

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
May 10, 2019
Information Items



FISCAL
Information

I. FISCAL

A. Operating Budget Analysis for March 31, 2019.

1. Background/Present Situation

- a) The Financial Analysis for March 31, 2019, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending March 31, 2019, is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

II. 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 3/31/19, three (3) multifamily developments remain in the Guarantee Program portfolio; one (1) is a Risk-Sharing transaction.
- 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 97%, as reflected below:

Portfolio Risk Exposure

As of 03/31/19	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
\$19.8M	\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9 M	\$306.5 M	\$468.5 M	\$578.8 M	\$728.3 M

- 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

¹ Real Capital Analytics, April 2011

GUARANTEE PROGRAM

Information

behind the reduction in Total Commitments reflected above. Refinancing activity is reflected in the following chart:

		Refinancing Activity									
		As of 3/31/19	2018	2017	2016	2015	2014	2013	2012	2011	2010
Loans (#):	Risk ceded (\$):	0	0	1	5	17	22	22	9	12	2
		n/a	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 \$136.0 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+F" by Standard & Poor's as of September 30, 2017.

C. Current Ratings (Insurer Financial Strength)

1. Background/Present Situation

- a) Standard & Poor's: April 2017 A+ / Stable outlook

Cited strengths: "Strong state financial support...Strong asset quality...Strong asset management policies"^[1]

- b) 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", April 11, 2017, 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.

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 .15:1 as of 3/31/19. Capital not needed to support the outstanding Guarantees has been made available to the SAIL program for use in the 2016-2018 competitive solicitations. Specifically, \$40 million was made available to workforce housing and the remaining \$73 million to SAIL.

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

HOUSING CREDITS

Information

III. HOUSING CREDITS

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

1. Background/Present Situation

- a) Madison Crossing (2014-010C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Osceola County on April 12, 2016. The First Amendment to the Extended Low-Income Housing Agreement (EUA) was recorded in Osceola County on May 25, 2017.

On March 1, 2019, staff received a letter from the Applicant requesting a revision to the number of Building Identification Numbers (BINs) provided within Exhibit "B," Section A of the executed Extended Low-Income Housing Agreement (EUA).

Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

- b) Pinnacle Cove (2000-038C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Orange County on October 18, 2001. Subsequently, the First Amendment to Extended Low-Income Housing Agreement (First Amendment) was recorded in Orange County on October 19, 2015, and the Subordination of and Second Amendment to Extended Low-Income Housing Agreement (Second Amendment) was recorded in Orange County on June 29, 2018.

On March 1, 2019, staff received a letter from the Owner requesting an amenity swap to replace the Volleyball Court (Outside Recreation facility) with a Vita-Course (Outside Recreation facility).

Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

- c) Pinnacle Pines (2004-051C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Polk County on November 17, 2005.

On March 1, 2019, staff received a letter from the Owner requesting an amenity swap to replace the Volleyball Court (Outside Recreation facility) with a Vita-Course (Outside Recreation facility).

Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

HOUSING CREDITS

Information

- d) River Oaks (2016-505C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Miami-Dade County on March 22, 2018.

On March 25, 2019, staff received a letter from the Applicant requesting a revision to the number of residential buildings provided within Section 2(e) of the executed Extended Low-Income Housing Agreement (EUA).

Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

- e) Landon Pointe Apartments (2016-515C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Orange County on January 9, 2019.

On March 22, 2019, staff received a request letter from the Applicant to amend the Extended Low-Income Housing Agreement (EUA) to include a necessary HUD Rider. The United States Department of Housing and Urban Development requires all restrictive covenants, including those executed in connection with low-income housing tax credits, to include a HUD Rider, which subordinates the Extended Low-Income Housing Agreement (EUA) to the HUD-insured loan.

Staff will amend the Extended Low-Income Housing Agreement (EUA) as appropriate.

HOME RENTAL

Information

IV. HOME RENTAL

A. Changes to Amenities and/or Resident Programs

1. Background/Present Situation

- a) The following development has requested ([Exhibit A](#)) and staff has approved the following changes to the LURA from their Application since the last Board meeting:
 - (1) Century Park (2016-105H) has requested to amend the HOME LURA language from “Energy Star water heaters” and replace that language with “water heaters with a minimum energy factor of .95EF”. The change would have no effect on scoring. In addition, there was a scrivener’s error in the Required Resident Programs that needs to be corrected. The After School Program for Children needs to be provided for children “during after school hours” instead of “during school hours.”
- b) The LURA will be amended subject to further approvals and verifications by the Special Counsel and the appropriate Florida Housing Staff.

B. Changes to Amenities and/or Resident Programs

1. Background/Present Situation

- a) The following development has requested and staff has approved the following changes to the LURA from their Application since the last Board meeting:
 - (1) The Park Crest Terrace II (99HR-048) LURA contains the following items which did not receive scoring points and were not required by the Application, “The duplexes will be one and two story, wood frame construction, with brick veneer and siding exterior wall finishes. Two and three bedroom units will be located in one-story buildings and four bedroom units will be located in two-story buildings. Roofs will be wood trusses covered with plywood decking, #15 felt and fiberglass shingles. Ground floor foundations will be concrete slabs on grade. Second floors will be wood decking over wood floor joists. Interior walls will be painted drywall over wood frames. Interior floor coverings will be vinyl in the kitchen, foyer, baths, and connecting areas, and carpet throughout the remaining living areas. The Development is designed to conform with Section 504, the American with Disabilities Act (“ADA”), and the Federal Fair Housing Act requirements. There will be 214 parking spaces.” This language is being removed and scoring of the Application remains unaffected.
- b) The LURA will be amended subject to further approvals and verifications by the Special Counsel and the appropriate Florida Housing Staff.

LEGAL

Information

V. LEGAL

A. Legal

1. Background/Present Situation

- a) Pursuant to Resolution No. 2018-035A, the Board of Directors of Florida Housing Finance Corporation delegated its authority under Section 120.542, Fla. Stat., to consider, grant, or deny variances to the current and prior versions of Rules 67-21.027(1), 67-21.003(1)(b), and 67-48.0023(2), Fla. Admin. Code, to the Executive Director, the General Counsel, the Director of Multifamily Development, and the Director of Multifamily Allocations of Florida Housing. These variances would allow applicants for housing tax credits that had submitted applications prior to July 8, 2018, to change their minimum set-aside election to the Average Income test. To date, Florida Housing has issued such variances to the following:

<u>Applicant</u>	<u>Development</u>	<u>County</u>
HTG Palms, LLC	The Palms at Town Center	Flagler
Arbours at Hester Lake, LLC	Arbours at Hester Lake	Pasco
Centerra Associates, Ltd.	Centerra	Miami-Dade
Ambar Key Homes, Ltd.	Ambar Key Homes	Miami-Dade
Ambar Key, Ltd.	Ambar Key	Miami-Dade
Marathon Key Housing Partners	Residences at Marathon Key	Monroe
Crystal Cove Housing Partners	Residences at Crystal Cove	Monroe

MULTIFAMILY BONDS

Information

VI. MULTIFAMILY BONDS

A. Changes to Construction Features and Amenities and/or Resident Programs

1. Background/Present Situation

- a) The following developments have requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs in their Applications since the last Board meeting:
- (1) Seminole Ridge Apartments (1999 Series O-1 and O-2 / 2000-528C) MMRB Land Use Restriction Agreement requires “Interior floor coverings will be vinyl flooring in the entry, kitchen, laundry and baths, with wall-to-wall carpet throughout the remaining living areas.” The Borrower has requested to allow installation of vinyl flooring in place of carpet as needed. However, staff approved this selection to be removed as it was not part of their application and no points were awarded. Scoring of the Application remains unaffected.
 - (2) Logan Heights (1999 Series M / 2018 Series F / 2000-509C / 2016-558C) MMRB Land Use Restriction Agreement under 1999 Series M requires “interior floor coverings will consist of vinyl flooring in the entry, kitchen, laundry and bath areas. All remaining areas will have wall-to-wall carpeting.” The Borrower has requested to allow vinyl flooring or a similar flooring product. Staff approved this selection to be removed as it was not part of their application and no points were awarded. The Extended Low-Income Housing Agreement under 2000-509C requires a “kitchen pantry with dimensions of 6’8”H x 24’W x 18”D”. The Borrower has requested to swap the kitchen pantry for “two or more parking spaces per total number of units.” Scoring of the Application remains unaffected.
 - (3) River Trace Apartments (2000 Series V/2000-547C/2016-518C) MMRB Land Use Restriction Agreement requires “shuffleboard court and community garden.” The Borrower has requested to swap these amenities for “two new playground areas, a covered picnic pavilion and a bus shelter at the entrance of the development. Scoring of the Application remains unaffected.
- b) Staff will amend the Land Use Restriction Agreement(s) and/or Extended Low-Income Housing Agreement(s) for the developments as appropriate.

MULTIFAMILY PROGRAMS

Information

VII. MULTIFAMILY PROGRAMS

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

1. Background/Present Situation

- a) Pinnacle Pointe (2003 Series N / 2004-047S / 2003-512C) is a 4% Housing Credit Development utilized in conjunction with SAIL funding and FHFC Bonds. The Bonds Land Use Restriction (Bonds LURA) was recorded in Orange County on July 30, 2003, and the First Amendment to Land Use Restriction Agreement (Bonds First Amendment) was recorded on February 22, 2016. The Extended Low-Income Housing Agreement (EUA) was recorded on April 30, 2004. The First Amendment to Extended Low-Income Housing Agreement (HC First Amendment) was recorded on November 17, 2015. The SAIL Land Use Restriction Agreement (SAIL LURA) was recorded on June 28, 2005.

On March 1, 2019, staff received a letter from the Owner requesting an amenity swap to replace the Volleyball Court (Outside Recreation facility) with a Vita-Course (Outside Recreation facility).

Staff will amend the Extended Low-Income Housing Agreement (EUA) and Bonds and SAIL Land Use Restriction Agreements (LURA) as appropriate.

- b) Siena Gardens Apartments (2002-119CS) is a 9% Housing Credit Development utilized in conjunction with SAIL funding. The Extended Low-Income Housing Agreement (EUA) was recorded in Bay County on December 18, 2003, and the Land Use Restriction Agreement (LURA) was recorded on April 9, 2003.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the Land Use Restriction Agreement (LURA) as appropriate.

- c) The Gardens at Rose Harbor Apartments (MR2003J/2002-121BS/2002-549C) is a 4% Housing Credit Development utilized in conjunction with FHFC Bonds and SAIL funding. Both the SAIL Land Use Restriction Agreement (SAIL LURA) and the Bonds Land Use Restriction Agreement (Bonds LURA) were recorded in Hillsborough County on April 17, 2003. The Extended Low-Income Housing Agreement (EUA) was recorded in Hillsborough County on April 16, 2004. The First Amendment to Land Use Restriction Agreement (Bonds First Amendment) was recorded on January 6, 2015.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the SAIL and Bonds Land Use Restriction Agreements (LURA) as appropriate.

MULTIFAMILY PROGRAMS

Information

- d) Savannah Cove Apartments (2003-103CS) is a 9% Housing Credit Development utilized in conjunction with SAIL funding. The Land Use Restriction Agreement (LURA) was recorded in Pinellas County on March 19, 2004 and, subsequently, the First Amendment to Land Use Restriction Agreement (First Amendment) was recorded in Pinellas County on July 9, 2004. The Extended Low-Income Housing Agreement (EUA) was recorded in Pinellas County on February 28, 2005.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the Land Use Restriction Agreement (LURA) as appropriate.

- e) Williams Landing Apartments (1999-035CS) is a 9% Housing Credit Development utilized in conjunction with SAIL funding. The Land Use Restriction Agreement (LURA) was recorded in Hillsborough County on December 10, 1999. The First Amendment to Land Use Restriction Agreement (LURA First Amendment) was recorded in Hillsborough County on January 23, 2001, and the Second Amendment to Land Use Restriction Agreement (LURA Second Amendment) was recorded in Hillsborough County on November 15, 2001. The Extended Low-Income Housing Agreement (EUA) was recorded in Hillsborough County on November 21, 2000 and, subsequently, the First Amendment to Extended Low-Income Housing Agreement (EUA First Amendment) was recorded in Hillsborough County on August 16, 2001.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring. The Owner received approval to remove 'carpet throughout the remaining living areas', as it was not a scored point item in the original application. Scoring of the Application remains unaffected.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the Land Use Restriction Agreement (LURA) as appropriate.

- f) Jamestown Woods Apartments (2002-120CS) is a 9% Housing Credit Development utilized in conjunction with SAIL funding. The Land Use Restriction Agreement (LURA) was recorded in Leon County on April 9, 2003 and the Extended Low-Income Housing Agreement (EUA) was recorded in Leon County on July 3, 2004. Subsequently, First Amendment to Land Use Restriction Agreement (First Amendment) was recorded in Leon County on January 29, 2010.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the Land Use Restriction Agreement (LURA) as appropriate.

MULTIFAMILY PROGRAMS

Information

- g) Nantucket Bay Apartments (1998-075CS) is a 9% Housing Credit Development utilized in conjunction with SAIL funding. The Land Use Restriction Agreement (LURA) was recorded in Hillsborough County on January 8, 1999, and the Extended Low-Income Housing Agreement (EUA) was recorded in Hillsborough County on December 21, 1999. Subsequently, the First Amendment to Land Use Restriction Agreement (First Amendment) was recorded in Hillsborough County on January 23, 2001, and the Second Amendment to Land Use Restriction Agreement (Second Amendment) was recorded in Hillsborough County on April 29, 2015.

On March 29, 2019, staff received a letter from the Owner requesting to replace the carpet flooring in all units with vinyl plank flooring. The Owner received approval to remove 'carpet throughout the remaining living areas', as it was not a scored point item in the original application. Scoring of the Application remains unaffected.

Staff will amend the Extended Low-Income Housing Agreement (EUA) and the Land Use Restriction Agreement (LURA) as appropriate.

MULTIFAMILY PROGRAMS – ALLOCATIONS

Information

VIII. MULTIFAMILY PROGRAMS – ALLOCATIONS

A. Present Situation of Multifamily Allocations

1. Background/Present Situation

RFA Updates

- RFA 2019-108 SAIL Funding for Farmworker and Commercial Fishing Worker Housing was issued on April 11, 2019. The Application Deadline was May 7, 2019.

2019/2020 General RFA Workshop

- The Corporation will hold a 2nd general workshop regarding the 2019/2020 RFA cycle on June 5, 2019, in Orlando.

PROFESSIONAL SERVICES SELECTION (PSS)

Information

IX. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for OnBase Web Integration Project

1. Background

- a) Florida Housing uses OnBase as its document management system. Hyland Software, Inc., is the developer of our OnBase software and has designated DataBank IMX as Florida Housing's registered Certified Solution Provider. A copy of the letter from Hyland Software is attached as [Exhibit A](#).

2. Present Situation

- a) Florida Housing has a need to integrate the OnBase platform with our website content management system and the new ProLink multifamily database.
- b) The estimated cost of these services for another one-year period is \$19,350. As permitted in Ch. 67-49.0032(1), F.A.C., the Executive Director has authorized staff to enter into the single source procurement processes for these services. As of April 25, 2019, no comments have been received as a result of the single source notice posted on Florida Housing's website.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Information

X. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. Changes to Construction Features and Amenities and/or Resident Programs

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) Brookside Square / RFA 2014-111 (2014-417S) – The Land Use Restriction Agreement (LURA) states that “the Owner must provide grab bars in each tub or shower in each unit, as applicable, at the request of the residents.” As evidenced by the Final Credit Underwriting Report, dated June 3, 2015, grab bars are not feasible at the Development due to building construction limitations. The grab bar requirement was included in the LURA in error. As it was not a scored point item in the original application, scoring of the Application remains unaffected.
 - (2) Park Crest Terrace / SAIL Cycle 1998 (1998-080CS) – The Land Use Restriction Agreement (LURA) contains the following items, which were not scored point items or requirements: “The duplexes will be one and two story, wood frame construction, with brick veneer and siding exterior wall finishes. Two and three bedroom units will be located in one-story buildings and four bedroom units will be located in two-story buildings. Roofs will be wood trusses covered with plywood decking, #15 felt and fiberglass shingles. Ground floor foundations will be concrete slabs on grade. Second floors will be wood decking over wood floor joists. Interior walls will be painted drywall over wood frames. Interior floor coverings will be vinyl in the kitchen, foyer, baths, and connecting areas, and carpet throughout the remaining living areas. The Development is designed to conform with Section 504, the American with Disabilities Act (“ADA”), and the Federal Fair Housing Act requirements. There will be 214 parking spaces.” The language is being removed, and scoring of the Application remains unaffected.
 - (3) Landings of St. Andrew / RFA 2015-104 (2015-245CS/2017-196CS) – Replace “Reinforced walls for future installation of horizontal grab bars in place around each toilet, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall)” with “Toggle fastener system for future horizontal grab bar installation.” Scoring of the Application will remain unaffected.
 - (4) Cedar Forest Apartments / SAIL Cycle 1998 (97L-046/1998-012S) – The Land Use Restriction Agreement (LURA) states “Interior floor coverings will be vinyl in the kitchen, laundry room and baths, with carpet throughout the remaining living areas.” The Borrower received approval to remove “carpet throughout the remaining living areas.” As it was not a scored point item in the original application, scoring of the Application remains unaffected.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Information

- (5) Newport Landing Apartments / 2000 Universal Cycle (2000-091CS) – The Land Use Restriction Agreement states “Interior floor coverings will be vinyl in the foyer, kitchen, laundry and bathrooms, with carpet throughout the remaining living areas.” The Borrower received approval to remove “carpet throughout the remaining living areas.” As it was not a scored point item in the original application, scoring of the Application remains unaffected.
- (6) 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

XI. SINGLE FAMILY HOMEBUYER PROGRAMS

A. Single Family Homebuyer Programs

1. Background/Present Situation

- a) Florida Housing continues to have funds continuously available for qualifying homebuyers through FHFC Homebuyer Loan Programs. Florida Housing's 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 two Homebuyer Loan Programs; the Florida First Government Loan Program (Government Loan Program) and the Florida HFA Preferred Conventional Loan Program (HFA Preferred). 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. Included in this program is the Military Heroes Program, which offers both honorably discharged veterans and active duty military personnel the benefit of a lower first mortgage interest rate.
- c) The HFA Preferred Conventional Loan Program offers a 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 one of our contracted investment bankers, Raymond James. 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 benefit 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.
- d) Florida Housing primarily offers qualified homebuyers DPA in the form of a second mortgage loan on both the Government Loan Program and HFA Preferred loans. 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.
- e) We also offer a 3% or 4% grant program as part of the HFA Preferred PLUS Conventional Loan Program. The grant program offers borrowers either 3% or 4% of the purchase price in non-repayable assistance to help with down payment and closing costs. The HFA Preferred PLUS, like the HFA Preferred, offers

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

daily pricing. Our HFA Preferred PLUS grant provides assistance to borrowers with an area median income (AMI) of up to 140%, adjusted for household size.

- f) We have reintroduced an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This is offered across all of our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed rate and is repaid in monthly payments over 15 years.

- g) On March 4, 2019, we relaunched the Hardest Hit Fund (HHF) DPA Program that utilizes repayments collected from previous HHF-funded Programs. We will make approximately \$20 million available under this DPA Program. For the relaunch, Florida Housing used the latest market data to conduct a Treasury-mandated assessment of lingering negative effects in local housing markets. Of the previous 11 eligible counties, 5 met this requirement. They are; Clay, Duval, Osceola, Hillsborough and Pasco Counties. This Program can serve borrowers with incomes up to 140% AMI and offers the following benefits to qualified borrower(s):
 - (1) Up to \$15,000 in assistance.
 - (2) 0% interest rate.
 - (3) A five-year, deferred loan that is forgiven at the rate of 20% per year, provided the borrower is not in default.
 - (4) Borrower(s) qualifying for an eligible FHFC Homebuyer Program Loan in Clay, Duval, Hillsborough, Osceola and Pasco counties automatically qualify.

- h) 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 182 approved Participating Lenders in the MCC Program compared with 250 in our Homebuyer Loan Program. The current 2018 MCC Program utilizes a multi-credit structure, ranging from a 10% to 30% credit rate, which is dependent upon the dollar amount of the underlying first mortgage. Homeowners receiving a credit in excess of 20% may claim a credit up to \$2000 annually while those at 20% and below are not capped. By adopting this structure, we have been able to extend the life of the program while also providing the federal tax credit benefit to more borrowers. The outsourcing of Compliance Administration duties to Hilltop Securities, Inc. was completed on November 1, 2018. As part of the negotiated services provided, Hilltop has made available a new reservation system for our MCC Program that allows for the electronic upload of files. This is saving Participating Lenders the cost of overnighting paper files and makes compliance review by Hilltop more efficient. Because of this and other efficiencies, the cost of compliance review was reduced from \$500 to \$450 for our MCC borrowers.

- i) 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

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

Credit Certificate Program, and other affordable housing programs available to their potential homebuyers. We strive to market to large groups such as Realtors and lenders statewide to maximize the benefit of our time and travel and to help others learn about the resources available through our programs. Four classes were held on April 17th and 18th in Tamarac, Boca Raton, West Palm Beach and Port St. Lucie. A total of 145 Realtors pre-registered for these classes.

- j) Single Family Program Staff also conducts telephonic, webinar and face-to-face trainings for lender partners throughout the state. Training consists 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. Homeownership Staff recently conducted two training calls with over 1500 registered participants for the relaunch of the HHF DPA Program.
- k) Florida Housing sponsors a toll-free telephone line (800-814-HOME), for first time homebuyers to call for information about our program. Callers are able to receive information through pre-recorded information that directs them to our Homebuyer Loan Program Wizard tool, which is located on our website. Those callers that have additional questions are transferred to Single Family Staff for assistance.

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

HOMEBUYER LOAN PROGRAMS SUMMARY

	2018 HLP Program Totals	2019 YTD HLP Totals	2019 YTD Government Loan Programs	2019 YTD HFA Preferred Conventional Loan Program	2019 Mortgage Credit Certificate (MCC) Program
Average 1 st Mortgage Loan Amount	\$152,242	\$153,782	\$154,604	\$152,729	\$178,004
Average Acquisition Price	\$159,500	\$159,610	\$158,878	\$160,163	\$186,429
Average Compliance Income	\$48,696	\$50,545	\$50,940	\$50,247	\$49,028
County Area Median Income %	65%	67%	71%	64%	78%
Total Purchased 1st Mortgage Loan Amounts	\$944,971,833	\$192,535,287	\$83,486,214	\$109,049,072	NA
Total # of Units	6,207	1,254	540	714	390

*uses 2018 statewide AMI of \$62,500

2019 YTD TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	Downpayment Assistance
Duval	229	\$33,469,199.58	\$1,955,000.00
Hillsborough	155	\$24,364,189.81	\$1,237,500.00
Polk	99	\$15,292,006.52	\$704,940.00
Pinellas	79	\$11,584,781.63	\$530,000.00
Volusia	71	\$10,762,096.54	\$526,400.00
Pasco	70	\$9,267,717.36	\$582,500.00
Orange	67	\$11,176,998.93	\$447,500.00
Brevard	56	\$8,161,140.86	\$344,940.00
Lee	41	\$6,659,029.29	\$255,000.00
Manatee	35	\$6,053,272.61	\$242,500.00

FHFC Performance Dashboard

Quarter 1 2019

Green = Good to Go
 Orange = Merits additional Monitoring
 Red = A Concern to Address

HOMEOWNERSHIP			
Performance Measures	Data	Informational Indicators	Data
Number of Participating First Mortgage Lenders*	End of Q1/2019 284 active and approved lenders. (Target: 50)	Homebuyer Loan Programs: Average Acquisition Price Average Homebuyer Income	Q1/2019 Price: \$159,896 Homebuyer Income: \$50,646
Hardest Hit Fund (HHF): Total Quarterly Funding Assistance Disbursed	Q1/2019: Most Recent Treasury Report \$5.4 million	Mortgage Credit Certificate: Average Acquisition Price Average Homebuyer Income	Q1/2019 Price: \$187,732 Homebuyer Income: \$49,442
Homebuyer Loan Programs First Mortgage Loan and Down Payment Assistance (DPA): Purchase Totals	First Mortgages Q1/2019: \$161,901,229 DPA Q1/2019: \$7,193,167	Homebuyer Loan Programs Top 5 Counties for Originations (*county with access to HHF DPA program introduced in July 2015)	2019 YTD (# of Loans: \$ Total) Duval* (180 Loans: \$26,451,185) Hillsborough* (131 Loans: \$20,699,898) Polk* (87 Loans: \$13,501,509) Pinellas* (63 Loans: \$9,203,902) Orange* (62 Loans: \$10,377,858)
Foreclosure Counseling Program Funding Reserved	End of Q1/2019: \$1,427,400 Since Inception: \$11,145,600 (estimated)		
HOME Allocation and Commitment Status	On pace for all commitments and disbursements.		
Number of Hardest Hit Fund Mortgage Loan Servicers	End of Q1/2019 484 active and approved servicers.		

RENTAL			
Performance Measures	Data	Informational Indicators	Data
Guarantee Fund Risk-to-Capital Ratio	End of Q1/2019 .15:1 (Maintain no more than a 5.00:1 leverage ratio)	FHFC Rental Portfolio Occupancy Rate Statewide	Q1/2019: 96.60% (as of 02/28/19) (Target 93%-95%)
Guarantee Fund Insurer Ratings	Standard & Poor's: A+/Stable (as of 04/11/17) Fitch: A+/Stable (as of 03/28/18) (Rating of not less than third-highest to safeguard State Housing Trust Fund.)	Average Tenant Income in Florida Rental Properties	Most recent annual figures (2019) Public Housing: \$13,743 HUD Properties: \$11,207 USDA RD Properties: \$16,833 FHFC Properties: \$24,971 All Florida Renters: \$47,096
Amount of State Appropriated Rental Funding Awarded*	Q1/2019 Ten funding opportunities (RFAs) issued by the end of the Quarter. (Q1 Target: Issue at least one funding opportunity (RFA) related to current FY funding.)	Average Tenant-Paid Gross Rent at Florida Rental Properties	Most recent annual figures (2019) Public Housing: \$312 HUD Properties: \$259 USDA RD Properties: Unavailable FHFC Properties (All): \$744 FHFC Properties (w/Rental Assist): \$307 FHFC Properties (w/o Rental Assist): \$859 All Florida Renters: \$1,208
Eligibility for National Pool of Low Income Housing Tax Credits	Most recent eligibility period Received 2018 National Pool Housing Credits.	Maturing Loans Data	2019 7 SAIL Loans: 736 Units 5 HOME Loan: 368 Units 2020 Anticipated 5 SAIL Loans: 556 Units 1 HOME Loans: 33 Units
Percentage of SAIL Funds Awarded across each Demographic Group Compared to Reserved Allocation Percentages	FY 2018-19 Funds Allocation Reserved compared to Actual Awarded (End of Q1/2019) Farm/fishworkers (5% - 0%) Homeless (10% - 12.39%) Special Needs (14% - 8.54%) Elderly (21% - 20.23%) Families (50% - 58.84%)	Searches for Affordable Rentals on Housing Locator Website	Q1/2019: 183,461 searches conducted.
Percentage of SAIL Funds Awarded across Small, Medium and Large Counties	FY 2018-19 Funds Allocation Reserved compared to Actual Awarded (End of Q1/2019) Small Counties (10% - 0%) Medium Counties (37.97% - 37%) Large Counties (53% - 62.03%) ☐		
Total/Affordable Units in FHFC Portfolio	End of Q1/2019 Total: 203,952 Affordable: 175,323 ELI: 15,617 Homeless/Special Needs: 6,981 (includes 2,759 Link units)		

OPERATIONS			
Performance Measures	Data	Informational Indicators	Data
Budgeted Total Operating Expenses to Actual Total Operating Expenses*	Period Ending 01/31/19 Under budget (Target: Not too exceed budget by more than 10%.)		
Board Engagement: Attendance & Attainment of Quorum*	Q1/2019 Board Meetings February: 5 of 8 seated members present. March: 7 of 8 seated members present. (Target: Quorum - five members present.)		

*DEO/FHFC Contract Measure