

**FLORIDA HOUSING FINANCE CORPORATION**  
**Board Meeting**  
**October 16, 2020**  
**Information Items**



**FISCAL**  
***Information***

**I. FISCAL**

**A. Operating Budget Analysis for August 31, 2020.**

**1. Background/Present Situation**

- a) The Financial Analysis for August 31, 2020, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending August 31, 2020, is attached as [Exhibit B](#).

# GUARANTEE PROGRAM

## Information

### I. GUARANTEE PROGRAM

#### A. Status of the Guarantee Program portfolio

##### 1. Background/Present Situation

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 housing units in Florida were guaranteed. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of 9/30/20, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 24-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.<sup>1</sup> Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

#### B. Corpus and Portfolio Risk Exposure

##### 1. Background/Present Situation

- a) The global liquidity crisis of 2008 collapsed the market for the variable rate bonds capitalizing the Guarantee Program corpus, ultimately leading staff to restructure the debt, paying off approximately \$89 million and refinancing the remaining \$156.2 million in variable rate bonds to a 5-year term loan with Citibank, closing on December 31, 2009.
- b) At that time, the Guarantee Program's total risk exposure was \$754.5 million. Since then, in keeping with the Board's mandate to cede risk from the portfolio, total risk exposure has been reduced over 99%, as reflected below:

Portfolio Risk Exposure

As of 9/30/20	12/31/19		12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10
\$0	\$5.2M		\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M	\$468.5M	\$578.8M	\$728.3M

c)

<sup>1</sup> Real Capital Analytics, April 2011

## GUARANTEE PROGRAM

### *Information*

The continued low interest rate environment has prompted many Developers to refinance their properties, paying-off their guaranteed mortgages and removing them from the Guarantee Program portfolio, representing the primary driver behind the reduction in Total Commitments reflected above. Refinancing activity is reflected in the following chart:

		Refinancing Activity										
		As of 9/30/20	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Loans (#):</b>		0	2	0	1	5	17	22	22	9	12	2
<b>Risk ceded (\$):</b>		n/a	\$14.4M	n/a	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M	\$84M	\$117.9M	\$9.9M

- d) Contributing to the reduction in Total Commitments was approximately \$115 million in partial prepayments (of mortgages) from SAIL ELI proceeds, funded prior to or at the time of closing, helping facilitate refinancing activity.
- e) Furthermore, Management aggressively reduced the Guarantee Program capitalizing debt, paying off \$90.2 million on April 20, 2011, another \$15 million on July 29, 2011, and the remaining \$51.0 million on December 21, 2012, reducing the Guarantee Fund's capitalizing debt to zero (\$0).
- f) The Guarantee Fund corpus contains approximately \$142 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+f" by Standard & Poor's as of March 29, 2019.

### C. Current Ratings (Insurer Financial Strength)

#### 1. Background/Present Situation

Standard & Poor's: May 2020 A+ / Stable outlook  
 Cited strengths: "Strong state financial support...Strong asset quality...Strong asset management policies"<sup>[1]</sup>

Fitch: March 2018 A+ / Stable outlook  
 Cited strengths: "Low Risk-to-Capital Ratio... Limited State support ...Minimal Multifamily Losses"<sup>[2]</sup>

<sup>[1]</sup> Standard & Poor's, "Florida Affordable Housing Guarantee Fund", May 21, 2020, [www.standardandpoors.com/ratingsdirect](http://www.standardandpoors.com/ratingsdirect).

<sup>[2]</sup> Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, [www.fitchratings.com](http://www.fitchratings.com). Fitch Ratings 2020 surveillance was concluded on September 10, 2020 and resulted in Review-No Action of the rating.

## GUARANTEE PROGRAM

### *Information*

#### **D. Risk-to-Capital Ratio**

##### **1. Background/Present Situation**

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.04:1 as of 9/30/20. Capital not needed to support the outstanding Guarantees has been made available to the SAIL program for use in the 2016-2018 and 2019 competitive solicitations. Specifically, \$40 million was made available to workforce housing and the remaining \$78 million to SAIL.

#### **E. Guarantee Program Portfolio ([Exhibit A](#))**

## **HOUSING CREDITS**

### ***Information***

#### **I. HOUSING CREDITS**

##### **A. The developments listed below have requested changes to the Extended Use Agreement**

###### **1. Background/Present Situation**

- a) Amelia Court at Creative Village Phase II (2019-106C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Orange County on April 1, 2020.
- b) On September 29, 2020, staff received a revised final site inspection report from the service provider correcting the square footage in the unit mix which is reflected in the Exhibit B of the executed Extended Low-Income Housing Agreement (EUA).
- c) Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

# HURRICANE MICHAEL UPDATE

## *Information*

### I. HURRICANE MICHAEL UPDATE

#### A. Multifamily Rental Portfolio

##### 1. Background/Present Situation

- a) Florida Housing has 68 developments comprised of 597 buildings with 6,134 units in its portfolio located in the twelve counties declared a major disaster due to Hurricane Michael.
- b) From the damage assessments, nine developments reported damage extensive enough to require displacement of some or all households. In total, 652 households have been displaced due to direct damage, unhealthy moisture content and/or the discovery of mold in the housing units. An additional 15 properties reported moderate damage, 17 reported limited damage because of the hurricane. Hatton House, a Jackson County development, was able to return all 76 households to their units once power was restored and the elevator operational.
- c) The status of displaced households typically fell into one of four categories:
  - (1) Those that received FEMA rental assistance despite having to move 30 miles or more to find affordable housing. Many displaced from Bay County had to find housing in Destin, Fort Walton or as far west as Pensacola. FEMA was able to relocate many Jackson County families to Dothan, Alabama;
  - (2) Those that were staying with family or friends in the immediate area to be closer to jobs and schools;
  - (3) Those that were transferred to another property owned by the same landlord; and
  - (4) Those, especially in Bay County, that permanently relocated due to loss of employment.
- d) Florida Housing continues to monitor the damaged properties for regular updates on reconstruction, damage mitigation efforts and rehousing of the displaced households. As of September 15, 2020, 100% of the previously uninhabitable units have been reoccupied.<sup>1</sup>
- e) Thirty-nine developments have completed all work and debris removal. A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Michael is attached as [Exhibit A](#).
- f) The current status of Hurricane Michael related Requests for Applications (RFAs) and developments awarded funding through those RFAs is attached as [Exhibit B](#).

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<sup>1</sup> Independence Village (Bay County) 24 uninhabitable units was purchased by the City of Panama City. The 12 duplexes have been demolished and will be replaced with affordable workforce housing.

# MULTIFAMILY PROGRAMS – ALLOCATIONS

## *Information*

### I. MULTIFAMILY PROGRAMS – ALLOCATIONS

#### A. Present Situation of Multifamily Allocations

##### 1. Background/Present Situation

###### a) RFA Updates

- (1) Staff issued the RFA 2020-205 “SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits” on October 15, 2020.
- (2) A workshop regarding RFA 2020-101 “Elderly Housing Community Loan” was held September 22, 2020. Staff plans to issue the RFA October 22, 2020.
- (3) A workshop regarding RFA 2020-206 “HOME Financing for the construction of small, rural Developments” was held September 29, 2020. Staff plans to issue the RFA on October 29, 2020.

###### b) General Updates

- (1) A general workshop regarding Florida Housing’s Proposed and Implemented Priorities and Strategies for Serving Persons with Special Needs and Homeless Households on September 23, 2020.

# PROFESSIONAL SERVICES SELECTION (PSS)

## *Information*

### I. PROFESSIONAL SERVICES SELECTION (PSS)

#### A. Single Source Procurement for a Website Content Management System

##### 1. Background

- a) As a part of Florida Housing's 2016 website redesign, the Corporation selected Telerik, Inc.'s Sitefinity website content management system at the suggestion of our current website host.

##### 2. Present Situation

- a) Sitefinity continues to be a strategic web platform for Florida Housing and there is a need to re-procure the software in order to keep the Corporation's website functional.
- b) The cost of these services for another one-year period is \$13,499.10. As permitted in Ch. 67-49.0032(1), F.A.C., the Executive Director authorized staff to enter into the single source procurement processes for these services on September 17, 2020. No comments were received as a result of the single source notice posted on Florida Housing's website.

**STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

*Information*

**I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)**

**A. Changes to Construction Features and Amenities**

**1. Background/Present Situation**

a) The following developments have requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs in their application since the last Board Meeting:

(1) SabalPlace fka Preserve at Sabal Park / RFA 2018-103 / 2018-346CS – The Land Use Restriction Agreement is being amended to incorporate the most current language in Exhibit B, Section b.1 as follows:

(a) “Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:

(b) There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments’ units by 15, and then round the equation’s total up to the nearest whole number; and

(c) At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504; and

(d) If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.” Scoring of the Application remains unaffected.

(2) Cypress Village / RFA 2019-106 / 2019-372CS - The Land Use Restriction Agreement is being amended to incorporate the most current language in Exhibit B, Section b.1 as follows:

(a) “Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Information*

- (b) There must be a minimum of one (1) Energy Star certified washer and one (1) Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number; and
- (c) At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504; and
- (d) If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both." Scoring of the Application remains unaffected.
- (3) Palos Verdes Apartments / RFA 2016-109 / 2016-380BS / RFA 2018-109 / 2018-333V – The Borrower has requested to replace “Water Sense certified dual flush toilets in all bathrooms (2 points)” with "Eco-friendly cabinets - formaldehyde free and material must be certified by the Forest Stewardship Council or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)". Scoring of the application will remain unaffected.
- (4) Grace's Landing / Universal Cycle 1997 / 97S-040 – The Land Use Restriction Agreement is being amended to the following language in Article II, Section 2.3: “Floor covering will be tight-napped Commercial Carpeting installed without pads and/or vinyl in the living room, dining room, hall and bedrooms and sheet vinyl in mechanical room, laundry room, kitchen, and bathrooms.” Scoring of the application will remain unaffected.
- (5) Cathedral Terrace / RFA 2014-111 / 2014-426S – The Borrower has requested to replace “Energy star rating for all windows in each unit via replacement of window panes with Energy star compliant glass in lieu of full window replacement (3 Points)” with:
- (a) Energy efficient windows in each unit (3 points)
- (b) For all Development Types except Mid-Rise and High Rise: Energy Star rating for all windows in each unit;
- (c) For Development Type of Mid-Rise and High Rise:
- (d) U-Factor of 0.50 or less and a SHHGC of 0.25 or less where the fenestration is fixed; and

## STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

### *Information*

- (e) U-Factor of 0.65 or less and a SHHGC of 0.25 or less where the fenestration is operable (i.e., the window opens)”
- (6) Scoring of the application will remain unaffected.
- (7) Staff will amend the Land Use Restriction Agreement(s) and/or Extended Use Agreement(s) for the developments as appropriate.

# SINGLE FAMILY HOMEBUYER PROGRAMS

## *Information*

### I. SINGLE FAMILY HOMEBUYER PROGRAMS

#### A. Single Family Homebuyer Programs

##### 1. Background/Present Situation

- a) Florida Housing's Homebuyer Loan Programs provide assistance to eligible homebuyers by offering low-cost, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have five first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Florida HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Salute Our Soldiers (S.O.S.) Military Loan Program and the Hurricane Michael Recovery Loan Program. We also offer a Mortgage Credit Certificate Program for qualified homebuyers who may benefit from additional annual federal tax savings offered through this program.
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and United States Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage Backed Securities (MBS) into the secondary markets.
- c) The HFA Preferred Conventional Loan Program offers a first mortgage loan product developed by Fannie Mae specifically for state housing finance agencies. This program is offered both as a bond-financed product as well as a forward delivery "To Be Announced" (TBA) Program in conjunction with our TBA Program Administrator, Hilltop Securities. Single Family Program staff sets a daily mortgage rate for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers a 30-year, fixed-rate mortgage.
- d) Borrowers at or below 80% AMI benefit by not having to pay Loan Level Price Adjustments (LLPA) and from lower mortgage insurance costs on these loans when compared to other Fannie Mae mortgage products, as well as similar government-insured loans such as FHA.
- e) The Freddie Mac HFA Advantage Conventional Loan Program offers a first mortgage loan product developed by Freddie Mac specifically for state and local housing finance agencies. The program is offered both as a bond-financed product as well as a forward delivery "To Be Announced" (TBA) Program in conjunction with our TBA Program Administrator, Hilltop Securities. Single Family Program staff sets a daily mortgage rate for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers a 30-year, fixed-rate mortgage. Borrowers at or below 80% AMI, benefit from lower mortgage insurance costs on these loans when compared to other Freddie Mac mortgage products and similar government-insured loans such as FHA.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

- f) On March 2 we launched a new TBA first mortgage loan program named Salute Our Soldiers (S.O.S.) Military Loan Program. This loan program offers our military service personnel and veterans 30-year, fixed-rate first mortgage loans at a lower rate than our standard loan programs and with several down payment assistance options. This program is available in all 67 counties throughout the State of Florida to borrowers who are purchasing a primary residence, meet income and purchase price limits, can qualify for a first mortgage loan, and successfully complete a homebuyer education course. We have allocated \$8 million dollars of DPA for this program which should help over 1,000 military families acquire a home in Florida while generating over \$170 million in first mortgage loan volume.
- g) As part of the 2020 budget approved by the Florida Legislature and Governor Ron DeSantis, \$10 million was appropriated to Florida Housing to once again offer DPA through the popular and successful Hurricane Michael Recovery Loan Program. This Program was created to assist homebuyers purchasing homes in eleven Hurricane Michael impacted counties. These counties are: Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Taylor, Wakulla & Washington. On September 1st, we re-launched the Program. It offers qualified borrowers DPA of up to \$15,000 in the form of a 0%, 5 year forgivable second mortgage. The loan is forgiven at the rate of 20% each year on the anniversary of the note. For active duty military personnel who are reassigned and therefore forced to sell their homes, we will forgive any unpaid principal balance that remains on the second mortgage at closing if the transfer is for more than 6 months and over 250 miles away from their current base. The DPA is originated with Florida Housing first mortgage loans which carry a substantially lower interest rate than other program loan products. Additionally, there is no first-time homebuyer requirement. The Program targets previous homeowners who lost their homes completely or whose homes were damaged beyond repair from the storm and those who are seeking to relocate to the area to help in the rebuilding and recovery efforts. In our first month, our lenders have originated 126 loans with \$24,576,748.00 in first mortgage volume coupled with \$1,825,618.00 in down payment assistance.
- h) Florida Housing offers qualified homebuyers DPA in the form of a second mortgage loan in conjunction with all four of our first mortgage loan programs. Our Florida Assist loan is a 0% deferred payment loan of \$7,500. This second mortgage program serves homebuyers with an area median income (AMI) of up to 120%, adjusted for household size. It is repayable upon sale of the property, refinance of the first mortgage, at the end of the first mortgage term, or if the homeowner no longer occupies the property as his/her primary residence.
- i) The HFA Preferred PLUS Conventional Loan Program and the HFA Advantage PLUS Conventional Loan Program offer 3%, 4% and 5% of the purchase price of the home in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any remaining balance becomes due and payable.
- j) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all of our first

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.

- k) Our Mortgage Credit Certificate (“MCC”) Program provides qualified first-time homebuyers with a non-refundable federal tax credit used to offset a portion of their federal tax liability. The homeowner can claim this credit each year they occupy the home as a primary residence, pay mortgage interest, and have a tax liability to offset. We currently have 136 approved Participating Lenders in the MCC Program compared with 266 in our Homebuyer Loan Program. The current MCC Program, available through the end of 2020, utilizes a two-tier credit structure which offers either a 20% or 30% credit rate, dependent upon the dollar amount of the underlying first mortgage. Homeowners receiving a 30% credit may claim up to \$2,000 annually while those receiving the 20% credit are not capped on the amount of the tax credit that they can claim. The MCC Program is in the wind down process and we have ceased taking new MCC Lender applications. The Program will conclude no later than December 31, 2020 and we have started notifying current lenders that the Program will be ending. This should ensure that lenders have adequate advanced notice of the impending Program closure and can manage their loan pipeline accordingly.
- l) Single Family Program Staff continually offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (“CE”) course for Realtors, which is coordinated through local Realtor boards throughout the state. Realtors who attend these classes receive a general 3-hour CE credit while learning about our Homebuyer Loan Programs, our Mortgage Credit Certificate Program, and other affordable housing programs available to their potential homebuyers. Due to COVID-19 travel restrictions, DBPR has given us temporary authority through yearend to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more Realtors to the classes while eliminating travel costs entirely. We have submitted the curriculum for approval to allow us to continue to offer online classes once the temporary authority ends. Our most recent classes have been with the following Realtor Boards: The Realtors of Punta Gorda-Port Charlotte-North Point-De Soto, Inc., The Greater Tampa Area of Realtors, Realtors Association of Citrus County, Inc., Realtors of Broward, the Palm Beaches and St. Lucie Counties (RAPB + GFLR). There were 147 Realtors in attendance for these four classes. We also conducted an open training about the relaunched Hurricane Michael Recovery Loan Program and had 41 Realtors from multiple associations attend.
- m) Single Family Program Staff also conducts telephonic and webinar trainings for lender partners throughout the state. Trainings consist of program requirements and recent updates, system training offered in conjunction with eHousing, and first mortgage and servicer requirements and updates offered in conjunction with US Bank Home Mortgage. Together, Florida Housing, eHousing and US Bank Home Mortgage provide lenders with information to better assist with the origination, delivery and purchase of first and second mortgages originated through our Homebuyer Loan Program. We also partner with other stakeholders such as mortgage insurance providers and the GSEs, Fannie Mae and Freddie Mac, to better educate and inform our lenders of recent industry changes. In September, we had three separate lender trainings. They consisted of 1) 83 of Caliber Home Loans origination staff attending online Program training with Single Family Staff; 2) 32 loan officers from various participating lenders attending a joint webinar, “Self-Improvement: How To Handle A Refinance

## **SINGLE FAMILY HOMEBUYER PROGRAMS**

### ***Information***

Boom”, with Essent MI and; 3) 53 loan officers from various participating lenders attending a joint webinar on affordable housing with Freddie Mac and the Florida Association of Realtors.

- n) Florida Housing sponsors a toll-free telephone line (800-814-HOME), for first time homebuyers to call. Callers receive a pre-recorded message that directs them to our website where they can access our Homebuyer Loan Program Wizard tool to learn more about our Program.

**SINGLE FAMILY HOMEBUYER PROGRAMS**

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**HOMEBUYER LOAN PROGRAMS SUMMARY**

	<b>2019 HLP Program Totals</b>	<b>2020 HLP Program Totals</b>	<b>2020 HLP Government Loan Programs Totals</b>	<b>2020 HLP Conventional Loan Programs Totals</b>	<b>2020 Mortgage Credit Certificate (MCC) Program</b>
Average 1 <sup>st</sup> Mortgage Loan Amount	<b>\$156,525</b>	<b>\$172,093</b>	<b>\$175,208</b>	<b>\$167,764</b>	<b>\$189,385</b>
Average Acquisition Price	<b>\$164,068</b>	<b>\$176,991</b>	<b>\$178,360</b>	<b>\$175,088</b>	<b>\$196,079</b>
Average Compliance Income	<b>\$51,640</b>	<b>\$51,312</b>	<b>\$52,643</b>	<b>\$49,463</b>	<b>\$47,441</b>
County Area Median Income %	<b>65%</b>	<b>65%</b>	<b>68%</b>	<b>62%</b>	<b>70%*</b>
<b>Total Purchased 1<sup>st</sup> Mortgage Loan Amounts</b>	<b>\$762,593,654</b>	<b>\$382,857,746</b>	<b>\$226,597,814</b>	<b>\$156,259,933</b>	<b>N/A</b>
<b>Total # of Units</b>	<b>4,872</b>	<b>2,232</b>	<b>1,298</b>	<b>934</b>	<b>559</b>

\*uses 2020 statewide AMI of \$68,000

**2020 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS**

County	Loan Count	Loan Amount	DPA
Duval	456	\$78,351,391.81	\$3,387,838.00
Hillsborough	212	\$38,332,926.55	\$1,631,136.00
Pasco	153	\$22,195,106.60	\$1,177,357.00
Pinellas	130	\$21,882,480.88	\$1,001,383.00
Polk	130	\$21,355,286.65	\$986,610.00
Volusia	102	\$17,240,388.12	\$784,218.00
Brevard	99	\$17,374,126.22	\$754,638.00
Orange	88	\$16,546,360.53	\$705,810.00
Clay	84	\$16,084,789.26	\$577,485.00
Hernando	73	\$11,109,377.28	\$560,000.00

## **Status of Implementation of Affordable Housing Workgroup Recommendations October 2020**

### **Implementation of Rental Programs**

**Florida Housing should evaluate whether legal challenges in which all parties agree post-litigation can be sent to the Executive Director rather than the Board for issuance of a Final Order.**

The Board adopted a resolution authorizing the Executive Director to issue Final Orders in scoring cases in which all parties agree to the disposition of the case in lieu of presentation to the full Board of Directors. ***(Completed.)***

**Florida Housing should assess its application process with the goal to remove or simplify scoring items that are most likely to be litigious, while maintaining scoring items that differentiate and award the best developments for funding. Any revised application approach should discourage developers from not having completed “ability to proceed” items by the start of the credit underwriting process.**

Florida Housing successfully implemented a Site Control Certification Form in the 2018-2019 RFA Cycle that has significantly reduced litigation regarding ability to proceed. This approach has not resulted in any impediments to Applications successfully proceeding with credit underwriting in an efficient manner. In the 2019-2020 funding cycle, Florida Housing made significant edits to the ability to proceed forms for availability of zoning and availability of water and sewer to remove questions that were commonly litigated, while ensuring the information provided by Applicants demonstrates sufficient assurances that proposed developments meet local requirements. Additionally, in the 2020-2021 RFA Cycle, Florida Housing has removed the requirement for submission of forms related to the availability of infrastructure and electricity, as the items are more appropriately submitted in underwriting and have not been a issue for ability to proceed, and were heavily scrutinized for potential litigation issues. Florida Housing is exploring the idea of workshopping additional scoring items that demonstrate ability to proceed outside of local government approvals, which would focus on architect/ engineer or other professional certifications regarding proposed developments. Implementation of those scoring items would be developed and implemented over future funding cycles. ***(Completed.)***

**Florida Housing should continue efforts to reduce the allocation of awards based upon the lottery.**

Since workshopping different concepts, a process is included in the 2020-2021 RFA Cycle, which places Applicants on notice that if requests for extensions of certain program deadlines are sought by an Applicant, that those Applicants will not be eligible for developer experience incentive points, thereby effectively differentiating Applications based on principals’ past program performance. New goals have been added to several RFAs. Because there will be a limited number of Applications that can qualify for these goals, there will be less reliance of lottery. There are new limits on the number of Applications that can be submitted by related parties in two RFAs where the number of Applications received compared to the number of expected awards was 20:1. Additionally, Applicant development proximity scoring has been modified in an effort to further differentiate Applications in the funding selection process. Florida Housing continues to seek public feedback on methods to meaningfully differentiate applications for funding. ***(Completed.)***

**Florida Housing should continue to develop a more robust rental preservation strategy that includes, but is not limited to, recapitalization opportunities of properties in Florida Housing's portfolio.**

During 2018, Florida Housing carried out interviews of property owners and research on recapitalization strategies. Preliminary concepts were presented to the Board mid-year and the Board approved a portfolio preservation plan in December 2019. *(Completed.)*

**Florida Housing should continue implementation of the Local Government Area of Opportunity Preference in Low Income Housing Tax Credit Requests for Applications (RFAs) for large counties and explore the expansion of its use in medium and small counties.**

Florida Housing began implementation of a medium county preference in the 2018-2019 RFA Cycle, and this will be continued in the upcoming rental cycle. *(Completed.)*

**Florida Housing should adopt comprehensive low barrier entry and continued occupancy requirements for all general occupancy properties targeted to all units set aside for extremely low-income residents. The corporation should convene a workgroup of subject matter experts to assist in development of standardized requirements.**

Policy and Asset Management staff convened a workgroup in 2018 that developed recommendations for low barrier entry and continued occupancy requirements. The recommendations were submitted to the stakeholders and public for input for more than a year. Application and tenant selection requirements to reduce barriers to entry were incorporated into the request for applications beginning in the 2019-2020 rental application cycle. *(Completed.)*

**Florida Housing should convene a working group to develop policies to fulfill the requirement that all developments with the commitment to set aside units for extremely low income households with special needs through the Link Strategy comply with the requirement and hold them available until a referred household leases the unit.**

It was determined by staff and the Lower Barrier Entry (LBE) Workgroup that implementing the LBE requirements would address this recommendation, and there would not be a need to convene another working group. *(Completed.)*

**Florida Housing should create a workgroup of subject matter experts to create an alternative credit underwriting approach for developments serving persons with special needs and/or homeless households developed and/or operated by nonprofit organizations.**

To address the findings and recommendation, Florida Housing Policy, Multifamily and Asset Management staff have met with a number of nonprofit organizations with experience in using Florida Housing resources to finance supportive housing. Staff also have met with the Florida Supportive Housing Coalition. It was determined by staff and these key stakeholders that a working group will be convened to address alternative credit underwriting at the same time as Florida Housing evaluate a new application approach for financing housing for persons with special needs and homeless households. Staff began developing the proposed approaches, including processes and requirements in early 2020. Staff began soliciting stakeholder and public last month and has proposed incorporating the new application approach in the 2021 SAIL Persons with Special Needs Request for Applications (RFA) to be

issued in March 2012. Staff anticipates completing the new application and alternative credit underwriting approach for relevant RFAs in the 2021-2022 rental application cycle. ***(Under Implementation.)***

**Florida Housing should find the resources to conduct a needs assessment to identify the statewide affordable and supportive housing needs by special needs and homeless populations and perform financial modeling to address the housing needs of each sub-population.**

At its May 2019 Board meeting, the Board approved the issuance of a solicitation to obtain the expertise Florida Housing needs to carry out this project. Last month, the Board approved staff to execute an agreement with the Corporation for Supportive Housing to conduct the needs assessment. The agreement has been executed and the project has begun. The needs assessment and subsequent financial modeling is scheduled to be complete by late 2021. ***(Under implementation.)***

**Florida Housing should evaluate strategies other states use to provide Low Income Housing Tax Credit financing for extremely low-income units, and implement promising, financially feasible strategies.**

Policy staff have conducted research on strategies used by state housing finance agencies across the nation. Staff have compiled a list of those approaches and have selected several approaches to further study. These approaches are not currently used by Florida Housing, but seem to be most suitable for consideration in Florida. In November, Policy staff plan to submit its findings to key Multifamily and Asset Management staff to assess whether there are promising strategies Florida Housing should consider and, possibly, propose to external stakeholders. ***(Under implementation.)***

#### **State Housing Initiatives Partnership Program**

**Florida Housing should develop a monitoring report template for local governments to use for rental properties that are not covered by other corporation administered compliance reporting. A local “self-certification” approach should also be explored.**

A report template has been created and initial roll out to affected local governments was conducted in 2019. Training related to template filing was handled within existing Catalyst programming. The self-certification approach was considered by asset management and special programs staff. Staff determined it was not a plausible approach. ***(Completed.)***



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**FOR IMMEDIATE RELEASE**

Friday, September 18, 2020

## **Florida Housing Finance Corporation Expands Program Offering Assistance to Homeless Families with Schoolchildren**

*Pilot programs show promise for a successful statewide initiative*

**Tallahassee, Fla.** – The Florida Housing Finance Corporation (Florida Housing) Board of Directors unanimously approved the expansion the **Housing Stability for Homeless Schoolchildren Initiative** to Alachua, Bay, and Charlotte counties during the September board meeting. This program assists homeless families in regaining housing stability and economic self-sufficiency, while also ensuring their school aged children remain on track with their education.

The state of Florida currently has an estimated 91,675 homeless schoolchildren, and in many cases, a lack of stable housing prevents these children from attending school on a consistent basis. Initial pilot sites in Santa Rosa County and Hernando County evaluated the use of funds for short-term tenant-based rental assistance (TBRA), paired with Department of Education homeless education resources, and community-based supportive services.

“School often serves as a refuge for our youth and the consistency of education is key to building a healthy future,” **said First Lady Casey DeSantis.** “This initiative has proven to help homeless schoolchildren and increase academic performance and attendance. The partnership between Florida Housing and local communities will help expand a foundation for housing and educational stability for Florida’s children and families.”

“This program is the first of its kind in Florida that will provide financial and housing relief to homeless families, while also emphasizing the importance of childhood education,” **said Trey Price, Executive Director of Florida Housing Finance Corporation.** “Now, even more so in light of the current global pandemic, there will be an increased need for housing as families continue to experience economic setbacks. We are thrilled to be expanding this program to additional counties throughout the state and hope to partner with more school districts in the future.”

Florida Housing, in collaboration with local community partners, created the Homeless Schoolchildren TBRA Pilot Program to provide eligible homeless families with one year of rental assistance and case management support. In April of this year, Florida Housing released findings from its first pilot program conducted in Santa Rosa County, looking at the significant need for affordable, permanent housing options for homeless families with school-aged children. The goal of the program was to learn whether the benefits of these resources would allow for greater assistance of homeless families in rural and smaller counties compared to traditional Florida Housing practices in larger urban areas. The Santa Rosa County Pilot Program was launched in early 2018 and immediately found that once the families had stable housing and assistance specific to their needs, the majority of families' incomes stabilized or increased. Seventy-eight percent of families had significantly more reliable transportation at the end of their participation than before entering the program. So far, two families have realized their dream of being first-time homebuyers. Of the 60 students participating in the program during the 2018-2019 school year, 98 percent were promoted to the next grade or graduated. There was an 11 percent decrease in chronic absenteeism and 18 percent of the students saw a significant increase in their grade point averages.

In January 2020, Hernando County became the location of a second pilot program The Housing Stability for Homeless Schoolchildren Initiative will soon be expanded into Alachua, Bay, and Charlotte counties and will further assist families identified by local school districts based on children who are already participating in Federal Homeless Education Programs. Each new county will receive up to \$500,000 in HOME TBRA funds to provide short-term rental assistance for the participating families. Families will receive up to 24 months of rental assistance, academic support for students, and community-based supportive services.

Before beginning the initiative, each county formed a partnership with the School District's Homeless Education Program, the Public Housing Authority (PHA), a Case Management Organization, and the Homeless Continuum of Care Lead Agency. The HOME TBRA funds will be provided by Florida Housing and administered by the local PHA. Community support services for the families will be provided by key partners that will assist eligible families in accessing rental housing, achieving stability and preventing future homelessness.

For more information about Florida Housing's programs and services, please visit [www.floridahousing.org](http://www.floridahousing.org).

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**For Immediate Release**  
September 4, 2020

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## **Governor Ron DeSantis Announces Florida Housing Approval of Additional \$45 Million Coronavirus Relief Funds for COVID-19 Affected Households**

**Tallahassee, Fla.** – Today, Governor Ron DeSantis announced that the Board of Directors for the Florida Housing Finance Corporation (Florida Housing) approved the remaining \$45 million of the \$120 million to local governments to assist Floridians impacted by the COVID-19 pandemic with rental and mortgage assistance.

Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), additional funds were previously approved to assist tenants living at multifamily and special needs developments in Florida Housing's rental housing portfolio.

"We strongly encourage Florida families who have been affected by this pandemic and need rental or mortgage assistance to reach out to housing offices within their local governments for more information on how they might receive assistance," **said Governor DeSantis.** "As we continue to implement additional funding resources, our work with Florida Housing aims to alleviate some of the stress we know individuals are facing as a result of COVID-19."

"We are thrilled to offer these programs that will be able to assist Floridians," **said Trey Price, Executive Director of Florida Housing Finance Corporation.** "We hope property owners and local governments will use these resources to ensure all Florida residents can remain in their homes, especially during this difficult time."

Coronavirus Relief Fund updates are as follows:

### **Strategy 1- \$120 Million for Rental Assistance for Tenants in Florida Housing's Portfolio**

- To date, a total of 548 affordable multifamily rental housing developments in Florida Housing's portfolio have responded to the Invitation to Participate in the program.

- Property owners and managers indicate with this funding they will be able to provide assistance to over 10,000 rental households in Florida.

### **Strategy 2- \$120 Million for Rental and Mortgage Assistance for Homeowners and Renters**

Since the announcement of this program, more than 80 percent of all local government entities have signed their funding agreements and begun the process of providing rental and mortgage assistance for individuals and families impacted by the pandemic in Florida. Within funding guidelines, participating local governments have the ability to prioritize how the resource will be utilized in their communities.

### **Strategy 3- \$2 Million for Operations Assistance for Housing that Serves Persons with Special Needs or Homeless Households**

- 33 special needs developments (representing 2,191 units) in Florida Housing's portfolio responded to the Invitation to Participate in the program.
- Financial assistance will be provided to these developments to assist them with coronavirus related expenses including extra staffing and cleaning services and supplies that will help keep their residents with special needs healthy during the pandemic.
- Agreements have been sent out to the eligible developments.

In June, Governor Ron DeSantis and Florida Housing first announced the \$250 million to assist Floridians impacted by the COVID-19 pandemic with rental and mortgage assistance. Impacted homeowners and renters can still apply for funding assistance through their local government housing office.

For more information on the program, please click [here](#). The toll-free Coronavirus Relief Fund for Impacted Homeowners and Renters Information Line is available from 9 am - 7 pm for those who would like to speak directly with a representative: **1-888-362-7885**.

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