

**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 20<sup>th</sup> 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](mailto: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.

**EXHIBIT C**

**FORM OF PROGRAM ADMINISTRATION AGREEMENT**