

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**December 13, 2013**  
**Action Items**



# FISCAL

## Action

### I. FISCAL

#### A. 2014 Operating Budget

##### 1. Background

- a) The Florida Housing Finance Operating Budget is created with a conservative approach to both revenue and expenses.
- b) The 2014 budget, which includes both Operating and the Hardest Hit Fund, was created using the following approach, as applicable:
  - a projection of fee revenue based on the current loan portfolio. No new bond transactions were projected for 2014;
  - a projection of revenue from the administration of other federal programs;
  - a projection of investment earnings based on input from investment managers;
  - a zero-based budget model for operating expenses, exclusive of salaries and benefits; the 2014 projected work plan for operational units determines the initial expense budget request from each work unit;
  - employee benefits information based on final quotes for insurance.
- c) Upon implementation of the 2014 Operating Budget, Florida Housing will closely monitor revenues and expenses. Non-discretionary line item budgets, such as program administration, monitoring and workshops, will be fully allocated to work units; however, we will vigorously monitor all expenditures to assure revenues will support expenditures. Discretionary line items, such as staff development travel and certain outreach travel, will be controlled at the executive level. With these measures in place to control expenditures, Florida Housing expects to maintain a positive trend of revenues exceeding expenses.

##### 2. Present Situation

- a) The recommended Operating Budget for 2014 has been compiled, reviewed, and revised and is provided as [Exhibit A](#).
- b) An Account Guide describing the budget categories is included with the Operating Budget.

##### 3. Recommendation

Staff recommends approval of the 2014 Operating Budget.

## LEGAL

### *Action*

## II. LEGAL

### A. Request Authorization to Amend Rule Chapter 67-49, Procurement of Commodities or Contractual Services

#### 1. Background

- a) Section 420.507(27), Florida Statutes, grants Florida Housing authority to create its own guidelines for procurement of goods and services. Florida Housing has done so in Rule Chapter 67-49, Fla. Admin. Code. In 2013, the Legislature passed HB 1309, codified as Ch. 2013-154, Laws of Florida, which added some specific requirements, such as clarifying the agency's responsibility to make express in its contracts that the contractor/vendor is subject to responsible for compliance with the Public Records Law, Ch. 119, Florida Statutes.
- b) Updating the rule chapter requires some amendment to most sections of the current rule chapter, and the creation of a new section addressing contract terms, amendments, and renewals. The proposed rule makes the following changes to Rule Chapter 67-49:
  - (1) Amend definitions to include "Competitive Solicitations;"
  - (2) Recognize that the "Florida Administrative Weekly" is now the "Florida Administrative Register;"
  - (3) Clarify that rights to protest attach when a solicitation is posted on the Corporation website;
  - (4) Include the statutory requirements regarding the public records law and other mandatory terms in all contracts;
  - (5) Increase the threshold amount requirement for competitive solicitation from \$25,000 to \$35,000 (as changed in statute) and increase the threshold requirement for obtaining at least two quotes from \$3,000 to \$5,000;
  - (6) Clarify and increase the requirements for single source purchases;
  - (7) Amend the list of exemptions from competitive solicitation consistent with statutory changes;
  - (8) Sets forth the responsibilities of the Contracts Manager; and
  - (9) Makes technical and conforming changes.

## **LEGAL**

### ***Action***

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

- a) To implement recent legislative enactments, Florida Housing must amend and promulgate rules in Ch. 67-49, Florida Administrative Code.
- b) [Exhibit A](#) attached.
- c) [Exhibit B](#) attached.

#### **3. Recommendation**

Authorize staff to file a Notice of Proposed Rule for Ch. 67-49, Florida Administrative Code, to make technical changes upon approval of the Chair, and to file the rule for adoption.

## LEGAL

### *Action*

#### **B. In Re: Signature Authority**

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

- a) The draft resolution 2013-04 attached hereto as [Exhibit C](#) designates and authorizes Stephen P. Auger, Executive Director and Secretary, and Barbara Goltz, Chief Financial Officer, and Angie Sellers, Comptroller, for as long as they are employed, to execute documents necessary to effectuate the issuance of the Bonds, including the execution of the Bonds and the security documents underlying the same, as necessary to effectuate the issuance of the Bonds and the closing of the transactions, for any closing or issuance of Bonds after the resolution's effective date.
- b) The draft resolution further designates Wellington H. Meffert, II, and Ken Reecy and Candice Allbaugh as Assistant Secretaries, for as long as they are employed, for the purpose of providing attestations and certifications of all documents necessary to effectuate the issuance of the Bonds, including the execution of the Bonds and the security documents underlying the same, as necessary to effectuate the issuance of the Bonds and the closing of the transactions, for any closing or issuance of bonds after the resolution's effective date.

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

- a) The resolution is necessary due to personnel changes in Florida Housing's staff.
- b) The resolution would replace all prior resolutions delegating authorization staff members to execute documents in connection with the issuance of Bonds by Florida Housing, effective December 13, 2013.

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

- a) That the Board adopt Resolution 2013-04 as drafted.

## LEGAL

### Action

- C. **Duval Park, Ltd. v. Florida Housing Finance Corporation - FHFC Case No. 2013-14BP; DOAH Case No. 13-2898BID**

**Osprey Apartments, LLC v. Florida Housing Finance Corporation - FHFC Case No. 2013-14BP; DOAH Case No. 13-2899BID**

<b>Development Name: (“Development”):</b>	<b>Duval Park Liberty Village</b>
<b>Developer/Principal: (“Developer”):</b>	<b>Duval Park Developer, LLC Carrfour Supportive Housing, Inc.</b>
<b>Number of Units: 88 (Duval) 65 (Osprey)</b>	<b>Location: Pinellas County (Duval) Miami-Dade (Osprey)</b>
<b>Type: Garden Apartments (Duval) Mid-rise w/ elevator (Osprey)</b>	<b>Set Asides: 75% @ 60% AMI 25% @ 40% AMI (Duval) 25% @ 33% AMI (Osprey)</b>
<b>Demographics: Veterans with Special Needs</b>	<b>\$1,300,000 (Duval) \$1,000,000 (Osprey)</b>

#### 1. Background

- a) Duval Park, Ltd., and Osprey Apartments, LLC (“Duval Park” and “Osprey,” collectively the “Petitioners”) timely submitted responses to RFP 2013-08 Special Needs High Priority Affordable Housing Developments (“RFP”) seeking allocations of low income housing tax credits to help fund their respective proposed developments.
- b) On June 21, 2013, Florida Housing’s Board of Directors accepted the recommendations of a staff review committee assigned to evaluate the RFP responses, and notified Petitioners and other interested parties of the Board’s intended decision to tentatively award an allocation of low-income tax housing tax credits (“Housing Credits”) to Duval Park. Insufficient allocation remained to fund another proposed development, leaving Duval Park as the only successful responder to the RFP. Staff then provided all responders with a Notice of Rights pursuant to Sections 120.569, F.S.
- c) Both Petitioners timely filed petitions challenging Florida Housing’s scoring of their responses. Osprey raised three issues, alleging that the Duval Park response failed threshold requirements that Osprey’s development and management teams possessed objectively more experience in Permanent Supportive Housing than Duval Park and should have garnered a higher score (rather than the tie score assigned by the scorer), and that the “reconciliation” process employed by the two scorers assigned to the Access to Resident Services section was arbitrary and capricious.
- d) Duval Park generally alleged that it should have received additional points for developer team experience, in an effort to protect or increase its winning score should a court find Florida Housing erred in the scoring of either response.

## LEGAL

### *Action*

- e) After reviewing the Petitions, Florida Housing determined that the allegations included dispute issues of material fact, and forwarded both Petitions to the Division of Administrative Hearings for a formal hearing pursuant to Section 120.57(1), F.S. The cases were subsequently consolidated, and a formal hearing was held on the consolidated cases on October 3, 2013. At hearing, Osprey abandoned its allegations regarding the Duval Park response failing threshold and the reconciliation process, leaving only the issue of developer and management team experience with Permanent Supportive Housing to be determined.
- f) Following the hearing, all parties timely submitted Proposed Recommended Orders. After considering the testimony, evidence and arguments of the parties, the Administrative Law Judge issued a Recommended Order finding that the review committee did not err in the scoring of the Duval Park and Osprey responses, and recommending that the Board issue a Final Order consistent with its initial decision to award funding to Duval Park. A copy of the Recommended Order is attached hereto as [Exhibit D](#).

### 2. **Present Situation**

The Board must enter a Final Order in this matter. No Exceptions have been filed by any party to the proceeding.

### 3. **Recommendation**

Staff recommends that the Board issue a Final Order adopting the Findings of Fact and Conclusions of Law of the Recommended Order, dismissing and denying the relief requested in the Petitions, and awarding a tentative allocation of Housing Credits to Duval Park.

## MULTIFAMILY PROGRAMS

### *Action*

### III. MULTIFAMILY PROGRAMS

#### A. Request for Applications (RFA) 2013-001 for Affordable Housing Developments Located in Medium and Small Counties

##### 1. Background

On September 19, 2013, Florida Housing staff issued RFA 2013-001 to award an estimated \$11,166,425 of Housing Credits to proposed Developments located in Medium Counties and an estimated \$1,308,328 of Housing Credits to proposed Developments located in Small Counties. The deadline for receipt of Applications was 2:00 p.m., Eastern Time, Thursday, October 17, 2013.

##### 2. Present Situation

- a) Florida Housing received 96 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Amy Garmon, Multifamily Programs Manager (Chair), Elizabeth Thorp, Multifamily Programs Senior Analyst, Bill Cobb, Multifamily Programs Manager, Jean Salmonsens, Housing Development Manager, and Jade Grubbs, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- b) The Review Committee met on the following dates: November 5, 2013, to discuss the Applications and answer Review Committee members' questions and November 21, 2013, to give their scores and submit a recommendation to the Board.
- c) At the November 21, 2013, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process. The Medium-Small RFA Applications – Sorting Order 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) are listed in order from highest total score to lowest total score, with all funding selection criteria applied, as outlined in Section Six B of the RFA. The ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following two (2) motions:
  - (1) A motion to adopt the scoring results, as set out on [Exhibit A](#); and
  - (2) A motion to tentatively select the Applications set out on [Exhibit B](#) for funding and invite the Applicants to enter credit underwriting.



## MULTIFAMILY PROGRAMS

### *Action*

- e) Both of the motions were passed unanimously.
- 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, the Corporation shall offer all Applicants within the funding range an invitation to enter credit underwriting.

### **3. Recommendations**

- a) Approve the Committee's recommendations that the Board adopt the scoring results (set out on [Exhibit A](#)) and authorize the tentative selection of the Applications (set out on [Exhibit B](#)) for funding and invitation to enter credit underwriting.
- b) An unallocated balance of \$114,830.00 of Medium County funding remains; however, no eligible unfunded Medium County Application could be fully funded with this remaining unallocated amount. As provided in Section Six B of the RFA, any remaining funding will be distributed as approved by the Board.
- c) 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 Applications set out on [Exhibit B](#).
- d) 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.

## MULTIFAMILY PROGRAMS

### *Action*

#### **B. Request for Applications (RFA) 2013-002 for Affordable Housing Developments Located in Duval, Hillsborough, Orange, and Pinellas Counties**

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

On September 19, 2013, Florida Housing staff issued RFA 2013-002 to award an estimated \$7,898,649 of Housing Credits to proposed Developments located in Duval, Hillsborough, Orange, and Pinellas Counties. The deadline for receipt of Applications was 2:00 p.m., Eastern Time, Thursday, October 30, 2013.

##### **2. Present Situation/Recommendation**

- a) Florida Housing received 34 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Amy Garmon, Multifamily Programs Manager (Chair), Elizabeth O'Neill, Senior Policy Analyst, Bill Cobb, Multifamily Programs Manager, Jean Salmonsens, Housing Development Manager, and Tim Kennedy, Special Assets Administrator. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- b) The Review Committee met on the following dates: November 18, 2013, to discuss the Applications and answer Review Committee members' questions and December 11, 2013, to give their scores and submit a recommendation to the Board.
- c) At its December 11, 2013, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Six B of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee's recommendation(s), and (ii) the RFA 2013-002 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications listed in assigned Application number order.

## MULTIFAMILY PROGRAMS

### *Action*

#### C. **Request for Applications (RFA) 2013-004 for Financing To Build Larger Permanent Supportive Housing Properties For Persons With Developmental Disabilities**

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

- a) Florida Housing Finance Corporation (Florida Housing) was appropriated \$10 million in non-recurring grant funds by the 2013 Legislature for housing for persons with developmental disabilities as defined in s. 393.063, Florida Statutes. The legislation specified that Florida Housing must offer the funding through a competitive grant program to private nonprofit organizations whose primary mission includes serving persons with developmental disabilities. Funding must be used for new construction and renovation of existing housing units, including Community Residential Homes as defined in s. 419.001, Florida Statutes. Florida Housing was required to consider the extent to which funds from local and other sources would be used by applicants to leverage these grant funds; employment opportunities and supports that will be available to residents of the proposed housing; a plan for residents to access community-based services, resources, and amenities; and partnerships with other supportive services agencies. Florida Housing split the \$10 million appropriation funding into two RFAs, one for smaller Developments, and this RFA with \$6 million in grant funding made available for larger multifamily properties. The deadline for receipt of Applications was 2:00 p.m., Eastern Time, Friday, November 8, 2013.

##### 2. **Present Situation/Recommendation**

- a) Florida Housing received six (6) Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director (Chair), Elizabeth O'Neil, Senior Policy Analyst, Elizabeth Thorp, Multifamily Programs Senior Analyst, Bill Cobb, Multifamily Programs Manager, Elaine Roberts, Senior Policy Analyst, Bill Aldinger, Assistant Policy Director, Susan Parks, Chief Information Officer, and Kevin Tatreau, Director of Development Finance. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- b) The Review Committee met on November 22, 2013, to discuss the Applications and answer Review Committee members' questions, and on December 9, 2013, to give their scores and submit a recommendation to the Board.
- c) At its December 9, 2013, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five A of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee's recommendation(s), and (ii) the RFA 2013-004 Sorting Order Chart, with the eligible Applications (if any) listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications (if any) listed in assigned Application number order.

## MULTIFAMILY PROGRAMS

### *Action*

#### **D. Request for Applications (RFA) 2013-005 for Financing To Build Or Rehabilitate Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities**

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

- a) Florida Housing Finance Corporation (Florida Housing) was appropriated \$10 million in non-recurring grant funds by the 2013 Legislature for housing for persons with developmental disabilities as defined in s. 393.063, Florida Statutes. The legislation specified that Florida Housing must offer the funding through a competitive grant program to private nonprofit organizations whose primary mission includes serving persons with developmental disabilities. Funding must be used for new construction and renovation of existing housing units, including Community Residential Homes as defined in s. 419.001, Florida Statutes. Florida Housing was required to consider the extent to which funds from local and other sources would be used by applicants to leverage these grant funds; employment opportunities and supports that will be available to residents of the proposed housing; a plan for residents to access community-based services, resources, and amenities; and partnerships with other supportive services agencies. Florida Housing split the \$10 million appropriation funding into two RFAs, one for larger multifamily properties, and this RFA with \$4 million in grant funding made available for smaller Developments. The deadline for receipt of Applications was 2:00 p.m., Eastern Time, Friday, November 8, 2013.

##### **2. Present Situation/Recommendation**

- a) Florida Housing received 17 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Bill Aldinger, Assistant Policy Director (Chair), Elizabeth O'Neil, Senior Policy Analyst, Elizabeth Thorp, Multifamily Programs Senior Analyst, Jean Salmonsens, Housing Development Manager, Elaine Roberts, Senior Policy Analyst, Susan Parks, Chief Information Officer, and Kevin Tatreau, Director of Development Finance. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- b) The Review Committee met on November 22, 2013, to discuss the Applications and answer Review Committee members' questions, and on December 10, 2013, to give their scores and submit a recommendation to the Board.
- c) At its December 10, 2013, Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five A of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee's recommendation(s), and (ii) the RFA 2013-005 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications (if any) listed in assigned Application number order.

## MULTIFAMILY PROGRAMS

### *Action*

#### **E. Request for Applications (RFA) 2013-006 for Financing To Build Permanent Supportive Housing For Homeless Persons And Families**

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

- a) Florida Housing Finance Corporation (Florida Housing) was appropriated \$10 million in non-recurring grant funds by the 2013 Legislature to provide housing for homeless persons. The legislation specified that Florida Housing must offer the funding through a competitive grant program to private nonprofit organizations. Funding must be used to develop housing for homeless individuals and families, with priority given to those households with extremely low incomes. The funding must be used to purchase and renovate existing houses or to construct or purchase and renovate small specialty housing of 15 units or less. The deadline for receipt of Applications was 2:00 p.m., Eastern Time, Friday, November 8, 2013.

##### **2. Present Situation/Recommendation**

- a) Florida Housing received 13 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Nancy Muller, Policy Director (Chair), Elizabeth O'Neil, Senior Policy Analyst, Elizabeth Thorp, Multifamily Programs Senior Analyst, Karla Brown, Multifamily Program Manager, Elaine Roberts, Senior Policy Analyst, Susan Parks, Chief Information Officer, and Kevin Tatreau, Director of Development Finance. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee Corporation staff and legal counsel as necessary and appropriate.
- b) The Review Committee met on November 22, 2013, to discuss the Applications and answer Review Committee members' questions, and on December 6, 2013, to give their scores and submit a recommendation to the Board.
- c) At its December 6, 2013, 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 following information will be provided as a supplemental item: (i) the Review Committee's recommendation(s), and (ii) the RFA 2013-006 Sorting Order Chart, with the eligible Applications listed in order from highest total score to lowest total score, with all funding selection criteria applied, and the ineligible Applications (if any) listed in assigned Application number order.

## OFFICE OF INSPECTOR GENERAL

### *Action*

#### IV. OFFICE OF INSPECTOR GENERAL

##### A. Competitive Funding Lottery Seed Number Selection

###### 1. Background

Various Florida Housing competitive funding programs require applications to be assigned random lottery numbers and that the lottery numbers will be assigned by Florida Housing's Office of Inspector General (OIG) using a random number generator program.

###### 2. Present Situation

Seed numbers must be selected so that the OIG will be able to generate random lottery numbers for competitive funding applications that require a lottery number to be assigned as specified in the solicitation documents.

###### 3. Recommendation

From the listing of numbers provided by the OIG, we recommend the Board Chair select a set of 10 seed numbers to be used for random lottery number generation for competitive funding solicitations until such time that additional seed numbers are needed.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

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

##### A. Request Approval of Response to the Request for Qualifications 2013-01 for Housing Counseling Agencies to Provide Services for the Foreclosure Counseling Program

###### 1. Background

- a) On February 1, 2013, the Board approved a staff recommendation to issue a Request for Qualifications (RFQ) for Housing Counseling Agencies (HCAs) for the implementation of the Foreclosure Counseling Program (FCP) funded through the National Mortgage Settlement.
- b) To date, the Board has approved 55 HCAs to provide services through the FCP.

###### 2. Present Situation

- a) The RFQ allowed for HCAs to respond beyond the original submission date so that Florida Housing can maximize the number of qualified agencies to provide adequate foreclosure counseling coverage across the state. One additional HCA, Broward County Housing Authority d/b/a Building Better Communities, Inc. has applied to participate in the FCP.
- b) On Tuesday, November 19, 2013, the proposal was reviewed by the RFQ review committee and recommended for approval pending the submission of all required documentation.

###### 3. Recommendation

Approve Broward County Housing Authority d/b/a Building Better Communities, Inc., as recommended for approval by the RFQ review committee on November 19, 2013.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Trustee, Registrar, Paying Agent and Dissemination Bond Agent Services (Multifamily Trustee Services)**

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

At its September 20, 2013, meeting the Board approved staff's recommendation to finalize and issue an RFQ to solicit proposals for Trustee, Registrar, Paying Agent and Dissemination Bond Agent Services.

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

- a) An RFQ process was initiated and RFQ 2013-15 was issued on Friday, October 11, 2013. The RFQ provided for the selection of multiple Offerors. The deadline for receipt of responses was 2:00 p.m., Friday, October 25, 2013.
- b) Five proposals were received by the deadline:
  - (1) The Bank of New York Trust Company (BNY)
  - (2) Wells Fargo
  - (3) US Bank
  - (4) Zions First National Bank
  - (5) Regions Financial Corporation
- c) The Review Committee members, designated by the Executive Director, were Wayne Conner, Director of Multifamily Bonds, Melanie Weathers, Bond Administrator, Brian Williams, Guarantee Program Senior Asset Manager and Kenny Derrickson, Assistant Comptroller. Mr. Conner was designated Chair of the Review Committee.
- d) The Review Committee conducted two meetings. The first Review Committee meeting, which was held at 9:30 a.m., Tuesday, November 5, 2013, was for the purpose of addressing issues and questions of the review committee members regarding the RFQ. Final Scoring and Ranking ([Exhibit A](#)) was provided at the second Review Committee meeting, which was held at 10:00 a.m., Friday, November 08, 2013. Ms. Weathers served as chair of the second Review Committee meeting in Mr. Conner's absence.

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

- a) The Review Committee recommends that the Board adopt the Committees' ranking of the proposals and authorize Florida Housing staff to enter into contract negotiations with all five Offerors (The Bank of New York Trust Company (BNY), Wells Fargo, US Bank, Zions First National Bank and Regions Financial Corporation) to provide the trustee services subject to the terms described in the RFQ, and subject to the following conditions and approvals of Florida Housing Counsel and the appropriate Florida Housing staff:
  - (1) Proof of Professional Liability Errors and Omissions insurance from US Bank and The Bank of New York Trust Company (BNY).
  - (2) Certificate issued by the Comptroller of Currency certifying that US Bank is a national banking association.



## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### C. Affordable Housing Locator Subscription Services

##### 1. Background

- a) In August 2005 Florida Housing's Board of Directors authorized staff to carry out a solicitation process to select an entity to develop and maintain a web-based housing Locator to help Floridians conduct searches for available rental housing financed by Florida Housing. The goal was to create an adaptable system to enable the eventual inclusion of any affordable rental unit statewide that met Florida Housing's inclusion standards (for example, units that serve households at or below 140% of area median income).
- b) In January 2006, the Board authorized staff to enter into contract negotiations with Socialserve.com. The initial term of the contract was for three years, with two one-year renewal periods. The Locator services, including the web-based search engine ([www.floridahousingsearch.org](http://www.floridahousingsearch.org)) and a staffed call center, launched in October 2006.
- c) As a result of the Locator's success, Florida Housing decided not to wait for the contract period to expire before opening up the Locator to provide expanded services. In May 2008, the Board authorized staff to carry out a solicitation process to select an entity to provide expanded affordable housing Locator services to enable all public and private landlords to list their affordable rental units on one web-based Locator. A three year contract, with two one-year renewable periods, was executed in February 2009. The contract with Socialserve.com includes the 24/7 web based search engine and affordable housing information portal, as well as the provision of a toll-free call center to help consumers conduct rental searches and qualified landlords register and update their affordable rental unit inventory.

##### 2. Present Situation

- a) The current contract with Socialserve.com will terminate in February 2014. The Florida housing Locator service has been very successful. It is well-respected for being a very user-friendly service that allows people to locate available housing that best fits their individual and family needs. Throughout the seven years of service, Florida Housing has never received a complaint about the Locator or attendant call center services.
- b) The services are widely used by supportive services agencies, homeless coalitions and legislators' staffs in their efforts to assist Floridians find affordable and available rental housing that meets their needs. The on-line and call center services are ADA certified for use by persons with disabilities. Individuals can access the information online, in many languages, 24 hours a day. They can easily search for available rental housing using a wide variety of search criteria with special mapping features and receive apartment listings that provide a variety of important information about each unit. In addition, the site connects people to other housing and community resources through website links and provides helpful tools for renters such as an affordability calculator, rental checklist, and renter rights and responsibilities information.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- c) The toll-free call center is staffed by specialists who are trained to work with both the public and landlords, with bilingual capacity to assist Spanish-speaking persons. Socialserve.com is a non-profit organization that strives to train and hire persons with disabilities, formerly homeless individuals, and those with other special needs. Many of the call center specialists have had experiences similar to the consumers they are now assisting to find housing.
- d) On a daily basis, [www.FloridaHousingSearch.org](http://www.FloridaHousingSearch.org) has nearly 164,000 affordable rental units registered in the Locator's database that were submitted by more than 10,200 landlords. On average, six percent of the units registered are listed as available. Since 2009, Florida Housing has required developers to register and regularly update their Florida Housing funded rental units through the Locator. Of the nearly 164,000 units in the Locator database, over 101,000 units at 613 properties are financed through Florida Housing.
- e) In 2012, more than 1 million rental searches were conducted through the website. Nearly 800,000 searches have been conducted from January through October of this year. In a 2012 survey, registered landlords reported that forty percent of new tenants at their properties found their apartments through the Locator. The Locator's call center handled 25,564 affordable rental unit searches and inquiries in 2012.
- f) A value added benefit of the Locator is that it is the base site for a separate search engine that allows consumers to search for licensed assisted living facilities and adult family care homes across Florida. The Florida Department of Elder Affairs contracts directly with Socialserve.com to provide this public service through the same website. The search engine database is updated daily and provides information on all currently licensed facilities and homes.
- g) Florida Housing staff has been very satisfied with the Locator's growth in use by consumers and landlords, as well as the provision of services by Socialserve.com to consumers who may need help with the site, advocates for consumers, landlords and Florida Housing itself. With the end of the current contract approaching, the staff has been researching prospective vendors that may be qualified and interested in applying to manage the Locator services with the same capacity and quality as the current Locator service.
- h) In our evaluation, we have had extensive conversations with other state housing finance agencies (HFAs) about this type of service. Forty-two states are known to have housing Locator services. Of these, one state has used their state information technology services to build and maintain a Locator service, but it is quite simple and does not provide the level of support to consumers that Florida's service provides. Other states contract with vendors to obtain Locator services; 34 have contracts with Socialserve.com. Of these 34, 13 have gone to sole source contracts with Socialserve.com because of the quality of the service performed compared to other vendors. Eighteen larger, local jurisdictions also contract with Socialserve.com for these services (of these, nine have sole source contracts with this vendor). [Exhibit B](#) provides a list of states and local governments with Locator services and which of these are working through Socialserve.com.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- i) There are a number of qualitative differences between Socialserve.com's service and other vendors ([Exhibit C](#) provides a comprehensive list), but the states agree that the critical differences are:
- The provision of a toll free call center providing housing trained, bilingual customer service representatives who help tenants locate housing and assist landlords update listings. Case managers also provide additional assistance to renters in crisis situations who are seeking housing options such as emergency shelter and transitional housing needs. In addition, they are trained to provide information and referral on other housing and supportive services resources in an individual's community. If needed, customer service performs searches for prospective tenants based on their needs and mails lists to the tenants who do not have internet access. This saves HFA staff time because inquiries can be directed to the call center (or, as in Florida Housing's case, Florida Housing may direct such calls to knowledgeable local providers);
  - Property listings are managed to ensure that unit information is accurate and updated regularly by landlords. Socialserve.com follows up on listings to scrutinize for accuracy and ensure they are continually updated. Listings are available in real-time rather than being "inventory style" like other Locator services. All property listings are updated on a schedule ranging from every 10-28 working days depending on property type. This real-time approach is critical to State disaster response needs as well as for locating available properties in a time-sensitive/time-critical manner;
  - Property listings are shown in real time on the website; and
  - Every new landlord participating in the service is contacted by Socialserve.com to inform them of Florida Housing's approach to the Locator service and procedures, and answer any questions.
- j) In discussion with the representatives from states using another vendor for Locator services, they are typically paying less, but also receiving a lower level and quality of service. Key concerns they express are:
- No call center, except for when the website service is down, and no specialists to respond to different consumer needs;
  - Some HFAs use vendors that also provide general, commercial rental locators unaffiliated with the HFA, and these websites sell advertising space. Kentucky is one example of this, and it is difficult to find the HFA-specific Locator website using a search engine (Florida's Locator stays at the top of search engines, although it is not the only option). In these situations, it is difficult to reconcile the cost/benefit of paying less for the service, but also being much less visible to consumers. These vendors also sell landlord information to other vendors (Florida's vendor does not do this);
  - Property listings are not in real-time – they are static lists, often with less detail about amenities and accessibility features;

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- Other sites do not have the same comprehensive list of search criteria as the Socialserve.com Locator service; and
  - There is limited ability to use these services in crisis situations, such as natural disasters. Working within the broader state emergency response system, Florida Housing provided static lists of housing extensively after the 2004 and 2005 storms to assist people in finding housing when their homes were damaged or destroyed. Our staff spent an enormous amount of time updating lists with vacancy information.
- k) After our research into the approach other states are taking and the quality and services of housing Locators that are not operated by Socialserve.com, the staff stepped back to consider the benefit of and need for the type and quality of Locator service that Florida Housing now finances. Our findings are that the level of service provided through the current vendor is an important way to implement our mission to provide Floridians with access to housing that might not otherwise be affordable to them. The quality of service provided by Socialserve.com means that Florida Housing staff spends very little time problem-solving or responding to consumer requests for rental housing information. We believe that the cost of the Locator is reasonable when considering the quality and level of service received, and many other states agree with us.
- l) As a result of our research, and after consideration of the standards Florida Housing expects for a Housing Locator service and the available vendor options, Florida Housing's staff believes that Socialserve.com is the only vendor with the capacity, qualifications and experience to maintain the level of service that Florida Housing and the State of Florida relies on and has come to expect for Locator services. The staff believes it is in the best interest of the public to purchase the service from Socialserve.com without going through the competitive solicitation process. Rule Chapter 67-49.002(4), Florida Administrative Code, gives Florida Housing the authority to do this upon a written determination by the Executive Director that the best interests of the Corporation or the public are served by obtaining such a service from a single source. Should the Board authorize the Executive Director to proceed in this way, Florida Housing will electronically post a description of the locator services for at least seven (7) business days, including a request that prospective vendors provide information regarding their ability to supply the described commodities or contractual services sought.
- m) Florida Housing's current contract with Socialserve.com totals \$199,500 per year. The staff expects that a new contract with Socialserve.com at the current level of service will require an increase in the annual contract amount, no matter whether that contract is a sole source contract or awarded through a competitive procurement process. If the Board authorizes the staff to negotiate a sole source contract with Socialserve.com, the final contract pricing will be part of the negotiation to ensure that Florida Housing is getting the best price possible for the quality of service we expect.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- n) To offset the cost of the Locator service, we are currently evaluating the concept of creating sponsorship opportunities for organizations and developers to help support the site. While these sponsorships would not be ads, they would provide an opportunity for an organization to get its name out there as a supporter of this service. Florida Housing is considering offering sponsorship opportunities at different levels to defray the overall cost of the Locator service. A few other state HFAs have done something like this, and we are currently researching the possibilities for Florida.

### **3. Recommendation**

- a) The staff requests that the Board:
  - (1) Authorize Florida Housing staff to purchase housing Locator services directly from Socialserve.com without issuing a competitive solicitation; and
  - (2) Authorize staff to negotiate a contract with Socialserve.com, if contract terms can be agreed upon, for up to three years, with two additional one-year renewals.

## MULTIFAMILY PROGRAMS

### *Action Supplement*

**F. Request for Applications (RFA) 2013-010 for the Financing of Affordable Multifamily Housing Developments with HOME Investment Partnerships (HOME-rental) Program Funding in Conjunction with Florida Housing Issued Multifamily Mortgage Revenue Bond (MMRB) Program Funding and Non-Competitive Housing Credits**

**1. Background/Present Situation**

- a) The Corporation issued RFA 2013-010 on November 22, 2013, with a due date of December 17, 2013.
- b) Paragraphs 67-48.020(2)(a) through (d), F.A.C., outline the annual interest rate for HOME loans: 1.5 percent for all for-profit Applicants and 0 percent for qualified non-profit Applicants and Public Housing Authorities.
- c) Paragraph 67-48.020(2)(e), F.A.C., states that the annual interest rate for HOME loans where the HOME Developments are at least partially financed with an MMRB loan shall be as determined by the Corporation's Board of Directors.
- d) All Applicants responding to RFA 2013-010 are required to also request MMRB. Therefore, the Board must establish the interest rate for the HOME loan.

**2. Recommendation**

Staff recommends that the Board set a 0 percent annual interest rate for all of the HOME loans issued under RFA 2013-010.

## MULTIFAMILY PROGRAMS

### *Action Supplement*

#### **G. Request for Authorization to Utilize Remaining 2013 Low Income Housing Tax Credit Allocation Authority**

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

- a) On February 1, 2013, the Board authorized staff to proceed with a Request for Applications competitive process to offer up to 10% of Florida Housing's 2013 competitive Low Income Housing Tax Credit (Housing Credit) allocation for high-priority developments, specifically those supporting special needs populations with a preference for a development for Veterans with special needs and the rehabilitation or revitalization of Public Housing Authority developments with a preference for developments in medium or small counties with strong leveraging positions and ties to initiatives to revitalize their communities.
- b) On April 11, 2013, Florida Housing staff issued Request for Proposal (RFP) 2013-07 to award an estimated \$2,580,000 of Housing Credits to proposed Developments involving Public Housing Authority (PHA) revitalization in medium and small counties. The deadline for receipt of Responses was May 9, 2013.
- c) On April 15, 2013, Florida Housing staff issued RFP 2013-08 to award an estimated \$1,720,000 of Housing Credits, as well as an estimated \$5,750,000 of gap loan funding, to proposed Developments consisting of housing for veterans and their families, and other special needs populations in communities throughout the state. The deadline for receipt of Responses was May 24, 2013.
- d) On June 21, 2013, the Board approved results of the review committees' recommendations for each of the two RFPs, awarding one application in each of the RFPs. The initial results of each of the RFPs were challenged pursuant to Chapter 120, Florida Statutes.
- e) On November 1, 2013, the Board Adopted the Recommended Order regarding RFP 2013-07 and issued a Final Order in accord with that order that awarded a second application. There is approximately \$931,862 in Housing Credits remaining from that RFP.
- f) At the current meeting, the Board will be addressing the Recommended Order regarding the RFP 2013-08, which found that the review committee did not err in its scoring and recommends that the relief requested by the petition be denied. If the Board adopts the Recommended Order, there will be approximately \$444,575 remaining from that RFP.

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

Adding the Housing Credits received in September from the National Pool, as well as other returned Housing Credits, Florida Housing now has a total of \$1,750,045 in remaining 2013 Housing Credits.

## MULTIFAMILY PROGRAMS

### *Action Supplement*

#### 3. **Recommendation**

That the Board authorize staff to proceed with issuing a new Request for Applications to offer Housing Credits in an amount equal to the remaining 2013 Housing Credits to finance the rehabilitation or revitalization of Public Housing Authority developments with a preference for developments in medium or small counties with strong leveraging positions and ties to initiatives to revitalize their communities, as well as to establish a review committee to make recommendations to the Board.



# SINGLE FAMILY BONDS

## *Action Supplement*

### I. SINGLE FAMILY BONDS

#### A. Request Permission to Amend the Existing Memorandum of Understanding (MOU) with Florida's Local Housing Finance Agencies (HFAs) to Allow the Use of up to an Additional \$3 Million of the \$35 Million Florida Housing Received from the Florida Legislature as Part of the Attorney General's Mortgage Settlement Agreement

##### 1. Background

- a) Florida Housing's Single Family Mortgage Revenue Bond (MRB) Program was given \$35 million, through the Legislative Budget Commission (LBC) Amendment process, as part of the Attorney General's mortgage settlement agreement with the top five servicers of residential mortgage loans for their mishandling of home foreclosures. Pursuant to the budget amendment request, the \$35 million is to be used for qualified homebuyers in conjunction with the first mortgage loans that Florida Housing provides through its First Time Homebuyer Program.
- b) At the March 15, 2013 Board meeting, the Board approved the request to enter into a MOU with local housing finance agencies, allowing them to utilize up to \$5 million of these funds for down payment assistance (DPA) in conjunction with their respective First Time Homebuyer Programs in the same manner as Florida Housing does in its program.
- c) As of December 13, 2013, Florida Housing will have disbursed \$4,084,721.74 to the ten local HFA's who have executed MOU's as reimbursement for the qualifying DPA loans that they have made. Florida Housing has committed over \$14 million to qualifying homeowners in its single family program during this same time period.

##### 2. Present Situation

- a) Florida Housing has been asked by the Florida Association of Local Housing Finance Authorities (Florida ALHFA) to allow the local HFAs who have executed MOU's to share in up to \$3 million of additional funds under the same parameters as stated in the original MOU.
- b) By allowing local HFAs to use an additional portion of these funds in the same way Florida Housing represented to the legislature in the LBC documents, qualified homebuyers throughout Florida will receive assistance more quickly with the purchase of their homes.

##### 3. Recommendation

Approve the request to allow Florida Housing to enter into an amendment to the MOU with the local HFAs allowing them to utilize up to an additional \$3 million of the \$35 million received by Florida Housing as part of the Attorney General's mortgage settlement agreement for down payment assistance in conjunction with their respective First Time Homebuyer Programs in the same manner that it is being used by Florida Housing.