

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Resolution 2020-273

Introducer/Sponsor(s): Council President at the request of the Jacksonville Housing Finance Authority

Date of Introduction: May 26, 2020

Committee(s) of Reference: F, NCSPHS, R

Date of Analysis: May 26, 2020

Type of Action: Authorization to issue homeowner mortgage revenue bonds; authorization to submit a request for a private activity bond cap allocation; determination that the City's credit is not being pledged on the bonds

Bill Summary: This resolution would approve the issuance by the Jacksonville Housing Finance Authority of its Single-Family Homeowner Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$50,000,000.00 for the purpose of providing funds for the purchase of mortgage loans originated by participating local lending institutions to finance the purchase or rehabilitation of new or existing owner-occupied single-family residences situated in Duval County, Florida or purchasing securities evidencing interests in or backed by a pool of such mortgage loans, including securities guaranteed by the federal government or agencies thereof or for the purpose of refunding outstanding bonds of the Jacksonville Housing Finance Authority previously issued for such purpose.

Background Information: The bill would authorize the JHFA to make application to the Florida Division of Bond Finance for an allocation of private activity bond volume cap from the regional pool in which our county participates, without having a specific use in mind at this time. The funds when allocated could then be made available to interested lenders to originate reduced-interest mortgages for home purchases or home renovations in Jacksonville, or could be converted to other eligible affordable housing purposes. According to the Housing and Community Development Division, because of the historically low interest rates in recent years, use of these bonds to provide lower interest rates for homebuyers has not been necessary, so they have been subsequently converted to multi-family uses or for Mortgage Credit Certificates for homebuyers. The language regarding mortgage-backed securities is included in the authorization because that is generally how mortgages are handled in the marketplace – loans originated by banks are bundled into mortgage-backed securities and sold for investment purposes. The language in the authorization allows mortgages assisted with these bonds to be treated in that manner.

Policy Impact Area: Affordable housing assistance

Fiscal Impact: This resolution would authorize the Jacksonville Housing Finance Authority to make application to the Florida Division of Bond Finance for Private Activity Bond volume cap allocation of up to \$50,000,000.00 from the regional pool for Duval County.

Analyst: Baltiero