

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
April 29, 2022
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) allocation of funds for Viability loans;
 - (4) 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
 - (5) 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.

2. Present Situation

- a) Staff is requesting the board approve the following general designations for presentation in the financial statements. The exact amounts for the 2021 financial statements are not final until closer to the end of the audit when the financial statements are prepared; however, estimates are provided.
 - (1) Single Family Homebuyer Loan Programs – approximately \$3.6 million. This includes all funds in the single family escrow and related accounts.

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- (2) Dedicated Reserve for Operations – approximately \$65.3 million. This designation includes a housing credit compliance monitoring reserve and operating budget stabilization.
- (3) Demonstration and Other Initiatives – approximately \$101.4 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 approximately \$62.4 million that is committed to existing loans and to Requests for Applications.

3. Recommendation

- a) Staff recommends that the Board approve the designation categories of unrestricted net position as follows:
 - (1) Single Family Programs - \$3.6 million
 - (2) Dedicated Reserve for Operations – \$65.3 million
 - (3) Demonstration and Other Initiatives - remaining balance, estimated to be \$101.4 million.

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Action

I. LEGAL

A. Ratification and Amendment of Items from the April 1, 2022, Board of Directors Meeting

1. Background/Present Situation

- a) While a sufficient number of members to form a minimum quorum were present at the April 1, 2022, Board of Directors meeting, staff requests that the Board ratify actions taken at the April 1, 2022, meeting out of an abundance of caution and to ensure that statutory requirements are met. Board members were provided with copies of the materials from the April 1, 2022, meeting and have had an opportunity to review prior to this April 29, 2022, meeting.
- b) Additionally, staff requests that the Board amend its action taken on April 1, 2022, regarding the Total Development Cost Per Unit Limitations (TDC PU) to include the following Hurricane Recovery RFAs from the 2018-2019 RFA cycle:
 - (1) RFA 2018-115 SAIL Financing for The Construction of Workforce Housing for Hurricane Recovery in Monroe County
 - (2) RFA 2019-109 HOME Financing to Be Used for Rental Developments in Hurricane Michael Impacted Counties and In Rural Areas
 - (3) RFA 2019-110 SAIL Financing for The Construction of Workforce Housing for Hurricane Recovery in Monroe County

2. Recommendation

- a) Staff recommends that the Board ratify its actions taken at the April 1, 2022, meeting, and requests that the Board amend its actions related to the TDC PU to include the RFAs listed above.

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B. Ability VNA, LLC, vs. Florida Housing Finance Corporation, and Madison Grove, LLC, and HTG Hidden Lake, Ltd, and The Verandas of Punta Gorda III, LLLP; FHFC Case No. 2021-104BP; DOAH Case No. 22-0080BID

1. Background

- a) This case regards a protest filed in Request for Applications 2021-201 Housing Credit Financing for Affordable Housing Developments Located in Small and Medium Counties (the “RFA”). In response to the RFA, Ability VNA, LLC (“Ability”), HTG Hidden Lake, Ltd. (“Hidden Lake”), Madison Grove, LLC, (“Madison Grove”), The Verandas of Punta Gorda III, LLLP (“Verandas”) and others submitted applications for funding. Madison Grove, Hidden Lake, Verandas and others were preliminarily selected for funding. Ability was found eligible for funding but was not selected for funding.
- b) Ability timely filed a Formal Written Protest and Petition for Administrative Hearing challenging the scoring and selection of Madison Grove as meeting the RFA requirements to qualify for the Local Government Areas of Opportunity funding for developments that were previously submitted in RFA 2019-113 and RFA 2020-201 but not awarded (the “2019 and 2020 Prior Submission Preference”). Madison Grove filed a Notice of Appearance as a Specifically Named Party. The petition was referred to the Division of Administrative Hearings (“DOAH”). Hidden Lake and Verandas filed motions to intervene. Hidden Lake and Madison Grove challenged the eligibility of Ability’s application regarding the disclosure of Principals.

2. Present Situation

- a) The hearing was conducted as scheduled on February 9, 2021, via Zoom technology before DOAH Administrative Law Judge (“ALJ”) Robert J. Telfer III. At hearing, Ability, Verandas and Florida Housing argued that Madison Grove failed to meet the location criteria in the RFA for the 2019 and 2020 Prior Submission Preference, but that according to the funding selection process outlined in the RFA, Madison Grove should still be selected for funding because Madison Grove met a different submission preference. Madison Grove and Hidden Lake argued that the location criteria either did not apply to Madison Grove or that the error in not meeting it should be waived as a minor irregularity and that Ability should be ineligible because it failed to properly disclose its Principals.
- b) After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on March 31, 2021. A copy of the Recommended Order is attached as [Exhibit A](#). The ALJ recommended that Florida Housing enter a final order finding that (a) Madison Grove is ineligible for the 2019 and 2020 Prior Submission Preference and (b) that Ability’s application is eligible and meets the 2019 and 2020 Prior Submission Preference. No exceptions to the Recommended Order were filed. Attached as [Exhibit B](#) is a spreadsheet listing the applications that will be invited to credit underwriting if the Board adopts the Recommended Order.

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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.

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C. Madison Trace, LLC, American Residential Communities, LLC, and New South Residential, LLC v. Florida Housing Finance Corporation and Beacon at Creative Village Partners, LTD, FHFC Case No. 2021-109BP, DOAH Case No. 22-0004BID

1. Background

- a) This case regards protests filed in Request for Applications 2021-202, “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 Beacon at Creative Village Partners, Ltd (“Beacon”). Madison Trace, LLC (“Madison Trace”) was found eligible but was not selected for funding.

2. Present Situation

- a) The hearing was conducted on February 4, 2022 before Administrative Law Judge (“ALJ”) J. Bruce Culpepper in Tallahassee, Florida. Madison Trace contended that Beacon should have been found ineligible for funding because of deficiencies in its site control documentation and failure to identify all developers. After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on April 1, 2022. A copy of the Recommended Order is attached as [Exhibit C](#). The ALJ recommended that Florida Housing enter a final order finding that Beacon is eligible for funding and dismissing the petition of Madison Trace. No exceptions to the Recommended Order were filed.

3. Recommendation

- a) Staff recommends the Board adopt the Findings of Fact and Conclusions of Law of the Recommended Order and issue a Final Order accordingly.

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D. **Melissa Grove, Ltd. v. Florida Housing Finance Corporation and Ability Housing, Inc., FHFC Case No. 2022-026BP**

1. **Background**

- a) This case regards a protest filed against the funding awarded in Request for Applications 2022-301 Housing Credit Financing for Affordable Housing Developments Located in Duval County (the “RFA”). Petitioner Melissa Grove, Ltd. (“Melissa Grove”) applied for funding through the RFA. The Review Committee determined that Petitioner was eligible for funding but not within the funding range of the RFA.
- b) Petitioner timely filed a notice of intent to protest, and a Formal Written Protest and Petition for Administrative Hearing (“Petition”) challenging Florida Housing’s scoring of the Sweetwater Village application submitted by Ability Housing, Inc. (“Sweetwater”). A Notice to Bidders was issued by Florida Housing informing all bidders that their substantial interests might be affected by the Petition. Sweetwater filed a Notice of Intervention and Appearance.

2. **Present Situation**

- a) The Petition was referred to the Division of Administrative Hearings (DOAH) and set for a final hearing on April 22, 2022. Prior to hearing and in an effort to avoid the time, expense, and uncertainty of litigation, the parties entered into a Consent Agreement, attached as [Exhibit D](#). In the Consent Agreement, Sweetwater agrees that its application is ineligible for funding and, pursuant to the funding selection process outlined in the RFA, Melissa Grove is selected for funding subject to the requirements of credit underwriting.

3. **Recommendation**

- a) Staff recommends that the Board adopt the Consent Agreement and issue a Final Order in accordance with the Consent Agreement.

MULTIFAMILY PROGRAMS

Action

I. MULTIFAMILY PROGRAMS

A. RFA 2022-102 SAIL Financing For Smaller Permanent Supportive Housing Developments For Persons With Special Needs

1. Background

- a) On December 2, 2021, Florida Housing Finance Corporation (Florida Housing) issued RFA 2022-102 offering \$9,325,000 in State Apartment Incentive Loan (SAIL) funding for Non-Profit Applicants proposing new construction or Substantial Rehabilitation, with or without acquisition, to create new housing 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 24, 2022.

2. Present Situation

- a) Florida Housing received 3 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Rita Guzman, Senior Multifamily Programs Analyst (Chair), Diane Breinholt, Multifamily Programs Coordinator, Ebony Cargle, Multifamily Programs Manager, Diana Fields, Policy Administrator, Ryan McKinless, Policy Coordinator, 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 April 20, 2022 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 2022-102 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 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 set out on Exhibit A and recommendations for funding as set out on Exhibit B.
- e) The motions passed unanimously.

3. Recommendation

MULTIFAMILY PROGRAMS

Action

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 3 Applications and authorize the tentative selection of the 1 Application (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 \$5,360,500 in 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

Action

B. RFA 2022-103 Housing Credit And SAIL Financing To Develop Housing For Homeless Persons

1. Background

- a) On November 2, 2021, Florida Housing Finance Corporation (Florida Housing) issued RFA 2022-103 offering \$4,075,000 of Competitive Housing Credits and \$10,250,000 in State Apartment Incentive Loan (SAIL) funding for Non-Profit Applicants proposing 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, February 15, 2022.

2. Present Situation

- a) Florida Housing received 8 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Amanda Perry, Multifamily Programs Manager (Chair), Diane Breinholt, Multifamily Programs Coordinator, Diana Fields, Policy Administrator, Lisa Nickerson, Multifamily Programs 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, 2022 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 2022-103 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:
 - (1) A motion for the Review Committee to approve the scoring results set out on Exhibit C and recommendations for funding as set out on [Exhibit D](#);
 - (2) A motion to recommend that the Board approve the scoring results set out on Exhibit C and recommendations for funding as set out on Exhibit D.
- e) The motions passed unanimously.

MULTIFAMILY PROGRAMS

Action

3. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 8 Applications 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 Application 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 those Applicants in the funding range.
- d) There are no Housing Credits remaining and there is \$799,700 in 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

Action

C. RFA 2022-106 Financing To Develop Housing For Persons With Disabling Conditions / Developmental Disabilities

1. **Background**

- a) On November 4, 2021, Florida Housing Finance Corporation (Florida Housing) issued RFA 2022-106 offering \$2,750,000 of Competitive Housing Credits, \$4,000,000 in State Apartment Incentive Loan (SAIL) and \$4,000,000 in grant funding 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, February 17, 2022.

2. **Present Situation**

- a) Florida Housing received 1 Application in response to this RFA. The Review Committee members, designated by the Executive Director, were Cori McDougall, Multifamily Programs Manager (Chair), Charles Jones, Multifamily Programs Manager, Ryan McKinless, Policy Coordinator, Kristin Peters, 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 19, 2022 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 2022-106 All Applications chart (provided as [Exhibit E](#)) lists the received Application. The Application was found ineligible for funding.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results and recommendations for funding as set out on Exhibit E;
 - (2) A motion to recommend that the Board approve the scoring results and recommendations for funding as set out on Exhibit E.
- e) The motions passed unanimously.

MULTIFAMILY PROGRAMS

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3. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 1 Application (set out on Exhibit E).
- b) 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.
- c) There is \$2,750,000 in Housing Credits, \$4 million in SAIL funding and \$4 million in grant funding remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.

MULTIFAMILY PROGRAMS

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D. RFA 2022-208 SAIL Financing For The Construction Of Workforce Housing In Monroe County

1. Background

- a) On March 7, 2022, Florida Housing Finance Corporation (Florida Housing) issued RFA 2022-208 offering \$1,800,000 of Competitive Housing Credits and \$5,520,000 in State Apartment Incentive Loan (SAIL) to serve primarily moderate-income persons (i.e., households with incomes that do not exceed 120 percent of the AMI as defined in Section 420.0004, F.S.) in Monroe County.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, March 31, 2022.

2. Present Situation

- a) Florida Housing received 1 Application in response to this RFA. The Review Committee members, designated by the Executive Director, were Rita Guzman, Senior Multifamily Programs Analyst (Chair), Lisa Nickerson, Multifamily Programs Administrator, and Kristin Peters, Multifamily Programs Manager. 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 19, 2022 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 2022-208 All Applications chart (provided as [Exhibit F](#)) lists the received Application.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to approve the scoring results and recommendations for funding as set out on Exhibit F;
 - (2) A motion to recommend that the Board approve the scoring results and recommendations for funding as set out on Exhibit F.
- e) The motions passed unanimously.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 1 Application 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 Application set out on the Exhibit F.

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- 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 are no Housing Credits and no 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

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E. 2022 Rule Development

1. Background/Present Situation

- a) Rule development workshops were held on February 17, 2022 and March 23, 2022 to solicit comments concerning the proposed changes to the 2022 Qualified Allocation Plan (QAP) and Rule Chapters 67-21 (Non-Competitive Affordable Multifamily Rental Housing Programs), 67-48, F.A.C. (Competitive Affordable Multifamily Rental Housing Programs) and 67-60 (Competitive Solicitation Funding Process).
- b) As a result of the workshops, staff has drafted proposed revisions to the existing rules governing the various multifamily programs. Staff would like to proceed with the rule development process for these rules and requests the Board's approval of the proposed Rules and QAP. The Notice of Proposed Rule (NOPR) for rule chapter 67-21, F.A.C. is attached as [Exhibit G](#), the NOPR for rule chapter 67-48, F.A.C. is attached as [Exhibit H](#), the NOPR for rule chapter 67-60, F.A.C. is attached as [Exhibit I](#) and the proposed 2022 QAP is attached as [Exhibit J](#).
- c) If the Board approves the proposed rules and QAP as presented, the NOPRs will be published in the May 3, 2022 edition of the Florida Administrative Register. The NOPRs will announce the Rule Hearings which are scheduled for May 25, 2022. Following review of the public comments received at the Rule Hearings and the comments received from the Joint Administrative Procedures Committee following its review of the NOPRs, staff will proceed as follows:
 - (1) If modification of the proposed rules is not required, staff will file the proposed rules for adoption.
 - (2) If modification of the proposed rules is required, staff will prepare the necessary Notice of Change (NOC) to incorporate all proposed modifications to the proposed rule and, if required, will submit the NOC for Board approval.

2. Recommendation

- a) Approve the proposed rules and QAP and authorize staff to file the rules for adoption if a NOC is not required and, if a NOC is required, authorize the Board Chair to determine whether a NOC makes material, substantive changes to the rule chapter. If the Chair determines that it does not, staff recommends that the Board approve such NOC without the requirement of another Board meeting. In the alternative, if the Chair determines that any NOC does make material, substantive changes to the rule chapter, staff recommends that a telephonic Board meeting be called to obtain Board approval for any required changes, with such changes to be ratified at the next regularly scheduled Board meeting.

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F. Approval of Funding Resources for RFA 2022-210 Permanent Supportive Housing Focusing On Best Practices And Funding For Tenancy Supports And Resident Services Coordination For High Utilizers Of Public Behavioral Health Systems

1. Background

- a) On July 30, 2021, the Board approved staff's request to carry out a formal public discussion regarding a pilot concept to pair housing development financing with services funding to serve residents in need of permanent supportive housing. Staff met with key external stakeholders to assess interest in a pilot concept and held an initial workshop to discuss this on October 4, 2021.
- b) At the January 22, 2022 Board meeting, staff requested approval to develop and issue a Request for Applications (RFA), and recommended approximately \$5 million in Competitive Housing Credits (HC), \$19.5 million in HOME-American Rescue Plan (HOME-ARP) funding, and \$6.7 million in National Housing Trust Funds (NHTF). The Board authorized staff to begin development of a formal RFA; however, Board requested that staff return with updated funding resources.

2. Present Situation

- a) Following the January 22, 2022 Board meeting, staff held two additional workshops on February 2, 2022, and March 30, 2022, regarding RFA requirements as well as a continued discussion on appropriate funding resources for this RFA. In order to administer the HOME-ARP resources in accordance with the HUD-approved plan and objectives of the proposed RFA, while also producing a significant number of general occupancy units, staff has determined the appropriate funding resources include competitive HC, HOME-ARP and NHTF funding.
- b) Accordingly, staff now recommends making the following funding available in RFA 2022-210: \$5 million of Competitive HC; \$21.6 million of HOME-ARP funding, provided as a forgivable loan; and \$6.7 million of NHTF, provided as a forgivable loan. The \$5 million of competitive HC will be primarily derived from remaining competitive HC available at the conclusion of the 2021/2022 RFA cycle with additional competitive HC supplied from the 5% High Priority designation in the Qualified Allocation Plan. While this recommendation would typically be presented in conjunction with the 2022/2023 RFA timeline, HUD approved the HOME-ARP plan on April 1, 2022, and the 2022/2023 RFA timeline is not projected to be presented to the Board until August 5, 2022. In order to promptly move forward with this RFA, the request is being presented as an independent approval. Staff intends to hold one more RFA workshop and issue the RFA in June 2022.

3. Recommendation

- a) Authorize staff to make available in the RFA \$5 million of Competitive HC, \$21.6 million of HOME-ARP funding, and \$6.7 million of NHTF funding.

MULTIFAMILY PROGRAMS

Action

G. Request for Approval to issue an Invitation to Participate in the Construction Housing Inflation Response Program (CHIRP)

1. Background

- a) The federal inflation rate has increased in recent months at an unprecedented pace, causing an increase in construction costs outside of Applicants’ control. This increase in the inflation rate is creating higher operating and construction expenses for projects in the development pipeline.
- b) Florida Housing has made efforts to maintain the viability of developments in this predicament and continues to believe it is beneficial to deliver these much-needed affordable housing units and communities in a timely manner.
- c) Staff held a workshop to discuss the criteria and requirements on April 21, 2022.

2. Present Situation

- a) In recognition of increases in construction costs, staff would like to make available additional 2023 Competitive 9% Housing Credits, Loan Funding (comprised of SAIL Program Income), National Housing Trust Fund (NHTF) funding, or HOME-ARP funding available to Developments in the pipeline, awarded funding under certain 2019, 2020 and 2021 RFAs.
- b) In order to make additional funding available, staff recommends the Board approve the issuance of an Invitation to Participate (ITP) for the following RFAs:

Applications that applied in the following RFA that meet all other eligibility criteria are eligible for additional funding	Applicants with an Active Award are eligible for NHTF	Applicants with an Active Award are eligible for HOME-ARP	Applicants with an Active Award are eligible for additional Competitive HC	Applicants with an Active Award are eligible for additional loan funding
RFA 2019-116 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	Yes, if new construction or Redevelopment	Yes, if new construction or Redevelopment	No	Yes
RFA 2020-201 Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties	Yes	Yes	Yes	No
RFA 2020-202 Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, Pinellas	Yes	Yes	Yes	No

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Applications that applied in the following RFA that meet all other eligibility criteria are eligible for additional funding	Applicants with an Active Award are eligible for NHTF	Applicants with an Active Award are eligible for HOME-ARP	Applicants with an Active Award are eligible for additional Competitive HC	Applicants with an Active Award are eligible for additional loan funding
RFA 2020-203 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County	Yes	Yes	Yes	No
RFA 2020-204 Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments	No	No	Yes	No
RFA 2020-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits	Yes, if new construction or Redevelopment	Yes, if new construction or Redevelopment	No	Yes
RFA 2020-208 SAIL and Housing Credit Financing for the Construction of Workforce Housing	Yes	Yes	No	Yes
RFA 2021-102 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs	Yes	Yes	No	Yes
RFA 2021-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons	Yes	Yes	No	Yes
RFA 2021-106 Financing to Develop Housing for Persons with Disabling Conditions/ Developmental Disabilities	Yes	Yes	No	Yes
RFA 2021-108 Financing For The Development Of Housing For Persons With Developmental Disabilities	Yes	Yes	Yes	No
RFA 2021-208 SAIL and Housing Credit Financing for the Construction of Workforce Housing	Yes	Yes	No	Yes

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RFA 2021-211 Development Viability Loan Funding – if Active Award was Competitive Housing Credits only	Yes	Yes	Yes	No
RFA 2021-211 Development Viability Loan Funding – if Active Award was <u>not</u> Competitive Housing Credits only	Yes	Yes	No	Yes
2019 RFAs, or other 2020 or 2021 RFAs not listed but still meet other criteria including timing requirements*	Yes, if new construction or Redevelopment	Yes, if new construction or Redevelopment	No	No

- c) There are Developments in the pipeline funded under RFAs that are not listed. Staff is not recommending inclusion of those RFAs because the applicable Developments have not demonstrated that they can meet the timing criteria for the program.
- d) CHIRP Program Criteria:
 - (1) A verifiable financing gap must exist with a deferred Developer Fee of at least 30 percent;
 - (2) Applicants must apply for permitting by 60 days from the Application submission;
 - (3) The Applicant of the Active Award has not closed on the Limited Partnership Agreement, Tax-Exempt Bond financing, and any other Corporation, as applicable, but must close by the earlier of the existing closing deadlines for the Active Award (without Rule extension request) or January 31, 2023;
 - (4) The Applicant of the Active Award has not recorded a Notice of Commencement with the appropriate local jurisdiction as of April 29, 2022;
 - (5) The Original Application did not qualify as a Self-Sourced Application funded in RFAs 2019-116, 2020-205, or 2021-205;
 - (6) The Credit Underwriting Report must be completed or updated as applicable prior to October 31, 2022;
 - (7) The Applicant of the Active Award has not, prior to the Application Deadline for this Invitation to Participate (ITP), returned the allocation for the Active Award to the Corporation;
- e) Regarding Self-Sourced Developments in the pipeline, staff requests Board approval for an RFA waiver for RFA 2020-205 and 2021-205 to allow Self-Sourced Applicants to access additional non-Corporation funding sources without being in violation of the required SAIL repayment terms of the RFA.

MULTIFAMILY PROGRAMS

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- f) Applicants requesting competitive Housing Credit funding through this ITP may require a placed in-service date in accordance with the 2023 Housing Credit Allocation. Staff requests the Board delegate authority to staff to review any request from an Applicant to extend its placed in-service deadline or a request for a credit exchange related to this additional funding through administrative approval.

3. **Recommendation**

- a) Approve staff's recommendation to (i) issue the Invitation to Participate in the Construction Housing Inflation Response Program, (ii) approve a RFA waiver for RFA 2020-205 and 2021-205 to allow Self-Sourced Applicants to access additional non-Corporation funding sources without being in violation of the required SAIL repayment terms of the RFA; and (iii) delegate authority to staff to review and grant, if appropriate, requests to extend placed in-service deadlines or for credit exchanges related to this additional funding through administrative approval.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. 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.

2. Present Situation

- 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);

PROFESSIONAL SERVICES SELECTION (PSS)

Action

- (3) Statewide in-person one/two day workshops;
 - (4) Webinars; and
 - (5) Regional Clinics.
- b) Rule 67-49.0032, F.A.C. (2021), 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 June 30, 2022. 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.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Proposed Geographic and Demographic Allocations for 2022 through 2024 Funding Cycles

1. Background/Present Situation

- a) Section 420.5087(1), Florida Statutes, calls for State Apartment Incentive Loan (SAIL) funds to be made available through a competitive solicitation process to meet the need for very low income housing throughout the state, as determined by using the most recent statewide low income rental housing market study. This is the 2022 Study just completed by the Shimberg Center for Affordable Housing at the University of Florida.
- b) The statute calls for at least 10 percent of the program funds made available each year to each of three categories: large counties (825,000 people or more), medium counties (more than 100,000 but less than 825,000 people) and small counties (100,000 or less). Counties are assigned to these categories using the most recent population statistics published by the Bureau of Economic and Business Research at the University of Florida. [Exhibit A](#) provides a list of counties categorized as large, medium and small and cost burden information for low income renters, as well as the proportion of the state's low income cost burdened households in each county category. An explanation about how these percentages were derived using the Study numbers is provided in [Exhibit B](#).

2. Recommendation

- a) Based on the 2022 Study, the proposed allocation of resources for the SAIL program between large, medium and small counties during 2022, 2023 and 2024 is as follows:
 - (1) Large counties: 52.3 percent (reduced from 59.7%);
 - (2) Medium counties: 37.7 percent (no adjustments made); and
 - (3) Small counties: 10.0 percent (increased from 2.6%).

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action

B. Proposed Demographic Group Allocation

1. Background/Present Situation

- a) Section 420.5087(3), Florida Statutes, calls for SAIL funds to be made available to serve specific tenant population groups as follows:
 - (1) Commercial fishing workers and farmworkers: Not less than 5 percent;
 - (2) Homeless persons: Not less than 10 percent;
 - (3) Persons with special needs: Not less than 10 percent;
 - (4) Elderly persons: Not less than 10 percent; and
 - (5) Families: Not less than 10 percent.
- b) Funding made available to serve each group is determined using the most recent statewide market study available at the time of publication of each notice of fund availability. The 2022 Study serves this purpose. An explanation about how these percentages were derived using the Study numbers is provided in [Exhibit B](#).

2. Recommendation

- a) Based on the 2022 Rental Market Study and the methodology provided in Exhibit B, the proposed allocation of funds for the tenant population groups is as follows:
 - (1) Commercial fishing workers and farmworkers: 5.0 percent (no adjustments made);
 - (2) Homeless persons: 10.0 percent (increase of 3.0%);
 - (3) Persons with special needs: 11.8 percent (no adjustments made);
 - (4) Elderly persons: 29.4 percent (no adjustments made); and
 - (5) Families: 43.8 percent (decreased from 46.8%).