

THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County
From: Mark Hendrickson, Executive Director
Subject: June 14, 2019 Board Meeting
Date: June 6, 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 May, four (4) new loans (\$30,000) were funded (\$22,500 in April).

	2006	2007	2010	2012	TOTAL
Original Loans	\$68,981 (13)	\$30,920 (7)	\$1,131,176 (227)	\$7,142,071(641)	\$8,380,648 (888)
Paid in Full	\$31,784 (6)	\$13,829 (3)	\$ 511,176 (103)	\$574,500 (56)	\$1,121,289.00 (166)
Partial Payoff	\$ 3,000 (2)		12,574.75 (6)	\$ 10,500 (2)	\$ 23,714.35 (9)
Loss on Partial	\$ 7,060		17,425.25	\$ 9,500	\$ 31,345.65
Default Loss	\$ 8,160 (2)	\$ 4,727 (1)	-0-	-0-	\$ 12,887.00 (3)
Balance	\$18,977	\$12,364	\$590,000	\$6,547,571	\$7,168,912

2. In May, one loan paid in-full from the 2009 Program (Parada for 5,000).
3. Between August 2016 and March 2019, twelve loan pay-offs (\$145,000) 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 \$283,348 (up from \$253,809 this month)
- Income limit \$63,900 (1-2 person) and \$72,485 (3 or more persons)—up from \$59,800 and \$68,770 this month

2. **Rate Change:** FHA-VA interest rate is 5.125% & the Freddie Mac rate is 5.375%, both raised by 0.125% October 2018. FHFC has multiple rates, but the most comparable are 5.25% FHA and 5.25% 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. **Given the availability of SHIP funds, and the competition from FHFC (\$7,500 DPA), the HFA can afford to raise the DPA amount to \$10,000 OR \$15,000. Debbie Berner believes this level will generate increased loan volume. Sue Denihan recommends increasing to \$15,000 in June only to celebrate National Homeownership Month.**

4. **Summary of DPA Funding:**

- The County funded \$3.6 million of DPA with SHIP funds, and a new contract for \$1,423,170 has been executed (for loans closing after August 15, 2018). \$A reimbursement request for \$377,500 has been submitted.

Source for 2012 Single Family Program DPA	Amount
FHFC	\$1,068,831
Hillsborough Funded	\$3,600,000
Hillsborough Reimbursement Request Submitted	\$ 377,500
Hillsborough Eligible but not ready for Reimbursement Request	\$ 75,000
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$5,121,331
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 628,300
HFA Funded but Over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$1,037,626
Recycled SHIP Funds	\$ 145,000
Total HFA Funded	\$2,020,740
TOTAL DPA LOANS	\$7,142,071

5. **MBS Sales:** The HFA has executed 177 sales, with net revenues of \$2,882,463 (net meaning after payments to RBC and counsel).
6. **Hedges & Exposure:** The HFA has 4 hedges totaling \$5.022 million in place. With full delivery, the projected net revenues are estimated at \$135,469 (shared pro rata with other counties). The unhedged pipeline as of June 4 is \$83,315 (changes daily).
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-- \$14,873,489 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 not sold, hedged, or from another county at any given time. \$115.9 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
\$162,894 748 loans +6 loans	\$156,2052	\$49,337 \$78,046.35 Avg. MCC. 688 loans \$53,695,889	36.0 53% female	2.5	SF Detached 90% Rowhouse: 1% Townhouse: 9% Existing: 61% New: 39%	Black: 28% 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%	\$2,294,355	\$291,000	\$0	\$169,750	\$2,755,105
	14	2	0	1	17
5.25%	\$5,250,430	\$0	\$0	\$0	\$5,250,430
	32	0	0	0	32
5.125%	\$6,222,356	\$136,972	\$888,208	\$184,980	\$7,432,516
	39	1	6	1	47
5.00%	\$21,550,368	\$0	\$0	\$0	\$21,550,368
	134	0	0	0	134
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	\$115,056,149	\$427,972	\$888,208	\$354,730	\$116,727,059
	737	3	6	2	748

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	24	\$153,134

12. **Lender originations:** Eagle (249), DHI (147), Open Mortgage (71), LoanDepot (57), REMN/Homebridge (44), Waterstone (40), CMG (34), Wells Fargo (25), Fairway (20), Pacific Union (6), Atlantic Bay (5), Prime (6), Annie Mac (4), , Guaranteed Rate (3), Tidewater (4), Academy (3), Paramount (6), GSF (3), Center State, Stonegate, Gershman Investment, NFM, NVR, LendUS, (2 each), Homestead, BBMC, Embrace, Everett, Shelter, Homespire, Land Home, Synovus & SWBC (1 each).
13. **Recommendation:** Increase DPA amount to \$15,000, effective June 17, 2019, decreasing to \$10,000 July 1, 2019.

IV. New Multi-Family Transactions—Action

1. A 2019 Bond NOFA was published with a due date of October 31, 2018. After that date, the application process became “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, and the \$12.0 million Mango Terrace development was awarded SAIL funding and will be moving forward. Details on Mango Terrace in chart below.
3. FHFC has set October 10, 2019 as the tentative due date for SAIL applications using bond financing. The HFA needs to issue the 2020 Bond NOFA to coordinate with this deadline.
4. **Recommendation:** Authorize publication of 2020 Bond NOFA, using the dual application process described above.

	Mango Terrace
Developer	Southport
Development Location	Unincorporated County 785 feet south of intersection of Dr. MLK Jr. Blvd. & Lemon Avenue Seffner
Total Development Cost	\$22,726,000
SAIL Loan Amount	\$5,000,000
ELI Loan Amount	\$ 600,000
NHTF Loan Amount	\$1,113,000
Bond Amount	\$12,000,000
Units	93
Set-Asides	90%<60% AMI 10%<35% AMI
Set-Aside Period	50 years
Allocation Status	Available
New Construction or Rehab	New Construction
TEFRA Hearing & BOCC TEFRA Approval Dates	11-29-18 1-9-19
Credit Enhancement	TBD
Credit Underwriter	Seltzer
Anticipated Closing Date	Late 2018
Evidence of Site Control	Purchase & Sale Contract
Zoning	PD- 93 units
Demographic	Family
Construction/Design	Garden Concrete

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

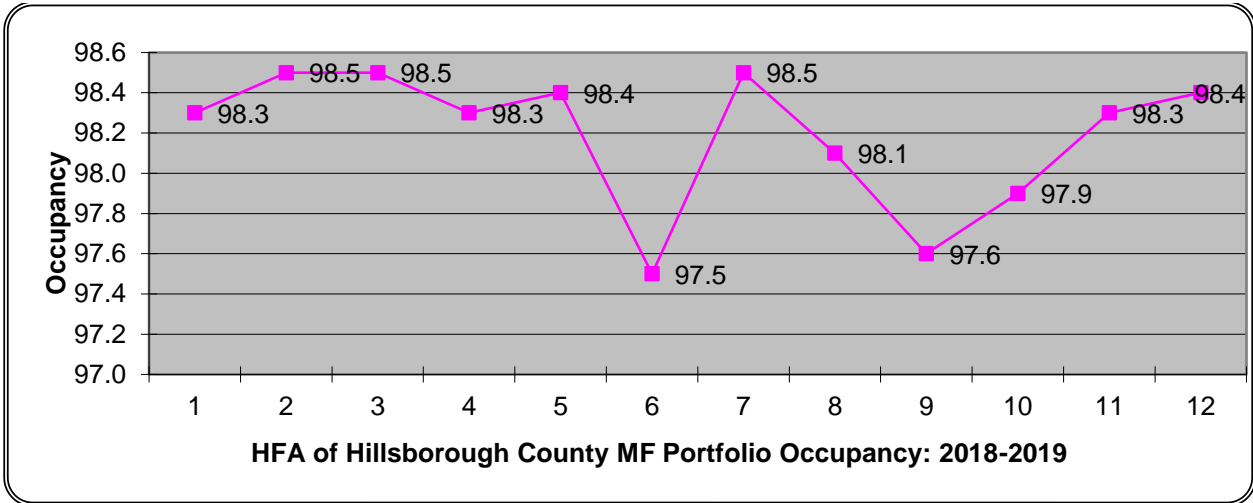
1. FHFC is retaining the LGAOF system for the 2019-2020 RFA’s, with a proposed application deadline of November 7. Accordingly, the HFA will need to set its funding priorities at the July 31 meeting, and issue a NOFA with a due date prior to the October HFA meeting.
2. Alternatively, the HFA could authorize a NOFA at this meeting, if the funding priorities remain the same.
3. **Recommendation:** Consider approval of NOFA for LGAOF.

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

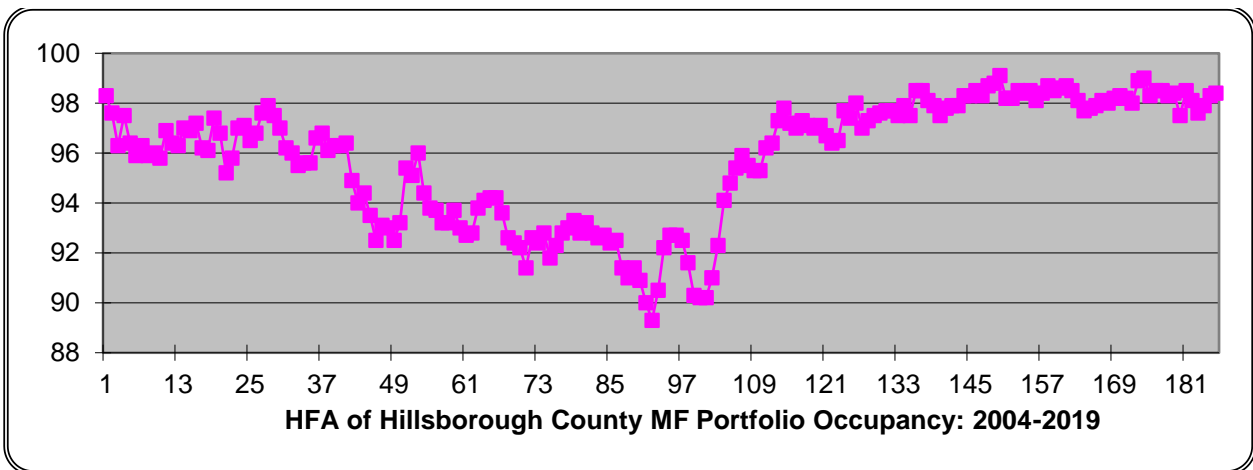
1. The Authority has financed twenty-nine (29) rental developments, containing 5,344 units, with a total development cost of \$626,847,792 financed with \$308,310,000 of bonds, \$178,360,072 of Housing Credit equity, and \$55,538,493 of SAIL. The HFA also issued \$16.7 million of bonds to refund the 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 98.4% (+0.1%). The median occupancy level is 99.0% (+0.0%). Sixteen (16) 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 186 months (15.5 years):



5. All HFA financed properties are in compliance, except for **Hunter’s Run** (Atlantic: The owner has not recertified resident income 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 (+1) are enrolled in the program. One client successfully graduated from the program this month and two new clients entered the program.
- Of the 103 clients that are no longer in the program, 72 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 392 persons have benefited from the program—158 adults and 234 children. The HFA has advanced a total of \$963,639 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 nine (+1) clients receiving some combination of rent subsidies, funding for security deposits, application fees, administration, and a transition specialist. This month, one client successfully graduated, and two new clients entered the program. In total, seven clients have had non-compliant exits from the program and twenty graduated from the program successfully. The HFA has advanced \$223,780 to the program. The subsidy provided is \$200 per month. Report is through April 2019.

3. **Catholic Charities** has six (-0) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. This month, one client moved to permanent supportive housing. To date, three 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 \$146,925 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 May 2019.

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

5. Total for advances is through May 29, 2019.

6. **Recommendation:** None.

VIII. State Legislative Update—Informational

1. The 2019 legislative session began March 5 and is ended May 4.

2. The latest (March 2019) revenue estimate for doc stamp distributions into the Housing Trust Funds for FY 19-20 was \$331.96 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 approximately \$353 million.

3. Governor DeSantis released his proposed budget February 1 and including full funding for housing—using every penny in the trust funds for housing programs and sweeping no monies. The Senate also proposed full funding; however, the House proposed sweeping over 60% of the funds to General Revenue—and appropriating money only for Panhandle counties impacted by Hurricane Michael. The final result:

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 19-20	FINAL BUDGET FY 18-19
FHFC: SAIL Line 2315	\$ 85,448,000	\$ 61,775,600	\$0	\$ 39,040,000	\$ 79,180,000
FHFC: SAIL Workforce Keys Line 2315	\$ 20,000,000	\$0	\$0	\$0	\$0
SHIP Line 2316	\$246,930,000	\$170,102,400	\$0	\$ 46,560,000	\$ 43,950,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line 2316A	\$0	\$ 90,000,000	\$ 49,450,000	\$ 65,000,000	\$ 0
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line 2316 A	\$0	\$ 10,000,000	\$ 74,180,000	\$ 50,000,000	\$ 0
TOTAL HOUSING	\$352,378,000	\$331,878,000	\$123,630,000	\$200,600,000	\$123,630,000
SHTF SWEEP	\$0	\$0	\$ 60,000,000	\$ 10,000,000	\$ 54,600,000
LGHTF SWEEP	\$0	\$0	\$140,000,000	\$115,000,000	\$127,400,000
TOTAL SWEEP	\$0	\$0	\$200,000,000	\$125,000,000	\$182,000,000
Unallocated SHTF	\$0	\$ 600,000	\$ 7,358,000	\$ 300,000	\$2,600,000
Unallocated LGHTF	\$0	\$15,610,000	\$17,100,000	\$7,060,000	\$5,850,000

Proviso/Back of the Bill for FHFC:

- 10% of SAIL for competitive grant for housing for persons with developmental disabilities
- \$8 million from SAIL for Jacksonville Urban Core Workforce Housing Program (Senate Form 2071)
- \$500,000 from SHIP for Catalyst Training
- \$1 million from SHIP for grants to nonprofit organizations that build, modify, maintain, transfer & enhance home to and for Florida veterans (at least 15 homes)
- HHRP funds may be spent on (including, not limited to) repair and replacement of housing; assistance to homeowners to pay insurance deductibles; repair, replacement and relocation assistance for manufactured homes; acquisition of building materials for home repair and construction; housing re-entry assistance, such as security deposit utility deposits, and temporary storage of household furnishings; foreclosure eviction prevention, including monthly rental assistance for a limited period of time; or strategies in the approve local housing assistance plans.
- HHRP distribution by FEMA damage assessment data and population.

Additional Homeless Funding				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500 Senate	346	GR	DCF
Federal Emergency Shelter Grant Program	\$7,803,393	347	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants—note specific projects funded from this listed below	\$4,490,800 Senate	348	GR	DCF
Homeless Veterans Housing Assistance Brevard County	\$150,000	348 Senate Form 1535	GR	DCF
CEESC, Inc. Homeless Services	\$1,000,000	348 Senate Form 1996	GR	DCF
The Transition House Homeless Veterans Program	\$200,000 Senate	348 Senate Form 1369	GR	DCF
Citrus Health Safe Haven for Homeless Youth	\$140,800	348 Senate Form 2136	GR	DCF
CASL Renaissance Manor Independent Supportive Housing (Lee County)	\$500,000	373 Senate Form 1342	GR	DCF
Housing First for Persons with Mental Illness (Miami-Dade County)	\$100,000	373 Senate Form 1925	GR	DCF
Five Star Veterans Center Homeless Housing & Reintegration	\$250,000	575A Senate Form 1891	GR	Health
Homeless Collaborative of Broward County Rapid Rehousing	\$250,000	2307A Senate Form 1063	GR	DEO

Other Projects				
Item	Amount	Line Item	Source	Agency
Facility Improvement for City-Owned Elderly Housing Properties- Hialeah	\$635,000	2307A HB 3745	GR	DEO
Casa Familia Village Pilot Program	\$300,000	2307A Senate Form 1605	GR	DEO
NeighborWorks Florida Collaborative Catalyst for Florida	\$250,000	2307A Senate Form 1189	GR	DEO

4. The SHIP distributions—at full funding—were calculated, and Hillsborough County would have received \$16,919,219 (\$12,373,025 for the County and \$4,546,194 for the City of Tampa). **Under the House proposal, Hillsborough County and Tampa would have received \$0 for both SHIP and SAIL. In the end, the SHIP funding level is \$1,946,000 with \$1.423,110 to Hillsborough County and \$522,890 to the City of Tampa.**
5. The team is working to request Governor DeSantis to veto of the sweep. Twelve editorials have been written in support of a veto.
6. The analysis of all legislation that passed in ongoing. One particularly bad provision was removed (would have prohibited inclusionary zoning).
7. **Recommendations:** None