdiction for the first \$75 million and will return to the Board at the September Board Meeting with a strategy to allocate the remaining \$45 million based on community need as well as the effectiveness and rate of utilization of the first \$75 million.

Bill Aldinger outlined the strategy (Strategy Three) for the \$2 million allocation to support Florida Housing Finance special needs or supportive housing developments to assist with past and future expenses directly related to providing additional staffing, security, cleaning supplies and services, as well as technology to address the needs related to social distancing and performing their operations differently than in person. He stated that staff believes the most efficient process to alleviate these immediate costs deficiencies is for Florida Housing to advance funds to the nearly 60 eligible developments from Florida Housing's unrestricted net position and then have the developments submit supporting documentation for the expenses, after which CRF funds will be drawn to reimburse Florida Housing for the advanced funds.

Motion to approve Strategies One, Two and Three for the allocation of Coronavirus Relief Funds was made by Mr. Dubuque with a second by Mr. Gulliford. Sheila Freaney polled the Board and the motion passed unanimously

FISCAL YEAR 2020/2021 APPROPRIATION ALLOCATION

Angie Sellers asked the Board to approve staff's recommendation to allocate Florida Housing's 2020/2021 appropriation from the State Housing Trust Fund as follows:

1. Up to \$325,000 for the Florida Housing Data Clearinghouse with any unused funds going to the SAIL Program.
2. Up to \$250,000 for the Catalyst Program with any unused funds going to the SAIL Program.
3. \$15,000,000 for the Community Workforce Housing Loan Program with any unused funds going to the SAIL Program.
4. \$87,925,000, or the remaining appropriation available after funding the Data Clearinghouse, the Catalyst Program and the Community Workforce Housing Loan Program.

Motion to approve staff's recommendation was made by Mr. Gulliford with a second by Ms. Green-Cobb. Sheila Freaney polled the Board Members, and the motion passed unanimously.

LEGAL

Item A, HTG Addison II, LLC vs. Florida Housing Finance Corporation. Hugh Brown asked the Board to adopt the recommended order and the findings of fact and conclusions of law in the recommended order, and issue a final order accordingly in the HTG Addison II, LLC vs. Florida Housing matter.

Motion to approve staff's recommendation was made by Mr. Dubuque, with a second by Mr. Gulliford. Sheila Freaney polled the Board Members, and the motion passed unanimously.

Item B, BDG Parkwood Lofts, LP vs. Christian Manor Restoration, LLC, Waterview Preserve, LLC, and Florida Housing Finance Corporation. Hugh Brown asked the Board to adopt the recommended order and the findings of fact and conclusions of law in the recommended order, and issue a final order accordingly, and provide additional funding to Superior Manor, in the BDG Parkwood Lofts, LP vs. Christian Manor Restoration, LLC, Waterview Preserve, LLC, and Florida Housing matter.

Motion to approve staff's recommendation was made by Ms. Green-Cobb, with a second by Mr. Dubuque. Sheila Freaney polled the Board Members, and the motion passed unanimously.

Item C, Procedural Updates per HB 1339. Hugh Brown briefed the Board about the procedural updates per HB 1339 that was signed into law and pertain to actions taken against bad actors in the RFA process.

Mr. Dubuque mentioned the recent Miami Dade RFA wherein a developer circumvented the requirement to only submit three priority one applications by splitting partners into five different entities to submit three priority one applications each, thereby submitting 15 priority one applications, essentially all from the same company.

Marisa Button pointed out that while the RFA called for only three priority one applications, additional applications could be submitted as priority two. She stated that because only three projects would ultimately be funded per the RFA, Florida Housing wanted only the top three applications from each company to be submitted as priority one.

Trey Price stated that staff decided not to propose filing an administrative complaint with the Division of Administrative Hearings (DOAH) to the Board on the matter because of the unknown outcome with DOAH and because none of the 15 submitted applications were awarded funding; however, if the Board felt differently, a complaint could certainly be filed.

Motion to file an administrative complaint against Housing Trust Group was made by Mr. Lawson and seconded by Ms. Einhorn.

Matthew Rieger, the president and CEO of Housing Trust Group (HTG), stated that HTG worked within the confines of the RFA, did not do anything outside the scope of the RFA to cheat and that he had informed Trey Price long before the RFA was issued that HTG intended to proceed in the manner it did.

Trey Price stated that when Mr. Rieger informed him of HTG's intentions, he told Mr. Rieger that Florida Housing would throw out all the applications if able, but was unable to do so. He added that while HTG did not violate the letter of the RFA, they violated the spirit of the RFA.

Sheila Freaney polled the Board Members, and the motion failed by a vote of five to two, with Mr. Dubuque and Ms. Einhorn casting the two approving votes.

Motion to have staff issue a warning letter to HTG was made by Ms. Green-Cobb with a second by Mr. Dubuque. Sheila Freaney polled the Board Members, and the motion failed by a vote of five to two, with Mr. Dubuque and Ms. Green-Cobb casting the two approving votes.

No action was taken.

MULTIFAMILY PROGRAMS - ALLOCATIONS

Item A, Request for Applications (RFA) 2020-104 – SAIL Funding for Farmworker and Commercial Fishing Worker Housing.

Marisa Button asked the Board to approve the review committee's recommendation that the Board adopt the scoring results of the two applications received in response to RFA 2020-104 for SAIL Funding for Farmworker and Commercial Fishing Worker Housing and authorize the tentative selection of one application for funding and invitation into credit underwriting. She stated that after the allocation, there would be an unallocated balance of \$1,131,050, for which staff will develop a recommendation to the Board at a later date. She stated that if no notice of protest or formal written protest is filed, staff will issue an invitation into credit underwriting to the applicant; however, if a notice of protest or formal written protest is filed, then at the completion of all litigation, staff will present all recommended orders for Board approval prior to issuing an invitation into credit underwriting to the applicant.

Motion to approve staff's recommendation was made by Mr. Dubuque with a second by Mr. Gulliford. Sheila Freaney polled the Board and the motion passed unanimously.

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

Marisa Button asked the Board to approve the review committee's recommendation that the Board adopt the scoring results of the seven applications received in response to RFA 2020-105 for Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities and authorize the tentative selection of five applications for funding and invitation into credit underwriting. She stated that after the allocation, there would be an unallocated balance of \$869,750, for which staff will develop a recommendation to the Board at a later date. She stated that if no notice of protest or formal written protest is filed, staff will issue an invitation into credit underwriting to the applicants; however, if a notice of protest or formal written protest is filed, then at the completion of all litigation, staff will present all recommended orders for Board approval prior to issuing an invitation into credit underwriting to the applicant within the funding range.

Motion to approve staff's recommendation was made by Mr. Lawson with a second by Mr. Gulliford. Sheila Freaney polled the Board Members, and the motion passed unanimously.

Item C, 2020-2021 Tentative Funding Amounts for Requests for Applications (RFAs) for Multifamily Developments.

Marisa Button asked the Board to authorize the staff to proceed with the development of various RFAs for SAIL and Housing Credit 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. She also asked the Board to authorize the allocation of the funding as follows:

1. 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
2. Estimated \$11,500,000 for Developmental Disabilities (2020 legislative appropriation);
3. Estimated \$15,000,000 for Community Workforce Housing Loan Program Funding;
4. Estimated \$30,000,000 of HOME funding for small, rural Development;
5. Estimated \$10,000,000 of National Housing Trust Fund (NHTF) funding; and

6. 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.

Motion to approve staff's recommendation was made by Mr. Dubuque with a second by Mr. Gulliford. Sheila Freaney polled the Board Members, and the motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Item 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.

Angie Sellers asked the Board to approve the recommendations of the review committee for RFQ 2020-01 as follows:

- (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
 - (g) RBC Capital Markets LLC
 - (h) Robert W. Baird & Co. Incorporated
 - (i) Stern Brothers & Co.

Ms. Sellers also asked the Board to authorize a new procurement to expand the pools of single family co-managers and selling group managers and multifamily investment bankers.

Motion to approve staff's recommendation was made by Ms. Green-Cobb with a second by Mr. Gulliford. Sheila Freaney polled the Board Members, and the motion passed unanimously.

Item B, Request for Proposals (RFP) 2020-03, To-Be-Announced (TBA) Program Administrator for the Homebuyer Loan Program Award. David Westcott stated that four responses were received to RFP 2020-03 for TBA Program Administrator for the Homebuyer Loan Program Award, and asked the Board to authorize staff to enter into negotiations with the highest-scoring respondent, Hilltop Securities, Inc. He also asked the Board to authorize staff to enter into contract negotiations with the second highest scoring respondent, Raymond James and Associates, Inc., should negotiations fail with Hilltop.

Motion to approve staff's recommendation was made by Mr. Gulliford with a second by Mr. Dubuque. Sheila Freaney polled the Board Members, and the motion passed unanimously.

Item C, Single Source Procurement for OnBase Licensing. David Hearn asked the Board to authorize staff to enter into negotiations for a single-source contract with Highland Software to continue to provide OnBase Licensing for Florida Housing.

Motion to approve staff's recommendation was made by Mr. Lawson with a second by Mr. Gulliford. Sheila Freaney polled the Board Members, and the motion passed unanimously.

PUBLIC COMMENT

Steve Auger, of Birdsong Housing, thanked the Board for their thorough discussion of issues surrounding the integrity of the RFA process. Mr. Auger briefly described the history of funding cycles and opportunities to deal with issues that arose. He encouraged Florida Housing to keep thinking about the process and whether the right discovery tools are in place to deal with challenging issues.

Chairman Lieberman adjourned the meeting at 3:55 p.m.