

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, MARCH 10, 2017

9:00 A.M.

**Palm Beach County Airport Center
Complex
100 Australian Avenue
1ST Floor (#1-470) Risk Management
Training Room
West Palm Beach, FL 33406**

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Agenda – March 10, 2017 regular meeting

Executive Director - Report on agenda items

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March 10, 2017 regular meeting
PBC Airport Center Risk Management Training Room 1-470

**Housing Finance Authority
of Palm Beach County**

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
FAX: (561) 233-3657
www.pbchfa.org



Chairperson

Charles V. St. Lawrence

Vice Chair

Clark D. Bennett

Secretary

Robin B. Henderson

Gary P. Eliopoulos

Patrick J. Franklin

James H. Harper, Sr.

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Jennifer M. Hamilton
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I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

- a. Additions, deletions, substitutions
b. Adoption

IV. Consent Agenda

- a. Accept and file:
i. Minutes of the February 10, 2017 meeting
ii. GF Requisition #2-2017
iii. MF project occupancy report for January 2017
iv. Approval of board member meeting absence

V. Old Business

- a. Royal Palm Place Apartments - financing update and authorization for new TEFRA hearing

VI. New Business

- a. Presentation of General Fund audit report
b. Consider establishing an Authority credit line
c. Consider FL ALHFA Conference sponsorship
d. Consider other membership renewals for 2017
e. Discussion of updated Internal Operating Procedures

VII. Other matters

- a. Matters of Authority members
b. Matters of the Executive Director and Professionals
c. Matters of the Public
d. Next meeting date: 9:00 a.m., April 14, 2017 at the PBC Airport Center, Human Resources Training Rm. 4-790
100 Australian Avenue, West Palm Beach

VIII. Adjournment



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To: Housing Finance Authority

From: Executive Director

RE: March 10, 2017 regular meeting

Dated: March 2, 2017

V. "Old Business" items:

Item (a.) Royal Palm Place Apartments – update on financing

Background: The Authority first considered an application prepared by Landmark Development, as the co-development partner with the West Palm Beach Housing Authority ("WPBHA"), in October 2014 for the issuance of up to \$15M of bonds to finance a portion of the cost of the new construction of 125 rental housing units in two and four story buildings to replace 88 units of then existing Dunbar Village public housing. This is the third and final phase of the total demolition and replacement of Dunbar Village which includes the soon to be completed 9% housing tax credit financed Silver Palm Place (120-family units) and Authority bond financed Paul Laurence Dunbar (99 units-seniors).

The Authority at that time approved a bond inducement resolution with the developer/purchaser ("Developer"), Royal Palm Place, Ltd., the general partners of which are entities of the WPBHA, as managing general partner, and of Landmark. At the time the Developer had submitted an application under the Florida Housing Finance Corporation's competitive RFA 2014-111 seeking \$4.75M of State Apartment Incentive Loan ("SAIL") soft second mortgage funding. The funding was awarded to the project, and after two extensions, must close no later than August 2017. The Developer will enter into a long term ground lease for the site with the WPBHA. The unit mix is to consist of 54 1-bedroom, 56 2-bedroom/2-bath, and 11 3-bedroom/2-bath units sized at approximately 675, 900 and 1,100 square feet. The units are to be rented to households from 33% to 60% or less of Area Median Income. the Developer and WPBHA will enter into a HAP contract providing

Section 8 project based rental assistance. While the project will not be deemed housing for seniors all of the units are expected to have at least one household member 62 or older. A public (TEFRA) hearing on the issuance of the bonds was held by the Authority in March 2016 and the results of the hearing approved by the Board of County Commissioners last June. The Developer provided an updated application for the project that was presented at the May 2016 meeting. They advised that the remaining re-zoning of Dunbar Village would be concluded by late summer, and the proposed financing structure would be a tax exempt Citibank private placement with Freddie Mac as the bondholder following completion, rather than FHA 223(d)(4) mortgage and short term Authority tax exempt bonds. The Authority then secured \$14.5M of 2016 private activity bond allocation from the Division of Bond Finance which expired unused at year end. The Authority now has \$100M of multifamily bond carry-forward allocation available for the issuance of bonds over the next three years.

Update: The Developer submitted a request for an increase in bond amount of \$17M and provided a proposed financing timetable together with updated schedules of projected source and use of funds, operating pro-forma and Citibank bond purchase Total development cost has increased since 2014 to a projected total of \$30.5M or \$244K per unit. It now anticipated that the project will require the issuance of \$17M of tax exempt multifamily housing revenue bonds (“Bonds”) by the Authority, and that the amount of Bonds at the end of construction/occupancy and income stabilization will be paid down to approximately \$11M upon delivery to Freddie Mac. The interest rate on the Bonds will be established just prior to closing (expected early to mid-summer 2017) based on the SIFMA Municipal Swap Index (0.65% of February 16) plus 2.50% during construction (expected 24 months). The permanent loan rate will also be determined at bond closing and if set today would be in the 5.0% range. During the construction period the Bonds will be additionally secured by a direct pay letter of credit (“LOC”) issued by JPMorgan Chase Bank. The minimum debt service coverage ratio at stabilization/conversion is 1.15x and a maximum 90% loan-to-value ratio. The Bonds are interest-only during the construction period and then amortize over 35 years with a bondholder directed optional mandatory tender in 15 years.

The following is the Developer’s updated projection of all permanent sources and uses of funds:

<u>Uses of funds:</u>		<u>Sources of funds:</u>	
Ground lease payment to WPBHA	\$ 350,000	Tax credits	\$12,747,000
Construction costs & contingency	22,002,750	Bond size at stabilization	11,000,000
Financing costs	1,205,000	FHFC SAIL loan	4,750,000
Soft costs & other costs	2,884,162	FHFC ELI loan	495,900
Operating reserve	333,000	Defer. Dev. Fee	<u>1,432,012</u>
Developer fee	<u>3,765,000</u>		
Total Uses	\$30,539,912	Total Sources:	\$30,539,912

Staff recommends a motion: to accept the updates to the application provided by the Developer and to authorize another public hearing for the issuance of not to exceed \$18,000,000 Multifamily Housing Revenue Bonds.

VI. "New Business" items:

Item (a.) Presentation of General Fund audit report

Jim Hutchison of Caler, Donten, Levine Porter & Veil, P.A., will make a presentation of the audit report and findings together with their "Governance Report". The final draft of the general fund/purpose audited financial statements is included in the agenda materials. Upon finalization and acceptance/filing by the Authority the auditors will submit the report to the PBC Office of Financial Management and Budget and to the Clerk.

Of interest is the "Management's Discussion and Analysis" on pages 3 through 7. As we've previously discussed the Authority's total operating revenues continue to drop as previously bond financed multi-family projects come to the end of their qualified project period set-aside requirement and are financed and/or sold, our income from operations has remained fairly constant. You may recall that for the 2015 fiscal year the Authority agreed with the auditor for a change in reporting of down payment assistance second mortgages from an asset to an expense. The result of this change means that the Authority's Net Position will continue to decline until second mortgage prepayments equal or exceed new loan originations. As mentioned at the February meeting under the discussion of the Authority's Internal Operation Procedures item the auditors have included a recommendation in their Management Letter that another person be designated to submit to US Bank, as custodian, the monthly general fund payment authorization. Presently I both prepare and submit these to US Bank; following submission to and payment by US Bank all requisitions with full documentation are sent to board members and included w/o back-up as consent items on board meeting agendas.

Staff recommends a motion: to accept and file the September 30, 2016 general fund financial statements and audit report.

Item (b.) Consider establishing an Authority credit line

Following last month's meeting I was told by Mr. Harper that during his previous term on the board that the Authority's then executive director had handled his hotel and travel reservations/payment directly when he attended a housing conference(s). I know that when I took over in 2009 there was no open Authority credit line that either Jennifer Hamilton or I were aware of. I did inquire of four of the large county HFA's around the state and found that both Pinellas and Orange arrange hotel and airline reservations for their respective board members when they travel, and fund these expenditures with a bank/corporate credit card account issued to their HFA. This is something that I would designate Jennifer Hamilton to provide to any member wishing to have their travel arrangements handled by staff. I have made inquire with US Bank and included in the agenda materials a short summary of their corporate credit card account for municipal entities. Amanda Kumar has advised she will have further information and terms that can be presented at the Authority meeting. The board will

need to determine a maximum line amount as well.

Staff recommends a motion: to authorize staff to apply for a US Bank MasterCard Community Card account.

Item (c.) Consider FL ALHFA conference sponsorship

The annual Florida ALHFA conference will be held in Atlantic Beach July 12th-15th. Included in the agenda materials is letter from the co-executive director together with a conference sponsorship form. The Authority was a breakfast sponsor at a cost of \$1,500 in 2014, and a Gold sponsor (\$2.5K) for the 2015 and 2016 conferences.

Staff recommends a motion to: approve a "Gold" level sponsorship for the 2017 FL ALHFA conference at a cost of \$2,500.

Item (d.) Consider other membership renewals for 2017

The Authority has been a member of the PBC Affordable Housing Collaborative (\$50) as well as a partner with Housing Leadership Council of PBC (\$250) for a number of years. Included in the agenda materials are the respective membership/partnership forms with information on the organization. I've been very pleased with the work of and our association with both of these organizations in furtherance of affordable and workforce housing here in the county including the HLC's current efforts meeting with the local legislative delegation for full Sadowski Trust funding during the 2017 session. I most recently participated in a housing fair jointly sponsored by the AHC and the City of West Palm Beach last Saturday.

Staff recommends a motion to: approve renewals for both the PBC Affordable Housing Collaborative and the Housing Leadership Council of PBC for 2017.

Item (e.) Discussion of updated Internal Operating Procedures

Included in the February 10 meeting agenda was an update of the Authority's "Internal Operating Procedures" with proposed changes and additions. The room we will be meeting in on March 10 does not have a projector and screen so I would prefer that a detailed presentation of these changes wait until the following meeting. That said we can take the time on March 10 to discuss any specific items or matters that board members have questions or comments.

No action of the board is required for this item.

Tab 1

IV. Consent Items - attachments

- a. Minutes of February 10 board meeting
- b. General Fund Requisition #2-2017
- c. MF project occupancy report for January 2017
- d. Approval of board member meeting absence



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**HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES OF REGULAR MEETING**

Meeting Date & Time:

9:00 A.M., Friday, February 10, 2017

Location:

PBC Airport Center
100 Australian Avenue, 4th Floor
Suite 4-790
West Palm Beach

Attendance Sign-in Sheet/others:

Van Johnson - PBCHA
Vernel Taylor - PBCHA
Larry Greenberg – PBCHA
Lesleigh Varner, Esq. - PBCHA
Joseph Glucksman, McCurdy Senior Housing Corp
Dan Walesky – Royal Building Group
Allan Schnier – ASA
Dwight Stephenson– D. Stephenson Construction
Dinah Stephenson– D. Stephenson Construction
Harry Darling – D. Stephenson Construction
Randy Nobles - Habitat for Humanity So. PBC
Reg Hoskins - Habitat for Humanity So. PBC
Raymond Popkin
Edward Kinsey

Staff and professionals:

David Brandt, Executive Director

Jennifer Hamilton, administrative assistant

Skip Miller, Esq. - general counsel - Greenspoon Marder

Monique Spotts, Esq. – bond counsel – Bryant Miller Olive

Jim Hutchison – auditor – Caler Donten Levine

Fred Weinstein – accountant – Goldstein Zugman Weinstein

Amanda Kumar – trustee and custodian - US Bank

Helen Feinberg – bond underwriter - RBC Capital Markets

Tim Wranovix – bond underwriter - Raymond James

I. Call to Order

a. Roll call and establishment of quorum

The meeting was called to order by Chair St. Lawrence at 9:00 a.m. The six members present at roll call constituted a quorum:

Chuck St. Lawrence, Chair – present

Clark Bennett, Vice Chair - present

Robin Henderson, Secretary – present

Gary Eliopoulos - present

Patrick Franklin – present

James Harper -present

Tony Smith – absent but participated in discussions by telephone

The Executive Director (“ED”) introduced the three newly appointed board members. Mr. Eliopoulos was appointed in December to fill the vacant seat formerly held by Bob Newmark. Mr. Eliopoulos stated that he is an architect in Delray Beach, has been living there since 1985 and has served on various city boards over the years. He mentioned that he is currently president of the Community Land Trust of Delray Beach. Mr. Franklin was appointed February 7 replacing Ray Popkin. Mr. Franklin stated he had been with the Urban League of Palm Beach County for over fifteen years and currently serves as president, and has been a county resident since 1988. Mr. Harper stated that he is a fifth generation native of West Palm Beach and had previously served as a board member of the Authority back in 2000.

The ED then presented former board member Mr. Popkin with an appreciation plaque recognizing his service to the Authority.

II. Public comment on Agenda Items

There was no comment from the public on the agenda items.

III. Agenda Approval

Mr. Bennett moved for approval of the agenda. The motion was seconded by Mrs. Henderson and unanimously passed by vote of 6-0.

IV. Consent Agenda

Mr. Eliopoulos moved approval of the Consent Agenda. The motion was seconded by Mr. Franklin and passed unanimously by a vote of 6-0.

V. Old Business

Item (a.) New South Bay Villas – amend prior action and approval of Resolution No. R-2017-01

ED provided a brief summary of the New South Bay Villas (“NSBV”) project and advised that the transaction is at the final approval stage for the Authority. Palm Beach County Housing Authority (“PBCHA”) executive director Van Johnson thanked the Authority for its collaboration and participation in bring more affordable housing to one of the most difficult areas of the county. He then introduced his staff and the NSBV development team, and provided a brief history of the project which began with the purchase in 2013 of South Bay Villas. Dan Walesky then provided a general overview of the project and answered questions from the Authority regarding planned security features which he stated would include three full time employees working at the site as well as night time security, onsite surveillance security cameras, perimeter fencing and a single

point of entrance.

Mr. Harper expressed a concern about Section 8 units being occupied by additional unapproved tenants to whom Mr. Walesky said NSBV will be professionally managed by Royal American Management a firm with experience in managing both tax credit projects and projects with vouchers. Mr. Johnson advised that unapproved tenants are a violation of the Section 8 program and that violators will be evicted. He stated they are entering into a joint venture security arrangement with the WPBHA as well as a contract with the PBC Sheriff's office for fraud investigation and recovery. He also mentioned ground breaking events for both Covenant Villas and NSBV on March 6. Mr. Harper also encouraged the developer and general contractor to try to employ as many local residents of the community during and after construction of the project.

The ED then briefly discussed the financing structure and conditions to close recommendations in the credit underwriting report. He advised that the board had approved at a prior meeting a waiver of the requirement that privately placed bonds not be book-entry eligible based on the developer and the guarantors providing an indemnity for any secondary bond market trading violation. This provision was not relayed by R4 Capital to the developer and the guarantors who stated that because this is something completely out of their control they didn't want to have to be responsible for it; therefore staff and the financing participants are recommending that the indemnification be on the bond transferees. Mr. Bennett asked if this would apply to beyond the initial sale to which the ED and general counsel Skip Miller advised that this will in the bond and traveling investor letter that a bondholder that violates the one-bond denomination provision would be required to indemnify the Authority if the Authority ever incurred any damages because of that.

Mrs. Henderson moved approval of the staff recommendation to remove the bond trading indemnification of the project owner and guarantors. The motion was seconded by Mr. Eliopoulos, and approved by a unanimous vote of 6-0.

Monique Spotts an attorney with the bond counsel firm Bryant Miller Olive ("BMO") then briefly discussed the bond issuance authorizing resolution and exhibits. The ED then advised the board of a change to the documents to be approved from the version in the agenda package to include a drawn down bond structure meaning that the bond investor will make staggered installments of principle over the construction period of the project beginning at closing.

Mr. Bennett then moved approval of resolution R-2017-01 which was seconded by Mr. Franklin. Following further discussion the motion passed unanimously by a vote of 6-0.

The ED then advised the board of a request from BMO for a \$5K increase in their fee resulting from a number of changes to the transaction structure that required redrafting of bond documents.

Mr. Bennett made a motion to authorize the additional \$5,000 increase in fee for BMO which was seconded by Mrs. Henderson. The motion was passed by a vote of 5-1 with Mr. Harper voting against.

Item (b.) Update on revolving construction loan with the Community Land Trust of Palm Beach County

The ED provided an update on the existing revolving construction loan with the Community Land Trust of PBC ("CLT") for their Davis Landings West project. The original authorization was for an amount up to \$3.4M. At the time of loan closing the CLT, in an effort to save on recording costs, elected for an initial loan amount of \$1.5M based on the projected construction schedule and expected timing of home sales. Their contractor is now ahead of schedule and the CLT has elected to exercise the onetime future advance clause in the loan agreement allowing for a maximum draws of up to \$3.4M although they believe they'll need only \$2.5M before the first home sale closings.

This agenda item was for informational purposes only and no action was taken by the Authority.

Item(c.) Update on proposed loan participation with the Florida Community Loan Fund for Neighborhood Renaissance projects.

The ED provided the board with an update on the proposed construction loan participation with the Florida Community Loan Fund ("FCLF") given conceptual approval by the Authority back in December for loan commitments issued by FCLF for two proposed projects of Neighborhood Renaissance. He advised that FCLF is considering a request to increase the maximum loan amount for the Mango Cove

project. He advised that the conceptual approval given by the Authority was for a loan participation range of between \$1.6M and \$2.6M, and that the final loan amount to be approved by FCLF would fall within that range and not materially exceed the loan-to-value parameters set forth in the original commitment letter.

This agenda item was for informational purposes only and no action was taken by the Authority.

VI. New Business

Item (a.) Consider loan application from Habitat for Humanity of South Palm Beach County

As an introduction the ED provided some background on previous revolving construction loans with both of the Habitat for Humanity affiliates in PBC. The Authority has a current loan outstanding with Habitat for Humanity of South Palm Beach County (“HFH”) that has a maturity date of March 31, 2017 and therefore will be repaid in full by the time the requested funding could be finalized.

Randy Nobles, president and CEO of HFH, opened his comments by stating with only about fifteen or sixteen lots remaining lots to build on in Boynton Beach they are looking at opportunities to purchase additional lots in their primary markets of Boca Raton, Boynton and Delray. They have been looking at two Boca communities, Pearl City which is just across the street from Mizner Park between Dixie and Federal Highway, and a community a little to the west known as Lincoln Court. He stated that HFH has done extensive work in both of those communities over the year, and is currently looking at some vacant lots owned largely by two churches. The ED advised that HFH has submitted an application requesting \$500K of funding with a term of 36 months for property acquisition. Staff is proposing to structure the loan as master line of credit like the conceptual approval given to a recent West Palm Beach Housing Authority loan request.

Mr. Franklin asked about the anticipated average lot cost to which Mr. Nobles stated they had not begun purchase negotiations but he anticipated in the range of \$30K to \$50K. Mr. Bennett said that over the years the Authority has had much success with loans to both affiliates and that these efforts have enhanced the quality of life within each community. Mr. Bennett then made a motion for

the Authority to enter into a master line of credit agreement with HFH in the amount of \$500,000. The motion was seconded by Mr. Harper and approved by a unanimous vote of 6-0.

Item (b.) Consider updated Internal Operating Procedures

The ED suggested that Authority members and professional staff take the opportunity between today and the next regularly scheduled meeting to further review and provide comments on the internal operating procedures for consideration at that time.

There was no action taken by the Authority on this item.

VII. Other matters

a. Matters of Authority members

There was some concern expressed by board members regarding the difficulty of hearing the other members on the opposite end of the dais. The ED advised that he would rearrange the board seating for the next meeting as well as arrange for a microphone. Mr. Harper acknowledged Mr. Edward Kinsey who was in attendance.

b. Matters of the Executive Director

The ED advised the board of the upcoming NALHFA conference in late April and the FL ALHFA annual conference in July.

c. Matters of the Professionals

None

d. Matters of the Public

None

e. Next meeting date:

The next regularly scheduled meeting of the Authority is March 10, 2017 in Room 1-470 at 9:00 a.m.

VIII. Adjournment

The meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Executive Director

Secretary



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Date: February 23, 2017
To: Susan Fahimi
U.S. Bank Corporate Trust
From: David M. Brandt, Executive Director *DB*
Re: General Fund Disbursement #2-2017

The following invoices/reimbursement requests are presented for your approval and payment, with supportive documentation attached:

<u>PAYEE</u>	<u>AMOUNT</u>
PBC Board of County Commissioners (Jan.)	\$ 20,304.79
Greenspoon Marder (Jan.)	1,575.00
David M. Brandt (Jan. auto)	500.00
Palm Beach Post	196.08
Goldstein, Zugman, Weinstein & Poole, LLC	<u>14,000.00</u>
Total General Fund Disbursement:	\$ 36,575.87

Encls.

CC: Amanda Kumar

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary January 2017

Project:	Date Report was received	Per Rent Roll or FHFC Recap:		Number of TICs included:		Total # units	Total Occup. Units	Current months occup.	Last months occup.	2016 average occup.
		New	Annual renewal	# of IC's (1)	# of AR's (1)					
1) Azalea Place (d/b/a Palm Grove) (#)	2/16/17	1	14	1	13	150	150	100.0%	99.3%	99.6%
2) Colonial Lakes	2/15/17	0	6	0	6	120	120	100.0%	100.0%	99.9%
3) Colony Park (@)(2)	2/9/17	3	4	3	4	130	129	99.2%	100.0%	99.2%
4) Green Cay Village (d/b/a Palm Park) (#)	2/28/17	3	17	3	17	160	159	99.4%	98.8%	99.4%
5) Indian Trace (@)(#)	2/7/17	12	20	12	20	330	324	98.2%	98.2%	98.6%
6) La Joya Villages (*) (#)						55		0.0%	98.2%	98.9%
7) Lake Delray (*)	2/15/17	0	n.a.	0	n.a.	404	378	93.6%	n.a.	n.a.
8) Malibu Bay (@)(*)(#)	2/15/17	7	n.a.	7	n.a.	264	251	95.1%	94.3%	96.1%
9) New South Bay Villas (3)(*)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10) Palm Gardens (#)	2/14/17	1	4	1	4	80	80	100.0%	98.8%	99.1%
11) Palms West (*) (#)	2/14/17	3	n.a.	3	n.a.	290	286	98.6%	100.0%	98.6%
12) Paul Lawrence Dunbar Senior (#)(*)(4)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13) Pine Run Villas (*) (#)	2/15/17	1	n.a.	1	n.a.	63	62	98.4%	98.4%	98.8%
14) Pinnacle At Abbey Park (2)(@)(*)	2/14/17	1	n.a.	1	n.a.	160	157	98.1%	99.4%	97.5%
15) Pinnacle Palms (*)	2/14/17	1	n.a.	1	n.a.	152	151	99.3%	98.7%	98.6%
16) Renaissance (at San Marino) (#)	2/15/17	6	14	6	14	344	336	97.7%	98.8%	97.9%
17) RiverView House (#)	2/15/17	5	8	5	7	160	155	96.9%	96.3%	97.0%
18) Venetian Isles II (d/b/a San Marco VI) (2)(@)(#)	2/14/17	5	8	5	8	112	112	100.0%	96.4%	98.1%
19) Village Square Elderly (5)(*)(#) t/b/n/a Courts at Vill	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20) Westgate Plaza (*) (#)	2/13/17	0	n.a.	0	n.a.	80	80	100.0%	100.0%	99.0%
21) Woodlake (@)(*)	2/9/17	2	n.a.	2	n.a.	224	224	100.0%	100.0%	99.4%
Totals		51	95	51	93	3278	3154	98.5%	98.6%	98.6%
(1) "IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2) Has prepaid the remaining issuer fee										
(3) First occupancy of rehabbed units expected November 2017.										
(4) Expected completion first quarter 2017										
(5) Expected first occupancy April 2017.										
(@) Bonds have been redeemed in whole but Qualified Project Period still in effect.										
(*) No annual recertifications are required as long as 100% of units are certified as "Low Income".										
(#) Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.										

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary January 2017

Project:	2015		2014		2013		2012		2015		2014		2013		2012		2015		2014		2013		2012		
	average occup.	average occup.	average occup.	average occup.	average occup.	average occup.	monthly high	monthly high	monthly high	monthly high	monthly high	monthly high	monthly high	monthly high	monthly high	monthly high	monthly low	monthly low	monthly low	monthly low	monthly low	monthly low	monthly low	monthly low	
1) Azalea Place (d/b/a Palm Grove)	98.7%	98.9%	99%	99%	99%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	98%	97%	97%	97%	97%	97%	97%	97%	97%	
2) Colonial Lakes	99.6%	96.3%	n.a.	n.a.	n.a.	n.a.	100%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	92%	96%	n.a.	93%	93%	93%	n.a.	
3) Colony Park	99.0%	97.8%	95%	95%	92%	94%	100%	99%	99%	95%	97%	95%	97%	95%	95%	93%	96%	96%	93%	93%	93%	93%	93%	82%	
4) Green Cay Village (d/b/a Palm Park)	97.8%	98.0%	92%	92%	95%	94%	99%	99%	99%	95%	95%	97%	95%	97%	96%	96%	96%	96%	88%	88%	88%	91%	91%	91%	
5) Indian Trace	97.9%	97.7%	95%	95%	94%	94%	99%	100%	100%	98%	98%	96%	96%	96%	96%	96%	94%	94%	92%	92%	92%	92%	92%	92%	
6) La Joya Villages	99.8%	n.a.	n.a.	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	98%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
7) Lake Delay	n.a.	95.6%	96%	96%	96%	97%	n.a.	96%	96%	98%	98%	99%	99%	99%	99%	n.a.	96%	96%	94%	94%	94%	94%	94%	94%	
8) Malibu Bay	97.4%	91.6%	89%	89%	85%	93%	100%	96%	96%	96%	96%	95%	95%	95%	94%	94%	82%	82%	84%	84%	84%	84%	89%	89%	
9) New South Bay Villas (1)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
10) Palm Gardens	98.9%	98.2%	85%	85%	85%	96%	100%	100%	100%	100%	100%	99%	99%	99%	98%	98%	96%	96%	93%	93%	93%	89%	89%	89%	
11) Palms West	98.5%	100.0%	n.a.	n.a.	n.a.	n.a.	100%	100%	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	98%	84%	84%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
12) Paul Lawrence Dunbar Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
13) Pine Run Villas	98.8%	99.7%	n.a.	n.a.	n.a.	n.a.	100%	100%	100%	100%	100%	100%	100%	100%	100%	95%	98%	98%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
14) Pinnacle At Abbey Park	96.9%	94.2%	93%	93%	93%	94%	100%	98%	98%	98%	98%	96%	96%	96%	91%	91%	92%	92%	89%	89%	89%	88%	88%	88%	
15) Pinnacle Palms	97.3%	95.4%	91%	91%	93%	93%	99%	97%	97%	94%	94%	97%	97%	97%	96%	96%	91%	91%	89%	89%	89%	91%	91%	91%	
16) Renaissance (at San Marino)	97.6%	96.3%	94%	94%	95%	95%	99%	99%	99%	95%	95%	97%	97%	97%	96%	96%	92%	92%	91%	91%	91%	91%	91%	91%	
17) Riverview House	95.1%	82.6%	93%	93%	87%	87%	99%	96%	96%	98%	98%	89%	89%	89%	91%	91%	75%	75%	89%	89%	89%	82%	82%	82%	
18) Venetian Isles II (d/b/a San Marco VI)	99.6%	96.9%	96%	96%	93%	93%	100%	100%	100%	97%	97%	98%	98%	98%	98%	98%	93%	93%	94%	94%	94%	90%	90%	90%	
19) Village Square Elderly (3) (d/b/a Courts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20) Westgate Plaza	98.9%	98.3%	99%	99%	99%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	98%	95%	95%	98%	98%	98%	98%	98%	98%	
21) Woodlake	99.4%	97.4%	96%	96%	89%	89%	100%	99%	99%	99%	99%	93%	93%	93%	98%	95%	95%	89%	89%	89%	89%	83%	83%	83%	
Totals (4)	98.3%	96.2%	94%	94%	93%	93%																			
(1) First occupancy of rehabbed units expected November 2017.																									
(2) Expected completion first quarter 2017																									
(3) Expected first occupancy April 2017.																									
(4) Sum of the averages of each project																									

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary January 2017

Project:	Location:	2015		2014		2013		2012		Most restrictive tenant set aside requirements per HFA bond or other subordinate/HTC financing
		occup. turn over	occup. turn over	occup. turn over	occup. turn over	occup. turn over	occup. turn over			
1) Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB									100% HAP contract
2) Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	15%	14%	n.a.	n.a.	26%	15%	n.a.	25% @ 30%, 30% @ 50% AMI	25% @ 30%, 30% @ 50% AMI
3) Colony Park	Belverdere Rd. west of Benoit Farms, suburban WPB	28%	38%	38%	39%	34%	35%	35%	2% @ 25% & 98% @ 60% AMI	2% @ 25% & 98% @ 60% AMI
4) Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	26%	29%	29%	34%	37%	43%	43%	100% @ 60% AMI	100% @ 60% AMI
5) Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	38%	38%	38%	37%	47%	47%	47%	20% @ 50% & 80% @ 60% AMI	20% @ 50% & 80% @ 60% AMI
6) La Joya Villages	6th Ave S. just east of US 1, Lake Worth	5%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25% @ 50% AMI per NSP2	25% @ 50% AMI per NSP2
7) Lake Delray	Lindell Blvd. east of I95/south of Linton Blvd. Del. Bch	n.a.	12%	12%	15%	14%	14%	14%	100% @ 60% AMI; 50% HAP	100% @ 60% AMI; 50% HAP
8) Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	35%	38%	38%	47%	57%	57%	57%	100% @ 60% AMI	100% @ 60% AMI
9) New South Bay Villas (1)	MLK and Palm Beach Road, City of South Bay								HAP contract all but 1 unit	HAP contract all but 1 unit
10) Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	24%	33%	33%	38%	45%	45%	45%	17% @ 30% and 83% @ 60% AMI	17% @ 30% and 83% @ 60% AMI
11) Palms West	1551 Quail Drive off Westgate Ave. suburban WPB	13%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2% @ 50% and 98% @ 60% AMI	2% @ 50% and 98% @ 60% AMI
12) Paul Lawrence Dunbar Senior (2)	Corner of Division and Grant St., WPB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100% HAP contract	100% HAP contract
13) Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	19%	3%	3%	n.a.	n.a.	n.a.	n.a.	25% @ 30%/30% @ 50%/45% @ 60%	25% @ 30%/30% @ 50%/45% @ 60%
14) Pinnacle At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	30%	36%	36%	48%	44%	44%	44%	4% @ 30% & 96% @ 60% AMI	4% @ 30% & 96% @ 60% AMI
15) Pinnacle Palms (3)	Executive Center Dr. south of Congress Ave. WPB	25%	31%	31%	31%	30%	30%	30%	100% @ 60% AMI	100% @ 60% AMI
16) Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	34%	41%	41%	29%	35%	35%	35%	25% @ 50% & 75% @ 60% AMI	25% @ 50% & 75% @ 60% AMI
17) Riverview House (4)	Lake Worth Rd. east of S. Military Trail, Lake Worth	48%	55%	55%	38%	27%	27%	27%	100% @ 60% AMI	100% @ 60% AMI
18) Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Riv. Bch.	27%	44%	44%	30%	45%	45%	45%	100% @ 60% AMI	100% @ 60% AMI
19) Village Square Elderly (d/b/a Courts at)	NE corner of SW8th Street & Auburn Ave., Del. Bch.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100% HAP contract	100% HAP contract
20) Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	10%	14%	14%	6%	n.a.	n.a.	n.a.	100% HAP contract	100% HAP contract
21) Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	21%	33%	33%	47%	40%	40%	40%	100% @ 60% AMI	100% @ 60% AMI
	Totals (5)	25%	31%	31%	33%	37%	37%	37%		
(1) First occupancy expected _____										
(2) Expected completion early 2017										
(3) PBC LURA has 60% @ 55+. FHFC has 80% @ 55+ w/no tenant under 18										
(4) PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.										
(5) Sum of the averages of each project based on move-in's										

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary January 2017

		Approx. QPP start date	Qualified Project Period end (approximate)		
1)	Azalea Place (d/b/a Palm Grove)	Apr-00	December of 2016		
2)	Colonial Lakes	May-13	2028		
3)	Colony Park	Aug-03	QPP ends 9/1/2017		
4)	Green Cay Village (d/b/a Palm Park)	May-07	2022		
5)	Indian Trace	Apr-03	QPP ends 2/28/2024		
6)	La Joya Villages	Feb-15	2030		
7)	Lake Delray	Dec-16	QPP end 11/30/2031		
8)	Malibu Bay	Jun-05	QPP ends 6/6/2020		
9)	New South Bay Villas (1)				
10)	Palm Gardens	Nov-08	2023		
11)	Palm West	Sep-13	2028		
12)	Paul Lawrence Dunbar Senior (2)	TBD	QPP for term of HAP		
13)	Pine Run Villas	Oct-13	2028		
14)	Pinnacle At Abbey Park	Mar-04	QPP ends 3/1/2019		
15)	Pinnacle Palms (3)	Jul-05	QPP ends not sooner than July 1, 2020		
16)	Renaissance (at San Marino)	2004?	2019		
17)	Riverview House (4)	Aug-01	2016		
18)	Venetian Isles II (d/b/a San Marco VI)	Jul-04	QPP ends 7/1/2019		
19)	Village Square Elderly (d/b/a Courts at Village Squ	TBD	QPP for term of HAP		
20)	Westgate Plaza	Nov-12	QPP for term of HAP		
21)	Woodlake	Nov-13	2028		
(1)	QPP expected to start in 2016				
(2)	Expected completion early 2017				
(3)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18				
(4)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.				
(5)	Expected completion late summer 2016				

David Brandt

Subject: FW: 2017 Florida ALFA annual conference in Atlantic Beach

From: Kay Smith L.
Sent: Thursday, February 23, 2017 9:16 AM
To: David Brandt
Subject: RE: 2017 Florida ALFA annual conference in Atlantic Beach

Ok, he will get a letter from the doctor, because he was just released from the hospital on Thursday 2/9/17. He was hospitalized on 2/3/17 with pneumonia and released to home 2/9/17 on oxygen.

Thanks,
Kay

From: David Brandt
Sent: Thursday, February 23, 2017 9:02 AM
To: Kay Smith L.
Subject: RE: 2017 Florida ALFA annual conference in Atlantic Beach

Kay - although Tony participated by phone during the February meeting he was still considered absent and will he could participate in the discussion he could not vote/his vote was not included on any motions considered by the board. He may wish to request an excused absence for consideration by the board at the March meeting. If so please submit same before March 2. Thanks.

-----Original Message-----

From: Kay Smith L.
Sent: Thursday, February 23, 2017 8:14 AM
To: David Brandt
Subject: 2017 Florida ALFA annual conference in Atlantic Beach

Good Morning David,
Please see attached registration from.
Thanks,
Tony Smith

Tab 2

V. Old Business - attachments

- a. Royal Palm Place Apartments – financing update and authorization for a new TEFRA public hearing

Tab 3

Royal Palm Place, Ltd.
3050 Biscayne Boulevard, Suite 300, Miami, Florida 33137

March 1, 2017

Via email

Mr. David Brandt
Housing Finance Authority of Palm Beach County, FL
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406

RE: Royal Palm Place

Dear David:

Attached please find the following items related to Royal Palm Place:

- Revised debt letter from Citibank
- Updated pro forma financials
- Updated timeline

We are hereby requesting that the HFA Board of Directors review this updated information and permit this project to schedule a new TEFRA hearing for an increased maximum amount of tax exempt bond financing up to \$17,000,000.

Please let us know if you need any additional information or have any questions regarding this request.

Sincerely,

Royal Palm Place, Ltd

Francisco Rojo
Vice President of its Managing General Partner

cc: Laurel Robinson, West Palm Beach Housing Authority (via email only)

Enclosure

ROYAL PALM PLACE UPDATED TIMELINE

As of 03/01/2017

Execute GC Contract	02/28/2017
Submit Development Proposal to HUD	03/08/2017
PB HFA – Acknowledge bond increase to \$17M	03/10/2017
Commence Bond, SAIL/ELI, Housing Credit, Equity Documents	03/13/2017
HUD Development Proposal Approval	03/20/2017
TEFRA	04/14/2017
HFA Approve Bond Documents	05/12/2017
Complete FHFC Credit Underwriting (1 st Housing)	05/15/2017
PB County Approve TEFRA/bond issuance	05/16/2017
FHFC Board Approval of CUR	06/16/2017*
Building Permit Ready Letter	06/20/2017
Tax Credit Equity/Bond Closing	08/31/2017

*Note: It is possible that Applicant is able to obtain FHFC Board approval prior to 6/16/17. Closing will be scheduled as soon as possible after FHFC approval of the Credit Underwriting Report and all other requirements have been met, but no later than 8/31/2017.

8. STABILIZED OPERATING EXPENSES

	\$	Per Unit	Per SF
Management	72,400	579	49.93
Admin. (incl Payroll)	212,500	1,700	146.55
Water & Sewer	15,000	120	10.34
Electric	18,125	145	12.50
Elevators (4 @ \$300 each/mo)	14,400	115	9.93
Lawn	22,500	180	15.52
Trash	22,500	180	15.52
Pest Control	4,500	36	3.10
Repair & Maintenance	56,250	450	38.79
Insurance	81,250	650	56.03
Legal & Accounting	15,000	120	10.34
Fees & Permits	2,000	16	1.38
Real Estate Taxes (Pers Ppty)	10,000	80	6.90
Security	25,000	200	17.24
Reserves	37,500	300	25.86
Marketing/Misc.	5,000	40	3.45
TOTAL	613,925	4,911	423.40

Royal Palm Place

	\$	Constant	Debt Service	% of Project Costs	Per Unit
DEBT STRUCTURE					
FIRST MORTGAGE					
Amount	\$11,000,000				
Rate	5.54%				
Term/Amortization Period	35				
Amortization (Yes/No)	Yes				
FHFC SAIL Loan					
Amount	\$4,750,000				
Rate	1.00%				
Term/Amortization Period	0				
Amortization (Yes/No)	Yes				
FHFC ELL	\$0				
Amount	\$495,900				
Rate	0.00%				
Term/Amortization Period	30				
Amortization (Yes/No)	No				
P Beach County Loan					
Amount	\$115,000				
Rate	1.00%				
Term/Amortization Period	30				
Amortization (Yes/No)	No				

Royal Palm Place SOURCES AND USES

SOURCES		
Financing		
FIRST MORTGAGE		11,000,000
P Beach County Loan		115,000
FHFC SAIL Loan		4,750,000
FHFC ELL		495,900
DEFERRED DEV FEE		1,432,012
Capital Contributions		17,792,912
Limited Partners		12,747,000
General Partners		0
TOTAL SOURCES		30,539,912

USES

USES		
Ground Lease Payment(s)		360,000
Construction		20,995,000
Const. Cont.		1,047,750
Lender's Inspector		35,000
Arch, Eng. & Envir.		650,000
Building Permits		425,000
Personal Property		100,000
Taxes		15,000
Insurance		180,000
Legal		485,000
Title & Closing		132,400
Accounting		25,000
Appraisal/Mkt. Study		20,000
Marketing		75,000
Impact Fees/Water & Sewer		161,965
LHTC/SAIL Underwriting Appl.		34,037
LHTC Admin Fee		85,790
LHTC Compliance		115,000
Soft Cost/Contingency		170,000
Operating Reserve		333,000
Construction Loan Fees		333,000
Permanent Loan Fees		15,000
Construction Interest (E/Inj.)		575,000
Rent-up Init Res (Non-E/Inj.)		630,000
Tenant Relocation (by Ground Lessor)		160,000
0		0
Dev Chd/Free		26,774,912
		3,765,000
TOTAL USES		30,539,912

SURPLUS/(DEFICIT)

0

1. GENERAL PROJECT INFORMATION

Project Name	Royal Palm Place
Project County	Palm Beach
File Name	Royal Palm Place
Directory Location	H:\Excel Files\Profirms

2. UNIT BREAKDOWN

	Number	A/C SF	Type SF
One Bedroom/One Bath	75	625	46,875
Two Bedroom/Two Baths	50	825	41,250
Three Bedroom/Two Baths	0	0	0
Four Bedroom	0	0	0
Totals	125	1,450	88,125

3. DEVELOPMENT COSTS

	\$	Per Unit	Per SF
Ground Lease Payment(s)	350,000	2,800	3.97
Construction	20,955,000	167,640	237.79
Const. Cont.	1,047,750	8,382	11.89
Lender's Inspector	35,000	280	0.40
Arch. Eng. & Envir.	650,000	5,200	7.38
Building Permits	425,000	3,400	4.82
Personal Property	100,000	800	1.13
Taxes	15,000	120	0.17
Insurance	180,000	1,440	2.04
Legal	485,000	3,880	5.50
Title & Closing	132,400	1,059	1.50
Accounting	25,000	200	0.28
Appraisal/Mkt. Study	20,000	160	0.23
Marketing	75,000	600	0.85
Impact Fees/Water & Sewer	191,965	1,299	1.84
LH/C/SAL Underwriting, Appl.	34,037	272	0.39
LH/C Admin Fee	85,760	686	0.97
LH/C Compliance	115,000	920	1.30
Soft Cost Contingency	170,000	1,360	1.83
Operating Reserve	333,000	2,664	3.78
Construction Loan Fees	15,000	120	0.17
Permanent Loan Fees	575,000	4,600	6.52
Construction Interest (Elig.)	630,000	5,040	7.15
Rent-Up Int Res (Non-Elig.)	160,000	1,280	1.82
Tenant Relocation (by Ground Lessor)	0	0	0.00
Sub Total	26,774,912	214,199	303.83
Dev Chd/Fee	3,765,090	30,120	42.72
Sub Total	3,765,090	30,120	42.72
Total Development Costs	30,539,912	244,319	346.55

Royal Palm Place

INCOME LIMITS		2016		\$65,400	
Number of Persons	Percentage of Median	Income Limits	Percentage of Median	Income Limits	Percentage of Median
1	60%	28,280	50%	23,550	33%
2	80%	32,280	50%	26,900	33%
3	60%	36,300	50%	30,250	33%
4	60%	40,320	50%	33,600	33%
5	60%	43,560	50%	36,300	33%
6	60%	46,800	50%	39,000	33%

RESIDENTIAL RENTAL INCOME

	Number of Units	Gross Rent	Utility Allowance	Net Rent	Total Rent
0.00% 1 Bdr @ 60%	0	756	129	627	0
0.00% 2 Bdr @ 60%	0	907	156	751	0
3 Bdr @ 60%	0	1,049	0	1,049	0
4 Bdr @ 60%	0	0	0	0	0
69.33% 1 Bdr @ 60% (PBSB)	52	756	129	627	49,400
70.00% 2 Bdr @ 60% (PBSB)	35	907	156	751	38,500
3 Bdr @ 60%	0	1,049	0	1,049	0
4 Bdr @ 60%	0	0	0	0	0
3 Bdr @ 60%	0	0	0	0	0
30.87% 1 Bdr @ 33% (PBSB)	23	416	129	287	21,850
30.00% 2 Bdr @ 33% (PBSB)	15	499	156	343	16,500
3 Bdr @ 33%	0	576	0	576	0
4 Bdr @ 33%	0	0	0	0	0
TOTAL	125				126,250

Palm Beach County Section 8 schedule effective 1/1/2017, including water, sewer & electric. Units to be submetered for water consumption.

OTHER INCOME

Item	SF	\$/SF	Income
Non-Residential Income			
Cable TV Misc. Income, etc.	0	0	10,000
Laundry	0	0	0
Interest Reserve	0.00%		0
Total			10,000

VACANCY AND GROWTH FACTORS

Vacancy on Gross Income	5.00%
Income Growth Factor	2.00%
Expense Growth Factor	3.00%



February 16, 2017

Landmark Companies, Inc.
3050 Biscayne Boulevard, Suite 300
Miami, Florida 33137
Attn: Francisco Rojo

Re: Preliminary Application for Financing
ROYAL PALM PLACE, West Palm Beach, FL

Dear Mr. Rojo:

As you are aware, you are under application with Citibank, N.A. ("CITI") for a construction and permanent loan pursuant to the Preliminary Application dated June 15, 2016 (see attached). The Preliminary Application includes Exhibit A also dated June 15, 2016 (see attached) which outlines the terms of the proposed financing.

This letter confirms that Exhibit A dated June 15, 2016, is being replaced in full with an updated Exhibit A dated February 16, 2017 (see attached).

Should you have any questions, please don't hesitate to call me at 561-347-3254.

Sincerely,
Citibank, N.A.

A handwritten signature in blue ink, appearing to read "B Krinsky".

Barry Krinsky
Authorized Signatory

Attachments



EXHIBIT A

TERM SHEET

**Multifamily Rental Developments with Rent Restrictions
New Construction and/or Substantial Rehabilitation and/or Term Mortgages
Tax-Exempt “Back-to-Back” Loan Structure via CITI (Construction)
Tax-Exempt Loan Structure via Freddie Mac (Permanent)**

ROYAL PALM PLACE

February 16, 2017 (Updated from June 15, 2016)

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

This Term Sheet is an integral part of, and amends and restates the Term Sheet dated June 15, 2016 which establishes terms, conditions and requirements of, the Preliminary Application for Financing dated June 15, 2016 to which it is annexed.

PRELIMINARY LOAN TERMS

**Transaction
Summary:**

CITIBANK, N.A. (“CITI”) proposes to arrange a tax exempt construction/permanent loan to Palm Beach County Housing Finance Authority (the “Governmental Lender”). The proceeds of the loan to Governmental Lender shall fund an interim construction loan converting into a permanent mortgage loan (the “Tax-exempt Loan”) by Governmental Lender to the Borrower for the Property described below.

The Tax-exempt Loan (“Loan”) will have two distinct phases: (1) Construction Phase - an initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Fiscal Agent, at Governmental Lender’s discretion). Payments on the Tax-exempt Loan during the Construction Phase will be interest only. (2) Permanent Phase - a subsequent phase when, upon completion of construction and achievement of stabilized operations, no additional funds will be available to Borrower. Payments during the Permanent Phase will include principal reduction payments as well as interest.

During the Construction Phase, the lender will be CITI (the “Construction Lender”) and during the Permanent Phase, the lender will be Freddie Mac (the “Permanent Lender”).

Prior to Construction Phase closing, CITI as Freddie Mac Seller/Servicer, will work with Freddie Mac to provide an unfunded forward commitment ("Forward Commitment") to purchase a Tax-Exempt Loan upon Conversion (see below) to the Permanent Phase.

- Property:** A to be built multifamily, senior housing project (55+) containing 125 units to be located between 15th Street and 17th Street on Division Avenue in West Palm Beach, Palm Beach County, Florida. The property is commonly referred to as "Royal Palm Place" ("Property")
- Set-Asides:** 70% of the units are reserved for elderly individuals or families whose income is no greater than 60% of Area Median Income ("AMI") and 30% of the units are reserved for elderly individuals or families whose income is no greater than 33% of AMI. 100% of the units will also be covered by a project based Section 8 contract.
- Applicant:** Royal Palm Place, Ltd., a single asset entity which must be acceptable to CITI and Freddie Mac in all respects.
- Borrower:** Royal Palm Place, Ltd., a single asset entity which must be acceptable to CITI and Freddie Mac in all respects.
- LIHTC Investor/
Conventional Equity
Provider:** The Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and / or Conventional Equity Provider(s) and the terms and conditions of the operating partnership agreement(s) must be acceptable to CITI and Freddie Mac in all respects including, particularly, the timing and conditions to funding capital contributions. Wells Fargo is an acceptable tax credit investor.
- Guarantor(s):** Francisco Rojo and Robert Saland. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.
- Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI and Freddie Mac in all respects. CITI understands that the contemplated subordinate financing from Florida Housing Finance Corp. and from Palm Beach County will be funded pro-rata with the Loan.
- Loan Security:** First lien on Borrower's leasehold interest on land and any improvements, UCC filing for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument; CITI understands that there will likely be income and rent restrictions related to impact fee and water & sewer connection fee reductions and/or deferrals that would need to be paid down in full if the income and rent restrictions are removed. In addition, CITI understands that the Property will be subject to a 30-year use restriction, requiring the property to provide 125 units set aside for residents earning 80% or less of AMI which will have a lien priority senior to CITI's mortgage. Any documentation related to these fee waivers/deferrals and restrictions are subject to CITI's review and approval.
- Construction Phase
Recourse Guarantees:** Prior to conversion of the Loan to the Permanent Phase (described below) and during the Construction Phase (described below), the Loan will be fully recourse to the Borrower and to the Guarantor(s) and Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

Guarantees, Permanent Phase: None, except for industry standard carve outs ("Carve Outs"). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.

Environmental Indemnity: Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

Closing: Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

Closing Date (est.): 8/31/17

CONSTRUCTION PHASE

Construction Phase Loan Amount: An amount, currently estimated to be \$17,000,000, but in any event, an amount not to exceed 80% of costs covered through the Construction Phase.

Term: 24 months, plus two 6-month extension(s). Fees for the extension(s) are indicated below under "Fees & Expenses".

Construction Phase Interest Rate: A rate equal to the SIFMA Municipal Swap Index plus a spread of 2.50% during the Construction Phase. As of the date of this Term Sheet, SIFMA is 0.65%, for an all-in rate of 3.15%. This rate does not include Governmental Lender, Fiscal Agent, or miscellaneous 3rd party fees. (SIFMA is available at <http://www.sifma.org/research/item.aspx?id=19762>.) Pricing is based on current market conditions and is subject to change.

Interest Reserve: Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Loan during the Construction Phase.

Availability: Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests limited to one per month.

Loan in Balance: The Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for conversion of the Loan to the Permanent Phase; and (2) the sources available at Conversion are sufficient to pay down the Construction Phase Loan Amount to the Permanent Phase Loan Amount, along with any other funding requirements for Conversion.

Amortization: None. Payments on the Loan during the Construction Phase will be interest only.

Prepayment and Yield Maintenance: Prepayment of Loan principal amounts including through the application of insurance proceeds or a condemnation award during the Construction Phase, and those as a result of a Borrower default, may be made without prepayment fee or penalty.

Budget and Contingencies:

The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

General Contractor and Bonding Requirements:

The general contractor and the construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/X" or better and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the hard cost budget. LC provider must be rated "A" or better.

Retainage:

Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and then 0% retention withheld thereafter. No release of retainage is permitted for achieving 50% completion. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

PERMANENT PHASE

Permanent Phase Loan Amount:

An amount currently estimated to be in the maximum amount of \$11,000,000 or such other loan amount supported by CITI and Freddie Mac's underwriting of the Property at the time of Conversion in accordance with CITI and Freddie Mac's underwriting requirements including those listed below.

Forward Commitment Term:

24 to 36 months, to be selected by Borrower upon closing of the Construction Phase financing. Any extension will require Freddie Mac approval and will be subject to a Freddie Mac Extension Fee (see below).

Term/Amortization:

15/35 years.

Interest Calc:

30/360

Prepayment Fee:

10 year lockout, followed by Yield Maintenance until 6 months prior to maturity. The loan is pre-payable at 1%, six months before maturity. The loan is open at par for the last 90 days.

Permanent Phase Interest Rate:

Fixed rate based on Freddie Mac's pricing, as noted below. The rate includes servicing fees but does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. Pricing is based on current market conditions and is subject to change. The rate will be committed at the time of closing of the Construction Phase financing.

Forward	Freddie	CITI			Interest
Period (m)	Spread	Servicing	Index	Index %	Rate
24	2.32%	0.17%	10 Y UST	2.48%	4.97%
30	2.40%	0.17%	10 Y UST	2.48%	5.05%
36	2.48%	0.17%	10 Y UST	2.48%	5.13%

Debt Service Coverage: 1.15 minimum, based on mandatory debt service. Rents used in determining Debt Service Coverage will be based on the lower of rents for HAP units or the market rents as determined by CITI prior to closing the Construction Phase loan. At Conversion, if the Housing Assistance Payment Contract ("HAP Contract") is in place, the rents for the HAP units will be based on the lower of the market rents as determined by CITI prior to the Construction Phase loan closing or the actual rents being achieved in accordance with the HAP Contract. If for some reason, the HAP Contract is not in place, the rents will be based on the actual rents being achieved at the Property given consideration of the required regulatory restrictions.

Loan to Value: 90% of market value

Conversion to Permanent Phase Requirements: Conversion requirements include completion of construction and 90% physical occupancy of Project for three consecutive calendar months. CITI and Freddie Mac will review the Property's net operating income to determine the maximum Permanent Phase Loan Amount based on the Debt Service Coverage and Loan-to-Value noted above.

Subject to Freddie Mac approval, the Forward Commitment will allow for a downward variance in Loan Amount of 10% without the Borrower incurring a prepayment penalty.

Other Conversion Requirements: As may be required by Governmental Lender, CITI and Freddie Mac.

Replacement Reserve: Upon Conversion, Borrower will be required to fund a Replacement Reserve for each of the first ten years following Conversion in a minimum amount of \$250/unit/year for new construction projects or, for renovation projects, in an amount determined by a Physical Needs Assessment acceptable to CITI, but in a minimum amount of \$300/unit/year. For each successive ten year period thereafter until Permanent Loan maturity, the Replacement Reserve level will be determined by a new Physical Needs Assessment acceptable to CITI.

Repair/Escrow Immediate Physical Needs: To the extent that there are any Immediate Physical Needs remaining at the time of Conversion, CITI will require that the Borrower escrow 125% of the estimated cost to complete the work.

Operating Reserve / Re- Stabilizing Reserve: CITI/Freddie Mac will require an operating deficit/re-stabilizing reserve based on the LIHTC investor's requirements, presently sized at \$325,000. Funds from the operating deficit/re-stabilizing reserve will be held on deposit and utilized pursuant to the LIHTC investor's requirements.

Taxes and Insurance: Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with the Loan servicer (the "Servicer") on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property. At present, it is estimated that there will be no escrow of real estate taxes, as the property is anticipated to be exempt from payment of real estate taxes.

Assumability: Subject to CITI's / Freddie Mac's prior written approval and payment of an Assumption Fee of 1.00% of the unpaid principal balance of the Loan. Each request for approval must be accompanied by a \$3,000 non-refundable Review Fee. Notwithstanding the foregoing, no consent or assumption fee will be required in connection with the sale of tax credits (provided, however, Borrower shall provide the Review Fee). There will be no assumption fee or review fee in connection with the withdrawal of Royal Palm Place GP, LLC as General Partner of the Borrower.

OTHER

Appraisal, Environmental, Plan/Cost Reviews: Appraisal, Environmental and Plan/Cost Review reports will be commissioned and reviewed by CITI. Appraisal, environmental and plan/cost reviews must be acceptable to CITI in all respects.

Property Tax Abatements, Incentives: All documentation related to any tax abatement or tax incentives must be acceptable to CITI and Freddie Mac in all respects. CITI understands that the Property expects to pay no real estate taxes, which will need to be supported to CITI and Freddie Mac in all aspects.

GP Transfer: CITI understands that the WPBHA envisions that Royal Palm Place GP, LLC will withdraw as a general partner of the Borrower on or after Conversion, and transferring its interest to Royal Palm Place Enterprise, LLC, subject to Florida Housing Finance Corp. and the LIHTC investor's consent. CITI will also need to review and consent to such transfer and perform the necessary due diligence to confirm that Royal Palm Place Enterprise, LLC, the remaining WPBHA affiliated general partner, is acceptable. CITI will work with the Borrower to properly document this transfer so that the transfer can occur efficiently and without a transfer fee. Upon approval of the GP transfer/withdrawal, Francisco Rojo & Robert Saland will be released from the on-going Permanent Phase & Environmental Guarantees, which will thereafter be provided by an acceptable entity affiliated with the WPBHA general partner.

Developer Fee: Any developer fee paid prior to conversion to the Permanent Phase shall be pre-approved by CITI in its sole discretion.

FEES & EXPENSES

Application Fee: \$25,000, which amount shall be non-refundable (except as set forth in the "Exclusivity" section of the Preliminary Application, if issued) and due and payable upon acceptance of a Preliminary Application, if issued. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Loan (including CITI legal fees). \$10,000 of the application fee has already been received by CITI under an early due diligence deposit, leaving a remaining balance of \$15,000 of the Application Fee.

Third Party Reports:	CITI will require third party reports to be shared by CITI and Freddie Mac as named users. Providers of 3 rd party reports are subject to CITI's review and approval. Third Party Reports ordered by CITI will be billed at cost.
Origination Fee:	A non-refundable Origination Fee equal to 1.00% of the Construction Phase Loan Amount and 1.00% of the Permanent Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Loan and the Forward Commitment and is due and payable at that time. The Origination Fee will be applied towards CITI's costs of providing this financing.
CITI and Freddie Mac Counsel Fees:	<p>It is estimated that the fees of CITI's and Freddie Mac's outside counsel will be approximately \$110,000 plus expenses. A portion of the Application Fee will be applied to initial CITI and Freddie Mac counsel fees. Applicant agrees that it shall be responsible for the payment of all legal fees incurred whether or not the Forward Commitment is issued or the transaction closes.</p> <p>Fees of CITI's or Freddie Mac's counsel for work associated with Conversion of the Loan to the Permanent Phase are estimated at approximately \$10,000 + expenses.</p>
CITI Construction Phase Extension Fee:	0.00% of the outstanding Construction Phase Loan Amount for the first, six (6) month extension and 0.25% of the outstanding Construction Phase Loan Amount for the second, six (6) month extension.
Freddie Mac Application Fee:	Upon acceptance of a formal application, if issued, Applicant shall deliver to CITI a Freddie Mac Application Fee which is equal to the greater of \$3,000 or 0.10% of the Permanent Phase Loan Amount.
Freddie Mac Forward Commitment Deposit Fee:	A Forward Commitment Deposit Fee equal to 2.00% of the Permanent Phase Loan Amount is payable to Freddie Mac prior to closing. This fee may be posted in cash or a letter of credit. CITI is willing to advance this deposit fee from the Construction Phase Loan. The Forward Commitment Deposit Fee will be returned no later than thirty (30) days after Permanent Phase Conversion or will be retained if the loan does not convert to the Permanent Phase.
Freddie Mac Construction Period Standby Fee:	0.15% of the UPB per annum for each year (or partial year, prorated) of the Forward Commitment period, due at closing of the Construction Phase financing. Based on a 24-month Forward Commitment, the Standby Fee due at closing of the Construction Phase financing would be 0.30%.
Freddie Mac Extension Fee:	If Freddie Mac approves a six (6) month extension of the Forward Commitment Term, the Borrower will be required to pay a 0.50% Freddie Mac Extension Fee for the 1 st extension and 0.75% Extension Fee for the 2 nd extension, at Freddie Mac's discretion.
Course of Construction Inspections:	TBD

**Conversion Fee
and Expenses:**

A Conversion fee equal to \$5,000 will be charged by CITI. Other expenses, including insurance review, site inspection and loan servicer set-up fees are estimated to be \$5,000.

Other Costs:

Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

**Term Sheet
Expiration Date:**

Fifteen (15) days after the date hereof, unless attached to a Preliminary Application.

This Term Sheet is an indication of our proposal to finance the Property. It is understood and agreed that this Term Sheet does not, in any manner, constitute a commitment to lend. The financing documents evidencing the Loan will be in separate documents and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Term Sheet.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a "Transaction").

The provision of information in this Term Sheet is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if CITI possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

IRS Circular 230 Disclosure: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Tab 3

VI. New Business - attachments

- a. Presentation of General Fund audit report
- b. Consider establishing an Authority credit line
- c. Consider FL ALHFA Conference sponsorship
- d. Consider other membership renewals
 - i. Housing Leadership Council of PBC
 - ii. PBC Affordable Housing Collaborative
- e. Discussion of updated Internal Operating Procedures

Audited Financial Statements

**Housing Finance Authority of
Palm Beach County, Florida**
A Component Unit of Palm Beach County, Florida

Fiscal Years Ended September 30, 2016 and 2015

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
A COMPONENT UNIT OF PALM BEACH COUNTY, FLORIDA

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2016 AND 2015

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Independent Auditor's Report

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Palm Beach County, Florida, as of September 30, 2016 and 2015, and the respective changes in financial position and cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the *Management's Discussion and Analysis* on pages 3 to 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

West Palm Beach, Florida
February 10, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), presents the readers of our financial statements the following narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2016 and 2015. Please consider this information in conjunction with the accompanying financial statements (beginning on page 8).

Financial Highlights

- The Authority's assets exceeded its liabilities (net position) at the close of the fiscal year by approximately \$11.5 million in 2016 and 2015, all of which is considered unrestricted and according to the Authority's enabling legislation is available for any use described in the Florida Housing Finance Authority Law in the Florida Statutes.
- During 2016, the Authority's operating revenues exceeded its operating expenses by approximately \$119,000. During 2015, the Authority's operating revenues exceeded its operating expenses by approximately \$130,700.
- Cash and cash equivalents of the Authority increased in 2016 by approximately \$454,000 from the 2015 balance principally because of \$362,000 in GNMA and FNMA pay downs and \$79,000 less in net advances on down payment second mortgage assistance. The balance of cash and cash equivalents of the Authority decreased in 2015 by approximately \$129,000 from the 2014 balance principally because of approximately \$202,000 more advances than receipts on notes receivable. The Authority had approximately \$67,000 more in receipts from single-family first mortgage loans originated in Palm Beach County and purchased under the Lee County HFA program (the "Single Family Loan Program") in 2015 than 2014.

Overview of the Financial Statements

The Housing Finance Authority of Palm Beach County is a single enterprise fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private-sector business enterprises. This discussion and analysis is intended to serve as an introduction to the Authority's financial statements which include comparative Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and notes to the financial statements.

The Statements of Net Position present information on the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position are the basic statements of activities for enterprise funds. These statements provide the user information on the Authority's operating revenues and expenses, non-operating revenues and expenses and whether the Authority's financial position has improved or deteriorated as a result of the year's operations.

The Statements of Cash Flows present the change in the Authority's cash and cash equivalents during the years reported. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the statements and can be found beginning on page 12 of this report.

Summary of Net Position

As indicated earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's net position at September 30, 2016 and 2015 totaled \$11,539,608 and \$11,555,350, respectively, a decrease of \$15,742 and \$432,463 in 2016 and 2015, respectively. A condensed summary of the Authority's net position for fiscal years 2016, 2015, and 2014 is presented below:

	2016	2015	2014
Assets			
Cash, investments, and accrued interest	\$ 11,237,709	\$ 11,219,314	\$ 11,517,688
Other current assets	105,324	404,674	234,085
Noncurrent assets	<u>422,208</u>	<u>112,207</u>	<u>487,704</u>
Total Assets	<u>\$ 11,765,241</u>	<u>\$ 11,736,195</u>	<u>\$ 12,239,477</u>
Liabilities			
Accounts payable and other liabilities	<u>\$ 225,633</u>	<u>\$ 180,845</u>	<u>\$ 251,664</u>
Net Position	<u>\$ 11,539,608</u>	<u>\$ 11,555,350</u>	<u>\$ 11,987,813</u>

At September 30, 2016 and 2015, the net position was unrestricted and available for any authorized expenditure.

Summary of Revenues, Expenses, and Changes in Net Position

In fiscal year 2016, the Authority's net position decreased overall due to non-operating expenses of \$134,774. The 2016 decrease in operating revenues included Single Family Mortgage Program income of \$210,050. The 2016 decrease in net non-operating expenses was primarily due to net advances on down payment second mortgage assistance program loans of \$285,897 and interest income of \$225,378.

In fiscal year 2015, the Authority's net position decreased overall due to net non-operating expenses of \$563,204. The 2015 increase in operating revenues included Single Family Mortgage Program income of \$138,367. The 2015 decrease in net non-operating expenses was primarily due to net advances on down payment second mortgage assistance program loans of \$364,844 and the allowance for down payment second mortgage assistance program loans of \$408,837.

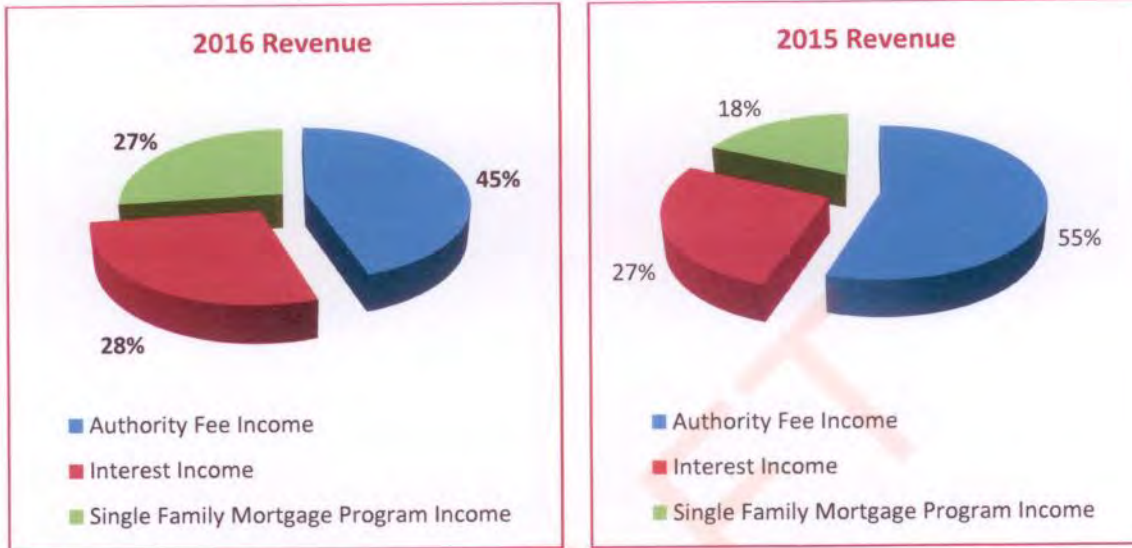
A summary of revenues, expenses and changes in net position for the years ended September 30, 2016, 2015, and 2014 is presented below:

	2016	2015	2014
Operating Revenues			
Authority fee income	\$ 359,740	\$ 434,050	\$ 586,958
Single Family Mortgage Program income	<u>210,050</u>	<u>138,367</u>	<u>89,039</u>
Total Operating Revenues	<u>569,790</u>	<u>572,417</u>	<u>675,997</u>

	2016	2015	2014
Operating Expenses			
Contract services	\$ 290,895	\$ 287,337	\$ 296,577
Professional fees	137,059	128,543	192,098
Other	<u>22,804</u>	<u>25,796</u>	<u>90,423</u>
Total Operating Expenses	<u>450,758</u>	<u>441,676</u>	<u>579,098</u>
Income from Operations	119,032	130,741	96,899
Non-Operating Revenues (Expenses)			
Interest income	225,378	212,002	198,271
Florida Housing Finance Corporation reimbursements	-	-	260,264
Advances for down payment second mortgage assistance program loans, net of repayments	(285,897)	(364,844)	-
Allowance for down payment second mortgage assistance program loans	-	(408,837)	-
Net increase (decrease) in fair value of investments and realized losses	<u>(74,255)</u>	<u>(1,525)</u>	<u>2,573</u>
Total Non-Operating Revenues (Expenses)	<u>(134,774)</u>	<u>(563,204)</u>	<u>461,108</u>
Increase (Decrease) in Net Position	(15,742)	(432,463)	558,007
Net Position - Beginning of Year	<u>11,555,350</u>	<u>11,987,813</u>	<u>11,429,806</u>
Net Position - End of Year	<u>\$ 11,539,608</u>	<u>\$ 11,555,350</u>	<u>\$ 11,987,813</u>

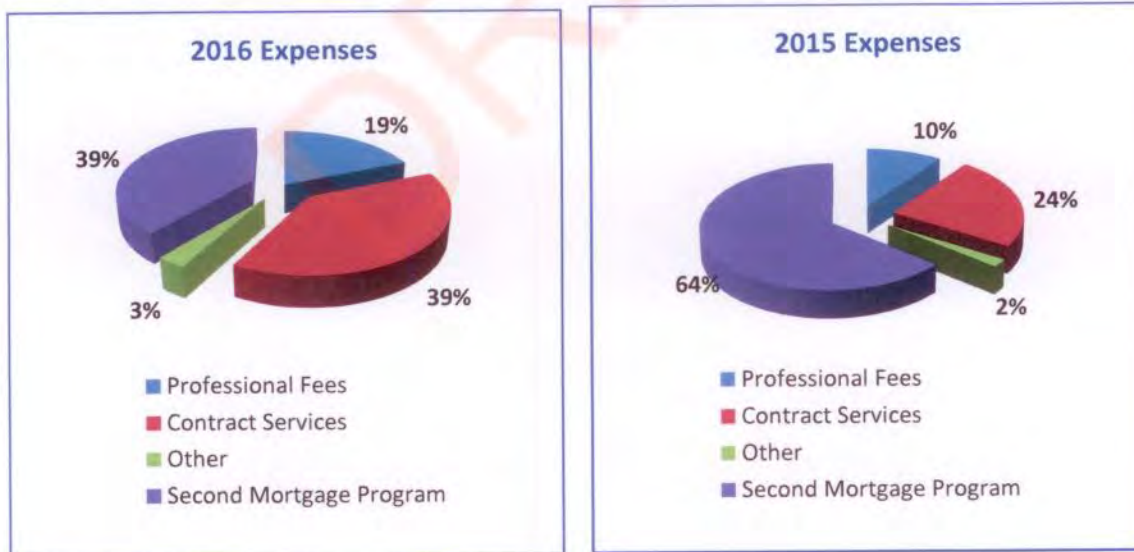
Revenues by Source

The following graphs illustrate the major sources and percentage of revenues (exclusive of change in fair value of investments) for the years ended September 30, 2016 and 2015:



Expenses by Source

The following graphs illustrate the major cost centers and the percentage of expenses (exclusive of change in fair value of investments) for the years ended September 30, 2016 and 2015:



Capital Assets

As of September 30, 2016, 2015, and 2014, the Authority did not have any Capital Assets. Its facilities and personnel costs are contracted from Palm Beach County, Florida.

Long-Term Debt

As of September 30, 2016, 2015, and 2014, the Authority had no long-term debt. The Authority is prohibited by Florida Housing Finance Authority Law under Part IV of Chapter 159, Florida Statutes (1979) (the "Housing Act"), from incurring debt payable from general revenue.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Brandt, Executive Director, Housing Finance Authority of Palm Beach County, 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406.

Sincerely,

David Brandt
Executive Director

DRAFT

FINANCIAL STATEMENTS

DRAFT

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - includes restricted amounts of \$154,025 in 2016 and \$105,000 in 2015	\$ 9,639,627	\$ 9,185,085
GNMA and FNMA Certificates	1,589,149	2,025,343
Accrued interest receivable	8,933	8,886
Authority fees receivable	-	1,015
Notes receivable - current portion	77,021	375,978
Other receivable	12,303	16,681
Prepaid expenses	16,000	11,000
TOTAL CURRENT ASSETS	<u>11,343,033</u>	<u>11,623,988</u>
NONCURRENT ASSETS		
Notes receivable - noncurrent portion	<u>422,208</u>	<u>112,207</u>
TOTAL NONCURRENT ASSETS	<u>422,208</u>	<u>112,207</u>
TOTAL ASSETS	<u>11,765,241</u>	<u>11,736,195</u>
LIABILITIES		
CURRENT LIABILITY		
Accounts payable	<u>71,608</u>	<u>75,845</u>
TOTAL CURRENT LIABILITY	<u>71,608</u>	<u>75,845</u>
ESCROW DEPOSITS	<u>154,025</u>	<u>105,000</u>
TOTAL LIABILITIES	<u>225,633</u>	<u>180,845</u>
NET POSITION		
Unrestricted	<u>11,539,608</u>	<u>11,555,350</u>
TOTAL NET POSITION	<u>\$ 11,539,608</u>	<u>\$ 11,555,350</u>

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended September 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Authority fee income	\$ 359,740	\$ 434,050
Single Family Mortgage Program income	210,050	138,367
TOTAL REVENUES	569,790	572,417
 OPERATING EXPENSES		
Contract services	290,895	287,337
Accounting and auditing fees	105,860	117,776
Legal fees, consulting and administration	31,199	10,767
Other expenses	22,804	25,796
TOTAL EXPENSES	450,758	441,676
INCOME FROM OPERATIONS	119,032	130,741
 NON-OPERATING REVENUES (EXPENSES)		
Interest income	225,378	212,002
Advances for down payment second mortgage assistance program loans (net of repayments of \$23,723 and \$3,750, for 2016 and 2015, respectively)	(285,897)	(364,844)
Allowance for down payment second mortgage assistance program loans	-	(408,837)
Net decrease in the fair value of investments and realized losses	(74,255)	(1,525)
TOTAL NET NON-OPERATING EXPENSES	(134,774)	(563,204)
DECREASE IN NET POSITION	(15,742)	(432,463)
 Net position at beginning of year	11,555,350	11,987,813
Net position at end of year	\$ 11,539,608	\$ 11,555,350

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from programs	\$ 360,755	\$ 443,029
Cash receipts from Single Family Mortgage Program	214,428	138,883
Cash payments for contract and professional services	(432,191)	(446,699)
Cash payments for other expenses	<u>(27,804)</u>	<u>(36,796)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	115,188	98,417
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipt of escrow deposits	110,000	65,000
Release of funds from escrow	<u>(60,975)</u>	<u>(105,000)</u>
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	49,025	(40,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal receipts from investments		
GNMA and FNMA Certificates	361,939	167,048
Advances on note receivables	(1,394,278)	(1,448,363)
Receipts on notes receivable	1,383,234	1,245,939
Interest income received on investments and notes receivable	225,331	212,673
Advances on down payment second mortgage assistance program loans (net of repayments of \$23,723 and \$3,750)	<u>(285,897)</u>	<u>(364,844)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>290,329</u>	<u>(187,547)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	454,542	(129,130)
Cash and cash equivalents at beginning of year	<u>9,185,085</u>	<u>9,314,215</u>
Cash and cash equivalents at end of year	<u>\$ 9,639,627</u>	<u>\$ 9,185,085</u>

See notes to financial statements.

	<u>2016</u>	<u>2015</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	\$ 119,032	\$ 130,741
Adjustments to reconcile income from operations to net cash provided by operating activities		
Increase in prepaid expenses	(5,000)	(11,000)
Decrease in Authority fees receivable	1,015	8,979
Decrease in other receivable	4,378	516
Decrease in accounts payable	<u>(4,237)</u>	<u>(30,819)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 115,188</u>	<u>\$ 98,417</u>
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Net decrease in the fair value of investments and realized losses	<u>\$ (74,255)</u>	<u>\$ (1,525)</u>
Allowance for down payment second mortgage assistance program loans	<u>\$ -</u>	<u>\$ 408,837</u>

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose: The Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, was created as a Florida Public Corporation in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979) (the "Housing Act"), following the adoption of an approving ordinance enacted by the Board of County Commissioners of Palm Beach County, Florida, (the "County") to alleviate the shortage of housing available at affordable rates in the County and the shortage of capital for investment in such housing.

Pursuant to the powers granted to the Authority by the Housing Act, the Authority issues single family and multi-family Revenue Bonds to finance the purchase of housing by families with low and moderate incomes through investing in mortgage loans to eligible families. The first mortgage loans are pledged as security for the payment of the Bonds' principal and interest. From inception to September 30, 2016, the Authority has issued approximately \$1 billion in Housing Revenue Bonds. As of September 30, 2016, the Authority has \$99 million of Bonds outstanding that were originally issued in the aggregate principal amount of \$130 million. Bonds issued by the Authority are not deemed to constitute debt of the Authority, Palm Beach County, the State of Florida, or any political subdivision thereof. The Authority also issues mortgage credit certificates to first-time homebuyers; the issuance of mortgage credit certificates does not create an asset or liability of the Authority. The Authority has also entered into interlocal agreements with other housing finance authorities to allow for the origination of single family mortgage loans in Palm Beach County; these loan programs do not create an asset or liability of the Authority. In connection with the mortgage credit certificates and single family mortgage programs, the Authority has funded down payment assistance second mortgages as further described in note D. The Authority also makes loans of its surplus funds for the development of affordable housing.

Financial Reporting Entity: In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. generally accepted accounting principles (GAAP). As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Authority found that the only entity to consider when applying the above criteria was Palm Beach County, Florida. The Board of County Commissioners of Palm Beach County appoints the governing Board of the Authority and is financially accountable for the operations of the Authority. Accordingly, the Authority is considered a component unit of Palm Beach County, Florida.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting: The Authority's operations are accounted for in a single enterprise fund. The Authority uses the accrual basis of accounting under which revenues are recognized in the period earned and expenses are recognized in the period liabilities are incurred.

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included in the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net position.

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year. The budget is adopted by the governing board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

Cash and Cash Equivalents: Cash and cash equivalents consist of money market mutual funds, the Palm Beach County Investment Pool, and investments in the Florida Prime Fund managed by the State of Florida, State Board of Administration. The Authority considers all highly liquid investments with an original maturity of three months or less and all deposits withdrawable upon demand to be cash equivalents. Deposits in the Florida Prime Fund and the Palm Beach County Investment Pool are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents.

Investments: In accordance with the Authority's investment policy, the Authority may invest in the following investments for the purpose of generating income from available funds on hand:

- The Florida Prime Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a Nationally Recognized Statistical Rating Organization.
- Savings accounts in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Single Family Bond Issues which it originated.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority may also enter into transactions made for its organizational purposes. These transactions include investments in first or second mortgage loans, mortgage-backed securities, custodial receipts (also known as "interest only strips" or "excess interest portions"), or other qualifying housing development loans made pursuant to Part IV, Chapter 159 Florida Statutes.

Investments are recorded at fair value based on quoted market prices. When a readily available quoted market value is not available, fair value is based on management's best estimate by reference to market data comparables.

The effective yield on the Authority's cash and cash equivalents and investments as of September 30, 2016 and 2015 was approximately 1.84% and 1.75%, respectively.

Restricted Assets: Restricted resources are used first to fund expenses incurred for restricted purposes.

Insurance: The Authority does not purchase commercial insurance, but relies on the constitutional doctrine of Sovereign Immunity for general liability claims under Florida law. Sovereign Immunity generally limits liability to \$200,000/\$300,000 per occurrence unless a claims bill is approved by the Florida Legislature awarding damages in excess of that amount. The Authority is also covered through a policy held by Palm Beach County. The Authority has not incurred any claims over the past three fiscal years.

Ad Valorem Taxes: The Authority receives no ad valorem property tax revenues.

Compensated Absences and Other Postemployment Benefits: The Authority has no compensated absence obligations or postemployment benefits because all of its personnel and related benefit costs are provided under an outsource agreement with the County. During the years ended September 30, 2016 and 2015, the Authority's costs related to such services were \$290,895 and \$287,337, respectively.

Net Position: The financial statements utilize a net position presentation. Net position is categorized as:

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of elements of net position that do not meet the definition of *Restricted*.

Revenue: The Authority realizes both operating and non-operating revenues and expenses. Operating revenues are derived from fees collected in connection with the issuance of multi-family bond issues and loan origination fees for single family programs. Operating expenses are the expenses related to administration of those programs. Non-operating revenues and expenses result principally from interest income and expense and net proceeds, investments, and arbitrage rebate refunds from redemption of bonds.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Multi-family fees are collected from the developers of multi-family housing projects and consist of periodic fees paid to the Authority based on fixed fee amounts or on a specified percentage of the outstanding principal balances of the long-term debt which financed the projects. The Authority may also collect fees from multi-family project developers at the time of application and upon closing of the related long-term debt. Multi-family fee structures and rates are established by policy.

Implementation of GASB Statements: The Authority implemented the following new GASB Statements during the fiscal year ended September 30, 2016.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governments in conformity with GAAP and the framework for selecting those principles.

Recent Accounting Pronouncements: The Governmental Accounting Standards Board has also issued new Statements effective in future years. Management has not completed its analysis of the effects, if any, of the following GASB statement that may be applicable to the financial statements of the Authority:

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this statement will be effective for the Authority for the fiscal year ending September 30, 2017.

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation. Reclassifications did not affect net position.

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents: At September 30, 2016 and 2015, cash and cash equivalents consisted of the following:

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

	<u>2016</u>	<u>2015</u>
Unrestricted:		
Florida Prime Fund	\$ 520,894	\$ 518,080
Federated Government Obligations		
Tax-Managed Fund	29,593	238,266
Fidelity Governmental Fund	18,043	238,266
Goldman Sachs Financial Square Government Fund	781,077	47,730
Palm Beach County Investment Pool	<u>8,135,995</u>	<u>8,037,743</u>
	9,485,602	9,080,085
Restricted:		
Fidelity Institutional Money Market Treasury Portfolio	<u>154,025</u>	<u>105,000</u>
Total cash and cash equivalents	<u>\$ 9,639,627</u>	<u>\$ 9,185,085</u>

The carrying value of the above cash and cash equivalents equals fair value. Fair value was determined by the State Board of Administration for the Florida Prime Fund, based on information provided by the Clerk and Comptroller, Palm Beach County, Florida for the Palm Beach County Investment Pool, and by the Trustee for all other cash and cash equivalents. At September 30, 2016 and 2015, restricted cash equivalents of \$154,025 and \$105,000, respectively, were held as escrow deposits from developers (see Note E).

The investment in the Florida Prime Fund consists of equity in an external investment pool administered by the State of Florida pursuant to statutory requirements and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pool is considered to be the same as the Authority's account balance (amortized cost) in the pool. The investment in the pool is not evidenced by securities that exist in physical or book entry form.

The Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, and Fidelity Institutional Money Market Treasury Portfolio are open end, institutional, money market funds investing in U.S. Treasury and agency obligations and repurchase and reverse repurchase agreements. On July 10, 2009, the Authority entered into an interlocal agreement with the Clerk and Comptroller, Palm Beach County, to appoint the Clerk as investment manager for the Authority with respect to funds designated by the Authority for investment in the Palm Beach County Investment Pool. The County's pooled cash fund is a highly liquid investment pool of approximately \$1.3 billion and \$1.4 billion as of September 30, 2016 and 2015, respectively, of which approximately 6% and 11%, respectively, is invested in U.S. Government and Agency obligations. The County's investment policy for this pool requires that all securities be insured or registered in the name of the County and held by a third party custodial institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank that is restricted for the safekeeping of County-owned securities. Almost all remaining amounts at September 30, 2016 and 2015 were invested

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

in money market accounts and certificates of deposit. The equity in the County pooled cash system is available to the Authority on a demand basis. See the County's Comprehensive Annual Financial Report (CAFR) for disclosures relating to its investment policy, interest rate risk, credit risk, custodial credit risk and concentration of credit risk.

The County's CAFR may be viewed on-line at www.mypalmbeachclerk.com/cafr.aspx or may be ordered from:

Palm Beach County Clerk & Comptroller
Attn: Financial Reporting
301 North Olive Avenue
West Palm Beach, Florida 33401
(561) 355-2912

Fair Value of Investments: The Authority follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Authority's perceived risk of that investment.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Valuation Methodologies: The following valuation methods and assumptions were used by the Authority in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72:

FNMA and GNMA Certificates: Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued using management's best estimate by reference to market data comparables.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2016.

Fair Value of Investments: The financial assets measured at fair value on a recurring basis include the Authority's FNMA and GNMA Certificates. There were no liabilities measured at fair value on a recurring basis at September 30, 2016. The fair value of the Authority's FNMA and GNMA Certificates at September 30, 2016 were all considered to be Level 1 assets.

GNMA and FNMA Certificates: The cost and fair value of GNMA and FNMA investments at September 30, 2016 and 2015 are as follows:

	<u>September 30, 2016</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
FNMA Certificates bearing interest at 5.49%-6.40%, due August 1, 2029 through November 1, 2032	\$ 511,156	\$ 532,620	\$ 21,464
GNMA Certificates bearing interest at 5.24%-7.00%, due November 15, 2024 through August 15, 2032	<u>934,868</u>	<u>1,056,529</u>	<u>121,661</u>
	<u>\$ 1,446,024</u>	<u>\$ 1,589,149</u>	<u>\$ 143,125</u>

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

	September 30, 2015		
	Cost	Fair Value	Unrealized Appreciation
FNMA Certificates bearing interest at 5.49%-6.40%, due August 1, 2029 through November 1, 2032	\$ 656,803	\$ 736,649	\$ 79,846
GNMA Certificates bearing interest at 5.24%-7.00%, due November 15, 2024 through October 15, 2032	<u>1,153,549</u>	<u>1,288,694</u>	<u>135,145</u>
	<u>\$ 1,810,352</u>	<u>\$ 2,025,343</u>	<u>\$ 214,991</u>

The net change in the fair value for the years ended September 30, 2016 and 2015 was a decrease of \$71,866 and a decrease of \$1,542, respectively. Realized gains for the years ended September 30, 2016 and 2015 were \$2,389 and \$17, respectively.

The Authority monitors the following deposit and investment risks:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk. The Palm Beach County Investment Pool Portfolio has an effective duration of approximately 0.40 years. The Authority's investment policy limits the maturity of investments to match cash and anticipated cash flow requirements. The investment in GNMA and FNMA securities are subject to interest rate risk as a function of the length of time to maturity (generally greater than 10 years) and are based on pools of residential home mortgage loans which are subject to prepayments and, therefore, are highly sensitive to changes in interest rates.

Credit Risk: Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the Florida Prime Fund, deposits with a financial institution meeting the requirements of a Florida qualified public depository, Securities Exchange Commission registered money market funds with the highest credit quality rating from a Nationally Recognized Statistical Rating Organization (NRSRO), and securities guaranteed by the U.S. Government. The policy also provides that the Authority may provide funding for or acquire an interest in first or second mortgage loans, custodial receipts or any other loan made in conjunction with a qualified housing development as defined by Florida Statutes. The security rating by a Nationally Recognized Statistical Rating Organization is an indication of credit risk. The investments in Single Family Bond Issues do not carry a credit rating. The Palm Beach County Investment Pool consists of investments that comply with the Authority's investment policy and does not carry a credit rating. The GNMA and FNMA securities are rated AA+ and the Florida Prime Fund, Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, and Fidelity Institutional Money Market Treasury Portfolio are rated AAAM by Standard & Poor's at September 30, 2016.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. The investments in the Florida Prime Fund, Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, Palm Beach County Investment Pool and Fidelity Institutional Money Market Treasury Portfolio are considered *unclassified* pursuant to the custodial credit risk categories. The investments in GNMA and FNMA securities and Single Family Bond Issues second mortgages are held by the Authority or the Authority's safekeeping agent in the Authority's name.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by diversifying to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank.

NOTE C - NOTES RECEIVABLE

Changes in notes receivable for the years ended September 30, 2016 and 2015 consisted of the following:

<u>September 30, 2016</u>	<u>Balance at Beginning of Year</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance at End of Year</u>	<u>Current Portion</u>
Community Land Trust of Palm Beach County	\$ -	\$ 1,352,503	\$ (930,295)	\$ 422,208	\$ -
West Palm Beach Housing Authority - 2015	375,978	41,775	(417,753)	-	-
Habitat for Humanity of South Palm Beach County, Inc.	<u>112,207</u>	<u>-</u>	<u>(35,186)</u>	<u>77,021</u>	<u>77,021</u>
	<u>\$ 488,185</u>	<u>\$ 1,394,278</u>	<u>\$ (1,383,234)</u>	499,229	<u>\$ 77,021</u>
Current portion				<u>(77,021)</u>	
Noncurrent portion				<u>\$ 422,208</u>	

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE C - NOTES RECEIVABLE (Continued)

<u>September 30, 2015</u>	<u>Balance at Beginning of Year</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance at End of Year</u>	<u>Current Portion</u>
NOAH Development Corporation	\$ 75,359	\$ 160,476	\$ (235,835)	\$ -	\$ -
West Palm Beach Housing Authority - 2014	131,535	759,162	(890,697)	-	-
Habitat for Humanity of South Palm Beach County, Inc.	78,867	152,747	(119,407)	112,207	-
West Palm Beach Housing Authority - 2015	<u>-</u>	<u>375,978</u>	<u>-</u>	<u>375,978</u>	<u>375,978</u>
	<u>\$ 285,761</u>	<u>\$ 1,448,363</u>	<u>\$ (1,245,939)</u>	488,185	<u>\$ 375,978</u>
Current portion				<u>(375,978)</u>	
Noncurrent portion				<u>\$ 112,207</u>	

During the year ended September 30, 2016, the Authority approved a \$1,500,000 revolving loan agreement, which can be increased to \$3,400,000, with Community Land Trust of Palm Beach County to construct 24 deed-restricted, low to moderate income single-family residences and townhomes located in the City of Lake Worth, Florida. The loan is due not later than May 31, 2018 and bears interest at 2% per annum. Payments of interest only are payable the first day of each month from May 1, 2016 through maturity. The amount available at September 30, 2016 was \$1,077,792.

During the year ended September 30, 2014, the Authority approved a \$250,000 revolving loan agreement with the West Palm Beach Housing Authority for rehabilitation work at the Colony Oaks and Newton Woods rental apartment complexes located in the City of West Palm Beach, Florida. The note accrued interest at 1% per annum and matured on March 31, 2015. Each advance was required to be repaid within ten days of the date the West Palm Beach Housing Authority was reimbursed by Palm Beach County. The loan matured on March 31, 2015 and was paid in full.

During the year ended September 30, 2014, the Authority approved a \$500,000 revolving loan agreement with Habitat for Humanity of South Palm Beach County, Inc. to construct 4 deed restricted single-family homes in the Ocean Breezes West subdivision and construct or rehabilitate existing single-family homes in southern Palm Beach County. The note bears interest at 1% per annum and matures on October 17, 2016. Payments of interest only are payable the first day of each month from December 1, 2013 through maturity. The remaining amount available at September 30, 2016 and 2015 was \$422,979 and \$387,793, respectively. During the year ended September 30, 2016, the maturity date was extended to March 31, 2017.

During the year ended September 30, 2015, the Authority approved a \$500,000 loan agreement with the West Palm Beach Housing Authority for the purchase and installation of energy-efficient materials, equipment and systems at 84 multi-family rental units owned by West Palm Beach Housing Authority

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE C - NOTES RECEIVABLE (Continued)

and located at 5100 45th Street, 905 22nd Street, and 619 6th Street, all in the City of West Palm Beach, FL. The note bears interest at 1% per annum. The loan matured on December 15, 2015 and was paid in full.

NOTE D - LOANS RECEIVABLE

Down Payment Second Mortgage Assistance: During the year ended September 30, 2013, the Authority entered into an interlocal agreement with the Lee County Housing Finance Authority ("Lee HFA") to originate first mortgage loans in Palm Beach County (the "Single Family Loan Program"). Lee HFA entered into first mortgage origination agreements with participating lenders to make 30-year fixed rate loans to homebuyers in their respective county. During the year ended September 30, 2011, the Authority entered into a similar interlocal agreement with Manatee County Housing Finance Authority to issue down payment assistance second mortgage loans. The Authority received \$210,050 and \$138,367, during the years ended September 30, 2016 and 2015, respectively, of income from its participation in the Lee HFA program. During the years ended September 30, 2016 and 2015, respectively, the Authority disbursed \$309,620 and \$368,594, respectively, to fund second mortgages under its second mortgage loans (down payment assistance loans) program and received repayments of \$23,723 and \$3,750, respectively.

Management of the Authority believes that substantial uncertainty exists regarding the timing and the ultimate collectability of all of its down payment second mortgage assistance loans, and has established an allowance for the loans outstanding of \$408,837 effective October 1, 2014. As of that date, they also began treating the funding of the loans as a current expense and future repayments, if any, will be recorded as revenue when received. At September 30, 2016 and 2015, the outstanding balance of the down payment second mortgage assistance program loans totaled \$1,059,578 and \$773,681, respectively.

NOTE E - ESCROW DEPOSITS

Escrow deposits relating to PL Dunbar Senior, Community Land Trust of Palm Beach County, Lake Delray Apartments and Palm Beach County Housing Authority consist of "good faith" deposits received from developers. These deposits are received at such time as a developer enters into a Memorandum of Agreement with the Authority in connection with the proposed issuance of bonds or a development loan. The amount of a good faith deposit is determined by the Authority's Board and is held in escrow to be returned in whole, without interest, to the developer at bond or loan closing, or under certain circumstances used to pay the Authority's and/or staff's costs and expenses if the bond or loan financing is not completed.

Under certain circumstances, "other deposits" are held to assure performance. In connection with the issuance of La Costa Apartments Project Multi-Family Bonds, the developer deposited \$40,000 in escrow with the Authority to ensure potential payments under a fee and environment indemnity agreement. These funds accrue interest at a variable rate which was .01% at September 30, 2016 and 2015. The funds will be released with interest to the respective developer under the terms of the respective indemnity agreement. As of September 30, 2016 and 2015, the Authority had accrued interest of \$2,054 and \$2,051, respectively, which amount is included in accounts payable in the accompanying statements of net position.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE E - ESCROW DEPOSITS (Continued)

Escrow deposits at September 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Good faith deposits:		
PL Dunbar Senior	\$ -	\$ 55,000
Community Land Trust of Palm Beach County	4,025	10,000
Lake Delray Apartments	55,000	-
Palm Beach County Housing Authority - NSBV	<u>55,000</u>	<u>-</u>
	114,025	65,000
Other deposits:		
La Costa Apartments Project	<u>40,000</u>	<u>40,000</u>
	<u>40,000</u>	<u>40,000</u>
Total	<u>\$ 154,025</u>	<u>\$ 105,000</u>

During the year ended September 30, 2016, the Authority received \$110,000 of deposits from developers and refunded \$60,975 to developers. During the year ended September 30, 2015, the Authority received \$65,000 of deposits from developers and refunded \$109,848 to developers, including interest of \$4,848.

NOTE F - LOAN PROGRAM ASSISTANCE

During the year ended September 30, 2003, the Authority provided for the extension of the loan origination period of the 2001 Series A Single Family Mortgage Bond Program funds for a second mortgage program in an amount up to \$7,500 to assist mortgagors with the closing costs and down payment requirements for the purchase of their home. The loans bear interest at 1% due at the time the mortgagors' first mortgage loan is satisfied. Because of the speculative nature of this loan program, the

Authority treats the funding of such loans as a current expense and the future repayments, if any, as revenue when received. The Authority contributed \$103,315 to establish this second mortgage program in fiscal 2002. The balance due under these loans as of September 30, 2016 and 2015 was \$16,465. The Authority did not receive any repayments in 2016 or 2015.

NOTE G - UNRESTRICTED NET POSITION

At September 30, 2016 and 2015, unrestricted net position includes amounts approved by the Board of the Authority for the following purposes:

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE G - UNRESTRICTED NET POSITION (Continued)

	<u>2016</u>	<u>2015</u>
Down Payment Second Mortgage Assistance Program - Single Family Loan Program	\$ 1,757,386	\$ 1,747,006
For defeasance or purchase of 2006-1 Single Family bonds	158,852	158,852
Purchase of Single Family Program Mortgage Backed Securities	2,241,148	1,741,148
Construction Loan Programs:		
Habitat for Humanity of South Palm Beach County, Inc.	-	387,793
Noah Development Corporation	-	200,000
West Palm Beach Housing Authority	-	124,022
Community Land Trust of Palm Beach County	2,977,792	3,400,000
For additional surplus loans	<u>1,100,000</u>	<u>-</u>
Total	8,235,178	7,758,821
Undesignated	<u>3,304,430</u>	<u>3,796,529</u>
Total	<u>\$ 11,539,608</u>	<u>\$ 11,555,350</u>

The Authority Board did not establish an operating reserve as of September 30, 2016 and 2015.

In 2011, 2012 and 2013 the Authority Board approved various down payment second mortgage assistance programs which are ongoing at September 30, 2016 (see Note D).

During the year ended September 30, 2011, the Authority Board approved the purchase (defeasance) of the Single Family Mortgage Revenue Bonds, 2004 Series, Sub-Series 2006-1 from Fannie Mae, under Surplus Funds Loan Programs, when available at a price not to exceed 100. As of September 30, 2016, the outstanding bond balance on these bonds was \$158,852.

The Authority Board approved \$4,500,000 for a single family loan purchase fund. During the year ended September 30, 2015, it was reduced to \$1,900,000. During the year ended September 30, 2016, it was increased to \$2,400,000 for which \$2,241,148 remains available at September 30, 2016.

During September 30, 2014, the Authority Board approved a construction loan of \$500,000 for Habitat for Humanity of South Palm Beach County, Inc. No amounts are available at September 30, 2016.

During the year ended September 30, 2014, the Authority Board approved a revolving construction loan for Noah Development Corporation for \$200,000, for which amounts remained available at September 30, 2015, but no longer remained available at September 30, 2016.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE G - UNRESTRICTED NET POSITION (Continued)

During the year ended September 30, 2015, the Authority approved a revolving construction loan for West Palm Beach Housing Authority for \$500,000. No amounts are available at September 30, 2016 (see Note C).

During the year ended September 30, 2015, the Authority approved a revolving construction loan for Community Land Trust of Palm Beach County for \$3,400,000. At September 30, 2016, \$2,977,792 remains available for Community Land Trust of Palm Beach County (see Note C).

NOTE H - SUBSEQUENT EVENT

In October and November 2016, the Authority disbursed a total of \$18,800 to fund down payment assistance second mortgage loans originated under the Down Payment Second Mortgage Assistance Program.

DRAFT

**COMPLIANCE REPORT AND
MANAGEMENT LETTER**

DRAFT

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
West Palm Beach, Florida

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Palm Beach, Florida
February 10, 2017

DRAFT

Management Letter

The Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Housing Finance Authority of Palm Beach County, Florida as of and for the year ended September 30, 2016, and have issued our report thereon dated February 10, 2017.

Auditor's Responsibility

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*. Disclosures in that report, which is dated February 10, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements. There were no component units related to the Authority.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we offer the following recommendation.

2016-001 Disbursements

We noted that the monthly disbursements are approved by the Governing Board, but the Executive Director has sole responsibility for submitting the request for payments to the Trustee. In order to maintain proper controls and segregation of duties, we recommend that subsequent to the Board approval of the list of disbursements, someone other than the Executive Director be responsible for submitting the approved listing to the bank for preparation of the wires and checks. For months when the Board does not meet, approval of the disbursements by the Board Chair should be documented and the Chair should submit the request for payment to the Bank.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Palm Beach County, and the Governing Board, Audit Committee and management of the Housing Finance Authority of Palm Beach County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

West Palm Beach, Florida
February 10, 2017

Communication with Those Charged with Governance

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
West Palm Beach, Florida

We have audited the financial statements of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 9, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- Management's estimate of the fair value of its cash equivalents and investments at September 30, 2016. We evaluated the key factors and assumptions used to estimate the fair value of cash, cash equivalents and investments and related investment earnings in determining the amounts are reasonable in relation to the financial statements taken as a whole.
- Management estimated that all second mortgage down payment assistance loans receivable (the "loans") should be fully reserved. No reserves were required relative to the collection of notes receivable. We evaluated the key factors and assumptions used to

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
February 10, 2017
Page Two

determine the allowance for the collectability of the loans and notes receivable and determined management's assumptions are reasonable.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosures related to cash equivalents and investments in Note B to the financial statements.
- The disclosures related to unrestricted net position in Note G to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 10, 2017.

Management Consultations with other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
February 10, 2017
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Other Audit findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Internal Control Related Matters

In planning and performing our audit, we considered the internal control over financial reporting (internal control) of the Authority as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we did not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of the Authority's internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance Related Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we did not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Information Included in Documents Containing Audited Financial Statements

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Chair, Members of the Board and Audit Committee, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

To the Honorable Chair and Members of the Board
Housing Finance Authority of Palm Beach County
February 10, 2017
Page Four

West Palm Beach, Florida
February 10, 2017

DRAFT

U.S. Bank MasterCard® Community Card



Designed
for your
Organization



The unique card for your organization.

The U.S. Bank MasterCard Community Card is specifically designed for non-profit organizations and municipalities. Gain access to a revolving line of credit to help you manage expenses.

Improve Purchasing Power¹

With this card, your company can reduce administrative costs and save money with a low annual percentage rate (APR) on purchases.

Flexible Payment Terms

You can pay in full every month, make the minimum payment, or select something in between that works for your non-profit or municipality.

Optional Cash Rewards

Earn 1% cash back² on every eligible net purchase³ — from office supplies and travel to fuel expenses!

See How Much You Can Earn

	Annual Spend	Annual Earn
Authorized Officer	\$22,788.00	\$227.88
Employee(s) Spending	\$15,192.00	\$151.92
Total Cash Rewards		\$379.80

Chart is meant as an example only.

Simplify Expense Management and Control

- ▶ **SET EMPLOYEE SPENDING LIMITS** — Take advantage of the features designed to make it easier to manage expenses.
- ▶ **CONSOLIDATED STATEMENTS** — You'll receive one Accounts Payable statement that shows all charges, grouped by cardholder. It can simplify bookkeeping by tracking all your expenses in one place.
- ▶ **ONLINE REPORTING** — Free online management reporting allows you to categorize, track expenses and improve efficiency.

Custom Card Designs

Your U.S. Bank MasterCard Community Card can include your organization's name, enhancing your exposure.

Apply Today!

Visit a local branch or talk with a banker today.



¹ Certain terms, conditions and exclusions apply. Please call 800.MC.ASSIST (800.622.7747) for assistance. ² Cash back is redeemed in the form of a deposit to a U.S. Bank checking, savings or money market account or as a statement credit (no minimum redemption required). Account must be open and in good standing to earn and redeem rewards and benefits. Please refer to your Rewards Program Rules for additional information. ³ Net Purchases are purchases minus credits and returns.



Your MasterCard® offers a variety of additional benefits every time you use it.

MasterRental® Car Rental Collision Damage Waiver Insurance

Receive Auto Rental coverage by charging your entire rental transaction amount to your eligible card and declining the extra collision insurance (or loss damage waiver) from the rental company. If your rental car is damaged or stolen while you're traveling, you can be covered!⁴

MasterAssist Travel Assistance Services

Enjoy your trip knowing you have a wide range of emergency services available 24 hours a day when you are away from home. Get help coordinating medical, legal, and travel services when you need them. You are responsible for the cost of any actual medical, legal, transportation, cash advance, or other goods or services provided.⁴

Airport Concierge

Receive a 15% discount on a dedicated "Meet & Greet" escort service to guide you through the airport upon departure, arrival or any connecting flights at over 450 destinations worldwide.⁴

Purchase Assurance

Protect your credit card purchases in case of theft or damage due to a covered reason for the first 90 days from the date of purchase. Purchase Assurance will replace, repair, or reimburse your eligible items of personal property purchased entirely with your eligible credit card.⁴

Identity Theft Resolution Services

This service will assist you with credit bureau notification and credit card replacement, and an ID Theft Affidavit should you become the victim of Identity Theft.⁴

MasterCard Travel Services

Experience a suite of premium travel benefits that provide access to Luxury Hotels & Resorts Portfolio, upgrades and discounts on select airlines, elite status at participating car rental companies and added-value through our Cruise and Tours and Vacations programs.⁴

MasterCard Easy Savings® Program

Enjoy this complimentary program where you can save on business purchases. Use your Business MasterCard on qualifying purchases at participating merchants. Your savings appear as automatic credits on your future account statements.⁴

Payment Controls

Business cardholders may also take advantage of U.S. Bank Payment Controls, an additional FlexControl™ service that lets you individually customize each of your employees' business credit cards. It will help you manage where, when, and how your employees use their card.⁴

Extended Warranty Coverage

This coverage extends the original manufacturer's warranty up to a maximum of one additional year for qualified purchases that come with a five-year-or-less original manufacturer's U.S. warranty. Extended Warranty will not pay more than the actual amount charged to your card for the item, or \$10,000, whichever is less.⁴

MasterCard VAT Reclaim Service

This service provides an easy way for U.S. Companies that are entitled to recover the Value Added Taxes (VAT) expenses that their employees incur on foreign business travel.⁴



David Brandt

From: Florida ALHFA <flalhf@aol.com>
Sent: Friday, February 10, 2017 10:05 AM
To: sleigh@comcast.net; zdog416@aol.com
Subject: Florida ALHFA 2017 Conference Sponsorship Opportunities for Local HFA's

**2017 FLORIDA ALHFA EDUCATION CONFERENCE
JULY 12-15, 2017
ONE OCEAN
ATLANTIC BEACH, FLORIDA**

**BECOME A 2017 FLORIDA ALHFA
CONFERENCE SPONSOR**

The 2017 Florida ALHFA Conference is just FIVE months away and there is an opportunity for you to contribute to its success. As we are planning the agenda and events it is important that the participants have a meaningful and enjoyable experience.

Consider showing your support by becoming a Platinum or Event Sponsor.

As a local HFA you enjoy the benefits that Florida ALHFA has provided over the past year. Help us build on that momentum.

Sponsorship levels include Platinum, Gold, Silver, and Bronze. You can sponsor a specific event, such as the reception or a breakfast.

If you sponsor at a Gold Level or above the Local HFA will receive the benefit of your board members guest (one guest per board member) receiving a free registration for the dine around and reception.

Make the 2017 Conference to remember!

The costs of each sponsorship level are shown in the attached document.



Board Members:

Angela A. Abbott Brevard County HFA, President
Harry Hedges, Hillsborough County HFA, Treasurer
W. D. Morris, Orange County HFA, Immediate Past President
Walt Ferguson, Lee County HFA
Cheree Gulley, Miami-Dade County HFA
Richard Pierro, Manatee County HFA
Jim Ryan, Clay County HFA

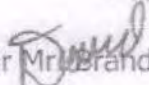
Executive Directors

Mark Hendrickson
Susan Leigh
1404 Alban Avenue
Tallahassee, Florida 32301
850.671.5601
Email: flalhfa@gmail.com
Website: www.flalhfa.com

February 11, 2017

David Brandt, Executive Director
Palm Beach County Housing Finance Authority
100 Australian Avenue, 4th Floor
West Palm Beach, Florida 33406

RE: Florida ALHFA 2017 Education Conference July 12-15, 2017

Dear  Mr. Brandt:

The Palm Beach County Housing Finance Authority was a Gold Sponsor for last year's Florida ALHFA Education conference. As we approach the 2017 Conference, we are asking you to again be a sponsor. I have attached the sponsorship information to review. The Sponsorship levels remain the same as last year.

The 2016 conference success was a reflection of the commitment that Palm Beach County HFA has shown to Florida ALHFA by your past participation. The Palm Beach County HFA is an important member of our organization and we hope for your continued support in 2017 through a financial commitment as a Conference Sponsor at the same level or higher.

There is an added benefit to sponsoring at a higher level this year. For local HFA's, if there is a contribution of \$2500 or more (Gold Level), registered Board members from that HFA may bring one guest that will be able to attend the dinner and reception without a guest fee.

Based on your participation, your HFA logo has been seen by all those that have logged on to the Florida ALHFA website this past year and will continue to be seen until May of 2017 as a 2016 sponsor, representing your commitment to our organization.



It has been an exciting year for Florida ALHFA. This past year Florida ALHFA has been able to make substantive changes to our role in important housing policy and program implementation issues for the state. These changes have had a direct benefit to our members and your participation in Florida ALHFA has been one of the keys to that success.

The Florida ALHFA Education Conference will be in Atlantic Beach and be held at the One Ocean, a Remington Hotel. This conference is the one time during the year that members have an opportunity to gather, network, and learn of new programs and successes that have occurred statewide. Your visibility during this conference is valuable brand and your participation and shared knowledge is critical to the overall success of this learning experience.

Florida ALHFA would like you to have the opportunity to participate as a sponsor at this year's 2017 Florida ALHFA Educational Conference.

If you are planning to participate, it would be helpful if you could indicate the level of sponsorship that you will be considering while the paperwork is processing. If you would like me to send this email to someone else in your company, just direct me to the right person and I will take care of it.

We are looking forward to an educational and well-attended conference and to your participation. Registration, reservation as well as the registration form can be found on the Florida ALHFA website.

I look forward to hearing from you soon, and feel free to call or email with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Leigh", with a long, sweeping tail that extends to the right.

Susan Leigh
Director
Florida ALHFA

Attached: Sponsorship Levels and Benefits
Sponsorship Commitment Form

**2017 FLORIDA ALHFA EDUCATIONAL CONFERENCE
ATLANTIC BEACH, FLORIDA
JULY 12 – 15, 2017
SPONSORSHIP COMMITMENT FORM**

Sponsorship Level:

_____ Platinum (\$5,000)
_____ Gold (\$2,500)
_____ Silver (\$1,000)
_____ Bronze (\$ 500)

Other Sponsorship Opportunities

_____ Breakfast Sponsor (Thursday) (\$1,500)
_____ Breakfast Sponsor (Friday) (\$1,500)
_____ Breakfast Sponsor (Saturday) (\$1,500)
_____ Reception Sponsor (\$1,000)

Exhibit Space at Conference*

_____ Free for Platinum Sponsors- please check if you will be using space
_____ \$300 for Gold Sponsors- please check if you will be using space
_____ \$500 for Silver Sponsors- please check if you will be using space
_____ \$700 for Bronze Sponsors- please check if you will be using space
_____ \$800 for non-sponsors

*Subject to availability of space. All advertising and exhibit space will be allocated on a first-come first-served basis. Exhibit space will be in a separate room near the meeting space

You must register for the conference to participate as an exhibitor.

**ALL SPONSORS MUST REMIT A CHECK WITHIN 30 DAYS OF VERBAL COMMITMENT
INFORMATION NEEDED FROM ALL SPONSORS:**

1. Official name to be used for Signage or printed materials:

2. Contact _____

- a. Name: _____
- b. Address: _____
- c. Telephone: _____
- d. Email _____
- e. Fax _____

3. Contact for Graphics/Logo or Standardized Ad:

Authorized Signatory

Return all forms to:

Susan Leigh

susan@flalhfa.com

Checks should be mailed to:

Florida ALHFA

1404 Alban Avenue

Tallahassee, Florida 32301

2017 FLORIDA ALHFA EDUCATIONAL CONFERENCE
ATLANTIC BEACH, FLORIDA
JULY 12 – 15, 2017
SPONSORSHIP COMMITMENT FORM

SPONSORSHIP LEVELS AND BENEFITS

PLATINUM

\$5,000 Contribution
Full-page ad in Conference Brochure (first contributor gets choice of inside location or back cover)
Speaker on Panel
Free Exhibit Space
Signage Recognition at all events
Firm Logo on Florida ALHFA Website for 1 Year
1 free conference registration (does not include dine around costs)

GOLD

\$2,500 Contribution
Exhibit Space \$300
Speaker on Panel
Advertising Space in Conference Brochure
Signage Recognition
Firm Logo on Florida ALHFA Website for 1 Year

SILVER

\$1,000 Contribution
Exhibit Space \$500
Advertising Space in Conference Brochure
Signage Recognition
Firm Logo on Florida ALHFA Website for 1 Year

BRONZE

\$500 Contribution
Exhibit Space \$700
Signage Recognition
Firm Logo on Florida ALHFA Website for 1 Year

SPECIFIC EVENT SPONSORS:

\$1,000 for Reception
\$1,500 for Breakfast
Signage Recognition
Firm Logo on Florida ALHFA Website for 1 Year

SPECIAL HFA SPONSORSHIP BENEFIT

Any HFA that sponsors at the Gold or Platinum level or above (total of sponsorships \$2,500 or greater) will be allowed one free guest registrations for every one of your HFA's Board Members who register and attend the conference.

This is limited to on-time registrations for both Board members and guests.



We invite you to join the Housing Leadership Council and help us provide trusted resources for safe and affordable housing in our Community.

Partnerships

- Individual Partnership \$100
- Under \$500,000 Revenue \$100
Annually
- \$500,000- \$1,000,000 Annually \$250
- Over \$1,000,000 Annually \$500

Name: _____ Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

**Checks can be made to: Housing Leadership Council of Palm Beach County
2101 Vista Parkway, Suite 258, West Palm Beach, Florida 33411**

Credit Cards are accepted on PAYPAL



For more information visit our website at
www.hlepbc.org
or contact Suzanne Cabrera, President & CEO
Phone – (561) 653-4107 - scabrera@hlepbc.org

The Housing Leadership Council of Palm Beach County, Inc. is a 501(c)(3) non-profit organization. Contributions are deductible to the fullest extent allowable by law. A copy of the official registration and financial information may be obtained from the Division of Consumer Services by calling toll free 1-800-435-7352 within the state. Registration does not imply endorsement, approval or recommendation. CH 85-8013812806C-8



A DECADE OF ACCOMPLISHMENTS

The Housing Leadership Council of Palm Beach County was founded in 2006 to address the shortage of affordable workforce housing. Our vision is to ensure housing that is affordable, attainable, appropriate, and sustainable.

Documenting the Need

The HLC has provided major housing studies and updates since 2007. These studies have documented the state of housing including the shortage of units, unaffordability of existing units and cost burden for the majority of our workforce. The HLC also conducted a study of employers which determined housing was one of the major factors in a business's relocation decisions.

Raising Funds for Housing Initiatives

The HLC helped form the consortium and write the grant application that resulted in \$23.3 Million award used to stabilize and revitalize the housing in Lake Worth Florida. The HLC also did monitoring that resulted in the award being spent on-time with no finding or concerns from federal monitors. This initiative provided 100 for sale units for homeowners and 70 affordable rental units.

Developing Collaborations

The HLC was instrumental in developing and funding the South Florida CLT Network which brings together the efforts of all our area Community Land Trusts. The group was awarded one of only ten grants nationwide offered by NCB Capital, the Social Innovation Fund and Ford Foundation to assist with capacity building and bringing this model to scale in South Florida. There are currently over 300 units under management in Palm Beach County.

Reducing Barriers to Affordable Housing

The HLC worked in partnership with PEACE and the Commission on Affordable Housing to put in place a dedicated funding source to pay impact fees for affordable/workforce housing. This has provided hundreds of thousands in impact fee reimbursements to make the cost of building affordable housing cheaper. This effort has assisted over 300 units become more affordable through impact fee reimbursement.

Advocating for Housing Funds and Policy

The HLC Public Policy committee has worked tirelessly in advocating for the State Housing Trust Funds (Sadwoski Funds) being fully allocated to housing which has provided tens of millions in funding to our county each year. We have also advocated for policy changes that help affordable housing strategies work the way they were intended.

Fighting NIMBYism (Not in My Back Yard)

Provided technical assistance and public testimony to get over 1,600 units of workforce and affordable housing through the county/ municipal approval process with an emphasis on combating NIMBYism (Not in My Backyard).

Building Capacity

The HLC has provided workshops on funding sources, lending, resources, subsidy, credit and many other topics to help build capacity of over 400 individuals active in housing efforts in our community.



Palm Beach County Affordable Housing Collaborative
PO Box 1726
West Palm Beach, FL 33402

2017 INVOICE

Please check the appropriate box for the type of Membership remittance:

- | | |
|--|-----------------------|
| <input type="checkbox"/> Lending/Financial Institution | \$400.00 |
| <input type="checkbox"/> Real Estate Company/Developer | \$400.00 |
| <input type="checkbox"/> Other For-Profit Business | \$100.00 |
| <input type="checkbox"/> Non-Profit Organizations | \$ 50.00 |
| <input type="checkbox"/> Governmental Agencies | \$ 50.00 (or in-kind) |

Please make check payable to:
Palm Beach County Affordable Housing Collaborative

Please send check and this completed form to:
PO Box 1726, West Palm Beach, FL 33402

If you have any questions, or prefer to obtain a street address for mailing, please contact the Treasurer, Lucy Carr, at (561) 803-9953, or at lucy.carr@pnc.com.

If required, the current tax ID number affiliated with the Collaborative is 20-2257762. All fees collected will be used to defray the costs of general or member-approved Collaborative expenses.

Member Information (please print):

Company/Organization Name: _____

Contact Name : _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (_____) _____ Fax: (_____) _____

Email Address: _____

- Please provide a written receipt for payment

Thank you for your support of the Palm Beach County Affordable Housing Collaborative

Tab 4

VII. Other Matters - attachments

None