

THE HENDRICKSON COMPANY

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To: Board of Directors, Housing Finance Authority of Hillsborough County
From: Mark Hendrickson, Executive Director
Subject: November 18, 2022—HFA of Hillsborough County Board Meeting
Date: November 6, 2022

I. FY 2022-2023 Budget—Action

1. A proposed Fiscal Year 2022-2023 budget is attached. Key elements are:

- For the MF ongoing fees that are limited during construction, the maximum that can be paid is 12.5 basis points (compared to 20 bp ongoing fee). These were calculated at the latest payment level.
- When those deals finish construction, they owe a one-time fee equal to the difference between what was paid and what would have been paid at 20 bp. Those fees are included (estimated) for Mango Terrace and Boulevard Tower 4.
- The new Fulham Terrace, Casa Bel Mar, Canopy at West River Tower 3, and Casa di Francesco deals are in the budget for closing fees Fulham Terrace will have the first semi-annual payment in June and Casa Bel Mar in July.
- Zion Village, Fulham Terrace and other deal are in the budget for application fees.
- \$25,000 bond paydown fees are in the budget for Mango Terrace, Boulevard Tower 4, Millennia Portfolio and La Estancia
- LGAOF application fees are in the budget at actual received this year in October
- Single Family lender late fees are at last year's actual
- SF MBS sale profit is based upon actual hedged trades and are minimal
- SF Hills County SHIP DPA reimbursement reflects the full \$2 million that County has committed
- Interest earnings based on current rates. This is a significant increase over last year's actual.
- Expenses generally the higher of actual or last year's budget.
- Audit expense is based on engagement letter
- FA/Executive Director is based on agreement already in place.
- Left the Board travel and conferences at level previously budgeted, assuming there will be multiple in-person conferences next year.
- Premium discount on investments—I have no idea how to budget for this—it has to do with the MBS that is in the Custody Account and its market value (I think). I just put in \$0, same as last year.
- Budgeted for Met Min, Catholic Charities, Camelot and Salvation Army.
- Have tentatively budgeted for New Life Village
- The USF/CRED program—left in budget only to pay for 2022 Program when and if report is received. Recommend no additional funding for this or future years.
- SF Cost of Issuance and Capitalized Interest contribution in budget at \$355,000, with actual amount to be determined by RBC as part of 2022 SF Bond Programl.

2. **Recommendation:** Approve Resolution drafted by HFA Counsel adopting the proposed Fiscal Year 2022-2023 budget, and direct staff to post the budget to the website within seven days.

II. Bond Allocation & MCC's—Informational

1. The 2022 allocation is \$78,211,793, up \$663,772 (0.9%) over 2021.

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2022	\$ 78,211,793			December 31, 2024
2021	\$ 75,000,000	\$225,000,000		December 31, 2024
2020	\$ 75,000,000	\$177,200,000		December 31, 2023
2019	\$100,000,000	\$ 98,240,000		December 31, 2022
TOTAL	\$328,211,793	\$500,440,000	\$78,211,793	

2. The allocation request for 2022 is \$300 million. The Regional Pool amount has been allocated, with the remainder pending. The \$100 million of expiring SF allocation was converted to MCC's on November 10, 2022.
3. **Recommendation:** None.

III. Second Mortgage Status—Informational

1. In October, fifteen new loans (\$375,000) were funded (\$625,000 in September).
2. In October, three loans totaling \$30,000 paid in-full—two from the 2012 Program and one from 2009 Program.
3. Between August 2016 and August 2022, 142 loan payoffs (\$1,650,000) originally funded with SHIP were reinvested in 120 new loans. Another \$321,500 is restricted and will be reinvested (all as of 11-1-22).
4. **Recommendation:** None.

	2006		2007		2010		2012		TOTAL	
Original Loans	\$ 68,981	13	\$ 30,920	7	\$ 1,131,176	227	\$ 15,443,098	1,210	\$ 16,674,175	1,457
Paid in Full	\$ 39,384	7	\$ 18,495	4	\$ 721,176	144	\$ 3,480,645	312	\$ 4,259,700	467
Partial Payoff	\$ 3,000	2	\$ -	-	\$ 12,575	6	\$ 13,500	4	\$ 29,075	12
Loss on Partials	\$ 7,060		\$ -		\$ 17,425		\$ 31,500		\$ 55,985	-
Default Loss	\$ 8,160	2	\$ 8,516	2	\$ -	-	\$ -	-	\$ 16,676	4
Balance	\$ 11,377	2	\$ 3,909	1	\$ 380,000	77	\$ 11,917,453	894	\$ 12,312,739	974

IV. 2022 Single Family Bond Issue—Action

1. For over 10 years, single family bond issues have not been feasible, due to multiple factors including excessive negative arbitrage and the inability to achieve a mortgage rate superior

to what was achieved through the TBA Program. The program, including MCC's, produced a far superior product than bonds.

2. However, in recent months, interest rates have skyrocketed, and the HFA has been “chasing” the rate upwards—to be able to achieve a breakeven sale of MBS. From January to October 2022 the rate increased from 3.125% to the current 7.625%.
3. RBC indicates that there is now a GIC market which would reduce (but not eliminate) negative arbitrage from what it would have been the past several years. More importantly in this environment, the bond issue would lock in a rate for the next 12 months.
4. Bond issues cost significant money upfront for cost of issuance and negative arbitrage—with recovery of this investment and profit only taking place if the bonds are fully originated. This is a risk factor. Mitigating that risk is the fact that the Jacksonville HFA has agreed to split the cost (and risk) in exchange for a pro rata share of revenues (if any).
5. However, at this point, the lock-in of the mortgage rate is the driving decision factor. The pricing will be done in early December—however, the current rate would be 6.20%. A current term sheet will be distributed at the meeting.
6. If the HFA proceeds, bonds would be priced December 7 and the issue would close December 22.
7. One issue to address is the amount of DPA to be offered—currently \$25,000 for all loans, regardless of location. This was not an issue when MBS sales profits covered much of the DPA costs or where County SHIP funds reimburse the HFA for the cost. A much higher percentage of loans are being originated within the City of Tampa—where the HFA's money is used for the DPA loans without any SHIP reimbursement. With a \$35 million bond issue, approximately 140 loans will be made. If 50% were in the City of Tampa, the HFA would be out \$1.75 million. This is not sustainable.
8. Additionally, the County has asked the HFA to consider raising the DPA amount to \$50,000. This too is not sustainable and would provide more DPA than needed to most borrowers. The County wants to serve borrowers with lower incomes, but with current sales price averages, competition from cash buyers and interest rates, persons making below 80% AMI are largely priced out of the ownership market (and raising the DPA amount would not solve the problem).
9. **Recommendations:** (1) Adopt Resolution prepared by bond counsel approving the bond sale and related documents, and (2) Establish DPA amounts for loans in County/Plant City/Temple Terrace and within the City of Tampa.

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

1. The **current program guidelines**:

- 1st mortgage: 7.625%, 1% origination fee, FHA, VA, RD and Freddie Mac loans suspended
- First time homebuyers
- 640 minimum credit score (limited to 50 loans, all county total for 2022), then 660
- Down payment assistance: \$15,000
- 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 \$349,525 and \$381,308 (target area)
- Income limit \$82,100 (1-2 person) and \$94,415 (3 or more persons)

2. **Rate Change:** Interest rate has been raised and lowered multiple times and is now **7.625%**.

3. **DPA Change:** The DPA amount was increased to \$25,000, effective May 16, 2022. The new SHIP agreement with the County permits DPA loans up to \$25,000.

4. **Sales Price:** The maximum allowable sales price limits are now \$349,525 (non-target) and \$427,198 (target area). First-time homebuyers are being pushed to buy more expensive newly constructed homes due to competition from investor buyers of existing real estate.

5. **Summary of DPA Funding 2012-2022:** The County funded \$7,553,700 of DPA funds and has approved an additional \$2 million.

Source for 2012 Single Family Program DPA	
FHFC	\$ 1,068,831
Hillsborough SHIP Funded	\$ 7,553,700
Recycled SHIP Funds	\$ 1,650,000
Hillsborough Reimbursement Request Submitted	\$ -
Hillsborough SHIP Eligible but not ready for Reimbursement Request	\$ 1,300,000
Total Funded or to be Funded by FHFC or Hillsborough SHIP	\$ 11,572,531
HFA Funded Before FHFC Program	\$ 25,000
HFA Funded After FHFC & Before Hillsborough SHIP	\$ 144,814
HFA Funded After Hillsborough SHIP but in Tampa	\$ 2,816,827
HFA Funded but over SHIP Income Limit	\$ 40,000
HFA Funded Between SHIP Programs	\$ 843,926
Total HFA Funded	\$ 3,870,567
TOTAL DPA LOANS	\$ 15,443,098

6. **MBS Sales:** The HFA has executed 280 sales, with net revenues of \$5,763,253 (net meaning after payments to RBC and counsel). October settlements had a net profit of 0.71%, or \$1,845 per loan—making net DPA cost \$23,155.

7. **Hedges & Exposure:** The HFA has 17 hedges totaling \$18.752 million in place. With full delivery, the projected net revenues are estimated at \$40,593 (shared pro rata with other counties). The unhedged pipeline as of November 4 is \$0 (changes daily).
8. **MCC's:** Between 2012 and 2022 the HFA converted \$683,225,804 of bond authority into \$160,806,451 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	255	\$ 98,032	\$ 24,998,150	\$ 1,850
2020	2022	\$ 25,000,000	215	\$ 111,175	\$ 23,902,720	\$ 1,097,280
2022	2024	\$ 25,000,000	0	\$ -	\$ -	\$ 25,000,000

9. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan in 2022 of \$249,591 and a 7.625%/30-year mortgage, interest payments in Year 1 = \$19,031.31. With the 25% 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 22 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 6.65% 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. \$235.3 million of loans have been originated or are in process to date in Hillsborough County.
11. **Counties:** Hillsborough, Clay, Brevard and Jacksonville.
12. The **pipeline, loan demographics, sales price, FICO score and lender information.** In the past two years, 55% of the borrowers are Hispanic.
13. **Recommendation:** None.

Sales Price/ # Loans	Loan Amount	Borrower Income/ MCC Amount	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	Location
\$185,577 1,324 loans +4 loans	\$178,728	\$51,538 \$88,655 Avg. MCC. 1,272 loans \$112,769.306	37.0 52% female	2.3	SF Detached 86% Rowhouse: 1% Condo 1% Townhouse: 12% Existing: 75% New: 25%	Black 24% White 65% Asian: 1% Other: 9% Mixed 1% Hispanic 47%	County: 50% Tampa: 43% Plant City: 6% Temple Terrace 1%

SALES PRICE & FICO SCORE BY YEAR			
YEAR	NUMBER LOANS	AVG SALES PRICE	AVG FICO SCORE
2012	14	\$142,348	692
2013	75	\$148,447	686
2014	86	\$144,913	683
2015	105	\$150,641	683
2016	69	\$172,088	683
2017	106	\$182,958	694
2018	269	\$168,887	696
2019	125	\$177,257	694
2020	177	\$192,389	701
2021	143	\$217,695	698
2022	155	\$260,710	696

Lender	2012-2019	2020	2021	2022	Total
Caliber	0	0	20	38	58
Cornerstone	0	0	7	15	22
Synovus	4	11	20	14	49
CMG	50	33	14	13	110
Loan Depot	67	20	18	12	117
Fairway	22	7	7	14	50
Guaranteed Rate	21	19	20	11	71
Cross Country	0	0	0	9	9
Everett	4	0	0	6	10
Paramount	12	9	1	5	27
AmeriFirst	6	17	8	5	36

Open	75	3	6	4	88
Waterstone	42	1	0	3	46
Primary	4	18	8	1	31
Eagle	258	12	0	0	270
Money Store	0	11	0	0	11
DHI	149	1	0	0	150
Other	135	15	14	5	169
TOTAL	849	177	143	155	1,324

14. **Recommendation:** None.

	Sold	Purchased	UW	Reservations	Total
7.625%	\$0	\$0	\$196,377	\$1,060,503	\$1,256,880
	0	0	1	4	5
7.50%	\$0	\$0	\$0	\$281,792	\$281,792
	0	0	0	1	1
7.125%	\$0	\$0	\$874,236	\$520,251	\$1,394,487
	0	0	4	3	7
6.625%	\$0	\$0	\$198,412	\$0	\$198,412
	0	0	1	0	1
6.125%	\$0	\$300,162	\$2,857,958	\$0	\$3,158,120
	0	1	12	0	13
6.00%	\$1,016,685	\$0	\$0	\$0	\$1,016,685
	4	0	0	0	4
5.625%	\$7,810,464	\$3,722,934	\$4,091,709	\$0	\$15,625,107
	29	14	16	0	59
5.50%	\$785,825	\$0	\$0	\$0	\$785,825
	3	0	0	0	3
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%	\$13,195,002	\$555,345	\$333,739	\$0	\$14,084,086
	73	2	2	0	77
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%	\$5,191,476	\$0	\$0	\$0	\$5,191,476
	30	0	0	0	30
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%	\$18,283,115	\$0	\$0	\$0	\$18,283,115
	111	0	0	0	111
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%	\$4,203,212	\$0	\$0	\$0	\$4,203,212
	22	0	0	0	22
3.25%	\$986,685	\$0	\$0	\$0	\$986,685
	8	0	0	0	8
3.125%	\$51,517,935	\$0	\$0	\$0	\$51,517,935
	248	0	0	0	248
Total	\$221,817,160	\$4,578,441	\$8,552,431	\$1,862,546	\$236,810,578
	1263	17	36	8	1324

VI. New Multi-Family Transactions—Action

1. The 2023 Bond NOFA has been issued, with a due date of November 1. An application was received for **Zion Village** (Smith & Henzy Development Group). The site is not currently zoned for the proposed use. A full analysis of the development will be presented along with an Inducement Resolution after the zoning change (in process) is granted.
2. **Fulham Terrace** is scheduled to close November 30, 2022. The developer has requested issuance of bonds in an amount not to exceed \$18,500,000. 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 documents including the Funding Loan Agreement, Construction Phase Project Loan Agreement, Servicing Documents, 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);
- Authorization of the private placement of the Governmental Note with Bank of America, N.A.;
- Official Appointment of RBC Capital Markets, LLC as Placement Agent in connection with the note;
- Official appointment of Seltzer Management Group, Inc. as compliance monitor and construction/loan servicer;
- Official appointment of U.S. Bank National Association, N.A. as fiscal agent; and
- Authorization of appropriate Board members and members of the HFA to execute documents and take all other actions necessary not inconsistent with the terms of the Resolution.

3. Status Summary for Deals in Progress:

- **Casa di Francesco** “won” in the 2021 SAIL RFA and estimates a mid-2023 closing.
- **Canopy at West River Tower 3:** closing estimate has slipped to early 2023 closing.
- **Casa Bel Mar** (formerly Bel Mar Place): applied for SAIL and did not win; resubmitted bonds without SAIL application with closing early 2023.

4. The delays for Canopy at West River Tower 3 and Casa Bel Mar results in MF carryforward that was indexed to those deals at risk of being lost at the end of the year. There are no other deals in the pipeline that can utilize the allocation.

5. **Recommendations:** Adopt Resolution prepared by bond counsel giving final approvals for Fulham Terrace bond sale.

	Fulham Terrace	Casa di Francesco	Canopy at West River Tower 3	Casa Bel Mar
Developer	Wendover Housing	Blue Sky Communities & St. Francis of Assisi Church	Related Housing & Tampa Housing Authority	Archway Partners Tampa Housing Authority
Development Location	Unincorporated County Mathog Road, 615' south of Mathog Rd. & Gibsonton Drive Riverview	Unincorporated County 4450 County Road 579 Seffner	City of Tampa 1101 West Main Street West River	City of Tampa 4003 S. Manhattan Ave.
Total Development Cost TDC/Unit	\$38,205,871 \$329,361	\$30,370,659 \$216,933	\$63,638,931 \$367,855	\$29,986,297 \$299,863
Bond Amount	\$18,500,000	\$19,000,000	\$45,750,000	\$21,000,000
SAIL & Other FHFC Hillsborough County City of Tampa	\$9,200,108 \$ 6,200,000	\$6,350,000	NA	\$ \$2,500,000 \$2,000,000
New Construction or Rehab	New Construction	New Construction	New Construction	New Construction
Units	116	140	173	100
Demographic	Elderly	Elderly	Family	Family
Construction/Design	3-story Concrete elevators	Mid-rise 4-story wood with elevators	Mid-Rise 5-story 2 buildings	Mid-rise 4-story concrete with elevators
Credit Enhancement	Bank of America Private Placement Construction bonds only	TBD	Chase Private Placement	Bank of America Placement Construction Citibank Permanent
Tax Credits	National Equity Fund \$16,359,445	TBD \$13,432,540	JPMorgan Chase \$28,324,580	Bank of America \$16,566,761
TEFRA Hearing & BOCC TEFRA Approval	2-11-21 3-22-22 4-7-21 4-20-22	TBD TBD	4-27-22 5-18-22	9-23-22 10-19-22
Credit Underwriter	AmeriNat	First Housing	Seltzer	First Housing
Anticipated Closing Date	November 2022	Summer 2023	April 2023	February 2023
Set-Aside Levels	23.3%<80% AMI (27 units) 61.2%<60% AMI (66 units) 15.5%<30% AMI (23 units)	90%<60% AMI 10%<33% AMI	20.2%<80% AMI (35 units) 42.2%<50% AMI (73 units) 37.6%<40% AMI (65 units)	50%<80% AMI 25%<50% AMI 25%<30% AMI
Set-Aside Period	50 years	50 years	50 years	50 years

VI. FHFC: LGAOF (Preference) for 9% Housing Credits—Action

1. **Andrew Landing** (2021—108 units) and **Kelsey Cove** (2020—108 units) were selected by FHFC for 9% HC. Kelsey Cove is complete, with first move in September 20. Andrew Landing is moving towards closing and counsel has prepared loan documents for HFA approval.
2. 2022 is a County preference year, with the City to submit the backup deal. The NOFA was issued, and four applications were received by the deadline.
3. **Recommendations:** (1) Adopt Resolution prepared by bond counsel approving loan to Andrew Landing and related documents, and (2) Select LGAOF (preference) development. See detailed analysis for specific and detailed recommendations.

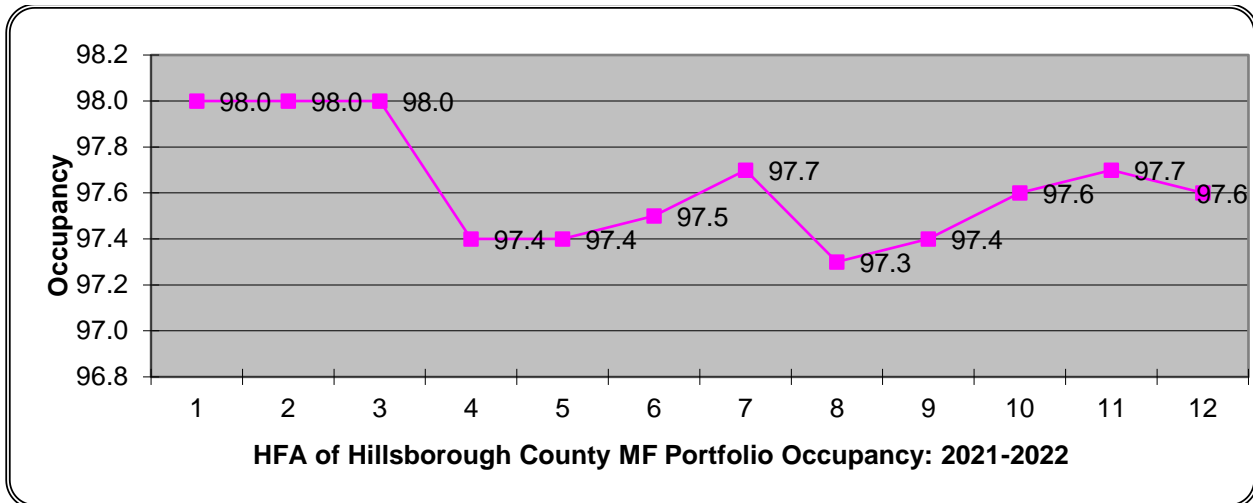
	Alterra	Ellen Estates	Lake Bluetail	Ruskin Heights
Developer	Cornerstone	Southport	Blue Sky Communities	Southport
Address	0.14 miles SE of Mobile Villa Drive & East Hillsborough Ave.	10302 Ellen Avenue	10810 Bloomingdale Avenue	SW intersection of 7 th Avenue NE & 2 nd Street NE
City/County	Mango Unincorporated Hillsborough County	Mango Unincorporated Hillsborough County	Brandon Unincorporated Hillsborough County	Ruskin Unincorporated Hillsborough County
Demographic	Family	Family	Family	Family
New or Rehab	NC	NC	NC	NC
Design	Concrete Garden 3-story/4 building	Concrete Mid-Rise 4-story/1 building	Concrete Mid-rise 4-story/2 buildings + clubhouse	Concrete Garden 3-story/5 buildings
Units	93	97	120	116
Bedroom	172	234	210	
Total Development Cost	\$28,170,693	\$29,502,902	\$36,652,028	\$34,232,708
TDC/Unit	\$287,857	\$304,154	\$305,433	\$295,110
Land/Unit	\$15,054	\$30,928	\$25,000	\$34,483
Set-Aside	16.1% (15 units) < 30% AMI 37.6% (35 units) < 60% AMI 46.2% (43 units) < 70% AMI	15.5% (15 units) < 33% AMI 84.5% (82 units) < 60% AMI	15.0% (18 units) < 30% AMI 62.5% (75 units) < 60% AMI 22.5% (27 units) < 80% AMI	15.5% (18 units) < 33% AMI 84.5% (98 units) < 60% AMI
Set-Aside Length	Perpetuity	Perpetuity	Perpetuity	Perpetuity
Loan Request	\$610,000	\$610,000	\$610,000	\$610,000

	Andrew Landing	Kelsey Cove
Developer	Vestcor	Vestcor
Address	South US Highway 301, NW of intersection of Balm Riverview Road & S. Highway 301	1010 E. Brandon Blvd.
City/County	Riverview Unincorporated Hillsborough County	Brandon Unincorporated Hillsborough County
Demographic	Family	Family
New or Rehab	NC	NC
Design	Concrete Mid-rise 5-story	Wood Frame Garden 3-story
Units	108	108
Total Development Cost	\$35,687,627 (27% increase since application)	\$25,557,985
TDC/Unit	\$330,441	\$236,648
Housing Credits	\$27,309,769	\$18,998,100
Land/Unit	\$32,407/unit	\$30,000
Set-Aside	10.2% (11 units) < 33% AMI 89.8% (97 units) < 60% AMI	15.7% (17 units) <30% AMI 37.0% (40 units) <60% AMI 47.2% (51 units) <70% AMI
Set-Aside Length	Perpetuity	Perpetuity
Loan Request	\$115,000	\$115,000

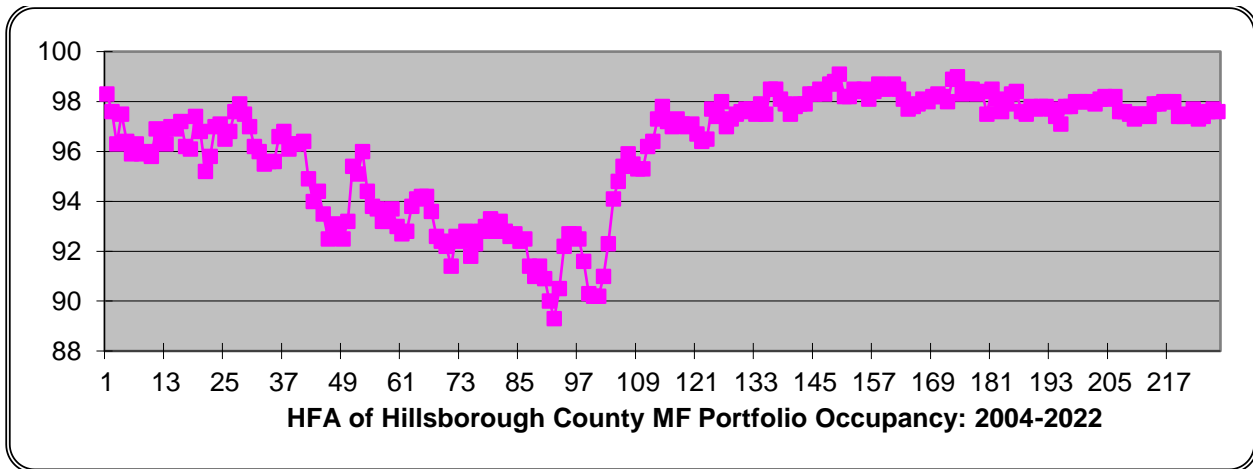
VII. Status of Rental Developments Financed by the HFA—Action

1. The Authority has financed thirty-eight (38) rental developments, containing 6,661 units, with a total development cost of \$904,414,683 financed with \$432,070,000 of bonds, \$299,721,774 of Housing Credit equity, and \$75,187,054 of SAIL. The HFA also issued \$16.7 million of bonds to refund the Brandon Crossing and Mobley Park developments. Three developments (Kaylee Bay, Preserve at Sabal Park & Kelsey Cove) were financed without bonds.
2. **Annual Income Recertification Policy:** HFA documents require annual recertification of income. This is not required by IRS rules, and after the 1st recertification, the resident is not required to vacate a unit if their income increases. Therefore, there is a requirement that generates paperwork, but has no real usefulness. Bond Counsel has prepared a Resolution which would authorize amendments to LURA’s that would not require annual recertification after the first recertification, so long as 100% of the units in a development are occupied by Low Income Tenants and that the owner comply with all requirements of the IRS Code in connection to the development. For existing developments, the owner would have to pay legal costs for document amendments.

- The weighted average occupancy level of the HFA's portfolio is 97.6 (-0.1%). The median occupancy level is 98.0% (+0.0%). Sixteen (16) of the 24 monitored developments are at 98% or higher occupancy.
- The following is an occupancy chart for the previous 12 months:



- The following is an occupancy chart for the previous 227 months (18.9 years):



- Oaks at Riverview:** There have been repeated negative compliance monitoring reports on this deal, including serious and ongoing issues with resident files, physical condition of the property and other issues. THA has been working to resolve the issues with the managing partner, Urban Atlantic Development, and to replace the management company and/or acquire the property. THA replaced the management company, and an affiliate of THA is acquiring the property.
- Recommendations:** (1) Adopt Resolution prepared by bond counsel authorizing LURA amendments related to **annual income recertification**, and (2) Adopt Resolution prepared by

bond counsel approving transfer of ownership for **Oaks at Riverview**, including forms of Assignment and Assumption agreements and substitution of guarantors.

VIII. Housing & Training Programs—Action

1. Up & Out Homeless Program (MetMin)

- Twenty-two (23) families (-1) are enrolled in the program. There were two new clients and three successfully completed the program.
- Of the 149 clients that are no longer in the program, 108 successfully completed the program and are now self-sufficient, 11 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, 2 found housing using a Section 8 voucher, 13 were terminated from the program for non-compliance with case management/self-sufficiency plan, 1 was incarcerated and was terminated from the program, 9 had financial problems and sought other housing, and 1 cannot be located.
- A total of 523 persons have benefited from the program—205 adults and 317 children. The HFA has advanced a total of \$1,538,636 to the program. The subsidy provided is \$464 per month for a one bedroom and \$554 per month for a two bedroom or larger apartment.

2. Youth Aging Out of Foster Care (Camelot) has nine (+2) clients receiving upfront assistance (security deposit and application fee), monthly rent subsidies and who participate in case management, and two (-0) clients who receive case management and one-time assistance (security deposit, application fee). In total, 12 clients have had non-compliant exits from the program and 37 graduated from the program successfully. The HFA has advanced \$425,548 to the program. The subsidy provided is \$200 per month. Report is through October 2022. **The program has had very limited participation earlier this year, but this month increased to nine youth currently assisted. Ms. Koehler is meeting with Camelot and will present a report.**

3. Catholic Charities has four (-3) clients receiving rent subsidies, and are also receiving funding for security deposits, application fees, and administration. Last month, one client successfully left the program and two were terminated. To date, 13 clients have successfully left the program, seven clients have been terminated from the program, six moved in with family/roommates, one moved into Section 8 housing, and three voluntarily left the program. The HFA has advanced \$365,262 to the program. The subsidy provided is \$462 per month for a one bedroom and \$554 per month for a two bedroom or larger apartment. Report is through August 2022.

4. USF CRED Training: The 2022 CRED Program was given approval, contingent upon the program focusing at a higher level, with real estate professional focus rather than graduate student focus. The program is completed, with an extension to September 30 to deliver the final report. **The required report was not received by September 30 (the extended date) and no communication was received. After emails on the failure to deliver in late October, the**

required report still has not been delivered. The Executive Director will not recommend additional funding for this program.

5. **Salvation Army:** The contract with Salvation Army has been executed and the program is underway. They have hired the case worker and have begun vetting clients.
6. **New Life Village:** The Executive Director was directed to work with New Life Village to bring a specific proposal back to the Board (NLV has a campus focused on housing families that agree to take in foster children and NLV also provides extensive services. A contract has been drafted. Essentially, the HFA would be paying security deposits for residents at the facility who are not receiving rental assistance (Section 8). Residents earning under 50% AMI would receive first and last month's rent security deposit, and residents earning 50%-80% AMI would receive first month's rent security deposit. Maximum annual expenditure is \$99,376, including a 5% administrative fee.
8. **Rent Increases:** Rent increase for Met Min and Catholic Charities were approved effective October 1, resulting in increases to \$462 and \$554.
9. Total for advances is through November 7, 2022.
10. **Recommendations:** (1) After payment for 2022 CRED program, decline to fund program going forward, and (2) Approve contract with New Life Village.

IX. State Legislative Update—Informational

1. Work has begun for the 2023 legislative session. The professional team is in place and a strategy for the session is underway.
2. Based upon the \$209.475 million SHIP appropriation, Hillsborough County-Tampa will receive \$15,282,575, with the County at \$10,527,686 and the City of Tampa \$3,754,889.
3. Indications from legislative leadership are that Sadowski Programs will be fully funded, and that additional general revenue will also be appropriated for housing.
4. The estimate for funds available for appropriation in FY 23-24 is \$402 million.
5. **Recommendation:** None.