

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 21, 2019
Action Items



FISCAL

Action

I. FISCAL

A. Fiscal Year 2019/2020 Trust Fund Allocation and Re-Allocation of Other Funding

1. Background

- a) In most state fiscal years, Florida Housing Finance Corporation has been appropriated spending authority from state documentary stamp tax collections in the Housing Trust Funds. Section 420.507, Florida Statutes (F.S.), authorizes Florida Housing to expend such amounts advanced to further its purposes. Of particular mention are the state programs provided for in Chapter 420, Part V, F.S., such as 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.
- c) In addition, from time to time, Florida Housing has unspent state or other funds that the Board is authorized to re-allocate to current state programs, again considering current housing needs and conditions.

2. Present Situation

a) **Trust Fund Allocation**

For the state Fiscal Year beginning July 2019, Florida Housing was appropriated a total of \$200.6 million for state programs. Of this amount, the Legislature made specific program designations through the State Housing Trust Fund as follows:

•	Developmental Disabilities Housing Grants	\$3,904,000
•	Jacksonville Workforce Project	\$8,000,000
•	Rental Recovery Loan Program	\$50,000,000

Through the Local Government Housing Trust Fund, specific program designations are as follows:

•	State Housing Initiatives Partnership (SHIP)	\$45,060,000
•	Hurricane Housing Recovery Program (HHRP)	\$65,000,000
•	Grants for Veterans Housing	\$1,000,000
•	Catalyst Training and Technical Assistance	\$500,000

The Legislature also appropriated \$27,136,000 from the State Housing Trust Fund for “Affordable Housing Programs,” which means that these funds are available for allocation by the Board. This amount may change slightly if the

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Governor exercises his line item veto authority on any of the State Housing Trust Fund appropriations. Staff recommends the following allocations:

- Florida Housing Data Clearinghouse – Up to \$315,000 – 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. [Exhibit B](#) provides more background on the Clearinghouse. 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., hurricane impacts from Irma and Michael). 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 sources provided by the Shimberg Center also pays for Clearinghouse activities.
- SAIL – \$26,821,000 (or whatever remains in the appropriation depending on gubernatorial budget action) – The overall physical occupancy rate for Florida Housing’s rental portfolio was 97.3 percent at the end of 2018, higher than the state occupancy rate for all rental properties in Florida. This represents nearly full occupancy, as there is always some unit turnover. As the Legislature did not appropriate funding to the SAIL program, allocating these funds to the SAIL program ensures that Florida Housing is responding to this strong demand for affordable rental housing.

b) **Re-Allocation of Other Available Funds**

Affordable Housing Guarantee Program. As the Guarantee Program winds down and properties that were supported by the program are refinanced out of it, funding has become available for other uses. In total, \$151.85 million has been made available to the SAIL program over the past few years, and an additional \$5 million is currently available for use.

Allocation of Unrestricted Net Position. In addition to the recommended allocations of \$26.8 million from the State Housing Trust Fund and \$5 million from the Guarantee Program to the SAIL program, Florida Housing expects to have approximately \$50 million in program income to use in the upcoming rental cycle, for a total of \$81.8 million for the SAIL program. Staff proposes to add an additional \$20 million in unrestricted net position to make a total of \$101.8 million in SAIL funds available for the coming cycle. This is the approximate size of the just completed cycle.

In addition, staff proposes to add an additional \$15 million in unrestricted net asset position to the remaining \$4 million in 2018 SAIL Workforce funding for a total of \$19 million for the upcoming rental cycle to be used for a workforce RFA as administered in previous years. This would allow Florida Housing to fund approximately three workforce developments in the next cycle – one expected in the Florida Keys and another two in other areas of the state with a

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high level of need for rental units above the traditional 50-60% of area median income levels served by SAIL and other programs. Any remaining funding from such an RFA, as well as all program income received from such funded developments would be designated as SAIL funding.

3. Recommendation

- a) Approve the staff recommendations for allocating the Fiscal Year 2019-2020 discretionary appropriation from the State Housing Trust Fund as follows:
 - For the Florida Housing Data Clearinghouse, up to \$315,000, with any funds not used for the Data Clearinghouse going to the SAIL program.
 - For the SAIL Program, \$26,821,000 , or the remaining appropriation available after funding the Data Clearinghouse.
- b) Approve the reallocation of \$5 million in available Guarantee Program funds to the SAIL program.
- c) Approve the allocation of unrestricted net position as follows:
 - \$20 million to SAIL; and
 - \$15 million to SAIL Workforce housing.

HURRICANE HOUSING RECOVERY PROGRAMS (HHRP)

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II. HURRICANE HOUSING RECOVERY PROGRAMS (HHRP)

A. Request to Approve Proposed Allocation of Hurricane Housing Recovery Program Funding

1. Background

- a) The Florida Legislature appropriated \$65 million for the Hurricane Housing Recovery Program (HHRP) for the SHIP-eligible local governments affected by Hurricane Michael (pending the state budget being signed by the Governor). As required by legislative proviso, the allocation is to be determined based on damage data from FEMA.
- b) At the May 10, 2019, meeting, the Board approved staff moving forward with development of the HHRP program.

2. Present Situation

- a) Staff has developed a proposed allocation of the \$65 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 a funding agreement with Florida Housing. The 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). As part of the funding agreement, each local government will submit a list of strategies upon which funds will be expended, a breakdown of the number of anticipated applicants that will be assisted under each strategy, a timeline for the expenditure of funds and any new strategies that are not part of the local government's approved LHAP.
- c) By the June Board meeting date, Florida Housing will have held a public workshop (June 18th in Blountstown, located in Calhoun County) for affected local governments and others interested to provide an overview of and take comments about the proposed program approach.
- d) 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 deposit of funds will be available no earlier than October 2019.

3. Recommendation

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

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III. LEGAL

A. **Ambar Riverview, Ltd., vs. Florida Housing Finance Corporation and Las Brisas Trace, LP (Intervenor); FHFC Case No.: 2019-014P, DOAH Case No.: 19-1261BID**

1. **Background**

- a) This case regards protests filed in Request for Applications 2018-111 Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County (the “RFA”). Through the ranking and selection process outlined in the RFA, Lucida Apartments, Ltd (“Lucida”), Las Brisas Trace, LP (“Las Brisas”), and Cannery Row at Redlands Crossing, LLLP (“Cannery Row”) were preliminarily selected for funding.
- b) Whaler’s Cove Apartments, LLC (“Whaler’s Cove”), AMC HTG 3, LLC (“AMC HTG 3”), HTG Rock Ridge, Ltd, (HTG Rock Ridge”), and Ambar Riverview, Ltd (“Ambar Riverview”) timely filed notices of intent to protest and formal written protests challenging the scoring process in the RFA. The petitions were referred to the Division of Administrative Hearings and consolidated. Lucida, Las Brisas, Cannery Row and HTG Berkeley, LLC (“HTG Berkeley”) filed notices of appearance as specifically named persons.
- c) Whaler’s Cove, AMC HTG 3, and HTG Rock Ridge voluntarily dismissed their petitions. A formal administrative hearing was held on April 10, 2019. At the outset of the hearing, Ambar announced that it would no longer litigate several issues raised in its petition. The hearing proceeded on two issues: 1) Las Brisas’ Principals Disclosure Form’s failure to identify the multiple roles of its Principals; and 2) Las Brisas’ failure to answer Question 10f, the Public Housing Authority Question, in the RFA.
- d) At hearing, Florida Housing argued that its initial scoring and eligibility determinations for Las Brisas were correct, reasonable, and in accord with Florida Housing’s rules and the RFA specifications.

2. **Present Situation**

- a) The hearing was conducted as scheduled before Administrative Law Judge (“ALJ”) Darren A. Schwartz at the Division of Administrative Hearings in Tallahassee, Florida. After the hearing, the parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the ALJ issued a Recommended Order on May 21, 2019. A copy of the Recommended Order is attached as [Exhibit A](#). The ALJ concluded that Florida Housing’s proposed action in awarding the housing tax credits to Las Brisas, and not Ambar, is not contrary to the governing statutes, rules, or the RFA specifications, and was not clearly erroneous, contrary to competition, arbitrary, or capricious. The Recommended Order recommended that Florida Housing enter a final order dismissing Ambar’s petition and awarding the housing tax credits to Las Brisas, Lucida, and Cannery Row consistent with its preliminary selection.

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- b) On May 31, 2019, Ambar Riverview filed Exceptions to the Recommended Order, attached as [Exhibit B](#). On June 6, 2019, Las Brisas and Florida Housing filed a Joint Response to Ambar's Exceptions, a copy of which is attached as [Exhibit C](#).

3. **Recommendation**

- a) Staff recommends that the Board reject the Exceptions filed by Ambar Riverview and issue a Final Order adopting the Recommended Order without changes.

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B. In Re: Marika Tolz - FHFC Case No. 2018-083HHF - DOAH Case No. 19-0165

1. Background

- a) On or about February 27, 2017, Marika Tolz (“Petitioner”) applied for assistance through the Hardest Hit Fund Elderly Mortgage Assistance (“HHF ELMORE”) program. Florida Housing administers the HHF ELMORE program using funds appropriated by the United States Congress through the Emergency Economic Stabilization Act of 2008. The ELMORE program is one of the programs created under the umbrella of the Hardest Hit Fund. The HHF ELMORE program is designed to assist senior homeowners in Florida who are facing foreclosure due to the inability to pay property charges such as property taxes, homeowners’ insurance, and homeowners or condo association dues after the homeowner was paid all of the equity under a reverse mortgage. On or about May 11, 2018, Petitioner’s application was denied.
- b) On or about November 8, 2018, Petitioner submitted another application for mortgage assistance from the ELMORE program. On December 5, 2018, Petitioner’s application was denied due to a disqualifying felony conviction. Petitioner timely filed a petition for reconsideration. Florida Housing denied this petition with leave to amend and upon receiving an amended petition, referred the matter to the Division of Administrative Hearings (“DOAH”).
- c) A formal administrative hearing was held in this case on March 6, 2019 via video conference, in Miami and Tallahassee, Florida, before Administrative Law Judge Mary Li Creasy (the “ALJ”).

2. Present Situation

- a) An individual is ineligible to qualify for HHF ELMORE program funds if such person has a disqualifying offense under the Dodd-Frank Act. The Dodd-Frank Act exclusion for criminal applicants is codified 12 U.S.C. § 5220b, and states in relevant part:
 - (d) Prevention of qualification for criminal applicants
 - (1) (1) In General

the Making Home Affordable Program authorized under the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.), or any other mortgage assistance program authorized or funded by that Act, on or after 60 days after July 21, 2010, if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following:

 - (A) Felony larceny, theft, fraud, or forgery.
 - (B) Money laundering.
 - (C) Tax evasion.

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- b) On or about December 12, 2011, Petitioner was convicted in Broward County Circuit Court of grand theft in the first degree. On or about July 27, 2011, Petitioner was convicted of conspiracy to commit wire fraud in the United States District Court for the Southern District of Florida (the “federal case”). In the federal case, Tolz executed a Factual Basis Supporting Change of Plea (“Factual Basis”) on or about April 15, 2011. Petitioner agreed not to contest the information in the Factual Basis. Additionally, Petitioner agreed that the Factual Basis provided a sufficient factual basis to support her plea of guilty and, that if the case had proceeded to trial, the United States would have proven those facts beyond a reasonable doubt. In the Factual Basis, Petitioner agreed that she “directly or indirectly, utilized funds obtained through the fraudulent scheme to purchase, maintain and improve real properties, including, but not limited to the following real properties...” (emphasis supplied).
- c) At hearing, Petitioner argued that while she was convicted of wire fraud within the past 10 years of her application, it was not “in connection with a mortgage or real estate transaction.” Florida Housing argued that the wire fraud was “in connection with” a mortgage or real estate transaction because, as stated in the Factual Basis, the funds obtained through the crime were utilized to “purchase, maintain, and improve real properties”.
- d) On April 30, 2019, the ALJ entered a Recommended Order finding that Florida Housing properly denied Petitioner’s HHF ELMORE application. A copy of the Recommended Order is attached as [Exhibit D](#). The ALJ recommended that Florida Housing enter a final order dismissing Petitioner’s Amended Petition. The timeframe to file exceptions has expired and no exceptions were filed.

3. **Recommendation**

- a) Staff recommends the Board adopt the Findings of Fact, Conclusions of Law and Recommendation of the Recommended Order as its own and issue a Final Order consistent with the same.

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Action Supplement

I. LEGAL

- A. **Durham Place, Ltd. and Durham Place Developer, LLC v. Florida Housing Finance Corporation**, DOAH Case No. 19-1396BID, FHFC Case No. 2019-012BP (Intervenor Amelia Court at Creative Village Phase II Partners, Ltd.)

Amelia Court at Creative Village Phase II Partners, Ltd. v. Florida Housing Finance Corporation, DOAH Case No. 19-1397BID, FHFC Case No. 2019-19BP (Intervenor Hawthorne Park, Ltd.)

HTG Banyan, LLC v. Florida Housing Finance Corporation, DOAH Case No. 19-1302BID, FHFC Case No. 2019-016BP (Intervenor HTG Heron Estates Family, LLC)

Blue Pinellas, LLC v. Florida Housing Finance Corporation, DOAH Case No. 19-1301BID, FHFC Case No. 2019-015BP (Intervenor The Shores Apartments, Ltd.)

1. **Background**

- a) This case regards Request for Applications (“RFA”) 2018-112, which solicited applications to compete for an allocation of Federal Low-Income Housing Tax Credit funding (“tax credits”) for affordable housing developments located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. Petitioners and Intervenor all submitted applications in response to the RFA. On February 1, 2019, Florida Housing posted notice of its intended decision to award funding to several applicants, including Hawthorne Park as the sole applicant funded from Orange County; HTG Heron Estates as the sole applicant funded from Palm Beach County; and The Shores Apartments as the sole funded applicant from Pinellas County. The Board found that all of the Petitioners and Intervenor satisfied all mandatory and eligibility requirements for funding, but awarded funding based upon the ranking criteria in the RFA.
- b) Petitioners filed notices of intent to protest and formal written protests as required by section 120.57(3), Florida Statutes, challenging the Corporation’s scoring and ranking of Applicants for funding under the RFA. Florida Housing referred the petitions to the Division of Administrative Hearings for a formal hearing. Several other challenges were also filed, but eventually all challenges except for Amelia Court’s challenge to Hawthorne Park and Durham Place’s challenge to Amelia Court were dismissed. The two formal written protests filed by Amelia Court and Durham Place were consolidated.
- c) The central issue here is whether Florida Housing’s decisions to award funding under the RFA are contrary to the agency’s governing statutes, the agency’s rules or policies, or the solicitation specifications. More specifically, the issue is whether Florida Housing’s determination that the applications of Amelia Court, Hawthorne Park, HTG Heron Estates, and The Shores Apartments were eligible was within the bounds described above.
- d) **Amelia Court, Hawthorne Park, and Durham Place**
- e) Hawthorne Park included with its application two forms intended to demonstrate that Orange County had committed to a Local Government Contribution sufficient to demonstrate that Hawthorne Park would qualify for the Local Government Area of Opportunity funding preference. Amelia Court alleged that

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this contribution should have been found ineligible because a circuit court judge had issued a temporary injunction preventing Orange County from providing the contribution from its intended funding source.

- f) Amelia Court included with its application one form intended to demonstrate that the City of Orlando had committed to a Local Government Contribution sufficient to demonstrate that Amelia Court would qualify for the Local Government Area of Opportunity funding preference. Durham Place alleged that this contribution should have been found ineligible because based on the identified source of the funding. Durham Park also alleged that Amelia Court had not properly disclosed the identities of all developers of the proposed development.
- g) If Hawthorne Park had been deemed ineligible, then Amelia Court would have been selected for funding instead. If both Hawthorne Park and Amelia Court been deemed ineligible, Durham Place would have been selected for funding.
- h) A hearing was conducted on April 15, 2019, before Administrative Law Judge James B. Culpeper. All parties filed Proposed Recommended Orders. After reviewing the Proposed Recommended Orders, the Administrative Law Judge issued a Recommended Order on June 7. The Recommended Order upheld Florida Housing's initial determination and recommended that the petitions of Amelia Court and Durham Place be dismissed and that Hawthorne Park should be awarded funding. A copy of the Recommended Order is attached as Supp [Exhibit A](#).
- i) On June 12, Petitioner Amelia Court filed 6 Exceptions to the Recommended Order. On June 17, Florida Housing and Hawthorne Park filed Responses to Exceptions. Copies of the Exceptions and Responses are attached as Supp Exhibits [B](#), [C](#) & [D](#).
- j) HTG Banyan and HTG Heron Estates
- k) HTG Banyan alleged in its petition that HTG Heron Estates' application should have been deemed ineligible for failure to demonstrate a Local Government Contribution. During discovery prior to the hearing, Florida Housing concluded that HTG Banyan' allegations were correct, and agreed that HTG Heron Estates should not have been recommended for funding.
- l) Berkeley Landing, Ltd was an applicant that was deemed eligible but not selected for funding. It filed a notice of intent to protest and formal written protest challenging the eligibility of HTG Heron Estates, but filed a Notice of Voluntary Dismissal on March 20, 2019. Berkeley Landing also stipulated that it should have been found ineligible for funding.
- m) On April 1, 2019, HTG Banyan, HTG Heron Estates, and Florida Housing entered into a Stipulation for Dismissal in which HTG Heron Estates agreed to the designation of its own application as ineligible and waived any right to challenge that determination. As a result, HTG Banyan that same day filed a Notice of Voluntary Dismissal with the Administrative Law Judge. Copies of the Notice and Stipulation are attached as Supp Exhibits [E](#) and [F](#).

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- n) Blue Pinellas and The Shores Apartments
- o) Blue Pinellas alleged in its petition that The Shores' application should have been denied points for proximity to a public school and a medical facility. During discovery prior to the hearing, Florida Housing concluded that Blue Pinellas' allegations were correct, and agreed that The Shores should not have been recommended for funding. As a result, Florida Housing filed a Notice of Change of Position with the Administrative Law Judge.
- p) On April 12, 2019, Blue Pinellas, The Shores, and Florida Housing entered into a Stipulation for Dismissal in which The Shores agreed to the designation of its own application as ineligible and waived any right to challenge that determination. As a result, Blue Pinellas that same day filed a Notice of Voluntary Dismissal with the Administrative Law Judge. Copies of the Notice and Stipulation are attached as Supp Exhibits [G](#) & [H](#).

2. Recommendation

- a) Staff recommends that the Board issue a Final Order:
 - (1) Recommending that HTG Banyan be awarded funding instead of HTG Heron Estates;
 - (2) Recommending that Blue Pinellas be awarded funding instead of The Shores; and
 - (3) Recommending that the Exceptions filed by Amelia Court be rejected, that the Recommended Order of the ALJ be adopted as Florida Housing's Final Order, and that Hawthorne Park be awarded funding.

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B. MHP Jordan Bayou, LLC v. Florida Housing Finance Corporation, FHFC Case No. 2019-050BP

1. Background

- a) This case regards Request for Applications 2019-109, HOME Financing to be Used for Rental Developments in Hurricane Michael Impacted Counties and in Rural Areas (the “RFA”). Following scoring, the Review Committee recommended that the Board fund six Applications. The Board accepted the recommendation and voted to allocate additional HOME funds to one additional eligible Application, for a total of seven.
- b) Petitioner MHP Jordan Bayou, LLC (“Jordan Bayou”) applied for \$4,998,000.00 in HOME funding for its proposed 50-unit development in Franklin County. The Review Committee did not recommend Jordan Bayou for funding, finding it ineligible for failing to complete the Unit Mix Chart in its Application. Jordan Bayou subsequently filed a notice of intent to protest and a formal written protest as required by section 120.57(3), Florida Statutes, challenging the Corporation’s scoring and ranking of Applicants for funding under the RFA. Three Applicants preliminarily selected for funding appeared as Intervenor in the case.

2. Present Situation

- a) Staff has reviewed the Board’s preliminary RFA funding decision, the Jordan Bayou Application and the Petition, and has determined that the Jordan Bayou Application meets the requirements of the RFA, should be deemed eligible and selected for funding. While Jordan Bayou did not complete the Unit Mix Chart, the required information appears elsewhere in the Application. No additional information from the Unit Mix Chart was necessary to score or rank the Jordan Bayou Application.
- b) Since the issuance of RFA 2019-109, Florida Housing has received confirmation of its 2019 HOME allocation, which provides enough funding to fully fund all eligible Tier 1 applications submitted in response to this RFA, including Jordan Bayou. Two additional Applications, Springfield Crossings (2019-405H) and Marianna Crossings (2019-406H), also eligible but currently unfunded, can be funded with the additional available HOME funds through this RFA.
- c) To avoid the time, expense and uncertainty of litigation, the parties have agreed that the Jordan Bayou Application is eligible for and should be selected funding. Accordingly, Jordan Bayou and Florida Housing have executed a Consent Agreement, subject to the approval of the Board, attached as Supp [Exhibit I](#). The funding of the Jordan Bayou Application will not affect the funding awarded to any other Applicant under this RFA.

3. Recommendation

- a) Staff recommends that the Board issue a Final Order adopting the Stipulated Findings of Fact, the Stipulated Conclusions of Law, and Recommendation of the Consent Agreement, and issue a Final Order accordingly, awarding the requested HOME funding to Jordan Bayou. Additionally, staff recommends that the Board fund all remaining eligible Tier 1 Applications with available HOME funds.

MULTIFAMILY PROGRAMS

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IV. MULTIFAMILY PROGRAMS

A. Request Approval to Proceed with an Update to the Credit Underwriting Report for Bessie Dix Residential Community Group Home (2014-395G)

Development Name: Bessie Dix Residential Community Group Home	Location: Hillsborough County
Applicant/Borrower: Human Development Center, Inc./Kim Church	Set-Aside(s): 33% @ 40% AMI 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: Grant \$72,000.00	Development Category/Type: Rehabilitation/Retrofit/CRH

1. Background

- a) Bessie Dix Residential Community Group Home was awarded a \$72,000 grant to rehabilitate/retrofit a community residential home in 2014 (RFA 2014-105). The Grantee was erroneously allowed to draw down \$10,227.50 in grant funding without obtaining necessary permits. No further corrective actions were taken and on February 18, 2019, Florida Housing notified the Grantee that they were in default of the Restrictive Covenant and Grant Agreement. Subsequently on March 29, 2019, Florida Housing requested the appearance of the Grantee or a representative of the Grantee at the May 10, 2019 Board meeting to discuss the lengthy delays and lack of substantive details, or appropriate documentation, in response to multiple requests dating back to August 5, 2015.
- b) On May 10, 2019, the Florida Housing Board of Directors considered statements made by Jesus "Jesse" Leon, Director of Multifamily Development, Mark Fredericks, Senior Vice-President of Multifamily Services with AmeriNat, and Adam Bild, attorney for the Grantee. The Board voted to deny staff's recommendation for repayment of funds disbursed to date, de-obligation of remaining grant funding, and termination of the Restrictive Covenant and Grant Agreement. Staff made a subsequent recommendation for AmeriNat and the Grantee to revisit any updated required documents by the Grantee that are necessary to move the development forward. The Board approved this recommendation with the contingency that all due diligence be submitted to AmeriNat by May 16, 2019. Based on AmeriNat's review, staff will provide an update and new recommendation to the Board at the June 21, 2019 Board of Director's Meeting.

2. Present Situation

- a) On May 16, 2019, the Applicant provided requested due diligence items to AmeriNat. AmeriNat conducted a review and found all documentation to be in order with only a few minor exceptions that can be remedied.

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- b) Upon receipt of complete documentation and third party reports, Staff recommends to the Board that the Applicant be permitted to proceed with an updated credit underwriting report to be presented for approval at the August Board of Director's Meeting. Following approval, staff will amend the Restrictive Covenant and Grant Agreement with a new completion date and draw schedule.

3. **Recommendation**

- a) Approve and direct Applicant, Staff and AmeriNat to proceed with an update to the credit underwriting report.

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B. Request Approval to Proceed with an Update to the Credit Underwriting Report for Flora Residential Community Group Home (2014-396G)

Development Name: Flora Residential Community Group Home	Location: Hillsborough County
Applicant/Borrower: Human Development Center, Inc./James Bell	Set-Aside(s): 33% @ 40% AMI 67% @ 60% AMI
Developer/Principal: N/A	Demographic/Number of Units: Persons with Developmental Disabilities/6 Residents
Requested Amounts: Grant \$69,400.00	Development Category/Type: Rehabilitation/Retrofit/CRH

1. Background

- a) Flora Residential Community Group Home was awarded a \$69,400 grant to rehabilitate/retrofit a community residential home in 2014 (RFA 2014-105). The Grantee was erroneously allowed to draw down \$7,036.50 in grant funding without obtaining necessary permits. No further corrective actions were taken and on February 18, 2019, Florida Housing notified the Grantee that they were in default of the Restrictive Covenant and Grant Agreement. Subsequently on March 29, 2019, Florida Housing requested the appearance of the Grantee or a representative of the Grantee at the May 10, 2019 Board meeting to discuss the lengthy delays and lack of substantive details, or appropriate documentation, in response to multiple requests dating back to August 5, 2015.
- b) On May 10, 2019, the Florida Housing Board of Directors considered statements made by Jesus "Jesse" Leon, Director of Multifamily Development, Mark Fredericks, Senior Vice-President of Multifamily Services with AmeriNat, and Adam Bild, attorney for the Grantee. The Board voted to deny staff's recommendation for repayment of funds disbursed to date, de-obligation of remaining grant funding, and termination of the Restrictive Covenant and Grant Agreement. Staff made a subsequent recommendation for AmeriNat and the Grantee to revisit any updated required documents by the Grantee that are necessary to move the development forward. The Board approved this recommendation with the contingency that all due diligence be submitted to AmeriNat by May 16, 2019. Based on AmeriNat's review, staff will provide an update and new recommendation to the Board at the June 21, 2019 Board of Director's Meeting.

2. Present Situation

- a) On May 16, 2019, the Applicant provided requested due diligence items to AmeriNat. AmeriNat conducted a review and found all documentation to be in order with only a few minor exceptions that can be remedied.
- b) Upon receipt of complete documentation and third party reports, Staff recommends to the Board that the Applicant be permitted to proceed with an updated credit underwriting report to be presented for approval at the August Board of Director's Meeting. Following approval, staff will amend the

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Restrictive Covenant and Grant Agreement with a new completion date and draw schedule.

3. **Recommendation**

- a) Approve and direct Applicant, Staff and AmeriNat to proceed with an update to the credit underwriting report.

MULTIFAMILY PROGRAMS – ALLOCATIONS

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V. MULTIFAMILY PROGRAMS – ALLOCATIONS

A. Request for Applications (RFA) 2019-108 SAIL Financing for Farmworker and Commercial Fishing Worker Housing

1. Background

- a) On April 11, 2019, Florida Housing Finance Corporation (Florida Housing) issued RFA 2019-108 offering \$5,510,000 of SAIL funding to Applicants proposing the construction of Commercial Fishing Worker or Farmworker (including Unaccompanied Farmworker) Developments or the Substantial Rehabilitation or Acquisition and Substantial Rehabilitation of existing Farmworker or Commercial Fishing worker Developments that are currently in the Corporation's portfolio and/or the United States Department of Agriculture Rural Development portfolio.
- b) The deadline for receipt of Applications was 3:00 p.m., Eastern Time, May 7, 2019.

2. Present Situation

- a) Florida Housing received 1 Application in response to this RFA. The Review Committee members, designated by the Executive Director, were Jade Grubbs, Multifamily Programs Coordinator (Chair), Diana Fields, Policy Administrator, Elaine Roberts, Senior Supportive Housing Analyst, Heather Greene, Multifamily Programs Coordinator, Rachael Grice, Multifamily Programs Manager, and Nancy Muller, Director of Policy/Special Programs. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Application, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its June 4, 2019 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.
- c) The 2019-108 All Applications chart (provided as [Exhibit A](#)) lists the Application.
- d) The Review Committee considered the following motions:
 - (1) A motion for the Review Committee to accept the scoring results as set out on Exhibit A;
 - (2) A motion to recommend to the Board that the Board adopts the scoring results as set out on Exhibit A and finding the Application ineligible for funding.
- e) The motions passed unanimously.

MULTIFAMILY PROGRAMS – ALLOCATIONS

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- f) As outlined in subsection 67-48.0072(1), F.A.C., at the completion of all litigation and approval by the Board of all Recommended Orders with regard to this RFA, Florida Housing shall offer the Applicant an invitation to enter credit underwriting if the Application is found to be within the funding range pursuant to such Recommended Order.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the Application (set out on Exhibit A).
- b) There is an unallocated balance of \$5,510,000 remaining. As provided in Section Five, B. of the RFA, any remaining funding will be distributed as approved by the Board.
- 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 an invitation to enter credit underwriting to the Applicant, if applicable.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

B. 2019-2020 Tentative Funding Amounts for Request for Applications (RFAs) for Multifamily Developments

1. Background

- a) During the remainder of 2019 and first half of 2020, the Corporation expects to offer the following funding through various RFAs:
- (1) Estimated \$101,821,000 million in State Apartment Incentive Loan (SAIL) Program funding (2019 Legislative appropriation for the SAIL Program plus SAIL Program Income, plus unrestricted net position);
 - (2) Estimated \$19 million in Workforce SAIL funding (\$4 million remaining from 2018 Legislative appropriation for Workforce SAIL funding plus unrestricted net position);
 - (3) Estimated \$50 million in Rental Recovery Loan Program (RRLP) funding;
 - (4) Estimated \$6,950,850.50 in National Housing Trust Fund (NHTF) funding;
 - (5) Estimated \$59 million in Housing Credit (HC) allocation (anticipated 2020 Annual Allocation of HC).

2. Present Situation

- a) The Tentative 2019-2020 Funding Amounts/Time Line plan, outlining the tentative timeframes for the various RFAs for which staff expects to hold workshops and issue through the remainder of 2019 and into the first half of 2020, is attached as [Exhibit B](#).

3. Recommendation

- a) Authorize staff to proceed with the development of various RFAs for SAIL, HC, and RRLP funding, and authorize the Executive Director to establish a review committee for each RFA, as each RFA is issued, to make recommendations for award to the Board.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

C. Corrected Geographic Allocation for 2019 through 2021 SAIL Funding Cycles

1. Background

- a) At its May 2019 meeting, the Board approved a geographic allocation split for the State Apartment Incentive Loan (SAIL) program for 2019 through 2021. The staff realized the geographic split provided to the Board for its approval was erroneously based on percentages for the last three years.

2. Present Situation

- a) Based on Section 420.5087(1), Florida Statutes, SAIL funds must 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 2019 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). [Exhibit C](#) 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.
- c) To determine the distribution of need for low income households, the estimated number of cost burdened renter households with incomes at or below 60 percent of area median income (AMI) was determined for each county. These renters are the focus of the SAIL and other rental programs, which target households at or below 60 percent of AMI.

Large counties	483,260	Cost burdened renter households (60.7% of state need)
Medium counties	287,974	Cost burdened renter households (36.2% of state need)
Small counties	24,369	Cost burdened renter households (3.1% of state need)
TOTAL	795,603	Cost burdened renter households¹

- d) To establish the allocation for each category, the total number of households in need (defined by cost burden) for each county category was divided by the overall state total to get a percentage, as summarized above. In doing this, the small county category shows an allocation percentage of 3.1 percent, which is less than the 10 percent minimum required by statute for each county category. The small county allocation was increased to 10 percent, and the amount of increase (6.9%) was deducted from the category with the largest allocation, as required by statute. This is the Large County category. The result of these calculations are provided below. The final geographic allocation split for the next three years is proposed to be:

¹ This means that 68.7% of the 1,158,422 low income renter households are cost burdened.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Action

- Large counties: 53.8 percent (reduced from 60.7 percent);
- Medium counties: 36.2 percent; and
- Small counties: 10.0 percent (increased from 3.1 percent).

3. **Recommendation**

- a) Based on the 2019 Study, the proposed allocation of resources for the SAIL program between large, medium and small counties during 2019, 2020 and 2021 is as follows:

Large counties:	53.8 percent;
Medium counties:	36.2 percent; and
Small counties:	10.0 percent.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

VI. 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, and other affordable housing programs, including for the next few years 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 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 now HHRP) program.
- 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. (2018), 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, 2019. Florida Housing has a continuing need for these services, and the Legislature appropriated 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.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Contract Renewal for Insurance Agent of Record

1. Background

- a) In December 2014, Florida Housing entered into a five-year contract with Rogers, Gunter, Vaughn Insurance, Inc. (RGVI), to serve as the Corporation's Insurance Agent of Record for Corporate Insurance.
- b) RGVI obtains annual policies for Commercial General Liability, Crime, Business Owners Policy, Directors and Officers, Excess Directors and Officers, General Liability for Vacant Land, Liability, Automobile, Employment Practices, and Fiduciary Liability insurance.
- c) The original term of this contract is set to expire on December 3, 2019, and a five-year renewal option remains.

2. Present Situation

- a) Florida Housing staff supports a renewal to extend the term of the contract for the five-year renewal period.

3. Recommendation

- a) Staff recommends the Board direct staff to proceed with the five-year renewal option.