

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
January 26, 2018
Action Items



MULTIFAMILY PROGRAMS

Action

I. MULTIFAMILY PROGRAMS

A. 2018 Rule Development

1. Background/Present Situation

- a) Staff would like to begin the rule development process by scheduling a rule development workshop to solicit comments concerning Rule Chapters 67-21, 67-48 and 67-60, F.A.C., and the Qualified Allocation Plan (QAP) which is incorporated by reference in Rule Chapter 67-48.

2. Recommendation

- a) Authorize staff to proceed with the 2018 rule development process.

PROFESSIONAL SERVICES SELECTION (PSS)

Action

II. PROFESSIONAL SERVICES SELECTION (PSS)

A. Request Competitive Solicitation for Environmental Engineering/Consulting Services

1. Background

- a) Florida Housing works with selected vendors to perform assessments to determine what sort of impact our funded developments have on the environment.

2. Present Situation

- a) Florida Housing's contracts with Arcadis U.S., Inc.; Professional Services Industries, Inc.; and GGI, LLC, d/b/a Genesis Group expire in August 2018, and there is a continuing need for these services.

3. Recommendation

- a) Authorize staff to proceed with a competitive solicitation to select qualified firms to provide environmental engineering/consulting services.

SINGLE FAMILY BONDS

Action

III. SINGLE FAMILY BONDS

A. Request Approval to Issue Mortgage Credit Certificates (MCC)

1. Background

- a) Florida Housing's Board previously approved Single Family Program Staff's request to create and implement its current 2017 Mortgage Credit Certificate (MCC) Program on May 5, 2017. The Program rollout date was June 1, 2017 and the Program will end on December 31, 2019 or earlier if the allocation is exhausted. It is anticipated that the allocation will be exhausted on or about March 31, 2018.
- b) Mortgage Credit Certificates are nonrefundable, federal tax credits that provide a form of housing assistance to persons with low and moderate incomes. The holder of an MCC receives an annual tax credit that the holder can apply against his or her federal tax liability in each year the MCC is effective. The annual amount of the tax credit will be set by Staff at an amount between 10% and 50% of the yearly interest paid or accrued on the holder's mortgage loan; provided however, that if the credit rate exceeds 20%, the annual amount of the credit may not exceed \$2,000. (See [Attachment 1](#) hereto for an example of determining the amount of the credit). The effect of the tax credit is to increase the homebuyer's after-tax pay and thus increase his or her ability to afford a home. To qualify for an MCC, the homebuyer must meet the IRS requirements for income, purchase price and first time homebuyer status.
- c) Before issuing MCCs, Florida Housing must elect not to issue an amount of qualified mortgage bonds and other private activity bonds it otherwise could issue (including any unused carry forward from previous years). Pursuant to the Internal Revenue Code, MCC's use \$4 of bond volume cap for every \$1 of MCC issued. Notice to the public regarding the issuance of MCCs, including the eligibility requirements and the method for issuing MCCs, must be published at least 90 days prior to issuing any MCCs.

2. Present Situation

- a) Florida Housing presently has \$308,637,332 of 2015 carry forward volume cap which must be used for mortgage revenue bonds or mortgage credit certificates on or before December 31, 2018. Electing to convert all or a portion of this 2015 carry forward into a mortgage credit certificate program would extend the expiration date of this carry forward to December 31, 2020.
- b) Florida Housing recently completed issuance of the 2017 Series -1 Bond issue in the amount of \$204,038,600. Staff does not presently anticipate issuing a significant amount of additional mortgage revenue bonds during the 2018 calendar year.
- c) Staff proposes to elect not to issue \$308,637,332 of qualified mortgage revenue bonds for the 2018 calendar year, with the volume cap for such non-issued bonds being allocable to Florida Housing's remaining and unused 2015 carryforward and to make such volume cap available for a new MCC Program that will offer up to \$77,159,333 of MCCs. Staff plans to begin the new MCC Program on or about March 31, 2018 (to coincide with the exhaustion of the current MCC program)

SINGLE FAMILY BONDS

Action

and will, pursuant to IRS rules, end it on the earlier of the date all MCCs are issued under the new MCC Program or December 31, 2020. The guidelines and parameters for eligibility in the MCC Program will generally follow the same guidelines and parameters applicable to the types of borrowers and types of properties that qualify for Florida Housing's Single Family Bond Program.

- d) Florida Housing launched the initial 2012 MCC Program on June 1, 2012. Since that time, program staff have continually recruited and trained new participating lenders, as well as educated our Realtor© partners through continuing education classes. Staff believes these efforts have been successful. In 2017 alone, Florida Housing issued 2,217 MCCs, and the program continues to grow. We had 149 participating lenders at year end 2017, an increase of 12% since the 2017 Program launch in June 2017. We also have a current active pipeline of over 705 MCCs in the 2017 Program. Lenders, Realtors© and borrowers are now familiar with MCC's and are using the program to assist first time homebuyers and other eligible homebuyers to qualify to purchase a home.

3. Recommendation

- a) Staff recommends that the Board approve Resolution 2018-03 (attached hereto as Attachment 2), electing not to issue \$308,637,332 of qualified mortgage revenue bonds for the 2018 calendar year, with the volume cap for such non-issued bonds being allocable to Florida Housing's remaining and unused 2015 carryforward and authorizing Single Family Program Staff to take all action necessary to create and implement the new 2018 MCC Program, subject to further approvals by bond counsel, special counsel, and the appropriate Florida Housing Staff.