

# THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County  
From: Mark Hendrickson, Executive Director  
Subject: January 16, 2020 Board Meeting  
Date: January 8, 2020

## **I. Bond Allocation—Informational**

1. The 2020 allocation is \$73,497,149, up \$1,199,210 (1.7%) over 2019.

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2020			\$72,534,501	
2019	\$100,000,000	\$100,000,000		December 31, 2022
2018	\$110,000,000	\$110,000,000		December 31, 2021
2017	\$100,000,000	\$100,000,000		December 31, 2020
<b>TOTAL</b>	<b>\$310,000,000</b>	<b>\$310,000,000</b>	<b>\$72,534,501</b>	

2. A request for the 2020 allocation has been filed.  
3. **Recommendation:** None.

## **II. Second Mortgage Status—Informational**

1. In December, twenty-nine (29) new loans (\$402,500) were funded (\$212,500 in November).

	2006	2007	2010	2012	TOTAL
<b>Original Loans</b>	<b>\$68,981 (13)</b>	<b>\$30,920 (7)</b>	<b>\$1,131,176 (227)</b>	<b>\$8,560,571 (744)</b>	<b>\$9,791,648 (991)</b>
<b>Paid in Full</b>	\$39,384 (7)	\$13,829 (3)	\$ 561,176 (113)	\$740,000 (70)	\$1,354,389.00 (193)
<b>Partial Payoff</b>	\$ 3,000 (2)		12,574.75 ( 6)	\$ 12,000 (3)	\$ 27,574.75 (11)
<b>Loss on Partial</b>	\$ 7,060		17,425.25	\$ 23,000	\$ 47,485.25
<b>Default Loss</b>	\$ 8,160 (2)	\$ 8,516 (2)	-0-	-0-	\$ 9,098.00 (4)
<b>Balance</b>	<b>\$11,377</b>	<b>\$8,575</b>	<b>\$545,000</b>	<b>\$7,785,571</b>	<b>\$8,345,523</b>

2. In November, one loan totaling \$5,000 paid in-full—from the 2010 Program (Smith), and a partial payoff of \$1,500 was received with a loss of \$13,500—from 2012 Program (Williford). One loan from the 2007 Program (Jackson) foreclosed, with a loss of \$3,789.  
3. Between August 2016 and September 2019, eighteen loan payoffs (\$235,000) originally funded with SHIP were reinvested in new loans.  
4. **Recommendation:** None.

### III. 2012 Single Family Program—Informational

1. The **current program guidelines**:

- 1<sup>st</sup> mortgage: 4.125%, 1% origination fee, FHA, VA, RD and 4.25% for Freddie Mac loans
- First time homebuyers
- 640 minimum credit score (limited to 70 loans, all county total for 2020), then 660
- Down payment assistance: \$10,000
- 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 \$73,485 (3 or more persons)—up from \$59,800 and \$68,770 this month

2. **Rate Change:** FHA-VA interest rate is 4.125% & the Freddie Mac rate is 4.25%, with the FHA rate reduced in July 2019, and the Freddie rate reduced this month. FHFC has multiple rates, but the most comparable are 4.25% FHA and 4.75% Freddie Mac.

3. **Freddie Mac Changes:** Freddie Mac loans are now limited (January 2020) to borrowers with incomes under 80% of AMI (\$53,520). Benefits of the HFA Advantage Program for those borrowers:

- 97% LTV – 105% TLTV
- Charter level MI coverage – 18%
- No loan level pricing adjustments

4. **DPA Change:** The DPA amount was decreased to \$10,000, effective December 12, 2019.

5. **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 was funded and a request for \$455,000 was submitted November 26.

Source for 2012 Single Family Program DPA	Amount
FHFC	\$1,068,831
Hillsborough Funded	\$3,977,500
Hillsborough Reimbursement Request Submitted	\$ 455,000
Hillsborough Eligible but not ready for Reimbursement Request	\$ 652,500
<b>Total Funded or to be Funded by FHFC or Hillsborough SHIP</b>	<b>\$6,153,831</b>
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 924,300
HFA Funded but Over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$1,037,626
Recycled SHIP Funds	\$ 235,000
<b>Total HFA Funded</b>	<b>\$2,406,740</b>
<b>TOTAL DPA LOANS</b>	<b>\$8,560,571</b>

6. **MBS Sales:** The HFA has executed 189 sales, with net revenues of \$3,226,325 (net meaning after payments to RBC and counsel).
  
7. **Hedges & Exposure:** The HFA has 12 hedges totaling \$16.38 million in place. With full delivery, the projected net revenues are estimated at \$424,502 (shared pro rata with other counties). The unhedged pipeline as of January 7 is \$0 (changes daily).
  
8. **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)
  - Tranche 6 (\$25 million-- \$24,601,007 used) is available until the end of 2020.
  - Tranche 7 (\$25 million) is available until the end of 2021
  
9. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$157,000 and a 4.125/30-year mortgage, interest payments in Year 1 = \$6,476. 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 16 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 2.2% mortgage rate.
  
10. **Size of Program:** The program is limited to \$3.5 million of loans not sold, hedged, or from another county at any given time. \$133.9 million of loans have been originated or are in process to date in Hillsborough County.

11. **Counties:** Hillsborough, Clay, Brevard and Jacksonville.

12. 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
\$165,626 858 loans +13 loans	\$158,774	\$49,236  \$79,279.26 Avg. MCC. 800 loans \$63,423,408	36.0  52% female	2.5	SF Detached 89% Rowhouse: 1% Townhouse: 10%  Existing: 64% New: 36%	Black: 27% White NH 22% Hispanic: 42% Mixed: 1% Asian: 1% Other: 6%	County: 60% Tampa: 34% Plant City: 6% Temple Terrace 1%

	Sold	Purchased or Pooled	UW	Reservations	Total
5.375%	\$2,964,355	\$0	\$0	\$0	\$2,964,355
	19	0	0	0	19
5.25%	\$5,250,430	\$0	\$0	\$0	\$5,250,430
	32	0	0	0	32
5.125%	\$8,573,999	\$0	\$0	\$0	\$8,573,999
	54	0	0	0	54
5.00%	\$21,550,368	\$0	\$0	\$0	\$21,550,368
	134	0	0	0	134
4.875%	\$3,609,958	\$184,300	\$0	\$0	\$3,794,258
	21	1	0	0	22
4.75%	\$3,562,058	\$0	\$0	\$0	\$3,562,058
	22	0	0	0	22
4.625%	468155	\$579,406	\$3,247,940	\$0	\$4,295,501
	3	4	19	0	26
4.50%	\$4,333,579	\$0	\$0	\$0	\$4,333,579
	33	0	0	0	33
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
4.125%	\$4,750,444	\$1,328,512	\$6,054,712	\$1,415,742	\$13,549,410
	26	7	33	7	73
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
<b>Total</b>	<b>\$123,417,473</b>	<b>\$2,092,218</b>	<b>\$9,302,652</b>	<b>\$1,415,742</b>	<b>\$136,228,085</b>
	<b>787</b>	<b>12</b>	<b>52</b>	<b>7</b>	<b>858</b>

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	121	\$178,950

13. **Lender originations:** Eagle (260), DHI (149), Open Mortgage (77), LoanDepot (68), REMN/Homebridge (45), CMG (51), Waterstone (42), Wells Fargo (25), Fairway (22), Paramount (12), Guaranteed Rate (22), Pacific Union (6), Atlantic Bay (6), Prime (6), Annie Mac (4), Everett (4), Tidewater (4), Primary, (5), Academy (5), AmeriFirst, (7), LendUS (3), GSF (3), Center State (3), Embrace (4), Synovus (4), Broker Solutions (4), NFN (3), Stonegate, Gershman Investment, and NVR (2 each), Guild, Homestead, BBMC, Shelter, Homespire, Land Home, & Bay Equity & SWBC (1 each).

14. **Recommendation:** None.

**IV. New Multi-Family Transactions—Informational**

1. The 2020 Bond NOFA is “open”, with applications evaluated on a first-come first-evaluated basis.

2. The Mango Terrace development was awarded SAIL funding and will be moving forward. However, due to delays, a new TEFRA hearing and TEFRA approval will be required at some point. From the developer:

*Major PUD amendment is scheduled for approval at the January BOCC meeting. We are currently working on the site plan and are working on getting full construction plans in progress. Looking at a Q3 2020 closing, more than likely. Our amendment also allows us to build up to 120 units now, instead of 93. We are exploring options to increase the number of units.*

3. The Arbors at Valhalla Pond, Uptown Sky, and WRDG T4 Phase II all submitted complete applications and applied for SAIL funds. FHFC has not released the list of SAIL application; therefore no analysis of who is likely to be funded can be made at this time.

4. **Recommendation**\s None.

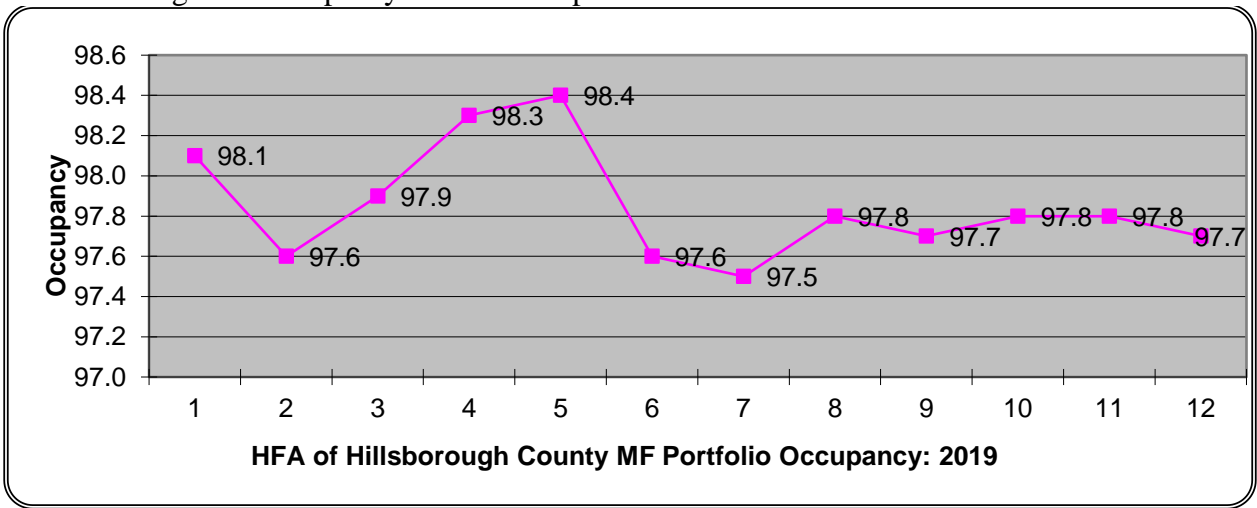
	Mango Terrace	The Arbors at Valhalla Pond	Uptown Sky	WRDG T4 Phase II
<b>Developer</b>	Southport	Southport	Blue Sky	Related Urban Group
<b>Development Location</b>	Unincorporated County 785 feet south of intersection of Dr. MLK Jr. Blvd. & Lemon Avenue Seffner	Unincorporated County East side of Robert Tolle Drive, approximately 1900 feet north on Robert Tolle & Bloomingdale Avenue	Unincorporated County 13603 N. 12 Street & Fletcher Avenue	City of Tampa Main Street at NW corner of Main & North Delaware Ave.
<b>Total Development Cost</b>	\$22,726,000	\$24,300,000	\$19,422,780	\$35,094,945
<b>SAIL Loan Amount</b>	\$5,000,000	\$7,000,000	\$6,090,000	\$6,800,000
<b>ELI Loan Amount</b>	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
<b>NHTF Loan Amount</b>	\$1,113,000	\$0	\$0	\$0
<b>Bond Amount</b>	\$12,000,000	\$15,000,000	\$11,000,000	\$21,000,000
<b>Units</b>	93	116	87	107
<b>Set-Asides</b>	90%<60% AMI 10%<35% AMI	100%<60% AMI	90%<60% AMI 10%<33% AMI	10.3%<40% AMI 89.7%<60% AMI
<b>Set-Aside Period</b>	50 years	50 years	50 years	50 years
<b>Allocation Status</b>	Available	Available	Available	Available
<b>New Construction or Rehab</b>	New Construction	New Construction	New Construction	New Construction
<b>TEFRA Hearing &amp; BOCC TEFRA Approval Dates</b>	11-29-18 1-9-19	TBD TBD	TBD TBD	TBD
<b>Credit Enhancement</b>	TBD	TBD	TBD	TBD
<b>Credit Underwriter</b>	Seltzer	TBD	TBD	TBD
<b>Anticipated Closing Date</b>	3rd Quarter 2020	July 2020	March 2021	
<b>Evidence of Site Control</b>	Purchase & Sale Contract	Purchase & Sale Contract	Purchase & Sale Contract	Purchase & Sale Contract
<b>Zoning</b>	PD- 93 units	PD- 116 units	PD- 87 units	NMU-35
<b>Demographic</b>	Family	Family	Family	Family
<b>Construction/Design</b>	Garden Concrete	Garden- Wood Frame	Mid-Rise Concrete	Highrise Concrete

## **VII. FHFC: Local Government Area of Opportunity Funding—Informational**

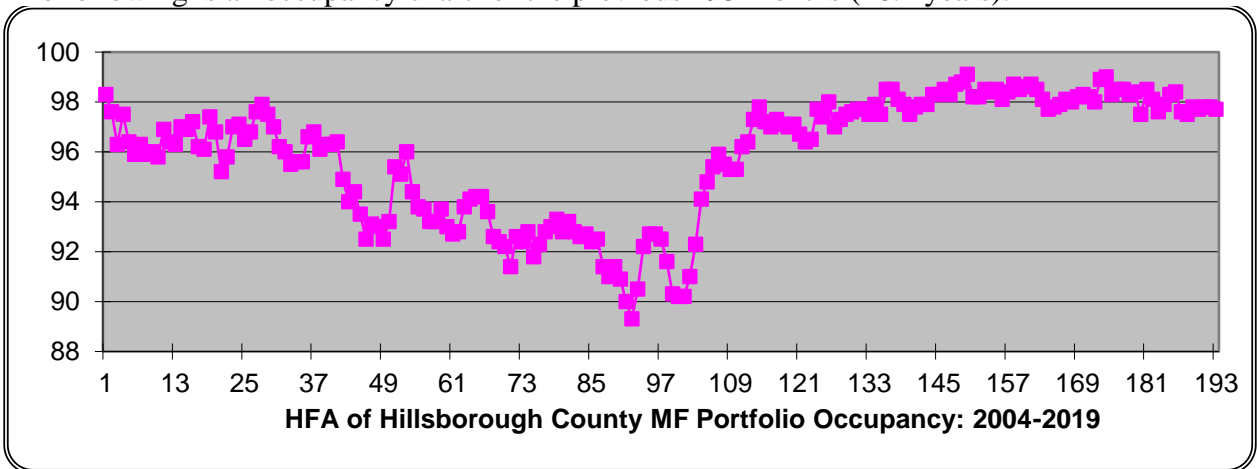
1. The HFA selected Brandon Preserve (200-unit, family) as the County’s LGAOF development for the upcoming FHFC RFA. The City of Tampa selected Madison Highlands, a 102-unit elderly deal. Madison Highlands drew a lower lottery number and will be funded unless it fails FHFC threshold scoring.
2. The Executive Director has reached out to Bonnie Wise as to the best way to try to better coordinate the system between the County and City of Tampa.
3. **Recommendation:** None.

**VIII. Status of Rental Developments Financed by the HFA—Informational**

1. The Authority has financed thirty (30) rental developments, containing 5,488 units, with a total development cost of \$655,998,535 financed with \$308,310,000 of bonds, \$198,687,889 of Housing Credit equity, and \$56,788,493 of SAIL. The HFA also issued \$16.7 million of bonds to refund the Brandon Crossing and Mobley Park developments. Two developments (Kaylee Bay & Preserve at Sabal Park) were financed without bonds.
2. The weighted average occupancy level of the HFA’s portfolio is 97.7 (-0.1%). The median occupancy level is 99.0% (+0.0%). Fifteen (15) of the 23 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 193 months (16.1 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.

## **IX. Housing & Training Programs—Action**

### **1. Up & Out Homeless Program (MetMin)**

- Twenty-six (26) families (+0) are enrolled in the program. There were no new clients this month, and no client successfully moved from the program.
- Of the 110 clients that are no longer in the program, 79 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 428 persons have benefited from the program—168 adults and 260 children. The HFA has advanced a total of \$1,051,180 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 (-0) clients receiving upfront assistance (security deposit and application fee), monthly rent subsidies and who participate in case management, and three (-0) clients who receive case management and on-time assistance (security deposit, application fee). This month, one client had a non-compliant exit, and one new client entered the program. In total, nine clients have had non-compliant exits from the program and twenty-five graduated from the program successfully. The HFA has advanced \$268,766 to the program. The subsidy provided is \$200 per month. Report is through December 2019.

3. **Catholic Charities** has nine (+0) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. One client graduated from the program and is using savings and budgeting skills to stay in same apartment and one new client entered the program. To date, five 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 \$198,271 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 October 2019.

4. **The contracts** have been extended and amended multiple times. Ms. Farris is redrafting all three contracts so that the changes made in amendments over the years will all be incorporated into a new contract for each program, with all program requirements/payments in one document.

5. **Request for Increase to Rent Limits and Security Deposits:** Catholic Charities states that the \$806 per person security deposit limit is not realistic in today's market and is requesting that the amount be raised to \$1,100. They are also requesting that the monthly subsidy be raised from \$286 per month to \$350 per month for one-bedroom units, and from \$403 per month to \$500 per



month for two-bedroom units. Housing Credit rent limits are now \$753 for one-bedroom units and \$904 for two-bedroom units. The current subsidy amounts were based upon 50% of the HC rent limits at the time the initial contract with Metropolitan Ministries was drafted.

6. **USF CRED Training:** No update.
7. Total for advances is through January 6, 2020.
8. **Recommendation:** None.

**X. State Legislative Update—Informational**

1. The 2020 legislative session begins January 14, and is scheduled to end March 13.
2. Based upon the August 2019 Revenue Estimate, \$350.77 million will be available from the Housing Trust Funds for FY 20-21 appropriations. SHIP is \$245.8 million and FHFC Programs (SAIL) \$104.97 million.
3. Governor DeSantis recommended full funding in his proposed budget released November 18, stating, *“Despite our strong economy and low unemployment, finding affordable housing can be challenging. My budget provides \$387 million to fully fund Workplace and Affordable Housing Programs, with \$267.2 million for the SHIP and \$119.8 for the SAIL program.”*
4. The difference between the two “full funding” numbers is that the Governor included anticipated trust fund balances from unanticipated revenues this fiscal year added to projected revenues for FY 20-21, while the Sadowski Coalition only uses the projected revenues.
5. The full-funding SHIP distribution by County/City has been generated and is attached. With full funding, \$16,840,535 would come to Hillsborough-Tampa, with the County receiving \$12,315,483 and the City of Tampa \$4,525,052.
6. The legislator one-pagers are available under the Advocacy tab at [www.sadowskicoalition.com](http://www.sadowskicoalition.com)
7. Senator Mayfield (R- Melbourne) introduced SB 306, which would prohibit transferring monies in the Housing Trust Funds to General Revenue or the Budget Stabilization Fund. A companion bill (HB 381) was filed by Representatives Silver (D-Palm Beach) and Killebrew (R-Polk County). This is significant because we have a Republican prime sponsor in the House for the first time.
8. **Recommendations:** None.

## Appropriation of Housing Trust Fund Monies: \$350.77 Million

Revenue Estimate from November 2019 REC Conference

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
<b>FHFC: SAIL Line 2281</b>	\$119,800,000				\$ 39,040,000
<b>SHIP Line 2282</b>	\$267,200,000				\$ 46,560,000
<b>Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line</b>	\$0				\$ 65,000,000
<b>Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line</b>	\$0				\$ 50,000,000
<b>TOTAL HOUSING</b>	<b>\$387,000,000</b>				<b>\$200,600,000</b>
<b>SHTF SWEEP</b>	\$0				\$ 10,000,000
<b>LGHTF SWEEP</b>	\$0				\$115,000,000
<b>TOTAL SWEEP</b>	<b>\$0</b>				<b>\$125,000,000</b>
<b>Unallocated SHTF</b>	<b>\$0</b>				<b>\$ 300,000</b>
<b>Unallocated LGHTF</b>	<b>\$0</b>				<b>\$7,060,000</b>

**Proviso/Back of the Bill for FHFC:**

- 20% of each SAIL development for person with special needs or the elderly
- \$20 million of SAIL for workforce housing in the Keys
- SHIP funds shall prioritize funding to assist with hurricane housing recovery before routine and customary use of funds
- \$500,000 from SHIP for Catalyst Training

<b>Additional Homeless Funding</b>				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500	350	GR	DCF
Federal Emergency Shelter Grant Program	\$6,950,886	351	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants (staffing for 27 homeless lead agencies)	\$3,000,000	352	GR	DCF

**XI. New Business: Travel Authorization—Action**

1. The NALHFA conference is scheduled for May in New York, Florida ALHFA for July in Sarasota, and the Florida Housing Coalition for August in Orlando (see calendar for details).
2. **Recommendation:** Authorize travel by Board members and General Counsel to the NALHFA, FLALHFA and Florida Housing Coalition conferences.

**XII. New Business: Board Reappointment—Action**

1. Board member Kelley has an appointment that expires this month.
2. Board member Rebecca Snyder accepted a job in New York and has resigned from the Board.
3. **Recommendation:** Authorize Chair to sign letter of support for reappointment of Mr. Kelley.