

Meeting Date
February 20, 2018



AGENDA	
Section	CONSENT
Item No.	II.D.1

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	RESOLUTION APPROVING THE ISSUANCE BY BREVARD COUNTY HOUSING FINANCE AUTHORITY OF SINGLE FAMILY MORTGAGE REVENUE BONDS OR IN THE ALTERNATIVE, THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES IN 2018
DEPT/OFFICE:	Brevard County Housing Finance Authority

Requested Action:

The Brevard County Housing Finance Authority (the "Authority") is requesting that the Board approve a Resolution to allow the Authority to apply for an allocation with the Florida Division of Bond Finance and to allow the issuance by the Authority of Single Family Mortgage Revenue Bonds or in the alternative, issuance of mortgage credit certificates, during 2018.

Summary Explanation & Background:

Since 2012, the Brevard County Housing Finance Authority has participated in a multi-county home ownership program led by the Hillsborough County Housing Finance Authority. The program offers Brevard County residents low interest rate first mortgage loans to persons and families of lower and moderate income who are purchasing their first home. In addition, borrowers may obtain up to \$10,000 for down payment and closing cost assistance which is secured by a non-interest bearing, non-amortizing second mortgage, as well as a mortgage credit certificate (MCC), which allows the homebuyer an annual tax credit of up to \$2,000. The MCC reduces the borrowers' federal income tax liability during the life of the loan. This tax credit allows the buyer to qualify more easily for the loan and to better afford the home purchase, due to the effective increase in income. To continue offering MCCs, the Authority must obtain allocation from the Florida Division of Bond Finance. In order to apply for an allocation from the Florida Division of Bond Finance, the Board of County Commissioners must provide its approval following the public hearing which was held by the Authority on January 24, 2018. The public hearing was held, following proper publication of notice, for the purpose of receiving public input on the proposed issuance of not to exceed \$40,000,000 in Single Family Mortgage Revenue Bonds, or in the alternative, mortgage credit certificates of \$10,000,000. No public comments or objections were received.

If the Authority is successful in obtaining an allocation, it will convert all or a portion of the allocation to the issuance of mortgage credit certificates.

Cost Benefit Analysis:

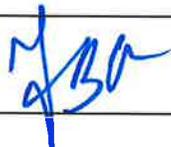
There is no fiscal impact to the Board of County Commissioners or the Authority. The County is only authorizing the Housing Finance Authority to issue bonds and/or MCCs under the IRS requirements for tax exempt bonds and mortgage credit certificates. The County shall be indemnified from the issuance of bonds. As always, neither the credit nor tax revenues of Brevard County will be pledged to the issue, nor will there be any cost to the County for the issuance of any bonds.

Contact Person: Angela A. Abbott, 264-0334; angelaabbott@cfl.rr.com
 Jay Glover, Public Financial Management, (407) 648-2208; gloverj@publicfm.com

Clerk to the Board Instructions:

Exhibits Attached: Resolution; Housing Finance Authority Resolution No. 17-03; Authority Report of Public Hearing;

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager Frank Abbate 	Assistant County Manager	Department Director / Extension
	Assistant County Manager	



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

February 21, 2018

M E M O R A N D U M

TO: Frank Abbate, County Manager

RE: Item II.D.1., Resolution Approving the Issuance of Single Family Mortgage Revenue Bonds by Brevard County Housing Finance Authority or in the Alternative, the Issuance of Mortgage Credit Certificates in 2018

The Board of County Commissioners, in regular session on February 20, 2018, adopted Resolution No. 18-022, allowing the Authority to apply for an allocation with the Florida Division of Bond Finance and to allow the issuance by the Authority of Single Family Mortgage Revenue Bonds or in the alternative, issuance of mortgage certificates, during 2018. Enclosed is a certified copy of the Resolution.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cmw

Encl. (1)

cc: Budget
Finance

RESOLUTION NO. 18-022

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF BREVARD COUNTY, FLORIDA, APPROVING THE ISSUANCE BY THE BREVARD COUNTY HOUSING FINANCE AUTHORITY, OF AN AMOUNT NOT TO EXCEED \$40,000,000 OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS, OR IN THE ALTERNATIVE THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 159, Part IV, Florida Statutes (the "Act") authorized counties to create housing finance authorities to exercise powers of the Act within their boundaries or outside their boundaries with the consent of the governing body of the territory outside their area of operation; and

WHEREAS, the Board of County Commissioners of Brevard County, Florida, created the Brevard County Housing Finance Authority (the "Authority"), by Ordinance No. 79-09, as amended by Ordinance No. 84-16, and authorized the Authority to exercise all powers under the Act; and

WHEREAS, on December 20, 2017, at a duly called public meeting and on motion duly made and seconded, the Authority unanimously adopted a Resolution authorizing the issuance of its Single-Family Mortgage Revenue Bonds in the aggregate principal amount of not to exceed \$40,000,000 (the "Bonds"), or in the alternative to issue mortgage credit certificates ("MCCs") in an amount not to exceed \$10,000,000. The MCCs, if issued, are to be allocated by the Authority to first time home buyers in Brevard County who meet certain income and other requirements; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), requires public approval of certain private activity bonds by the applicable elected representative or governmental unit following a public hearing, and the Board of County Commissioners of Brevard County, Florida (the "Board"), constitutes the applicable elected representative and governmental unit; and

WHEREAS, pursuant to Section 147(f) of the Code, a public hearing was scheduled by the Authority for January 24, 2018, and notice of such hearing was given in the form required by the Code; and

WHEREAS, on January 24, 2018, the public hearing was held on behalf of the Authority and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of Bonds or MCCs; and

WHEREAS, no interested individual appeared to express comments or concerns; and

WHEREAS, the Board desires to express its approval of the action taken by the Authority in authorizing the issuance of the Bonds or MCCs and as required by Section 147(f) of the Code; now therefore,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA:

SECTION 1. Because of the continuing shortage of affordable single-family housing and capital for investment therein Brevard County, Florida, and the continuing impediments to alleviate such shortages as to single-family housing, it is hereby determined that the Board consents to the Authority exercising its powers to issue the Bonds or in the alternative MCCs, and to the use of the proceeds of such Bonds or MCCs to finance single-family housing.

SECTION 2. In furtherance of the purposes set forth in Section 1 hereof, the Chairman or Vice Chairman of the Authority are hereby authorized to execute such consents, agreements or other documents as shall be required to implement the issuance of such Bonds or MCCs, all as shall be approved by counsel to the Authority.

SECTION 3. The Board hereby approves, within the meaning of Section 147(f) of the Code, the issuance by the Authority of an amount not to exceed \$40,000,000 of its Single-Family Mortgage Revenue Bonds or the issuance of not to exceed \$10,000,000 of its MCCs.

SECTION 4. Adoption of this Resolution does not authorize nor commit the expenditure of any funds of Brevard County, Florida, or of the Authority to pay the costs of issuance of such Bonds or MCCs.

SECTION 5. Adoption of this Resolution will not constitute a debt, liability, obligation (either contractual or general), of a pledge of the faith or loan of the credit of Brevard County with respect to the issuance of the Authority's Bonds or MCCs in any manner whatsoever.

SECTION 6. All ordinances and resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 7. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED in the regular session the 20 day of February, 2018.

BREVARD COUNTY, FLORIDA

(SEAL)

By: 
Chairman, Board of County Commissioners
RITA PRITCHETT
As approved by Board 2/20/18

ATTEST

By: 
Clerk - SCOTT ELLIS

RESOLUTION NO. 2017-03

A RESOLUTION OF THE BREVARD COUNTY HOUSING FINANCE AUTHORITY AUTHORIZING THE INITIATION OF ACTION IN CONNECTION WITH THE PROPOSED ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS; AUTHORIZING THE INITIATION OF ACTION, IN THE EVENT SUCH BONDS ARE NOT ISSUED, TO ESTABLISH A MORTGAGE CREDIT CERTIFICATE PROGRAM; AUTHORIZING THE EXCHANGE OF \$40,000,000 OF SINGLE FAMILY PRIVATE ACTIVITY BOND ALLOCATION FOR \$10,000,000 OF MORTGAGE CREDIT CERTIFICATE AUTHORITY; AUTHORIZING CERTAIN OFFICIALS OF THE AUTHORITY TO TAKE ACTIONS NECESSARY IN CONNECTION WITH THE IMPLEMENTATION OF THE BOND OR MCC PROGRAM; PROVIDING CERTAIN OTHER FINDINGS AND DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic to be known as a housing finance authority of the county for the purpose of alleviating a shortage of housing and capital for investment in housing in the area of operation (which may include, as permitted by the Act, other areas of the State) of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Brevard County, Florida (the "County Commission") enacted Ordinance No. 79-09, as amended by Ordinance No. 84-16 (collectively, the "Ordinance") creating the Brevard County Housing Finance Authority (the "Authority"); and

WHEREAS, the Authority is authorized by the Act to borrow money through the issuance of bonds to assist in the financing of single family housing, or, in lieu of issuing qualified mortgage bonds, to issue mortgage credit certificates to qualifying individuals; and

WHEREAS, the Authority desires to initiate action in connection with the proposed issuance of single family mortgage revenue bonds (the "Bond Program"); and

WHEREAS, pursuant to Section 25 of the Internal Revenue Code of 1986, as amended, (the "Code") the Authority may make an election to issue mortgage credit certificates in lieu of the issuance of single family mortgage revenue bonds; and

WHEREAS, in furtherance of the purposes of the Act, the Authority desires to implement in the alternative a mortgage credit certificate program (the "MCC Program") to assist

persons of low and moderate income in Brevard County, Florida (the "County") to afford the cost of acquiring and owning decent, safe and sanitary housing within the County; and

WHEREAS, the Authority desires to apply for private activity bond allocation to effectuate either the Bond Program or the MCC Program; and

WHEREAS, in connection with the MCC Program, the Authority desires to elect pursuant to Section 25 of the Code and Section 159.8075, Florida Statutes, to exchange \$40,000,000 of single family private activity bond allocation for the authority to issue its Mortgage Credit Certificates, Series 2018 (the "MCCs") with a maximum aggregate total amount of \$10,000,000; and

NOW, THEREFORE, BE IT RESOLVED BY THE BREVARD COUNTY HOUSING FINANCE AUTHORITY as follows:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of the Act, the Ordinance and other applicable provisions of law.

SECTION 2. FINDINGS. The Authority has found and determined and does hereby declare that:

A. Based upon existing and anticipated market and economic conditions and the knowledge of the members of the Authority of the housing industry and conditions in the County, it is in the best interests of the Authority and the residents of the County and serves a valid public purpose for the Authority to implement the Bond Program and/or the MCC Program and issue bonds and/or MCCs pursuant thereto.

B. The implementation of the Bond Program and/or the MCC Program and the issuance of bonds and/or MCCs pursuant thereto are necessary and in the best interests of the Authority and the residents of the County and will assist in alleviating a shortage of housing at prices which persons or families of moderate, middle and low income can afford and the shortage of capital available for investment therein.

C. The Authority hereby authorizes notice of the intent of the Authority to establish a mortgage credit certificate program to be published in a newspaper of general circulation in the County pursuant to Section 25(e)(5) of the Code, in substantially the form attached hereto as Exhibit A.

D. The Authority hereby authorizes notice of a public hearing as required by Section 147(f) of the Code in order to apply for private activity allocation to accomplish either the Bond Program or MCC Program, in substantially the form attached hereto as Exhibit B, and delegates to its counsel the authority to hold said public hearing on behalf of the Authority.

SECTION 3. IMPLEMENTATION OF PROGRAMS. In order to preserve the ability to implement the MCC Program, the Authority hereby determines to elect not to issue up to \$40,000,000 of qualified mortgage bonds for which it receives a private activity bond volume cap allocation and to thereby convert \$40,000,000 of single family private activity bond allocation to mortgage credit certificate authorization. The Chairman or Vice Chairman of the

Authority is hereby authorized and directed to make all filings, declarations and notices as may be necessary or appropriate to make or implement such election on behalf of the Authority, and to publish the required notice of the proposed MCC Program.

SECTION 4. AUTHORIZATIONS. The Chairman, Vice Chairman, Secretary, each Assistant Secretary and counsel to the Authority, and such other officers, agents and employees of the Authority as may be designated by the Chairman are each designated as agents of the Authority in connection with the implementation of the Bond Program and/or MCC Program as authorized and contemplated hereby and are authorized and empowered, collectively or individually, to take all actions and steps to advance the intent of this Resolution in connection therewith, subject to fiscal approval by the Authority of any such program. The Authority specifically authorizes the execution and delivery of a Program Administration Agreement with respect to the MCC Program, in substantially the form attached hereto as Exhibit C.

SECTION 5. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED by the Brevard County Housing Finance Authority this 20th day of December, 2017.

**BREVARD COUNTY HOUSING
FINANCE AUTHORITY**

By: 
Chairman

ATTEST:


Secretary

EXHIBIT A

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE CREDIT CERTIFICATE PROGRAM
AVAILABLE TO RESIDENTS OF BREVARD COUNTY**

The Brevard County Housing Finance Authority (the "Issuer"), hereby announces the continuation of its program to reduce home loan financing costs within Brevard County, Florida. The Issuer has established a mortgage credit certificate program which will entitle first-time homebuyers to a federal income tax credit (the "Program"). A tax credit is a direct reduction of taxes due. Under the Program, homebuyers would receive a mortgage credit certificate entitling such homebuyers to reduce their taxes by ten percent (10%) to fifty percent (50%) (such percentage to be determined by the Issuer) of the amount of interest paid on their home loan (not to exceed \$2000 per year if the credit percentage exceeds 20%). The tax credit is available each year that the borrower continues to live in the home financed under the Program.

In order to qualify for the Program, federal law requires that a homebuyer satisfy each of the following guidelines:

1. *Principal Residence.* The homebuyer must occupy the home financed under the Program as his/her principal residence within a reasonable period, not to exceed 60 days, after the financing is provided. A principal residence is a home occupied primarily for residential purposes. A principal residence does not include a home used as an investment property, as a recreation home or a home 15 percent or more of the total area of which is used in a trade or business.

2. *First-Time Homebuyer.* Each homebuyer must be a first-time homebuyer. Any person who has not owned his/her principal residence at any time during the three years prior to closing a loan financed in connection with the Program is considered a first-time homebuyer. This requirement does not apply to loans in certain areas designated as targeted areas (collectively, the "Targeted Area").

3. *Purchase Price.* Under the Program, the purchase price for residences may not exceed 90 percent (110 percent with respect to residences located in Targeted Areas) of the average area purchase price applicable to the residence. For this purpose, the "average area purchase price" is based upon the average purchase price of single family residences determined pursuant to applicable federal law with respect to both new and existing one, two, three and four unit residences. The current maximum purchase prices for homes in Brevard County under the Program are as follows:

<u>New and Existing Homes</u>	
<u>Non-Targeted Areas</u>	<u>Targeted Areas</u>
\$253,809	\$310,211

These limitations are subject to adjustment periodically.

4. *New Mortgage.* The mortgage loan financed in connection with the Program is required to be a new mortgage loan and may not replace a prior mortgage loan on the home (whether or not previously repaid).

5. *Income.* Under the Program, the maximum family income for households may not exceed 115 percent (140 percent with respect to residences located in Targeted Areas) of the applicable median family income. For a family of 2 or fewer persons, the maximum family income may not exceed 100 percent (120 percent with respect to residences located in Targeted Areas) of the applicable median family income. The current limits on annual gross income for households in Brevard County under the Program are as follows:

<u>Non-Targeted Areas</u>		<u>Targeted Areas</u>	
Families of		Families of	
<u>2 or Less</u>	<u>3 or More</u>	<u>2 or Less</u>	<u>3 or More</u>
\$61,700	\$70,955	\$74,040	\$86,380

These limitations are subject to adjustment periodically. Gross income includes salary and wages, including overtime, as well as dividends, alimony, public assistance, social security, unemployment compensation and investment income.

6. *One- to Four-Family Home.* The residence financed in connection with the Program must be a one- to four-family residence. A one-family residence includes a detached home, one unit of a duplex, a townhouse or a condominium unit. Manufactured housing or mobile homes qualify only if the unit has at least 400 square feet of living space, if it is more than 102 inches wide and if it is of a kind customarily used at a fixed location. If the residence is a two- to four-family residence, one unit of the residence must be the principal residence of the owner of the units and (with limited exceptions) the residence must have been first occupied for residential purposes at least five years prior to closing the loan financed in connection with the Program. Land adjoining the home is considered part of the home only if it maintains the home's livability and is not, other than incidentally, a source of income to the owner.

7. *Program Area.* In order to be eligible for a certificate, the home financed in connection with the Program must be located in Brevard County.

Under the Program, mortgage credit certificates will be issued to eligible borrowers on a first-come, first-served basis. The certificates are available in connection with any type of mortgage loan (except loans from tax-exempt bond programs), including fixed rate and adjustable rate mortgages. Any lending institution is eligible to provide mortgage loans in connection with the Program.

This notice contains only a summary of the requirements under the Program. Applications and more detailing information about the Program are available at the address listed below.

eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, Florida 33331
Attention: Sue Denihan
Phone: (813) 579-6293
email: sue@ehousing.cc

EXHIBIT B

FORM OF NOTICE OF PUBLIC HEARING

For the purpose of Section 147(b) of the Internal Revenue Code of 1986, as amended, notice is hereby given that a public hearing will be held on behalf of the Brevard County Housing Finance Authority with respect to the issuance of single family housing revenue bonds in the amount of \$40,000,000 issued by the Brevard County Housing Finance Authority, or in the alternative mortgage credit certificates in the amount of \$10,000,000. The public hearing is scheduled for _____ on _____ at _____.

The proceeds of such bonds or such credit certificates will be used to finance and provide capital for investment and/or to fund or assist in the purchase of mortgage loans to qualified homebuyers of low, moderate or middle income for the construction, purchase or rehabilitation of owner-occupied single family residences located within Brevard County.

The bonds or credits will not constitute a debt of the State of Florida or Brevard County, but will be payable solely from the housing program.

At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal regarding said bonds or credits. Persons are advised that, if they need a record of the proceedings, and for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

All interested parties are invited to present their comments at the time and place set forth above.



ANGELA A. ABBOTT, P.A.
4420 S WASHINGTON AVE

TITUSVILLE, FL. 32780

STATE OF FLORIDA COUNTY OF BREVARD:
Before the undersigned authority personally appeared Becky Holland, who on oath says that he or she is a Legal Advertising Representative of the FLORIDA TODAY, a daily newspaper published in Brevard County, Florida that the attached copy of advertisement, being a Legal Ad in the matter of

Legal Notices

as published in FLORIDA TODAY in the issue(s) of:

01/09/18

Affiant further says that the said FLORIDA TODAY is a newspaper in said Brevard County, Florida and that the said newspaper has heretofore been continuously published in said Brevard County, Florida each day and has been entered as periodicals matter at the post office in MELBOURNE in said Brevard County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has never paid nor promised any person, firm or coporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 9th of January 2018, by Becky Holland who is personally known to me



Adia Bell
Notary Public for the State of Florida
My Commission expires January 27, 2020

Publication Cost: \$167.14
Ad No: 0002648742
Customer No: BRE-6AN287

NOTICE OF PUBLIC HEARING

For the purpose of Section 147(b) of the Internal Revenue Code of 1986, as amended, notice is hereby given that a public hearing will be held on behalf of the Brevard County Housing Finance Authority with respect to the issuance of single family housing revenue bonds in the amount of \$40,000,000 issued by the Brevard County Housing Finance Authority, or in the alternative mortgage credit certificates in the amount of \$10,000,000. The public hearing is scheduled for 9:00 a.m. on January 24, 2018, at 4420 S. Washington Avenue, Titusville, Florida 32780.

The proceeds of such bonds or such credit certificates will be used to finance and provide capital for investment and/or to fund or assist in the purchase of mortgage loans to qualified homebuyers of low, moderate or middle income for the construction, purchase or rehabilitation of owner-occupied single family residences located within Brevard County.

The bonds or credits will not constitute a debt of the State of Florida or Brevard County, but will be payable solely from the housing program.

At the time and place fixed for said public hearing all who appear will be given an opportunity to express their views for or against the proposal regarding said bonds or credits. Persons are advised that, if they need a record of the proceedings, and for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

All interested parties are invited to present their comments at the time and place set forth above.
PUBLICATION: 1/9/2018

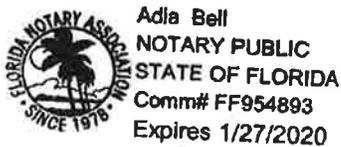


EXHIBIT C
FORM OF PROGRAM ADMINISTRATION AGREEMENT

**REPORT OF
BREVARD COUNTY HOUSING FINANCE AUTHORITY
REPORT REGARDING PUBLIC HEARING**

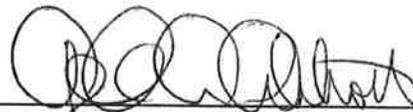
The Brevard County Housing Finance Authority (the "Authority") by and through its designated hearing officer, Angela A. Abbott, Esquire, conducted a public hearing on the proposed issuance of not to exceed \$40,000,000 in single family mortgage revenue bonds or in the alternative, mortgage credit certificates of \$10,000,000.

The public hearing was held on January 24, 2018, commencing at 9:01 a.m. and closing at 9:02 a.m., at 4420 S. Washington Avenue, Titusville, Florida, pursuant to the notice of such hearing which was published on January 9, 2018, in Florida Today, a newspaper published in Brevard County, Florida. A copy of the publisher's affidavit is attached hereto as Exhibit A. Interested individuals were given the opportunity to express their views, both orally and in writing.

The following numbers of people attended the hearing or submitted written comments and were in favor of or opposed to the proposed issuance of the notes:

Number of people in attendance:	<u>0</u>
Number of written comments:	<u>0</u>
Number of people in favor:	<u>0</u>
Number of people opposed:	<u>0</u>

Respectfully submitted this 24th day of January, 2018.



Angela A. Abbott, Attorney and
Designated Hearing Officer
Brevard County Housing Finance Authority