

THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County
From: Mark Hendrickson, Executive Director
Subject: March 13, 2020 Board Meeting
Date: March 6, 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	\$ 73,497,149			
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
TOTAL	\$383,497,149	\$310,000,000	\$0	

2. **Recommendation:** None.

II. Second Mortgage Status—Informational

1. In February, nine (9) new loans (\$90,000) were funded (\$175,000 in January).

	2006	2007	2010	2012	TOTAL
Original Loans	\$68,981 (13)	\$30,920 (7)	\$1,131,176 (227)	\$8,810,571 (769)	\$10,041,648 (1,016)
Paid in Full	\$39,384 (7)	\$13,829 (3)	\$ 571,176 (115)	\$792,500 (76)	\$1,416,889.00 (201)
Partial Payoff	\$ 3,000 (2)		12,574.75 (6)	\$ 12,000 (3)	\$ 27,574.75 (11)
Loss on Partial	\$ 7,060		17,425.25	\$ 23,000	\$ 47,485.25
Default Loss	\$ 8,160 (2)	\$ 8,516 (2)	-0-	-0-	\$ 16,676.00 (4)
Balance	\$11,377	\$8,575	\$530,000	\$7,983,071	\$8,533,023

2. In February, three loans totaling \$25,000 paid in-full—from the 2010 Program (Griggs for \$5,000), and from the 2012 Program (Pena & Bonelli for 10,000).
3. Between August 2016 and December 2019, eighteen loan payoffs (\$225,000) originally funded with SHIP were reinvested in new loans.
4. **Recommendation:** None.

III. 2012 Single Family Program—Informational

1. The **current program guidelines**:

- 1st 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 in January 2020. 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 is active (for loans closing after August 15, 2018). Reimbursement requests for \$1,225,000 have been funded—leaving \$198,170 (already enough loans to utilize).

Source for 2012 Single Family Program DPA	Amount
FHFC	\$1,068,831
Hillsborough Funded	\$4,925,000
Hillsborough Reimbursement Request Submitted	\$ 0
Hillsborough Eligible but not ready for Reimbursement Request	\$ 459,989
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$6,353,831
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 974,300
HFA Funded but Over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$1,037,626
Recycled SHIP Funds	\$ 235,000
Total HFA Funded	\$2,456,740
TOTAL DPA LOANS	\$8,810,571

6. **MBS Sales:** The HFA has executed 192 sales, with net revenues of \$3,351,529 (net meaning after payments to RBC and counsel).
7. **Hedges & Exposure:** The HFA has 10 hedges totaling \$13.75 million in place. With full delivery, the projected net revenues are estimated at \$361,478 (shared pro rata with other counties). The unhedged pipeline as of March 3 is \$658,606 (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-- \$24,579,374 used) is available until the end of 2020.
 - Tranche 7 (\$25 million-- \$3,060,184 used) 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. \$142.6 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
\$166,424 893 loans +19 loans	\$159,4641	\$49,327 \$79,938.53 Avg. MCC. 832 loans \$66,508,857	37.0 51% female	2.5	SF Detached 89% Rowhouse: 1% Townhouse: 10% Existing: 65% New: 35%	Black: 27% White NH 22% Hispanic: 42% Mixed: 1% Asian: 1% Other: 6%	County: 59% Tampa: 35% 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%	\$3,794,258	\$0	\$0	\$0	\$3,794,258
	22	0	0	0	22
4.75%	\$3,562,058	\$0	\$0	\$0	\$3,562,058
	22	0	0	0	22
4.625%	\$2,321,913	\$884,638	\$1,238,100	\$0	\$4,444,651
	14	6	7	0	27
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	\$233,770	\$626,107	\$20,086,011
	133	0	1	4	138
4.125%	\$10,494,537	\$2,938,265	\$4,356,794	\$1,082,422	\$18,872,018
	56	16	24	6	102
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	\$131,199,624	\$3,822,903	\$5,828,664	\$1,708,529	\$142,559,720
	829	22	32	10	893

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	127	\$177,781
2020	42	\$189,356

13. **Lender originations:**

Lender	2012-2018	2019	2020	Total
Guaranteed Rate	1	20	5	26
CMG	32	18	9	59
Loan Depot	50	17	4	71
Eagle	246	13	8	267
Fairway	20	2	3	25
Paramount	4	8	2	14
AmeriFirst	0	6	5	11
Money Store	0	0	2	2
Open	68	6	0	74
DHI	145	4	0	149
Waterstone	38	4	0	42
Other	120	29	4	153
TOTAL	724	127	42	893

14. **Recommendation:** None.

IV. New Multi-Family Transactions—Action

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 is moving forward. However, due to delays related to site plan amendments which resulted in a larger number of units and bond issue amount, a new TEFRA hearing and TEFRA approval will be required, as will an amended Inducement Resolution. The developer received County approval to increase density from 93 to 120 units, and has requested new bond amount of \$13,250,000 (up from \$10 million).:
3. The Arbors at Valhalla Pond, Uptown Sky, and WRDG T4 Phase II all submitted complete applications and applied for SAIL funds. None was initially selected for funding.

4. **Recommendations: Mango Terrace:** (1) Adopt Amended Inducement Resolution prepared by bond counsel, and (2) Request BOCC TEFRA approval after TEFRA hearing is held.

	Mango Terrace	The Arbors at Valhalla Pond	Uptown Sky	WRDG T4 Phase II
Developer	Southport	Southport	Blue Sky	Related Urban Group
Development Location	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.
Total Development Cost	\$25,667,459	\$24,300,000	\$19,422,780	\$35,094,945
SAIL Loan Amount	\$5,000,459	\$7,000,000	\$6,090,000	\$6,800,000
ELI Loan Amount	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
NHTF Loan Amount	\$1,113,000	\$0	\$0	\$0
Hillsborough County	\$1,000,000			
Bond Amount	\$13,250,000	\$15,000,000	\$11,000,000	\$21,000,000
Units	120	116	87	107
Set-Asides	90%<60% AMI 10%<35% AMI	100%<60% AMI	90%<60% AMI 10%<33% AMI	10.3%<40% AMI 89.7%<60% AMI
Set-Aside Period	50 years	50 years	50 years	50 years
Allocation Status	Available	Available	Available	Available
New Construction or Rehab	New Construction	New Construction	New Construction	New Construction
TEFRA Hearing & BOCC TEFRA Approval Dates	11-29-18 1-9-19	TBD TBD	TBD TBD	TBD
Credit Enhancement	TBD	TBD	TBD	TBD
Credit Underwriter	Seltzer	TBD	TBD	TBD
Anticipated Closing Date	Late 2020	July 2020	March 2021	
Evidence of Site Control	Purchase & Sale Contract	Purchase & Sale Contract	Purchase & Sale Contract	Purchase & Sale Contract
Zoning	PD- 93 units	PD- 116 units	PD- 87 units	NMU-35
Demographic	Family	Family	Family	Family
Construction/Design	Garden Concrete	Garden- Wood Frame	Mid-Rise Concrete	Highrise Concrete

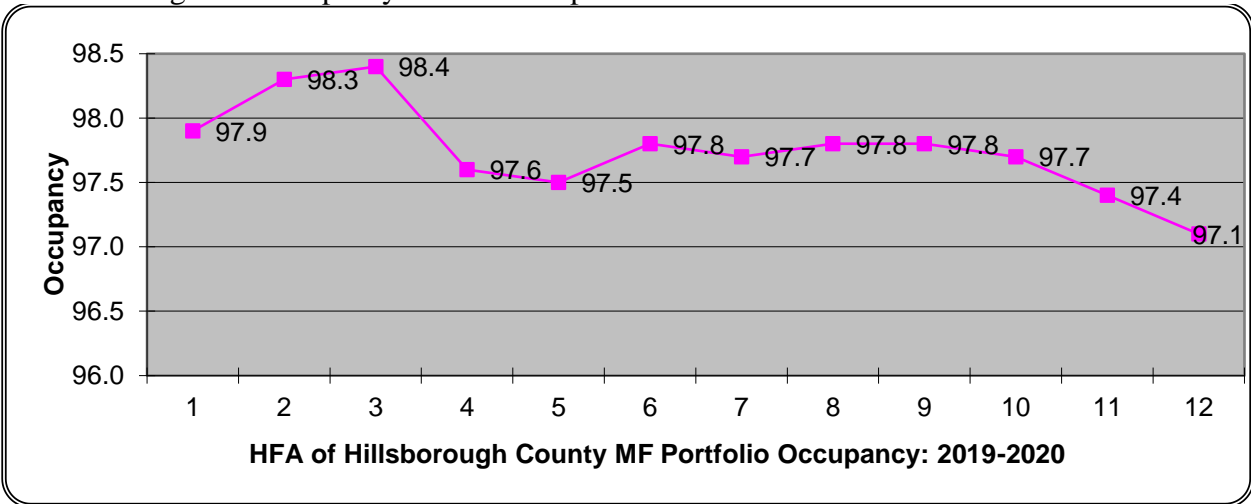
VII. FHFC: Local Government Area of Opportunity Funding—Informational

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 was recommended by FHFC staff for funding. Brandon Preserve converted to a bond deal and was selected for SAIL funding, subject to appeals. Brandon Preserve utilized FHFC bonds due to timing issues.

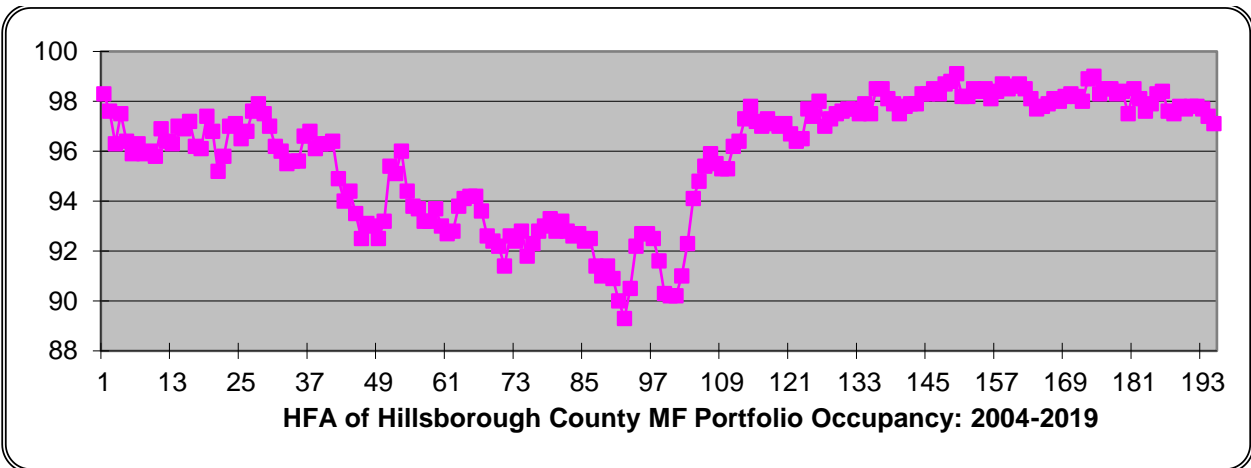
2. The Executive Director has reached out to Bonnie Wise as to the best way to try to better coordinate the system between the County and City of Tampa.
3. **Recommendation:** None.

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 97.1 (-0.3%). The median occupancy level is 98.0% (-0.0%). Twelve (12) 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 195 months (16.3 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—Informational

1. Up & Out Homeless Program (MetMin)

- Twenty-six (28) families (+2) are enrolled in the program.
- Of the 112 clients that are no longer in the program, 80 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 438 persons have benefited from the program—171 adults and 267 children. The HFA has advanced a total of \$1,092,719 to the program. The subsidy provided has been increased to \$377 per month for a one bedroom and \$452 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 \$274,352 to the program. The subsidy provided is \$200 per month. Report is through January 2020.

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 \$377 per month for a one bedroom and \$452 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. **USF CRED Training:** No update.

5. Total for advances is through March 4, 2020.

6. **Recommendation:** None.

X. State Legislative Update—Informational

1. The 2020 legislative session is underway.

2. Based upon the January 2020 Revenue Estimate, \$359.25 million will be available from the Housing Trust Funds for FY 20-21 appropriations. SHIP is \$251.74 million and FHFC Programs (SAIL) \$107.51 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 Senate’s initial budget also includes full funding of \$387 million. However, the initial House budget appropriates only \$147 million for housing, and sweeps \$200 million to general revenue. The Sadowski Coalition will be working to push for the Senate to hold firm in budget negotiations.

5. 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. The difference is approximately \$31 million.

6. 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.

7. The legislator one-pagers are available under the Advocacy tab at www.sadowskicoalition.com

8. 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. SB 306 was heard in its first committee February 3, and was reported favorably by unanimous vote.

9. **Recommendations:** None.

Appropriation of Housing Trust Fund Monies: \$359.25 Million

Revenue Estimate from January 2020 REC Conference

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
FHFC: SAIL & other FHFC Line 2281	\$119,800,000	\$119,800,000	\$48,800,000		\$ 39,040,000
SHIP Line 2282	\$267,200,000	\$267,200,000	\$73,200,000		\$ 46,560,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) 2282A	\$0	\$0	\$25,000,000		\$ 65,000,000
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line	\$0	\$0	\$0		\$ 50,000,000
TOTAL HOUSING	\$387,000,000	\$387,000,000	\$147,000,000		\$200,600,000
SHTF SWEEP	\$0	\$0	\$65,000,000		\$ 10,000,000
LGHTF SWEEP	\$0	\$0	\$135,000,000		\$115,000,000
TOTAL SWEEP	\$0	\$0	\$200,000,000		\$125,000,000
Unallocated SHTF	\$0				\$ 300,000
Unallocated LGHTF	\$0				\$7,060,000

Proviso/Back of the Bill for FHFC in Governor's Budget:

- 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

Proviso/Back of the Bill for FHFC in Senate Budget:

- 10% of FHFC funds for competitive grant program for housing developments for persons with developmental disabilities
- \$500,000 for Catalyst (SHIP)

Proviso/Back of the Bill for FHFC in House Budget:

- \$15 million of HHRP distributed like SHIP to counties impacted by Hurricane Michael, based upon damage assessments
- \$10 million of DPA in Bay, Jackson, Gulf, Calhoun, Gadsden, Washington, Liberty, Franklin, Wakulla, Taylor & Holmes counties

Additional Homeless Funding from General Revenue or DCF Trust Funds				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$3,181,500	350	GR	DCF
Federal Emergency Shelter Grant Program	\$6,950,886 \$852,507	351	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants (staffing for 27 homeless lead agencies)	\$3,000,000	352	GR	DCF
Tampa Hillsborough Homeless Initiative- Shared Housing (SB 2490) Senate	\$250,000		GR	DEO
Homeless Veteran Homeless Assistance- Brevard (S1186)	\$190,000	352 Senate	GR	DCF
Transition House of Starke- Homeless Relief Program (S1811)	\$250,000	352 Senate	GR	DCF
Metropolitan Ministries- First Hug Program- Pasco & Pinellas (S2361)	\$800,000	352 Senate	GR	DCF
Metropolitan Ministries- Miracles for Pasco Program (S2365)	\$250,000	352 Senate	GR	DCF
Connecting Everyone with Second Chances- Leon & surrounding counties (S1532)	\$716,000	352 Senate	GR	DCF
Citrus Health Network- Safe Haven for Homeless Youth (HB 4165)	\$100,000	352 House	GR	DCF
Transition House (of St. Cloud)- Homeless Veterans (Osceola County)	\$100,000	352 House	GR	DCF
Other Projects Funded from General Revenue				
Item	Amount	Line Item	Source	Agency
Casa Familia Village Phase II (HB 3157) House	\$425,000	2272	GR	DEO
Windley Key & Key Heights Affordable Housing Project (HB 3709) (SB 2086)	\$1,000,000 House \$ 250,000 Senate	2272	GR	DEO
Calhoun County Affordable Workforce Housing (HB 9109) House	\$750,000	2272	GR	DEO
Gulf County Affordable Workforce Housing (HB 9111) House	\$750,000	2272	GR	DEO
Neighborworks Florida Collaborative- Catalyst for Florida Communities (HB 4071) House	\$200,000	2272	GR	DEO
Habitat for Humanity Hernando County (SB 2279) Senate	\$60,000	2272	GR	DEO