

# THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County  
From: Mark Hendrickson, Executive Director  
Subject: May 15, 2020 Board Meeting  
Date: May 7, 2020

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

- 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
<b>TOTAL</b>	<b>\$383,497,149</b>	<b>\$310,000,000</b>	<b>\$0</b>	

- Recommendation:** None.

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

- In April, fifteen (15) new loans (\$160,000) were funded (\$240,000 in March).
- In April, three loans totaling \$22,500 paid in-full—from the 2010 Program (Willis for \$5,000), and from the 2012 Program (Clarke for \$10,000 & Sugrim for \$7,500).
- Between August 2016 and March 2020, twenty-two loan payoffs (\$270,000) originally funded with SHIP were reinvested in new loans.

- Recommendation:** None.

	2006		2007		2010		2012		TOTAL	
<b>Original Loans</b>	\$ 68,981	13	\$ 30,920	7	\$ 1,131,176	227	\$ 9,210,571	808	\$ 10,441,648	1,055
<b>Paid in Full</b>	\$ 39,384	7	\$ 13,829	3	\$ 586,176	118	\$ 847,500	82	\$ 1,486,889	210
<b>Partial Payoff</b>	\$ 3,000	2	\$ -	-	\$ 12,575	6	\$ 12,000	3	\$ 27,575	11
<b>Loss on Partial</b>	\$ 7,060		\$ -		\$ 17,425		\$ 23,000		\$ 47,485	-
<b>Default Loss</b>	\$ 8,160	2	\$ 8,516	2	\$ -	-	\$ -	-	\$ 16,676	4
<b>Balance</b>	\$ 11,377	2	\$ 8,575	2	\$ 515,000	103	\$ 8,328,071	723	\$ 8,863,023	830

**III. 2012 Single Family Program—Informational**

1. The **current program guidelines**:

- 1<sup>st</sup> mortgage: 3.625%, 1% origination fee, FHA, VA, RD and 3.625% 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 3.625% & the Freddie Mac rate is 3.625%, with the rates increased and decreased this month. FHFC has multiple rates, but the most comparable are 4.00% FHA and 3.625% Freddie Mac.

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

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

5. **Summary of DPA Funding:**

- The County funded \$5,023,170 of DPA with SHIP funds, and a contract amendment adding \$700,000 is in process.

Source for 2012 Single Family Program DPA	
FHFC	\$ 1,068,831
Hillsborough SHIP Funded	\$ 5,023,700
Hillsborough Reimbursement Request Submitted	\$ -
Hillsborough SHIP Eligible but not ready for Reimbursement Request	\$ 561,830
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$ 6,654,361
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 1,024,300
HFA Funded but over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$ 1,052,096
Recycled SHIP Funds	\$ 270,000
Total HFA Funded	\$ 2,556,210
<b>TOTAL DPA LOANS</b>	<b>\$ 9,210,571</b>

6. **MBS Sales:** The HFA has executed 198 sales, with net revenues of \$3,592,431 (net meaning after payments to RBC and counsel).

7. **Hedges & Exposure:** The HFA has 9 hedges totaling \$10.05 million in place. With full delivery, the projected net revenues are estimated at \$368,328 (shared pro rata with other counties). The unhedged pipeline as of May 5 is \$214,617 (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-- \$24,999,137 used) is available until the end of 2020.
  - Tranche 7 (\$25 million-- \$5,365,985 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. \$145.2 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
\$166,609 923 loans +17 loans	\$159,893	\$49,327  \$80,225.28 Avg. MCC. 863 loans \$69,234,417	37.0  51% female	2.5	SF Detached 89% Rowhouse: 1% Townhouse: 10%  Existing: 66% New: 34%	Black: 27% White NH 22% Hispanic: 43% Mixed: 1% Asian: 1% Other: 6%	County: 58% Tampa: 36% 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%	\$3,925,006	\$0	\$0	\$0	\$3,925,006
	23	0	0	0	23
4.75%	\$3,562,058	\$0	\$0	\$0	\$3,562,058
	22	0	0	0	22
4.625%	\$4,236,101	\$0	\$0	\$0	\$4,236,101
	26	0	0	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	\$871,320	\$992,579	\$0	\$21,090,033
	133	5	7	0	145
4.125%	\$16,692,978	\$2,180,808	\$1,926,182	\$0	\$20,799,968
	90	13	10	0	113
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
3.625%	\$0	\$0	\$1,102,884	\$1,064,631	\$2,167,515
	0	0	6	6	12
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>\$139,443,001</b>	<b>\$3,052,128</b>	<b>\$4,021,645</b>	<b>\$1,064,631</b>	<b>\$147,581,405</b>
	<b>876</b>	<b>18</b>	<b>23</b>	<b>6</b>	<b>923</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	127	\$177,781
2020	61	\$182,941

13. **Lender originations:**

Lender	2012-2018	2019	2020	Total
Guaranteed Rate	1	20	10	31
CMG	32	18	20	70
Loan Depot	50	17	4	71
Eagle	246	13	11	270
Fairway	20	2	5	27
Paramount	4	8	3	15
AmeriFirst	0	6	9	15
Money Store	0	0	3	3
Open	68	6	0	74
DHI	145	4	0	149
Waterstone	38	4	0	42
Other	120	29	9	158
<b>TOTAL</b>	<b>724</b>	<b>127</b>	<b>74</b>	<b>925</b>

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 is moving forward.
3. The Arbors at Valhalla Pond, Uptown Sky, and WRDG T4 Phase II all submitted complete applications and applied for SAIL funds, but none were funded. All three are attempting to move forward with another SAIL application and/or County funding.

4. Millennia Housing Development submitted an application for the acquisition and rehabilitation of two older 100% project based Section 8 developments—Summit Ridge built in 1983 (to be renamed Sandhill Village) and Mar Plaza built in 1978 (to be renamed Windbay Terrace). This deal was induced and is moving forward for TEFRA hearing/approval.

5. **Recommendation:** 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>	\$25,667,459	\$24,300,000	\$19,422,780	\$35,094,945
<b>SAIL Loan Amount</b>	\$5,000,459	\$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>Hillsborough County</b>	\$1,000,000			
<b>Bond Amount</b>	\$13,250,000	\$15,000,000	\$11,000,000	\$21,000,000
<b>Units</b>	120	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</b>	5-15-20	TBD	TBD	TBD
<b>TEFRA Approval Dates</b>	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>	Late 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

	<b>MILLENNIA PORTFOLIO</b>	
	<b>Sandhill Village (fka Summit Ridge)</b>	<b>Windbay Plaza (fka Mar Plaza)</b>
<b>Developer/ Location</b>	Millennia Cleveland, Ohio	
<b>Development Location</b>	Unincorporated County 928 Summit Ridge Drive Immediately south of Brandon Blvd. and Beverly Blvd. Brandon	City of Tampa 4817 E. Temple Heights Road 2 blocks east of Takomah Trail on E. Temple Heights Rd. Tampa
<b>Type</b>	Acquisition/Rehabilitation Garden	
<b>Demographic</b>	Family	Elderly
<b>Bond Request</b>	\$14,030,000 for both developments combined \$114,065/unit	
<b>TEFRA Hearing</b>	5-15-20	
<b>TEFRA Approval</b>	TBD	
<b>Preliminary Agreement</b>	12-31-20	
<b>Expiration</b>		
<b>Credit Enhancement</b>	Private Placement to Red Stone Capital	
<b>Credit Underwriter</b>	Seltzer	
<b>Closing Date</b>	July 2020	
<b>Units</b>	40	83
<b>Permanent 1<sup>st</sup> Mortgage Estimate</b>		
<b>SAIL &amp; ELI (FHFC)</b>	\$0	
<b>City, County or HFA Loan</b>	\$0	
<b>Seller Financing</b>	\$3,000,000	
<b>Housing Credits</b>	RBC \$8,441,979 for both developments combined \$68,634/unit	
<b>TDC</b>	\$28,818,068 Approximately 37% for Sandhill and 63% for Windbay	
<b>TDC per unit</b>	\$234,293	
<b>Land Cost</b>	\$525,000 \$12,500/unit	\$770,000 \$9,277/unit
<b>Acquisition of Building</b>	\$4,725,000 \$118,125/unit	\$6,930,000 \$83,494/unit
<b>Hard Construction or Rehabilitation Cost</b>	\$8,059,609 \$65,525/unit	
<b>Set Aside Period</b>	50 years (application states 20 years, but HFA minimum is 50 years)	
<b>Set Aside Levels</b>	100%<60% AMI	

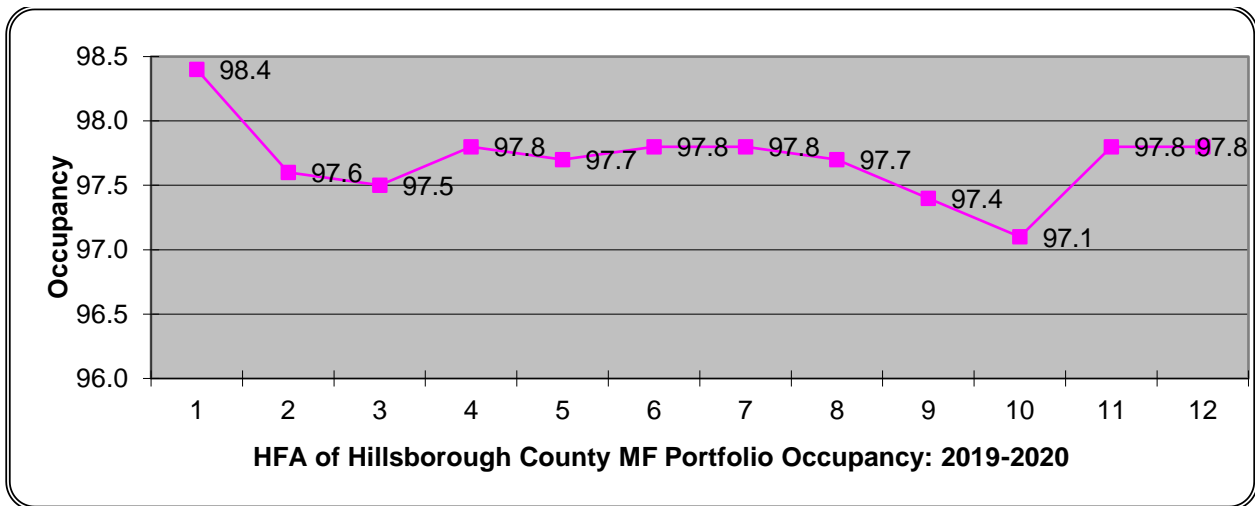
**V. FHFC: Local Government Area of Opportunity Funding—Informational**

1. 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. A meeting was held with City of Tampa staff.

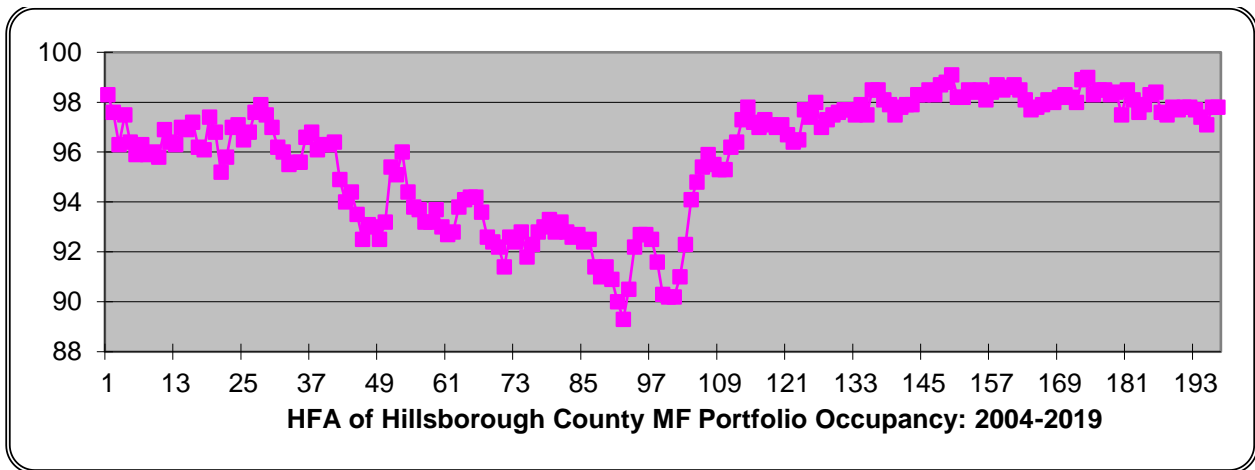
2. **Recommendation:** None.

**VI. 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 97.8 (+0.0%). The median occupancy level is 98.0% (-0.0%). Fourteen (14) 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 197 months (16.4 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 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)**

- Thirty (30) families (+0) are enrolled in the program. One client successfully graduated this month, is employed and is staying in her apartment, and one client entered the program.
- Of the 113 clients that are no longer in the program, 81 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 445 persons have benefited from the program—174 adults and 270 children. The HFA has advanced a total of \$1,126,408 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 six (-1) 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 passed away. In total, ten clients have had non-compliant exits from the program and twenty-five graduated from the program successfully. The HFA has advanced \$284,895 to the program. The subsidy provided is \$200 per month. Report is through April 2020.

3. **Catholic Charities** has seven (-1) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. One client left the program and moved in with roommates. To date, six clients have successfully left the program, two clients have been terminated from the program, three moved in with family/roommates, and two voluntarily left the program. The HFA has advanced \$210,595 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. Report is through April 2020.

4. **USF CRED Training:** A new contract for 2020 has been authorized.

5. Total for advances is through May 1, 2020.

6. **Recommendation:** None.

### **VIII. State Legislative Update—Informational**

1. The Senate and House agreed to full funding for housing—the first time in 13 years. The full funding number is \$370 million. The importance of this cannot be understated.
2. With full funding, approximately \$15.5 million will come to Hillsborough-Tampa, with the County receiving \$11.3 million and the City of Tampa \$4.2 million. Additionally, FHFC has released \$8.6 million of SHIP that had been held for disasters, with Hillsborough County receiving \$538,964 and the City of Tampa \$198,030.
3. The Sadowski Education Effort (SEE) was essential to this success. We weren't the only ones in the fight, but we were the ones getting the editorials written and in constant communication with legislators focused on this issue. Florida ALHFA's incredible relationship with FHFC/Trey Price was also massively helpful this year. There was truly a coordinated effort.
4. The Sadowski Education Effort continues to work on the issue to eliminate the possibility that housing funding is pulled back before July 1 due to COVID-19's impact on revenues. We have adopted a strategy of Housing = Healthcare, and are educating legislators that housing funding is being spent in direct response to the problems caused by COVID.
5. Specifically, because of the Emergency Declaration, FHFC can waive statute and rules governing the SHIP Program, allowing local governments to implement disaster strategies that often include direct rental or mortgage payment assistance.
6. Every legislator was sent a district specific thank-you and a separate message about how housing funding is responding directly to COVID generated problems.
7. Op-ed pieces have been published in four newspapers on this topic.
8. **Recommendations:** None.

## Appropriation of Housing Trust Fund Monies: \$387.0 Million

Revenue Estimate from January 2020 REC Conference & Estimated TF Balances

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
<b>FHFC: SAIL &amp; other FHFC Line 2281</b>	\$119,800,000	\$119,800,000	\$48,800,000	\$115,000,000	\$ 39,040,000
<b>SHIP Line 2282</b>	\$267,200,000	\$267,200,000	\$73,200,000	\$225,000,000	\$ 46,560,000
<b>Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) 2282A</b>	\$0	\$0	\$25,000,000	\$30,000,000	\$ 65,000,000
<b>Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line</b>	\$0	\$0	\$0	\$0	\$ 50,000,000
<b>TOTAL HOUSING</b>	<b>\$387,000,000</b>	<b>\$387,000,000</b>	<b>\$147,000,000</b>	<b>\$370,000,000</b>	<b>\$200,600,000</b>
<b>SHTF SWEEP</b>	\$0	\$0	\$65,000,000	\$0	\$ 10,000,000
<b>LGHTF SWEEP</b>	\$0	\$0	\$135,000,000	\$0	\$115,000,000
<b>TOTAL SWEEP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000,000</b>	<b>\$0</b>	<b>\$125,000,000</b>
<b>Unallocated SHTF</b>	<b>\$0</b>			<b>\$4,800,000</b>	<b>\$ 300,000</b>
<b>Unallocated LGHTF</b>	<b>\$0</b>			<b>\$12,200,000</b>	<b>\$7,060,000</b>

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

- Additional \$250,000 from GR to FHFC for Purpose Built Community through SAIL
- \$20 million of HHRP for Hurricane Michael recovery distributed based on damage assessment/SHIP style program
- \$10 million of HHRP to FHFC for down payment assistance in Bay, Jackson, Gulf, Calhoun, Gadsden, Washington, Liberty, Franklin, Wakulla, Taylor & Holmes Counties
- \$500,000 from SHIP for Catalyst Training from SHIP
- 10% of FHFC funds for competitive grant program for housing developments for persons with developmental disabilities

**IX. New Business: Conference Sponsorship—Action**

1. The HFA is a Platinum (\$5,000) level sponsor of the Florida ALHFA conference. The in-person conference is being replaced with a virtual conference. Details are being worked out.
2. Florida ALHFA has requested all sponsors to retain their sponsorship for the virtual conference. To date 17 sponsors have agreed, and four are taking to HFA Board meetings for consideration.
3. **Recommendation:** Approve retention of Florida ALHFA conference sponsorship for virtual conference.