

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 29, 2016
Action Items



LEGAL

Action

I. LEGAL

A. In Re: Kinneret, Inc. - FHFC Case No. 2016-003VW

Development Name: (“Development”):	Kinneret Apartments
Developer/Principal: (“Developer”):	Kinneret, Inc.
Number of Units: 168	Location: Orange County
Type: High-rise	Set Asides: 70% at 80% AMI
Demographics: Elderly	MERP: \$2,500,000

1. Background

Petitioner Kinneret, Inc., was selected to receive financing from the Multifamily Energy Retrofit Program (MERP) under RFA 2015-115 to assist in the retrofit of an existing development serving elderly tenants in Orlando, Florida. On January 14, 2016, Florida Housing received a “Petition for Waiver and Variance (the “Petition”). A copy of the Petition is attached as [Exhibit A](#). On January 15, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 10. To date, Florida Housing has received no comments concerning the Petition.

2. Present Situation

- a) Rule 67-48.0075(2), Fla. Admin. Code, clarifies how Florida Housing defines the term “non-profit.” It provides:

(2) For purposes of this rule chapter, in accordance with Section 42 of the IRC, a for-profit entity wholly owned by one or more qualified non-profit organizations will constitute a Non-Profit entity. The purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation of the Non-Profit entity. A Non-Profit entity shall own an interest in the Development, either directly or indirectly; shall not be affiliated with or controlled by a for-profit Corporation; and shall materially participate in the development and operation of the Development throughout the total affordability period as stated in the Land Use Restriction Agreement and the Extended Use Agreement.

- b) Similarly, the Application for RFA 2015-115 defined the term “non-profit” to require that “the purpose of the Non-Profit must be, in part, to foster low-income housing and such purpose must be reflected in the Articles of Incorporation.” Under the terms of the RFA, non-profit applicants qualify for up to 15 percent of the MERP award to be forgiven, whereas for-profit applicants qualify for up to 10 percent of the MERP award to be forgiven.

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- c) Petitioner is a non-profit corporation, but its Articles of Incorporation do not specifically reflect that the purpose of the corporation is to foster low-income housing. For this reason, Florida Housing determined that Petitioner did not qualify for the 15 percent forgiveness provision. This determination did not impact Florida Housing's recommendation to award up to the full amount of the requested funding to Petitioner.
- d) Petitioner timely filed an administrative challenge to the determination that it did not qualify for the 15 percent forgiveness provision. This challenge did not allege that any of the recommended awards, either to itself or other applicants, were flawed. During the settlement negotiations regarding this challenge, it was discovered that in 2008 Florida Housing had issued an application for funding under the Elderly Housing Community Loan ("EHCL") Program. That application specifically required each applicant to demonstrate that it qualified as a non-profit entity and to attach "the articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing."
- e) Petitioner submitted an application in 2008 for the EHCL Program, and attached a copy of its Articles of Incorporation to that application. These are the same Articles of Incorporation that were attached to its application under RFA 2015-115, and in fact appear to have been unchanged since 1967. Both applications were for the same applicant and the same development. In its scoring of the EHCL applications, Florida Housing determined that Petitioner did qualify as a non-profit entity.
- f) Rather than litigate the question of whether Petitioner had met the requirements of the rule and the terms of RFA 2015-115, Petition seeks a waiver of the rule and the terms, alleging that failure to grant the waiver would violate principles of fairness, as well as creating a substantial hardship for Petitioner. Petitioner argues that it had been led (or perhaps misled) by Florida Housing to believe that its Articles of Incorporation adequately demonstrated the purpose of the non-profit entity, and that while it could have amended its Articles to more specifically state that its purpose was to foster low-income housing, it reasonably believed that this was not necessary.
- g) It need not be determined whether Florida Housing's scoring of Petitioner's application for RFA 2015-115 was correct or not in order to grant this waiver. If the waiver is granted, Petitioner will withdraw its administrative challenge and the question will not be litigated. Even assuming that the scoring was correct, and that the scoring of the 2008 EHCL application was in error, the question of fairness remains the same. Granting this waiver will also have no impact on the other successful applicants under RFA 2015-115, all of whom were recommended for funding. This specifically includes the two other applicants that qualified as non-profit entities, both of whom will continue to be eligible for the 15% forgiveness provision.

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- h) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.

- i) Granting the requested waiver would not have any impact on other participants in the MERP Program administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that failure to grant the waiver would violate principles of fairness, and would cause a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waivers are granted.

3. Recommendation

Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rule 67-48.0075(2), Fla. Admin. Code, and thus the similar provision in RFA 2015-115, so that Petitioner will be eligible for the 15% forgiveness provision

LEGAL

Action Supplement

I. LEGAL

A. In Re: Hallmark-Florida GP, LLC - FHFC Case No. 2016-002VW

Development Name: (“Development”):	N/A
Developer/Principal: (“Developer”):	N/A
Number of Units: N/A	Location: Statewide
Type: Rehabilitation	Set Asides: N/A
Demographics: N/A	4% Housing Tax Credits

1. Background

- a) Petitioner Hallmark-Florida GP, LLC, intends to finance the acquisition and rehabilitation of 24 properties in 13 counties through a single tax-exempt bond issued by Osceola County, along with a 4% Low Income Housing Tax Credit (LIHTC) issued by Florida Housing. On January 12, 2016, Florida Housing received a Petition for Waiver of Rules 67-21.003(8)(k) and (l) and Part C of the Non-Competitive Application Instructions (the “Petition”). A copy of the Petition is attached as [Exhibit A](#). On January 13, 2016, Notice of the Petition was published in the Florida Administrative Register in Volume 42, Number 8. An Amended Petition was filed on January 19, 2016. A copy of the Amended Petition is attached as [Exhibit B](#). To date, Florida Housing has received no comments concerning the Petition.

2. Present Situation

- a) Rule 67-21.003, Fla. Admin. Code, specifies what must be included with each application for 4% LIHTC. It provides, in relevant part:
- (8) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application is deemed complete. Those items are as follows:
- (k) Submission of one original hard copy with the required number of photocopies of the Application by the applicable Application submission deadline, as outlined in the Non-Competitive Application instructions;
- (l) Payment of the required Application fee and, if applicable, the TEFRA fee at submission of the Application;
- b) Rule 62-21.003(1)(b), Fla. Admin. Code, adopts and incorporates by reference the “Non-Competitive Application Package,” which is what is required when applying for 4% LIHTC. Part C of the application instructions require applicants to “submit to the Corporation as part of the Application submission a non-refundable Application fee of \$3,000.”

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Action Supplement

- c) Petitioner has asked for a waiver of both the requirement to provide a separate hard copy of the application for each property and of the requirement to pay an application fee for each application. Instead, Petitioner proposes to submit a single “master” application for the redevelopment project, with appropriate “sub-applications” for each property, and a single application fee of \$3,000.
- d) Petitioner has demonstrated that it would suffer a substantial hardship if it were required to submit a separate application fee for each property. Since each proposed “sub-application” would have essentially the same information as is currently required for a separate application, Petitioner has not demonstrated that it would suffer a substantial hardship if it were required to submit a separate hard copy of the application for each property.
- e) Section 120.542(2), Florida Statutes provides in pertinent part:

Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.
- f) Granting the requested waiver would not have any impact on other participants in any programs administered by Florida Housing, nor would it have a detrimental impact on Florida Housing. Petitioner has demonstrated that failure to grant the waiver of the application fee requirement would cause a substantial hardship. Petitioner has also demonstrated that the purpose of the underlying statute, which is to “encourage development of low-income housing in the state” (§420.5099, Fla. Stat.), would still be achieved if the waiver is granted.

3. **Recommendation**

Staff recommends the Board **GRANT** Petitioner’s request for a waiver of Rules 67-21.003(8)(l) and 62-21.003(1)(b), Fla. Admin. Code, which will allow Petitioner to submit a single application fee of \$3,000 for the proposed project. Staff recommends the Board **DENY** Petitioner’s request for a waiver of Rule 67-21.003(8)(k), Fla. Admin. Code, so that Petitioner will be required to submit a separate application package for the 4% LIHTC for each property.

MULTIFAMILY PROGRAMS

Action

II. MULTIFAMILY PROGRAMS

A. Request for Applications (RFA) 2015-106 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties

1. Background/Present Situation

- a) On September 3, 2015, Florida Housing staff issued RFA 2015-106 offering an estimated \$12,201,457 of Housing Credits (an estimated \$10,763,426 of HC available for award to proposed Developments located in Medium Counties and up to an estimated \$1,438,031 of HC available for award to proposed Developments located in Small Counties), as well as an estimated \$14 million of State Apartment Incentive Loan (SAIL) funding. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, October 15, 2015.
- b) Florida Housing received 98 Applications in response to this RFA (96 for proposed Developments located in Medium Counties and 2 for proposed Developments located in Small Counties). 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 January 19, 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 2015-106 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.
- 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) 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.

MULTIFAMILY PROGRAMS

Action

2. **Recommendation**

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the 98 Applications (as set out on Exhibit A) and authorize the tentative selection of the 8 Medium County Applications and 1 Small County Application (as set out on Exhibit B) for funding and invitation to enter credit underwriting.
- b) An unallocated balance of \$410,429 of Housing Credits and \$3,440,000 of SAIL 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 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) 2015-109 - SAIL Financing for Smaller Permanent Supportive Housing Properties for Persons with Special Needs

1. Background

- a) Florida Housing Finance Corporation (Florida Housing) issued RFA 2015-109, offering \$11,000,000 in State Apartment Incentive Loan (SAIL) funding appropriated by the 2015 Florida Legislature, which included funding for the units that must be set aside for Extremely Low-Income (ELI) Households.
- b) This Request for Applications (RFA) is open to Non-Profit Applicants proposing new construction or acquisition and Moderate Rehabilitation/ Substantial Rehabilitation to create new Permanent Supportive Housing for Persons with Special Needs as defined in Section 420.0004(13), F.S. Florida Statute defines “Person with special needs” as an adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a Disabling Condition; a young adult formerly in foster care who is eligible for services under Section 409.1451(5), F.S.; a survivor of domestic violence as defined in Section 741.28, F.S.; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans’ disability benefits.
- c) The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, December 3, 2015.

2. Present Situation

- a) Florida Housing received five (5) Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Kevin Tatreau, Director of Developmental Finance (Chair), Karla Brown, Multifamily Programs Manager, Elizabeth Thorp, Multifamily Programs Manager, Bill Aldinger, Assistant Policy Director, Kevin McCarthy, Policy Administrator, John Toman, Policy Manager, and Elaine Roberts, Senior Supportive Housing Analyst. 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 January 20, 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 RFA 2015-109 All Applications chart (provided as [Exhibit C](#)) lists the eligible Applications (i.e., Applications that met all criteria to be eligible to be considered for funding) in assigned Application number order. There were two (2) ineligible Applications.
- 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.

MULTIFAMILY PROGRAMS

Action

- 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, Florida Housing shall offer all Applicants within the funding range an invitation to enter credit underwriting.

3. Recommendation

- a) Approve the Committee's recommendations that the Board adopt the scoring results of the five (5) Applications (set out on Exhibit C), and authorize the tentative selection of the three (3) Applications (set out on Exhibit D) 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 invitations to enter credit underwriting to the Applicants set out on Exhibit D.
- 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 the invitations to enter credit underwriting to those Applicants in the funding range.

MULTIFAMILY PROGRAMS

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C. Request for Applications (RFA) 2015-107 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties

1. Background/Present Situation

- a) On September 21, 2015, Florida Housing staff issued RFA 2015-107 offering an estimated \$12,700,863 of Housing Credits available for award to proposed Developments located in Broward County, Duval County, Hillsborough County, Orange County, Palm Beach County, and Pinellas County. The deadline for receipt of Applications was 11:00 a.m., Eastern Time, Thursday, November 5, 2015.
- b) Florida Housing received 56 Applications in response to this RFA. The Review Committee members, designated by the Executive Director, were Elizabeth Thorp, Multifamily Programs Manager (Chair), Bill Cobb, Multifamily Programs Manager, Elizabeth O'Neill, Multifamily Programs Manager, Jean Salmonsens, Multifamily 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 staff and legal counsel as necessary and appropriate.
- c) At its January 26, 2016 Review Committee meeting, the individual committee members will present their scores and the Committee will carry out the funding selection process in accordance with Section Four B of the RFA. The following information will be provided as a supplemental item: (i) the Review Committee's funding recommendations, and (ii) the RFA 2015-107 All Applications chart listing the eligible and ineligible Applications in assigned Application Number order (i.e. the Applications that met all criteria to be eligible to be considered for funding and the ineligible Applications).

MULTIFAMILY PROGRAMS

Action Supplement

B. Request for Applications (RFA) 2015-107 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties

1. Background/Present Situation

- a) The RFA 2015-107 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.
- b) 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.
- c) Both of the motions were passed unanimously.
- d) 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 56 Applications (as set out on Exhibit C) and authorize the tentative selection of the 6 Applications (as set out on Exhibit D) for funding and invitation to enter credit underwriting.
- b) An unallocated balance of \$1,823,861 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. Competitive Solicitation for Lender Appreciation Awards Dinner Venue and Lodging

1. Background

Florida Housing hosts a formal reception, plated dinner and awards ceremony to recognize top-producing lenders, individual loan officers, partners and others for the Corporation's Homeownership Programs.

2. Present Situation

After a four-year hiatus, the Ninth Lender Appreciation and Awards Reception and Dinner was held in August 2015. Attendees included representatives from representatives from lending institutions and loan officers, partners, staff and others involved with the Corporation's Homeownership Programs. The event was very successful; therefore, staff is moving forward with a plan to host the Lender Appreciation Awards Dinner every other year (biennially). The next event is currently being planned for the spring/summer of 2017.

3. Recommendation

Authorize Florida Housing staff to issue a competitive solicitation to procure the venue and lodging for the attendees of the 2017 Lender Appreciation Awards Dinner.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

B. Competitive Solicitation to provide Servicing for the First Time Homeownership Program

1. Background

Florida Housing contracts with an outside firm to perform all of the loan servicing functions for the First Time Homeownership Program ("Program"). These functions include: pooling first mortgage loans into mortgage backed securities ("MBS"); perform all loan servicing functions for both first and second mortgages in conjunction with the Program; provide reporting on loans pooled into MBS; provide periodic lending training sessions as needed and sell whole loans in the cash window as requested by FHFC.

2. Present Situation

The current contract for these services with U.S. Bank expires on September 30, 2016, and Florida Housing has a continuing need for these services.

3. Recommendation

Authorize staff to begin the competitive solicitation process in order to obtain responses from qualified entities to provide servicing for the Program.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

C. Single Source Procurement for Affordable Housing Catalyst Program Services

1. Background

- a) Florida Housing is authorized to administer the Affordable Housing Catalyst Program (Catalyst) under chapter 2004-243, Laws of Florida, amending Section 420.531, F.S.
- b) The Affordable Housing Catalyst Program provides training and technical assistance mainly to local governments and community based organizations on state and federal housing programs. The training and technical assistance includes administration and implementation of the State Housing Initiatives Partnership (SHIP) Program, the HOME Investment Partnerships (HOME) Program, the Florida Hardest Hit Fund (HHF) and other affordable housing programs. Typically the Catalyst program is funded through the annual state legislative appropriations process.
- c) The technical assistance provided through Catalyst allows local governments, not-for-profit organizations and other stakeholders engaged in the development/preservation of affordable housing to access expertise in a variety of subjects and formats. Subjects may include, but not be limited to: specific program management for SHIP, HOME and other housing programs; housing developer specific topics; and housing for persons with special needs. Technical assistance and trainings are provided through onsite direct technical assistance, in-person workshops, webinars and email and phone. A major focus of Catalyst is providing these services to local government staff engaged in the management of the SHIP program.
- d) Section 420.531, F.S., also outlines the requirements for the entity providing technical assistance, stating in pertinent part, "To the maximum extent feasible, the entity to provide the necessary expertise must be recognized by the Internal Revenue Service as a nonprofit tax-exempt organization. It must have as its primary mission the provision of affordable housing training and technical assistance, an ability to provide training and technical assistance statewide, and a proven track record of successfully providing training and technical assistance under the Affordable Housing Catalyst Program."
- e) The only firm that meets all of these statutory requirements is the Florida Housing Coalition, Inc.

2. Present Situation

- a) The current contract provides the following services:
 - (1) Monthly telephonic and e-mail assistance that is available to all stakeholders;
 - (2) On-site technical assistance visits (primarily for local governments and non-profit developers);
 - (3) Statewide in-person one/two day workshops;
 - (4) Webinars;

PROFESSIONAL SERVICES SELECTION (PSS)

Action

- (5) Regional Clinics; and
 - (6) Lunch and Learn workshops (30-45 minute phone conference calls on specific, timely topics).
- b) A list of the 2015-2016 workshops is provided in [Exhibit A](#).
- c) Rule 67-49.0031(2), F.A.C. allows the Board to exempt contractual services from competitive solicitation requirements upon a determination by the Executive Director that such services are most readily available from a single source. The current contract for these services with the Florida Housing Coalition, Inc. expires on June 30, 2016, and Florida Housing has a continuing need for these services.

3. **Recommendation**

Authorize staff to enter into a one-year single source contract with the Florida Housing Coalition, Inc. to deliver affordable housing training and technical assistance under the Catalyst program, subject to funding availability.

SPECIAL PROGRAMS – DEMONSTRATION

Action

IV. SPECIAL PROGRAMS – DEMONSTRATION

A. Request Authorization to Implement a Demonstration to Facilitate Development of Rental Housing for Homeless Households in Rural and Small Communities

1. Background

- a) It has been a challenge for Florida Housing to allocate affordable supportive housing resources to benefit homeless and at-risk of being homeless households in small and rural communities. In these communities, there is often no permanent housing for these families. These communities often lack the financial resources, as well as experienced, interested entities capable of applying for financing under current Florida Housing rental programs. Moreover, the needs of small and rural communities do not coincide well with the majority of Florida Housing's existing program structure, which is geared more to larger developments than those that are appropriate or needed in these communities.
- b) In 2013, Florida Housing was appropriated \$10 million in one-time grant funds by the Legislature to finance housing for homeless persons. The funding was required to be used by non-profits for small properties of 15 units or less. Florida Housing received no applications for developments in rural areas or small counties. There was initial interest by local governments and homeless stakeholders in these communities, but they reported there was not existing capacity or enough time to develop the capacity to submit applications for this one time-limited opportunity.
- c) The challenge to provide funding to serve homeless households in smaller, more rural areas also coincides with Florida Housing's continued work to find ways to award more funding in small counties to serve all lower income renter households.

2. Present Situation

- a) Last May, Florida Housing convened a meeting with the executive directors of local homeless continuum lead agencies that serve rural areas and small communities. The purpose of the meeting was to solicit input regarding the permanent housing needs of homeless households in these areas. We also wanted to understand the existing capacity and challenges to providing this housing for their homeless households. It was the consensus of this group that a primary homeless housing need for their rural and small communities was a predictable source of grant or forgivable funding to develop rental homeless housing. They reported that the terms of the funding should be flexible enough to enable each community to meet its particular homeless housing needs and priorities by developing appropriately sized housing that would fit well into small communities. They indicated that a predictable funding resource without complex requirements (such as those associated with the Low Income Housing Tax Credit or Bond programs) would enable their local governments, homeless continuum members and other non-profit stakeholders to effectively plan and prepare for an eligible Applicant to apply for funding and develop the rental housing. They indicated that a funding resource similar in the intent and terms of the inactive DCF Homeless Housing Assistance Grant (HHAG) Program would be helpful, but targeted to smaller areas.

SPECIAL PROGRAMS – DEMONSTRATION

Action

- b) After that meeting, staff spoke to additional stakeholders familiar with rural and small community homeless issues and researched the now inactive HHAG program and approaches in other states. Then from July through October of last year the staff discussed a conceptual approach to a broader audience of state and local homeless stakeholders, including members of statewide homeless and supportive housing associations, the State Council on Homelessness and staff of relevant state agencies, and leaders and members of the local homeless continuums.
- c) Demonstration Concept
- Florida Housing staff proposes to offer demonstration funding through a competitive Request for Applications, with terms described below:
- Financing targeted to small rental housing developments of no more than 15 units to serve as permanent housing for extremely low- and low income homeless households;
 - A 0% interest loan of up to \$750,000 that would be forgivable over an affordability period of 10-15 years;
 - Funding offered to non-profit applicants;
 - Proposed geographic areas to be served would be small and medium counties with populations under 250,000, areas considered to be rural in Florida. [Exhibit A](#) shows the counties from which applications would be eligible for funding;
 - A development could consist of single family, townhomes, duplexes or quadraplexes on a single site or scattered through the community;
 - Developments would be required to align with the housing priorities established by the local homeless continuum of care (a regional or local planning body made up of services and housing organizations that together coordinate housing and services funding for homeless families and individuals) and address needs specified in the local homeless assistance plan;
 - Applicants would be required to show that they have a clear understanding of the community, its needs related to homelessness, and are active members of the homeless continuums in their areas; and
 - Technical assistance would be provided to interested applicants for predevelopment purposes and to those awarded financing for development support.
- d) To implement this demonstration, Florida Housing would work with stakeholders to formalize the intent, terms and operationalization of this concept and then develop and issue a Request for Applications to fund a homeless housing assistance loan demonstration to test the concept. Funding for this demonstration would come from unrestricted net position, which is designated for demonstration and other initiatives.

SPECIAL PROGRAMS – DEMONSTRATION

Action

3. Recommendation

Authorize Florida Housing staff to use up to \$5 million to issue a Request for Applications to fund permanent homeless rental housing in small and rural communities.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Action Supplement

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Request Approval of Loan Closing Extension for Northwest Gardens V (2014-322S)

Development Name: Northwest Gardens V (“Development”)	Location: Broward County
Applicant/Borrower: Northwest Properties V, Ltd.	Set-Asides: 10% @ 30% AMI and 90% @ 60% AMI
Demographic/Number of Units: Elderly/200	Requested Amounts: SAIL \$4,960,000, ELI Gap Loan \$1,500,000, 4% HC \$1,067,851
Development Category/Type: New Construction/ Garden Style	MMRB: Local (BCHFA)

1. Background/Present Situation

- a) On January 10, 2014, Florida Housing Finance Corporation issued a Request for Applications (RFA) 2014-103 for the Financing of Affordable Multifamily Housing Developments with SAIL Funding to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits.
- b) On August 8, 2014, the Board approved the final scores and recommendations for RFA 2014-103, and directed staff to proceed with all necessary credit underwriting activities.
- c) On August 14, 2014, staff issued a preliminary commitment letter and an invitation to enter credit underwriting to Northwest Properties V, Ltd.
- d) On August 7, 2015, the Board approved the final credit underwriting report and directed staff to proceed with a firm loan commitment and loan closing activities. Staff issued a firm loan commitment for funding on August 10, 2015. Per the RFA, the loan must close within 180 calendar days of the firm commitment, which is February 8, 2016. A request for an extension of the firm loan commitment may be considered by the Board for an extension term of up to 90 Calendar Days.
- e) On January 26, 2016, staff received a request from the Applicant for an extension of the firm commitment closing deadline ([Exhibit A](#)). The extension will allow additional time to receive HUD’s approval of the Subsidy Layering Review which has been delayed due to a blizzard in the northeast. Staff has reviewed the request and finds that the development meets all of the requirements of the RFA.

2. Recommendation

Approve the request to extend the firm commitment loan closing deadline from February 8, 2016, to May 9, 2016, pursuant to the requirements of the RFA and Chapter 67-48, F.A.C.