



# FLORIDA ASSOCIATION OF LOCAL HOUSING FINANCE AUTHORITIES



A JOURNAL OF  
INNOVATIVE ACTIVITIES  
OF LOCAL HFA'S  
STATEWIDE

Issue No. 6: 2020





FLORIDA ASSOCIATION OF LOCAL HOUSING  
FINANCE AUTHORITIES

**A JOURNAL OF INNOVATIVE ACTIVITIES  
OF LOCAL HFA'S STATEWIDE**

**Issue No. 6  
2020**



The HFAs that chose to participate and are represented in this journal are all included. It does not represent all HFAs in Florida. It does represent a good sampling of the types of activities that occur because of these organizations. All HFAs were asked to participate and Florida ALHFA assumes that as futures issues are published all active issuers will be represented.

These innovative activities represent those that go beyond everyone's tax exempt bond programs, and the HFAs have been listed in alphabetical order.





**Florida ALHFA** came into being as an organization in 1982, and local HFAs have been operating since the late 1970's. Within only a few years the need to work together became evident—to both learn from each other and to work together on state issues.

Since that time, local HFAs have been an integral part of their local communities. HFAs were created to take advantage of a federal tax program directed at states and local governments allowing them to sell tax exempt bonds to provide mortgages for affordable housing.

Through the evolution of federal tax law, constantly changing economic cycles, and financial product development, the HFA model has survived. Not only have the local HFAs survived and grown; they have evolved to meet the ever growing need in their communities for affordable housing.

This journal will be the sixth edition that Florida ALHFA has published to highlight the activities of local HFAs statewide.

The intent is to use this document to assist with the education of both legislators and local governments about the unique and thoughtful way that local HFAs have found to partner and assist in solving affordable housing issues in their communities.

After looking at these highlights, it is clear that local HFA Boards of Directors are ever mindful of their responsibilities and look for opportunities to provide help where and when they can.

It is also important to remember that most local HFAs are not large organizations with funding and support from their local governments. They are self-funded and must use their resources carefully. They fund themselves through fees generated on financing multi-family and single family sales of tax exempt bonds. These federally created tax programs can be very effective, or like today somewhat problematic due to the current economic environment. Many local HFAs do not have permanent staff and may even contract out their staffing functions. Some local governments may provide some staffing assistance by assigning attorney's or financial expertise to assist them. All local HFA Board members are appointed by the local city or county commission and are unpaid volunteers.

Local HFAs have increasingly reached out to partner with other local entities and programs. They use their resources wisely. They leverage what they have earned through the years to create opportunities for the families in their county.

Florida ALHFA has been in existence for 38 years. But like our member HFAs, the organization and our members are increasingly creative, cooperative, and less dependent upon a "bonds only" approach.





**This year Florida ALHFA is focusing on the positives and our ability to continue “Thriving Through Adversity.”** What does this mean? It has been a long trek and has taken extensive education and elbow grease to get to the point of full funding for the Sadowski Trust Fund. Florida ALHFA has been the leader behind the efforts for this success. Without the continued focus, funding, and support for these efforts, this milestone would not have been reached. Florida ALHFA’s ability to keep chugging along, win or lose has brought success this year. For the first time since 2007 the Florida Legislature voted to fully fund the monies in the Housing Trust Funds for housing programs--\$370 million this year. The importance of this cannot be understated.

The Sadowski Education Effort (SEE) was essential to this success. Florida ALHFA was not the only one in the fight, but we were the one getting the editorials written and in constant communication with legislators focused on this issue. There was truly a coordinated effort between Florida ALHFA and Florida Housing Finance Corporation.

Florida ALHFA has the lead role in funding the Sadowski Education Effort—recognizing the need for leadership in obtaining SHIP and SAIL funds for our communities. The Sadowski Housing Trust Funds are the dedicated source of revenue that flows to each community statewide through SHIP, and to specific rental developments through SAIL. In many cases, these are the only dollars that are available for affordable housing efforts in small cities and counties throughout the state.

Florida ALHFA has become the primary supporter to educate legislative representatives year-round about the need to fund the Sadowski Housing Trust Funds—with emphasis on what the benefit of the programs are to their communities and constituents.

There are many issues that can change the outcome of funding from the beginning of session until the Governor signs the budget. This year, the COVID-19 pandemic held the key. Although full funding made it through the budget process and was incorporated into the final budget, the SHIP funding was vetoed by the Governor. Prior to that veto, the Governor committed \$250 million of new federal funding for housing through the CARES Act—primarily for rent and mortgage relief. The act of vetoing the \$225 million SHIP appropriation did not sweep the money into general revenue—it will simply accumulate in the Local Government Housing Trust Fund and be available in a November or December Special Legislative Session to sweep, appropriate for SHIP, or leave.

SEE is launching a strategy and action steps leading to then—with the goal of the legislature making the SHIP appropriation in the Special Session

Obviously, supporting the education efforts to ensure that the legislature and governor understand the importance of these funds, will continue to be critical to providing housing for the communities of Florida.





## FLORIDA ALHFA: THE ORGANIZATION

Florida ALHFA was founded in 1982 as a Florida nonprofit corporation consisting of private and public professionals dedicated to financing affordable single-family and multi-family housing in the State of Florida.

### Florida ALHFA's Mission

- To provide learning and networking opportunities in an environment for local municipal bond issuers and related professionals to share ideas and strategies for providing safe and affordable housing in our communities.
- To evaluate, advocate, and support the enactment of State and Federal housing legislation and regulatory policies which enhance local agency efforts to provide affordable housing opportunities for our citizens.
- To establish the importance of local housing finance authorities as equity participants and lenders and as brokers between available resources and sponsors of affordable housing

In the current environment, Florida ALHFA takes a more aggressive approach to legislative advocacy, and well as helping members build better relationships with the governmental and private sectors players with which they work.

Florida ALHFA is an advocate before the legislature, state agencies and congress on legislative and regulatory issues affecting affordable housing. In addition, it provides technical assistance and education opportunities to its members and the public. Members include County and City HFAs, firms who provide services to local HFAs such as local lenders, investment bankers, credit underwriters, developers, financial advisors and attorneys.

Florida ALHFA advocates for the various programs such as tax-exempt bonds, SAIL, SHIP, and provides educational opportunities for the various boards and staff of local HFAs and other members. Involved in the changing and introduction of new federal programs, our participation has been critical in informing congressional leaders of the important economic benefits of these program nationwide.

### Florida ALHFA membership opportunities include:

- To provide learning and networking opportunities, including an annual conference local HFAs and related professionals share ideas and strategies for providing affordable housing in our communities.
- To evaluate, advocate, and support the enactment of State and Federal housing legislation and regulatory policies which enhance local agency efforts to provide affordable housing opportunities for our citizens.
- To establish the importance of local HFAs as both providers of finance and organizations that should be at the table when state and community policy is decided.

Our legislative lobbying team works year-round with state legislators and state agencies to remove the obstacles that prevent local HFAs and developers from providing affordable housing. Florida ALHFA not only serves as a positive voice for affordable housing statewide, but also teaches members how to be effective housing advocates.









## **HFA NAME: ALACHUA COUNTY HOUSING FINANCE AUTHORITY SUMMARY**

The Alachua County Housing Finance Authority (HFA) serves low, moderate, and middle-income renters by:

### Current Efforts:

The Alachua County Housing Finance Authority (HFA or the "Authority") acted as the conduit for the issuance of its Multifamily Mortgage Revenue Bonds, Series 2020 in the aggregate principal amount of not to exceed \$26,460,000 for purposes of financing the Project referenced below. The proceeds of such bonds will be used to finance the acquisition, rehabilitation, and equipping of the following Project located at the following location in Alachua County, Florida:

- Owner: FOREST & VILLAGE PRESERVATION LP
- Company: Fairstead Affordable, LLC
- Project Name: FOREST & VILLAGE APARTMENTS
- Location: 3101 NE 15th Street, Gainesville, Alachua County, Florida
- No. of Units: 200 affordable housing units
- Aggregate principal amount of tax-exempt Bonds: not exceeding \$26,460,000

On February 19, 2020, the HFA, Fairstead Affordable, LLC, and Alachua County Housing Program received confirmation that the allocation for Private Activity Bonds of \$26,460,000.00 was granted.

Resources that were utilized:

- Low Income Housing Tax Credit 4% Bonds

### Other Partners involved:

- Alachua County Housing Program – Executive Director
- Fairstead Affordable, LLC – Billy Kreinik & Estelle Chan - Developer
- Kutak Rock LLP - Leslie Powell - Disclosure Counsel + Issuer's Counsel
- Nabors, Giblin, & Nickerson, P.A. - Mark Mustian - Bond Counsel
- Raymond James & Associates, Inc. - Tim Wranovix - Investment Banker

The HFA will be looking to act as a conduit on Multifamily Mortgage Revenue Bond Series in the future, on an ongoing basis.







## **HFA NAME: BREVARD COUNTY HOUSING FINANCE AUTHORITY**

### **Summary**

The HFA created a line of credit with Habitat for Humanity of South Brevard for the purpose of funding land acquisition and/or construction costs for single-family homes. They also provided the initial funding for Critical Home Repair to correct code violations and other repairs necessary for a homeowner to remain in their home, which Habitat now administers. The HFA provided critical funding for a Hungry and Homeless program and to Crosswinds Youth Services, Inc. for emergency shelter services. The most recent activity was to enter into an interlocal agreement with Hillsborough County HFA's 2012 MBS Origination Program, which includes loans, and Mortgage Credit Certificates for the homeowner assisted by down payment assistance from the HFA.

### **Programs Supporting Habitat for Humanity**

#### **Loan Program**

The Brevard County Housing Finance Authority (the "Authority") has established an interest free line of credit with Habitat for Humanity of South Brevard, Inc. ("Habitat"). The Authority has agreed to provide loan advances totaling up to \$525,000 for the purpose of funding land acquisition and/or construction costs for single family residences. The residences are to be sold to lower income families who might not otherwise be able to purchase a home. The terms of the loan are as follows:

- Maximum loan for new construction \$75,000
- Maximum loan for land acquisition \$25,000
- Repayment of principal of the loan due upon the sale of the home to the family, or two years from the date of the loan, whichever occurs first.
- No more than \$262,500 may be utilized for land acquisition at any time.

As of May 14, 2017, thirteen homes have been constructed and sold to lower income families, and twenty-one lots have been acquired for future development.

#### **Grant Program**

The Authority provided the initial funding to start the Critical Home Repair Program ("CHRP"). The purpose of CHRP is to provide funding for critical repairs to correct code violations, improve weatherization, increase energy efficiency, overcome accessibility barriers, and/or upgrade the exteriors of the residences. The goal of CHRP is to preserve homeownership and housing stock for lower income residents. A grant of \$200,000 was provided to Habitat pursuant to a Grant Agreement. The terms of the agreement are as follows:

- Maximum income person/family is 50% of area gross median
- Maximum of \$15,000 per residence
- Maximum of \$50,000 toward administrative expenses at any given time
- Habitat administers CHRP and provides quarterly compliance certifications
- Program Supporting Coalition for the Hungry and Homeless

In September 2010, the Authority entered into a loan agreement with the Coalition for the Hungry and Homeless of Brevard County, Inc. ("Coalition"). The Authority agreed to provide loan advances totaling up to \$500,000 for the purpose of funding the acquisition, construction, and/or rehabilitation of single family and multi-family housing in Brevard County to provide transitional or permanent housing to low income persons and families (the "Project" or "Projects"). The loan provided interest free bridge financing to allow the Coalition to continue to function while it was awaiting reimbursement under various grant programs (NSP, CHDO and





FEMA). This loan agreement ended on December 31, 2013. It provided funding for the acquisition and/or rehabilitation of fourteen homes. The terms of the loan were as follows:

- Maximum draw of \$100,000 per project
- Repayment of principal due upon receipt of grant funds or one year from disbursement, whichever occurred first

In February 2015, the Authority entered into a new loan agreement with the Coalition to provide interest free funds to refinance its interest bearing debt in the amount of approximately \$250,000. The refinancing has resulted in debt service savings to the Coalition of approximately \$40,000. This loan is being repaid in equal monthly installments of principal over a ten-year term.

### **Program Supporting Crosswinds Youth Services, Inc.**

In April 2016, the Authority made a loan/grant to Crosswinds Youth Services, a not for profit organization that provides emergency shelter and services to youth under the age of 18 who have been abused or neglected or are endangered. The loan/grant in the amount of \$45,000 was made for the purpose replacing the HVAC system for the shelter.

### **Program Supporting Community of Hope, Inc.**

In April 2018, the Authority approved a new loan agreement with the Community of Hope, Inc., a not for profit organization that provides transitional housing and services to homeless families with children, to provide interest free funds in the amount of \$510,000 to refinance its interest bearing debt and to provide funds for the acquisition of additional housing. This loan will be repaid in equal monthly installments of principal over a fifteen year term.

### **Single Family Loan Program**

The Authority entered an interlocal agreement with the Housing Finance Authority of Hillsborough County, Florida ("Hillsborough HFA"). Pursuant to the interlocal agreement, the Hillsborough HFA is authorized to operate its 2012 MBS Origination Program (aka, the TBA Program or Continuous Funding Program) within Brevard County, Florida. The Authority's intent is to provide financing for homes to persons whose family annual income does not exceed certain limits and who might not otherwise be able to purchase a home. The Brevard HFA agreed to fund a revolving pool of funds of up to \$1,250,000 to finance first mortgages to be used by homebuyers in Brevard County. The program makes available Mortgage Credit Certificates which allow borrowers to receive a Federal Income Tax Credit of up to \$2,000 per year for as long as the loan is outstanding and the borrower resides in the property. The Authority also agreed to provide up to fund a down payment and closing cost assistance program, in connection with the above mentioned 2012 MBS Origination Program, to be used by buyers of homes in Brevard County. The down payment and closing cost assistance is structured to provide non-amortizing second mortgage loans of \$10,000 or \$7,500 for each borrower. To date, the Loan Program has funded approximately \$46,000,000 in first mortgage loans and provided over \$2,233,500.00 in down payment assistance loans to 320 eligible families and persons.





## **HEA NAME: HOUSING FINANCE AUTHORITY OF BROWARD COUNTY**

### **Summary**

The Broward County Affordable Housing Trust Fund (AHTF) was established on November 7, 2017, by Section 11.09 of the Broward County Charter to increase the construction and preservation of affordable housing units countywide. The purpose of the AHTF is to provide a continuing, non-lapsing fund for the County Commission to use to address the need for affordable housing in Broward County. The program was designed to serve very-low, low, and moderate-income individuals and families while creating and sustaining affordable housing. The Housing Finance Authority (HFA) of Broward County issues bonds for developers to finance and develop affordable rental new construction, acquisition, and rehabilitation developments.

### **Countywide Projects**

#### **Marquis Apartments (New Construction)**

Marquis Apartments Project is located along the south side of Dr. Martin Luther King Jr. Boulevard, east of Powerline Road in the City of Pompano Beach. The Marquis Apartments project will consist of five, three-story residential buildings housing one hundred (100) apartment units situated on approximately 4.158 (plus or minus) acre site. The Marquis Apartments will consist of six (6) units for renters earning up to 22% of AMI; 10 units for renters earning up to 28% of AMI; and 84 units for renters up to 60% of AMI. The project amenity package will include a clubhouse with a social room, fitness center, business center and site improvements will include a playground. Given the shortage of affordable rental housing in Broward County, the Marquis Apartments will support the much-needed housing options for renters. The Broward County Board of County Commissioners approved an award of \$5,000,000 in GAP financing towards the total development costs of approximately \$24,100,000.

Partners: Broward County Board of County Commissioners; Broward County Housing Finance Authority, Marquis Partners, Ltd, Florida Housing/ELI, Citibank, N.A. and Cornerstone Group Partners, LLC; and the City of Pompano Beach.

#### **Regency Gardens Apartments (Acquisition/Rehabilitation)**

Regency Gardens Apartments was constructed in 2002 and consists of eight (8) one-bedroom, twenty-five (25) two bedrooms, and sixty-one (61) three-bedroom units spread across thirteen (13) residential buildings. The property is located in the City of Pompano Beach. The Housing Finance Authority of Broward County (HFA) partnered with the Broward County Housing finance and Community Redevelopment Division and other entities to provide financing for the acquisition and renovation of Regency Gardens Apartments, a ninety-four (94) unit affordable multifamily development located with the City of Pompano Beach. The rehabilitation included new roofs, resealed parking lot, renovated clubhouse which will include a new fitness center, business center, pool area, new landscaping, updated sports court, and playground. Of the ninety-four units, fifteen (15) are set aside for individuals and families who are at or below the twenty-five (25) AMI level. The remaining seventy-nine (79) units are reserved for those below the 60% AMI level. This income mix allows the property to target multiple populations and serve a diversity of housing needs in Broward County. The Broward County Board of County Commissions approved an award of \$1,500,000 in GAP financing toward the total development costs of approximately \$18,200,000.

Partners: Broward County Board of County Commissioners; Broward County Housing Finance Authority, Pompano Beach Leased Housing Associates II, LLLP, Dominion Holdings II, LLC, Alliant Credit Facility, Ltd., Citibank, N.A. Great Southern Bank, and the City of Pompano Beach.





### **Mortgage Credit Certificate Program**

The Housing Finance Authority of Broward County re-launched the Mortgage Credit Certificate (MCC) Program in 2010. The MCC program is a first-time homebuyer's program designed to help eligible persons qualify for a mortgage by reducing federal income tax paid leaving more disposable income available for the purchase of a home. Since the inception of the program approximately \$55 million dollars were used to assist more than 1000 homebuyers.

Partners: Broward County HFA partners consist of lenders and realtors.



## **HFA NAME: HOUSING FINANCE AUTHORITY OF CLAY COUNTY**

### **Summary**

The Housing Finance Authority of Clay County continues to create innovative strategies and implement effective programs through community partnerships and affordable financing, including:

- Down Payment Assistance Program
- Drug Free Living Facility
- Foreclosed Homes Program
- Local Contribution provided to Developer Applying for Low Income Housing Tax Credit Program
- Rebuilding from Hurricane Irma
- Rental Homes at Below Local Market Rental Rates
- Special Needs Housing for the Developmentally Disabled
- Special Needs Housing for Transition from Homelessness/Homelessness Prevention
- SHIP Program Administration
- Wheel Chair Ramps

### **Down Payment Assistance Program**

The HFA has been involved with many down payment assistance programs over the years, usually in conjunction with a bond program. The Clay HFA joined the Hillsborough "Home Sweet Home" Program in 2012 in order to provide down payment assistance for first time homebuyers. Through this program, the HFA has helped hundreds of families to purchase their own homes.

### **Drug Free Living Facility**

When the area judges came to the Authority and asked for a drug free living facility for persons involved in "Drug Court" and "Veteran's Court", the HFA was excited to help. The judges explained that sometimes there are case specific reasons the court cannot release a young first time offender to go back home, primarily due to the prevalence of illegal drug use in the home. The alternatives for these first time offenders are either jail or return to a drug filled environment and likely failure. The Clay HFA partnered with the St. Johns Housing Partnership to purchase and renovate a five bedroom home in Green Cove Springs to be used just for that purpose – to provide a drug and alcohol free environment. One of the HFA members was credited with getting donations from area lenders in order to furnish the home with furniture, linens and a well-stocked kitchen. The house continues to remain full and provides a much-needed service to the community.

### **Foreclosed Homes Program**

In January of 2010, the Clay HFA partnered with the first builder in the Foreclosed Homes Program. The Program began when local foreclosures were at a peak in the local housing market, coupled with record highs in the unemployment rate, especially in the building industry. The program provided much needed work and as a result, quite a few area builders survived, including the subcontractors – the backbone that undergirds our economy. In addition, allowing these properties to be rehabilitated and returned to the market





kept them as an asset to the area neighborhoods, instead of becoming an eyesore or potential danger to the community. The program also helped to preserve the affordable housing stock in Clay County. This program has transitioned to include “blighted” properties—properties that have been abandoned and have become an “eye-sore” in the community. In 2019, foreclosed and abandoned homes are still available and are being renovated and sold as affordable housing.

### **Local Contribution to Developer Applying for Low Income Housing Tax Credit Program**

In December 2014, the Clay HFA partnered with area developers who were interested in financing their affordable housing projects under the Low-Income Housing Tax Credit Program through Florida Housing Finance Corporation. For the developer to be eligible to receive the tax credits from the Florida Housing program, the developer is required to obtain funding from the local government. In January of 2015, the Authority entered an Interlocal Agreement with Clay County to provide the funds necessary to provide the local government contribution loan. As a result, a senior housing facility was built. Demand was so high that the units were fully leased before the Certificate of Occupancy was issued. The Grand Opening of the 96-unit facility was held October 8, 2018. In 2019/2020 the Authority continues to renew their commitment to fund the local government contribution for this program.

### **Rebuilding from Hurricane Irma**

The Clay HFA has provided financing to area builders for the purchase of properties that received substantial damages from Hurricane Irma. In one instance, the homeowner did not want to raze and rebuild her home, so the HFA was able to find an area builder willing to purchase the property and rebuild affordable housing on the property.

### **Rental Program Providing Below Market Rate Rental Housing**

In 2013, the Clay HFA partnered with the St. Johns Housing Partnership, a 501(c)(3) entity, to provide workforce rental housing at below market value rental rates. The Authority provides financing for the purchase and rehabilitation of distressed homes, which results in a safe and sanitary home at a rental rate below market rates. This partnership provides affordable rental housing that is being heavily utilized by the non-profit organization that assists the homeless in either homeless prevention or self-sufficiency. The properties were primarily foreclosed/REO properties or vacant “short-sale” properties. There are currently seven (7) properties under this program.

### **Sadowski Educational Effort**

The Clay HFA has continuously provided support to the Sadowski Coalition both monetarily and by working with our local legislative delegation to educate them on the need for full funding for the SHIP Program as well as other housing programs funded through the Sadowski Trust Fund.

### **Special Needs Housing – Developmentally Disabled**

The Clay HFA has partnered with BASCA, Inc. and Challenge Enterprises of North Florida, Inc., not-for-profit organizations who provide housing to persons with developmental disabilities. The Authority currently assists BASCA with four (4) of their group homes and assists Challenge with two (2) of their group homes. In 2020, the HFA currently holds six (6) mortgages which finance these group homes.





### **Special Needs Housing – Homeless Prevention and Rapid Rehousing**

In February of 2013, the Clay HFA began a partnership with Mercy Support Services, Inc., a 501(c)(3) entity, to provide scattered site housing for the homeless or those at risk of becoming homeless, in an effort to promote and support individual self-sufficiency. In 2013, the Authority allocated \$520,000 to Mercy Support Services to purchase scattered site housing for the homeless. Mercy Support Services purchased three (3) quadrplex buildings and two (2) single family dwellings with these funds.

Through the Authority’s partnership with the SHIP Program, Mercy Support Services has received a grant in the amount of \$100,000 to provide eviction prevention as well as homeless prevention. This commitment has been renewed each year. The Clay SHIP Program recently amended its Local Housing Assistance Play to include rental and utility assistance, mortgage and utility assistance, persons affected by COVID-19.

### **SHIP Program Administration**

In November of 2012, the Clay HFA and the Clay County Board of County Commissioners entered into an Interlocal Agreement which authorizes the Clay HFA to provide administrative services and implementation of the County’s State Housing Initiatives Partnership Program. In 2020, the Clay HFA continues to administer the SHIP Program.

### **Wheel Chair Ramps**

In 2010, the HFA provided a grant to a group who call themselves “The James Boys.” This is a group of men who are retired carpenters and have spent untold hours of their time building wheel chair ramps for those in need. The HFA has renewed their support to this group each year.







## **HEA NAME: ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY**

### **Summary**

During FY 2019-2020, the Escambia County Housing Finance Authority (“the Authority”) continued to respond to the needs of the communities served by the Authority, focusing on increasing inventory and supporting down payment assistance programs. The Authority’s Big Splash Single Family (Multi-County) First Time Homebuyer program has continued to make affordable housing happen in nineteen counties throughout the State of Florida with competitive mortgage rates and down payment assistance. Locally, the Authority’s Urban Infill Revolving Loan Program helps address the community’s real need for increased inventory of affordable housing units. The Authority has strengthened collaborations with Escambia County, the City of Pensacola and Pensacola State College to enhance the Urban Infill Program. The Authority’s single-family mortgage revenue bonds and multifamily revenue bond programs further support its commitment to affordable housing.

### **Urban Infill Housing Revolving Loan Program**

The Authority’s Urban Infill Revolving Loan Program targets development or redevelopment of vacant urban infill properties with affordable housing for sale to and occupancy by workforce families in Escambia County and the City of Pensacola. This Program provides construction financing for competitively selected builders who build affordable homes for first time homebuyers of low and moderate income. These lovely new homes are built to be efficient, sustainable, and compatible with surrounding neighborhoods. To date, the Authority has completed thirty-nine new homes, with an additional sixteen underway. The construction financing is made available at 0%; the Authority receives a modest application and processing fee. Construction loans have totaled almost \$5.3 million since inception of the program in 2015.

The difficulty of financing down payment costs and the lack of inventory of affordable homes are the biggest challenges for our first-time homebuyers. The Urban Infill Revolving Loan Program increases affordably-priced inventory one home at a time.

### **Interlocal Agreement with City of Pensacola for Urban Infill Housing Initiative**

The Authority initiated a partnership with the City of Pensacola (the “City”) whereby buildable, vacant or blighted properties owned by the City can be redeveloped with affordably priced new homes. The partnership provides the Authority access to City-owned infill properties suitable for development of affordable single-family ownership housing. The City and Authority fashioned an Interlocal Agreement to allow the parties to combine resources for developing affordable workforce homes on infill parcels currently owned by the City with financing provided through the Authority’s Urban Infill Revolving Loan Program. Our second cooperative project is expected to be completed later in the year.

### **MiniHome Construction Trade Demonstration Agreement with Pensacola State College**

The Authority and Pensacola State College (“PSC”), through its Carpentry and Engineering Technology Program, work cooperatively in support of the development of affordable single-family housing in Escambia County.

These projects provide important educational opportunities for PSC students/trainees enrolled in the building trade programs (including trainees in carpentry, electrical, plumbing and HVAC trades). The first project is a shot-gun style MiniHome designed by the University of South Florida School of Architecture and Community Design through a grant from the Authority. It features approximately 595 square feet of enclosed living space with a wrap-around porch. Upon completion, the affordably priced MiniHome will be sold to an eligible buyer who meets requirements of the Authority’s Urban Infill Program.





### **The Big Splash First-Time Homebuyer Program**

Since 2012, the Authority's signature program for first-time homebuyers has been its Big Splash Single Family (Multi-County) Mortgage Loan Program. This Program has provided more than \$197 million in first mortgage loans for almost 1,669 workforce families since inception. The Authority has provided more than \$12.6 million in down payment assistance funds, either by grant or 0%, deferred second mortgage, for the homebuyers served by the Program. The Authority serves nineteen (19) counties, including Alachua, Bay, Bradford, Escambia, Franklin, Gadsden, Gulf, Hernando, Indian River, Jackson, Jefferson, Leon, Marion, Martin, Okaloosa, Santa Rosa, St. Lucie, Wakulla and Walton.

The Big Splash Program offers both a bond-eligible Governmental (FHA/VA/RD Insured) option and a TBA Conventional (Freddie Mac HFA Advantage) option. The Authority's main goal in these programs is to provide mortgage loans at competitive rates while providing down payment assistance that helps workforce families make their home ownership dreams come true. Beginning June 15, 2020, Pensacola and Escambia County residents, the Authority began working with the City of Pensacola and Escambia county to offer a special low interest rate first mortgage for borrowers that utilize the Escambia SHIP Down Payment Assistance.

During FY 2019-2020, the Authority issued three different series of single-family mortgage revenue bonds.

### **Multi Family Rental Housing**

In 2019, the Authority issued its multifamily housing revenue bonds to finance the acquisition and rehabilitation of seventy-six units of existing affordable housing in Madison County and one hundred and sixty-eight units in Indian River County. The construction and equipping of seventy-two units of new workforce housing in Escambia County is near completion. All projects are supported by loans and tax credit allocations provided through the Florida Housing Finance Corporation. The Authority is presently working to finance additional acquisition and rehabilitation project in Indian River County.

### **Local Government Priority for FHFC Projects**

The Authority has worked with Escambia County over the past few years to develop a competitive process for County review and approval of projects eligible for funding by FHFC with a local government priority. The process and the partnership with the County has been an important venture for both the County and the Authority.

### **Federal Home Loan Bank of Atlanta**

As of October 2019, the Authority is a new associate member of the Federal Home Loan Bank of Atlanta. This is an important addition and may provide additional opportunities for the HFA.





## **HFA NAME: HOUSING FINANCE AUTHORITY OF HILLSBOROUGH COUNTY**

### **Summary**

The HFA of Hillsborough County Board of Directors decided over ten years ago to begin investing some of their available funds in community programs. The concept was: where can limited HFA funds really make a difference? Where is there a “hole” in the delivery system that the HFA could fill? The HFA realizes that its mission is to promote the construction, rehabilitation, and sale of affordable housing—and help those struggling to find affordable housing. The HFA isn’t a bank hoarding money to pay to non-existent stockholders. The HFA doesn’t throw away funds either.

Additionally, the HFA has opened up partnerships with Hillsborough County and key housing providers in the community. This has been a particularly effective method of combining SHIP funds with HFA resources.

### **COVID-19: Rental Assistance Program**

COVID-19 has led to persons losing their jobs or having their hours severely reduced – particularly among the service workers who are a high percentage of those that rent apartments in bond-financed communities. While there are multiple sources of funding for rental assistance, the HFA found that residents of HFA financed properties were having problems accessing the system for those funds.

To address the issue, the HFA allocated \$300,000 for rental assistance, targeted to persons living in HFA financed apartments communities who lost their jobs or had at least a 50% reduction in hours. The funds were to pay June and July rent for eligible residents, up to \$1000 per month. The estimate is that 150 households could be served.

Rather than trying to find residents who were eligible, the HFA worked with the apartment owners and their management companies to identify residents in need. Each owner was giving an allotment of 150 units and asked to identify residents who met eligibility criteria.

Rather than try to administer the program internally, the HFA turned to our partner Metropolitan Ministries who have experience in dealing with residents, apartment management, and most importantly, verifying loss of employment or hourly income. In less than two weeks after the HFA approval of the program, an MOU was executed with Metropolitan Ministries and the program was launched.

While negotiating with Metropolitan Ministries, the HFA reached out to the apartment owners—so that when the program was ready to begin, they had already identified eligible residents. As a result, intake of resident applications began two weeks after the HFA Board meeting where the concept was approved.

Another benefit of working directly with the apartment managers is that they can assist their residents in filling out paperwork and submitting it. When the case manager at Metropolitan Ministries reaches out to a resident, the apartment manager has already explained the program to the renter. This means that there is a no general notice of a vague reference to a website that a resident many or may not be able to access or navigate – the partnership of Metropolitan Ministries, the apartment manager and the HFA guides the resident through the process.

By assisting these working families, the HFA has provided a valuable community service. Additionally, we have strengthened the relations with our apartment owners, improved the economic viability of the developments (helping to stabilize the bond deals) and taken a leadership role in the community.





From the HFA of Hillsborough County's perspective, we have done the right thing, we have done it efficiently, and we have done it in a manner that is most likely to match eligible residents with available resources. The program is simple, and it has been implemented quickly.

The ability of an HFA to be nimble is an advantage we have over many county governments. In this crisis, the HFA of Hillsborough County has again demonstrated that nimbleness and shown the County why having an independent HFA benefits the community.

### **Local Government Priority for 9% Housing Credit Development**

In the past, FHFC's award of 9% Housing Credits often boiled down to which development drew the best lottery number, rather than if the deal best met the priorities of the community. Beginning in 2016, FHFC offered the option to large counties and their cities to provide a higher level of local government financial support to one deal, which would then receive points not available to other applicants.

To give the preference, the local government has to contribute a significantly higher amount of funds to the development. The HFA agreed to provide that funding. For the past three years, Hillsborough County requested the HFA to issue a NOFA and select a development to receive the local government preference.

The primary emphasis of the evaluation is long term affordability (along with basic items such as developer competence, development location, and proposed resident programs and design amenities). The developments chosen each year agreed to set-aside the units in the development in perpetuity—a significant improvement from the much shorter affordability period required by FHFC. The deals selected for funding meet local priorities. Three different developers have been awarded the "preference" over the three years.

### **SHIP Down Payment Assistance Program**

Beginning in 2014, the HFA and Hillsborough County began a cooperative program wherein the County uses SHIP funds to reimburse the HFA for DPA loans made to SHIP eligible borrowers within the HFAs home ownership loan program. To date, the County has funded \$5.023 million to the HFA, and has committed another \$700,000 of SHIP funds this year.

The program is totally transparent to HFA borrowers and lenders. Borrowers receive their DPA loan from the HFA, and lenders process first mortgages within the program in exactly the same manner as for any other loan. The HFA delivers SHIP compliant loan packages to the County, who then reimburses the HFA. This is a win-win situation, as it allows the HFA to recycle its funds, while giving the County an extremely effective method of distributing their SHIP monies.

### **Up and Out Homeless Programs**

The HFA provides rental assistance and case management through both Metropolitan Ministries and the Catholic Conference. The Met Min program focuses on families and Catholic Conference on the elderly.

Beginning in 2008, the HFA asked homeless providers: Who in your system could benefit from limited HFA funding—but no other organization is funding? The answer was that families that had moved from homelessness to temporary housing and were now employed and ready to move back into the conventional rental market "fell through the cracks" of funding. They needed rental assistance to help them move "up and out" of the homeless system back to employment and eventually paying all of their rent themselves.

The program provides \$377 per month for a one-bedroom or \$452 per month for a two or larger bedroom unit as rental assistance to families in the program. All non-elderly families have someone who is employed and





all still receive case management from the HFAs partner—Metropolitan Ministries or Catholic Conference. The rental assistance is limited to a two-year period. During this time the family is able to stabilize its finances and is ready to take over the full rent when they exit the program. To avoid any “slum lord” subsidization problems, the program works with developments financed by either the HFA or FHFC—therefore ensuring that every property is inspected, monitored, and provides safe and decent shelter.

At any given time, the program is limited to three-hundred thirty-three (33) families with Met Min and ten (10) with Catholic Conference. ONE-hundred sixty-three (163) families have participated, with two-hundred and two (202) adults and two-hundred seventy-three (273) children housed. The average family income is \$23,050, and over 75% of the participants have successfully “graduated”—meaning they stayed in their unit after the subsidy ended and paid the full rent themselves. To date, the HFA has invested over \$1 million in the Up and Out Homeless Programs.

### **Youth Aging Out of Foster Care Program**

Working with its community partner Camelot Community Care, the HFA has also initiated a program designed to help youth aging out of foster care. The program recognizes that a significant number of these youth end up homeless within a short period after turning 18. This program is budgeted for \$100,000 per year, with \$284,000 already invested.

The program is currently funding a full-time transition specialist to work with the youth. The current system has far too many youths dependent upon far too few specialists, and this will help alleviate that problem. The program is also providing rent subsidies of \$200 per month for 15 youth, and also pays their rental application fees. Additionally, the program funds the additional security deposits required from tenants such as these youth who do not have a credit history. To date, twenty-five youth have graduated successfully from the program, and another six are currently being funded.









## **HEFA NAME: JACKSONVILLE HOUSING FINANCE AUTHORITY** **SUMMARY**

The JHFA recognized the need to finance a portfolio owned by a specific developer who had mismanaged several properties to the point of multiple code violations. The refinancing would bring in a new owner who would properly rehabilitate the portfolio. The condition of these properties made national news and is the kind of situation that makes all affordable housing suffer from public perception problems. These properties were not financed through an HFA and utilized a process that specifically avoided the structured review and oversight of the JHFA. When HUD took control of the portfolio, and a responsible developer took over the management, a negotiated purchase by that developer came through the JHFA for their financing. JHFA has a system in place that ensures that multifamily properties financed through the Authority will meet thresholds for both economic and physical viability for the long term. Once a developer approaches the JHFA with a proposed financing there is a very structured process in place that evaluates not only the proposed financing but the actual construction or rehabilitation to ensure that when the work is complete that the tenants within or to be housed in the property will be in a safe, well-constructed, and well located unit. In addition, the proposed developers are also reviewed for their ability to perform and their past developer record and experience. This can only apply to those that come through the JHFA process. If a property is financed by avoiding the structured process and not through the JHFA that same concern is not utilized.

### **Millennia Portfolio – The anatomy of a Failed Portfolio**

In October of 2018, the JHFA closed on a \$81.6M Mortgage Revenue Bond transaction for the acquisition and rehabilitation of four troubled project-based Section 8 housing developments. This financing concluded a period of mismanagement and unsafe living conditions for some of the most vulnerable households in the city.

In December of 2012, Global Ministries Foundation (GMF), a not-for-profit entity out of Tennessee, acquired six distressed housing developments in Jacksonville. These developments had a long history of poor living conditions and violent crime. This acquisition was unusual for Jacksonville in that it involved Mortgage Revenue Bonds but was not handled through the local housing finance authority, the JHFA. The JHFA's stringent policies and underwriting requirements would have never allowed this transaction to close as it was obvious that the minimal amount of rehabilitation per unit, as low as \$3,000 in some instances, was in no way sufficient to address the decades of deferred maintenance. Instead, this transaction was handled through a third-party issuer, despite the warnings of the JHFA's board, professional team, and staff.

Very little changed for the residents of these developments under the new owner. The properties continued to decline, and the magnitude of the problems became painfully evident. In October of 2015, the deplorable living conditions at the GMF developments garnered media attention at the local, state, and federal level. The City's code enforcement inspectors descended on the developments and were able to document code violations, many of them involving health and safety violations, in each of the inspected units. GMF developments in other Florida communities and nationwide were also being shown to have the same issues with lack of maintenance and property management.

In August of 2016, HUD raided the offices of GMF, and the SEC opened an investigation into the financing behind the portfolio. Over the next two years, HUD coordinated with the development community for the acquisition and rehabilitation of GMF's national portfolio and selected Millennia to manage individual GMF properties. Millennia worked towards the purchase of the portfolio utilizing multiple financing structures. Four of the GMF Jacksonville portfolio projects were acquired with JHFA Mortgage Revenue Bonds and the long-awaited rehabilitation began.





Rehabilitation of the Jacksonville units has been difficult but is expected to be completed this year. Tenants were without gas for six weeks due to failures in underground gas lines. In response, Millennia provided catered meals, showering facilities, relocations and rent refunds during that period. The unanticipated replacement of the underground gas infrastructure caused costs to escalate. The City of Jacksonville supplemented the JHFA financing of these developments by providing reduced ad valorem tax rebates to Millennia to help offset the unexpected costs and maintain the financial feasibility of the project.

Today, residents have hope of a home that has been completely renovated and includes central air, kitchens with built-in dishwashers and microwaves. They are no longer living with black mold, falling ceilings, and crumbling stairs. The differences between the GMF transaction in 2012 and the JHFA transaction in 2018 could not be more profound and speak loudly to the value of local housing finance authorities and their involvement in transactions of this type in the communities they serve. The policy direction and oversight of the local HFAs is the best protection for safe, sustainable affordable housing finance.





## **HFA NAME: HOUSING FINANCE AUTHORITY OF LEE COUNTY**

### **Summary**

The Housing Finance Authority of Lee County (HFA) serves low, moderate, and middle-income homebuyers and renters by:

- connecting qualified homebuyers to lenders with appropriate first mortgage loans;
- providing down payment assistance (DPA) to qualifying first-time and non-first-time homebuyers in its Program area, in either loan or grant form; and
- working with multifamily developers, commercial developers, and Housing Authorities, to create or preserve affordable units for eligible renters in Lee, Charlotte, and Sarasota Counties.

### **Single Family Loan Program: Marketed as the "Own a Home Opportunity Program"**

Lee County HFA operates its single-family affordable lending program, which is marketed in participating counties as the "Own a Home Opportunity Program." Through this Program the Lee County HFA has partnered with several HFAs (Broward County, Collier County, Palm Beach County, St. Johns County and Volusia County HFAs) and several counties (Charlotte, DeSoto and Sarasota Counties) to serve eligible homebuyers in the respective Program areas with affordable first mortgages paired with DPA funds. A Mortgage Credit Certificate offering is also available to eligible homebuyers.

The Own a Home Opportunity Program is a TBA-based, continuous lending program that was launched in 2013 in connection with Raymond James' "Turnkey" Program. Under such Program, the Lee County HFA and participating HFAs and Counties have eliminated all market and pipeline risks associated with the lending program and avoid the cost of issuance and negative arbitrage issues associated with a tax-exempt single family bond financing.

### **Success**

Through an aggressive marketing campaign with eHousing educating Realtors to the availability of funds, the program has seen an increase in the number of participating lenders. The Program has funded approximately \$268 million of first mortgage proceeds to assist 1,500-plus homebuyers in obtaining affordable financing, including DPA, through approximately 35-plus active lending partners.

- 2013: 45 first mortgage loans (\$6.5 million)
- 2014: 105 first mortgage loans (\$14.6 million)
- 2015: 125 first mortgage loans (\$17.7 million)
- 2016: 150 first mortgage loans (\$26.1 million)
- 2017: 376 first mortgage loans (\$67.5 million)
- 2018: 255 first mortgage loans (\$46.1 million)
- 2019: 283 first mortgage loans (\$52.45 million)
- 2020: 188 first mortgage loans (\$36.68 million)

Through the Program, Lee county HFA and participating HFAs and Counties have funded approximately \$12.1 million in down payment assistance 2nd mortgages and grants.









## **HFA NAME: HOUSING FINANCE AUTHORITY OF LEON COUNTY**

### **Summary**

The HFA of Leon County is a small HFA which has had extremely limited resources to utilize for housing programs. Even with limited resources over last four years it has been able to work on refocusing on activities that are productive and helpful to Leon County and the City of Tallahassee.

During that period, the HFA has:

- Sold its first multi-family bonds in 15 years, which financed the substantial rehabilitation of 108 units of Section 8 apartments that were built in 1971
- Provided the local contribution that led to a 112-unit elderly development being constructed using 9% Housing Credits
- Funded emergency repairs for single family homes, predominantly owned by low-income elderly persons
- Worked with Leon County to utilize the proceeds from the sale of surplus properties to fund affordable housing activities

### **Emergency Repairs for Low Income Homeowners**

HFA of Leon County has an ongoing program that funds small-scale emergency repair that cannot be handled by other county funding sources or cannot move through the county process quick enough. An example might be a roof repair, septic tank repair or clean out, or an air conditioner replacement in the summer for an elderly homeowner. There is a \$1,650 limit on available funds per event, and the HFA has funded \$50,000 of repairs each of the last three years.

### **Property Disposition**

The BOCC changed its policy for the disposition of surplus lands, most often obtained through tax deeds, to target some of those properties for affordable housing. The HFA worked with County staff to develop a program where these properties are sold, and the proceeds transferred to the HFA to fund housing programs, including emergency repairs and local contributions for FHFC applications. In three years, over \$380,000 has been generated for HFA activities.

### **Magnolia Terrace Financing**

Magnolia Terrace is a 49-year-old Section 8 apartment complex, with 108 units. There have been only minimal repairs during that time. The HFA worked with a new owner to finance the acquisition and substantial rehabilitation of the development, issuing \$11.76 million of bonds in April 2020.

### **Conclusion**

A small HFA can still be a successful HFA. While bonds are part of what the HFA of Leon County offers, it has found success by leveraging small amounts of funds generated in cooperation with the County. With those funds, new apartments have been built, old ones rehabilitated, and over 100 elderly residents have received emergency repair grants—allowing them to continue to age in place.





## **HFA NAME: HOUSING FINANCE AUTHORITY OF MANATEE COUNTY**

### **Summary**

The HFA of Manatee County developed a program with participating local lenders to make first mortgage loans for qualified home buyers.

### **Single Family Loan Program**

In early 2009, the Housing Finance Authority of Manatee County, Florida (“the Authority”) was one of the first authorities in the state to structure a loan program to make new mortgage loans to low and moderate-income families or persons when bond programs became unfeasible. The program was available through participating local lenders to make first mortgage loans for the acquisition of qualified single-family residences by qualified borrowers. The loan program concluded in early 2010 and resulted in \$2,582,878 being provided for first mortgage loans to 23 eligible families or persons. The Authority also funded \$102,971.00 for a down payment assistance program to fund the difference between the principal amount of a first mortgage and the total purchase price for a particular single-family residence, together with the costs of any required appraisal, closing agent, recording, survey, termite inspection or other required closing costs not to exceed 4% of the principal amount of the first mortgage in connection with the loan program. The initial \$36,193 of down payment assistance was provided to borrowers under the loan program as a grant. The remaining \$66,778.00 of the down payment assistance was an interest free second mortgage to the Authority in the amount of such down payment assistance that becomes due and payable if the first mortgage is paid off, refinanced or assumed by a new borrower, or the mortgage property is sold, leased, transferred or foreclosed.

Following the NIBP, the Authority established another Loan Program to make new mortgage loans to low and moderate-income families or persons on a continuous basis. This program launched in March 2013, through participating local lenders to make first mortgage loans for the acquisition of qualified single-family residences by qualified borrowers. The program also offers down payment assistance to fund the difference between the principal amount of a first mortgage and the total purchase price for a particular single-family residence, together with the costs of any required appraisal, closing agent, recording, survey, termite inspection or other required closing costs. Initially, the maximum assistance loan has fluctuated between \$7,500 and \$10,000. The down payment assistance loan is evidenced by an interest free promissory note and secured by a second mortgage to the Authority that becomes due and payable if the first mortgage is paid off, refinanced or assumed by a new borrower, or the mortgaged property is sold, leased, transferred or foreclosed. The program also makes available Mortgage Credit Certificates which allows borrowers to receive a Federal Income Tax Credit of up to \$2,000 per year for as long as the loan is outstanding, and the borrower resides in the property. To date, the Loan Program has funded approximately \$44,000,000 in first mortgage loans and provided over \$2,743,000 in down payment assistance loans to 285 eligible families and persons.

During the past year, the Authority established a separate down payment and closing cost assistance loan program (DAP program) in the amount of \$100,000. The purpose of the DAP program is to partner with Manatee County to provide assistance to homebuyers who are unable to purchase homes due to the dramatic reduction in funding of the SHIP Program during fiscal year 2018-2019. The DAP program loans are evidenced by an interest free promissory note and secured by a second mortgage to the Authority that becomes due and payable if the first mortgage is paid off, refinanced or assumed by a new borrower, or the mortgaged property is sold, leased, transferred or foreclosed. The DAP program requires that the borrower also participate in the SHIP or HOME programs for subordinate financing through certified lenders.





## HFA NAME: HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

### Summary

Of note, Liberty Square was most recently famous for its role and depiction in the 2016 Oscar award winning movie, *Moonlight*.

# LIBERTY SQUARE *RISING*

As development flourished in Miami in the early 20th century, restrictive covenants, racial violence and Jim Crow laws barred approximately 30,000 Black residents from living outside of Overtown, aka, 'Colored Town.' Overtown, a small densely populated area just north of downtown Miami was Black Miami's commercial and cultural center. While the area was rich in black culture, family and entertainment, residents suffered from poor housing, little access to municipal services, price gouging and public health issues.



President Franklin Delano Roosevelt's New Deal brought funds to Florida to stabilize, build and stimulate growth in Miami's economy. In an effort to relocate Blacks from their proximity to the expanding downtown area, federal funds were invested in the development of Liberty Square public housing approximately 5 miles north of Overtown in the Liberty City area. One of the first public housing projects in the nation, Liberty Square opened in 1937 and was home to approximately 730 black residents by 1939. Opposition to the proximity

of the new Liberty Square development to the mostly white neighboring communities led to the erection of a 4-foot tall wall along the side of Liberty Square from the southern boundary to the northern boundary. Remnants of the "wall" that segregated them remain today.

Liberty Square *Rising* is a multi-phase development which will include a total of 1,455 units to include 767 workforce and affordable units, 640 public housing units and 48 homeownership units. Original estimates for the development ranged at \$300 million but developers indicate that the project may result in twice that amount upon completion. The redevelopment of Liberty Square is a comprehensive team effort between





elected officials, residents of Liberty Square, Miami-Dade County government, community partners, the developer – Related Urban and other stakeholders. Current residents have the rights of first refusal; they may temporarily transfer to renovated units or accept a Section 8 voucher to move off site during development.

Stakeholders worked diligently to develop a community benefits agreement that benefited all partners. Highlights of the agreement include but are not limited to:

- Collaborated with HUD, Miami-Dade County Mayor and County Commission to ensure that a percentage of construction funds go to certified Section 3, minority and women-owned businesses.
- The establishment of scholarships totaling \$50k per phase to students residing in public housing.
- The historic preservation of the community center building within the site for a museum to preserve the history of Liberty Square.
- The development of a partnership with a social service organization to set aside units for youth aging out of the foster care system.
- The development of a first-time homebuyer education program with a HUD approved education agency.
- Development of a mentoring program for small businesses in each phase of the development.
- Partnership with local organizations to provide job training to ex-offenders for residents residing in neighboring zip codes.
- The investment of infrastructure for the provision of WiFi to all Liberty Square residents.
- The development of a community park.
- The development of an early childhood school.
- Renovation of an area for an early learning center to be operated by Easter Seals.

The development partnerships and support services cause Liberty Square Rising to stand head-and-shoulders above the average multifamily development. Elected officials, Liberty Square residents, the developer and community stakeholders worked tirelessly to achieve redemption and restoration of the geographic area. Building a livable city where public housing once stood was an arduous task. The redevelopment of Liberty Square Rising will be a comprehensive team effort between Miami-Dade County, the developer Related Urban, the residents of Liberty Square, community partners and other stakeholders and will serve as a model public-private partnership for future public housing transformation efforts throughout the country.





## **HFA NAME: ORANGE COUNTY HOUSING FINANCE AUTHORITY (OCHFA)**

### **Summary**

Orange County HFA worked with Orange County as a Trust Fund was created.

### **Action Plan: Housing for All**

The "Housing for All" Action Plan is a blueprint for Orange County to address the housing crisis, providing alternatives to the growing number of households that are cost burdened. The plan updates and builds upon the regions housing plan completed in 2018. The "Housing for All" Action Plan provides a flexible framework for Orange County and its partners to utilize the following strategies to encourage the production and creation of affordable housing units.

- Remove Regulatory Barriers and Introduce New Policies  
Code changes and development incentives to support a greater diversity of housing products
- Create New Financial Resources  
Dedicated local funding source(s) for affordable housing, preservation of existing housing stock
- Target Areas of Access and Opportunity  
Focus on proximity to jobs, transit and services, adaptive reuse, and land banking
- Engage the Community and Industry  
Public-private partnerships, pilot projects, and housing advocacy spotlight the innovation and collaboration needed to increase Orange County's housing supply

### **Resources**

In addition to the much needed regulatory reform policies adopted in the Action Plan, the plan also includes the establish of a Housing Trust Fund that will provide financial resources that will be used to finance the preservation or creation of affordable housing units in Orange county. On December 19, 2019, the Board of County Commissioners approved an annual set aside of \$10 million in general revenue funds to finance a Housing Trust Fund over the next ten years. The Trust Fund proceeds will be used to leverage private investments from financial institutions, large employers, and community partners. It is anticipated that the Housing Trust Fund will be used to provide:

- Gap financing for multifamily developments
- Leveraging and incentives for preservation
- Land Banking for Affordable Housing
- Impact Fee subsidies
- Pilot Projects in targeted areas of Access and Opportunity

### **Partnerships**

The Action Plan sets an aggressive housing agenda focused on creating 30,300 units over the next ten years and identifies targets to be achieved. Achieving the targets will require participation from private foundations, large employers, and financial institutions to mention a few. As a provider of financing for affordable housing, OCHFA welcomes the opportunity to leverage its financial resources with the Housing Trust Fund to finance homeownership and rental opportunities. To that end, we are working with county staff to develop a revolving





loan fund. Mayor Jerry Deming's and the Orange County Board of County Commissioners adopted a bold, visionary, and comprehensive approach to addressing the affordable housing crisis in Orange County.

### **State Housing Initiatives Partnership (SHIP) Program/HFA Coordination**

As the need for affordable housing escalates, housing professionals across Florida continue to face obstacles to creating and preserving housing. The SHIP program funding awarded to the central Florida region was reduced by 63% and %\$% in fiscal years 2018-2019 in comparison to fiscal year 2017. Meanwhile the cost of construction and regulatory fees continue to rise. In an effort to address the shortfall in SHIP funding, OCHFA staff worked with our local SHIP Program Administrators to leverage their funding with HFA funding to implement the following initiatives:

#### **SHIP/HFA DPA**

The Orange County Down Payment Assistance (DPA) program can be "layered" with the DPA from OCHFA. It can be challenging for lenders to navigate through the compliance requirements for SHIP and HFA programs, but it can be beneficial to the homebuyer that needs the additional subsidy to achieve homeownership. To encourage lender participation, HFA, and county staff are readily available to assist lenders during the loan origination process.

The remaining counties in our region, Osceola, Lake, and Seminole are not as fortunate as Orange County, and were unable to finance a DPA programs or funds allocated were quickly exhausted. To assist these agencies and ensure that there is not a lapse in assistance to homebuyers, the SHIP Program Administrators have been asked to refer all incoming inquiries for DPA assistance to the HFA office.

#### **SHIP/HFA Technical Assistance**

The relationship between a SHIP program Administrator, and their local HFA must extend well beyond coordinating the TEFRA process. HFA's can, and should use their extensive knowledge in affordable housing finance to provide technical assistance to local SHIP program Administrators in the following areas:

- Participate in developing affordable housing programs, policies, and regulations
- Efficiently leverage federal, state, and local financial resources
- Build capacity along with a coordinated housing delivery system that emphasizes efficiency

### **GAP Financing for Targeted Populations**

OCHFA developed a Revolving Loan Fund to create and preserve affordable housing for low to moderate income households. The fund is a flexible source of gap financing that can be used to finance challenging developments that address a community priority and have a financial gap. The fund is a self-replenishing pool of money that utilizes interest, and principal payments to finance new loans. All loans originated are serviced by Neighborhood lending partners of Florida, Inc, a local Community Development Financial Institution (CDFI)

#### **Arbor Bend**

Recently the Revolving Loan Fund (RLF) program to provide a \$2.0 million Line of Credit to Habitat for Humanity of Greater Orlando and Osceola County. The proceeds were used to finance the construction of eighteen (18) homes. All the homes will be affordable to households earning less than 60% of the area median income. The RLF provides an interest rate of 1.5%, and the loan fund is repaid when the units are sold. Additionally, the Orange County Housing and Community Development Division provided down payment assistance to all qualified households.





## **HFA NAME: PALM BEACH COUNTY HOUSING FINANCE AUTHORITY**

### **Summary**

The HFA of Palm Beach County has over the years worked closely with our county Department of Housing and Economic Sustainability (“HES”) on affordable housing initiatives. The HFA has traditionally been the provider of “soft second mortgage” down payment and closing assistance, presently up to \$10K, for first time homebuyers while HES provides deep single-family purchase assistance and rehabilitation grants and loans to buyers below 80% of area median income. The HFA and HES have jointly funded a number of multi-family rental housing projects in recent years, with HES also providing local government match funds to developers under FHFC competitive 9% LIHTC and SAIL RFA’s. HFA board members and staff have been involved for many years with the not-for-profit Housing Leadership Council of PBC in the Sadowski Education Effort with our local legislative delegation.

### **Revolving Bridge and Construction Loans**

The HFA established a revolving loan pool in 2009 to utilize some of their available surplus to promote the construction and rehabilitation of affordable housing by both for-profit and not-for-profit developers as well as other governmental entities. The not-for-profit community, many of which are lightly capitalized or have illiquid assets, had expressed a need for bridge loans where grants are funded on a reimbursement-only basis as well as for traditional project construction. The loan program provides for a term of up to 36 months at interest rates between 1% and 3% and secured by a mortgage or pledge of receipts.

Beginning with the first loan to the Community Land Trust of Palm Beach County (“CLT”) in 2010 the HFA has entered into a total of nine (9) separate loan agreements with both chapters of Habitat for Humanity in Palm Beach County, the West Palm Beach Housing Authority and the Delray Beach Housing Authority, the Westgate/Belvedere Community Redevelopment Agency, and the not-for-profit NOAH Development Corporation and Palm Beach Habilitation Center, Inc. These ranged in size from \$250K to \$3.4M with the shortest term of 12 months and the longest for 36 months. Many of these borrowers had been awarded funding under a federal or state grant that required the grantee to expend their own monies for improvements and then request reimbursement. The HFA closed on a \$1M revolving construction line with the Palm Beach Habilitation Center in 2018 that included funding for two projects, one for improvements to an existing group home to be reimbursed under a state grant from the Florida Agency for Persons with Disabilities, and the other for the new construction of a 6-room memory care group home to be partially funded through a grant from the Florida Housing Finance Corporation. The loan with the Westgate/Belvedere CRA allowed them to acquire and rehab a number of existing homes, which they later resold with the loan secured by and repaid from receipt of tax increment receipts.

The HFA has entered into four revolving construction loans for the development of single-family homes, and is about to enter into a master line of credit agreement with the CLT for in-fill home construction. The first was with the CLT for their 24-home Davis Landings West subdivision. This \$3.4M revolving loan provided the funds for both off-site and on-site land development as well as vertical construction of 16 single family detached homes and 8 townhomes. The site was donated to the CLT by the county, which also provided up to \$79K of federal HOME grant purchase assistance to homebuyers depending upon household income not to exceed 120% of area median income. The CLT obtained a Florida Housing Finance Corporation PLP loan of \$350K for pre-development costs which was repaid from the first loan draw. Under the national community land trust model buyers acquire title to the home improvements but lease the underlying home site for a nominal fee. The ground lease contains the home resale terms which shares any future appreciation between the seller





and the CLT helping to maintain future affordability. The first mortgage loans for the purchase of homes under a community land trust is therefore a special portfolio product offered by only a few regional banks and not offered under the HFA's single-family loan program. All the homes have been completed with the last several expected to close by early summer of 2019. A second revolving construction loan in the amount of \$1M was entered into in late 2017 with the CLT for up to eight single family homes on scattered lots. The county through HES has again provided HOME funds this time in the amount of \$600K that will be converted to grant purchase assistance to homebuyers.

The HFA entered into a three-year \$250K master line of credit agreement with the West Palm Beach Housing Authority in 2017 to front a portion of the cost of constructing homes where the primary funding source was city or federal grant reimbursements.

### **Future Partnership Opportunities**

The HFA is currently working on partnerships with HES and HFH for single family homeownership in traditionally underserved communities including the Glades area of the county. The HFA has reserved \$1.43M for the 24-lot single family home "Brooks" subdivision which HES expects to bring in a builder/developer through an RFP process later in 2020. They are looking at alternative building methods including manufactured, modular and container to lower construction costs.





## **HFA NAME: PINELLAS COUNTY HOUSING FINANCE AUTHORITY**

### **Summary**

The commitment that Pinellas County has made to housing funds through the Penny for Pinellas, includes funding the Affordable Housing Land Assembly Funds which is utilized for acquisition of land for affordable work force housing. The HFA is helping to administer programs from these funds. In November 2017, Pinellas County voted to approve the continuation of the Penny for Pinellas for another 10 years. At this time, it is estimated that approximately \$165 million will be set aside for economic development and affordable housing over the 10-year period starting in January 2020. In addition, the HFA of Pinellas County has begun to fund a Youth Aging out of Foster Care Program.

### **Affordable Housing Land Assembly Fund – Penny for Pinellas**

The HFA of Pinellas County administers Pinellas County's Affordable Housing Land Assembly Fund. The source of revenue is an infrastructure surtax known as Penny for Pinellas. Land Assembly Funds are utilized for the acquisition of land for affordable workforce housing. The acquisition must meet the definition of Section 212.055(2)(3)(1) Florida Statutes which ensures that it will be utilized and stay in control of the HFA or the County. It also includes long-term ground lease provisions as part of the Land Trust that is established for each transaction. The total funding available is approximately \$15,000,000 over a three-year period. Beginning in July 2015, the HFA released a Notice of Funding Availability/Request for Applications for New Construction/Acquisition & Rehabilitation of Multifamily Development and the County released a Request for Letters of Interest for Purchase of Land for Affordable Housing. Land acquired utilizing the Land Assembly Funds is held in various land trusts administered by the HFA, as Trustee, for the benefit of Pinellas County (the beneficial owner). The land is then leased back to the respective Developer through a Ground Lease (and Land Use Restriction Agreement) for a period of 99 years thereby ensuring affordability in perpetuity. To date almost \$13,000,000 of funds have been spent or committed to acquire the land for developments that will produce 581 units of affordable housing. 431 units of those units will be set-aside for households at or below 60% AMI. The funds have been leveraged with over \$93,000,000 of other resources. The developments are located in unincorporated Pinellas County, the City of Largo, the City of Pinellas Park, the City of St. Petersburg and the City of Clearwater.

The Notice of Funding Availability is still ongoing and has no expiration date at this time. Information is located on the HFA website.

The Penny for Pinellas surtax has been extended for another 10 years starting in 2020. The HFA will continue to administer the Land Assembly Funds on behalf of Pinellas County. The HFA is also in discussions with the City of St. Petersburg to administer a portion of their surtax funds as well.

### **Youth Aging Out of Foster Care Program**

Modeled after Hillsborough HFA's successful program, the HFA of Pinellas County awarded a \$100,000 grant to Ready for Life, Inc. to assist youth aging out of foster care with housing needs. The activities that the grant will fund include a full-time specialist and two part-time specialists to work with the youth as well as provide rent subsidies, security deposits and application fees for housing. All youth are required to be employed and are required to take a financial literacy course to receive assistance through the program.





# FLORIDA ALHFA MEMBERS

## HFA MEMBERS

Alachua County  
Brevard County  
Broward County  
Clay County  
Escambia County  
Hillsborough County  
Jacksonville  
Lee County  
Leon County

Manatee County  
Marion County  
Miami-Dade County  
Orange County  
Palm Beach County  
Pasco County  
Pinellas County  
Polk County  
St. Johns County

St. Lucie County

## ASSOCIATE MEMBERS

AmeriNat  
Bank of New York Mellon Trust  
Blue Sky Communities  
Bryant Miller Olive  
Citi  
CSG Advisors  
Denihan Consulting  
Dominium Development  
eHousing Plus  
First Housing  
Florida Community Loan Fund  
Florida Housing Finance Corporation  
Freddie Mac  
Gorman & Company  
Greenberg Traurig  
The Hendrickson Company  
Hilltop Securities

Johnson Pope  
Nabors, Giblin & Nickerson  
Nelson Mullin & Broad and Cassell  
The Nichols Group  
PMA Financial Services  
Public Resources Advisory Group  
Raymond James  
RBC Capital Markets  
Richman Group of Florida  
Seltzer Management  
Southport Financial Services  
Stearns Weaver Miller  
Stifel  
Tampa Housing Authority  
US Bank Home Mortgage  
US Bank Trust  
Vestcor

Wendover Housing Partners





# FLORIDA ALHFA BOARD



**HARRY HEDGES**  
**President**  
*HILLSBOROUGH COUNTY HFA*



**ANGELA ABBOTT**  
**Vice President**  
*BREVARD COUNTY HFA  
HFA OF MANATEE COUNTY*



**KATHRYN DRIVER**  
**Secretary/Treasurer**  
*PINELLAS COUNTY HFA*



**WALT FERGUSON**  
**Board Member**  
*HFA OF LEE COUNTY*



**CHEREE GULLEY**  
**Board Member**  
*HFA OF MIAMI-DADE COUNTY*



**PAT LOTT**  
**Board Member**  
*ESCAMBIA COUNTY HFA*



**W. D. MORRIS**  
**Past President**  
*ORANGE COUNTY HFA*



**RICHARD PIERRO**  
**Board Member**  
*HFA OF MANATEE COUNTY*



**JIM RYAN**  
**Board Member**  
*HFA OF CLAY COUNTY*



