

THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County
From: Mark Hendrickson, Executive Director
Subject: March 8, 2019 Board Meeting
Date: March 2, 2019

I. Bond Allocation—Informational

1. The 2019 allocation is \$72,297,939, up \$1,398,712 (2.0%) over 2018.

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2019	\$ 72,297,939			
2018	\$110,000,000	\$110,000,000		December 31, 2021
2017	\$100,000,000	\$100,000,000		December 31, 2020
2016	\$100,000,000	\$100,000,000		December 31, 2019
TOTAL	\$372,297,939	\$310,000,000	\$72,297,939	

2. **Recommendation:** None.

II. Second Mortgage Status—Informational

1. In February, seven (7) new loans (\$52,500) were funded (\$30,000 in December).

	2006	2007	2010	2012	TOTAL
Original Loans	\$68,981 (13)	\$30,920 (7)	\$1,131,176 (227)	\$7,059,571(630)	\$8,290,648 (877)
Paid in Full	\$31,784 (6)	\$13,829 (3)	\$ 491,176 (99)	\$554,500 (54)	\$1,091,289.00 (162)
Partial Payoff	\$ 3,000 (2)		10,214.35 (5)	\$ 10,500 (2)	\$ 23,714.35 (9)
Loss on Partial	\$ 7,060		14,785.65	\$ 9,500	\$ 31,345.65
Default Loss	\$ 8,160 (2)	\$ 4,727 (1)	-0-	-0-	\$ 12,887.00 (3)
Balance	\$18,977	\$12,364	\$615,000	\$6,485,071	\$7,131,412

2. In February, one loan/\$10,000 paid in full. It was from the 2012 Program (Figueroa for \$10,000).
3. Between August 2016 and November 2018, nine loan pay-offs (\$112,500) originally funded with SHIP were reinvested in new loans.
4. **Recommendation:** None.

III. 2012 Single Family Program—Action

1. The **current program guidelines**:
 - 1st mortgage: 5.125%, 1% origination fee, FHA, VA, RD and 5.375% for Freddie Mac loans
 - First time homebuyers
 - 640 minimum credit score Down payment assistance: \$7,500
 - Mortgage Credit Certificates providing homebuyers a credit in the amount of 50% of mortgage interest paid annually (up to a \$2,000 annually).
 - Sales price limit of \$253,809
 - Income limit \$59,800 (1-2 person) and \$68,770 (3 or more persons)
2. **Rate Change**: Increased the FHA-VA interest rate is from 5.00% to 5.125% & the Freddie Mac rate from 5.25% to 5.375%, both effective Octobers 5. FHFC has multiple rates, but the most comparable are 5.50% FHA and 5.75 FNMA.
3. **DPA Change**: The DPA amount was decreased to \$10,000, effective January 1, 2018. It was further decreased to \$7,500, effective July 1, 2018.
4. **MBS Sales**: The HFA has executed 172 sales, with net revenues of \$2,796,916 (net meaning after payments to RBC and counsel).
5. **Hedges & Exposure**: The HFA has 6 hedges totaling \$7.455 million in place. With full delivery, the projected net revenues are estimated at \$202,218 (shared pro rata with other counties). The unhedged pipeline as of February 15 is \$389,711 (changes daily).
6. **Summary of DPA Funding**:
 - The County funded \$3.6 million of DPA with SHIP funds, with a contract for an additional \$933,000 in process. Another \$1,197,000 of loans have been funded which would be eligible under the program when additional funding was provided. **The County has presented a new contract for a total of \$1,423,170, which is being reviewed by Ms. Farris.**
 - The County has indicated that for next year's program, they want to have the DPA loans closed in the name of the County, so that repaid loan proceeds would come to them. The solution that has been tentatively agreed to is that the HFA will pay the County 5% of each loan that is repaid and recycled into a new SHIP loan.

Source for 2012 Single Family Program DPA	Amount
FHFC	\$1,068,831
Hillsborough Funded	\$3,600,000
Hillsborough Reimbursement Request Submitted	\$ 0
Hillsborough Eligible but not ready for Reimbursement Request	\$1,197,000
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$5,865,831
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 613,300
HFA Funded but Over SHIP Income Limit	\$ 40,000
HFA Funded After 2 nd \$600,000 from SHIP Fully Committed	\$ 310,626
Recycled SHIP Funds	\$ 60,000
Total HFA Funded	\$1,193,740
TOTAL DPA LOANS	\$7,059,571

7. **MCC's:** Between 2012 and 2018 the HFA converted \$383,225,804 of bond authority into \$95,806,451 of MCC's.
 - Tranche 1 (\$2.5 million—\$2,496,213.50 used)
 - Tranche 2 (\$12.5 million—\$12,499,498 used)
 - Tranche 3 (\$25 million) expired at the end of 2016—and eHousing inadvertently booked no MCC's against this program
 - Tranche 4 (\$25 million—\$18,129,770 used)
 - Tranche 5 (\$5,806,451-- \$5,750,845 used) is available until the end of 2019
 - Tranche 6 (\$25 million-- \$14,164,271 used) is available until the end of 2020.

8. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$155,000 and a 5.125/30-year mortgage, interest payments in Year 1 = \$7,892. With the 50% MCC rate that the HFA has chosen, **the homebuyer would be able to claim a tax credit of the federal maximum of \$2,000 each year** (slightly declining after Year 21 as more of monthly payment is principal) until the home buyers sells or moves from the property. The MCC lowers net payments (monthly payments - \$2,000) to a level equivalent to a 3.30% mortgage rate.

9. **Size of Program:** The program is limited to \$3.5 million of loans (\$5.0 million for HHF Program) not sold, hedged, or from another county at any given time. \$115.6 million of loans have been originated or are in process to date.

10. **Counties:** Hillsborough, Clay, Brevard, Jacksonville & Pinellas (Pasco and Polk).

11. The **current pipeline and loan demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income/ MCC Amount	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	Location
\$162,907 741 loans +13 loans	\$156,009	\$49,511 \$78,000.88 Avg. MCC. 680 loans \$53,0405983	36.0 53% female	2.5	SF Detached 90% Rowhouse: 1% Townhouse: 9% Existing: 61% New: 39%	Black: 27% White NH 24% Hispanic: 40% Mixed: 1% Asian: 1% Other: 6%	County: 62% Tampa: 31% Plant City: 6% Temple Terrace <1%

	Sold	Purchased or Pooled	UW	Reservations	Total
5.375%	\$1,276,985	\$884,480	\$258,990	\$164,900	\$2,585,355
	8	5	2	1	16
5.25%	\$5,098,430	\$152,000	\$80,800	\$0	\$5,331,230
	31	1	1	0	33
5.125%	\$4,128,794	\$560,351	\$1,367,049	\$196,278	\$6,252,472
	26	3	9	1	39
5.00%	\$21,550,368	\$0	\$144,750	\$0	\$21,695,118
	134	0	1	0	135
4.875%	\$3,609,958	\$0	\$0	\$0	\$3,609,958
	21	0	0	0	21
4.75%	\$3,562,058	\$0	\$0	\$0	\$3,562,058
	22	0	0	0	22
4.50%	\$4,212,497	\$0	\$0	\$0	\$4,212,497
	32	0	0	0	32
4.375%	\$1,235,109	\$0	\$0	\$0	\$1,235,109
	7	0	0	0	7
4.25%	\$19,226,134	\$0	\$0	\$0	\$19,226,134
	133	0	0	0	133
4.00%	\$14,961,292	\$0	\$0	\$0	\$14,961,292
	97	0	0	0	97
3.875%	\$26,855,507	\$0	\$0	\$0	\$26,855,507
	163	0	0	0	163
3.75%	\$3,430,088	\$0	\$0	\$0	\$3,430,088
	23				23
3.50%	\$1,659,312	\$0	\$0	\$0	\$1,659,312
	12				12
3.25%	\$986,685	\$0	\$0	\$0	\$986,685
	8				8
Total	\$111,793,217	\$1,596,831	\$1,851,589	\$361,178	\$115,602,815
	717	9	13	2	741

SALES PRICE BY YEAR		
YEAR	NUMBER LOANS	AVERAGE SALES PRICE
2012	13	\$142,075
2013	76	\$148,137
2014	86	\$144,913
2015	105	\$150,641
2016	69	\$172,088
2017	106	\$182,958
2018	271	\$168,445
2019	15	\$158,505

12. **Lender originations:** Eagle (247), DHI (147), Open Mortgage (71), LoanDepot (53), REMN/Homebridge (43), Waterstone (41), CMG (35), Wells Fargo (25), Fairway (20), Pacific Union (6), Atlantic Bay (5), Prime (6), Annie Mac (4), , Guaranteed Rate (4), Tidewater (4), Academy (3), Paramount (4), GSF (3), Center State, Stonegate, Gershman Investment, NFM, NVR, LendUS, (2 each), Homestead, BBMC, Embrace, Shelter, Homespire, Land Home, Synovus & SWBC (1 each).
13. **Recommendations:** Approve DPA contract with County and authorize Chairman to execute, subject to revisions recommended by Counsel and Executive Director.

IV. New Multi-Family Transactions—Informational

1. A 2019 Bond NOFA was published with a due date of October 31. After that date, the application process will be “open”, with applications evaluated on a first-come first-evaluated basis. The NOFA included two applications, one for applicants for bonds and SAIL, and another for bond-only applicants. The Bond-SAIL application is much shorter, and is designed to solve the problem wherein FHFC requires “complete applications” to have been submitted to a local HFA when the applicant is applying for SAIL
2. Two bond applications were received, both using the bond-SAIL application. Southport applied for \$12.0 of bonds for Mango Terrace and Related Urban applied for \$20.0 million of bonds for a “to be named” development in West River. Details in chart below.

	Mango Terrace	West River (to be named) WRDG T3B	Preserve at Sabal Palm (Local Preference)
Developer	Southport	Related Urban	Blue Sky Communities
Development Location	Unincorporated County 785 feet south of intersection of Dr. MLK Jr. Blvd. & Lemon Avenue Seffner	City of Tampa Main Street, NW Corner of Main St. & N. Willow Avenue West River.	Unincorporated County Williams Rd, appx. 200' N of E. Broadway Ave and 10920 E. Broadway Avenue
Total Development Cost	\$22,726,000	\$34,240,396	\$29,150,743
SAIL Loan Amount	\$5,527,500	\$5,891,228	\$1,250,000 (FHFC Viability Loan)
Bond Amount	\$22,000,000	\$20,000,000	No Bonds- \$439,000 loan from HFA, \$112,000 from County
Units	93	130	144
Set-Asides	90%<60% AMI 10%<35% AMI	26.2% <30% AMI (34 units) 34.6%<60% AMI (45 units) 39.2%<80% AMI (51 units)	80%<60% AMI 20%<40% AMI
Set-Aside Period	50 years	50 years	Perpetuity
Allocation Status	TBD	TBD	NA
New Construction or Rehab	New Construction	New Construction	New Construction
TEFRA Hearing & BOCC TEFRA Approval Dates	TBD TBD	TBD TBD	NA
Credit Enhancement	TBD	TBD	Lender: Citibank Equity: Raymond James
Credit Underwriter	TBD	TBD	Seltzer
Anticipated Closing Date	June 2019	September 2019	January 2019
Evidence of Site Control	Purchase & Sale Contract	Purchase & Sale Contract	Purchase & Sale Contract
Zoning	PD- 93 units	NMU-35	PUD
Demographic	Family	Family	Family
Construction/Design	Garden Concrete	Highrise	Garden Concrete

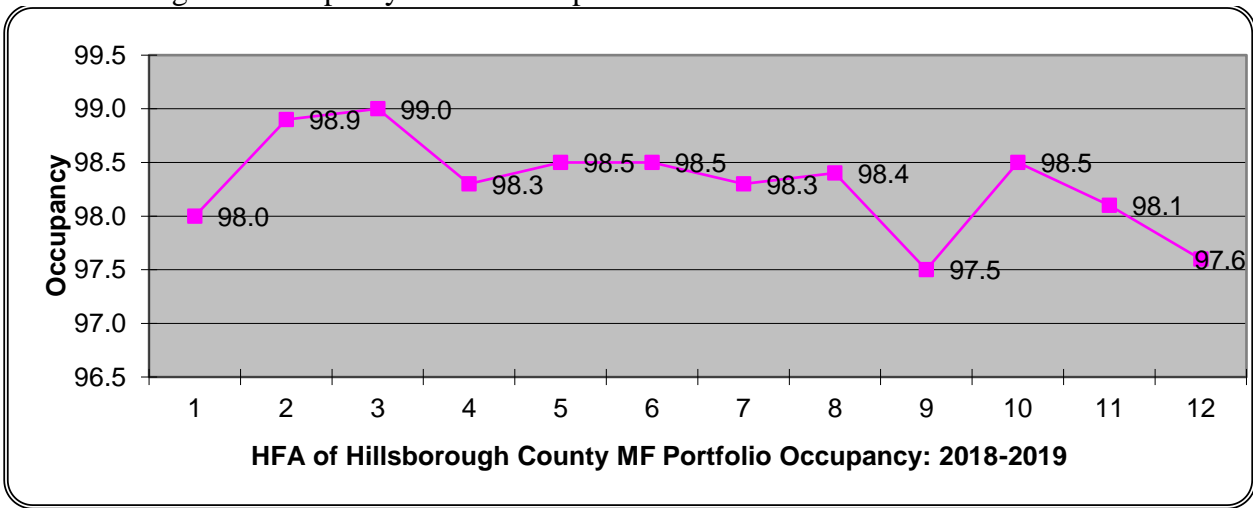
3. **Recommendation:** None.

V. FHFC: Local Government Area of Opportunity Funding—Informational

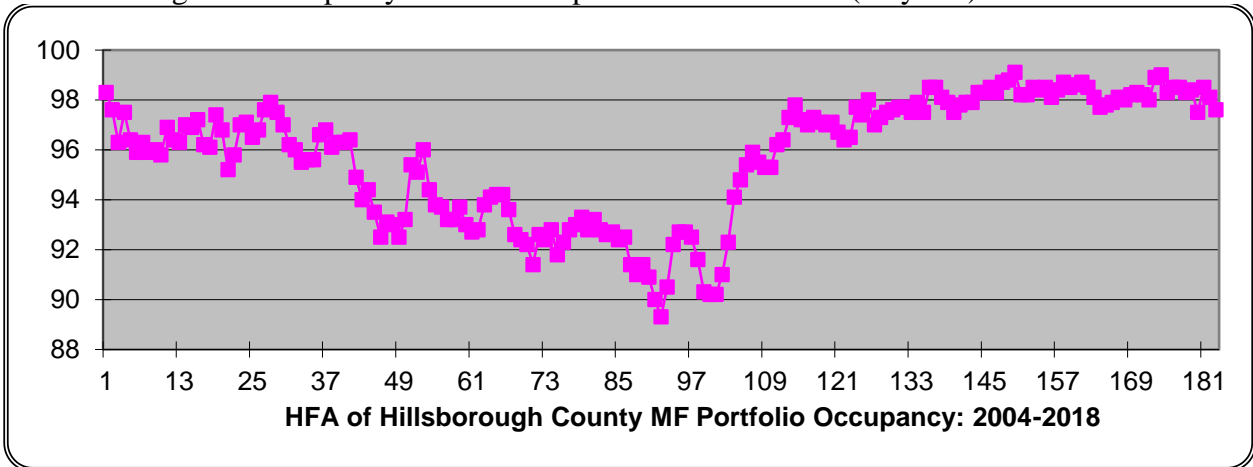
1. The HFA selected Brandon Preserve for Priority and Springfield Plaza as a backup. Both are proceeding with their FHFC Housing Credit applications. The City of Tampa’s preference deal, a to be named development in West River, received a lower lottery number than Brandon Preserve. Assuming no errors in the application, that development should be funded.
2. In 2016, the HFA selected the Preserve at Sabal Park as the “preference” development. The loan closed in January.
3. **Recommendation:** None.

VI. Status of Rental Developments Financed by the HFA—Informational

1. The Authority has financed twenty-nine (29) rental developments, containing 5,344 units, with a total development cost of \$626,847,792 financed with \$308,310,000 of bonds, \$178,360,072 of Housing Credit equity, and \$55,538,493 of SAIL. The HFA also issued \$16.7 million of bonds to refund the Brandon Crossing and Mobley Park developments. One development (Kaylee Bay) was financed without bonds.
2. The weighted average occupancy level of the HFA’s portfolio is 97.6% (-0.5%). The median occupancy level is 98.0% (-0.5%). Fourteen (14) of the 22 monitored developments are at 98% or higher occupancy.
3. The following is an occupancy chart for the previous 12 months:



4. The following is an occupancy chart for the previous 181 months (15 years):



5. All HFA financed properties are in compliance, except for **Hunter’s Run** (Atlantic: The owner has not recertified resident income this year as required by the LURA, nor have they requested that the LURA be amended to remove the requirement. The HFA has established a policy that such a request would be approved, subject to the owner paying legal costs of the HFA.
6. **Recommendation:** None.

VII. Housing & Training Programs—Informational

1. Up & Out Homeless Program (MetMin)

- Twenty-four (24) families (+0) are enrolled in the program. One client successfully graduated from the program and one new client entered the program.
- Of the 101 clients that are no longer in the program, 69 successfully completed the program and are now self-sufficient, 9 moved for employment or to be with family and are now self-sufficient, 4 were moved back into supportive housing on the advice of their case worker, 11 were terminated from the program for non-compliance with case management/self-sufficiency plan, 1 was incarcerated and was terminated from the program, 6 had financial problems and sought other housing, and 1 cannot be located.
- A total of 380 persons have benefited from the program—155 adults and 225 children. The HFA has advanced a total of \$922,627 to the program. The subsidy provided is \$286 per month for a one bedroom and \$403 per month for a two bedroom or larger apartment.

2. **Youth Aging Out of Foster Care** (Camelot) has eight (-1) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, administration, and a transition specialist. This month, two clients successfully graduated and one new client entered the program. In total, six clients moved against recommendation of program and forfeited deposits, one was evicted for not paying their last month's rent (paid for first 11 months of 12-month lease), nineteen (+2) graduated from the program successfully, and one only required a security deposit. The HFA has advanced \$213,523 to the program. The subsidy provided is \$200 per month. Report is through January 2019.

3. **Catholic Charities** has six (+1) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. To date, two clients have successfully left the program, two clients have been terminated from the program, two moved in with family, and two voluntarily left the program. The HFA has advanced \$142,671 to the program. The subsidy provided is \$286 per month for a one bedroom and \$403 per month for a two bedroom or larger apartment. This program was modeled on the MetMin Up and Out Program, with a two-year limit on assistance. Report is through February 2019.

4. **USF CRED Training:** Angela Crist contacted the HFA this month about the 2019 contract.

5. Total for advances is through February 27, 2019.

6. **Recommendation:** None.

VIII. State Legislative Update—Informational

1. The 2019 legislative session begins March 5, and is scheduled to end May 3.

Senate	House
President Bill Galvano	Speaker Jose Oliva
Appropriations Chair Rob Bradley	Appropriations Chair Travis Cummings
TED Appropriations Chair Travis Hutson	TED Appropriations Chair Jay Trumbull

2. The latest (December 2018) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 is \$328.2 million. Also available are monies in the trust fund that were neither swept nor appropriated, and some interest earning, bringing the total available for appropriation in FY 19-20 to \$352,378,000 (\$246.93 SHIP/Catalyst and \$105.448 FHFC programs/SAIL). The estimated impact of appropriating all available funds to housing programs:

Program	SAIL	SHIP	Combined Totals
Funding	\$105,448,000	\$246,930,000	\$352,378,000
TDC Produced	\$536,835,597	\$1,329,929,258	\$1,866,764,855
# of Units	2,403	10,796	13,199
Leveraging other \$	\$431,387,597	\$1,082,999,258	\$1,514,386,855
Jobs Created	7,958	22,913	30,871
Economic Impact	\$1,154,991,280	\$3,277,287,304	\$4,432,278,584

3. Governor DeSantis released his proposed budget February 1, including full funding for housing—using every penny in the trust funds for housing programs and sweeping no monies. Senator Bradley stated that he and President Galvano intend to fully fund housing in the Senate budget. The House will be the focus.
4. The SHIP distributions—at full funding—have been calculated for FY 19-20. With all monies in the housing trust funds appropriated for housing, Hillsborough County would receive \$16,919,219 (\$12,373,025 for the County and \$4,546,194 for the City of Tampa). The legislator one-pagers are complete and in the Board Packet.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
FHFC: SAIL Line 2315	\$ 85,448,000			
FHFC: SAIL Workforce Keys Line 2315	\$ 20,000,000			
SHIP Line 2316	\$246,430,000			
Catalyst Training Line 2226	\$ 500,000			
TOTAL HOUSING	\$352,378,000			
SHTF SWEEP	\$0			
LGHTF SWEEP	\$0			
TOTAL SWEEP	\$0			
Unallocated SHTF	\$0			
Unallocated LGHTF	\$0			

5. Senator Kathleen Passidomo (R-Naples) filed a bill to prohibit sweeps of the trust funds (SB70). Because she is Majority Leader, she dropped sponsorship of all bills (to keep the House from holding a member of Senate leadership’s bills hostage in negotiations), and Senator Mayfield (R-Melbourne) is now the lead sponsor. While this bill does not absolutely restrict sweeps (it would take a Constitutional amendment to accomplish that), it is an important part of our strategy to keep the pressure for full funding. The companion bill (HB 1103) has been filed by Representative Silvers.

6. Other housing bills have been filed or are in the works. Some may have good aspects, and some are simply bad concepts. We will be monitoring and working with legislators to move forward any good policy changes.

7. **Recommendations:** Meet with your legislators to ask them to support the Governor’s proposed budget for full housing appropriations, and not to sweep any of the housing trust funds. It is important to tell the story: We have a crisis, we have the funds to address it, and we have proven programs that work. This isn’t “throwing money at a problem”, it is funding programs that have proven over 25 years that they are effective and attract massive private sector investment in affordable housing.