

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
October 16, 2020
Action Items



HURRICANE HOUSING RECOVERY PROGRAM (HHRP)

Action

I. HURRICANE HOUSING RECOVERY PROGRAM (HHRP)

A. Hurricane Housing Recovery Program

1. Background

- a) In 2019, the Florida Legislature appropriated \$65 million for the Hurricane Housing Recovery Program (HHRP) for the SHIP eligible local governments affected by Hurricane Michael. As required by legislative proviso, the allocation was determined based on damage data from FEMA.
- b) The HHRP funds were disbursed over several months with final payments made in June 2020. Local governments are expected to expend those funds by June 30, 2022. We have received interim reports from the local governments showing the progress in expending the funds as well as their need for additional funds.
- c) In 2020, the Florida Legislature appropriated an additional \$20 million for HHRP for the same affected local governments.

2. Present Situation

- a) Staff has developed a proposed allocation of the \$20 million ([Exhibit A](#)) to the following eligible local governments impacted by the hurricane: Bay County and the City of Panama City, Jackson County, Gulf County, Calhoun County, Gadsden County, Washington County, Liberty County, Leon County and the City of Tallahassee, Franklin County, Wakulla County and Holmes County. The two cities listed here are large enough to participate in the SHIP program, and thus are proposed to take a portion of their county's allocation based on damage estimates.
- b) Each eligible local government will be required to enter into an amended funding agreement with Florida Housing. The amended funding agreement will detail all of the program requirements for administering the funds. Many of the program requirements will mirror similar requirements for the SHIP program, including the use of approved strategies in the local government's local housing assistance plan (LHAP).
- c) Once the funding agreement is executed, the local government will be eligible to receive disbursement of HHRP funds pending the funds being available to Florida Housing. We anticipate that the first disbursement of funds will be available no earlier than November 2020.
- d) If any local government is unable to expend additional funds from this appropriation, the funds will be recaptured or not disbursed. Those funds would then be available to other eligible local governments within the affected group listed above.

3. Recommendation

- a) Approve the proposed allocation of HHRP funds to the eligible local governments as detailed in [Exhibit A](#).

HOME RENTAL

Action

I. HOME RENTAL

A. Request Approval to Continue the Santa Rosa County Pilot (Pilot) to Serve Homeless Schoolchildren and their Families Living in Rural and Small Communities

1. Background

- a) In 2016, the Board authorized the use of up to \$1.5 million in HOME funds for a pilot program to demonstrate the use of short-term rental assistance to assist homeless families with school age children in rural and small communities. The purpose of the Pilot was to study one strategy for effectively distributing and utilizing its affordable housing resources in small counties and rural communities that have different housing needs and capacities than larger counties and communities. The Pilot's objective is to evaluate the use of HOME funds for short-term tenant-based rental assistance (TBRA) paired with Department of Education homeless education resources and community-based supportive services to help these families regain stability and self-sufficiency, as well as to keep the children on track with their education. The Pilot's local partnership providing the family-centered supportive services included the Santa Rosa County School District, Opening Doors of Northwest Florida (homeless continuum of care lead agency), Family Matters of Santa Rosa (case management agency) and the Milton Housing Authority.
- b) In December 2017, Florida Housing executed an agreement with the Milton Housing Authority (MHA) to administer the HOME TBRA for the pilot in Santa Rosa County. The agreement required the MHA to administer up to \$750,000 in HOME TBRA for the use of rental deposits and short-term rental assistance. The agreement was for a period of two years with a one-year extension permitted if both parties agree. It is the intent of both Florida Housing and MHA to utilize the extension period to expend the \$750,000. The goal was to serve up to 25 families each year for a total of up to 75 unduplicated families over the three-year period. The first families moved into rental units January 2018.

2. Present Situation

- a) The Pilot will formally end in December 2020 with the end of the three-year HOME TBRA agreement. As of October 2020, \$483,193 remains of the original \$750,000 HOME TBRA allocation. The Pilot has met Florida Housing's intent and objectives for evaluating the benefits of the use of HOME funds for short-term rental assistance paired with Department of Education homeless education resources and community-based supportive services to help these families regain stability and self-sufficiency, as well as to keep the children on track with their education. More importantly, the model and best practices have met the intent of helping families and their children move out of homelessness. The biggest challenge has been finding enough rental units to serve eligible families.
- b) At the January 23, 2020, meeting, the Board adopted Florida Housing's current Strategic Plan. Priority III of the Plan is to enhance opportunities for special needs and homeless households to access rental housing paired with supportive

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services. One of the strategies of Priority III is to continue efforts such as the Homeless Schoolchildren Pilot in Rural and Small Communities.

- c) In adhering to the Strategic Plan, staff took efforts to replicate the best practices learned from the Homeless Schoolchildren Pilot and expand the Pilot into the Housing Stability for Homeless Schoolchildren Initiative so homeless families and their children in other counties with populations up 400,000 persons can replicate and implement the model. At the September 4, 2020, meeting, the Board approved Applicants from Alachua, Bay and Charlotte Counties to participate in the Initiative. They joined the Pilot sites in Santa Rosa and Hernando Counties.
- d) The Santa Rosa County Pilot partners and Florida Housing staff have been very pleased with the Pilot results over the last three years in serving homeless families with school-age children. The partnership would like to continue its efforts in serving homeless families with their children using by pairing short-term rental assistance provided by Florida Housing with intensive supportive services to help improve participating families' housing stability, self-sufficiency, as well as continuity in the children's education.

3. **Recommendation**

- a) Authorize Florida Housing to execute a two-year agreement, with a two-year renewal option with the Milton Housing Authority to administer the remaining HOME TBRA allocation of \$483,193 for the continued implementation of the Pilot in Santa Rosa County.

LEGAL

Action

I. LEGAL

A. Quail Roost Transit Village I, Ltd., vs. Florida Housing Finance Corporation (Respondent) 675 Ali Baba, LLC (Intervenor); FHFC Case No.: 2020-040BP, DOAH Case No.: 20-3094BID

1. Background

- a) This case regards a protest filed in Request for Applications 2020-208 SAIL and Housing Credit Financing for the Construction of Workforce Housing (the “RFA”). Through the ranking and selection process outlined in the RFA, 675 Ali Baba, LLC (“Ali Baba”) and two other applicants were preliminarily selected for funding.
- b) Quail Roost Transit Village I, Ltd. (“Quail Roost”) 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 (“DOAH”). Ali Baba filed a notice of appearance as a specifically named person.
- c) As scheduled on August 12, 2020, the final hearing was conducted via Zoom teleconference before Lawrence P. Stevenson, Administrative Law Judge (“ALJ”) with DOAH. At hearing, Quail Roost contended that Ali Baba should be found ineligible for failure to disclose a Principal on the Principals Disclosure Form, for failure to accurately disclose a Principal on its Principals Disclosure Form, and for failing to provide accurate latitude and longitude coordinates for its Scattered Sites. At hearing, Florida Housing agreed that Ali Baba should be deemed ineligible for those errors. Ali Baba argued that those errors should be waived as minor irregularities.

2. Present Situation

- a) On September 23, 2020, the ALJ issued a Recommended Order, attached as [Exhibit A](#), finding that the omission of the names of Ali Baba’s Principals on the Principals Disclosure Form and Ali Baba’s failure to provide coordinates located on its Scattered Sites were material deviations from the requirements of the RFA. The ALJ recommended that Florida Housing enter a final order finding that Ali Baba is ineligible for funding and awarding funding to Quail Roost, subject to the successful completion of credit underwriting.
- 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. La Estancia, Ltd. v. Florida Housing Finance Corporation, DOAH Case No. 20-3582BID, FHFC Case No. 2020-0047BP (Intervenor Partnership in Housing, Inc.)

1. Background

- a) This case regards Request for Applications 2020-104, SAIL Funding for Farmworker and Commercial Fishing Worker Housing (“the RFA”). Petitioner and Intervenor both submitted applications in response to the RFA. On July 17, 2020, Florida Housing posted notice of its intended decision to award funding Partnership in Housing, Inc. (hereinafter “Pueblo Bonito”). The Board found that La Estancia satisfied all mandatory and eligibility requirements but was not awarded funding based upon the ranking criteria in the RFA.
- b) Petitioner timely filed a notice of intent to protest and formal written protest as required by section 120.57(3), Fla. Stat. challenging the Corporation’s scoring and ranking of Applicants for funding under the RFA. Pueblo Bonito timely filed a Notice of Appearance/Motion to Intervene. Florida Housing referred the petition to the Division of Administrative Hearings for a formal hearing.
- 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 properly scored the narrative portion of the RFA for La Estancia and Pueblo Bonito.
- d) Applicants in this RFA were to be scored on a 100-point scale. Up to 15 points could be awarded for the narrative portion of the application called “Current and Future Need for Farmworker or Commercial Fishing Worker Housing in the Area (“Need”).” Both La Estancia and Pueblo Bonito were awarded 12 points for this section. La Estancia contended that it should have received more points than Pueblo Bonito for this section, and thus received more total points and been awarded funding instead of Pueblo Bonito. La Estancia also contended that the action of Florida Housing’s Board of Directors was invalid because it had not been briefed on the designation of Limited Development Areas that occurred after the application deadline.

2. Present Situation

- a) A hearing was conducted on September 10, 2020, before Administrative Law Judge Garnett Chisenhall. All parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the Administrative Law Judge issued a Recommended Order on October 1, 2020. The Recommended Order found that Florida Housing’s scoring of both applications was reasonable, that the Board action was not invalid, and recommended that the petition of La Estancia be dismissed. A copy of the Recommended Order is attached as [Exhibit B](#).

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- b) On October 6, 2020, La Estancia filed Exceptions to the Administrative Law Judge's recommendations. Also on October 6, 2020, Florida Housing filed a responses to those Exceptions. Pueblo Bonito filed its response to the exceptions on October 7, 2020. Copies of the exceptions and responses to the Exception are attached as Exhibits [C](#), [D](#), and [E](#) respectively.

3. Recommendation

- a) Staff recommends that the Board:
- (1) GRANT La Estancia's Exception to the Finding of Fact in Paragraph 13;
 - (2) REJECT all other exceptions filed by La Estancia;
 - (3) ADOPT the Findings of Fact in the Recommended Order with the Finding of Fact in Paragraph 13 modified as agreed to by the parties;
 - (4) ADOPT the Conclusions of Law in the Recommended Order;
 - (5) ADOPT the Recommendation in the Recommended Order, and
 - (6) ISSUE a Final Order consistent with this ruling.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

I. MULTIFAMILY PROGRAMS – ALLOCATIONS

A. RFA 2020-211 Available Housing Credit Financing For Developments Located In Small Counties With An Aged Active Award Of 9% Housing Credits

1. Background

- a) On September 21, 2020, Florida Housing Finance Corporation (Florida Housing) issued RFA 2020-211 offering \$750,000 in 9% Housing Credits for Developments that have an aged Active Award of 9 percent Housing Credits, in which construction has stalled for more than three years since the acceptance to invitation to enter credit underwriting due to third-party litigation and/or environmental concerns which have been exacerbated by increased construction costs, making the proposed Development non-viable with current funding awards and a significant amount of deferred Developer Fee.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, October 5, 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), Mitch Englert, Multifamily Programs Manager, and Matt Jugenheimer, Development Finance Administrator. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its October 9, 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 2020-211 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 2 Applications (set out on Exhibit B) for funding.
- b) If no notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., staff will proceed to issue an invitation to enter credit underwriting to the Application set out on the Exhibit B.
- c) If a notice of protest or formal written protest is filed in accordance with Section 120.57(3), Fla. Stat., et. al., then at the completion of all litigation, staff will present all Recommended Orders for Board approval prior to issuing invitations to enter credit underwriting to those Applicants in the funding range.
- d) There is an unallocated balance of \$79,800 in Housing Credits remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

B. Modified Workforce Housing Allocation for 2020-2021 Funding Cycle

1. Background

- a) At its July 2020 meeting, the Board approved the 2020-2021 Tentative Funding Amounts, which included \$15,000,000 for the Community Workforce Housing Loan (“CWHL”) program implemented by the 2020 Legislature pursuant to H.B. 1339. Staff recommended utilizing the CWHL program to issue an RFA similar to previous workforce RFAs that were funded through legislative proviso and issued through the process set forth in section 420.5087, F.S.
- b) After further review and consideration of the CWHL program set forth in H.B. 1339, staff would like to modify its July recommendations.

2. Present Situation

- a) H.B. 1339 authorized the Corporation to promulgate rules to govern the CWHL program and to establish an application process under section 420.5087, F.S.
- b) In developing the workforce RFA, staff has determined that the requirements set forth in the CWHL program legislation, particularly regarding the limit of the loan term not to exceed fifteen years, make the program difficult to implement with 4% Housing Credits and Multifamily Mortgage Revenue Bonds, which are essential sources for any gap financing program. As a result, funding for a workforce RFA is more appropriately administered through the SAIL program.
- c) Staff would like to explore opportunities to utilize the CWHL program to fund workforce housing units in alternative ways than delivering new construction multifamily development in concert with non-competitive housing credits, while also maintaining and issuing a traditional workforce RFA for the upcoming funding cycle through the SAIL program.
- d) Accordingly, Staff recommends redirecting \$12,000,000 from the original CWHL program recommendation to the SAIL program, to be utilized in a traditional statewide workforce housing RFA¹ and reserve the remaining \$3,000,000 in the CWHL program to workshop alternative approaches to finance workforce housing units through a competitive application process. Staff will return to the Board for approval of any pilot approach for the CWHL program before promulgating final rules or issuing a competitive application process.

¹ As previously indicated at the July meeting, there is a total of \$3,514,000 in 2019 workforce SAIL funding remaining (comprised of \$994,000 in statewide workforce funding and \$2,520,000 in Monroe County workforce funding). This remaining SAIL funding will be combined with \$2,980,000 in Housing Credits for Monroe County (the 5% High Priority designation per the 2020 QAP) in the traditional workforce housing RFA.

MULTIFAMILY PROGRAMS – ALLOCATIONS

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3. **Recommendation**

- a) Approve staff recommendation to redirect \$12,000,000 previously approved for the CWHL program to the SAIL program to issue a traditional workforce housing RFA and the reserve the remaining \$3,000,000 in the CWHL program to workshop alternative approaches to finance workforce housing units through a competitive application process.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request for Qualifications (RFQ) 2020-09, Single Family Co-Manager, Single Family Selling Group Member, and Multifamily Investment Banker Services Award

1. Background

- a) At the July 17, 2020 meeting, the Board authorized Florida Housing staff to issue a solicitation to procure pools of one or more qualified firms to provide Single Family Co-Manager, Single Family Selling Group Member, and Multifamily Investment Banker Services.

2. Present Situation

- a) RFQ 2020-09 was issued on August 3, 2020. The deadline for receipt of responses was 2:00 p.m., September 2, 2020. A copy of the RFQ is provided as [Exhibit A](#).
- b) Five responsive responses were received from:
 - (1) Academy Securities, Inc.
 - (2) Bancroft Capital, LLC
 - (3) Raymond James & Associates, Inc.
 - (4) Stifel Nicolaus & Company, Incorporated
 - (5) Wells Fargo Bank, N.A.
- 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.
- d) Each member of the Review Committee individually reviewed the submitted proposals prior to convening the Review Committee meeting which was held at 10:00 a.m., September 16, 2020.
- e) At the September 16th meeting, the Review Committee members provided their final scores for the responses received. The score sheet is provided as [Exhibit B](#).
- f) The Review Committee considered a motion to recommend the selection of the three highest scoring responses for the Single Family Co-Manager position, the next highest scoring applicants as Single Family Selling Group members, and all of the respondents as members of the Multifamily Investment Banker pool. The motion passed unanimously.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

3. Recommendation

- a) The Review Committee recommends that the Board authorize Florida Housing to assign respondents to the following pools:
 - (1) Single Family Co-Manager
 - (a) Raymond James & Associates, Inc.
 - (b) Stifel Nicolaus & Company, Incorporated
 - (c) Wells Fargo Bank, N.A.
 - (2) Single Family Selling Group
 - (a) Academy Securities, Inc.
 - (b) Bancroft Capital, LLC
 - (3) Multifamily Investment Banker
 - (a) Academy Securities, Inc.
 - (b) Bancroft Capital, LLC
 - (c) Raymond James & Associates, Inc.
 - (d) Stifel Nicolaus & Company, Incorporated
 - (e) Wells Fargo Bank, N.A.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Request for Proposals (RFP) for Real Estate Brokerage Services

1. Background

- a) At the December 12, 2014 meeting, the Board authorized staff to enter into contract negotiations with the sole bidder, CBRE, Inc., to provide real estate brokerage services in conjunction with various Florida Housing loan programs. The original term of the resulting contract was three years and it provided for one separate three-year renewal option.

2. Present Situation

- a) The contract with CBRE, Inc., for these services is set to expire on February 21, 2021. Florida Housing has a continuing need for one or more qualified brokers to assist and advise Florida Housing with regard to real estate issues, and to sell properties that have been acquired by Florida Housing through foreclosure and other issues.

3. Recommendation

- a) Authorize staff to begin the competitive solicitation process to select a pool of qualified firms to provide real estate brokerage services.