

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**December 9, 2016**  
**Action Items**



# FISCAL

## *Action*

### I. FISCAL

#### A. 2017 Proposed Operating Budget

##### 1. Background

- a) The Florida Housing Operating Budget is created with a conservative approach to both revenue and expenses.
- b) The 2017 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. Fifteen new multifamily bond transactions were projected for 2017;
  - 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 2017 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 2017 Operating Budget, Florida Housing will closely monitor all revenues and expenses. Florida Housing will pay special attention to discretionary line items, such as staff development travel and outreach travel, which 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 Draft Proposed Operating Budget for 2017 was provided to the Board at the October 2016 board meeting.
- b) A schedule detailing the changes made to the October draft is provided.
- c) An Account Guide describing the budget categories is included with the Proposed 2017 Operating Budget.

##### 3. Recommendation

- a) Staff recommends approval of the Proposed 2017 Operating Budget as the 2017 Operating Budget.

## MULTIFAMILY PROGRAMS

### *Action*

## II. MULTIFAMILY PROGRAMS

### A. 2017 Rule Development

#### 1. Background/Present Situation

- a) Staff would like to begin the rule development process by scheduling a rule development workshop to solicit comments concerning Rule Chapters 67-21, 67-48 and 67-60, F.A.C., and the Qualified Allocation Plan (QAP) which is incorporated by reference in Rule Chapter 67-48.

#### 2. Recommendation

- a) Authorize staff to proceed with the 2017 rule development process.

## MULTIFAMILY PROGRAMS

### *Action*

#### **B. Request for Applications (RFA) 2016-108 – Elderly Housing Community Loan**

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

- a) On September 15, 2016, Florida Housing staff issued RFA 2016-108 offering an estimated \$2,415,000 of Elderly Housing Community Loan (EHCL) Program funding to Applicants proposing to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to Developments currently serving Elderly residents aged 62 or older. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, October 6, 2016.
- b) Florida Housing received 7 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Lisa Nickerson, Multifamily Programs Manager (Chair); Heather Greene, Multifamily Programs Manager; and Karla Brown, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- c) At its November 29, 2016 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Four B of the RFA.
- d) The RFA 2016-108 All Applications chart (provided as [Exhibit A](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application order.
- e) 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.
- f) The motions were passed unanimously.
- g) As outlined in 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 eligible Applicants within the funding range an invitation to enter credit underwriting.

## MULTIFAMILY PROGRAMS

### *Action*

#### 2. **Recommendation**

- a) Approve the Committee's recommendation that the Board adopt the scoring results of the 7 Applications (as set out on Exhibit A) and authorize the tentative selection of the 3 Applications (set out on Exhibit B) for funding and invitation to credit underwriting.
- b) An unallocated balance of \$165,000 remains. As provided in Section Four 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*

#### C. **Request for Applications (RFA) 2016-109 – SAIL Financing of Affordable Multifamily Housing Developments to be used in conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits**

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

- a) On September 19, 2016, Florida Housing Finance Corporation (Florida Housing) issued RFA 2016-109 offering the following State Apartment Incentive Loan (SAIL) Program funding: (i) \$21,735,000 of Elderly funding for proposed Developments with the Elderly Demographic Commitment (ALF and Non-ALF), and (ii) \$53,100,000 of Family funding for proposed Developments with the Family Demographic Commitment.
- b) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, October 20, 2016.

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

- a) Florida Housing received 43 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Kevin Tatreau, Director of Development Finance (Chair); Elizabeth O'Neill, Multifamily Programs Manager; Heather Greene, Multifamily Programs Manager; Amy Garmon, Multifamily Programs Manager; and Eva Fambro-Price, Multifamily Programs Manager. Each member of the Review Committee independently evaluated and scored their assigned portions of the submitted Applications, consulting with non-committee staff and legal counsel as necessary and appropriate.
- b) At its November 30, 2016 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Four B of the RFA.
- c) The RFA 2016-109 All Applications chart (provided as [Exhibit C](#)) lists the eligible and ineligible Applications. The eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) and the ineligible Applications are listed in assigned Application Number order.
- d) The Review Committee considered the following motions:
  - (1) A motion to adopt the scoring results, as set out on Exhibit C;
  - (2) A motion to tentatively select the Applications set out on [Exhibit D](#) for funding and invite the Applicants to enter credit underwriting.
- e) The motions 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.

## MULTIFAMILY PROGRAMS

### *Action*

#### 3. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 43 Applications (set out on Exhibit C), and authorize the tentative selection of the 13 Applications (set out on Exhibit D) for funding.
- b) An unallocated balance of \$3,984,800 of funding remains. As provided in Section Four 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 D.
- 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.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

### III. PROFESSIONAL SERVICES SELECTION (PSS)

#### A. Rejection of Bids Submitted in Response to Invitation to Bid (ITB) 2016-05, Content Management System

##### 1. Background

- a) Since early 2015, staff have been working with vendors in a multi-phase project to redevelop and redesign the Corporation's website. In the initial phase, Florida Housing worked with BowStern, LLC to obtain an in-depth review of the Corporation's and other HFA websites and recommendations as to how the redeveloped website should be organized and structured. In April 2016, Florida Housing entered into a contract with SGS Technologie, LLC for Phase II of the project, which focuses on the new website's design, development and hosting services.
- b) A critical component of Phase II is the procurement and implementation of a web content management system (WCMS) software that will allow SGS Technologie, LLC and staff to collaborate on the creation, modification, and effective ongoing management of digital content on the website. A WCMS is a software system that provides website authoring, collaboration, and administration tools designed to allow users with little knowledge of web programming languages or markup languages to create and manage website content with relative ease, and will be used long-term after the design and implementation engagement.
- c) At the August 5, 2016 meeting, the Board authorized staff to begin the competitive solicitation process for the procurement of the WCMS software. The process was changed from using the RFP method to an ITB, since Florida Housing could narrow the scope such that an award can be made solely on the basis of price.

##### 2. Present Situation

- a) ITB 2016-05 was issued on October 10, 2016. Two bids were received from the following firms before the November 2 due date:
  - (1) SGS Technologie, LLC
  - (2) SHI International Corp.
- b) Florida Housing staff believes that there are vendors in the market that can provide the software needed at more competitive prices.

##### 3. Recommendation

- a) Staff recommends that the Board rejects all bids received for ITB 2016-05 and authorizes staff to move forward with the another competitive solicitation for the WCMS software.



## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### **B. Financial Coaching and Counseling for the Foreclosure Counseling Program (FCP)**

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

- a) On January 17, 2013, the Legislative Budget Commission approved a \$10 million allocation from National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing. The funding allows Florida Housing to carry out the following objectives:
  - (1) Help prevent homeowners from going into foreclosure; and
  - (2) Provide at-risk homeowners with good financial management education to help them better manage their money and assist them with credit issues in order to become financially stable.
- b) At the May 6, 2016 meeting, the Board of Directors authorized staff to expand activities allowed under the FCP, including training housing counselors in financial coaching. Financial coaching will be based on the client's own goals and can help raise emotional intelligence in fiscal decision making. While centered on performance improvement through practice and accountability, financial coaching is rooted in behavior change which may improve how clients deal with what happens to them financially and how they deal with finances.

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

- a) As part of the approved expanded activities, \$62,000 was allocated in order to procure a provider that will conduct financial coaching and counseling training for the staff members of counseling agencies participating in FCP. Based on staff's research, there are multiple firms who can provide these services.

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

- a) Authorize staff to begin the competitive solicitation process and establish a review committee to make recommendations to the Board for a provider that will conduct training for financial coaching training for staff members of counseling agencies participating in FCP.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

#### C. **Authorization to Contract for Interactive Mapping Application Services for Program and Analytical Use**

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

- a) Florida Housing currently uses mapping software for a variety of analytical and scoring tasks related to multifamily requests for applications (RFAs) and asset management. Mapping allows us to show the location of properties in our portfolio by county, metro area, and even down to the neighborhood or market level. In particular, we use county maps and associated data for the following purposes:
  - (1) To evaluate and score applications on their proximity to specified amenities, such as grocery stores and pharmacies, and transit. For this purpose, staff and developers use mapping software called Street Atlas;
  - (2) To carry out Limited Development Area analysis to determine where soft rental markets may be in preparation for issuance of RFAs, and to develop associated boundaries for any areas determined to be Limited Development Areas. For this purpose, staff uses another mapping software product called ArcGIS; and
  - (3) To carry out the new “areas of opportunity” analysis and development of associated maps to share with stakeholders for discussion and assistance to them as they plan their development locations, also using ArcGIS.
- b) In the implementation and reporting for internal, investor and legislative use, the single family mortgage programs also find mapping to be useful, and would like additional access to an application for their purposes.
- c) To date, Florida Housing has relied upon the limited knowledge of several staff to use the mapping software for these tasks.

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

- a) At this time, the Street Atlas software that has been in use for RFA scoring is obsolete and no longer available for sale, leaving staff and developers without access to the product or using an older version that is not up to date with current streets and political boundaries. This means Florida Housing must transition to another mapping application.
- b) For the other uses outlined above, Florida Housing generally relies upon PDF “snapshots” of maps for LDA and other purposes when sharing information internally, with the Board, the public and legislators. Making these snapshots of maps to provide online or in reports is extremely time consuming. Moreover, Florida Housing does not have staff dedicated to providing mapping services, because at this time there is not a need for a full-time person. The software is very complex, and no one on staff has the level of technical expertise that we find is needed to meet our current requirements.

## PROFESSIONAL SERVICES SELECTION (PSS)

### *Action*

- c) Because Florida Housing finds itself relying more and more on mapping for our analytical portfolio needs, staff spent the summer and early fall evaluating options for a mapping solution that can provide a range of options to assist us in meeting our mapping needs. We evaluated existing mapping services, including a national service called PolicyMap and state university mapping services in Florida (Florida International University, Florida State University, University of South Florida and University of Florida). We also considered the cost of creating a new internal position for a Geographic Information Systems (GIS) technician to meet our mapping needs.
- d) After evaluation of these options, we determined that one of the services can provide us with exactly what we need and will be overall less expensive when compared with hiring a technician for this purpose. Of the university services, one is transportation focused and two others either focus mainly on environmental mapping or broad growth management services. The Shimberg Center at the University of Florida was the only center that has both the GIS capacity and the focused housing knowledge that would allow us to move forward efficiently to create the mapping application we are seeking.
- e) The Center currently manages the Florida Housing Data Clearinghouse for the state, which provides information on Florida's affordable housing stock and housing need.
- f) This project will require Florida Housing to contract for mapping development services this year focused on development of an internal mapping application that contains basic data layers incorporating properties (and associated data) in the FHFC multifamily portfolio and an external mapping application for testing that will ultimately be embedded on Florida Housing's website. In future years, we believe part of the funding to maintain the external application can be handled through the Florida Housing Data Clearinghouse contract, with the other part related to supports and updates for the mapping specific to Florida Housing's internal use handled through a separate operational contract with the Shimberg Center.
- g) Rule Chapter 67-49.002(6)(e), Florida Administrative Code, allows Florida Housing to contract with governmental entities, including those in the state university system, without going through the competitive solicitation process.

### **3. Recommendation**

- a) Authorize staff to contract with the Shimberg Center for Housing Studies to develop and support internal and external mapping applications to meet Florida Housing's program and analytical needs.

# STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

## *Action*

### IV. STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM

#### A. Request Approval of SHIP Rule (67-37, F.A.C.) Changes and Submission of Notice of Proposed Rule

##### 1. Background

- a) The SHIP Program was created in 1992 to provide funds to local governments to finance affordable home ownership and rental housing for lower income families. Funds are allocated on a statutory population-based formula with a minimum annual allocation of \$350,000 per county. Funds are distributed to all 67 counties and 52 of Florida's larger cities. SHIP is governed by Sections 420.907-420.9079, Florida Statutes, and Rule 67-37, Florida Administrative Code. The current version of the rule became effective on November 23, 2009.

##### 2. Present Situation

- a) Over the past few years, the Legislature has made a number of changes to the SHIP program through statutory revision. The changes include requirements to expend at least 20% of funds on Households with Special Needs, expanded use of funds for rental assistance, changes to compliance requirements for rental developments and changes in the requirements related to the composition of the local affordable housing advisory committee. These changes ([Exhibit A](#)), along with revisions to clarify program requirements and to rectify incorrect statutory cross references created by the Legislative changes, must be incorporated into the program rule.
- b) On May 6, 2016, the Board authorized staff to proceed with rulemaking.
- c) A Notice of Proposed Rule Development was noticed in the Florida Administrative Register on September 29, 2016.
- d) A public rule workshop was conducted on October 19, 2016 and comments were accepted on the rule changes through November 2, 2016.

##### 3. Recommendation

- a) Approve rule changes and authorize staff to proceed with filing proposed rule notice for the SHIP program rule 67-37, Florida Administrative Code.