

RESOLUTION NO. 20-10

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 UP TO \$40,000,000 OF SINGLE FAMILY PRIVATE ACTIVITY BOND ALLOCATION FOR UP TO \$10,000,000 OF MORTGAGE CREDIT CERTIFICATE AUTHORITY; AUTHORIZING IN THE ALTERNATIVE THE ISSUANCE OF UP TO \$40,000,000 OF MULTIFAMILY HOUSING REVENUE BONDS OF THE 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 (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 consider initiating action in connection with the proposed issuance of single family mortgage revenue bonds to finance homes for qualified individuals and families (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") and other participating counties to afford the cost of acquiring and owning decent, safe and sanitary housing within the County and such other participating counties; 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 up to \$40,000,000 of single family private activity bond allocation for the authority to issue its Mortgage Credit Certificates (the "MCCs") with a maximum aggregate total amount of up to \$10,000,000; and

WHEREAS, in order to enhance the efficiency of the Bond Program and/or MCC Program, the Authority desires to approve the use of the Authority's funds to finance the purchase of mortgage-backed securities backed by first mortgage loans originated in connection with the Bond Program and/or MCC Program, either directly by the Authority or through the use of a warehousing arrangement; and

WHEREAS, in order to further enhance the Bond Program and/or MCC Program, the Authority desires to provide down payment assistance in the form of third mortgage loans in connection with first and second mortgage loans originated through the Bond Program and/or MCC Program; and

WHEREAS, in the alternative, the Authority desires to provide for the issuance of up to \$40,000,000 in multifamily housing revenue bonds of the Authority, to provide housing for persons of moderate or lesser income in accordance with the provisions of the Act;

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, or in the alternative to issue multifamily housing revenue bonds pursuant to the provisions of the Act.

B. The implementation of the Bond Program and/or the MCC Program and the

issuance of bonds and/or MCCs pursuant thereto or the issuance of multifamily housing revenue bonds 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 the form attached hereto as Exhibit A.

D. The Authority hereby authorizes the publication and holding of the notice of public hearing attached hereto as Exhibit B.

SECTION 3. IMPLEMENTATION OF PROGRAMS.

A. The Authority hereby determines to apply for private activity bond allocation in the amount of up to \$40,000,000 to proceed with a Bond Program or MCC Program or to provide for the issuance of multifamily housing revenue bonds.


B. 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 has received a private activity bond volume cap allocation and to thereby convert such single family private activity bond allocation up to \$10,000,000 of 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-Treasurer, each Assistant Secretary-Treasurer 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 or the issuance of multifamily housing revenue bonds 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.

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

APPROVED AND ADOPTED by the Brevard Housing Finance Authority this 23rd day of September, 2020.

**BREVARD COUNTY HOUSING
FINANCE AUTHORITY**

By: 
Chairman

ATTEST:


Secretary-Treasurer

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>
\$294,601	\$360,067

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>
\$69,480	\$79,902	\$83,376	\$97,272

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 by a virtual meeting 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, or in the alternative multifamily housing revenue bonds in an amount not exceeding \$40,000,000. The public hearing is scheduled for __:00PM on _____, 2020.

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, or for the financing of qualified multifamily housing projects for rental all or in part to persons of moderate or lesser income.

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.

If any member of the general public wishes to be heard at the hearing he or she may do so by calling 1-866-569-3761; Passcode 8537016177 at the time set forth above or by submitting their views in writing delivered at least 24 hours prior to the date and time of the meeting set forth above to Angela Abbott, Esq. at angelaabbott@cfl.rr.com.

The purpose of the public hearing is to afford members of the general public an opportunity to be heard with respect to the proposed issuance of the bonds or credit certificates by the Authority.

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

IF ANY PERSON WISHES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, HE OR SHE 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 MADE.

BREVARD COUNTY HOUSING FINANCE
AUTHORITY