Joint City/County Affordable Housing Advisory Committee

October 14, 2024 - 10:00 a.m.
Smith-Williams Service Center

MEETING AGENDA

1. **CALL TO ORDER**
   1.1. Establish Quorum
   1.2. Posting of Meeting Notice

*Special Presentation – See Item 5.1

2. **PUBLIC COMMENT ON AGENDA ITEMS**

3. **AGENDA MODIFICATIONS**

4. **APPROVAL OF MINUTES**
   4.1 Summary of the April 29, 2024, Joint AHAC Meeting

5. **PRESENTATIONS**
   5.1. Live Local Act Q&A – Kody Glazer, Florida Housing Coalition
   5.2. Community Reinvestment Act Funding – Mechelle Mickles, AHAC Member, Movement Mortgage

6. **POLICY & DIRECTION**
   6.1. Down Payment Assistance Equity Share Programs – Jean Amison, City of Tallahassee

7. **ANNOUNCEMENTS**
   7.1. City AHAC Annual Report Wrap Up and Public Hearing – Jean Amison, City of Tallahassee
   7.2. Programmatic Announcements for County AHAC – Jelani Marks, Leon County

8. **UNAGENDAED ITEMS**

9. **ADJOURNMENT**

CITY OF TALLAHASSEE

LEON — FLORIDA'S CAPITAL COUNTY

JOINT City/County AFFORDABLE HOUSING ADVISORY COMMITTEE

October 14, 2024 – 10:00am

Meeting Agenda

1. Call to Order	1.1 Establish Quorum 1.2 Posting of Meeting Notice **5.1* Live Local Act Q&A
2. Public Comment on Agenda Items	*No written content*
3. Agenda Modifications	*No written content*
4. Approval of Minutes	4.1 Minutes From April 29, 2024, Meeting
5. Presentations	*5.1 Live Local Act Q&A 5.2 Community Reinvestment Act Funding
6. Policy & Direction	6.1 Down Payment Assistance Programs
7. Announcements	7.1 City AHAC Annual Report Wrap Up 7.2 Announcements for County AHAC
8. Unagendaed Items	*No written content*
9. Adjournment	*No written content*

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5.1 Live Local Act Q&A

Kody Glazer, from the Florida Housing Coalition, will do a Q&A session on Live Local and its implications for local governments

5.2 Community Reinvestment Act Funding

Mechelle Mickles, City AHAC member and Loan Officer with Movement Mortgage, will discuss CRA funding and how it benefits local communities.

CITY OF TALLAHASSEE

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6.1 Down Payment Assistance Programs – Equity Share

Equity Share

Miami Dade County Homebuyer Down Payment Assistance

- **Qualifying first time homebuyers with incomes up to 120% of AMI can receive an interest free loan of up to $35,000 to cover the down payment for their first home**
- **Up to 30 years deferred loan with no interest, unpaid principal due at maturity**
- **No monthly payment required. Unpaid principal balance due upon sale, transfer of title, refinance or death during the term of the loan**
- **If the property is sold, shared equity percentage of profit from resale to be paid to the county: 100% if sold within 1-3 years, 50% if sold between 4-6 years, 0% after 6 years**
- **Program is funded through the county's discretionary documentary stamp tax as the well as the reallocation of program income**

Shared Equity Period: Years after Loan Closing	Percentage of Profit from Sale to be Paid to the County
1	100%
2	100%
3	100%
4	50%
5	50%
6 or more	0%

Equity Share -

Madison, Wisconsin: Homebuy the American Dream (HBAD)

- **The City offers a mortgage loan up to $35,000 to eligible first-time homebuyers with household incomes of no more than 80% of the AMI to assist in covering down payment/closing costs**
- **The assistance is a junior mortgage loan that becomes due and payable to the city when property is sold, transferred, or ceases to be the primary residence of the owner.**
- **Loan repayment includes a shared appreciation amount including the original loan amount plus a share of the property's appreciation based the percentage of assistance provided by the City for the initial purchase.**
- **Funding sources include HUD with HOME or CDBG funds, the state of Wisconsin, and the City of Madison**

Example of Loan Repayment Calculation	
Original Home Purchase Price	$300,000
City Loan	$35,000
Percentage of City Funds	11.66%
Sales Price at time the home buyer sells or current appraised value if pays off the loan	$375,000
Loan repayment equals 11.66% of the accepted sales price or current appraised value	$43,725

Equity Share -

Alexandria, Virginia: Flexible Homeownership Assistance Program (FHAP)

- **Program assists low-income first-time homebuyers by providing financial assistance with downpayment, principal reduction, and closing costs through a no interest, equity share loan of up to $50,000**
- **FHAP assistance can only be used on units marketed by the City's Affordable Housing Office**
- **Amount of city assistance is determined by the purchase price of a home affordable to the applicant minus the maximum first trust they can afford**
- **The total amount of the subsidy is placed as a second trust against the property at 0% interest and is recaptured upon resale or in 99 years**
- **Funding sources include the federal HOME program, the CDBG program, and the City's Housing Trust Fund (HTF)**

FHAP Equity Share Example

- If the City loan represents 20% of the initial purchase price, then the owner is responsible for providing 20% of the appreciation as a price discount for the next income eligible buyer at resale
- If the home is $250,000 with $50,000 in down payment assistance, the city would hold 20% equity in the home
- If the home is sold later and has appreciated to $300,000, then the seller would share 20% of the $50,000, in this case $10,000, as a price discount to the next buyer making the resale price now $290,000.

Equity Share -

Simi Valley, California: Homebuyer Assistance Program

- **Program provides up to 20% of the purchase price of a home with a deferred payment, equity sharing second trust deed loan**
- **Loan repayment occurs at the earliest of 30 years, sale, transfer, when the primary loan has been paid, or when the residence is no longer the buyer's primary residence.**
- **The City's equity share is equal to the net equity of the property at the time of sale, multiplied by the ratio of the program assistance to the original price**
- **Homeowners who sell within 5 years are responsible to pay the City an additional 10% equity**
- **Homeowners who sell within 6-10 years pay an additional 5% equity to the City**
- **Program is funded by California's Permanent Local Housing Allocation (PLHA) and the City's local housing fund**

Sample Equity Share Calculation			
Initial Purchase Price	$500,000		
City Loan at 20%	$100,000		
Homeowner's Obligation at 80%	$400,000		
	Sale within 5 years	Sale within 6-10 years	Sale after 10 years
Resale Price	$593,843	$705,299	$1,403,397
Primary Loan	$333,333	$266,667	$0
City Loan	$100,000	$100,000	$100,000
Total Equity	$160,510	$338,362	$1,303,397
Capital Improvement Credit Deducted from Home Equity	$10,000	$20,000	$60,000
Net Equity	$150,510	$318,632	$1,243,397
City Equity Share + Additional Share Based on Time of Sale	$45,153	$79,658	$248,679
Homeowner Equity Share	$105,357	$238,974	$994,718

Equity Share -

El Cajon, California: American First Time Homebuyer Program (FTHB)

- **Eligible families with up to 80% of the AMI can receive a deferred loan of up to 25% of the purchase price not to exceed $150,000 for single family or townhomes for down payments/closing costs**
- **No payments are required for 30 years, unless the owner sells or no longer occupies the home as a primary residence, at which time the principal balance, including accrued interest must be repaid**
- **Assistance provided by the city includes provisions for repayment of the principal amount as well as a share of any equity in lieu of interest**
- **The maximum equity to be shared by the City shall not exceed the amount equal to the percentage of the value of the residence financed by the loan program**
- **The equity share period is defined as the 15-year period after the recordation of the Deed of Trust in which the City shares net appreciation if property is sold, rented, refinanced, conveyed, or transferred**
- **Program funding is through HUD HOME Investment Partnership Program funds as well as Cal-Home funding from the California Department of Housing and Community Development (HCD)**

Months After Date of Agreement	Current Sales Price or Current Appraised Value (a)	Original Purchase Price (b)	Gross Appreciation (c) (Difference of a-b)	Seller's Closing Costs (d) (10% of Current Sales Price)	Net Appreciation (e) (c-d)	Seller's Equity Share of Net Appreciation (f) (72.22% of e)	CalHome & City Equity Share of Net Appreciation (g) (27.78% of e)	Principal Amount Due to City (h)	Total Amount Due to City (g+h)
0-180	$260,000	$180,000	$80,000	$26,000	$54,000	$38,998.80	$15,001.20	$50,000	$65,001.20
181 and up	$285,000	$180,000	$105,000	$28,500	$94,500	$94,500.00	$0	$50,000	$50,000.00

Equity Share -

College Station, Texas: Down Payment Assistance Program (DAP)

- **Program provides qualified homebuyers earning up to 80% of the AMI with shared equity, gap financing of up to 30% of the sales price, capped at $50,000**
- **Loan is deferred and non-interest bearing**
- **The percentage of equity repayable is based on the assistance amount divided by the cost to acquire the property, multiplied by the equity realized at the time of the sale**
- **Original loan and shared equity amount are paid back upon the sale of the property, or when the buyer ceases to owner occupy**
- **Program is funded by Federal CDBG and HOME programs**

Equity Share Example

- Initial Purchase Price: $100,000
- DAP Loan Amount: $25,000

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Assistance is 25% of the purchase price so 25% of realized equity is accrued to the City

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- Resale Price: $130,000
- Amount Due to the City: $7,500 (city realized equity) + $25,000 (original loan) = $32,000

7.1 Announcements

City AHAC 2024 Report
Jean Amison

- **Report is finalized**
  - Recommendations from today, if any, will be added
  - Report to be circulated by October 21

- **Final Public Hearing – November 4**

2024 City AHAC Meeting Schedule

November 4, 2024	Final City AHAC Meeting/Public Hearing to Adopt Recommendations
December 11, 2024	Presentation of Report to City Commission

County AHAC Announcements
Jelani Marks

- **Leon County First-Time Homebuyer Workshop**
  - October 19, 2024, 10:00 a.m. to 12:00 p.m.
  - 615 E Paul Russell Rd
  - Presentations from the Tallahassee Lenders' Consortium (TLC) and the U.S. Department of Housing & Urban Development (HUD)

- **Leon County Down Payment Assistance Program**
  - Administered by TLC
  - Low- to moderate-income first-time homebuyers
  - Accepting Applications
  - Property must be in Unincorporated Leon County

- **Leon County Emergency Home Repair/Home Rehabilitation Program**
  - Will begin accepting applications on December 2, 2024
  - Low-Income Households in Unincorporated Leon County
  - Attendance at a Leon County Housing Rehabilitation Program Workshop is required to be eligible for Home Rehabilitation


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Thank You