

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**January 21, 2022**  
**Action Items**



## LEGAL

### *Action*

## I. LEGAL

### A. HTG Oasis, LLC v. Florida Housing Finance Corporation, Lofts on 36, Ltd., and Coco Palm Place, LP; FHFC Case No. 2021-084BP, DOAH Case No. 21-3488BID

#### 1. Background

- a) This case regards a protest filed in Request for Applications 2021-203, “Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County” (the “RFA”). In response to the RFA, HTG Oasis, LLC (“HTG Oasis”), Lofts on 36, Ltd. (“Lofts”), Coco Palm Place, LP, (“Coco Palm”), Princeton Palms Place, Ltd. (“Princeton Palms”) and others submitted applications for funding. Coco Palm was preliminarily selected for funding. Oasis, Princeton Palms, and Lofts were found eligible for funding, but were not selected for funding. Oasis timely filed a Formal Written Protest and Petition for Administrative Hearing challenging the eligibility of Coco Palm, Princeton Palms, and Lofts.
- b) The petition was referred to the Division of Administrative Hearings and the parties engaged in discovery. Prior to the final hearing, Oasis, Lofts, and Florida Housing entered into a Joint Stipulation that Lofts was not eligible for funding. Also prior to final hearing, Coco Palm appeared in the proceeding for the limited purpose of filing a Stipulation in which Coco Palm, Princeton Palms, Oasis, and Florida Housing stipulated that Coco Palm and Princeton Palms were ineligible for funding.

#### 2. Present Situation

- a) The hearing was conducted on December 14, 2021 in Tallahassee, Florida before Administrative Law Judge (“ALJ”) Suzanne Van Wyk at the Division of Administrative Hearings (“DOAH”). The parties submitted Joint Exhibits 1 and 2 and offered no testimony. That same day, the parties submitted a Joint Proposed Recommended Order.
- b) After considering the exhibits and the Joint Proposed Recommended Order, the ALJ issued a Recommended Order on December 22, 2021. A copy of the Recommended Order is attached as [Exhibit A](#). The ALJ recommended that Florida Housing enter a final order finding that Coco Palm, Princeton Palms, and Lofts are ineligible for funding and selecting Oasis for funding subject to the successful completion of credit underwriting.
- c) No exceptions to the Recommended Order were filed.

#### 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.

## MULTIFAMILY PROGRAMS

### *Action*

#### I. MULTIFAMILY PROGRAMS

##### A. 2022 Rule Development

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

- a) Staff would like to begin the rule development process by scheduling a rule development workshop to solicit comments concerning Rule Chapters 67-21 Non-Competitive Affordable Multifamily Rental Housing Programs, 67-48 Competitive Affordable Multifamily Rental Housing Programs, 67-60 Multifamily Competitive Solicitation Funding Process, and the Qualified Allocation Plan (QAP) which is incorporated by reference in Rule Chapter 67-48, F.A.C.
- b) Staff plans to hold a Rule Development Workshop on February 17, 2022.

###### 2. Recommendation

- a) Authorize staff to proceed with the 2022 rule development process.

## MULTIFAMILY PROGRAMS

### *Action*

#### **B. Development of RFA to Pilot Financing of Permanent Supportive Housing in Concert with State Behavioral Healthcare Services Funding**

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

- a) In July 2021, the Board approved staff's request to carry out a formal public discussion about a pilot concept to pair housing development financing with services funding to serve residents in need of permanent supportive housing. Staff agreed that after its due diligence it would provide a final proposal to the Board for approval.

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

- a) Since July, Florida Housing staff has talked about this pilot concept with representatives of the Florida Department of Children and Families (DCF), its lead agencies and service providers, and others serving consumers receiving services from DCF. We also held a public workshop in October 2021 to outline preliminary ideas and seek public comment. The staff believes an opportunity exists to link housing and services funding through this new pilot by incentivizing partnerships between non-profit developers experienced in working with DCF consumers and regional Managing Entities.
- b) Managing Entities (MEs) are part of DCF's behavioral health care approach to serving low income, uninsured Floridians with mental health and substance use disorders. Seven MEs are under contract with DCF to fund and oversee services for these consumers, with each ME overseeing service provision in their respective region of the state. DCF's contracts with the MEs include a housing coordination strategy, and while each ME carries out this function differently, our conversations with the MEs showed that they understand how important safe, decent affordable housing paired with services is in the long-term success of the consumers they serve. In short, a number of MEs indicated strong interest in working on a housing/services pilot with Florida Housing.
- c) The new pilot would serve adults referred by MEs that agree to partner with a developer applying under the pilot RFA, focusing on diverting high-risk, high-cost individuals from repeated emergency and acute care services with no progress to stabilization, recovery or greater self-sufficiency in their communities. The focus of the pilot would be on residents who are not literally homeless before move-in, but are facing housing instability due to their behavioral health care situation. The key objectives of the pilot would be to:
  - Assist in developing partnerships between services funders and nonprofit housing providers in providing predictable funding and resources for resident services coordination and housing stability services, as well as resident access to supportive services; and
  - Help Florida Housing and DCF develop a replicable statewide model for funding supportive housing concurrently with supportive services funding.
- d) In this pilot, Florida Housing would offer financing to developers to develop supportive housing, evaluating the quality and commitment of the partnership with the associated ME. Eligible applicants would be 100% non-profits. This

## MULTIFAMILY PROGRAMS

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was a strategy used by Florida Housing in the first high needs pilot to ensure that, across the board, long-term experience and the mission required to serve very hard-to-serve populations, many of them with extremely low incomes, is deeply embedded in the ownership structure. These applicants also would be required to show that they have the partnership of and commitment from the MEs in their regions to provide funding for supportive services coordination and assistance with housing stability for a specified pilot period, expected to be three years.

- e) Based on our experience with the first pilot, Florida Housing staff believes it would be ideal to fund up to three pilot developments. As part of the pilot, applicants and their ME partners would be evaluated on various areas of capacity, with key areas listed below:
- An applicant's experience with a sustainable model operating housing and integrating housing and services coordination for high needs populations with behavioral health disorders;
  - The process the applicant and ME would use, to carry out tenant referral and selection, particularly for the high utilizer consumers served by the partnering Managing Entity;
  - What the ME would bring to the partnership in its commitment with the applicant;
  - The applicant's experience providing residents with immediate access upon move-in to supports related to developing and maintaining housing stability; addressing trauma and acute issues; and accessing community-based supportive services, health and behavioral health services.
- f) Applicants chosen under this pilot, including both the housing provider and ME, would be required to commit to work with Florida Housing throughout the pilot period through a series of collaborative peer conversations and written information to develop and regularly report on resident outcomes and best practice strategies for serving High Utilizers in supportive housing. This will provide the state with ideas for how to best proceed in the future to braid together housing and services funding.
- g) Residents who are the focus of this pilot will make up a limited portion of the overall tenants to be served at the developments funded through this pilot. Additional units would be required to be set aside for persons who are experiencing homelessness, are at risk of homelessness and/or who have the greatest risk of housing instability.
- h) Staff proposes to reserve approximately \$6.4 million in Competitive Housing Credits, the source of which will be addressed in the forthcoming Qualified Allocation Plan (QAP) discussions, \$19.5 million in HOME-American Rescue Plan (ARP) Program funding and \$6.7 million in National Housing Trust Funds for the pilot. The anticipated timeline for issuance of the pilot RFA is later in the spring. However, the availability and timing of the portion of HOME-ARP funds proposed for this RFA are dependent on HUD's approval of the state's

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HOME-ARP plan which should be submitted to HUD in late January or early February.

### 3. **Recommendation**

- a) Approve the implementation of a pilot to finance permanent supportive housing in concert with state behavioral healthcare services funding; authorize staff to develop, workshop and issue an RFA for this purpose; and approve a reservation of an estimated \$6.4 million in competitive Housing Credits, an estimated \$19.5 million in HOME-American Rescue Plan (ARP) Program funding and an estimated \$6.7 million in National Housing Trust Funds for the RFA.

## POLICY

### *Consent*

## I. POLICY

### A. Allocation Plan for the Home Investment Partnerships Program (HOME) funded through the American Rescue Plan Act (HOME-ARP)

#### 1. Background

- a) The American Rescue Plan Act (ARP) is a federal economic stimulus bill passed by the U.S. Congress and signed into law effective March 11, 2021. The legislation provides \$5 billion from the U.S. Department of Housing and Urban Development (HUD) to the Home Investment Partnerships Program (HOME). According to the ARP, this funding shall be used to assist homeless or unstably housed households via the following activities:
- Development and support of affordable housing, as currently permitted under the HOME program;
  - Tenant-based rental assistance;
  - Supportive services, including activities such as transitional housing, housing counseling, and homeless prevention services; and/or
  - Acquisition and development of non-congregate shelter units, which may be converted to permanent affordable housing, used as emergency shelter, or remain as non-congregate shelter units.
- b) On April 8, 2021 HUD announced the HOME-ARP allocations for participating jurisdictions and that guidance for use of the funds would be released in Fall 2021. **As the participating jurisdiction recipient of the state's non-entitlement funds, Florida Housing Finance Corporation was awarded \$71,903,340.** HOME-ARP program funds are available for participating jurisdictions to obligate for eligible activities through September 30, 2025. Funds may be drawn for expenditures through September 30, 2030.
- c) On September 13, 2021 HUD released Notice CPD-21-10, with guidance and requirements for HOME-ARP program funds. The Notice identified Qualifying Populations to be served, instructions for completing the HOME-ARP Allocation Plan, eligible uses and activities under the HOME-ARP program, and other federal requirements. Additionally, the Notice issued by HUD outlined the following as required components for a participating jurisdiction's HOME-ARP Allocation Plan:
- A summary of the consultation process and results of upfront consultation;
  - A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reasons why;
  - A description of HOME-ARP qualifying populations within the jurisdiction;

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- An assessment of unmet needs of each qualifying population;
  - An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
  - A summary of the planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
  - An estimate of the number of housing units for qualifying populations the participating jurisdiction will produce or preserve with its HOME-ARP allocation; and
  - A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population.
- d) Florida Housing staff reviewed the HOME-ARP program requirements described within the legislation and subsequent guidance provided by HUD. Staff determined specific action items were required by HUD to develop, request approval of, and implement a plan for the allocation of Florida Housing's HOME-ARP funds. In October 2021, the Board approved staff's request to engage in the required consultation and public participation processes to develop a HOME-ARP Allocation Plan for submission to HUD. Staff agreed that after its due diligence it would provide a final draft to the Board for approval.

## 2. Present Situation

- a) Following direction from the October 2021 Board Meeting, Florida Housing staff created a [HOME-ARP page](#) on its website and began to engage in key stakeholders in the development of a HOME-ARP Allocation Plan.
- b) Florida Housing staff held a "Consultation" workshop on December 2, 2021 to discuss the HOME-ARP Allocation Plan that hosted 190 individuals representing 100 different organizations/groups. The attached [Exhibit A](#) includes a copy of the agenda from this workshop. Through this, Florida Housing solicited feedback from key stakeholders from affordable rental and permanent supportive housing developers and providers (both for-profit and non-profit partners), state and local advocacy groups, homeless services providers, and community leaders that serve vulnerable populations (including but not limited to survivors of domestic violence, McKinney-Vento homeless education liaisons, individuals with intellectual and/or developmental disabilities, NAMI members, etc.). Participants were asked to share any additional input by December 14 to include in a draft of the HOME-ARP Allocation Plan.



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### ***Consent***

- c) On December 17, 2021 Florida Housing staff posted a draft of the HOME-ARP Allocation Plan to its website and notified workshop participants and others through an announcement using multiple listservs. This began a required “Public [Comment and] Participation” period that, per HUD, must last “no less than 15 calendar days.” Florida Housing staff closed the Public Participation period January 7, 2022 – offering 22 calendar days for public feedback to be provided.
- d) A “Public Hearing” workshop was held January 11 to review any written public comment(s) provided as well as accept any public comments offered during this public hearing.
- e) Following the “Consultation” and “Public Participation” periods, Florida Housing completed the HOME-ARP Allocation Plan (attached as [Exhibit A](#)), that has addressed the requirements identified within the Notice provided by HUD.

### **3. Recommendation**

- a) Approve the Allocation Plan and the staff’s request to work with the Department of Economic Opportunity to submit the Allocation Plan to HUD as part of a substantial amendment to Florida Consolidated Plan.