



# The Bank of Tampa

Tampa, Florida

**Jacqueline L. Moore, CRCM**

**Sr. Vice President & Chief Risk and Compliance Officer**



# The Bank of Tampa

- Independent community bank founded in 1984
- Assets of approximately \$1.3 billion
- Nine offices located in Hillsborough County, Florida and one office in Pinellas County, Florida
- Largest cities served: Tampa and St. Petersburg
- Primarily a small- and medium-sized business lender
- Classified as a large bank for CRA purposes



## Assessment Area Demographics

- The Bank's assessment area is Hillsborough County, which is part of the Tampa-St. Petersburg-Clearwater, Florida metropolitan statistical area
- Total population: 1,229,226
- Population residing in LMI census tracts: 367,622 (30%)
- Renters with rent costs  $>$  30% of income: 19.3%
- 45% of all LMI housing units are rentals
- Median age of LMI housing stock: 35 years



# Community Development Issue

- The Bank is committed to meeting the needs of its community
- There is a need for affordable rental housing in Hillsborough County and the Tampa Bay area
- The costs associated with building large rental developments is higher than the Bank's typical commercial or construction loan



## Why Bank Partners with CDFI

- Bank sought a partner with the knowledge and experience to meet the rental housing need
- Required a partner with a good track record of success in this type of lending
- Bank was seeking a solution that would allow it to manage its credit risk, while still providing an acceptable rate of return
- Bank wanted to ensure that it would meet or exceed its CRA responsibilities



# Neighborhood Lending Partners

- Bank is a member of Neighborhood Lending Partners, Inc. (NLP)
- NLP operates as a multi-bank lending consortium, with a target market that includes low-income and special needs populations, with an emphasis on very low-income residents
- NLP offers flexible financing for affordable housing and permanent financing for the acquisition and rehabilitation of multifamily housing



# Neighborhood Lending Partners

- NLP serves twenty west Florida counties, including Hillsborough County
- Neighborhood Lending Partners, Inc. (NLP) was certified as a CDFI in 1997
- NLP's staff is knowledgeable about a number of government lending programs that help defray development costs, and has a long history of success



## How NLP's Loan Pool Works

- NLP's member banks pay an initial capitalization fee (based on asset size) to join the organization
- The initial capitalization fee is typically between \$10,000 and \$50,000, and is considered a CRA-qualifying investment
- NLP searches for appropriate projects, and presents those that meet its underwriting criteria to its member banks for consideration



## How NLP's Loan Pool Works

- Member banks review each underwriting package and determine whether or not they will participate, on a loan by loan basis, and their level of participation
- Each member bank that participates receives a complete copy of closing documents
- NLP services the loan and forwards payments to the member banks
- NLP retains a servicing fee, typically about 50 basis points



## Loan Attributes

- Loans are typically priced at a competitive rate
- All loans will qualify for CRA credit
- All loans have mandated set-asides for low- and moderate-income residents
- Loans utilizing low-income housing tax credits carry longer loan terms
- Many loans re-price after 5 years, and some carry reducing pre-payment penalties to protect investors



# Risk Management

- NLP publishes a standard loan underwriting policy, which is shared with its member banks
- Member banks are invited to participate at board and committee levels (the CDFI has loan, audit, workout and executive committees) to stay informed about, and participate in, the organization's activities and direction (participation also qualifies for CRA credit)
- Member banks have the option to decline to participate in commercial deals (low-income housing tax credit loans are managed via a blind pool)
- Banks determine their level of investment



## The Bank of Tampa and NLP

- Bank makes an annual loan commitment each year
- Current loan balances are approximately \$2MM
- Bank handles CDFI's depository accounts
- Bank participated in a special loan project totaling over \$800M
- Senior lenders of Bank are members of both the CDFI's Board of Directors and Workout Committee



## Benefits of Membership

- Referrals of new deposit and loan customers
- Access to governmental finance subsidy programs and individuals with deep knowledge of these programs
- CRA credit for all loans
- Competitive loan rates
- Increase in outstanding loan balances while diversifying risk
- Creation of strong community ties
- Part of the solution in meeting community needs



## Community Outcomes

- Bank has participated in the construction, renovation or acquisition of over 1,800 affordable rental units:
  - 533 of the units are in the Bank's MSA
  - 514 of the units are in the Greater Tampa Bay area
  - 820 of the units are within Florida
- All loans received credit as community development loans under the CRA



## **Lake Mirror Tower, Lakeland, Florida**

75-unit affordable apartment complex



## **St. Luke's Life Center, Lakeland, Florida**

79-unit senior apartment complex. Restrictions called for 18% of the units to be rented to tenants earning no more than 30% of the area median income, 20% of units to tenants earning no more than 50% of area median income, and 60% of the units to tenants earning no more than 60% of the area median income.



## **Country Club Townhomes, Clearwater, Florida**

31-unit townhouse development, partially funded through the Neighborhood Stabilization Program. 16 townhomes must be purchased by residents earning no more than 80% of the area median income.



## **Weston Oaks Apartments, Holiday, Florida**

200-unit apartment complex, partially funded by a SHIP grant. Restrictions called for 15% of the units to be rented to tenants earning no more than 30% of the area median income, and 85% of the units to tenants earning no more than 60% of the area median income.



# **The Bank of Tampa**

601 Bayshore Boulevard

Tampa, FL 33606

(813) 872-1200

[www.bankoftampa.com](http://www.bankoftampa.com)