

The Pasco County COMMUNITY DEVELOPMENT UPDATE

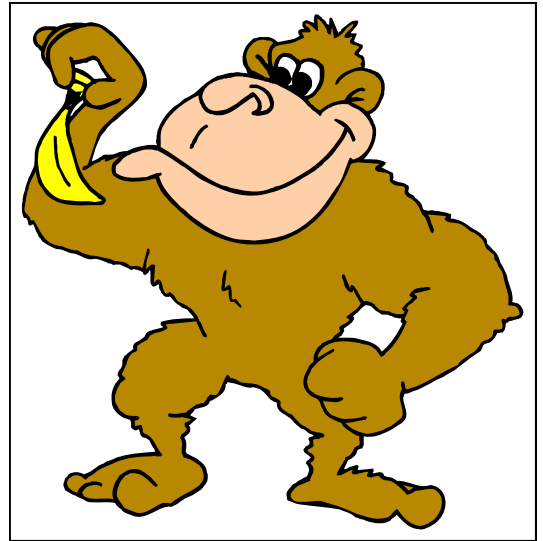
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Yes, We Have No Bananas...

The Homebuyer Assistance Program (HAP) was suspended in July, and will remain shutdown until further notice. There are four reasons why this has occurred:

- Lack of cash—By direction of the State Office of Policy and Budget, the Florida Housing Finance Corporation is only releasing 24% of the County's SHIP allocation each quarter, with 28% coming in the last quarter. For the last several years, we have received our entire allocation in July. We (and the 134 other SHIP communities) were expecting a full allocation, and we have been forced to scramble on commitments we have made to other projects.
- Loan repayments down—Half of the Division's budget relies on loan repayments from prior clients. Most of the repayments come when the property is sold or refinanced. As we all know, the housing slump is at its peak, and we have received 50% less than what is budgeted in loan repayments this year.
- Re-prioritization of strategies—When we wrote our last Local Housing Assistance Plan, we gave greater weight to programs that assist existing homeowners—rehabilitation, housing replacement, foreclosure prevention, and tax and insurance payments.
- Trust Fund Capped— The Legislature capped the amount of documentary stamp taxes that flow into the Local Housing Trust Fund, and diverted those funds to the State's General Revenue fund. Pasco County estimates that it would have received an extra \$5 million in SHIP funds if the fund was not capped. Additionally, there is almost a billion dollars sitting in the Local Housing Trust fund that has not been allocated. There is no doubt that these funds could really help the real estate industry if the funds were released.



Despite the closing of the HAP, there are other homebuyer programs that are still active:

- Pasco Opportunity Program (POP) - The POP, which works with local not-for-profit agencies and the three Habitat chapters is still being funded, and buyers of their homes are still eligible for homebuyer assistance.
- Earned Income Tax Credit (EITC) Program—The leveraging program that matches EITC funds obtained for low income families by the United Way is still funded.
- Section 8 Homeownership Program—This program with the Housing Authority is still funded.

Leaders For 2nd Quarter

Lenders

Gibraltar Mortgage
AmSouth Bank
Cornerstone Mortgage
American Home Mortgage

4
3
2
2

Realtors

Future Home Realty
Prudential Tropical Realty
Century 21 Palm Realty
Charles Rutenberg Realty

6
3
2
2

Rehab Contractors

Anclote Construction
Signature Construction
Diamond Contracting

8
6
3

Homebuilders

SC Signature Construction

6

Leaders For 3rd Quarter

Lenders

ABC Mortgage
American Home Mortgage
Bank of America

6
5
3

Realtors

Several Tied at Two

Homebuilders

SC Signature Construction
Kimball Hill Homes
Bob Larkin Construction

4
2
2

Rehab Contractors

Anclote Construction
Signature Construction

6
5

Homebuyers Classes

The 2008 schedule of Homebuyers Classes are in the process of being scheduled. When they are available they will be posted on our website: www.pascocountyfl.net/menu/index/cdevindex.htm or the Consumer Credit Counseling Service website www.cccsfl.org

Remember, these classes are required to receive a loan from our program, but even if your client doesn't receive funding from us, these classes are valuable tools to enable future homebuyers to make wise decisions.

Check out our website at www.pascocountyfl.net. Then hit the link for Departments, and then Community Development. You can see this and other issues of this newsletter at that site.

The Community Development Update is an irregularly published newsletter designed to inform our partners about Pasco's housing and community development programs

New Pasco Housing Partnership Members

NEW LENDERS

All Florida Mortgage Center
Cap Mortgage
Direct Lending Group
Gateway Mortgage
KH Financial
Salo Mortgage

NEW HOMEBUILDERS

Kimball Hill Homes

NEW REAL ESTATE

Bob Larkin Realty
Florida Executive Realty
Florida Professional Realty
Homestar Realty
Legacy Properties
Real Estate Florida Group
Re/Max Reflections
Suarez Realty
Tropical Shores Realty

NEW REHAB CONTRACTORS

Bay Area Development

Trainings for lenders, realtors, and builders

Lenders trainings will take place on:

- October 10 at 1 PM at the Historic Courthouse at Meridian Street in Dade City.
- November 8 at 10 AM in the 3rd floor conference room at our office at 5640 Main Street, New Port Richey.

To reserve your spot call Lynn Stapf at (727) 834-3445

Milestones Achieved In Last Two Quarters

- Pasco County has now spent over \$31 million in homebuyer assistance, for over 2400 new homebuyers, leveraging over \$151 million in bank funds for over \$185 million in sales.
- Pasco County has assisted over \$6 million in sales and over \$1.3 million in over 50 housing rehabilitation loans in the City of New Port Richey.
- Pasco County has assisted over 230 households receive foreclosure prevention assistance for more than \$500,000.
- The Pasco Opportunity Program, our not-for-profit housing programs, has assisted over 100 homes for over \$6 million.
- Over 460 new homes have been constructed by Pasco County, for more than \$35 million.
- 725 homes have been rehabilitated by Pasco County, for over \$13.4 million.
- Gibraltar Mortgage has used over 2.7 million in County funds, lending over \$3 million, for over \$5 million in sales.
- AmSouth Bank has now used over \$1.5 million in County funds.
- Cornerstone Mortgage has now used over \$300,000 in County funds.
- East Pasco Habitat has lent \$1 million of their funds using County funds.
- Washington Mutual has now used over \$300,000 in County funds.
- First National Bank of Pasco has now used over \$3.6 million of County funds for over \$7.1 million in sales.
- Icon Mortgage has now made over 250 loans.
- ABC Mortgage has now made over 20 loans, using \$200,000 in County funds and 2 million of their funds.
- American Home Mortgage has now used over \$500,000 in County funds, using over \$4 million in their funds, for over \$5 million in sales.
- Bank of America has now used over \$900,000 in County funds.
- Affordable Home Funding has now used over \$1.5 million in County funds.
- McCaughnan Mortgage has now completed over 10 loans.
- SC Signature Construction has now completed more than 15 new homes for over \$2 million in contracts, and over 50 rehabs for over \$900,000 in contracts.
- Anclote Construction has now completed over 40 rehabs for over \$1.1 million in contracts.
- Bob Larkin Construction has now completed over \$3.5 million in new home contracts.
- Diamond Contracting has now completed over \$1 million in new home contracts, and 25 rehab contracts for over \$700,000 in contracts.
- Perma-Built Construction has now completed over \$300,000 in rehab contracts.
- Future Home Realty has now sold over 30 homes for over \$3.6 million in sales.
- Florida Luxury Realty has now sold over 40 homes.
- Century 21—Palm Realty has now sold over 120 homes for over \$8 million in sales.
- Re/Max Sunset Realty has now sold over 90 homes for over \$8 million in sales.
- Coldwell Banker—FI Grey has sold for over \$4 million in sales.
- Re/Max Mutual has now sold for over \$1 million in sales.

Lower Transportation Impact Fees for Affordable Housing

New transportation impact fees take effect October 1, and the Board of County Commissioners have adopted a different fee structure for affordable housing. The fees are as follows (2007 fees):

Single Family Homes \$5,444
This is a savings of \$1,376.

Multi-Family Units \$3,987
This is a savings of \$3,008 per unit.

Single-family homes must be less than 1,500 square feet and be af-

fordable to families that earn less than 80% of the median income. Multi-family units must also be affordable to 80% income families.

The amount of savings of the impact fee shall be placed as a lien or mortgage on the property, and is assumable by the next owner as long as they are under 80% of the median income.

The program will be administered by the Community Development Division.

Lenders Must Meet New Regs

In July, the Community Development Division announced new mandatory regulations for lenders using County funds:

- 1) The maximum interest rate charged cannot be more than 1 % over the average FHA 30 year rate, as noted by Freddie Mac.
- 2) Adjustable rate mortgages will no longer be allowed.
- 3) Maximum points and lenders' fees cannot exceed 4% of the first mortgage. This includes yield spreads and other fees charged by the brokers and lenders.

Changes to Rules : No Rental Conversions Allowed

All new notes signed under any program for homebuyers and homeowners will require the immediate repayment of loans if the homeowner ceases to be an owner-occupant. This is being implemented because of rules for a new funding source that will be used in homebuyer programs. This new rule will be implemented November 1, 2007.

New Rules Are Major Philosophical Change for Community Development

For a long time, Pasco County had very loose rules regarding mandatory fees and rates for its homebuyer programs. Unlike other local governments , we did not discourage lending to households with less than perfect credit, otherwise known as B/C borrowers. Many times, they received sub-prime loans. Sub-prime lending has received a bad rap, and much of it is deserved. However, it also gave credit to households that had a few bruises on their credit reports and job histories. Millions of people who never would have received financing did because of these loans. It also fueled one of greatest booms ever in the history of the country.

While many companies are paying the piper for disregarding any credit and income issues at all, and a world-wide recession may be soon coming because of it, we should note that credit reports alone may not be the best indicator of whether low income persons can or cannot hold onto a home. Lenders need to be more responsible and not lend everything a person may be qualified to borrow. -GR



Congratulations!!!

*To George and Summer
Romagnoli*