

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
August 5, 2022  
Action Items



## FISCAL

### *Action*

## I. FISCAL

### A. Fiscal Year 20222023 Trust Fund Allocation

#### 1. Background

- a) In most state fiscal years, Florida Housing Finance Corporation has been appropriated funds from state documentary stamp tax collections in the Housing Trust Funds. Section 420.507, F.S., authorizes Florida Housing to expend such amounts advanced to further its mission. Of particular mention are the state programs provided for in Chapter 420, Part V, F.S., including the State Apartment Incentive Loan (SAIL) program. [Exhibit A](#) shows the historical allocation of funds.
- b) In some years the Legislature specifies where all funding appropriated to Florida Housing will be spent, while in other years, the Legislature appropriates some or all funding in a lump sum to the Corporation for Florida Housing to allocate to state programs. This allows Florida Housing to allocate funding across programs as warranted by real estate and financial markets and housing needs.

#### 2. Present Situation

- a) For the state Fiscal Year beginning July 2022, the General Appropriations Act includes two budget items with total appropriations for Florida Housing of \$362,725,000, including funds from General Revenue, and both housing trust funds.
- b) One line item is \$209,475,000 for the SHIP program, with proviso designating \$563,600 of those funds for the Catalyst Program.
- c) The other line item totals \$153.25 million for Affordable Housing Programs.
- d) Proviso language designates \$100 million of this this line item for the Hometown Heroes Program. This leaves \$53.25 million for the board to allocate.
- e) Staff recommends the following allocations:
  - (1) Florida Housing Data Clearinghouse – Up to \$346,000 – Founded in 2000 with support from Florida Housing’s Board of Directors, the Clearinghouse provides a free, web-based portal for data and reports on demographics, housing need and supply across local communities and at the state level throughout Florida. The Clearinghouse is managed by the Shimberg Center for Housing Studies at the University of Florida and is heavily used by local planners, state policymakers, non-profit organizations, grant writers and reporters seeking information about Florida’s affordable housing needs. Florida Housing regularly uses Clearinghouse data to assist in policy decisions and relies on Clearinghouse staff to run special reports as needed for this purpose (e.g., impacts from natural disasters or COVID-19). The scope of the annual work to keep the Clearinghouse operating is detailed in a contract with the Center. Note that additional support from other

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sources provided by the Shimberg Center also pays for Clearinghouse activities.

- (2) SAIL – \$52,904,000 – There remains a shortage of affordable rental housing in Florida. With proviso language allocating \$100 million to homeownership, allocating these funds to the SAIL program ensures that Florida Housing continues to respond to the strong demand for affordable rental housing.

### **3. Recommendation**

- a) Staff recommends that the Board approve the allocation of the Fiscal Year 2022-2023 discretionary appropriation from the State Housing Trust Fund as follows:
  - (1) For the Florida Housing Data Clearinghouse, up to \$346,000, with any funds not used for the Data Clearinghouse going to the SAIL program.
  - (2) For the SAIL Program, \$52,904,000, or the remaining appropriation available after funding the Data Clearinghouse.

## LEGAL

### *Action*

## I. LEGAL

### A. Resolution of Fiscal Determination Process

#### 1. Background

- a) On July 1, 2022, Senate Bill 196 was signed into law, which included revisions to Chapter 420.509, Florida Statutes. These revisions eliminate the need for the State Board of Administration (SBA) to make fiscal determinations with regard to the issuance of FHFC Multifamily Mortgage Revenue Bonds (MMRB), Single Family Mortgage Revenue Bonds (SFMRB), as well as other financial transactions formally approved by SBA and instead designates the Corporation as the state fiscal agency to make fiscal determinations. Under Art. VII, Sec. 16 of the Florida Constitution, the required fiscal determination is that in no state fiscal year will the debt service requirements of the bonds proposed to be issued, and all other bonds secured by the same pledged revenues, exceed the pledged revenues available for such debt service requirements.

#### 2. Present Situation

- a) Staff proposes the following processes for reviewing and approving fiscal determinations for sufficient debt service coverage in all bond issuances:
  - (1) Creation of a Fiscal Sufficiency Committee that will consist of a group of internal staff members from various departments within the Corporation. Committee members would be those with financial and/or legal backgrounds and it is anticipated that these members would come from the Finance, Legal and Special Assets Departments. The Committee would not include Multifamily Programs staff or Bond Administration staff as they would initially review and submit documentation to the Committee for review and approval.
  - (2) Once created, the Committee will document the process and procedures for each step (submission process, required documentation, the Committee's internal review process, creation of form letter granting approval, etc.).
  - (3) Committee will review fiscal determinations for sufficient debt service coverage and will provide the Executive Director their recommendation.
  - (4) The Executive Director will execute final approval following the Committee's positive recommendation and Board approval of the final credit underwriting report, as applicable.

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**3. Recommendation**

- a) Authorize the Executive Director to create a Fiscal Sufficiency Committee, as outlined above, for the purpose of reviewing and approving Fiscal Determinations for all FHFC MMRB, SFMRB and other financial transactions. In addition, authorize the Executive Director the authority and power to approve Fiscal Determinations, as required by S.16, Art. VII of the Florida Constitution, as allowed under Chapter 420.509, F.S.

## MULTIFAMILY PROGRAMS

### *Action*

#### I. MULTIFAMILY PROGRAMS

##### A. Request Approval of Modification of 2022 Construction Housing Inflation Response Program (CHIRP)

###### 1. Background

- a) On April 29, 2022, the Board authorized staff to issue an Invitation to Participate (ITP) for the Construction Housing Inflation Response Program (CHIRP). Staff issued the CHIRP ITP on May 9, 2022, with responses due no later than July 5, 2022. The Corporation received 67 responses to the ITP.
- b) Through the process of reviewing responses to the ITP, staff has concluded it is appropriate for certain criteria in the ITP to be modified to facilitate appropriate participation in the program, recognizing the intentional and significant time constraints set forth in the program. The specific criteria staff is seeking to address is set forth below.

###### 2. Present Situation

- a) Timing Modifications
  - (1) The ITP requires that the Applicant's credit underwriting report, or update letter, as applicable, must be completed by October 31, 2022. Based on the number of CHIRP responses submitted and the timing of the CHIRP responses, there will be a significant queue of reports for the underwriting firms and Corporation staff to process. The potential processing backlog necessitates a modification of the report completion deadline that does not compromise the deadline requirement for Applicants to be fully prepared to proceed. Accordingly, the Corporation seeks to extend the deadline for completion of the underwriting report for Applicants to December 15, 2022, on the condition that the reports requiring Board approval have submitted all credit underwriting report due diligence items to the assigned credit underwriter by August 22, 2022. The reports that do not require Board approval must have all credit underwriting report due diligence items submitted to the assigned credit underwriter by September 16, 2022. These deadlines for due diligence submissions are consistent with Applications demonstrating the ability to meet the original October 31, 2022 deadline. The extension of the completion deadline allows Corporation staff and the underwriting firms the time, if necessary, to work through the queue of report submissions with enough time to calculate any applicable Priority I application limitations prior to the December 29, 2022 RFA application deadlines.
  - (2) The ITP requires that Applicants must "close on the limited partnership agreement and, if applicable, Corporation funding and construction funding by the earlier of the existing closing deadlines for the Active Award (excluding Rule extension requests that require Board approval) or January 31, 2023." Based on the number of CHIRP responses submitted and the timing of the CHIRP responses, there will be a significant queue of Applications needing to close on additional loan,

## MULTIFAMILY PROGRAMS

### *Action*

NHTF or HOME-ARP funding that will require coordination by Corporation counsel, underwriting firms and Corporation staff for processing and scheduling. The same Corporation resources are not necessary for the closing of limited partnership agreements for Applications seeking additional housing credits. Accordingly, the Corporation is seeking the closing deadline of January 31, 2023, to be extended to March 10, 2023 for developments seeking additional Loan Funding NHTF, or HOME-ARP. Additionally, the ITP criteria requiring closing by the “earlier of the exiting closing deadline” will not be enforced, and the closing deadline requirement will be January 31, 2023 or March 10, 2023, as applicable. The quick close incentive deadline of November 10, 2022 will not be changed.

- (3) There are circumstances where housing credit investors and financing partners are willing to close on limited partnership agreements prior to the completion of approved credit underwriting reports at the parties’ own risk. Acknowledging and recognizing that circumstance, the Corporation is seeking to allow Applicants seeking additional housing credit funding that close on the limited partnership agreements prior to October 31, 2022, not to be held to the October 31, 2022, credit underwriting report completion deadline. Alternatively, the credit underwriting report completion deadline will be set forth in the Carryover Allocation Agreement.

#### b) Self-Sourced Application Eligibility

- (1) As part of the criteria for applying for CHIRP funding, the original Application must not have qualified as a Self-Sourced Application in SAIL RFAs 2019-116, 2020-205 or 2021-205. The Corporation is seeking to allow Self-Sourced Applications in RFAs 2019-116, 2020-205 or 2021-205 to apply for CHIRP funding on the condition the Applicants waive the right to qualified contract. Such Applicants will have 30 days from August 5, 2022 to apply to the ITP and will be held to all of the ITP deadlines as originally approved or modified.

#### c) Permanent Supportive Housing Developments

- (1) The ITP requires that Applicants are only able to select one funding type (Housing Credits, Loan Funding, or NHTF / HOME-ARP). Permanent Supportive Housing (PSH) developments have unique development cost challenges. For Applications with an original award funded under a PSH RFA (Persons with Special Needs, Homeless, or Disabling Conditions/Developmental Disabilities), that have maximized the allowable additional housing credit or loan funding request amount under the CHIRP ITP, and still face a demonstrable funding shortfall, the Corporation is seeking to permit such Applications to also receive NHTF or HOME-ARP funding in accordance with the criteria set forth in the ITP. The Applicable PSH RFAs include 2021-102; 2021-103; 2021-106; 2021-108, as well as PSH developments that were funded under Development Loan Viability RFAs 2018-109 and 2021-211.

## MULTIFAMILY PROGRAMS

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#### 3. **Recommendation**

- a) Staff recommends the Board approve the modifications to the 2022 CHIRP ITP and authorize staff to continue to process the requests accordingly.



## MULTIFAMILY PROGRAMS

### *Action*

#### **B. 2022-2023 Tentative Funding Amounts and Timeline for Request for Applications (RFAs) for Multifamily Developments**

##### **1. Background**

- a) During the remainder of 2022 and first half of 2023, the Corporation expects to offer the following funding through various RFAs as set forth in a tentative 2022-2023 Funding Amounts/Timeline plan:
- b) Estimated \$172,904,000 in State Apartment Incentive Loan (SAIL) Program funding comprised of \$52,904,000 from 2022 legislative appropriation, and \$120,000,000 in SAIL program income<sup>1</sup>, split by the demographic and geographic categories in accordance with the 2022 Rental Market Needs Study and Sec. 420.5087, Florida Statutes. Staff has reserved \$90,300,000 in SAIL funding for the Construction Housing Inflation Response Program (CHIRP), based on conservative projections of the CHIRP ITP responses. Once all CHIRP Applications have completed credit underwriting, any remaining funding in this reservation will flow directly to the splits outlined below.
  - (1) Demographic
    - (a) 5% Farmworker/Commercial Fishing Worker
    - (b) 10% Homeless Households
    - (c) 11.8% Persons with Special Needs
    - (d) 29.4% Elderly (includes 10% for Elderly Preservation)
    - (e) 43.8% Families
  - (2) Geographic
    - (a) 10% Small Counties
    - (b) 37.7% Medium Counties
    - (c) 52.3% Large Counties
  - (3) Estimated \$8M in grant funding for Persons with Developmental Disabilities
  - (4) \$TBD in HOME Investment Partnerships (HOME)<sup>2</sup>
  - (5) \$TBD in HOME Investment Partnerships (HOME)<sup>3</sup>

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<sup>1</sup> In addition to program income and interest payments, the Program Income designation includes the amount of unallocated SAIL funding remaining from RFAs issued in RFAs in the 2021-2022 RFA funding cycle.

<sup>2</sup> Funding amounts will be updated upon conclusion of HOME Viability funding process.

<sup>3</sup> Funding amounts will be updated upon conclusion of HOME Viability funding process.

## MULTIFAMILY PROGRAMS

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- c) Staff has reserved \$19M in Housing Credits for CHIRP, based on conservative projections of the CHIRP ITP responses. Once all CHIRP Applications have completed credit underwriting, any remaining funding in this reservation will flow directly to the splits outlined below.
  - (1) Demographic
    - (a) 5% High Priority as defined by the Board;  
\*Per the Qualified Allocation Plan, 5% of the competitive Housing Credits is designated as High Priority, as defined by the Board. On April 29, 2022, the Board approved the High Priority set-aside for RFA 2022-210.
    - (b) 5% Persons with a Disabling Condition
    - (c) Remaining split by the following geographic areas:
      - (i) 2.61% Small Counties
      - (ii) 37.74% Medium Counties (includes one Homeless Demographic Award)
      - (iii) 59.65% Large Counties (includes one Homeless Demographic Award)

### 2. **Present Situation**

- a) The Tentative 2022-2023 Funding Amounts/Timeline plan, outlining the tentative timeframes for the various RFAs for which staff expects to hold workshops and issue through the remainder of 2022 and into the first half of 2023, with the estimated funding amounts reflected above is attached as [Exhibit A](#). In addition, the 2023 Estimated Housing Credit Allocation Amounts spreadsheet is attached as [Exhibit B](#) and the 2022-2023 SAIL Allocation Amounts spreadsheet is attached as [Exhibit C](#).

### 3. **Recommendation**

- a) Authorize staff to proceed with the development of various RFAs 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. Staff will continue to present updated information on the respective CHIRP reservations and associated finding available for the RFA cycle at the September, October and December Board of Directors meetings.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### I. PROFESSIONAL SERVICES SELECTION (PSS)

##### A. Competitive Solicitation for Public Relations Services

###### 1. Background

- a) At the May 10, 2019 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with BowStern Marketing Communications; Moore Communications Group, d/b/a Moore, Inc.; Cunningham Communications Consulting Company d/b/a The Brand Advocates; and Vistra Communications, LLC, for Public Relations Services. The current contract with each of these firms expires on September 23, 2022.

###### 2. Present Situation

- a) While Florida Housing staff handles the vast majority of public relations services internally, Staff believes that it is in the best interest of the Corporation to assemble a pool of public relations service providers. These firms will be able to step in on short-notice to develop strategies that promote Florida Housing's programs and/or other housing-related initiatives, and conduct both research-based public relations and crisis communications campaigns as needed for the Corporation.

###### 3. Recommendation

- a) Staff recommends that the Board direct staff to proceed with a competitive solicitation for public relations services.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Contract Renewals for the Pool of Energy Consumption Model Utility Allowance Estimate Providers**

##### **1. Background**

- a) At the August 2, 2019 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with seven different firms in order to assemble a pool of Energy Consumption Model Utility Allowance Estimate Providers. Contracts with each of the following expire on December 31, 2022.
  - (1) 2RW Consultants Inc.
  - (2) Alan Plummer and Associates, Inc.
  - (3) Diamond Property Consultants, Inc.
  - (4) Energy Consulting, Inc.
  - (5) KN Consultants, LLC
  - (6) Matern Professional Engineering, Inc.
  - (7) The Florida Solar Energy Center
- b) The contract states that, contingent upon satisfactorily performing its obligations under the contract as determined by Florida Housing, these agreements may be renewed for an additional three-year period.

##### **2. Present Situation**

- a) Florida Housing staff finds that each vendor is satisfactorily performing its obligations under the Contract and supports using the three-year renewal option for all seven agreements.

##### **3. Recommendation**

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

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### C. **Contract Renewals for Credit Underwriting, Construction & Permanent Loan Servicing, and Compliance Monitoring Services**

##### 1. **Background**

- a) At the September 22, 2017 meeting, the Board authorized Florida Housing staff to enter into contract negotiations with the following three firms for Credit Underwriting, Construction & Permanent Loan Servicing, and Compliance Monitoring Services. The resulting contracts expire as follows:
  - (1) First Housing Development Corporation of Florida – December 13, 2022
  - (2) Seltzer Management Group – December 13, 2022
  - (3) AmeriNat, LLC – December 19, 2022
- b) The Contract states that, contingent upon satisfactorily performing its obligations under the Contract as determined by Florida Housing, these agreements may be renewed for an additional three-year period.

##### 2. **Present Situation**

- a) Florida Housing staff finds that each vendor is satisfactorily performing its obligations under the Contract and supports using the three-year renewal option for all three agreements.

##### 3. **Recommendation**

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