

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
September 8, 2017
Information Items



COMMUNICATIONS

Information

I. COMMUNICATIONS

A. Florida Hardest-Hit Fund (HHF) Programs

1. Background/Present Situation

a) Since the implementation of the statewide launch, Florida Housing has received press on the program in the following media outlets (including print, broadcast and Internet)¹:

- (1) 4Closure Fraud Blog
- (2) ABC Action News (WFTS)
- (3) ABC 7 (WWSB)
- (4) ABC 13 (WMBB.com)
- (5) ABC 25
- (6) Alton Daily News
- (7) Active Rain Blog
- (8) American Banker
- (9) Associated Press
- (10) Bay News 9 Tampa
- (11) Before It's News Blog
- (12) Boston Today Newspaper
- (13) Bradenton Herald Newspaper
- (14) CBS 4 in Miami
- (15) CBS 12 News
- (16) Charlotte Sun
- (17) Chicago Sun Times
- (18) CitrusDaily.com Online
- (19) Clay Today Newspaper
- (20) Coconut Grove Times
- (21) Counselor's Corner
- (22) Crestview Bulletin
- (23) The Current
- (24) Daily Record
- (25) Daytona News-Journal

¹ ***Bold Italics*** – Media Hit
Bold – New Media Hit

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- (26) *DS News*
- (27) eCreditDaily
- (28) Elder Affairs Newsletter
- (29) First Coast News.com
- (30) Financial Reform
- (31) Florida Courier
- (32) Florida Current
- (33) Florida Housing Coalition Update
- (34) Florida.newszap.com
- (35) Florida Times Union Newspaper
- (36) ***Florida Times-Union Jacksonville.com***
- (37) Florida Today Newspaper
- (38) Florida Trend
- (39) Florida Weekly
- (40) Fox News
- (41) Free-Press-Release.com
- (42) Gainesville.com
- (43) GreenvilleOnline.com
- (44) Guardian
- (45) Heartland News
- (46) Herald Tribune Newspaper
- (47) Highlandstoday.com Online
- (48) Hispanic Business
- (49) Housingwire.com
- (50) Huffington Post
- (51) In USA News
- (52) The Island Packet
- (53) ***Jacksonville.com***
- (54) Kansas City Star
- (55) KIOW
- (56) Lake City Journal
- (57) Lakeland Ledger
- (58) The Laker
- (59) Law Firm Newswire
- (60) Livinglies Garfield Firm

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- (61) The Ledger
- (62) Lexology.com
- (63) Loan Modification Key
- (64) Lobby Tools
- (65) Madison County Carrier
- (66) Matt Widner's Foreclosure News
- (67) Mearkle, Trueblood, Adam
- (68) Mtalawyesjacksonville.com
- (69) Media Advisory – US Senate
- (70) Meetup
- (71) Miami Herald Newspaper
- (72) The Monitor Daily
- (73) Mortgageorb.com Online
- (74) MPA (Mortgage Professional America mpamag.com)
- (75) MyPalmBeachPost Blog
- (76) Naples News
- (77) Nasdaq.com GlobeNewswire
- (78) National Mortgage Professional.com
- (79) NCOA
- (80) News 13 Online
- (81) News Channel 5 (online)
- (82) News Chief
- (83) *News-Press Newspaper in Ft. Myers*
- (84) News Service of Florida
- (85) News Vine
- (86) New York Times
- (87) NorthEscambia.com Online
- (88) Ocala.com Online
- (89) Ocala Star Banner Newspaper
- (90) Orlando Sentinel
- (91) Palm Beach Post
- (92) Panama City News Herald
- (93) PBS.org
- (94) Pensacola News Journal Newspaper
- (95) PR Newswire

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- (96) Ponte Vedra Recorder
- (97) The Real Deal
- (98) RealEstateRama.com Online
- (99) The Record
- (100) The Republic
- (101) Reuters Newspaper
- (102) Reverse Mortgage Daily
- (103) RiverBender
- (104) St. Augustine Record Newspaper
- (105) St. Petersburg Sunburn
- (106) St. Pete Times Newspaper
- (107) San Francisco Chronicle
- (108) South Florida Business Journal
- (109) Stateline.org Online
- (110) Sun-Sentinel Newspaper
- (111) Sunshine State News
- (112) Tallahassee Democrat
- (113) Tampa Bay Times
- (114) Tampa Bay Times Editorial
- (115) Tampa Tribune
- (116) TCPalm.com Online
- (117) The Times (www.nwtimes.com)
- (118) Tomrollins.com Online
- (119) Townhall
- (120) Treasury Notes
- (121) Tweet - @Framabama
- (122) Tweet – Troy Kinsey @TroyKinsey
- (123) Tweet – Peter Schorsch @SaintPetersblog
- (124) WAND 17
- (125) Washington Times
- (126) Watchdog
- (127) WBBH Channel 2 Charlotte County
- (128) WBZT “The Talk Station”
- (129) WCTV – Action 9
- (130) WDEF News Channel 12 online wdef.com

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- (131) WEAR Channel 3 Pensacola
 - (132) Weidner Law Blog
 - (133) WESH 2 News Orlando
 - (134) Western Orlando News Online
 - (135) WFLA Tampa
 - (136) WFOL Orlando
 - (137) WFSU
 - (138) WFTV News Orlando
 - (139) WGCU
 - (140) WINK Ft. Myers News
 - (141) Winter Haven News Chief
 - (142) WJXT Channel 9 Jacksonville
 - (143) WLRN Miami Herald News
 - (144) WMBB
 - (145) Wn.com
 - (146) WOFL Channel 35 Lake Mary
 - (147) WPEC Palm Beach TV
 - (148) WPTV Channel 5 West Palm Beach
 - (149) WTSP
 - (150) WTVT Channel 13 Fox Tampa
 - (151) WTXL Tallahassee TV
 - (152) WUFT 89 FM Radio Gainesville
 - (153) WZVN ABC Channel 7 Fort Myers
- b) Communications staff continues to work with HHF program applicants and recipients to triage inquiries and work with their assigned advisors to achieve appropriate resolutions on their behalf. Additionally, staff handles third-party requests in conjunction with HHF programs; this is usually regarding recipients seeking to refinance or modify their mortgage, or when the home is being sold.
- c) Communications Staff participated in a Florida HHF Advisors Webinar facilitated by the Florida Housing Coalition (FHC), which provided updates and information on key HHF Program issues, including procedures for PII-secured information (personal identifiable information), lien explanations, and eligibility determination requirements for HHF applicants. Participants were updated on the status of the federal program, specifically that US Department of Treasury anticipates that funds are likely to be exhausted prior to the December 31, 2020 program expiration date. Florida HHF Program staff and advisors will continue

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to accept applications and provide assistance to current clients until further notice.

- d) In August, Communications staff presented a “Lunch & Learn” on Florida HHF programs to Corporation staff. The presentation provided them with the basics of the six programs, five of which are accepting applications; updated numbers of amounts committed and number of families served; and answered their questions about the programs.

B. Business Continuity

1. Background/Present Situation

- a) Business Continuity staff continues to review and revise emergency preparedness and disaster response materials, including the Corporation’s business continuity plan (BCP). Staff met with Senior Managers and other key staff to finalize the business impact analysis (BIA) to adjust the Corporation’s BCP, as determined necessary.
- b) At the most recent All Staff meeting in August, updated Active Shooter training was conducted by a sworn officer from the Tallahassee Police Department. Additionally, refresher emergency preparedness trainings will be conducted throughout the remainder of the year.

C. Corporate Marketing and Outreach

1. Background/Present Situation

- a) As the Corporation continues to foster relationships with affordable housing advocates, stakeholders and providers, Communications staff participates in trade shows/exhibitions in conjunction with various annual conferences. Most recently in August, staff was an exhibitor at the Florida League of Cities (FLC) Annual Conference in Orlando.
- b) The following is the final conference in which Communications staff will participate as an exhibitor this year:
 - September 10 – 13 – Florida Housing Coalition (FHC) Annual Conference.

FISCAL
Information

II. FISCAL

A. Operating Budget Analysis for July 31, 2017

1. Background/Present Situation

- a) The Financial Analysis for July 31, 2017, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending July 31, 2017, is attached as [Exhibit B](#).

FORECLOSURE COUNSELING PROGRAM

Information

III. FORECLOSURE COUNSELING PROGRAM

A. Foreclosure Counseling Program

1. Background

- a) In September 2013, the Foreclosure Counseling Program (FCP) was launched to help at-risk homeowners avoid foreclosure by providing foreclosure counseling and financial management education to help them better manage their money and assist them in resolving credit problems to become more financially stable.
- b) The program was appropriated funding by the state Legislative Budget Commission which approved \$10 million from the National Mortgage Settlement funds to provide foreclosure counseling services to be administered by Florida Housing over a four-year period.
- c) The program objectives are met by providing funding on a fee-for-service basis to non-profit HUD approved housing counseling agencies and SHIP eligible local governments to carry out foreclosure counseling services and financial management education.

2. Present Situation

- a) As of June 30, 2017, the program had expended \$1,789,450 and reserved more than \$5.5 million (including expended funds). Since inception, 6,189 households have received some form of foreclosure counseling.
- b) On May 6, 2016, the Board approved up to \$3 million of FCP funds to be disbursed to SHIP local governments that certified the funds would be used for housing counseling activities including foreclosure counseling and first-time homebuyer education. To date, more than \$2.3 million has been disbursed to eligible local governments. This means that more than \$4 million has been disbursed out of FCP funds through housing counseling agencies and to SHIP local governments.
- c) [Exhibit A](#) provides information on the status of the program over the second quarter of 2017 and since program inception for the portion of funding going directly to housing counseling agencies. This report details the number of households that have entered the program and the progress and outcomes that have resulted since inception. The outcomes data will lag behind the number of participants in the program, as the typical time for a homeowner to get through this process is 12-24 months.

GUARANTEE PROGRAM

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IV. GUARANTEE PROGRAM

A. Status of the Guarantee Program portfolio

1. Background/Present Situation

- a) Since the implementation of the Guarantee Program in 1993, it has guaranteed 120 transactions, facilitating the construction of over 28,000 housing units in Florida. 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 7/31/17, 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, representing the total (and only) multifamily claims incurred in its 24-year history. 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 7/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10
\$20.5M	\$30.9M	\$59.4M	\$158.9M	\$306.5M	\$468.5M	\$578.8M	\$728.3M

- 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 7/31/17	2016	2015	2014	2013	2012	2011	2010
Loans (#):	1	5	17	22	22	9	12	2
Risk ceded (\$):	\$10.2M	\$27.6M	\$100M	\$136.8M	\$149.4M	\$84M	\$117.9M	\$9.9M

GUARANTEE PROGRAM

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- 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 \$132 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "A+F" by Standard & Poor's as of March 31, 2017.
- C. Guarantee Program Portfolio ([Exhibit A](#))**
- D. FHFC actions to effectively manage the Guarantee Program ([Exhibit B](#))**

HOME RENTAL

Information

V. HOME RENTAL

A. Update to GHD Construction Services, Inc., Developments

1. Background/Present Situation

- a) At the July 28, 2017 Board meeting the Board approved a credit underwriting extension until October 27, 2017 and a loan closing extension until August 10, 2018 for Willie Downs Villas, RFA 2016-101/ 2016-321H. The approval also directed staff to inform the Board at the September 8, 2017 Board meeting of the progress being made by GHD Construction Services, Inc. (“Developer”) toward completion of credit underwriting reports and construction for their developments.
- b) The status of all developments in credit underwriting and construction for the Developer is attached as [Exhibit A](#).

HOUSING CREDITS

Information

VI. HOUSING CREDITS

A. Housing Credits

1. Background/Present Situation

- a) The development listed below has requested changes to the Extended Use Agreement:
 - (1) The Villages at Tarpon (2014-359C) is a 9% Housing Credit Development funded under RFA 2014-104. The Extended Low-Income Housing Agreement was recorded in Pinellas County on December 6, 2016.
 - (2) On August 3, 2017, staff received a letter from the Applicant requesting a variance to the square footage amounts provided in Exhibit B of the executed Extended Low-Income Housing Agreement.
 - (3) Staff will amend the Extended Low-Income Housing Agreement as appropriate.

- b) The development listed below has requested changes to the Extended Use Agreement:
 - (1) Boca Palms Phase II (2011-531C) is a 4% Housing Credit Development. The Extended Low-Income Housing Agreement was recorded in Osceola County on November 6, 2013.
 - (2) On May 9, 2017, staff received a letter from the Applicant requesting a revision to the square footage amounts provided in Exhibit B of the executed Extended Low-Income Housing Agreement.
 - (3) Staff will amend the Extended Low-Income Housing Agreement as appropriate.

POLICY

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VII. POLICY

A. Affordable Housing Workgroup

1. Background

- a) During its regular 2017 session, the Florida Legislature created a short term Affordable Housing Workgroup via Chapter 2017-71, Laws of Florida. The Workgroup is required to develop recommendations to address the state's affordable housing needs.
- b) Workgroup recommendations must include, but are not limited to:
 - A review of market rate developments;
 - A review of affordable housing developments;
 - A review of land use for affordable housing developments;
 - A review of building codes for affordable housing developments;
 - A review of the state's implementation of the low income housing tax credit;
 - A review of private and public sector development and construction industries;
 - A review of the rental market for assisted rental housing; and
 - The development of strategies and pathways for low income housing.
- c) The membership of the Workgroup will be appointed as follows:
 - The executive director of the Florida Housing Finance Corporation (to serve as chair);
 - The executive director of the Department of Economic Opportunity or her designee;
 - Five members appointed by the Governor, including an advocate for the homeless, an advocate of the needs of individuals with disabling conditions and persons with special needs as defined in s. 420.0004, a representative of the building/development community, and a realtor licensed in Florida;
 - Two members appointed by the President of the Senate;
 - Two members appointed by the Speaker of the House of Representatives;
 - The executive director of the Florida Association of Counties or her designee;
 - The executive director of the Florida League of Cities or his designee; and
 - The chair of the Florida Building Commission or his designee, (ex officio, nonvoting advisory member).

POLICY

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- d) The Workgroup must convene no later than September 1, 2017. Workgroup recommendations must be presented to and approved by the board of directors of Florida Housing Finance Corporation. The Workgroup must submit a report with its recommendations to the Governor, the President of the Senate and the Speaker of the House of Representatives by January 1, 2018. After the report is submitted, the Workgroup will terminate. Florida Housing Finance Corporation is providing administrative and staff support to the Workgroup.

2. Present Situation

- a) The first meeting of the Workgroup was held in Tallahassee on August 30, 2017. The objective of this meeting was to provide a broad overview of the topics in the Workgroup charge to allow members to begin to set the direction of the group's work. The Chair has proposed that the Workgroup hold four meetings in total, approximately every four weeks, in order to develop final recommendations to be presented to Florida Housing's Board at its December Board meeting.
- b) Florida Housing has created a webpage for the Workgroup at <http://www.floridahousing.org/about-florida-housing/workgroup-on-affordable-housing>. Information about the members, meeting packages and locations and a link to a recording of the first meeting may be found on the page.
- c) [Exhibit A](#) provides a list of appointed members of the Workgroup.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Information

VIII. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

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

1. Background/Present Situation

- a) The Development listed below has requested, and staff has approved, a change to the Construction Features & Amenities in their Application since the last Board meeting:
 - (1) Clear Pond / RFA 2015-112 / 2016-183BS:

Replace “Water heaters with a minimum energy factor of .95” with “Water heaters with a minimum Uniform Energy Factor (UEF) of .93”. Scoring of the Application will remain unaffected.
 - (2) Staff will amend the Land Use Restriction Agreement and/or Extended Use Agreement for the development as appropriate.
- b) The Development listed below has requested, and staff has approved, a change to the Construction Features & Amenities in their Application since the last Board meeting:
 - (1) St. Croix Apartments / 2002 Universal Application / 2002-034S / 2002-528C:

Replace “Swimming pool” with “Outside recreation facility: Vita Course Exercise Station”. Scoring of the Application will remain unaffected.
 - (2) Staff will amend the Land Use Restriction Agreement and/or Extended Use Agreement for the development as appropriate.

SINGLE FAMILY HOMEBUYER PROGRAMS

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IX. 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 Program uses a loan product developed by Fannie Mae specifically for state housing finance agencies. Rather than selling bonds as a funding source, this program is structured 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 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% grant program as part of the HFA Preferred PLUS Conventional Loan Program. The grant program offers borrowers 3% of the purchase price in non-repayable assistance to help with downpayment and closing costs. The HFA Preferred PLUS, like the HFA Preferred, offers daily

SINGLE FAMILY HOMEBUYER PROGRAMS

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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) On July 13, 2015, we launched a DPA Program that utilizes Hardest Hit Fund (HHF) resources. The HHF DPA Loan Program was initially being offered as a pilot program in Brevard, Duval, Hillsborough, Orange and Volusia counties. On August 31, 2016, the HHF DPA Loan Program expanded into an additional six counties; Clay, Osceola, Pasco, Pinellas, Polk and St. Lucie. This Program can serve borrowers with incomes up to 140% AMI. The Program offers the following benefits to qualified borrower(s):
- Borrower(s) qualifying for eligible Homebuyer Loan Programs automatically qualify.
 - A five-year loan that is forgiven at the rate of 20% per year, provided the borrower is not in default.
 - 0% interest rate.
 - Up to \$15,000 in assistance.
- g) Our Mortgage Credit Certificate (“MCC”) Program provides qualified first time homebuyers with a non-refundable federal tax credit. Our 2016 MCC Program uses a 50% credit rate that provides the homeowner with a maximum \$2000 annual tax credit used to offset any 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 138 approved lenders participating in the MCC Program compared with 182 in our loan programs. We charge a \$500 issuance fee for each MCC to cover administration and support of the program. The creation of the 2017 MCC Program was approved by the Board at the May 5th Board Meeting and launched on June 1, 2017. The Program utilizes a multi-credit structure, ranging from a 20% to 50% credit rate, which will be dependent upon the dollar amount of the underlying first mortgage. By adopting this structure, we should be able to extend the life of the program while also providing the federal tax credit benefit to more borrowers.
- h) 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. 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. Single Family Program Staff presented the Homebuyer Loan Programs course to over 70 Realtors at the Orlando Regional Realtor Association (ORRA) on June 26th and to over 30 Realtors in Lakeland on August 8th. Both counties, Orange and Polk, are HHF DPA eligible counties.

SINGLE FAMILY HOMEBUYER PROGRAMS

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- i) 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.

- j) 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 First Time Homebuyer 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

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HOMEBUYER LOAN PROGRAMS SUMMARY

	2016 FTHB Program Totals	2017 YTD FTHB Program Totals	2017 Government Loan Program	2017 HFA Preferred Conventional Loan Program	2017 Mortgage Credit Certificate (MCC) Program
Average Loan Amount	\$134,213	\$144,997	\$138,468	\$148,136	\$173,988
Average Acquisition Price	\$143,790	\$156,523	\$146,458	\$161,362	\$181,421
Average Compliance Income	\$47,217	\$48,994	\$47,463	\$49,654	\$47,709
County Area Median Income %	62%	63%	71%	59%	81%*
Total Purchased Loan Amounts	\$965,797,360	\$1,110,679,577	\$344,370,416	\$766,309,160	NA
Total # of Units	7,196	7,660	2,487	5,173	1307

*uses 2017 statewide AMI of \$59,000

2017 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

Duval	1,510	\$211,755,951
Hillsborough	1,398	\$213,468,092
Brevard	732	\$102,386,187
Pinellas	709	\$103,508,369
Orange	552	\$88,430,827
Pasco	512	\$68,929,330
Polk	444	\$62,362,250
Volusia	416	\$55,536,071
Osceola	262	\$42,992,283
Clay	235	\$32,505,375

SUBORDINATED MORTGAGE INITIATIVE (SMI)

Information

X. SUBORDINATED MORTGAGE INITIATIVE (SMI)

A. Program Update

1. Background/Present Situation

- a) Between April 2009 and September 2010, the Board approved funding for a total of thirty-two (32) Subordinated Mortgage Initiative (SMI) loans to developments determined to be in financial distress within the Guarantee Program portfolio. The loans provided properties with temporary assistance in funding their first mortgage debt service for a period of up to twenty-four (24) months. To that extent, Florida Housing provided up to one (1) mortgage payment per quarter, with the developer making the remaining payments. Over the twenty-four (24) month disbursement period, Florida Housing could fund up to eight (8) mortgage payments and the developer the other sixteen (16) mortgage payments.
- b) Pursuant to SMI loan terms, no payments were due during the first 48 months (inclusive of the first 24-month disbursement period). However, interest accrues and is payable in full at the end of the 48-month period, followed by monthly principal-and-interest payments based on a twenty (20) year amortization and a balloon (payment in full) due at the end of year ten.
- c) [Exhibit A](#) (attached) reflects the status of the SMI loans as of July 31, 2017, highlighted as follows:
 - (1) The Board originally approved thirty-two (32) SMI loans totaling up to \$19,120,000 in aggregate.
 - (2) Thirty (30) SMI loans were closed totaling approximately \$17.8 million, of which approximately \$17.6 million was disbursed.
 - (3) To date, twenty nine (29) loans totaling approximately \$17.1 million have been paid in full.
 - (4) No SMI loans have been foreclosed or resulted in a loss.

STRATEGIC PLAN PERFORMANCE MEASURES AND INFORMATIONAL INDICATORS

Information

XI. STRATEGIC PLAN PERFORMANCE MEASURES AND INFORMATIONAL INDICATORS

A. Strategic Plan Performance Measures and Informational Indicators

1. Background

- a) Sections 420.0006 and 420.504 (1), Florida Statutes, direct the Executive Director of the Department of Economic Opportunity (DEO) to contract with Florida Housing on a multi-year basis to address the affordable housing needs of the state. The contract must include the performance measures adopted by the Board as part of and consistent with Florida Housing's Strategic Plan, pursuant to section 420.511 (1), F.S.
- b) The Affordable Housing Services contract requires Florida Housing to report to DEO quarterly on the performance measures and targets. Section 420.0005, F.S. requires the DEO Director to certify to the state's Chief Financial Officer that Florida Housing is in compliance with the performance measure targets. This is required to give Florida Housing access to appropriated state funding. These reports are provided to DEO within 30 days of the end of each quarter.

2. Present Situation

- a) Quarterly Performance Measures and Targets for Quarter 2 - 2017 are attached as [Exhibit A](#). Quarterly Informational Indicators for Quarter 2 - 2017 are attached as [Exhibit B](#).

FHFC Performance Dashboard

AUGUST 2017

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 Q2/2017 218 active and approved lenders (Target: 50)	Homebuyer Loan Programs: Average Acquisition Price Average Homebuyer Income	To date in 2017 Price: \$156,523 (+8.9% from 2016 Avg.) Homebuyer Income: \$48,994 (+3.8% from 2016 Avg.)
Hardest Hit Fund (HHF): Total Quarterly Funding Assistance Disbursed	Q1/2017: Most Recent Treasury Report \$51.6 million	Mortgage Credit Certificate: Average Acquisition Price Average Homebuyer Income	To date in 2017 Price: \$181,421 (+6.8% from 2016 Avg.) Homebuyer Income: \$47,709 (same as 2016 Avg.)
Homebuyer Loan Programs First Mortgage Loan and Down Payment Assistance (DPA): Purchase Totals	First Mortgages End of Q2/2017: \$820,863,774 (85% of 2016 Total) DPA End of Q2/2017: \$81,568,210 (86% of 2016 Total)	Homebuyer Loan Programs Top 5 Counties for Originations (*county with access to HHF DPA program introduced in July 2015)	To date in 2017 (# of Loans: \$ Total) Duval* (1,510 Loans: \$211,755,951) Hillsborough* (1,398 Loans: \$213,468,092) Brevard* (732 Loans: \$102,386,187) Pinellas* (709 Loans: \$103,508,369) Orange* (552 Loans: \$88,430,827)
Foreclosure Counseling Program Funding Reserved	Q2/2017: \$738,000 Since Inception: \$7,966,717 Expanded program activities authorized in the 2016 Session are being implemented now.		
HOME Allocation and Commitment Status	On pace for all commitments and disbursements		
Number of Hardest Hit Fund Mortgage Loan Servicers*	End of Q2/2017 475 active and approved servicers (Target: 100)		

RENTAL			
Performance Measures	Data	Informational Indicators	Data
Guarantee Fund Risk-to-Capital Ratio	End of Q2/2017 .16:1 (Maintain no more than a 5.00:1 leverage ratio)	FHFC Rental Portfolio Occupancy Rate Statewide	March 2017 - May 2017: 96.9% (Target 93%-95%)
Guarantee Fund Insurer Ratings	Standard & Poor's: A+/Stable (as of 04/11/17) Fitch: A+/Stable (as of 03/31/16) (Rating of not less than third-highest to safeguard State Housing Trust Fund)	Average Tenant Income in Florida Rental Properties	Most recent annual figures (2014) Public Housing: \$12,418 HUD Properties: \$13,475 USDA RD Properties: \$16,688 FHFC Properties: \$23,667 All Florida Renters: \$45,805
Amount of State Appropriated Rental Funding Awarded*	End of Q2/2017 91.6% of FY 2016-2017 appropriated rental funds awarded (Q2 Target: 80% of the current FY appropriated rental funds awarded)	Average Tenant-Paid Gross Rent at Florida Rental Properties	Most recent annual figures (2014) Public Housing: \$277 HUD Properties: \$256 USDA RD Properties: Unavailable FHFC Properties (All): \$718 FHFC Properties (w/Rental Assist): \$294 FHFC Properties (w/o Rental Assist): \$817 All Florida Renters: \$1,087
Eligibility for National Pool of Low Income Housing Tax Credits	Most recent eligibility period Received 2016 National Pool Housing Credits	Maturing Loans Data	2016 3 SAIL Loans: 396 Units 2 HOME Loans: 105 Units 2017 Anticipated 9 SAIL Loans: 806 Units 4 HOME Loans: 245 Units
Percentage of SAIL Funds Awarded across each Demographic Group Compared to Reserved Allocation Percentages	FY 2016-17 Funds Allocation Reserved compared to Actual Awarded (as of Q2/2017) Farm/fishworkers (5% - 0%)* Homeless (10% - 11.6%) Special Needs (14% - 13.4%) Elderly (21% - 20.5%) Families (50% - 54.5%) *Only one application was received for RFA 2017-104, but it was deemed ineligible.	Searches for Affordable Rentals on Housing Locator Website	Q2/2017: 192,863 searches conducted
Percentage of SAIL Funds Awarded across Small, Medium and Large Counties	FY 2016-17 Funds Allocation Reserved compared to Actual Awarded (as of Q2/2017) Small Counties (10% - 6.4%) Medium Counties (37% - 34.6%) Large Counties (53% - 60.0%)		
Total/Affordable Units in FHFC Portfolio	End of Q2-2017 Total: 196,880 Affordable: 183,885 ELI: 14,352 Homeless/Special Needs: 6,390 (includes 2,603 Link units)		

OPERATIONS			
Performance Measures	Data	Informational Indicators	Data
Budgeted Total Operating Expenses to Actual Total Operating Expenses*	Period Ending 07/31/17 Under budget (Target: Not too exceed budget by more than 10%)		
Board Engagement: Attendance & Attainment of Quorum*	Most recent Board Meeting July 2017: 8 of 8 seated members present (Target: Quorum - five members present)		