

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
June 24, 2016
Action Items



FISCAL

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I. FISCAL

A. Fiscal Year 2016/2017 State Housing Trust Fund and Guarantee Fund Allocation

1. Background

- a) In most state fiscal years, Florida Housing Finance Corporation has been appropriated spending authority from documentary stamp tax collections in the State Housing Trust Fund (SHTF). Section 420.507, Florida Statutes (F.S.), outlines the powers of the corporation and authorizes Florida Housing to expend amounts advanced from the SHTF 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 Program (SAIL). [Exhibit A](#) shows the historical allocation of funds.
- b) While the Legislature specified the Florida Housing programs or approaches to be funded over several recent years, last year the Legislature moved back toward its traditional approach of appropriating a lump sum to the corporation for Florida Housing to allocate to state programs. Historically, this traditional approach allowed Florida Housing to allocate funding across programs as warranted by real estate and financial markets and housing needs.

2. Present Situation

- a) For state Fiscal Year 2016/2017, Florida Housing was appropriated a total of \$64.6 million from the State Housing Trust Fund for programs. Of this amount, the Legislature made specific spending designations totaling \$62.3 million (\$32.3 million for traditional SAIL, \$20 million for “workforce” SAIL and \$10 million for Housing for Persons with Developmental Disabilities), leaving \$2.3 million for allocation by Florida Housing. Both the State Housing Initiatives Partnership (SHIP) and the Affordable Housing Catalyst programs were appropriated funding separately from the Local Government Housing Trust Fund at \$129.8 million and \$500,000 respectively for FY 2016/2017.
- b) Of the \$2.3 million to be allocated by the Board, staff recommends the following:
- c) SAIL – \$2,015,000 – The overall occupancy percentage for units within Florida Housing’s loan portfolio was a healthy 94.6% in 2013, and it had increased to 96.4% by the end of 2015. This was higher than the occupancy rate of 91.9% for all rental properties in the state during the fourth quarter of 2015. The rental market for affordable rental housing continues to tighten in a number of areas in the state as the need for rental housing expands. Adding funds to the SAIL program ensures that Florida Housing is responding to this strong demand.
- d) Florida Housing Data Clearinghouse – Up to \$285,000 – Founded in 2000 with support from Florida Housing’s Board of Directors, the Clearinghouse provides a free, web-based portal for data and reports on demographics, housing need and supply across local communities and at the state level throughout Florida. The Clearinghouse, which is managed by the Shimberg Center for Housing Studies at the University of Florida, 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

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uses Clearinghouse data to assist in policy decisions and relies on Clearinghouse staff to run special reports as needed for this purpose.

- e) In addition, the 2016 Legislature directed that unobligated funds in the Guarantee Program shall be used for the SAIL program. SAIL program income, primarily interest collections, is also available. Combining Guarantee Fund resources and SAIL program income provides roughly \$80 million for allocation for the SAIL program.
- f) The combined resources available for allocation by the Board include the \$80 million described above, the discretionary \$2,015,000 from the State Housing Trust Fund and the current legislative appropriation of \$52.3 million for roughly \$115 million for the traditional SAIL program over the next year and \$20 million for the “workforce” SAIL program.

3. Recommendation

- a) Approve the staff recommendation for allocating 2016 legislative appropriations and available Guarantee Fund resources and SAIL program income for use in FY 2016/2017 competitive solicitations as follows:
 - For the SAIL Program, \$2,015,000 from the State Housing Trust Fund and \$80 million from the Guarantee Fund and SAIL program income; and
 - For the Florida Housing Data Clearinghouse, up to \$285,000 from the State Housing Trust Fund.
- b) Staff further recommends that any funds not used for the Data Clearinghouse be used in the SAIL program.

MULTIFAMILY PROGRAMS

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II. MULTIFAMILY PROGRAMS

A. Request for Applications (RFA) 2016-103 Housing Credit and Gap Financing for Affordable Housing Developments for Persons with a Disabling Condition

1. Background

- a) Florida Housing Finance Corporation (Florida Housing) is required by section 420.507(48), F.S., to reserve up to 5 percent of its annual allocation of low-income housing tax credits to allocate by competitive solicitation for high-priority affordable housing developments, such as housing for Persons with a Disabling Condition and their families, in communities throughout the state.
- b) On March 4, 2016, Florida Housing issued RFA 2016-103 for Non-Profit Applicants who commit to set aside a minimum of 70 percent of the units in the proposed Development for Persons with a Disabling Condition. \$2,185,789 of Competitive Housing Credits, and \$1,100,000 of loan funding was made available for award to proposed Developments under this RFA.
- c) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, April 7, 2016.

2. Present Situation

- a) Florida Housing received 4 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, Amy Garmon, Multifamily Programs Manager (Chair); Elizabeth O'Neill, Multifamily Programs Manager; Elaine Roberts, Senior Supportive Housing Analyst; Bill Aldinger, Assistant Policy Director; Karla Brown, Multifamily Programs Manager; John Toman, Policy Manager; 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 staff and legal counsel as necessary and appropriate.
- b) At its June 6, 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 2016-103 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 Number order.
- d) The Review Committee considered the following motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit A;
 - (2) A motion to tentatively select the Applications set out on [Exhibit B](#) for funding and invite the Applicants to enter credit underwriting.

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- 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.

3. Recommendations

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the four (4) Applications (set out on Exhibit A), and authorize the tentative selection of the two (2) Applications (set out on Exhibit B) for funding.
- b) An unallocated balance of \$272,895 of Competitive Housing Credits 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.

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B. Request for Applications (RFA) 2015-111 for Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments

1. Background/Present Situation

- a) On October 23, 2015, Florida Housing staff issued RFA 2015-111, offering an estimated \$5,901,631 of Housing Credits (HC) to qualified Applicants that commit to preserve existing affordable multifamily housing developments for the demographic categories of Families, the Elderly, and Persons with a Disability. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Friday, December 4, 2015.
- b) Florida Housing received 24 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Amy Garmon, Multifamily Programs Manager (Chair); Bill Cobb, Multifamily Programs Manager; Elizabeth O'Neill, Multifamily Programs Manager; Jean Salmonsens, Multifamily Housing Development Manager; and Jade Grubbs, Multifamily Programs Coordinator. 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 June 8, 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 2015-111 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.
- e) The Review Committee considered the following two (2) motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit C; and
 - (2) A motion to tentatively select the Applications set out on [Exhibit D](#) for funding and invite the Applicants to enter credit underwriting.

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- f) Both of the motions were passed unanimously.
- g) 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.

2. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 24 Applications (set out on Exhibit C) and authorize the tentative selection of the 5 Applications (set out on Exhibit D) for funding and invitation to enter credit underwriting).
- b) An unallocated balance of \$26,880 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.

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C. **Request for Applications (RFA) 2016-102 for Housing Credit and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties**

1. **Background/Present Situation**

- a) On January 22, 2016, Florida Housing staff issued RFA 2016-102, offering an estimated \$3,620,000 of Housing Credits (HC) and \$9 million of State Apartment Incentive Loan (SAIL) funding to qualified Applicants proposing the development of Homeless, multifamily housing located in Medium and Large Counties. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, March 10, 2016.
- b) Florida Housing received 6 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Kevin Tatreau, Director of Developmental Finance (Chair); Heather Boyd, Multifamily Programs Manager; Elaine Roberts, Senior Supportive Housing Analyst; Elizabeth O'Neil, Multifamily Programs Manager; Elizabeth Thorp, Multifamily Programs Manager; Bill Aldinger, Assistant Policy Director; and Nancy Muller, Policy Director. 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 June 6, 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 2016-102 All Applications chart (provided as [Exhibit E](#)) 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.
- e) The Review Committee considered the following two (2) motions:
 - (1) A motion to adopt the scoring results, as set out on Exhibit E; and
 - (2) A motion to tentatively select the Applications set out on [Exhibit F](#) for funding and invite the Applicants to enter credit underwriting.

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- f) Both of the motions were passed unanimously.
- g) 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.

2. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 6 Applications (set out on Exhibit E) and authorize the tentative selection of the 2 Applications (set out on Exhibit F) for funding and invitation to enter credit underwriting).
- b) 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 F.
- 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 invitations to enter credit underwriting to those Applicants in the funding range.

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D. Request for Applications (RFA) 2016-105 Financing To Build Or Rehabilitate Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities

1. Background

- a) On March 11, 2016, Florida Housing Finance Corporation (Florida Housing) issued RFA 2016-105, offering \$5,740,684.50 in grant funding to Applicants proposing to build or rehabilitate smaller Permanent Supportive Housing properties for Persons With Developmental Disabilities.
- b) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, May 5, 2016.

2. Present Situation

- a) Florida Housing received 14 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Elizabeth Thorp, Multifamily Programs Manager (Chair), Bill Aldinger, Assistant Policy Director; John Toman, Policy Manager; Elaine Roberts, Senior Supportive Housing Analyst; 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 staff and legal counsel as necessary and appropriate.
- b) At its June 16, 2016 Review Committee meeting, the individual committee members presented their scores and the Committee carried out the funding selection process in accordance with Section Five of the RFA.
- c) The 2016-105 All Applications chart (provided as [Exhibit G](#)) 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 G](#);
 - (2) A motion to tentatively select the Applications set out on [Exhibit H](#) for funding and issue Corporation letters of preliminary award to the Applicants.
- e) The motions passed unanimously.
- f) As outlined in Section Six, E of the RFA, after issuance by the Board of all final orders regarding this RFA, each approved Application will be sent a Corporation letter of preliminary award.

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3. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 14 Applications (set out on Exhibit G), and authorize the tentative selection of the 8 Applications (set out on Exhibit H) for funding.
- b) An unallocated balance of \$ 3,153,684.50 of funding remains. Staff recommends that the remaining funding be added to the grant funding to be made available in the next RFA to be issued for Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities, currently scheduled to be issued later this year.
- 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 a Corporation letter of preliminary award to the Applications set out on Exhibit H.
- 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 the Corporation letters of preliminary award to those Applicants in the funding range.

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E. 2016/2017 Tentative Funding Amounts and Time Lines for Request for Applications (RFAs) for Multifamily Developments

1. Background

- a) During the remainder of 2016 and first half of 2017, the Corporation expects to offer the following funding through various RFAs:
 - (1) \$10 million in grant funding (2016 Legislative appropriation for housing developments designed, constructed and targeted for persons with developmental disabilities, as defined in section 393.063, F.S.);
 - (2) Estimated \$115 million in State Apartment Incentive Loan (SAIL) Program funding (2016 Legislative appropriation for the SAIL Program), plus SAIL Program Income;
 - (3) Estimated \$20 million in SAIL Workforce funding;
 - (4) Estimated \$49 million in Housing Credit (HC) allocation (anticipated 2017 Annual Allocation of HC);
 - (5) Estimated \$ TBD in HOME Program funding (2016 Annual Allocation of HOME funding), plus HOME Program Income; and

2. Present Situation

- a) The Tentative 2016/2017 Funding Amounts/Time Line plan, outlining the estimated funding amounts and tentative timeframes for the various RFAs for which staff expects to hold workshops and issue through the remainder of 2016 and into the first half of 2017, will be provided as a [supplemental item](#).

3. Recommendation

- a) Approve the plan and authorize staff to proceed with the development of the various RFAs for the grant, SAIL, HC, HOME, and SAIL Workforce funding, as outlined in Exhibit I, and authorize the Executive Director to establish a review committee for each RFA, as each RFA is issued, in order to make recommendations for award to the Board.

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F. 2016 Rule Development

1. Background/Present Situation

- a) Rule development workshops were held on June 29, 2016, March 22, 2016 and April 19, 2016, in order to solicit comments concerning the proposed changes to the 2015 Qualified Allocation Plan (QAP) and Rule Chapters 67-21, 67-48, and 67-60, F.A.C.
- b) As a result of these workshops, staff has revised the rules governing the various multifamily programs. Staff would like to proceed with the rule development process for these rules and requests the Board's approval of the proposed Rules and QAP. A supplement to the Board Package will be provided which contains the proposed Rules and the proposed 2016 QAP.
- c) If the Board approves the proposed rules and QAP as presented, the Notices of Proposed Rulemaking (NOPRs) will be published in the June 28, 2016 edition of the Florida Administrative Register. The NOPRs will announce the Rule Hearings which are scheduled for July 20, 2016, in Tallahassee. Following review of the public comments received at the Rule Hearings and the comments received from the Joint Administrative Procedures Committee following its review of the NOPRs, staff will proceed as follows:
 - (1) If modification of the proposed rules is not required, staff will file the proposed rules for adoption.
 - (2) If modification of the proposed rules is required, staff will prepare the necessary Notice of Change (NOC) to incorporate all proposed modifications to the proposed rule and, if required, will submit the NOC for Board approval.

2. Recommendation

- a) Approve the proposed rules and QAP and authorize staff to file the rules for adoption if a NOC is not required, and, if a NOC is required, authorize the Chair to determine whether a NOC makes material, substantive changes to the rule chapter. If the Chair determines that it does not, staff recommends that the Board approve such NOC without the requirement of another Board meeting. In the alternative, if the Chair determines that any NOC does make material, substantive changes to the rule chapter, staff recommends that a telephonic Board meeting be called to obtain Board approval for any required changes, with such changes to be ratified at the next regularly scheduled Board meeting.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

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III. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Proposed Geographic and Demographic Allocations for 2016 through 2018 Funding Cycles

Proposed Geographic Allocation

1. Background/Present Situation

- a) Section 420.5087(1), Florida Statutes, calls for State Apartment Incentive Loan (SAIL) funds to 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 2016 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). Counties are assigned to these categories using the most recent population statistics published by the Bureau of Economic and Business Research at the University of Florida. [Exhibit A](#) 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. An explanation about how these percentages were derived using the Study numbers is provided in [Exhibit B](#).

2. Recommendation

- a) Based on the 2016 Study, the proposed allocation of resources for the SAIL program between large, medium and small counties during 2016, 2017 and 2018 is as follows:
 - (1) Large counties: 53 percent;
 - (2) Medium counties: 37 percent; and
 - (3) Small counties: 10 percent.

Proposed Demographic Group Allocation

1. Background/Present Situation

- a) Section 420.5087(3), Florida Statutes, calls for SAIL funds to be made available to serve specific tenant population groups as follows:
 - (1) Commercial fishing workers and farmworkers: Not less than 5 percent;
 - (2) Homeless persons: Not less than 10 percent;
 - (3) Persons with special needs: Not less than 10 percent;
 - (4) Elderly persons: Not less than 10 percent; and

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- (5) Families: Not less than 10 percent.
- b) The funds made available to serve each group is determined using the most recent statewide market study available at the time of publication of each notice of fund availability. The 2016 Study serves this purpose. An explanation about how these percentages were derived using the Study numbers is provided in Exhibit B.

2. **Recommendation**

- a) Based on the 2016 Rental Market Study, the proposed allocation of funds for the tenant population groups is as follows:
 - (1) Commercial fishing workers and farmworkers: 5 percent;
 - (2) Homeless persons: 10 percent;
 - (3) Persons with special needs: 14 percent;
 - (4) Elderly persons: 21 percent; and
 - (5) Families: 50 percent.