

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
April 29, 2022
Information Items



I. ASSET MANAGEMENT

A. Hilltop Village Apartments

DEVELOPMENT NAME (“Development”):	Hilltop Village Apartments
DEVELOPER/PRINCIPAL (“Applicant”):	SP Hilltop Village LP/SP Hilltop Village GP, Inc./Southport Financial Services, Inc./J. David Page, individually
NUMBER OF UNITS:	200
LOCATION (“County”):	Duval
TYPE (Rental, Homeownership):	Rental/Family (Multifamily Mortgage Revenue Bond (“MMRB”)/Low Income Housing Tax Credits (“HC”))
SET ASIDE:	85% @ 60% (MMRB) 100% @ 60% (HC) 25% @ 40% (SAIL) 25% @ 45% (SAIL) 50% @ 50% (SAIL)
ALLOCATED AMOUNT:	\$7,000,000 of Tax Exempt Bonds \$504,385 4% HC allocation and \$1,503,237 SAIL Loan Extension

1. Background

- a) Prior to the IRS suspension of compliance monitoring due to COVID, Florida Housing’s contracted monitor First Housing Development Corporation (“First Housing”) visited the Hilltop Village property on 12/9/2019. The property received an unsatisfactory physical inspection primarily due to missing tub and sink stoppers in 7 units. One unit was found to have a deteriorated seal and a faulty lock on a bathroom door. Two units had soiled AC filters. The 2019 review was successfully closed out on 2/21/20.
- b) Florida Housing became aware of a news article on May 5, 2021 regarding code enforcement and the rodent infestation. We immediately reached out to ownership and management of Hilltop Village for their response and action plan. We were able to discern from Southport's response that they received local government code violations on 9/5/2020 and 9/10/2020 citing required repairs as well as "extermination needed". A code enforcement hearing was held 1/25/21 where Southport stated all violations were cleared except for the rodent issue. Southport signed their first contract with Massey Services for vermin exclusion on 4/21/21.
- c) On 5/18/21, Sen. Rubio wrote HUD's Secretary Fudge with his concerns regarding HUD's lack of oversight of Hilltop Village as HUD had not inspected the development since December 2015. HUD had already scheduled a REAC inspection of 100% of the units for 5/11/21. The REAC inspection resulted with a score of 61c/100. (The “c” indicates potentially life-threatening conditions were witnessed during the inspection.) The 61 in the score is considered passing (below 60 is failing). The REAC inspection found while the structural integrity of Hilltop Village meets federal standards, the deductions come from health and safety issues, namely the pest and rodent infestations, chronic mold and disrepair of the units. Four units were declared uninhabitable,

and ownership and management were subjected to more than \$160,000 in civil fines. In August, Sen. Rubio wrote Sec. Fudge again asking for affected residents to be relocated.

- d) The Department of Business and Professional Regulation (DBPR) inspected Hilltop on 5/20/21. DBPR has jurisdiction over safety and sanitation for apartments and hotels, among other industries. Hilltop met DBPR's inspection standards during that visit.
- e) First Housing visited the property on 6/3/21, 7/19/21, 8/27/21 and most recently 12/6/21.
- f) On 8/13/21, after viewing another News4jax report, we requested an updated action plan and timeline to remedy the problems since it was apparent the initial plan was not sufficient. Southport engaged another vendor to assist with exclusion of the vermin.
- g) Due to these ongoing issues, in September 2021, the following closing condition was added to Southport's three upcoming new construction transactions:
 - (1) All repairs have been made to resolve outstanding noncompliance issues identified by monitor(s) in their monitoring reports by closing and rodent infestation has been resolved prior to Cambridge Management, Inc. leasing any units in the development. If unresolved prior to leasing, we will require replacement of Cambridge Management, Inc. with an alternate management company, pursuant to requirements of 67-53, F.A.C., that does not share any common Principals, executive directors, board members, officers, guarantors or employees of the Applicant entity or Cambridge Management, Inc.
- h) At the December 2021 Board meeting, the Executive Director informed the Board that staff would review the facts and circumstances relating to the management of Hilltop Village, along with the 12/6/2021 compliance review and determine whether further administrative action should be pursued in accordance with Florida Statutes.
- i) On 12/6/2021, First Housing performed their compliance review and inspected 26 units. All 26 failed the inspection for a variety of reasons. There were towel bars broken off, holes in the walls, and sink and tub stoppers missing. Southport's management agent timely submitted their response. All noncompliance issues cited in the 12/6/2021 compliance review have now been rectified and cured with the exception of the following:
 - (1) Two units remain in noncompliance due to resident housekeeping issues. The units were not cleaned upon Management's re-inspection. Management had scheduled follow-up inspections; however, the inspections have been postponed until COVID quarantine restrictions have been lifted. Once the quarantine restrictions are lifted, the follow-up inspections will take place. If the units are not cleaned, Management will initiate eviction procedures.

- j) While the monitor did not observe any rodents, there continues to be a rodent problem. On the day of the monitoring visit, Terminix, who is now the current rodent pest control company under contract, trapped 35 mice. Property management reported Terminix is on site daily, except for weekends. Based on this, there continues to be a rodent problem.
- k) Staff informed the Board a follow up review would be scheduled to assess the progress on eradication of the rodent issue.
- l) On February 16, 2022, Jacksonville city councilwoman Ju'Coby Pittman met with José Alvarez, HUD Regional Administrator for the Southeast, representatives from Cambridge Management and residents of Hilltop Village apartments to hear their concerns regarding the ongoing rodent problem.
- m) Florida Housing requested an updated action plan. Southport's representatives responded that they are down to 10 units with code violations that have been remedied and are awaiting reinspection. Additionally, Southport has represented that they have been doing weekly contracts with Terminix and will continue until they have met Terminix's definition of eradication.

2. Present Situation

- a) At the deadline for submitting Board items for the March meeting, First Housing had not received documentation regarding the two noncompliant units from the 12/6/2021 review and sent a follow up inquiry to Hilltop Village for response. Shortly thereafter, documentation was submitted curing one unit however, the other unit failed their reinspection and management advised that a notice to vacate had been issued. First Housing requested documentation when that unit is ready for occupancy.
- b) First Housing conducted a follow up review on 4/5/2022 to reinspect units with prior noncompliance issues and assess progress on eradication of the rodent issue. The report is currently in draft form and will be finalized and issued by the first week of May. Preliminarily, noncompliance issues were found in 14 of the 31 units inspected ranging from broken door locks, inoperable appliances and moldlike substances, however, none of the units showed signs of rodent infestation. Southport management advised that the unit was not able to be inspected on 4/5 due to the resident changing the locks without permission. Since that time, Arco Management, the new management company for Hilltop Village, gained access to the unit, noted open items from the 12/6/21 review and has committed to curing the open issues for this unit by 5/2/2022. In addition, management has reported they have experienced their first week, beginning April 11, without any rodent captures.

B. Silver Oaks

DEVELOPMENT NAME (“Development”):	Silver Oaks
DEVELOPER/PRINCIPAL (“Applicant”):	SP Johnson Kenneth Court LP/SP Johnson Kenneth Court GP, Inc./Southport Financial Services, Inc./J. David Page, individually
NUMBER OF UNITS:	200
LOCATION (“County”):	Hillsborough
TYPE (Rental, Homeownership):	Rental/Family (Low Income Housing Tax Credits (“HC”) Tax Credit Exchange Program (“TCEP”))
SET ASIDE:	20% @ 25% (HC) 80% @ 60% (HC 20% @ 35% (TCEP) 80% @ 60% (TCEP)
ALLOCATED AMOUNT:	\$1,734,259 9% HC allocation and \$6,650,000 TCEP allocation

1. Background

- a) Prior to the IRS suspension of compliance monitoring due to COVID, Florida Housing’s contracted monitor First Housing Development Corporation (“First Housing”) visited the Silver Oaks on 8/25/2017. The property failed its records and physical reviews, but all items were subsequently cured. The 2020 review was cancelled due to COVID.
- b) Florida Housing became aware of a news article describing residents’ concerns alleging black mold and a “rodent nightmare.” We immediately reached out to ownership and management of Silver Oaks for their response, action plan and timetable for remediation. First Housing will be on-site to conduct a review of Silver Oaks on 5/3/2021.
- c) Southport’s initial response addressed the actions that have been taken thus far to address sewage leaks and sewer/sanitary backups. Management has reported that all residential building sanitary lines have been scoped and jetted over the last few months. This process identified some areas with foreign objects in the pipes and some areas with sagging pipes and tree root intrusion. Management solicited bids and reports that repair work is in progress.
- d) Management also advised that Cambridge Management had been performing quarterly housekeeping inspections until they were suspended due to COVID. Their first inspection this year was noticed 4/15/2022 and would occur 4/19 – 4/21. Southport’s response did not address remediation for the reported “mold” and rodent issues. Florida Housing requested clarification regarding Cambridge’s policy to only inspect units quarterly, rather than monthly. In addition, Florida Housing requested Southport address plans for mold remediation/air quality as well as their plan for vermin exclusion.

FISCAL
Information

I. FISCAL

A. Operating Budget Analysis for February 28, 2022.

1. Background/Present Situation

- a) The Financial Analysis for February 28, 2022, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending February 28, 2022, 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 3/31/22, 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.¹ 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 3/31/22	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12
\$5.0M	\$5.0M	\$5.1M	\$5.2M	\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M	\$468.5M

¹ Real Capital Analytics, April 2011

GUARANTEE PROGRAM

Information

- c) 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 3/31/22	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Loans (#):		0	0	0	2	0	1	5	17	22	22	9
Risk ceded (\$):		n/a	n/a	n/a	\$14.4M	n/a	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M	\$84M

- 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 \$144 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "AA-f" by Standard & Poor's as of June 30, 2021.

C. Current Ratings (Insurer Financial Strength)

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

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

^[1] Standard & Poor's, "Florida Affordable Housing Guarantee Fund", May 21, 2020, www.standardandpoors.com/ratingsdirect.

^[2] Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, www.fitchratings.com. Fitch Ratings 2021 surveillance was concluded on August 18, 2021 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 0.03:1 as of 3/31/22. 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 development listed below has requested changes to the Extended Use Agreement:

1. Background/Present Situation

- a) Stratford Point Apartments (2000-537C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Seminole County on November 6, 2001; as affected by that certain Amendment and Subordination of Existing Extended Low-Income Housing Agreement recorded on June 12, 2013; as modified by that certain Assignment and Assumption of and Second Amendment to Extended Low-Income Housing Agreement recorded on August 10, 2020; as further modified by that certain Assignment and Assumption of Extended Low-Income Housing Agreement recorded on November 16, 2021; as further modified by that certain Amendment to and Subordination of Existing Extended Low-Income Housing Agreement recorded on November 16, 2021.
- b) On March 9, 2022, staff received a letter from the Owner requesting a revision to Section 2(e)(3) of the EUA to swap the development specific feature and amenity of air-conditioned racquetball court to a game room with equipment including foosball and billiard tables.
- c) Staff will amend the EUA as appropriate.

B. Staff will deviate from RFA requirements as follows:

1. Background/Present Situation

- a) Certain RFAs beginning in the 2020/2021 RFA cycle (RFAs 2020-201, 2020-202, 2020-203, 2020-204, 2020-205, 2020-211, 2021-103, 2021-106, 2021-108, 2021-201, 2021-202, 2021-203, 2021-204, 2021-205, 2021-208, 2022-103, 2022-106, 2022-208, and 2022-301) include the following (or similar) language pertaining to operating deficit reserve requirements and the documentation of these requirements within the limited partnership agreement or limited liability company operating agreement:

Operating Deficit Reserves

An operating deficit reserve is not to be included as part of Development Costs and cannot be used in determining the maximum Developer Fee. Applicants may not enter any amounts pertaining to any type of reserve other than the contingency reserve mentioned above on the Development Cost Pro Forma as part of the Application process. A reserve, including an operating deficit reserve, if necessary as determined by an equity provider, first mortgage lender, and/or the Credit Underwriter engaged by the Corporation in its reasonable discretion, will be required and sized in credit underwriting. The inclusion of any reserve is not permitted in the Application (other than the permitted contingency reserve) which may include, but is not limited to, operating deficit reserve, debt service shortfalls, lease-up, rent-re-stabilization, working capital, lender or syndicator required

HOUSING CREDITS

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reserve(s), and any pre-funded capital (replacement) reserves. If any reserve other than the permitted contingency reserve can be identified and is included in the Development Cost Pro Forma, the Corporation will remove it during Application scoring.

In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development's capital replacement reserve account (provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant's obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant's organizational agreement (i.e., operating or limited partnership agreement whereby its final disposition remains under this same restriction. The actual direction of the disposition is at the Applicant's discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

The Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the above requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's requirements stated above, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

- b) Corporation staff have found it difficult to implement the last paragraph requiring staff to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement as it has required staff to review and analyze a third-party legal document.

HOUSING CREDITS

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- c) In lieu of analyzing the limited partnership agreement or limited liability company operating agreement, staff will rely on the documentation provided by the Applicant as part of their 21-day submission requirements, which requires the Applicant to provide confirmation that the limited partnership agreement or limited liability operating agreement will comply with the operating deficit reserve requirement outlined in the RFA. Additionally, within future RFAs, acknowledgement of adherence to this requirement will also be included in the Applicant Certification and Acknowledgement Form.

C. The development listed below has requested changes to the Extended Use Agreement:

1. Background/Present Situation

- a) Stone Harbor Apartments – Phase II is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Bay County on July 20, 2005.
- b) On February 18, 2022, staff received a letter from the Owner requesting a revision to Section E of the Exhibit “B” of the EUA to allow the inclusion of a heat pump with a minimum HSPF of 7.5 instead of electric resistance as an allowable method of heating under the original Application.
- c) Staff will amend the EUA as appropriate.

MULTIFAMILY PROGRAMS

Information

I. MULTIFAMILY PROGRAMS

A. RFA Updates

1. Background/Present Situation

- a) A 2022/2023 General RFA workshop was held on April 13, 2022.
- b) A fourth workshop for RFA 2022-210 Permanent Supportive Housing Focusing on Best Practices and Funding for Tenancy Supports and Resident Services Coordination for High Utilizers of Public Behavioral Health Systems will be held on May 10, 2022. Staff expects to issue the RFA on June 7, 2022, with an Application Deadline of July 19, 2022.

MULTIFAMILY PROGRAMS

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B. Changes to Construction Features and Amenities

1. Background/Present Situation

- a) The following development has requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs in their application since the last Board Meeting:
- (1) The Quarry (RFA 2016-112 / 2017-168CS / 2019-446CS), (RFA 2018-109 / 2018-339V): The borrower has requested to change the Green Building Feature “Energy efficient windows in each unit (3 points)” to “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)”. The scoring of the application will remain unaffected.
 - (2) Village on Mercy f/k/a Mercy Project (RFA 2016-102 / 2016-327CS / 2017-300CS), (RFA 2017-109 / 2017-287V): The borrower has requested to update the Green Building Feature language “Energy Star qualified water heater” to:
 - Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = Energy Star certified;
 - (3) The scoring of the application will remain unaffected.
 - (4) Cameron Preserve Apartments (RFA 2016-102 / 2016-325CS / 2018-366CS): The borrower has requested to update the Green Building Feature language “Water heater with a minimum .95 EF” to “Water heater with a minimum .94 EF/.92UEF or .95 EF”: and change the Green Building Certification program “Florida Green Building Coalition (FGBC)” to “ICC 700 National Green Building Standard (NGBS)”. The scoring of the application will remain unaffected.
 - (5) Marquis Apartments (RFA 2018-116 / 2019-161SN): The borrower has requested to update the Green Building Feature language for the water heaters to:
 - Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = Energy Star certified;
 - (6) (Electric tankless water heaters with an energy efficiency of .97 will be utilized which Florida Housing has deemed to meet the requirements of the RFA.) The scoring of the application will remain unaffected.

MULTIFAMILY PROGRAMS

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C. The development listed below has requested changes to the Extended Use Agreement

1. Background/Present Situation

- a) Residences at Crystal Cove is a 9% Housing Credit / SAIL Development. The Land Use Restriction Agreement (LURA) was recorded in Monroe County on June 6, 2019. The First Amendment to Land Use Restriction Agreement (First Amendment) was recorded in Monroe County on December 23, 2020. The Extended Low-Income Housing Agreement (EUA) was recorded in Monroe County on October 4, 2021.
- b) On March 21, 2022, staff received a letter from the Owner requesting a revision to Section A of the Exhibit "B" of the EUA to change the number of garden residential buildings from six (6) to one (1).
- c) Staff will amend the Land Use Restriction Agreement(s) and/or Extended Use Agreement(s) for the developments as appropriate.

D. The development listed below has requested changes to the Extended Use Agreement

1. Background/Present Situation

- a) Stone Harbor is a 4% Housing Credit / SAIL / MMRB Development. The SAIL 2002-075BS Land Use Restriction Agreement (SAIL LURA) and the MMRB 2002-075BS Land Use Restriction Agreement (MMRB LURA) were recorded in Bay County on May 5, 2003. The Housing Credit 2002-550C Extended Use Agreement (EUA) was recorded in Bay County on May 23, 2005. For the Bonds, the First Amendment to Land Use Restriction Agreement (Bond First Amendment) and the Assignment, Assumption and Affirmation of Land Use Restriction Agreement (Bond Assignment) was recorded in Bay County on December 15, 2020. For SAIL, the Assignment, Assumption and Affirmation of Land Use Restriction Agreement (SAIL Assignment) was also recorded in Bay County on December 15, 2020.
- b) On February 18, 2022, staff received a letter from the Owner requesting a revision of the Exhibit "B" of the EUA and both LURAs to allow the inclusion of a heat pump with a minimum HSPF of 7.5 instead of electric resistance as an allowable method of heating under the original Application.
- c) Staff will amend the EUA and LURAs as appropriate.

NATURAL DISASTERS UPDATE

Information

I. NATURAL DISASTERS UPDATE

A. Hurricane Michael

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. By December 31, 2020, 100% of the previously uninhabitable units were reoccupied¹.

¹ The city of Panama City planned to purchase Independence Village (Bay County). The 24 uninhabitable units were demolished and the city plans to replace the units with affordable workforce housing. On June 2, 2021, the city advised that all communications ceased with Independence Village, LLC., whose managing member is Big Bend Community Based Care, Inc. Florida Housing has initiated foreclosure proceedings. Communications resumed and all parties are hopeful a resolution will be reached and the property will be sold to the city of Panama City.

NATURAL DISASTERS UPDATE

Information

- e) Forty-one developments have completed all work and debris removal. Work on fence replacement at Northgate Terrace II is now projected to be completed by May 15, 2022. 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](#).

B. Hurricane Sally

1. Background/Present Situation

- a) Florida Housing has 113 developments in its portfolio located in the 14 counties declared a major disaster due to Hurricane Sally. Of the 21 developments that reported mostly limited damage, 20 completed all repairs. A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Sally is attached as [Exhibit C](#). No households were displaced by the storm.

C. Hurricane Eta

1. Background/Present Situation

- a) Damage reports received indicated limited to moderate damage to roofs and windows combined with limited landscape damage. Of the 34 properties that sustained damage, 33 have completed all repair work as of December 31, 2021. Thirty (30) households were displaced due to flooding at Glorieta Gardens in Opa-Locka, Miami-Dade County. As of March 31, 2022, management reported 13 households remain displaced. A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane ETA is attached as [Exhibit D](#).

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 four first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Fannie Mae HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Salute Our Soldiers (SOS) Military Loan 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 U.S. 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 and HFA Advantage programs offer first mortgage loan products developed specifically for state housing finance agencies. These programs are offered both as bond-financed products as well as forward delivery "To Be Announced" (TBA) products in conjunction with our TBA Program Administrator, Hilltop Securities. Single Family Program Staff sets daily mortgage interest rates for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers 30-year, fixed-rate mortgages.
- d) Borrowers at or below 80% of the area median income (AMI) benefit from lower mortgage insurance costs on these loans when compared to other conventional mortgage products, as well as similar government-insured loans such as FHA.
- e) The SOS Military Loan Program offers our veterans and active duty military service personnel 30-year, fixed-rate first mortgage loans with lower interest rates than our standard loan programs. The SOS Military Loan Program also offers several down payment assistance options. This program is available in all 67 counties throughout Florida to borrowers who are purchasing a primary residence, satisfy income and purchase price limits, can qualify for a first mortgage loan, and successfully complete a homebuyer education course. We have exceeded the original goal of assisting 1,000 military families with \$8 million of DPA. As of April 18th, our Lenders have originated 1,099 loans totaling over \$282 million in first mortgage loan volume and over \$8.7 million in DPA assistance. Of the loans originated, 113 did not use our DPA. Instead, these borrowers took advantage of the low first mortgage interest rates and low fees that are available with the SOS Military Loan Program. We structured this

SINGLE FAMILY HOMEBUYER PROGRAMS

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program to offer a lower housing payment and reduced closing costs for our military and veteran buyers.

- f) Florida Housing offers qualified homebuyers DPA in the form of a second mortgage loan in conjunction with our first mortgage loan programs. Our Florida Assist loan is a 0% interest, non-amortizing, deferred payment loan in the amount of \$10,000. This second mortgage program serves homebuyers with an AMI of up to 120%, adjusted for household size. It is repayable in the event the home is sold, refinanced, deed is transferred, or the home is no longer the borrower's primary residence.
- g) The HFA Preferred PLUS and the HFA Advantage PLUS programs offer 3%, 4% and 5% of the loan amount in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced, deed transferred, or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any unforgiven balance becomes due and payable.
- h) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all of our first 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.
- i) Single Family Program Staff continually offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (CE) course for realtors. This course is coordinated through local realtor boards throughout the state. Realtors who attend these classes receive a general three-hour CE credit while learning about our Homebuyer Loan Programs and other affordable housing programs available to their potential homebuyers. Florida Housing has permanent approval from DBPR 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. Some local realtor organizations have expressed an interest in having us offer in-person classes again. Staff will resume in-person presentations, where feasible, once the realtor boards are able to guarantee a minimum of 25 realtors for each class. Since February 8th, 2022, we have held online classes for the following realtor associations; Pinellas REALTOR® Organization & Central Pasco REALTOR® Organization, Key West Association of Realtors, Daytona Beach Area Association of REALTORS®, Inc., Royal Palm Coast REALTOR® Association, East Polk County Association of Realtors, Martin County Board of Realtors and Ocala/Marion County Association of Realtors®. Approximately 250 realtors attended these classes.
- j) Single Family Program Staff also conducts telephonic and webinar trainings for lender partners throughout the state. Lender trainings generally consist of program requirements and recent updates, system training with our compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer (US Bank Home Mortgage). Together, Florida Housing, eHousingPlus 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've started a monthly "Lunch & Learn" call for our lenders, covering various topics

SINGLE FAMILY HOMEBUYER PROGRAMS

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of interest. Our first two classes were attended by over 800 staff members from our Participating Lenders.

- k) Additionally, we partner with other stakeholders such as mortgage insurance (MI) providers and the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes. We have held online trainings. We participated in person as presenters of our program with the NAMMBA (National Association of Minority Mortgage Bankers of America) Connect Tour and the Royal Palm Coast Realtor Association Housing Symposium. These two events were attended by over 220 loan officers and realtors. We also participated online as a panelist for the Freddie Mac 2022 HFA Eastern Regional Symposium attended by 309 loan officers and realtors.

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HOMEBUYER LOAN PROGRAMS SUMMARY

	2021 HLP Program Totals	2022 HLP Program Totals	2022 HLP Government Loan Programs Totals	2022 HLP Conventional Loan Programs Totals
Average 1 st Mortgage Loan Amount	\$196,813.00	\$215,742.00	\$220,679.00	\$206,593.00
Average Acquisition Price	\$204,282.00	\$222,157.00	\$224,679.00	\$217,484.00
Average Compliance Income	\$53,192.00	\$56,156.00	\$56,936.00	\$54,710.00*
County Area Median Income %	67%	70%	68%	75%*
Total Purchased 1 st Mortgage Loan Amounts	\$840,786,523.00	\$225,882,205.00	\$150,062,382.00	\$75,819,823.00
Total # of Units	4,272	1,047	680	367

*based on credit qualifying income, not MRB Limits

2022 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Duval	219	\$48,144,492.41	\$2,086,991.00
Polk	71	\$14,737,168.15	\$683,108.00
Pasco	58	\$11,786,541.50	\$517,629.00
Hillsborough	55	\$13,384,689.96	\$527,997.00
Leon	48	\$8,449,171.10	\$443,507.00
Pinellas	38	\$8,025,244.35	\$344,553.00
Escambia	36	\$7,052,291.31	\$355,307.00
Brevard	32	\$7,197,299.82	\$308,931.00
Lee	32	\$7,331,529.72	\$322,263.00
Okaloosa	32	\$8,412,425.66	\$316,698.00