

FLORIDA HOUSING FINANCE CORPORATION
Board Meeting
December 9, 2022
Information Items



ASSET MANAGEMENT

Information

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

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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:

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:

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 were postponed until COVID quarantine restrictions were lifted. Once the quarantine restrictions were lifted, management would conduct follow-up inspections. If the units were not cleaned, Management stated they would initiate eviction procedures.

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- 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.
- n) 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.
- o) 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 reported they had experienced their first week, beginning April 11th, without any rodent captures.
- p) On 5/4/2022, First Housing issued the report of their 4/5/2022 follow-up inspection. Noncompliance issues were found in 14 of the 31 units inspected. The units selected for inspection included 21 that had deficiencies noted during the 12/6/21 review. Of those, 9 units still had not been corrected. Noncompliance issues ranged from broken door locks, inoperable appliances and moldlike substances, however, none of the units showed signs of rodent infestation. Roaches were observed in one unit. In addition, the laundry facility had 3 damaged windows, an inoperable washer and was in need of housekeeping. All buildings were in need of power washing, excess litter was present throughout the property, the trash collection area was overflowing and not properly maintained. Since the 4/5 review, Arco Management, the new

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management company for Hilltop Village, noted the open items from the 12/6/21 review and committed to curing the open issues.

- q) Management submitted their response to the 4/5/2022 review on 6/2/2022, however, First Housing was still following up on outstanding issues related to 10 units, the laundry facility and trash collection. First Housing received and evaluated management's response and documentation regarding the outstanding noncompliance issues. All issues noted in the management reviews have been cured, with the exception of one unit. The household has vacated the unit and management has engaged a contractor to make repairs to the unit so that it is ready for occupancy.
- r) First Housing performed a follow-up review on 8/17/2022 and inspected 12 units. The report was issued 9/14/2022. The issued report noted noncompliance in 8 units, with comments regarding other issues in 3 units. One unit was reported as vacant and being turned. The noncompliance included, but was not limited to, broken faucets, missing sink stopper, blocked egress, damaged electrical outlet covers, damaged light switch covers, missing screens, missing and broken bedroom door, damaged baseboards, mold-like substances and verified mold, missing/inoperable smoke detectors, missing fire alarm, missing refrigerator door handle, peeling paint, missing/damaged window blinds, etc. Noncompliance with respect to exterior items included, corroded stair stringers, treads and handrails, damaged/missing downspouts, broken and boarded up windows, damaged access lighting, missing/damaged dryer vents, etc. First Housing received management's response by the 10/14/22 due date. First Housing is following up on the outstanding items.

2. **Present Situation**

- a) Management's response was received and evaluated by First Housing, however, not all outstanding issues were cured. First Housing sent a follow-up request 11/10/2022 and as of 11/21/2022, had not received a response.

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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

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addition, Florida Housing requested Southport address plans for mold remediation/air quality as well as their plan for vermin exclusion.

- e) In Southport's subsequent response received 4/21/2022, management shared:

“Cambridge has two pest control companies working on inspections, and bids for preventative maintenance/measures. Preventative measures would include building exclusion if needed, exterior bait stations, and additional interior treatments if recommended. Pest control will be doing a full spread for insects next week with a clean out. Additionally, tree and shrub work will commence immediately to trim trees and other vegetation away from the buildings.

During the inspections units are also being inspected for organic growth. Organic growth that appears to be more than surface are immediately inspected, verify all leaks or moisture sources are remedied prior to repairing the area. Once repairs are made management will inspect after to ensure repairs holding and there are no further moisture issues. We will initiate an air quality control test if we feel we cannot remedy the situation in household. If a resident requests an air quality control test after the repair is remedied, we will request one from a certified vendor. However, we advise the resident that if there are no findings, they are responsible for the cost of the test. If any adverse findings are reported in the test results, management will pay for the test. Many times, if surface mildew or organic growth are found it can be remedied with a clean up using authorized mildew/growth cleaners. (Clorox wipes, etc.) Some may be a resident issue, and some may be a unit issue. We review and determine how to handle each issue based on the situation itself. For surface issues for example, are the residents running the HVAC, oven vent fan while cooking, exhaust fan during and after showering, running HVAC while windows and doors are open. Residents are counseled on best practices, including insuring they know how to operate thermostats, vents, etc. Residents are encouraged to report any organic growth concerns immediately to management. Organic growth concerns and reports are deemed immediate needs and processed as fast as possible. Each property is governed by a MMP (moisture management plan). The property staff abide by that as well as Cambridge Management policies and procedures on remediation.”

- f) On 5/25/2022, First Housing issued the report of their 5/3/2022 special site inspection requested by Florida Housing. Noncompliance issues were found in all 16 of the occupied units inspected and 3 of the 4 vacant units inspected. Unit noncompliance included inoperable and/or missing smoke detectors, drywall damage and holes in walls, missing stove drip pan, missing stove knobs, broken blinds, broken closet, missing or broken cabinet doors, toilet in need of repair, fire extinguishers expired or missing, refrigerator not working properly, inoperable dishwasher, dishwasher needing repairs, lights not working properly, broken door locks, broken door frames, boarded windows, ripped screens, roaches observed in one unit, poor housekeeping observed in 3 units as well as other issues. Management's response was due no later than 6/24/2022.

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- g) Management reported they had contracted with a pest control company for rodent control throughout the exterior of the property. Rodent baits and exclusions were reportedly completed on 4/25/2022. In addition, management reported that a cleanout pest control service for all residential units occurred on April 26-29, 2022 and would be continued with a routine bi-monthly service. Management also reported they had contracted with a plumbing company to drain and clean drain lines in 7 buildings and in specific units to restore proper flow. The plumbing contractor was working to replace the drain in Building D's breezeway on the day of the review. Management estimated the plumbing project would take a few weeks to complete.
- h) First Housing received and evaluated management's response and documentation regarding the outstanding noncompliance issues and has noted that the only remaining issue is the work that is continuing the drain lines to restore proper flow. This work is being conducted on a building-by-building basis. Management reported that half of the repairs/building have been completed and the other half would start the first week of August. Management estimated this project will be complete by the end of September.
- i) First Housing performed a follow-up review on 8/31/2022 and inspected 20 units (16 occupied and 4 vacant). The report was issued 9/26/2022. The issued report noted noncompliance in 17 units. Three of the four vacant units were reported as down due to mold, missing appliances, and strong odors. The unit noncompliance included, but was not limited to, exposed electrical outlets, pest infestation (German and American cockroaches) missing window covering, cabinet doors, damage to walls, door knobs missing, blocked egress, inoperable stove range, missing smoke detectors, organic substance present, damaged appliances, drawers and doors, soiled a/c filters, missing/expired fire extinguishers, inoperable bathroom exhaust fans, black substance in bathrooms, broken toilet lid, missing light globes, missing sink stoppers, missing blinds, etc. Noncompliance with respect to exterior items included, graffiti and peeling paint, exterior doors in need of paint throughout property, stairs throughout property are in need of pressure washing, broken blinds throughout the property, and exposed wires on 2 buildings' exteriors. Management's response was not due until 10/26/22, after the deadline for October's board package.

2. **Present Situation**

- a) Management's response was received on 11/17/2022 and evaluated by First Housing, however, not all outstanding issues were cured. First Housing sent a follow-up request and as of 11/21/2022, had not received a response.

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C. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

1. Background

- a) Florida Housing's Management Review and Physical Inspection (MRPI) includes a review of records such as application for residency, tenant income certification/recertification and income verification documents, leases, rent rolls and regulatory agreements (Land Use Restriction Agreement and/or Extended Low-Income Housing Agreement). Physical Inspections include the interior/exterior of residential building and common areas, and a review of general site conditions- landscape, sidewalks, and pave areas.
- b) To arrive at the information presented below, data on all reviews conducted from 1/1/2018 through 11/15/2022 was analyzed. It is important to note, that from 4/1/2020 to 9/30/2021, Florida Housing conducted no on-site, physical inspections due health and safety risks associated with COVID-19; only desk-top reviews of tenant files were completed during this period.
- c) During the study period, Florida Housing conducted, 3,565 MRPI Reports of 1,403 different developments. 90% of all MRPIs conducted during the study period were successfully closed. Of the 357 (10%) open reviews from the study period:
 - (1) 39% of developments and 30% of owners have unsatisfactory ratings for examination of records;
 - (2) 37% of developments and 28% of owners have unsatisfactory rating(s) regarding physical condition of the development; and
 - (3) 25% of development have deficiencies in both the examination of record and physical inspection categories.

ASSET MANAGEMENT/MULTIFAMILY/POLICY

Information

I. ASSET MANAGEMENT/MULTIFAMILY/POLICY

A. Florida Housing Finance Corporation's Portfolio Preservation

1. Background:

- a) In December 2018, the Board approved the Florida Housing Finance Corporation's Portfolio Preservation plan. The Board subsequently received implementation status updates from staff in June 2019. Descriptions of each approved strategy can be referenced at [Exhibit A](#).
- b) The result of extensive data-driven research and stakeholder engagement efforts by staff, Florida Housing Finance Corporation's Portfolio Preservation plan provides a set of strategies to promote the recapitalization of aging properties within Florida Housing's portfolio while also providing prioritization guidance based on general criteria and property risk factors in a matrix format. While past efforts provided recommendations for preserving existing affordability both within and beyond Florida Housing's portfolio, staff focused on refining its approach to focus on preserving properties within the portfolio. Since receiving approval in 2018, Florida Housing Finance Corporation's Portfolio Preservation plan, with its prioritization matrix and strategies, continues to serve as an effective approach for Florida Housing's programs to assess, develop, and prioritize Florida Housing's rental portfolio preservation efforts.

2. Present Situation:

- a) Maintaining a stock of quality affordable housing throughout the state - through new construction, acquisition and rehabilitation, and preservation opportunities – is a critical component of Florida Housing's mission to be an outstanding provider of innovative, measurable, data-driven, and fiscally sustainable solutions that respond to the affordable housing challenges throughout Florida. The practice of preserving existing affordable rental housing (Preservation) is widely acknowledged as being a necessary element of affordable housing administration. Preservation is also a method to maintain critically needed existing affordable housing for lower-income households in Florida's most competitive markets.
- b) The Portfolio Preservation Plan was intended to present strategies that are freely available for Florida Housing to use, or that may be implemented in the future, as determined by current need and resources. Continuing to utilize the Portfolio Preservation Plan as a toolbox of possible solutions to retain quality affordable housing, to be implemented as determined by need, allows Florida Housing's programs to be more flexible and responsive to changing trends and conditions.
- c) As of November 2022, Florida Housing's portfolio has more than 160 properties comprised of nearly 17,000 units that are between 25 and 35 years old. Of these aging units, more than 14,000 units currently serve residents who are at or below 60 percent AMI.
- d) In addition, staff have also identified properties in the portfolio as being at-risk of expiring units set aside specifically for Extremely Low-Income (ELI) households. More than 1,500 ELI units, including 613 Link units, are set to exit the 15-year affordability periods by 2028. An additional 370 ELI units, including 141 Link units, will exit affordability by 2033. The projected

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departure of affordable units from Florida Housing's portfolio coincides with recent estimates indicating considerable gaps between affordable and available units throughout the state for most income levels, as reported in the 2022 Rental Market Study prepared by the Shimberg Center for Housing Studies. The most significant need for available units are those that are affordable for ELI households.

- e) In conjunction with Florida Housing's ongoing efforts to promote the recapitalization of aging properties within its portfolio and establish guidelines to optimally prioritize the administration of funds for preservation, staff has developed a proposed set of FHFC Rehabilitation Construction Standards that would supplement existing Capital Needs Assessment (CNA) requirements and be applicable to all FHFC-funded rehabilitation projects. The FHFC Rehabilitation Construction Standards are intended to be high level and versatile, allowing Florida Housing to establish a strong baseline of construction quality for rehabilitated housing construction that can also be utilized when applying for certain federal funding sources to be used for rehabilitation purposes.
- f) As part of the upcoming General RFA Workshops in 2023, staff plans to solicit stakeholder and public input regarding need, priorities, approaches, and standards for preserving properties in Florida Housing's rental portfolio both using the Portfolio Preservation Plan and the proposed FHFC Rehabilitation Construction Standards.

FISCAL
Information

I. FISCAL

A. Operating Budget Analysis for October 31, 2022.

1. Background/Present Situation

- a) The Financial Analysis for October 31, 2022, is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending October 31, 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 10/31/22, 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 10/31/22	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
\$4.9M	\$5.0M	\$5.1M	\$5.2M	\$19.9M	\$20.4	\$30.9M	\$59.4M	\$158.9M	\$306.5M	\$468.5M

- 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:

¹ Real Capital Analytics, April 2011

GUARANTEE PROGRAM

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Refinancing Activity

	As of 10/31/22	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 \$145 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA), rated "AA-f" by Standard & Poor's as of March 31, 2022.

C. Current Ratings (Insurer Financial Strength)

1. Background/Present Situation

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

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

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 10/31/22. 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](#))

^[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 2022 surveillance was concluded on July 21, 2022 and resulted in Review-No Action of the rating.

HOUSING CREDITS

Information

I. HOUSING CREDITS

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

1. Background/Present Situation

- a) Kissimmee Oak Leaf Landings Apartments (1999-006C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Osceola County on August 29, 2000.
- b) On October 13, 2022, staff received a request from the Applicant to amend Section 2(e)(2) of the EUA to replace tight napped Berber-type carpet with vinyl plank flooring as one of the features and amenities offered at the Development.
- c) Staff will amend the EUA as appropriate.

2. Background/Present Situation

- a) Boulevard Tower 1 (2018-283C/2019-424C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Hillsborough County on October 24, 2022.
- b) On November 8, 2022, staff received a request from the Applicant to insert the legal description as Exhibit A, which was not recorded with the EUA in error.
- c) Staff will amend the EUA as appropriate.

3. Background/Present Situation

- a) Boulevard Tower 3 (2019-116C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Hillsborough County on October 24, 2022.
- b) On November 8, 2022, staff received a request from the Applicant to amend the set-aside chart in Section 3(a)(ii) due to a scrivener's error and replace the legal description reflected in Exhibit A, which does not reflect the most recently approved legal description.
- c) Staff will amend the EUA as appropriate.

LEGAL
Information

I. LEGAL

A. 2022 Litigation Summary

1. Background/Present Situation

- a) [Exhibit A](#) contains a summary of the litigation initiated in 2022. The Office of the General Counsel handled 20 cases this year, with one appeal in the First District Court.
- b) Highlights include:
- Three cases went to final hearing and the Board entered a Final Order in each case.
 - Sixteen petitions were voluntarily dismissed by the petitioner.
 - One case was resolved through consent agreement which was adopted by the Board.
 - One Appellate case was resolved this year.
- c) As of present time, there are no active or pending case in the Division of Administrative Hearings and in the District Court of Appeal.

MULTIFAMILY PROGRAMS ALLOCATIONS

Information

I. MULTIFAMILY PROGRAMS ALLOCATIONS

A. 2022 Construction Housing Inflation Response Program (CHIRP) Update

1. Background/Present Situation

- a) The Invitation to Participate (ITP) was issued on May 9, 2022. Responses to the ITP must be received by the Corporation no later than July 5, 2022. 67 responses were received.
- b) On August 5, 2022, the Board approved a modification to the CHIRP ITP, allowing Self-Sourced Applicants to apply, with a deadline of September 6, 2022. 4 responses were received.
- c) As of October 19, 2022, 2 Applicants have returned their awards, including the request for CHIRP additional loan funding, and as of November 21, 2022, 3 Applicants have had their Housing Credit CHIRP funding rescinded and 1 Applicant has had its loan CHIRP funding rescinded.
- d) A complete list of the responses received can be found on the ITP Website (accessible [here](#)).
- e) Since the previous Board meeting, the following final Credit Underwriting Reports for CHIRP 9% Housing Credits have been received:

CHIRP APP #	Date CHIRP application Received	Development Name	Original App Award #	Additional Funding Amounts	CUR Status
CHIRP22-2022-117C	7/1/2022	Andrew Landing	2022-117C	\$500,000	New – Exhibit A
CHIRP22-2022-123C	6/24/2022	Autumn Ridge	2022-123C	\$500,000	New – Exhibit B
CHIRP22-2021-077C	5/10/2022	Cypress Gardens	2021-077C	\$500,000	New – Exhibit C
CHIRP22-2021-016C	5/24/2022	Mount Hermon	2021-016C	\$500,000	New – Exhibit D
CHIRP22-2021-111C	6/23/2022	Riverview6	2021-111C	\$500,000	New – Exhibit E

MULTIFAMILY PROGRAMS ALLOCATIONS

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CHIRP22-2022-102C	5/23/2022	Cordova Estates	2022-102C	\$500,000	New – Exhibit F
CHIRP22-2022-124C		City Place	2022-124C	\$500,000	New – Exhibit G
CHIRP22-2022-029C		Florence Place	2022-029C	\$500,000	New – Exhibit H

f) The following final Credit Underwriting Reports for CHIRP loan programs are included in the Consent Agenda:

CHIRP APP #	Date CHIRP application Received	Development Name	Original App Award #	Additional Funding Amounts	CUR Status
CHIRP22-2021-221S	6/7/2022	Cutler Manor II	2021-221S	\$3,700,000 NHTF	New
CHIRP22-2022-137BSN	6/23/2022	Astoria on 9 th	2022-137BSN	\$4,152,408 loan	New
CHIRP22-2022-147BSN	6/23/2022	Princeton Grove	2022-147BSN	\$4,300,000 loan	New
CHIRP22-2021-207BSN	6/23/2022	Hillsboro Landing fka Tallman Pines II	2021-207BSN	\$4,300,000 loan	New
CHIRP22-2020-076BR	6/29/2022	Bid-A-Wee	2020-076BR	\$4,300,000 loan	New
CHIRP22-2021-199BSN	9/3/2022	University Station	2021-199BSN	\$4,300,000 loan	New
CHIRP22-2022-190S	8/18/2022	Ridge Road	2022-190S	\$4,300,000 loan	New
CHIRP22-2022-211S	9/2/2022	Lofts at San Marco East	2022-211S	\$4,300,000 loan	New

MULTIFAMILY PROGRAMS ALLOCATIONS

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CHIRP22-2021-200S	6/29/2022	Whispering Pines	2021-299S	\$1,589,675 loan	New
CHIRP22-2022-216S	8/22/2022	Windmill Farms	2022-216S	\$4,300,000 loan	New
CHIRP22-2022-186S	7/1/2022	Falcon Trace II	2022-186S	\$4,300,000 loan	New

- g) On August 5, 2022, the Board approved the 2022/2023 Tentative Funding Amounts and Timeline. Staff indicated it would provide a monthly update for funding available in the 2022/2023 RFA Cycle based on the progress of sizing CHIRP awards.
- h) The Board approved an estimated \$172,904,000 in SAIL funding comprised of \$52,904,000 from the 2022 legislative appropriation, and \$120,000,000 in SAIL program income. Of the SAIL program income, staff reserved \$90.3M for the CHIRP program. As of November 30, 2022, \$87,016,724 in CHIRP additional loan funding has been preliminarily allocated to 23 Developments. The remaining funding will flow directly to the demographic and geographic splits for SAIL approved by the Board on August 5, 2022.
- i) The Board also approved the tentative 9% Housing Credit funding amounts (estimated at \$57.5M) and staff reserved \$19M in 9% Housing Credits for the CHIRP Program. As of November 30, 2022, \$8,932,976 in additional 9% Housing Credits has been preliminarily allocated to 20 Developments. If the remaining 15 Developments require the maximum amount of funding (\$500,000), then a total of \$16,432,976 of the 2023 Housing Credit Allocation will be utilized for CHIRP. The remaining funding will flow directly to the demographic and geographic splits for 9% Housing Credit allocation approved by the Board on August 5, 2022.
- j) As of November 30, 2022, \$10,021,600 in NHTF funding has been allocated to 4 Developments and \$4,728,600 in HOME-ARP funding has been allocated to 2 Developments.

B. RFA Updates

1. Background/Present Situation

- a) RFA 2023-103 “Housing Credit and SAIL Financing to Develop Housing for Homeless Persons” was issued on November 1, 2022 with an Application Deadline of January 26, 2023.
- b) RFA 2023-106 “Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities” was issued on November 3, 2022 with an Application Deadline of January 31, 2023.
- c) Staff issued the following RFAs on November 14, 2022:

MULTIFAMILY PROGRAMS ALLOCATIONS

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- (1) RFA 2022-101 “SAIL Financing for the Preservation of Elderly Developments.” The Application Deadline is December 28, 2022.
 - (2) RFA 2022-201 “Housing Credit Financing For Affordable Housing Developments Located In Medium And Small Counties,” The Application Deadline is December 28, 2022.
 - (3) RFA 2022-202 “Housing Credit Financing For Affordable Housing Developments Located In Broward, Duval, Hillsborough, Orange, Palm Beach, And Pinellas Counties.” The Application Deadline is December 29, 2022.
 - (4) RFA 2022-203 “Housing Credit Financing For Affordable Housing Developments Located In Miami-Dade County.” The Application Deadline is December 28, 2022.
 - (5) RFA 2022-205 “SAIL Financing Of Affordable Multifamily Housing Developments To Be Used In Conjunction With Tax-Exempt Bonds And Non-Competitive Housing Credits.” The Application Deadline is December 29, 2022.
- d) A workshop regarding RFA 2022-206 “HOME Financing To Be Used For Rental Developments In Certain Hurricane Ian Impacted Counties” was held on November 15, 2022. Staff expects to issue the RFA on December 15, 2022 with an Application Deadline of January 25, 2022.
- e) A workshop regarding RFA 2023-102 “SAIL Financing For Smaller Permanent Supportive Housing Developments For Persons With Special Needs” was held on November 9, 2022. Staff expects to issue the RFA on December 6, 2022 with an Application Deadline of March 21, 2023.
- f) Staff will hold a general 2023/2023 RFA workshop on January 26, 2023.

C. Rule Development Update

1. Background/Present Situation

- a) On October 28, 2022, the Board authorized staff to begin rule development for rules 67-21.031 and 67-48.031, F.A.C. The rule development workshop scheduled for November 15, 2022 was postponed and staff will reschedule the workshop at a later date.

MULTIFAMILY PROGRAMS ALLOCATIONS

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D. Non-Competitive Application Package

1. Background/Present Situation

- a) Due to the limited availability of State Bond Allocation, staff put on hold, effective November 21, 2022, the processing of Non-Competitive Applications requesting Corporation-issued MMRB. Applications submitted in response to any competitive RFA will still be permitted to request FHFC Issued Bond Allocation. Staff anticipates resuming the processing of the Non-Competitive Application Packages requesting FHFC Issued Bond Allocation after the preliminary awards are determined for competitive RFAs issued in the last quarter of 2022. The Non-Competitive Application Package will remain open for Applicants requesting Non-Competitive Housing Credits only.

MULTIFAMILY PROGRAMS

Information

I. MULTIFAMILY PROGRAMS

A. The development listed below has requested an approval to increase their hard cost contingency during credit underwriting

1. Background/Present Situation

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board granted staff ability to approve contingency reserve increases upon recommendation by the Credit Underwriter. This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the rule in place at the time of the below Application, Rule Chapter 67-21.026(14), F.A.C. (effective May 18, 2021) stated:
- (1) *(14) Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and no more than 5 percent of total general development costs (soft costs) for Rehabilitation and Preservation may be included within the Total Development Cost for Application and underwriting purposes; however, in the event financing is obtained through a federal government rehabilitation program, a contingency reserve up to 20 percent may be utilized if required by the program.*
- c) The following Development has made a request to increase their hard cost contingency reserve at the recommendation of the Credit Underwriter. Staff has reviewed this request and recommendation and approved the Applicant's request.

Development	Application Number	From	To
Osprey Park	2021-509C	5%	6.92%
Florence Place	2022-029C	5%	6%

MULTIFAMILY PROGRAMS

Information

B. The developments listed below have requested an approval to change development type during credit underwriting

1. Background/Present Situation

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board granted staff ability to approve changes to the Development Type (e.g. Garden Apartments, Townhouses, High-Rise, etc.). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the rule in place at the time of the below Application, Rule Chapter 67-48.004(3)(g), F.A.C. (effective June 23, 2020) stated:
 - (1) *(3) For the SAIL, HOME and Housing Credit Programs, notwithstanding any other provision of these rules, the following items as identified by the Applicant in the Application must be maintained and cannot be changed by the Applicant after the applicable submission, unless provided otherwise below: (g) Development Type;*
- c) The following Development has made a request to change the development type. Staff has reviewed this request and recommendation and approved the Applicant's request.

Development	Application Number	From	To
Cutler Manor II	2021-221S/2020-531C	Mid-Rise (5-6 stories)	High-Rise

MULTIFAMILY PROGRAMS

Information

C. The development listed below has requested approval to allow one subcontractor to exceed the 31% limitation

1. Background/Present Situation

- a) On March 12, 2021, the Board delegated authority to staff to approve the 31% subcontractor limitation set forth in Rule Chapters 67-48.0072(17)(g) (2021) as stated below, respectively:

(17) The General Contractor must meet the following conditions;

(g) For Developments with a Development category of new construction, unless otherwise approved by the Corporation for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor):

1. Contracted to deliver the building shell of a building less than five (5) stories which may not have more than 25 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development; or

2. Contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development; or

3. Contracted to deliver the building shell of a Development located in the Florida Keys Area, which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development.

With regard to said approval, the Corporation shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of paragraph (g), "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor;"

MULTIFAMILY PROGRAMS

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- b) Staff, in conjunction with review by the credit underwriters and construction consultants, and receipt of positive recommendations from the credit underwriters, has approved the below requests to allow one subcontractor to exceed the 31% limitation. In the case of City Place, because the overage was disclosed and vetted at credit underwriting, there will be no workout imposed.

Development	Application Number	Dollar Amount of Contract	Percentage of Contract
City Place*	2022-124C	\$8,553,638	34.05%

**Subcontractor contracted to deliver the building shell of a building of at least five (5) stories*

NATURAL DISASTER UPDATES

Information

I. NATURAL DISASTER UPDATES

A. Hurricane Ian - Multifamily Rental Portfolio

1. Background/Present Situation

- a) Florida Housing has 1,056 developments with 6,833 buildings comprised of 132,196 units in our portfolio located in the 26 counties declared a major disaster due to Hurricane Ian.
- b) We have received a total of 989 damage reports, with 828 (78.4%) from developments in counties FEMA declared for Individual Assistance. Of those, 670 reported no damage, 244 reported limited damage to 701 buildings and 568 units, with 2 households displaced. 61 developments reported moderate damage to 407 buildings and 1,146 units, with 5 households displaced. 12 developments reported extensive damage to 137 buildings and 423 units, with 13 households displaced. 2 developments reported catastrophic damage to 1 building and 113 units, with 112 households displaced. Staff continues to follow up with those developments that have not yet submitted their damage reports.
- c) Of the 136 displaced households across 8 developments in Charlotte, DeSoto, Hardee, Lee, Polk and Volusia, 27 have been permanently housed, 2 have been temporarily housed in alternate units at their development awaiting restoration of their units, 2 are in a hotel awaiting restoration of their units, 1 has found alternate temporary housing awaiting restoration of their unit, 4 terminated their leases and have not responded to management's offer to be rehomed or inquiries regarding their housing situation. The Hallmark Companies and their management arm will be reaching out to their 97 displaced households over the course of the next week to check in on their status. Hallmark has expressed that all displaced households have indicated their intent to return to Kissimmee Homes as soon as their units are restored. The Florida Housing Search call-center's housing specialists are available to assist any interested displaced household to conduct a search for short-term or longer-term rental housing. They can work with the property management staff or directly with the displaced households. More specific detail follows regarding the impacted properties and their displaced residents.

B. Hurricane Ian – Valencia Gardens, Wauchula, Hardee County

1. Background/Present Situation

- a) A fire broke out during the hurricane ultimately destroying 1 building and displacing fifteen households. Seven of the fifteen displaced households were rehomed at Valencia Gardens with most moving in on 11/3/2022 and the last moved in 11/11/2022. Five households found other permanent housing and two households did not respond to management's inquiries regarding their housing or management's offer to be rehomed at Valencia Gardens.

NATURAL DISASTER UPDATES

Information

C. Hurricane Ian – Homes of Renaissance Preserve I, II and III, Ft. Myers, Lee County

1. Background/Present Situation

- a) Two of the Housing Authority of the City of Fort Myers (HACFM) properties suffered storm surge, almost all have significant roof damage and water penetration into the units, windows blown out with water damage, and sewage backup into some units as the lift stations failed. HACFM relocated residents within their existing buildings into units that did not suffer damage and were vacant. The 13 displaced households that were impacted by Hurricane Ian have been relocated to another unit or were temporarily out of their unit while necessary repairs were made.

D. Hurricane Ian – Murdock Circle, Port Charlotte, Charlotte County

1. Background/Present Situation

- a) Living room ceilings in two units collapsed displacing two households. One household vacated 10/31/2022 to relocate out of state and the other household had transferred to another unit at the property but vacated 11/3/2022.

E. Hurricane Ian – Daytona Gardens, Daytona Beach, Volusia County

1. Background/Present Situation

- a) News reports indicated Coast Guard was assisting with evacuation of residents due to extensive flood damage to 32 buildings, with potentially 224 households displaced. Southport installed a new management company on 10/17/2022 and after walking the property, reported four households displaced. Two of the displaced households have been permanently transferred to other units at Daytona Gardens. The property did not have available units appropriately sized to accommodate the other two displaced households and they are temporarily residing in other units on the property but will transfer back to their original units once repairs are complete.

F. Hurricane Ian - Harbour Court, Haines City, Polk County

1. Background/Present Situation

- a) Two households were displaced and are in a hotel. Repairs are scheduled to commence the 3rd week of November and management anticipates households will be back in their units prior to November 30.

NATURAL DISASTER UPDATES

Information

G. Hurricane Ian - McPines, Arcadia, DeSoto County

1. Background/Present Situation

- a) One household was displaced after roof damage occurred. The displaced household was provided with a Letter of Priority Entitlement (LOPE) from Rural Development. According to Hallmark Management, a LOPE letter allows the household to receive priority placement in vacant units at USDA RD or HUD properties anywhere in the US or its territories and may move LOPE letter recipients to the top of RD waitlists. A LOPE letter will also allow displaced households to return to their units when repairs have been made. Hallmark shared that the displaced household at McPines relocated to alternate housing but has expressed her interest in returning to McPines when her unit is restored.

H. Hurricane Ian - Kissimmee Homes, Kissimmee, Osceola County

1. Background/Present Situation

- a) News reports indicated flood damage to all 21 buildings, with 104 households displaced. Approximately 4 feet of water entered the buildings. Repairs are underway with anticipated completion in May 2023.
- b) Management reported all but 1 building at Kissimmee Homes requires extreme repairs. Of the potentially 104 households that were reportedly displaced, there are 7 households who were able to remain, resulting with 97 displaced households.
- c) All Residents were provided a Letter of Priority Entitlement (LOPE) from Rural Development, some residents have utilized this Letter of Priority to secure alternative temporary or permanent housing. Some Residents are residing with Family and will use the LOPE letter to return to their unit as soon as repairs are made.
- d) Hallmark shared that they would reach out to displaced households as they continue to make progress with repairs and units are restored to confirm whether they are interested in returning to their units or if they wish to remain in their present living situation. Hallmark has reported that at this time, all displaced households wish to return to Kissimmee Homes as soon as their units are restored.
- e) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian is attached as [Exhibit A](#).

NATURAL DISASTER UPDATES

Information

I. Hurricane Michael Update

1. Background/Present Situation

- a) Florida Housing had 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) Reported Hurricane Michael damage at all 41 developments was complete as of May 31, 2022.
- d) The current status of Hurricane Michael related Requests for Applications (RFAs) and developments awarded funding through those RFAs is attached as [Exhibit B](#).

J. Hurricane Eta Update

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 November 28, 2022, management reported 1 household remained displaced and 16 units remain out of service.

PROFESSIONAL SERVICES SELECTION (PSS)

Information

I. PROFESSIONAL SERVICES SELECTION (PSS)

A. Single Source Procurement for a Website Content Management System

1. Background:

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

2. Present Situation:

- a) Sitefinity continues to be a strategic web platform for Florida Housing and there is a need to re-procure the software in order to keep the Corporation's website functional. Additionally, Florida Housing staff is currently exploring options to move Florida Housing's public-facing website to a Microsoft Azure (cloud-based) model.
- b) The cost of these services for another one-year period is estimated to be \$30,000. As permitted in Ch. 67-49.0032(1), F.A.C., the Executive Director authorized staff to enter into the single source procurement processes for these services on November 16, 2022. As of press time, no comments have been received as a result of the single source notice posted on Florida Housing's website.

PROFESSIONAL SERVICES SELECTION (PSS)

Information

B. Competitive Solicitation for Public Relations Services

1. Background:

- a) At the August 5, 2022 meeting, Florida Housing's Board of Directors authorized staff to issue a competitive solicitation for Public Relations Services.

2. Present Situation:

- a) Florida Housing issued Request for Qualifications 2022-11 on August 15, 2022 but did not receive any responses to the solicitation. After speaking with colleagues and external stakeholders, staff have decided that it would be better to issue solicitations for specific media campaigns, rather than a blanket contract for services on an as-needed basis.
- b) To that end, Florida Housing would like to issue a competitive solicitation from outside firms to put together a statewide media campaign to educate Floridians about housing issues and eliminate stereotypes associated with affordable housing.

3. Recommendation:

- a) Staff recommends that the Board direct staff to proceed with issuing a new competitive solicitation for a public relations campaign to educate Floridians about housing issues within the state and address stigmas associated with affordable housing.

STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

Information

I. STATE APARTMENT INCENTIVE LOAN PROGRAM (SAIL)

A. The developments listed below have requested an approval to increase their hard cost contingency reserves during credit underwriting

1. Background/Present Situation

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board granted staff ability to approve contingency reserve increases upon recommendation by the Credit Underwriter. This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the rule in place at the time of the below Applications, Rule Chapter 67-48.0072(19), F.A.C. (effective May 18, 2021) stated:
 - (1) *(19) Contingency reserves which total no more than 5 percent of total actual construction costs (hard costs) and total general development costs (soft costs) for Redevelopment and Developments where 50 percent or more of the units are new construction may be included within the Total Development Cost for Application and underwriting purposes. Contingency reserves which total no more than 15 percent of total actual construction costs (hard costs) and no more than 5 percent of total general development costs (soft costs) for Rehabilitation, Moderate Rehabilitation, Substantial Rehabilitation, and Preservation may be included within the Total Development Cost for Application and underwriting purposes; however, in the event financing is obtained through a federal government rehabilitation program, a contingency reserve up to 20 percent may be utilized if required by the program. Contingency reserves shall not be paid from SAIL or HOME funds.*
- c) The following Developments have made a request to increase their hard cost contingency reserve at the recommendation of the Credit Underwriter. Staff has reviewed this request and recommendation and approved the Borrower's request.

Development	Application Number	From	To
Ridge Road	2022-190S	5%	7%

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 active 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 Florida Hometown Heroes Housing Loan Program (Hometown Heroes).
- 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) Hometown Heroes was launched June 1, 2022. The Florida Legislature appropriated \$100 million in the 2022 state budget to be used as a revolving source of funds to make homeownership more affordable by providing down payment and closing cost assistance to income-qualified, first-time homebuyers who are frontline community workers. Veterans and active duty military personnel previously assisted with our Salute Our Soldiers Military Loan program are also being included in this new program. Eligible borrowers can receive up to 5% of their first mortgage loan amount (a maximum of \$25,000) in assistance to help them purchase a primary residence in the community in which they work and serve. The 30-year, 0% interest, deferred repayment second mortgage is combined with one of Florida Housing's Homebuyer Loan Program's low interest rate first mortgage loans. It is anticipated that this initial amount of funding will allow us to assist between 5000-6000 borrowers. As of November 25, 2022, we had an active pipeline of 2,782 loans totaling over \$817

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

million in first mortgage loan volume, paired with \$40.8 million of downpayment and closing cost assistance.

- 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 has resumed in-person presentations, where feasible, and if the realtor board can guarantee a minimum of 25 realtors for the class. For 2022, we have conducted 61 online classes for 34 Board of Realtors Associations located throughout the State of Florida. These classes were attended by approximately 3,224 Real Estate Agents. There are two remaining classes scheduled in December for the Northeast Florida Association of Realtors and the Pinellas REALTOR® Organization and Central Pasco Chapter. Additionally, we conducted 17 Hometown Heroes Product trainings, which were attended by 2,887 Real Estate Agents.
- j) Beginning October 3, 2022, new loan reservations began going to Lakeview Loan Servicing, LLC (Lakeview), the new Master Servicer for the Homebuyer Loan Program. All loan reservations made prior to that date will continue to be serviced by US Bank NA. We have sent out multiple announcements and conducted multiple lender trainings to make lenders aware of the new partnership and the new procedure for delivering loans. As of November 22nd, 1287 new first mortgage reservations had been received by Lakeview.
- k) Single Family Program Staff periodically 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

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer, Lakeview. Together, Florida Housing, eHousingPlus and Lakeview will 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 have conducted 38 Live Webinars and multiple On-Demand (available daily) Lender trainings through November 17, 2022. We have trained over 16,000 loan officers and their support staff this year which has led to record breaking Program production.

- l) 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.

SINGLE FAMILY HOMEBUYER PROGRAMS

Information

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	\$247,213	\$254,108	\$232,664
Average Acquisition Price	\$204,282	\$256,230	\$260,011	\$248,250
Average Compliance Income	\$53,192	\$67,496	\$68,364	\$65,666
County Area Median Income %	67%	70%	68%	75%
Total Purchased 1 st Mortgage Loan Amounts	\$840,786,523	\$1,176,780,050	\$820,520,646	\$356,259,404
Total # of Units	4,272	4,771	3,237	1,534

2022 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Duval	679	\$161,543,790.09	\$7,469,784.00
Polk	286	\$67,754,774.47	\$3,164,385.00
Pasco	266	\$62,984,454.28	\$2,931,791.00
Hillsborough	246	\$66,511,653.85	\$3,017,449.00
Leon	222	\$42,224,946.98	\$2,263,451.00
Okaloosa	187	\$50,351,784.42	\$2,266,078.00
Escambia	179	\$36,354,520.59	\$1,892,818.00
Volusia	179	\$44,543,124.09	\$2,033,454.00
Lee	173	\$46,077,945.47	\$2,127,645.00
Orange	158	\$41,483,976.22	\$1,910,592.00

STRATEGIC PLAN AND PERFORMANCE MEASURES

Information

I. STRATEGIC PLAN AND PERFORMANCE MEASURES

A. Strategic Plan Performance Measures and Informational Indicators

1. Background

- a) Sections 420.0006 and 420.504(1), Florida Statutes, direct the Secretary 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 Secretary 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 3 – 2022 are attached as [Exhibit A](#). Quarterly Informational Indicators for Quarter 3 – 2022 are attached as [Exhibit B](#).

FHFC Performance Dashboard

Quarter 3 2022

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 Q3/2022 249 active and approved lenders. (Target: 50)	Homebuyer Loan Programs: Average Acquisition Price Average Homebuyer Income	Q3/2022 Price: \$272,231 Homebuyer Income: \$73,058
Homebuyer Loan Programs First Mortgage Loan and Down Payment Assistance (DPA): Purchase Totals	First Mortgages Q3/2022: \$471,523,908 DPA Q3/2022: \$22,979,195	Homebuyer Loan Programs Top 5 Counties for Originations	Q3/2022 (# of Loans: \$ Total) Duval (229 Loans: \$57,573,452) Polk (107 Loans: \$26,627,103) Pasco (99 Loans: \$25,317,970) Leon (94 Loans: \$18,426,672) Hillsborough (89 Loans: \$25,479,023)
Number of Local Governments Participating in the State Housing Initiative Partnership Program with Approved Local Housing Assistance Plans	End of Q3/2022 121 local governments have approved LHAPs (Target: Maintain at least 110 local governments with approved and active LHAPs)	Searches for Affordable Rentals on Housing Locator Website	Q3/2022 264,230 searches conducted
HOME Allocation and Commitment Status	On pace for all commitments and disbursements	FHFC Rental Portfolio Occupancy Rate Statewide	Period Ending 08/31/22: 97.48% (Target 93%-95%)
RENTAL			
Performance Measures	Data	Informational Indicators	Data
Guarantee Fund Risk-to-Capital Ratio	End of Q3/2022: .03:1 (Maintain no more than a 5.00:1 leverage ratio)	Maturing Loans Data	2022 2 SAIL Loans: 192 Units 2023 Anticipated 12 SAIL Loans: 1,195 Units 1 HOME Loans: 15 Units
Guarantee Fund Insurer Ratings	Standard & Poor's: A+/Stable (as of 05/21/20) 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 (2022) Public Housing: \$15,337 HUD Properties: \$12,153 USDA RD Properties: \$19,405 FHFC Properties: \$26,183 All Florida Renters: \$58,026
Amount of State Appropriated Rental Funding Awarded*	Q3/2022 Corporation's Board approves plan for allocation of FY 2022/2023 funding at its August 5, 2022 Board Meeting. (Q3 Target: Corporation's Board approves plan for allocation of the current FY funding.)	Average Tenant-Paid Gross Rent at Florida Rental Properties	Most recent annual figures (2022) Public Housing: \$350 HUD Properties: \$283 USDA RD Properties: Unavailable FHFC Properties (All): \$821 FHFC Properties (w/Rental Assist): \$326 FHFC Properties (w/o Rental Assist): \$985 All Florida Renters: \$1,304
Eligibility for National Pool of Low Income Housing Tax Credits	Most recent eligibility period Received 2022 National Pool Housing Credits		
Percentage of SAIL Funds Awarded across each Demographic Group Compared to Reserved Allocation Percentages	FY 2022-23 Funds Allocation Reserved compared to Actual Awarded (as of 09/30/22) Farm/Fishworkers (5% - 0%) Homeless (10% - 0%) Special Needs (13% - 0%) Elderly (25% - 0%) Families (47% - 0%)		
Percentage of SAIL Funds Awarded across Small, Medium and Large Counties	FY 2022-23 Funds Allocation Reserved compared to Actual Awarded (as of 09/30/22) Small Counties (10% - 0%) Medium Counties (36.2% - 0%) Large Counties (53.8% - 0%)		
Total/Affordable Units in FHFC Portfolio	End of Q3/2022 Total: 242,471 Affordable: 222,954 ELI: 19,785 Homeless/Special Needs: 9,814 (includes 4,309 Link units)		
OPERATIONS			
Performance Measures	Data	Informational Indicators	Data
Budgeted Total Operating Expenses to Actual Total Operating Expenses*	Period Ending 07/31/22 Under budget (Target: Not to exceed budget by more than 10%)		
Board Engagement: Attendance & Attainment of Quorum*	Q3/2022 Board Meetings August: 5 of 7 seated members present September: 7 of 7 seated members present (Target: Quorum - five members present)		

*DEO/FHFC Contract Measure