

Differences between FHFC and DEM Coronavirus Relief Fund (CRF) Agreements

PURPOSE: This document is intended to compare some of the provisions in the DEM and FHFC Coronavirus Relief Fund agreements. This document does not purport to show all the differences or similarities between the two agreements. Please read both documents fully to understand all roles and responsibilities of the local government.

SUMMARY: Local governments may receive CRF funds from both DEM and FHFC. The DEM funds can be used for any eligible activity under the CARES Act while FHFC funds can only be for housing-related activities. For local governments planning to use both DEM and FHFC funds for COVID-19 housing assistance, it is best to follow the standards in the FHFC agreement for program design as it requires stricter requirements than the DEM agreement in regard to the application process, compliance monitoring, and record retention. If the local government is using CRF funds from both DEM and FHFC for housing assistance programs, be sure to maintain separate accounts and be aware of the different reporting process for each.

	FHFC	DEM
<i>When are funds received?</i>	Upon execution of agreement.	Upon stating quantifiable units of deliverables in writing and accepted by DEM. Deliverable must specify evaluation measures and required minimum level of service.
<i>Period of Agreement</i>	Through March 31, 2021 (funds must be expended by December 30, 2020)	Through December 30, 2020
<i>Disbursement</i>	First \$75 million based on formula; Remaining \$45 million TBD at September board meeting based on various metrics relating to need and local ability to administer funds	Based on population. First 25% disbursed automatically. Remaining distributed on a reimbursement basis. Reimbursement will only be made for expenditures that DEM determines are eligible under the CARES Act. However, DEM's determination that an expense is eligible does not relieve the LG of its duty to repay if DEM or Treasury later determines it ineligible.



<p><i>Uses</i></p>	<p>Direct CRF Admin Expenditures and Project Delivery Costs of no more than 10% of expended amounts.</p> <p>Rental assistance payments (see section E in more depth); mortgage payments (see section F for more depth)/buydowns; emergency repair; housing re-entry assistance; foreclosure or eviction prevention; homeownership counseling.</p> <p>Reimburse SHIP funds for COVID-19 Assistance dating back to March 1 (provided that the costs were not used for an activity that was previously budgeted).</p> <p>All other activities must be approved in writing by FHFC.</p> <p>Up to 120% AMI.</p> <p>CRF funds awarded directly to Eligible Persons must be in the form of a grant, deferred loan or hard pay loan.</p>	<p>Any expenses eligible under the CARES Act. Uses well-known Treasury guidance language in the contract.</p> <p>No income-eligibility requirement. Must be “necessary expenditure.”</p>
<p><i>Administrative Expenditures</i></p>	<p>Not to exceed 10% of the expended allocation.</p>	<p>None specified – follow general CARES Act guidance (above previously budgeted amounts and limited to what is “necessary”</p>
<p><i>Application Process/Criteria</i></p>	<p>Must have advertisement period of 10 days.</p> <p>See Section D for minimum application requirements.</p>	<p>None specified</p>
<p><i>Repayment</i></p>	<p>Shall return to FHFC within 30 days if non-compliance issue. Return immediately if unspent amounts.</p>	<p>If audit finds a use to be ineligible, LG must repay funds within 30 days after notification of non-compliance. All misused or unspent funds must be returned.</p>



<i>Compliance/Auditing</i>	<p>Must establish and maintain a separate CRF trust fund or pooled account where CRF funds are clearly designated.</p> <p>Section J (more depth than DEM agreement) states required documents to retained for 5 years.</p> <p>Must maintain a financial tracking system provided by FHFC (section J.3.a) and maintain records that include list of items at section J.3.b.</p>	<p>Must follow Generally Accepted Accounting Principles and subrecipient agrees to comply with any auditing/monitoring procedures determined by DEM.</p> <p>Must maintain “all records related this Agreement for the period of time specified in the appropriate retention schedule published by the Florida Department of State.”</p>
<i>Sub-recipients/ Sub-grantees</i>	Nothing specific or out of the ordinary. LGs are responsible for monitoring the activities and are responsible for sub-grantees.	Page 13 item 28 – lists required contract provisions. Item 30 – contains language on contracting with minority owned business and labor surplus area firms.
<i>Reporting</i>	Monthly report beginning 10/1/20 and close-out report by 2/15/21. Quarterly report due 15 days after end of quarter starting with quarter ending 9/30/20.	Quarterly reports and a close-out report. Quarterly report due 15 days after end of quarter starting with quarter ending 9/30/20. Close-out report due 60 days after agreement ends or completion of activities, whichever occurs first.
<i>Termination</i>	FHFC may terminate with 24-hour notice.	DEM may terminate for cause or no cause after 30 days written notice.
<i>Other</i>		County must sign certification that no lobbying will occur with CRF funds.



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