

THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County
From: Mark Hendrickson, Executive Director
Subject: December 11, 2020 – HFA Board Meeting
Date: December 3, 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	\$0	\$100,000,000		December 31, 2020
TOTAL	\$283,497,149	\$310,000,000	\$0	

2. \$100 million of expiring bond single family allocation was converted to MCC's.
3. Allocation was received from the State Pool for \$200 million single family, \$36.5 million (Boulevard Towers IV), \$13.25 million (Mango Terrace), and \$15.7 million (Millennia).
4. **Recommendation:** None.

II. Second Mortgage Status—Informational

1. In November, ten (10) new loans (\$100,000) were funded (\$100,000 in September).
2. In November, six loans totaling \$75,000 paid in-full—all from the 2012 Program.
3. Between August 2016 and November 2020, forty-three loan payoffs (\$460,000) originally funded with SHIP were reinvested in 42 new loans.
4. **Recommendation:** None.

	2006		2007		2010		2012		TOTAL	
Original Loans	\$ 68,981	13	\$ 30,920	7	\$ 1,131,176	227	\$ 10,248,071	912	\$ 11,479,148	1,159
Paid in Full	\$ 39,384	7	\$ 13,829	3	\$ 611,176	123	\$ 1,267,500	121	\$ 1,931,889	254
Partial Payoff	\$ 3,000	2	\$ -	-	\$ 12,575	6	\$ 12,000	3	\$ 27,575	11
Loss on Partial	\$ 7,060		\$ -		\$ 17,425		\$ 23,000		\$ 47,485	-
Default Loss	\$ 8,160	2	\$ 8,516	2	\$ -	-	\$ -	-	\$ 16,676	4
Balance	\$ 11,377	2	\$ 8,575	2	\$ 490,000	98	\$ 8,945,571	788	\$ 9,455,523	890

III. 2012 Single Family Program—Informational

1. The current program guidelines:

- 1st mortgage: 3.125%, 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
- Income limit \$69,020 (1-2 person) and \$80,845 (3 or more persons)

2. **Rate Change:** FHA-VA interest rate reduced to 3.125% & the Freddie Mac program has been suspended. **The 3.125% rate is the lowest in the eight-year history of this program.** FHFC has multiple rates, but the most comparable is the 3.50% FHA bond.

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

4. Summary of DPA Funding:

- The County funded \$5,723,700 of DPA with SHIP funds, with final \$189,670 remaining in the contract reimbursed in October.

Source for 2012 Single Family Program DPA	
FHFC	\$ 1,068,831
Hillsborough SHIP Funded	\$ 5,723,700
Hillsborough Reimbursement Request Submitted	\$ 430,000
Hillsborough SHIP Eligible but not ready for Reimbursement Request	\$ -
Recycled SHIP Funds	\$ 461,830
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$ 7,684,361
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 1,301,800
HFA Funded but over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$ 1,052,096
Total HFA Funded	\$ 2,563,710
TOTAL DPA LOANS	\$ 10,248,071

5. **MBS Sales:** The HFA has executed 222 sales, with net revenues of \$4,413,812 (net meaning after payments to RBC and counsel). November sales had a net profit of 4.55%, or approximately \$9,382 per loan—making net DPA cost \$618.
6. **Hedges & Exposure:** The HFA has 10 hedges totaling \$12.45 million in place. With full delivery, the projected net revenues are estimated at \$499,923 (shared pro rata with other counties). The unhedged pipeline as of November 30 is \$340,254 (changes daily).
7. **MCC's:** Between 2012 and 2020 the HFA converted \$583,225,804 of bond authority into \$145,806,451 of MCC's.

Mortgage Credit Certificate Summary						
Began	Ends	MCC Amount	Number Loans	Average MCC	Total MCC	Balance
2012	2014	\$ 2,500,000	38	\$ 65,690	\$ 2,496,214	\$ 3,786
2013	2015	\$ 12,500,000	176	\$ 71,020	\$ 12,499,499	\$ 501
2014	2016	\$ 25,000,000	0	\$ -	\$ -	\$ 25,000,000
2015	2017	\$ 25,000,000	221	\$ 81,791	\$ 18,075,842	\$ 6,924,158
2017	2019	\$ 5,806,451	70	\$ 82,825	\$ 5,797,745	\$ 8,706
2018	2020	\$ 25,000,000	297	\$ 84,172	\$ 24,999,137	\$ 863
2019	2021	\$ 25,000,000	167	\$ 93,889	\$ 15,679,481	\$ 9,320,519
2020	2022	\$ 25,000,000	0	\$ -	\$ -	\$ 25,000,000

8. **MCC Program: What Does it Mean to Home Buyer:** With the HFA’s average loan in 2020 of \$187,398 and a 3.125%/30-year mortgage, interest payments in Year 1 = \$5,868. 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 13 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 1.45% 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. \$163.4 million of loans have been originated or are in process to date in Hillsborough County.
10. **Counties:** Hillsborough, Clay, Brevard and Jacksonville.
11. **The pipeline, loan demographics, sales price and lender information:**

Sales Price/ # Loans	Loan Amount	Borrower Income/ MCC Amount	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	Location
\$169,202 1,022 loans +7 loans	\$163,532	\$49,583 \$82,022 Avg. MCC. 961 loans \$78,822,921	37.0 51% female	2.5	SF Detached 88% Rowhouse: 1% Townhouse: 10% Existing: 69% New: 31%	Black: 25% White NH 20% Hispanic: 45% Mixed: 1% Asian: 1% Other: 9%	County: 56% Tampa: 38% Plant City: 5% Temple Terrace 1%

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	269	\$168,887
2019	125	\$177,257
2020	177	\$191,796

Lender	2012-2018	2019	2020	Total
CMG	32	18	34	84
Guaranteed Rate	1	20	19	40
Primary	0	4	18	22
AmeriFirst	0	6	17	23
Loan Depot	50	17	19	86
Eagle	246	13	12	271
Paramount	4	8	9	21
Money Store	0	0	11	11
Synovus	0	4	11	15
Fairway	20	2	7	29
South State	2	1	4	7
Open	68	6	3	77
DHI	145	4	1	150
Waterstone	38	4	1	43
Other	118	18	11	147
TOTAL	724	125	177	1,026

12. **Recommendation:** None.

	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%	\$21,094,883	\$0	\$0	\$0	\$21,094,883
	145	0	0	0	145
4.125%	\$20,618,319	\$0	\$0	\$0	\$20,618,319
	112	0	0	0	112
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	0	0	0	23
3.625%	\$4,007,059	\$0	\$0	\$0	\$4,007,059
	22	0	0	0	22
3.50%	\$1,659,312	\$0	\$0	\$0	\$1,659,312
	12	0	0	0	12
3.25%	\$986,685	\$0	\$0	\$0	\$986,685
	8	0	0	0	8
3.125%	\$8,710,576	\$2,943,014	\$5,589,107	\$1,101,576	\$18,344,273
	45	15	28	6	94
Total	\$157,954,726	\$2,943,014	\$5,589,107	\$1,101,576	\$167,588,423
	977	15	28	6	1026

IV. New Multi-Family Transactions—Action

1. The 2020 Bond NOFA is “open”, with applications evaluated on a first-come first-evaluated basis.
2. **Mango Terrace** is scheduled to close December 18, 2020. The developer has requested issuance of bonds in an amount not to exceed \$12,000,000. The credit underwriting is complete, and the deal is ready for Board action. Bond counsel has prepared and distributed a resolution that gives final approvals necessary to sell and close bonds, including [summary only, please read resolution for full description]:
 - Approval of substantially final forms of bond and loan documents including the Funding Loan Agreement, Project Loan Agreements, Construction Loan and Mortgage Servicing Agreement and Land Use Restriction Agreement;
 - Approval of the estimated Cost of Issuance;
 - Approval of the final Credit Underwriting Report;
 - Authorization of the issuance of the Bonds (subject to the parameters in the Resolution) and sale to the Purchaser with respect to the Governmental Note;
 - Official Appointment of RBC Capital Markets LLC as Placement Agent in connection with the sale of the Bonds;
 - Official appointment of Seltzer Management Group as compliance monitor, financial monitor and construction/loan servicer;
 - Official appointment of U.S. Bank National Association as Trustee; and
 - Authorization of appropriate Board members and members of the Issuer to execute documents and take all other actions necessary not inconsistent with the terms of the Resolution.
3. Complete bond applications were received for **Fulham Terrace** (Wendover) and **Summerfield Senior** (Invictus), both of which applied for SAIL funds. Information in chart below. These are both new construction elderly developments.
4. **Status Summary for Other Deals:**
 - **Boulevard Tower IV** (Related-THA), originally known as WRDG T3D, is moving forward targeting January 2021 HFA meeting for final approvals and closing January 2021.
 - **Uptown Sky** received a commitment for County funds and is moving forward. AmeriNat estimates CUR in January and bond closing April 2021.
 - **Millennia Housing** Development has begun credit underwriting. Targeting January 2021 HFA meeting for final approvals. Developer estimates January 2021 closing.
 - **La Estancia** has been awarded SAIL funding and is moving forward to a late-2021 closing.
 - The **Arbors at Valhalla Pond** submitted a revised/new application (complete) on September 30. The new application reduced the number of units and bond request. They are applying for SAIL funds.

- **WRDG T4 Phase II** was submitted as the back-up development in this year’s 9% FHFC RFA, and staff has recommended funding. This removes the development from the HFA’s bond financing list.

5. Future applications are likely to include the recapitalization/rehabilitation of Belmont Heights Phases I & II.

6. Recommendations:

- Adopt Resolution prepared by Bond Counsel giving final approvals Mango Terrace bond transaction
- Adopt Inducement Resolution prepared by Bond Counsel for Fulham Terrace
- Adopt Inducement Resolution prepared by Bond Counsel for Summerfield Senior

	Mango Terrace	Uptown Sky	Boulevard Tower 4 WRDG T3D
Developer	Southport	Blue Sky	Related
Development Location	Unincorporated County 3818 Lemon Avenue Seffner	Unincorporated County 13603 N. 12 Street & Fletcher Avenue USF	City of Tampa Chestnut St. NE Corner of West Chestnut & N. Willow Avenue West River
Total Development Cost TDC/Unit	\$22,033,469 \$211,860	\$14,584,579 \$243,076	\$48,010,665 \$358,289
Bond Amount	\$12,000,000	\$7,500,000	\$36,500,000
SAIL Loan Amount	\$5,000,000	\$0	RAD funding
ELI Loan Amount	\$ 600,000	\$0	\$849,600
NHTF Loan Amount Hillsborough County	\$1,113,000	\$0	PMM funding
		\$5,820,000	\$884,520
New Construction or Rehab	New Construction	New Construction	New Construction
Units	104	60	134
Demographic	Family	Family	Family
Construction/Design	Garden Wood	Mid-Rise Wood	High Rise Concrete & 3-Story Garden
Credit Enhancement	JLL Capital Freddie Mac TEL	Chase Bank Private Placement	Bank of America Freddie Mac TEL
Tax Credits	Synovus \$7,091,062	Raymond James \$4,869,213	TBD \$17,123,666
TEFRA Hearing & BOCC TEFRA Approval Dates	5-15-20 6-3-20	TBD TBD	6-30-20 9-16-20
Credit Underwriter	Seltzer	AmeriNat	Seltzer
Anticipated Closing Date	12-17-20	2 nd Quarter 2021	January 2021
Set-Aside Levels	90%<60% AMI 10%<35% AMI	28%<70% AMI 43%<60% AMI 30%<33% AMI	15%<80% AMI 55%<60% AMI 30%<50% AMI
Set-Aside Period	50 years	50 years	50 years

	The Arbors at Valhalla Pond	Summerfield Senior	Fulham Terrace	La Estancia Apartments
Developer	Southport	Invictus	Wendover Housing	Birdsong
Development Location	Unincorporated County East side of Robert Tolle Drive, approximately 1900 feet north on Robert Tolle & Bloomingdale Avenue Bloomindale	Unincorporated County Big Bend Road, 500' NW of Big Bend Rd. & US Hwy 301 Riverview	Unincorporated County Mathog Road, 615' south of Mathog Rd. & Gibsonton Drive Riverview	Unincorporated County 5292 Guadalupe Blvd. Wimauma
Total Development Cost	\$21,733,902	\$20,665,984	\$26,993,920	\$10,892,580
TDC/Unit	\$226,395	\$206,660	\$232,706	\$129,674
Bond Amount	\$11,500,000	\$10,700,000	\$16,000,000	\$6,000,000
SAIL Loan Amount	\$6,720,000	\$6,615,000	\$4,000,000	\$4,200,000
ELI Loan Amount	\$ 600,000	\$ 600,000	\$ 600,000	\$0
NHTF				\$1,601,415
SAIL Loan Assumption				\$1,745,157
Hillsborough County Loan or Loan Assumption		\$ 115,000	\$5,000,000	
New Construction or Rehab	New Construction	New Construction	New Construction	Rehabilitation
Units	96	100	116	84
Demographic	Family	Family	Elderly	Family
Construction/Design	Garden- Wood Frame	Mid-Rise (5-story) Wood	3-story Concrete elevators	Single story Quadplex- Concrete
Credit Enhancement	TBD	TBD	TBD	TBD
Tax Credits	TBD	TBD	TBD	TBD
TEFRA Hearing & BOCC	TBD	TBD	TBD	11-16-20
TEFRA Approval Dates	TBD	TBD	TBD	TBD
Credit Underwriter	TBD	TBD	TBD	TBD
Anticipated Closing Date	TBD	TBD	April 2022	Late 2021
Set-Aside Levels	90%<60% AMI 10%<30% AMI	85.0%<60% AMI 10.0%<33% AMI 5.0%<22% AMI	23.3%<80% AMI 56.9%<60% AMI 16.4%<33% AMI 3.4%<22% AMI	100%<60% AMI
Set-Aside Period	50 years	50 years	50 years	50 years

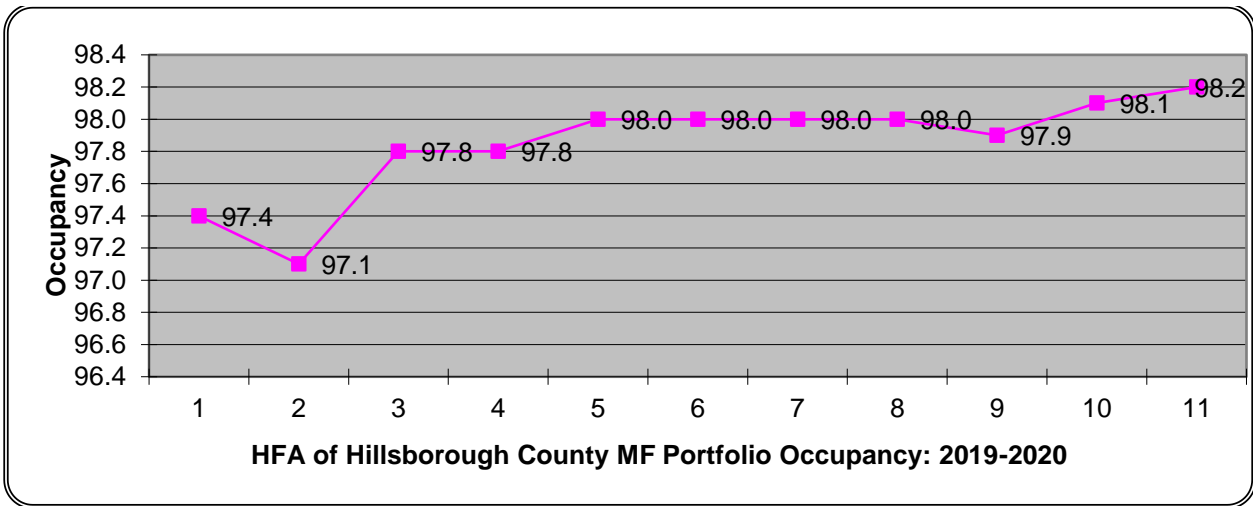
	MILLENNIA PORTFOLIO	
	Sandhill Village (fka Summit Ridge)	Windbay Plaza (fka Mar Plaza)
Developer/ Location	Millennia Cleveland, Ohio	
Development Location	Unincorporated County 928 Summit Ridge Drive Immediately south of Brandon Blvd. and Beverly Blvd. Brandon	City of Tampa 4817 E. Temple Heights Road 2 blocks east of Takomah Trail on E. Temple Heights Rd. Tampa
Type	Acquisition/Rehabilitation Garden	
Demographic	Family	Elderly
Bond Request	\$15,700,000 for both developments combined \$127,642/unit	
TEFRA Hearing	5-15-20	
TEFRA Approval	6-3-20	
Preliminary Agreement Expiration	12-31-20	
Credit Enhancement	Private Placement to Red Stone Capital	
Credit Underwriter	Seltzer	
Closing Date	January 2021	
Units	40	83
Permanent 1st Mortgage Estimate		
SAIL & ELI (FHFC)	\$0	
City, County or HFA Loan	\$0	
Seller Financing	\$3,000,000	
Housing Credits	RBC \$8,441,979 for both developments combined \$68,634/unit	
TDC	\$28,818,068 Approximately 37% for Sandhill and 63% for Windbay	
TDC per unit	\$234,293	
Land Cost	\$525,000 \$12,500/unit	\$770,000 \$9,277/unit
Acquisition of Building	\$4,725,000 \$118,125/unit	\$6,930,000 \$83,494/unit
Hard Construction or Rehabilitation Cost	\$8,059,609 \$65,525/unit	
Set Aside Period	50 years (application states 20 years, but HFA minimum is 50 years)	
Set Aside Levels	100%<60% AMI	

VIII. FHFC: Local Government Contribution for 9% Housing Credits—Informational

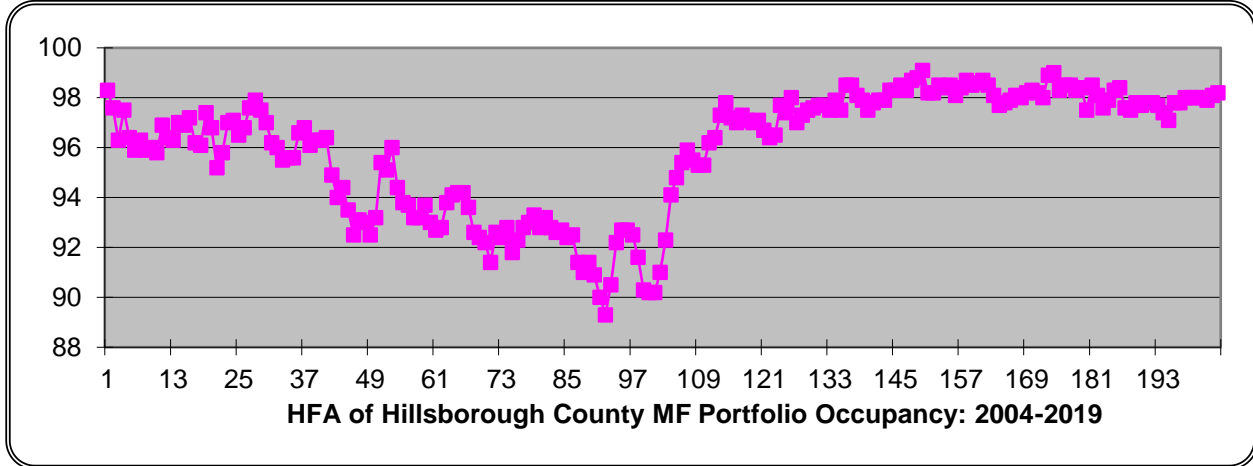
1. At the last meeting, Board members began a discussion related to selection criteria that were not in this year’s NOFA. The Board directed that this subject be on an agenda for discussion. Staff research is not complete, and the item needs to be deferred until early 2021.
2. **Recommendation:** None.

IX. 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 98.2 (+0.1%). The median occupancy level is 99.0% (+0.5%). Eighteen (18) of the 24 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 203 months (16.9 years):



5. **Recommendation:** None.

X. Housing & Training Programs—Informational

1. Up & Out Homeless Program (MetMin)

- Twenty-three (23) families (-0) are enrolled in the program. Two clients successfully graduated this month and remain employed and living at same residence, and two clients entered the program.
- Of the 123 clients that are no longer in the program, 89 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, 12 were terminated from the program for non-compliance with case management/self-sufficiency plan, 1 was incarcerated and was terminated from the program, 7 had financial problems and sought other housing, and 1 cannot be located.
- A total of 452 persons have benefited from the program—177 adults and 275 children. The HFA has advanced a total of \$1,249,301 to the program. The subsidy provided was 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 three (+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). In total, 11 clients have had non-compliant exits from the program and 31 graduated from the program successfully. The HFA has advanced \$309,305 to the program. The subsidy provided is \$200 per month. Report is through November 2020. Client specific quarterly reports are also in the Board packet.

3. **Catholic Charities** has eight (+1) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. To date, six clients have successfully left the program, two clients have been terminated from the program, three moved in with family/roommates, one moved into Section 8 housing, and three voluntarily left the program. The HFA has advanced \$245,332 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 November 2020.
4. **COVID-19 Rental Assistance Program:** 113 eligible households provided two months of rent. The households have 157 adults and 140 children. Total payments totaled \$192,105, plus 10% admin costs. The program is suspended pending the use of FHFC CARES Act funds.
5. **USF CRED Training:** A new contract for 2020 has been authorized.
6. Total for advances is through December 3, 2020.
7. **Recommendation:** None.

XI. State Legislative Update—Informational

1. The Senate and House agreed to full funding (\$370 million for housing—the first time in 13 years. The importance of this cannot be understated.
2. The Governor committed \$250 million of CARES Act funding to housing—primarily for rent and mortgage relief. The Governor vetoed the \$225 million SHIP appropriation. This does not sweep the money into general revenue—it simply accumulates in the Local Government Housing Trust Fund and is available in a Legislative session to sweep, appropriate for SHIP, or leave.
3. SEE launched a strategy and action steps—with the goal of the legislature making the SHIP appropriation whenever a Special Session is held. There has been significant outreach to all legislators who were elected this year. However, it appears that a Special Session is uncertain—so the strategy may pivot to a focus on full funding in the 2021 Regular Session.
4. The legislator one-pagers are available under the Advocacy tab at www.sadowskicoalition.com. [These show the impact by County of losing the \\$225 million SHIP appropriation.](#)
5. Representative Killebrew (R-Polk County) introduced HB 13, which would prohibit transferring monies in the Housing Trust Funds to General Revenue or the Budget Stabilization Fund. SEE is working to identify a Senate sponsor. This is significant because we have a Republican prime sponsor in the House.
6. **Recommendations:** None.